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CITY SECRETARY  
DALLAS, TEXAS

REVISED

AGENDA  
CITY COUNCIL RETREAT  
FEBRUARY 2 – 3, 2016  
Dallas Love Field Airport  
Flight Deck Conference Center  
8008 Herb Kelleher Way  
Dallas, Texas 75235

Tuesday, February 2, 2016  
12:00 P.M.

Arrival/Lunch

- |    |   |          |
|----|---|----------|
| 1. | Welcome<br>Mayor Mike S. Rawlings<br>City Manager A.C. Gonzalez       | 12:00 pm |
| 2. | 2015 Business Survey  | 1:00 pm  |
| 3. | Police and Fire Pension / Meet & Confer and<br>Uniformed Pay Concepts | 2:00 pm  |
| 4. | General Obligation Bond Program Development                           | 3:30 pm  |
|    | Wrap Up/Conclusion  | 5:30 pm  |

Wednesday, February 3, 2016  
8:30 A.M.

- |    |  |          |
|----|--|----------|
|    | Arrival/Breakfast                                | 8:30 am  |
| 1. | FY 2016-17 Budget Workshop #2: Council Direction | 9:00 am  |
|    | Lunch  | 11:30 am |
| 2. | Effective Leadership in the Public Sector        | 12:30 pm |

Closed Session

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

- Legal issues regarding request to lease space in the Convention Center by Three X Events

The above schedule represents an estimate of the order for the indicated items and is subject to change at any time.

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.”*

# ***2015 Business Survey*** ***City of Dallas, Texas***

Presented by

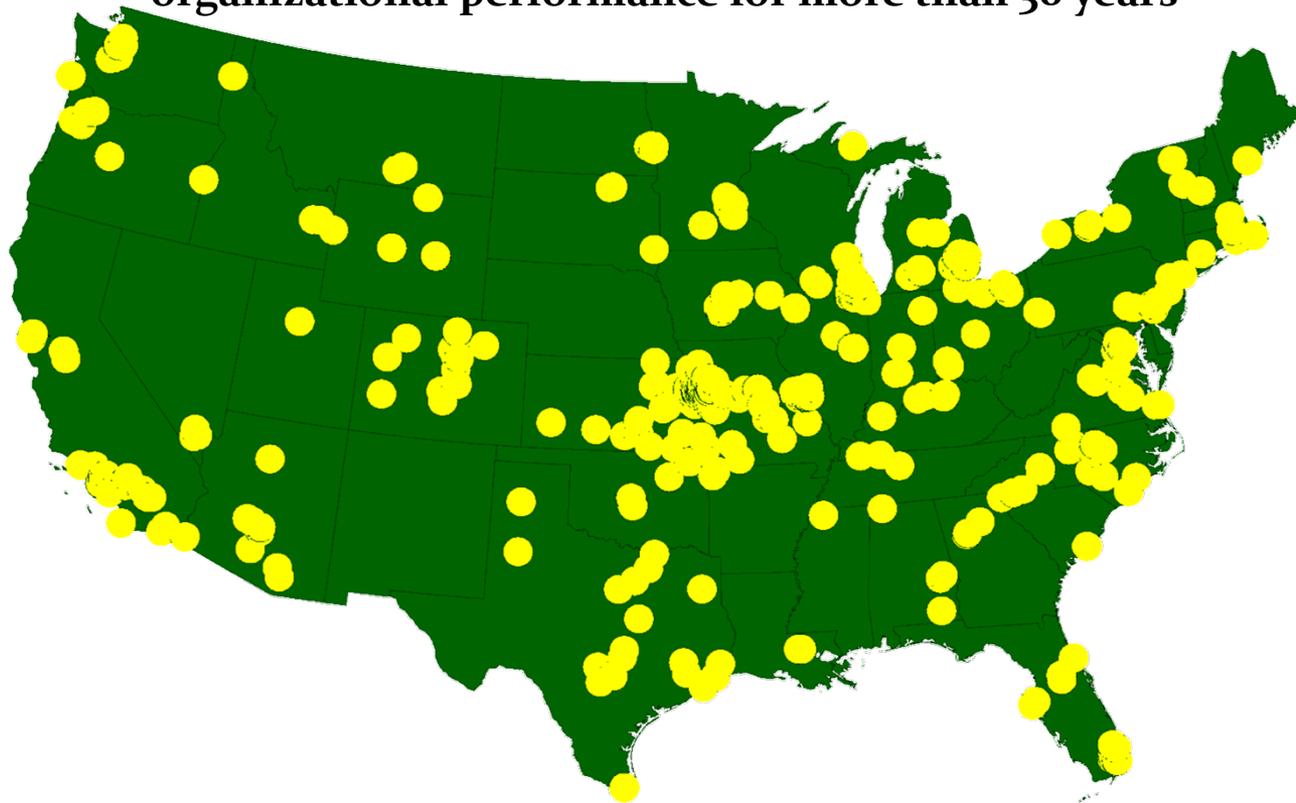


February 2016

# ETC Institute

## A National Leader in Market Research for Local Governmental Organizations

...helping city and county governments gather and use survey data to enhance  
organizational performance for more than 30 years



More than 2,050,000 Persons Surveyed Since 2006  
for more than 850 cities in 49 States

# Agenda

- **Purpose and methodology**
- **Perceptions of the community**
- **Reasons business will stay in Dallas**
- **Satisfaction with city services**
- **Services that are most important to businesses**
- **How the survey results vary by district and type of business**
- **Summary and Questions**

# Purpose

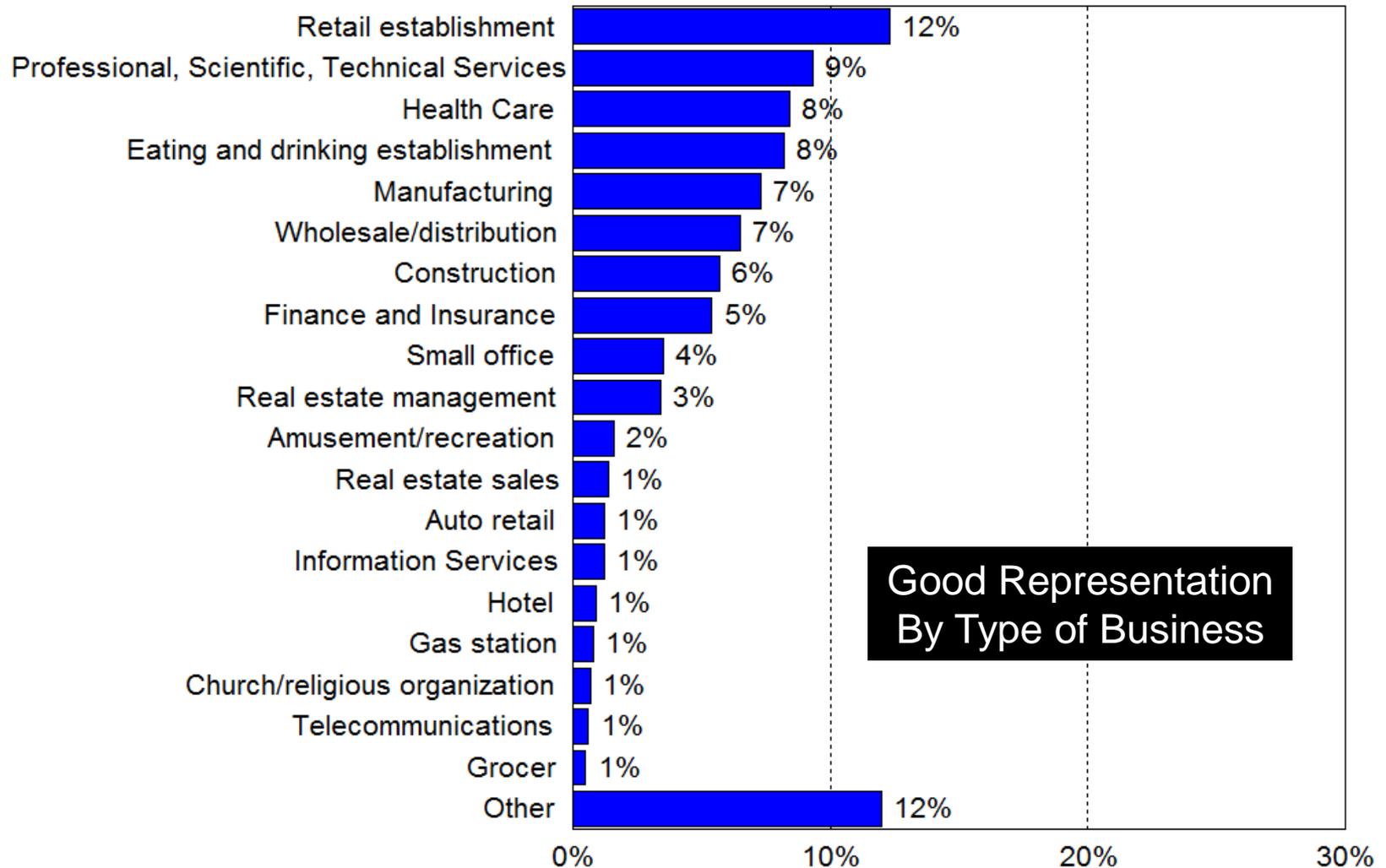
- **Objectively assess how well the City of Dallas is serving the needs of the City's business community**
- **Gather information about the characteristics of businesses in the City**
- **Provide a tool for assessing the City's performance over time**

# Methodology

- **Survey Description**
  - ❑ six-page survey
  - ❑ took about 15-20 minutes to complete
- **Method of Administration**
  - ❑ by mail, phone and online
  - ❑ random sample of business owners/managers in the City
- **Sample size:**
  - ❑ 1,470 completed surveys, including at least 100 in each of the 14 Council Districts
- **Confidence level: 95%**
- **Margin of error: +/- 2.5% overall**
- **All sizes of business (large and small) were represented in the survey**

# Q23. What type of business is your establishment?

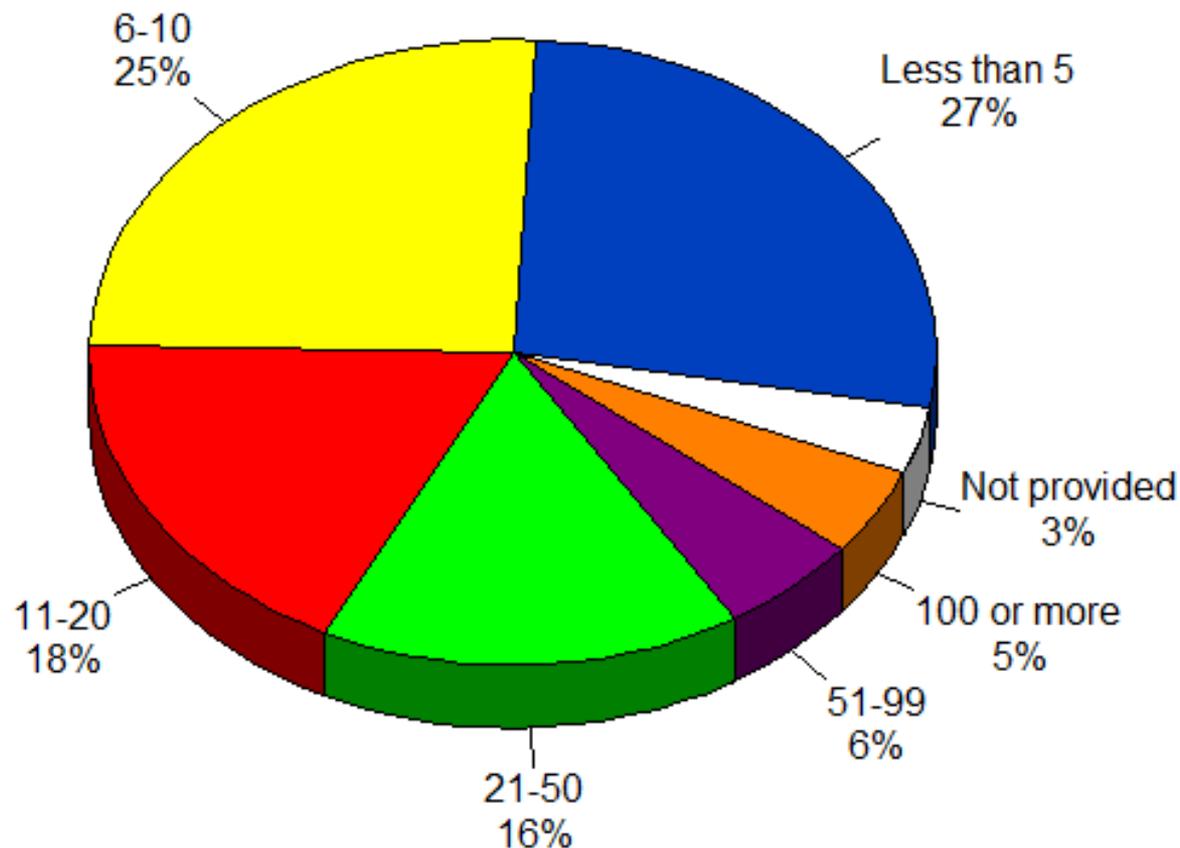
by percentage of businesses surveyed



Source: ETC Institute (2015 City of Dallas Business Survey)

# Q24. How many full and part-time employees does your business currently employ at the location where you received this survey?

by percentage of businesses surveyed

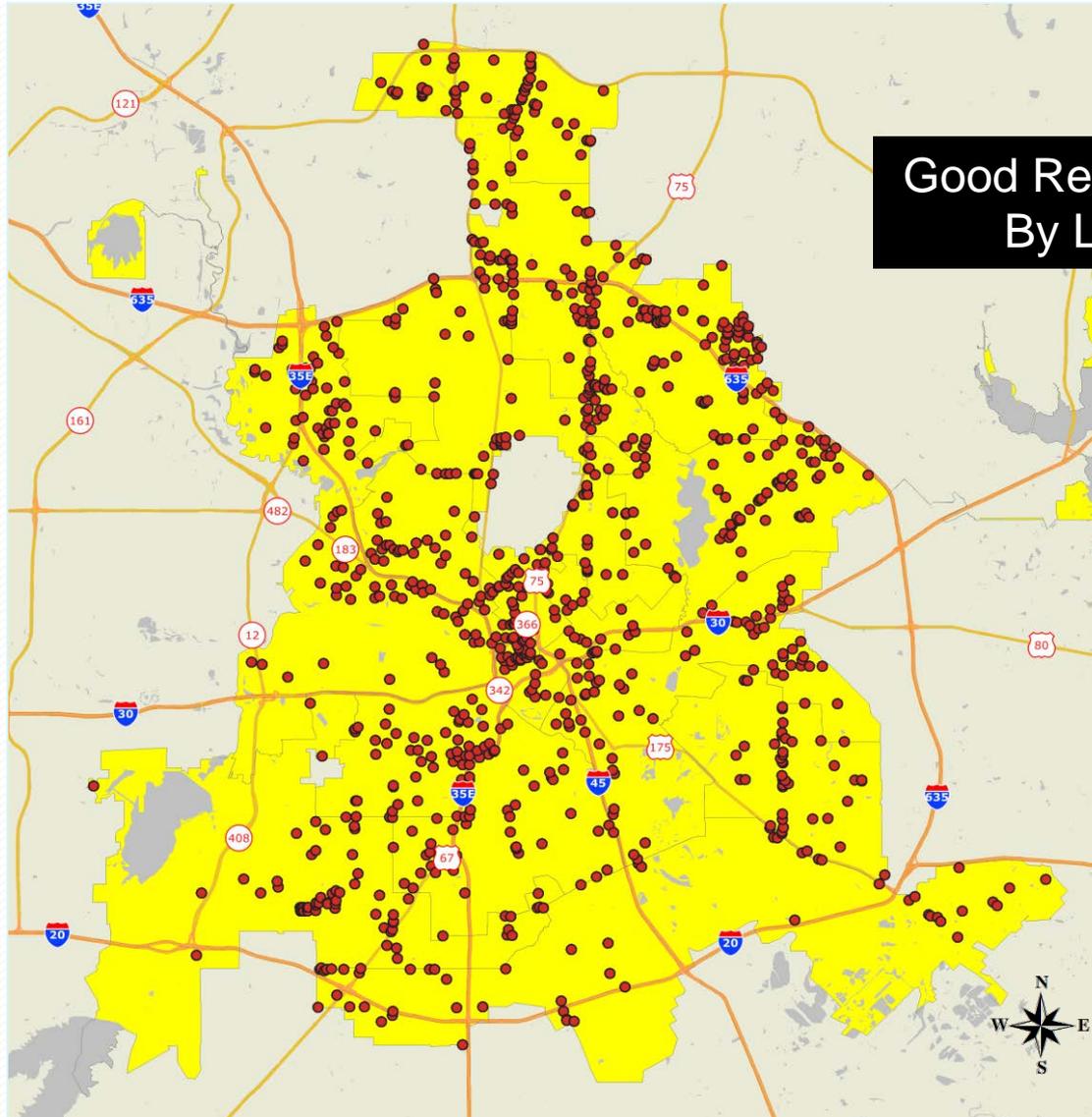


Source: ETC Institute (2015 City of Dallas Business Survey)

**Good Representation  
By Size of Business**

# 2015 City of Dallas Business Survey

## Location of Respondents



Good Representation  
By Location

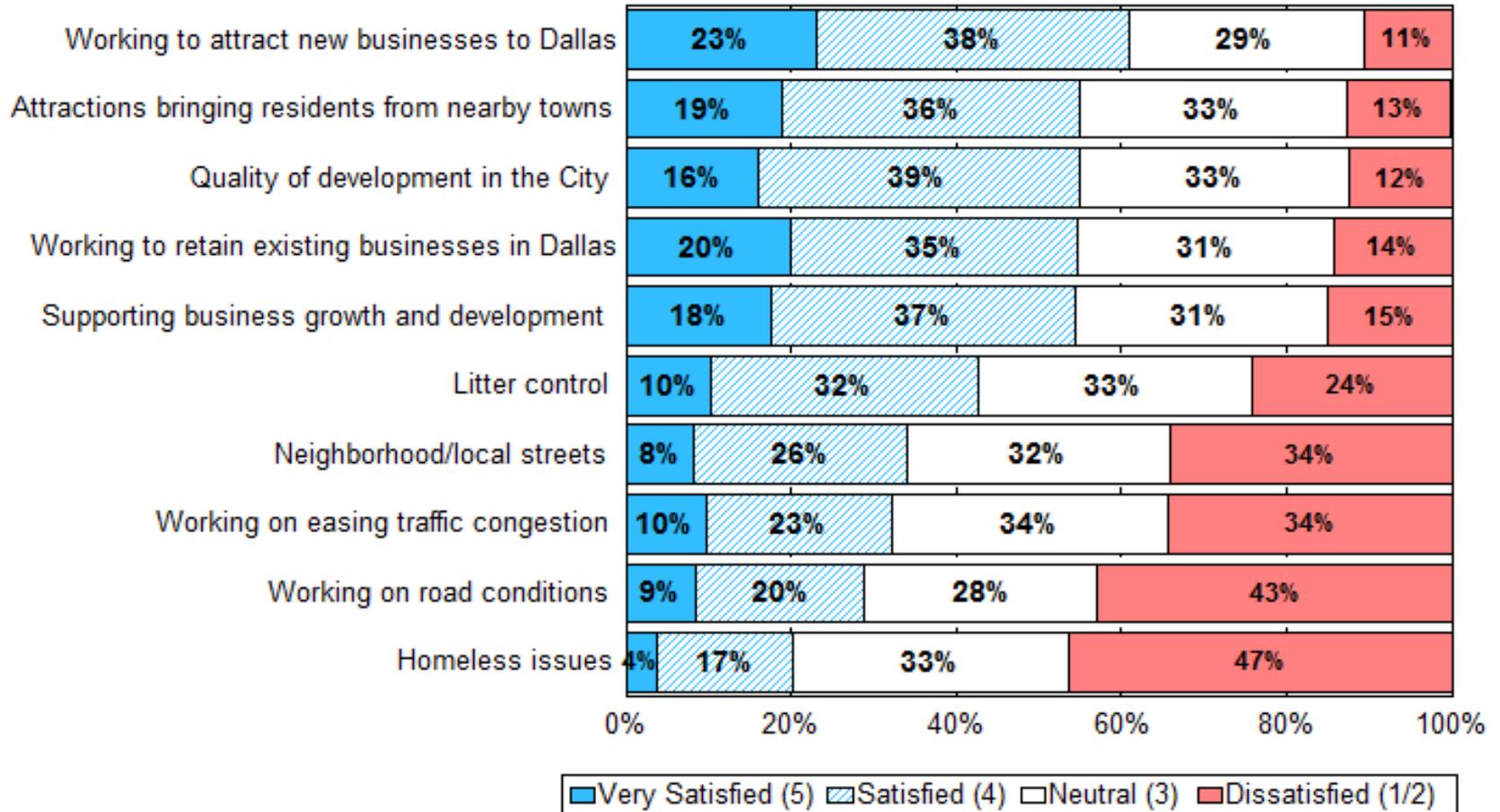
# Bottom Line Up Front

- **Dallas businesses give the City's business climate very high marks!**
- **Most businesses are satisfied with the quality of city services, but there are opportunities to do better.**
- **The most important city services to businesses are:**
  - **police services**
  - **street maintenance**
  - **water services**
- **The factors that will have the most influence of the City's ability to keep existing businesses in Dallas are:**
  - **the crime rate**
  - **level of taxation**
  - **access to major highways**

# Perceptions of the Community

# Q5. Satisfaction With Items That Influence Perceptions of the City of Dallas

by percentage of businesses that rated the item on a 5-point scale, where 5 means "very satisfied" and 1 means "very dissatisfied" (excluding don't knows)

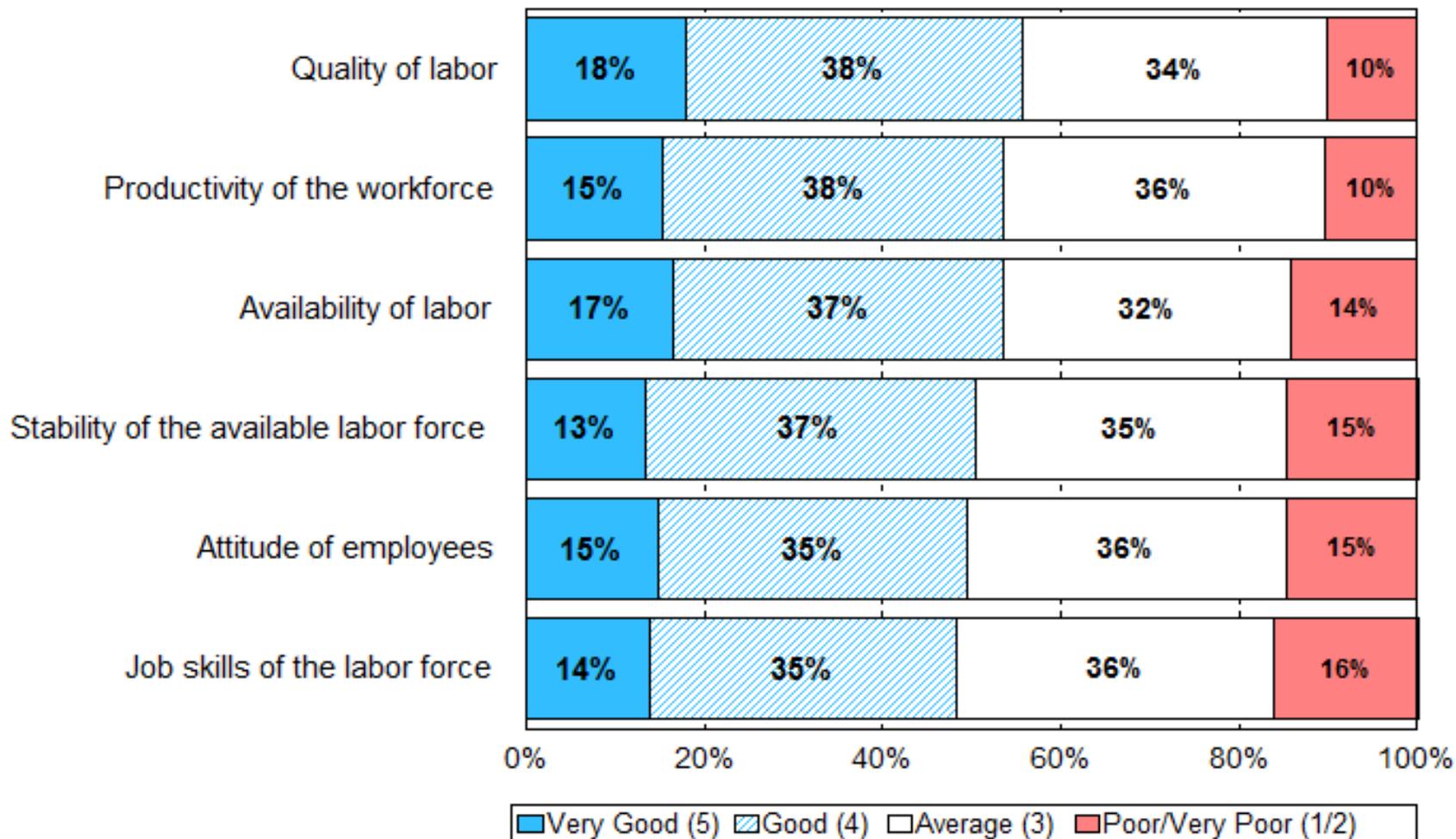


Source: ETC Institute (2015 City of Dallas Business Survey)

**Businesses Have a Positive Perception of How the City Is Working to Attract New Businesses, Retain Existing Businesses, & Support Business Growth & Development**

# Q13. Ratings of the Labor Pool in the Dallas Area

by percentage of businesses that rated the item on a 5-point scale, where 5 means "very good" and 1 means "very poor" (excluding don't knows)

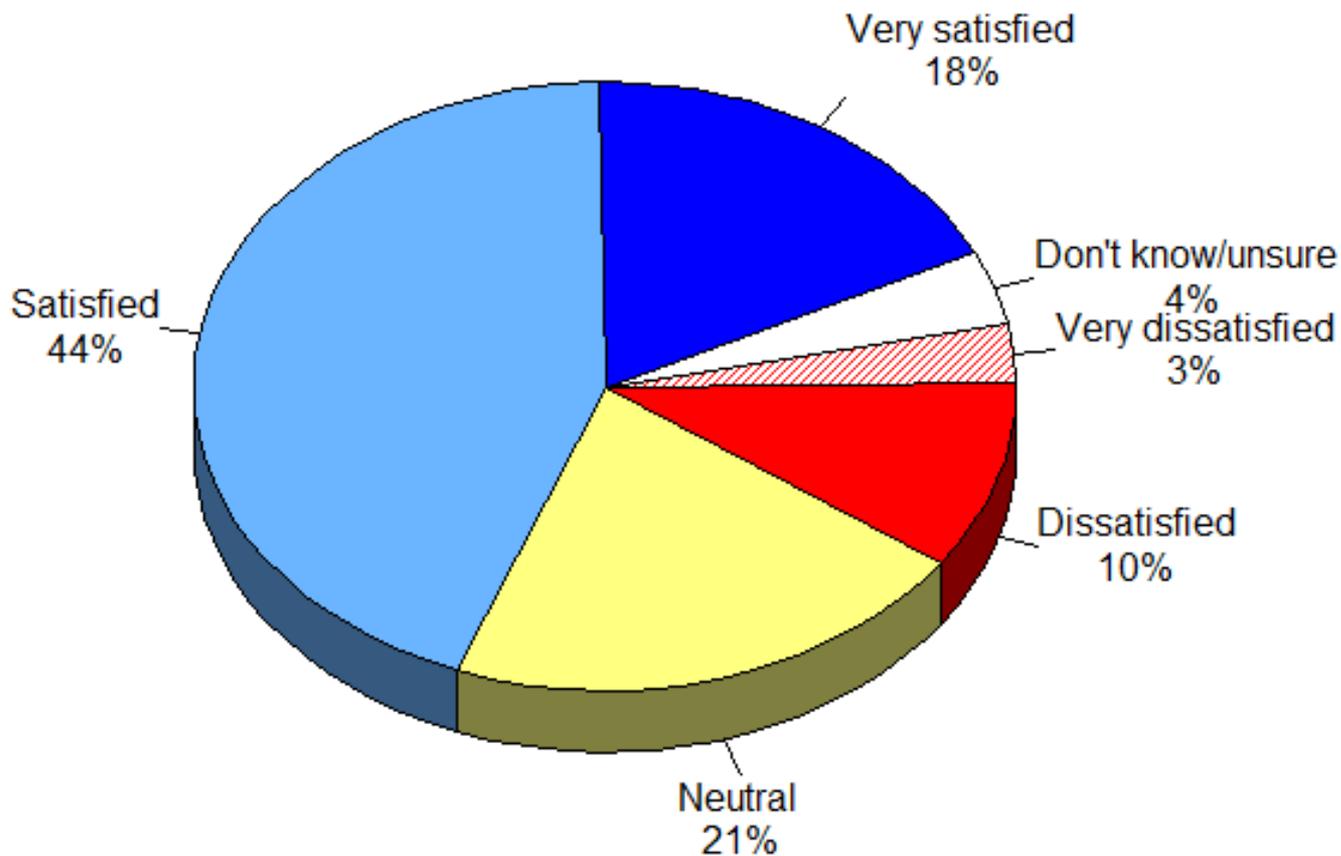


Source: ETC Institute (2015 City of Dallas Business Survey)

**Businesses Gave Good Ratings for the City's Labor Pool**

# Q6. How satisfied are you with the current overall business climate in the City of Dallas?

by percentage of businesses surveyed



Source: ETC Institute (2015 City of Dallas Business Survey)

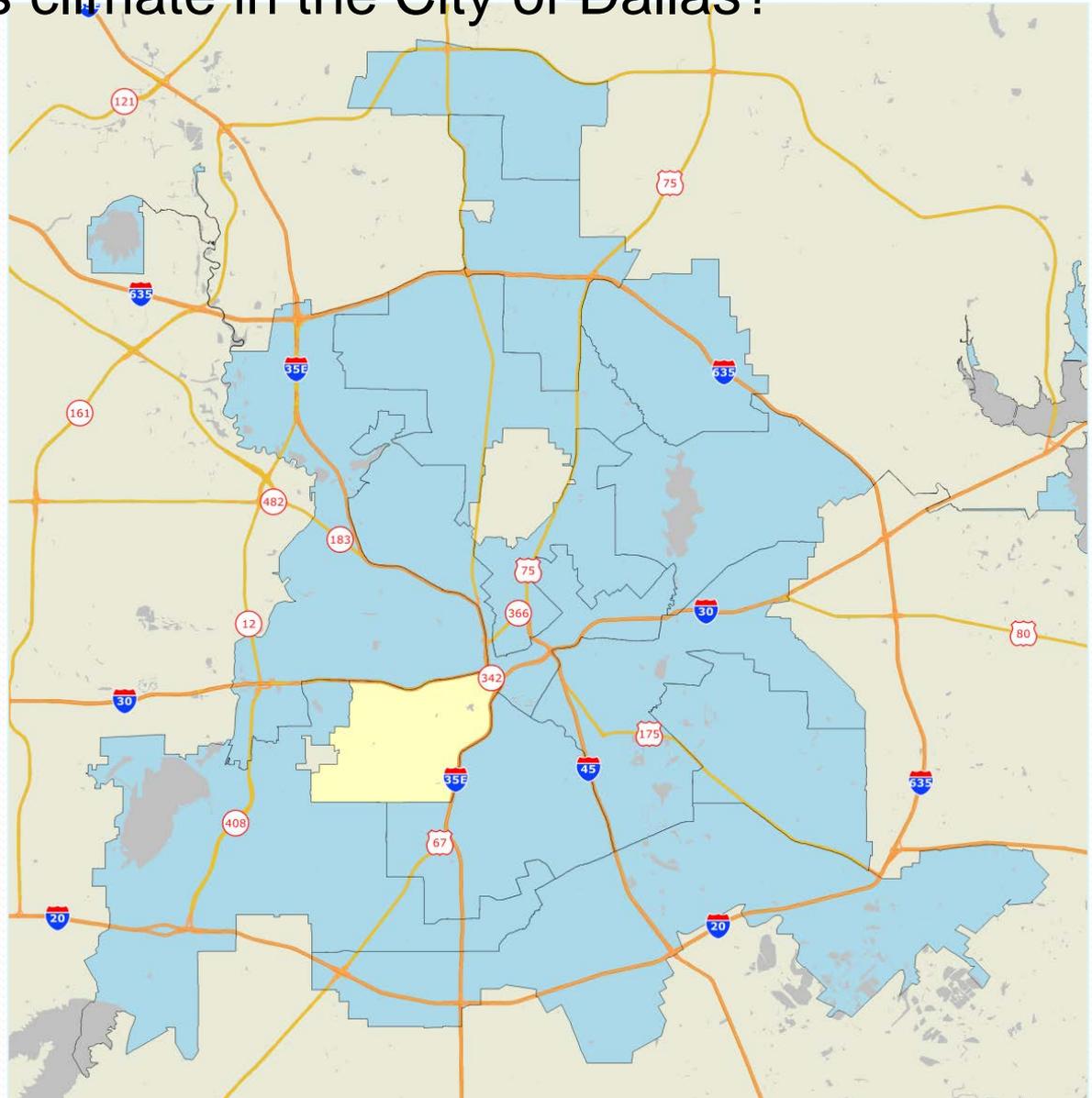
**62% of Businesses Are Satisfied with the Current Business Climate in the City, Compared to only 13% Who Are Dissatisfied**

# Q6. How satisfied are you with the current overall business climate in the City of Dallas?

Most areas are in BLUE, which indicates that businesses in most parts of the City are satisfied

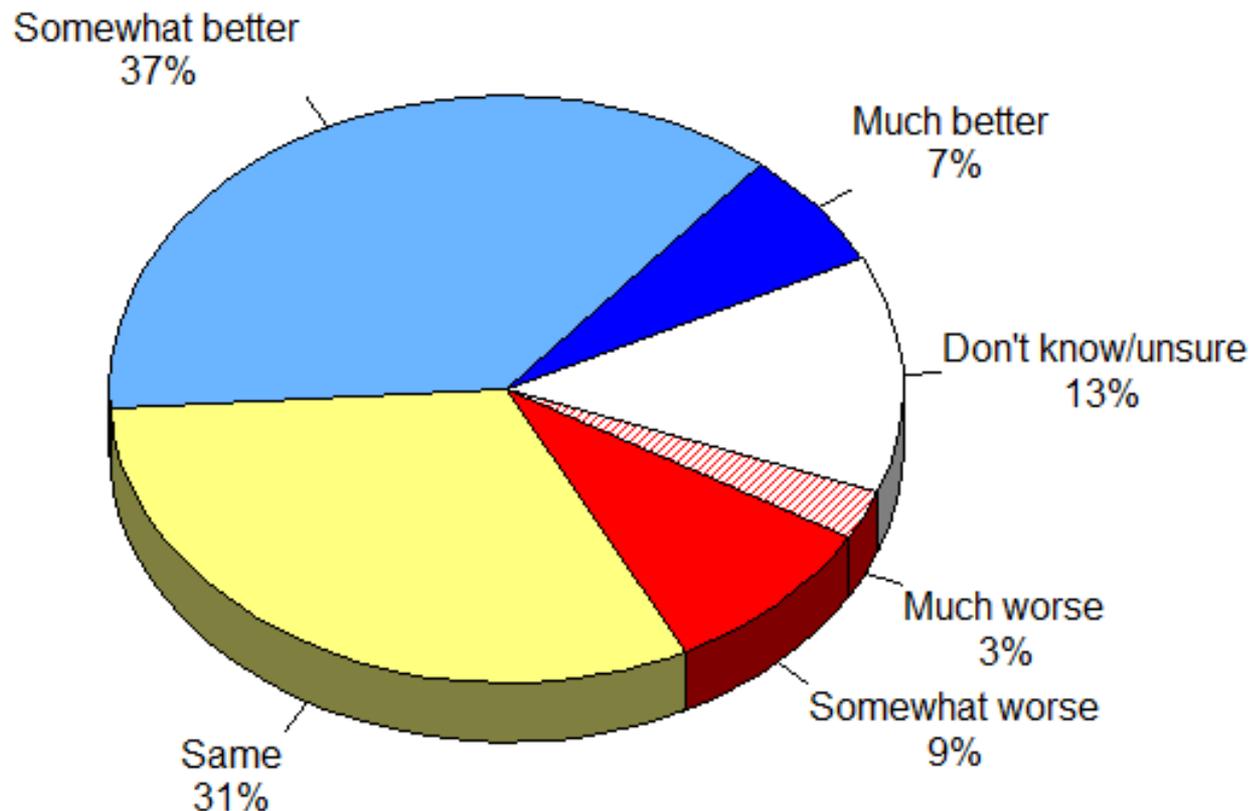
## Satisfaction

Mean rating on a 5-point scale



# Q7. Which of the following best describes what you believe the business climate will be like in Dallas two years from now?

by percentage of businesses surveyed

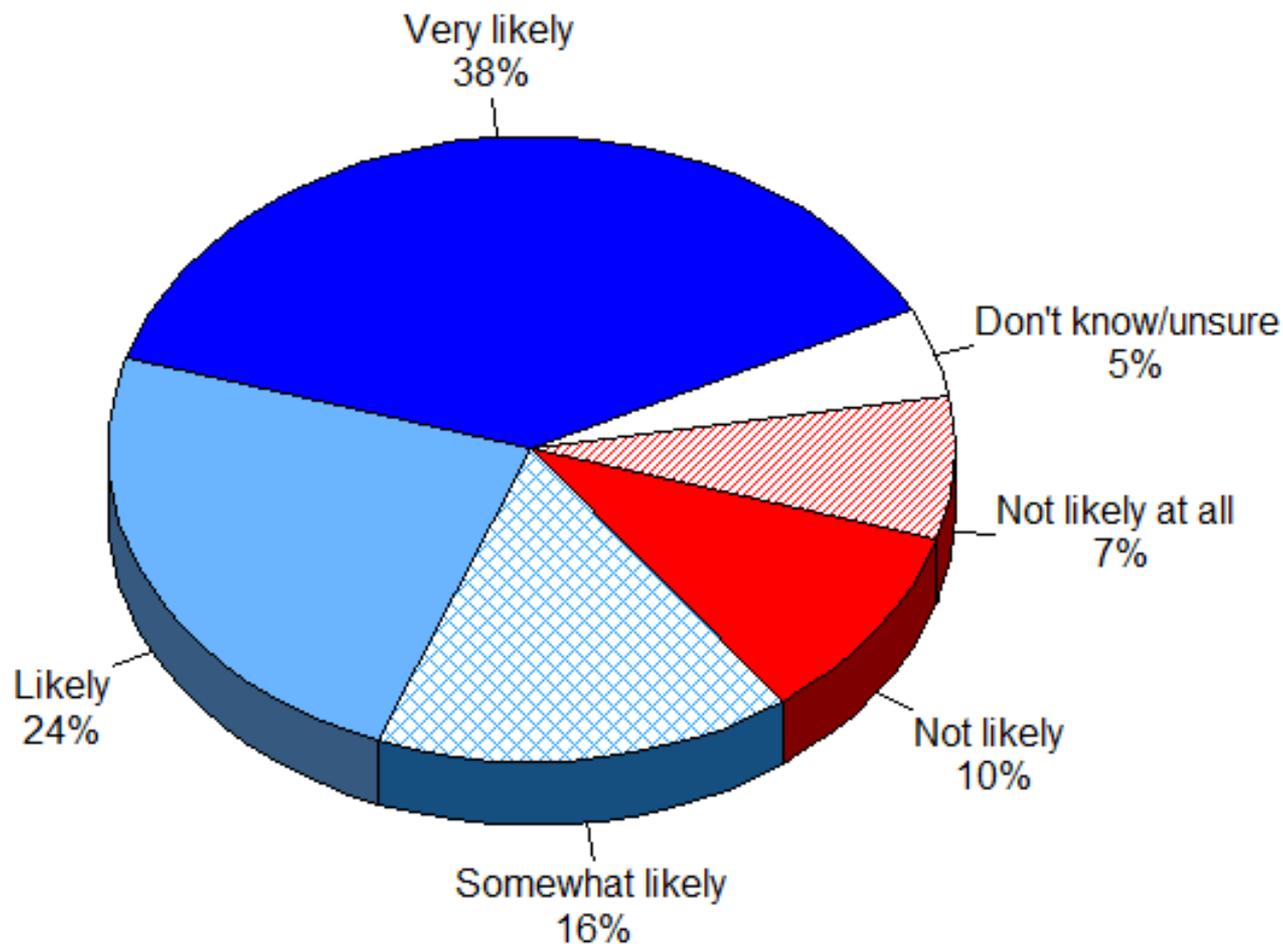


Source: ETC Institute (2015 City of Dallas Business Survey)

**75% of Businesses Feel the Business Climate in the City Will Get Better or Stay the Same Over the Next Two Years, Compared to only 12% Who Feel It Will Get Worse**

# Q9. If you could start over today, how likely would you be to locate your business in the City of Dallas?

by percentage of businesses surveyed

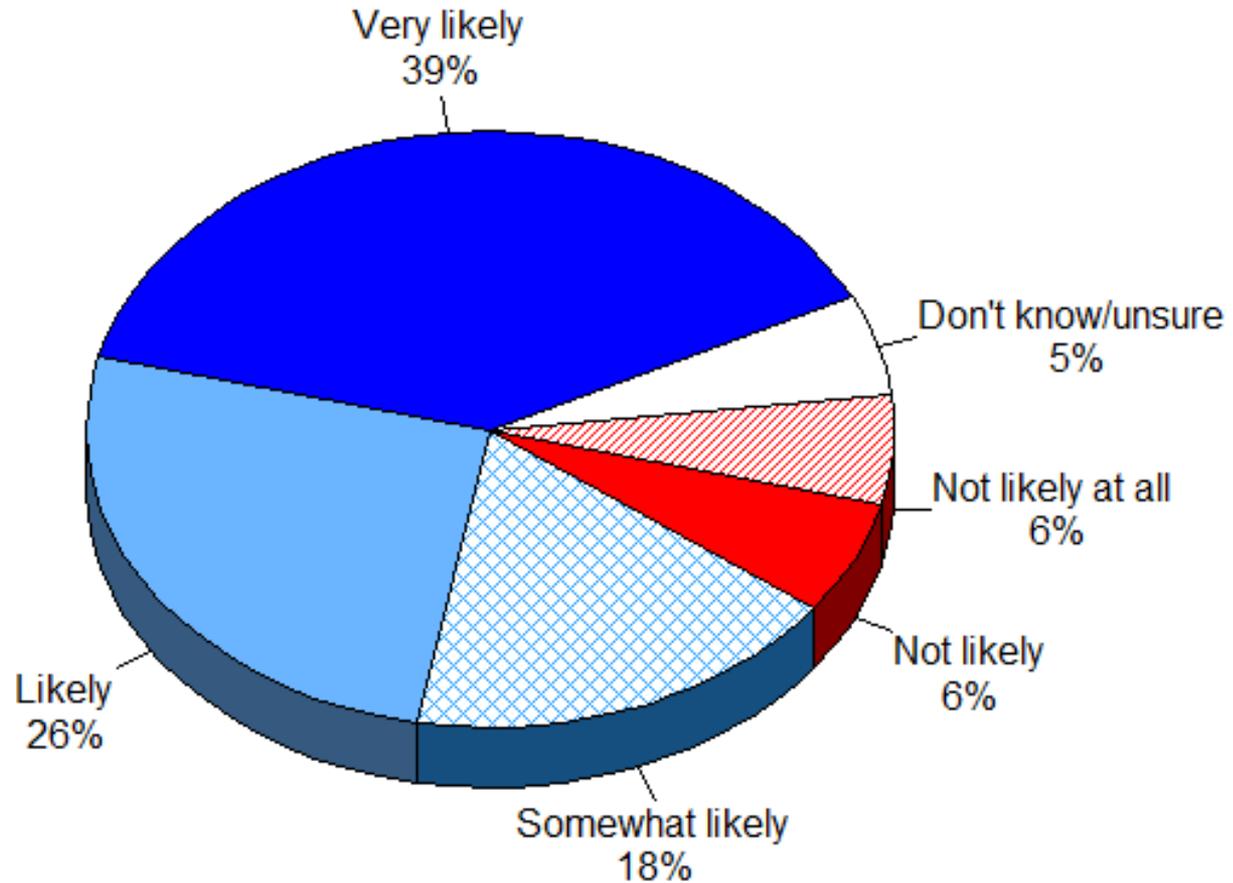


Source: ETC Institute (2015 City of Dallas Business Survey)

**78% of Businesses Would Be Very Likely, Likely, or Somewhat Likely to Locate Their Business in the City if They Started Over Today, Compared to only 17% Who Would Not Be Likely**

# Q12. How Likely Respondents Would Be to Recommend Dallas as a Business Location

by percentage of businesses surveyed



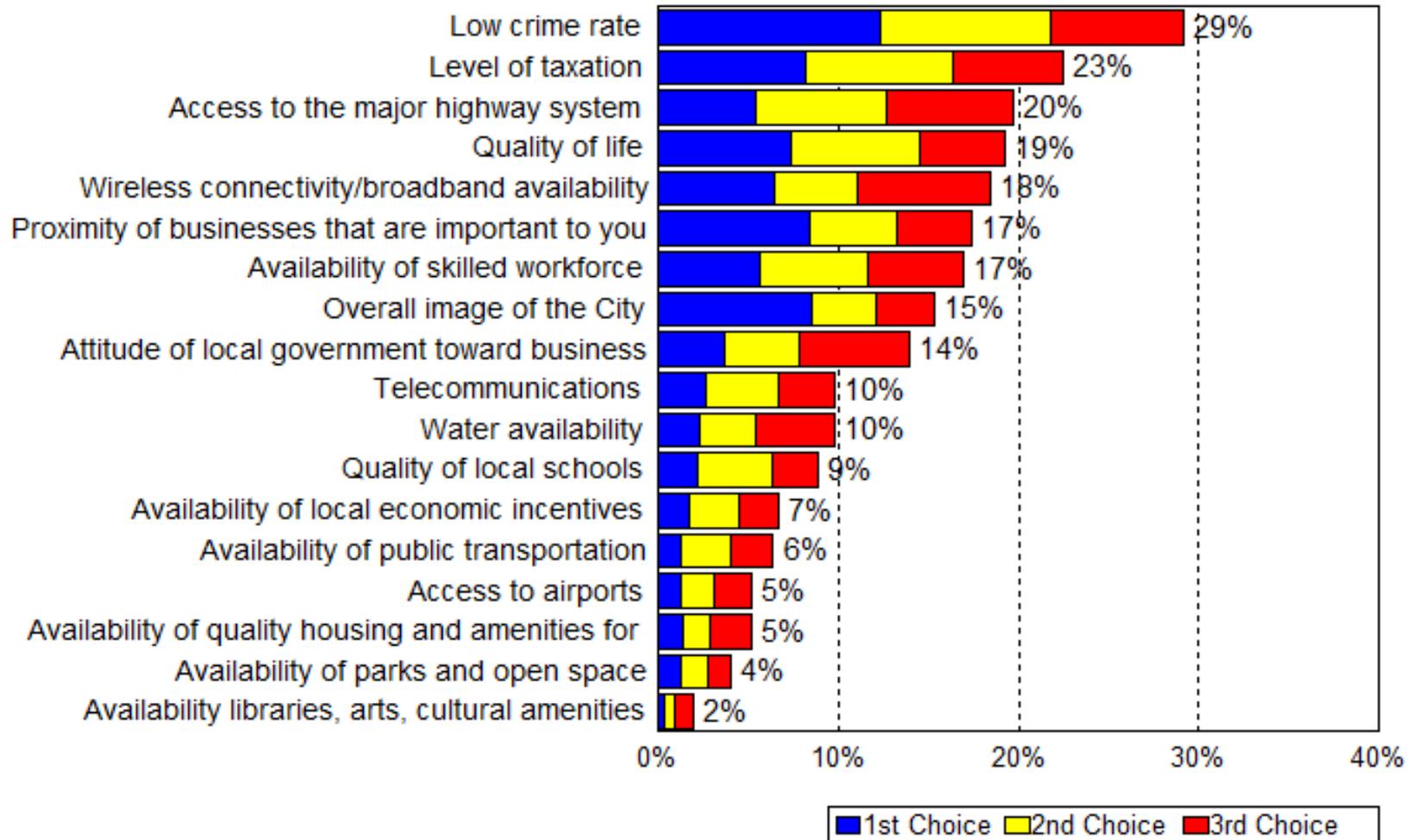
Source: ETC Institute (2015 City of Dallas Business Survey)

**83% of Businesses Would Be Very Likely, Likely, or Somewhat Likely to Recommend Dallas as a Business Location, Compared to only 12% Who Would Not Be Likely**

# Reasons Businesses Will Stay in Dallas

# Q11. Issues Most Important in the Decision to Stay in Dallas for the Next 10 Years

by percentage of businesses who selected the item as one of their top three choices



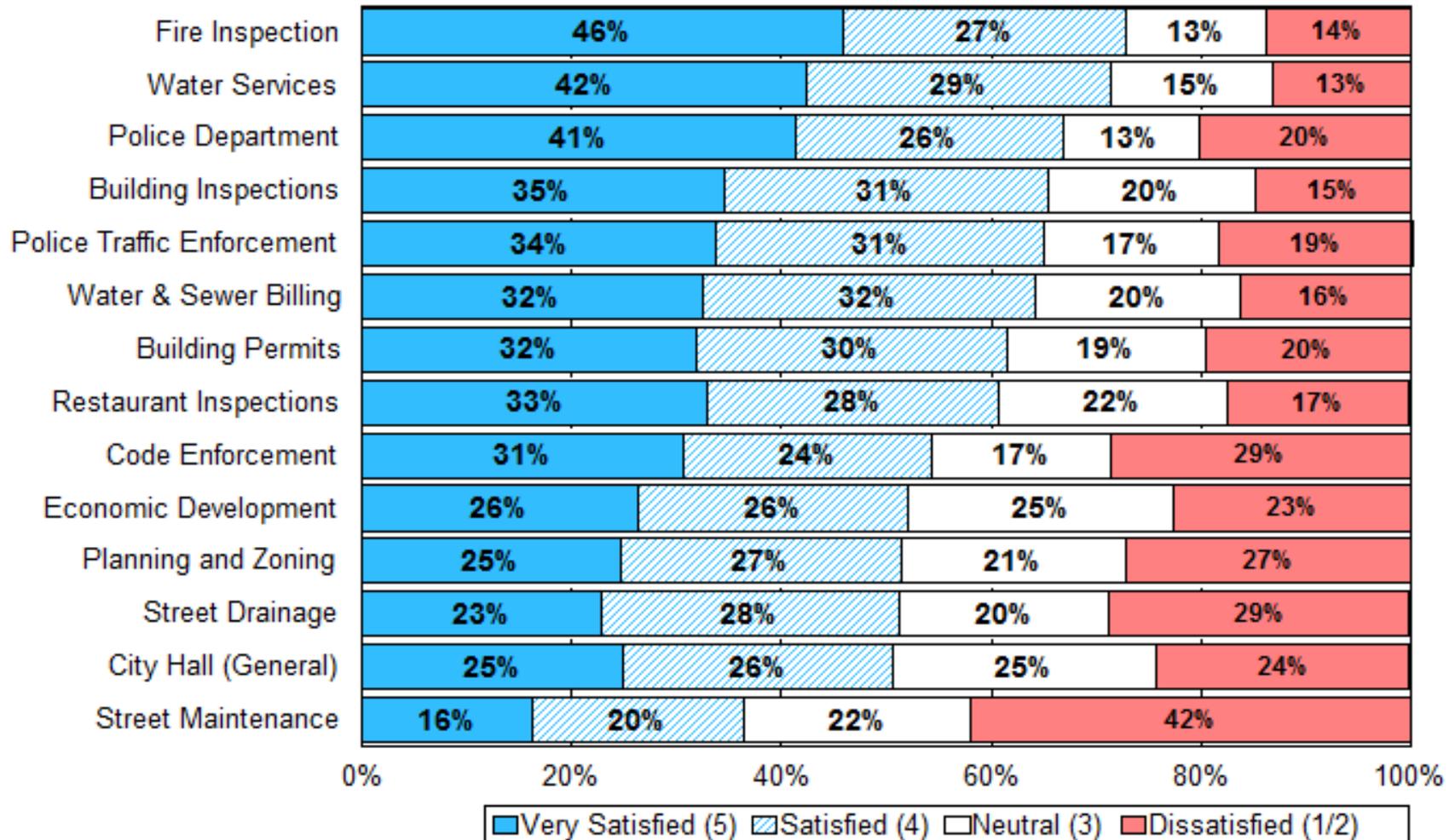
Source: ETC Institute (2015 City of Dallas Business Survey)

**Low Crime Rate, Level of Taxation and Access to Major Highways  
Are Most Important**

# Satisfaction with City Services

# Q1. Satisfaction with Various City Services, Departments and Programs

by percentage of businesses that had used the service in the past 2 years and rated the item on a 5-point scale, where 5 means "very satisfied" and 1 means "very dissatisfied" (excluding don't knows)

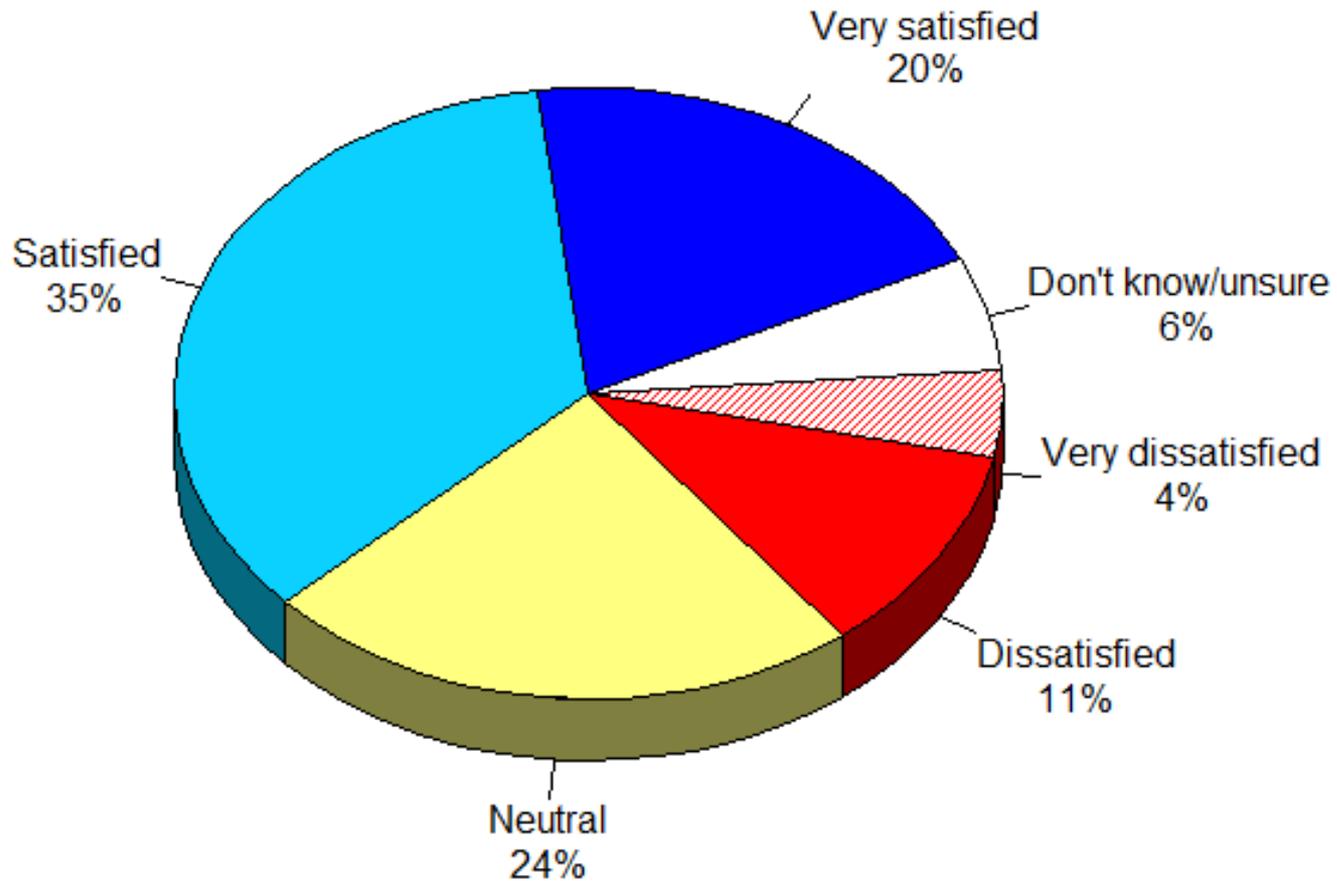


Source: ETC Institute (2015 City of Dallas Business Survey)

**Most Businesses Give Positive Ratings for City Services**

# Q4. In general, how satisfied are you with the overall quality of services provided by the City of Dallas?

by percentage of businesses surveyed

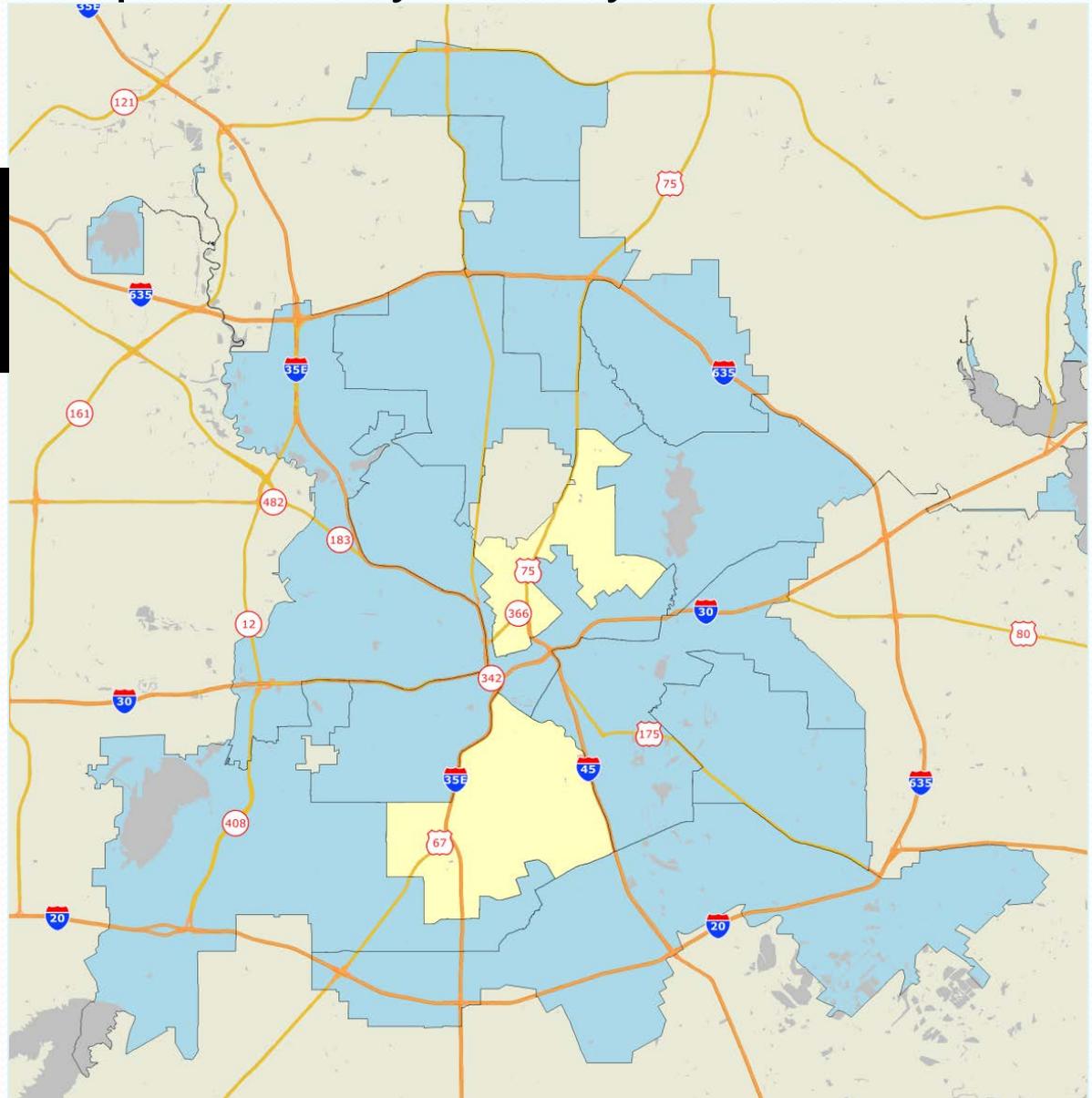


Source: ETC Institute (2015 City of Dallas Business Survey)

**55% of Businesses Are Satisfied with the Overall Quality of Services Provided by the City, Compared to only 15% Who Are Dissatisfied**

# Q4. In general, how satisfied are you with the overall quality of services provided by the City of Dallas?

**Most areas are in BLUE, which indicates that businesses in most parts of the City are satisfied**



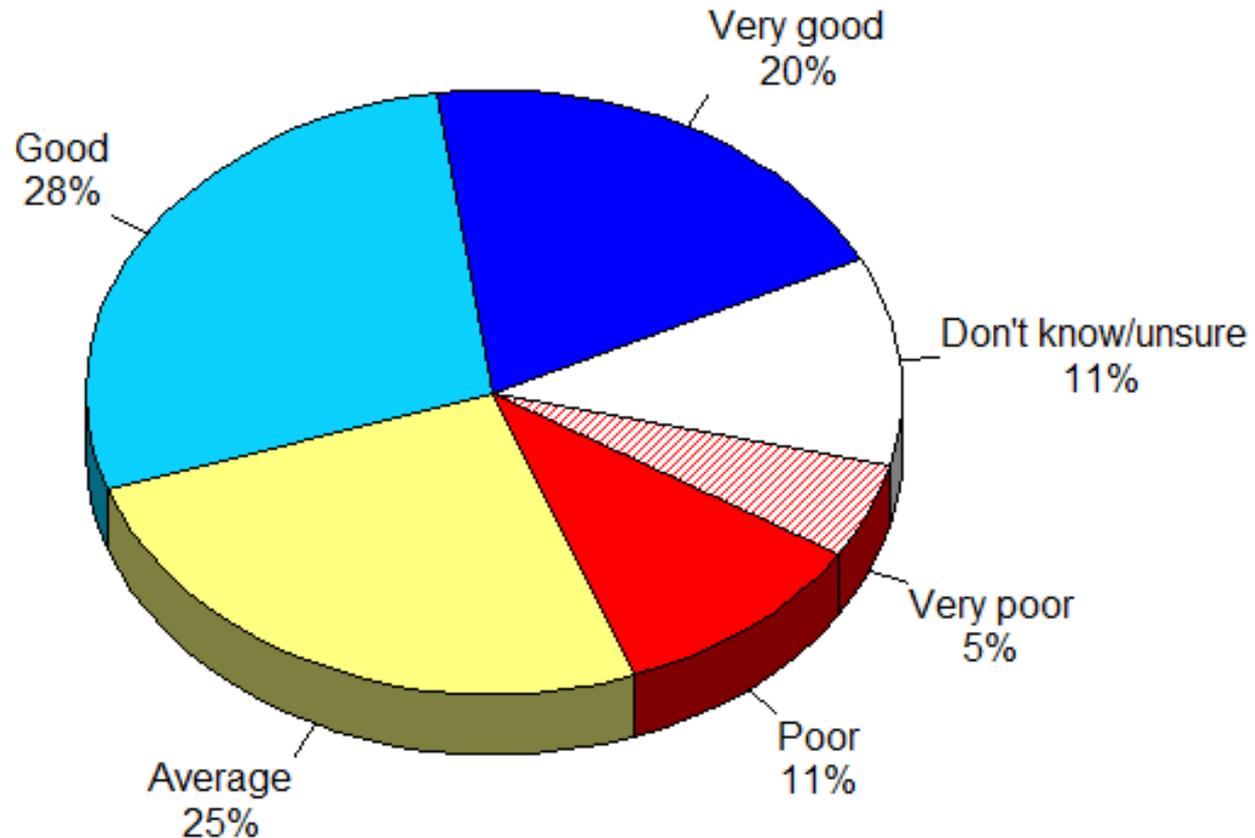
## Satisfaction

Mean rating on a 5-point scale

- 1.0-1.8 Very Dissatisfied
- 1.8-2.6 Dissatisfied
- 2.6-3.4 Neutral
- 3.4-4.2 Satisfied
- 4.2-5.0 Very Satisfied
- No Response

# Q3. Overall, how would you rate the City of Dallas' customer service?

by percentage of businesses surveyed



Source: ETC Institute (2015 City of Dallas Business Survey)

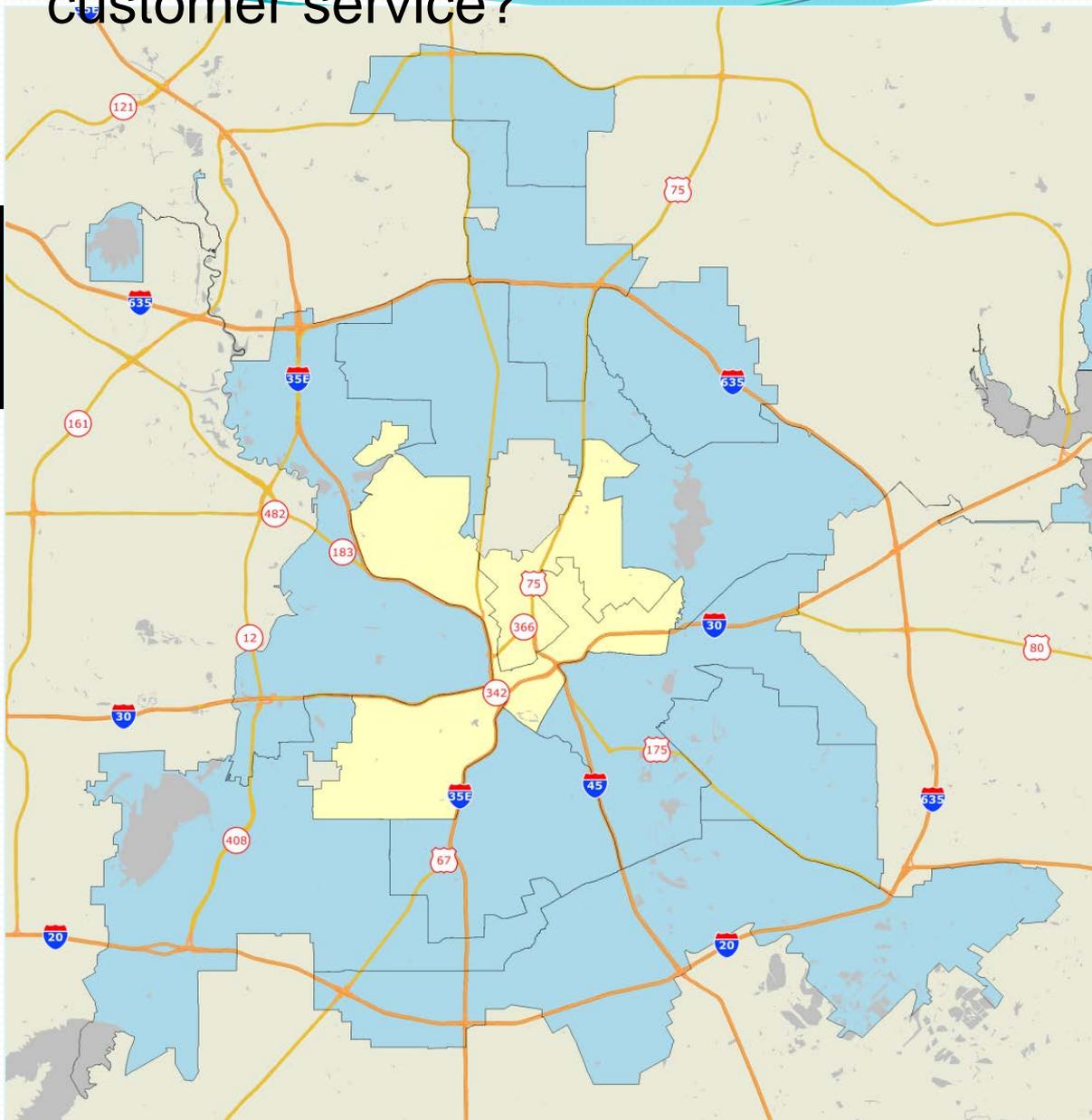
**73% of Businesses Rated the City's Customer Service as Average or Better, Compared to Only 16% Who Rated It As Poor or Very Poor**

# Q3. Overall, how would you rate the City of Dallas' customer service?

Most areas are in BLUE, which indicates that businesses in most parts of the City are satisfied

## Satisfaction

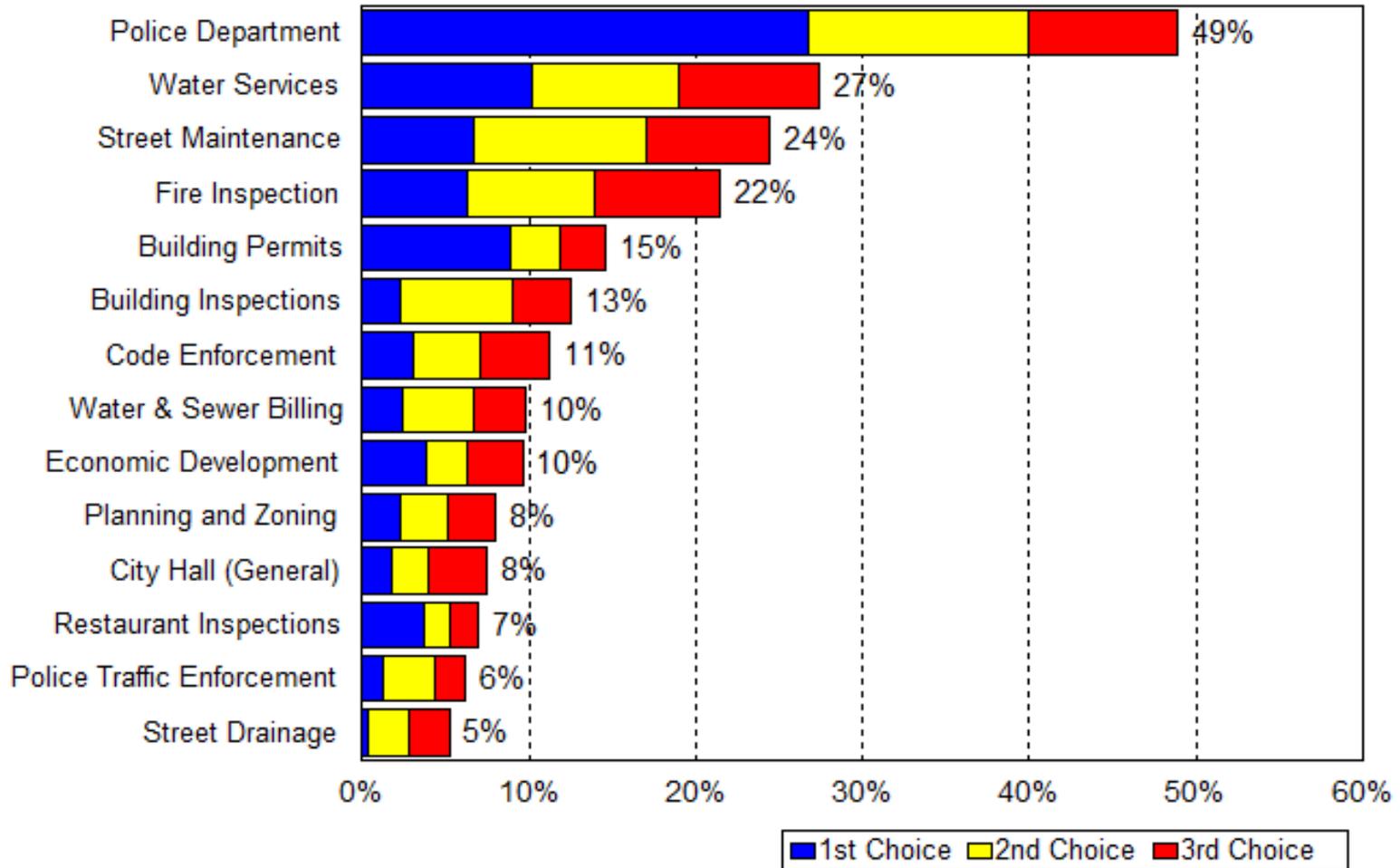
Mean rating on a 5-point scale



# Services That Are Most Important to Businesses

# Q2. City Services, Departments and Programs Most Important to Dallas Businesses

by percentage of businesses that selected the item as one of their top three choices



Source: ETC Institute (2015 City of Dallas Business Survey)

**The Police Department, Water Services and Street Maintenance Are the Most Important Services/Departments to Businesses**

# Importance-Satisfaction Rating

City of Dallas, Texas

## City Services/Departments

Category of Service	Most Important %	Most Important Rank	Satisfaction %	Satisfaction Rank	Importance-Satisfaction Rating	I-S Rating Rank
<b><u>High Priority (IS .10 - .20)</u></b>						
Police Department	49%	1	67%	3	0.1617	1
Street Maintenance	24%	3	36%	14	0.1536	2
<b><u>Medium Priority (IS &lt;.10)</u></b>						
Water Services	27%	2	71%	2	0.0783	3
Fire Inspection	22%	4	73%	1	0.0594	4
Building Permits	15%	5	62%	7	0.0570	5
Code Enforcement	11%	7	54%	9	0.0506	6
Economic Development	10%	9	52%	10	0.0480	7
Building Inspections	13%	6	65%	4	0.0455	8
City Hall (General)	8%	11	51%	13	0.0392	9
Planning and Zoning	8%	10	52%	11	0.0384	10
Water & Sewer Billing	10%	8	64%	6	0.0360	11
Restaurant Inspections	7%	12	61%	8	0.0273	12
Street Drainage	5%	14	51%	12	0.0245	13
Police Traffic Enforcement	6%	13	65%	5	0.0210	14

**Top Overall Priorities:** 

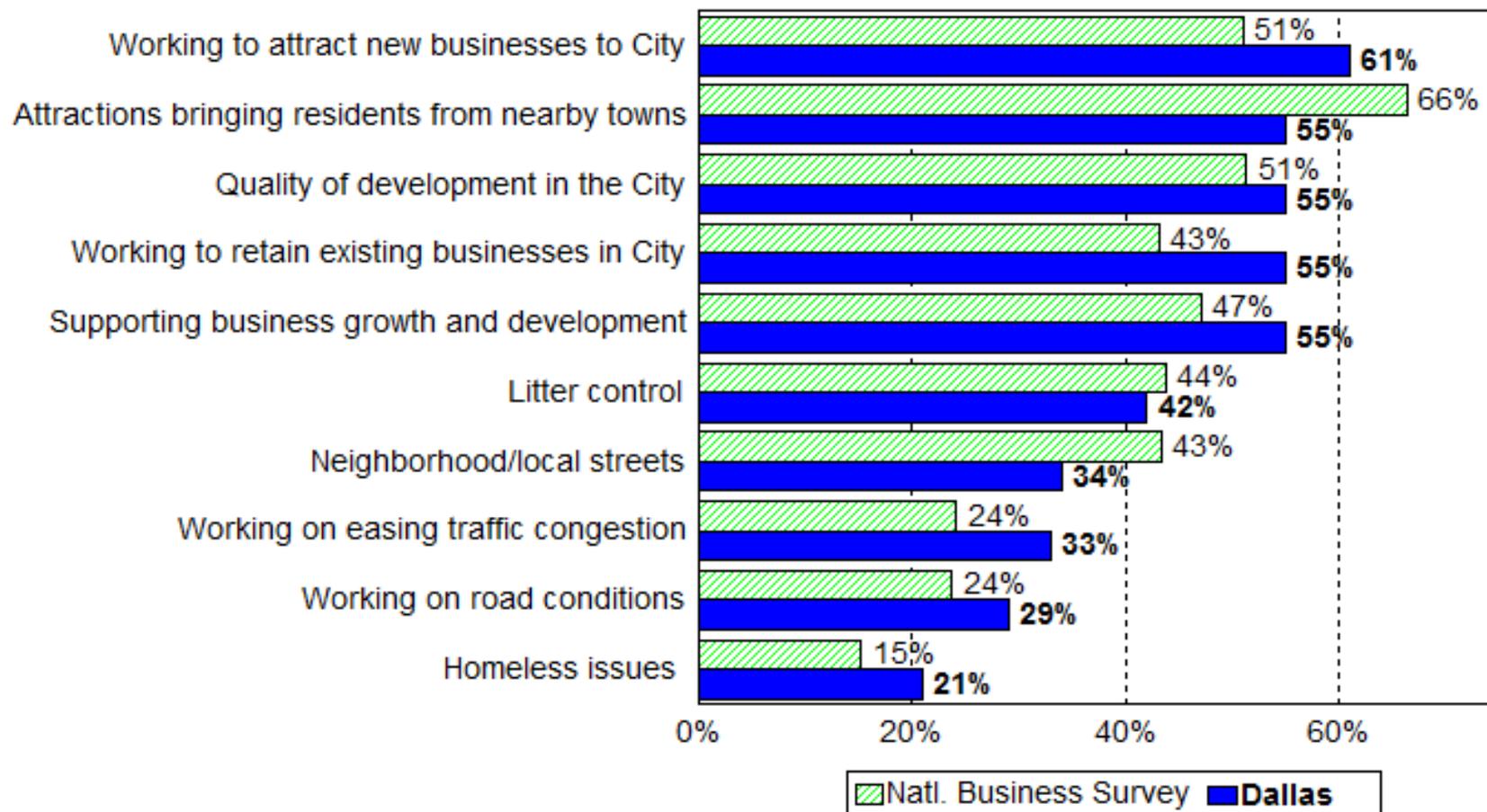
# How Does Dallas Compare to Other Large Cities?

# Satisfaction with Items That Influence Perceptions of the City

## Dallas vs. National Business Survey Results

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale where 5 was "very satisfied"

### National Comparisons



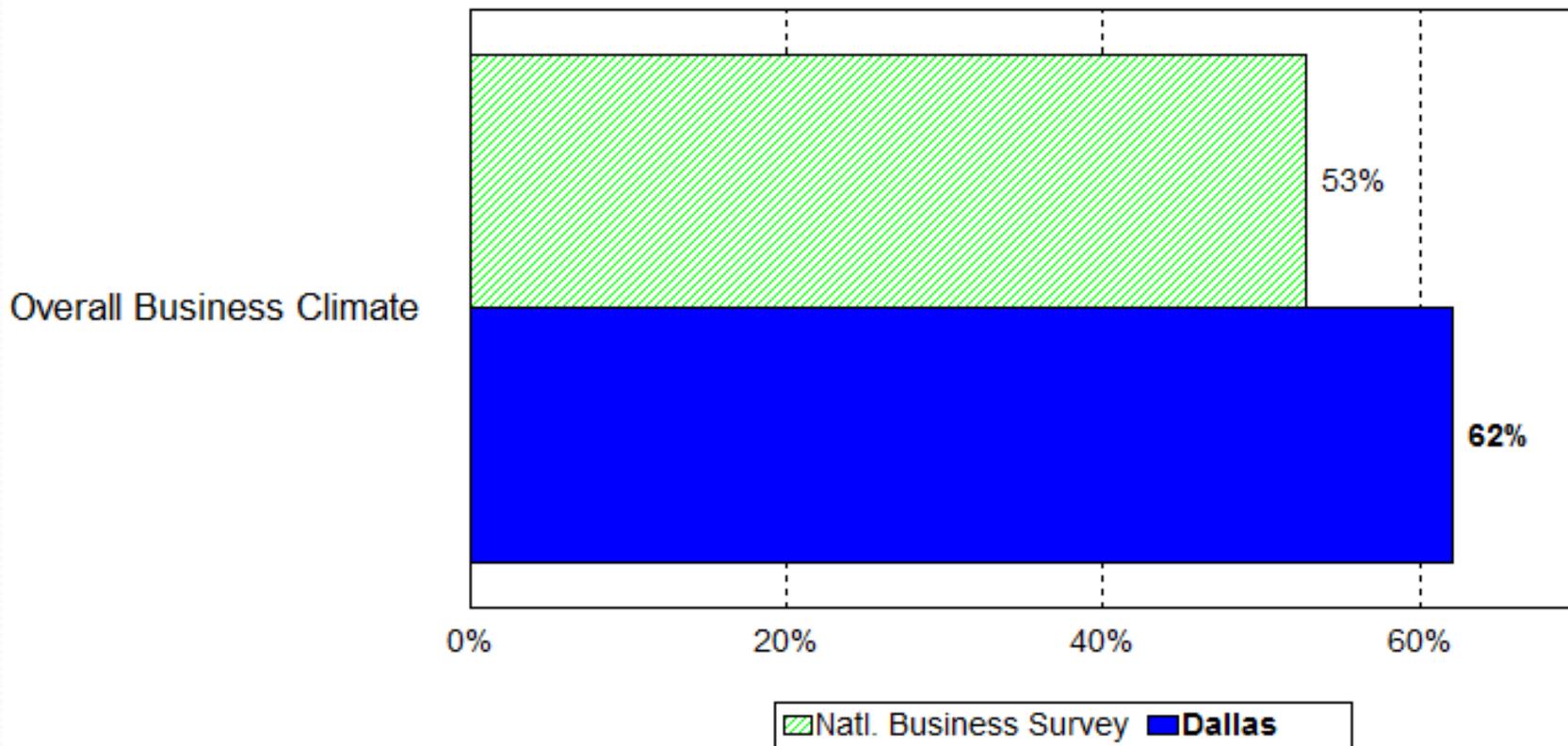
Source: ETC Institute (2015 City of Dallas Business Survey)

# Satisfaction with the Current Overall Business Climate in the City

## Dallas vs. National Business Survey Results

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale where 5 was "very satisfied"

### National Comparisons



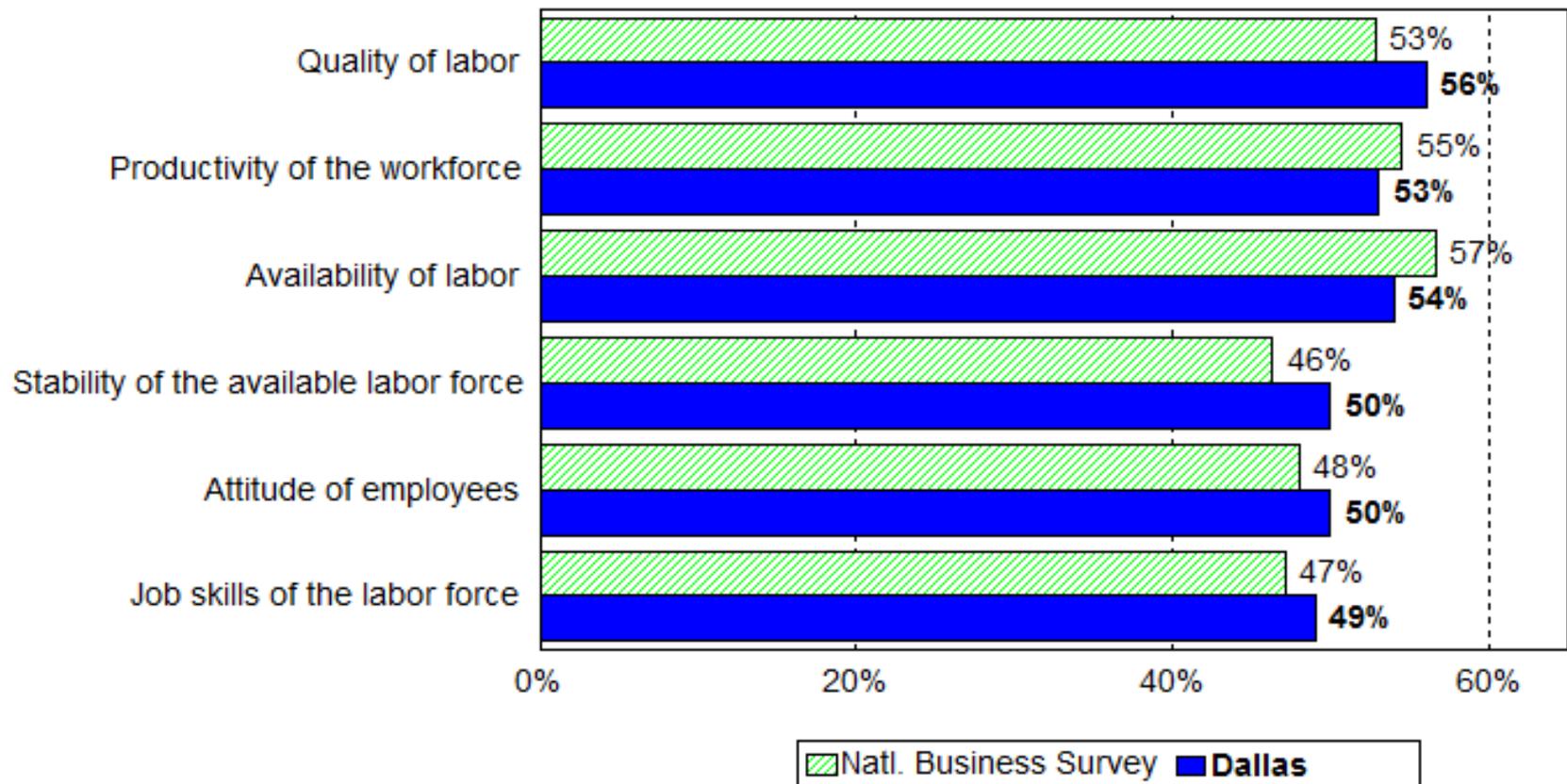
Source: ETC Institute (2015 City of Dallas Business Survey)

# Ratings of the City's Labor Pool

## Dallas vs. National Business Survey Results

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale where 5 was "very good"

### National Comparisons



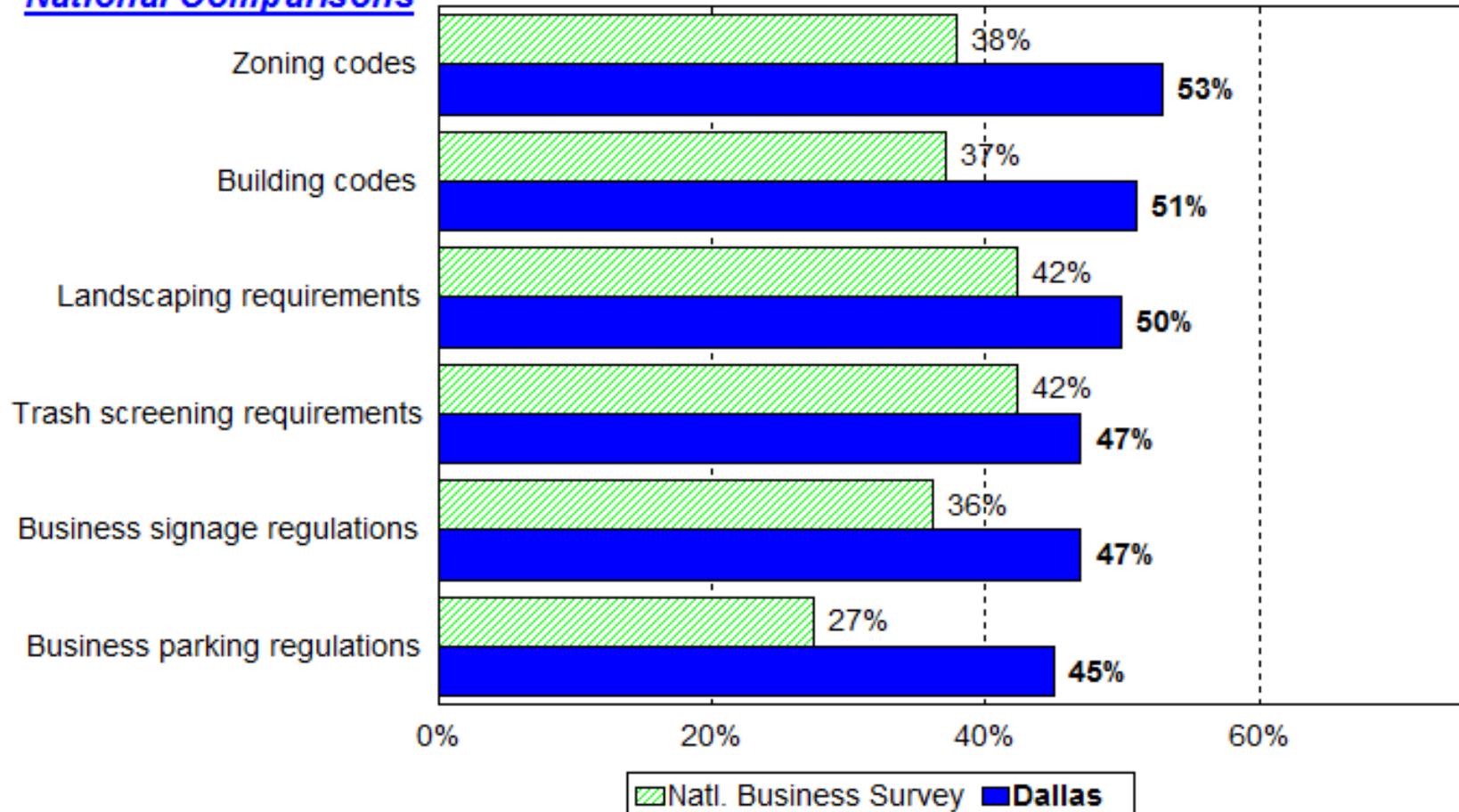
Source: ETC Institute (2015 City of Dallas Business Survey)

# Satisfaction with City Codes

## Dallas vs. National Business Survey Results

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale  
where 5 was "very satisfied"

### National Comparisons



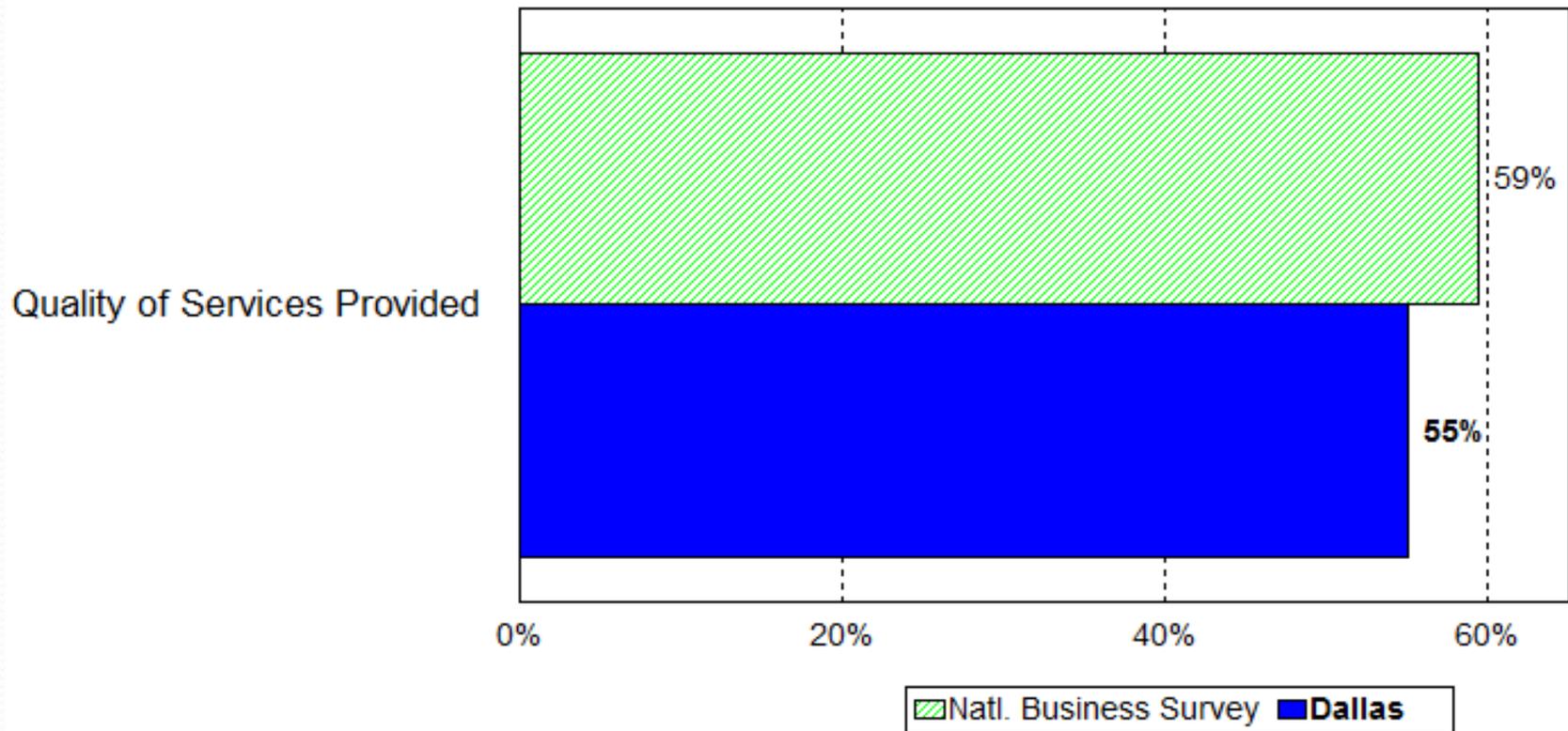
Source: ETC Institute (2015 City of Dallas Business Survey)

# Satisfaction with the Overall Quality of Services Provided by the City

## Dallas vs. National Business Survey Results

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale where 5 was "very satisfied"

### National Comparisons



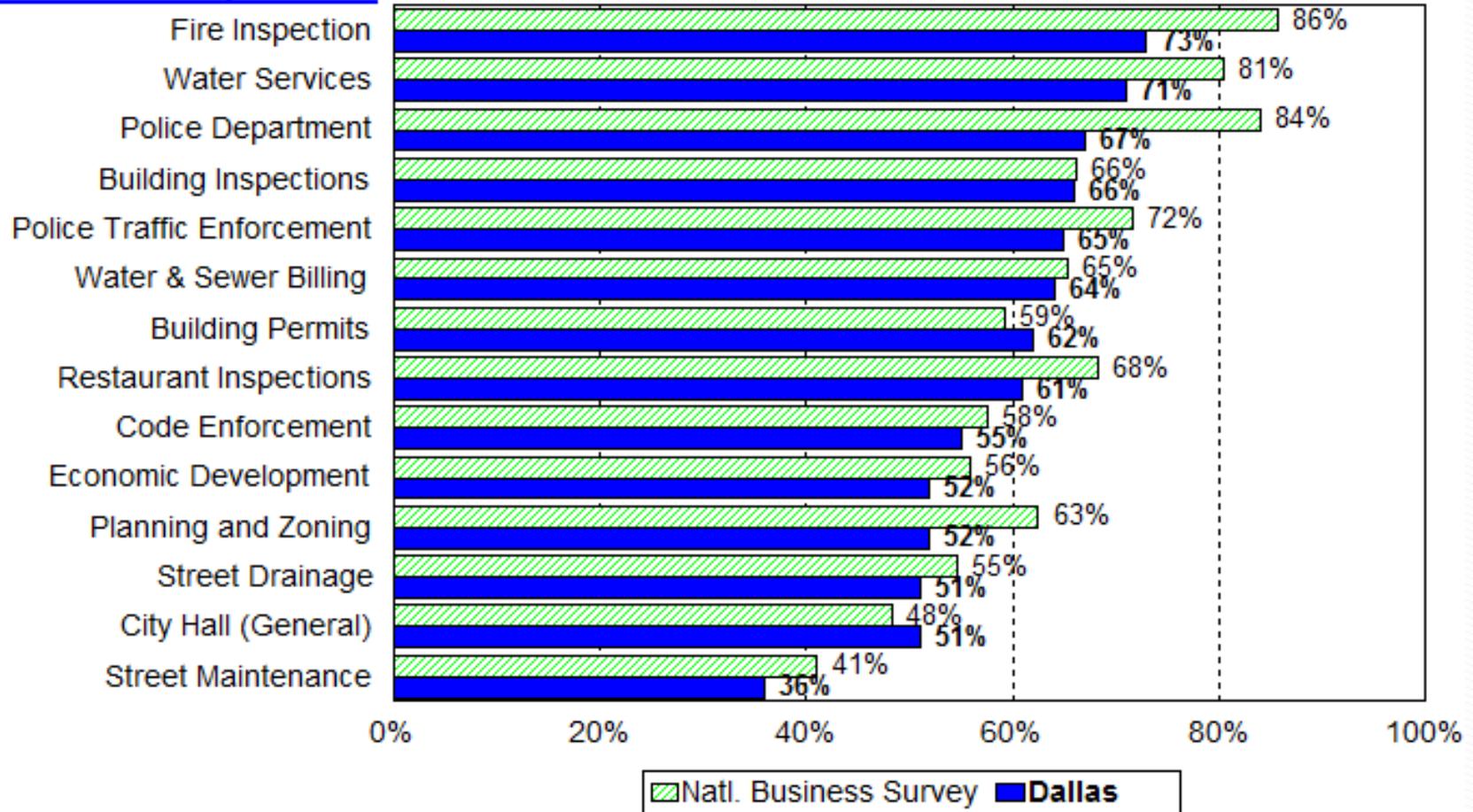
Source: ETC Institute (2015 City of Dallas Business Survey)

# Satisfaction with Various City Services, Departments and Programs

## Dallas vs. National Business Survey Results

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale  
where 5 was "very satisfied"

### National Comparisons



Source: ETC Institute (2015 City of Dallas Business Survey)

# Comparisons by Council District and Type of Business

## In general, how satisfied are you with the overall quality of services provided by the City of Dallas?

<b>Category</b>	<b>Most Satisfied (% satisfied)</b>	<b>Least Satisfied (% satisfied)</b>
<b>Council District</b>	<b>1) Council District 9 (70%)</b>	<b>1) Council District 14 (50%)</b>
	<b>2) Council District 10 (64%)</b>	<b>2) Council District 1 (50%)</b>
<b>Type of Business</b>	<b>1) Health Care (71%)</b>	<b>1) Real Estate (46%)</b>
	<b>2) Eating &amp; Drinking Establishment (71%)</b>	<b>2) Professional &amp; Technical Services (50%)</b>

# How satisfied are you with the current overall business climate in the City of Dallas?

Category	Most Satisfied (% satisfied)	Least Satisfied (% satisfied)
Council District	1) Council District 13 (73%)	1) Council District 1 (51%)
	2) Council District 12 (71%)	2) Council District 2 (53%)
Type of Business	1) Health Care (74%)	1) Professional & Technical Services (58%)
	2) Real Estate (69%)	2) Eating & Drinking Establishment (60%)

# Which of the following best describes what you believe the business climate will be like in Dallas two years from now?

Category	Most Improved (% much better)	Least Improved (% much better)
Council District	1) Council District 12 (61%)	1) Council District 2 (42%)
	2) Council District 5 (55%)	2) Council District 8 (45%)
Type of Business	1) Health Care (62%)	1) Professional & Technical Services (38%)
	2) Real Estate (54%)	2) Wholesale/Distribution (43%)

# How Do the Business Survey Results Compare to the Resident Survey?

# How Business Satisfaction Compares to Resident Satisfaction in Dallas

	Businesses	Residents	Difference
<b>Satisfaction with City Services</b>			
Code Enforcement	55%	42%	13%
Water Services	71%	69%	2%
Police Department	67%	68%	-1%
Planning and Zoning	52%	53%	-1%
Customer Service	48%	50%	-2%
Street Drainage	51%	64%	-13%
Fire Inspection	73%	89%	-16%
Economic Development	52%	73%	-21%
<b>Perceptions of the City</b>			
Overall quality of services provided	55%	59%	-4%
Value received for City taxes paid	36%	44%	-8%
Working on easing traffic congestion	33%	49%	-16%
Quality of development in the City	55%	73%	-18%

# Summary

- **Dallas businesses give the City's business climate very high marks!**
- **Most businesses are satisfied with the quality of city services, but there are opportunities to do better.**
- **The most important city services to businesses are:**
  - **police services**
  - **street maintenance**
  - **water services**
- **The factors that will have the most influence of the City's ability to keep existing businesses in Dallas are:**
  - **the crime rate**
  - **level of taxation**
  - **access to major highways**

# Questions?

THANK YOU!!



D A L L A S  
POLICE & FIRE  
PENSION SYSTEM



Dallas City Council Retreat  
February 2, 2016

Dallas Police and Fire Pension System  
Kelly Gottschalk, Executive Director

# DPFP Update

- Actuarial Services
  - New Actuary - Segal Consulting engaged January 2016
    - Transition is underway, however the change will delay both the experience study and the final recommendation on the Plan Amendment changes.
- Legal Services
  - Outside Legal Counsel
    - Will be issuing an RFQ for Legal Services. A subcommittee of the Board will review the RFQ and interview firms. CM Griggs is the Chair of the subcommittee. The full Board will hire the Legal Counsel.

# DPFP Update

- Asset Allocation & Investment Policy
  - On track to have a new Asset Allocation and Investment Policy presented to the Board in March.
- Diamond McCarthy Review
  - First phase was originally expected to be complete by 12/31/15. The volume of the data and the complexity of the transactions exceeded their expectations so additional time is necessary to complete the first phase. The first phase on most areas will be complete in March or April.
  - The Board was presented a portion of the first phase results in January and we are proceeding to the next phases on the information presented.

# Timeline for Plan Amendment

Plan Amendment Timeline	
January-March	Actuarial Firm Transition
March	Conduct Member Survey
End of March	Actuarial Experience Study Complete
February - April	Scenario Analysis
May	Present Preferred Committee Recommendation to the Board
May	Seek City Feedback on Committee Recommendation as Amended by the Board
June	Member Meetings to Discuss Preliminary Recommendation
June	Board Adopts Plan Amendment Proposal and Calls Election
July	Member Meetings to Discuss Proposed Plan Amendments
July	Actuarial Valuation Complete
August	Plan Amendment Election
August	Discuss Potential Legislative Actions with the City
July - October	Talk with Legislative Consultants and/or Legislators Regarding Upcoming Pension Legislation
November	Complete Final Draft of Proposed Legislation
January 2017	Introduce Bill to Legislature



D A L L A S  
**POLICE & FIRE**  
PENSION SYSTEM



## Questions

Kelly Gottschalk, Executive Director

[kellyg@dpfp.org](mailto:kellyg@dpfp.org)

214-382-4403

# City of Dallas

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## Meet & Confer and Uniformed Pay Concepts

February 2016



# Presentation Overview

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- Meet & Confer Overview
- Elements of Uniformed Pay
  - Steps
  - Special Pay
- Appendix – Special Pay Schedules

# What is Meet and Confer?

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- ❑ Meet and Confer is a process designed to provide employee groups and management an opportunity to reach an agreement on important employment issues.
- ❑ Unlike collective bargaining, meet and confer provides an opportunity, **not a requirement**, reach an agreement.

# Meet and Confer Overview

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Date	Action
<b>2009</b>	Texas State Legislature approved Meet and Confer for Dallas Police & Fire
<b>February 5, 2010</b>	Uniform Coalition Team submitted petition to City Manager to Meet and Confer
<b>Feb. 24, 2010</b>	Council accepted petition and authorized management team to begin discussions with the Uniform Coalition Team
<b>September 1, 2010</b>	Council approves 1 <sup>st</sup> Meet & Confer Agreement <ul style="list-style-type: none"><li>• Effective 10/1/2010 – 9/30/2013</li><li>• Includes six-month extension</li></ul>
<b>December 11, 2013</b>	Council approves 2 <sup>nd</sup> Meet & Confer Agreement <ul style="list-style-type: none"><li>• Effective 12/11/2013 – 9/30/2016</li></ul>

# Other Texas Cities Provisions for Uniformed Officer Agreements

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## **Austin**

- Meet & Confer – Police and EMS
- Collective Bargaining – Fire

## **Fort Worth**

- Meet & Confer – Police and Fire
  - EMS is outsourced

## **Houston**

- Meet & Confer – Police
- Collective Bargaining – Fire

## **San Antonio**

- Collective Bargaining – Police & Fire

# Summary

## 2010 Meet & Confer Agreement Overview

Year 1 (FY10-11)	Year 2 (FY11-12)	Year 3 (FY12-13)
<ul style="list-style-type: none"> <li>• 40 Hours Mandatory City Leave (aka "Furlough Days") <i>(Equates to a 1.9231% pay reduction)*</i></li> <li>• Comp Time for Overtime</li> <li>• Establish Phase Down Plan</li> <li>• Delay Fire Rookie Classes from Paramedic School</li> <li>• Reduce Number of Fire Rescue Replacements</li> <li>• Delay Truck 10 Implementation to Jan. 2011</li> <li>• Hiring for ½ Attrition in DPD</li> <li>• Modify Loss of Merit Step Procedure in DPD</li> <li>• Off Duty Jobs for Special Events</li> <li>• Time Off For Association Business</li> <li>• Reconfigure Fire Dispatch Schedule</li> <li>• Study Single Career Path in Fire</li> <li>• Suspend Fire Wellness Program</li> </ul>	<ul style="list-style-type: none"> <li>• 24 Hours Mandatory City Leave (aka "Furlough Days") <i>(Equates to a 1.1538% pay reduction)</i></li> <li>• Reinstate Merit Step Increase (If City Meets Revenue Trigger)               <ul style="list-style-type: none"> <li>– If revenue trigger is not met, a "Retention Incentive" will go into effect for recently hired officers</li> </ul> </li> </ul> <p style="color: red; text-align: center;"><b>Revenue triggers not met - Steps not reinstated. Retention incentive of \$1,000 provided to newly hired officers.</b></p>	<ul style="list-style-type: none"> <li>• Reinstate (or continue) Merit Step Increase (if City Meets Revenue Trigger)               <ul style="list-style-type: none"> <li>– If revenue trigger is not met, a "Retention Incentive" will go into effect for recently hired officers</li> </ul> </li> <li>• 3% Across The Board Pay Raise</li> <li>• 2 Additional Holidays for Uniformed Staff</li> <li>• Increase Education Incentive Pay (April 1<sup>st</sup>)</li> </ul>

\* Fire Personnel in the Emergency Response Bureau work a schedule that is not the 'Standard' 40/hrs per week. Because of this, all work hours must be adjusted to account for their modified schedule. For the purpose of this agreement, hours quoted are based on a standard work schedule.

# Summary

## 2013 Meet & Confer Agreement Overview

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Year 1 (FY13-14)	Year 2 (FY14-15)	Year 3 (FY15-16)
<ul style="list-style-type: none"><li>• Merit Steps</li><li>• Add “Swift Water Pay” as a special pay item in Fire Department</li><li>• Revise “Phase Down” program</li></ul>	<ul style="list-style-type: none"><li>• Merit Steps</li><li>• 4% Across-the-Board Increase</li><li>• Eliminate two additional holidays awarded in 2010 Agreement</li></ul>	<ul style="list-style-type: none"><li>• Merit Steps</li></ul>

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# **ELEMENTS OF UNIFORMED PAY**

# Elements of Uniform Pay

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- Two components of Uniform Pay
  1. Steps
    - Sometimes referred to as 'base pay'
  2. Special Pay Items

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# STEPS

# What are “Steps”?

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- Police and Fire Uniformed officers are on a “Step” pay system.
- Each Rank (Police Officer, Sr. Corporal, Fire Fighter, etc.) has Steps.
  - The number of Steps ranges from 11 to 13, depending on the Rank

# Step Distribution

Step Distribution as of January 2016 (Does not include Executive Ranks)										
	Fire Ranks (Grades)					Police Ranks (Grades)				
Step	Fire Rescue Officer	Fire Driver/Engineer	Fire Lieutenant	Fire Captain	Fire Battalion Chief	Police Officer	Police Sr. Corporal	Police Sgt	Police Lieutenant	Police Captain
1	226					370				
2						168		1		
3		27	3			398	252	9		
4	64	119	11			112	47	35		
5		9	14	1		59	87	21	8	
6		12	26	13	1	39	114	41	9	
7	125	26	20	20	4	32	110	34	2	
8	264	33	21	12	3	45	114	36	10	
9	18	30	11	14	3	33	91	37	6	
10	24	18	14	3	3	23	67	38	7	
11	41	27	82	83	24	210	63	226	48	2
12	26	167					438			
13	37									
14	22									
15	207									

Data as of January 2016

  = Top Step for Rank

  = Ghost Steps (no longer in use)

# How do Officers get “Steps”?

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- Officers receive Step increases in two ways:
  - **‘Within-Rank Step increases’**
    - Awarded as part of the budgetary process.
    - Within-Rank Step increases are either ‘yes’ or ‘no’ and the award of the Step does not vary based on performance. As long as officers meet the minimum standards for the position, they may receive a Within-Rank Step increase.
    - Generally, Steps are about a 5% increase from the previous Step.
    - Once officers “Top Out” (i.e. hit the top Step of their Rank), they are not eligible for any more Within-Rank Step increases.
  - **‘Promotional Step increases’**
    - Awarded when officers promote to a new rank (Police Officer to Sr. Corporal, for example).
    - Officers’ pay is increased to the Step in the new rank that gives them at least a 4.5% pay increase.

# Other Important Step Concepts

## □ “Topped-Out”

- Once officers reach the top Step in their Rank, they are no longer eligible for additional Within-Rank Step increases. This is referred to as “topped-out”.

Step Eligible			% Topped Out
Fire	No	571	29.6%
	Yes	1356	
Police	No	937	26.9%
	Yes	2543	

Not eligible for a Within-Rank Step increase

*Data as of January 2016 – Number of topped out officers should increase as more are given steps throughout FY15-16*

- The City occasionally adds Steps to the Pay Schedule to allow officers in Ranks to earn more money.
  - Last time steps were added was in FY07-08 and FY08-09 (one each year)
- Topped-out officers can also receive additional base pay with across-the-board increases – schedule shifts up by the percent increase
  - Pay schedule increased 4% on 4/1/15

# Other Important Step Concepts

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- “Compression/Decompression”
  - Currently, all Steps are one-year minimum Steps - this is the **minimum** number of years an Officer must be in the Step before being eligible for the next Within-Rank Step.
  - There have been other times when some Steps were one-year Steps while others were two-year Steps.
  - When all Steps became minimum one-year Steps (in FY07-08), it was referred to as “Compressing the Steps.”
  - If some Steps changed to two-year Steps again, this would be referred to as “Decompressing the Steps.”

# How much do Within-Rank Step increases cost?

- ❑ Each Step is approximately 5% more than the prior Step.
- ❑ When City staff presents the cost of Steps, they provide two numbers:
  1. The first year cost of the Steps (\$7.75M)
  2. The full year cost of the Step (\$15.5M)

Dept	Count	Step Cost	OT (7.5%)	Pension	Medicare	Total
Fire	1356	\$ 3,887,441	\$ 291,558	\$ 1,149,225	\$ 60,595	\$ 5,388,820
Police	2543	\$ 7,286,608	\$ 546,496	\$ 2,154,104	\$ 113,580	\$ 10,100,787
<b>Total</b>	<b>3899</b>	<b>\$ 11,174,050</b>	<b>\$ 838,054</b>	<b>\$ 3,303,328</b>	<b>\$ 174,175</b>	<b>\$ 15,489,607</b>

**Full Year Cost of Steps**

*Officers receive their Within-Rank Step increases throughout the year - either their hire date or their last promotion date. Because of this, the 1<sup>st</sup> year cost of a Step increase is about half the full year cost.*

***The first year cost of Within-Rank Step increases is half the full-year cost.***

# What does the Police "Pay Schedule" look like?

Attachment A  
(Meet and Confer)

CITY OF DALLAS  
UNIFORMED POLICE SALARY SCHEDULE  
Effective October 1, 2015

Rank

Grade/Step

Pay (monthly and annual) associated with the Grade/Step. Generally, each Step is 5% more than the prior Step.

**Minimum** number of years an officer has to be in the Step before they are eligible for the next Step

**Important!**

CLASS CODE	RANK	GRADE-STEP	MONTH	ANNUAL	CLASS CODE	RANK	GRADE-STEP	MONTH	ANNUAL
46101	Police Officer Trainee I	P2 - 1	\$3,722	\$44,658	46011	Police Sergeant, Start	P4 - 1	\$4,395	\$52,742
46102	Police Officer Trainee II	P2 - 1	\$3,722	\$44,658	46011	Police Sergeant, 1 Year	P4 - 2	\$4,716	\$56,598
46103	Police Officer Trainee III	P2 - 1	\$3,722	\$44,658	46011	Police Sergeant, 1 Year	P4 - 3	\$4,952	\$59,426
46004	Police Officer	P2 - 1	\$3,722	\$44,659	46011	Police Sergeant, 1 Year	P4 - 4	\$5,200	\$62,394
46004	Police Officer, 1 Year	P2 - 2	\$3,906	\$46,870	46011	Police Sergeant, 1 Year	P4 - 5	\$5,460	\$65,519
46004	Police Officer, 1 Year	P2 - 3	\$4,101	\$49,207	46011	Police Sergeant, 1 Year	P4 - 6	\$5,732	\$68,784
46004	Police Officer, 1 Year	P2 - 4	\$4,307	\$51,688	46011	Police Sergeant, 1 Year	P4 - 7	\$6,020	\$72,245
46004	Police Officer, 1 Year	P2 - 5	\$4,522	\$54,263	46011	Police Sergeant, 1 Year	P4 - 8	\$6,321	\$75,856
46004	Police Officer, 1 Year	P2 - 6	\$4,748	\$56,971	46011	Police Sergeant, 1 Year	P4 - 9	\$6,637	\$79,639
46004	Police Officer, 1 Year	P2 - 7	\$4,987	\$59,840	46011	Police Sergeant, 1 Year	P4 - 10	\$6,968	\$83,621
46004	Police Officer, 1 Year	P2 - 8	\$5,234	\$62,812	46011	Police Sergeant	P4 - 11	\$7,317	\$87,802
46004	Police Officer, 1 Year	P2 - 9	\$5,496	\$65,956	46013	Police Lieutenant, Start	P5 - 1	\$4,823	\$57,875
46004	Police Officer, 1 Year	P2 - 10	\$5,772	\$69,260	46013	Police Lieutenant, 1 Year	P5 - 2	\$5,167	\$62,001
46004	Police Officer	P2 - 11	\$6,060	\$72,718	46013	Police Lieutenant, 1 Year	P5 - 3	\$5,425	\$65,096
46005	Police Corporal, 1 Year	P2 - 4	\$4,307	\$51,688	46013	Police Lieutenant, 1 Year	P5 - 4	\$5,697	\$68,364
46005	Police Corporal, 1 Year	P2 - 5	\$4,522	\$54,263	46013	Police Lieutenant, 1 Year	P5 - 5	\$5,982	\$71,779
46005	Police Corporal, 1 Year	P2 - 6	\$4,748	\$56,971	46013	Police Lieutenant, 1 Year	P5 - 6	\$6,280	\$75,386
46005	Police Corporal, 1 Year	P2 - 7	\$4,987	\$59,840	46013	Police Lieutenant, 1 Year	P5 - 7	\$6,594	\$79,123
46005	Police Corporal, 1 Year	P2 - 8	\$5,234	\$62,812	46013	Police Lieutenant, 1 Year	P5 - 8	\$6,923	\$83,078
46005	Police Corporal, 1 Year	P2 - 9	\$5,496	\$65,956	46013	Police Lieutenant, 1 Year	P5 - 9	\$7,269	\$87,230
46005	Police Corporal, 1 Year	P2 - 10	\$5,772	\$69,260	46013	Police Lieutenant, 1 Year	P5 - 10	\$7,633	\$91,591
46005	Police Corporal	P2 - 11	\$6,060	\$72,718	46013	Police Lieutenant	P5 - 11	\$8,014	\$96,170
46016	Police Senior Corporal, Start	P3 - 1	\$3,826	\$45,916	46014	Police Captain, Start	P6 - 1	\$5,292	\$63,500
46016	Police Senior Corporal, 1 Year	P3 - 2	\$4,031	\$48,371	46014	Police Captain, 1 Year	P6 - 2	\$5,669	\$68,025
46016	Police Senior Corporal, 1 Year	P3 - 3	\$4,307	\$51,688	46014	Police Captain, 1 Year	P6 - 3	\$5,951	\$71,410
46016	Police Senior Corporal, 1 Year	P3 - 4	\$4,522	\$54,263	46014	Police Captain, 1 Year	P6 - 4	\$6,250	\$74,996
46016	Police Senior Corporal, 1 Year	P3 - 5	\$4,748	\$56,971	46014	Police Captain, 1 Year	P6 - 5	\$6,563	\$78,759
46016	Police Senior Corporal, 1 Year	P3 - 6	\$4,987	\$59,840	46014	Police Captain, 1 Year	P6 - 6	\$6,890	\$82,685
46016	Police Senior Corporal, 1 Year	P3 - 7	\$5,234	\$62,812	46014	Police Captain, 1 Year	P6 - 7	\$7,234	\$86,812
46016	Police Senior Corporal, 1 Year	P3 - 8	\$5,496	\$65,956	46014	Police Captain, 1 Year	P6 - 8	\$7,597	\$91,163
46016	Police Senior Corporal, 1 Year	P3 - 9	\$5,771	\$69,248	46014	Police Captain, 1 Year	P6 - 9	\$7,977	\$95,729
46016	Police Senior Corporal, 1 Year	P3 - 10	\$6,060	\$72,718	46014	Police Captain, 1 Year	P6 - 10	\$8,376	\$100,515
46016	Police Senior Corporal, 1 Year	P3 - 11	\$6,363	\$76,355	46014	Police Captain	P6 - 11	\$8,795	\$105,541
46016	Police Senior Corporal	P3 - 12	\$6,681	\$80,173					

The number of years indicated beside the Rank indicate the minimum number of years that an officer must be in the Step prior to being eligible for the next Step in the Rank. If officers are not given a step pay increase in any fiscal year for budgetary reasons, when step pay increases are resumed in a subsequent fiscal year, it is expected that officers' pay will only increase one step (if they meet the eligibility requirements). Officers should not expect a double-step in order to make up for step increases not previously given for budgetary reasons in any fiscal year.

# What does the Fire "Pay Schedule" look like?

Attachment B  
(Meet and Confer)

CITY OF DALLAS  
UNIFORM FIRE SALARY SCHEDULE  
Effective October 1, 2015

PREVENTION

CLASS CODE	RANK	GRADE-STEP	MONTH	ANNUAL	CLASS CODE	RANK	GRADE-STEP	MONTH	ANNUAL
44201	Fire Prevention Officer Trainee I	F2 - 1	\$3,722	\$44,658	44016	Fire Prevention Captain, Start	F5 - 1	\$4,637	\$57,875
44202	Fire Prevention Officer Trainee II	F2 - 1	\$3,722	\$44,658	44016	Fire Prevention Captain, 1 Yr.	F5 - 2	\$4,968	\$62,001
44203	Fire Prevention Officer Trainee III	F2 - 1	\$3,722	\$44,658	44016	Fire Prevention Captain, 1 Yr.	F5 - 3	\$5,216	\$65,096
					44016	Fire Prevention Captain, 1 Yr.	F5 - 4	\$5,478	\$68,364
44005	Fire Prevention Officer, Start	F2 - 3	\$3,826	\$45,916	44016	Fire Prevention Captain, 1 Yr.	F5 - 5	\$5,752	\$71,779
44005	Fire Prevention Officer, 1 Yr.	F2 - 6	\$4,031	\$48,371	44016	Fire Prevention Captain, 1 Yr.	F5 - 6	\$6,039	\$75,366
44005	Fire Prevention Officer, 1 Yr.	F2 - 8	\$4,307	\$51,688	44016	Fire Prevention Captain, 1 Yr.	F5 - 7	\$6,340	\$79,123
44005	Fire Prevention Officer, 1 Yr.	F2 - 9	\$4,522	\$54,263	44016	Fire Prevention Captain, 1 Yr.	F5 - 8	\$6,657	\$83,078
44005	Fire Prevention Officer, 1 Yr.	F2 - 10	\$4,748	\$56,971	44016	Fire Prevention Captain, 1 Yr.	F5 - 9	\$6,990	\$87,230
44005	Fire Prevention Officer, 1 Yr.	F2 - 11	\$4,987	\$59,840	44016	Fire Prevention Captain, 1 Yr.	F5 - 10	\$7,339	\$91,591
44005	Fire Prevention Officer, 1 Yr.	F2 - 12	\$5,234	\$62,812	44016	Fire Prevention Captain	F5 - 11	\$7,706	\$96,170
44005	Fire Prevention Officer, 1 Yr.	F2 - 13	\$5,496	\$65,956					
44005	Fire Prevention Officer, 1 Yr.	F2 - 14	\$5,772	\$69,260	44025	Fire Prevention Section Chief, Start	F6 - 1	\$5,088	\$63,500
44005	Fire Prevention Officer	F2 - 15	\$6,060	\$72,718	44025	Fire Prevention Section Chief, 1 Yr.	F6 - 2	\$5,451	\$68,025
					44025	Fire Prevention Section Chief, 1 Yr.	F6 - 3	\$5,722	\$71,410
44014	Fire Senior Prevention Officer, Start	F3 - 1	\$3,826	\$45,916	44025	Fire Prevention Section Chief, 1 Yr.	F6 - 4	\$6,009	\$74,996
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 2	\$4,031	\$48,371	44025	Fire Prevention Section Chief, 1 Yr.	F6 - 5	\$6,311	\$78,759
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 3	\$4,307	\$51,688	44025	Fire Prevention Section Chief, 1 Yr.	F6 - 6	\$6,625	\$82,685
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 4	\$4,522	\$54,263	44025	Fire Prevention Section Chief, 1 Yr.	F6 - 7	\$6,956	\$86,812
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 5	\$4,748	\$56,971	44025	Fire Prevention Section Chief, 1 Yr.	F6 - 8	\$7,305	\$91,163
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 6	\$4,987	\$59,840	44025	Fire Prevention Section Chief, 1 Yr.	F6 - 9	\$7,671	\$95,729
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 7	\$5,234	\$62,812	44025	Fire Prevention Section Chief, 1 Yr.	F6 - 10	\$8,054	\$100,515
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 8	\$5,496	\$65,956	44025	Fire Prevention Section Chief	F6 - 11	\$8,456	\$105,541
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 9	\$5,771	\$69,248					
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 10	\$6,060	\$72,718					
44014	Fire Senior Prevention Officer, 1 Yr.	F3 - 11	\$6,363	\$76,355					
44014	Fire Senior Prevention Officer	F3 - 12	\$6,681	\$80,173					
44015	Fire Prevention Lieutenant, Start	F4 - 1	\$4,395	\$52,742					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 2	\$4,716	\$56,598					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 3	\$4,952	\$59,426					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 4	\$5,200	\$62,394					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 5	\$5,460	\$65,519					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 6	\$5,732	\$68,784					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 7	\$6,020	\$72,245					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 8	\$6,321	\$75,856					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 9	\$6,637	\$79,639					
44015	Fire Prevention Lieutenant, 1 Yr.	F4 - 10	\$6,968	\$83,620					
44015	Fire Prevention Lieutenant	F4 - 11	\$7,317	\$87,801					

The number of years indicated beside the Rank indicate the minimum number of years that an officer must be in the Step prior to being eligible for the next Step in the Rank. If officers are not given a step pay increase in any fiscal year for budgetary reasons, when step pay increases are resumed in a subsequent fiscal year, it is expected that officers' pay will only increase one step (if they meet the eligibility requirements). Officers should not expect a double-step in order to make up for step increases not previously given for budgetary reasons in any fiscal year.

← Important!

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# **SPECIAL PAY**

# What is “Special Pay”?

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- In addition to ‘Step’ Pay (often called ‘base pay’), officers are also eligible for a variety of “Special Pay” items
- Special Pay items include:
  - Up to \$3,600 per year - Education Incentive Pay
  - Up to \$6,000 per year - Certification Pay
  - Up to \$1,200 per year - Service Pay (also called Longevity Pay)
  - \$1,200 per year - Detective Assignment Pay
  - \$1,200 per year - Field Training Officer Pay
  - Up to \$1,800 per year - Patrol Duty Pay
  - 3.5% or 6.5% of pay - Police Shift Assignment Pay
  - Up to \$4,200 per year - Aircraft Rescue (ARFF) Pay
  - Up to \$4,800 per year - EMS Assignment Pay
  - \$2,100 per year - Arson Investigator Pay
  - Up to \$4,200 per year - HAZMAT Pay
  - Up to \$4,200 per year - Urban Search and Rescue Pay
- Special Pay items are a large component of officers’ pay
  - **Fire special pay averages \$7,711 per year**
  - **Police special pay averages \$7,755 per year**
  - See next page for Special Pay by rank

# Base and Special Pay averages by Rank

Average Pay for Uniformed Officers as of January, 2016					
	Rank	Number of Officers	Average Base Pay	Average Special Pay	Average Total Pay
<b>Fire</b>	F2 - Fire Rescue Officer	1054	\$ 55,347	\$ 6,423	\$ 61,770
	F3 - Fire Driver Engineer	468	\$ 67,799	\$ 8,653	\$ 76,453
	F4 - Fire Lieutenant	202	\$ 78,488	\$ 9,385	\$ 87,873
	F5 - Fire Captain	146	\$ 89,788	\$ 10,225	\$ 100,013
	F6 - Battalion/Section Chief	38	\$ 100,661	\$ 11,713	\$ 112,374
	F7 - Deputy Chief	12	\$ 104,453	\$ 10,877	\$ 115,330
	F8 - Assistant Chief	6	\$ 122,789	\$ 11,732	\$ 134,521
	F9 - Chief	1	\$ 189,520	\$ 5,544	\$ 195,064
	<b>Average for all Fire Ranks</b>	<b>1927</b>	<b>\$ 64,886</b>	<b>\$ 7,711</b>	<b>\$ 72,597</b>
<b>Police</b>	P2 - Trainee/Offier	1489	\$ 53,040	\$ 5,914	\$ 58,953
	P3 - Senior Corporal	1383	\$ 67,160	\$ 8,874	\$ 76,033
	P4 - Sergeant	478	\$ 79,761	\$ 9,504	\$ 89,265
	P5 - Lieutenant	90	\$ 89,136	\$ 10,309	\$ 99,444
	P6 - Captain/Major	15	\$ 99,435	\$ 10,845	\$ 110,281
	P7 - Deputy Chief	15	\$ 106,481	\$ 11,085	\$ 117,566
	P8 - Assistant Chief	9	\$ 124,225	\$ 11,094	\$ 135,318
	P9 - Chief	1	\$ 208,945	\$ 10,800	\$ 219,746
	<b>Average for all Police Ranks</b>	<b>3480</b>	<b>\$ 63,914</b>	<b>\$ 7,755</b>	<b>\$ 71,669</b>

# Base & Special Pay for Topped Out Officers, by Rank

Average Pay for Topped Out Uniformed Officers as of January, 2016					
	Rank	Number of Officers	Average Base Pay	Average Special Pay	Average Total Pay
<b>Fire</b>	F2 - Fire Fighter - Step 15	207	\$ 72,718	\$ 9,326	\$ 82,044
	F3 - Fire Driver/Engineer - Step 12	167	\$ 80,172	\$ 9,090	\$ 89,262
	F4 - Fire Lieutenant - Step 11	82	\$ 87,801	\$ 9,540	\$ 97,341
	F5 - Fire Captain - Step 11	83	\$ 96,170	\$ 10,332	\$106,502
	F6 - Fire Battalion/Section Chief - Step 11	24	\$105,541	\$ 11,232	\$116,772
	F7 - Fire Deputy Chief - Step 10	5	\$111,228	\$ 10,551	\$121,779
	F8 - Fire Assistant Chief - Step 14	None Topped Out in this Rank			
	F9 - Fire Chief - Step 16	None Topped Out in this Rank			
<b>Police</b>	Police Officer - Step 11	210	\$ 72,718	\$ 10,895	\$ 83,613
	Police Sr. Corporal - Step 12	438	\$ 80,172	\$ 10,330	\$ 90,503
	Police Sergeant - Step 11	226	\$ 87,802	\$ 9,852	\$ 97,654
	Police Lieutenant - Step 11	48	\$ 96,170	\$ 10,409	\$106,579
	Police Captain/Major - Step 11	5	\$105,540	\$ 10,762	\$116,302
	Police Deputy Chief - Step 10	8	\$111,228	\$ 11,124	\$122,352
	Police Assistant Chief - Step 15	1	\$139,591	\$ 12,120	\$151,711
	Police Chief - Step 18	1	\$208,945	\$ 10,800	\$219,746

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# **CITY OF DALLAS SPECIAL PAY SCHEDULES**

# Dallas Police Department Special Pays

**Attachment B**

**POLICE SPECIAL PAY**  
Effective October 1, 2015

**Certification Pay (applicable to all ranks)**

Rate: TCLEOSE Intermediate Certification: \$200 per month  
TCLEOSE Master Certification: \$500 per month

Note: Certification requirements and TCLEOSE verification must be completed by 9/30/13 in order to receive payment

**Detective Assignment Pay (applicable to Police Senior Corporal)**

Rate: \$100 per month for assignment to investigative duties as a Detective

**Educational Incentive Pay (applicable to all ranks)**

	Pay Rate					
	0 - 45 hours	45 - 90 hours	90 - 105 hours	105 hours or more	Max w/o Bachelors	Bachelors Degree
Effective April 1, 2013	0	Every additional 3 hours credit - \$12 per month	Every additional 3 hours credit - \$12 per month	0	\$240 per month	\$300 per month

**Field Training Officer Pay (applicable to Police Senior Corporal)**

Rate: \$100 per month for assignment as Field Training Officer

**Narcotics Hazardous Material Interdiction Team**

Applicable to selected positions in Narcotics Division (Clandestine Lab Squad) as determined by the Police Chief and approved by the Director of Human Resources.

Rate: Ranks of Sergeant and below: \$100/month

**Patrol Duty Pay (applicable to ranks of Police Officer and Police Corporal)**

Paid for assignment to a Patrol, Traffic, Special Operations Divisions and Gang Unit according to the following schedule:

- 6 Years Service \$100 per month
- 8 Years Service \$125 per month
- 10 Years Service \$150 per month

**Retention Incentive (applicable to all ranks)**

Rate: \$5,000 lump sum.  
Must have completed 5 continuous years of service as a uniformed employee after 9/30/06 based on adjusted date of appointment as uniformed employee, excluding any breaks in service due to disciplinary action, reappointment, or reinstatement.

**Retention Incentive (applicable to all ranks)**

Rate: \$3,000 lump sum.  
Must have completed 10 continuous years of service as a uniformed employee after 9/30/07 based on adjusted date of appointment as uniformed employee, excluding any breaks in service due to disciplinary action, reappointment, or reinstatement.

**Service Pay (applicable to all ranks)** - Article 1269q, V.T.C.S.

Rate: \$4 per month for each year of service completed  
Maximum: \$100 per month for 25 years of service

**Shift Assignment Pay**

Rate: 3.5% for uniformed Police  
**First Watch Assignment Pay (applicable to all ranks)**  
Rate: 6.5% for First Watch from 12:00 midnight to 8:00am

# Dallas Fire Rescue Special Pays

**Service Pay (applicable to all ranks)** - Article 1269q, V.T.C.S.

Rate: \$4 per month for each year completed

Maximum \$100 per month for 25 years of service

**Educational Incentive Pay (applicable to all ranks)**

	Pay Rate					
	0 - 45 hours	45 - 90 hours	90 - 105 hours	105 hours or more	Max w/o Bachelors	Bachelors Degree
Effective April 1, 2013	0	Every additional 3 hours credit - \$12 per month	Every additional 3 hours credit - \$12 per month	0	\$240 per month	\$300 per month

**Certification & Assignment Pay:** Employees may only receive two (2) certification or assignment pays at one time. Employee may select the two certification/assignment pays to be received.

**Aircraft Rescue (ARFF)** - applicable only when assigned to stations designated by Fire Chief

Lieutenant and below: \$150 per month

Captain and above: \$350 per month

**Arson Investigator** - applicable only when assigned as Arson Investigator by Fire Chief; \$175 per month

**EMS Assignment Pay**

Applicable to non-supervisory, EMS Lieutenant and Captain rank; and Battalion Chief assigned to EMS.

Paid for ambulance assignment as follows:

Initial Certification - 4 Years	\$200 per month	8 Years & 1 Day - 11 Years	\$300 per month
4 Years & 1 Day - 6 Years	\$250 per month	11 Years & 1 Day - 14 Years	\$350 per month
6 Years & 1 Day - 8 Years	\$275 per month	14 Years & 1 Day +	\$400 per month

**Firefighter/Fire Inspector Certification** - applicable to employees of all ranks who meet certification requirements

(Eligible employees may receive certification pay for either Firefighter or Fire Inspector, but not both)

Intermediate: \$175 per Month

Advanced: \$250 per Month

Master: \$500 per Month

**Fire Instructor** - applicable only when assigned as Fire Instructor by Fire Chief; \$175 per month

**Hazardous Material Response Team (HAZMAT)**: applicable only when assigned to stations designated by Fire Chief

Lieutenant and below: \$150 per month

Captain and above: \$350 per month

**Paramedic Certification** - applicable to selected positions in the Fire Rescue Department as determined by the Fire Chief and approved by the Director of Human Resources.

(Certification pay is included in assignment pay for regular paramedic assignments.)

Rate: \$75 per month

**Swift Water Rescue (SWR)** - applicable only when assigned to stations designated by Fire Chief

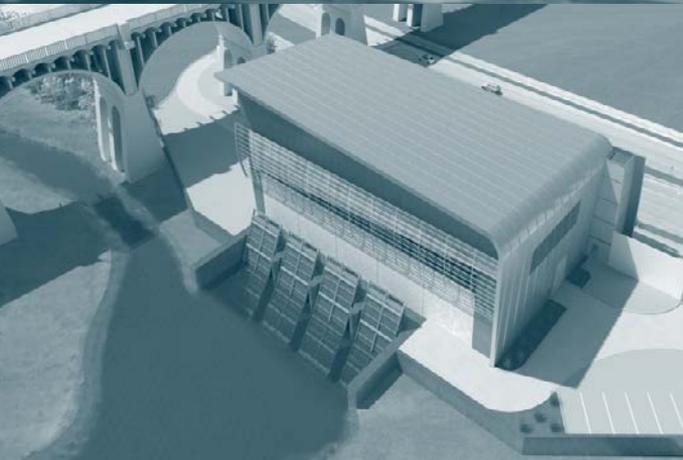
Lieutenant and below: \$150 per month

Captain and above: \$350 per month

**Urban Search and Rescue (USAR)** - applicable only when assigned to stations designated by Fire Chief

Lieutenant and below: \$150 per month

Captain and above: \$350 per month

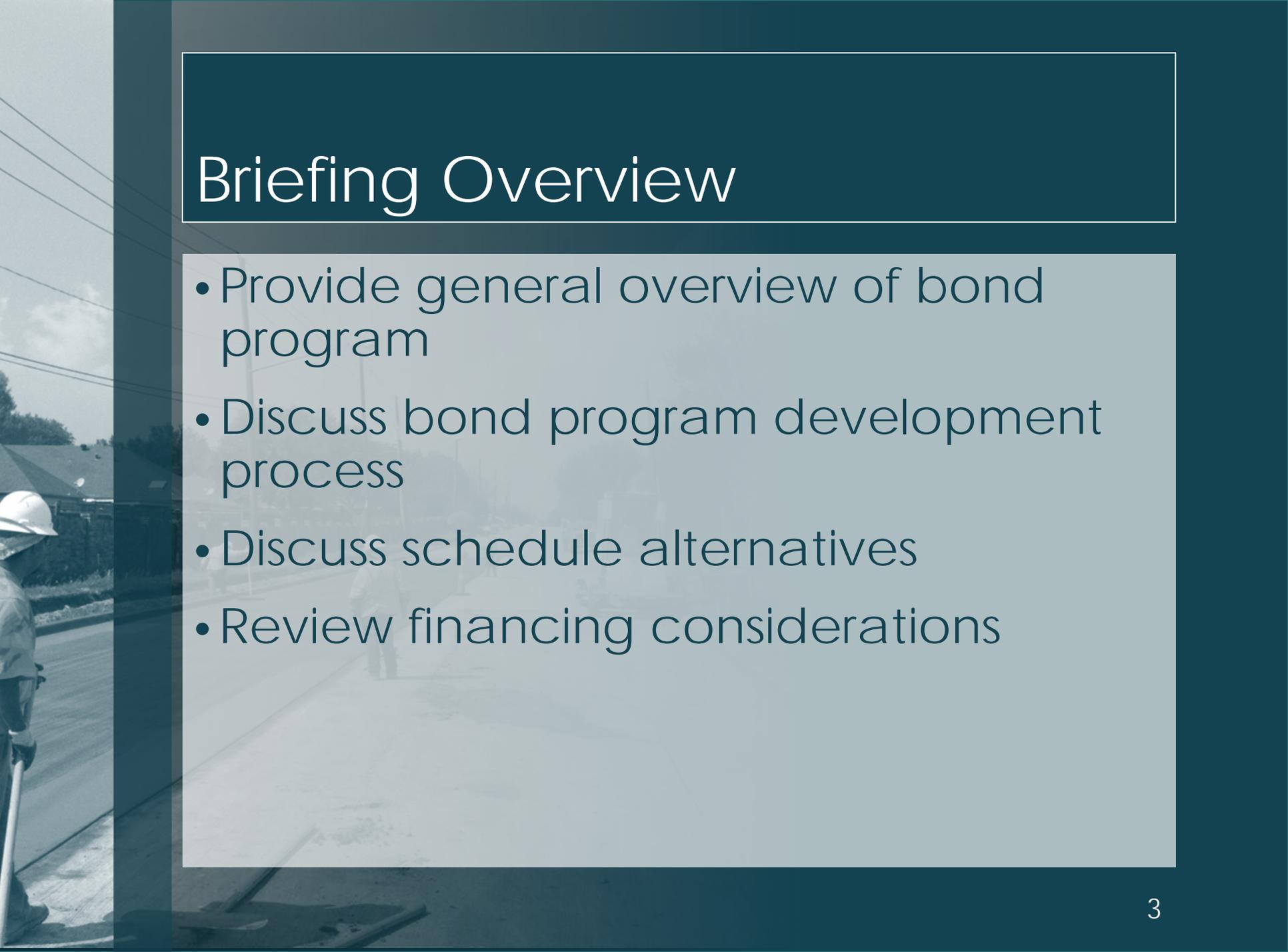


# General Obligation Bond Program Development

City Council Retreat  
February 2, 2016

# Purpose of Briefing

- Seek Council policy direction regarding the next General Obligation (GO) bond program:
  - When should the election be held?
  - Should City move more to pay-as-you-go financing?



# Briefing Overview

- Provide general overview of bond program
- Discuss bond program development process
- Discuss schedule alternatives
- Review financing considerations



# General Overview of Bond Program

General Obligation  
Bond Program Development

# City's infrastructure funded through two major methods

	General Purpose Infrastructure	Enterprise Program Infrastructure
Financing tools	<ul style="list-style-type: none"> <li>- Cash</li> <li>- General obligation bonds(GO)</li> <li>- Certificates of obligation (CO)</li> </ul>	<ul style="list-style-type: none"> <li>- Cash</li> <li>- Revenue bonds</li> </ul>
Builds	<ul style="list-style-type: none"> <li>-Streets, alleys, bridges</li> <li>-Parks</li> <li>-Flood protection and storm drainage facilities</li> <li>-City buildings</li> </ul>	<ul style="list-style-type: none"> <li>-Water/sewer pipelines and treatment plants</li> <li>-Aviation facilities</li> <li>-Convention facilities</li> </ul>
Bond Repayment Source	<ul style="list-style-type: none"> <li>-Ad valorem taxes</li> </ul>	<ul style="list-style-type: none"> <li>-Rate payers</li> <li>-User fees</li> </ul>

# What are GO Bonds?

- GO bonds are primary mechanism for financing long-term infrastructure improvements
- Spread cost of asset over average useful life of asset (typically 20+ years)
- Carry pledge of property tax revenue for repayment and must be approved by voters
- Must be used for capital improvements that benefit the public

# Typical Uses of GO Bonds

- GO bonds are used for permanent public improvements including:
  - Streets and transportation
  - Flood protection and storm drainage
  - Park and recreation facilities
  - Libraries
  - Arts and cultural facilities
  - Police and fire stations
  - City service and maintenance facilities
  - Infrastructure related to housing or economic development projects

# Non-Eligible Uses of Bonds

- Not everything is eligible for GO bond financing:
  - Day-to-day operating and maintenance (O&M) expenses
    - Such as salaries/benefits, electricity, supplies, services, etc.
  - Motor vehicles/equipment (due to their shorter useful life)
  - Computers, cameras, and other short-term technology that does not last for the duration of the bond life



# Bond Program Development Process

General Obligation  
Bond Program Development

# Key Components for Developing Bond Program

1. Guiding Principles

2. Needs Inventory

3. Public Input

4. Schedule

5. Policy Considerations

6. Financial Considerations

# Strategic Objective for Program

- Bond program should have an overarching objective to achieve
- Past examples include:
  - 2012 Bond Program: A Strategic Investment in the Economic Health and Future of Dallas
  - 2006 Bond Program: A Strategic Investment Protecting Our City, Creating Our Future
- Council will set objective for next bond program at a future briefing

Guiding Principles

# Determine Guiding Principles Early in Planning Process

- Council will also set guiding principles for next bond program at a future briefing
- Past examples include:
  - Promote public safety (including streets/drainage)
  - Promote economic development
  - Leverage additional funding from other agencies and private sector
  - Minimize new O&M expenses

Guiding Principles

# How the City's capital needs are prioritized

- City has a capital Needs Inventory which is derived from:
  - Public input
  - Council requests
  - 311 complaints
  - Comprehensive plans & studies
- Projects are scored and ranked using technical criteria which was last reviewed by Council in 2000

Needs  
Inventory

# “Needs” vs “Wants”

- Needs Inventory has both needs & wants
- Both are in the eye of the beholder – examples:
  - Wider sidewalks and tree-lined streets
  - Replacement fire station
- Staff will:
  - Focus on projects that meet Council’s strategic goals
  - Categorize projects according to:
    - New construction
    - Replacements
    - Improvement/betterment of existing facilities

Needs  
Inventory

# Assessing Needs & Wants

- Entire Needs Inventory will be completely updated and cost estimates brought to current dollars
- Any new projects identified during public input phase are analyzed and included as appropriate
- All projects categorized in Needs Inventory will be prioritized based on technical criteria

Needs  
Inventory

# Upcoming Agenda Items related to Bond Program Development

- Facility needs to be refined through asset management initiatives coming to council this spring:
  - Major facility condition assessment
  - Computerized Maintenance Management System (work order system)
  - This effort supports both DWU and City buildings
- Consulting services contracts may also be needed to support project prioritization and selection
  - Such as traffic counts, ADA, and pedestrian safety
- Council committees will be briefed prior to agenda items

Needs  
Inventory

# Public Input & Involvement

- Public input has traditionally occurred in two rounds
  - Process has been used since 1995 Bond Program
- Input obtained via:
  - Town hall meetings (including electronic)
  - Presentations to HOAs/groups
  - Web-based feedback (Twitter, Facebook, Instagram, etc.)

Public Input

# Public Input & Involvement

- First round of public input covers:
  - Whether to conduct a bond program
  - Overall size of bond program
  - Priorities between propositions (street conditions, park needs, drainage, etc.)
  - Citywide project priorities
  - Individual, specific projects/problems that need to be investigated for inclusion in bond program
- Second round of public input to be conducted to receive feedback on recommended program prior to Council calling the bond election

Public Input

# Possible Bond Election Schedules

## Schedule

Event	May 2017 Election	Nov 2017 Election
Council briefings on policies and technical criteria	Feb-June 2016	Feb-June 2016
Update needs inventory	Feb-Oct 2016	Feb-Dec 2016
Hold initial public input meetings	Oct 2016	Jan 2017
Brief Council committees on program needs	Oct-Nov 2016	Jan-Apr 2017
Brief Council on updated needs inventory	Dec 7, 2016	Apr 5, 2017
Brief Council on financial capacity	Dec 7, 2016	Apr 5, 2017
Council election	N/A	May 13, 2017
Present City Manager's recommended bond program	Jan 4, 2017	May 17, 2017
Conduct second round of public input meetings	Jan 2017	May 17-Jun 9, 2017
Council finalizes the recommendations	Feb 1, 2017	Aug 2, 2017
Council calls the election	Feb 13-Mar 3, 2017	Aug 9-29, 2017
Election date	May 13, 2017	Nov 7, 2017

# Election Timetable Variables

- May 2017 is already scheduled for Mayor & City Council elections
  - FY17 budget will include expenses for County to conduct election/runoff

Schedule

- Holding bond election in November or when there is not a Mayor/Council election will result in additional cost
  - Cost associated with special election is approximately \$1.0m

# Policy considerations related to bond program development

- Council may wish to revisit other policies related to infrastructure in developing next bond program
- Examples:
  - Review technical criteria
  - Cost sharing with citizens on sidewalks
  - Alley petition process
  - ADA compliance
  - Incorporating Neighborhood Plus into technical criteria; prioritizing projects that address quality of life improvements in those areas

Policy  
Consideration



Financial  
Considerations



# Financial Considerations and Funding Options

General Obligation  
Bond Program Development

# Financial Capacity Analysis

- General Obligation (GO) bonds are primary method the City has used to finance capital improvements
  - Voter approval is required
  - Allows for the improvement to be paid for over the useful life of the improvement
- Pay-as-you-go is an alternative method, and is used within the City on a limited basis
  - Cash is not currently available to fund significant amounts of capital improvements each year
  - Including a pay-as-you-go component can be a consideration in developing upcoming bond program

# Financial Capacity Analysis

- Determining financial capacity for upcoming bond program should consider:
  1. Current outstanding debt
  2. Voter authorized but unissued debt
  3. Tax base value and future growth
  4. Tax rate allocated to debt service fund
  5. Policy direction for future debt
- Current analysis does not consider impact of other potential debt such as pension obligation bonds for Police & Fire Pension Fund

# (1) Outstanding Debt

- Current outstanding debt is \$1.7B (principal) as of December 2015
  - Financial advisors monitor debt for refunding opportunities to reduce debt cost
  - Debt service cost for FY16 is \$120.5m principal + \$98.3m interest = \$218.8m total (includes GOs, COs, and pension obligation bonds)
  - Based on most recent GO bonds sold (November 2015), interest cost is \$0.29 per \$1 borrowed over the life of the GO bonds

## (2) Voter Approved Debt

- Continue to utilize \$350m commercial paper (CP) program to provide “just-in-time” interim financing of projects, and retire CP with long-term GO bonds already approved by voters
  - GO debt is structured with the first year being interest only and years 2 through 19 being level principal plus interest
- Issue remaining \$437m of voter approved bonds from 2006 and 2012 bond programs
  - November 2016 - \$175m
  - November 2017 - \$150m
  - November 2018 - \$112m

## (3) Property Tax Base Values

- Future capacity is impacted by revenue within the City's debt service fund
- Property tax base values have grown for 4 consecutive years after 3 years of declining growth during the recession
- Growth projections are designed to reflect long-term trends rather than current growth rates
- Current growth projections:
  - FY17: 5.00% (same as General Fund forecast)
  - FY18 – FY27: 2.84% (30-year average)
  - Beyond FY27: no growth assumed
- Growth projections will be revised after the FY17 certified values are provided by the 4 appraisal districts on 7/25/16

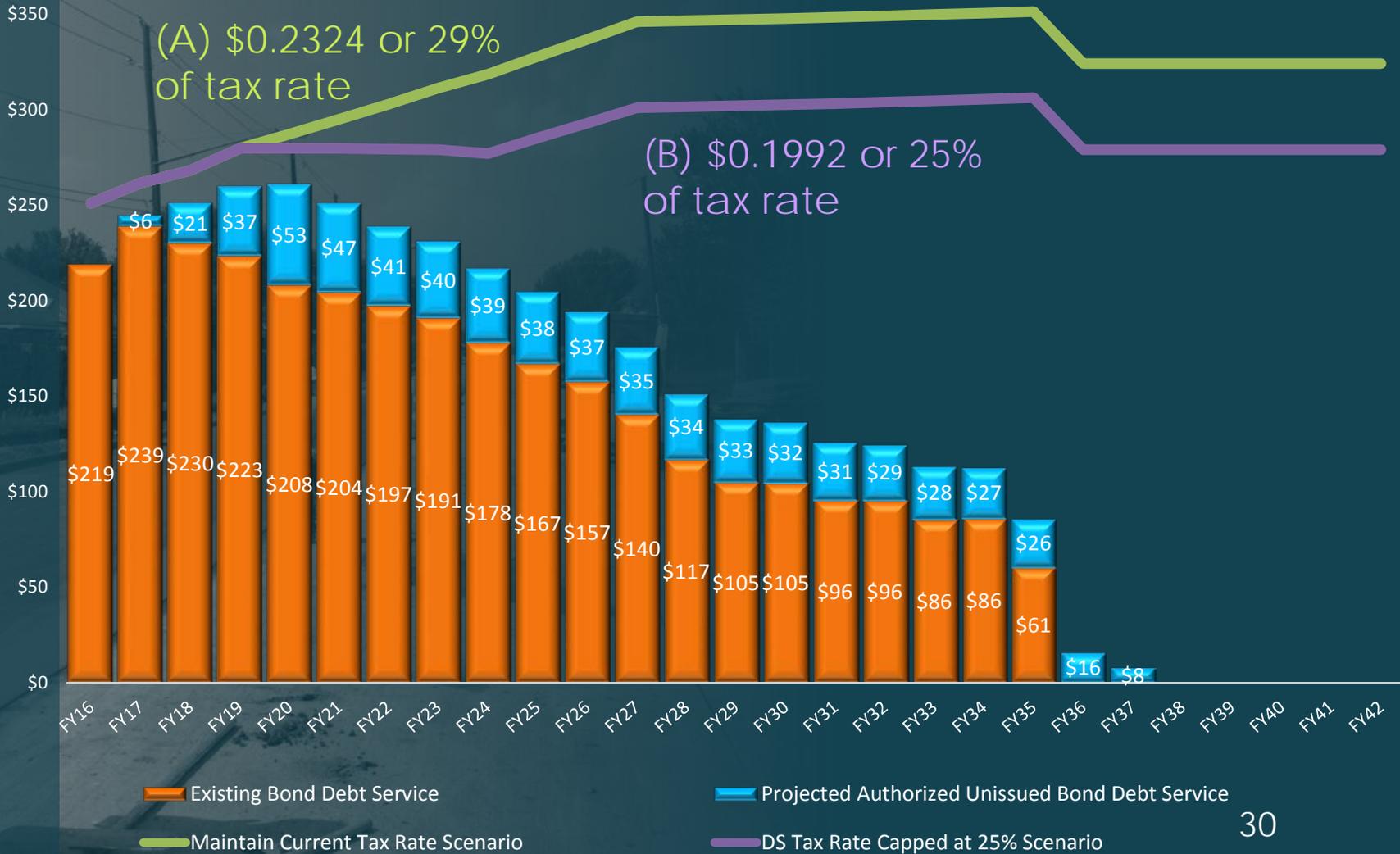
## (4) Property Tax Rate

- Current property tax rate is \$0.7970 with \$0.5646 (71%) allocated to the General Fund and \$0.2324 (29%) allocated to debt service
  - Debt service allocation has decreased for 5 consecutive years from 34% to current 29%
- Potential exists to reallocate part of the debt service tax rate to a pay-as-you-go program
  - Reallocation over time may be necessary to ensure that the roll-back tax rate is not exceeded in any year

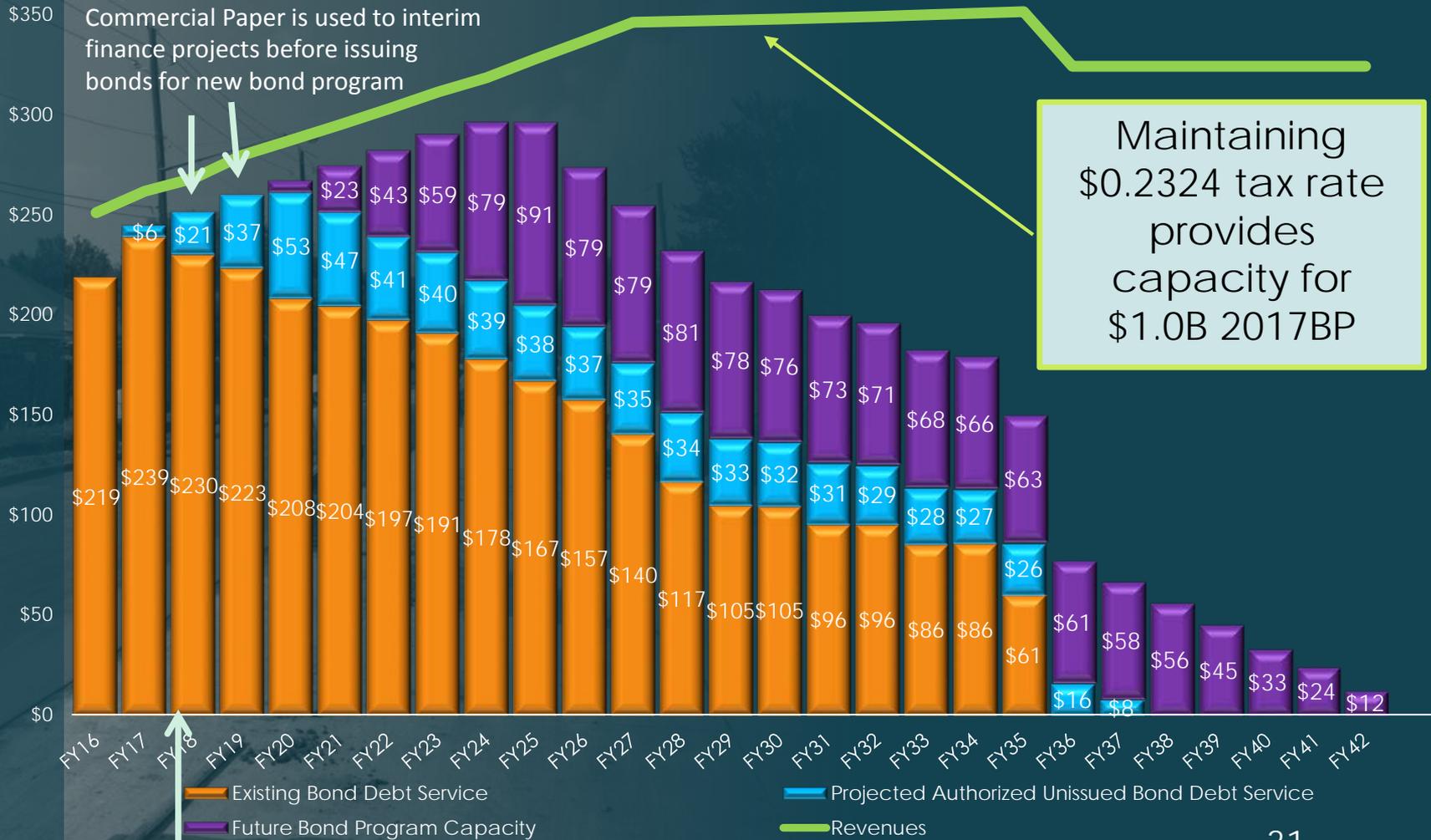
## (5) Policy Direction for Potential Scenarios

- Potential scenarios for 2017 bond program are based on revenue assumptions:
  - A. Maintain current \$0.2324 (29%) tax rate, and use maximum capacity
  - B. Reduce the tax rate allocated to debt service over 5 years to \$0.1992 (25% of total tax rate)

# Potential Financial Scenarios (\$ in millions)



# Scenario A: Maintain 29% or \$0.2324 Tax Rate (\$ in millions)



Potential future bond election in May/Nov 2017 (FY18) and begin projects using Commercial Paper

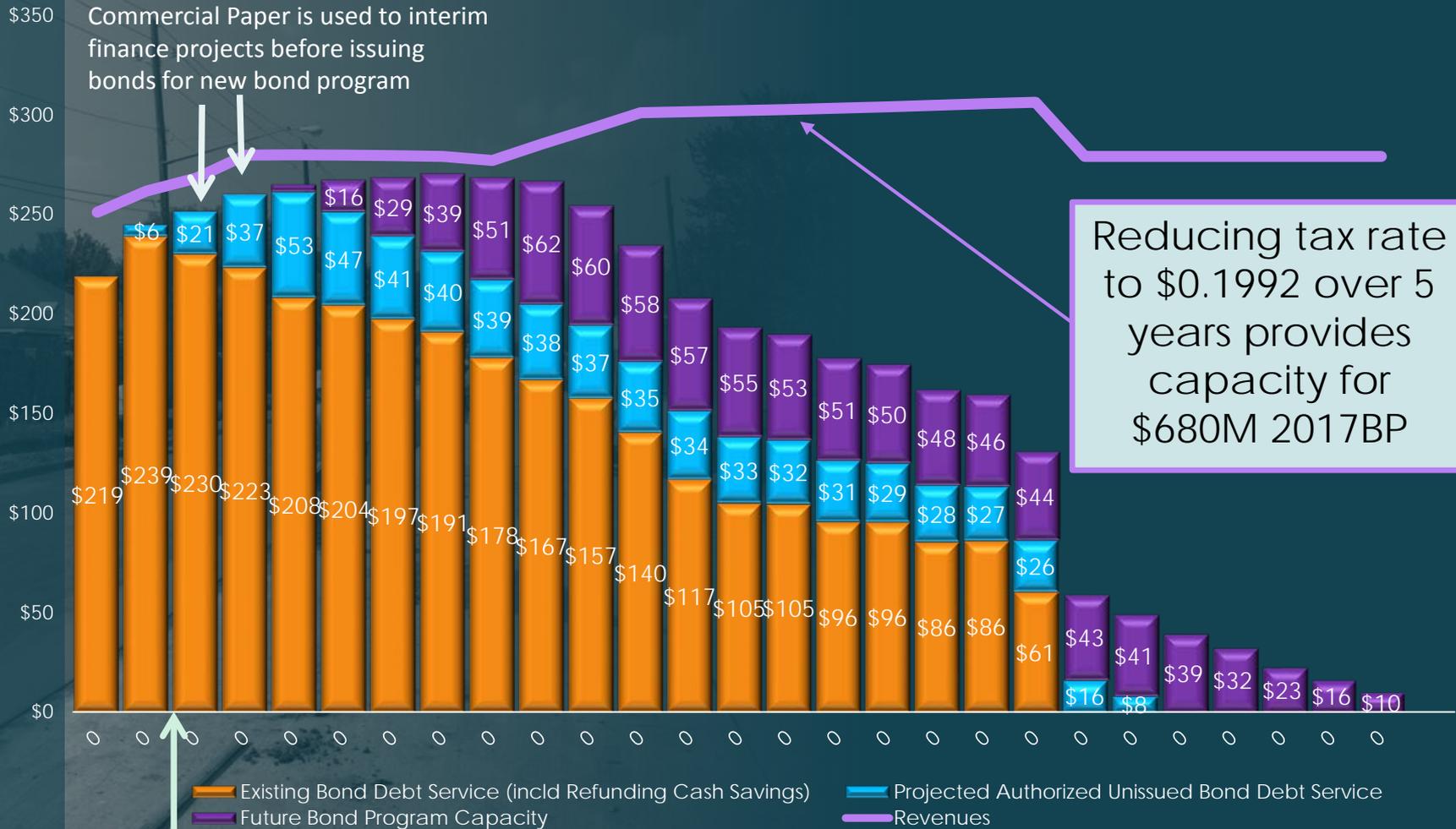
# Scenario A Summary

## Forecast will change

- Maintain current \$0.2324 (29%) tax rate, and use maximum capacity
  - Capacity for \$1.0B 2017 BP to be issued over 6 years

Note: Financial capacity will be updated and provided to Council as more information is available. Forecast will change.

# Scenario B: Reduce to 25% or \$0.1992 Tax Rate (\$ in millions)



Potential future bond election in May/Nov 2017 (FY18) and begin projects using Commercial Paper

# Scenario B Summary

## Forecast will change

- Reduce the tax rate allocated to debt service over 5 years to \$0.1992 (25%)
  - Capacity for \$680m 2017 BP to be issued over 6 years
  - Shift tax rate and establish pay-as-you-go program- \$120m over same time frame of the 2017 bond program
  - Combined \$680m bonds and \$120m pay-as-you-go would provide \$800m of improvements and reduce percent of tax rate allocated to debt service to 25%

Note: Financial capacity will be updated and provided to Council as more information is available. Forecast will change.

# Alternative Scenarios (A2/B2)

- Alternatively, the bond election could be delayed from 2017 to 2018
- To have net zero street degradation, additional funding would be required in the interim in addition to increasing O&M funding in each year:
  - Additional 55 lane miles and \$15m would be required in FY17
  - Additional 112 lane miles and \$31m would be required in FY18
- Certificates of obligation (10-year debt) could provide the funding

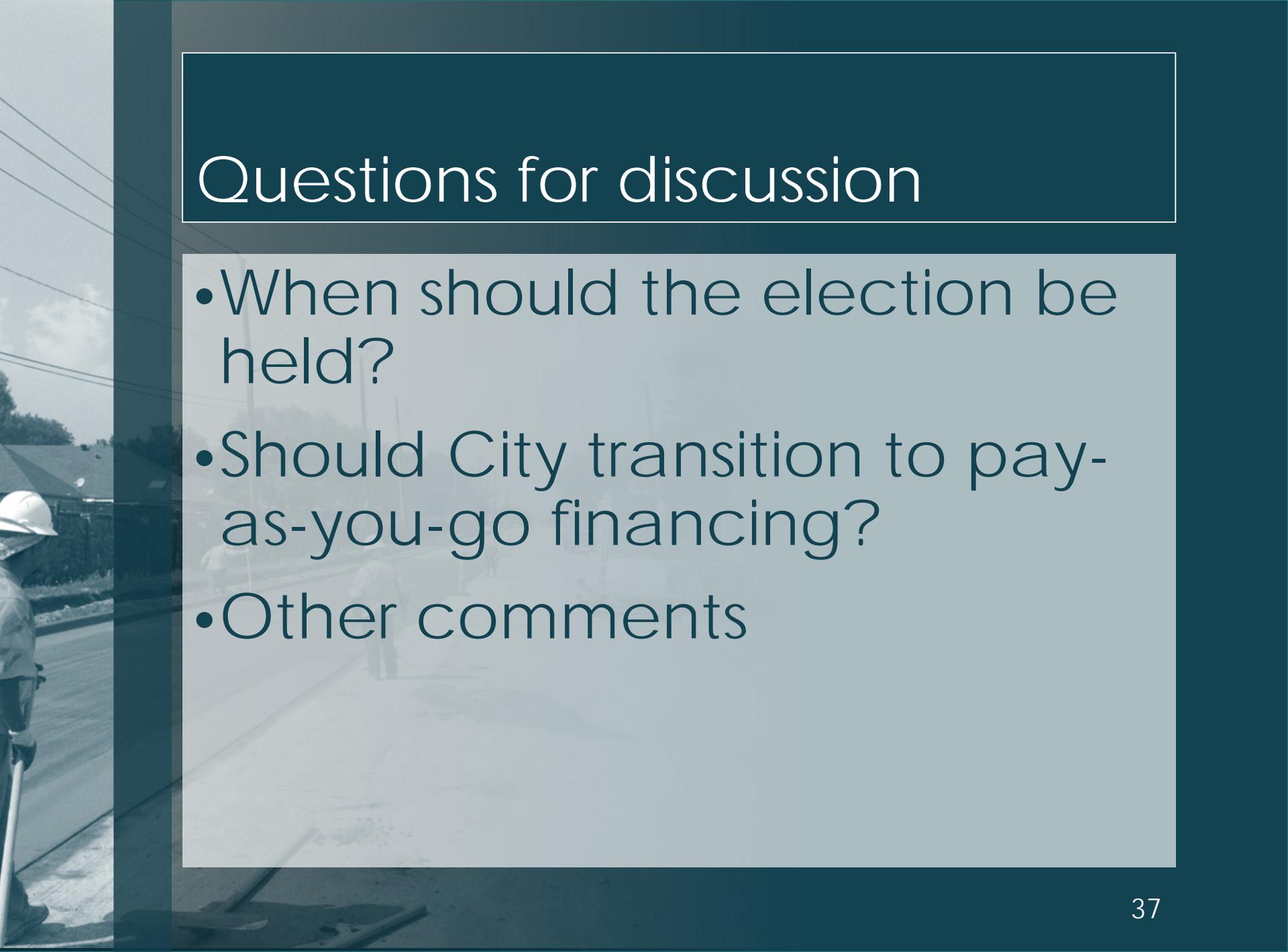
Note: These figures are based on current data. On-going data analysis will result in adjustments.

# Preliminary Financial Capacity

(Forecast will change)

	Scenario A	Scenario A2	Scenario B	Scenario B2
Tax rate for Debt Service	Maintain \$0.2324 (29%)	Maintain \$0.2324 (29%)	Lower to \$0.1992 (25%)	Lower to \$0.1992 (25%)
Election	May or Nov 2017	2018	May or Nov 2017	2018
GO Bonds	\$1.0B	\$945M	\$680M	\$525M
Number of years of bond sales	6	5	6	5
Tax rate shift to General Fund	None	None	\$0.0332	\$0.0332
Pay as you go	\$0	\$0	\$120M	\$120M
Certificates of Obligation	\$0	\$46M	\$0	\$46M
Total of Funds for Projects	\$1.0B	\$991M	\$800M	\$691M

Note: These figures are based on current data. On-going data analysis will result in adjustments



# Questions for discussion

- When should the election be held?
- Should City transition to pay-as-you-go financing?
- Other comments



# Appendix A – History of Bond Programs

# History of City Bond Programs

Year	Date of Election	Number of Propositions	Program Size	Tax Rate Increase Projected?	Number of Bond Issues
2012	Nov 2012	3	\$642.0m	No	3 (to-date)
2006	Nov 2006	12	\$1,353.5m	Yes (advertised but not implemented)	8 (to-date)
2005	Nov 2005	1	\$23.8m	No	1
2003	May 2003	17	\$579.0m	Yes (for some propositions)	4
1998	May 1998	11	\$543.5m	No	10*
1995	May 1995	8	\$174.7m	N/A	3
1989	May 1989	2	\$60.7m	N/A	2
1985	May 1985	11	\$428.1m	N/A	6

\*Number of bond issuances timed to support Trinity River Corridor Project

# Previous Bond Programs- Size & Propositions

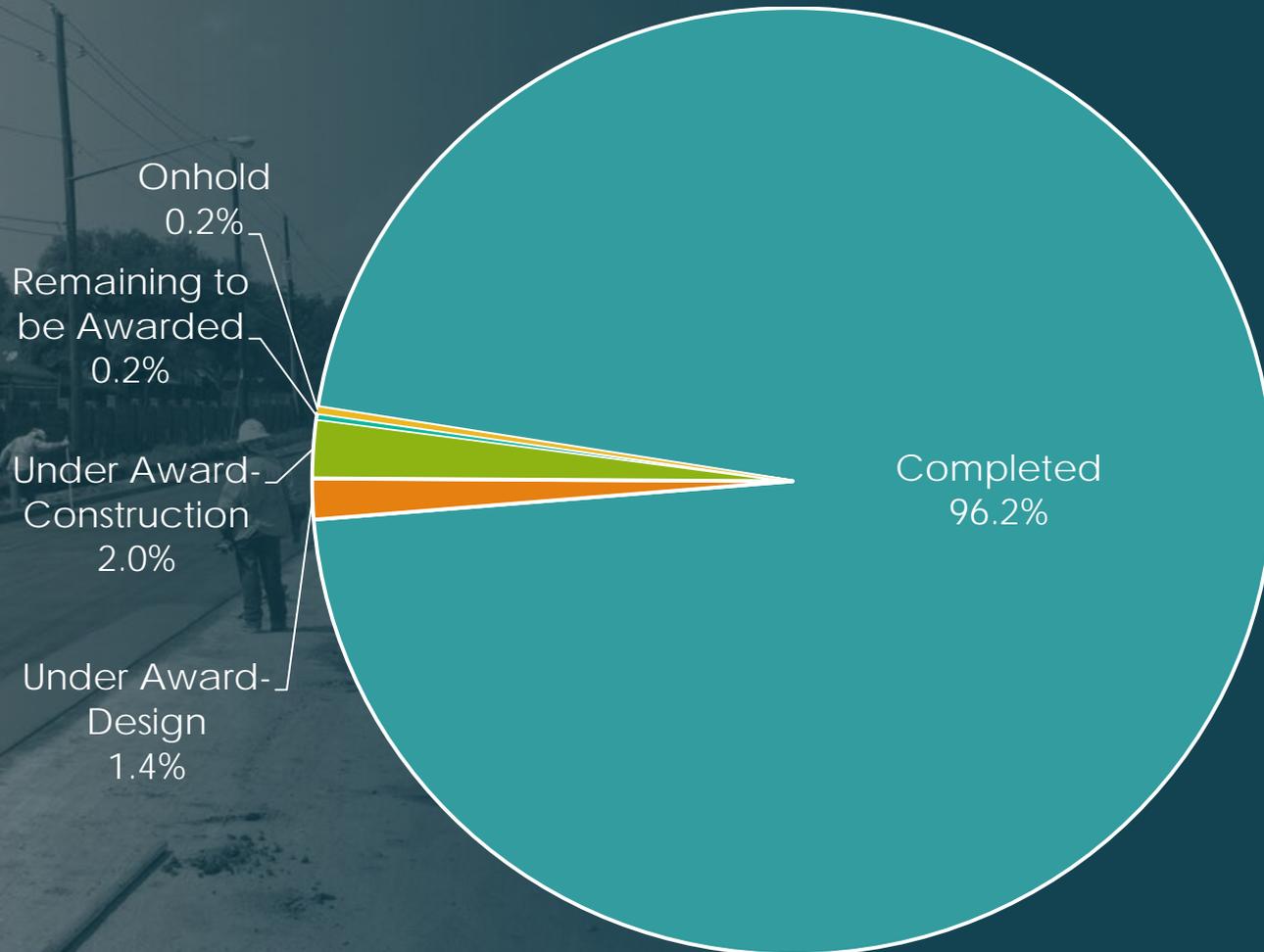
		Propositions Addressed						
Year	Program Size	Streets Alleys Sidewalks	Flood Protection	City Facilities, New Renovation & Major Repair	Park Facilities	Libraries & Cultural Facilities	Public Safety Facilities	Economic Develop
2012	\$642.0m	✓	✓					✓
2006	\$1,353.5m	✓	✓	✓	✓	✓	✓	✓
2005	\$23.8m Homeless Assist. Center							
2003	\$579.0m	✓	✓	✓	✓	✓	✓	✓
1998	\$543.5m	✓	✓	✓	✓	✓	✓	✓
1995	\$174.7m	✓		✓	✓		✓	
1989	\$60.7m	✓	✓					
1985	\$428.1m	✓	✓	✓	✓	✓	✓	

# Historical Allocations by Propositions (% of '98, '03, '06, and '12 Programs)

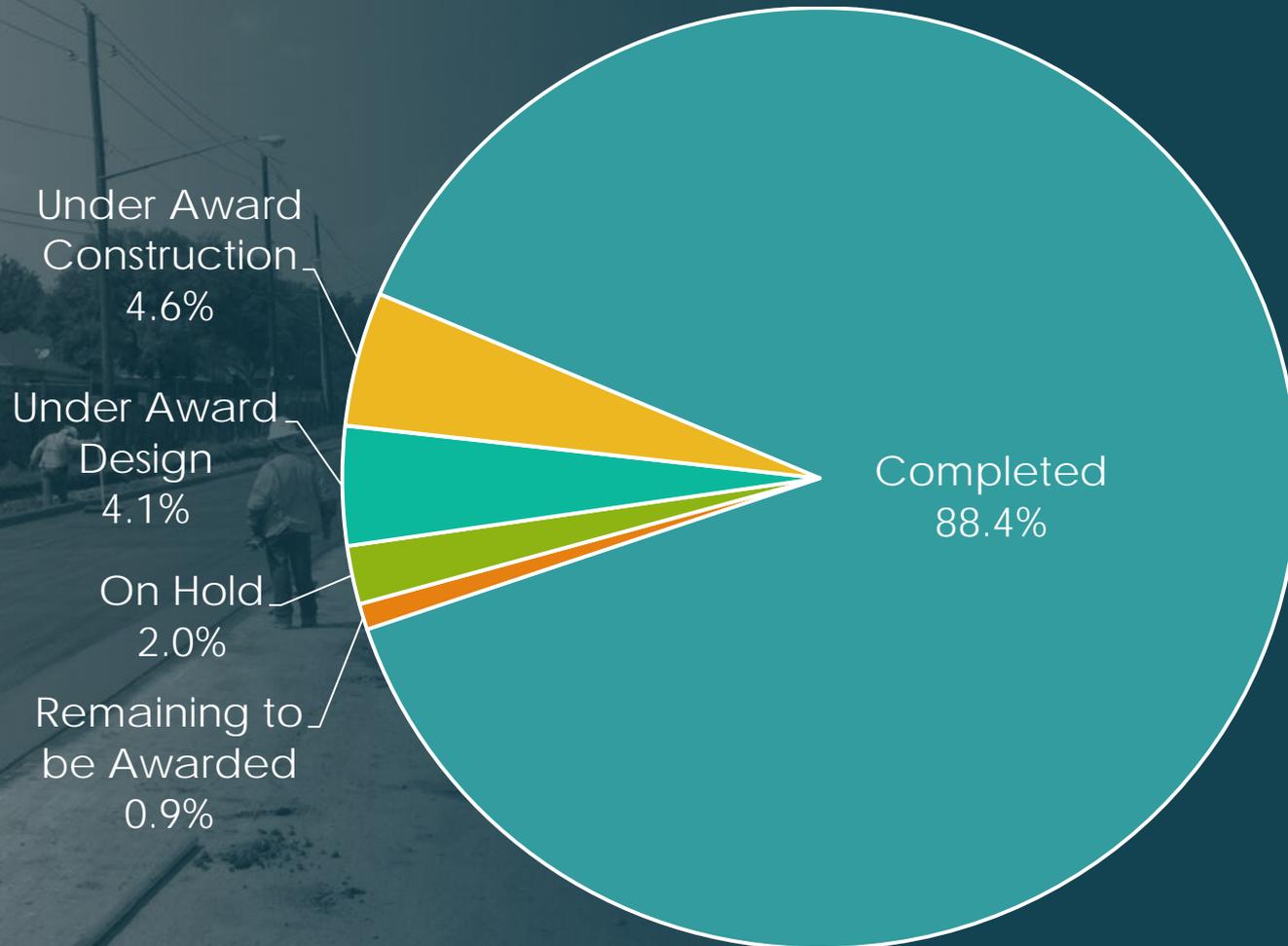


Chart reflects projects as grouped by their bond proposition on the ballot. Chart has not been modified to reflect projects that can serve multiple areas

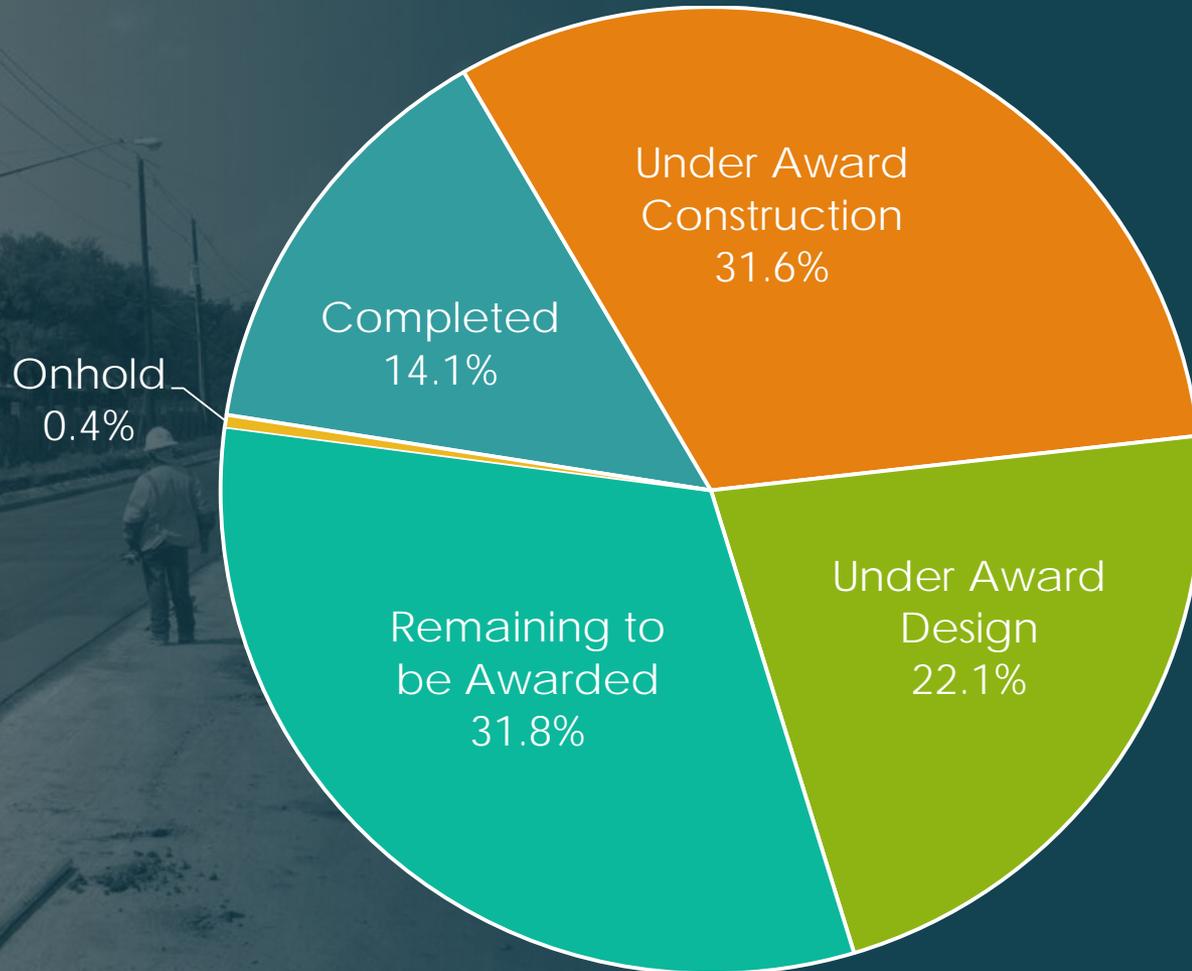
# 2003 Bond Program Status



# 2006 Bond Program Status



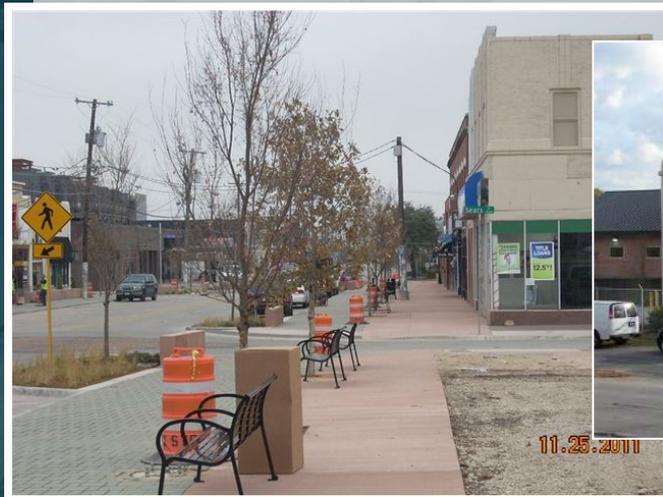
# 2012 Bond Program Status



# Examples of Recent Bond Program Projects

- Of the 11,700 street lane miles:
  - Reconstructed 507 street lane miles
  - Resurfaced 953 street lane miles
- Implemented 3 funded pump stations
- Constructed or renovated 164 playgrounds out of a total of 215 playgrounds.

Greenville Ave. Complete Street



Pavaho Pump Station



Belo Garden



# Examples of Recent Bond Program Projects

- Built 5 new libraries (Arcadia, Grauwyler, Timberglen, Prairie Creek, and White Rock)
- Constructed 11 fire stations out of a total of 58 fire stations.
- Renovated Courts portion of Old City Hall
- Repaired/improved over 100 city facilities

Fire Station 50



Streets Dept. HQ



White Rock Branch Library





# Appendix B – State Tax Law Implication

# Tax Law Implications of Pay-as-you-Go

- Transitioning to Pay-as-you-go (PayGo) financing has State tax law implications
- PayGo requires shifting property tax rate from Debt Service to General Fund
- Growth in General Fund property tax revenue is capped at 8%/year
- Ability to shift tax rate will depend each year on growth in certified tax roll so as not to exceed Rollback Rate
- More growth in tax base reduces ability to shift rate/fund PayGo

# Tax Law Implications of Pay-as-you-Go

- Rollback rate calculation:
  - Plus - Revenue from reappraised property values (property taxed both in current and prior years)
  - Plus - Revenue from shifting tax rate between General Fund and Debt Service
  - Minus - Revenue derived from new construction
  - Minus - Revenue City pays into TIF Districts
- Revenue from above as compared to prior year property tax revenue cannot exceed 8% growth



# FY 2016-17 Budget Workshop #2: Council Direction

City Council Retreat  
February 2 & 3, 2016

# Budget process begins with Council input

Sept 21  
Budget Adoption

Aug-Sept  
Council Deliberations

Aug 9 CMO  
Recommendation

June 15  
Budget Update

May 4  
Options

March 2  
Gap Update

Feb 3  
Council Input



Council input will assist in starting the "climb"



# Purpose of briefing

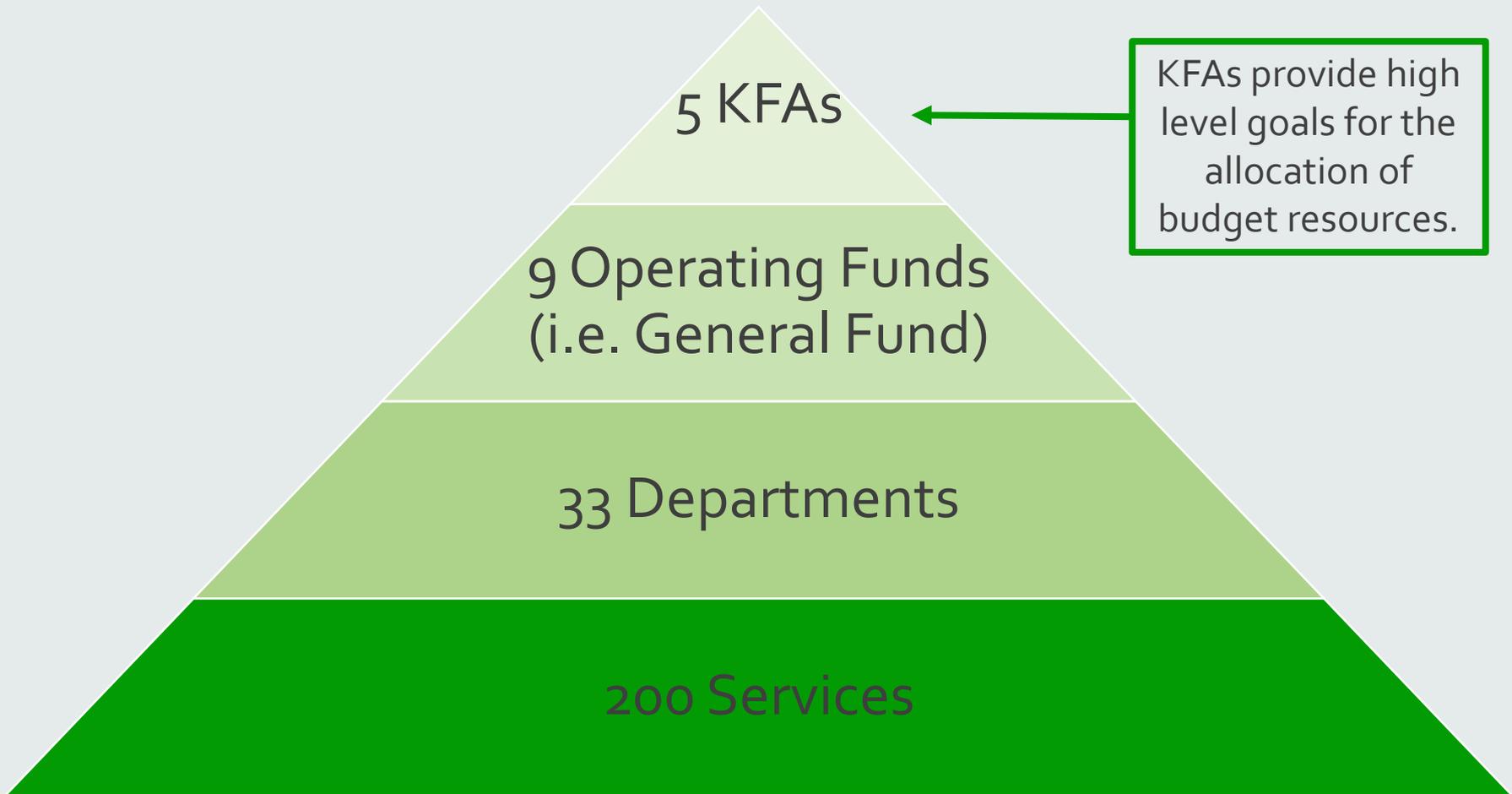
- Seek early input from City Council to use in developing FY 2016-17 (FY17) general fund budget
  - Key Focus Area (KFA) allocations
  - Guiding principles for developing FY17 general fund budget
  - Budget projections for FY17 general fund budget
- Review budget schedule
- Questions and comments

Funding is limited. Not all needs and wants can be funded.  
Trade-offs are necessary to balance the budget.  
Understanding Council priorities is necessary to begin budget development process.



# Key Focus Areas (KFAs)

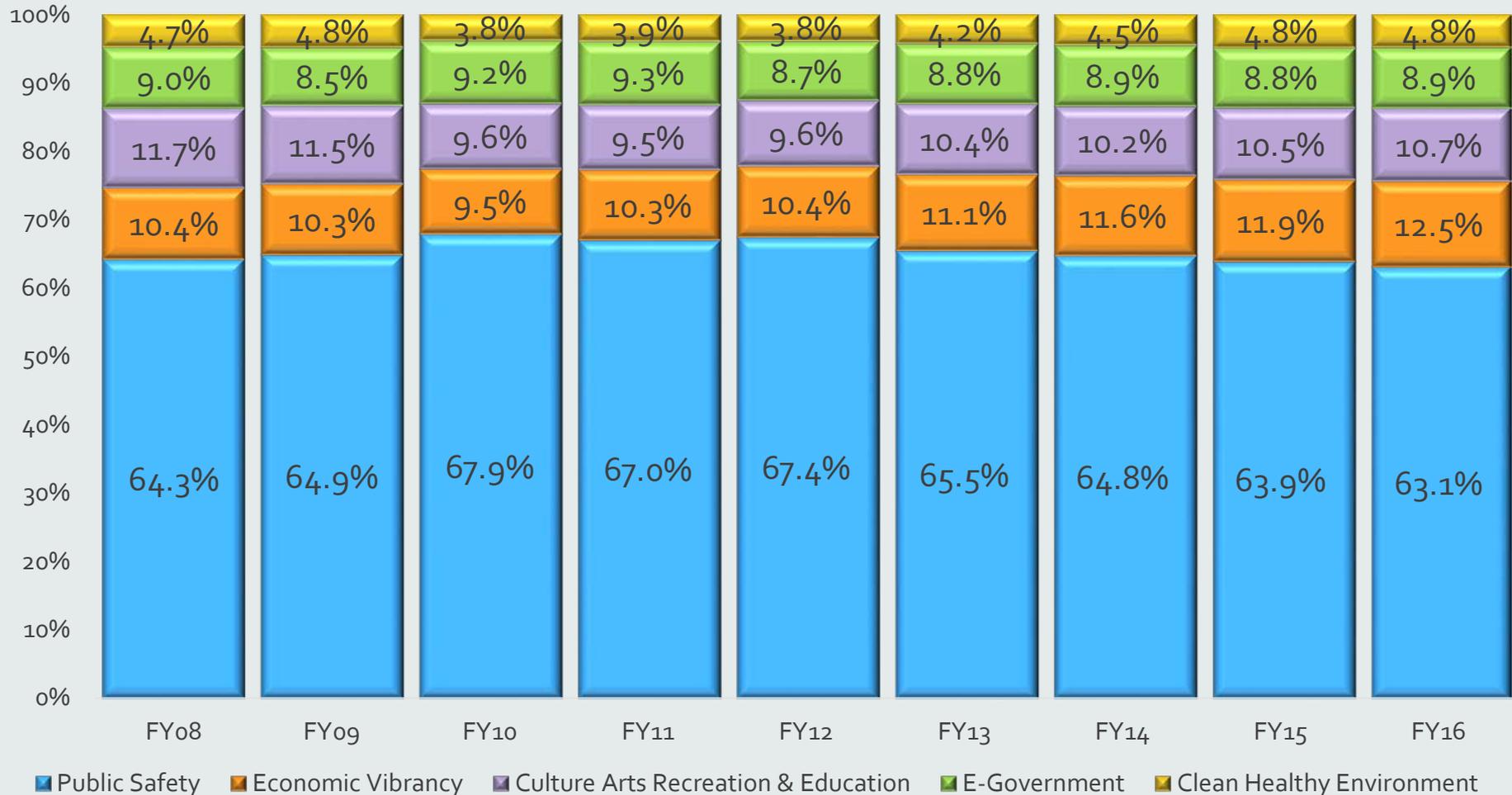
# Services provided by the City roll-up to Key Focus Areas (KFAs)



## Current Key Focus Area (KFA) goals

- 1) Public Safety – enhance public safety to ensure people feel safe and secure where they live, work, and play
- 2) Economic Vibrancy – grow a sustainable economy by job creation, private investment in the region, a broadened tax base, sustainable neighborhoods, and livability and quality of the built environment
- 3) Clean Healthy Environment – Create a sustainable community with a clean, healthy environment
- 4) Culture, Arts, Recreation, and Education – support lifelong opportunities for Dallas residents and visitors in cultural, artistic, recreational, and educational programs that contribute to Dallas' prosperity, health and well-being
- 5) E-Government – provide excellent government services to meet the needs of the City

# General Fund resources allocated to achieve 5 goals



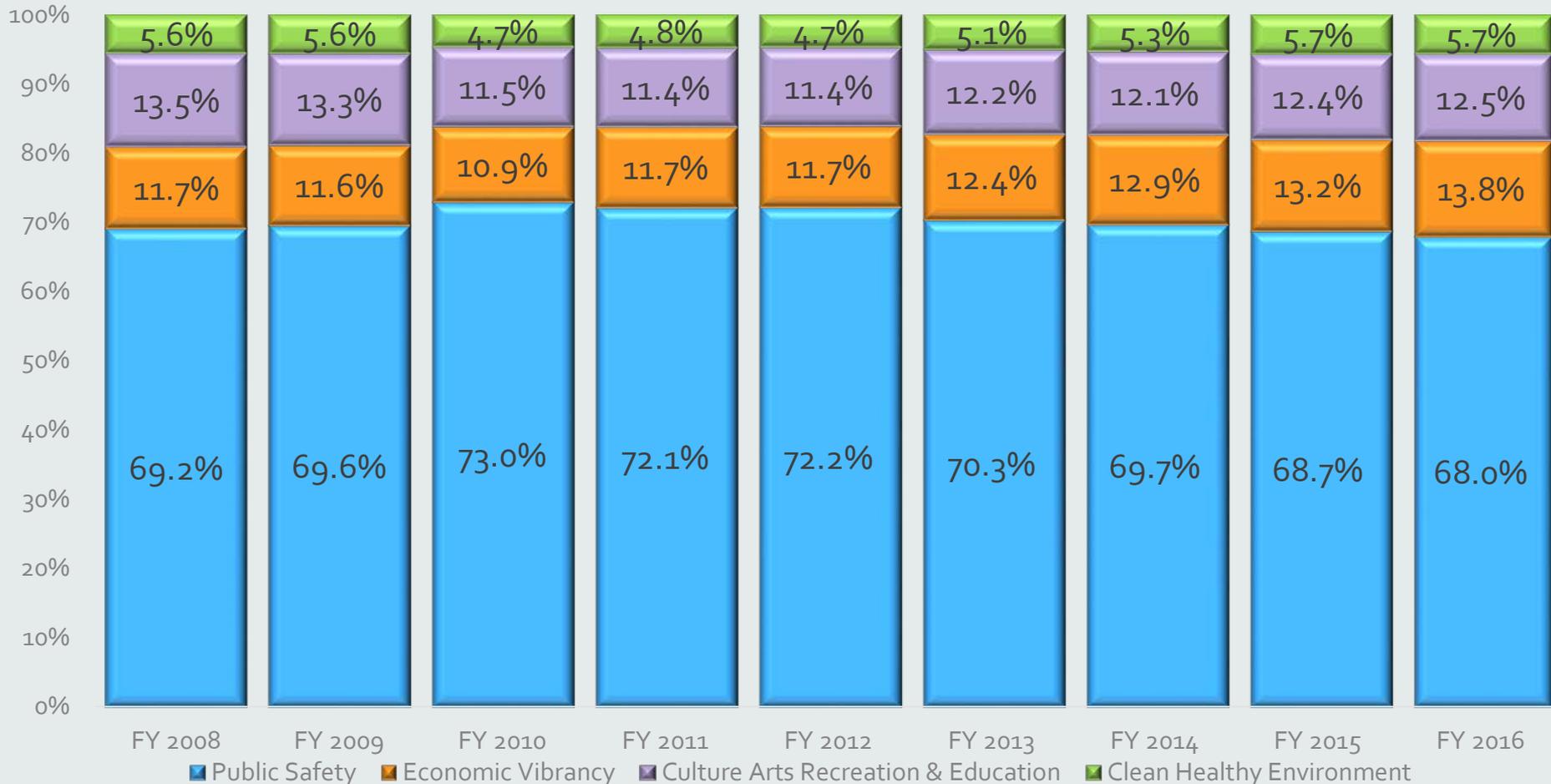
Note: Prior years have been restated to exclude Sanitation Services budget.  
 Note: KFA historical chart including debt services is located in the appendix.

# General Fund departments align to various KFAs based on services provided

	City Attorney	City Auditor	City Controller	City Manager	City Secretary	Civil Service	Code Compliance	Court Services	Equipment & Building Svcs.	Fire-Rescue	Housing & Community Svcs.	Human Resources	Judiciary	Library	Management Services	Mayor & City Council	Office of Cultural Affairs	Office of Economic Develop.	Office of Financial Services	Park & Recreation	Planning & Urban Design	Police	Public Works	Purchasing	Street Services	Sustainable Development	Trinity Watershed Mgmt.
Public Safety	X							X	X	X			X		X							X	X				
Economic Vibrancy							X		X	X	X							X		X	X				X	X	X
Culture, Arts, Recreation & Education														X			X			X							
Clean Healthy Environment	X						X	X							X								X				X
E-Government	X	X	X	X	X	X			X		X	X			X	X			X					X			

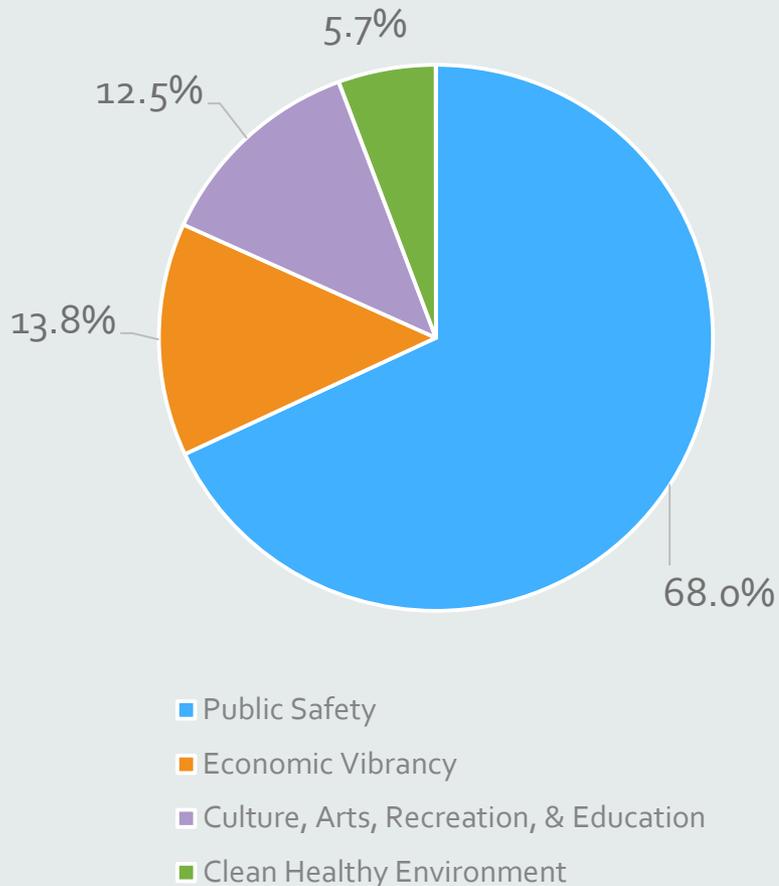
Note: Additional departmental information will be provided in future briefings.

# E-Gov KFA supports and can be distributed to other 4 KFAs



\*E-Gov KFA retroactively distributed for all years based on allocations; Sanitation excluded.

# Should the KFA allocations be adjusted for the FY17 general fund budget?



KFA	FY16 Percent	Increase Percent	Same Percent	Decrease Percent
Public Safety	68.0%			
Economic Vibrancy	13.8%			
Culture, Arts, Recreation & Education	12.5%			
Clean Healthy Environment	5.7%			
Note: For each KFA with increase in percent, there should be an offsetting decrease in percent for another KFA.				



# Guiding Principles for FY17

# FY16 budget was developed to focus on Council top priorities (identified during January 2015 retreat)

Budget Priorities	Count	Percent
Invest in technology to improve services and efficiencies	8	22.2%
Focus on top 3 priorities identified in citizen survey: maintenance of infrastructure, code enforcement, and police services	6	16.7%
Phase increases in percent of budget allocated to Culture, Arts, Recreation, and Education KFA	6	16.7%
Scrutinize services for efficiencies and cost reductions	6	16.7%
No increase in ad valorem tax rate	4	11.1%
Honor commitment to uniform employees through meet and confer agreement	2	5.6%
Invest in civilian employees through fair compensation and improved training	2	5.6%
Fund additional infrastructure needs with cash instead of using debt financing	2	5.6%
<b>Total</b>	<b>36</b>	<b>100%</b>

Note: Top 4 priorities were referred to throughout FY16 budget development process.

# Identifying Council top priorities will assist in developing FY17 budget

Potential Guiding Principles	Yes
Maintain current ad valorem tax rate	
Decrease ad valorem tax rate	
Focus budget allocations on citizen priorities	
Invest in technology to improve services and efficiencies	
Scrutinize services for efficiencies and cost reductions	
Maintain service levels next year (FY17) at the same level provided during current year (FY16)	
Enhance or expand service levels above those provided in current year	
Focus resources on infrastructure needs	
Focus resources to address neighborhood issues	
Target allocations to areas with highest concentration of needs	
Reduce civilian staffing levels	
Invest in uniform employees through increased compensation (including pension system)	
Invest in civilian employees through fair compensation and improved training	
Are there others that should be added?	



# Budget Projections for FY17

# Preliminary projections for FY17 General Fund

- Developing budget for FY17 (10/1/16 – 9/30/17) is underway and will run for 8 more months
  - Significant amount of work being done to review what expenses/services could/should be cut
- Preliminary gap for FY17 only includes funding for commitments made in prior years and funding adjustments anticipated to maintain current services - \$4.4m shortfall
- Alternative gap for FY17 also includes cost increases that require Council input about whether the cost should be included or not - \$71.3m shortfall

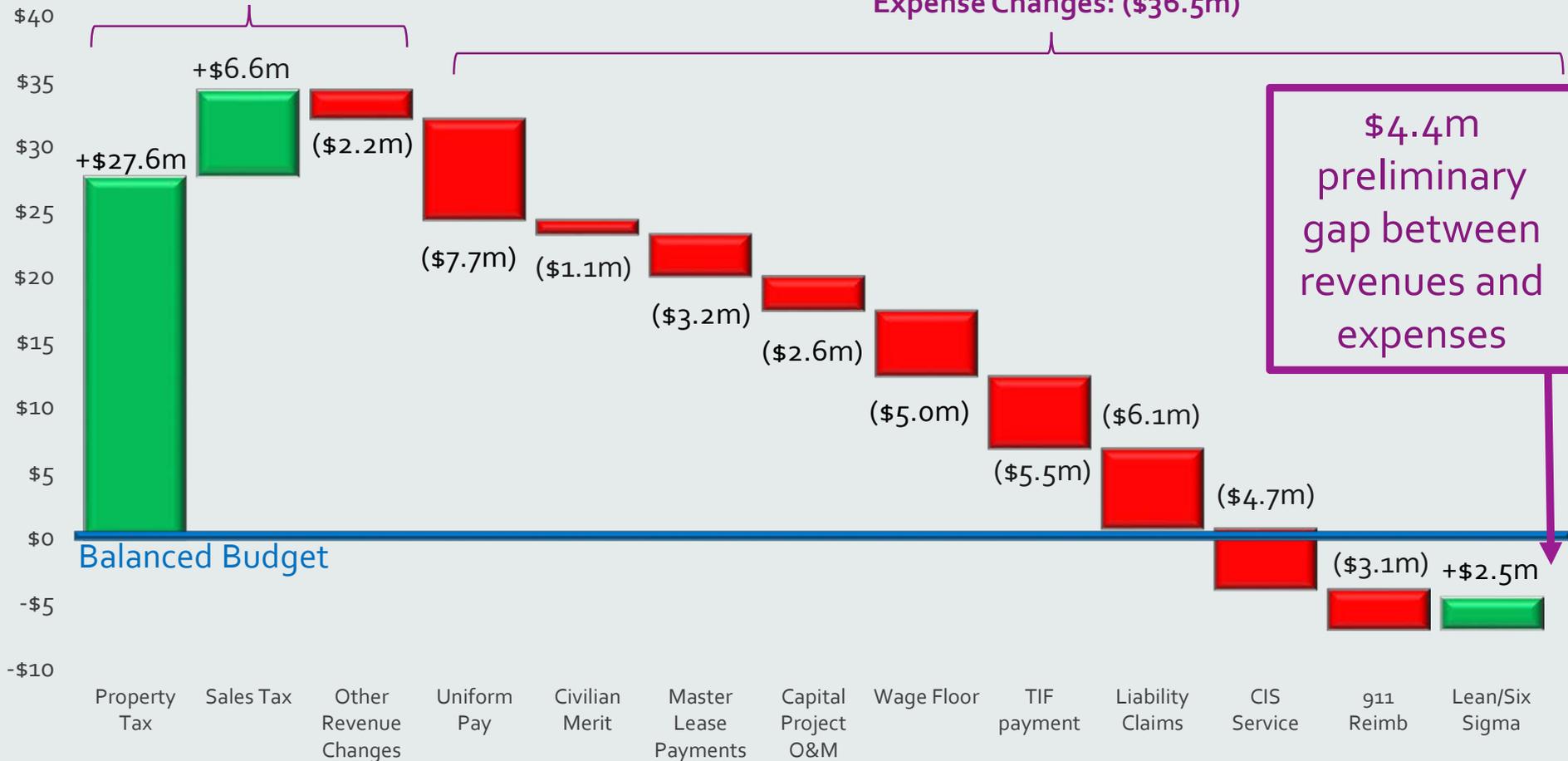
# Preliminary projections for FY17 General Fund

	FY 2015-16 Adopted Budget	Preliminary Commitments and Adjustments	FY 2016-17 Preliminary Projection	Council Input Required	FY 2016-17 Alternative Projection
General Fund Revenue	\$1,144.8m	+\$32.1m	\$1,176.9m	\$0	\$1,176.9m
General Fund Expense	\$1,144.8m	+\$36.5m	\$1,181.3m	+\$66.9m	\$1,248.2m
Variance or Gap	\$0	(\$4.4m)	(\$4.4m)	(\$66.9m)	(\$71.3m)

# Preliminary Projections for FY17 General Fund

Revenue Changes: +\$32.1m

Expense Changes: (\$36.5m)



\$4.4m preliminary gap between revenues and expenses

Note: Forecasts are preliminary and will change through budget development process and as additional information is available.  
 Note: Additional information regarding preliminary expense projections are included in the appendix.

# Council direction

- Council early input will provide direction about whether or not the following should be included in FY17 budget or not (cost can be scaled and partially included)
  - 1) Ad valorem property tax revenues
  - 2) Employee compensation - civilian merit pay
  - 3) Employee compensation - uniform pay
  - 4) Employee/retiree health benefits
  - 5) Fair Park public-private-partnership
  - 6) Master lease program
  - 7) Neighborhood Plus
  - 8) Police force strength
  - 9) Service enhancements
  - 10) Service/expense reductions
  - 11) Street and alley improvements

As adjustments are made, the FY17 gap will change.

Reduction options will be presented at a later time to rebalance FY17 budget.

# Early Council input will provide direction for development of FY17 budget

## Question – Should the FY17 General Fund budget....?

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

# (1) Ad Valorem property tax revenues

- Current projection for FY17 is that property values will grow by 5% and tax rate will remain at \$0.7970 per \$100 valuation
  - 5% growth will generate approximately \$27.6m additional revenue
- Appraisal Districts will provide additional information through summer and certify tax roll on July 25<sup>th</sup>
  - Dallas County will then calculate roll-back and effective-tax rates in early August
  - Adopting effective tax rate for FY16 would have required reducing tax rate by \$0.0371 and revenue by \$36.3m
- Growth in property value is made up of both reappraisals and new construction
  - New construction value will not be known until July 25<sup>th</sup>
  - Revenue from new construction value was \$16.1m in FY16
- Each \$0.01 change in tax rate is approximately \$10m revenue
- Should the FY17 general fund budget limit property tax revenue by lowering the ad valorem tax rate?

## (2) Employee compensation – civilian merit pay

- Civilian employee pay was reduced during economic recession
  - 2 furlough days in FY09; 5 furlough days in FY10; and 8 furlough days plus an additional 0%-3% salary reduction in FY11
- Pay was restored to pre-recession level through phased increases in FY12-FY13
- Merit increase of 3% (average) for last 3 years; FY14, FY15, FY16
- Of the last 15 budgets, only FY05 included a cost-of-living increase (2%) for civilians to offset employee health benefit cost increase
- Each 1% civilian merit costs approximately \$2.2m per year
- Should the FY17 general fund budget include funding for a merit increase program for civilian employees?

## (3) Employee compensation – uniform pay

- City has had multi-year compensation agreements through Meet and Confer with police and fire uniform employees
  - 1<sup>st</sup> agreement approved by Council on 9/1/10 for FY11, FY12, and FY13
    - Included 5 furlough days, comp time for overtime, reduced hiring, delayed paramedic training, 3% across the board pay, 2 new holidays, increased education pay
  - 2<sup>nd</sup> agreement approved by Council on 12/11/13 for FY14, FY15, and FY16
    - Included step pay increases for 3 years and 4% across the board
- Each police and fire uniform step costs about \$15.4m
- Should the FY17 budget address police and fire uniform employee compensation?

## (4) Employee/retiree health benefits

- City provides health benefits to civilian and uniform employees, retirees, and dependents (22,175 individuals)
- Total cost in FY16 is expected to be \$144.8m
  - City cost - \$78.4m (54%)
  - Employee & retiree cost - \$66.4m (46%)
- According to Total Compensation Study conducted by Milliman in 2012, City's health benefits plan is in the bottom quartile compared to both public and private employees
- Medical/prescription expense are anticipated to increase by 5% for next year (additional \$4.0m for general fund in FY17)
- Should the FY17 general fund budget include funding for employee/retiree health benefit cost increases?

## (5) Fair Park public-private partnership

- Fair Park operates as a service within Park and Recreation Department
  - Cultural facilities located at Fair Park receive direct and indirect support from Office of Cultural Affairs
- Council briefed on 11/18/15 regarding public-private partnership for Fair Park
  - City management fee initially projected to be \$25m to \$35m (ramp up from 2017 to 2020)
  - \$125m to \$175m needed in next City bond program
- Operating and capital needs analysis is underway and will be provided to Council in a future briefing
- Should the FY17 general fund budget include increased funding for Fair Park as needed as part of the public-private partnership proposal?

## (6) Master lease program

- City has utilized a master lease program to fund an average of \$25m of fleet and information technology capital purchases for 5 years
- Master lease financing allows both just-in-time borrowing and repayment schedule to match estimated-useful-life of the asset
- Needs exist for continuation of the master lease program

Department	Capital Expense	FY17 Forecast	5 Year Forecast
Equipment & Building Services	Fleet (cars, trucks, vans, etc.)	\$15.0m	TBD
Fire-Rescue	Apparatus (MICU, trucks, engines, etc.)	\$10.6m	\$59.8m
Communication & Information Services	Technology upgrades and replacement	\$21.2m	\$81.0m
Sanitation	Collection & landfill fleet/equipment	\$12.0m	\$58.0m

- Should the FY17 general fund budget include funding to continue both fleet replacement and information technology replacement/upgrades through the master lease financing program?

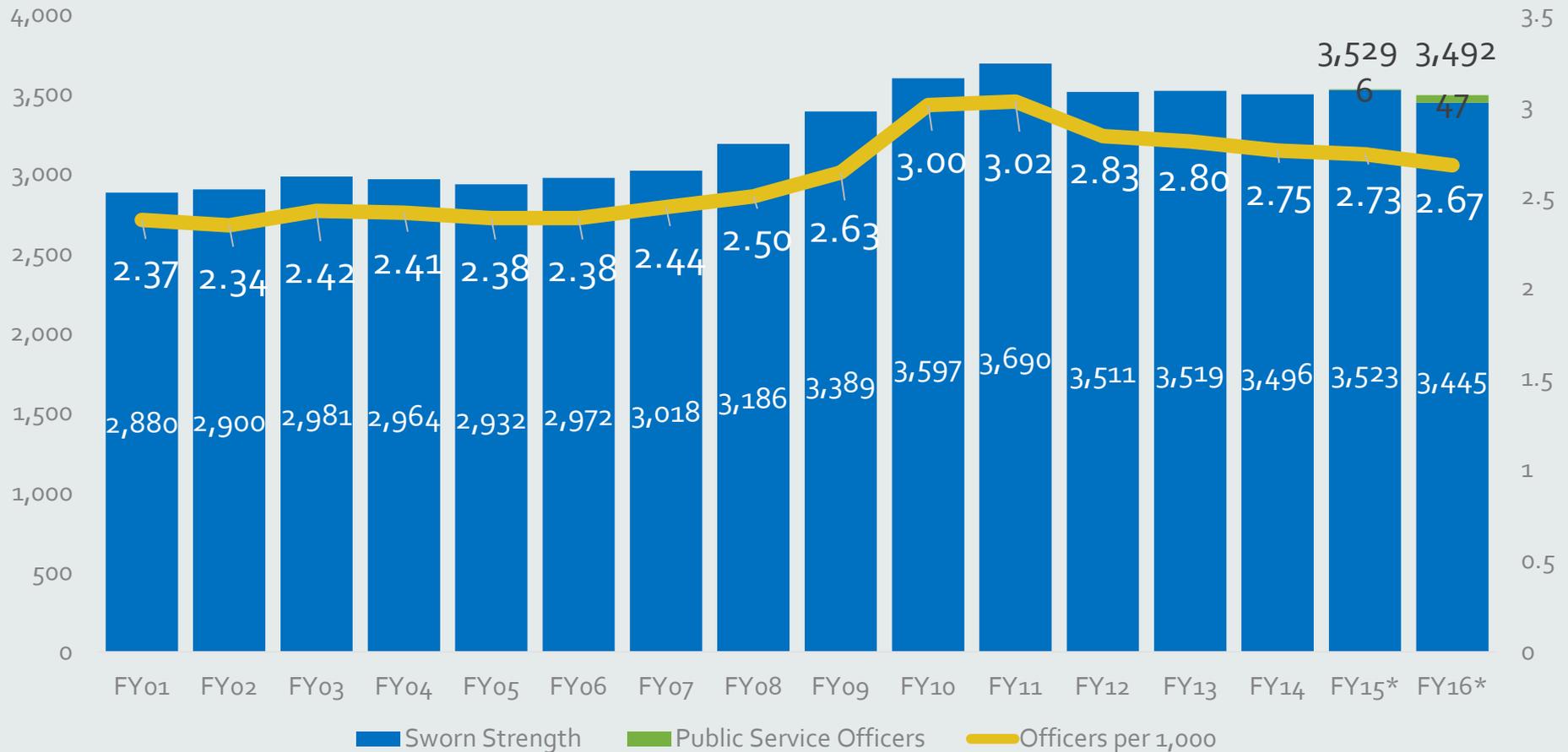
## (7) Neighborhood Plus

- New initiative phased in during FY15 and FY16 to foster vital neighborhoods throughout Dallas and think beyond just housing to also encompass education, health, mobility, business, and safety
- First three neighborhoods selected include:
  - Parkdale/Urbandale
  - Lancaster Corridor
  - UNT Education Corridor
- Additional focus areas being identified with individual Councilmembers
- Should the FY17 general fund budget include funding to further Neighborhood Plus initiatives?

## (8) Police force strength

- 50 police officers above attrition, as an example
  - To improve response times that have gone up since 2010 when hiring was 200 below attrition
  - To address upticks in violent crime, expand domestic violence home visits, and expand violent crime investigation
  - To expand SAFE case enforcement and gang crime enforcement
- Cost to add 50 officers is \$4.2m with \$2.3m needed for partial year cost in FY17, and additional \$1.9m needed in FY18 for full-year funding
- Should the FY17 general fund budget include funding for additional police officers above attrition?

# (8) Police officer strength compared to officers per 1,000 population



\*Estimated

## (g) Service Enhancements

- Current and prior year budgets have included both new services and enhanced service levels
- Recent examples include:
  - Public Safety Officers added: 20 in FY15 and 30 in FY16
  - City Marshals added: 12 marshals and \$533k in FY16
  - Neighborhood Plus
  - Animal services enhanced to include City funding for PetSmart Everyday Adoption in FY15 and 15 new positions (\$1.4m) to address loose animals in FY16
  - Two year plan to enhance Library services – over \$6m added over two years, and hours expanded to 1,510.5 per week which is an all-time high
  - Senior program division added within Park Department in FY16
- Should the FY17 general fund budget include new services and/or enhancements?
- If so, what services and/or enhancements?

## (10) Service/expense reductions

- In order to balance annual operating budget, trade-offs are required
- FY16 budget included expense reductions of \$15.7m:
  - Municipal court operations
  - Fuel expense
  - Salary and vacancy rate adjustments
  - Adjustments in contract pricing and utilization
  - Other miscellaneous adjustments from line-item review
- Should the FY17 General Fund budget include service/expense reductions?
- If so, what services/expenses?

## (11) Street and alley improvements

- Based on 4/15/15 briefing, a multi-year strategy is needed to improve street condition to 87% satisfactory citywide (minimum of 80% satisfactory in each Council District)
- Multi-year strategy requires increased O&M funding for streets and alleys each year along with increased bond funding
- Goal (revised Sept 2015) is to have net zero degradation of current condition until next bond program when funding will be available to start improving street/alley condition
- Net zero degradation is being achieved in FY16 with increase of \$24.1m
- To continue net zero degradation, additional \$28m would be required in FY17
- Should the FY17 general fund budget include funding to achieve net zero degradation in street and alley condition until the implementation of the next bond program?



# FY17 Budget Schedule

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

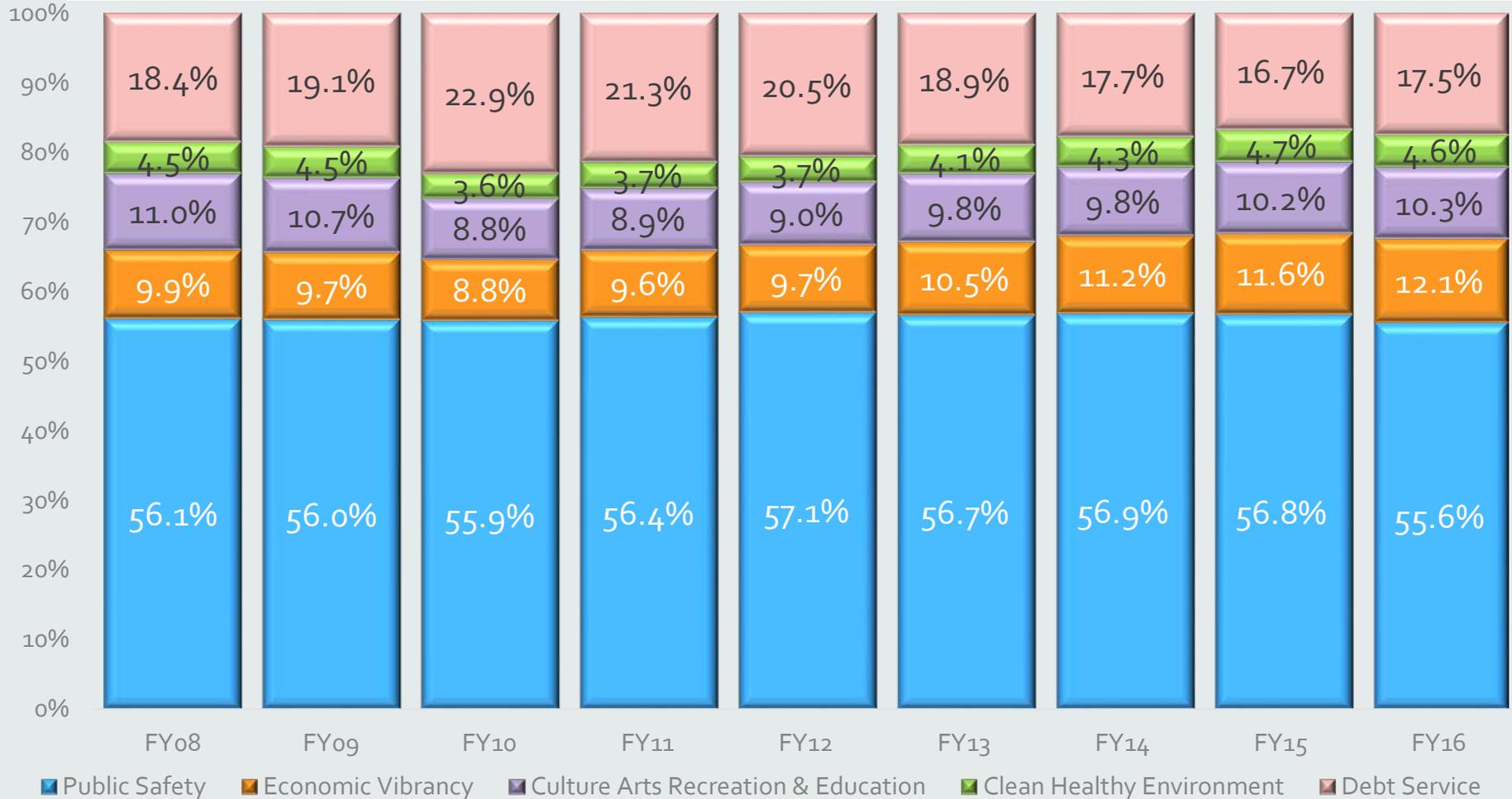


Questions and Comments



# Appendix

# Property tax supports both General Fund KFAs and Debt Service



\*E-Gov KFA retroactively distributed for all years based on allocations; Sanitation excluded

# Commitments made in prior years that have a cost increase in FY17

Uniform compensation – full-year funding for FY16 step pay increase as part of current Meet and Confer agreement (\$7.7m)

Civilian employee pay adjustments – full-year funding for FY16 average 3% merit on 12/2/15 (\$1.1m)

Master lease cost increases – required to pay debt for equipment and technology enhancements added in FY16 budget (\$3.2m)

O&M cost required in FY17 for capital projects being completed and placed in-service (includes year-2 O&M for Oak Cliff Streetcar) (\$2.6m)

Wage floor of \$10.37 per hour for employees of contracted services (based on contract increases as new contracts are awarded) (\$5.0m)

Tax Increment Financing cost increase as property values in TIF districts increase (\$5.5m)

# Adjustments that will impact costs in FY17

Liability/claims cost increases anticipated due to increased litigation (\$6.1m)

Technology and communication services will require increased transfers from customer departments due to year-end surplus not anticipated for the end of FY16 as it was at the end of FY15 (\$4.7m)

Police cost increase to offset less reimbursements from 911 Fund for overtime (\$3.1m)

Efficiencies and cost reductions from Lean/Six Sigma projects currently underway (\$2.5m reduction). Additional cost reductions will be identified through the budget process, line-item review, analysis, and Sunset efforts.