



City of Rowlett Meeting Minutes City Council

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City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6109 or write PO Box 99, Rowlett, Texas, 75030-0099, at least 48 hours in advance of the meeting.

Friday, June 6, 2008
Saturday, June 7, 2008

8:00 AM

Cooper Guest Lodge,
12200 Preston Road, Dallas, Texas 75230

This was a two day retreat held at the Cooper Institute

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

1. CALL TO ORDER

Present at the meeting were: Mayor John Harper, Mayor Pro Tem Todd Gottel, Deputy Mayor Pro Tem Steve Maggiotto and Councilmembers Doug Phillips, Cindy Rushing, Patrick Jackson, and Chris Kilgore.

Staff present were: City Manager Craig Owens, Assistant City Manager Katie Corder, Public Works Director Pat Baugh, Fire Chief George Harris, Police Chief Matt Walling, Economic Development Director Ben White, Development Services Director Keri Samford, Director of Finance and Administration Brian Funderburk and City Secretary Susie Quinn

2. DISCUSSION OF GOALS, OBJECTIVES AND STRATEGIC PRIORITIES FOR THE CITY OF ROWLETT.

The meeting was called to order by Mayor Harper at 8:00 A.M. The facilitator, Mike Conduff from The Elim Group engaged the group using several exercises to meet the retreat goals, objectives and strategic priorities for the City of Rowlett. These discussions and exercises continued until the meeting recessed at 5:00 p.m.

3. DISCUSSION OF COUNCIL AND STAFF COMMUNICATIONS AND RELATIONSHIPS.

On Saturday morning, the retreat reconvened from the recess called on Friday, June 6, 2008. The discussion on Saturday centered on the new "Budgeting for Outcomes" and the following PowerPoint presentation was presented by City Manager Owens (some slides have been modified as they would not cut and paste in a format that can be read or stored in the minutes).

Slide 1:

Aligning Budget to Outcomes

Results for Rowlett

***Update and Discussion
City Council Retreat
June 6-7, 2008***

Slide 2:

Everything to Everybody

- ◆ More needs than dollars
 - \$ 500+ M in unfunded infrastructure needs over next 20 years
 - One of the lowest per capita operating expenditures in the Metroplex
 - Citizens consistently request more services
 - AND YET property tax and utility rates still in top tier
- ◆ Future Development will help, but still years before substantial shift in commercial/residential

Slide 3:

We are not alone...

"The growing complexity of public problems — exacerbated by perennially tightening budgets — demands that public officials look for new ways to solve these problems....Already, service demand exceeds taxpayer ability in many American cities."

-Stephen Goldsmith, a former mayor of Indianapolis and the director of the Innovations in American Government Program at Harvard's Kennedy School

Slide 4:

Five Critical Decisions

(from *The Price of Government: Getting the Results we need in an age of Permanent Fiscal Crisis* – Osborne and Hutchinson)

1. Getting a Grip on the Problem: Is it short or long term? Is it driven by revenue or expenses, or both?
2. Setting the Price of Government: Determining how much citizens are willing to pay.
3. Setting the Priorities of Government: Deciding which results citizens value most.
4. Setting the Price of Each Priority: Deciding how much the government will spend to produce each of these outcomes.
5. Purchasing the priorities: Deciding how best to produce the desired results at the price citizens are willing to pay.

Slide 5:

Beyond Belt Tightening...

- ◆ Reallocations in the current budget drawn from traditional service delivery structure
- ◆ Margins cut from structure in place for several years
- ◆ Limited Margins left – short term solutions inadequate

Slide 6:

The need for FOCUS...

- ◆ "Big Rocks" or "First Things First"
Stephen Covey: 7 Habits of Highly Effective People
- ◆ Proper priorities a critical step
- ◆ Targeted Outcomes spends dollars efficiently
- ◆ Strategic Plan guides direction, budget guides pace

Slide 7:

Citizen First

- ◆ What are the priorities for the Citizen and Customer?
- ◆ Tight definition of the expected Outcome
- ◆ How much are they willing to pay for those services?
- ◆ Competition determines "best deal" on services that measurably impact effective Outcome delivery
- ◆ Drives day to day service delivery
- ◆ If expenditure doesn't show an impact on the defined priority Outcomes...*don't fund it*

Slide 8:

**FY 08-09
TARGET**

◆ FY 07-08 Adopted Budget	\$81,639,025
◆ Preliminary Est. Cost of Pay Plan	<u>749,033</u>
◆ FY 08-09 Target	<u>\$82,388,058</u>
◆ Preliminary Proj Revenue	<u>\$82,771,796</u>

Slide 9:

**FY 08-09
PROJECTED REVENUES**

◆ FY 07-08 Adopted Budget	\$82,210,029
◆ Preliminary Est. Revenues	\$82,771,796
◆ % Change	+0.7%
◆ Projected Range (with transfers)	\$81,387,929 to \$83,032,129

Slide 10:

FY 08-09

PROJECTED REVENUES

◆ FY 07-08 Adopted Budget	\$72,218,833
◆ Preliminary Est. Revenues	\$71,972,927
◆ % Change	-0.3%
◆ Projected Range (w/o transfers)	\$71,496,645 to \$72,941,021

Slide 11:

Important Revenue Assumptions (compared to FY 07-08 Adopted Budget)

◆ Property taxes increase	= 2.2% or \$968,846
◆ Sales taxes decrease (net basis)	= -4.0% or \$193,987
◆ Net all other sources decrease	= -0.3% or \$213,092
◆ Net change	= 0.7% or +\$561,767

Slide 12:

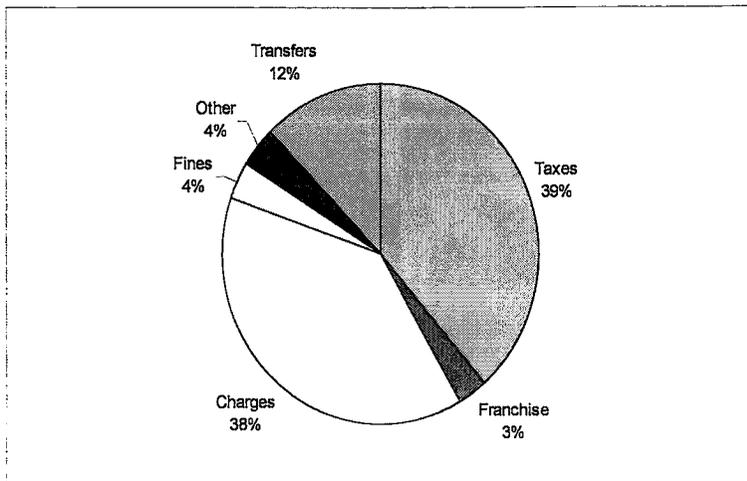
Important Other Considerations

- ◆ Gov't Debt Service will decrease next year freeing upon approx. \$500k-\$600k to be returned to the General Fund.
- ◆ General Fund Revenues are projected to exceed Expenditures by \$700K in the current fiscal year to meet our 10% fund balance requirement which will not be needed next year.
- ◆ Net positive to the General Fund = \$1.2M

Slide 13:

Original Revenue Budget FY 07-08

◆ Taxes	= \$31,671,683
◆ Franchise	= 2,650,843
◆ Charges	= 31,649,561
◆ Fines	= 2,991,098
◆ Other	= 3,255,648
◆ Transfers	= <u>9,991,196</u>
◆ Total	= <u>\$82,210,029</u>
◆ Total w/o Transfers	= <u>\$72,218,833</u>



Slide 14:

**Revenue Projections
FY 08-09**

	<u>Orig Bud</u>	<u>Preliminary</u>	<u>\$ Change</u>	<u>% Change</u>
Taxes	\$ 31,671,683	\$ 31,540,167	\$ (131,516)	-0.4%
Franchise	2,650,843	3,035,435	384,592	14.5%
Charges	31,649,561	32,179,915	530,354	1.7%
Fines	2,991,098	2,333,152	(657,946)	-22.0%
Other	3,255,648	2,884,258	(371,390)	-11.4%
Transfers	9,991,196	10,798,869	807,673	8.1%
Total	\$ 82,210,029	\$ 82,771,796	\$ 561,767	0.7%
Total w/oTrans	\$ 72,218,833	\$ 71,972,927	\$ (245,906)	-0.3%

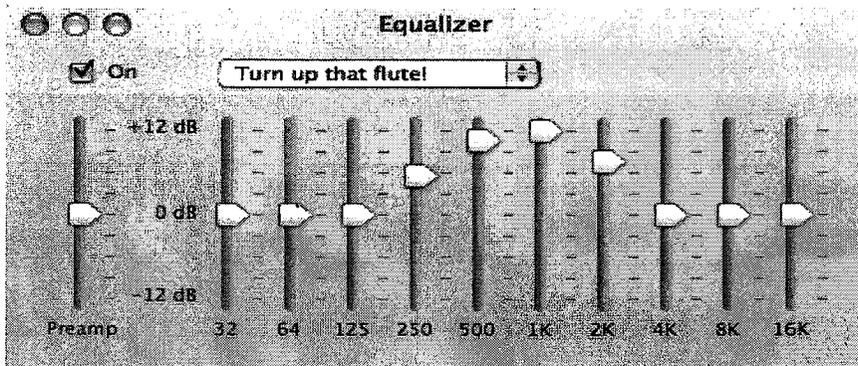
Slide 15:

Top Priorities for Rowlett

- ◆ Neighborhood Quality
- ◆ Economic Development
- ◆ Culture and Recreation
- ◆ Environment
- ◆ Transportation
- ◆ Public Safety

Slide 16:

Revenue Projections FY 08-09



Slide 17:

Neighborhood Quality

To provide neighborhood-based services to the residents of Rowlett, in order to protect the value, appeal, and quality of homes and businesses in our community.

Slide 18:

**Neighborhood Quality
Core Services**

1. Improved Infrastructure (sidewalks, water, sewer, etc.)
2. Improved Code Compliance (weeds, trees, rubbish, maintenance)
3. Neighborhood Policing
4. Prevention & Education (police, fire, general comm.)

Slide 19:

**Neighborhood Quality
Performance Measures**

1. Average Condition Index for streets, sidewalks, sewer and water
2. Number of Tier 1 code violations cleared (either by voluntary compliance or mitigation)
3. Crime rate per 1000 citizens AND Increase percentage of citizens reporting feeling safe or very safe
4. Number of citizens directly contacted or participating in neighborhood programs

Slide 20:

Economic Development

To provide economic development services to our existing businesses, prospective business and community, in order to attract investment to the City of Rowlett, and to promote a sustainable, vibrant economy.

Slide 21:

**Economic Development
Core Services**

1. Infrastructure
2. Business Retention & Expansion
3. Planning & Land Use
4. Development Process
5. Marketing

Slide 22:

**Economic Development
Performance Measures**

1. % undeveloped planned commercial acres serviced by arterial or collector roads AND % undeveloped planned commercial acres serviced by sewer and water
2. Average sales tax per existing business AND Increased total number of jobs net of new employers
3. Increased ratio of commercial square feet to residential square feet.
4. Increased percentage of development review customers rating satisfaction as good or above
5. Number of contacts as response to marketing made by decision-makers in target industry businesses

Slide 23:

Culture and Recreation

To provide cultural, entertainment and recreation services to the residents, business, and visitors of the City of Rowlett, in order to encourage a healthy, active community.

Slide 24:

**Culture and Recreation
Core Services**

1. Parks (parks, facilities, space, trail, water, etc.)
2. Recreation Opportunities
3. Libraries & Education (special events, programs, etc.)
4. Entertainment Infrastructure (dining, shopping, arts, theater, sports, etc.)

Slide 25:

**Culture and Recreation
Performance Measures**

1. Maintain or increase percentage of residents rating good or better for parks system
2. Participation in recreation programs per capita (passive and active)
3. Participation in learning and education programs per capita (passive and active)
4. Increased total square feet of entertainment type businesses

Slide 26:

Environment

To provide and promote environmental resource management services in order to ensure health and welfare, and to preserve the environment for our community.

Slide 27:

Environment

Core Services

1. Water & Energy Conservation
2. Waste Water (sanitary sewer)
3. Solid Waste (trash)
4. Storm Water
5. Resource Management

Slide 28:

Environment

Performance Measures

1. Reduce the City organization's total energy consumption to below 2007 consumption AND Reduce the City-wide water consumption to at or below the State recommended per capita/per day
2. Annual wastewater collection per capita
3. Collection rate at or above 98%
4. Percentage of measures met storm water measures per the Phase II Storm Water Plan
5. Percentage of City expenditures spent on green technology AND Percentage of permits issued for LEED or Energy Star compliant buildings/structures

Slide 29:

Transportation

To provide transportation services to our citizens and visitors, to ensure safe, efficient transportation options for the movement of people and goods through the City of Rowlett and surrounding areas.

Slide 30:

**Transportation
Core Services**

1. Traffic Control & Safety (enforcement)
2. Streets & Bridges
3. Planning & Engineering
4. Public Communication & Education
5. Public Transit

Slide 31:

**Transportation
Performance Measures**

1. Reduce accidents per thousand vehicles traveled on collector and arterial roads
2. Increase average Pavement Condition Index (PCI) per lane mile for local, collector and thoroughfare categories
3. Increase percentage of lane miles open per category
4. Increase percentage of surveyed residents receiving transportation messages
5. Increase percentage of Rowlett commuters using public transportation

Slide 32:

Public Safety

To provide public safety services to the City of Rowlett citizens and visitors in order to reduce crime, injury, and damage to property and the environment.

Slide 33:

**Public Safety
Core Services**

1. Emergency Response (by category)
2. Law Enforcement
3. Prevention (by category)
4. Emergency Preparation

Slide 34:

**Public Safety
Performance Measures**

1. Reduce average response time for Priority 1 and all calls
2. Reduce number of crimes per 1000 population
3. Percentage of residents reporting feeling safe or very safe
4. Increase percent of employees meeting state/federal training requirements AND Increase percent compliance with City mitigation plan

Slide 35:

Budget Priorities by Outcome

(The pie chart graph in the slide presentation was not adaptable to this document)

How did we allocate resources based on these priorities in the adopted budget?

- ◆ Economic Development 1.6%
- ◆ Neighborhood Quality 3.1%
- ◆ Recreation & Learning 7.6%
- ◆ Overhead 7.8%
- ◆ Public Safety 23.6%
- ◆ Transportation 25.1%
- ◆ Environment/Conservation 31.2%

Slide 36:

The Seventh Slice

- ◆ Overhead: Indirect support services (Finance, Executive Leadership, Budget, IT, Fleet, etc.)
- ◆ Remainder is opportunity for reallocation in current fiscal year
- ◆ Contingency – buffer for innovation, safety net

Slide 37:

Performance Measures

- ◆ Developed by Management Team (Top 10% Directors, Managers, Supervisors)
- ◆ Kevin Baum, noted expert on Public Performance Leadership www.inCentergy.com
 - Identified and Prioritized Core Services
 - Structured Format for Performance Measures

Slide 38:

Other References and Tools

- ◆ Managed Competition

- Carrollton, TX is nationally recognized leader
- Used as model for preparing competitive Outcome Proposals

- ◆ Performance Management
 - David Childs, Dallas County Tax Collector
 - Application of Performance Incentives

Slide 39:

Other References and Tools

- ◆ International City/County Management Association (ICMA) Center for Performance Measurement
 - 300 Benchmarks on Regional and National Basis
- ◆ Technology, Communication, and Reporting
 - Core Service Matrices

Slide 40:

(This slide was not adaptable for this document)

**Core Services Analysis
Public Works Department**

Buildings and Grounds (Facility Management)

Minimal repairs made, all improvements deferred	Limited system repairs made all other improvements deferred	Systems properly maintained, most other improvements deferred	Systems upgraded when possible and necessary improvements completed in a timely manner	All systems and improvements programmed and implemented in an efficient manner
1	2	3	4	5

Vehicle Services (Fleet Management)

All non-emergency vehicles/units remain out of service for extended periods of time (two weeks or more)	All non-emergency vehicles/units remain out of service for extended periods of time (up to two weeks)	All non-emergency vehicles/units remain out of service for extended periods of time (up to one week)	No vehicles/units remain out of service for more than three days	All vehicles are repaired and put back into service in a 24 hour period
1	2	3	4	5

Slide 41

Other References and Tools

- ◆ International City/County Management Association (ICMA) Center for Performance Measurement
 - 300 Benchmarks on Regional and National Basis
 - Technology, Communication, and Reporting
 - Core Service Matrices
 - Performance Scorecards and Dashboards
 - SharePoint Sites for Outcome Teams

Slide 42:

Budgeting for Outcomes - Windows Internet Explorer
 http://eoc1-sharepoint/Outcomes/ReportsLibrary/Outcomes.aspx

Budgeting for Outcomes

City of Rowlett Intranet

Outcomes This Site: Outcomes

City of Rowlett Intranet > Outcomes > Reports Library > Outcomes

Budgeting for Outcomes

View All Site Content

Reports

Dashboards

- Sample
- Budgeting for Outcomes

Resources

- Data Connections
- Report Calendar
- Reference Library

Economic Development

Recycle Bin

Neighborhood Quality

To provide neighborhood-based services to the residents of Rowlett, in order to protect the value, appearance and quality of homes and businesses in our community.

Core Services:

1. Infrastructure (sidewalks, water, sewer, etc.)
2. Code Compliance (weeds, trees, rubbish, maintenance)
3. Neighborhood Policing
4. Prevention & Education (police, fire, general comm.)

Key Performance Indicators

New Actions Show Only Problems

Indicator

- Average condition index (streets)
- Average condition index (sidewalks)
- Subdivision CPI Index

Done

Slide 43:

Process for Next Year

- ◆ City Council:
 - Agree upon Outcomes
 - Set "Price of Government"
- ◆ Public Process
 - Four Meetings out in the community
 - Facilitate Process of setting price of each Outcome
- ◆ City Council:
 - Establish final price for each Outcome

Slide 44:

Process for Next Year

- ◆ Staff Prepares competitive proposals to deliver highest value for set price
- ◆ Budget Team refines proposals and competitively selects a mix that equals total set price.
- ◆ Budget is presented to the City Council including "below the line" proposals

Slide 45:

Process for Next Year

- ◆ Adjustments made by City Council
- ◆ Public Hearing and Adjustment
- ◆ Budget Adoption
- ◆ Ongoing monitoring and reporting of performance measures as compared to targets established by adopted budget

Slide 46:

Future Building Blocks

- ◆ Fully Integrate Strategic Plan, Operational Outcomes, Financial , and Human Resources
- ◆ Link Performance Evaluation System to Outcomes

Slide 47:

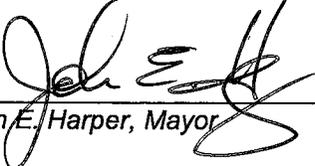
City Council Input and Decisions:

- ◆ Comments on and Modifications to:
 - Outcome Statements
 - Core Services
 - Performance Measures
- ◆ Comments on and Modifications to:
 - Process for next year

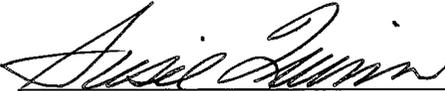
Following the presentation, questions were asked and answered.

4. **ADJOURNMENT**

The retreat adjourned at 3:30 p.m.



John E. Harper, Mayor



Susie Quinn, City Secretary

Date Approved: October 21, 2008