

Memorandum



CITY OF DALLAS

DATE August 28, 2015

TO The Honorable Mayor and Members of the City Council

SUBJECT FY 2015-16 Budget Workshop #9: Overview of Full-Time Equivalents

On Wednesday, September 2, 2015, the City Council will be briefed on an Overview of Full-Time Equivalents. The briefing is attached for your review.

Please let me know if you need additional information.

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez', written over a circular stamp or seal.

A.C. Gonzalez
City Manager

c: Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager

Joey Zapata, Assistant City Manager
Mark McDaniel, Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager



FY 2015-16 Budget Workshop #9: Overview of Full-Time Equivalents

City Council Briefing – September 2, 2015

Purpose of Briefing

- Based on questions asked by Council members, additional information is provided about Full-Time Equivalents (FTEs)
 - What an FTE is and what an FTE is not
 - Explanation related to accuracy of forecasting FTEs (within 2% of FY15 budget)
 - Salary budget savings from FTE under-utilization may be used to pay for other types of labor or to address other budget over-runs or unbudgeted expenses
- Staff focuses on providing quality services, accomplishing work, meeting objectives, response times, within allocated expense budget, with less focus on FTEs
 - Managing to the “bottom line” of allocated expense budget is goal

Full-Time Equivalents

- FTEs are tool used by staff to measure number of hours paid to employees from appropriated dollars
- Approximately 77% of budget is for personnel, therefore, FTEs are used to count hours paid to employees
 - Employees include civilian and uniform; and full-time, part-time, seasonal, and City temporary help classifications
- FTEs are used to describe number of hours paid to employees within fiscal year
 - FTE equals 2,080 hours of paid time
 - 40 hours per week x 52 weeks per year = 2,080 hours (1 FTE)
 - 2,808 hours per year for uniform fire fighting personnel due to their work schedules

Full-Time Equivalents

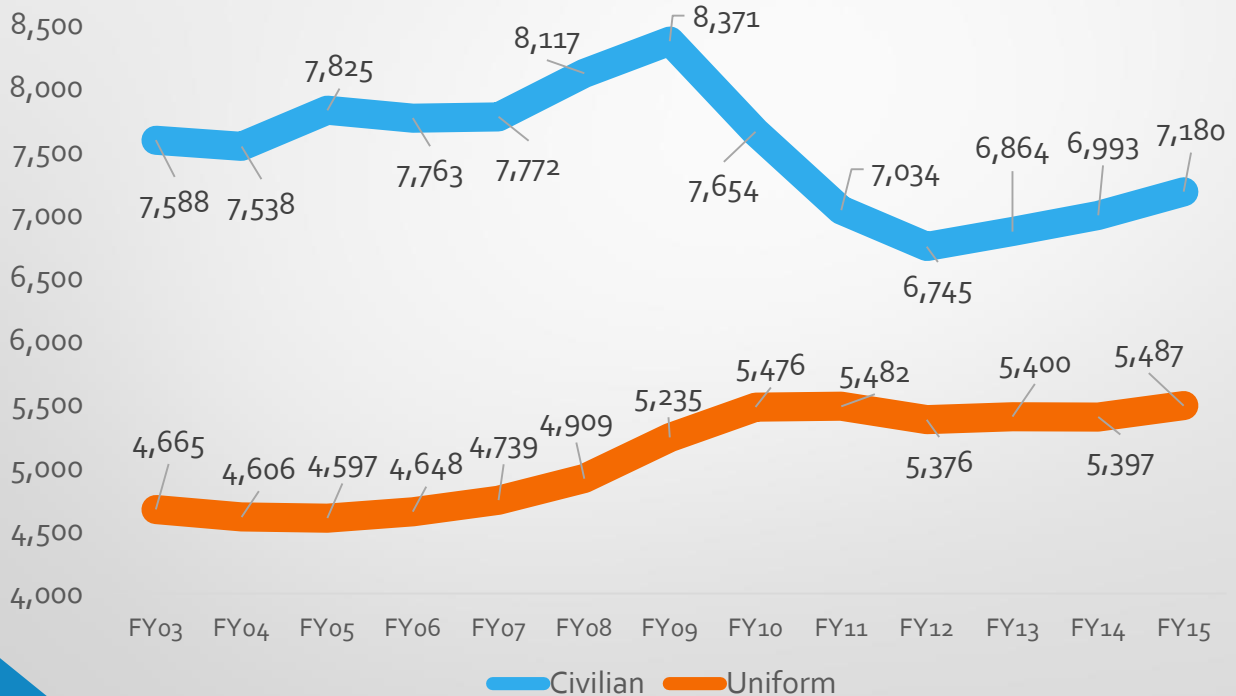
- FTEs are measurement of hours paid, but there are different types of FTEs
 - Regular FTE includes an employee's 2,080 hours of paid time per year and includes vacation, sick leave, holiday, etc.
 - Salaried employees FTE count does not include work performed over and above 80 hours per pay-period since additional hours worked are unpaid
 - An overtime FTE represents actual hours worked at overtime rate and does not include vacation, sick leave, holiday, etc.
- FTEs do not measure salary dollars paid
 - An FTE does not account for change in pay during course of year
 - An FTE does not account for change in person filling a position, for example when more senior, higher paid employee leaves and position is filled with new, lower paid employee

Full-Time Equivalents

- FTE is not same as position or headcount
 - FTE is 2,080 hours of paid time per year
 - Position is specific job with an assigned position identification number (for example, Coordinator III, PM00135)
 - Headcount is number of employees on payroll on any given day or time that count is calculated (changes daily)
- Following chart has been used to show trend over time related to headcount
 - Data used is from two pension funds as of December 31st of each year and includes only “pension-eligible” employees in all City fund
 - “Pension-eligible” employees are a sub-set of all employees

Historical Active Personnel Headcount (All City Funds as of Dec 31st of each year)

Source: Employee Retirement Fund and Police & Fire Pension System



All City Funds FTEs

- FY16 budget document indicates approximately 14,300 FTE for **all City funds** and for all FTE types including regular, over-time, temporary (City only), and day labor
- 120.3 FTEs are proposed to be added to FY16 budget above FY15 budget level

FY15 Budget	FY15 Estimate	FY16 Proposed	Variance FY15 Budget to FY15 Estimate	Variance FY15 Estimate to FY16 Proposed	Variance FY15 Budget to FY16 Proposed
A	B	C	B-A	C-B	C-A
14,197.0	13,541.4	14,317.3	(655.6)	775.9	120.3

General Fund FTEs

- Focus of budget discussion has been General Fund
- Below table includes only General Fund for further discussion
 - Budget figures presented as dollars in millions

FY15 Budget	FY15 Estimate	FY16 Proposed	Variance FY15 Budget to FY15 Estimate	Variance FY15 Estimate to FY16 Proposed	Variance FY15 Budget to FY16 Proposed
A	B	C	B-A	C-B	C-A
11,070.1	10,650.3	11,170.6	(419.8)	520.3	100.5
\$1,170	\$1,169	\$1,145	\$1	(\$24)	(\$25)

General Fund Departments	FY15 FTE Budget	FY15 FTE Estimate	FY16 FTE Proposed Budget	Variance for FY16 Proposed to FY15 Estimate
Building Services	265.40	258.90	255.50	-3.40
Business Dev and Procurement	32.00	30.60	31.70	1.10
City Attorney's Office	151.00	145.50	152.90	7.40
City Auditor	23.10	22.40	25.00	2.60
City Controller's Office	59.80	53.10	51.70	-1.40
City Manager's Office	14.00	14.00	14.00	0.00
City Secretary's Office	17.00	17.00	18.00	1.00
Civil Service	25.00	23.70	25.00	1.30
Code Compliance	450.50	399.00	449.10	50.10
Court and Detention Services	175.50	168.90	178.00	9.10
Fire Rescue	2,109.60	2,066.60	2,117.50	50.90
Housing / Community Services	61.40	56.10	60.50	4.40
Human Resources	43.00	41.70	46.20	4.50
Judiciary	40.10	36.10	39.10	3.00
Library	350.00	320.60	391.00	70.40
Management Services	180.70	178.00	186.30	8.30
Mayor and City Council	35.50	39.00	35.50	-3.50
Non-Departmental	1.00	1.00	0.00	-1.00
Office of Cultural Affairs	71.30	65.30	69.10	3.80
Office of Economic Development	45.50	36.30	46.00	9.70
Office of Financial Services	28.00	26.70	27.70	1.00
Park and Recreation	937.50	835.30	949.70	114.40
Planning and Urban Design	29.30	28.10	40.20	12.10
Police	4,240.00	4,246.40	4,282.70	36.30
Public Works	168.00	140.80	164.60	23.80
Sanitation Services	861.40	793.80	861.40	67.60
Streets Services	598.30	558.30	591.20	32.90
Streets Services- Lights	1.00	1.00	4.00	3.00
Sustainable Dev and Construction	37.60	34.30	40.50	6.20
Trinity Watershed Management	17.60	11.80	16.50	4.70
General Fund Total	11,070.10	10,650.30	11,170.60	520.30

Full-Time Equivalents

- Departments frequently use other methods of providing labor to accomplish work when not enough permanent employees are available
- Some alternative labor hours count towards FTEs and others do not, such as:
 - Comp time work performed by salaried employees
 - Use of contract labor/services including day labor
 - Use of contracted temporary help
- For FY15 estimate, a few departments did not include City-employed temporary staff as part of their FTE calculation when it should have been reported in budget document

Full-Time Equivalents

- Due to focus by Council on under-utilization of FTEs in FY15, departments provided additional information
 - Additional 67.12 FTE of City temporary labor
 - Equivalent of 97.22 FTE of day labor provided from contracts
 - Equivalent of 82.33 FTE of contract temporary labor
 - Total = 246.7 additional FTEs estimated for FY15 General Fund

Full-Time Equivalents

- If slide 8 is adjusted by 246.7 for these additional FTEs and equivalents used in FY15, variances change as shown below
 - Budget figures are presented with dollars in millions

FY15 Budget	FY15 Estimate	FY16 Proposed	Variance FY15 Budget to FY15 Estimate	Variance FY15 Estimate to FY16 Proposed	Variance FY15 Budget to FY16 Proposed
A	B	C	B-A	C-B	C-A
11,070.1	10,650.3 <u>+246.7</u> 10,897.0	11,170.6	(419.8) (173.1)	520.3 273.6	100.5
\$1,170	\$1,169	\$1,145	\$1	(\$24)	(\$25)

Use of Salary Savings

- Departments are focused on providing service within allocated budget/dollars regardless of FTE utilization
- As a course of business, savings in one area (such as salaries) are used to offset other required expenditures
- Common expenditures experienced in FY15 have included:
 - Unplanned building and ground maintenance
 - Additional security at facilities
 - Replacement/purchase of equipment and technology to improve operations
 - Increased demands resulting from emergency incidents within city

FY16 Proposed FTE Adds

- As noted previously, FY16 proposed General Fund budget includes an increase of approximately 100 FTE above FY16 budget
 - 7.5 FTE added for 15 positions in animal services to address loose dogs
 - 12 FTE added for marshals to enforce warrants
 - 10.4 FTE added for paramedics and Mobile Community Health Program
 - 41.0 FTE added for second of 2-year plan in Library Services
 - 5.3 FTE added to begin senior services division within Park and Recreation
 - 10.9 FTE added in Planning and Urban Design including for Neighborhood Plus
 - 22.5 FTE for 30 new Public Safety Officers to allow for redeployment of uniform police officers

Summary

- Annual operating budget allocates dollars for delivery of services
- FTEs provide an indication of number of hours paid for City labor used in service delivery
- Other labor options are available to accomplish work when FTEs are not utilized
- Savings from salaries are used to provide for unbudgeted expenses or other cost over-runs
- To enhance and expand programs and activities in FY16 within General Fund, additional 100.5 FTEs are required

Next Steps

- Through FTE review exercise, staff has questioned use of FTEs as appropriate indicator of staffing levels
- Through Fall 2015, staff will identify other options and seek BFA Committees input for future years budgeting
- New budget development and monitoring software project is underway and expected to have “go-live” date in Feb 2016
 - This will give staff further opportunity to improve upon reporting of staffing levels



Comments & Questions



Appendix

Full-Time Equivalents

- Each year, focus of departments is to accomplish work and deliver services within budgeted dollar allocation, in a timely, quality manner
 - Work is accomplished through variety of different methods including employees, contract labor, contract services, technology, equipment, etc.
 - Getting work done is main focus, not FTE utilization
- Delivery of service must continue whether or not departments are utilizing FTEs
- High turnover and length of hiring process result in under-utilization of FTEs
 - Turnover rate has been from 12% to over 16% since 2011 for civilians and about 4% to 5% for uniform during same time period
 - Currently, applications are being reviewed for 250 civilian positions within Civil Service

Analysis of FTE Utilization and Turnover

