

Memorandum



CITY OF DALLAS

DATE June 17, 2016

TO Honorable 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 FY 2015 Sunset Review Status Update

On Monday, June 20, 2016, the Budget, Finance & Audit Committee will be briefed on the "FY 2015 Sunset Review Status Update". The briefing is attached for your review.

Please let me know if you need additional information.


Jeanne Chipperfield
Chief Financial Officer

Attachment

cc: Honorable Mayor and Members of the City Council
AC Gonzalez, City Manager
Christopher D. Bowers, Interim 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
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council



FY 2015 Sunset Review Status Update

June 20, 2016

Budget, Finance, and Audit Committee





Purpose

- Review purpose and process of Dallas Sunset Review program
- Provide update of potential opportunities identified in first year of Sunset Review program
 - Police
 - Municipal Courts
 - Judiciary
 - City Attorney
 - Code Compliance
 - Emergency Management
 - 3-1-1 Operations



Sunset Review

- Sunset Review began in 2015 as an additional tool to be used by City staff to improve operations/efficiencies and reduce costs
- Through multiple tools including Sunset Review, staff have included savings and cost reductions in annual operating budgets
 - FY15 - \$16.3m
 - FY16 - \$15.7m
 - FY17 - \$5.6m as of June 8th; with goal of at least \$12.5m



Sunset Review

- At request of council members and direction of City Manager, beginning with development of FY16 budget, additional analysis of departmental budgets was implemented
- Five year rotation schedule was put in place to conduct “sunset” and performance budget review of each department and service:

Line item expense budget	Fees and revenues
Staffing requirements to deliver service	Technology needs and opportunities
Contracts for services	Best practices
Performance measures	Benchmarking against others
Outsource opportunities	



Sunset Review

- Sunset Review is for purpose of conducting additional analysis of departmental budgets
 - To take a “deep dive” into department budget and operations
 - To identify opportunities to improve operational efficiency and effectiveness
 - To identify opportunities to have a positive budget impact through expense reductions or revenue increases
 - To eliminate outdated programs where possible
- Potential opportunities identified during Sunset Review process are further analyzed and implemented as possible over multiple years



Self-Evaluation Report

- Sunset Review process begins with each department conducting a complete, accurate, and thoughtful departmental self-evaluation including:
 - 1) Purpose and activities
 - 2) Source of funds and revenues
 - 3) Expenditures
 - 4) Personnel
 - 5) Performance
 - 6) Stakeholders
 - 7) Technology and equipment
 - 8) Other
- Department self-evaluation is more than compiling information for review teams to consider
- Self-evaluation is intended to be time/process for departments to consider their operations and activities (process is consistent with Business Plan initiative)



Considerations by Review Team

- Based on components presented to Council and criteria used in State of Texas process, following are example areas that teams consider:
 - 1) What is purpose of department?
 - 2) How does department contribute to achieving mission and goals of City?
 - 3) How does department meet legal requirements and/or mandates?
 - 4) What are appropriate measures of success for department?
 - 5) Is department effective and meeting performance measures?
 - 6) Are there opportunities to improve performance?
 - 7) Are there opportunities to streamline or improve efficiencies?
 - 8) Is department responsive to customer needs?
 - 9) Are all services, activities and line item expenditures needed?
 - 10) Are all staff/positions needed?
 - 11) What is appropriate span of control?

Process



Schedule

FY15 – Year 1	FY16 – Year 2	FY17 – Year 3	FY18 – Year 4	FY19 – Year 5
Police	Equipment and Building Services	Fire	Mayor and City Council	Aviation
Courts	Public Works	Cultural Affairs and WRR	City Auditor	Economic Development
Judiciary	Street Services	Library	City Manager	Housing
City Attorney	Trinity Watershed and Storm Water	Park and Recreation	City Secretary	Fair Housing
Code Compliance	Environmental Quality	Civil Service	City Controller	Planning and Urban Design
Emergency Management	Sanitation	Human Resources	Communication and Information Services	Sustainable Develop. and Construction
311 Operations	Water Utilities	Employee Benefits	Financial Services	Convention Center
		Risk Management	Purchasing	
			Public Information	
			Intergovernmental Services	
			City Attorney	

Summary of Year 1 Departments

Summary of Potential Opportunities Identified In Year-1 Sunset Review

Department/Office	Budget Reductions	Total Potential Opportunities	Completed	Analysis for inclusion in FY17 Budget	Current Lean/Six Sigma Projects	Meet & Confer; Uniform Employees; Potential Civilianization	Future Lean/Six Sigma Projects	Ongoing, Underway, Additional Review
Police	(\$1,088,000)	30	1	2	1	8	15	3
Municipal Courts	(1,466,702)	9	5		2			2
Judiciary	(159,981)	5	2	1			1	1
City Attorney	(172,754)	5	2				1	2
Code Compliance	(1,192,913)	18	4	4	1		8	1
Emergency Management	(18,500)	5	3	1			1	
3-1-1 Operations		8	2	1	1		1	3
Total	(\$4,098,850)	80	19	9	5	8	27	12

Summary of Year 1 Departments

Sunset Review Summary – Year 1

Department/Office	# of Services in FY15	# of Cost Centers	# of Activities	FY15 GF Budget	Less: Police and Code Personnel	Less: CIS Expenses	Less: EBS Expenses	Remaining Budget	Budget Reductions	Percent of Reductions-To-Date
Police	12	46	97	\$438,059,929	\$390,283,637	\$15,952,342	\$18,649,848	\$13,174,102	(\$1,088,000)	-8.3%
Municipal Courts ²	5	9	7	20,184,916		1,959,980	141,741	18,083,195	(1,466,702)	-8.1%
Judiciary	4	4	4	3,695,256		96,776	5,241	3,593,239	(159,981)	-4.5%
City Attorney ¹	2	2	45	4,940,768		175,174	-	4,765,594	(172,754)	-3.6%
Code Compliance	5	24	22	35,382,605	27,390,819	1,944,498	1,578,128	4,469,160	(1,192,913)	-26.7%
Emergency Management	1	2	5	639,116		206,056	16,619	416,441	(18,500)	-4.4%
3-1-1 Operations	1	1	6	2,081,451		589,988	683	1,490,780		0.0%
Total	30	88	186	\$504,984,041	\$417,674,456	\$20,924,814	\$20,392,260	\$45,992,511	(\$4,098,850)	-8.9%

Notes: 1-City Attorney review limited to services supporting public safety. 2-Courts Budget includes Lew Sterrett Jail Contract (\$8m).



Summary of Year 1 Departments

- Example of savings realized from opportunities identified through Sunset Review process
 - Municipal Courts, City Attorney, & Judiciary – reduce staffing and number of fully-operational court rooms due to decrease in number of citations – \$1.4m
 - Code Compliance – adjusted vacancy rate to reflect delays in hiring - \$506K
 - Municipal Courts – adjustment to “right size” staffing levels based on Court activity - \$253K
 - Police – reduce civilian positions in Police Personnel Services Division - \$160K
 - Code Compliance – consider transferring Transportation Regulation from Code to Aviation in FY17 - \$578K



Next Steps

- Brief Year 2 departments to Transportation and Trinity Committee on June 27th
 - Equipment and Building Services
 - Office of Environmental Quality
 - Public Works
 - Sanitation Services
 - Street Services
 - Trinity Watershed Management
 - Water Utilities
- Incorporate savings into FY17 budget development
- Update Budget, Finance, and Audit Committee on all Year 1&2 departments in Fall 2016, and annually going forward
- Fall 2016 begin 3rd cycle of process reviewing additional departments



Questions and Comments