

FMTF Suggestions - High City Control and High General Fund Impact

City Study ID	FMTF #	Category	Suggestion	Level of City Control	General Fund (GF) Impact	FY13 GF Impact	Status
1	n/a	Cost Effectiveness	Review Houston Fire Department (HFD) service levels, processes, equipment utilization, and service delivery models to optimize response times, cost, and Insurance Services Office (ISO) ratings. Implement changes based on optimal design.	High	High	Low	Previous studies can be updated
	1.01	City Initiative / Efficiency	Investigate alternative service models for Houston Fire Department (HFD) concerning deployment of apparatus to Emergency Medical Services (EMS) calls. <i>Including outsourcing EMS.</i>		Include with 1		
	1.04	City Initiative / Efficiency	Review Insurance Services Office (ISO) rating for fire response time related to consolidation of fire stations.		Include with 1		
	1.05	City Initiative / Efficiency	Optimize fire station utilization to better match demand and required services.		Include with 1		
	8.01	Privatization	Outsource EMS.		Include with 1		
	8.02	Privatization	Outsource EMS with savings earmarked to pay unfunded pension liabilities.		Include with 1		
2	n/a	Cost Effectiveness	Inventory all General Fund assets. Assess assets for cost effectiveness of continued use. Dispose of excess assets. Purchase cost effective assets. Put all assets on cost effective renewal/refresh plan that is continually maintained and refreshed.	High	High	High	Inventory, assessments, and planning underway
	1.03	City Initiative / Efficiency	Develop citywide asset base analysis.		Include with 2		
	1.11	City Initiative / Efficiency	Audit city equipment: audit current equipment, particularly in Public Works & Engineering and Solid Waste.		Include with 2		
3	1.15	Cost Effectiveness	Centralize all finance employees so they report directly to the Finance Department. Include enterprise funds so the finance director is aware of all department finances. This creates transparency for long-term fiscal responsibility.	High	High	High	Done for some back office departments that have citywide impact
4		Pensions	Evaluate sustainability of existing pension plans provided by the City and make recommendations for increasing retirement security of City employees and retirees.	High	High	High	Not started
	7.01	Compensation	Reduce and/or stop automatic Cost of Living Adjustments (COLAs) for pensions.		Include with 4		
	7.02	Compensation	Reduce benefits <i>and</i> accrual rates-- <i>including COLAs, DROP, and survivor benefits</i> -- in all pension plans.		Include with 4		

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	7.03	Compensation	Eliminate Deferred Retirement Option Plan (DROP) in all pension plans.			Include with 4	
	7.04	Compensation	Eliminate DROP for all classified employees hired after 2007.			Include with 4	
	7.05	Compensation	Reduce post-retirement survivor benefit from 100%.			Include with 4	
	7.12	Compensation	Eliminate differentiation of benefits between new and existing workers.			Include with 4	
	7.13	Compensation	Explore an increase in retirement age for all employees.			Include with 4	
	7.14	Compensation	Eliminate current bifurcated approach to compensation negotiations to facilitate a more coordinated consideration of all elements of the city's compensation program.			Include with 4	
	7.15	Compensation	Require full funding of the Actuarial Required Contribution (ARC) for each of the three city pension plans. Prohibit meet and confer adjustments to the funding of the ARC.			Include with 4	
	7.17	Compensation	Discontinue practice of funding the payment of pension obligations with debt (both in the market and from the pension plans).			Include with 4	
	7.18	Compensation	Lower the 8.5% investment return target to 7% in all pension systems.			Include with 4	
	7.19	Compensation	Roll back all retirement plan changes to pre-2001 levels.			Include with 4	
	7.20	Compensation	Permanently close the defined benefit pension plan to new entrants, enrolling all new employees in defined contribution plans modeled after existing public university plans or the Thrift Savings Plan offered to federal employees.			Include with 4	
	7.21	Compensation	Establish a citywide defined contribution plan and have city employees individually decide about participation.			Include with 4	
	7.22	Compensation	Limit pension distributions to the same guidelines established by the IRS for Individual Retirement Accounts. Withdrawal may occur no earlier than age 59.5 without incurring an early withdrawal penalty.			Include with 4	
	7.23	Compensation	Require that the city have equal representation on the three pension boards. The mayor shall appoint half of the trustees of the pension boards.			Include with 4	

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5	n/a	Health Benefits	Reduce City subsidy of health benefits for active employees and/or retirees. Do this through some combination of direct cost shifting, increasing deductibles/co-payments, and limiting retiree health benefits subsidies and eligibility.	High	High	High	Done in the past
	3.01	Health Benefits	Increase employee co-payment in health plans.		Include with 5		
	3.02	Health Benefits	Increase percentage of employee premiums paid in health plan.		Include with 5		
	1.07	City Initiative/Efficiency	Limit increase in city contributions to a fixed percentage of all retired and active employee health benefits.		Include with 5		
	3.03	Health Benefits	Provide access only benefits (health and disability) for pre-65 retirees.		Include with 5		
	3.04	Health Benefits	Limit increase in city contributions to a fixed percentage of retiree health benefits.		Include with 5		
	3.05	Health Benefits	Increase city employee contribution percentage to 30% for health benefits.		Include with 5		
	3.06	Health Benefits	Change the city/employee contribution ratio to 80/20 for health benefits		Include with 5		
6	5.04	Miscellaneous	Analyze the property tax benefit of terminating Tax Increment Reinvestment Zone (TIRZ) agreements.	High	TBD	TBD	Previous studies can be updated
7	6.02	New Revenue	Explore annexation opportunities. [Note: this is assumed to mean full annexation opportunities, as the City continually enters into Limited Purpose Annexations]	High	TBD	TBD	Previous studies can be updated
	6.08	New Revenue	Implement recycling fee and expand recycling program citywide.		Include with 7		
	6.09	New Revenue	Implement a garbage fee.		Include with 7		
8	n/a	New Revenue	Implement a waste reduction fund, move costs out of General Fund, and create a fee to support disposal and expansion of recycling in alignment with the practices in other major cities.	High	High	High	Previous studies can be updated
9	6.13	New Revenue	Explore the possibility of a "Blight Fee" on foreclosed homes (foreclosure fee paid by bank or purchaser).	High	TBD	TBD	Not started
10	6.15	New Revenue	Utilize a firm such as Fire Recovery USA to collect payments from insurance companies when HFD puts out fires, conducts inspections, and provides EMS.	High	TBD	TBD	Not started

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11	6.16	New Revenue	Increase program sponsorship with the private sector. For example, local professional sports teams could subsidize city recreational sports.	High	High	High	Currently being done and working to expand efforts
	6.20	New Revenue	Increase taxes to the referendum cap.		Include with 11		
	6.22	New Revenue	Increase property tax rate.		Include with 11		
	6.24	New Revenue	Increase property taxes with increase earmarked for paying unfunded pension liabilities.		Include with 11		
	6.25	New Revenue	Eliminate post-2001 property tax exemptions with increase earmarked to pay unfunded pension liabilities.		Include with 11		
	6.26	New Revenue	Discontinue residential tax exemption for elderly.		Include with 11		
12	n/a	New Revenue	Increase property taxes through some combination of increasing the ad-valorem tax rate or decreasing exemptions without exceeding City Charter limits.	High	High	High	Not started

FMTF Suggestions - Medium/Low General Fund Impact

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n/a	1.02	City Initiative/Efficiency	Conduct a full work demands analysis of all enterprise funds; find efficiencies and implement them.	City		High	Low	
n/a	1.06	City Initiative/Efficiency	Evaluate art expenditures for possible reduction or elimination.	City		High	Low	
n/a	1.08	City Initiative/Efficiency	Reevaluate all existing contracts: city should audit all contracts to identify services that are currently contracted out to determine if these services may be more efficiently handled in-house by city employees.	City		Too broad		
n/a	1.09	City Initiative/Efficiency	Review outsourced services in order to determine if it would be more efficient to bring work in-house.	City		Too broad		
n/a	1.10	City Initiative/Efficiency	Increase energy efficiency in city buildings and engage city workers in energy efficiency activities and recycling. Develop incentives for employees to participate. Train employees in use of green supplies and green products.	City		High	Low	
n/a	1.12	City Initiative/Efficiency	Further reduce paper product use. Departments should determine where paper product usage can be further reduced through the use of technology: work orders in some departments can move from paper to electronic; all fax systems can move from traditional paper fax to electronic fax; and computers should be set to default to double-sided printing. Where paper filing systems are used, departments should consider switch to electronic filing systems to save on paper and storage space.	City		High	Low	
n/a	1.13	City Initiative/Efficiency	Facilitate easier residential building permit process: city should create a public service announcement video showing the steps in the process of applying for residential building permits. [Note: a project to improve the permitting application and renewal process is underway and a briefing of the project is delivered to the Budget and Fiscal Affairs Committee of City Council each week.]	City		High	Low	Ongoing
n/a	1.14	City Initiative/Efficiency	Institute a "Surplus Supplies Day" twice a year where employees in each department collect surplus items and inventory and redistribute unused items.	City		High	Low	
n/a	1.16	City Initiative/Efficiency	Hold department directors accountable for total efficiency: work with frontline employees who know where to cut costs and eliminate waste. This can be done on a yearly basis to ensure long-term line by line savings.	City		Too broad		
n/a	1.17	City Initiative/Efficiency	Consider establishment of a nonpolitical, independent fiscal office for the purpose of objectively evaluating the long-term impact of city financial decisions and proposals.	City/Voters		Low	Medium	

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n/a	2.01	City/County Coordination	Require the county to spend 50% of revenues inside the city after subtracting hospital district, prisons, and courts.	City/County/State		Low	High	
n/a	2.02	City/County Coordination	Require county to spend 50% of revenues on city services (not including health care and courts).	City/County/State		Low	High	
n/a	2.03	City/County Coordination	Maximize efforts to partner with other agencies for fuel purchasing, security service, and fleet purchase contracts.	City/County/ISDs/etc...		Low	Medium	
n/a	2.04	City/County Coordination	Transfer all health services to county.	City/County		Low	Low	
n/a	2.05	City/County Coordination	Move food safety testing expense to county.	City/County		Low	Low	
n/a	2.06	City/County Coordination	Move potable water testing to county.	City/County		Low	Low	
n/a	2.07	City/County Coordination	Move organic pollutants testing to county.	City/County		Low	Low	
n/a	2.08	City/County Coordination	Move milk and dairy products testing to county.	City/County		Low	Low	
n/a	2.09	City/County Coordination	Move lead testing to county.	City/County/State		Low	Low	
n/a	2.10	City/County Coordination	Move rabies animal testing to county.	City/County/State		Low	Low	
n/a	2.11	City/County Coordination	Move health code mandates to county.	City/County		Low	Low	
n/a	2.12	City/County Coordination	Move HIV/AIDS testing mandate to county.	City/County		Low	Low	
n/a	2.13	City/County Coordination	Cede management and expenses of libraries to county with a caveat for protecting city services.	City/County		Low	Medium	
n/a	2.14	City/County Coordination	Consolidate the Houston Public Library System with Harris/Montgomery/Fort Bend library systems.	City/Counties		Low	Medium	
n/a	2.15	City/County Coordination	Explore possibility of collaborating with other entities (school districts, Harris County) to implement a regional health care plan for city employees.	City/County/ISDs/etc...		Low	High	
n/a	2.16	City/County Coordination	Establish regional health insurance between the city/county/ISDs etc...	City/County/ISDs/etc...		Low	High	
n/a	2.17	City/County Coordination	Consolidate city and county jail systems.	City/County		Medium	High	
n/a	2.18	City/County Coordination	Close crime lab and send all forensic evidence to state Department of Public Safety lab.	City/State		Include in 2.17		
n/a	3.07	Health Benefits	Move all eligible retirees into Medicare.	City		Done	Done	
n/a	4.01	Labor Relations	Base pay on merit instead of on age, amount of time served, or step increases. Eliminate all step increases.	City/Union Meet & Confers		Medium	High	
n/a	4.02	Labor Relations	Require classified employees to participate in Social Security.	Federal		Low	Low	
n/a	4.03	Labor Relations	Return fire department staffing to three fire fighters per apparatus (instead of the current four).	City/Union Collective Bargaining		Medium	High	
n/a	5.01	Miscellaneous	Discuss options and introduce a charter amendment to change term limits to two four-year terms or three three-year terms.	Voter approved Charter Amendment		Low	Low	
n/a	5.02	Miscellaneous	Dissolve enterprise funds so that revenue generated by airports, water, etc... can be used for the general welfare of the city.	City/County/State/Federal		Low	High	

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n/a	5.03	Miscellaneous	Include covenant language for all future city bonds and refinanced bonds stating that bondholders will be paid first out of city revenues	City Controller, Director of Finance		High	Low	
n/a	6.01	New Revenue - Miscellaneous	Improve enforcement of ordinance requiring permits for dumpsters.	City		High	Low	
n/a	6.03	New Revenue - Miscellaneous	Reinstate \$7.50 mileage fee for ambulance service.	City		High	Medium	
n/a	6.04	New Revenue - Miscellaneous	Create a public safety fund paid for by a citywide fee. Fund all police, fire, crime lab, emergency center, and municipal courts from the fund. Reduce the ad valorem tax rate by the equivalent amount.	City/State		Medium	Medium	
n/a	6.05	New Revenue - Miscellaneous	Charge fees for cell towers or individual cell phones.	City/State/Federal		Low	Low	
n/a	6.06	New Revenue - Miscellaneous	Lease City Hall parking garage on weekends.	City		High	Low	
n/a	6.07	New Revenue - Miscellaneous	Charge for public parking at city facilities during off hours.	City		High	Low	
n/a	6.10	New Revenue - Miscellaneous	Examine the opt-out feature available to homeowners' associations allowing them to decline city garbage services. Consider city taking over all garbage collection and recycling within the city. Eliminate any subsidy for private garbage and recycling services.	City		High	Low	
n/a	6.11	New Revenue - Miscellaneous	Increase sales of advertising inserts in water bills and other city mailers.	City		High	Low	
n/a	6.12	New Revenue - Miscellaneous	Implement a 1% income tax rate on city residents having incomes over \$30,000.	City/State		Low	High	
n/a	6.14	New Revenue - Miscellaneous	Establish a commuter fee.	City/State		Medium	High	
n/a	6.17	New Revenue - Miscellaneous	Explore ways to improve collection rate of all accounts receivable to 85%. Set goals to increase the amount collected each year.	City			Too broad. There are ongoing efforts to improve collections, but setting an arbitrary 85% target is not prudent, as it may not be cost-effective to achieve this collection rate on all revenues.	
n/a	6.18	New Revenue - Miscellaneous	Collect a fee for backflow inspector licensing.	City		High	Low	
n/a	6.19	New Revenue - Miscellaneous	Require HFD to record health and automotive insurance information for all patients transported by ambulance.	City		High	Low	
n/a	6.21	New Revenue - Property Tax	Reevaluate the appraisal process for non-residential valuations. [Note: Currently In progress]	City/County/State/Appraisal District		Medium	High	Ongoing
n/a	6.23	New Revenue - Property Tax	Establish different tax rates for commercial, industrial, and residential property.	City/State		Medium	High	
n/a	6.27	New Revenue	Establish new, higher property tax rate for all homes exceeding \$500,000.	City/State		Low	High	
n/a	6.28	New Revenue	Implement a higher tax rate on commercial properties.	City/State		Medium	High	

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n/a	6.29	New Revenue	Change state law to allow Houston to collect delinquent property taxes with fines and fees.	State		Low	High	
n/a	6.30	New Revenue	Negotiate to increase the city's percentage of the sales tax rate.	City/State		Low	High	
n/a	6.31	New Revenue	Regain control of 1¢ sales tax revenue from METRO.	City/State/Voters		Low	High	
n/a	7.01	Compensation	Reduce and/or stop automatic Cost of Living Adjustments (COLAs) for pensions.	City/Pension Meet & Confers/State		Include in 7.02		
n/a	7.02	Compensation	Reduce benefits <i>and</i> accrual rates-- <i>including COLAs, DROP, and survivor benefits</i> -- in all pension plans.	City/State/ Meet & Confer		Medium	High	
n/a	7.03	Compensation	Eliminate Deferred Retirement Option Plan (DROP) in all pension plans.	City/State/ Meet & Confer		Include in 7.02		
n/a	7.04	Compensation	Eliminate DROP for all classified employees hired after 2007.	City/Pensions/ State		Include in 7.02		
n/a	7.05	Compensation	Reduce post-retirement survivor benefit from 100%.	City/State/ Meet & Confer		Include in 7.02		
n/a	7.12	Compensation	Eliminate differentiation of benefits between new and existing workers.	City/Pensions		Medium	Low	
n/a	7.13	Compensation	Explore an increase in retirement age for all employees.	City/State/ Meet & Confer		Medium	High	
n/a	7.14	Compensation	Eliminate current bifurcated approach to compensation negotiations to facilitate a more coordinated consideration of all elements of the city's compensation program.	City/State/ Meet & Confer		Medium	High	
n/a	7.15	Compensation	Require full funding of the Actuarial Required Contribution (ARC) for each of the three city pension plans. Prohibit meet and confer adjustments to the funding of the ARC.	City/Meet & Confer		Medium	High	
n/a	7.17	Compensation	Discontinue practice of funding the payment of pension obligations with debt (both in the market and from the pension plans).	City/Pensions		High	Low	
n/a	7.18	Compensation	Lower the 8.5% investment return target to 7% in all pension systems.	Pension Fund Actuary		Low	High	
n/a	7.19	Compensation	Roll back all retirement plan changes to pre-2001 levels.	City/Pension Meet & Confer/State		Medium	High	
n/a	7.20	Compensation	Permanently close the defined benefit pension plan to new entrants, enrolling all new employees in defined contribution plans modeled after existing public university plans or the Thrift Savings Plan offered to federal employees.	City/State/ Meet & Confer		Medium	High	
n/a	7.21	Compensation	Establish a citywide defined contribution plan and have city employees individually decide about participation.	State or City/Pension Meet & Confer		Medium	High	

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n/a	7.22	Compensation	Limit pension distributions to the same guidelines established by the IRS for Individual Retirement Accounts. Withdrawal may occur no earlier than age 59.5 without incurring an early withdrawal penalty.	City/Pensions/State		Medium	High	
n/a	7.23	Compensation	Require that the city have equal representation on the three pension boards. The mayor shall appoint half of the trustees of the pension boards.	City/Pensions/State		Medium	Medium	
n/a	7.24	Compensation	Require that the city appoint a majority of pension plan trustees.	City/Pensions/State		Medium	Medium	
n/a	9.01	Reporting	Require pension plans to notify the city when employees enter and leave DROP. Also require the pension plans to notify the city of how much benefit and liabilities change (without naming individual retirees).	City/State/ Meet & Confer		Medium	Medium	
n/a	9.02	Reporting	Require the director of the Human Resources Department and the directors of the pension boards to provide any material necessary for the director of the Finance Department to calculate and report annually to City Council the total costs of all current and post-employment benefits including, but not limited to, payroll, health benefits, sick leave, pension obligations, accrued vacation time, and accrued compensation time.	City/State or Pensions		Medium	Medium	
n/a	9.03	Reporting	Require the directors of the pension funds to maintain annual records (without naming individual retirees) indicating the following: the total number of retirees for each fiscal year; the age of each retiree at retirement; the initial annuity amount expressed as a percentage of annual base salary immediately prior to retirement (not in dollar amounts); and the DROP account balance at retirement expressed as a multiple of annual base salary immediately prior to retirement (not in dollar amounts). The directors of the pensions shall provide this information annually to the director of the Finance Department.	Directors of the pension funds		Medium	Medium	