

**AUGUST 11, 2015 CITY COUNCIL BUDGET BRIEFING AGENDA  
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Budget Briefing Agenda dated August 11, 2015. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.



A.C. Gonzalez  
City Manager

8.7.15

Date



Jeanne Chipperfield  
Chief Financial Officer

8/7/2015

Date



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CITY SECRETARY  
DALLAS, TEXAS



# COUNCIL BUDGET BRIEFING AGENDA

August 11, 2015

Date

(For General Information and Rules of Courtesy, Please See Opposite Side.)  
(La Información General Y Reglas De Cortesía Que Deben Observarse  
Durante Las Asambleas Del Consejo Municipal Aparecen En El Lado Opuesto, Favor De Leerlas.)

## General Information

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 by 5:00 p.m. of the last regular business day preceding the meeting. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act.

**The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

## Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

## Información General

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner City Cable* Canal 16. El Ayuntamiento Municipal se reúne el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 5:00 pm del último día hábil anterior a la reunión. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas está comprometida a cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

## Reglas de Cortesía

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal.

"Los ciudadanos y visitantes presentes durante las asambleas del Ayuntamiento Municipal deben obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que esté presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisará al oficial que esté presidiendo la sesión a tomar acción." Según la sección 3.3(c) de las reglas de procedimientos del Ayuntamiento.

AGENDA  
CITY COUNCIL BUDGET BRIEFING  
TUESDAY, AUGUST 11, 2015  
CITY HALL  
1500 MARILLA  
DALLAS, TEXAS 75201  
9:00 A.M.

9:00 am      Invocation and Pledge of Allegiance      6ES

BRIEFINGS      6ES

A.      City of Dallas Proposed Annual Budget for Fiscal Year 2015-16

B.      Center for Performance Excellence Update

Adjournment

The above schedule represents an estimate of the order for the indicated briefings and is subject to change at any time. Current agenda information may be obtained by calling (214) 670-3100 during working hours.

Note: An expression of preference or a preliminary vote may be taken by the Council on any of the briefing items.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.



# City of Dallas

## Proposed Annual Budget for Fiscal Year 2015-16

SUBMITTED BY CITY MANAGER A.C. GONZALEZ

TUESDAY, AUGUST 11, 2015

# BIG Things Happen Here

- ▶ Dallas has invested significant resources to grow our economy while enhancing the quality of life and livability of our city:
  - ▶ 50% reduction in crime rate over last decade; most significant drop on record in Dallas history
  - ▶ Redevelopment creating a vibrant downtown
  - ▶ Expanding recreational opportunities
  - ▶ Broadening multimodal transportation options
  - ▶ Resource conservation





# BIG Economy

3

- ▶ Tax base has grown 22% since recession
- ▶ Unemployment in Dallas is lower than both Texas and US national levels
- ▶ 6.9 million square feet of empty office space repurposed
- ▶ Over 5,500 housing units in central business district; another 3,400 are planned or under construction
- ▶ Privatized Dallas Zoo and Farmers Market
- ▶ Repealed Wright Amendment at Dallas Love Field which has seen 50% increase in traffic
- ▶ Opened connections to West Dallas (Margaret Hunt Hill, Continental, and Sylvan bridges)
- ▶ Trolley/Streetcar projects enhance transportation options
- ▶ Orange Line to DFW Airport connects downtown Dallas to one of top 10 busiest airports in the world
- ▶ Laying groundwork for future high-speed rail



# BIG Arts & Life

- ▶ Largest contiguous urban arts district in nation
- ▶ New interactive exhibits at Rory Meyers Children's Garden at Dallas Arboretum
- ▶ Completed over 14 miles of trails in last 3 years
- ▶ Reduced chronic homeless by 65%
- ▶ 2 new buildings at UNT approved by 2015 Legislature
- ▶ AT&T Byron Nelson Golf Classic moving to Dallas by 2019
- ▶ Opened Texas Horse Park
- ▶ Reduced per capita water consumption by 26% since 2001
- ▶ Integrated Pipeline Project with Tarrant Regional Water District will save Dallas rate payers approximately \$200 million
- ▶ Increased recycling by 87% and increased waste diversion by 8% since 2008





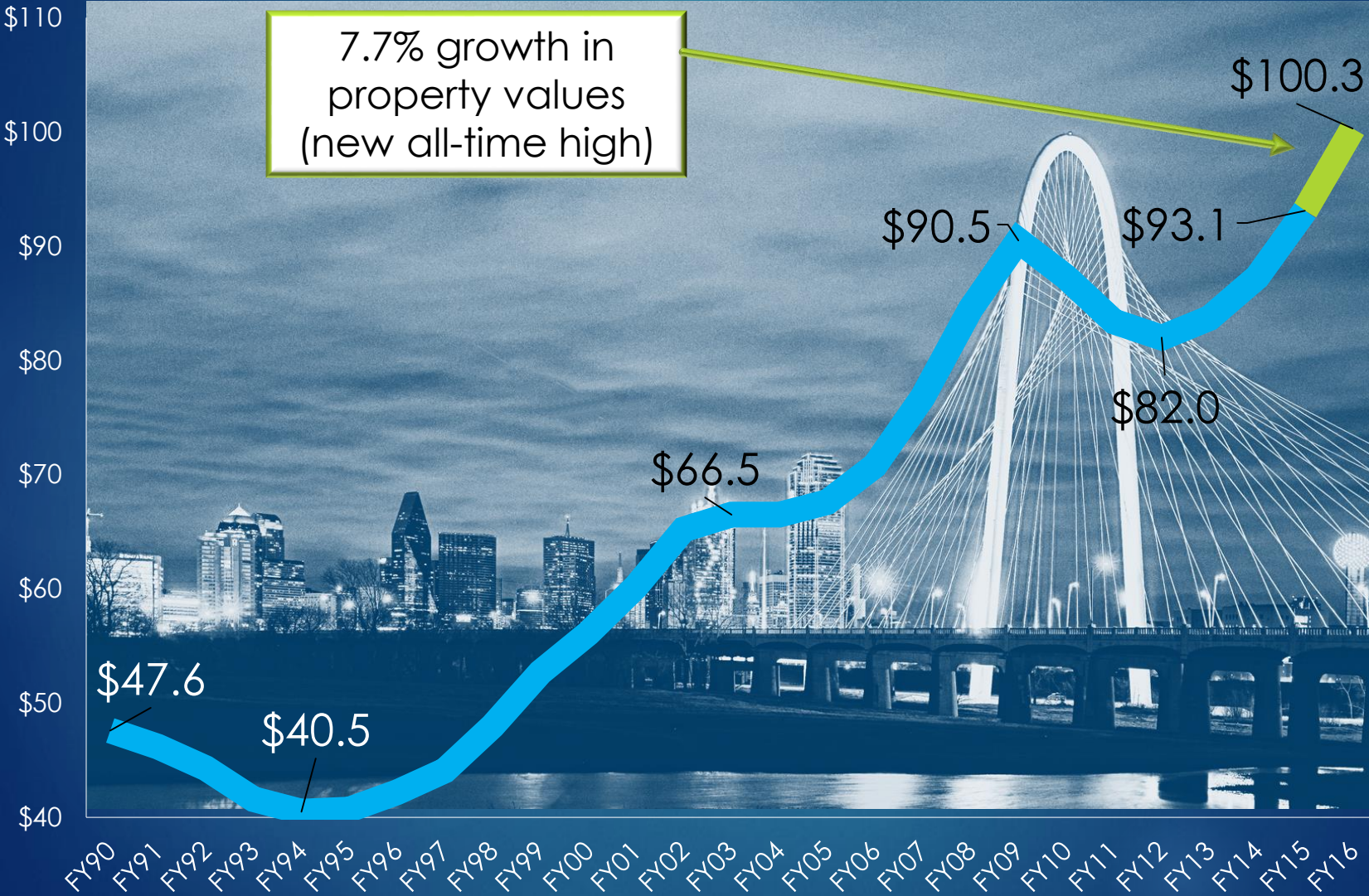
# Economic Indicators

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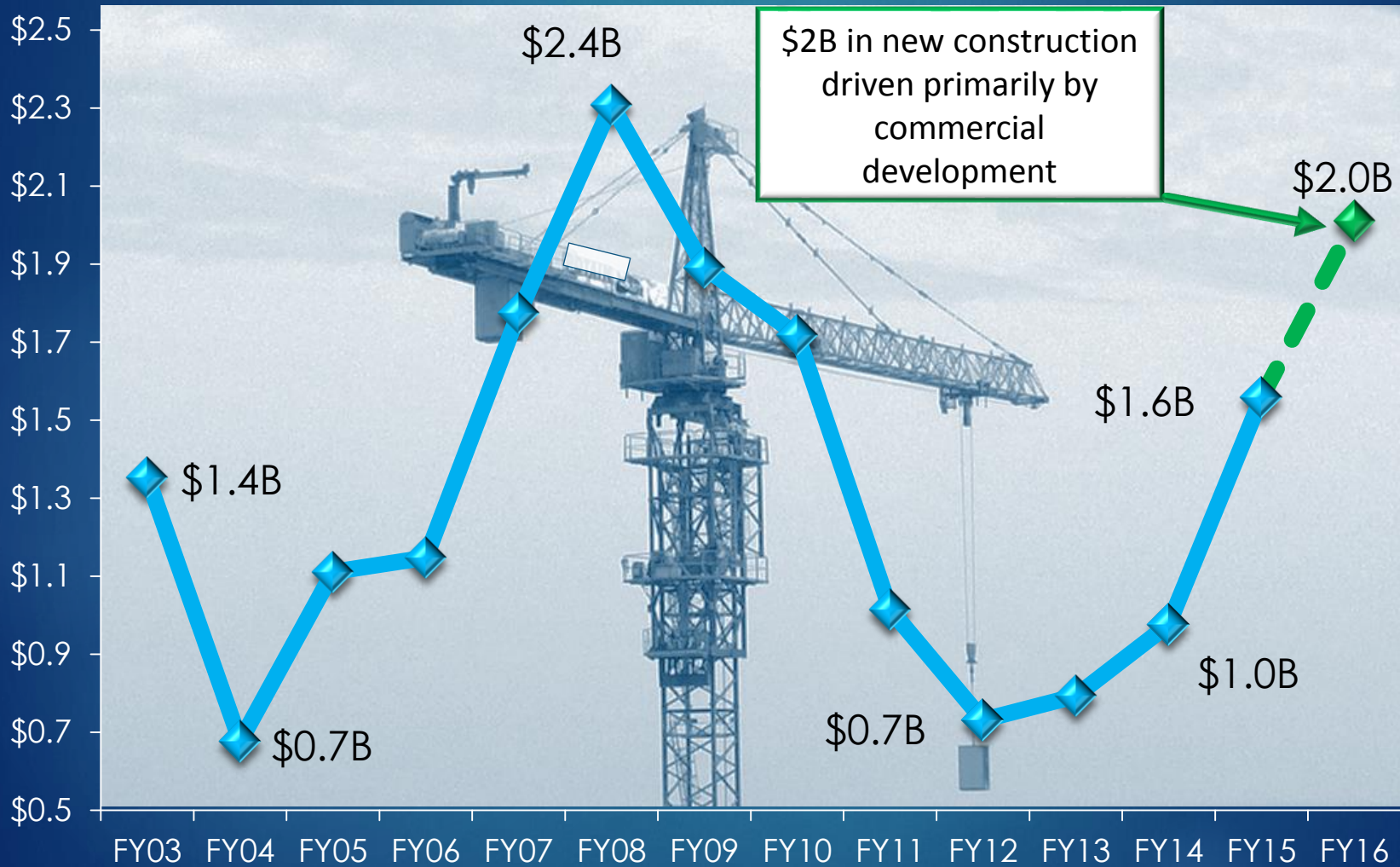
- ▶ Dallas' economy continues to grow
- ▶ Property values grew for 4<sup>th</sup> consecutive year (7.7%) and reached new all-time high; particularly due to commercial real estate and new construction
- ▶ Sales tax revenue has had positive growth in current collections for 62 out of 63 months, and projections anticipate continued growth of 3.3% above FY15 estimate
- ▶ Real estate outlook remains strong; Dallas metro-area has been strongest market outpacing Houston and San Antonio
  - ▶ May rains limited new housing starts, but Fed sources anticipate surge in building in remainder of year
  - ▶ Demand for commercial office space remains strong
- ▶ Retail and auto sales remain strong
- ▶ Unemployment in Dallas fell to 3.7% vs 4.2% in Texas and 5.3% nationally



# Property Tax Base Values (\$ in billions)



# New Construction Values (\$ in billions)



# Sales Tax Revenue

(\$ in millions)





# Budget Overview



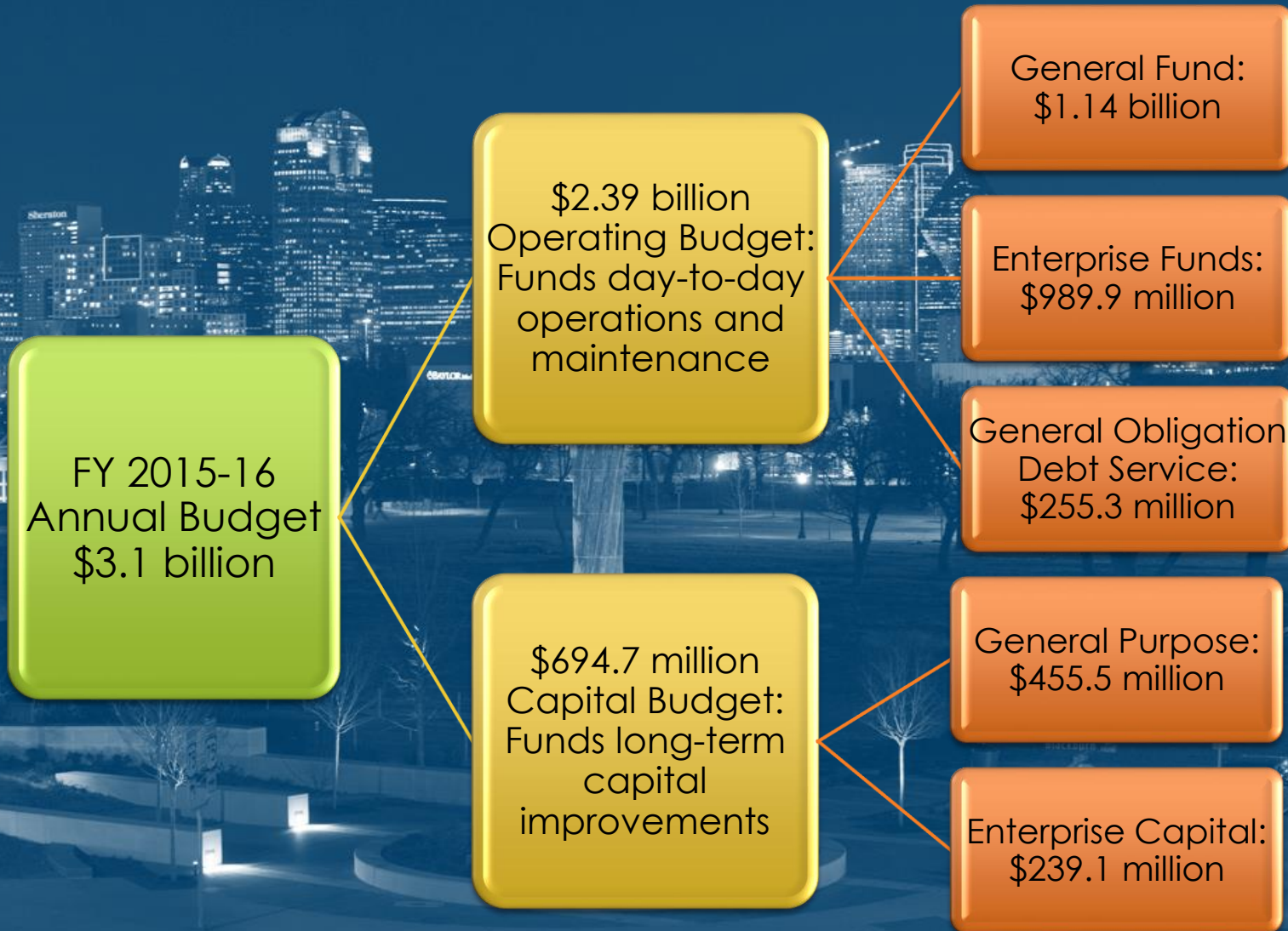
# FY 2015-16 Budget Summary

11

- ▶ FY 2015-16 budget is fiscally responsible, balanced and totals \$3.1 billion
- ▶ Enhancements made to certain services while strategically rebalancing existing services
- ▶ Additional street and infrastructure maintenance funded for next year
- ▶ No change to property tax rate
  - ▶ Tax rate remains at \$0.7970 per \$100 valuation
  - ▶ Incremental revenue dedicated to street and alley maintenance
- ▶ Assumes retail water and sewer revenues will increase 5.3%
- ▶ Assumes Sanitation residential rate will increase \$1.48 per month



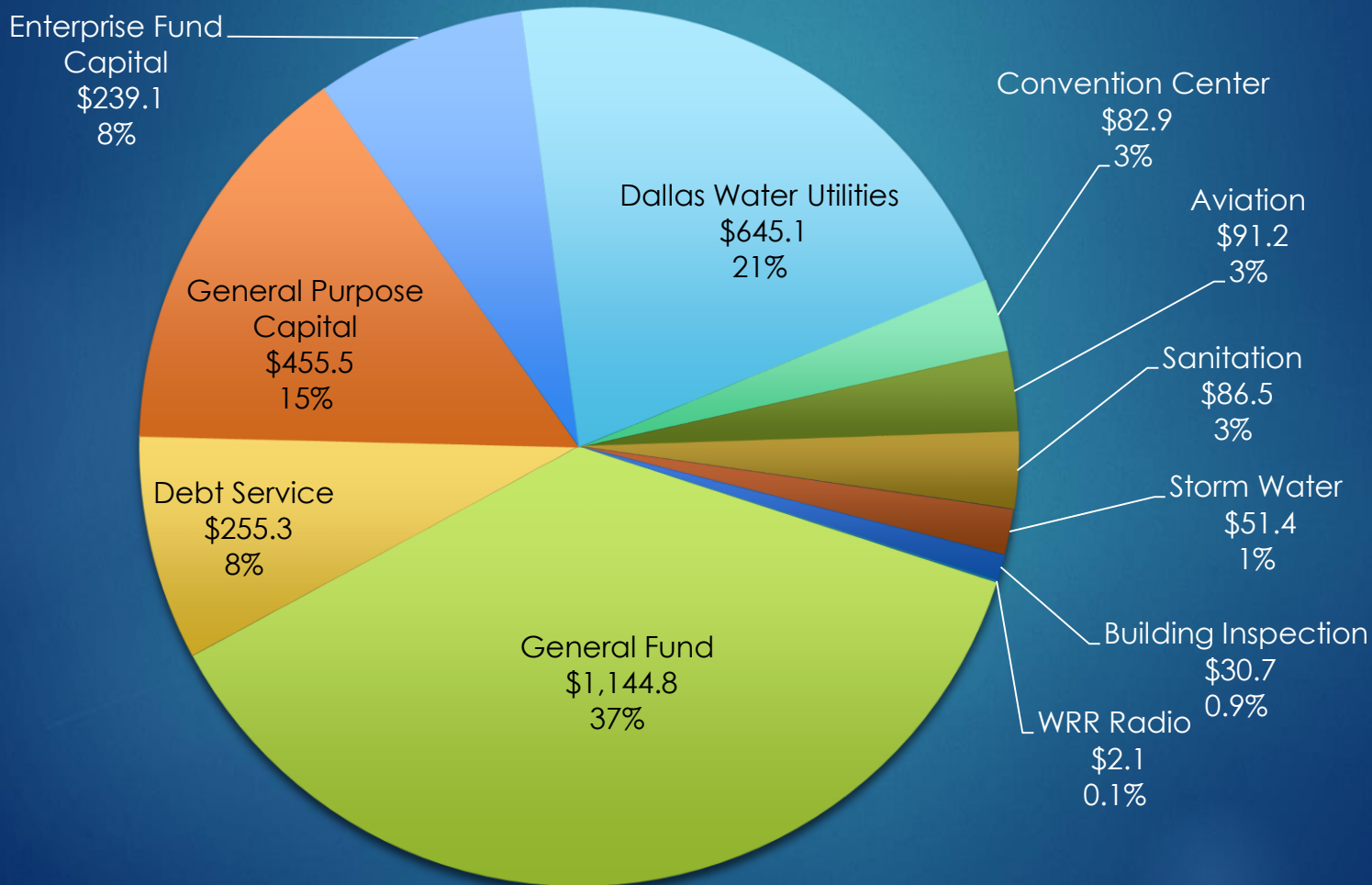
# FY 2015-16 Proposed Budget



# FY 2015-16 Proposed Budget (\$ in millions)

13

## Operating & Capital Budget: \$3.1 billion



# Year-over-Year Expense Change

(FY15 GF restated to exclude Sanitation)

Expenditures	FY15 Amended	FY16 Proposed	% Change
General Fund	\$1,094,368,751	\$1,144,800,000	4.61%
General Obligation Debt Service	229,908,362	255,325,736	11.06%
Aviation	86,544,784	91,214,994	5.40%
Convention and Event Services	77,345,050	82,938,892	7.23%
Municipal Radio	2,061,761	2,054,549	-0.35%
Sanitation Services*	75,994,350	86,480,147	13.80%
Storm Drainage Management	53,598,761	51,416,846	-4.07%
Sustainable Development & Construction	26,838,534	30,696,618	14.38%
Water Utilities	614,521,177	645,128,387	4.98%
<b>Total Operating Budget</b>	<b>\$2,261,181,530</b>	<b>\$2,390,056,168</b>	<b>5.70%</b>
General Purpose Capital Budget	204,949,621	455,536,883	122.27%
Enterprise Fund Capital Budget	349,584,178	239,125,949	-31.60%
<b>Total Budget</b>	<b>\$2,815,715,329</b>	<b>\$3,084,719,000</b>	<b>9.55%</b>

\*Sanitation Services discussed in more detail on pages 53-57

# Year-over-Year Expense Change

15

Expenditures	FY15 Amended	FY16 Proposed	% Change
General Fund	\$1,170,363,101	\$1,144,800,000	-2.18%
General Obligation Debt Service	229,908,362	255,325,736	11.06%
Aviation	86,544,784	91,214,994	5.40%
Convention and Event Services	77,345,050	82,938,892	7.23%
Municipal Radio	2,061,761	2,054,549	-0.35%
Sanitation Services*	N/A	86,480,147	N/A
Storm Drainage Management	53,598,761	51,416,846	-4.07%
Sustainable Development & Construction	26,838,534	30,696,618	14.38%
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Enterprise Fund Capital Budget	349,584,178	239,125,949	-31.60
<b>Total Budget</b>	<b>\$2,815,715,329</b>	<b>\$3,084,719,000</b>	<b>9.75%</b>

\*Sanitation Services discussed in more detail on pages 53-57



# General Fund

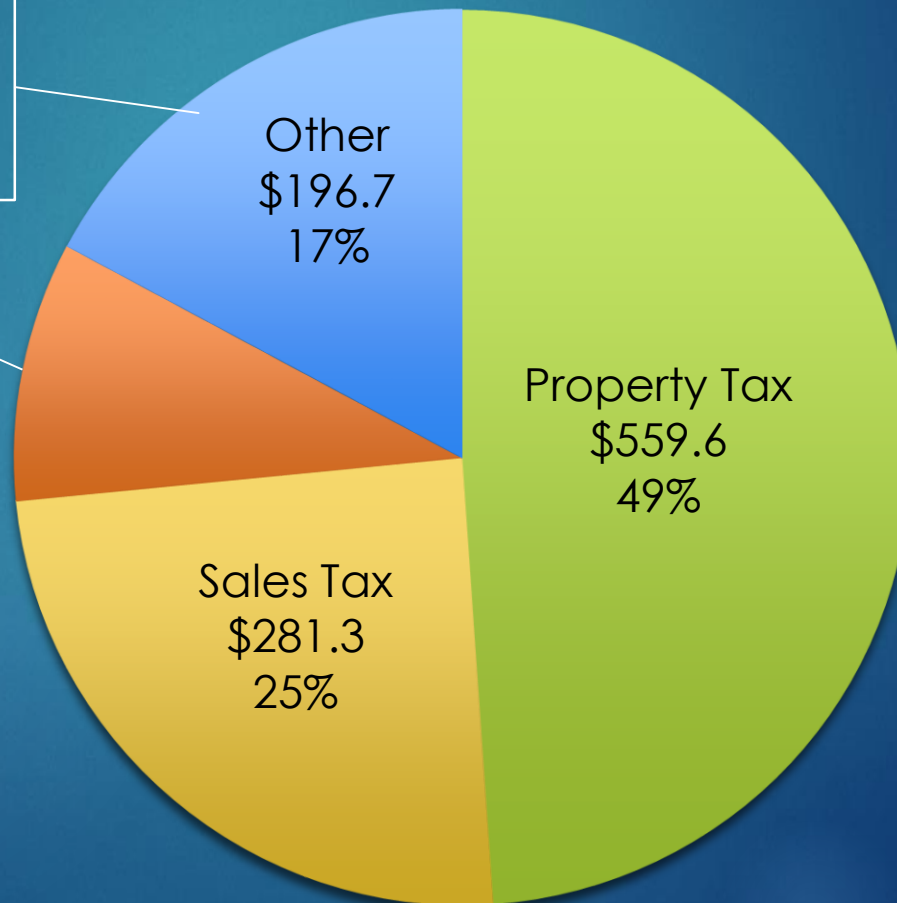
# FY16 General Fund Revenues

17

**Revenues Total \$1.14 billion**

Other revenues include:  
-Municipal courts, fines,  
ambulance fees, park  
fees, licenses/permits, etc.

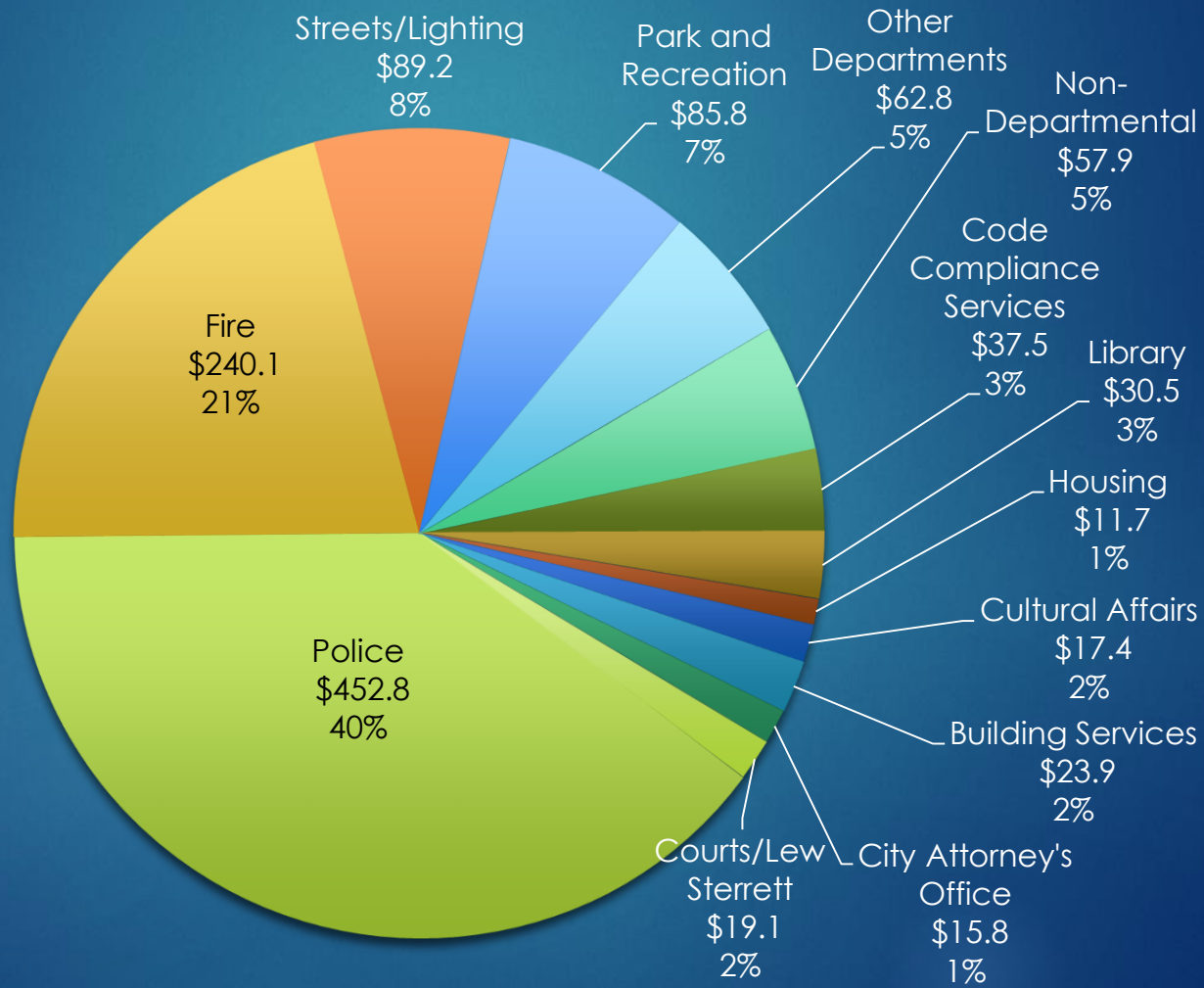
Franchise  
Fees  
\$107.2  
9%



# FY16 General Fund Expenses (by Department)

**Expenses total \$1.14 billion**

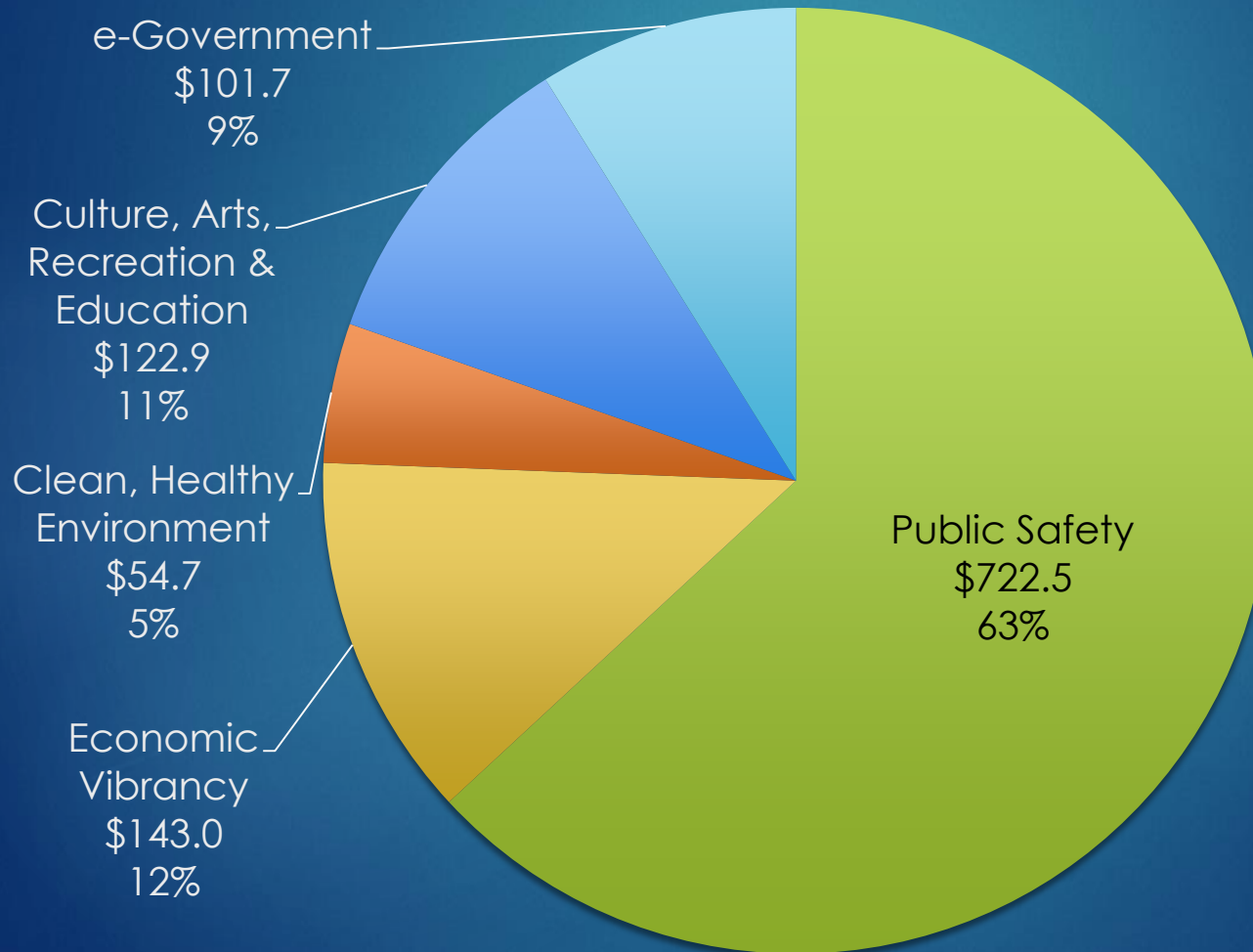
- Other Includes:
- Mgmt Services: \$8.5m
  - Public Works: \$5.6m
  - City Controller: \$5.3m
  - Human Resources: \$4.8m
  - Mayor/Council: \$4.4m
  - Planning/Urban: \$4.2m
  - Judiciary: \$3.2m
  - City Auditor: \$3.0m
  - Financial Services: \$2.9m
  - Procurement: \$2.9m
  - Civil Service: \$2.6m
  - City Secretary: \$2.1m
  - City Manager: \$2.0m
  - Economic Develop: \$1.8m
  - Trinity: \$1.5m
  - Develop Services: \$1.4m
  - Reserves/Transfers: \$6.6m



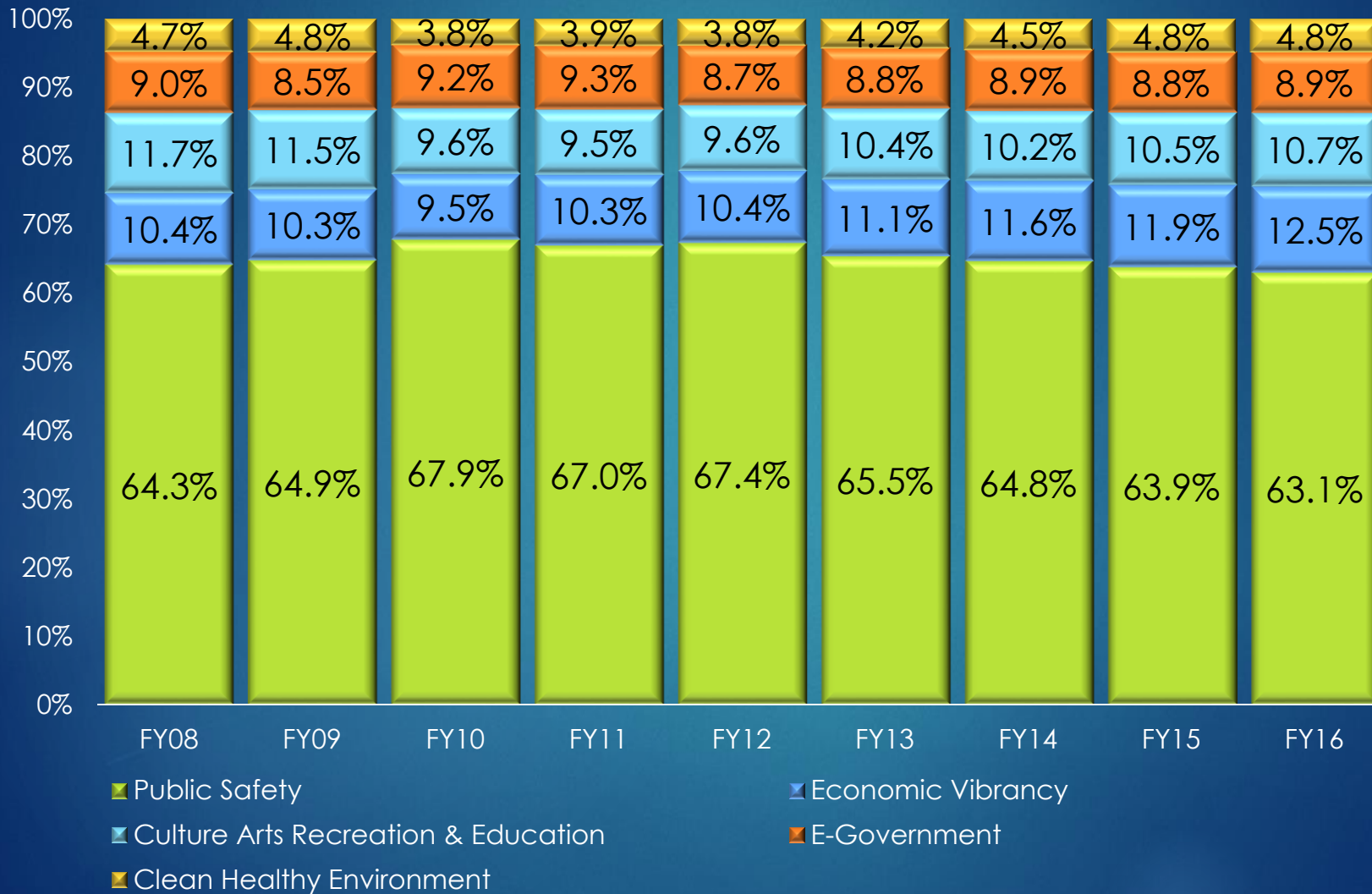


# FY16 General Fund Expenses (by Key Focus Area)

Expenses total \$1.14 billion



# History of General Fund Expenses\* (by Key Focus Area- % of Total)

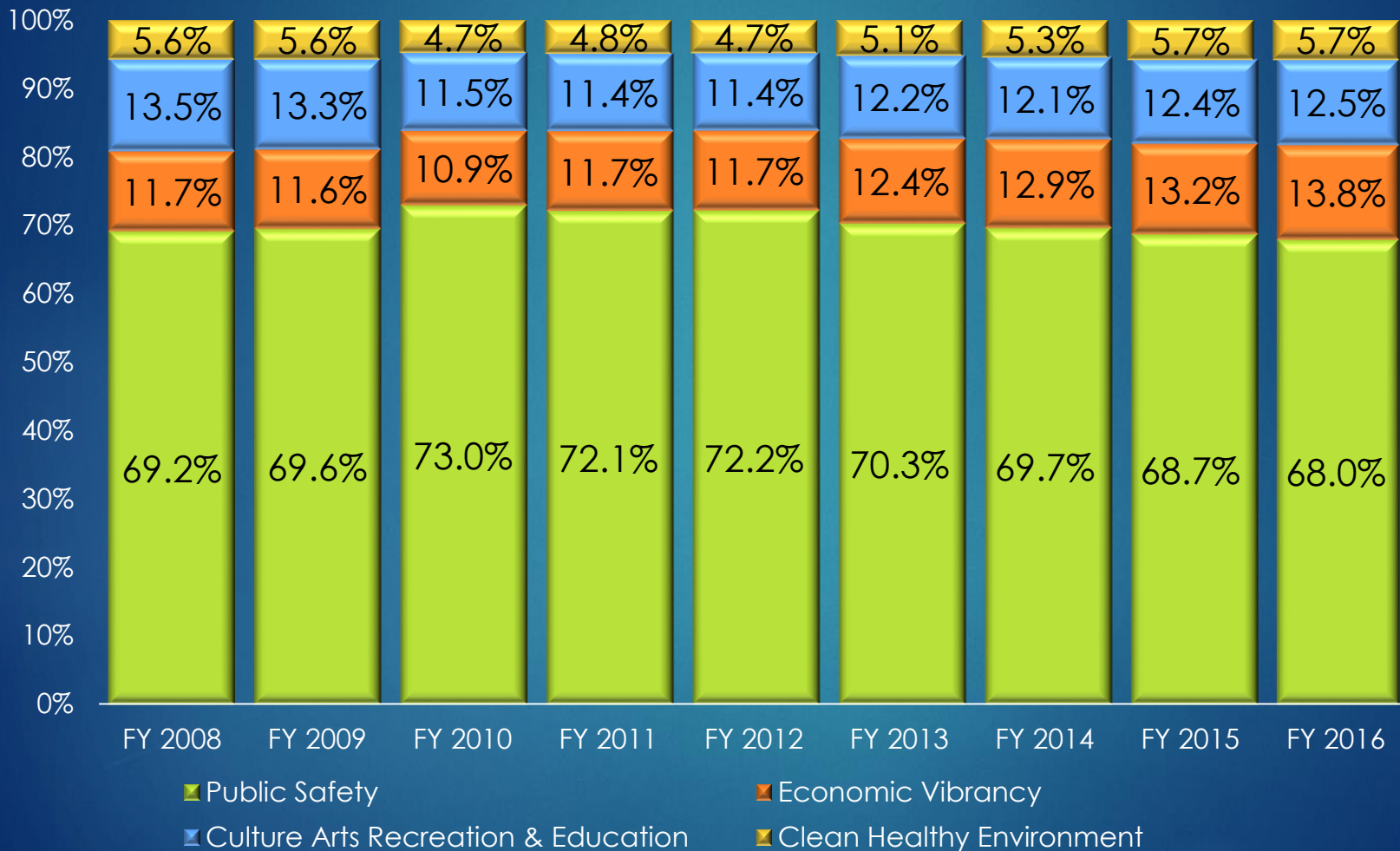


\*Prior years have been restated to exclude Sanitation Services budget

# History of General Fund Expenses

(Historical Allocation by Key Focus Area with e-Gov Distributed to other KFAs\*)

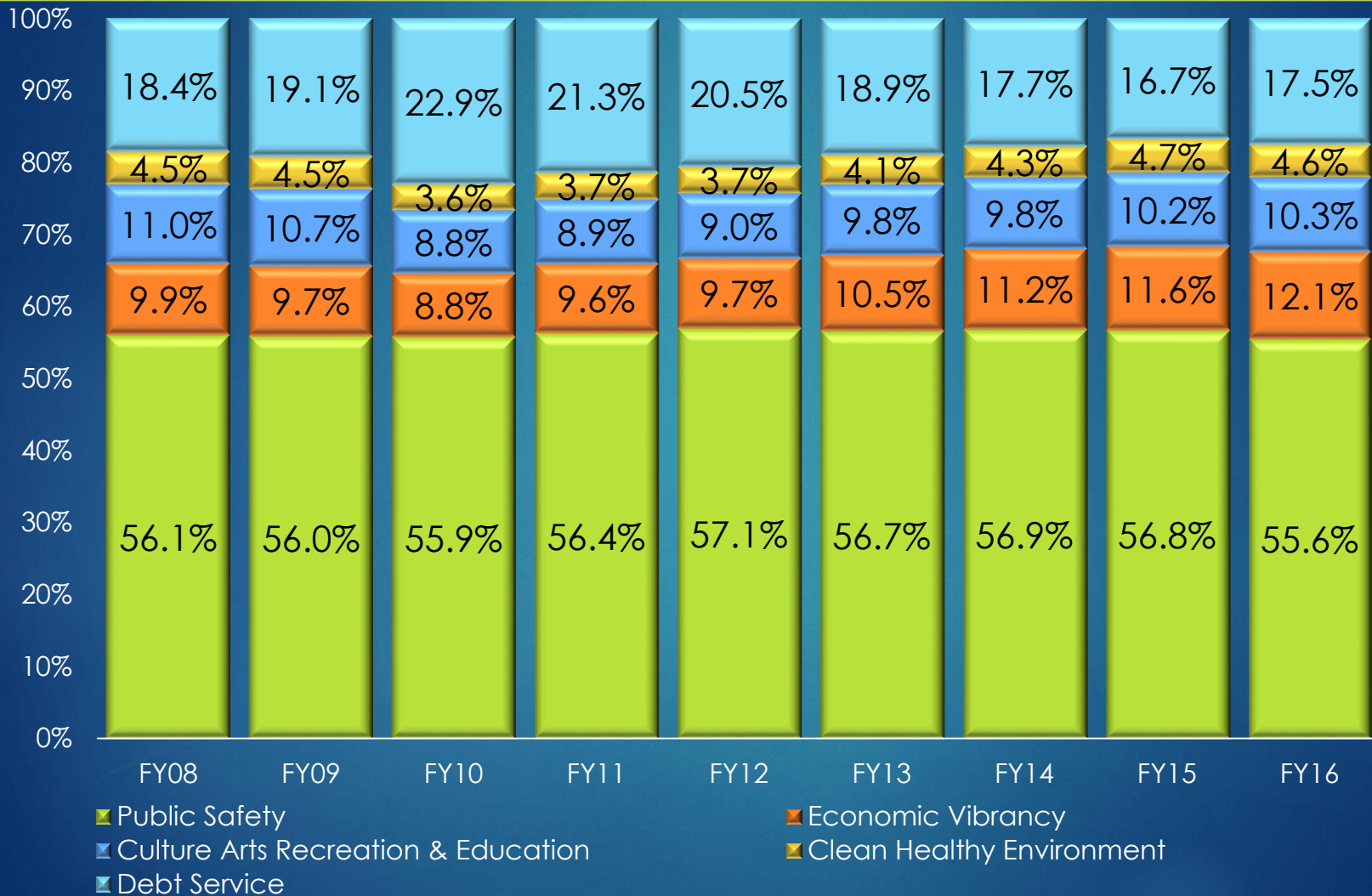
21



\*E-Gov KFA retroactively distributed for all years based on allocations; Sanitation excluded

# General Fund & Debt Service Expenses

(Historical Allocation by Key focus Area with e-Gov Distributed to other KFAs\* and Debt Service Added)



\*E-Gov KFA retroactively distributed for all years based on allocations; Sanitation excluded

# FY 2016 General Fund Expenses (by Department)

23

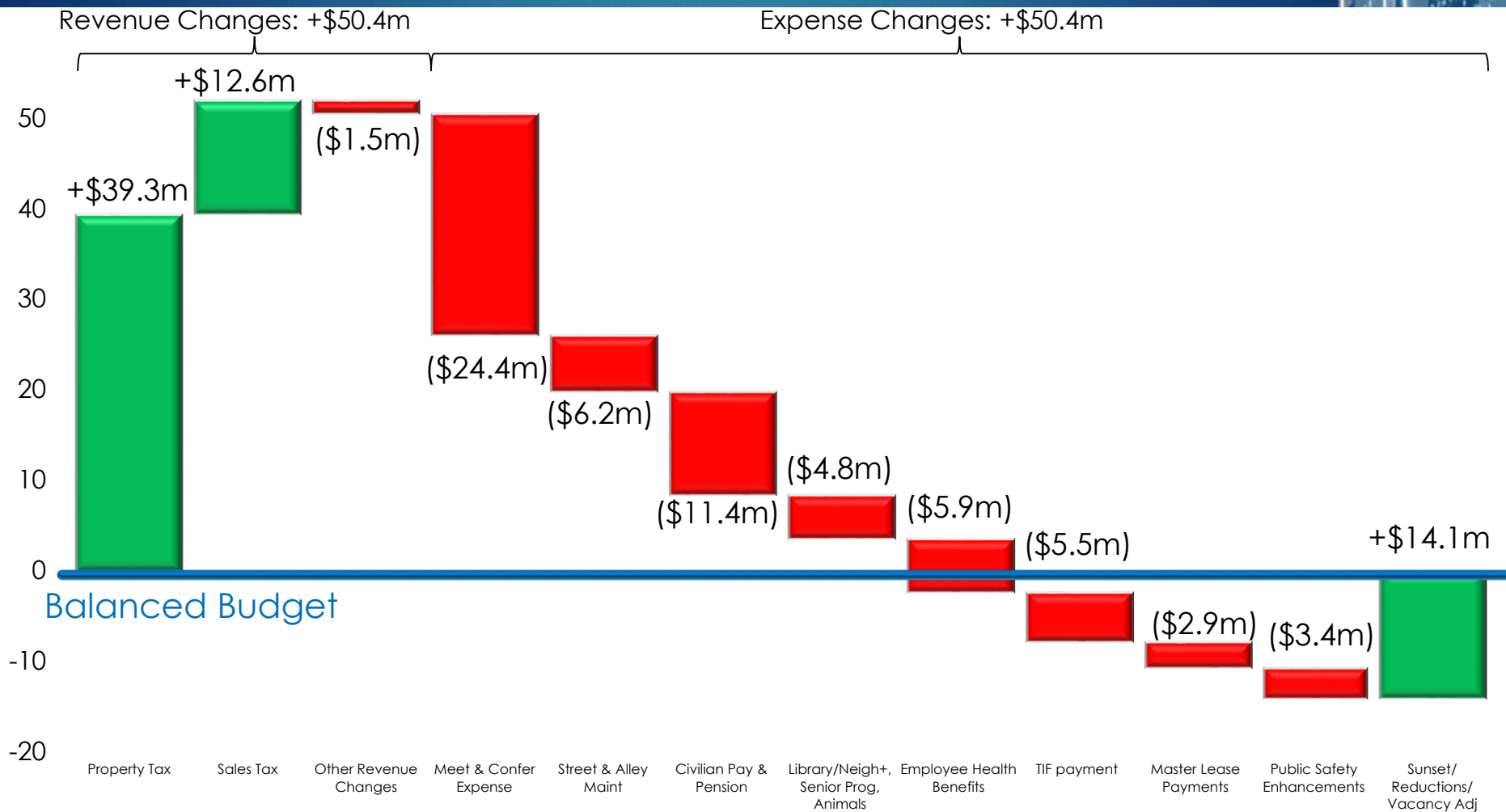
Department	FY15 Amended	FY 16 Proposed	Net \$ Change	Net % Change
Dallas Police Department	\$440,487,844	\$452,826,461	\$12,338,617	2.80%
Dallas Fire Rescue	228,008,576	240,109,021	\$12,100,445	5.31%
Park & Recreation	81,876,638	85,792,907	\$3,916,269	4.78%
Sanitation Services	75,994,350	N/A	N/A	N/A
Street Services	65,914,081	71,713,461	\$5,799,380	8.80%
Non-Departmental	48,418,731	57,926,112	\$9,507,381	19.64%
Code Compliance	35,382,605	37,486,794	\$2,104,189	5.95%
Library	26,143,630	30,532,714	\$4,389,084	16.79%
Building Services	23,895,817	23,863,863	(\$31,954)	-0.13%
Court & Detention Services	20,184,916	19,135,499	(\$1,049,417)	-5.20%
Street Lighting	17,922,510	17,525,243	(\$397,267)	-2.22%
Office of Cultural Affairs	17,287,656	17,373,909	\$86,253	0.50%
City Attorney's Office	15,146,796	15,784,122	\$637,326	4.21%
Housing and Community Services	11,627,973	11,724,233	\$96,260	0.83%
Management Services	7,421,339	8,529,243	\$1,107,904	14.93%
Public Works	6,861,155	5,573,719	(\$1,287,436)	-18.76%
City Controller's Office	5,603,154	5,330,080	(\$273,074)	-4.87%
Human Resources	4,638,421	4,790,783	\$152,362	3.28%
Mayor and City Council	3,954,178	4,379,199	\$425,021	10.75%
Planning and Urban Design	2,527,060	4,233,988	\$1,706,928	67.55%
Judiciary	3,695,256	3,232,377	(\$462,879)	-12.53%
City Auditor's Office	2,844,107	3,005,339	\$161,232	5.67%
Office of Financial Services	2,856,246	2,958,798	\$102,552	3.59%
Business Development and Procurement	2,854,562	2,885,993	\$31,431	1.10%
Civil Service	2,344,515	2,600,265	\$255,750	10.91%
City Secretary's Office	4,086,213	2,102,357	(\$1,983,856)	-48.55%
City Manager's Office	1,829,414	1,972,802	\$143,388	7.84%
Office of Economic Development	1,576,600	1,820,834	\$244,234	15.49%
Trinity Watershed Management	1,350,771	1,527,769	\$176,998	13.10%
Sustainable Development and Construction	1,539,699	1,439,795	(\$99,904)	-6.49%
Reserves and Transfers	6,088,288	6,622,320	\$534,032	8.77%
<b>Total</b>	<b>\$1,170,363,101</b>	<b>\$1,144,800,000</b>	<b>(\$25,563,101)</b>	<b>-2.18%</b>

# FY 2016 General Fund Expenses (by Department excluding Sanitation)

24

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<b>Total</b>	<b>\$1,094,368,751</b>	<b>\$1,144,800,000</b>	<b>\$50,431,249</b>	<b>4.61%</b>

# FY16 General Fund Summary of Budget Changes





# General Fund Highlights



# Public Safety-Police

27

- ▶ FY16 is final year of Meet & Confer agreement approved by City Council in December 2013; budget provides all uniform personnel with step pay increase (approximately 5%)
- ▶ Hire 200 officers for attrition
- ▶ Hire 30 public service officers
- ▶ Provide \$1m additional overtime to address increase in violent crime
- ▶ Continue replacement cycle for squad cars
  - ▶ 105 purchased using FY15 funds
  - ▶ 62 additional cars to be purchased in FY16
- ▶ \$1m to address security of police facilities
- ▶ Continue studying civilianization opportunities to redeploy additional officers to patrol in future years



# Public Safety-Fire

28

- ▶ Fund hiring of 80 new fire recruits for attrition
- ▶ Provide funding for 14 additional firefighters to receive paramedic training (total of 65)
- ▶ Budget adds 8 paramedics as part of expanding Mobile Community Healthcare Program
- ▶ Fund emergency response for Cypress Waters
- ▶ Continue annual replacement of fire apparatus: engines, trucks, and ambulances
- ▶ Add funding to improve firefighter safety



# Public Safety-Courts

29

- ▶ Add 12 marshals to investigate and make arrests on warrants signed by judges
- ▶ Fund creation of an additional Community Court
- ▶ Add 1 attorney to Community Prosecution division in City Attorney's Office



# Transportation Infrastructure

30

- ▶ Infrastructure maintenance was identified as #1 priority of citizen survey, online TalkDallas survey, and through City Council policy direction
- ▶ To achieve 87% satisfaction rating requires increasing funding for annual maintenance in addition to future bond programs
- ▶ Proposed budget escalates street and alley maintenance included in Street Services
  - ▶ Total of \$54.3m in maintenance funding for streets and alleys
    - ▶ \$37.6m street & alley maintenance budget
    - ▶ \$16.7m from new Street and Alley Improvement Fund
  - ▶ \$59.5m of 2006 and 2012 Bond Projects funded for FY16



# Transportation Infrastructure

31

FY16 Street & Alley Improvement Fund	
<b>Sources of Funds:</b>	
Property tax revenue above 6.5% growth	\$6.2m
DWU street rental increase from 5% to 6%	5.1m
One-time transfer of excess FY14 General Fund ending balance	3.0m
Establish 1% Sanitation franchise fee (phase to 4% over 4 years)	0.7m
Miscellaneous one-time funds	1.7m
<b>Subtotal Sources of Funds</b>	<b>\$16.7m</b>
<b>Uses of Funds:</b>	
Street Maintenance	\$16.2m
Alley Maintenance	\$0.5m
<b>Subtotal Uses of Funds</b>	<b>\$16.7m</b>

<b>Street and Alley Improvement Fund</b>	<b>\$16.7m</b>
<b>Street Services General Fund Maintenance Budget</b>	<b>\$37.6m</b>
<b>2006 and 2012 Bond Projects (for Streets &amp; Alleys)</b>	<b>\$59.5m</b>
<b>Total FY16 Street &amp; Alley Improvement Budget</b>	<b>\$113.8m</b>



# Transportation Infrastructure

32

- ▶ \$16.7m increased funding will increase planned work production by 92 additional lane miles of pavement treatments:
  - ▶ 23 lane miles of concrete partial reconstruction in high traffic areas
  - ▶ 25 lane miles of partial reconstruction of streets with asphalt on surface in high traffic areas
  - ▶ 44 lane miles of asphalt restoration
- ▶ Increase of 92 lane miles of work will bring total FY16 planned program to 624 lane miles (17% increase)
- ▶ Increased funding will also enable performing an additional 5 lane miles of alley repairs for a total of 20 lane miles for FY16 (33% increase)



# Transportation Infrastructure

33

- ▶ Budget also includes \$0.9m funding for operation and maintenance of Oak Cliff Streetcar
- ▶ Fund replacement of \$3.7m of street maintenance equipment
- ▶ Includes \$0.7m matching funds to leverage total \$6.2m Federal grant
  - ▶ 3-year program with City providing \$1m in total local match over FYs 16-18
  - ▶ \$6.2m grant will enable design and construction of 19 signals as well as intersection improvements at high-accident locations



# Code Compliance

34

- ▶ Code enforcement identified as second highest need on community survey
- ▶ Budget adds 15 positions to Dallas Animal Services to respond to loose dog complaints
- ▶ Fund overtime for alley enforcement and cleanup efforts
- ▶ Fund litter study from dedicated carryout bag revenue
- ▶ Redeploy resources to enhance multi-family inspections
- ▶ Restructure city code governing inspections for single-family rental properties





# Neighborhoods/ Economic Development

35

- ▶ Rockefeller Foundation grant to fund Resiliency Officer
  - ▶ Dallas 1 of only 100 cities worldwide selected for grant program
  - ▶ Positions City to potentially receive additional foundation funding
- ▶ Budget includes \$0.85m for Neighborhood Plus initiatives
  - ▶ Provides start-up funds to initiate action plans for target neighborhoods
  - ▶ GrowSouth pilot initiatives
  - ▶ 4 other pilots in other parts of city
- ▶ \$1m added for retail rehab demonstration project
- ▶ Fund continued work of South Dallas/Fair Park Trust Fund



# Neighborhoods/ Economic Development

36

- ▶ Funding for City's share of Downtown 360 plan update
  - ▶ High-speed rail
  - ▶ DART D2 alignment
- ▶ Budget includes funding for urban design initiative in anticipation of 2017 Bond Program
- ▶ Continuation of GrowSouth initiatives:
  - ▶ Construction of 1,500 single-family homes over 3 years
- ▶ Youth Commission and marketing to teens
- ▶ Funds two new historic preservation initiatives



Photo Credit: DART

# Dallas Public Library

37

- ▶ Budget funds implementation of year 2 of 2-year plan to expand library services
- ▶ Prior to FY15, previous peak level was FY09 when 1,333.5 hours per week were provided
- ▶ FY16 service hours will be at an all-time high of 1,510.5/week (13.3% higher than FY09)
- ▶ Maintain funding for library materials at peak level funding



FY	Central	11 branches	14 branches	1 DISD site	1 DISD site	Bookmarks	Total Hours/Week
FY15	7 days	7 days	5 days	7 days	6 days	6 days	1,412.5
FY16	+6 hours per week	Same	+6 hours per week	Same	+3 hours per week	+5 hours per week	1,510.5

# Park & Recreation

38

- ▶ Budget funds \$0.5m for Senior Program Division that will provide dedicated programming for seniors and expand number of seniors served
- ▶ Recreation center hours maintained at FY15 current level
- ▶ Proposed budget maintains current service level for park maintenance:
  - ▶ 10-day mowing cycles
  - ▶ 4x/week litter pickup
  - ▶ Average 3 day response for graffiti removal
- ▶ Aquatics services for 17 community pools, Bahama Beach, and Bachman indoor pool also maintained at FY15 service levels
- ▶ Increased stipends included for partner agencies



# Arts & Cultural Programming

39

- ▶ Office of Cultural Affairs FY16 budget is \$17.4m and provides funds for cultural facilities, cultural contract programming and maintenance of public art
- ▶ Budget proposes an additional \$1.4m through a transfer from Hotel Occupancy Tax which will restore cultural organizations to at or above peak year levels and provide additional funds for other cultural programs
  - ▶ Pending Council consideration of a renegotiated Dallas Convention & Visitors Bureau contract
  - ▶ Will bring total funding for cultural contracts for all artistic services to a record high level of \$5.9m (previous peak of \$5.5m in FY09)
- ▶ Maintain funding for maintenance of City's public art investments



# Technology Investments

40

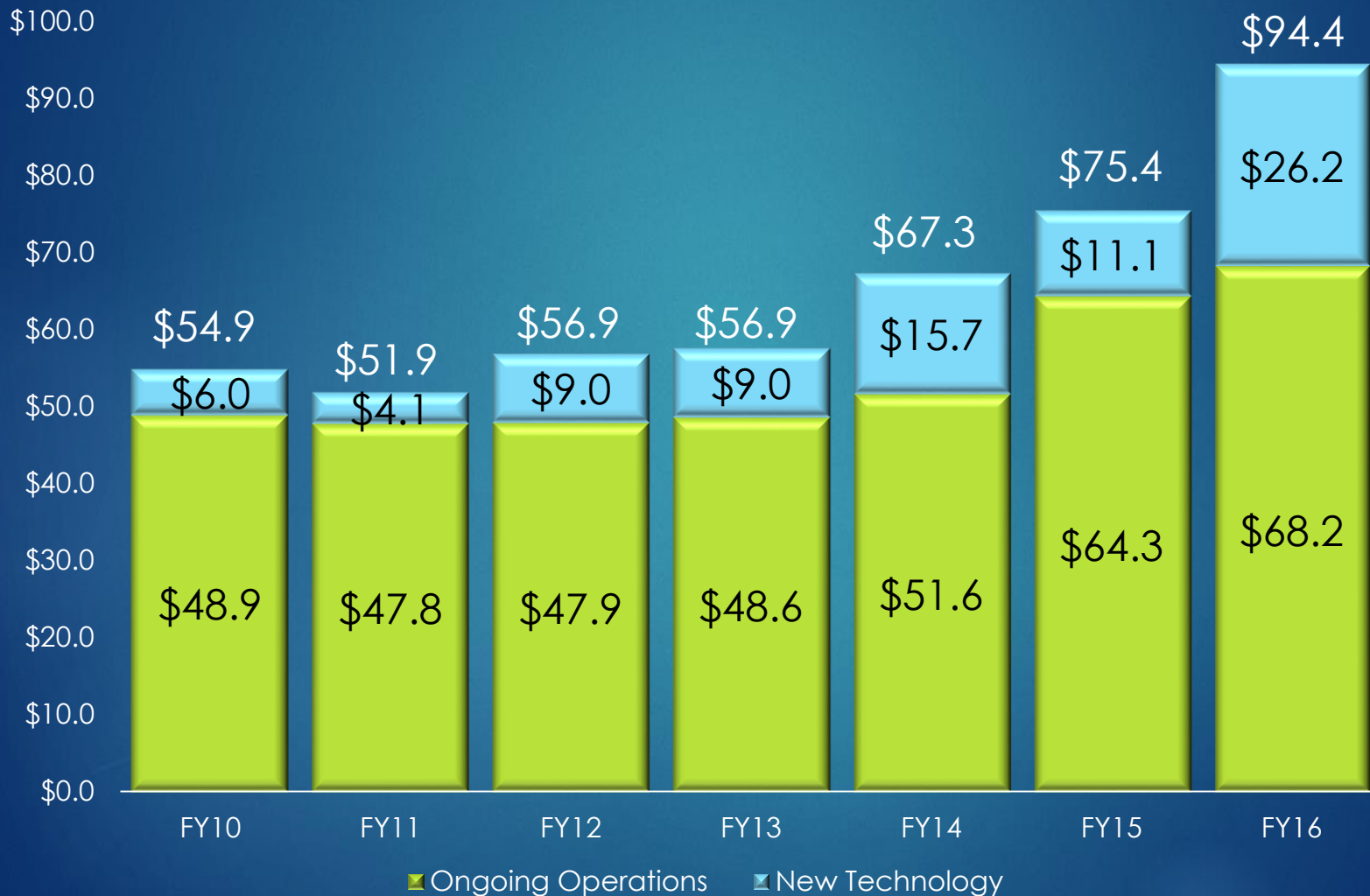
- ▶ Continue targeted investments in new technology to enhance City operations
- ▶ Budget includes purchasing technology for public safety efforts:
  - ▶ Fire inspection system
  - ▶ EMS patient care reporting software
  - ▶ Police mobile data computers
  - ▶ Replacement of physical security system at Jack Evans Police Headquarters including facility control access and video surveillance
- ▶ Fund hardware and software for expansion of Big Data initiative that will enable City to better leverage its various data streams



# Technology Investments

(All funds; \$ in millions)

41



# Efficiencies & Reductions

42

- ▶ FY16 budget includes enhancements to certain services while strategically rebalancing existing services/costs
- ▶ Over \$14m of reductions were made to FY15 budget to help absorb increased operations and maintenance costs and add new programs, including:
  - ▶ Eliminate FY15 one time costs
  - ▶ Review and adjust for vacancies
  - ▶ Optimize staffing levels
  - ▶ Scrutinize costs
  - ▶ Contract adjustments including better prices
- ▶ Budget process includes continuous efforts to identify efficiencies and reduce costs where appropriate





# Efficiencies & Reductions

43

Item	\$ Amount
FY15 Sunset Review; reductions primarily in municipal court operations (additional savings will be identified for future years through additional analysis and Lean/Six Sigma review of FY15 opportunities)	(\$2.2m)
Review of salary spending; reductions primarily from vacancy rate adjustments	(3.1m)
Reduction in fuel expense from lower prices	(2.3m)
Adjustments made for contract pricing and utilization; such as electricity, jail, and materials	(2.3m)
Eliminate one-time cost funded in FY15	(1.7m)
Miscellaneous adjustments resulting from line item reviews; including reductions in unemployment, clothing, supplies, professional development, etc.	(2.5m)
<b>Total Efficiencies &amp; Reductions</b>	<b>(\$14.1m)</b>

# Efficiencies & Reductions

44

- ▶ Efforts to find efficiencies and reductions will be ongoing into FY16:
  - ▶ Continued study of departments included in year 1 of Sunset Review
  - ▶ Lean/Six-Sigma projects
  - ▶ Center for Performance Excellence and Lean/Six-Sigma projects will be briefed on August 11<sup>th</sup>



# Employee Compensation

- ▶ Meet & Confer for uniform employees- \$24.4m
  - ▶ Full-year fund FY15 step pay- \$7.6m
  - ▶ Full-year fund FY15 4% across-the-board increase- \$9.2m
  - ▶ Partial-year fund FY16 step pay- \$7.6m
- ▶ Pay adjustments for civilian employees- \$8.6m
  - ▶ Full-year fund FY15 merits- \$1.7m
  - ▶ 3% average merit effective Dec 2<sup>nd</sup>- \$6.9m



# Employee Benefits & Wellness

46

- ▶ Health plan changes designed to encourage employees to use certain care facilities (negotiated discounts)
- ▶ Requires use of a generic drug when available before brand drug is covered
- ▶ Increases in premiums for spousal coverage and non-Medicare eligible retirees that cover a spouse/domestic partner through self-funded plans
- ▶ Fund \$1m for employee wellness initiatives
  - ▶ Program designed to engage employees to participate in activities to improve their health and to lower long-term health care costs





# Dallas Water Utilities

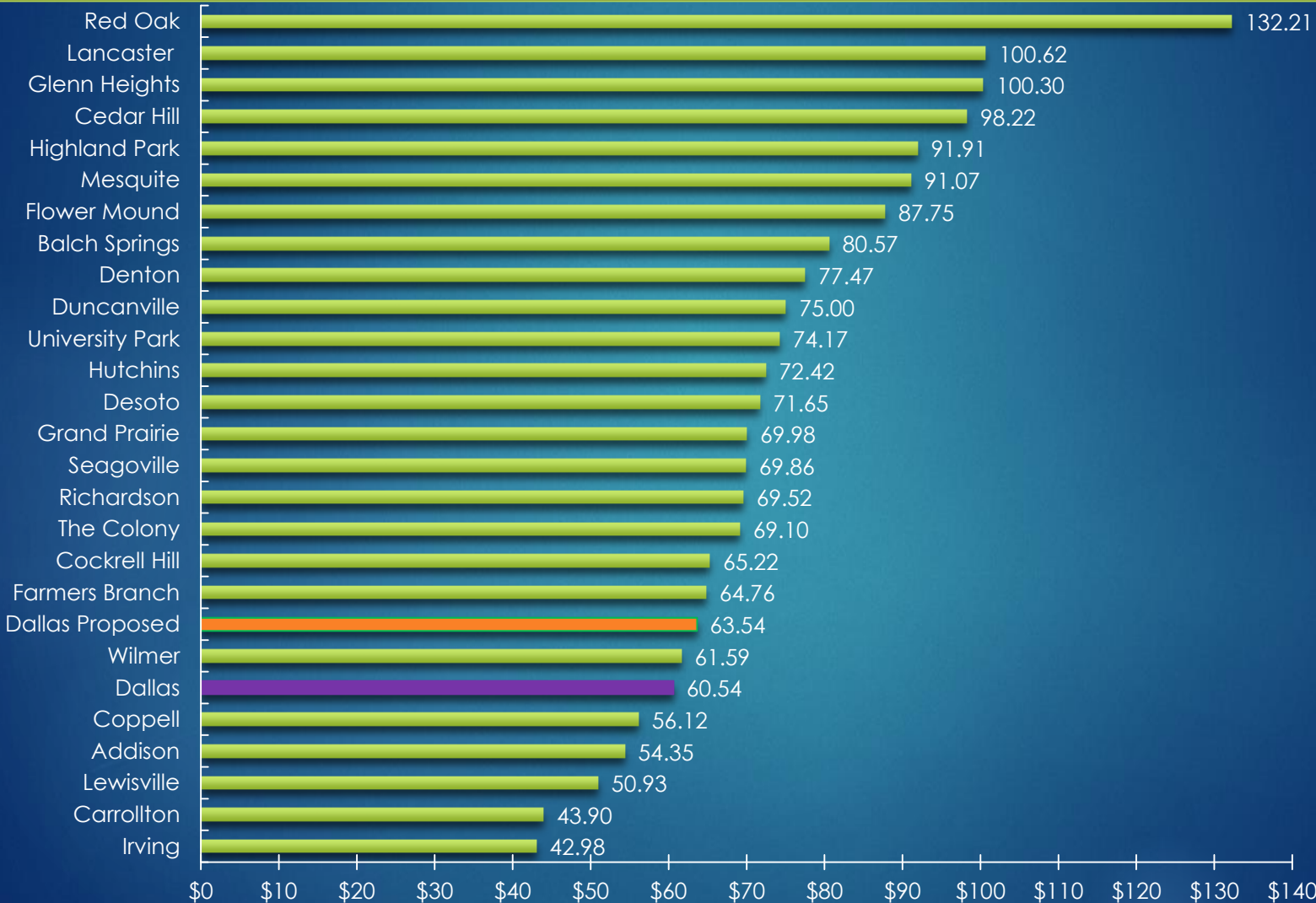
# Water Utilities

48

- ▶ Proposed budget includes:
  - ▶ Operating budget of \$645.1m
  - ▶ Capital budget of \$219.3m
  - ▶ Dallas Water Utilities is approximately 28% of entire City budget
- ▶ Retail revenues projected to increase by 5.3%
  - ▶ Typical residential monthly bill would increase from \$60.54 to \$63.54
    - ▶ About 86% of residential customers will have increase of \$4.08 or less per month
  - ▶ Required revenue increase driven by:
    - ▶ Rate dispute with Sabine River Authority
    - ▶ Continued need to fund rehab and replacement of system
    - ▶ Develop additional water supply resources (Integrated Pipeline Project)



# Neighboring Cities Comparison of Average Monthly Water & Sewer Residential Bills



Based on annual average of 8,300 gallons of water per month on 5/8" meter and 5,500 gallons used for winter months average where applicable. As of July 2015.



# Water Utilities

50

Customer Usage in Range	Average Bill at Current Rates	Average Bill at Proposed Rates	Proposed Increase	% Increase	Number of Customers Impacted	% of Customers in Range
0 to 4,000 Gal	\$23.75	\$24.83	\$1.08 <sup>a</sup>	4.6%	80,127	33.8%
4,001 to 10,000 Gal	\$53.93	\$56.56	\$2.63 <sup>b</sup>	4.9%	97,782	41.2%
10,001 to 15,000 Gal	\$79.73	\$83.81	\$4.08 <sup>c</sup>	5.1%	27,145	11.4%
Above 15,000 Gal	\$199.29	\$212.03	\$12.74 <sup>d</sup>	6.4%	32,207	13.6%
<b>Total</b>					<b>237,261</b>	<b>100.0%</b>

Data based on January 2014 through December 2014 usage:

<sup>a</sup> Average water and sewer use: 2,137 gallons

<sup>b</sup> Average water use 6,608 gallons and sewer use: 5,500 gallons

<sup>c</sup> Average water use 12,275 gallons and sewer use: 5,500 gallons

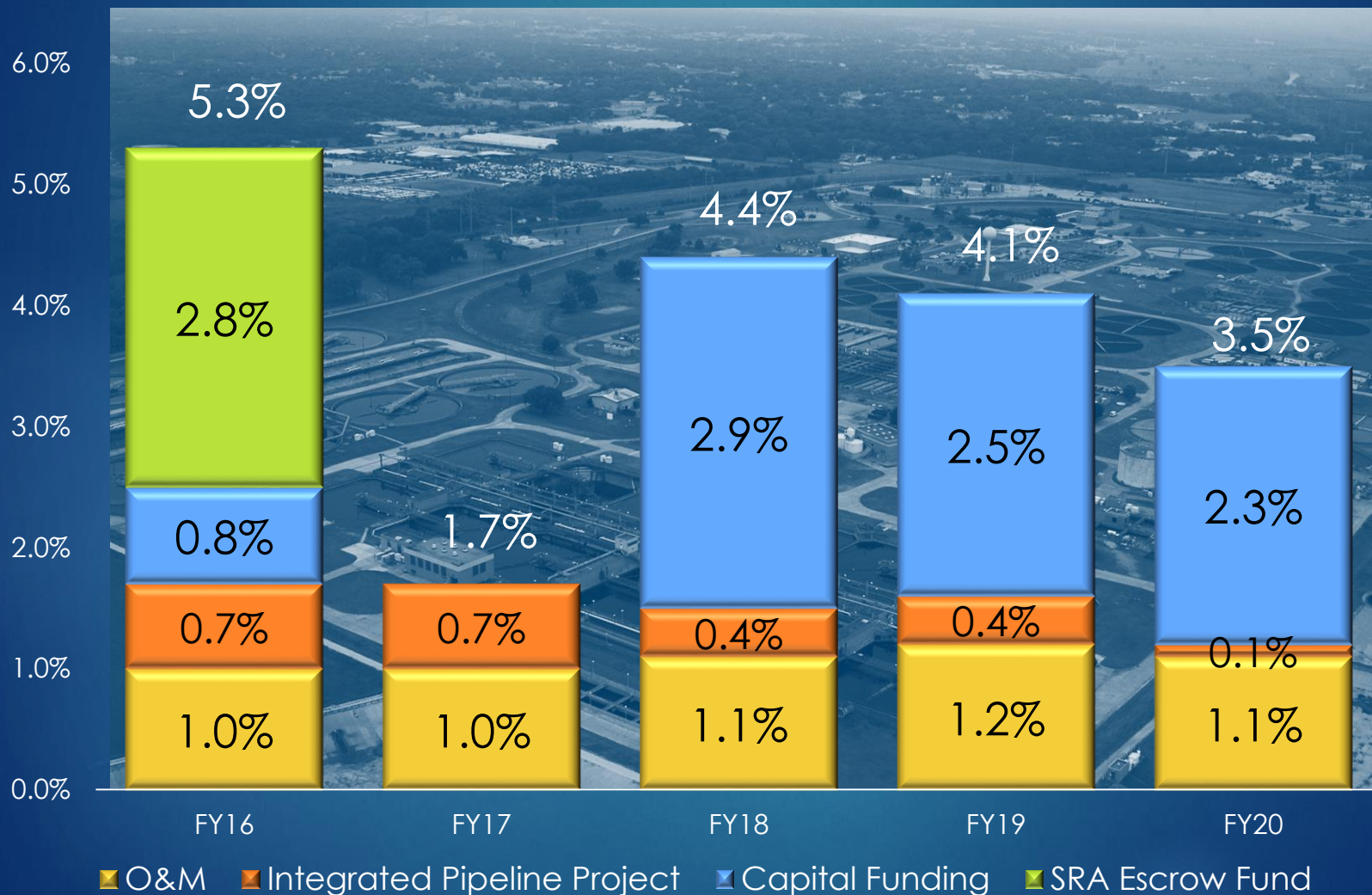
<sup>d</sup> Average water use 28,709 gallons and sewer use: 5,500 gallons



# Water Utilities

## Future Outlook-Retail Revenue Increases

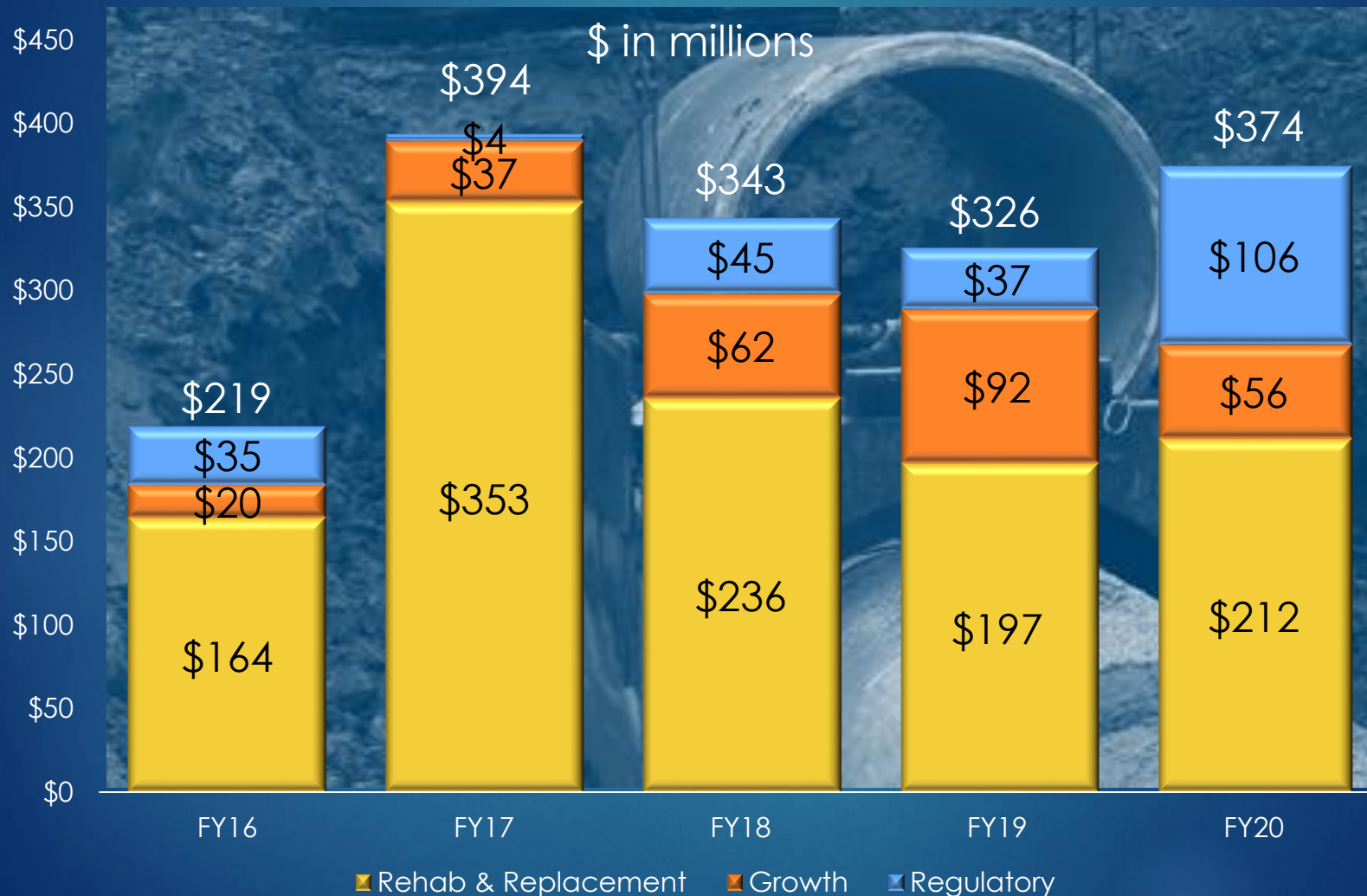
51



# Water Utilities

## Future Capital Improvement Program

52





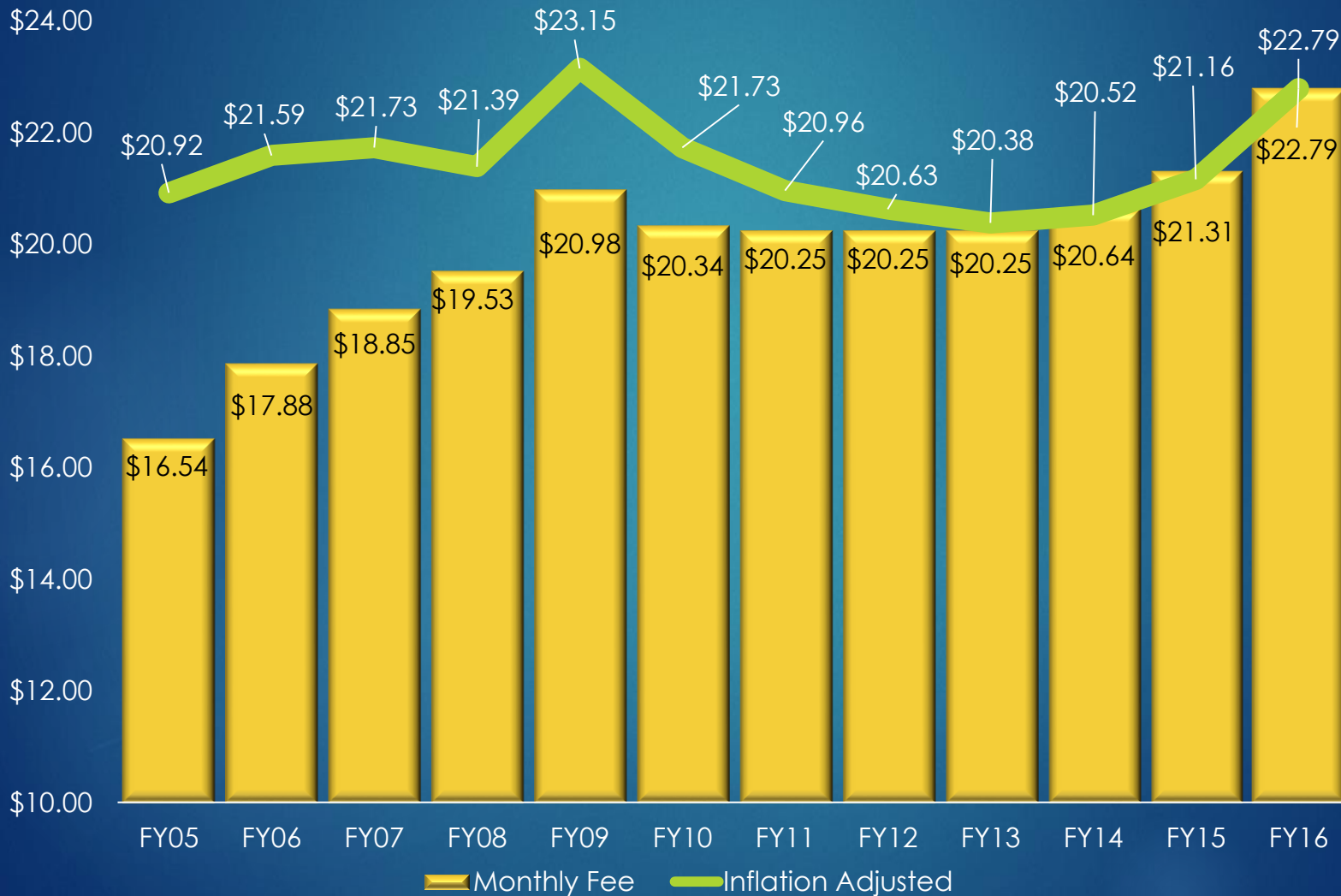
# Sanitation Services

# Sanitation Services

54

- ▶ Beginning in FY16, by ordinance, Sanitation will separate from General Fund and become an Enterprise Fund
  - ▶ More consistent with other municipalities
- ▶ Revenues from residential collection and commercial tipping fees pay cost of weekly solid waste and recycling and monthly brush/bulky collection, and operating McCommas Bluff landfill
- ▶ Cost of service and residential fee are reviewed on an annual basis
- ▶ Proposed budget includes an increase to residential fee of \$1.48 based on increases to:
  - ▶ Fleet maintenance, fuel, technology, and employee compensation/benefits
  - ▶ 1% franchise fee to go towards street and alley maintenance

# Sanitation Fee History (with fee adjusted for inflation)



# Sanitation Services

56

Collection Fee per Month (96 gallon container)



# Sanitation Services

57

City	Service Location	# of Collections (Brush/Bulky)
San Antonio, TX	Predominately curb service	- 2X per calendar year for Brush & Bulk - Restrictions (volume, size, type)
Ft. Worth, TX	Predominately curb service	- 1X per month Bulk and no brush - Restrictions (volume, size, type)
<b>Dallas, TX</b>	<b>47% alley collection; 53% curb service</b>	<b>- 1X per month Brush &amp; Bulk</b> <b>- Minimal restrictions (only type)</b>
Long Beach, CA	Predominately curb service	- Free scheduled pick up twice a year
Phoenix, AZ	Predominately curb service	- 4X per year – Restrictions
Miami Dade County, FL	Predominately curb service	- 2X per year - Residents can use 13 drop off locations
Austin, TX	Predominately curb service	- 2X per year for Brush & Bulk - Restrictions (volume, size, type)
San Jose, CA	Predominately curb service	- Single Family – \$26.40 for 1-3 items, Apt. - \$58.36 for up to 3 items and \$19.45 for each addtl item
Seattle, WA	Predominately curb service	- \$30.00 per item, \$28.00 per items containing CFC.

Full description of each city's service level can be found in Appendix



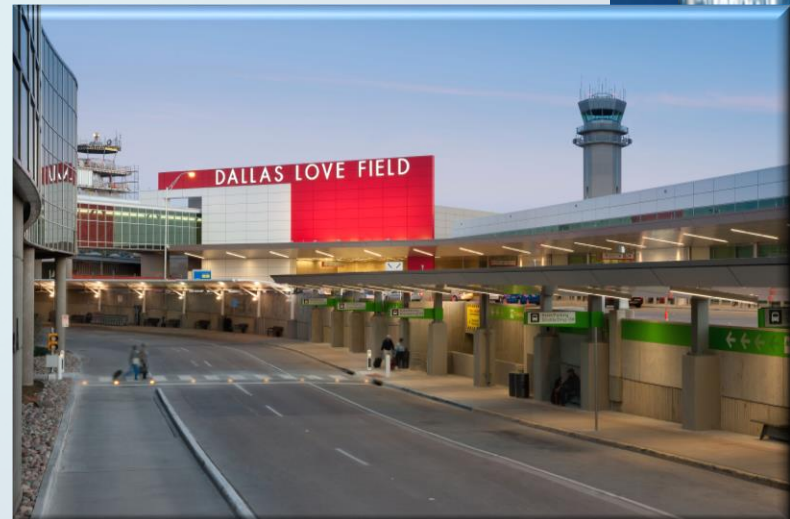
# Other Enterprise Fund Highlights



# Aviation

59

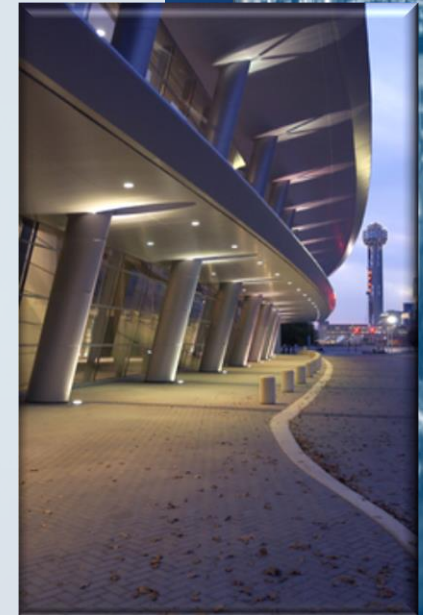
- ▶ FY16 Proposed Budget = \$91.2m
- ▶ Budget includes 6 new positions at Love Field Airport related to 50% increase in traffic following repeal of Wright Amendment
- ▶ Include marketing funds for Dallas Executive Airport
- ▶ Capital construction transfer of \$9.7m to reinvest in aviation facilities



# Convention Center

60

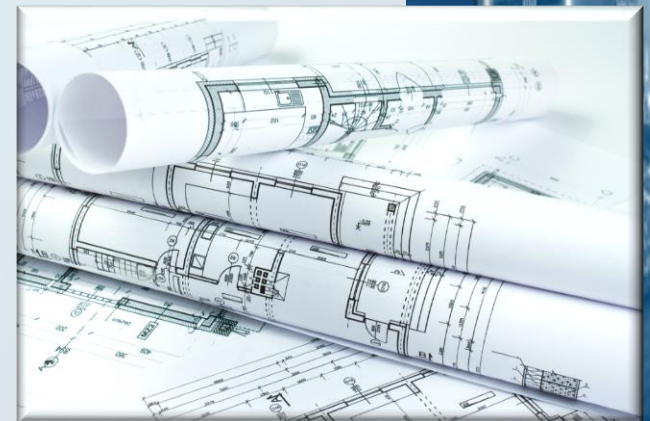
- ▶ FY16 Proposed Budget = \$82.9m
- ▶ Budget funds operations and maintenance of Kay Bailey Hutchison Convention Center, Union Station, and Office of Special Events
- ▶ Hotel Occupancy Tax budget is \$54m
  - ▶ 30% of HOT (\$16.2m) to be allocated to Dallas Convention & Visitors Bureau
  - ▶ 2.6% of HOT (\$1.4m) to be dedicated towards cultural arts programming
  - ▶ Remainder of HOT is pledged to repayment of outstanding revenue bonds
- ▶ Include \$4m transfer to capital construction fund to address deferred facility maintenance



# Building Inspection

61

- ▶ FY16 Proposed Budget = \$30.7m
- ▶ Construction environment continues to be strong and vibrant
- ▶ Budget adds 27 new positions in building inspection to address increased demand for service:
  - ▶ 4 person team to oversee process review and enhancement
  - ▶ 5 Inspection division positions added to improve service
  - ▶ Positions also added for:
    - ▶ Plan/survey review (9)
    - ▶ Engineering (3)
    - ▶ GIS/Surveyors/Real Estate (6)





# Capital Budget & Debt Service

# Capital & Debt Overview

63

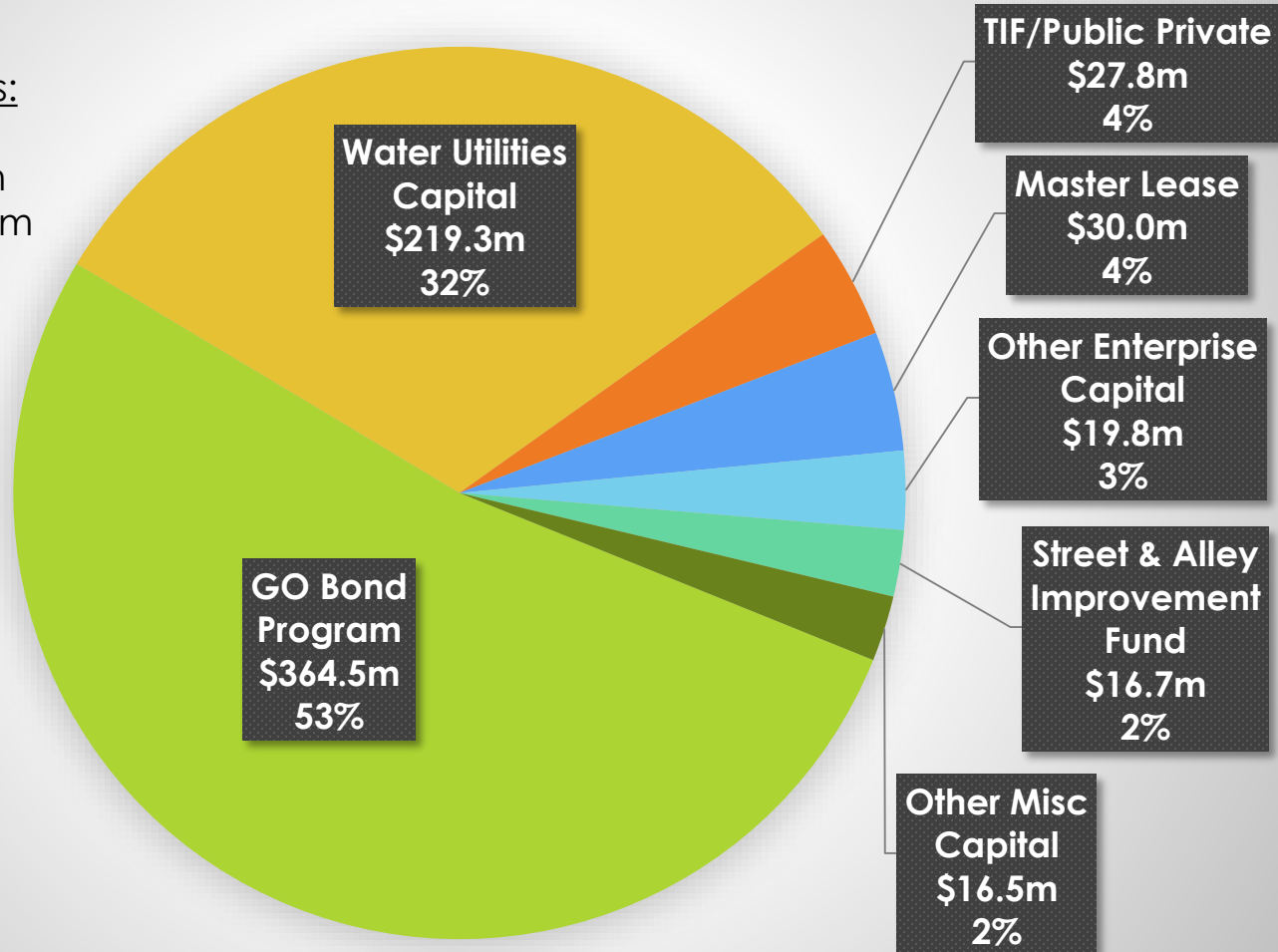
- ▶ General-purpose capital budget for FY16 is \$455.5m and includes:
  - ▶ Mill Creek/State-Thomas Drainage Relief Flood Tunnel (~\$300m)
  - ▶ \$59.5m of street/alley improvement projects
  - ▶ \$30m equipment/technology funded through master lease program
  - ▶ \$16.7m from new street and alley fund
  - ▶ \$3.4m to address deferred facility maintenance
- ▶ In FY16, \$250m in project financing to be completed
  - ▶ \$225m bond issuance anticipated in November 2015 to fund ongoing bond projects
  - ▶ \$25m of cash available from combination of FY15 debt refinancing and end of year accumulated balance will be used to retire CP in-lieu of issuing bonds



# Capital & Debt Overview

## FY16 Capital Budget: \$694.7 million

Other Enterprise Capital includes:  
Aviation- \$9.7m  
Conv Ctr- \$5.2m  
Storm Water: \$5m



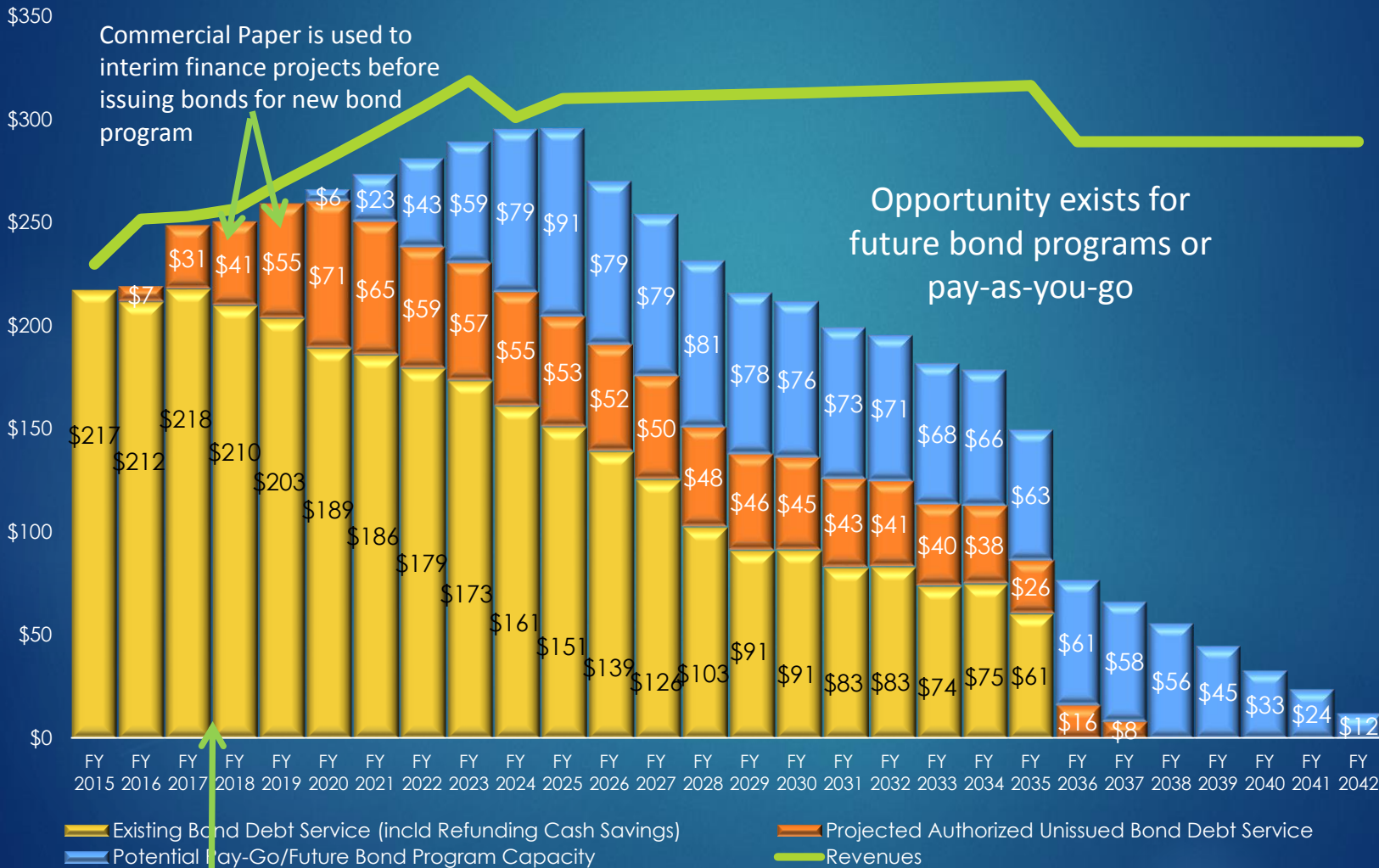
# Capital & Debt Overview

65

- ▶ FY16 Debt Service budget totals \$255.3 million
  - ▶ Principal and interest payments on existing debt of \$211.6m
  - ▶ \$7.3m interest payment on \$225m issue planned for Nov 2015
  - ▶ \$11m for Debt Service Fund's share of TIF increment
  - ▶ One-time use of \$25m cash to refund commercial paper
- ▶ \$1.7 billion debt projected to be outstanding at 9/30/15
- ▶ Future authorized bond issues are projected as follows:
  - ▶ \$225m in FY 2015-16
  - ▶ \$175m in FY 2016-17
  - ▶ \$125m in FY 2017-18
  - ▶ \$165m in FY 2018-19
- ▶ Long-range debt service forecast structure maintains projected \$1 billion in future capacity for 2017 bond program



# Debt Service Future Projections (\$ in millions)



Potential future bond election in Nov 2017 (FY18) and begin projects using Commercial Paper.





# State Taxation Law Requirements

# State Taxation Law Requirements

68

- ▶ State Law requires public notice of tax rate calculations
- ▶ Permits taxpayers to roll back or limit tax increases in certain cases

## City of Dallas Ad Valorem Tax Rates

**FY 2014-15 current rate = \$0.7970**

**FY 2015-16 proposed rate = \$0.7970**

FY 2015-16 Effective Rate = \$0.7599

- Generates same amount of revenue in new fiscal year as previous fiscal year on property taxed in both years
- Adopting effective rate would decrease property tax revenue by \$36.3m from proposed budget

FY 2015-16 Rollback Rate = \$0.8041

- Allows general fund portion plus 8%
- Allows debt service portion necessary to cover debt service expense
- If rate above rollback rate is adopted, voters may petition for an election to reduce rate to rollback rate
- Adopting rollback rate would increase property tax revenue by \$7.0m from proposed budget

# State Taxation Law Requirements

69

- ▶ Requirements if Council desires to reserve option to adopt a tax rate higher than effective tax rate of \$0.7599/\$100 valuation:
  - ▶ Have a record vote to consider a specific tax rate higher than effective rate (Wednesday, August 19th)
  - ▶ Publish date/time for two public hearings (Friday, August 21st)
  - ▶ Hold two tax rate public hearings (Wednesday, September 2nd and Wednesday, September 16th)
  - ▶ Adopt tax rate (Tuesday, September 22<sup>nd</sup>)





# Long-Range Financial Forecast

# Long-Range Financial Forecast

71

- ▶ Long-range forecasting is financial planning tool designed to give an early look at revenues and expenses in future years
- ▶ Forecast is a projection and does not reflect what general fund budgets will actually be in any given future year
- ▶ Forecast is based on assumptions about growth in revenues and expenses multiple years before they actually occur



# Long-Range Financial Forecast Assumptions

72

- ▶ Long-range forecast model includes assumptions for:
  - ▶ Continued growth in property values and sales tax revenues
  - ▶ Maintains all FY16 service levels
  - ▶ Required to fund remainder of fiscal impact from current Meet & Confer agreement with police and fire uniform employees (FY16 is final year, but FY17 will full-year fund FY16 step pay increases)
    - ▶ Assumes step pay increases will continue into future
  - ▶ Funds impact of civilian merit pay increases, assumes average of 3% merit in future years
  - ▶ Cost increases for employee/retiree health benefits
  - ▶ Costs associated with completed capital projects coming into service
  - ▶ Inflation costs for certain supplies/materials such as fuel and utilities
  - ▶ Increases for internal services such as IT and fleet



# Long-Range Financial Forecast Assumptions

73

- ▶ Long-range forecast model **does not include** assumptions for:
  - ▶ Changes in property tax rate
  - ▶ Future Meet & Confer agreement with Police and Fire
  - ▶ Service enhancements beyond FY16 levels such as further increases for animal services, cultural contracts, recreation center hours, etc.
  - ▶ Efficiencies/reductions/outourcing arising from Sunset Review and Lean/Six-Sigma projects
  - ▶ Impact of operation and maintenance expenses resulting from potential 2017 Bond Program
  - ▶ Changes resulting from State or Federal legislation on City



# Long-Range Financial Forecast

	FY 2015-16 Proposed	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
General Fund Revenue	\$1,144.8m	\$1,177.5m	\$1,195.3m	\$1,219.1m
General Fund Expense	\$1,144.8m	\$1,221.8m	\$1,257.6m	\$1,293.2m
<b>Variance/Gap</b>	<b>\$0</b>	<b>(\$44.3m)</b>	<b>(\$62.3m)</b>	<b>(\$74.1m)</b>

Note: Forecasts are very preliminary and **will** change.







# Schedule for August & September 2015

# August & September 2015

76

August 11	Budget Workshop #7: City Manager's recommended budget
August 11 to Sept 1	Town hall meetings
August 19	Budget Workshop #8: topics to be determined
August 26	Budget Public Hearing
September 2	Budget Workshop #9: topics to be determined
September 2	Tax Rate Public Hearing #1
September 9	Adopt Budget on First Reading
September 16	Budget Workshop #10: council amendments
September 16	Tax Rate Public Hearing #2
September 22 (7:00am)	Adopt Budget on Second Reading and Adopt Tax Rate
October 1	Begin FY16



# City Auditor's Opinion & Revenue Review

# Budget Briefing Direction

78

Councilmember: \_\_\_\_\_

Please rank by priority areas you wish discussed in upcoming budget workshops:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

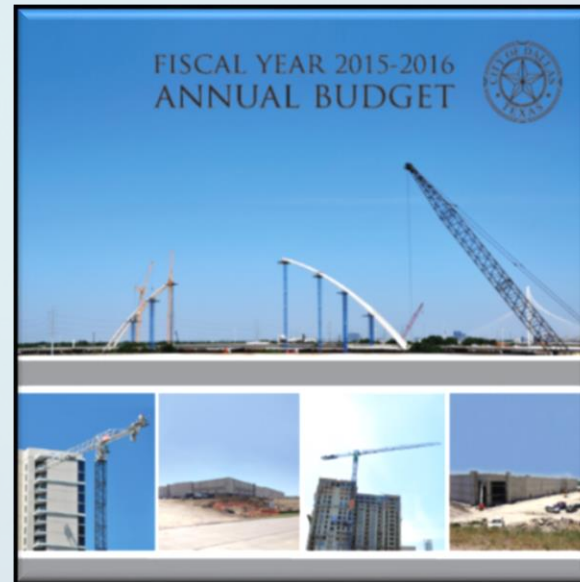
Please return to A.C. Gonzalez by Thursday August 13<sup>th</sup>



# For More Information...

79

- ▶ Please visit [www.dallascityhall.com](http://www.dallascityhall.com) for more information including:
  - ▶ FY 2015-16 Proposed Budget Document
  - ▶ Copy of this presentation
  - ▶ Town hall meeting schedule





# Questions & Comments



# Appendix

- History of personnel headcount
- History of tax base and tax rate distribution
- History of KFA allocations without restating Sanitation
- Comparison of Sanitation service delivery in other cities
- Citizen survey results
- History of General Fund reserve levels
- Proposed fee adjustments

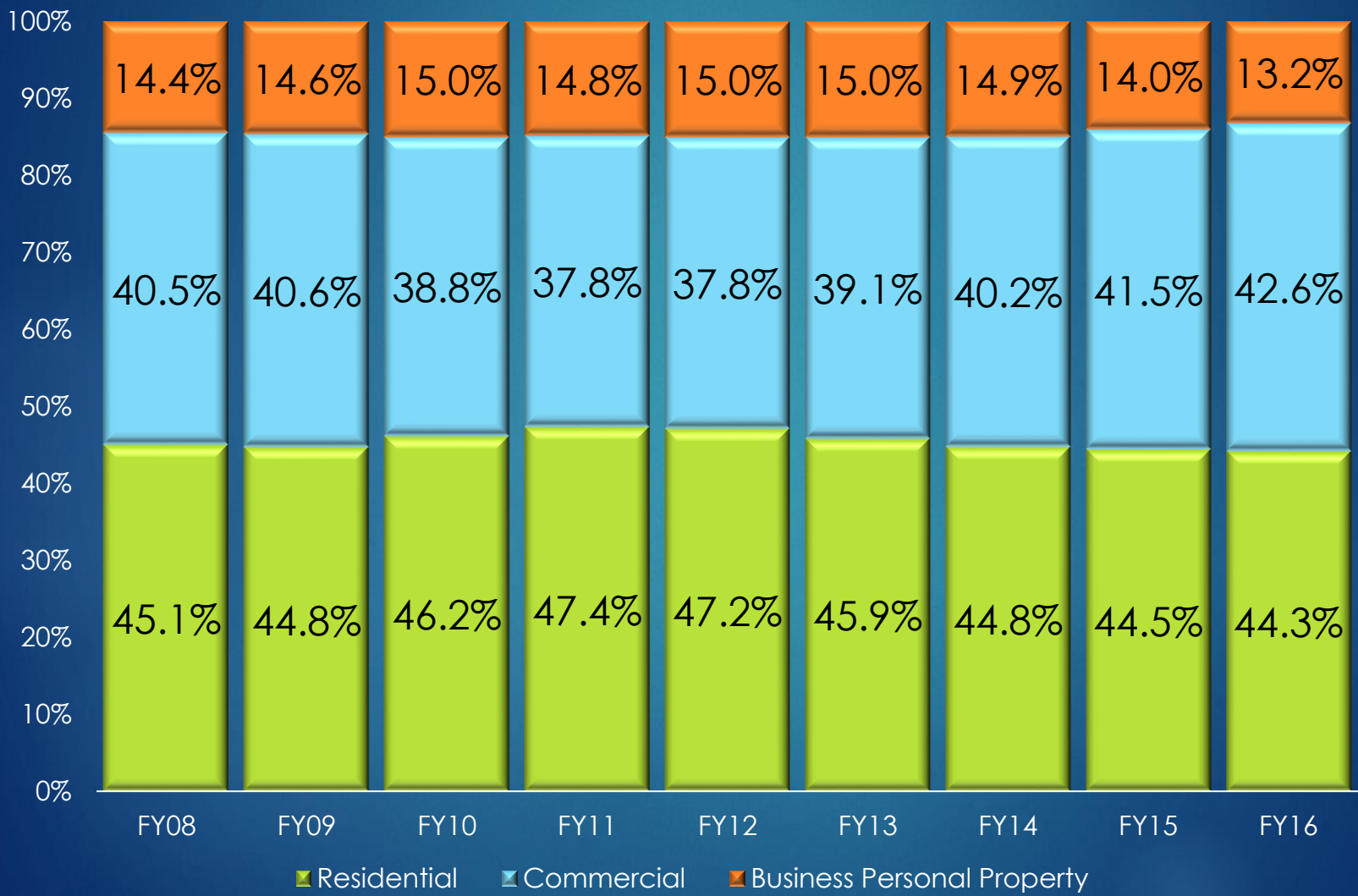
# Historical Active Personnel Headcount (All City Funds as of Dec 31<sup>st</sup> of each year)



Source: Employee Retirement Fund and Police & Fire Pension System

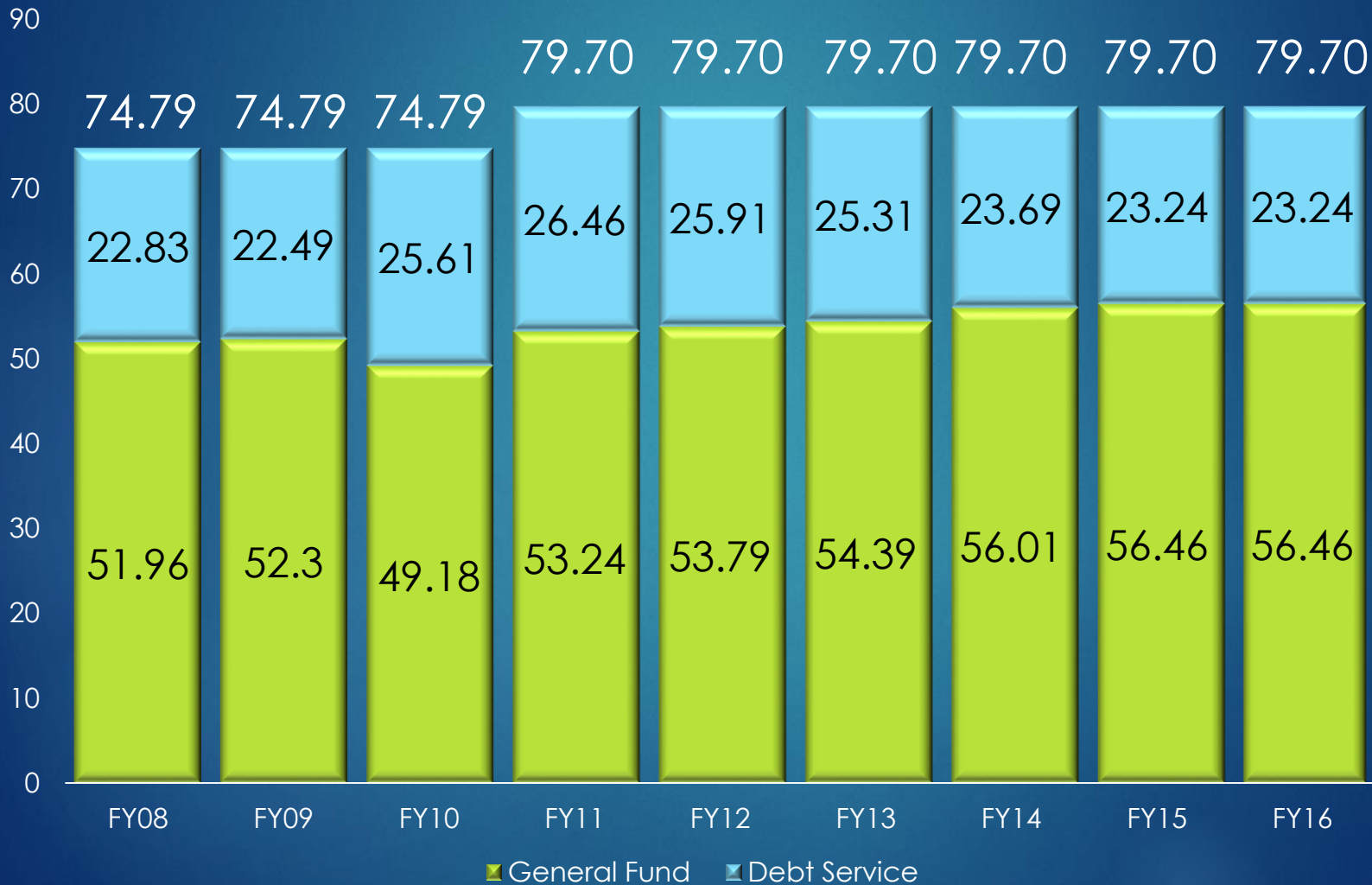


# Historical Tax Base Distribution (% by Category)



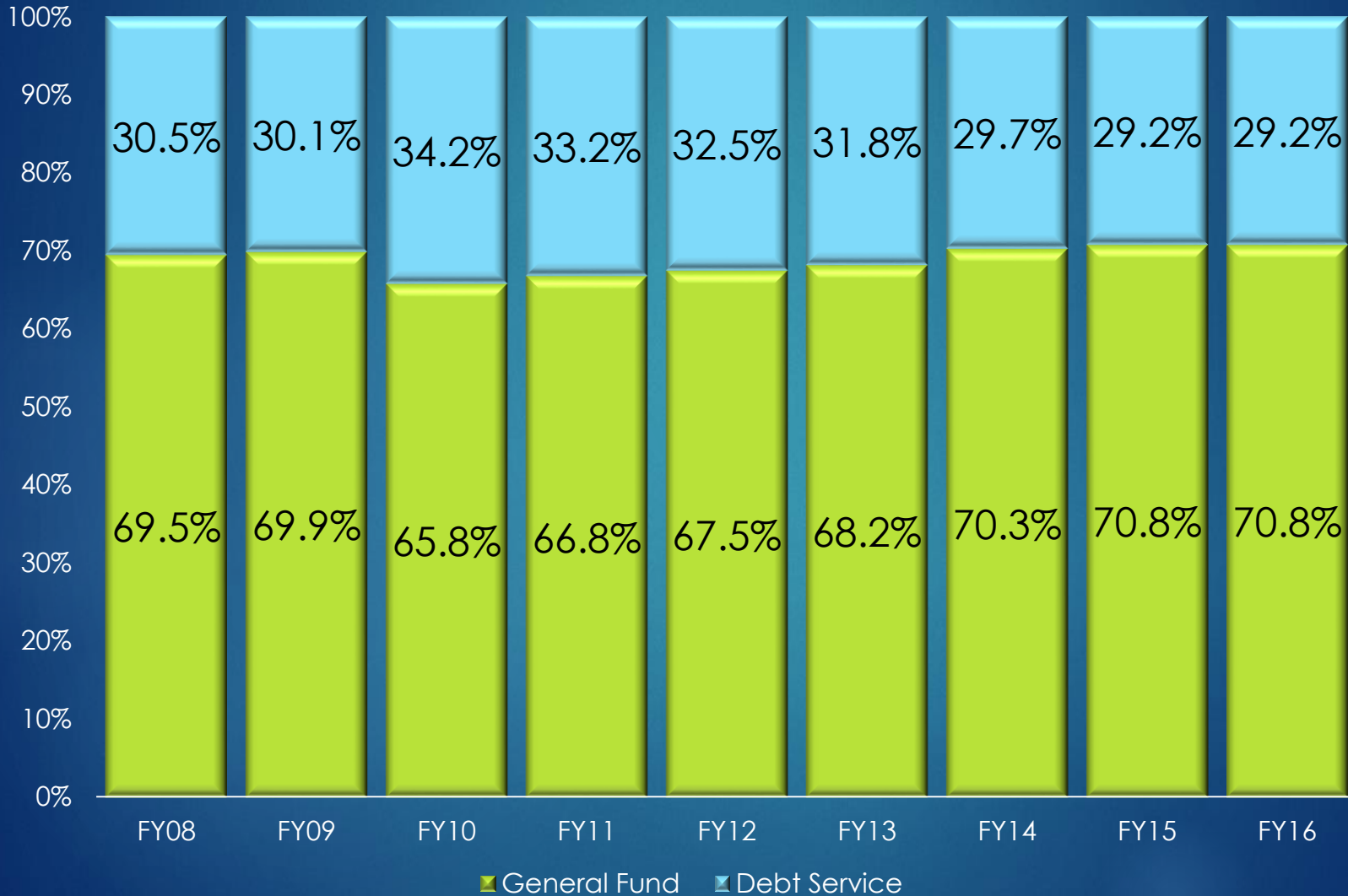
# Historical Tax Rate Distribution

(Rate in Cents per \$100 Valuation)

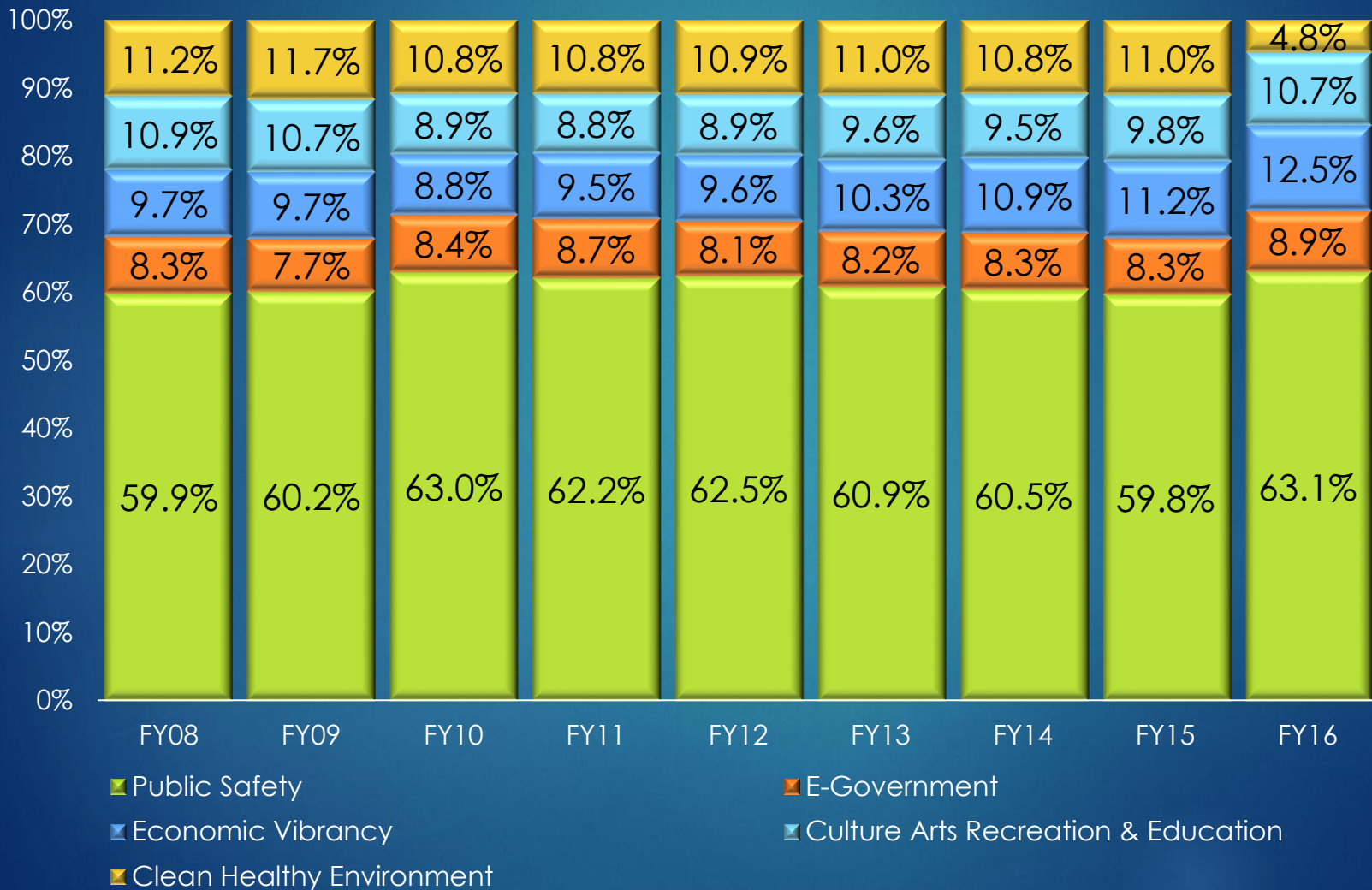


# Historic Tax Rate Distribution

(% Allocation between General Fund and Debt Service)

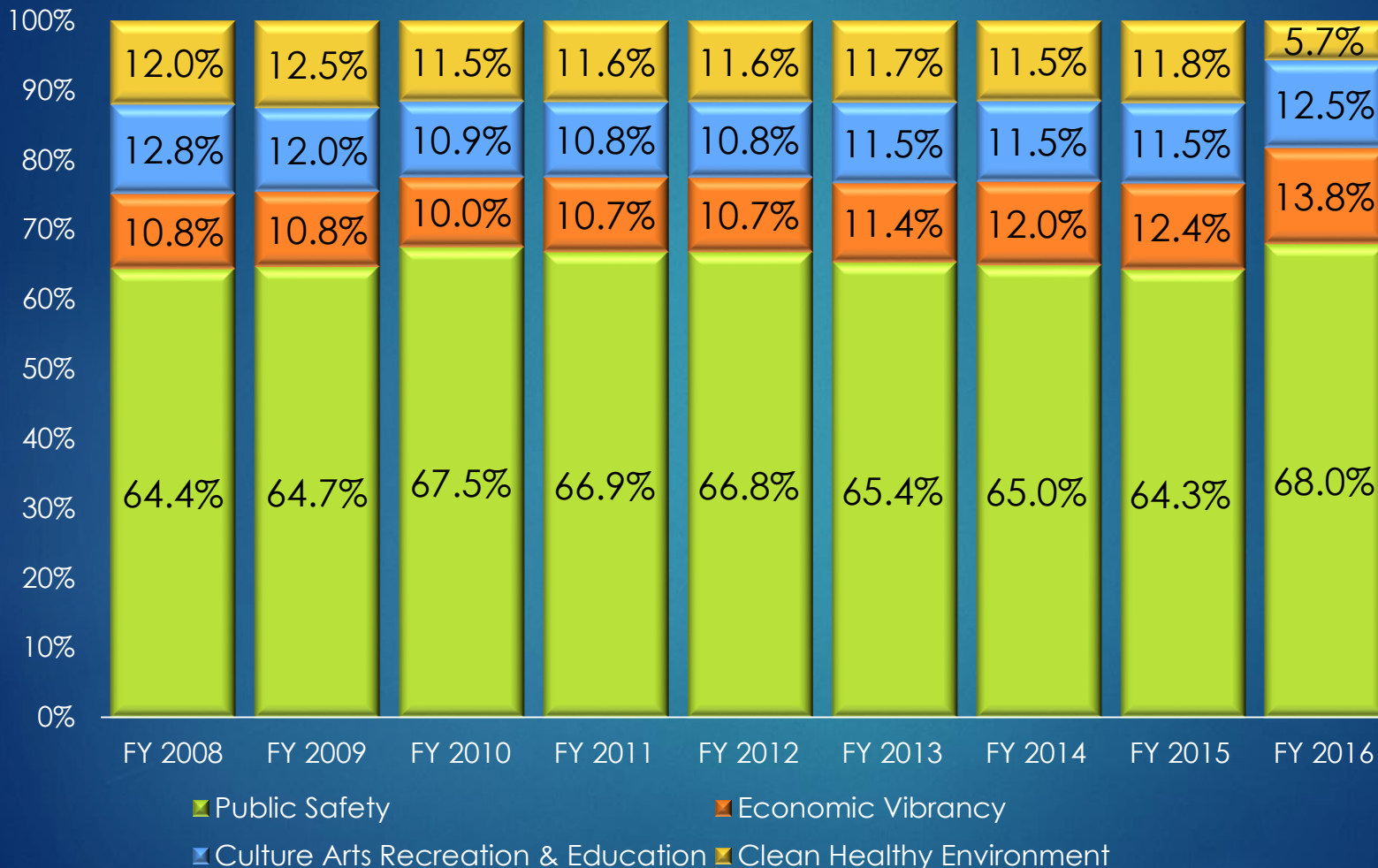


# History of General Fund Expenses (by Key Focus Area- % of Total)



# History of General Fund Expenses

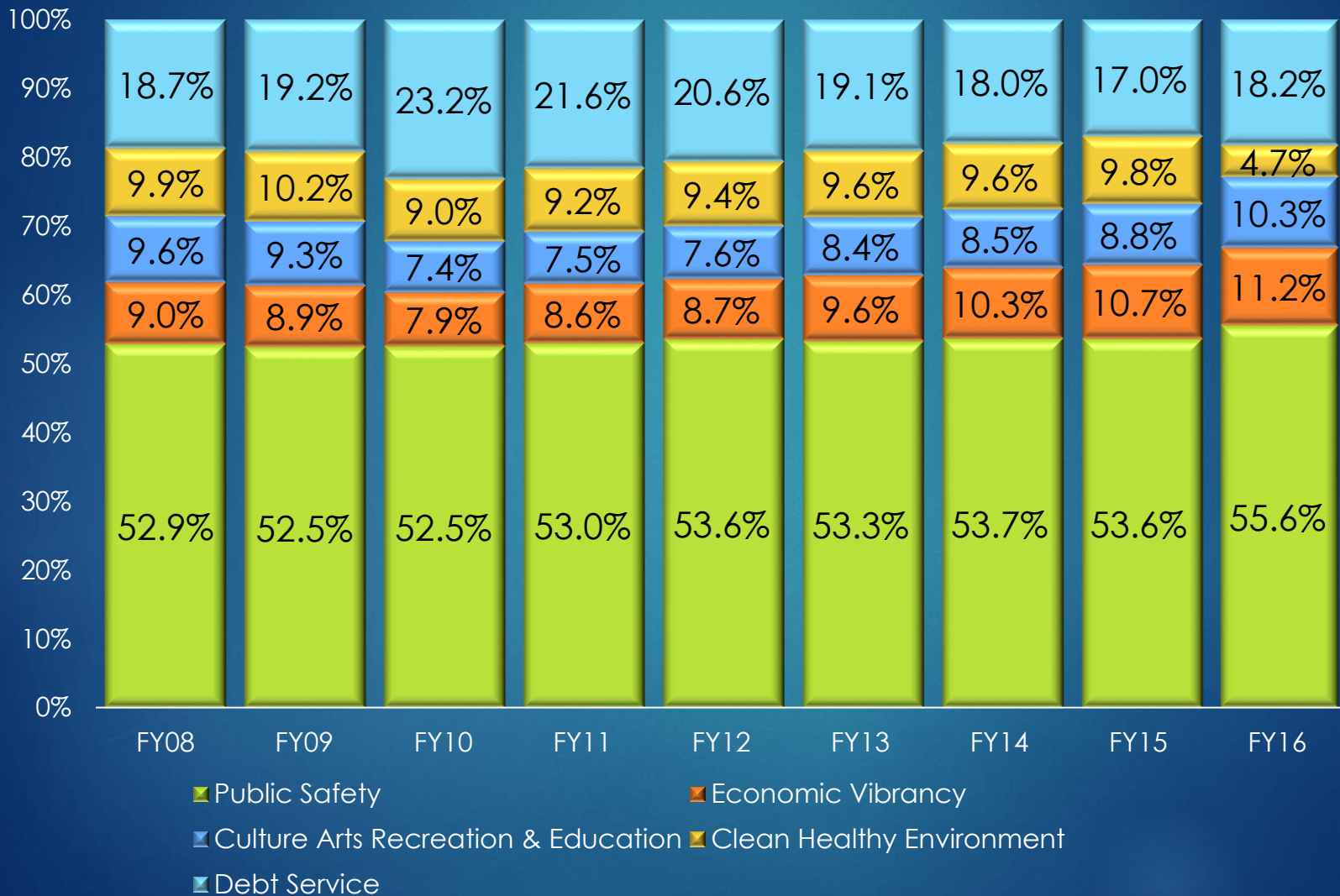
(Historical Allocation by Key Focus Area with e-Gov Distributed to other KFAs\*)



\*E-Gov KFA retroactively distributed for all years based on allocation assumptions

# General Fund & Debt Service Expenses

(Historical Allocation by Key focus Area with e-Gov Distributed to other KFAs\* and Debt Service Added)



# Sanitation Services

City	Refuse & Recycling	# of Collections (Brush/Bulky)
San Antonio, TX	1X weekly refuse & recycle Predominately curb service	- 2X per calendar year for Brush & Bulk Restrictions (volume, size, type)
Ft. Worth, TX	1X weekly refuse & recycle Predominately curb service	- 1X per month Bulk and no brush - Weekly yard waste Restrictions (volume, size, type)
<b>Dallas, TX</b>	<b>1X weekly both refuse &amp; recycling 47% alley collection</b>	<b>- 1X per month Brush &amp; Bulk Minimal restrictions</b>
Long Beach, CA	1X weekly refuse & recycle Predominately curb service	- Free scheduled pick up twice a year
Phoenix, AZ	1X weekly both refuse & recycle Predominately curb service	- 4X per year – Restrictions
Miami Dade County, FL	2X weekly refuse; Bi-weekly recycle Predominately curb service	- 2X per year. - Residents can use 13 drop off locations
Austin, TX	1X weekly refuse; Bi-weekly recycle Predominately curb service	- 2X per year for Brush & Bulk - Weekly yard waste Restrictions (volume, size, type)
San Jose, CA	1X weekly refuse & recycle - incl yard waste Predominately curb service	Single Family – \$26.40 for 1-3 items, Apt. - \$58.36 for up to 3 items and \$19.45 for each addtl item
Seattle, WA	1X weekly refuse and yard waste Bi-weekly recycle Predominately curb service	\$30.00 per item, \$28.00 per items containing CFC.

# Summary of Citizen Survey Results

## Importance-Satisfaction Rating

City of Dallas

### Major Categories of City Services

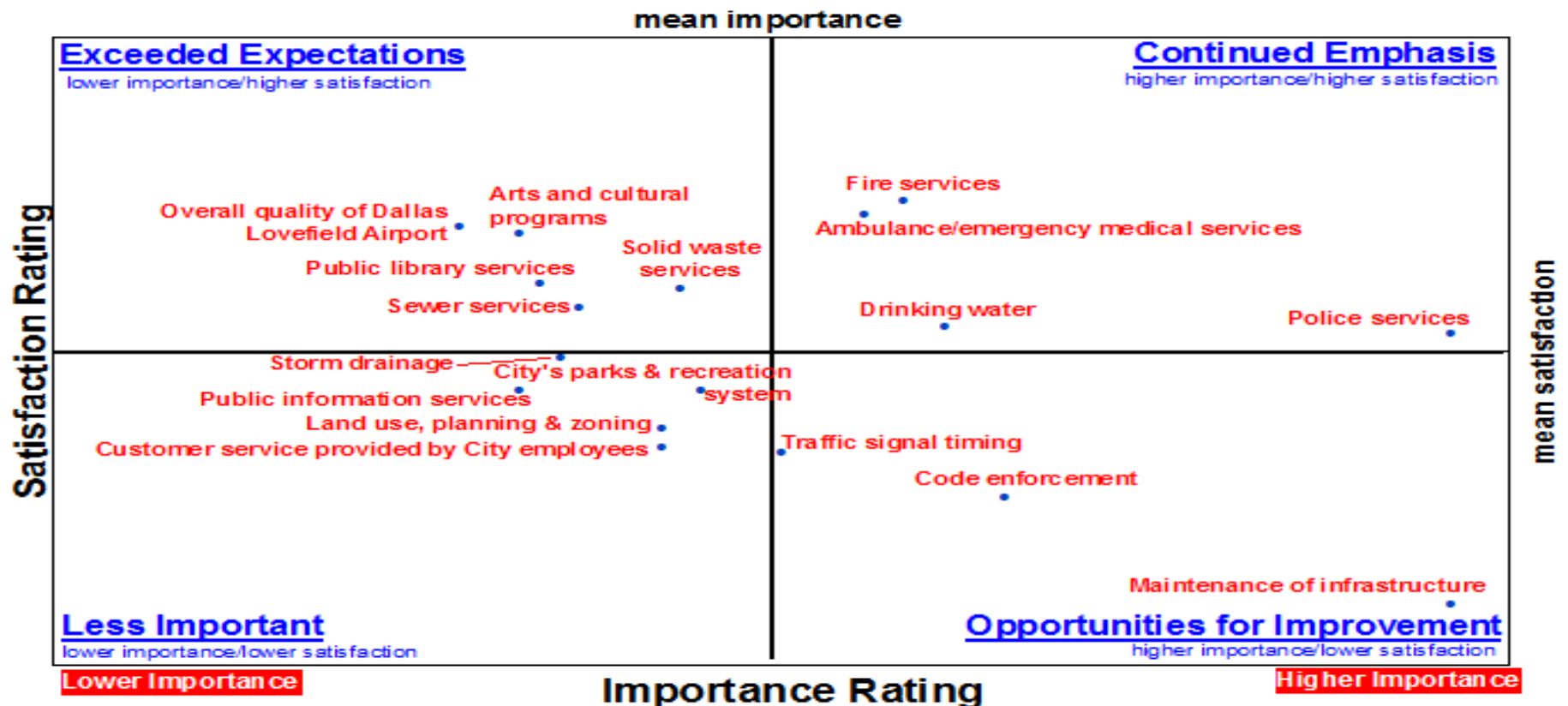
Category of Service	Most Important %	Most Important Rank	Satisfaction %	Satisfaction Rank	Importance-Satisfaction Rating	I-S Rating Rank
<b>Very High Priority (IS &gt;.20)</b>						
Maintenance of infrastructure	53%	2	25%	17	0.3975	1
<b>High Priority (IS .10-.20)</b>						
Code enforcement	31%	3	42%	16	0.1798	2
Police services	53%	1	68%	9	0.1696	3
Traffic signal timing	20%	7	49%	15	0.1020	4
<b>Medium Priority (IS &lt;.10)</b>						
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 = 



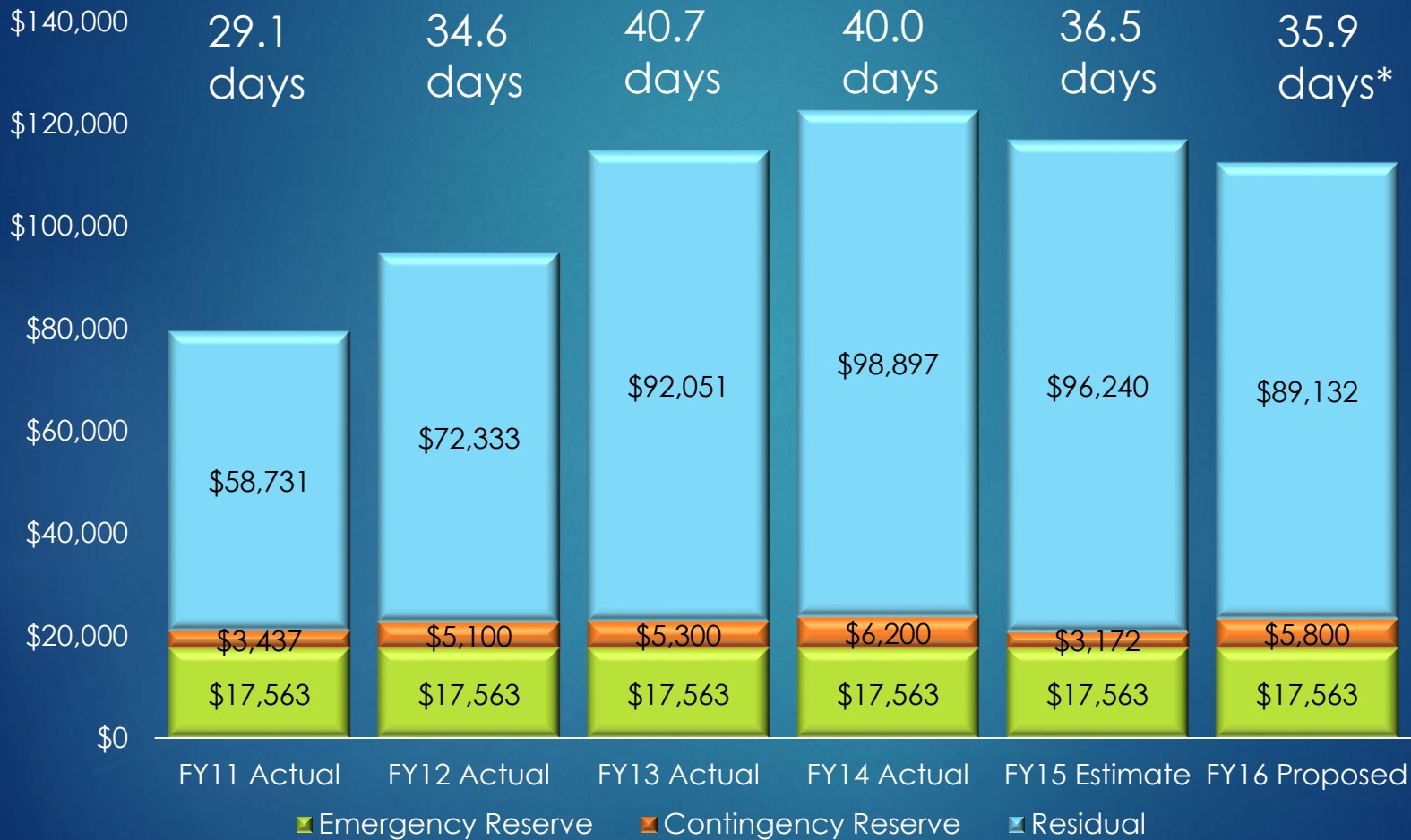
# 2014 City of Dallas DirectionFinder Importance-Satisfaction Assessment Matrix -Major Categories of City Services-

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



# Reserve Levels

(\$ in Thousands)



\*Reduction from FY15 estimate to FY16 proposed is due to transfer of \$7m of balance to establish 30-day reserve fund for Sanitation Enterprise Fund



# Fee Study Recommendations

#	Fee Name	Current Fee per Unit	Full Cost per Unit	Proposed Fee per Unit	Revenue Impact
<b>Code Compliance</b>					
1	Commercial Vacant Bldg Registration	\$75	\$73	\$73	-\$36
2	Multi-Tenant Re-Inspection Fee (Admin Failure)	\$20	\$87	\$87	\$94,872
3	Multi-Tenant Re-Inspection Fee (Exterior)	\$50	\$20	\$20	-\$90,487
4	Multi-Tenant Registration Fee	\$10	\$6	\$6	-\$1,029,708
5	Scrap Tire License	\$315	\$75	\$75	-\$117,132
6	Scrap Tire Decal	\$30	\$75	\$75	\$10,594
7	Scrap Tire - Duplicate License Fee	\$10	\$32	\$32	\$267
8	Electronic Repair License	\$175	\$72	\$72	-\$3,822
9	Home Repair License	\$100	\$68	\$68	-\$59,832
10	Motor Vehicle Repair	\$200	\$75	\$75	-\$134,247
11	Wood Vendor	\$75	\$64	\$64	-\$54
12	Public Swimming Pool Permit Fee	\$175	\$47	\$47	-\$191,579
13	Swimming Pool Manager Certificate Fee	\$40	\$31	\$31	-\$5,151
14	Swimming Pool Manager Certificate Fee (Non-Resident)	\$60	\$31	\$31	-\$1,143
15	Commercial Swimming Pool Re-Inspection	\$0	\$43	\$43	\$6,521
16	Teach Pool Class	\$0	\$16	\$16	\$9,526
17	Pet Registration - Altered - Dog	\$7	\$7	\$7	\$4,283
18	Pet Registration - Altered - Cat	\$7	\$7	\$7	\$1,191
19	Pet Registration - Unaltered - Dog	\$30	\$7	\$30	\$0
20	Pet Registration - Unaltered - Cat	\$30	\$7	\$30	\$0
21	Intact Animal Permit	\$70	\$13	\$100	\$25,470
22	Garage Sales Permit Fee	\$25	\$36	\$25	\$0
23	Non-Owner Occupied Residence Registration Fee	\$25	\$17	\$17	-\$22,070
24	Non-Owner Occupied Residence Re-Inspection Fee	\$50	\$19	\$19	\$0
25	Demolition Service Fee - Admin Fee	\$0	\$138	\$138	\$154,764
26	Credit Access Business Registration Fee	\$50	\$76	\$76	\$5,528
27	Weeds/Litter/Mowing (Nuisance Abatement)	\$0	\$122	\$122	\$0
28	Weeds/Litter/Mowing Administrative Fee (Rev & Coll)	\$0	\$19	\$19	\$144,358
29	Heavy Clean (Nuisance Abatement)	\$0	\$122	\$122	\$0
30	Heavy Clean (Rev & Coll)	\$0	\$19	\$19	\$41,240
31	Secure Closure - Liens (Nuisance Abatement)	\$0	\$122	\$122	\$0
32	Secure Closure - Liens (Rev & Coll)	\$0	\$19	\$19	\$20,620
33	Dangerous Dog License	\$50	\$15	\$50	\$0
34	Competition License	\$30	\$16	\$30	\$0
35	License Health Age	\$30	\$14	\$30	\$0

#	Fee Name	Current Fee per Unit	Full Cost per Unit	Proposed Fee per Unit	Revenue Impact
<b>Code Compliance</b>					
36	License Puppy/Kitten	\$30	\$14	\$30	\$0
37	Group Housing Permit	\$500	\$1,900	\$500	\$0
38	Group Housing Reinspection Fee	\$50	\$743	\$50	\$0
39	Multi-Tenant Re-Inspection Fee (Unit)	\$30	\$46	\$46	\$173,099
40	Multi-Tenant Reinspection Fee (Pool)	\$0	\$22	\$22	\$3,075
41	Adoption (Dog)	\$85	\$229	\$85	\$0
42	Adoption (Cat)	\$55	\$208	\$55	\$0
43	Animal Control Administrative Fee (Boarding)	\$10	\$67	\$15	\$25,290
44	Animal Control Fee (Impounded by City)	\$27	\$128	\$50	\$34,500
45	Animal Control Fee (other than city employee)	\$7	\$68	\$50	\$72,154
46	Microchip	\$15	\$21	\$15	\$0
47	Annual Permit(regulated animal)	\$500	\$284	\$500	\$0
48	Temp Permit	\$100	\$284	\$250	\$750
49	Rabies Vaccination	\$10	\$19	\$19	\$14,654
50	Surgery (Dog)	\$60	\$139	\$139	\$83,001
51	Surgery (Cat)	\$40	\$139	\$139	\$6,164
52	Treatment (Vacc & Antibiotics)	\$55	\$5	\$55	\$0
53	Fecal Exam	\$25	\$19	\$19	-\$202
54	Flea Treatments	\$25	\$4	\$15	-\$360
55	Euthanasia and Lab Supplies	\$20	\$21	\$25	\$180
56	Pictures of animals submitted to court	\$20	\$5	\$20	\$0
57	Medical Exams w/cruelty	\$50	\$251	\$250	\$20,000
<b>Total Code Compliance</b>					<b>-\$703,722</b>

#	Fee Name	Current Fee per Unit	Full Cost per Unit	Proposed Fee per Unit	Revenue Impact
<b>Dallas Fire Rescue</b>					
58	Emergency Medical Services (EMS) Transport - Resident (charge)	\$800	\$1,578	\$1,485	\$2,052,827
59	Emergency Medical Services (EMS) Transport - Non-Resident (charge)	\$900	\$1,578	\$1,578	\$972,851
60	Amusement Building (permit)	\$135	\$528	\$150	\$75
61	Asphalt (tar) kettles (permit)	\$95	\$199	\$199	\$520
62	Candle and Open Flames (permit)	\$95	\$258	\$125	\$4,500
63	Carnivals and Fairs, per day (permit)	\$160	\$428	\$200	\$80
64	Combustible Storage - misc. (permit)	\$150	\$348	\$250	\$7,500
65	Commercial Cooking Fire-Extinguisher System (permit)	\$200	\$267	\$267	\$13,802
66	Dry cleaning plant (permit)	\$140	\$324	\$300	\$320
67	Explosive/Blasting, per day (permit)	\$260	\$569	\$450	\$380
68	Fireworks/Explosive Storage, per day (permit)	\$160	\$421	\$300	\$840
69	Fireworks/Explosive Transportation, per day (permit)	\$190	\$715	\$300	\$1,100
70	Fireworks Display - initial (permit)	\$405	\$1,006	\$500	\$3,610
71	Fireworks Display - subsequent (permit)	\$215	\$816	\$300	\$2,128
72	Flammable/Combustible Liquids (permit)	\$125	\$386	\$250	\$87,500
73	Floor/wall Finishing (permit)	\$135	\$698	\$150	\$0
74	Fruit and Crop Ripening (permit)	\$175	\$279	\$279	\$104
	Liquid or gas-fueled vehicles or equipment in assembly buildings, per event:				
75	1 - 10 vehicles or equipment (permit)	\$63	\$403	\$200	\$11,445
76	11 - 30 vehicles or equipment (permit)	\$127	\$496	\$300	\$1,038
77	31 to 200 vehicles or equipment (permit)	\$191	\$807	\$400	\$5,934
78	201 to 400 vehicles or equipment (permit)	\$400	\$807	\$400	\$0
79	Over 400 vehicles or equipment (permit)	\$500	\$807	\$500	\$0
80	Lumber Yards and Woodworking Plants (permit)	\$160	\$269	\$269	\$545
81	Private Fire Hydrant and Water Supplies (permit)	\$105	\$447	\$350	\$5,390
82	Pyro Special Effects Material - initial (permit)	\$185	\$1,047	\$300	\$2,300
83	Pyro Special Effects Material - subsequent (permit)	\$92	\$976	\$300	\$10,400
84	Refrigeration Equipment (permit)	\$160	\$205	\$205	\$900
85	Scrap Tire Storage (permit)	\$160	\$200	\$200	\$0
86	State Licensed Facilities: Child care - 35 children or less (permit)	\$150	\$296	\$150	\$0
87	State Licensed Facilities: Child care - over 35 children (permit)	\$200	\$296	\$200	\$0
88	State Licensed Facilities: Residential care (permit)	\$150	\$295	\$200	\$10,500
89	State Licensed Facilities: Small assisted living (permit)	\$150	\$281	\$200	\$4,600
90	State Licensed Facilities: Adult day care (permit)	\$150	\$369	\$200	\$800

#	Fee Name	Current Fee per Unit	Full Cost per Unit	Proposed Fee per Unit	Revenue Impact
<b>Dallas Fire Rescue</b>					
91	Temporary Membrane Structures & Tents (permit)	\$125	\$623	\$300	\$50,400
92	Tire-rebuilding Plant (permit)	\$160	\$280	\$200	\$0
93	Torch and Open Flames (permit)	\$120	\$708	\$200	\$480
94	Trench Burning - per day (permit)	\$350	\$404	\$404	\$3,240
95	Waste Handling (permit)	\$160	\$259	\$250	\$540
96	Welding/Cutting/Hot works (permit)	\$125	\$194	\$194	\$69,000
97	Acetylene Generator (permit)	\$175	\$476	\$300	\$250
98	Aerosol Products (permit)	\$175	\$280	\$250	\$450
99	Aviation Facilities (permit)	\$150	\$522	\$300	\$600
100	Calcium Carbide Storage (permit)	\$175	\$324	\$300	\$125
101	Compressed gas filling/storage/use (permit)	\$95	\$301	\$250	\$11,160
102	Cryogenic fluids (permit)	\$150	\$296	\$250	\$4,800
103	Hazardous Materials (permit)	\$175	\$615	\$550	\$42,750
104	Hazardous Production Material (HPM) (permit)	\$175	\$654	\$550	\$8,250
105	High Piled Storage (permit)	\$160	\$242	\$200	\$3,600
106	Industrial Oven (permit)	\$175	\$280	\$250	\$1,200
107	Limited Access Gates: 1 - 3 gates (permit)	\$150	\$350	\$250	\$17,500
108	Limited Access Gates: 4 - 7 gates (permit)	\$205	\$346	\$300	\$4,750
109	Limited Access Gates: 8 or more gates (permit)	\$260	\$440	\$400	\$1,400
110	Liquid Petroleum - Gas Storage/Use (permit)	\$122	\$254	\$254	\$17,424
111	Liquid Petroleum Gas Demonstration/Portable Cooking (vehicle) (permit)	\$125	\$606	\$300	\$37,375
112	Liquid Petroleum Gas Demonstration/Portable Cooking (cart) (permit)	\$150	\$606	\$150	\$0
113	Magnesium - permit	\$175	\$270	\$250	\$0
114	Mobile Fueling: Site survey (permit)	\$245	\$404	\$400	\$620
115	Mobile Fueling: Vehicle inspection (permit)	\$100	\$395	\$300	\$3,200
116	Open Burning/Recreational Fires (permit)	\$230	\$314	\$250	\$80
117	Spray Painting/Dipping (permit)	\$135	\$339	\$200	\$2,600
118	Plan Reviews - Access Gates (permit)	\$75	\$382	\$200	\$750
119	Plan Reviews - Fire Lane / Hydrant (permit)	\$75	\$310	\$200	\$1,725
120	New Constr Regular Hours, per hour (fee)	\$60	\$290	\$200	\$68,880
121	New Constr OT Reimbursement, per hour (fee)	\$70	\$382	\$200	\$703,850
122	New Constr Re-tests Fees (fee)	\$500	\$622	\$622	\$15,752
123	Special Event/Trade Show Reimbursement Fees Daytime per hr (fee)	\$60	\$222	\$150	\$494,040
124	Special Event/Trade Show Reimbursement Fees OT per hour (fee)	\$70	\$290	\$200	\$16,250

#	Fee Name	Current Fee per Unit	Full Cost per Unit	Proposed Fee per Unit	Revenue Impact
Dallas Fire Rescue					
125	Fire Watch Fees (OT hours) - fee for services rendered (fee)	\$70	\$342	\$120	\$27,350
126	Initial Re-inspection (fee)	\$100	\$0	\$125	\$5,000
127	2nd + Re-inspection (fee)	\$105	\$205	\$205	\$105,140
128	High Risk Registration (fee)	\$25	\$217	\$150	\$246,875
129	High Risk Building -Public Assembly- less than 5,000 sq ft (fee)	\$40	\$232	\$150	\$82,500
130	High Risk Building -Public Assembly-5K to less than 10K (fee)	\$80	\$251	\$200	\$21,000
131	High Risk Building -Public Assembly- 10K to less than 60K (fee)	\$120	\$283	\$250	\$9,750
132	High Risk Building -Public Assembly- 60K to less than 100K (fee)	\$160	\$296	\$250	\$450
133	High Risk Building -Public Assembly- over 100K sq ft (fee)	\$200	\$326	\$300	\$500
134	High Risk Building- HazMat - less than 5,000 sq ft (fee)	\$125	\$292	\$250	\$43,750
135	High Risk Building- HazMat- 5K to less than 10K (fee)	\$175	\$278	\$250	\$3,750
136	High Risk Building- HazMat- 10K to less than 60K (fee)	\$225	\$369	\$300	\$1,875
137	High Risk Building- HazMat- 60K to less than 100K (fee)	\$300	\$313	\$313	\$130
138	High Risk Building- HazMat- over 100K sq ft (fee)	\$350	\$448	\$400	\$750
139	High Risk Building- High Rise Business- less than 200K sq ft (fee)	\$200	\$276	\$250	\$8,500
140	High Risk Building- High Rise Business-200K to 600K sq ft (fee)	\$400	\$260	\$260	-\$22,400
141	High Risk Building- High Rise Business- over 600K sq ft (fee)	\$500	\$291	\$291	-\$4,180
142	High Risk Building- High Rise Residential- less than 250 units (fee)	\$200	\$383	\$300	\$4,000
143	High Risk Building- High Rise Residential- 250 to 600 units (fee)	\$400	\$439	\$439	\$975
144	High Risk Building- High Rise Residential- over 600 units (fee)	\$500	\$550	\$550	\$0
145	High Risk Building - Health Care- less than 100 beds (fee)	\$200	\$325	\$300	\$3,500
146	High Risk Building - Health Care- 100 to 500 beds (fee)	\$400	\$556	\$550	\$4,500
147	High Risk Building - Health Care- over 500 beds (fee)	\$500	\$661	\$650	\$750
<b>Total Dallas Fire-Rescue</b>					<b>\$5,329,495</b>



#	Fee Name	Current Fee per Unit	Full Cost per Unit	Proposed Fee per Unit	Revenue Impact
<b>Park and Recreation</b>					
148	Recreation Center - After Hours Reservations	various	various	No Change	
149	Field Rentals	various	various	No Change	
150	Picnic Pavilions/Outdoor Weddings	various	various	No Change	
151	Winfrey Point/Big Thicket Rentals	various	various	No Change	
152	Pool Admissions	various	various	No Change	
<b>Total Park and Recreation</b>					<b>\$0</b>

#	Fee Name	Current Fee per Unit	Full Cost per Unit	Proposed Fee per Unit	Revenue Impact
<b>Public Works</b>					
153	Used Car Lot Annual Registration	various	various	\$0	-\$54,118
<b>Total Public Works</b>					<b>-\$54,118</b>

# Memorandum



CITY OF DALLAS

DATE August 7, 2015

TO Honorable Mayor and Members of the City Council

SUBJECT **Center for Performance Excellence Update**

On Tuesday, August 11, 2015, the City Council will be briefed on the Center for Performance Excellence. The briefing materials are attached for your review.

Please let me know if you have any questions or need additional information.

A handwritten signature in black ink, appearing to read 'Mark McDaniel'.

Mark McDaniel  
Assistant City Manager

c: 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  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor & Council



# DALLAS

## Center for Performance Excellence



*Setting New Standards for Local Government*



August 11, 2015

# Why the Center?

- ▶ **Bottom Line:** to benefit citizens by examining how we can operate more efficiently and effectively through the disciplined application of proven management systems.
- ▶ **Goals:**
  - ▶ **Reduction in Costs** (Current and Future)
  - ▶ **Enhanced Responsiveness** for Citizens/Customers
  - ▶ **Increased Capacity** of Existing Workforce (Saving Time)
  - ▶ **Motivated Workforce:** Employee Empowerment + Job Enrichment = Productive Team Members
  - ▶ **Improved Organizational Communications** Leading to the “Cross Pollination” of Ideas for Improvement
  - ▶ **Leveraged Partnerships** for Applying Best Practices from Elsewhere

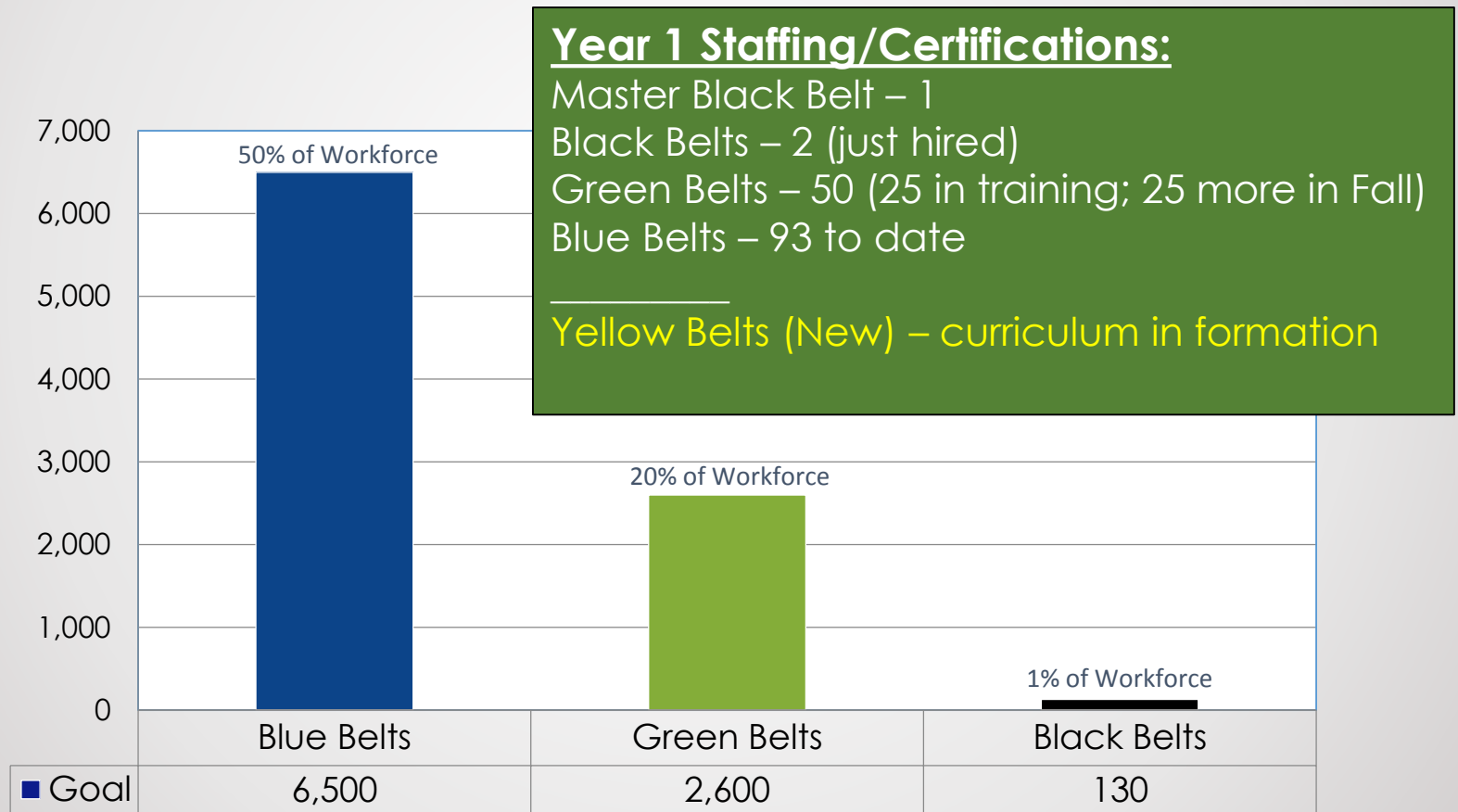
-  Quality Management System (ISO9001)
-  Baldrige Framework/Criteria



## Pulling it All Together

# Lean Six Sigma

## Long Term Training and Certification Goals



# Lean Six Sigma

## Sampling of Projects Identified So Far

- ▶ Code Compliance – Improve inspection cycle time and compliance
- ▶ Aviation – Reduce mowing cost at Executive Airport
- ▶ 311 – Improve timeliness and accuracy of dispatch process
- ▶ Municipal Court – Improve court assignment/scheduling process
- ▶ Police – Improve Property Inventory Processing
- ▶ Fire – Improve inventory control for EMS equipment
- ▶ Parks – Reduce equipment shop task times
- ▶ Streets – Improve street patching/restoration process

# Lean Six Sigma

## Projected Potential Savings, So Far

(as identified in only seven out of an estimated 25 project charters this calendar year)

- ▶ Estimated Hard Savings – \$627,954\*
- ▶ Estimated Soft Savings – \$133,070\*

### FY2016 Goals:

Initial ROI – 75% (will likely exceed)

Projects Completed – 80

Training – 200 Employees

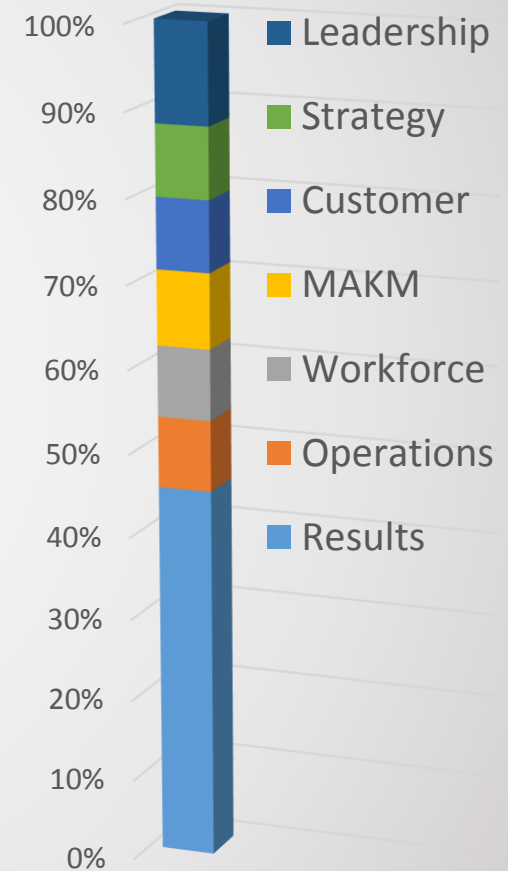
*\*Estimates are in the process of third party verification, then again confirmed upon project completion.*



# Department Level Business Planning (Using the Baldrige Framework)

- ▶ **Criteria 1** | Leadership (120 points)
- ▶ **Criteria 2** | Strategy (85 points)
- ▶ **Criteria 3** | Customer (85 points)
- ▶ **Criteria 4** | Measurement, Analysis, & Knowledge Management (90 points)
- ▶ **Criteria 5** | Workforce (85 points)
- ▶ **Criteria 6** | Operations (85 points)
- ▶ **Criteria 7** | Results (450 points)

**Total possible points = 1,000**



# FY15 Business Planning Schedule

Task	When	Status
<ul style="list-style-type: none"> <li>Distribute New Business Plan Templates to Departments</li> </ul>	March	Complete
<ul style="list-style-type: none"> <li>Provide Training to Departments</li> </ul>	April - May	Complete
<ul style="list-style-type: none"> <li>Departments Submit First Draft Business Plans</li> </ul>	June	Complete
<ul style="list-style-type: none"> <li>Review Draft Business Plan Submissions (CPE)</li> <li>Identify Recurring Themes for Improvement</li> <li>Update Training to Address Recurring Themes for Improvement</li> </ul>	June - August	In Progress
<ul style="list-style-type: none"> <li>Provide Updated Training to Departments</li> </ul>	August - September	In Development
<ul style="list-style-type: none"> <li>Departments Submit End of Year (EOY) Updated Business Plans</li> <li>Combine EOY Report and Annual Report</li> </ul>	October	Planned

# Performance Measurement & Benchmarking

- ▶ Long standing member of ICMA Center for Performance Measurement – now migrating to new **ICMA Insights** platform
- ▶ Currently use Performancesoft to regularly track performance by department – purchased a new budget module that includes this integration
- ▶ Enhancing visualization of metrics through use of **Socrata** to create **Dallas Data Points** – “go live” Fall, 2015

**DALLAS DATA POINTS**  
THE CITY OF DALLAS PERFORMANCE DASHBOARD  
Setting New Standards for Local Local Government

Public Safety  
Economic Vibrancy  
Clean, Healthy Environment  
Culture, Arts, Recreation & Education  
E-Gov  
Additional Links

**About Dallas Data Points**  
The City of Dallas, through leadership of the Mayor and City Council, strives to achieve progress in five Key Focus Areas (KFA):  
Public Safety  
Economic Vibrancy  
Clean, Healthy Environment  
Culture, Arts, Recreation and Education  
E-Gov  
Dive deeper into the tiles to view the individual measures that set the framework for each of the priorities.  
A.C. Gonzalez | City Manager  
"We Make BIG Things Happen"

**Feedback**  
We want to hear from you!  
Name  
Email Address  
Comments and Suggestions  
May we contact you?   
Submit

# ISO9001 Quality Management Systems Re-engineering for the Next Evolution

Upon the 10 year anniversary of ISO9001 in FY16, we will “re-engineer” how we deploy.

**Independent Auditing** – existing contract renegotiated for single, rather than three separate certifications. Services also include bringing on additional departments and transitioning to updated ISO standards. Impact = \$29,873 savings in FY16 and \$240,000 over remaining four year term.

**Decentralization** – Reduction of ISO auditors headquartered in CPE, with the intent to push out more training and coaching rather than focusing only on compliance.

**More Robust Reporting** – Enhance performance reporting on findings and direct benefits.

# Monitoring Progress

- ▶ Lean Six Sigma **dashboard**
- ▶ Quarterly/annual **report outs**
- ▶ Strategic planning – tracking organization-wide priority **metrics**
- ▶ **Business planning** reviews and scoring - using Quality Texas/Baldrige criteria
- ▶ Citizen **surveys**

# Implementation Milestones

Complete organizational shifts to establish new CPE	<b>October, 2014</b>
Convene Working Group to develop and finalize CPE program of work and calendar	<b>December, 2014</b>
Full launch new Lean Six Sigma programming	<b>May, 2015</b>
Implement organization-wide business planning at the department level, to include key performance metrics and objectives/tactics for achieving Baldrige criteria	<b>May, 2015</b>
Certify three additional departments in ISO 9001 in FY15	<b>Underway</b>
Appoint CPE Advisory Board	<b>Underway</b>
Convene first Advisory Board meeting & regional summit	<b>Fall, 2015</b>
Launch Dallas Data Points dashboard	<b>Fall, 2015</b>
Formalize BIG Academy	<b>Winter, 2015</b>
Re-engineer deployment of ISO 9001	<b>Spring, 2015</b>

# Questions?

DALLAS Center for Performance Excellence

# Appendix

DALLAS Center for Performance Excellence



# Who We Are

DALLAS Center for Performance Excellence

# Purpose of the CPE

- ▶ Facilitate best-in-class levels of performance across the City of Dallas organization through an **integrated systems approach that achieves results**
- ▶ Identify and **share best local government management research and improvement practices** across the region, state and nation

# A Fresh Approach

Building on past and current successes by:

- ▶ Fostering **synergy through collaboration**, rather than segmented or siloes of internal efforts
- ▶ Infusing **new thoughts and ideas** borrowed from private business and industry
- ▶ “Daylighting” and sharing of **innovations and best practices** via use of a public-private advisory board

# Expectations

- ▶ A consulting resource for **empowerment**, rather than separate teams of compliance specialists
- ▶ An **R&D lab** for taking calculated “risks” to innovate
- ▶ A tool for **connecting employees** to the organization’s vision, mission and purpose
- ▶ An understanding that **growth and comfort do not co-exist**
- ▶ A **marathon**, not a sprint!

# Advisory Board

- ▶ Comprised of national leaders in business, industry, academia, and civic **organizational development**
- ▶ Meets twice annually (first meeting October 23<sup>rd</sup>)
- ▶ Hosts **annual symposium** featuring innovations in local government in conjunction with Fall business meeting
- ▶ May serve individually as a **Strategic Partner** through loaned executive program, provision of services, coaching, etc.

# Working Group

## Role:

To provide **recommendations to the City's executive team** regarding current and ongoing continuous improvement efforts, as well as launch or implement new improvement initiatives

## Members:

All **assistant city managers** and **department directors**

## Meetings:

Monthly

# What We Do

DALLAS Center for Performance Excellence

# Lean Six Sigma

DALLAS Center for Performance Excellence



# What is it?

A combination of **two disciplined, data-driven approaches and methodologies** for improving performance:

## Lean Enterprise:

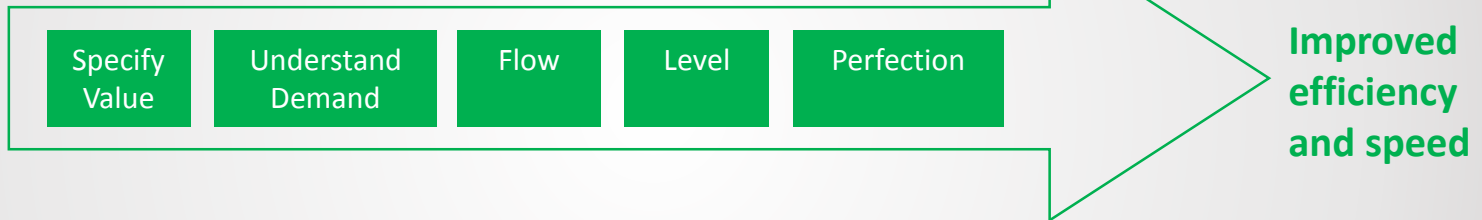
- ▶ Developed by Toyota Motor Company as the Toyota Production System in the 1950's

## Six Sigma:

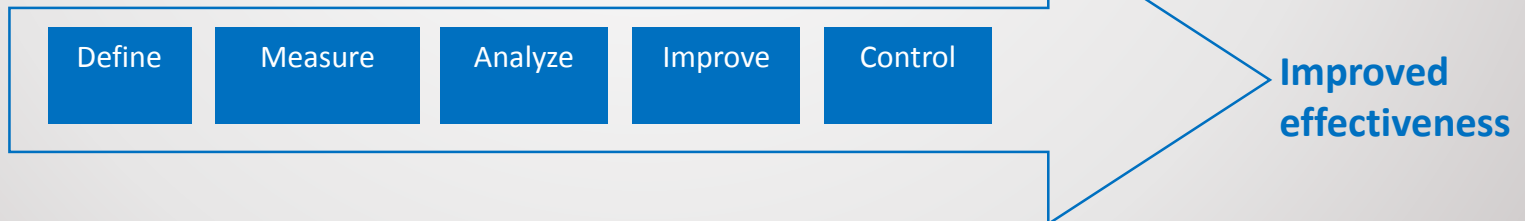
- ▶ Developed by Motorola in the 1980's

# Focus Comparison

**Lean** – focuses on dramatically improving flow in the value stream and eliminating waste



**Six Sigma** – focuses on eliminating undesired results and reducing variation in processes



# Process Comparison

Steps	Lean Process	Six Sigma Process
Step 1	Current State Assessment (Value Stream Map)	Define Opportunities – identify, quantify, and prioritize improve opportunities
Step 2	Future State Map (Value Stream projections after Waste Reduction Kaizens)	Measure approved opportunities – current state measurements
Step 3	Identify, quantify, and prioritize process improvement opportunities	Analyze – scenarios, what-ifs, design of experiments leading to an outcome result
Step 4	Kaizen – implement the change and re-measure	Improve – implement the solution and re-measure
Step 5	Audits to sustain the gains	Control – develop control system to sustain the change

# Eight Areas of Waste



## Defects

Efforts caused by rework, scrap, and incorrect information.



## Overproduction

Production that is more than needed or before it is needed.



## Waiting

Wasted time waiting for the next step in a process.



## Non-Utilized Talent

Underutilizing people's talents, skills, & knowledge.



## Transportation

Unnecessary movements of products & materials.



## Inventory

Excess products and materials not being processed.



## Motion

Unnecessary movements by people (e.g., walking).



## Extra-Processing

More work or higher quality than is required by the customer.

# Six Sigma: Statistically Visualized



The term "Six Sigma" is based on a statistical concept: defective items can be minimized by maintaining 6 standard deviations (6 "sigmas") between the **process mean** (average) and its **upper and lower specification limits**.

Six Sigma also accounts for the tendency of processes to degrade over the long term: A Six Sigma process can tolerate a "shift" of 1.5 standard deviations (1.5σ shift) and still maintain a "safety cushion" between the process mean and its specification limits.

Source:

# Achieving Six Sigma

A statistical representation

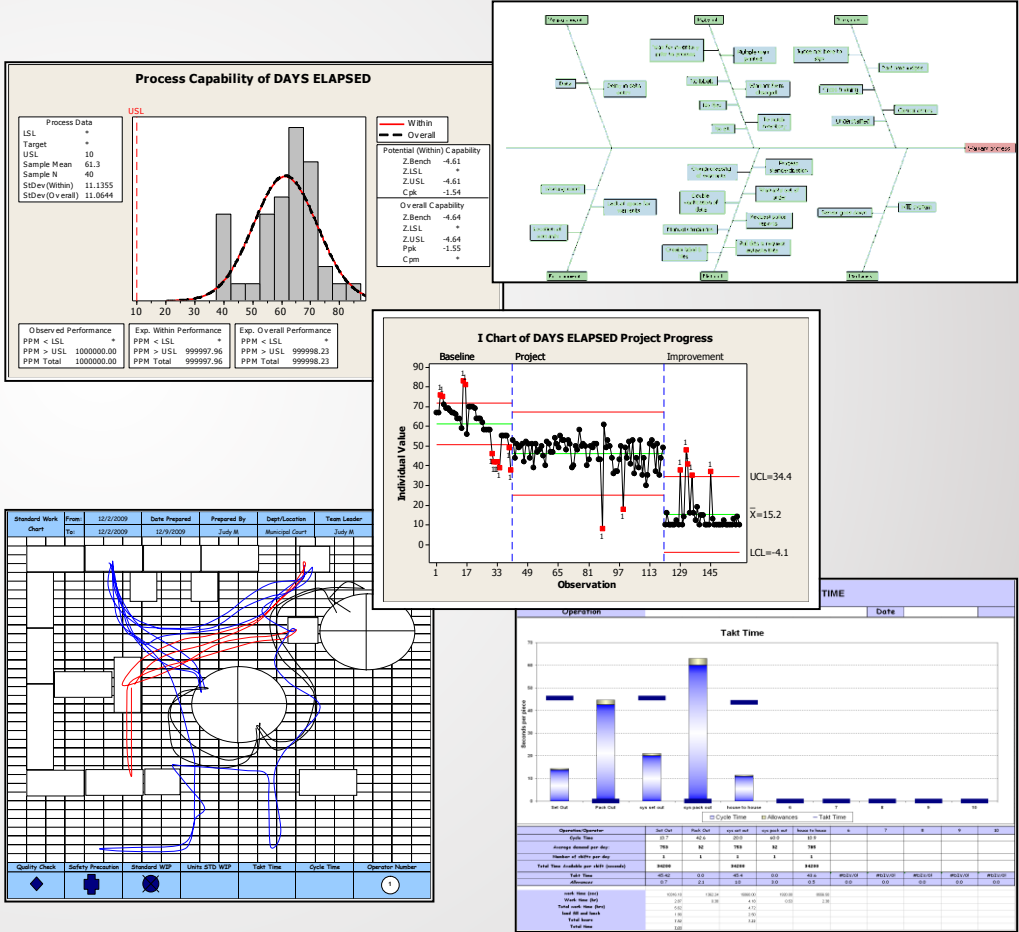
Sigma Level	DPMO*	% Defective	% Yield
1	691,462	69%	31%
2	308,538	31%	69%
3	66,807	6.7%	93.3%
4	6,210	.62%	99.38%
5	233	.023%	99.977%
6	3.4	.00034%	99.99966%

*In other words,  
a measure of  
quality that  
strives for near  
zero defects.*

*\*Defects per million opportunities*

# Examples of Analysis Methods

- Descriptive Statistics
- Pareto Charts
- Graphing
- Regression Analysis
- Capability Analysis
- Process Mapping
- Value Stream Mapping
- Fish Bone Diagram
- Spaghetti Diagram
- XY Summary
- TAKT Time and Cycle Time
- Visual Management



# Important Program Considerations

- ▶ Participants need to **work in their own areas** so projects are considered part of their current job
- ▶ Senior **managers must actively steer**, while **participants push for progress** from organizational layers
- ▶ The **optimum ratio of Green Belts to Black Belts** is critical to mentoring and successful project completion
- ▶ The **indirect benefits are even greater** than the direct benefits



# Business Planning

DALLAS Center for Performance Excellence

# Department Business Plans

**Enter Department Name**

**SAMPLE IMAGES**

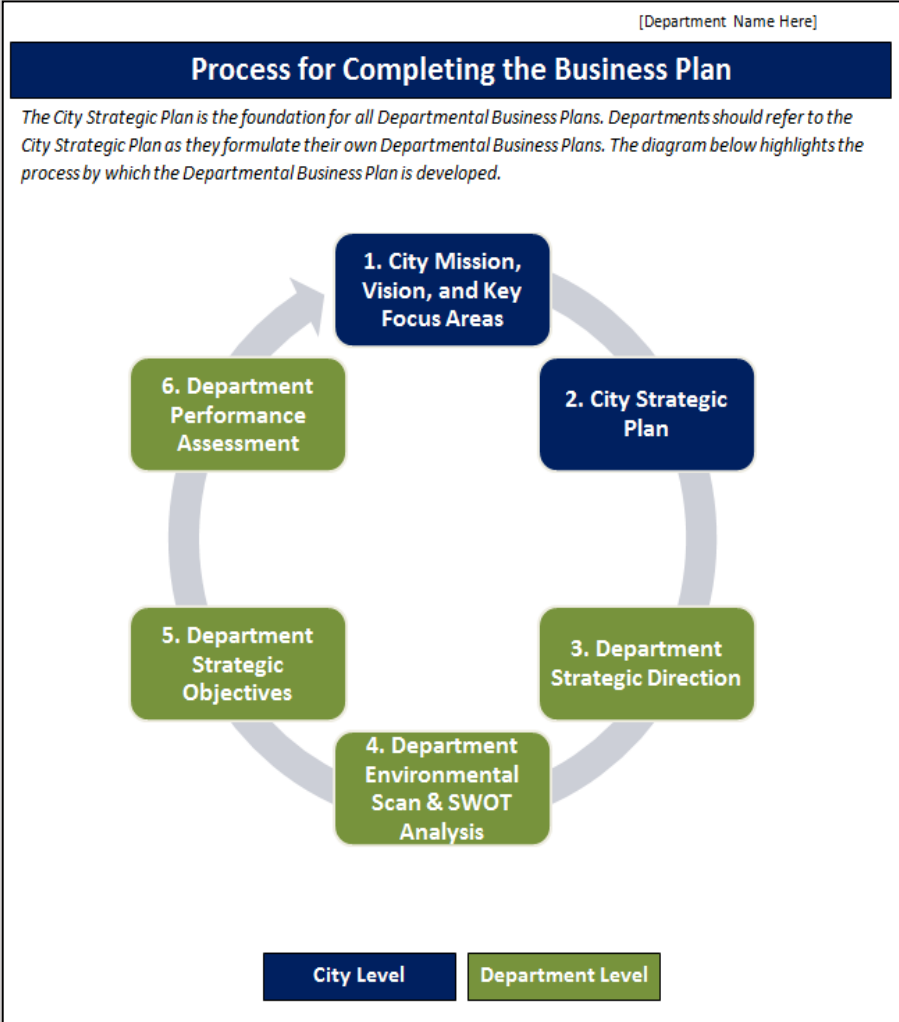


**Department Business Plan &  
Performance Excellence Assessment**

Director | DIRECTOR NAME  
Published | MONTH/YEAR

**Department Strategic Direction**  
[Enter Department Strategic Direction here]

# Business Plan Cycle



## City Level

- ▶ Mission, Vision and Key Focus Areas
- ▶ Strategic Plan

## Department Level

- ▶ Strategic Direction
- ▶ Environmental Scan and SWOT Analysis
- ▶ Strategic Objectives
- ▶ Performance Assessment

# Business Planning

The **Key Focus Areas** reflect the City's established priorities: *Public Safety; Economic Vibrancy; Clean, Healthy Environment; Culture, Arts, Recreation and Education; E-Gov*

The **Goals** are to *Build – Innovate – Give* and make **BIG** things happen! Each goal also incorporates the City's Core Values:  
**B** – Accountability, Commitment, Leadership, Teamwork  
**I** – Innovation  
**G** – Customer Service, Environmental Stewardship, Integrity, Sensitivity



The **Mission** is the overarching statement of City of Dallas: *To enhance the vitality and quality of life for all in the Dallas Community.*

The **resource engine** is an actively engaged workforce.

The **Strategic Plan** provides a blueprint for accomplishing citywide goals.

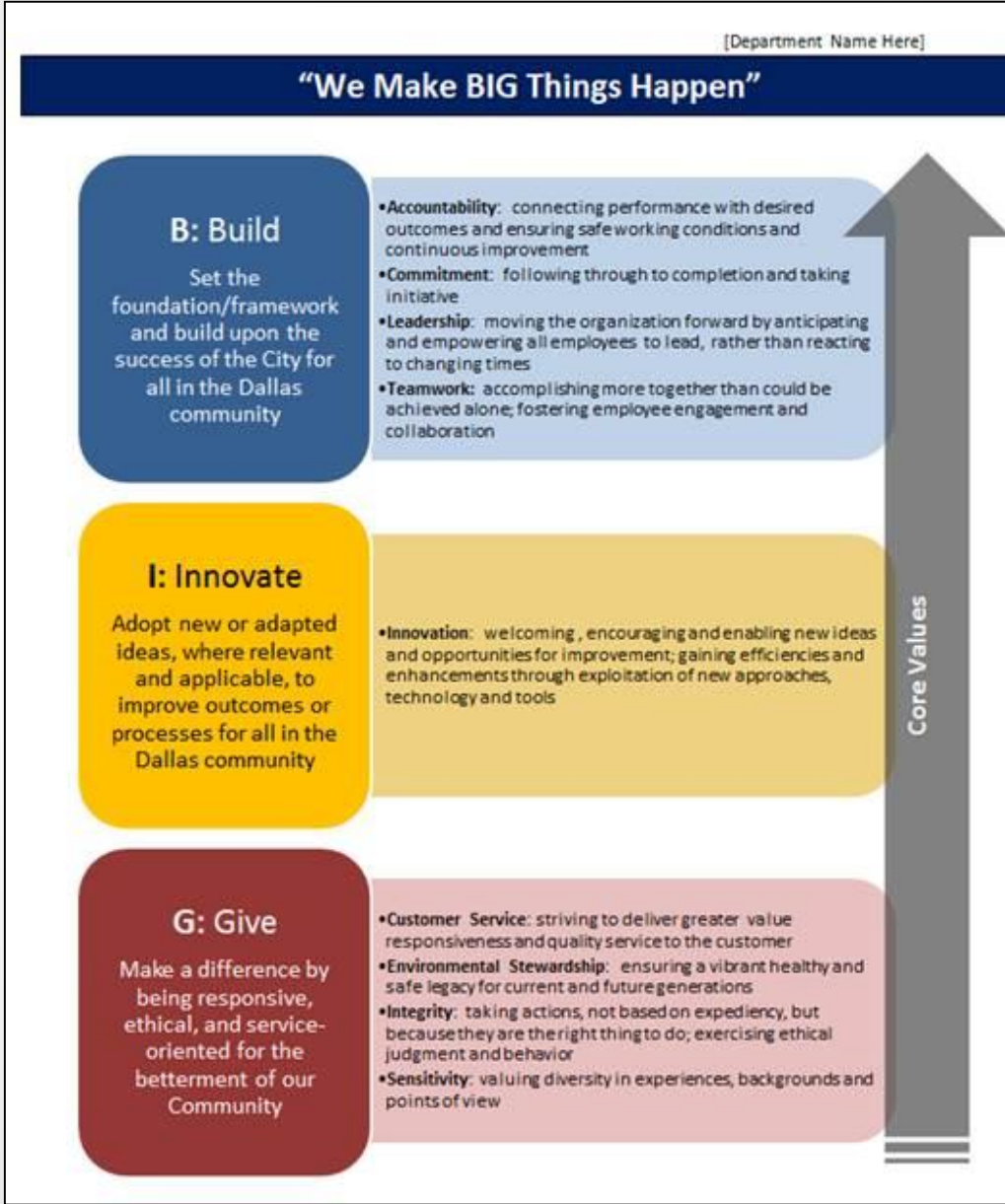
## Baldrige Framework

The **Baldrige Framework** represents seven critical areas in *Leadership, Strategy, Customers Measurement, Analysis and Knowledge Management, Workforce, Operations, and Results*

The **Center for Performance Excellence (CPE) Tools** are Culture, Systems and People (CuSP).

# Part I: Departmental Strategic Objectives

- ▶ Strategic Plan Alignment
- ▶ Department SWOT Analysis
- ▶ Action Plan | Build
- ▶ Action Plan | Innovate
- ▶ Action Plan | Give

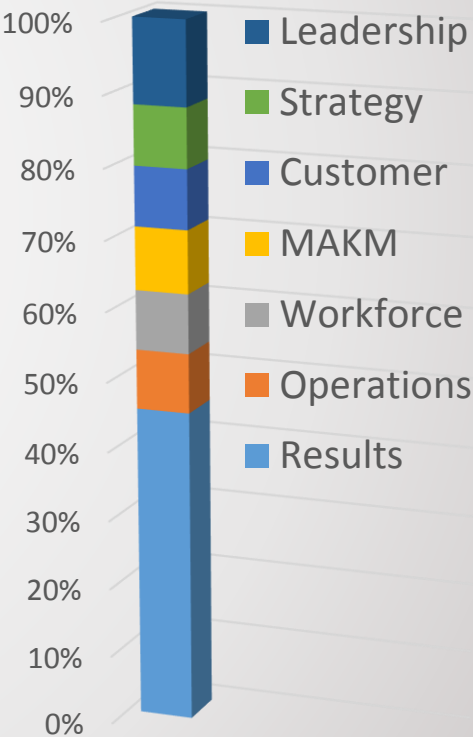


# Part II

## Department Performance Assessment

- ▶ **Criteria 1** | Leadership (120 points)
- ▶ **Criteria 2** | Strategy (85 points)
- ▶ **Criteria 3** | Customer (85 points)
- ▶ **Criteria 4** | Measurement, Analysis, & Knowledge Management (90 points)
- ▶ **Criteria 5** | Workforce (85 points)
- ▶ **Criteria 6** | Operations (85 points)
- ▶ **Criteria 7** | Results (450 points)

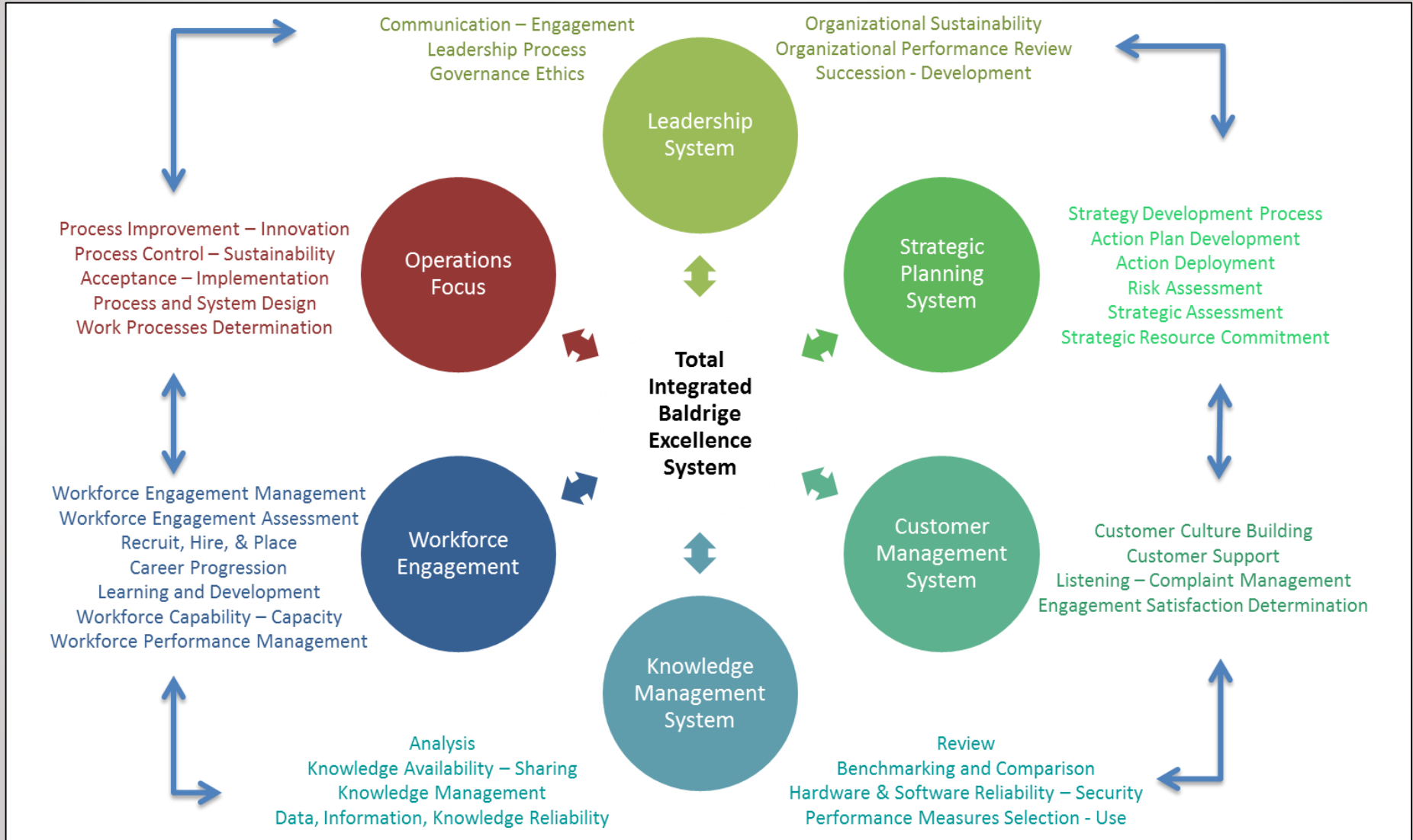
**Total possible points = 1,000**



# The Baldrige Framework

- ▶ The **Baldrige** framework was created by the US Congress in 1987 as Public Law 100-107
- ▶ Managed by the **National Institute of Standards and Technology**, an agency of the U.S. Department of Commerce
- ▶ Promoted at the state level through **Quality Texas** (state affiliate)
- ▶ Strategic partnership with the **American Society for Quality (ASQ)**

# The Baldrige Criteria





# FY16 Business Planning Schedule

Task	When	Status
<ul style="list-style-type: none"> <li>Review &amp; Score EOY Business Plans (CPE)</li> </ul>	December – January	Planned
<ul style="list-style-type: none"> <li>Provide Coaching to Departments for Areas of Improvement</li> </ul>	January - March	Planned
<ul style="list-style-type: none"> <li>Submit Mid-year Updated Business Plans (Departments)</li> </ul>	April	Planned
<ul style="list-style-type: none"> <li>Review &amp; Score Mid-year Business Plans (CPE)</li> </ul>	May - June	Planned
<ul style="list-style-type: none"> <li>Provide Coaching to Departments for Areas of Improvement</li> </ul>	June - July	Planned
<ul style="list-style-type: none"> <li>Submit EOY Updated to Business Plans (Departments)</li> </ul>	September - October	Planned

# Strategic Initiatives

DALLAS Center for Performance Excellence

- ▶ Strategic Planning
- ▶ Performance Measurement & Benchmarking
- ▶ Training & Internal Communications
- ▶ Surveys

# Annual Strategic Planning Process

## October

- CPE shares preliminary end of year information with PIO
- Departments submit Departmental Business Plans with end of year updates for completed fiscal year

## November

- Departments provide and confirm objectives, strategies and work plan items for current fiscal year

## December

- CPE presents end of year updates for completed fiscal year to Council
- Council confirms activities objectives, strategies and work plan items for current fiscal year

## January

- CPE provides coaching/mentorship to departments based on Departmental Business Plan reviews

# Annual Strategic Planning Process

(Continued)

## April

- Departments submit mid-year Departmental Business Plans with year to date updates

## July

- Departments review year to date performance data
- Departments review and select additional measures and targets based on budget
- CPE reviews and edits proposed budget pages

## August

- CPE provides coaching/mentorship to departments based on Departmental Business Plan reviews

## September

- Departments prepare Departmental Business Plans for end of year submission
- Council adopts proposed budget

# Training & Internal Communications

## ▶ Current

- ▶ “Critical thinking” training
- ▶ Customer service training around the “three R’s”
- ▶ Business planning
- ▶ Lean Six Sigma training

## ▶ Next

- ▶ Add:
  - ▶ Project management
  - ▶ Business writing
  - ▶ Time management
  - ▶ Open enrollment in general ISO training
  - ▶ Use of Alliance for Innovation Knowledge Network
  - ▶ Emerging Leader program
- ▶ Brand & Market as BIG Academy

# Citizen & Business Surveys

## ▶ Citizen Survey

- ▶ Typically conducted every other year
- ▶ Next survey FY16

## ▶ New Business Survey

- ▶ Last survey conducted 2008
- ▶ Next survey October, 2015
- ▶ Results to be presented to City Council  
Fall, 2015

# Quality Management Systems (ISO9001)

DALLAS Center for Performance Excellence

# What is ISO?

International Organization for Standardization (ISO) establishes rigorous standards for management in various types of business operations using three management systems:

**Environmental (ISO 14001)** – Began in **2005**. Focuses on reducing environmental impacts of operations and regulatory compliance - 11 full departments certified

**Quality (ISO 9001)** – Began in **2006**. Focuses on operating more efficiently and meeting the needs and expectations of our customers - 9 full departments & 3 partial departments certified

**Occupational Health and Safety (OHSAS 18001)** – Began in **2007**. Focuses on improving our health and safety performance – 7 full departments certified



# Implementation Status

Department	9001	Registration Date (9001)	14001	Registration Date (14001)	18001	Registration Date (18001)
AVI	✓	May-13	✓	Jun-08	P	
CVS Test Development & Validation	I					
CCS	✓	Dec-09	✓	Jun-08	✓	Nov-12
CIS Radio Shop	P		✓	Jun-08	P	
CES	✓	Nov-14	✓	Jun-08	✓	Dec-08
CTS	✓	Dec-08	✓	Jun-08	✓	Dec-08
BDPS	✓	May-10	NP		NP	
DFD	NP		✓	Jun-08	NP	
DPD	NP		✓	Jun-08	NP	
DWU	✓	Apr-12	✓	Jun-08	✓	Apr-12

# Implementation Status

Department	9001	Registration Date (9001)	14001	Registration Date (14001)	18001	Registration Date (18001)
EBS	✓	Apr-08	✓	Jun-08	✓	Apr-09
HR/PER	✓	Apr-12	NP		NP	
HR Employee Relations	I					
LIB	✓	Dec-09	NP		✓	Jan-13
ORM	I		NP		NP	
PBW	I		✓	Jun-08	P	
PRK	P		✓	Jun-08	P	
SAN-Landfill	✓	Oct-10	✓	Jun-08	P	
STS	✓	Apr-07	✓	Jun-08	✓	Mar-14
SDC	P		NP		NP	
TWM	I		I		P	
TWM-Flood Control	✓	Jan-13	✓	Jun-08	P	

# Complimenting ISO w/Lean Six Sigma

Attribute	ISO	Lean Six Sigma
Scope	System approach.	Focused process improvement.
Goal	Continual improvement of the entire operational system.	Provide the tool set and structured framework for continuous improvement (CI).
Engagement of Executive Management	Formal, periodic management review is required.	Necessary for long-term success.
Verification	The adequacy and effectiveness of the system is verified via formal internal and external audits.	Verification and sustainment of improvements occurs in the Control phase.
Process Improvement Method	The method of process improvement is left to the user to develop; a flawed process could be captured and recorded into the system.	Well-defined toolbox for process improvement structured to follow DMAIC phases: Define, Measure, Analyze, Improve, & Control.
Staff Training & Development	Implementers are trained initially. Then, ISO requires system-wide training needs analysis and formal training program.	Implementers are trained as Green Belts and Black Belts. These individuals will provide the CI expertise to facilitate and support teams during process improvement projects. Blue Belt training is taught to the general employee population to raise awareness across the organization.

# Sampling of QMS cost savings – FY14

Objective	Goal	Results
Rebuild/Replace 40-Ton Dump Truck (SAN)	Purchase or have rebuilt 40-Ton Dump truck at low bid.	Rebuilt 40-Ton Articulating Dump Truck. Cost of new ADT is \$700K. <b>Cost savings \$350K</b>
Increase usage of Heavy Tire Recap Pilot program (EBS)	Increase usage of Heavy Tire Recap Pilot program by 80%	Purchased 2188 recapped tires at cost of \$363K. New tires cost \$930K. <b>Cost savings \$567K</b>
Eliminate usage of Vendor provided engine diagnostics for down vehicles (EBS)	Increase usage of In-house engine diagnostics by 90%	Purchased IDS Diagnostic Software System. Staff diagnosed 2,337 units with electronic issues at cost of \$59,264. Vendor costs \$355K if sent out. <b>Cost savings of \$300K</b>
Redesign the late collection process for Food Protection and Education Division (CCS)	Increase the amount of delinquent revenue collected annually by 17%	Improved collections by eliminating hand carrying of delinquent bills. Bills sent via certified mail/return receipt. <b>Collected \$380K</b> of outstanding fees during FY14
Implement Right-size Court Operations (CTS)	Reduce FTE count by 1%	Reduced 11 vacant positions in FY14. <b>Costs saving of \$473K</b>
Increase Material Spoils (cy) recycling from Asphalt & Concrete construction projects (STS)	Increase the amount of recycling materials (cy) from asphalt & construction projects by 5% from FY13	Increased the amount of recycling material (cy) received by 8% from asphalt & construction projects in FY14. <b>Cost savings of \$426K</b>