

**MARCH 2, 2016 CITY COUNCIL BRIEFING AGENDA
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Briefing Agenda dated March 2, 2016. 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

2.26.16

Date



Jeanne Chipperfield
Chief Financial Officer

2/26/2016

Date

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CITY SECRETARY
DALLAS, TEXAS



COUNCIL BRIEFING AGENDA

March 2, 2016

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.

SUPPLEMENTAL NOTICE

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

AGENDA
CITY COUNCIL BRIEFING MEETING
WEDNESDAY, MARCH 2, 2016
CITY HALL
1500 MARILLA
DALLAS, TEXAS 75201
9:00 A.M.

9:00 am Invocation and Pledge of Allegiance 6ES

 Special Presentations

 Open Microphone Speakers

VOTING AGENDA 6ES

1. Approval of Minutes of the February 17, 2016 City Council Meeting
2. Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)

BRIEFINGS 6ES

A. New Skills at Work (JP Morgan Chase & Co.)

Closed Session 6ES

Attorney Briefings (Sec. 551.071 T.O.M.A.)

- Three Expo Events, LLC v. City of Dallas, Texas, et al., Civil Action No. 3:16-cv-00513-D; Justin Salas "Chino" d/b/a Gentx Media v. COD et al., Civil Action No. 3:16-cv-00488-B; and others who want to lease a city facility for an adult entertainment event.
- Kenneth E. Albert v. City of Dallas, Cause No. 199-00697-94; Anthony Arredondo v. City of Dallas, Cause No. 199-1743-99; David L. Barber v. City of Dallas, Cause No. 199-624-95; David S. Martin v. City of Dallas, Cause No. 1-95-506; George G. Parker v. City of Dallas, Cause No. 1-95-107; Kevin Michael Willis v. City of Dallas, Cause No. 199-200-95.

Lunch

AGENDA
CITY COUNCIL BRIEFING MEETING
WEDNESDAY, MARCH 2, 2016

<u>BRIEFINGS</u> (Continued)	6ES
B. FY 2016-17 Budget Workshop # 3: General Fund Gap Update	
Open Microphone Speakers	6ES

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.

Memorandum



DATE February 26, 2016
TO The Honorable Mayor and Members of the City Council
SUBJECT **New Skills at Work (JP Morgan Chase & Co.)**

On Wednesday, March 2, 2016, The Dallas City Council will be briefed on New Skills at Work (JP Morgan Chase & Co.)

BACKGROUND

JP Morgan Chase (Chase), one of the nation's largest financial institutions, has invested in regions across the U.S. and Europe to address issues that will expand workforce opportunities and sustain economic growth. Most recently, Chase has committed \$250 Million over five years to a global initiative to help markets build a demand driven workforce development system and to prepare youth and adults for careers in high-demand, middle-skill occupations.

New Skills at Work is the fourth in a series of reports that examines workforce conditions in major global regional markets. Compiled by Chase consultant, Loh Sze Leung, the DFW report is a data-based analysis of local conditions that focuses on opportunities in the healthcare and information technology sectors. It further provides recommendations to develop career pathways to meet the growing demand for middle-skill employees in high growth sectors.

Chase has contracted with United Way of Greater Dallas to coordinate the efforts of local workforce stakeholder groups to implement these recommendations. Susan Hoff, Senior Vice President of United Way of Metropolitan Dallas, will discuss the Pathways to Work initiative and how Neighborhood Plus can align with these ongoing stakeholder collaborations.

Briefing materials are attached.

Ryan S. Evans
First Assistant City Manager

Alan E. Sims
Chief of Neighborhood Plus

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
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager

Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Karl Zavitkovsky, Director, Office of Economic Development
Lee McKinney, Assistant Director, Office of Economic Development
Elsa Cantu, Assistant to the City Manager – Mayor & Council

NEW SKILLS AT WORK

JPMORGAN CHASE & CO.

**STRENGTHENING DALLAS-FORT WORTH:
BUILDING A MIDDLE-SKILL PIPELINE TO SUSTAIN
ECONOMIC GROWTH AND EXPAND OPPORTUNITY**

Presented to the Dallas City Council
March 2, 2016

New Skills at Work

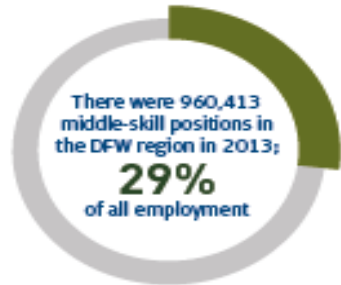
is a global workforce readiness and demand-driven training initiative to:

- **Build** a demand-driven system
- **Invest** in, strengthen, and scale effective training
- **Use data** to analyze skills in demand in regional markets



DFW MIDDLE-SKILL OPPORTUNITIES ARE GROWING

NEARLY ONE-THIRD OF JOBS IN HIGH-GROWTH INDUSTRIES REQUIRE MIDDLE-SKILL CREDENTIALS



Middle-skill jobs are projected to produce nearly

42,000

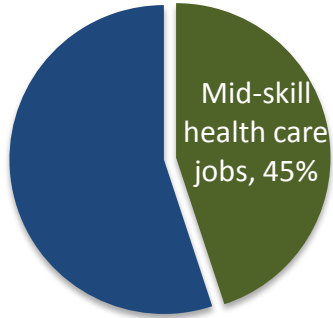
average openings per year, a 2% annual growth rate, through 2018

(Source: EMSI)

Middle-skill jobs pay an average median hourly wage of
\$24.47
exceeding the living wage of \$18.08 for the DFW region



A SIGNIFICANT % JOBS IN HEALTHCARE AND INFORMATION TECHNOLOGY ARE MIDDLE- SKILL



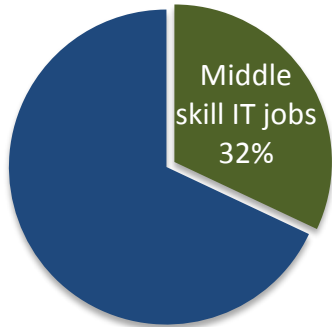
296,000 total jobs in the health care sector

\$29.27 median wage for middle-skill health care jobs

5.5% projected annual middle-skill job growth, 2013-18

7,095 projected annual middle-skill job openings, 2013-18

Sample occupations: RN, medical coder, cardiovascular technician



123,000 total jobs in the IT sector

\$29.11 median wage for middle-skill IT jobs

3.6% projected annual middle-skill job growth, 2013-18

2,224 projected annual middle-skill job openings, 2013-18

Sample occupations: Help desk, network support

UNFORTUNATELY, TOO MANY RESIDENTS OF THE DFW REGION ARE NOT PREPARED FOR MIDDLE-SKILL JOBS...

Large disparities in educational attainment persist among racial and ethnic groups

Many DFW residents lack the basic academic and job-readiness skills required to start a middle-skill career ladder:

950,000

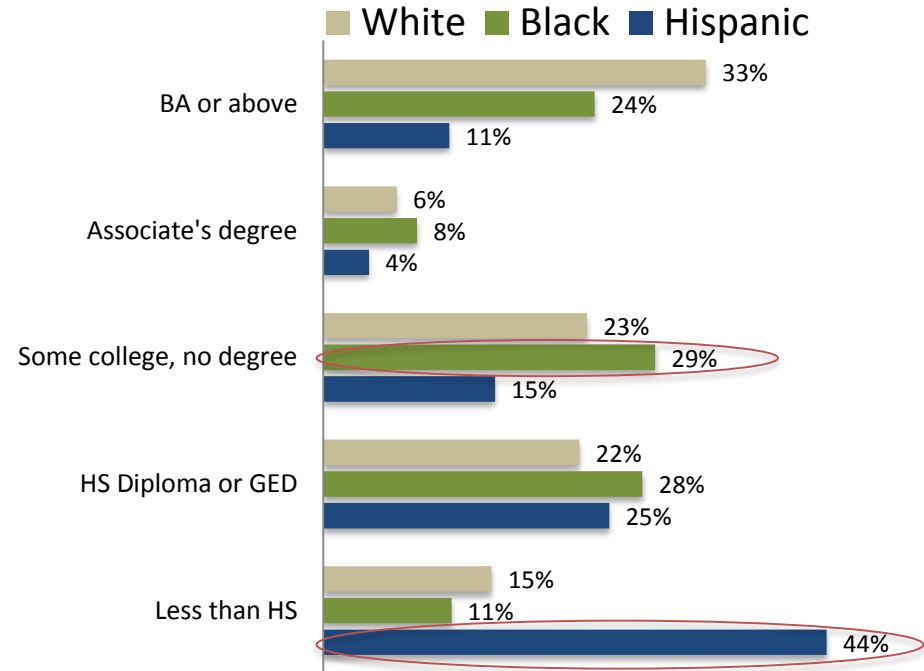
adults, or 22% of the DFW region's population ages 25 and older, do not have a high school credential⁸

22%

640,000

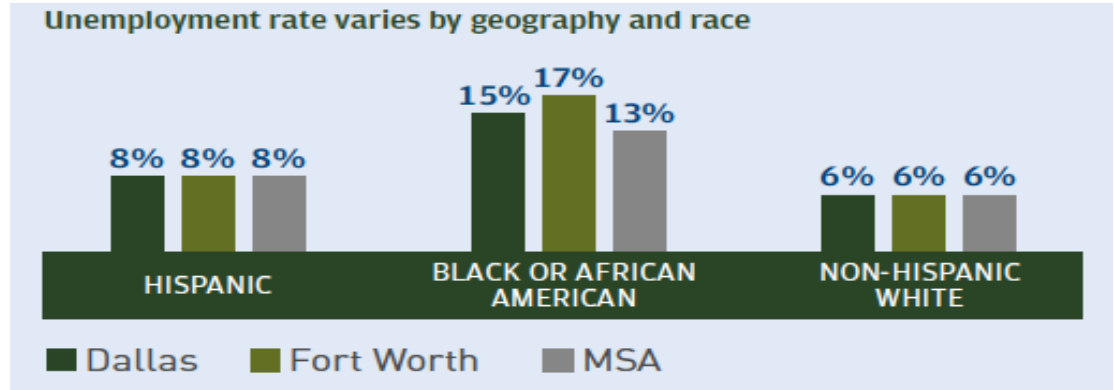
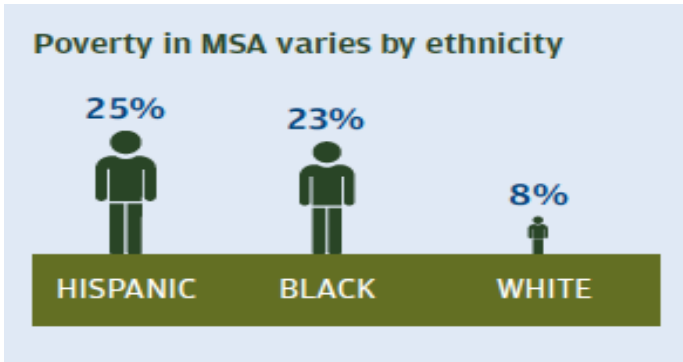
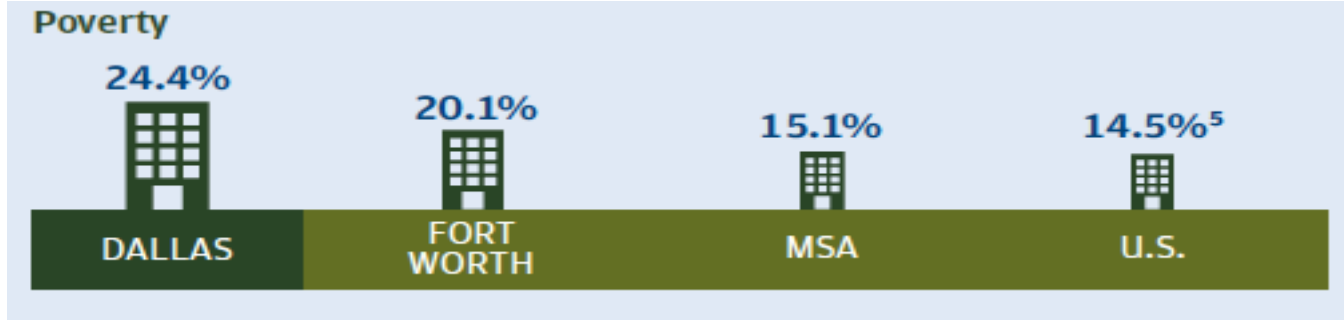
or 14.7% of individuals in the DFW region ages 16-64 have limited English proficiency⁹

14.7%



Source: 2011-13 American Community Survey
Source: 2011-13 American Community Survey

...AND THIS RESULTS IN GREAT DISPARITIES IN UNEMPLOYMENT AND POVERTY



Source: 2011-13 American Community Survey

CREATING BETTER ACCESS TO MIDDLE-SKILL JOBS: RECOMMENDATIONS IN FIVE TARGET AREAS



1. Strengthen the “first rung” of career pathway programming

2. Increase persistence in and completion of middle-skill training.

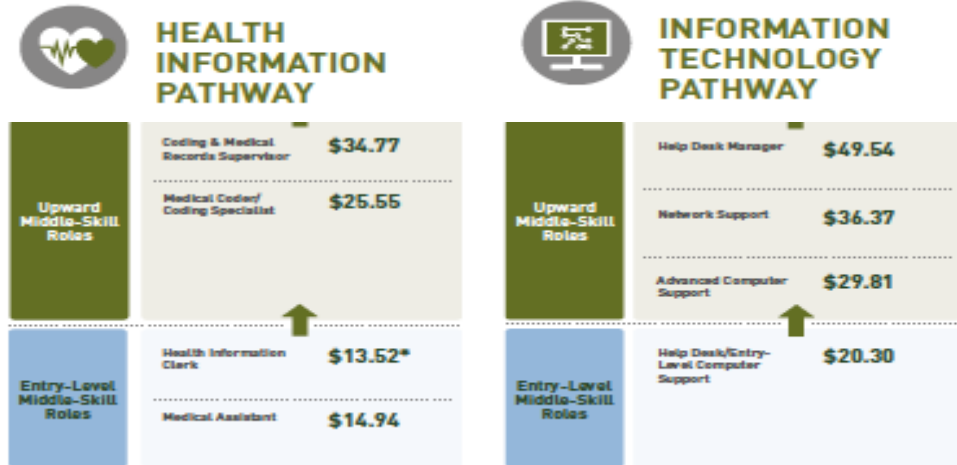


3. Strengthen bridges between workforce resources and high need communities and populations



CREATING BETTER ACCESS TO MIDDLE-SKILL JOBS: RECOMMENDATIONS IN FIVE TARGET AREAS

4. Increase awareness of middle-skill opportunities



2015 FRONTLINE WORKER CHAMPION PROFILE



COME FOR A JOB, STAY FOR A CAREER

5. Promote employer leadership in developing career pathways.

DALLAS
REGIONAL
CHAMBER®

WORKFORCESOLUTIONS
GREATER DALLAS



City of Dallas



Dallas County
Community College District



Parkland

npower



Tarrant County College®
SUCCESS WITHIN REACH.



Bridging the Skills Gap in Dallas...

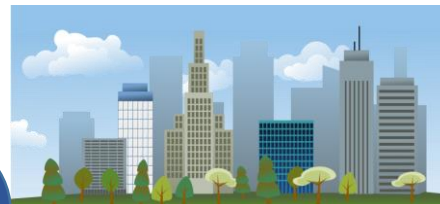


950,000 adults
without a high school
credential
640,000 adults with
limited English
proficiency

140,000+ adults out of
school and out of work

Career Pathway Interventions

- Job skills training
- Workforce readiness training
- Basic skills education
- Industry-recognized credentials / certifications
- On the job training / internships
- Integrated Support Services
 - Child care
 - Transportation
 - Tuition assistance
 - Housing assistance
 - Coaching



960,000 middle skill
jobs today; **42,000**
openings every year

Middle skill jobs pay
\$24.47 on average,
35% higher than the
region's living wage

Greater Dallas Workforce **EcoSystem**

- Serves both Employers and Job Seekers
- Identifies strong programs that can be scaled and gaps that can be filled by new, innovative programs
- Uncovers opportunities for connections and collaboration
- Helps with planning, sequencing and prioritization of workforce services
- Supports community-wide alignment– increasing system efficiency and reducing duplication
- Primary partners – Dallas Regional Chamber, Workforce Solutions Greater Dallas, DCCCD, United Way

Workforce Development Inventory

Preparation & Applied Learning	Employment & Talent Acquisition	Employer Support Systems	Awareness and Advocacy
<ul style="list-style-type: none"> • Career Exploration in HS • Career Pathways after HS • Employer / Industry credentialing • Post-secondary education • Work-based training • Fast Track Training • Workforce Fundamentals and Essential Skills • Adult Literacy / English as a Second Language • Coaching 	<ul style="list-style-type: none"> • Job Development and Assessment • In-person job placement, career counseling and support services • Human Resources assistance • Job fairs and hiring events • Online assessment and job search functions 	<ul style="list-style-type: none"> • Employer-sponsored training for upward mobility • Workforce alignment • Transportation to work • Layoff transition and relocation support • Financial management • Connection to wage supplementation support • Availability and access to quality childcare 	<ul style="list-style-type: none"> • Infrastructure and employment support policies • Employment and training administration programs • Pell grants • Career and Technical Education grants • Tax credits/ incentives • Employer convening • Training for counselors • Data-driven analytics

Pathways to Work

coordinates workforce stakeholder groups to implement targeted New Skills at Work recommendations

- 1. Strengthen the “first rung” of career pathway programming**
 - New investments in community-based training partnerships:
 - Certified Nurse Aid Partnership, led by El Centro College and Sharing Life Community Outreach
 - IT Ready Initiatives, led by Per Scholas
- 2. Increase persistence in and completion of middle-skill training**
 - Support the integration of support services with technical training to smaller cohorts of participants
 - 120 participants to date; 70 have earned industry-recognized credential or certification; 76 secured jobs in healthcare and IT
- 3. Strengthen bridges between workforce resources and high need communities and populations**
 - Building stronger connections between community-based training providers and employer associations
- 4. Increase awareness of middle-skill opportunities**
 - Workforce Symposium in November collected and distributed information on workforce programs from 30 organizations
- 5. Promote employer leadership in developing career pathways**
 - 15 employers engaged to date- advising on curriculum, mentoring students, and hiring graduates



Funders

Industry
Partnerships

Training and Service
Providers

The Neighborhood Plus Initiative

aligns well with these collaborative efforts, and we welcome the City's active participation to help us move the New Skills at Work recommendations forward.

Potential next steps for the City to consider:

1. Provide information and conduct outreach to your constituents
 - Inform them about available workforce programs and services
 - Help us identify and engage residents who could benefit from these programs
2. Seek, compile and share feedback from constituents
 - Help us identify helpful services, challenges, needs and interests that could be met through workforce development programs and services

Memorandum



CITY OF DALLAS

DATE Friday 26, 2016

TO The Honorable Mayor and Members of the City Council

SUBJECT FY 2016-17 Budget Workshop #3: General Fund Gap Update

On Wednesday, March 2, 2016, the City Council will be briefed on a "General Fund Gap Update". The briefing is attached for your review.

Please let me know if you need additional information.


Jeanne Chipperfield
Chief Financial Officer

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
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Elsa Cantu, Assistant to the City Manager



FY 2016-17 Budget Workshop #3: General Fund Gap Update

March 2, 2016

Budget development process

Sept 21
Budget Adoption

Aug-Sept
Council Deliberations

Aug 9 CMO
Recommendation

June 15
Budget Update

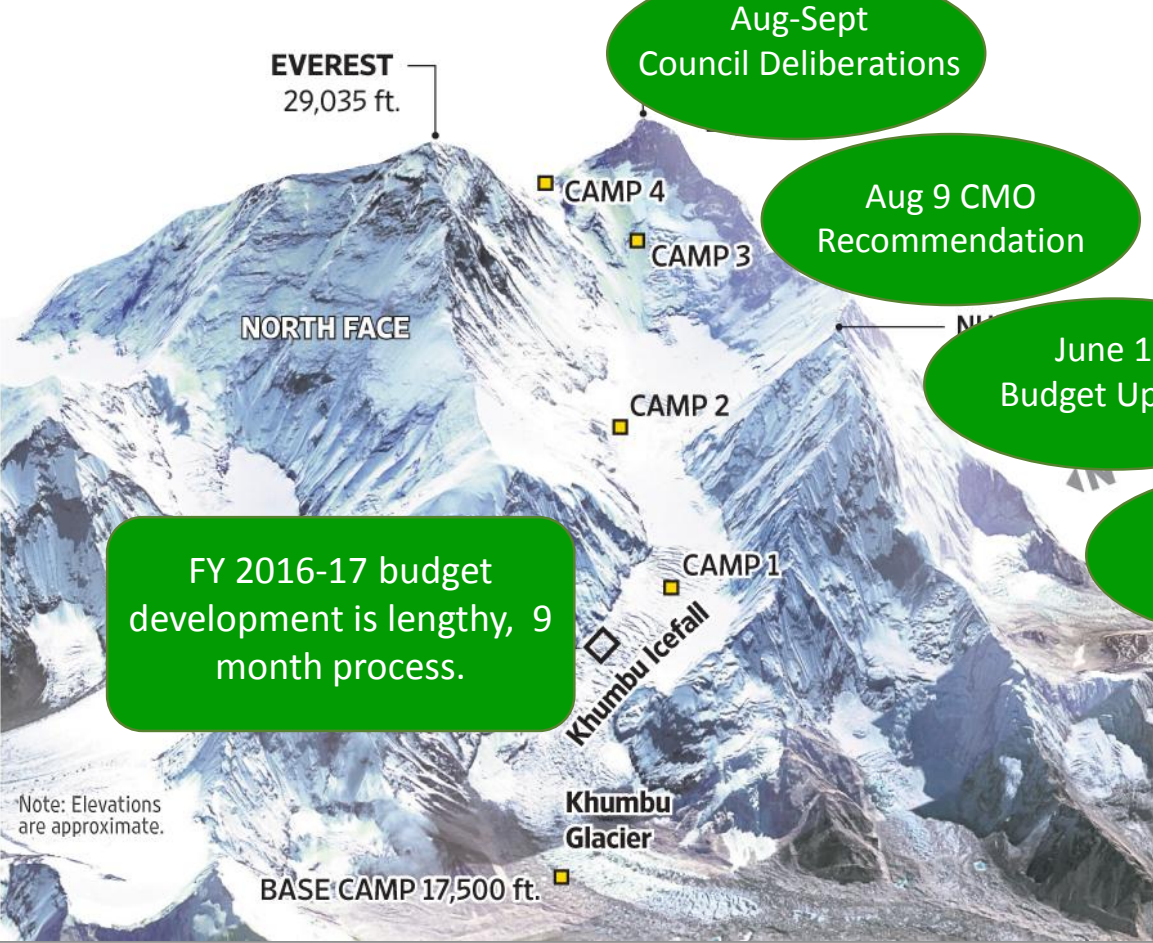
May 4
Options

March 2
Gap Update

✓ Feb 3
Council Input



FY 2016-17 budget development is lengthy, 9 month process.



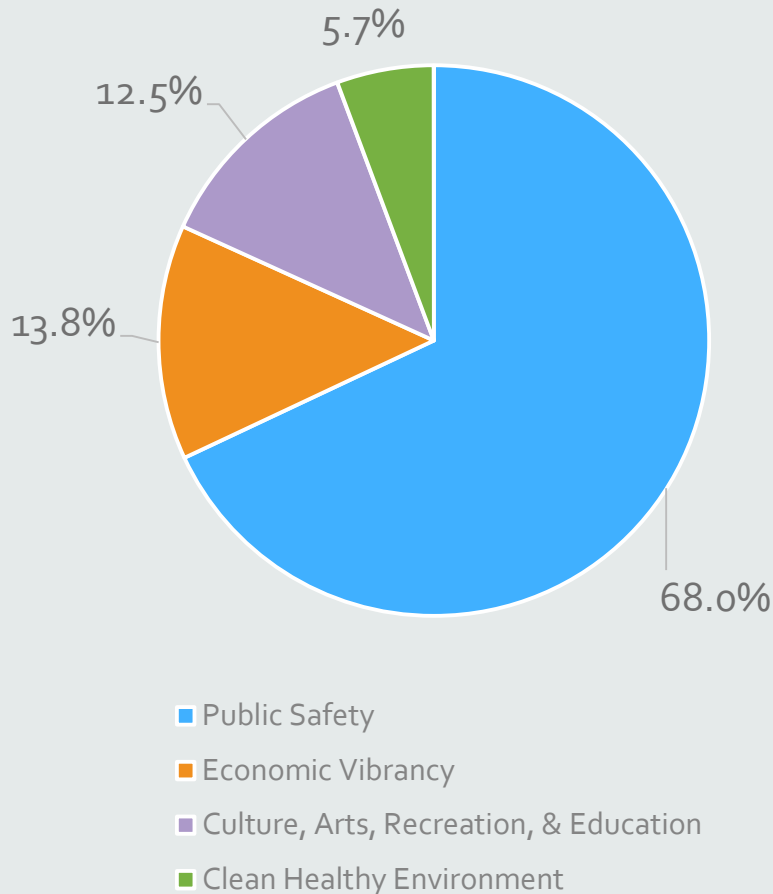
Purpose of briefing

- Update council on FY 2016-17 (FY17) general fund budget
 - Review input received from City Council during February 2&3 retreat
 - Discuss changes in FY17 general fund gap
 - Discuss path forward in budget development process
- Questions and comments



Follow-up to February 2&3, 2016 Council Retreat
Council Initial Input in FY17 General Fund Budget

Should KFA allocations be adjusted for FY17 general fund budget?



Key Focus Area	FY16 Percent	Increase Percent	Same Percent	Decrease Percent
Public Safety	68.0%	1	2	9
Economic Vibrancy	13.8%	5	6	1
Culture, Arts, Recreation & Education	12.5%	6	4	2
Clean Healthy Environment	5.7%	5	7	0

Note: For each KFA with increase in percent, there should be an offsetting decrease in percent for another KFA.

What are top 3 guiding principles for FY17 general fund budget?

Potential Guiding Principles	Count	Percent
Focus resources on infrastructure needs	11 (*12)	28%
Focus resources to address neighborhood issues	7	18%
Focus budget allocations on citizen priorities	5	13%
Scrutinize services for efficiencies and cost reductions	5	13%
Invest in technology to improve services and efficiencies	2	5%
Invest in uniform employees through increased compensation (including pension system)	2	5%
Reduce civilian staffing levels	2 (*4)	5%
Others? Cultural Arts	2	5%
Decrease ad valorem tax rate	1	3%
Maintain service levels next year (FY17) at the same level provided during current year (FY16)	1	3%
Enhance or expand service levels above those provided in current year	1	3%
Maintain current ad valorem tax rate	0	0%
Target allocations to areas with highest concentration of needs	0	0%
Invest in civilian employees through fair compensation and improved training	0	0%
Others? Social services	0	0%
Total	39 (*42)	

Note: 14 council members participated in exercise. *Two areas received duplicate votes.

What is level of support for including each item in FY17 general fund budget?

1 Strongly Support (Yes); 2 Somewhat Support; 3 Somewhat Oppose; 4 Strongly Oppose (No)

1 Yes	2	3	4 No	Question – <u>Should the FY17 General Fund budget....?</u>
14	1	0	0	(11)... include funding to achieve net zero degradation in street and alley condition until the implementation of the next bond program?
12	2	0	1	(10)... include service/expense reductions? If so, what services/expenses?
6	5	2	2	(8)... include funding for additional police officers above attrition?
4	7	4	0	(2)... include funding for a merit increase program for civilian employees?
7	2	3	3	(9)... include new services and/or enhancements? If so, what services/enhancements?
5	4	4	2	(7)... include funding to further Neighborhood Plus initiatives?
4	5	3	3	(5)... include increased funding for Fair Park as needed as part of the public-private partnership proposal?
3	6	6	0	(4)... include funding for employee/retiree health benefit cost increases?
3	6	4	2	(6)... include funding to continue both fleet replacement and information technology replacement/upgrades through the master lease financing program?
3	6	3	3	(3)... address police and fire uniform employee compensation?
2	5	3	5	(1)... limit property tax revenue by lowering the ad valorem tax rate?

Note: 15 council members participated in exercise.

Note: Number in parenthesis corresponds to question number during retreat.

What is level of support for including each item in FY17 general fund budget?

▪ Question #9 – Adds and Enhancements

- Park and Recreation
- Marketing/messaging of Park and Recreation
- Senior programming
- Cultural Arts
- Public Safety Officers

▪ Question #10 – Reductions

- Head count (stop the growth)
- City Attorney's Office
- Outsource services
- Hiring process
- Public Health
- Council lunch
- HVAC efficiencies

What are top 3 items that should be included in FY17 general fund budget?

Question – <u>Should the FY17 General Fund budget....?</u>	Count	Percent
(11)... include funding to achieve net zero degradation in street and alley condition until the implementation of the next bond program?	11	27%
(3)... address police and fire uniform employee compensation?	5	12%
(8)... include funding for additional police officers above attrition?	5	12%
(10)... include service/expense reductions? If so, what services/expenses?	5	12%
(5)... include increased funding for Fair Park as needed as part of the public-private partnership proposal?	4	10%
(7)... include funding to further Neighborhood Plus initiatives?	4	10%
(9)... include new services and/or enhancements? If so, what services/enhancements?	3	7%
(2)... include funding for a merit increase program for civilian employees?	2	5%
(1)... limit property tax revenue by lowering the ad valorem tax rate?	1 (*2)	2%
(4)... include funding for employee/retiree health benefit cost increases?	1	2%
(6)... include funding to continue both fleet replacement and information technology replacement/upgrades through the master lease financing program?	0	0%
Total	41 (*42)	

Note: 14 council members participated in exercise. *One area received duplicate votes.

Note: Number in parenthesis corresponds to question number during retreat.

Staff take-away from Council input

- Strong support to focus funds on infrastructure (streets/alleys)
- Clear direction to reduce expenses – through efficiencies and cost reductions
- Conflicting direction on Public Safety – preference to reduce percent allocated to Public Safety Key Focus Area, yet supportive of increased compensation for uniform employees and supportive of hiring police officers above attrition
- Conflicting direction to add/enhance services while overall direction to reduce costs
- Divided direction on property tax rate

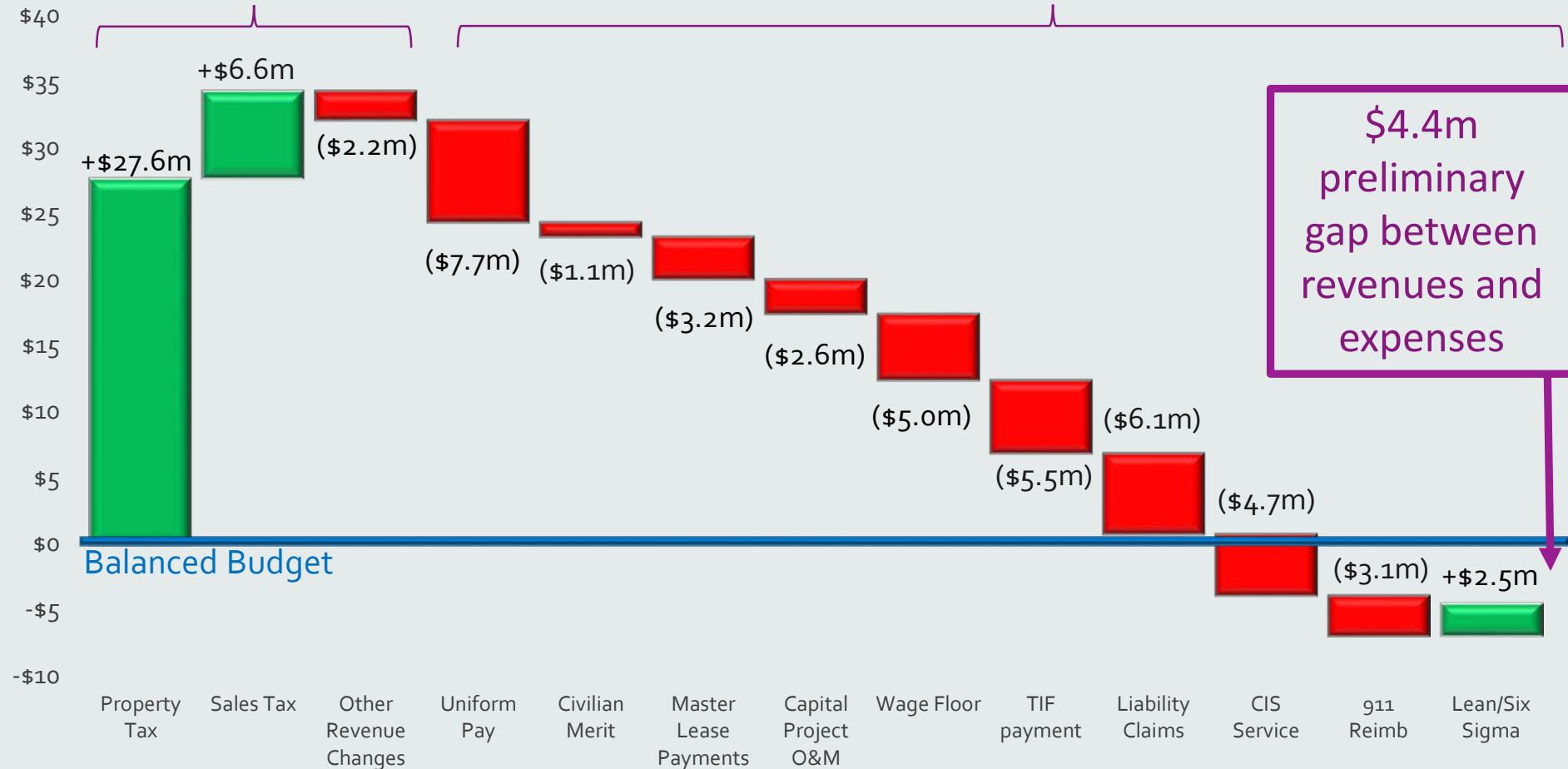


FY17 General Fund Gap Update

Recap of Council retreat: Preliminary projections for FY17 General Fund

Revenue Changes: +\$32.1m

Expense Changes: (\$36.5m)



Note: Forecasts are preliminary and will change through budget development process and as additional information is available.

Preliminary projections for costs supported by Council input

(*Council support includes both strongly support and somewhat support)

Question – <u>Should the FY17 General Fund budget....?</u>	Council Support*	Low Estimate	High Estimate
(1)... limit property tax revenue by lowering the ad valorem tax rate ?	7	N/A	N/A
(2)... include funding for a merit increase program for civilian employees?	11	\$4.3m	\$8.7m
(3)... address police and fire uniform employee compensation ? <ul style="list-style-type: none"> ➤ Pending Meet and Confer discussions ➤ One Step costs \$7.7m 1st year and additional \$7.7m 2nd year for full-year-funding 	9	TBD	TBD
(4)... include funding for employee/retiree health benefit cost increases?	9	\$3.9m	\$11.9m
(5)... include increased funding for Fair Park as needed as part of the public-private partnership proposal? <ul style="list-style-type: none"> ➤ Pending further discussions regarding public-private partnership 	9	TBD	\$24.2m
(6)... include funding to continue both fleet replacement and information technology replacement/upgrades through the master lease financing program?	9	\$1.0m	\$3.0m
(7)... include funding to further Neighborhood Plus initiatives?	9	TBD	TBD
(8)... include funding for additional police officers above attrition?	11	\$1.1m	\$2.3m
(9)... include new services and/or enhancements ? If so, what services/enhancements?	9	TBD	TBD
(10)... include service/expense reductions ? If so, what services/expenses?	14	TBD	TBD
(11)... include funding to achieve net zero degradation in street and alley condition until the implementation of the next bond program?	15	\$6.4m	\$28.3m
Total of Preliminary Cost Estimates		+/- \$16.7m	+/- \$78.4m

Note: Forecasts are preliminary and will change through budget development process and as additional information is available.

Preliminary projections for FY17 General Fund

	FY 2016-17 Preliminary Projection	FY 2016-17 Updated Projection (after Council input) Low Estimate	FY 2016-17 Updated Projection (after Council input) High Estimate
FY17 Preliminary revenue projection	\$32.1m	\$32.1m	\$32.1m
FY17 Preliminary commitments & adjustments	\$36.5m	\$36.5m	\$36.5m
Updated expenses based on Council input	N/A	+/- \$16.7m	+/- \$78.4m
Variance or Gap	(\$4.4m)	(\$21.1m)	(\$82.8m)



Path Forward in Budget Development Process

Preliminary projections for FY17 general fund budget result in a \$21.1m to \$82.8m gap

- In order to close gap and present a balanced budget on August 9th, additional information must be compiled, analysis completed, and decisions made
- Both expense reductions and revenue increases must be considered

Revenue considerations

- Property tax
 - Currently 5.0% growth and FY16 tax rate are assumed
 - Each \$0.01 change in tax rate changes revenue by approximately \$9.8m
 - Each 1% growth in tax base generates approximately \$7.8m revenue
 - Four appraisal districts will certify tax roll on July 25th
- Sales tax
 - Currently 2.4% growth is assumed
 - Each 1% increase in sales tax generates approximately \$2.8m revenue
 - Analysis will continue each month as sales tax revenue is received and final projection will be made in July
- Other revenues
 - All general fund revenues are currently being reviewed by each department and updates will be included in future council updates

Expense considerations

- Expenses will need to be cut to eliminate gap of this magnitude
 - Significant expense reductions will have service impacts
- All general fund departments have been given task of identifying reductions of 7% and including those with budget submissions due to Office of Financial Services during March
 - Expense reductions submitted by departments will be vetted and submitted to Council at a future budget workshop
- 7% reductions in Police and Fire will require cutting uniform personnel and 7% reduction in Streets will result in street condition deterioration
 - Excluding these 3 departments from reductions will require 25% reductions in all other general fund departments

7% and 25% expense reductions – *expense reductions will have service impacts*

General Fund Department	7% Reduction	25% Reduction
Business Development & Procurement	(186,132)	(670,506)
City Attorney's Office	(1,115,189)	(4,017,250)
City Auditor's Office	No Reduction	No Reduction
City Controller's Office	(326,988)	(1,177,909)
City Manager's Office	(172,758)	(622,329)
City Secretary's Office	(123,749)	(445,781)
Civil Service	(157,501)	(567,367)
Code Compliance Services	(2,553,634)	(9,198,964)
Court and Detention Services	(787,292)	(2,836,067)
Equipment & Building Services	(1,555,788)	(5,604,423)
Fire-Rescue	(16,660,256)	No Reduction
Housing & Community Services	(764,284)	(2,753,184)
Human Resources	(342,424)	(1,233,515)
Judiciary	(237,582)	(855,841)
Library	(1,864,747)	(6,717,384)
Management Services	(992,262)	(3,574,427)
Mayor and Council	(283,203)	(1,020,182)
Office of Cultural Affairs	(995,288)	(3,585,328)
Office of Economic Development	(230,554)	(830,527)
Office of Financial Services	(188,822)	(680,195)
Park & Recreation	(5,569,161)	(20,061,812)
Planning & Urban Design	(312,105)	(1,124,298)
Police	(30,173,533)	No Reduction
Public Works	(888,675)	(3,201,277)
Street Services	(4,984,038)	No Reduction
Sustainable Development & Construction	(174,178)	(627,441)
Trinity Watershed Management	(89,972)	(324,107)
Total	(\$71,730,115)	(\$71,730,115)

General Fund personnel

- Budget dollars – \$883.1m (77.3%) budgeted for salaries and benefits in FY16
 - Includes uniform & civilian salaries, paid leave, overtime, FICA, City payroll temporaries, life & health insurance, unemployment payments, worker’s comp premiums, pension contributions
- Positions – 12,557 specific jobs with a unique identification number in FY16
 - Includes both uniform (6,460) and civilian (6,097)
 - No distinction between full-time, part-time, seasonal, temporary, or interns
 - Position changes (add, delete, reclassify) are authorized each year at time of budget approval
- Headcount* – 9,537 employees on City’s payroll in February 2016
 - Includes both uniform and civilian employees on City’s payroll at any given point in time (changes day to day as employees begin/end employment with City)
- Full-time-equivalents* (FTEs) – 10,316.7 FTEs allocated for FY16
 - FTE is ratio of total number of hours paid during a year to number of working hours in a year (2,080 hours for all except uniform fire personnel which is 2,808 hours)
 - Effective FY16, FTE further clarified to only include hours worked by employees on City of Dallas’ payroll, and does not include contract day labor or contract temporaries

*Note: Headcount and FTE graphs included in appendix.

General Fund personnel

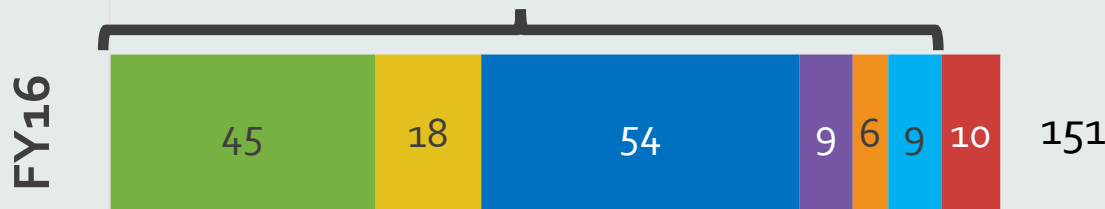
- As part of FY17 budget development, changes are proposed
 - Use dollars and positions, not FTEs or headcount, as primary method to describe personnel
 - Right-size salary budgets to better recognize vacancy rate and hiring process
 - Reallocate budget between salaries and expenditure classification where actual expenditures are being incurred
 - Eliminate positions that have been added over years that are no longer funded
 - Research and recommend any other measure for counting personnel that may be appropriate

General Fund personnel

- Using positions to describe personnel has both pros and cons
 - Example cons:
 - Variance between position count and current headcount exists since several positions are not funded, are only partially funded, are seasonal and not used until spring/summer, or are vacant
 - Position clean-up is required in order to eliminate existing positions that do not have any funding/budget currently assigned to them
 - Each position is funded at a different amount depending upon whether it is a full-time position, part-time position, seasonal position, etc.
 - Example pros:
 - Positions are constant throughout year while headcount changes day to day and FTEs require projections and additional calculations
 - Positions are less complex and more transparent
 - Position changes (adds, deletes, reclassifications) are approved annually on same agenda as budget

396 positions added to general fund in FY16 and FY15

93% of positions added are in City service delivery departments



96% of positions added are in City service delivery departments



■ Libraries
 ■ Code
 ■ Police/Fire/EMS/Courts
 ■ Parks/Arts
 ■ Streets
 ■ Neigh+/Hist Pres
 ■ Other

Other includes City Attorney, City Auditor, City Secretary, HR, Resiliency, Open Records, Internal Controls, Ethics/Diversity, etc.

Note: FY16 and FY15 added positions are listed in appendix.

Moving forward – budget development process

- No single strategy will eliminate gap between general fund revenue and expenses
- All revenues and expenses must be reviewed and analyzed
- Lean/Six Sigma, Sunset Review, and Line-Item budget review will identify some savings through budget development process
- However, other decisions will have to be made regarding Council and citizen priorities
- May 4th briefing will begin to provide Council with options and seek additional Council input on balancing FY17 budget

✓ Dec 2	Budget Workshop #1: preliminary outlook
✓ Feb 2-3	Council-Staff Planning Session (Budget Workshop #2: council direction)
✓ March 2	Budget Workshop #3: gap update
March 23	Budget Public Hearing
May 4	Budget Workshop #4: general fund update and options (On-line link provided to all funding requests although not fully vetted at this point in process – amounts will still change)
May 25	Budget Public Hearing
June 15	Budget Workshop #5: outlook for all funds
July 25	Appraisal Districts certify 2016 tax roll
Aug 5	Deliver City Manager's recommended budget to Council Members
Aug 9	Budget Workshop #6: City Manager's recommended budget
Aug 9-Sept 1	Budget Town Hall Meetings
Aug 17	Budget Workshop #7: Topics TBD
Aug 24	Budget Public Hearing
Aug 30	Budget Workshop #8 (optional): Topics TBD
Sept 7	Budget Workshop #9: Council amendments
Sept 7	Adopt budget on First Reading
Sept 13	Budget Workshop #10: Amendments (if necessary)
Sept 21	Adopt budget on Second Reading and adopt tax rate
Oct 1	Begin FY17



Questions and Comments



Appendix

396 positions added to general fund in FY16 and FY15

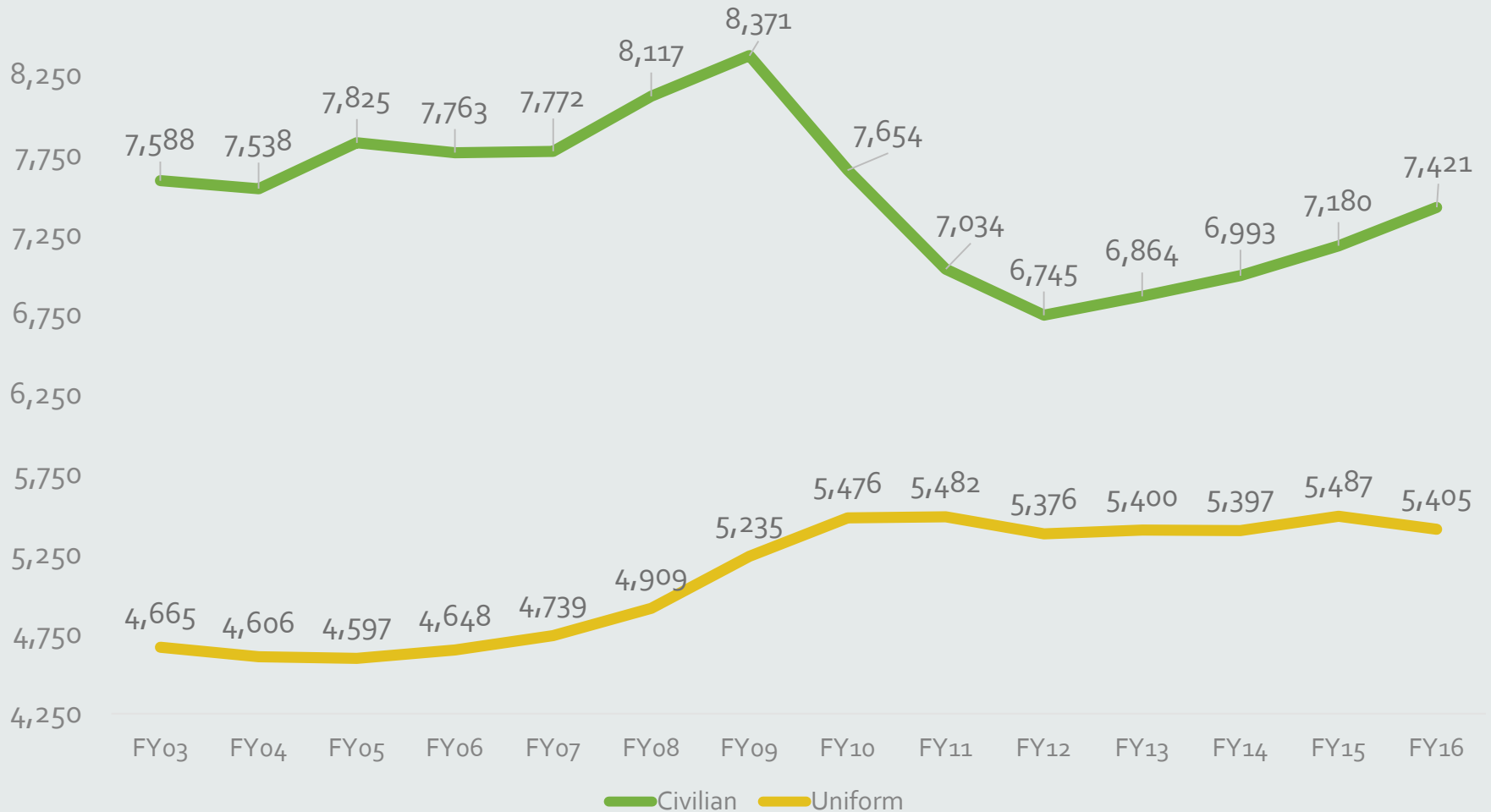
151 positions added in FY16

- 45 – Library enhancement for year 2 of 2
- 30 – Public Safety Officers
- 18 – Code including Animal Services
- 12 – Marshals
- 8 – Paramedics for Mobile Community Health Program
- 7 – Neighborhood Plus
- 7 – Park including new Senior Division
- 6 – Streets (street striping & Woodall Rogers tunnel)
- 2 – Community courts
- 2 – Historic preservation planners
- 2 – Police uniform
- 2 – Cultural Arts
- 7 – Resiliency, ADA/Title VI, Employee Advisory
- 2 – Human Resources
- 1 – City Secretary’s Office

245 positions added in FY15

- 96 – Library enhancement for year 1 of 2
- 48 – Paramedics for Mobile Community Health Program and positions for paramedic training
- 22 – Code - single use bag ordinance and PetSmart adoption
- 21 – Public Safety Officers
- 9 – Recreation center enhancement
- 9 – Continental Bridge programming and maintenance
- 8 – department of Planning & Neighborhood Vitality
- 6 – Streets – inspectors and asphalt repair
- 5 – Fire department
- 4 – Police uniform
- 3 – Courts illegal dumping
- 2 – Senior medical transportation
- 2 – Cultural Affairs and public art
- 1 – Security Officer
- 1 – City Secretary’s Office
- 1 – Open Records
- 1 – Ethics/Diversity
- 1 – Internal Controls
- 1 – Wellness
- 2 – City Attorney’s Office
- 2 – City Auditor’s Office

Headcount – historical active personnel (All City funds as of Dec 31st of each year)



Note: This is a sub-set of total headcount for all City funds as of Dec 31st of each year and only includes those that are pension-eligible.

Full-time equivalents

General Fund Departments	FY15 FTE Budget	FY15 FTE Actual	FY16 FTE Budget
Business Development & Procurement	32.0	31.6	31.7
City Attorney's Office	151.0	139.2	153.9
City Auditor's Office	23.1	22.9	25.0
City Controller's Office	59.8	44.2	51.7
City Manager's Office	14.0	15.0	14.0
City Secretary's Office & Elections	17.0	16.6	18.0
Civil Service	25.0	22.3	25.0
Code Compliance	450.5	394.6	460.6
Court & Detention Services	175.5	151.9	178.0
Equipment & Building Services	265.4	250.5	255.5
Fire-Rescue	2,109.6	2,204.0	2,117.5
Housing & Community Services	61.4	49.5	60.5
Human Resources	43.0	49.4	46.2
Judiciary	40.1	33.4	39.1
Library	350.0	312.8	391.0
Management Services	180.7	163.2	181.8
Mayor & City Council	35.5	44.6	35.5
Non-Departmental	1.0	1.0	0.0
Office of Cultural Affairs	71.3	62.5	68.6
Office of Economic Development	45.5	36.5	46.0
Office of Financial Services	28.0	27.3	27.7
Park & Recreation	937.5	801.4	949.7
Planning & Urban Design	29.3	18.9	40.2
Police	4,240.0	4,163.2	4,282.7
Public Works & Transportation	168.0	139.9	164.6
Street Services & Street Lighting	599.3	574.7	595.2
Sustainable Development & Construction	37.6	31.0	40.5
Trinity Watershed Management	17.6	7.7	16.5
Total General Fund FTEs	10,208.7	9,809.5	10,316.7