

Memorandum



CITY OF DALLAS

DATE June 1, 2017

TO Members of the Budget, Finance, & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT **Sunset Review: Potential Opportunities**

On June 5, 2017, the Office of Financial Services will brief the Budget, Finance, & Audit Committee on Sunset Review: Potential Opportunities. I have attached the briefing for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Sols, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Raquel Favela, Chief of Economic Development & Neighborhood Services
Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Sunset Review: Potential Opportunities

**Budget, Finance, and Audit Committee Briefing
June 5, 2017**

**Jack Ireland, Budget Director
Daisy Fast, Budget Manager
Maria Chagollan, Budget Manager
Victoria Chittam, Budget Manager**

**Office of Financial Services
City of Dallas**



Presentation Overview

- Provide Budget, Finance, and Audit Committee an update of staff efforts in annual Sunset Review process
- Highlight examples of potential opportunities - - no recommended actions at this time
- City management and staff will further review opportunities through FY 2017-18 budget development process and make recommendations on August 8, 2017 along with budget proposal for next fiscal year



Background

- City management and staff implement various efforts to cut costs or increase revenues on an annual basis
- At request of Council members, management implemented Sunset Review in FY 2014-15 to provide additional analysis of department budgets
- Five-year rotation schedule implemented for “sunset” and “deep-dive” budget review
 - 14 departments reviewed during first 2 cycles

Efficiencies & Reductions

(slide 43 from August 11, 2015 budget briefing)

FY16 General Fund Expense Reductions	
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)
Total Efficiencies & Reductions	(\$14.1m)

4



Efficiencies & Reductions

(slide 46 from August 9, 2016 budget briefing)

FY17 General Fund Expense Reductions	
Sunset Review projects	(\$2.7m)
Lean/Six Sigma projects	(\$1.3m)
Elimination of under-utilized positions	(\$1.9m)
Salary and vacancy rate analysis	(\$2.7m)
Line-item budget review and reduction of one-time costs	(\$1.3m)
Electricity contract savings	(\$2.0m)
Cost reductions through use of non-GF resources	(\$2.2m)
Total Efficiencies and Reductions	(\$14.1m)

Current Year's Review

- Sunset Review has continued through Spring 2017 with review of 6 additional departments

Human Resources	Civil Service	Library
Office of Cultural Affairs	Park and Recreation	Fire-Rescue

- Process begins each year, with each department compiling “self-evaluation report” and analyzing several factors about their department, such as:
 - Purpose and activities
 - Source of funds and revenues
 - Expenditures
 - Personnel
 - Performance

Current Year's Review

- Cross-departmental review teams then analyze departmental self-evaluation reports, making observations and identifying potential opportunities to:
 - Improve services
 - Improve efficiencies
 - Increase revenues
 - Reduce costs

Current Year's Review

- Examples of potential opportunities are provided on following slides
- City management and staff will consider various opportunities through FY 2017-18 budget development process and make recommendations with proposed budget on August 8, 2017

Potential Opportunities: Human Resources and Civil Service

1. Consider consolidating Human Resources and Civil Service due to similarities in their functions
 - Streamline and possibly eliminate duplicated efforts
2. Consider reassigning staff from various City departments that perform tasks/activities that are HR related into Human Resources
3. Consider consolidating staff from various City departments that perform employee training activities
4. Evaluate appropriateness of internal versus external job analysis and employee testing

Potential Opportunities: Library

5. Evaluate revenue opportunities within Library such as rental fees, library card fees, etc.
6. Analyze historical salary savings within Library and make adjustments
7. Evaluate support positions within Library to determine appropriateness
 - Marketing, social media, print/web design, delivery, receiving, facilities, room reservation, etc.

Potential Opportunities: Cultural Affairs

8. Consider implementing facility preservation fees at city-owned cultural facilities
9. Review options to maximize scheduling dates that have been held but unused by Dallas Symphony Association
10. Evaluate opportunities to expand revenues at WRR

Potential Opportunities: Fire-Rescue

11. Evaluate civilianization opportunities within Fire-Rescue department
 - Hire civilian employees for administrative positions and redeploy uniform employees to core services
12. Analyze priority dispatch and deploy staffing/equipment based on need
13. Review and adjust fees that have been set at a level that discourages usage (i.e. Fire Watch)

Potential Opportunities: Fire-Rescue

14. Consider purchase of light equipment rather than continued rental
15. Analyze funding requirements for Cypress Waters and make adjustments
16. Evaluate staffing level to avoid overtime expense in call-back situations

Potential Opportunities: Park & Recreation

17. Evaluate contracting opportunities for golf course maintenance versus utilizing staff
18. Review staffing levels within various Park Department services
19. Consider revenue opportunity by allowing food trucks at park locations
20. Evaluate outsourcing operation of Southern Skates

Potential Opportunities: Park & Recreation

21. Evaluate opportunity to improve coordination and efficiencies related to trail maintenance across various City departments
22. Evaluate park land across city to determine where gaps exist and where surplus exists
23. Consider future of existing pool inventory as new aquatics program is implemented

Next Steps

- Receive feedback from Budget, Finance, and Audit on potential opportunities
- Continue work with City management and staff through budget development process to determine feasibility of various opportunities
- Present FY 2017-18 proposed budget to City Council on August 8, 2017 and include recommendations regarding opportunities identified through Sunset Review

Sunset Review: Potential Opportunities

**Budget, Finance, and Audit Committee Briefing
June 5, 2017**

**Jack Ireland, Budget Director
Daisy Fast, Budget Manager
Maria Chagollan, Budget Manager
Victoria Chittam, Budget Manager**

**Office of Financial Services
City of Dallas**

