

**— CITY OF DALLAS —**

**ANNUAL BUDGET**

**For Fiscal Year 2012-2013**

**October 1, 2012 – September 30, 2013**

***As Approved By:***

**The Honorable Mayor  
*and*  
Members of the City Council**

**September 19, 2012**



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District 14





**City of Dallas**

There are many individuals, from various levels throughout the organization, whose time, energy and commitment contributed to the production of the FY 2012-13 budget. This assignment is more than just budgeting. This process is an essential part of strategic planning for this organization and the leadership demonstrated is an important factor in the continued success of our *Budgeting for Outcomes* process. With that in mind, I would like to recognize the following individuals whose unwavering dedication during the budget process inspires and motivates me.

Mary K. Suhm  
City Manager

- |                         |                  |                       |                    |                          |
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Dallas  
Texas**

For the Fiscal Year Beginning

**October 1, 2011**

*Linda C. Davison Jeffrey R. Egan*

President

Executive Director

The Government Finance Officers Association (GFOA) of the United States and Canada presented an award of Distinguished Presentation to the City of Dallas for its annual budget for the fiscal year beginning October 1, 2011.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and are submitting it to GFOA to determine its eligibility for another award.





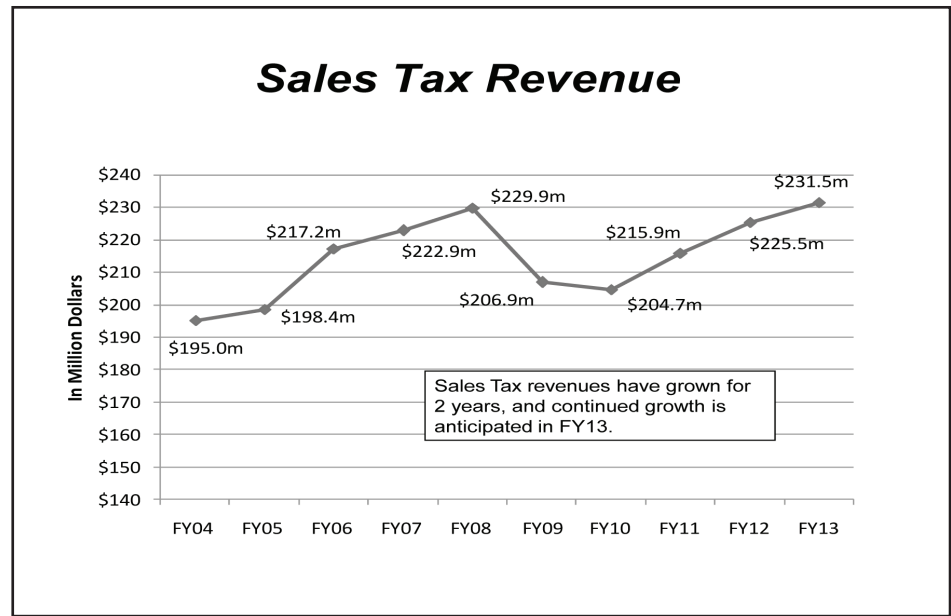
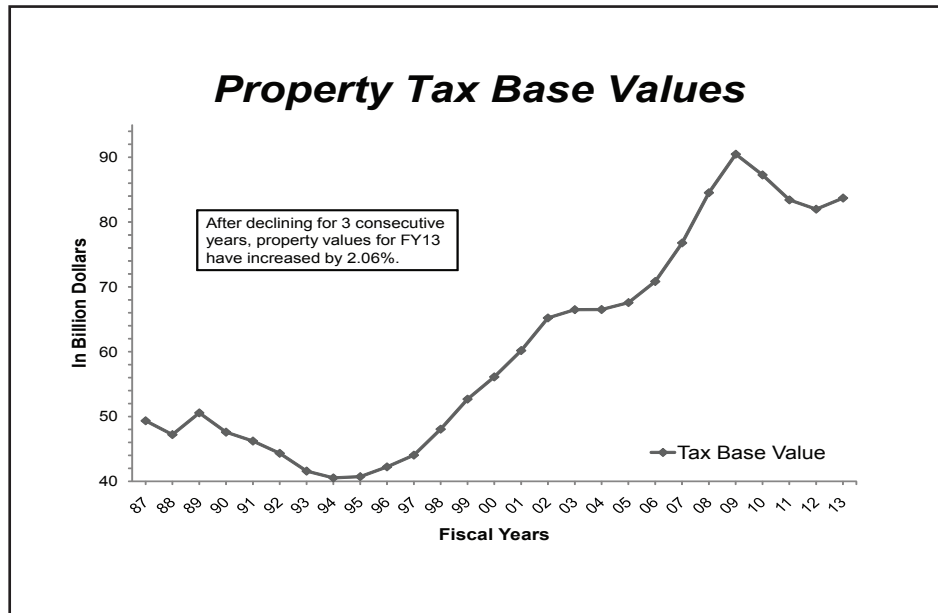


City of Dallas

To: The Honorable Mayor and Members of the Dallas City Council

### Executive Summary

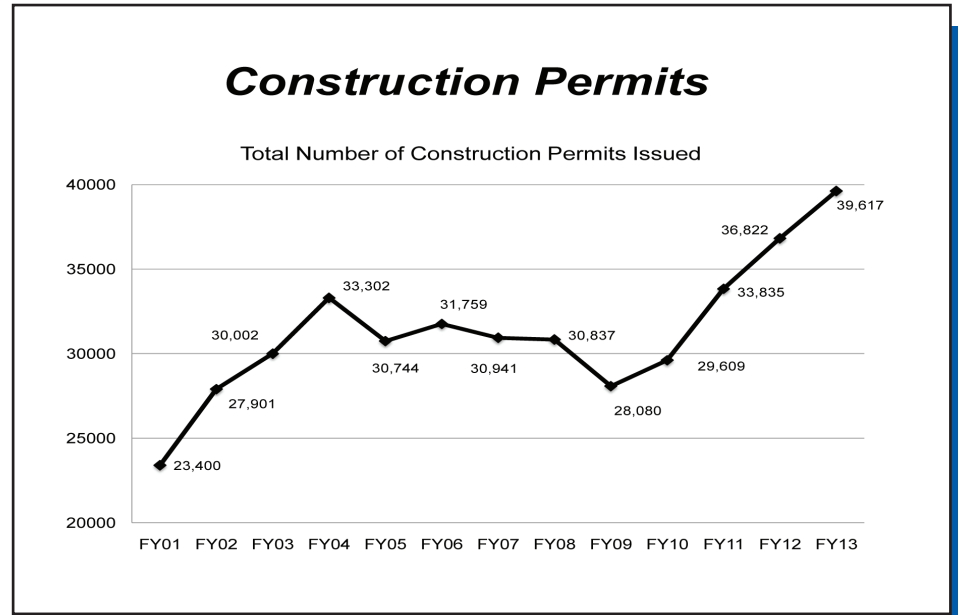
As the United States economy gradually regains health, Dallas remains a bright spot in Texas with its diverse economic base. The fiscal outlook in Dallas continues to improve with key revenues growing steadily. **Sales tax revenues continue to inch up** with a projected 2.6% increase over early FY 2011-12 estimates and with FY 2012-13 projected to exceed 2008's peak of \$229.9M



After three years of declining values, the **property tax base growth rate has turned upward again (2.06%)** from FY 2011-12 to FY 2012-13 certified tax roll, but remains about 8% below its 2009 peak of \$90.5B.

While an improving economic situation is expected to continue over the next 12 months as evidenced by the increase in construction activity within the city, the post recession approach to managing City government remains watchful and measured. There is still cause for some caution with the uncertainty as to the depth and duration of the economic situation in Europe. A financial crisis overseas could lead to shifts in the domestic economy due to the integrated relationship between the European Union (EU) and the U.S. In addition, there is potential uncertainty in the federal budget as several large tax cuts are set to expire at the end of the year and big spending cuts are scheduled to kick in. According to economic analysts, without a balanced Congressional response, the U.S. could suffer another recession and the global economy could slow sharply. Continuing a conservative financial approach is wise.

The **tax rate will remain at the same level and most fees will remain unchanged.** Therefore, guiding principles and development goals of the FY 2012-13 City of Dallas budget is as follows:



#### Guiding principles:

- Maintaining the City's **commitment to public safety** while living within its financial means
- Focusing municipal management on core services, **finding additional efficiencies** and seizing recovery opportunities
- **Investing in the City's infrastructure** and economic development projects to grow the tax base

#### Development goals:

- Where fiscally feasible, **restore or maintain service levels**
- **Restore critical initiatives** such as pavement markings/stripping of streets and streets maintenance
- **Restore positions in Building Inspection** to respond to increases in construction/permit activity
- Restore pay cuts and **strengthen the compensation package** to recruit and retain an experienced workforce (civilian workforce reduced substantially since 2009)
- Continue to implement ways to **reduce the costs of government**, maintain adequate financial reserves and **make needed capital improvements**

In recent years, the City examined the basic structure and functions of government to improve the organization for the greatest responsiveness to taxpayers. Citizen opinion surveys, administrative streamlining, privatization and implementing efficiencies are elements of the ongoing effort that has produced quality services at competitive costs. The basic challenge that faces any city government is to serve its citizens well and meet expectations. For Dallas, our challenge is to serve with excellence. **The FY 2012-13 City of Dallas budget allows the City to continue to operate within its resources; reflects the City's established priorities; and continues to position the organization to seize additional recovery opportunities.**

## **Service Priorities/Deliveries and Efficiencies:**

### **Dallas Police:**

- Hire 200 police recruits to cover projected FY 2012-13 attrition
  - Maintain 2.94 officers per 1,000 population ratio
- Funding to expand 'hot spot' technology program to nine Target Area Action Grid (TAAG) areas

### **Dallas Fire-Rescue:**

- Hire 90 fire recruits to cover projected FY 2012-13 attrition
- Send 66 firefighters to paramedic training
- Add 10,000 hours of EMS coverage through increased efficiencies

### **Court & Detention Services:**

- Complete Municipal Court building renovation at 2014 Main Street
- Complete ECitation implementation throughout the police traffic division
- Reduce trial dismissals by integrating DPD schedules with the court docketing system
- Purchase and initiate implementation of new Court Case Management System

### **Library:**

- Maintain current hours (40 hours per week) at Central Downtown Library and neighborhood branches
- Maintain current hours (56.25 hours per week) at two City / DISD co-locations
- Increase materials budget 47% (\$3.1M total)

### **Sustainable Development and Construction:**

- Add 57 new positions in Building Inspection in response to increased permit/construction activity
- Fund \$0.55M to implement technology improvements for faster plan review, enhanced customer service, replacement of outdated equipment and replacement of a document management system
- Fund \$0.2M of Historic Preservation activity in General Fund (second year of a three year shift)
- Expand capacity for City Council initiated zoning hearings
- Improve field inspection capabilities by utilizing iPad devices
- Improve customer service by developing Smart Phone Apps for permit status and inspection

**Cultural Affairs:**

- Cultural Centers/Facilities
  - Maintain City Cultural Center hours; no reduction in staff or programming
  - Support full obligation of public/private partnership for AT&T Performing Arts Center (\$2.5M)
  - Provide full year funding for City Performance Hall staffing and operating support (\$0.9M)
- Cultural Service Contracts
  - Fund Cultural Organizations Program (COP) at FY 2011-12 level
  - Fund Thriving Minds at FY 2011-12 level (\$0.7M)
  - Maintain Cultural Projects Program (CPP)

**Park and Recreation:**

- Recreation centers
  - 40 in operation including two centers operated in partnership with Baylor Healthcare and Boys & Girls Club
  - One center, Anita Martinez, will be closed due to construction
- Park land and facilities maintenance funding increased by \$1.6M for new capital projects now in service
- Aquatic Services
  - 16 community pools open
  - Bachman Indoor Pool and Bahama Beach both open

**Streets and Transportation:**

- Maintain current funding level for street maintenance programs
- Increase funding for pavement markings so that all streets will be restriped at least once every three years
- Provide funding for the installation of reflective pavement marking buttons to improve visibility of medians and left turn lanes at night
- Provide funding for the proactive replacement of signs at signalized intersections
- Invest \$84.4M in capital improvements for streets and thoroughfares
- Add \$0.5M for bike lane markings

**Code Compliance Services:**

- \$0.6M increased funding for court-ordered demolition of blighted structures to \$1.7M
- \$0.6M for enforcement of new Boarding House Ordinance
- \$0.5M increase for additional food safety inspectors and contract inspections
- \$0.2M two additional animal control officers and enhanced maintenance program for the Animal Shelter HVAC system

**Sanitation Services:**

- No residential sanitation fee increase
- Continuation of One Day Dallas weekly garbage and recycling pickup
  - More residents recycling more materials in FY 2012-13: anticipating a 10% increase in volume of recyclables collected
  - Sanitation's CNG-powered fleet growing by another 5%, via replacement of eight diesel-powered garbage and recycling trucks with low-emission CNG counterparts (brings Sanitation's CNG fleet up to 20% converted)

**Strategic Customer Services:**

- Upgrade the Service Request system (311 / CRMS) in FY 2012-13 to streamline the service request process, allow residents to track their service requests on a map, and allow creation of service requests via smart phones
- Conduct the Community Survey to gauge residents' perceptions about the City and its services

**Equipment and Building Services:**

- Add positions and materials to enhance preventive and routine building maintenance and repairs for city buildings
- Fund major maintenance projects to include Americans with Disabilities Act compliance upgrades and installation of water efficient fixtures in City Hall restrooms
- Fund general purpose fleet replacement (\$5.9M)
- Add positions to the Security Division to increase security coverage and add funding for security equipment

**Human Resources:**

- Build a healthy workforce by providing additional wellness initiatives to reduce health care costs over time

**Workforce Impacts**

FY 2011-12 budget included a total compensation study to review employee (civilian and uniformed) pay and benefits to determine how the organization compared with 27 peer cities and the private sector. Implementing the various recommendations of the studies is important to attract and retain qualified employees. The last study was conducted in 2006. The current periodic review revealed deficiencies in pay grades of some work groups, such as trades (mechanics, plumbers, welders, HVAC mechanics, electricians, equipment operators) and some information technology positions. If the City cannot compete in the labor market, hiring and the City's operations are negatively impacted. That is the case with mechanics hired below the market and trained by the City, who then leave for higher paying jobs in the private sector. That turnover creates a backlog in repairing garbage trucks, squad cars and other equipment in a timely manner – affecting the service level to our customers.

The workforce, substantially reduced over past years, has also experienced pay cuts in the form of salary reductions and mandatory city leave days over the past four years. Not restoring those cuts in this fiscal year could result in the loss of experienced employees with institutional knowledge that helps the organization operate on a competitive level, providing the superior service customers expect from municipal government.

### **Civilian Employees:**

- Eliminate all remaining Mandatory City Leave days
  - Result: 1.59% pay increase effective October 1, 2012
- Re-establish average 1.5% pay for performance increases effective December 1, 2012
- No increase in employee health premiums for employees

### **Uniformed/Sworn employees:**

- In the final year of Meet and Confer Agreement:
  - Eliminate all remaining Mandatory City Leave days
  - Sworn Officers/firefighters receive 3% base pay increase across the board
  - Payment for overtime worked instead of compensatory time
  - Increase in education pay
  - Two additional holidays (Cesar Chavez Day; Patriot Day)

### **Water Rate:**

With water challenges across Texas, it is important that the City continues to focus on maintaining infrastructure, conserving resources and providing for future needs through: rehabilitation and/or replacement of 9,000 miles of aged water and wastewater mains; improvements at water treatment plants to enhance reliability and water quality as well as increase capacity; and continued water conservation efforts. In order to achieve these goals, it is necessary to implement **an overall 5.1% retail revenue increase (residential 3.9%)**.

### **Looking Forward**

Dallas is recovering from the downturn in the economy and is a city determined to be part of the future on a global scale. To do this, it must remain a city of foresight. In the coming year we will continue to place emphasis on programs, issues and projects that improve the quality of life and prosperity for our citizens. We will work to encourage businesses to relocate to Dallas and encourage development in southern Dallas with direct assistance and investment.

**The proposed 2012 Capital Bond Program**, on the ballot in November, **will focus on flood control, streets and economic development**. Based on current assumptions, financial capacity exists for a **\$642 million bond program**, to be implemented over five years. The proposed program improves mobility by creating safer roads; saves lives and protects critical facilities; and promotes private investment to grow the tax base and create jobs. The proposition devoted to streets includes funding to create over 55 miles of on street bike lanes and trails to create connections like the current project connecting the Katy and Sante Fe trails through downtown and the Trinity floodway.

**Strategic decisions have been made over the years to stay on course and continue to plan and invest in the future, with the long-term goal of expanding the tax base.** To help stimulate economic growth, several projects are underway and others will come online during the next fiscal year. The Love Field Modernization Project is on schedule to debut in the fall of 2014. The renovation of 2014 Main Street is underway and will significantly upgrade judicial operations and welcome the eventual addition of the UNT Dallas College of Law. Downtown continues to draw urban residents with an estimated 7,500 living in the downtown core (in the mid 1990's, 200 people lived downtown). Retailers and restaurants continue to open storefronts while developers bank on downtown's future with key projects such as the expansion of the Joule Hotel and redevelopment plans for the Tower Petroleum (1907 Elm St.) and Corrigan Tower (1900 Pacific Ave.) into one large residential complex.

The new Pavaho Pump Station in West Dallas will be completed in the fall of this year and provide four times more pumping capacity, adding the latest technology to the City's flood control management system. The Perot Museum of Nature and Science will open its doors to the public in January 2013. The renovation of the Polk Wisdom Branch Library will be completed in Spring 2013.

Over the past fiscal year, the city celebrated the opening of the Klyde Warren Park over Woodall Rodgers Freeway and City Performance Hall, the Margaret Hunt Hill Bridge, the Omni Dallas Convention Center Hotel, White Rock Hills Branch Library and Belo Garden. **Whether these projects add to the tax base or quality of life, they are evidence that the city is maturing and becoming more vibrant.**

Dallas remains a **city of purpose and promise.** The steps we are taking now to answer the challenges we face will keep our city on course to international prominence.



Mary K. Suhm  
City Manager





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## HOW TO USE THIS DOCUMENT

This page is included to provide an overview on how this document is organized.

The hierarchy of organization is **Key Focus Areas** supported by individual **Services**:

### **Key Focus Areas**

The FY 2012-13 Budget is presented by six (6) City Council established Key Focus Areas as the City's top priorities. The six Key Focus Areas are:

1. Public Safety Improvements and Crime Reduction
2. Economic Vibrancy
3. A Cleaner, Healthier City Environment
4. Better Cultural, Arts and Recreational Amenities
5. Educational Enhancements
6. Make Government Services More Efficient, Effective and Economical

**Services** are functional activities that are not dependent on other Services and were identified by City Departments.

### Summary of Services (See Tab)

- This section includes a summary of all Services by Key Focus Area.
- A numbering system (1.1, 1.2, 1.3, etc.) is used to identify the Service. The first digit represents the Key Focus Area number (See above). The second digit represents the Service.
- The summary includes the responsible Department, Total Proposed Dollars (all funding sources), General Fund Proposed Dollars and General Fund FTEs.

### Service Detail Pages by Key Focus Area (See Tabs listed by Key Focus Name)

- Each Service is organized by Key Focus Area. Use the 2 digit identifying number to find a specific Service from the Summary page.
- The Services include both General Fund and Enterprise Fund Services and are sorted alphabetically by Service name.
- Each detail page includes a Description, Funding Chart, Efficiency Measure, and Service Target FY 2012-13
  - Funding Chart includes operating budgets (shown as either General Fund or Enterprise Funds). Additional Resources reflect, for example, reimbursement from the Capital Budget, Storm Water or Other funds as well as Grants and Donations.
  - Measures provide additional information and are tied to the Performance Management system.