

TRANSPORTATION & TRINITY RIVER PROJECT COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

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CITY SECRETARY
DALLAS, TEXAS

MONDAY, JUNE 27, 2016
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA
DALLAS, TEXAS 75201
1:00 P.M. – 2:30 P.M.

Chair, Councilmember Lee M. Kleinman
Vice-Chair, Deputy Mayor Pro Tem Erik Wilson
Councilmember Sandy Greyson
Mayor Pro Tem Monica R. Alonzo
Councilmember Adam Medrano
Councilmember Casey Thomas, II

Call to Order

1. Approval of Minutes

BRIEFINGS

2. Employee Retirement Fund: Proposed Changes to Chapter 40A
Cheryl Alston, Executive Director, Employee' Retirement Fund
Lewis Ward, Actuarial Consultant, Gabriel, Roeder, Smith & Company
3. FY 16 Sunset Review: Potential Opportunities
Jack Ireland, Director, Office of Financial Services
4. Dallas to Houston High Speed Rail Project
Peer Chacko, Chief Planning Officer, Director, Planning and Urban Design Department
Brent Brown, Consultant Design Director, City of Dallas
Tim Keith, CEO, Texas Central Railway
Brady Redwine, Texas Central Railway
Holly Reed, Texas Central Railway

Adjourn



Lee M. Kleinman, Chair
Transportation and Trinity River Project Committee

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.

"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."

Transportation & Trinity River Project Committee Meeting Record

The Transportation & Trinity River Project Committee meetings are recorded. Agenda materials are available online at www.dallascityhall.com. Recordings may be reviewed/copied by contacting the Transportation & Trinity River Project Committee Coordinator at 214-671-9502.

Meeting Date: June 13, 2016

Convened: 1:03 p.m.

Adjourned: 2:34 p.m.

Committee Members Present:

Lee M. Kleinman, Chair
Deputy Mayor Pro Tem Erik Wilson, Vice Chair
Mayor Pro Tem Monica R. Alonzo
Sandy Greyson
Casey Thomas II
Adam Medrano

Committee Members Absent:

None

Other Council Members present:

Philip Kingston
B. Adam McGough

Presenters:

John Nguyen, Transportation Engineer, Dallas District, Advance Project Development, Texas Department of Transportation
Peer Cacko, Chief Planning Officer and Director, Planning & Urban Design Department
Jared White, Bicycle Transportation Manager, Planning & Urban Design Department

James Frye, ASLA, HNTB Urban Design and Planning

Tanya Brooks, Assistant Director, Planning & Urban Design Department

City Staff Present:

Jody Puckett
Auro Majumdar
Tanya Brooks
Mark Rauscher
Wendy Nalls

Obeng Opoku-Acheampong
Alan E. Sims
Rick Galceran
Sarah Standifer
Jared White

AGENDA:

Call to Order

- Approval of the May 23, 2016 Meeting Minutes**
Presenter(s): Lee M. Kleinman, Chair

Action Taken/Committee Recommendation(s): A motion was made to approve the minutes for the May 23, 2016 Transportation & Trinity River Project Committee Meeting.

Motion made by: DMPT Erik Wilson
Item passed unanimously: X
Item failed unanimously:

Motion seconded by: MPT Monica R. Alonzo
Item passed on a divided vote:
Item failed on a divided vote:

2. Dallas City Center Master Assessment Process (CityMAP)

Presenter(s): John Nguyen, Transportation Engineer, Dallas District, Advance Project Development, Texas Department of Transportation, James Frye, ASLA, HNTB Urban Design and Planning

Action Taken/Committee Recommendation(s): Information Only

Motion made by:

Item passed unanimously:

Item failed unanimously:

Motion seconded by:

Item passed on a divided vote:

Item failed on a divided vote:

3. Bicycle Program Implementation Update

Presenter(s): Peer Chacko, Chief Planning Officer and Director Planning & Urban Design Department, Tanya Brooks, Assistant Director, Planning & Urban Design Department, Jared White, Bicycle Transportation Manager, Planning & Urban Design Department

Action Taken/Committee Recommendation(s): Information Only

Motion made by:

Item passed unanimously:

Item failed unanimously:

Motion seconded by:

Item passed on a divided vote:

Item failed on a divided vote:

4. Upcoming Agenda Items

Presenter(s): Lee M. Kleinman, Chair

Action Taken/Committee Recommendation(s): Information Only

June 15, 2016

- A. Agenda Item #18: Authorize an amendment to the Interlocal Agreement with Dallas Area Rapid Transit to provide for the operation and maintenance costs for the southern and northern extensions of the Dallas Streetcar System (Union Station to North Oak Cliff) and two additional vehicles (PBW)
- B. Agenda Item #19: Authorize payment to Dallas Area Rapid Transit for operation and maintenance costs for the Dallas Streetcar System (Union Station to North Oak Cliff) for Fiscal Year 2016 - Not to exceed \$875,000 - Financing: Current Funds (PBW)
- C. Agenda Item #24: Authorize **(1)** an Interlocal Agreement with the Texas Department of Transportation (TxDOT) to provide cost reimbursement for material and labor costs incurred by the City for intersection and traffic signal improvements at the following three on-system locations: Interstate Highway 35 East Frontage Road and Loop 12, Interstate Highway 635 Frontage Road and U.S. Highway 75, and Loop 12 and Hampton Road; **(2)** the receipt and deposit of funds from TxDOT in the amount of \$126,676; and **(3)** the establishment of appropriations in the amount of \$126,676 in the Texas Department of Transportation Grant Fund - Not to exceed \$126,676 - Financing: Texas Department of Transportation Grant Funds (STS)
- D. Agenda Item #36: Authorize a Memorandum of Understanding with Texas Parks and Wildlife Department (TPWD) for a five year term to **(1)** continue the implementation of a public awareness campaign for the prevention and spread of zebra mussels in the amount of \$125,000; and **(2)** co-sponsor with TPWD research projects on the economic impacts and population dynamics of zebra mussels in the amount of \$100,000 - Total not to exceed \$225,000 - Financing: Water Utilities Current Funds (subject to annual appropriations) (DWU)
- E. Agenda Item #37: Authorize an amendment to the Memorandum of Understanding with the Tarrant Regional Water District to continue participation in the "Reverse Litter" public awareness campaign for an additional five-year period - Not to exceed \$1,050,000 - Financing: Stormwater Drainage Management Current Funds (\$500,000), Water Utilities Current Funds (\$500,000) (subject to annual appropriations) and Sanitation Current Funds (\$50,000) (DWU)

- F. Agenda Item #38: Authorize a contract for the cleaning and rehabilitation of residuals lagoons A, B, and C at the Elm Fork Water Treatment Plant - Merrell Bros., Inc., lowest responsible bidder of four - Not to exceed \$11,221,424 - Financing: Water Utilities Capital Improvement Funds (DWU)
- G. Agenda Item #39: Authorize an increase to the 18-month master agreement with Omega Contracting, Inc. for additional work associated with wastewater small services installations throughout the city - Not to exceed \$2,122,256, from \$10,981,864 to \$13,104,120 - Financing: Water Utilities Capital Construction Fund (DWU)
- H. Agenda Item #40: Authorize Supplemental Agreement No. 1 to the engineering services contract with Carollo Engineers, Inc. to provide additional design services for the renewal of wastewater interceptor mains in Ash Creek and White Rock Creek (list attached) - Not to exceed \$1,827,007, from \$2,929,518 to \$4,756,525 - Financing: Water Utilities Capital Improvement Funds (DWU)
- I. Agenda Item #41: Authorize Supplemental Agreement No. 4 to the professional services contract with HDR Engineering, Inc., to provide additional hydrologic and engineering services in support of an amendment to Dallas' Lake Ray Hubbard water rights permit and revisions - Not to exceed \$355,000, from \$865,500 to \$1,220,500 - Financing: Water Utilities Capital Construction Funds (DWU)
- J. Addendum Item: Authorize the **(1)** deposit of the amount awarded by the Special Commissioners in the condemnation proceeding styled *City of Dallas v. M.I. Gaston Partners, Ltd., a Texas limited partnership, et al.*, Cause No. CC-16-00392-B, pending in Dallas County Court at Law No. 2, to acquire a subsurface easement under approximately 10,702 square feet of land, located on Gaston Avenue near its intersection with Peak Street for the Mill Creek/Peaks Branch/State-Thomas Drainage Relief Tunnel Project; and **(2)** settlement of the condemnation proceeding for an amount not to exceed the award - Not to exceed \$70,500 (\$68,000 being the amount of the award, plus closing costs and title expenses not to exceed \$2,500); an increase of \$35,894 from the amount Council originally authorized for this acquisition (TWM)

June 22, 2016

- K. Draft Agenda Item #30: Authorize a contract with Tiseo Paving Company, lowest responsible bidder of three, for the reconstruction of street paving, storm drainage, water and wastewater main improvements for Sylvan Avenue from Fort Worth Avenue to Singleton Boulevard - Not to exceed \$7,663,718 - Financing: Capital Projects Reimbursement Fund (\$2,975,000), 2012 Bond Funds (\$1,595,371), 2006 Bond Funds (\$1,969,693), Water Utilities Capital Improvement Funds (\$1,082,744) and Water Utilities Capital Construction Funds (\$40,910) (PBW)
- L. Draft Agenda Item 31: Authorize **(1)** street paving, storm drainage, water and wastewater main improvements, and alley paving for Project Group 12-3003; provide for partial payment of construction cost by assessment of abutting property owners; an estimate of the cost of the improvements to be prepared as required by law (list attached); and **(2)** a benefit assessment hearing to be held on August 24, 2016, to receive comments (PBW)
- M. Draft Agenda Item #33: Authorize a professional services contract with Kimley-Horn and Associates, Inc., most advantageous proposer of two, to provide automated traffic control cabinet specification development and other related tasks - Not to exceed \$85,200 - Financing: Current Funds (STS)
- N. Draft Agenda Item #44: Authorize payment to the Texas Department of Transportation for additional costs associated with the construction of the bicycle and pedestrian components of the Margaret McDermott (IH30) Bridges over the Trinity Floodway - Not to exceed \$1,093,206 - Financing: Private Funds (TWM)
- O. Draft Agenda Item #45: Authorize professional services contracts with two consulting firms for the engineering design of five erosion control improvement and one stormwater drainage project (list attached) - Not to exceed \$365,966 - Financing: Storm Drainage Management Capital Construction Funds (\$350,776), and Water Utilities Capital Improvement Funds (\$15,190) (TWM)

- P. Draft Agenda Item #46: Authorize an increase in the contract with BAR Constructors, Inc. for modifications to the construction of the Levee Drainage System - Sump A Improvements, also referred to as the Able No. 3 Stormwater Pump Station, to increase the constructability of the pump station, including additional concrete masonry wall material with drainage along the sump and changes to the 24 inch water main aerial crossing, in an amount not to exceed \$349,468, increasing the contract from \$68,275,000 to \$68,624,468 - Financing: Flood Protection and Stormwater Drainage Facilities Funds (\$321,797) and Capital Improvement Funds (\$27,671) (TWM)
- Q. Draft Agenda Item #72: A public hearing to receive comments to amend the City of Dallas Thoroughfare Plan to change the dimensional classification of Gus Thomasson Road from Easton Road to Mesquite City Limits from an existing (EXISTING) roadway designation to a special four-lane divided (SPCL 4D) roadway within 80 to 85 feet of right-of-way and at the close of the hearing, authorize an ordinance implementing the change - No cost consideration to the City (PNV)
- R. Draft Late Draft Agenda Item #4: Authorize a contract with EJES Incorporated to provide engineering services for the Miscellaneous Drainage Improvements Project at Dallas Love Field - Not to exceed \$148,662 (PBW)
- S. Draft Addendum Item: Authorize a resolution endorsing a preferred location for a deck in the Southern Gateway Project Corridor and commitment to explore funding - Financing: No cost consideration to the City (PNV)
- T. Draft Addendum Item: Authorize the **(1)** deposit of the amount awarded by the Special Commissioners in the condemnation proceeding styled City of Dallas v. Post Apartment Homes, L.P., a Georgia limited partnership, et al., Cause No. CC-15-06484-C, pending in Dallas County Court at Law No. 3, to acquire a subsurface easement under approximately 3,811 square feet of land, located on Woodall Rodgers Freeway at its intersection with Maple-Routh Connection for the Mill Creek/Peaks Branch/State-Thomas Drainage Relief Tunnel Project; and **(2)** settlement of the condemnation proceeding for an amount not to exceed the award - Not to exceed \$99,275 (\$95,275 being the amount of the award, plus closing costs and title expenses not to exceed \$4,000); an increase of \$26,677 from the amount Council originally authorized for this acquisition (TWM)

Adjourn (2:34 p.m.)

APPROVED BY:

ATTEST:

Lee M. Kleinman, Chair
Transportation & Trinity River Project Committee

Natalie Wilson, Coordinator
Transportation & Trinity River Project Committee

Memorandum



CITY OF DALLAS

DATE June 24, 2016

TO The Honorable Members of the Transportation and Trinity River Project Committee:
Lee M. Kleinman (Chair), Deputy Mayor Pro Tem Erik Wilson (Vice-Chair), Sandy Greyson,
Mayor Pro Tem Monica R. Alonzo, Adam Medrano, and Casey Thomas II

SUBJECT Employee Retirement Fund: Proposed Changes to Chapter 40A

On Monday, June 27, 2016, you will be briefed on the Employee Retirement Fund: Proposed Changes to Chapter 40A. The briefing materials are attached for your review.

Please contact me if you have any questions. Thank you.

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

Mark McDaniel
Assistant City Manager

c: Honorable Mayor and Members of the City Council
A.C. 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
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council



Employees' Retirement Fund
of the City of DALLAS

Employees' Retirement Fund: Proposed Changes to Chapter 40A

**Transportation & Trinity River Project Committee
June 27, 2016**





Background

Authority	Chapter 40A of the Dallas City Code
History	First established in 1944
Type Plan	Single employer defined benefit plan that provides retirement, disability and death benefits for the permanent civilian employees of the City of Dallas.
Governance	Seven member board consisting of three persons appointed by the City Council, three employees elected by the membership, and the City Auditor, ex officio
Design	City of Dallas does not participate in Social Security. City of Dallas does not provide disability insurance. Dallas ERF does not have a Deferred Retirement Option Program ("DROP").



Governance - Dallas ERF Board Composition

- The Board of the Employees' Retirement Fund City of Dallas is composed of seven members consisting of:
 - (A) three persons appointed by the City Council who may be City Council members - Lee Kleinman, Dr. John Peavy III and Randy Bowman;
 - (B) three employee members from different departments of the City who are elected by members of the retirement fund - John D. Jenkins (Chair), Carla D. Brewer (Vice Chair), and Tina Richardson; and
 - (C) the City Auditor (ex-officio) – Craig Kinton.
- Most appointees are from the private sector and have significant investment experience.



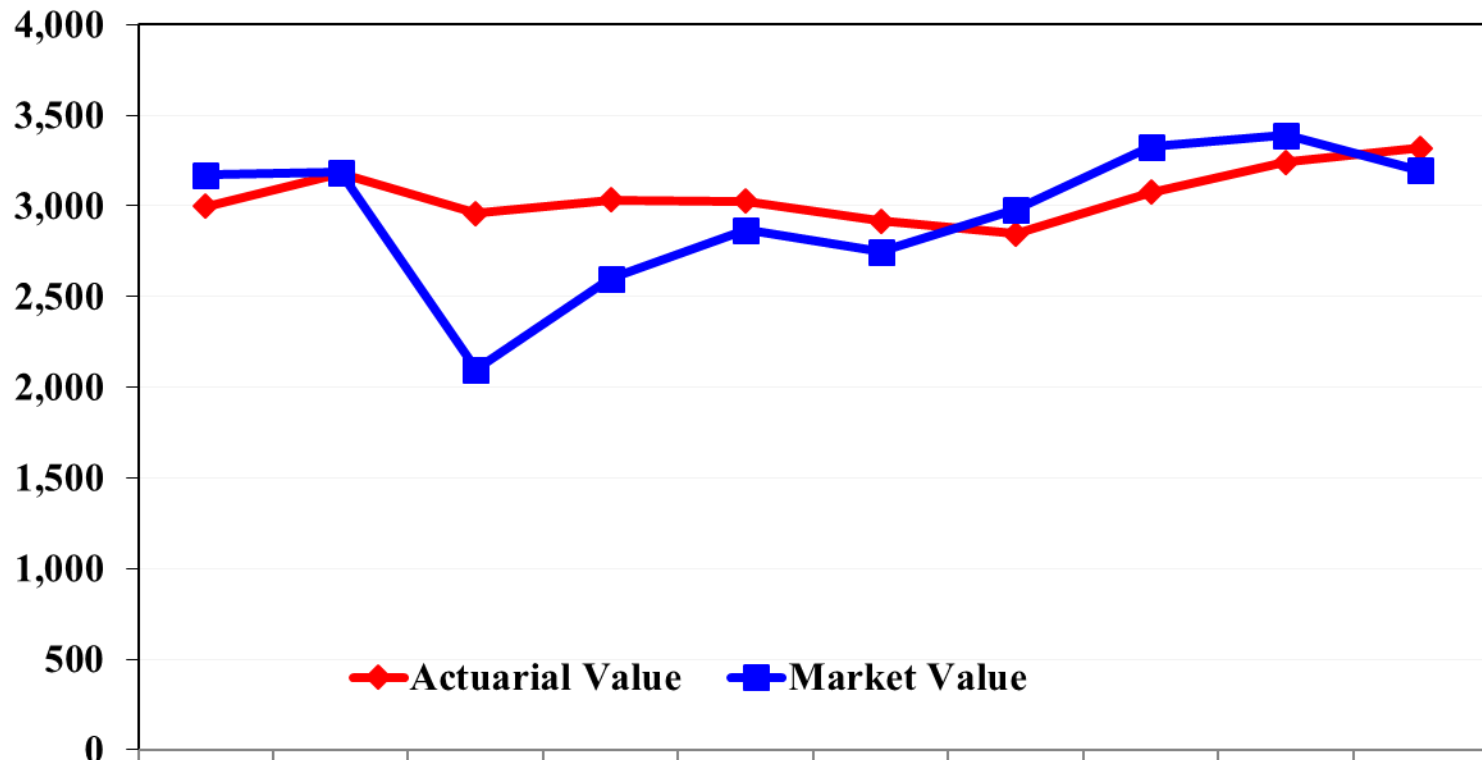
Appropriate Checks and Balances are in Place

- Appropriate checks and balances are in place:
 - Grant Thornton conducts annual financial audits. Dallas ERF has the same auditor as the City of Dallas;
 - Gabriel Roeder Smith & Company conducts annual actuarial valuations and an experience study at least every five years;
 - Actuarial Peer Review conducted every three years by third party actuary mandated per Chapter 40A; and
 - City of Dallas conducted a five-year peer review on assets and liabilities in 2015 and is now required to conduct an actuarial review every 5 years under State law.



Historical Asset Values

\$Millions

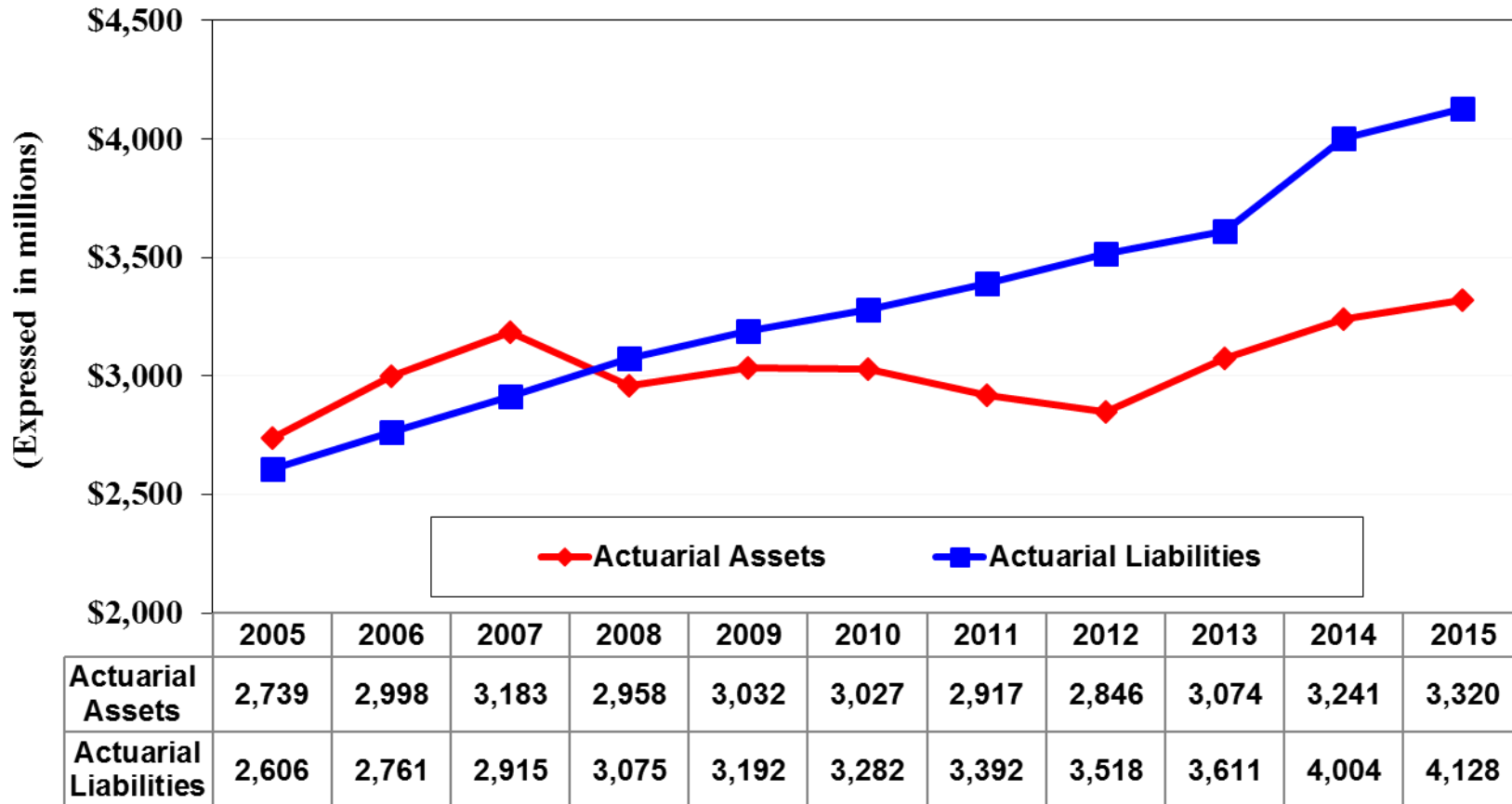


	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarial Value	2,998	3,183	2,958	3,032	3,027	2,917	2,846	3,074	3,241	3,320
Market Value	3,172	3,185	2,097	2,600	2,868	2,748	2,980	3,325	3,391	3,195



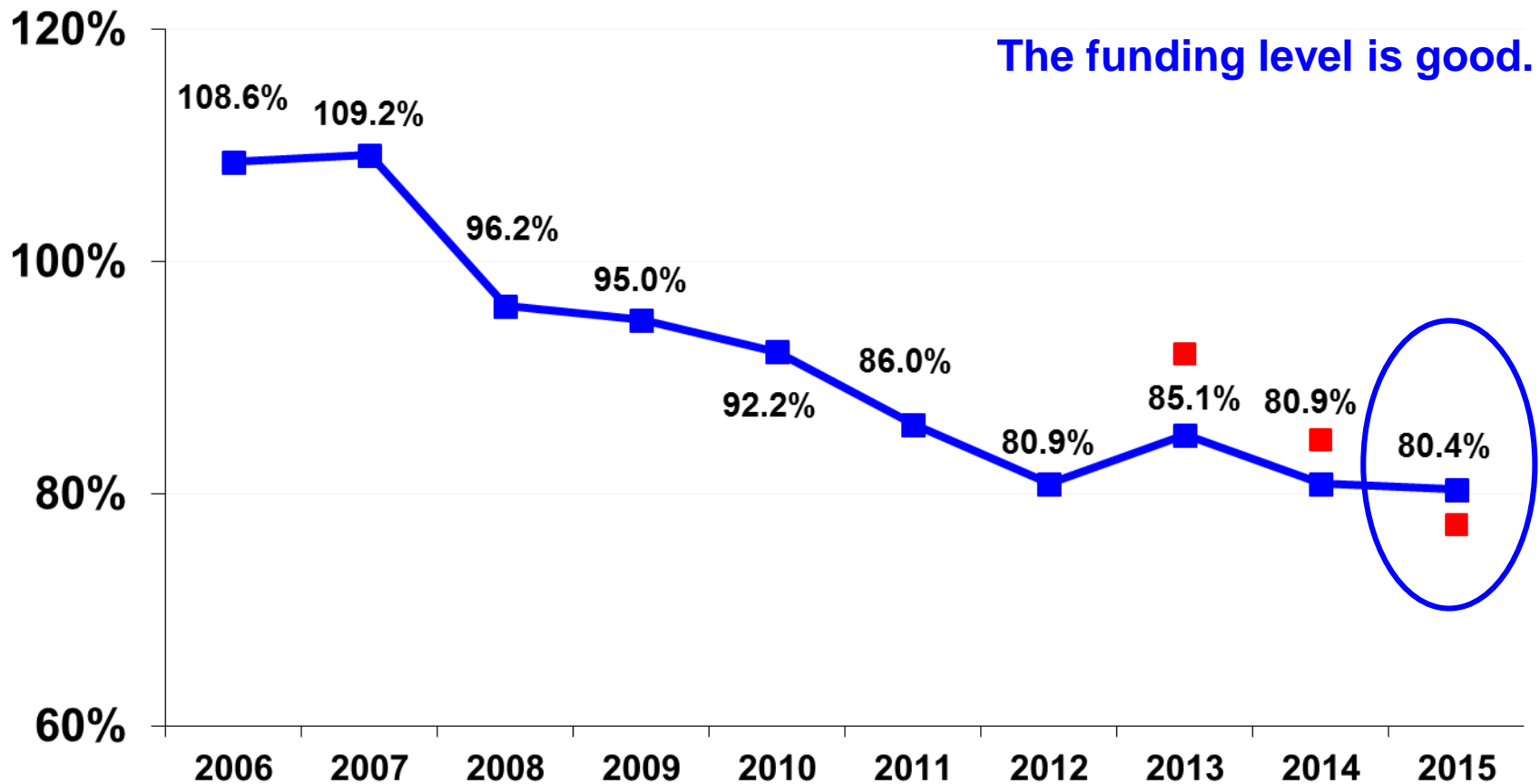
Liabilities vs. Assets

Liabilities are growing, but the changes that are being proposed will reduce future liabilities.





Historical Funded Ratios



- Funded ratio using market value of assets as of December 31, 2013 is 92.1 %.
- Funded ratio using market value of assets as of December 31, 2014 is 84.7%.
- Funded ratio using market value of assets as of December 31, 2015 is 77.4%.



What is GASB 67/68?

- Governmental Accounting Standards Board (GASB) Statements No. 67 & No. 68 describe the disclosure information that must be included in the financial statements of public sector pension systems and their sponsors.
- These rules became effective for the City of Dallas with the 2015 fiscal year end reporting.
- The most significant difference between the new statements and the prior statements is that the plan sponsor now must recognize the Net Pension Liability (NPL) on its balance sheet.



GASB 67 NPL Calculation

- The NPL is the Total Pension Liability (TPL) less the market value of assets.
 - TPL is similar to the actuarial accrued liability (AAL).
 - If the GASB “Single Discount Rate (SDR) Test” is passed then for ERF, the TPL would equal the AAL.
- GASB Test – a proscribed cash flow model using
 - Current market value of assets,
 - Projected benefit payments for current members,
 - Projected contributions of current members, and
 - Projected City contributions not associated with future member’s cost of benefits (excludes future members’ normal costs).
- If projected assets go to zero before all benefit payments are made, then remaining payments are discounted at municipal bond rate.

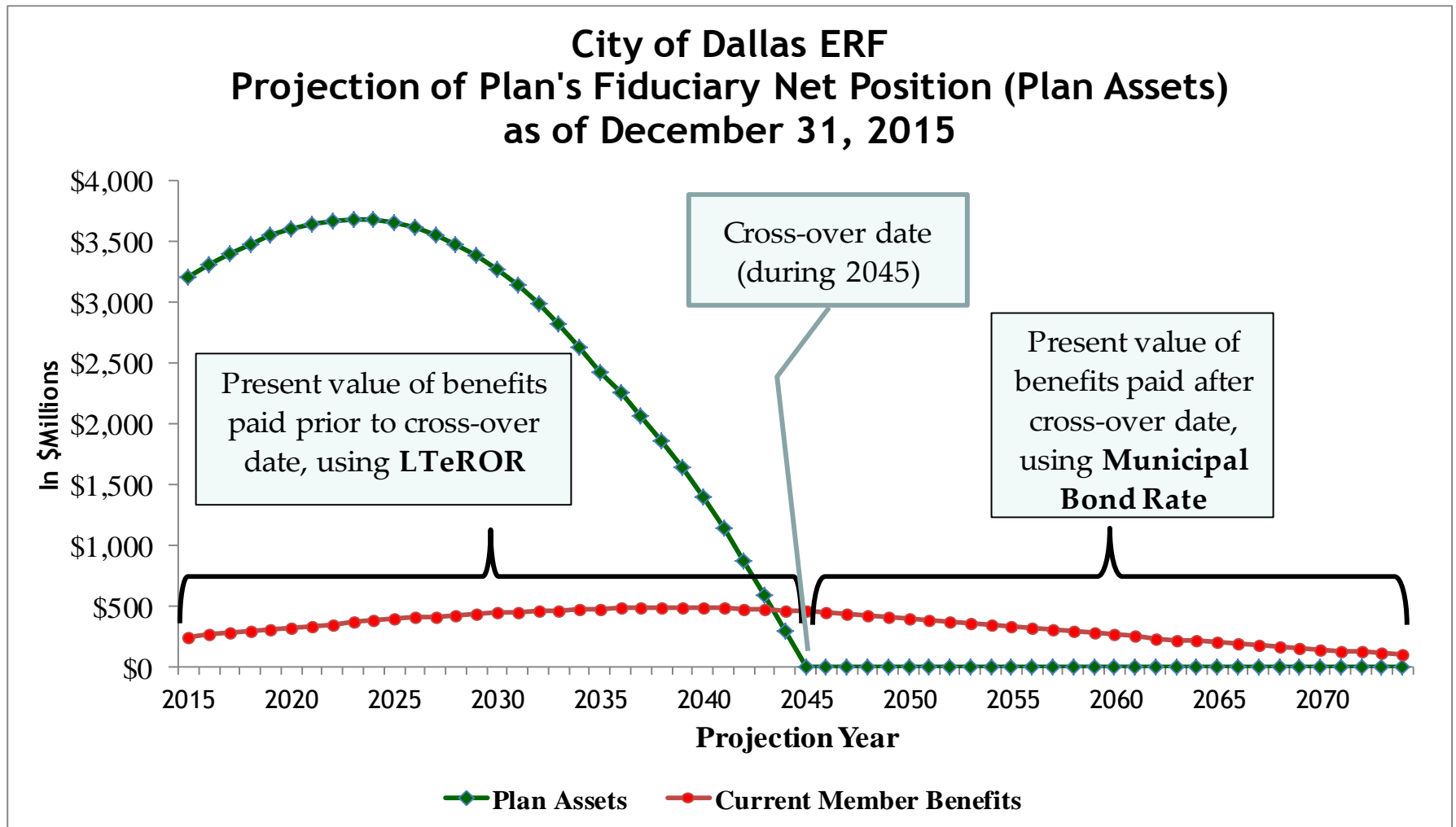


GASB 67 NPL Calculation

- The NPL can be very volatile due to:
 - The use of the market value of assets – year to year fluctuations in the market value of assets flow directly into the NPL;
 - Bouncing back and forth between passing and failing “SDR Test” and
 - Changes in the municipal bond rate from year to year if required to use a blended discount rate.
- Last year Dallas ERF passed the SDR test and used the long-term rate of return (8%) for the SDR.
- This year Dallas ERF did not pass the SDR test and was required to use a blended discount rate.
 - Projected benefit payments through 2045 were discounted at 8%.
 - Projected benefit payments after 2045 were discounted at 3.57%.
 - The single discount rate equivalent is 5.76%.
 - The TPL determined with a 5.76% discount rate is \$1.2 billion greater than if an 8.0% rate had been used.



Single Discount Rate – Accounting Purposes





Current Unfunded Liability Cost

- Based on the December 31, 2015 actuarial valuation, the unfunded liability of the ERF was \$808 million.
 - \$935 million if the market value of assets is used.
- Based on the December 31, 2015 GASB 67/68 report, the NPL was \$2.165 billion.
- What is the unfunded liability?
 - If the ERF received \$935 million, then the ERF would be fully funded (\$0 unfunded liability) on a market value of asset basis.
 - The NPL would also be \$0.
- **The ERF Board is proposing benefit changes to the Chapter 40A effective January 1, 2017 for new hires only. If the proposed benefit changes had been effective January 1, 2016, the ERF would have passed the SDR test and the NPL would have been \$935 million.**



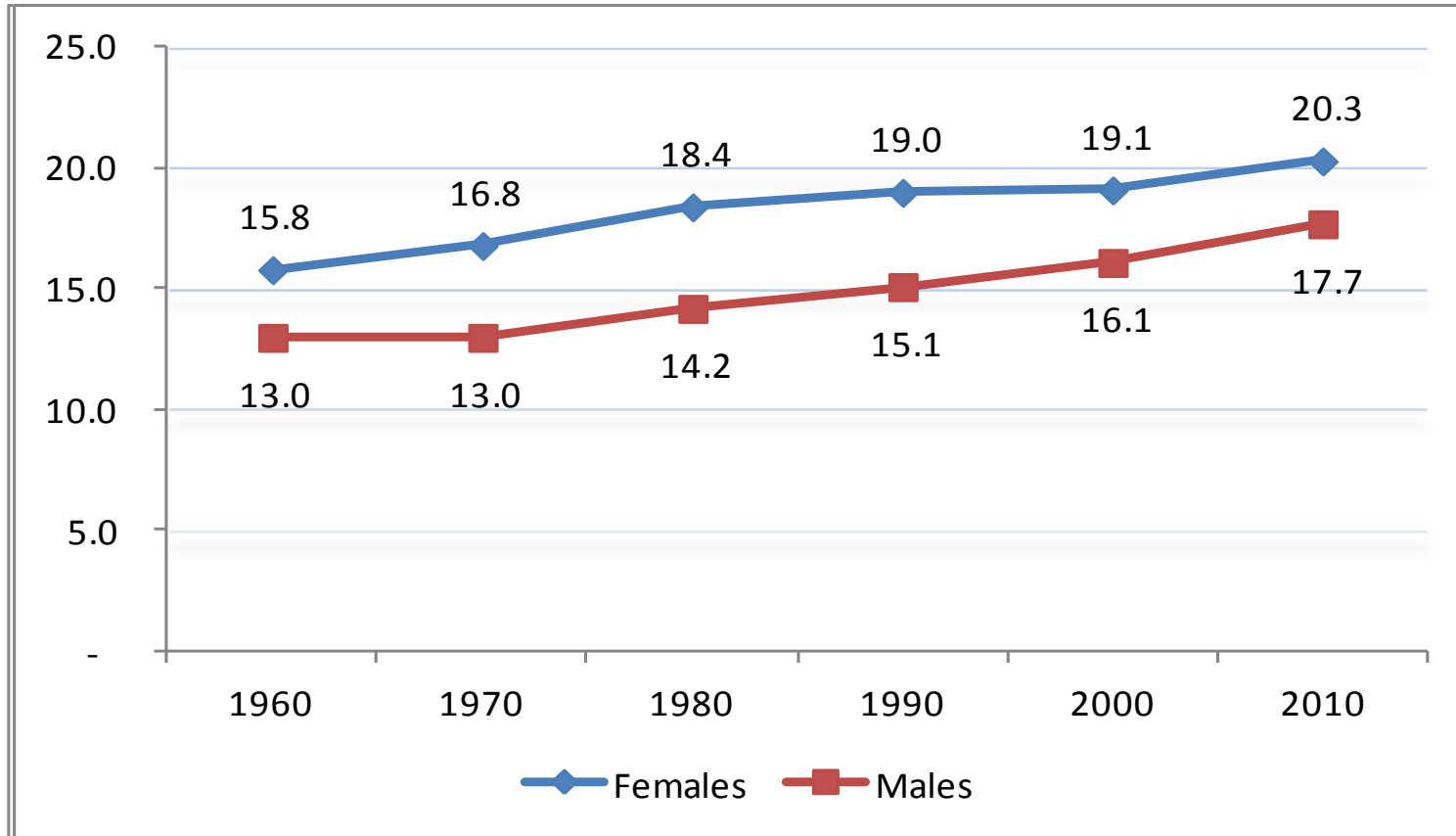
Retirement Benefit Review

Benefit Factors	Current Benefit Plan
Retirement Eligibility	<ul style="list-style-type: none">○ Age 60○ 30 years of Credited Service (actuarially reduced before age 50)○ Rule of 78 Early Retirement (unreduced at age 50)*○ Disability Retirement○ Contributing members vest at 5 years○ Inactive members with 5 years can retire at age 60
Death Benefit	<ul style="list-style-type: none">○ Joint & 100% (actuarially reduced)○ Joint & 50% (unreduced)○ Ten-Year Guarantee (unreduced)
Cost of Living Adjustment (COLA)	<ul style="list-style-type: none">○ Maximum of 5% based on Consumer Price Index (CPI)
Highest Average Earnings	<ul style="list-style-type: none">○ 3-year average

*** Rule of 78 eligibility occurs when the member's age plus the years of service equals 78.**



Life Expectancy Increases from Age 65



Since 2010, life expectancies continue to increase. The latest published rates (2012) are 20.5 years for females and 17.9 years for males, both from age 65.

Membership – Actives and Inactives

- **Average age of active members is 46.1, compared to 46.4 last year:**
 - Oldest active employee was born in 1934 (82 years old), and
 - Youngest employee was born in 1997 (19 years old).
- **Average years of service is 10.0, compared to 10.5 last year:**
 - Longest working current active employee has over 48 years of service and
 - 17 current active employees have worked over 36.4 years.
- **The oldest living retirees:**
 - Oldest retiree was born in 1911 (age 105);
 - Oldest retirement was a disability retirement in 1965 (50 years ago) and
 - Oldest surviving beneficiary was born in 1914 (age 102).



More Conservative Assumptions - Better Positions the Fund for the Future

- 2015 Actuarial Valuation reflects the Board's adoption of new assumptions:
 - Decrease in discount rate to 8.00%. Discount rate change increased liabilities by \$106 million and
 - Adoption of new generational mortality demographic assumptions increased liabilities by \$187 million.

- The adoption of more conservative assumptions above represents almost \$293 million of the current \$800 million Unfunded Actuarial Accrued Liability (UAAL).

- Based on the new assumptions, the Employees' Retirement Fund's normal cost for the current plan year increased to 20.36% of payroll for FYE 2015.

- The "normal cost" of a defined-benefit plan is the annual cost of the future liability associated with the benefits earned in that particular year.



Conservative Assumptions Highlighted Longevity

- In 2015, Dallas ERF adopted more conservative assumptions, lowering the actuarial rate of return and adopting a new mortality table called *generational mortality* recommended by the Society of Actuaries.
- A *generational mortality table* is one that takes projected future *mortality* improvement into account for each individual member. Instead of basing everyone's benefits on the same factors, life expectancy is tied to the member's birth date and retirement date.
- The younger generations (Gen Y & Z) are expected to live longer and the new generational mortality table significantly increases life expectancy assumptions for them, thus increasing future pension liabilities.
- In 2015, the ERF Trustee Board established the Pension Plan Study Group (PPSG). The PPSG established a scope of work that included the following:
 - Evaluated the life expectancy of future retirees at age 65 and beyond using actuarially based data;
 - Researched and studied plan designs that would reduce pension liability over time;
 - Conducted a statewide comparison of pension plans;
 - Recommended a series of benefit reduction plans for new hires; and
- Reported its findings and recommendations to the ERF Trustee Board.
- The PPSG met from October 2015 to March 2016, evaluated sixteen different scenarios and presented its recommendations to adjust benefits for new employees hired one or after January 1, 2017 to address longevity and reduce normal costs by 36% and reduce pension liabilities by \$2.15 billion over a 30 year period.



Proposed Changes to Chapter 40A (Financial Impact)

Benefit Factors	Proposed Benefit Changes for New Employees Only (Hired on January 1, 2017 and After)
Retirement Eligibility	<ul style="list-style-type: none">• Change from Age 60 to 65 w/5 years of credited service• From 30 years to 40 years of service (unreduced)• Rule of 78 (unreduced) to Rule of 80 (actuarially reduced < 65 years of age)• Inactive members have options to participate in Tier A or Tier B if they return to work.
Benefit Multiplier	<ul style="list-style-type: none">• Reduce from 2.75% to 2.5%
CPI Cost of Living Adjustment (COLA)	<ul style="list-style-type: none">• Reduce from a maximum of 5% to a maximum of 3%
Average Monthly Earnings	<ul style="list-style-type: none">• Change from 3 to 5 year average
Survivor Benefits	<ul style="list-style-type: none">• Change from Joint & 50% survivor to Life Only as the normal form of retirement• All survivor benefits continue to have a 10 year guarantee• Now Joint & 50% survivor benefits, like Joint & 100% survivor benefits, will be actuarially reduced
Health Benefit Supplement	<ul style="list-style-type: none">• Eliminate \$125 monthly Health Supplement



Proposed Changes Reduce Normal Cost by 36.3%

Current Normal Cost = 20.36%

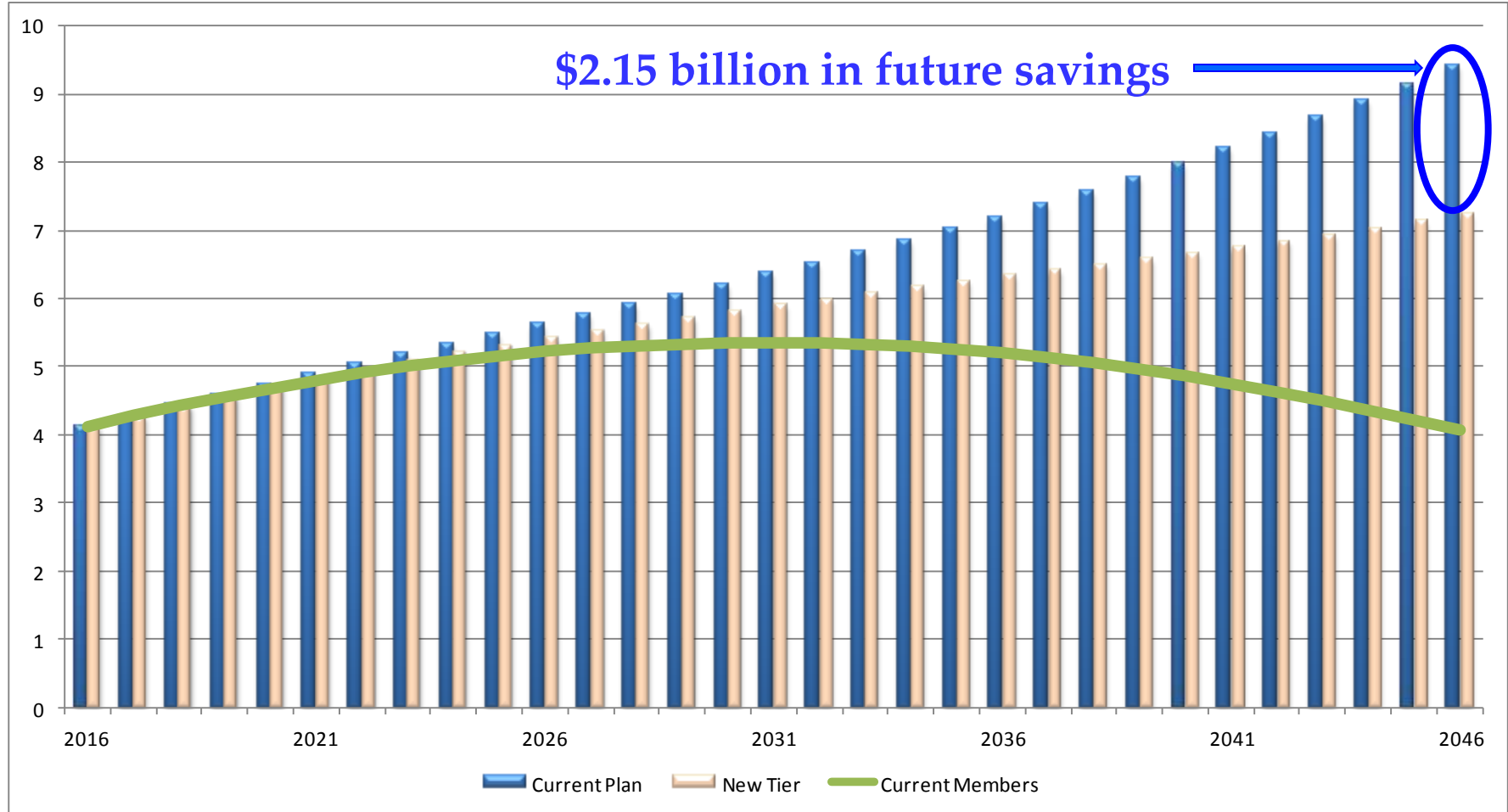
Total Reduction to Normal Cost = -7.40%

Proposed Normal Cost = 12.96%



Proposed Changes Reduce Liabilities by \$2.15 Billion

\$ in Billions





Timeline for City Code Chapter 40A Changes

Action Plan	Date
Chapter 40A Approval by Dallas ERF Board	May 10, 2016
Transportation & Trinity River Project Committee Briefing	June 27, 2016
Briefing to City Council – Pending City Attorney’s Review	August, 2016
Chapter 40A Agenda Item for Dallas City Council	August, 2016
Chapter 40A Ballot Agenda Item for Dallas City Council	August, 2016
Chapter 40A Ballot Item for Dallas Voters	November 8, 2016
Anticipated New Chapter 40A Benefit Tier Start Date	January 1, 2017

Memorandum



CITY OF DALLAS

DATE June 24, 2016

TO The Honorable Members of the Transportation and Trinity River Project Committee:
Lee M. Kleinman (Chair), Deputy Mayor Pro Tem Erik Wilson (Vice-Chair), Sandy Greyson,
Mayor Pro Tem Monica R. Alonzo, Adam Medrano, and Casey Thomas II

SUBJECT FY 16 Sunset Review: Potential Opportunities

Your Monday, June 27th agenda includes a briefing on the FY 16 Sunset Review program. Briefing materials and a detailed list of potential efficiency opportunities are attached for your review.

If additional information is required, please let me know.

A handwritten signature in cursive script, appearing to read 'Mark McDaniel'.

Mark McDaniel
Assistant City Manager

C: Honorable Mayor and Members of the City Council
A.C. 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
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council



FY16 Sunset Review: Potential Opportunities

June 27, 2016

Transportation and Trinity River Project Committee





Purpose

- Review purpose and process of Sunset Review program
- Review potential opportunities identified in second year of Sunset Review program
 - Dallas Water Utilities (DWU)
 - Equipment & Building Services (EBS)
 - Office of Environmental Quality (OEQ)
 - Public Works (PBW)
 - Sanitation Services (SAN)
 - Street Services (STS)
 - Trinity Watershed Management (TWM)



Sunset Review

- Sunset Review began as part of FY16 budget development 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
 - FY16 - \$15.7m
 - FY17 - \$5.6m as of June 8th; with goal of at least \$12.5m



Sunset Review

- At request of councilmembers 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

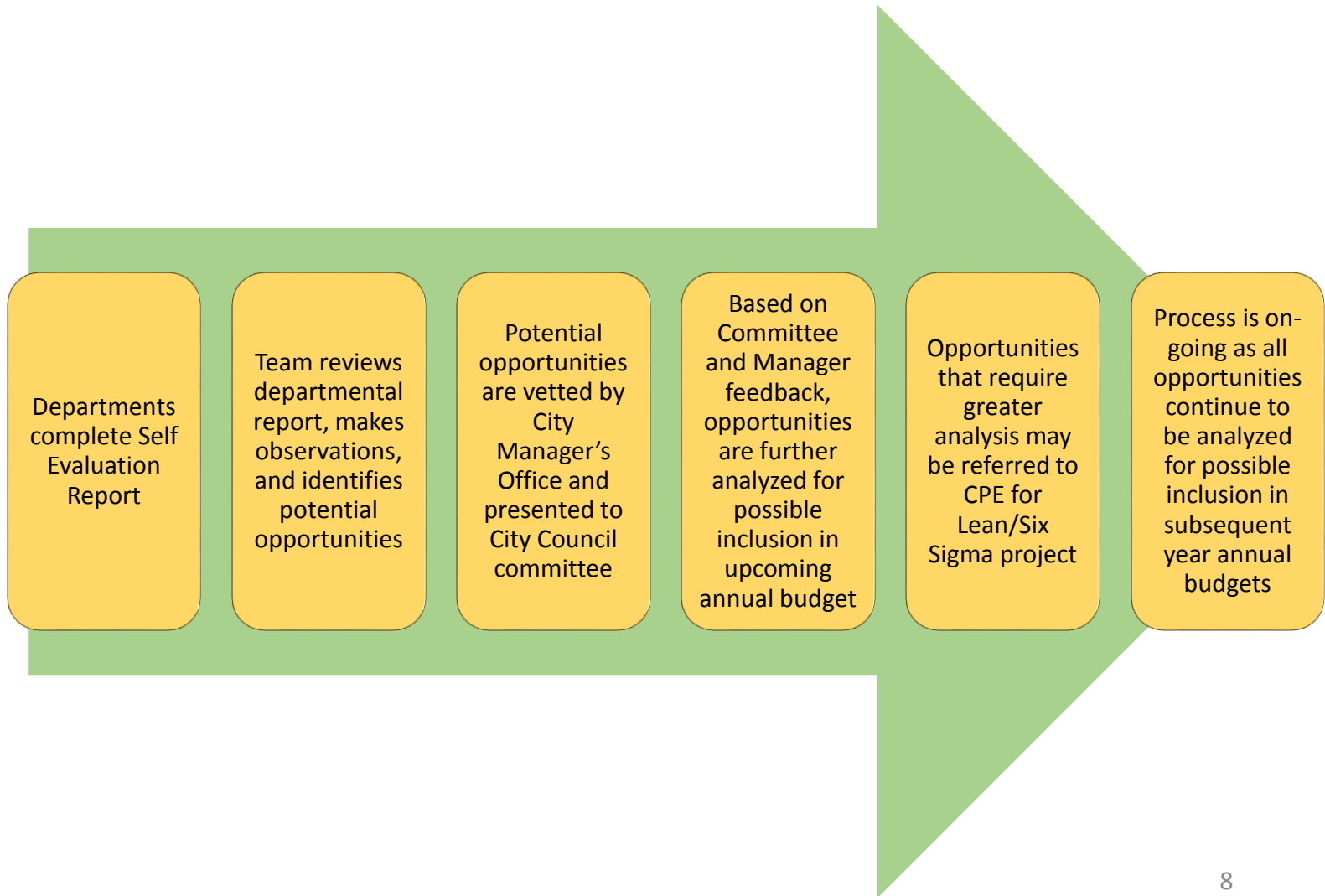
- Sunset Review process begins with each department conducting a complete, accurate, and thoughtful departmental self-evaluation including:
 - 1) Purpose and activities
 - 2) Source of funds and revenues
 - 3) Expenditures
 - 4) Personnel
 - 5) Performance
 - 6) Stakeholders
 - 7) Technology and equipment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



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 as each department is reviewed:
 - 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) What is appropriate span of control and staffing level needed?

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	

Note: Fall 2016, re-evaluate order of remaining departments.

Summary of Year 2 Departments

Department	# of Services in FY16	# of Cost Centers	# of Activities	FY16 General Fund Budget (excludes CIS & Fleet)	FY16 Non-General Fund Budget (excludes CIS & Fleet)
Dallas Water Utilities	11	102	106	\$0	\$623,850,961
Equipment & Building Services	10	41	28	22,887,113	49,042,138
Office of Environmental Quality	1	7	7	750,202	0
Public Works	10	15	17	4,918,401	0
Sanitation Services	6	32	25	0	67,603,761
Street Services	6	21	38	65,485,490	0
Trinity Watershed Management	5	28	32	1,290,579	49,515,782
Total	49	229	252	\$95,331,785	\$790,012,642



Summary of Year 2 Departments

- Teams identified 57 unduplicated potential opportunities for further review and possible cost reductions and/or operational efficiencies
 - Complete list included in appendix
- Potential opportunities identified by department:
 - 10 - Dallas Water Utilities (DWU)
 - 19 - Equipment & Building Services (EBS)
 - 2 - Office of Environmental Quality (OEQ)
 - 6 - Public Works (PBW)
 - 10 - Sanitation Services (SAN)
 - 12 - Street Services (STS)
 - 11 - Trinity Watershed Management (TWM)



Summary of Year 2 Departments

- Examples of the 57 potential opportunities identified and currently under review to determine if they can be incorporated into FY17 or future-year budget
 - Reassign services between departments, thereby reducing number of departments by one
 - Transfer facilities capital program from PBW to EBS
 - Transfer air quality program from PBW to OEQ
 - Transfer adjudication from PBW to Courts
 - Combine street infrastructure design/construction and operations/maintenance in PBW and STS
 - Adjust salary budgets to reflect historical savings from vacancies and reallocate funds to line-item where costs actually occur
 - Convert some custodial service from City employees to contract labor
 - Convert some security service from City employees to contract labor
 - Eliminate City cost sharing component of Mowmentum program
 - Reduce TxDOT rights-of-way mowing and litter cycles
 - Evaluate alley vs curbside solid waste collection service
 - Consolidate meter operations and meter reading activities



Summary of Year 2 Departments

- Potential opportunities that cross multiple departments were identified that will be referred to Center for Performance Excellence for Lean/Six Sigma project
 - Warehouse services
 - Parts usage in fleet maintenance
 - Tire shop assembly and repair program
 - Motor pool, low-use vehicles, and equipment rental program
 - Mowing activities
 - Hazardous waste spill response and disposal activities
 - Public education and outreach activities



Next Steps

- Continue to analyze potential opportunities from both year 1&2 and 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
 - Brief council committee of year 3 findings in Spring 2017



Questions and Comments



Appendix

Sunset Review - Year 2 - FY 2015-16

Dallas Water Utilities (DWU)	Storm Drainage Management (SDM)
Equipment & Building Services (EBS)	Street Services (STS)
Office of Environmental Quality (OEQ)	Public Works (PBW)
Sanitation Services (SAN)	Trinity Watershed Management (TWM)

	Dept.	Potential Opportunity
1	PBW-1, STS-1	Public Works and Street Services both have responsibility for the improvement and maintenance of the transportation system. PBW's responsibility is related to capital infrastructure design/construction; while STS's responsibility is focused on operations and maintenance. Improved efficiencies and savings could be achieved by combining the two departments into one department that has responsibility for design, construction, operation, and maintenance of street system, thereby reducing the number of departments by one.
2	PBW-2, EBS-1	Public Works has the responsibility for design/construction of City facilities while Equipment and Building Services has the responsibility for the maintenance and operation of the same buildings. Improved efficiencies and savings could be achieved by combining the two into one department that has responsibility for the design, construction, operation, and maintenance of City owned buildings.
3	EBS-2, TWM-1	The scope of responsibility of EBS is broad including both building operation/maintenance and fleet maintenance. Customer departments that rely heavily on fleet for delivery of service are historically concerned about fleet availability and cost of fleet maintenance services. Consider establishing Equipment Services as a separate department. Additionally, consider having EBS/Equipment Services assume responsibility for all other fleet that is currently maintained by individual departments such as TWM/SDM, Fire, Sanitation, etc. EBS should review all equipment that is being maintained by other departments to determine if the equipment could be incorporated into Equipment Service for maintenance.
4	PBW-3	Adjudication Office is a judicial function that does not fit within the core mission of PBW. Transfer Adjudication Office from PBW to Court Services to take advantage of existing cashiers and schedulers at 2014 Main Street.
5	PBW-4	Environmental regulatory services/activities such as air quality monitoring and ambient air monitoring do not fit within the core mission of PBW. Transfer all air related environmental related activities to the Office of Environmental Quality.
6	PBW-5	PBW currently provides facility construction services to customer departments but does not receive full reimbursement of cost from non-general fund departments. Both direct and indirect costs associated with the delivery of services to non-general fund departments should be fully recovered. This will ensure that non-general fund departments are paying their full share of PBW cost.
7	PBW-6	Inspectors in PBW have a very high rate of turnover and are frequently hired by other City departments such as Building Inspection. Work with Human Resources to reevaluate employee class and compensation for inspectors within PBW to improve retention of PBW inspectors; and improve recruitment from trade schools and community colleges.
8	EBS-3	Throughout EBS there are a number of vacancies, increased usage of overtime, and usage of outside labor to meet the work demands of the department. Work with HR to reclassify some of the more specialized positions throughout department. Create growth series/career paths plus increase training opportunities to attract/retain staff. Develop a more aggressive recruitment plan for hard to fill positions.
9	EBS-4	EBS provides custodial service through both employee staffed positions and through contract labor. 41.5 FTE provide in-house custodial service at 9 facilities of varying sizes while 42 contract employees provide contracted custodial services at 91 facilities. Evaluate cost of contract versus City employment to determine most cost effective means of providing custodial service.
10	EBS-5	EBS provides security service through both employee staffed positions and through contract labor. 54 FTEs are employed by EBS security for some locations and 30 FTE equivalents are provided through contract services at other locations. Some locations receive 24-hour security. Staff cost \$17.53/hour average. Contract cost \$15.53/hour average. Evaluate need for 24-hour security at locations and reduce hours of service if possible. Evaluate cost of contract versus City employment to determine most cost effective means of providing security services. Additionally, security service is routinely below budget. Further review of line item expenses within the service should be completed to determine possibility of reductions.

	Dept.	Potential Opportunity
11	EBS-6	Several funded positions have been vacant for an extended period of time (examples include: SR HVAC mechanic, 2 HVAC mechanics, Storekeeper II, 3 Master Plumbers, plumber positions, etc.). Eliminate positions that have been vacant for an extended period of time.
12	EBS-7, STS-2	Building Services operates a warehouse that provides materials and supplies to trades professionals for the maintenance and repair of buildings. Other departments including Park and Recreation, Water Department, Street Services, etc. also have warehouse services. Refer this opportunity to Center for Performance Excellence for Lean/Six Sigma review to determine if consolidation of multiple warehouse operations within the City would result in efficiencies and savings.
13	EBS-8	Significant number of parts are used each year through 5 different parts rooms for the repair and maintenance of City owned fleet (all funds). Refer this opportunity to Center for Performance Excellence for Lean/Six Sigma review to determine if improvements and savings in parts management are possible, including the option of outsourcing the activity.
14	EBS-9	EBS has a program of salvaging parts from vehicles that have been wrecked or removed from service. 4,800 parts were reused for a savings of about \$0.9m in FY15. Expand proactive salvage of parts and ensure that available parts are known to staff throughout EBS so that salvaged parts are used in vehicle repair when possible.
15	EBS-10	EBS auctions fleet that has been removed from service and generates revenue to partially cover cost of EBS maintenance. Evaluate current auction process to determine if there are improvements that would generate additional revenue.
16	EBS-11	EBS operates Tire Shop that processes over 14,000 tire assemblies each year and repairs 150-200 tire assemblies per day. Based on department self-evaluation report, Sanitation, Streets, DWU, and Fire all have tire shop services as well. The use of Recap Tires have shown to result in savings but appear to only apply to heavy equipment. Look into the possibility of expanding the use of Recap Tires to all non emergency equipment/vehicles. Refer this opportunity to Center for Performance Excellence for Lean/Six Sigma review to determine if duplication exists and if consolidation, efficiencies, and cost savings are possible.
17	EBS-12	EBS Body Shop oversees the repair of City-owned fleet. Repairs are required for City equipment/vehicles that are damaged through vehicular accidents. Refer this opportunity to Risk Management to improve driver safety program to ensure risks are mitigated and employees are appropriately accountable for all preventable accidents.
18	EBS-13	Fleet Asset Management has 10 FTE for make ready activities, 3 FTE for motor pool activity, and 4 FTE for equipment rental activity. Evaluate need for staffing level and reduce as appropriate.
19	EBS-14	Prior efforts to outsource maintenance of Sanitation refuse collection equipment was determined to be unsuccessful due to the complexity and cost of the large equipment. In addition to Sanitation and other heavy equipment, EBS is also responsible for maintenance of light equipment such as cars, trucks, vans, etc. Consider outsourcing maintenance of light equipment excluding squad cars for possible improved availability and reduced cost.
20	EBS-15	There appears to be potential for greater utilization of motor pool vehicles as well as cost savings from usage of pool vehicles in lieu of purchasing or outside rental of individual vehicles for departmental use. Expand use of motor pool for shared City equipment instead of utilizing rental equipment and instead of purchasing equipment. Develop criteria to determine when use of motor pool, rental, or purchase is most appropriate. Eliminate low use vehicles. Improve sharing of specialized equipment between departments. Develop methodology to analyze the annual maintenance cost of a unit to determine when it is most cost effective to replace the equipment with a new unit rather than continue to incur maintenance cost. Refer this opportunity to Center for Performance Excellence for Lean/Six Sigma review to determine if duplication exists and if consolidation, efficiencies, and cost savings are possible.
21	EBS-16	Review of org chart in Equipment Services shows 8 supervisory positions with limited span of control (3 or fewer direct reports). Review of org chart in Building Services shows 4 manager II positions with total of 11 direct reports or an average of 2.75 each. Evaluate span of control to determine if reductions are possible.

	Dept.	Potential Opportunity
22	EBS-17	Light/power, water/sewer, and energy monitoring are routinely under budget. Adjust line item expense to be more in line with historical spending, and consider adding a position to monitor these expenses to identify ways to reduce cost further.
23	EBS-18	City uses both cash and master lease funding to purchase replacement equipment. However, based on fleet replacement criteria, much of the fleet is past its replacement schedule. Consider increasing fleet maintenance cost to departments and establish a fleet replacement fund.
24	STS-3, TWM-2	Street Services ROW division mows ROWs and City surplus property. Code Compliance has responsibility for mowing private properties through Mow-Clean program. TWM/SDM provides mowing of levees, creek areas, detention basin, sumps, as well as silt, debris and vegetation removal. Park and Recreation has mowing responsibility for park properties. Refer mowing activity to Center for Performance Excellence for a Lean/Six Sigma inter-departmental review to ensure that mowing services are being provided consistently and as efficiently as possible.
25	STS-4, TWM-3	TWM and STS both have roles in snow/ice response. TWM Flood Control staff assists the Streets department during snow and ice sanding operations focusing on bridges that cross the levee and river system. Street Services does not have the capacity to respond to this need during inclement weather without assistance of additional staff and equipment. STS and TWM departments are formalizing a Service Level Agreement regarding each departments responsibility.
26	STS-5, TWM-4, EBS-19	Storm Drainage Maintenance inlet cleaning functions overlap between Street Services and TWM/SDM. Based on the type of maintenance required, the responding department will be determined. In some cases, both departments have to respond. EBS has responsibility for inlet cleaning at service centers that is reimbursed by TWM/SDM. Transfer all inlet cleaning (including on City-owned service centers) to TWM.
27	STS-6	Street Services identifies/locates contractors working without permits on a weekly basis. Increase the fine for working without a permit to incentivize contractors to go through proper channels. Consider adding a Traffic Safety Coordinator position to locate contractors working without permits.
28	STS-7	Street Services has 12% annual turnover and has been under-budget in salary/benefit costs over last 3 fiscal years. Analyze vacancy rate as the FY17 budget is developed, make line-item adjustments to match historical spending, and reallocate funds to contract services.
29	STS-8	Light/power has been under budget in Street Lighting service. Further review line-item detail and make reduction as appropriate. Additionally, City may choose to consider purchasing Oncor owned street lights.
30	STS-9	TxDOT ROW maintenance costs about \$2.4m per year of which TxDOT only reimburses City about \$0.8m. TxDOT standard is 3 mow cycles and 12 litter cycles per year. City augmented standard and completes 11 mow cycles and 13 litter cycles per year. Each mow cycle costs about \$132,000 and each litter cycle costs about \$40,000. Consider reducing the number of mow and/or litter cycles completed on TXDOT ROW each year.
31	STS-10	Homeless camp cleanup is not a core function of Street Services yet the department has had to spend funds for this activity over recent years. Transfer task to Code Compliance or Housing, and/or allocate funds specifically for this activity.
32	STS-11	STS provides \$100,000 annually through mowmentum program to reimburse citizens for ROW beautification projects. Consider eliminating City's cost sharing component of this activity.
33	STS-12	Maintenance cost for tunnel beneath Klyde Warren Park is approximately \$1.2m annually including costs for tunnel lighting, CATV, generators, fire alarm systems and jet fans. On-going operation and maintenance cost should be considered as capital projects are planned.
34	TWM-5	TWM/SDM performs water quality testing and some portion of testing is outsourced which costs approximately \$28K per year. DWU has a more sophisticated lab where they perform water quality testing as well. TWM/SDM can utilize Dallas Water Utilities lab instead of sending to an outside vendor. Potential for improved response time and reducing cost. Greenbelt project already underway.

	Dept.	Potential Opportunity
35	TWM-6, OEQ-1, SAN-1	Dallas Fire Rescue, TWM and Office of Environmental Quality each have an in-house spill team. DFR's staff are the on-scene commanders for hazardous material spills. TWM staff supports DFR in hazardous material responses and is responsible for managing the cleanup process after DFR leaves the scene. OEQ oversees the City's response to non-hazardous city spills, but does not actually clean the spills in most cases. TWM must assist OEQ with spills that are in excess of 10 gallons. Additionally, SDM manages the waste yard at Hensley field to comply with federal and state hazardous waste rules. Waste is stored for 180 days prior to shipping the waste for disposal. City staff prepares the waste for shipment and contracts with a registered transporter to transport the waste to the appropriate disposal or recycling facility. Review of waste disposal may be better aligned with Sanitation Services. TxDOT provides this service through a contract rather than with staff. Refer this opportunity to Center for Performance Excellence to determine through a Lean/Six Sigma project the most efficient means possible for multi-departments to address spills and ensure no duplication.
36	TWM-7	SDM currently has its own technology internal staff that installs and maintains the flood control network, cameras, alarm and computer systems, hardware and software which are not supported by the city's central CIS department. As a result, no city backup system exists. In the event that there were a major power outage, or the building on Irving Blvd were to be destroyed, there would be no other system to control SCADA for the entire city. A dedicated, full time IT Business Analyst is needed in CIS in order to integrate and back up SDM's systems. Determine benefit of integrating SDM technology services into CIS department. A Business Technology Request is under review for FY17 for development of a technology Master Plan for SDM.
37	TWM-8	Private property owners are responsible for erosion control on their property. However, City funds are being used to fund erosion control for private citizens on a case by case basis at the direction of City Council. As part of the 2017 Bond Program technical criteria development, obtain Council direction on whether or not funding for erosion control on private property should be included in future bond programs. And if so, then establish policy guidelines for when the City will fund the repair and when the City will not.
38	TWM-9	Event planning and reservations is not a core function of Trinity Watershed Management. Additionally, TWM has a Recreation Program Specialist position to coordinate floodway related recreation. Currently, the Parks and Recreation Department has a website and staff available to reserve athletic fields, pavilions outdoor wedding, walks/runs and other special events. Consider transferring event coordination on the Continental Bridge and West Dallas Gateway to the Parks Department, as well as any other recreation related services provided by TWM.
39	TWM-10	TWM/SDM has positions that remain vacant throughout the year leading to salary savings. SDM has had salary/benefit savings over last 3 fiscal years. TWM has also had annual savings over same time period. Additionally, SDM has been under-budget over the last 3 fiscal years, including under-runs in salaries, fleet/lube, professional services, and city forces. For FY17 budget development, better align line-item budget to historical spending. Transfer excess funds to SDM capital construction fund to further pay-as-you-go of capital projects.
40	OEQ-2, SAN-2, DWU-1, TWM-11	OEQ, DWU, TWM, and SAN all have some form of outreach including public education. SAN has 3 different types of education or outreach activities. DWU is making strides to educate the public about water conservation and other "green" initiatives such as Cease the Grease. The City is spending \$3m for a five year service contract with the University of North Texas to provide Environmental Education Initiative programs (EEI) to teach, create and enhance behavior changes in school-age children residing in the City. Furthermore, recycling and water conservation are already incorporated into the teachers curriculum per State standards that govern what teachers are supposed to teach to school-aged children. SDM also has outreach efforts as does OEQ. Refer this opportunity to Center for Performance Excellence to determine through a Lean/Six Sigma project which education/outreach programs the City should participate in, and the most efficient means possible for providing education/outreach.
41	SAN-3	City staff and contract labor are used 1x per week to clean trash in the neighborhoods near the Landfill. Neighborhoods within a 2 mile radius of landfill are required, but the City provides service within a 5 mile radius to be a friendly neighbor. Sanitation Services should evaluate the appropriateness of this service.
42	SAN-4	Sanitation Services relies heavily on equipment in the collection and disposal of solid waste. Cost of equipment and cost of maintenance are both high. Collection and transfer equipment is maintained by EBS while landfill equipment is maintained by SAN heavy shop. Equipment availability is a recurring issue. Downed equipment results in need for overtime by other equipment and workers from other routes. A lot of equipment has exceeded it's life expectancy, resulting in high maintenance costs. SAN needs a strategic plan for the replacement and maintenance of equipment.

	Dept.	Potential Opportunity
43	SAN-5	Dallas solid waste is collected both at curb side and in alleys. Alley pick-up is complicated by the narrow width of many alleys and over-grown vegetation. Alley pick-up typically requires non-automated equipment and additional day laborers to manually collect the waste. SAN equipment also damages both the alley and in some cases private property (such as fences). Moving all collection to curb-side would reduce alley damage, allow SAN to standardize all equipment to automated trucks, and reduce need for day-labor.
44	SAN-6	Dallas provides monthly bulk and brush pick-up. This is a higher level of service than compared to most peer cities. This service is in excess of what most customers require since most residents do not utilize the service 12 times per year. Continue review of alternative options to match service more closely to customer needs and not in excess of customer needs.
45	SAN-7	Gate rate at McCommas Landfill has not changed since FY10. Conduct fee study to evaluate landfill gate rate to stay competitive in the market.
46	SAN-8	Northern transfer station does not exist and requires long haul by collection equipment. An additional transfer station in the Northern part of the city would reduce fuel usage, would reduce staff time, including overtime and improve collection.
47	SAN-9	SAN identified route optimization as a need in their self-evaluation report. Optimizing the routes used to collect waste/recycling across the entire 384 square miles will improve efficiency of service delivery.
48	SAN-10	SAN provides services related to e-waste recycling, community recycling drop-off, hard to recycle materials, and batteries/oil/paint/antifreeze disposal. These services are not part of the OneDay Dallas or bulk/brush service. This service should be reviewed to ensure that it is being provided in efficient manner.
49	DWU-2	Code enforcement does not work when most water conservation violations are occurring. Assign code enforcement officer to DWU during peak violation periods and/or consider re-vamping Code inspector work schedules to include prime violation times in regular work schedule
50	DWU-3	The role of managing, operations, and monitoring Lake Ray Hubbard and the enforcement of agreements and regulations are conducted by different groups within the City. Explore the potential of restructuring management of the operations and maintenance under one manager.
51	DWU-4	Limited communication occurs between DWU and DEV regarding the issuance of Certificates of Occupancy (pretreatment inspections program). Build better communication and collaborative efforts with DEV. Allow DWU staff access to Posse for quicker information regarding which customers are applying for COs.
52	DWU-5	Several groups within DWU have similar responsibilities (contract administration, procurement, etc.). Consider combining any of these groups to streamline processes.
53	DWU-6	There seems to be a duplication of efforts between staff that perform Meter Operations activities and Meter Reading activities. Evaluate possibility of consolidating Meter Operations and Meter Reading functions to be performed by the same staff.
54	DWU-7	Better integration with PBW and Streets on pipeline replacement projects. Most of the streets need to be completely repaved after DWU's mains are replaced. To have project committee between STS, PBW and DWU that forecasts (monthly, quarterly, annually) upcoming projects so that there is a better cooperation between not only the 3 mentioned departments, but possibly other parties (internal or external) as well.
55	DWU-8	Drones could be used to inspect water tanks/towers. Explore cost savings if drones were used for some inspections.
56	DWU-9	Technology upgrades would create a more efficient Department (work order system, field mobility tools, mobile technology, mapping tools). Continue to invest in technology upgrades to improve efficiencies.
57	DWU-10	DWU actual revenue is consistently below the amount of revenue budgeted. DWU is able to make adjustments in expenditures including transfers to capital construction to offset the unrealized revenue. However, the adjustments throughout the year result in less funding for capital projects. Review revenue forecasting methodology.

Memorandum



CITY OF DALLAS

DATE June 24, 2016

TO The Honorable Members of the Transportation and Trinity River Project Committee: Lee M. Kleinman (Chair), Deputy Mayor Pro Tem Erik Wilson (Vice-Chair), Sandy Greyson, Mayor Pro Tem Monica R. Alonzo, Adam Medrano, and Casey Thomas II

SUBJECT Dallas to Houston High Speed Rail Project

On Monday, June 27, 2016, you will be briefed on the Dallas to Houston High Speed Rail Project. The briefing materials are attached for your review. All Council members are encouraged to attend this briefing to learn about this significant privately-led rail infrastructure project proposal.

Please do not hesitate to contact me if you have any questions or need additional information.

A handwritten signature in black ink, appearing to read 'Alan E. Sims'.

Alan E. Sims, Chief of Neighborhood Plus

c: Honorable Mayor and Members of the City Council
A.C. 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
Mark McDaniel, 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



**TEXAS
CENTRAL**



Dallas to Houston High Speed Rail Project

Dallas City Council

Transportation and Trinity River Project Committee

June 27, 2016



Briefing Purpose

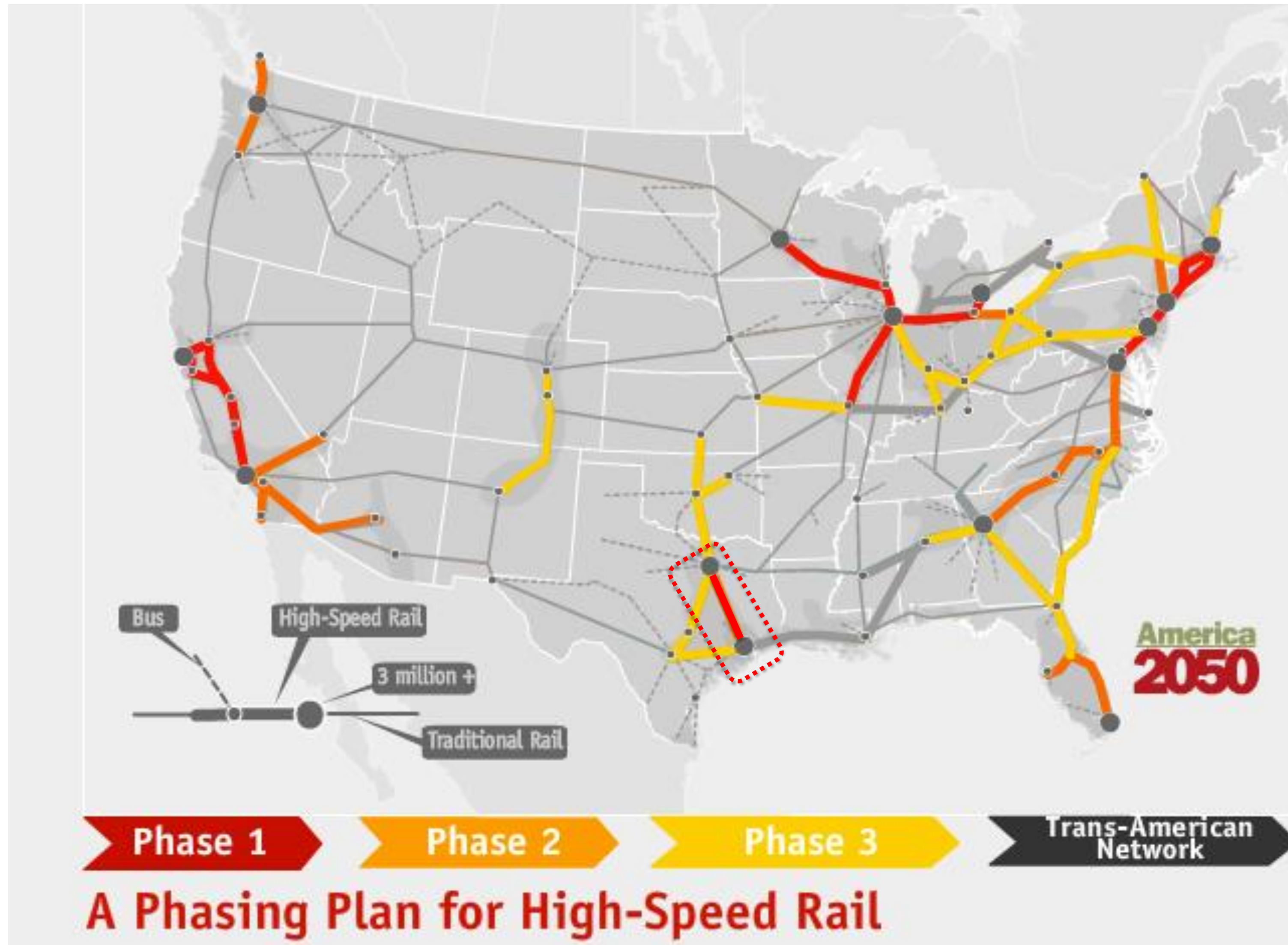
- *Provide an overview of the Texas Central high speed rail proposal between Dallas to Houston*
- *Discuss the framework for a preliminary agreement between the City and Texas Central to address project coordination during the federal review process*

Unique Private Rail Infrastructure Project

- ***Dallas to Houston High Speed Rail has been on the City's radar for a few years:***
 - *Highlighted as a potential catalytic economic development opportunity in the Downtown Dallas 360 Plan adopted by City Council in 2011*
 - *Supported in the most recent Council adopted federal and state legislative programs*



National View of Passenger Rail Projects



Map produced by America 2050

America 2050 is Regional Plan Association's national infrastructure planning and policy program, providing leadership on a broad range of transportation, sustainability and economic development issues impacting America's growth in the 21st century.

<http://www.america2050.org/>

Three Separate Ongoing Texas Passenger Rail Projects

Related Passenger Rail Studies



Three Separate Ongoing Texas Passenger Rail Projects

Texas Oklahoma City Passenger Rail Study

- Oklahoma City to South Texas
- Evaluating a range of possible passenger rail service options
- Program-level EIS
- FRA/TxDOT co-lead agencies
- Study funded by federal grant

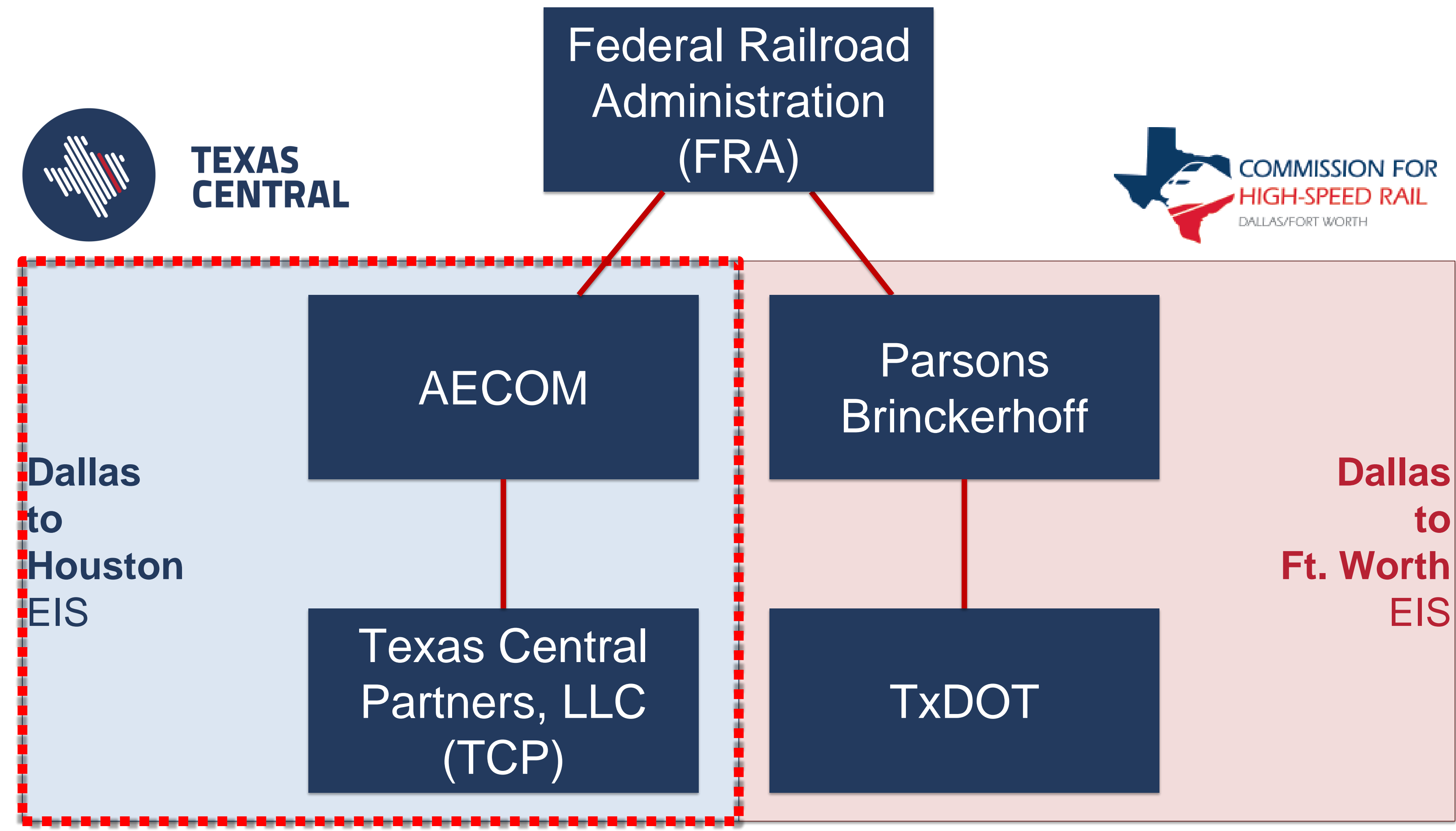
Dallas – Fort Worth Core Express Service

- Dallas to Fort Worth high-speed passenger rail service
- Project-level EIS
- FRA/TxDOT serve as co-lead agencies
- Study funded by federal grant
- No funding for implementation

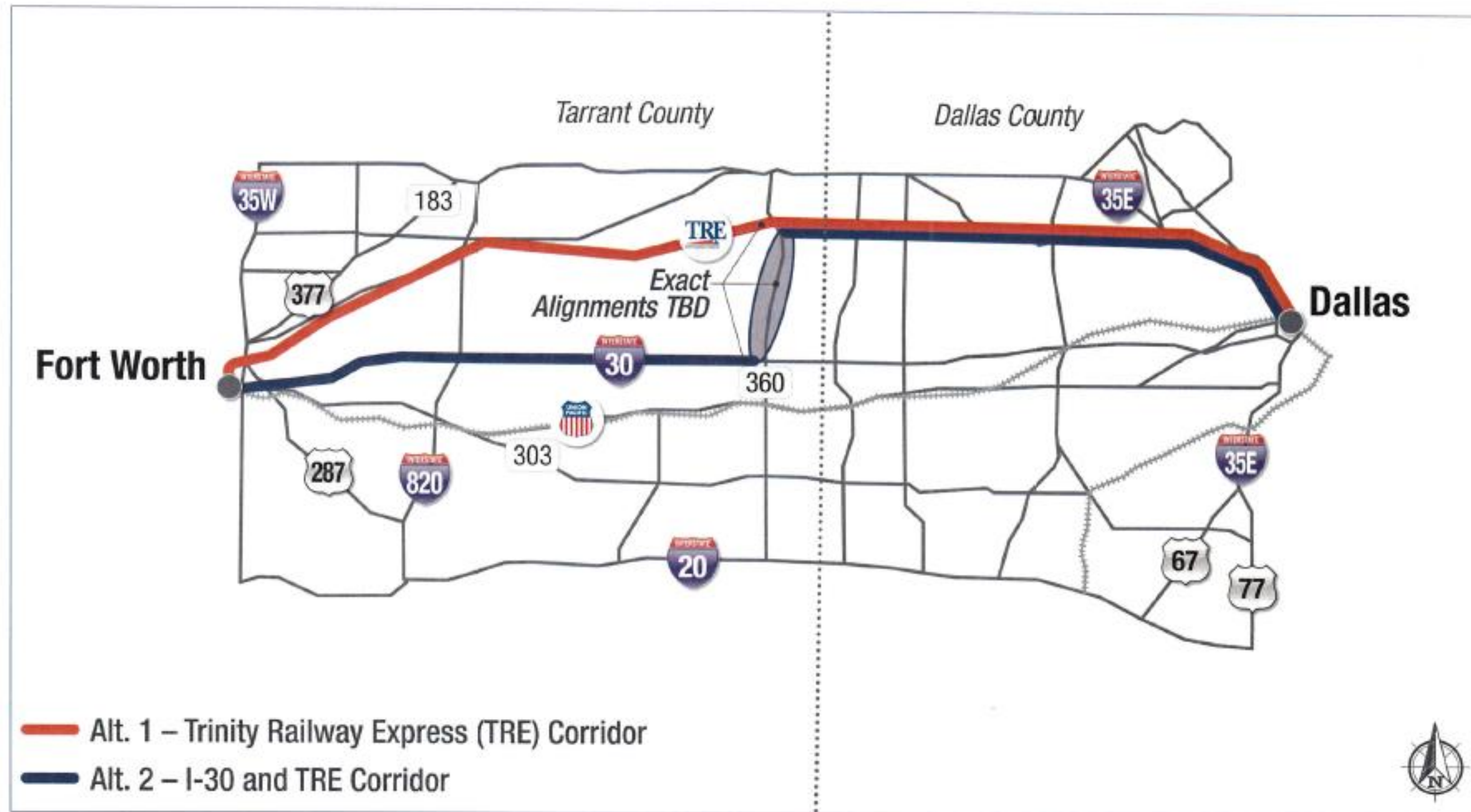
Dallas to Houston High-Speed Rail

- Dallas to Houston high-speed passenger rail service
- Project-level EIS
- FRA is lead agency
- Texas Central Railway – private proponent
- EIS effort privately funded

Two Concurrent Environmental Impact Statements



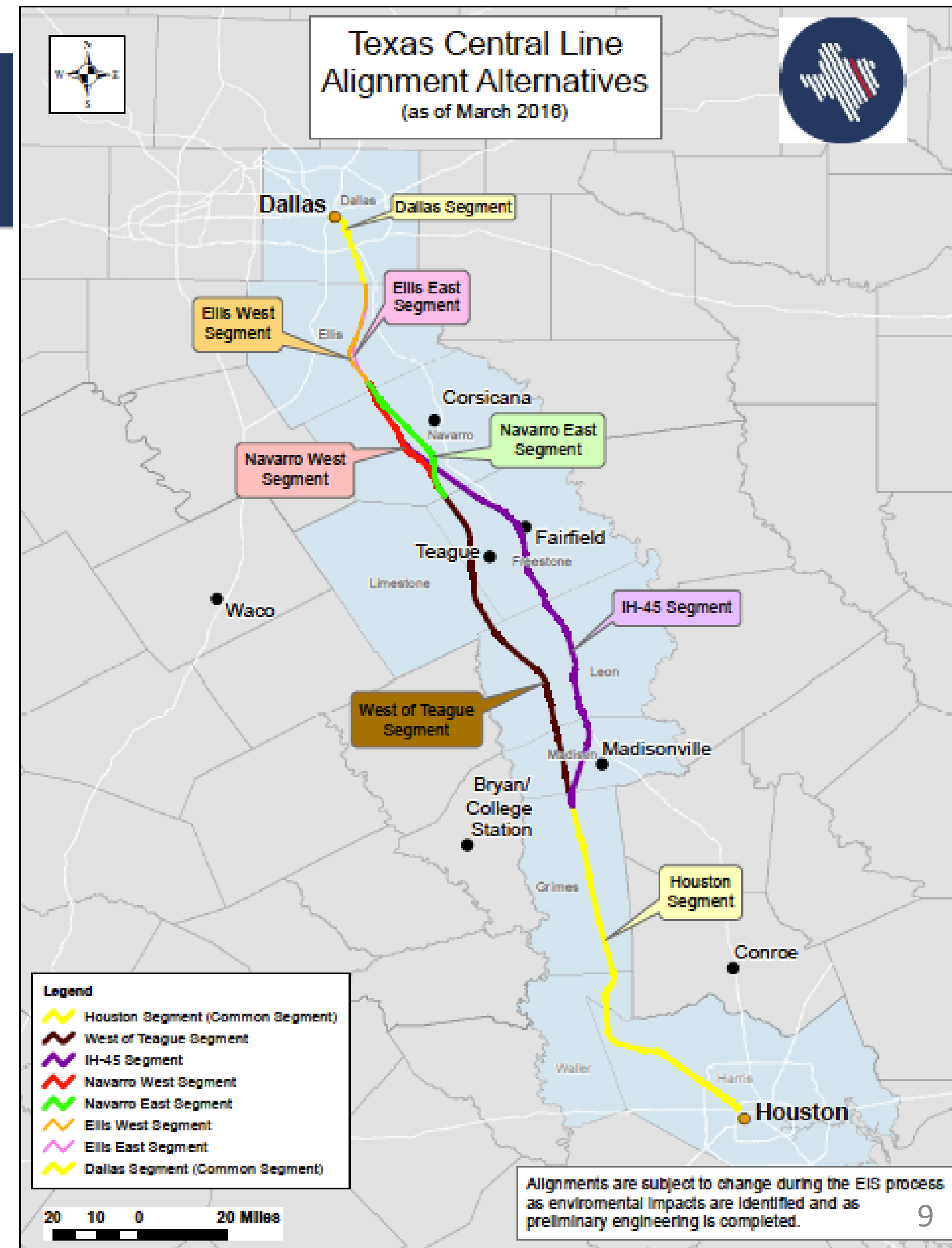
Dallas – Fort Worth Core Express



- *Dallas-Fort Worth Core Express project is being advanced independently of the Dallas to Houston project*
- *On June 16, 2016, the Regional Transportation Council (RTC) approved a memorandum of understanding with Texas Central to maximize the opportunity for connectivity between the two projects*

Dallas to Houston High Speed Rail

- Alignments are currently under review with the Federal Railroad Administration (FRA).
- Additionally, alignment review will be necessary by the United States Army Corps of Engineers (USACE)



TEXAS DOES BIG THINGS





TEXAS
CENTRAL

TRAINS WILL TRAVEL
AT SPEEDS NEARLY

200

MILES
PER HOUR

WILL
SERVE

3

STATIONS

DALLAS, BRAZOS VALLEY
AND HOUSTON

TRAINS WILL
LEAVE EVERY

30

MINUTES

DURING PEAK HOURS



NORTH TEXAS TO HOUSTON
IN LESS THAN 90 MINUTES





INDUSTRY CREATION

CREATE AS MANY AS

10000

FULL-TIME JOBS

ONCE OPERATIONAL



**A SIGNIFICANT INVESTMENT
WITH BENEFITS ACROSS TEXAS**

\$10 **BILLION**

INVESTMENT

from the project's
infrastructure, design
and construction

\$36 **BILLION**

DIRECT IMPACT

from the economic
benefits the project will
generate over the
next 25 years

\$2.5 **BILLION**

TAX REVENUE

estimated to be paid by the
company to the state, counties,
local municipalities and
school districts

Creating a total of 40,000 jobs

with as many as 1,000 full-time once operational

ECONOMIC BENEFITS FOR THE CITY OF DALLAS

\$750 **MILLION**

INVESTMENT

in the City of Dallas from the project's infrastructure, design and construction

\$225 **MILLION**

TAX REVENUE

estimated to be paid by the company to the City of Dallas through 2040

Our Vision for the Station Area



POPULATION GROWTH + TRAFFIC CONGESTION =

NEED FOR RAIL



RELIABLE/CONVENIENT
COMFORTABLE
PRODUCTIVE



TEXAS
CENTRAL



VARIABLE
PRICING
BASED ON
DEMAND



400
SEATS OPEN
EVERY
30 MINUTES



TEXAS
CENTRAL

- Texans investing in the big idea
- Pursuing regulatory approvals
- Working with Partners and Communities

BUILDING ON MOMENTUM:
FROM IDEA TO REALITY



**RULE OF
PARTICULAR
APPLICABILITY**

**ENVIRONMENTAL
IMPACT
STATEMENT**



COMMUNICATING WITH STAKEHOLDERS AND COMMUNITIES

12

SCOPING MEETINGS

23

OPEN HOUSES
from North Texas to Houston

Approximately

300

SPEAKING ENGAGEMENTS
Last Year by Company Officials



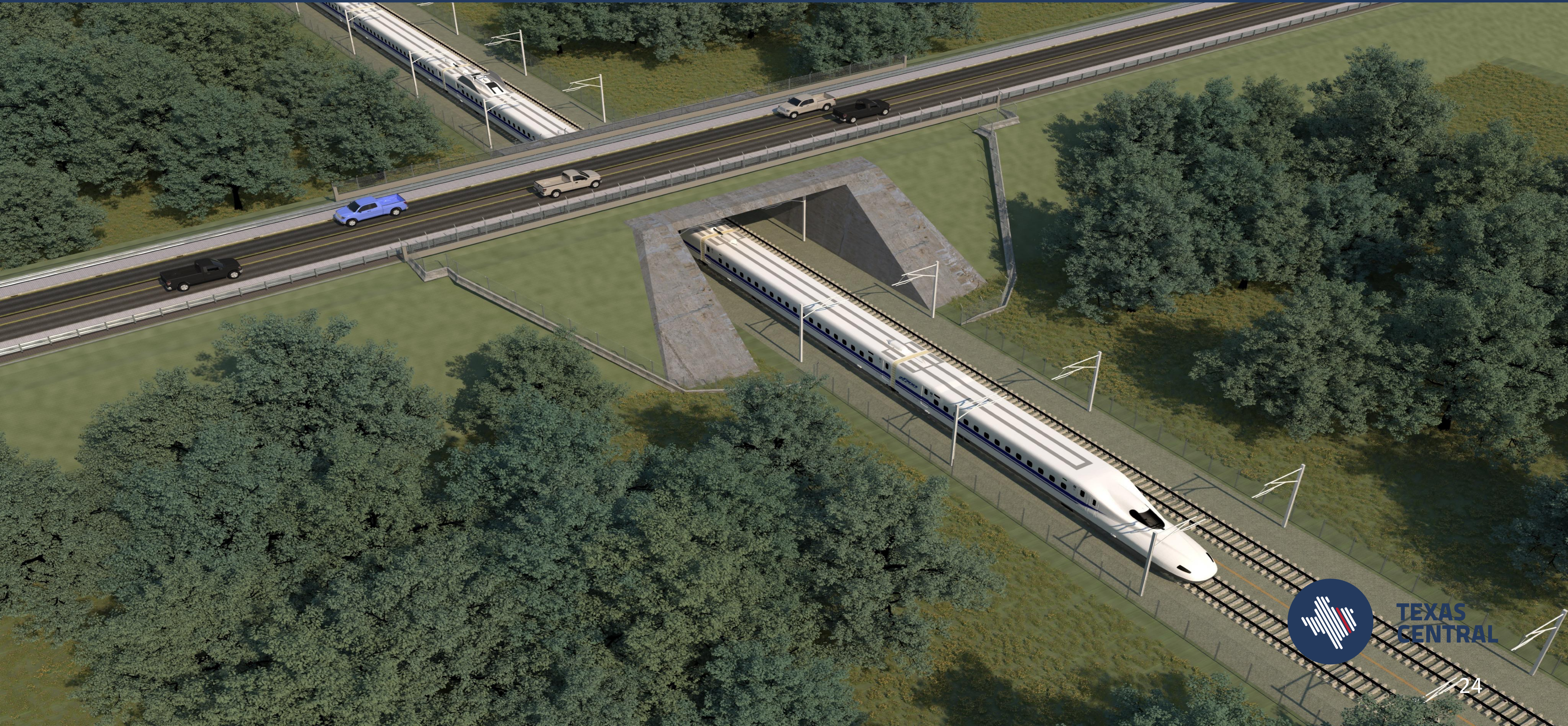
TEXAS
CENTRAL

Typical Alignment Along Utility Corridor



TEXAS
CENTRAL

Typical Rail Crossing Under Rural Roadway



TEXAS
CENTRAL

Typical Rail Crossing Over Rural Roadway



TEXAS
CENTRAL

Dallas Approach – Crossing of Loop 12



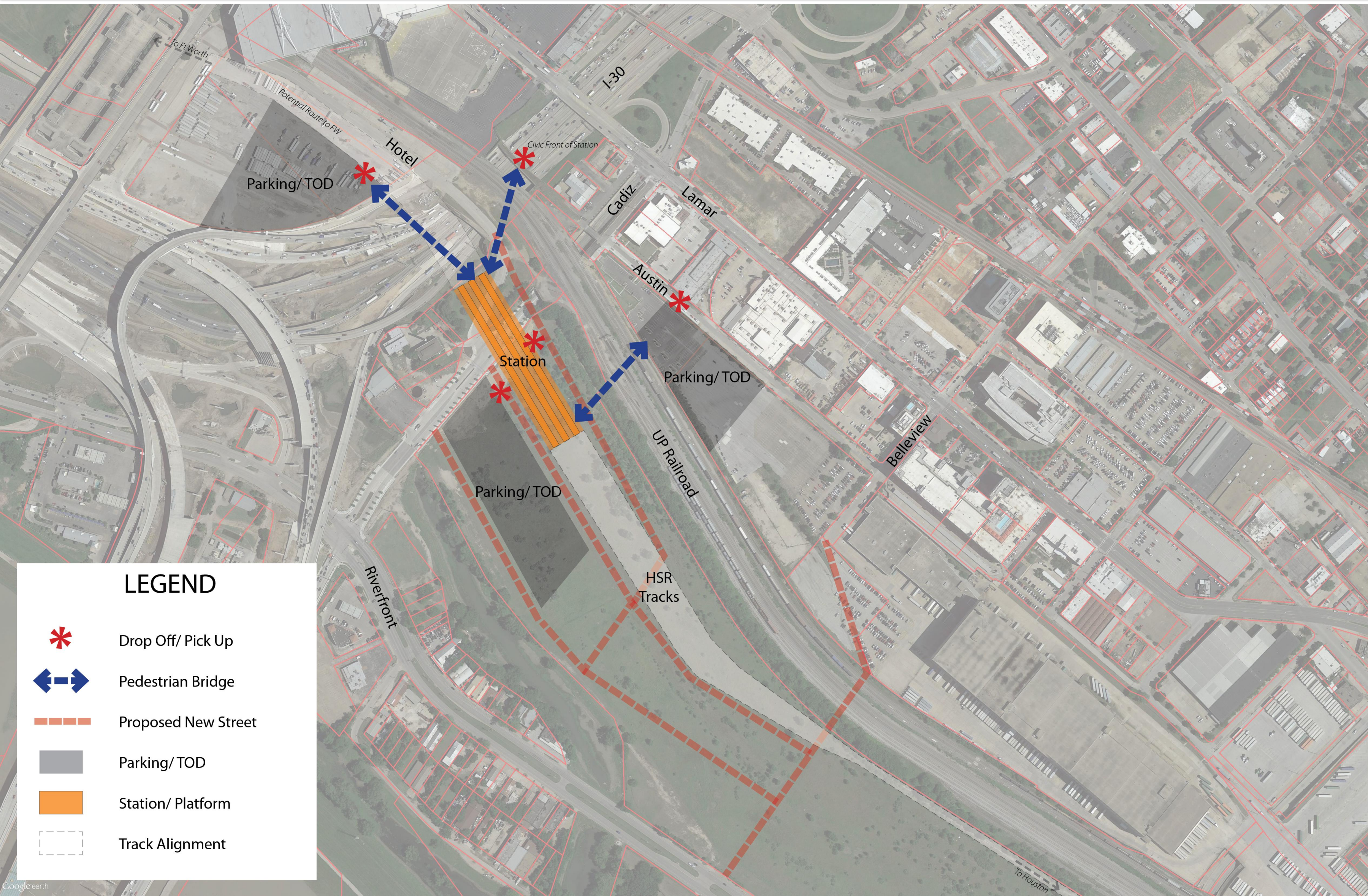
TEXAS
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Dallas Approach – Near Downtown







**TEXAS
CENTRAL**

Proposed Dallas Station – Conceptual Layout



LEGEND

-  Drop Off/ Pick Up
-  Pedestrian Bridge
-  Proposed New Street
-  Parking/ TOD
-  Station/ Platform
-  Track Alignment



**TEXAS
CENTRAL**

Prototypical Maintenance Facility



- A maintenance facility is anticipated at each end of the line, bringing high skilled job opportunities.
- Specific sites have not been identified yet.



Dallas to Houston Project Schedule

- May 2016 Draft EIS Materials submitted to FRA
- Fall 2016 Draft EIS released by FRA
- Fall 2016 Draft EIS Public Hearings
- Nov. 2016 Draft 408 Permit submittal to USACE
- Summer 2017 Final EIS Submittal to FRA
- Dec. 2017 Anticipated FRA EIS Record of Decision
- End of 2017 Anticipated USACE permit approvals
- End of 2017 Begin construction
- 2022 First full year of operations



City of Dallas Coordination Team

- ***Regular coordination meetings with Texas Central have been initiated with key departments:***
 - *Planning and Urban Design*
 - *City Attorney*
 - *Trinity Watershed Management*
 - *Dallas Water Utilities*
 - *Public Works (Inter-agency coordination)*
 - *Dallas Convention Center*
 - *Inter-Governmental Services*
 - *Economic Development*
 - *Dallas Convention Center*
 - *Sustainable Development and Construction*
 - *Police*

Two Project Components

- ***Railroad infrastructure project: Primary focus of the federal review process***
 - *Rail alignment*
 - *Station platform*
- ***Rail-related economic development: Pertinent to City of Dallas, though not the focus of federal review process***
 - *Station area development immediately adjacent to and in the vicinity of the station*
 - *Other potential local and regional economic development opportunities and impacts*

Potential Rail Infrastructure Considerations

- *Use of City property*
- *Trinity Corridor crossing: Levees, river, wetlands, parkway*
- *Roadway crossings: highways, thoroughfares, local roads*
- *Utility impacts including potential relocations*
- *Drainage issues*
- *Speed and sound impacts and mitigation*
- *Residential impacts*
- *Homeland security issues*
- *Private property acquisitions*

Potential Economic Development Considerations

- *Use of Convention Center Lot E*
- *Multi-modal access and linkages to the station including pedestrian, bike, vehicular, light rail, and regional rail*
- *Station area amenities*
- *Parking, ground transportation and traffic management*
- *Zoning and development permitting*
- *Homeland security and law enforcement coordination*
- *Potential location of maintenance and production facilities*
- *Potential job creation opportunities*
- *Wage rate and MWBE participation*

Preliminary Agreement Needed with Texas Central

- *To establish a fund to enable Texas Central to pay for City and federal staff and consultant expenses incurred in the expedited review of federal, state and local permits*
- *To authorize the City to enter into a Section 214 agreement with the United States Army Corps of Engineers (USACE) for expedited review of Texas Central's project without presumption of City pre-approval of this project*
- *To affirm Texas Central's commitment to participate in City-hosted community engagement meetings during the planning process*
- *To agree to negotiate terms for future agreements to be considered by City Council related to the design, construction, operation and maintenance of the Texas Central high speed rail project and associated economic development*

Next Steps

- *City Council action on August 10, 2016 to authorize the City Manager to execute a preliminary agreement with Texas Central*
- *Ongoing staff review and coordination meetings with Texas Central*
- *Coordination with Texas Central on community engagement*
- *Brief Council Committee again prior to submittal of federal or state permits*
- *Seek Council action to provide official support of the proposed project alignment and to authorize additional agreements with Texas Central as needed*



**TEXAS
CENTRAL**

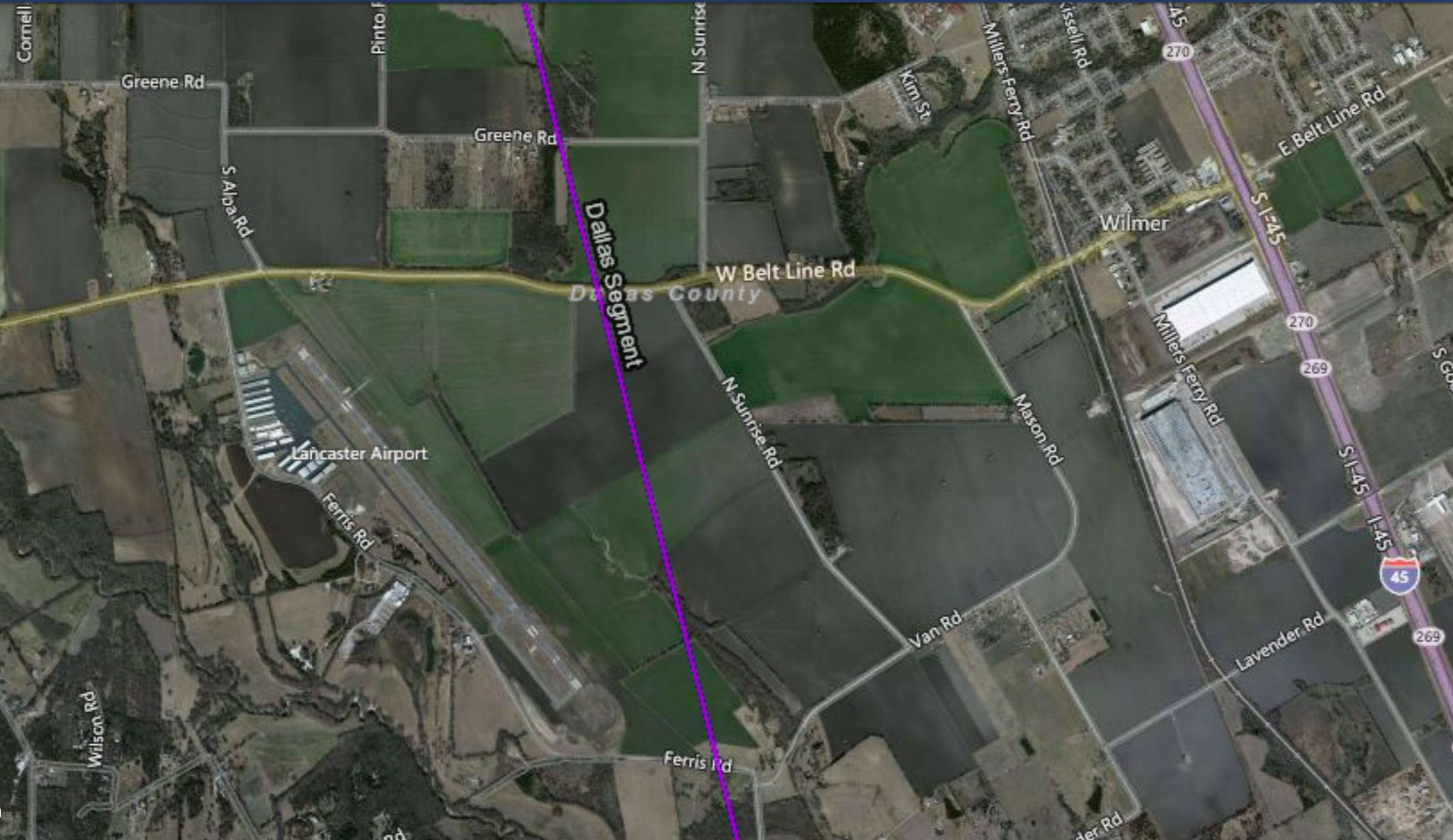


Questions and Answers

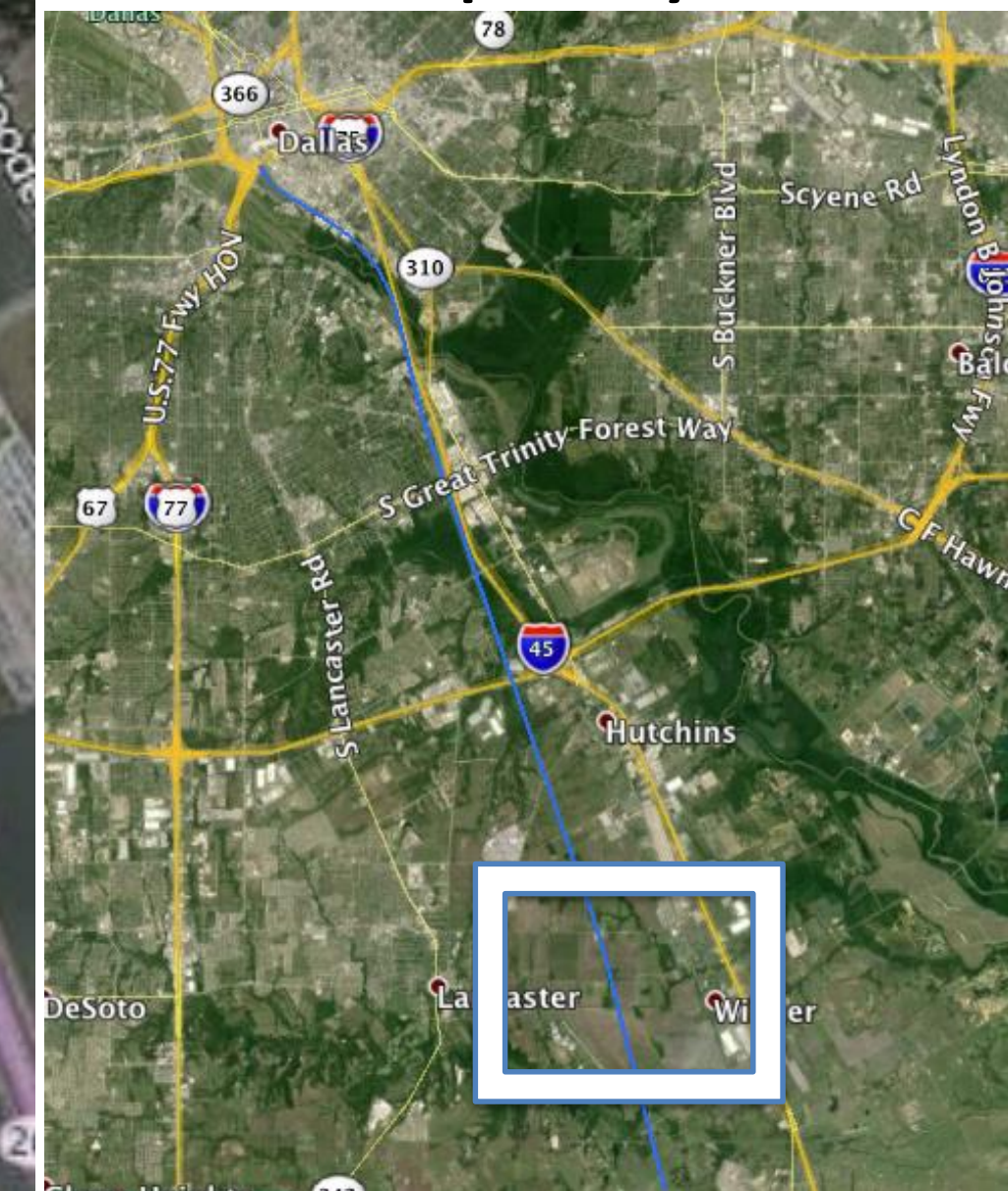
Appendix A – Alignment Segments

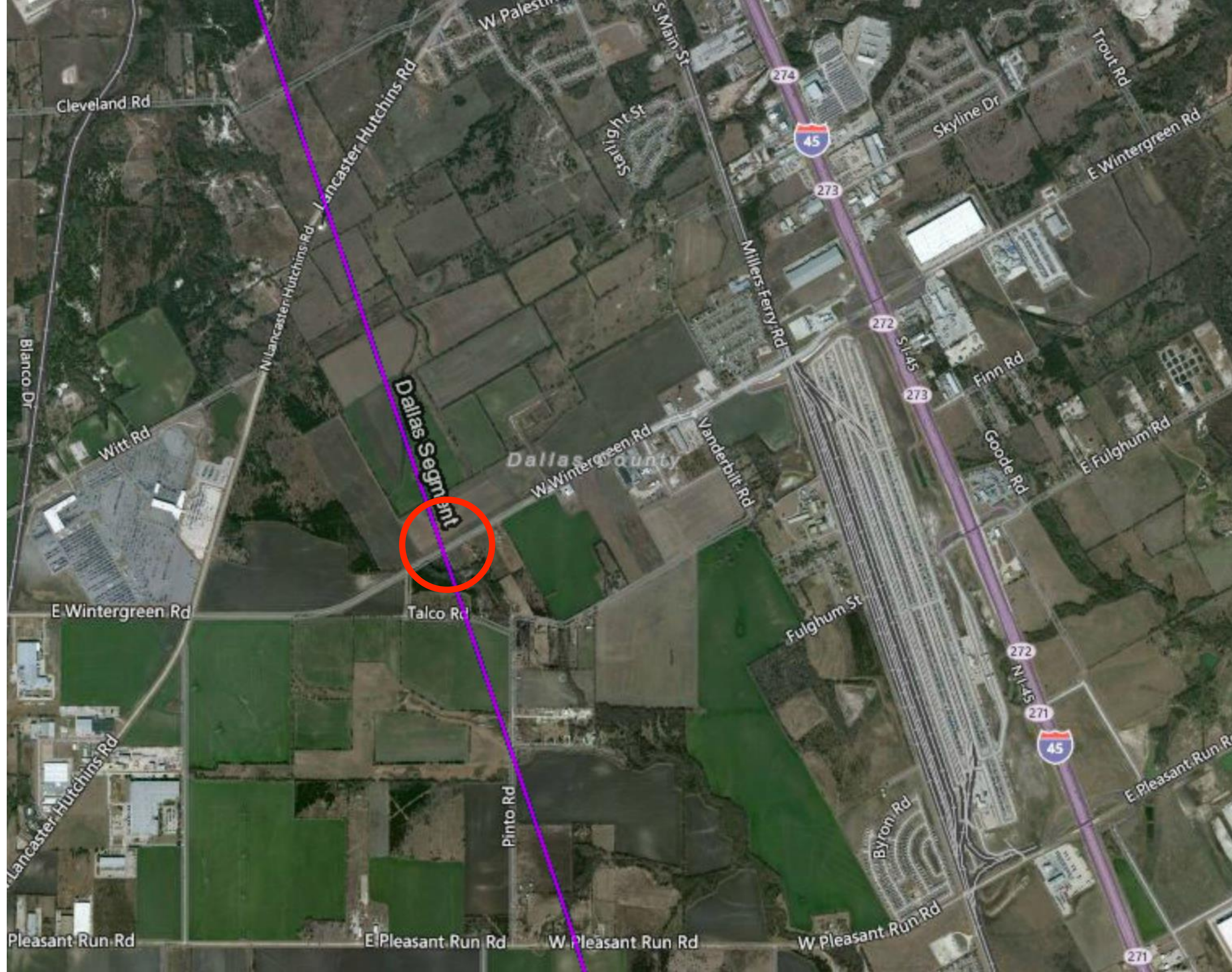
*Areas of Interest Along the Alignment
Approach to Dallas*

Key Alignment Sections - City of Dallas

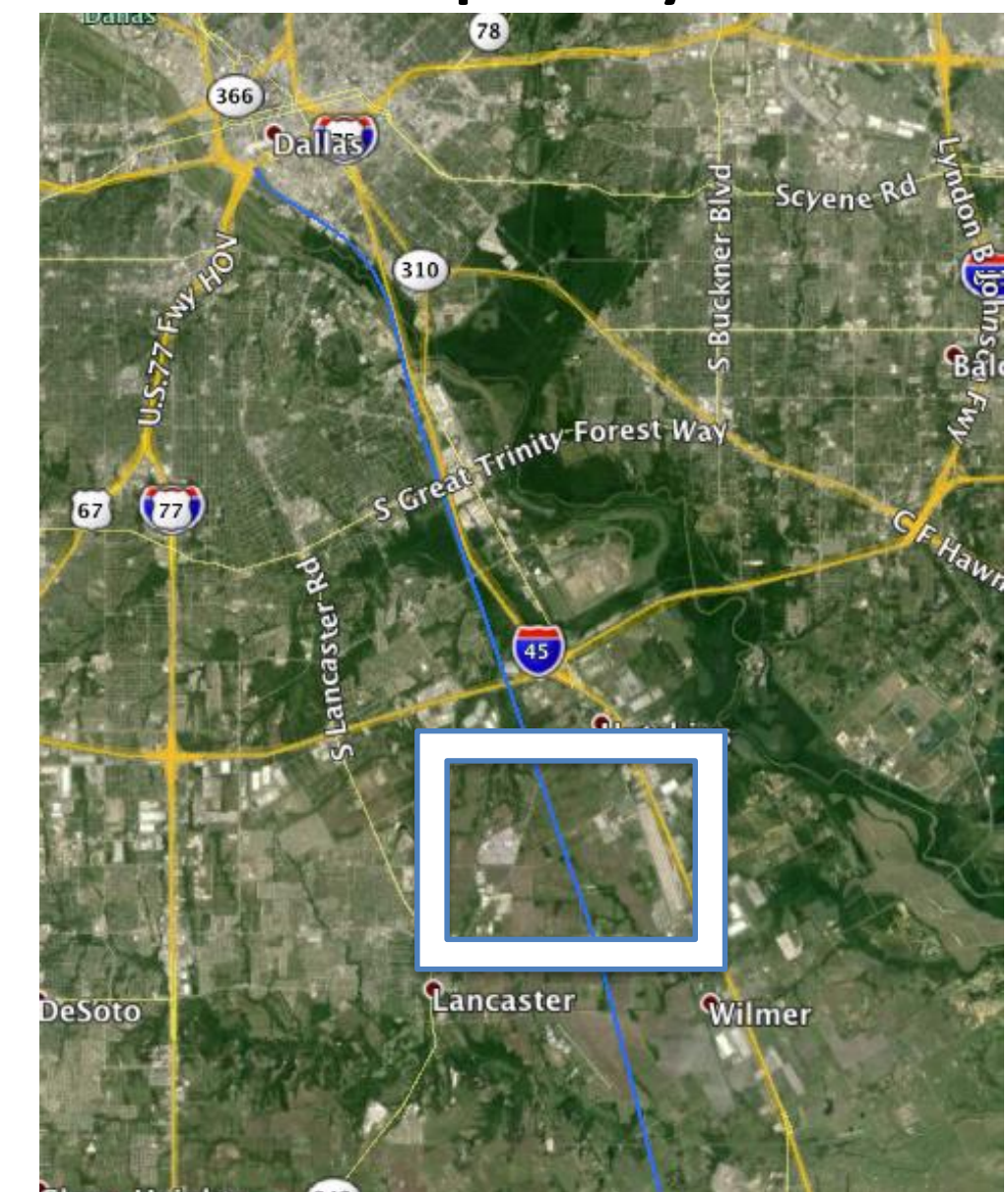


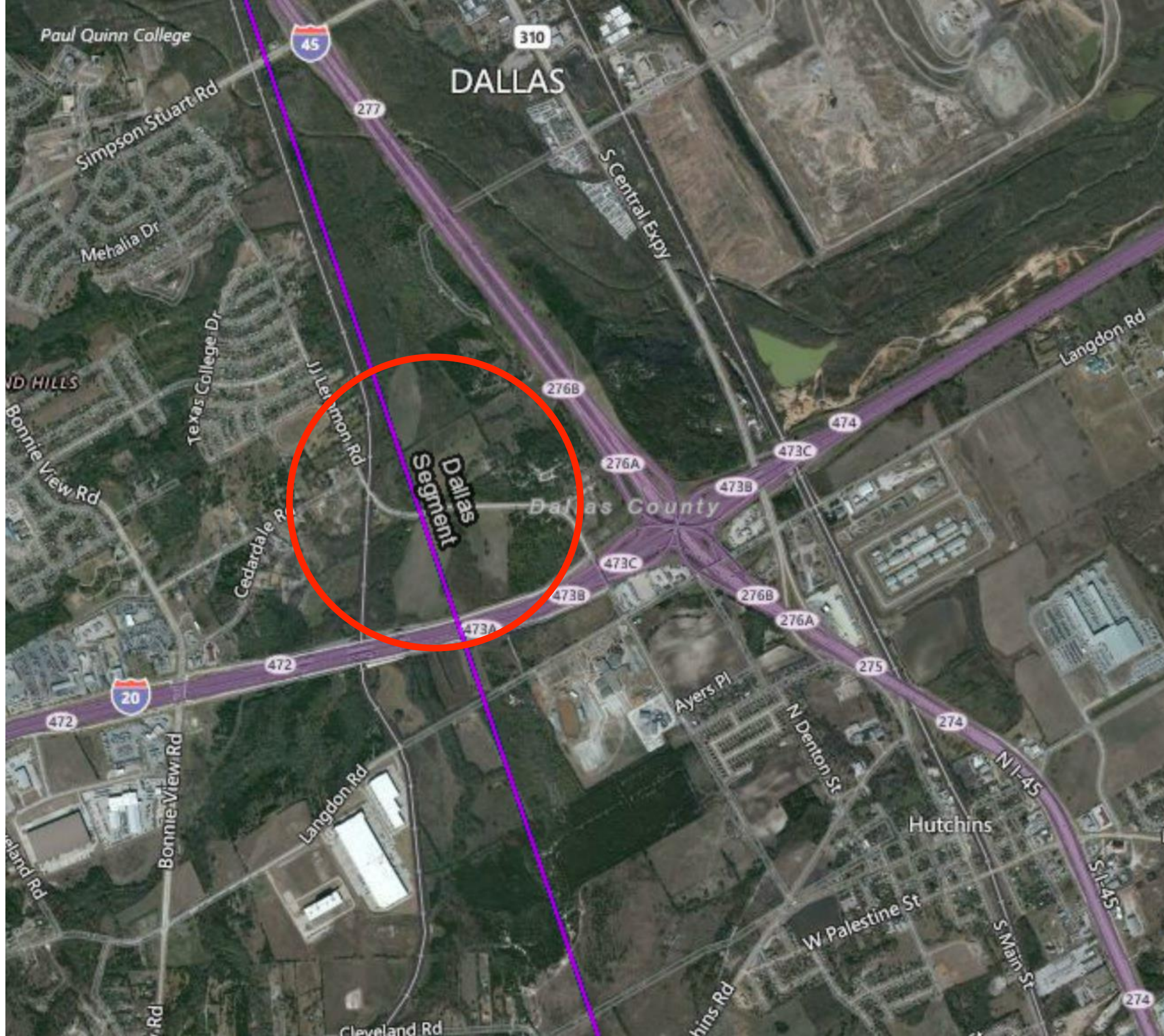
Map Key



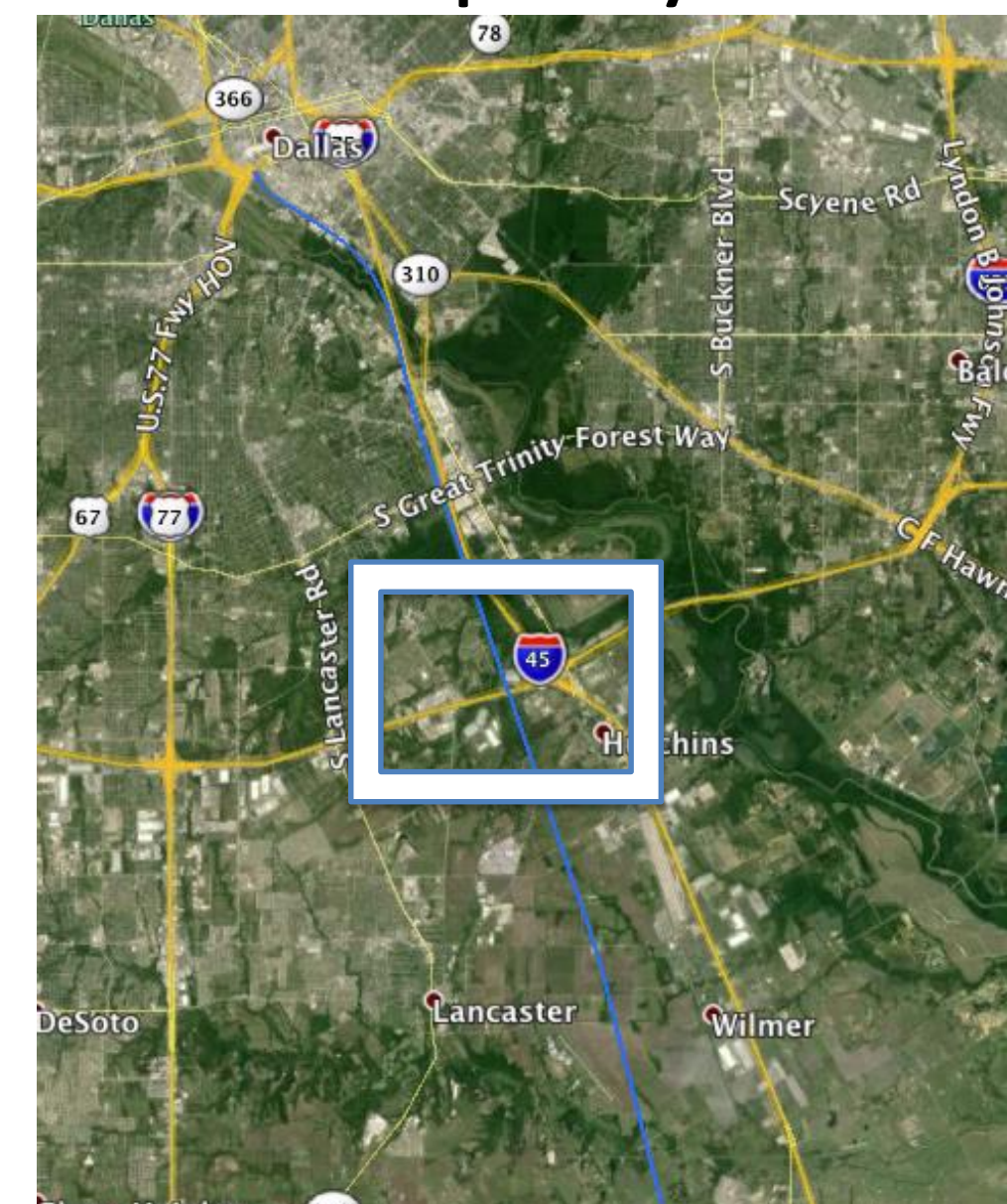


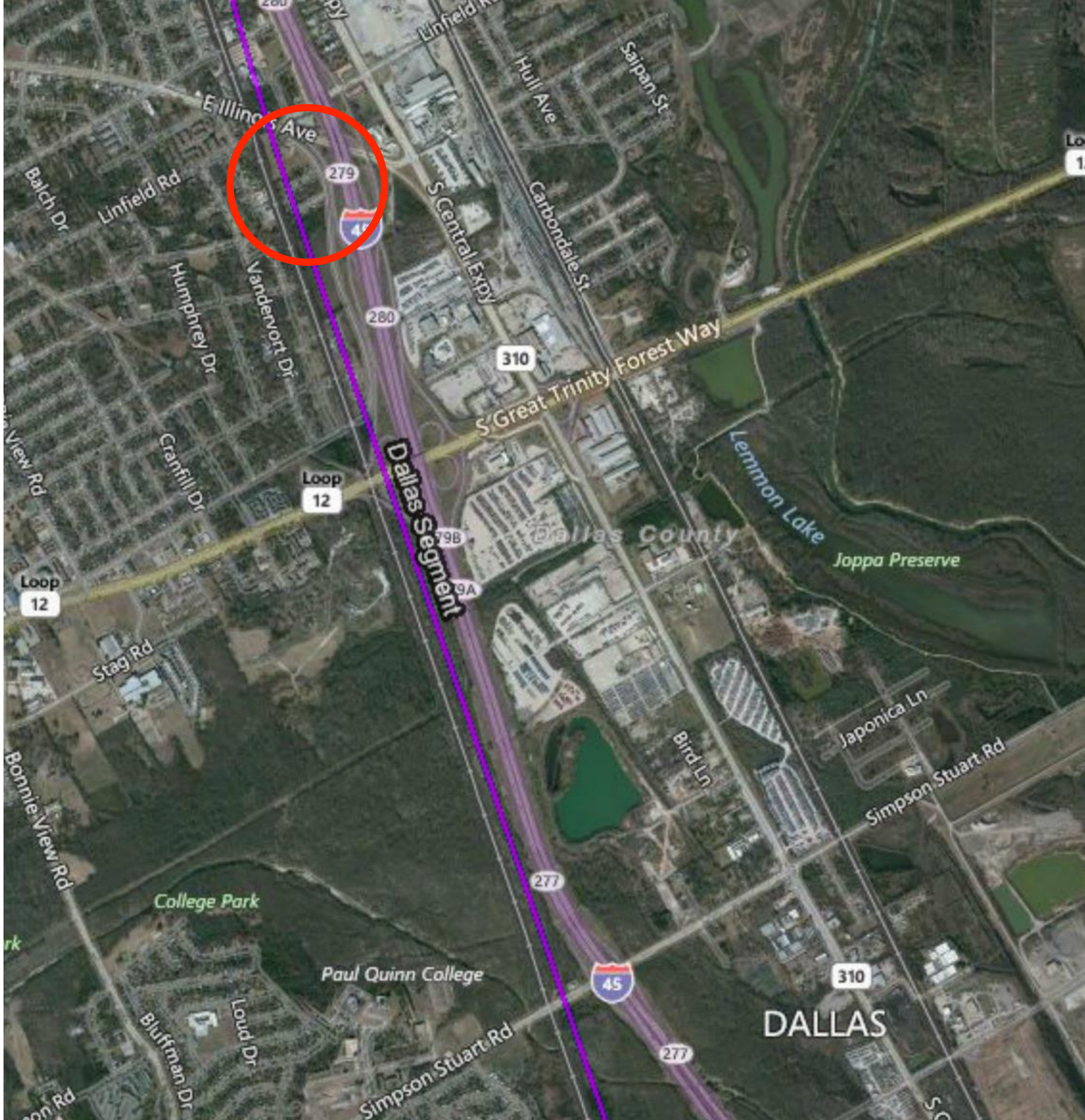
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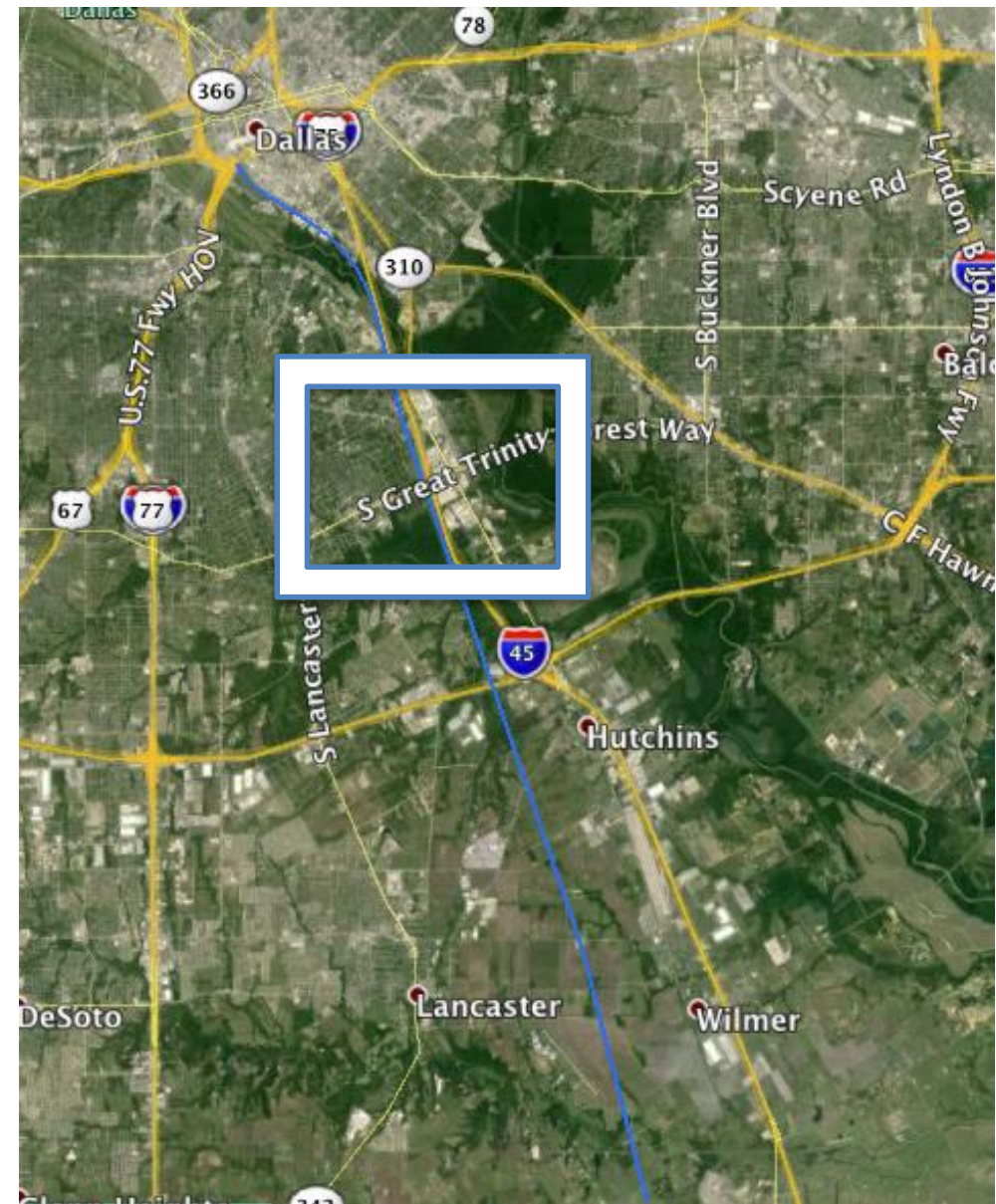


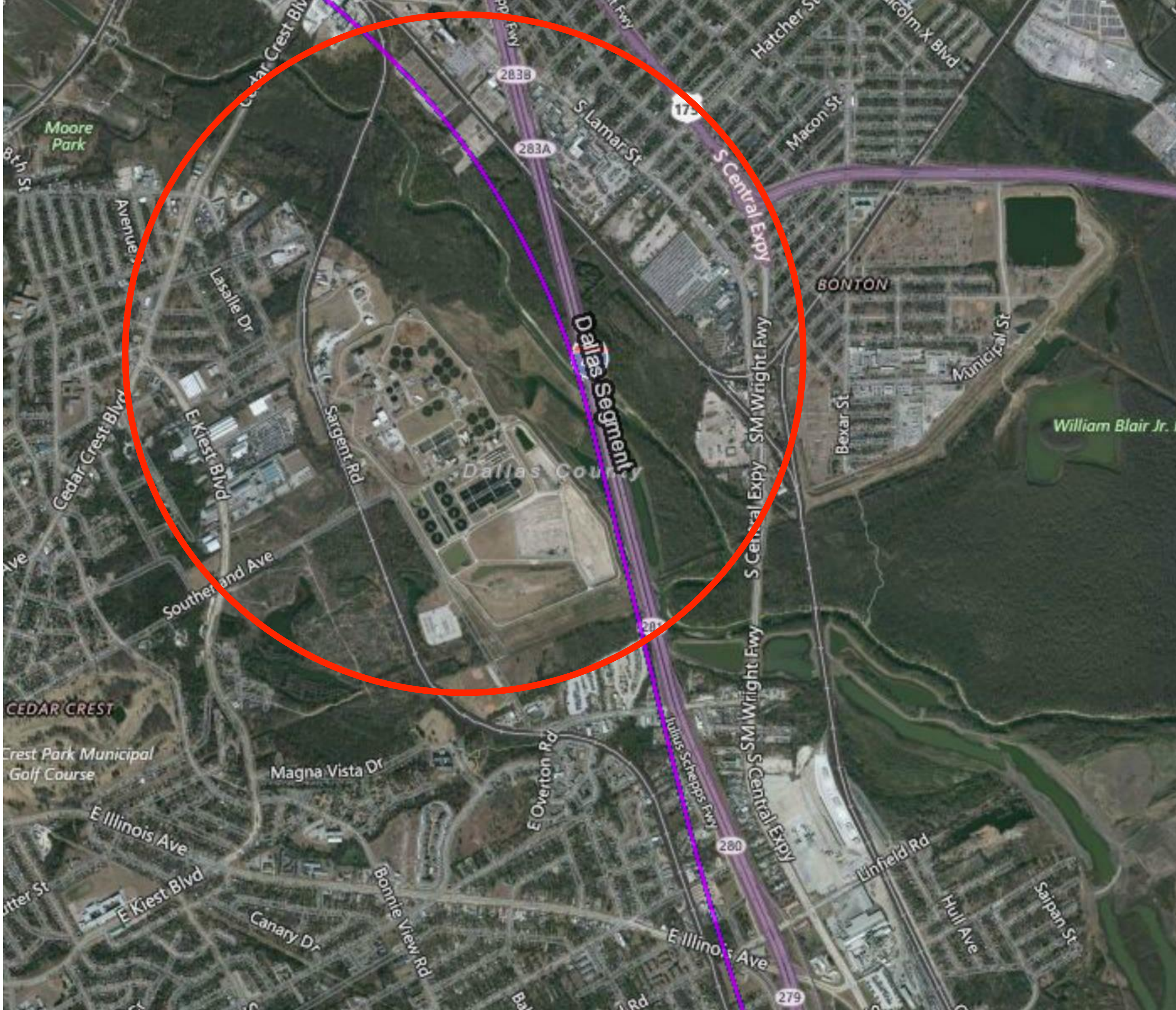
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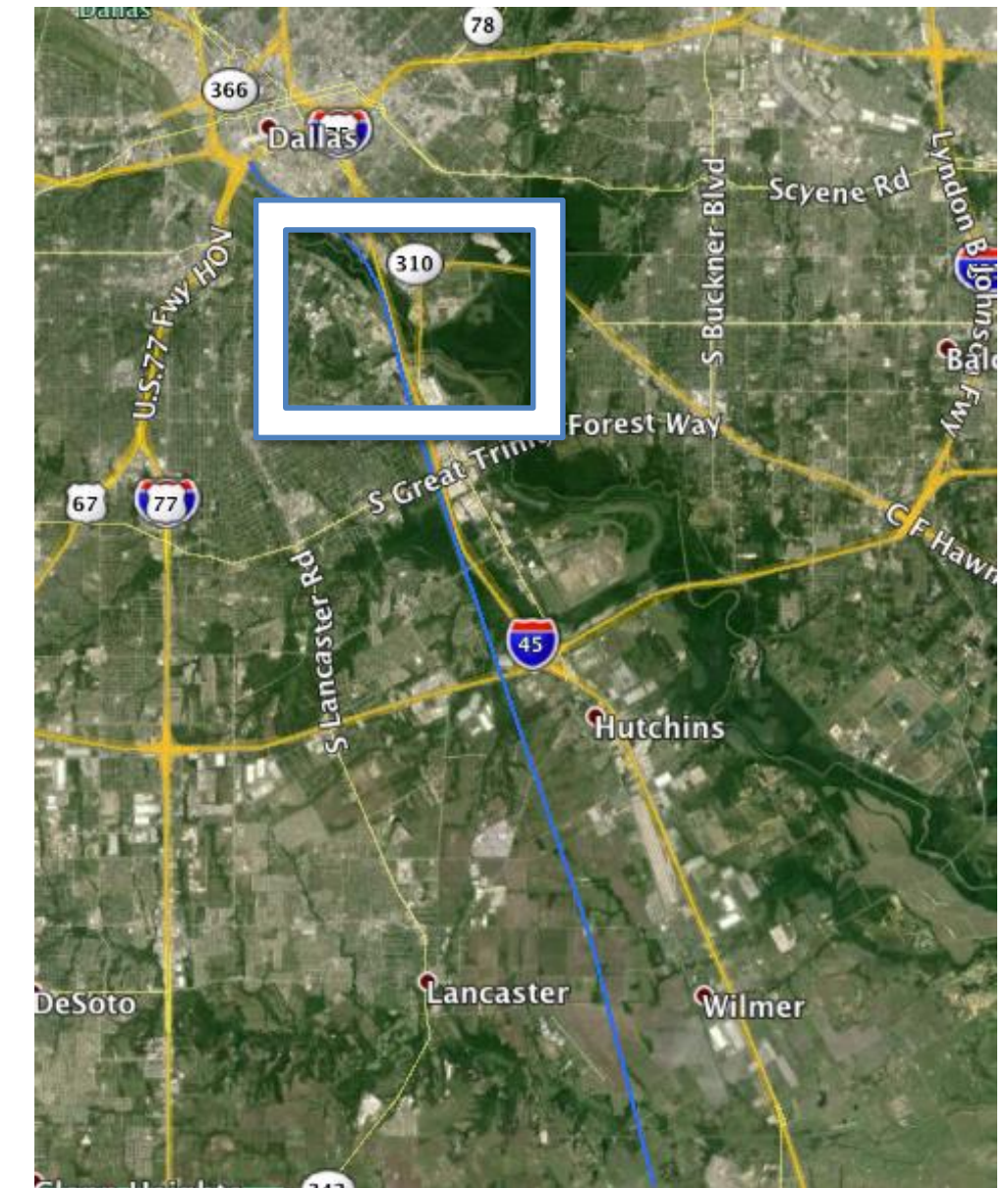


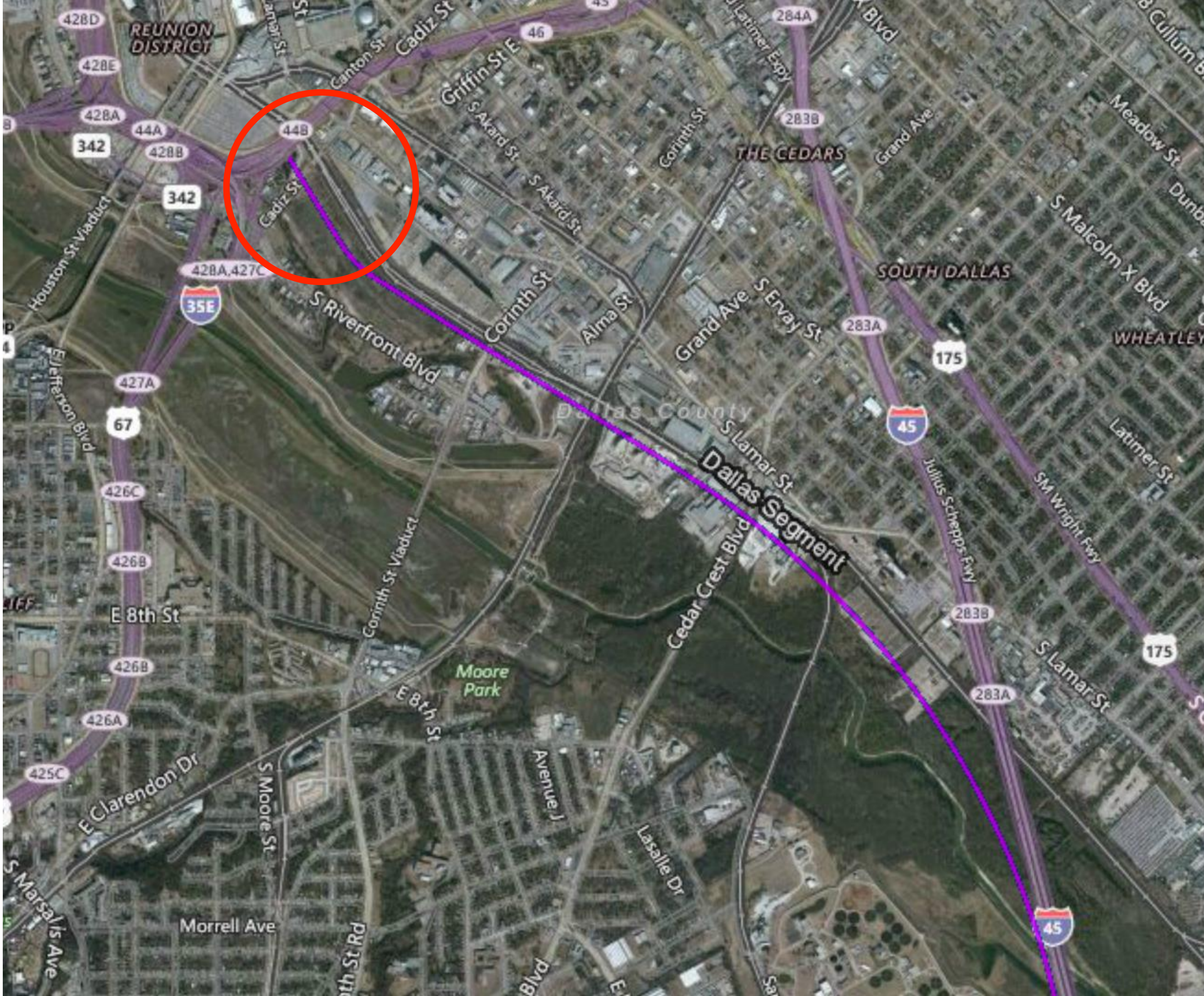
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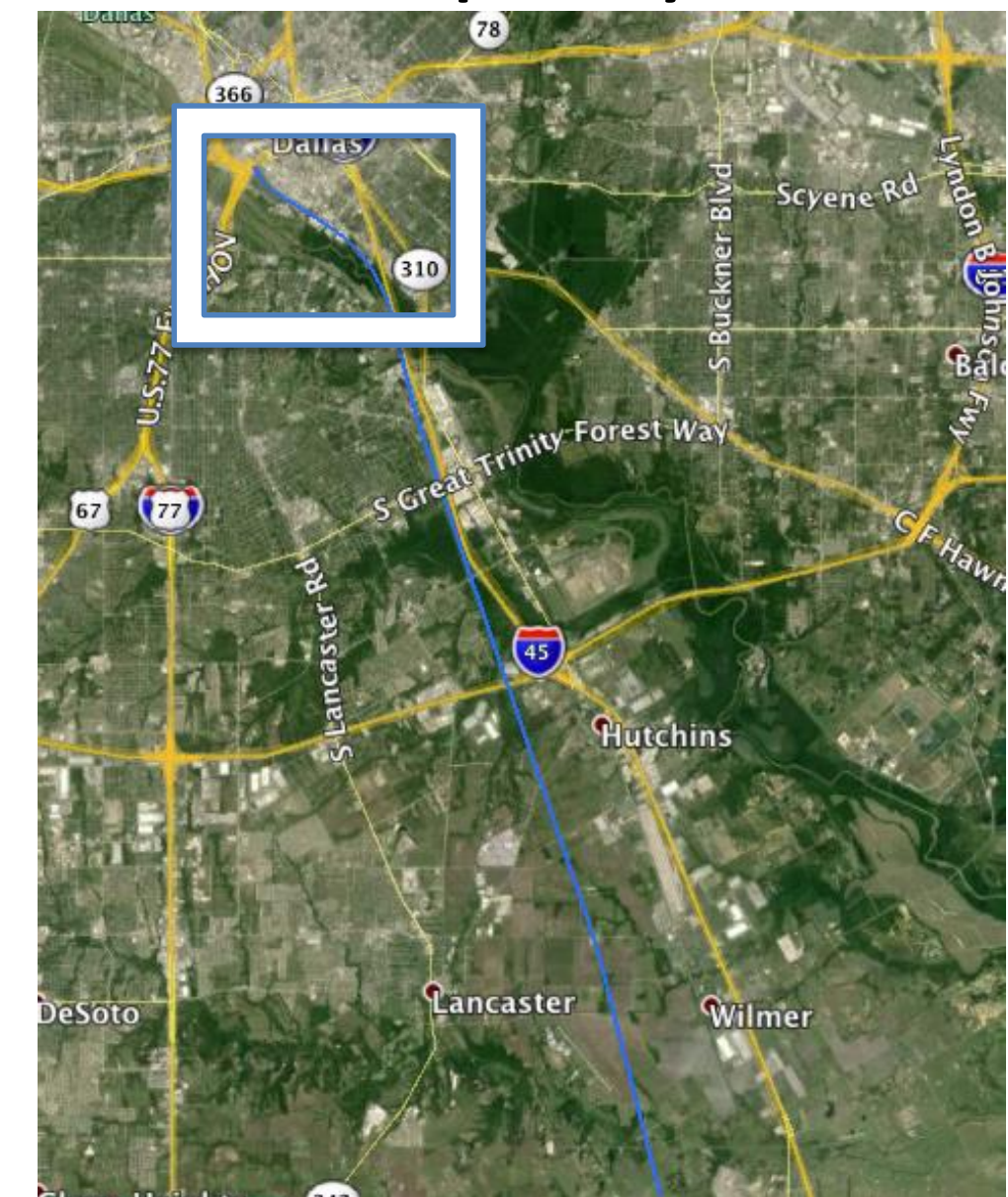


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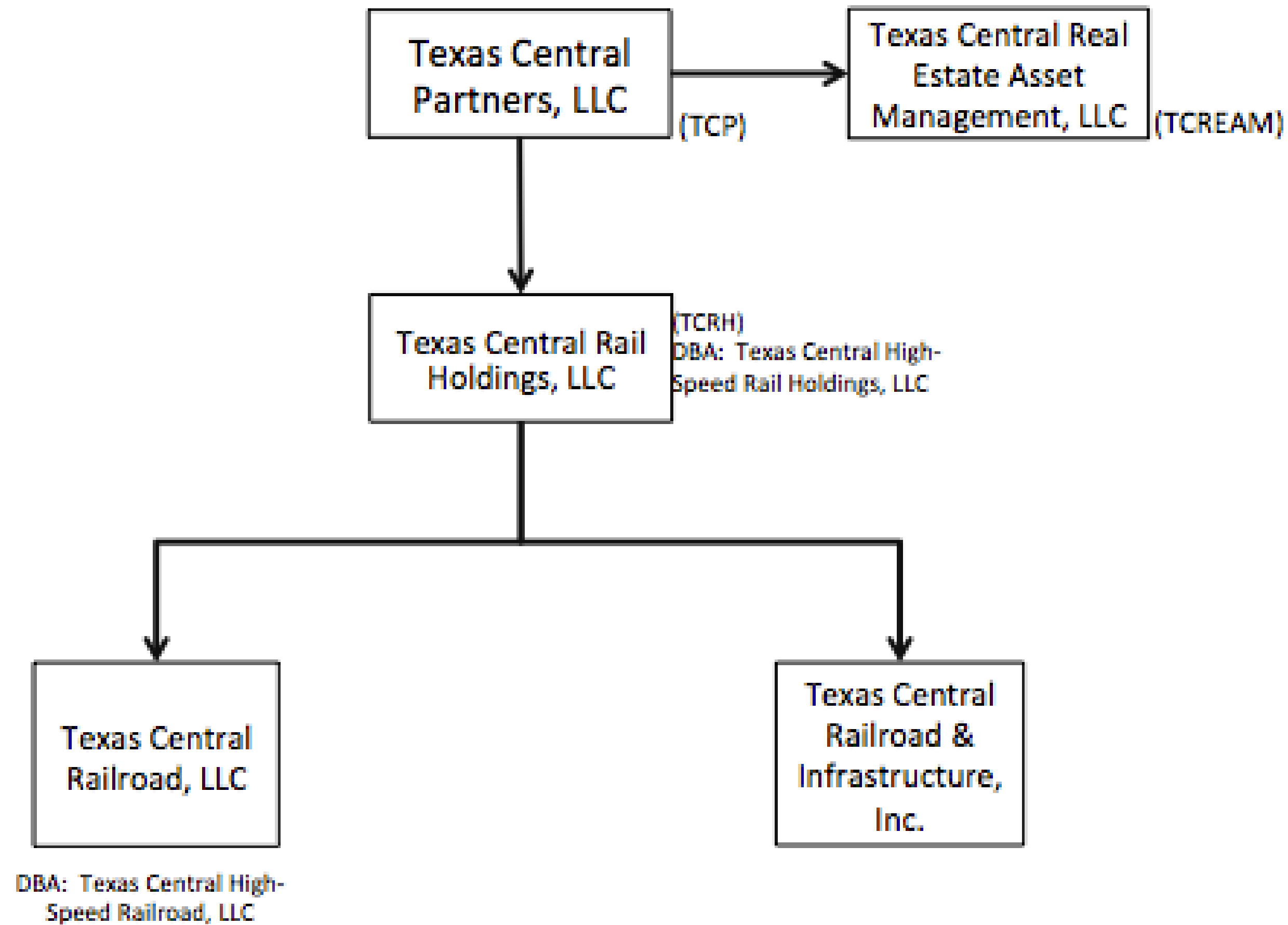
Map Key



Appendix B – Texas Central Information

Texas Central Corporate Entities & Contractor Relationships

Texas Central Company Structure



Texas Central Railway Team

