

— CITY OF DALLAS —

ANNUAL BUDGET

For Fiscal Year 2011-2012

October 1, 2011 – September 30, 2012

As Submitted To:

The Honorable Mayor

and

Members of the City Council

By Mary K. Suhm, City Manager

August 8, 2011



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My deepest appreciation to the numerous individuals, from various levels throughout the organization, whose time, energy and commitment contributed to the production of this fiscal year's 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. By providing clear performance goals that drive the execution of city services toward specific results; responding to citizens' demand for responsive, accountable government services at the best value; and bolstering transparency – the organization gains the public's trust and confidence in our work. Through this process these exceptional employees on the budgeting teams, in many circumstances, are laying the groundwork to become the executives that will guide the City into the next century – fulfilling personal and career aspirations. 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

Andy Acord	Robert Durham	Biliera Johnson	Sushil Mathew	Ryan Rogers
Kevin Acosta	Paul Dyer	John Johnson	Molly McCall	Cynthia Rogers-Ellickson
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Jeanne Chipperfield	Cindy Harper	Worris Levine	Thomas Perkins	Richard Wagner
Renee Clay	Haytham Hassan	Frank Libro	Jody Puckett	Cassandra Wallace
Jennifer Cottingham	Joy Hayden	Craig Lindsay	Ken Pyland	Chan Williams
Tracy Curtis	Kirk Hemphill	Gloria López-Carter	Constance Reese	Christina Worden
Daniel Deyear	Kelly High	Tommy Ludwig	Hector Reynoso	Vernon Young
Tanishia Dorsey	Corinne Hill	William Madison	Rosa Rios	Joey Zapata
Mark Duebner	Kevin Hurley	Patricia Marsolais	Shelia Robinson	Karl Zavitskovsky
Jessica Duebner	Jack Ireland	Jimmy Martin		





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, 2010.

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.





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

Executive Summary

Dallas is experiencing some improvement in economic indicators, after three years of declining revenues due to the global economic downturn. Small upticks are noted in the housing and construction sectors, according to the latest report from the Federal Reserve Bank of Dallas. Employment remains a troubling area, with across-the-board increases in unemployment rates and slow job growth. While our local economy is much healthier than the United States as a whole, it is still not expanding significantly.

After several years of recession, during which the City has focused on core services and reorganized to live within its means, there are signs some economic stabilization is beginning to occur, as are evidenced by sales tax and property tax figures. Sales tax revenues continue to inch up with a projected 1.6% increase over FY 2010-11. That forecast is still more than 6% (\$14.4M) less than the actual amount received in the City's peak sales tax year of FY 2007-08. News is more encouraging for the property tax base values as decline slows from a 4.40% drop in FY 2010-11 to a drop of 1.72% in FY 2011-12.

Therefore, the FY 2011-12 City of Dallas proposed budget has been developed in a manner that allows the City to continue to operate within its resources; reflects the City's established priorities and maintains core services; utilizes various operational efficiencies; and continues to position the organization to seize additional recovery opportunities. It is imperative

that the City's approach is cautious because deterioration in the world financial situation or a spike in oil prices could tip the U.S. and Dallas economies back into recession.

The proposed budget does not place additional tax burdens on residents or businesses. The tax rate will remain at the same level and most fees will not be increased. Slight growth in the FY 2011-12 budget will allow the organization to continue its commitment to public safety by increasing fire staffing to reduce future overtime requirements and hiring 200 police officers to maintain the strength of the force.

Although North Texas is skirting the worst of the extreme Texas drought so far, Dallas is already several inches below normal rainfall for the year as the hottest month of the year is just beginning. With the multitude of water challenges across Texas, it is extremely important that the City focus on maintaining infrastructure, conserving resources, and providing for future needs through: replacement of 9,000 miles of aged water and wastewater mains; improvements at water treatment plants to improve reliability and water quality as well as increase capacity; continued water conservation efforts; and the Tarrant Regional Water District integrated pipeline project to connect Lake Palestine to Dallas' water supply system to meet future needs. In order to achieve these goals, it is necessary to implement a 5.9% water rate increase.

The proposed budget is constructed to ensure the City's continued growth and prosperity while meeting residents' basic expectations of government and maintaining the council's long range strategic plan.

Guiding principles include:

- 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

Service Priorities/Deliveries and Efficiencies:

Dallas Police:

- Hire 200 police recruits to cover projected FY 2011-12 attrition
- Funding to expand 'hot spot' crime camera program (25 new cameras)
- Begin to restore costs that were cut in FY 2010-11 as part of Meet and Confer agreement
- Maintain 2.94 officers per 1,000 population ratio

Dallas Fire-Rescue:

- Hire 200 fire recruits to reduce FY 2012-13 overtime
- Begin to restore costs that were cut in FY 2010-11 as part of Meet and Confer agreement
- Improve incident response time by 3-6 seconds and improve coverage response time by 15-20 seconds through truck optimization, matching equipment to workload across the city
 - Place 1 fire truck in reserve for savings of about \$2M and relocate 9 fire trucks
- Dispatch staffing schedule change – approximately \$1M in operations savings
- Refurbish 19 ambulances and replace 2 fire trucks and 5 engines
- Restore paramedic training for 60 fire fighters

Court & Detention Services:

- Reduce cost for jail contract with Dallas County from \$8.1M to \$7.9M
- Add 2 positions to the illegal dump team (20% increase)
- Municipal Court building at 2014 Main to be renovated for Courts and Judiciary

Library:

- Neighborhood branches maintain current hours operating 40 hours per week
- 2 City / DISD co-locations will operate 56.25 hours per week, maintaining current hours
- Central Downtown Branch and Specialty Floors maintain current hours operating 40 hours per week
- Materials budget of \$2M (20% increase over FY 2010-11)

- Increased efficiencies in daily operations:
 - Vendors delivering materials ready for shelves eliminating staff processing at the branches
 - Daily processes analyzed and documented using ISO 9000
- Used technology to streamline operations:
 - Installed a self check-out at 18 locations
 - Online renewals
 - Online payment of fines and fees
 - Online update of personal account information
- All staff cross-trained

Sustainable Development and Construction:

- Add 17 positions in Building Inspection to respond to increased permit activity
- Fund \$200K of Historic Preservation activity in General Fund (phased in over 3 years)
- \$550K is funded to investigate and begin implementation of newer technology to improve document management, peer to peer engineering reviews, public access to building plans online, and the replacement and enhancements of mobile laptop computers and software upgrades for field inspectors

Cultural Affairs:

- Cultural Centers/Facilities
 - City Cultural Center hours maintained; no reduction in staff or programming
 - Support for AT&T Performing Arts Center at \$1.5M
- Cultural Service Contracts
 - Cultural Organizations Program (COP) reduced 10%
 - Thriving Minds funded at FY 2010-11 level (\$0.6M)
 - Cultural Projects Program (CPP) maintained

Park and Recreation:

- 43 recreation centers
 - 2 small centers will close (Fruitdale and Marcus Annex)
 - 4 centers will be operated in partnership with Baylor Healthcare and Boys & Girls Club
 - 14 centers will have some type of construction activity during FY 2011-12, and will be closed during construction
- Park land maintenance funding \$2M less than the FY 2010-11 level (reduction from efficiencies, reduction in replacement of furniture and fixtures, and slight adjustment to mowing and litter cycles)
- Aquatic Services
 - 12 community pools open
 - 5 community pools closed
 - 1 pool operates as swim lesson only pool
 - Bachman Indoor Pool and Bahama Beach both open

Streets and Transportation:

- Maintain current funding level for street maintenance programs
- Increase number of traffic signal technicians
- Increase funding to replace traffic signal bulbs
- Invest \$127M in capital improvements for streets

Code Compliance:

- \$150,000 increase for added Nuisance Abatement teams

Sanitation Services:

- No change in the monthly residential sanitation fee
- Continuation of One DAY Dallas – weekly garbage and recycling pick-up

City Attorney's Office:

- Community Prosecutors (5) transferred to General Fund to replace funding from reduced federal grants
- 14 community prosecutors total

Strategic Customer Services:

- Add 6 more call takers (3-1-1, Water Customer Service & Court and Detention Services)
 - 3-1-1: Average wait time will be reduced (109 seconds to 90 seconds)
 - 3-1-1: Percent of call hang-ups will be reduced (20% to 8%)
 - Water Customer Service: Average wait time will be reduced (314 seconds to 110 seconds)
 - Water Customer Service: Percent of call hang-ups will be reduced (18% to 10%)
- Upgrades to CRMS system

Equipment and Building Services:

- Net energy savings (\$500K) to result from contract services and staff implementation of behavioral conservation initiatives
- Add funding for general purpose fleet replacement (\$2M)

Human Resources:

- Generalists consolidated to a centralized location, and call center established to assist employees and supervisors with human resources related issues

Workforce Impacts**Civilian Employees:**

- Elimination of 3 Mandatory City Leave days (8-5) which restores a portion of the FY 2010-11 pay reductions
- Civilian employees will have 3 date-specific and 2 floating Mandatory Leave days
 - Friday December 23, 2011

- Friday May 25, 2012
- Friday August 31, 2012
- (2) Floating Days
- Even with restorations, civilian employees' pay will still be between 1.91% to 4.91% less than in FY 2009-10
- No performance pay increases
- Employee Health premiums increasing
- Reduction-in-force – approximately 100 civilian layoffs (418 positions eliminated)

Uniformed/Sworn employees:

- From 5 Mandatory City Leave Days to 3
- Payment for overtime instead of receiving compensatory time off, mid-year implementation
- No step pay increases for uniformed staff

Other Fee Changes:

- Multi-tenant registration fee increase from \$6.51 to \$10 per unit (\$0.9M)

Looking Forward

Over the past two fiscal years, the organization has met challenges and overcome obstacles resulting from the global economic recession. Because strategic decisions were made to stay on course and continue to plan and invest in the future with the long-term goal of expanding the tax base – several projects are underway and some will come online during the next fiscal year, helping to stimulate economic growth. The Love Field Modernization Project is on schedule; work on the Woodall Rodgers Deck Park continues to realize progress; and construction of the City Performance Hall is progressing according to schedule. In early 2012, the Margaret Hunt Hill Bridge – already an iconic symbol in the skyline - will open to vehicular traffic; the Convention Center Hotel will open its doors in a few months with many large conventions already booked; and the White Rock Lake Branch Library will open in a community that is anxious to embrace it. Whether these projects add to the tax base or quality of life, they are evidence that the city is maturing and becoming more vibrant.

With some indications of economic stabilization appearing, it is imperative that the organization move forward prudently and cautiously to seize recovery opportunities in a paced manner. Indeed the uncertainty regarding the depth and duration of the current economic situation will have an impact on revenues next fiscal year and perhaps into the future. But we know that our workforce has proven that it can operate creatively and efficiently to deliver quality services within budget.

We will continue to strive to strengthen the City's financial condition through exhaustive planning, effective and efficient management, and by expanding the City's economic tax base through aggressive and creative economic development activities.

A handwritten signature in black ink, appearing to read 'MSuhm', written in a cursive style.

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 2011-12 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 2011-12.
 - 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.