

Memorandum



CITY OF DALLAS

DATE January 3, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),
Jennifer Staubach Gates (Vice Chair), Tennell Atkins, Sheffie Kadane,
Philip T. Kingston

SUBJECT Best Practices in E3 Government, Finance & Audit- Index Cities and SWOT Analysis

The Monday, January 6, 2014, Budget, Finance and Audit Committee agenda will include a Best Practices in E3 Government, Finance & Audit- Index Cities and SWOT Analysis briefing. The briefing will be presented by LaToya Jackson, Assistant Director of Strategic Customer Services.

Please contact me if you need additional information.

A handwritten signature in black ink that reads "Rick Galvan for".

Jill A. Jordan, P.E.
Assistant City Manager

Attachment

c: Honorable Mayor and Members of the City Council	Forest E. Turner, Assistant City Manager
A.C. Gonzalez, Interim City Manager	Joey Zapata, Assistant City Manager
Rosa A. Rios, City Secretary	Charles M. Cato, Interim Assistant City Manager
Warren M.S. Ernst, City Attorney	Theresa O'Donnell, Interim Assistant City Manager
Daniel F. Solis, Administrative Judge	Jeanne Chipperfield, Chief Financial Officer
Craig D. Kinton, City Auditor	Frank Libro, Public Information Officer
Ryan S. Evans, Interim First Assistant City Manager	Elsa Cantu, Assistant to the City Manager

BEST PRACTICES IN E3 GOVERNMENT, FINANCE & AUDIT

INDEX CITIES AND SWOT ANALYSIS

Budget, Finance and Audit Committee
January 6, 2014



E3 Government – Committee Members

- ❖ Dolores Lewis (Lead, Human Resources)
- ❖ Twana Banks (Controller's Office)
- ❖ Maria Chagollan (Office of Financial Services)
- ❖ Patrick Diviney (Public Works)
- ❖ Russell Dyer (Office of Cultural Affairs)
- ❖ Lisa Fullerton (Court and Detention Services)
- ❖ Torie Horton (Communication and Information Services)
- ❖ Cheryl Jones (Strategic Customer Services)
- ❖ Valanda Quaite (Equipment and Building Services)
- ❖ Mike Tiegreen (Park and Recreation)

Purpose

To provide information on efficient, effective and economical government in preparation of the FY 14-15 budget by utilizing:

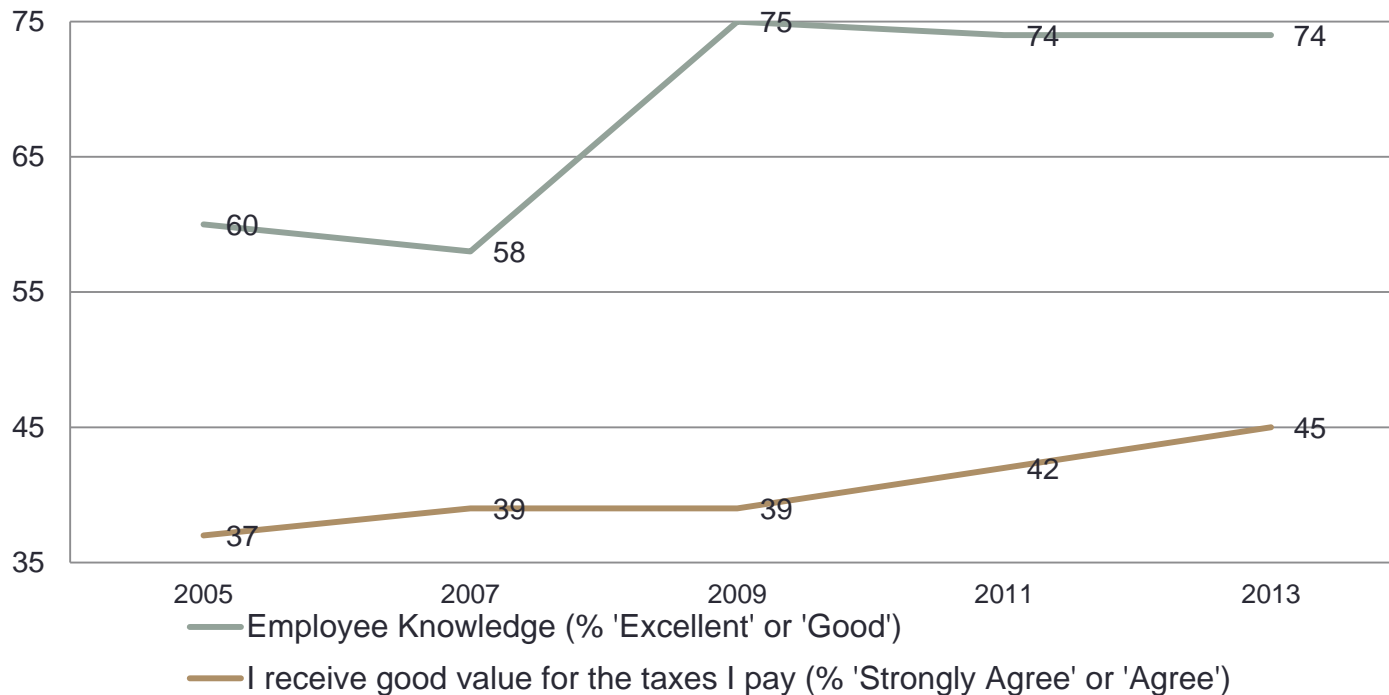
- ❖ Community Survey Highlights
- ❖ Index Cities
- ❖ E3 Government SWOT Analysis
Strengths, Weaknesses, Opportunities, Threats
- ❖ Best Practices to explore opportunities and reduce threats

CITIZEN SURVEY

Dallas

Dallas Community Survey Highlight

Citizens Impression of City of Dallas

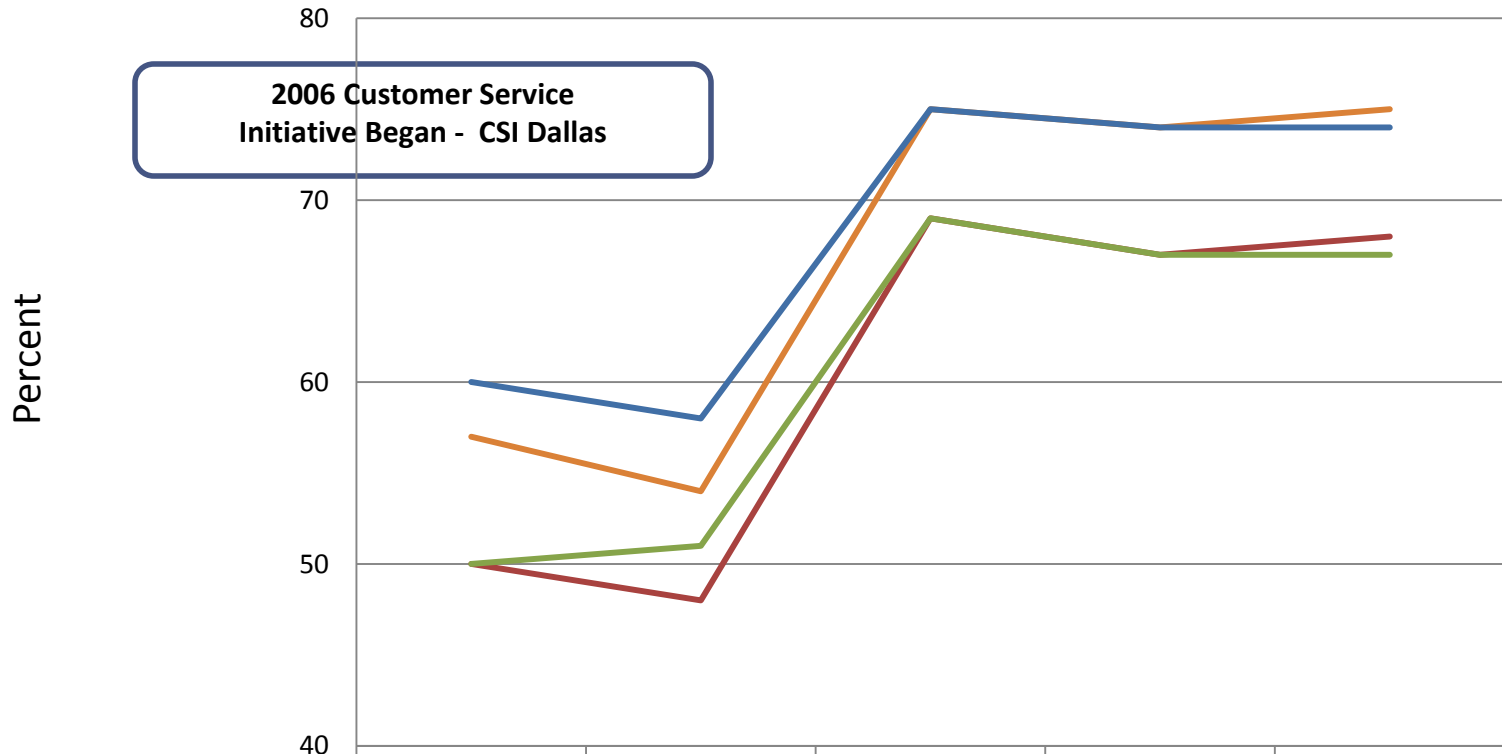


From 2005 to 2013:

23% jump in citizens rating employee knowledge as “Excellent’ or “Good’
22% jump in citizens rating “Strongly Agree” or “Agree” to receiving good value for taxes

Citizen Impressions of Employees

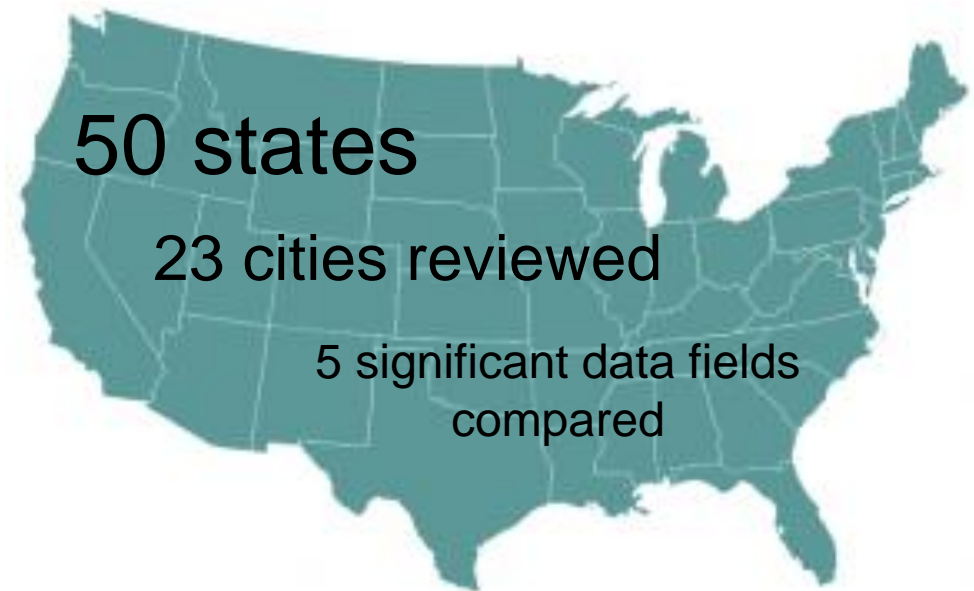
% of Citizens Rating Customer Service as 'Excellent' or 'Good'



— Courtesy	57	54	75	74	75
— Knowledge	60	58	75	74	74
— Responsiveness	50	48	69	67	68
— Overall Customer Service	50	51	69	67	67

Index Cities

- Looked at 23 potential Index Cities
- Chose Index Cities based on:
 - ❖ Budget/resident ratio
 - ❖ Average household income
 - ❖ Ethnic breakdown
 - ❖ Cost of living index
 - ❖ Form of government
- Index Cities
 - ❖ El Paso
 - ❖ Houston
 - ❖ Phoenix
 - ❖ San Antonio
 - ❖ San Diego



5 Index Cities

Index Cities

City	Population	Budget	Budget/ Resident	Form of Government	Cost of Living Index	Average Household Income	Residential Ethnic Breakdown		
							Black	Hispanic	White
Dallas	1,241,162	\$2.8B	\$2,256	Council/Manager	94.3	\$40,585	23.4%	43.9%	28.6%
El Paso	672,539	\$784M	\$1,166	Council/Manager	83.8	\$40,702	2.7%	80.3%	14.9%
Houston	2,160,821	\$4.1B	\$1,897	Strong Mayor	92.5	\$42,877	22.7%	44.4%	25.9%
Phoenix	1,488,750	\$3.5B	\$2,351	Council/Manager	91.6	\$43,960	6.2%	40.2%	46.8%
San Antonio	1,382,951	\$2.3B	\$1,663	Council/Manager	88.3	\$42,613	6.5%	62.5%	27.4%
San Diego	1,338,348	\$2.8B	\$2,092	Strong Mayor	131.2	\$60,797	6.8%	30.4%	43.2%

SWOT ANALYSIS

E3 Government

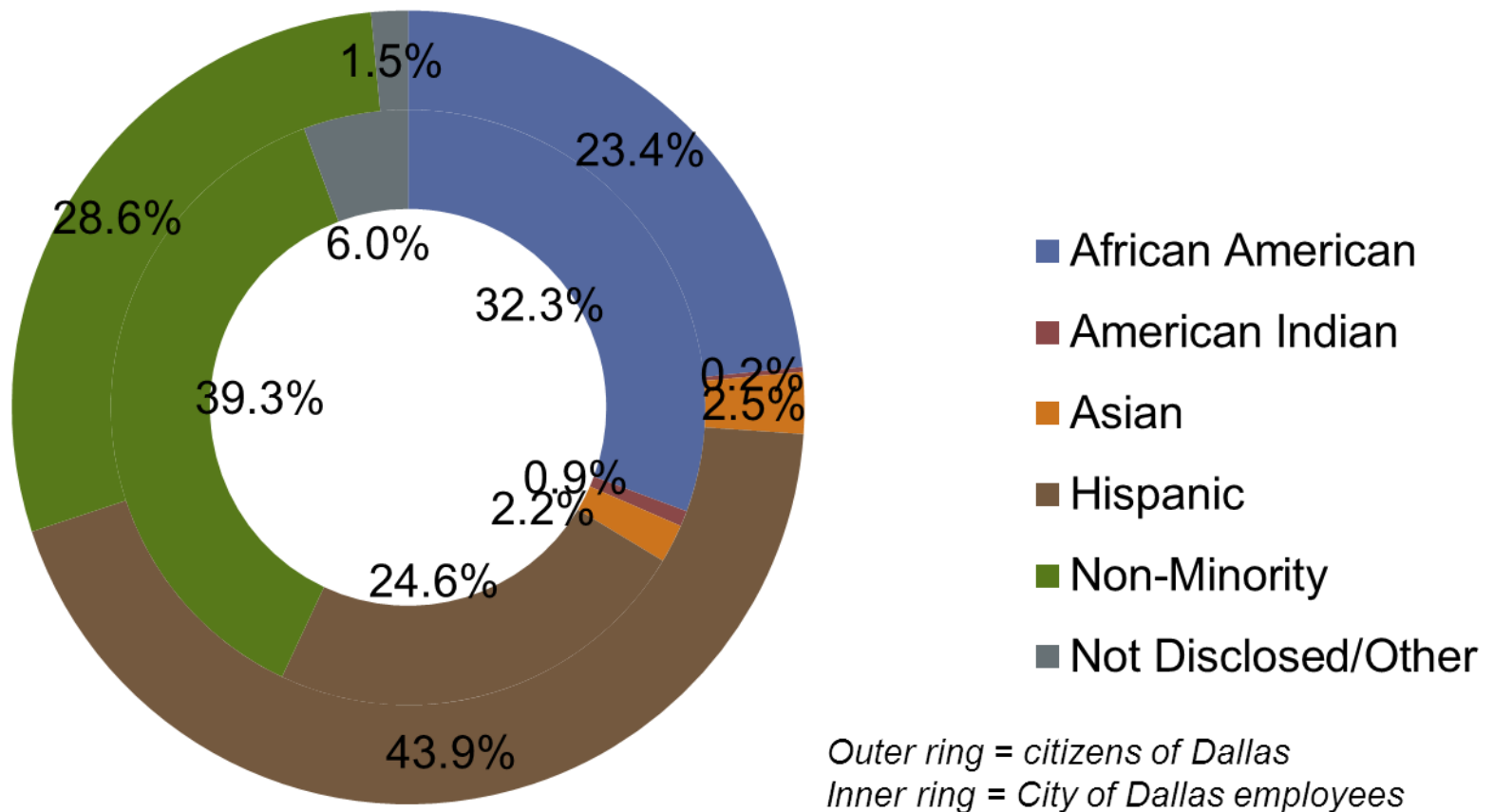
E3 Government – SWOT Analysis

INTERNAL	STRENGTHS Bond Rating Diverse Workforce Ethics Training Financial Management Performance Criteria ISO Certification IT Governance Committee	WEAKNESSES Retirement Eligible Workforce Hiring Process Professional Development
	EXTERNAL	OPPORTUNITIES Internship Program Public Private Partnership Smart City – The Internet of Things

SWOT ANALYSIS

Strengths

Strength - Diverse Workforce



Strength – Financial Soundness

- Financial Management Performance Criteria
 - ❖ Adopted by Council in 1978
 - ❖ Provides standards and guidelines for financial decision-making
 - ❖ 52 criteria in 6 different categories
 - ❖ 13 criteria specific to DWU
 - ❖ Status of each criterion updated annually



- General Obligation Credit Ratings
 - ❖ Moody's: Aa1
 - ❖ Standard and Poor's: AA+

Strength – Ethics Training

- Ethics Course Composition
 - ❖ One hour: Common to all employees
 - ❖ ½ hour: Work group specific training
 - ❖ ½ hour: Custom group exercises
- 220 Training Sessions held at over 30 locations
 - ❖ 9,989 Employees trained FY12-13
 - 5,817 Civilian
 - 4,172 Uniform

Strength – ISO Certification



- **Environmental (ISO 14001)**
 - ❖ 11 Departments Certified
- **Quality (ISO 9001)**
 - ❖ 8 Departments Certified
- **Occupational Health and Safety (ISO 18001)**
 - ❖ 6 Departments Certified

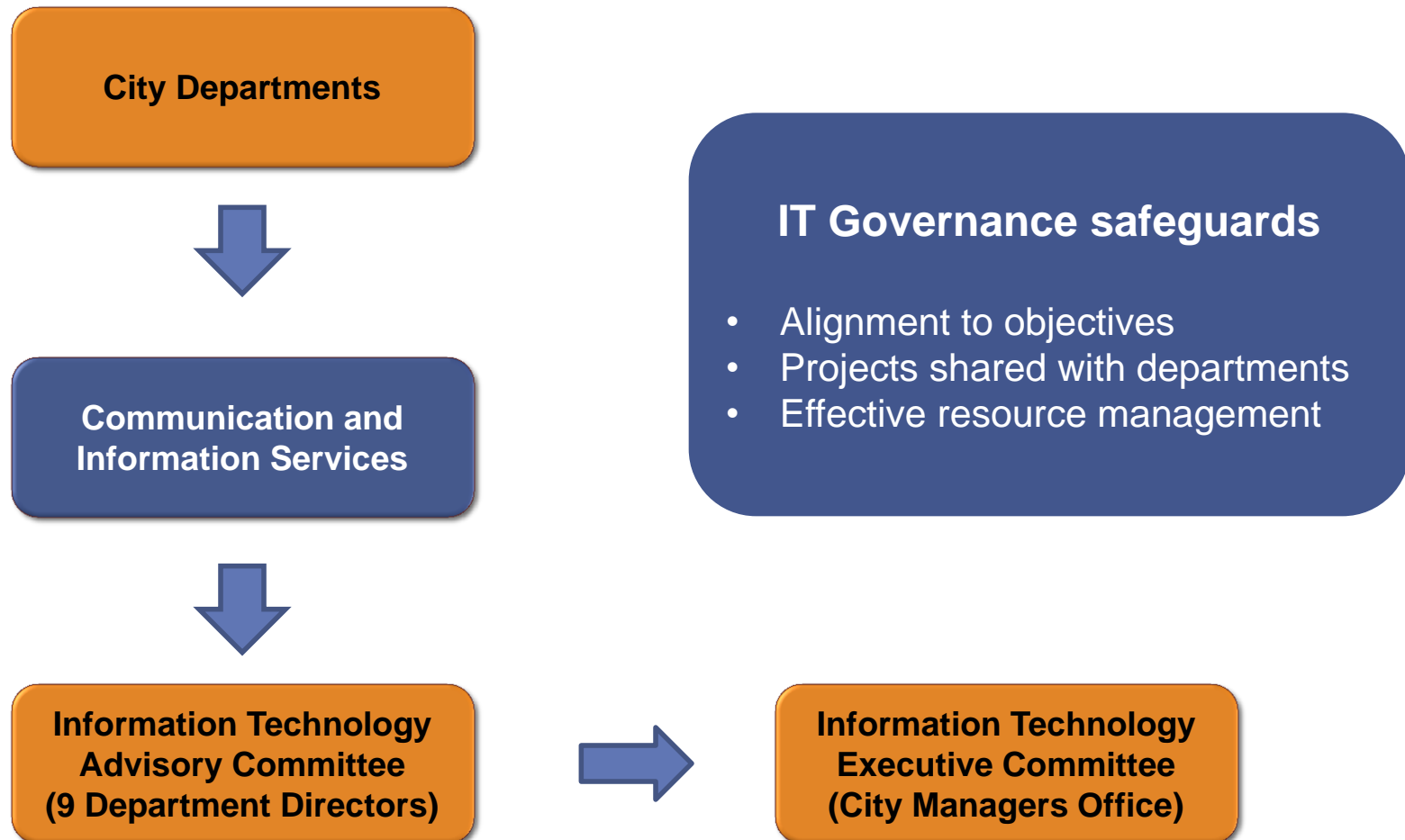
5 Departments seeking certification

Certified Departments

- ❖ Aviation
- ❖ Business Development & Procurement Services
- ❖ Code Compliance
- ❖ Convention & Event Services
- ❖ Court & Detention Services
- ❖ Dallas Water Utilities
- ❖ Equipment & Building Services
- ❖ Human Resources
- ❖ Library
- ❖ Office of Risk Management
- ❖ Park & Recreation
- ❖ Public Works
- ❖ Sanitation Services
- ❖ Street Services
- ❖ Trinity Watershed Management

Strength – IT Governance

Effective evaluation, selection, prioritization and funding of IT investments



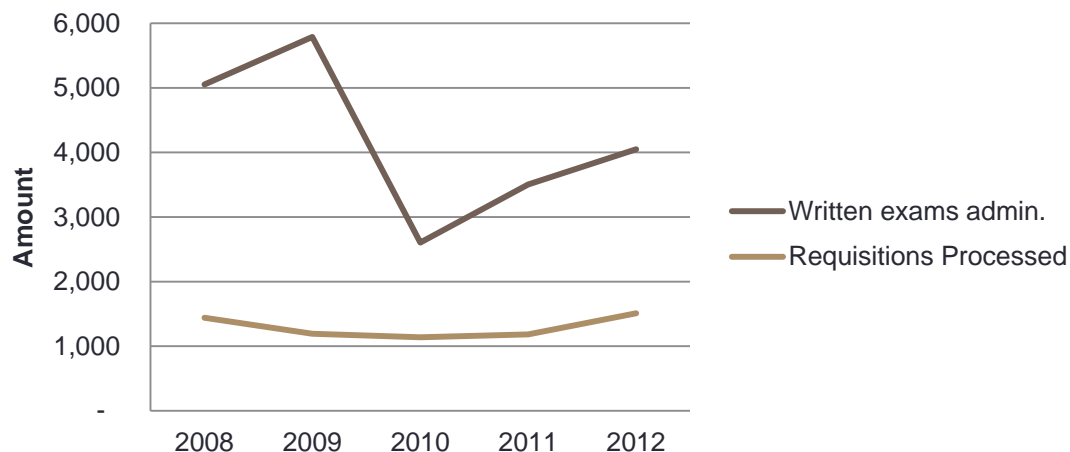
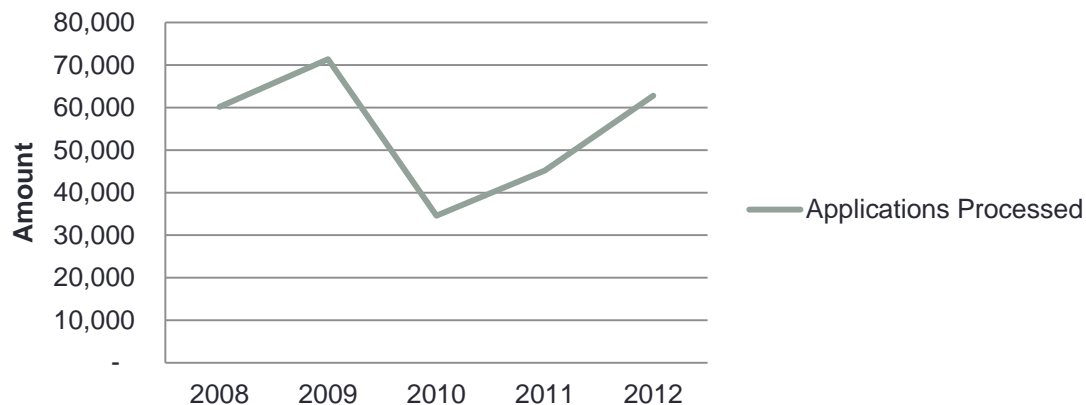
SWOT ANALYSIS

Weaknesses

Weakness – Hiring Process

- Growing strain on Civil Service resources and ability to provide eligibility lists to departments
- FY11 to FY12:
 - ❖ 39% increase in job applications
 - ❖ 28% increase in job requisitions
 - ❖ 16% increase in written examinations

Civil Service Workload Trends



Source: City of Dallas Civil Service Annual Reports

Weaknesses – Hiring Process



Hiring Process: Time to Hire

2013 IPMA-HR Benchmarking Survey on Recruitment found that over 75% of respondents filled vacant positions in 63 days or less

Average Time-to-Fill in 2004 (by Industry)			
Industry (Highest)	Days	Industry (Lowest)	Days
Government	51	Wholesale/Retail trade	26
Transportation	50	Financial Services	28
Educational Services	48	Manufacturing (durable goods)	33

Source: Society for Human Resource Management, April 2006

Best Practice - El Paso, TX

- ❖ FY 12 - average number of days to hire was 52
- ❖ 64% vacant positions are filled within 45 calendar days

Weakness – Professional Development

City of Dallas – Civilian

- No standard practice regarding job-specific training at department level for new hires
- Annually 300 managers and supervisors are trained through the Supervisor Development Class
 - ❖ Staffing for City University cut in prior budgets
 - ❖ No dedicated staff for training



City of Dallas Uniform

- Caruth Police Institute-
Affiliated with University of North Texas
- Dallas Fire-Rescue's Training and Support Services Bureau

Weakness – Professional Development

More than 72% of state/local governments have training budget with median amount of \$45,000 in 2011

Industry	Median	Mean	Minimum	Maximum
State/local government (n = 389)	\$45,000	\$408,893	\$500	\$53,000,000

Source: Society for Human Resource Management Survey Findings- Training Budgets, Resources, and Strategies, 2011

Best Practice - City of San Antonio

- ❖ Three tiered training program:
Executives, Mid-level Managers and Front-line Supervisors
- ❖ Train-the-trainer Program utilized for city-wide and departmental training

Weakness – Retirement Eligible Workforce

“The median age of a public administration worker was 45.3 years, three years older than the workforce as a whole.” Source: Governing.com, August 26, 2013

“In 2014, 19 percent of the 2012 public administration workforce will have reached age 61, *the average retirement age*. By 2018, this figure rises to 28 percent of those working in 2012. ” Source: Governing.com, December 2013

- Median age of all City of Dallas employees:
 - ❖ 45 years old
 - ❖ 13 years of service
- 27% civilians eligible to retire

SWOT ANALYSIS

Opportunities

Opportunity – Internship Programs

Internship Program:

- Provide experience to potential employees by allowing them to work in a variety of departments
- **Best Practice – City of San Antonio**
 - ❖ Management Fellows Program – 12-month rotation in the City Manager’s Office, Office of Management and Budget, and an operating department
 - ❖ Student Internship Program – Eligible vocational, technical, college, or university students work in departments to link theory with practice, gain experience, and learn specialized skills not provided in classroom settings
- **Best Practice – Kansas City, MO**
 - ❖ Cookingham-Noll Management Fellowship – two year program to introduce municipal government
 - ❖ Includes government process overview, annual budget preparation, and special projects in areas of a specific interest

Opportunity – Public Private Partnerships

- City of Dallas – Business Development and Procurement Services partners with the various chambers and advocacy groups to:
 - ❖ Educate members on conducting business with the City
 - ❖ Assist businesses with enrolling as a City vendor
 - ❖ Provide them with information on M/WBE certification agencies
 - ❖ Inform vendors of upcoming City contract opportunities based on their capabilities

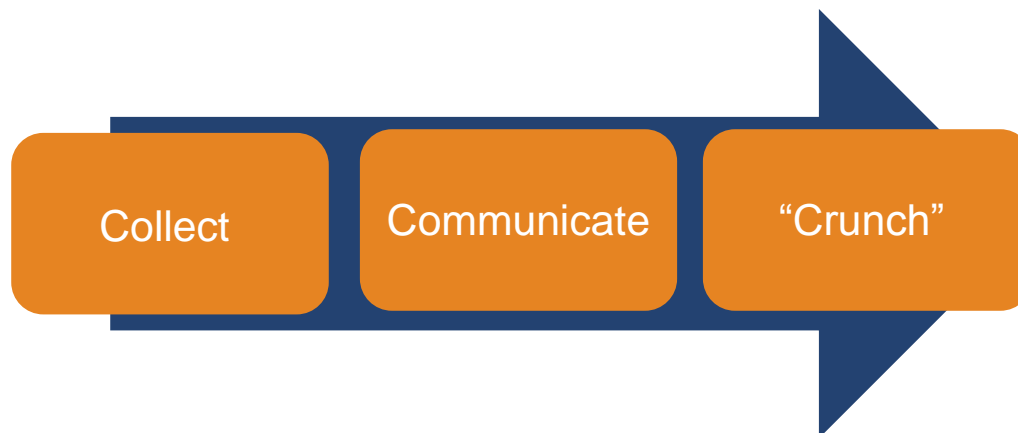


Best Practice – Boston

- ❖ MONUM (Mayor's Office of New Urban Mechanics) focused on delivering transformative city services to residents
- ❖ Three focus areas:
 1. Participatory Urbanism - residents connect to government via new mobile technology
 2. Clicks & Bricks – Pairs designers and technologists with city leaders to streamline city services
 3. Education – Provides quality educational opportunities



Opportunity – Smart City



- 1 Collect**
Information about current conditions across all responsibility areas (power, water, traffic, weather, buildings, etc.).
- 2 Communicate**
information, sometimes to other devices, sometimes to control center and sometimes to servers running powerful software.
- 3 Crunch**
data, analyze it to present information, to perfect (optimize) operations and to predict what might happen next.

Opportunity – Smart City



- ❖ Best Practice – City of Boston rated Smartest City
- ❖ Best Practice – City of San Francisco rated second Smartest City

SWOT ANALYSIS

Threats

Threat - Changing Legal Landscape

- New laws and court case rulings have the potential to negatively impact the City of Dallas
- It is imperative that City staff stay abreast of new developments

Threat – Competitive Labor Market

Total Compensation Summary - Civilian

Pay Element	Summary	Vs. Public Sector	Vs. Private Sector
Base Pay	Weak	7% below blended market	
Medical/Vision	Weak	At 25th percentile	< 25th percentile
Dental	Weak	At 25th percentile	< 25th percentile
Life	Average	At 50th percentile	At the 25th percentile
Long Term Disability	Average	At 50th percentile	< 25th percentile
Retirement	Average	At 25th percentile	> 50th percentile
Time Off	Average	Average	< 50th percentile
Total Comp	Weak	Weak	Weak

Best Practice - City of El Paso

- ❖ Develop a Workforce Planning Program to provide workforce needs analysis to fill positions with the right people and meet business needs

Threat – Competitive Labor Market

Total Compensation Summary - Uniformed

Pay Element	Summary	Vs. Public Sector
Base Pay	Average	At the 50th percentile
Medical/Vision	Weak	At 25th percentile
Dental	Weak	At 25th percentile
Life	Average	At the 50th percentile
Long Term Disability	Average	At the 50th percentile
Retirement	Strong	Above 75th percentile
Time Off	Average	Average
Total Comp	Above Average	Between median & 75th

Threats – Cybersecurity Attacks



Increasingly sophisticated and dynamic threats on information technology systems

- ❖ Malicious Software
- ❖ Identity Theft
- ❖ Destruction of organizational data

Best Practice City – City of New York

- ❖ Cybersecurity Leadership and Innovation Award for the development of Information Security Cloud

Threats – Cybersecurity Attacks

Information Security Program Components



Source: Gartner (January 2013)

Conclusion

Residents of Dallas have a favorable view of the knowledge City employees possess; however, there is always room for improvement.

As the City continues to invest in its most valuable resource, its employees, we can maximize the value that the residents receive.