City of Rowlett

Meeting Minutes

City Council

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www.rowlett.com

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.

Tuesday, February 12, 2008	5:30 PM	Municipal Building - 4000 Main Street

As authorized by Section 551.071(2) 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

Mayor Harper called the meeting to order at 5:39 p.m.

CONVENE INTO EXECUTIVE SESSION

The City Council convened into closed session at 5:39 p.m.

2. EXECUTIVE SESSION

2A The City Council shall convene into executive session pursuant to §551.071 of the TEXAS GOVERNMENT CODE to seek legal advice from the City Attorney regarding a petition under Chapter 143, Texas Local Government Code, and the State Civil Service Statutes. (20 minutes)

RECONVENE INTO OPEN SESSION

The City Council reconvened into open session at 7:00 p.m.

3. WORK SESSION ITEMS (5:45 P.M.)

3A Presentation and discussion of Budgeting for Outcomes.

Mayor Harper stated this process will put the Council in a position to make difficult decisions; the Council will need to determine how much they are willing to pay for government, what are the priorities, and what level of services within those priorities are the required amount?

Craig Owens brought forth a PowerPoint presentation for the Work Session item. Results for Rowlett: Aligning Budget to Outcome (39 page PowerPoint presentation).

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*

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*

Five Critical Decisions
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.*

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*

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*

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*

Current Year
- *Overlay Outcome Based Model against Adopted Budget*
- *Identified Six Outcomes as Top Priorities:*
- *Neighborhood Quality*
- *Economic Development*
- *Culture and Recreation*
- *Environment*

- *Transportation*
- *Public Safety*

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.*

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.)*

Neighborhood Quality
Performance Measures
1. *Increase in average Condition Index for streets, sidewalks, sewer and water*
2. *Increased number of Tier 1 code violations cleared (either by voluntary compliance or mitigation)*

Council asked how the five priorities (fences, grass/weeds, trash/debris, illegally parked vehicles, and outside storage) were decided upon.

Mr. Owens replied the team was lead to the five priorities due to relevance for control, influence, and comparison.

Council asked if the performance measures were from the International City/County Management Association Center for Performance Measurement (ICMA).

Mr. Owens stated that some of the measures overlap with ICMA.

3. *Decrease crime rate per 1,000 citizens and increase percentage of citizens reporting feeling safe or very safe*
4. *Increase number of citizens directly contacted or participating in neighborhood programs*

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.*

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

Economic Development
Performance Measures
1. *Increased ratio of commercial square feet to residential square feet*
2. *Increased percentage of development review customers rating satisfaction as good or above*
3. *% undeveloped planned commercial acres serviced by arterial or collector roads and % undeveloped planned commercial acres serviced by sewer and water*

4. *Number of contacts as response to marketing made by decision-makers in target industry businesses*
5. *Average sales tax per existing business and increased total number of jobs net of new employers*

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.*

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.)*

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*

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

Environment
Core Services
1. *Water & Energy Conservation*
2. *Waste Water (sanitary sewer)*
3. *Solid Waste (trash)*
4. *Storm Water*
5. *Green Technologies*

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 EnergyStar compliant buildings/structures*

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.*

Transportation
Core Services
1. *Traffic Control & Safety (enforcement)*

2. *Streets & Bridges*
3. *Planning & Engineering*
4. *Public Communication & Education*
5. *Public Transit*

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*

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.*

Public Safety
Core Services
1. *Emergency Response (by category)*
2. *Law Enforcement*
3. *Communication*
4. *Prevention (by category)*
5. *Emergency Preparation*

Public Safety
Performance Measures
1. *Reduce average response time for Priority 1 and all calls and increase the percentage of structure fires confined to room of origin*
2. *Reduce number of UCR Part 1 crimes per 1000 population*
3. *Reduce percentage of total calls placed on hold*
4. *Reduce number of Fire Code violations per 100 commercial occupancies inspected*
5. *Increase percent of employees meeting state/federal training requirements and increase percent compliance with City mitigation plan*

Budget Priorities by Outcome
*   *How did we allocate resources based on these priorities in the adopted budget?*
    *   *Environmental/Conservation - 31.2%*
    *   *Transportation - 25.1%*
    *   *Public Safety - 23.6%*
    *   *Recreation and Learning - 7.6%*
    *   *Overhead - 7.8%*
    *   *Neighborhood Quality - 3.1%*
    *   *Economic Development - 1.6%*

Council asked how the City's overhead percentage compared to other cities.

Mr. Owens stated the cost allocation models are built differently from one city to the next; used the IMCA information; and the overhead costs will need to be defined by customer base outcome.

Dollars Not Aligned to Priorities
*   *Overhead: Indirect support services (Finance, Executive Leadership, Budget, etc.)*
*   *Remainder is opportunity for reallocation in current fiscal year*
*   *Contingency - buffer for innovation, safety net*

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*

Other References and Tools
- *Managed Competition*
    - *Carrollton is nationally recognized leader*
    - *Used as model for preparing competitive Outcome Proposals*
- *Performance Management*
    - *David Childs, Dallas County Tax Collector*
    - *Application of Performance Incentives*
- *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*

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*

Council asked if the Citizens' Survey would facilitate any of the process.

Mr. Owens answered in the affirmative.

- *City Council:*
    - *Establish final price for each Outcome*
- *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*
- *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*

Future Building Blocks
- *Fully Integrate Strategic Plan, Operational Outcomes, Financial, and Human Resources*
- *Link Performance Evaluation System to Outcomes*

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*

Council stated the job of the City Manager and the support team is to maximize the services that can be delivered with the limited resources that are available; the City is not trying to create a profit but rather to maximize services.

Concerns were voiced regarding public safety call times; green technologies; decision making should be focused on the programs; levels of service; and a breakdown by areas would give a better understanding of the effectiveness.

Mr. Owens stated for the purposes of policy decision-making, it will depend on how much is spent on the twenty-eight (28) areas; the twenty-eight areas are the indentified five (5) Core Services plus three (3) Performance Measurements; the twenty-eight areas will be translated for an accounting standpoint into the traditional line items but that will be dependant upon what each proposal group comes up with regarding needed resources but the traditional line items will not be done for any other purpose other than tracking.

Council stated a traditional financial statement and income statement would be provided by the Finance department for audit purposes; all the elements of expense that are involved in the twenty-eight (28) programs will be accumulated and presented in the form of financial statements. The statements can be viewed to see what it cost for a particular item of expense but the decision-making should be focused on the programs.

Council stated the Guiding Principles are the Council's priorities. Must consider how much money is available before we know how much can be spent; need forecast of revenues projections. Council would like to see trend reporting as opposed to "snapshot" reporting, this will take more than a year to establish the trends. The Citizens' Survey must be incorporated into the reporting process. The City of Rowlett needs to be compared to the other eleven (11) cities in the IMCA benchmarks; where we're different, we need to know why.

Council asked if the twenty-eight (28) measures that were selected, are they part of the IMCA's three hundred (300) benchmarks.

Mr. Owens stated approximately 20% - 30% are IMCA benchmarks.

Council made remarks concerning the financial measures; and proper managing will show up in the financial measures.

Mr. Owens stated the City will achieve the twenty-eight (28) areas; those are the commitments and the accountability areas.

Mayor Harper stated that he was in favor of merit pay; the performers are the individuals that should be rewarded more so than those who are lacking in performance.

Mr. Owens stated what he would provide at the next meeting: he would not change any of the outcomes, add ISO rating to public safety, build the Core Services matrices and indicate where the City is and where they expect to be, establish and build the Performance Measures and show backwards trends where data is available, build the IMCA measures and show benchmarks for averages for within our own communities and potentially national benchmarks.

Council spoke regarding outsourcing; outsourcing needs to be looked at for a competitive price/proposal.
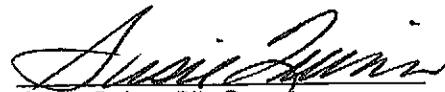
A Council retreat will be scheduled for June 2008.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS

No action was taken during the Executive Session.

4.   ADJOURNMENT

Mayor Harper adjourned the meeting at 8:30 p.m.

John E. Harper, Mayor

Date Approved: March 18, 2008

Susie Quinn, City Secretary