

Jeff Mihelich– Deputy City Manager
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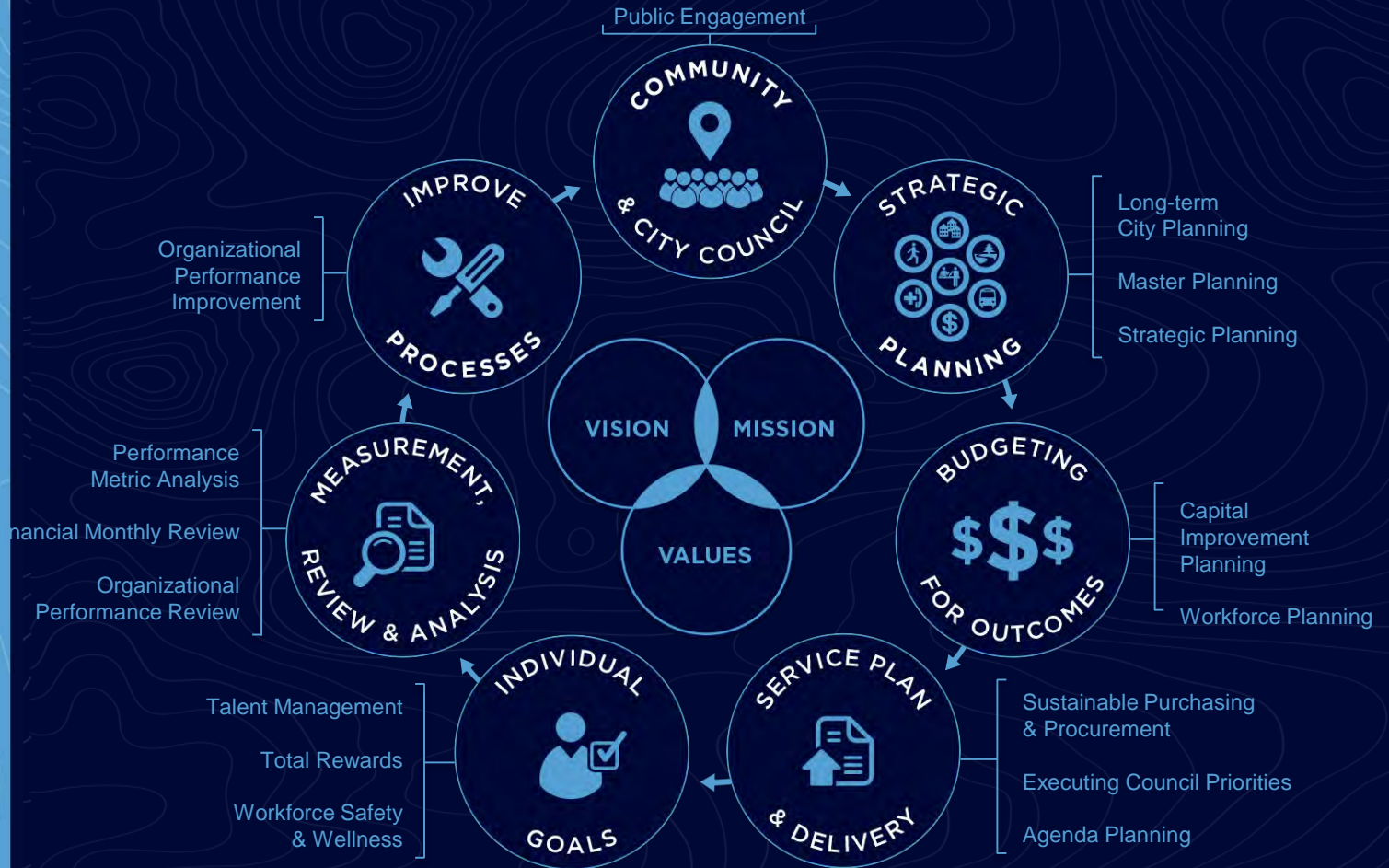
[CAT 2]

STRATEGIC PLANNING

[CAT 4]

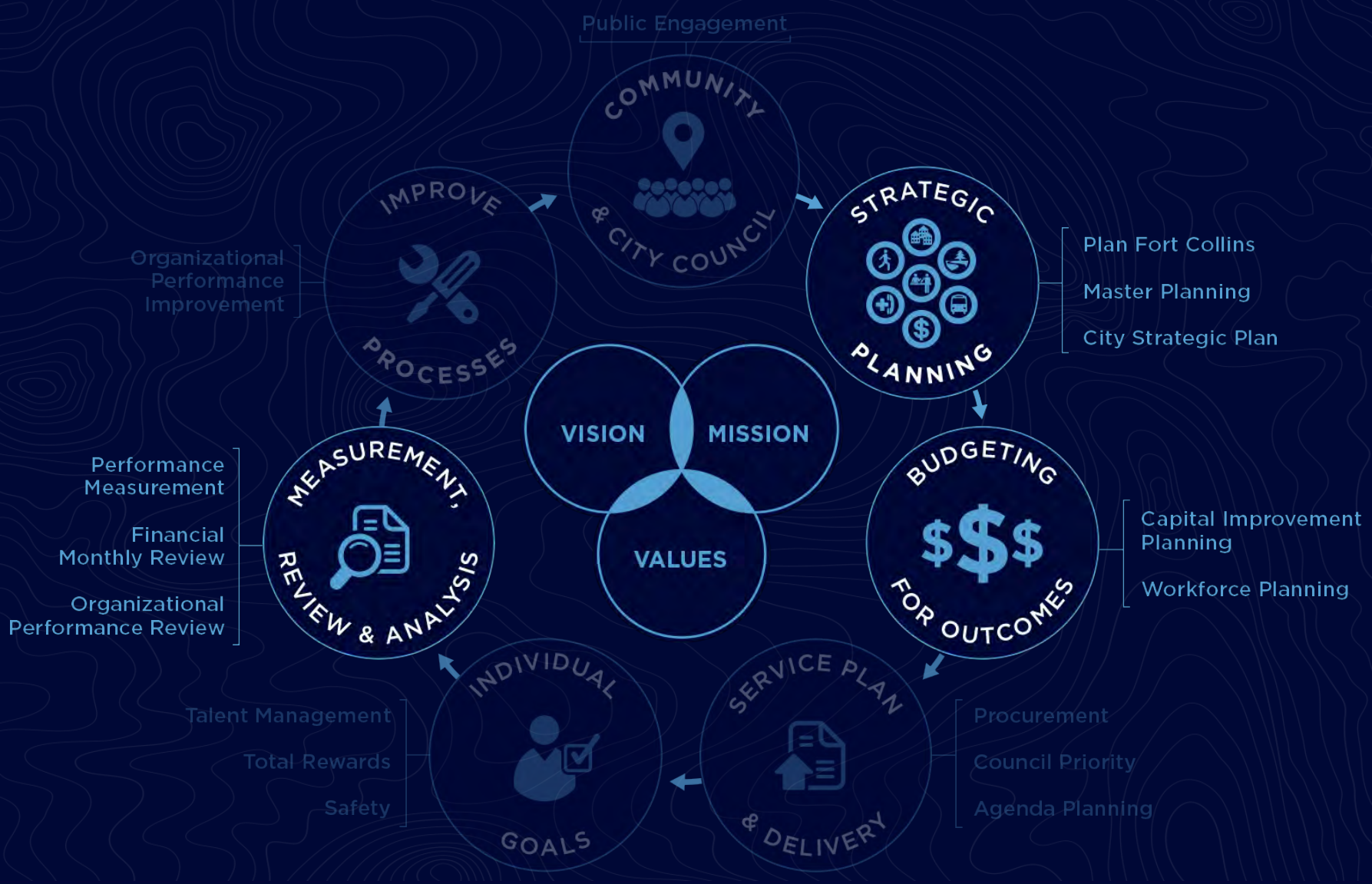
MEASUREMENT, ANALYSIS & KNOWLEDGE MANAGEMENT





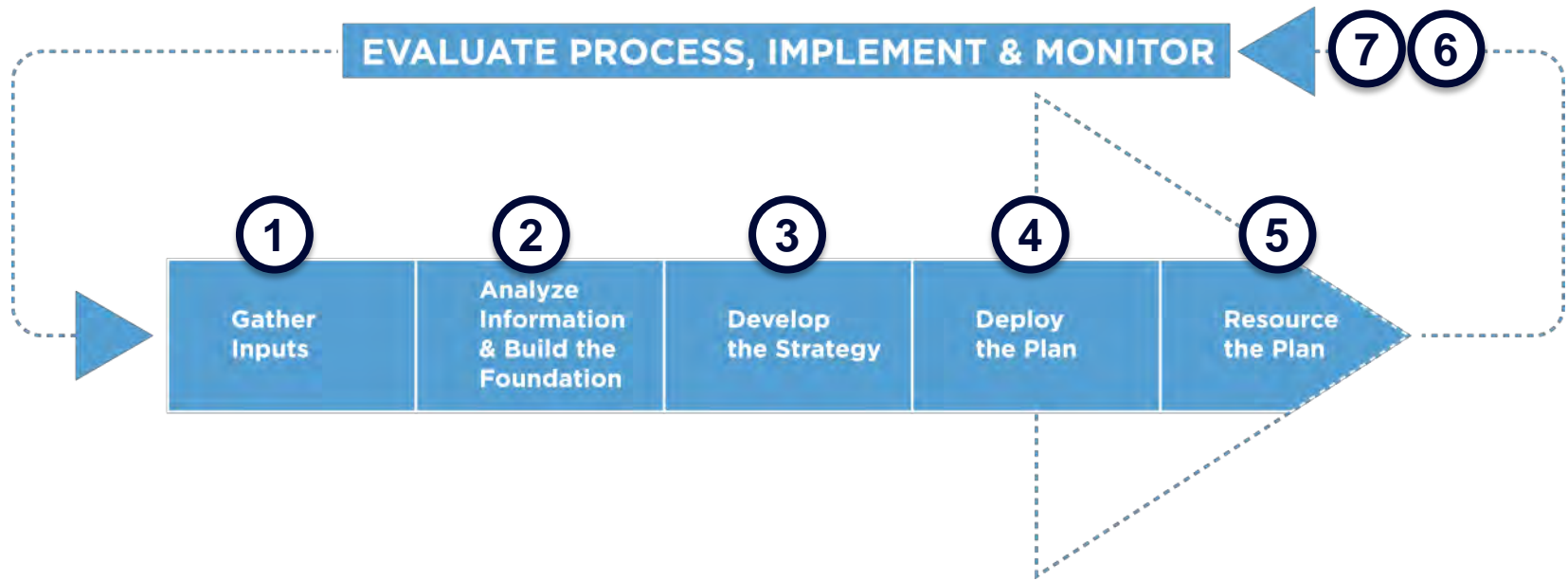
[CAT 2]
**STRATEGIC
PLANNING**

Our Leadership System



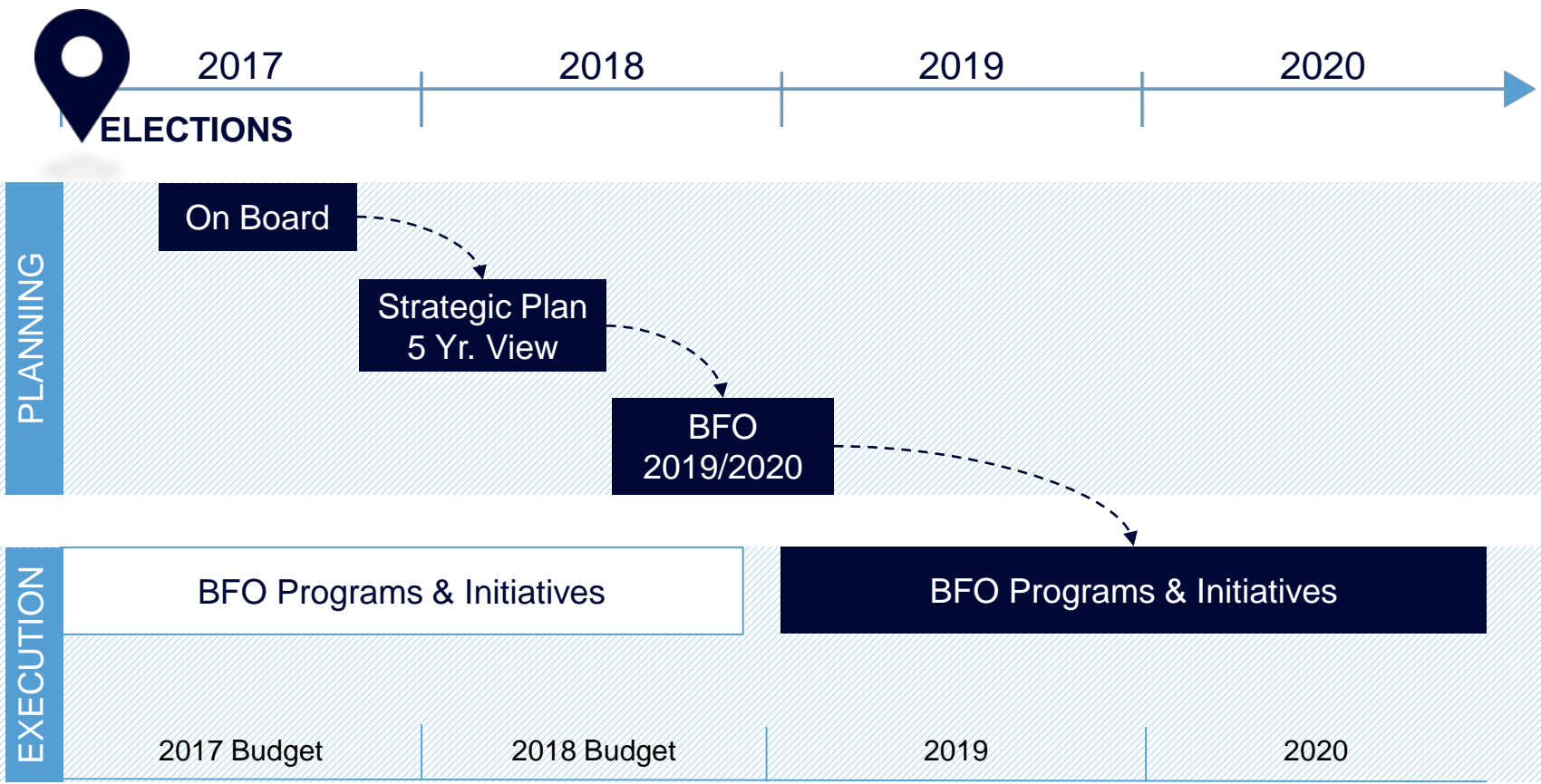


7-Step Strategic Planning Process



- Steps 1 – 3 are about Strategic Plan
- Steps 4 – 5 are mostly about our budget process called BFO
- Steps 6 – 7 are about managerial and executive performance reviews (QSARs and Strategy Maps)





Cascade of Council Influence
Starting with the On-Boarding Process

Strategic Outcome Areas



NEIGHBORHOOD
LIVABILITY &
SOCIAL HEALTH



CULTURE &
RECREATION



ECONOMIC
HEALTH



ENVIRONMENTAL
HEALTH



SAFE
COMMUNITY



TRANSPORTATION



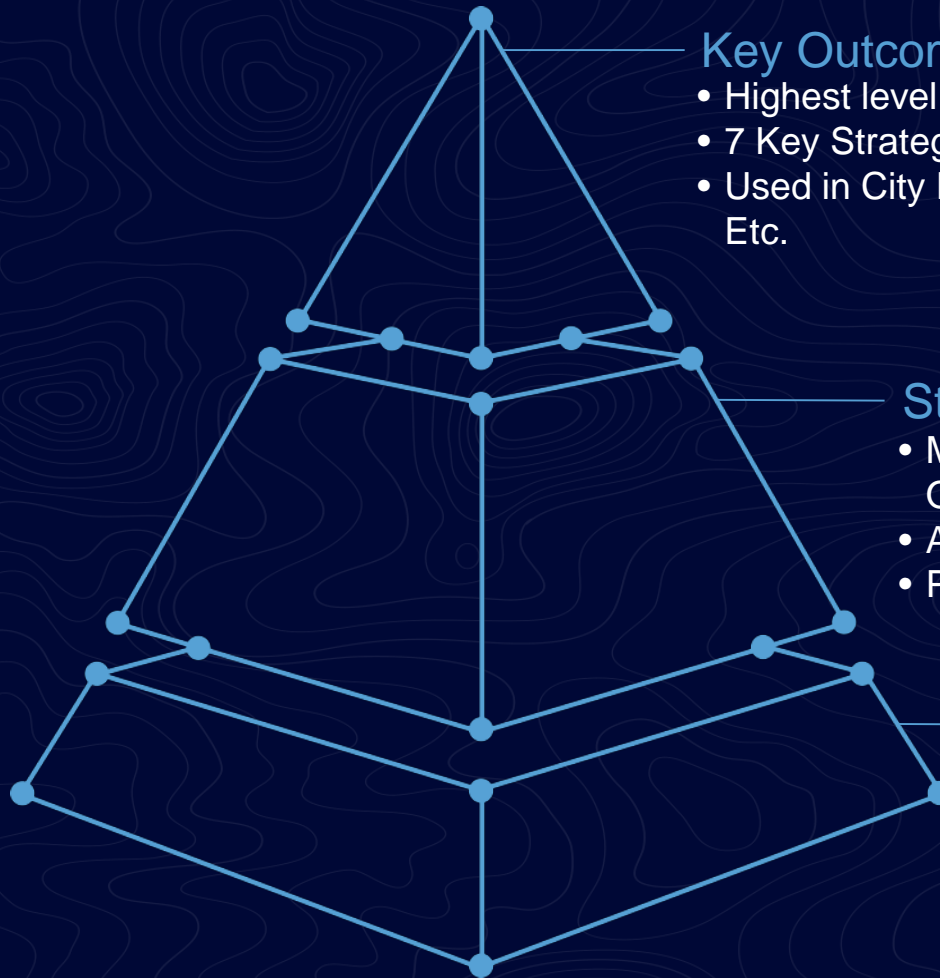
HIGH
PERFORMING
GOVERNMENT



[CAT 2]
STRATEGIC PLANNING

City of
Fort Collins





Key Outcome Areas

- Highest level Strategic Goals
- 7 Key Strategic Outcomes
- Used in City Plan, Strategic Plan, BFO, Etc.

Strategic Objectives

- Multiple Strategic Objectives (SO) per Outcome
- Achieving SOs helps achieve our Outcomes
- Performance demonstrated by metrics per SO

Budgeted Initiatives (BFO)

- Reflects all City programs and services
- Multiple BFO Initiatives for each SO
- Initiatives designed to achieve SO
- Metrics tied to each budget initiative



ENVIRONMENTAL SCAN

Citizen Input & Priorities

- Citizen Survey
- Focus Groups/Outreach
- Boards & Commissions
- Citizen Priorities

Council Input & Priorities

- Community Concerns
- Retreat Priorities

Organizational Priorities

- City Plan & Master Plans
- Economics & Financials
- Emerging Trends / Issues
- Infrastructure Issues
- Workforce trends
- Metrics

STRATEGIC WORK & ANALYSIS

- Implications, Conclusions, Challenges, Advantages, Priorities
- Define Issues to be addressed in Strategic Objectives

STRATEGIC PLAN (5 YEAR HORIZON):



Process – How it Worked

OWNER	ACTIVITY	RESULTS
CPIO	<ul style="list-style-type: none"> Citizen engagement – non traditional groups 	<p>TOP PRIORITIES:</p> <ul style="list-style-type: none"> Affordable Housing Multimodal & Public Transit Controlled & Planned Growth Environmental Sustainability Traffic
City Staff	<ul style="list-style-type: none"> Internal assessment by department 	Matrix by Outcome of issues & challenges
Strategy Core Team	<ul style="list-style-type: none"> Reviewed all data – developed issues matrix Citizen engagement – non traditional groups 	Draft Strategic Plan
Outcome Teams	<ul style="list-style-type: none"> Reviewed / modified strategic objectives Identified metrics for each strategic objective 	<p>Updated Draft Strategic Plan</p> <ul style="list-style-type: none"> Strategic Objectives Metrics assign to each SO
Steering Team	<ul style="list-style-type: none"> Detailed review & edits Alignment of critical issues to be addressed Accurate representation of issues 	Draft Updated Strategic Plan for Council Review





What is Budgeting for Outcomes?

- Budgeting for Outcomes (BFO) is a form of priority-based budgeting
- A budgeting process focused on community priorities
- A shift from paying for departments to buying services and programs
- A method to put citizens and their priorities, not status quo, first

At the highest level, BFO is about selling Offers (budget requests) and purchasing the services and programs most important to the community based on available funding



Strategic Plan – 5 Year View

Updated prior to BFO

Mission, Vision, Values

Outcomes

- Highest level Key Focus Areas
- Broad aim to direct efforts
- Broad statement Community impact

Strategic Objectives (SO)

- Something to attain or accomplish
- Achievement helps realize Outcome
- Ideally – specific & measurable

Performance Measures

- Metrics tied to Outcomes
- Track progress achieving Outcome goal

BFO – 2 year Budget Cycle

Initiatives Tied to Strategic Objectives

- Tactics & actions to achieve SO
- Initiatives may support multiple SO's

Core Services

- Ongoing core services
- Each core service includes tactics & actions to achieve SO

Enhancements

- New services & initiatives to achieve SO

Linkage & Metrics

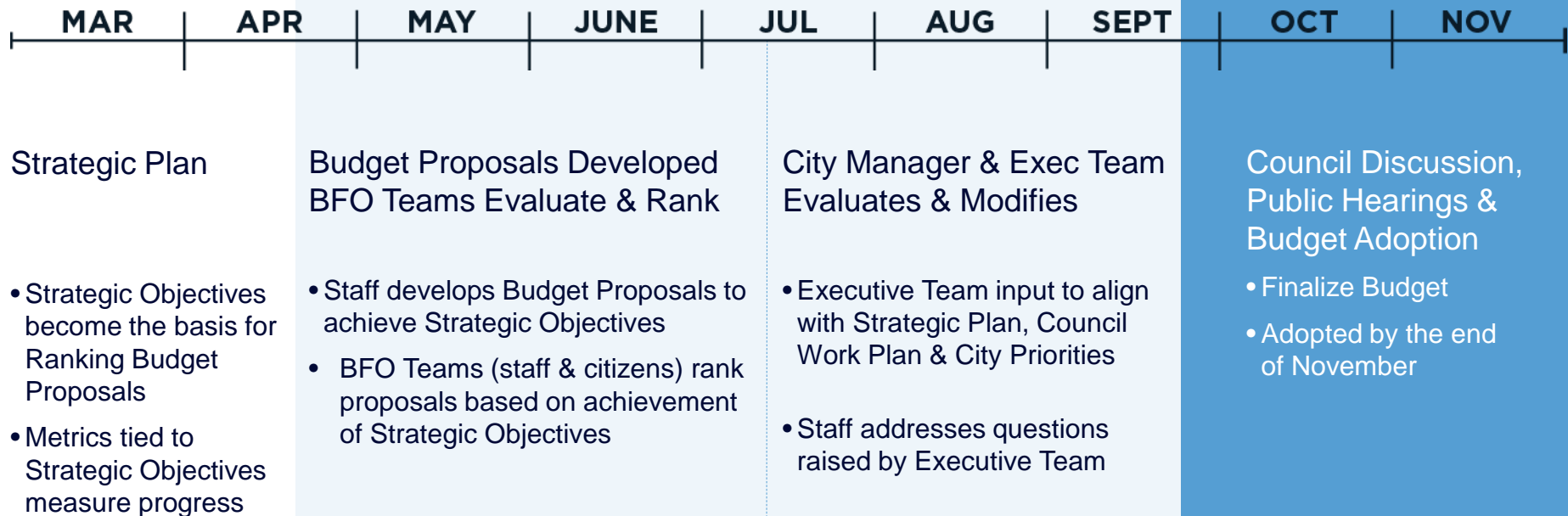
- Describes how initiative achieves SO
- Metrics tied to Strategic Objectives



Budgeting for Outcomes (BFO) Process



BUDGET TIMELINE & PROCESS



1. City Council determines the community Outcomes

- Can be time consuming initially and important to revisit periodically
 - o Neighborhood Livability & Social Health
 - o Culture and Recreation
 - o Economic Health
 - o Environmental Health
 - o Safe Community
 - o Transportation
 - o High Performing Government

2. Staff submits Offers (budget requests)

- Ongoing
- Enhancements
- Reductions



3. BFO Teams are formed

- Comprised of 7 staff cross-functional staff members, one of whom is the chairperson and another who is a financial person
- Each team also has 2 resident volunteers
- Each team is tasked with:
 - o Analyzing Offers
 - o Negotiating with Sellers
 - o Prioritizing all Offers
 - o Recommending what to purchase to the executive team

4. The executive team finalizes which Offers will be included in the City Manager's Recommended Budget

- This is visually represented as a “Drilling Platform”



HIGH PERFORMING GOVERNMENT

BLT Original				Type	Base Offer	2017 Offer Amount	2018 Offer Amount	2017 Allocation	2018 Allocation	
Accepted Ranking	Pkg.	Offer	Offer							
Funding Source: 100-General Fund: Ongoing							Total Allocation	24,975,222	26,035,194	
<input checked="" type="checkbox"/>	1	57.4	57.4	ENHANCEMENT: Microsoft Office 365	Discretionary/Enhancement		0	125,691	24,975,222	25,909,503
<input checked="" type="checkbox"/>	2	10.1	10.1	Financial Programs and Services	Ongoing		3,745,640	3,841,743	21,229,582	22,067,760
<input checked="" type="checkbox"/>	8	40.1	40.1	PDT Administration	Ongoing		563,720	576,362	20,665,862	21,491,398
<input checked="" type="checkbox"/>	10	19.18	19.18	Facilities Vehicle and Equipment Rental - Existing Commitments	Ongoing		16,222	10,924	20,649,640	21,480,474
<input checked="" type="checkbox"/>	11	13.1	13.1	City Clerk Administration	Ongoing		771,447	792,166	19,878,193	20,688,308
<input checked="" type="checkbox"/>	12	22.1	22.1	City Council	Ongoing		159,437	160,416	19,718,756	20,527,892
<input checked="" type="checkbox"/>	13	22.2	22.2	City Manager's Office	Ongoing		2,010,886	2,057,716	17,707,870	18,470,176
<input checked="" type="checkbox"/>	14	57.1	57.1	Information Technology Infrastructure Services	Ongoing		2,329,727	2,422,468	15,378,143	16,047,708
<input checked="" type="checkbox"/>	16	58.1	58.1	Information Technology Administration Services	Ongoing		332,860	342,126	15,045,283	15,705,582
<input checked="" type="checkbox"/>	17	9.1	9.1	Information Technology Application Services	Ongoing		1,596,657	1,784,473	13,448,626	13,921,109
<input checked="" type="checkbox"/>	18	62.1	62.1	General Legal Services	Ongoing		2,205,273	2,278,475	11,243,353	11,642,634
<input checked="" type="checkbox"/>	21	42.1	42.1	HR Core and Learning & Organizational Development	Ongoing		1,982,104	2,027,802	9,261,249	9,614,832
<input checked="" type="checkbox"/>	22	19.2	19.2	Facilities Operations	Ongoing		6,753,158	6,887,820	2,508,091	2,727,012
<input checked="" type="checkbox"/>	23	23.1	23.1	Communications and Public Involvement (CPIO)	Ongoing		1,553,962	1,588,296	954,129	1,138,716
<input checked="" type="checkbox"/>	24	41.2	41.2	Special Event Coordinator	Ongoing		108,688	111,339	845,441	1,027,377
<input checked="" type="checkbox"/>	26	24.1	24.1	Sustainability Services Area Admin	Ongoing		418,115	427,457	427,326	599,920
<input checked="" type="checkbox"/>	33	10.5	10.5	ENHANCEMENT: 1.0 FTE - Purchasing Buyer	Discretionary/Enhancement	10.1	33,079	42,842	394,247	557,078
<input checked="" type="checkbox"/>	48	9.9	9.9	ENHANCEMENT: 1.0 FTE - Systems Analyst for Open Data Portal - Second Phase Implementation	Discretionary/Enhancement	9.1	0	130,327	394,247	426,750
<input checked="" type="checkbox"/>	57	42.8	42.8	ENHANCEMENT: 1.0 FTE - Human Resources Partner	Discretionary/Enhancement					96,000
<input checked="" type="checkbox"/>	83	10.2	10.2	ENHANCEMENT: 1.0 FTE - Program Performance Evaluation Analyst	Discretionary/Enhancement					75,000
<input checked="" type="checkbox"/>	95	10.8	10.8	ENHANCEMENT: 1.0 FTE - Process Analysts supporting new Continuous Improvement Program	Discretionary/Enhancement					19,000
<input checked="" type="checkbox"/>		62.2	62.2	ENHANCEMENT 0.75 FTE - Enhanced Legal Services	Discretionary/Enhancement	62.1	86,860	89,195	0	
<input type="checkbox"/>	31	19.17	19.17	Facilities Vehicle and Equipment Replacements	Ongoing		5,562	16,982	(5,562)	(16,982)
<input type="checkbox"/>				ENHANCEMENT: 1.0 FTE - IT Network Engineer	Discretionary/Enhancement		85,125	87,476	(90,687)	(104,458)
<input type="checkbox"/>				ENHANCEMENT: 0.5 FTE - PC Hardware/Software Specialist	Discretionary/Enhancement		31,160	32,117	(121,847)	(136,575)
<input type="checkbox"/>				ENHANCEMENT: 1.0 FTE - ERP Systems Analyst Position	Discretionary/Enhancement		85,125	87,476	(206,972)	(224,051)
<input type="checkbox"/>				ENHANCEMENT: 1.0 FTE - PC Hardware/Software Specialist	Discretionary/Enhancement		55,725	57,330	(262,697)	(281,381)
<input type="checkbox"/>				ENHANCEMENT: Board and Commission Software	Discretionary/Enhancement	13.1	0	9,000	(262,697)	(290,381)
<input type="checkbox"/>	78	42.7	42.7	ENHANCEMENT: 1.0 FTE - Recruitment Specialist - Talent Acquisition - Recruitment and Staffing	Discretionary/Enhancement	42.1	69,751	84,372	(332,448)	(374,753)

Funded (Purchased)

Not funded



- Commitment from organizational leadership
 - Change is hard and some decisions are very difficult
- Engaged employees; the organization needs to support necessary resources (staff time)
 - Identify the right people to be involved in the process
 - The 50 to 70 hours required as part of being on a BFO Team are incremental to each team member's 'day job'
- Open and honest communication – internally and to the public
- Deep, genuine commitment to continuous improvement



- One size doesn't fit all
- Potentially more time consuming - benefits of biennial budgeting
- Increased transparency and accountability
- Catalyst for change – are you ready for it?
 - Led to performance-based pay
 - OpenBook (on-line spending transparency)
 - Pursuit of regional equivalent of Malcolm Baldrige
 - Data-driven performance measurement system



- Provides more transparency into how the money will be spent
 - Internally to Council and City staff
 - Externally to our residents and businesses
 - Better understanding of what our programs and services are, what they do for the community and how much they cost
- BFO does not look at departmental budgets
- Focuses on services and programs
 - Existing programs & services are not “givens”
 - No program gets a “free pass”



- Linkage to the current Strategic Plan
 - Each Offer must link to at least one strategic objective in the strategic plan
 - Narrative must include information on how the Offer supports the strategic objective
 - Important for future organizational performance reviews
- Linkage to Performance Measures
 - Each Offer must link to at least one performance measure
 - Completely aligns, or is the basis of, a greater performance measurement system
 - Tracking the results monthly / quarterly is a powerful management tool



- The basis of BFO is the results that are most important to residents and businesses
- Entire Offer Narratives available online
 - Includes links to Strategic Plan and Performance Measures
 - fcgov.com/budget
- Significant community outreach
 - Reach a broad spectrum of the community across multiple demographics
 - Resident requested 'Mobile Budget Booths'
 - Inform, educate and get their input
 - Online tool for citizens also at fcgov.com/budget
- Residents on BFO Teams



- Communication of the process to employees
- Transparency of details of what programs and services were requested; which were funded and in what priority ranking
- BFO Teams
 - Sharing knowledge across divisions
 - Driver for interdepartmental collaboration
 - New leaders emerge
 - It's a way to help create a learning organization



- Strengthened partnership with City Council
 - Council plays a more active role
 - Greater transparency of services and costs
- Established clear connection and challenges between community priorities, available resources and levels of service
- Strengthened partnerships between departments
 - Eliminated some duplication of efforts
 - No one “owned” their own bucket of money; greater collaboration



- During Implementation

- Ensure executive management and City Council are fully supportive
- Consider utilizing a 3rd party consultant (impartial expertise)
- Document and communicate roles, responsibilities and policies
- Carefully select the employees to be involved
- Celebrate success

- Ongoing

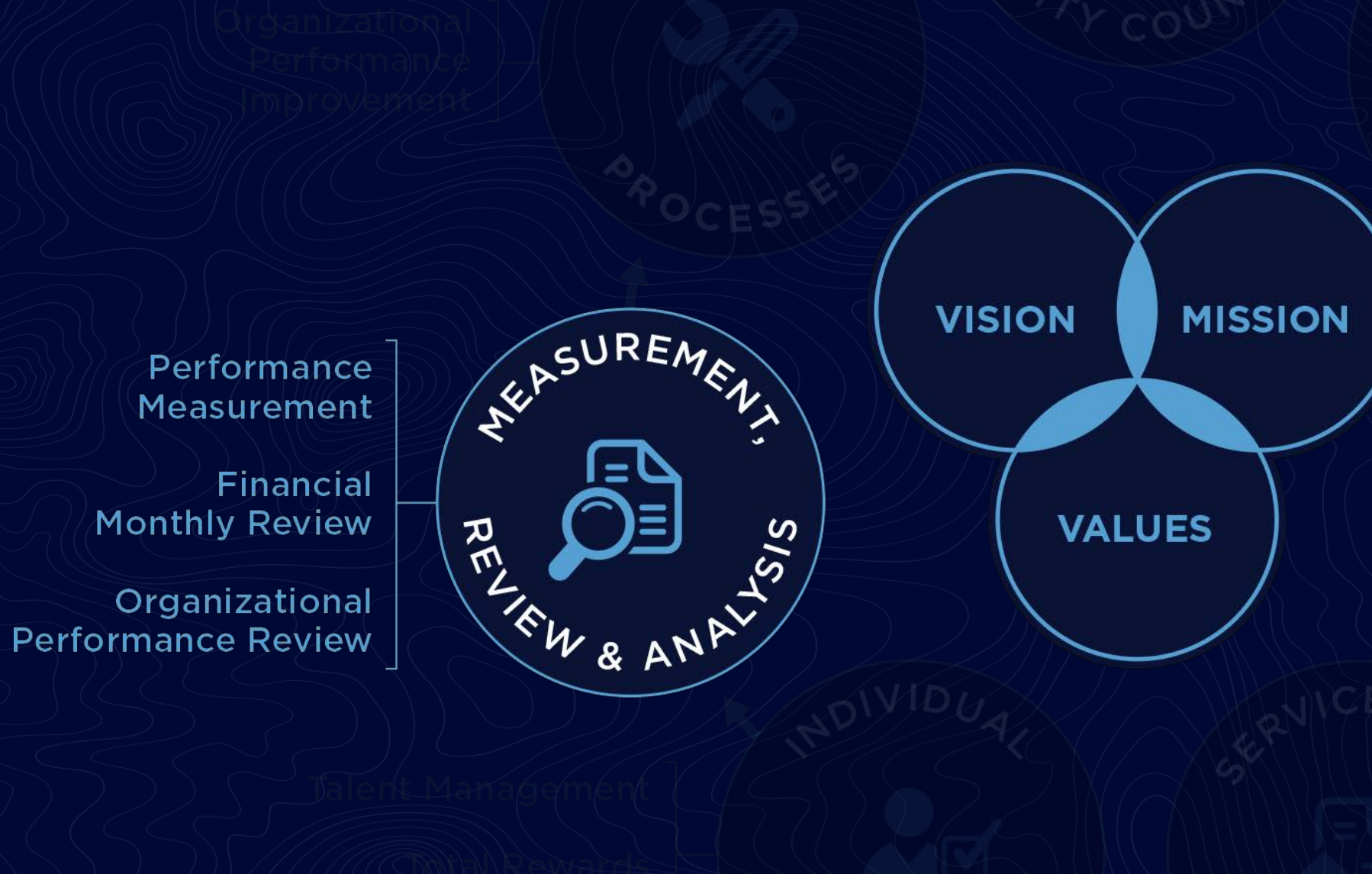
- Make the process your own; let it evolve
- Actively seek feedback for continuous process improvement
- Make processes, tools and reports efficient
- Communicate, communicate, communicate
- Be transparent with the process and how/why decisions were made

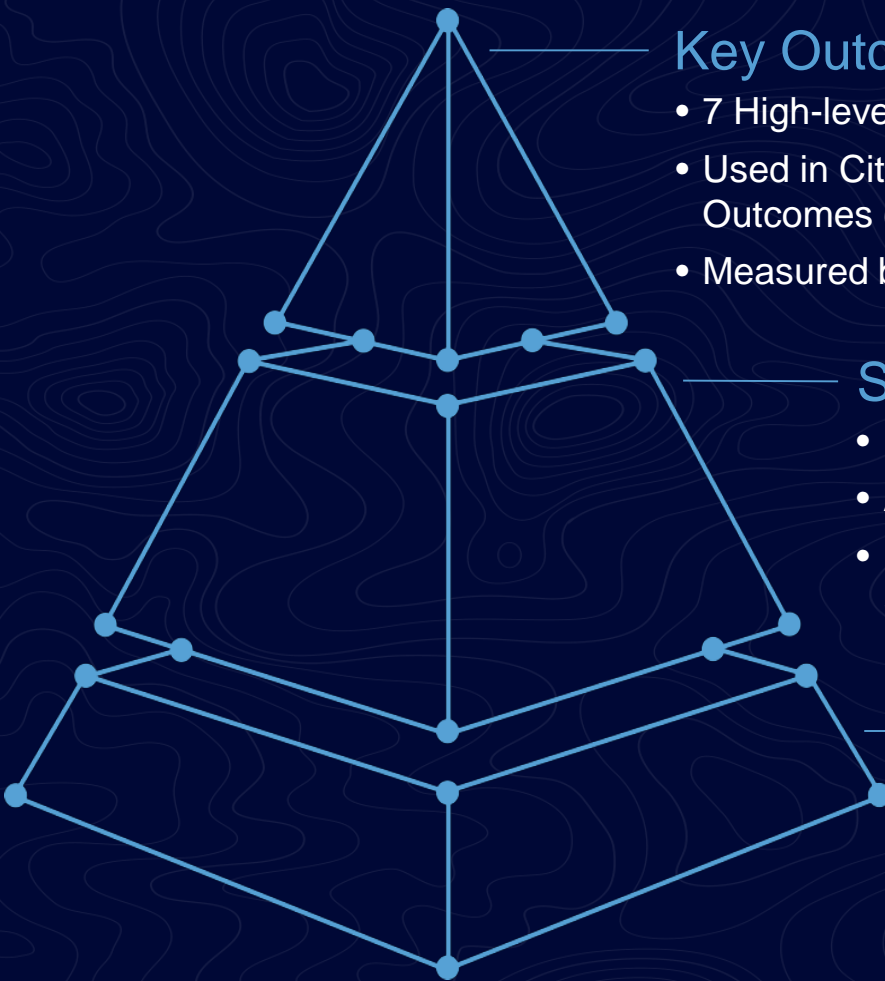


THANK
YOU!



Our Leadership System





Key Outcome Areas

- 7 High-level Strategic Goals
- Used in City Plan, Strategic Plan, Budget for Outcomes (BFO), Etc.
- Measured by the Community Dashboard

Strategic Objectives

- Multiple Strategic Objectives (SO) per Outcome
- Achieving SOs helps achieve our Outcomes
- Performance demonstrated by metrics linked to each Strategic Objective

Budgeted Initiatives (BFO)

- Reflects all City programs and services
- Multiple BFO Initiatives for each SO
- Initiatives designed to achieve SO
- Operational metrics linked to BFO Initiatives



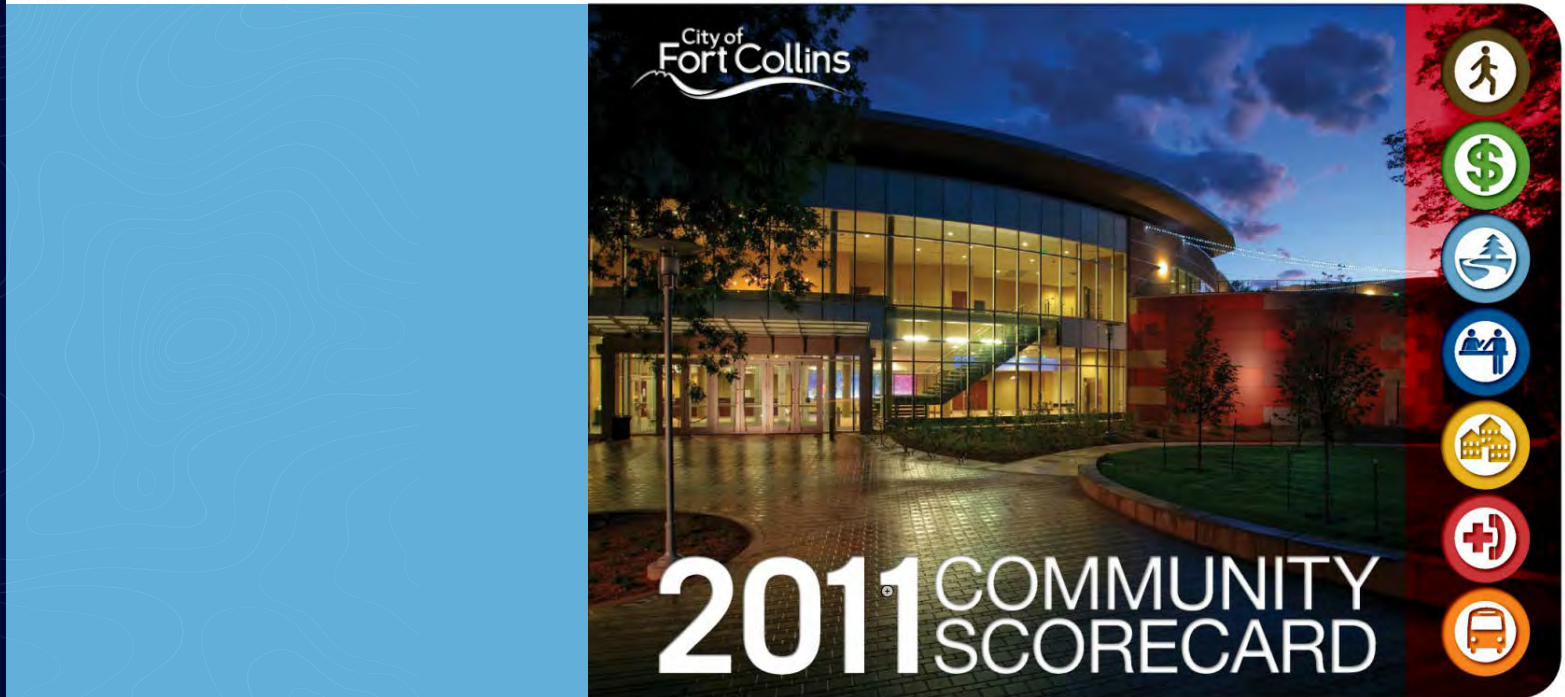


- ▶ Implementation of Budgeting for Outcomes (BFO) was a transformational catalyst for Fort Collins
- ▶ Was the inception of our 7 key Strategic Outcomes
- ▶ Foundational question: How do we know if we are being successful in achieving our Outcomes?

2011

2009 - 2011

- Published first measurement report to the community



- fcgov.com/communications/scorecard.php



2011

2009 - 2011

► Worked Well

- Displayed current performance and trends
- Good marketing piece

► Learning Opportunities

- Only 1 of 70 metrics had a target
- No comparable data (benchmarks)
- Time intensive manual process to create
- Only updated annually





2011

2011

- Began journey with Rocky Mountain Performance Excellence (RMPEX)* as a framework for continuous improvement

**Regional equivalent of Malcolm Baldrige National Quality Award*



2011

2012

2013

2014

2015

2016

2017

2013

► Launched Community Dashboard Website

Outcome		(Last updated: May 10, 2018)
 Neighborhood Livability and Social Health Fort Collins provides a high quality built environment and supports quality, diverse neighborhoods.	Q1 2018	
 Culture and Recreation Fort Collins provides diverse cultural and recreational amenities.	Q1 2018	
 Economic Health Fort Collins has a healthy, sustainable economy, reflecting community values.	Q1 2018	
 Environmental Health Fort Collins promotes, protects and enhances a healthy and sustainable environment.	Q1 2018	
 Safe Community Fort Collins provides a safe place to live, work, learn and play.	Q1 2018	
 Transportation Fort Collins provides safe and reliable multi-modal travel to, from, and throughout the City.	Q1 2018	
 High Performing Government Fort Collins exemplifies an efficient, innovative, transparent, effective and collaborative city government.	Q1 2018	

► fortcollins.clearpointstrategy.com



2011

2012

2013

2014

2015

2016

2017

2013

► Worked Well

- Involved City Council in its creation
- Allowed viewers to ‘put their finger on the pulse’ of the overall health of Fort Collins

► Learning Opportunities

- Manual process to update
 - Later automated in 2016
- Department Head level review not successful



2011

2012

2013

2014

2015

2016

2017

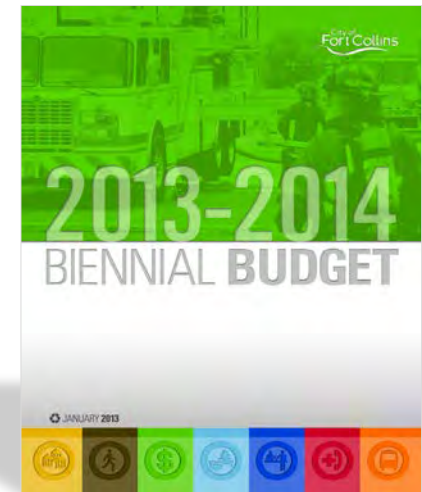
2014

- ▶ Completed City's 1st Strategic Plan



- ▶ Linked Online Metrics and Strategic Objectives with Budget Requests

- ▶ <https://www.fcgov.com/citymanager/pdf/budget-2017-2018.pdf>
- ▶ <https://www.fcgov.com/file-gateway/?id=145>



2011

2012

2013

2014

2015

2016

2017

2014

► Worked Well

- Strategic Plan included formal reviews/adoption by Council and posted online for transparency with the community
- Strategic Objectives and performance metrics linked to budget requests

► Learning Opportunities

- Using only Community Dashboard metrics in the Strategic Plan did not reflect performance of achieving the plan
- Metrics included in the budget requests were too operational



2011

2012

2013

2014

2015

2016

2017

2015

- Began 1st Executive Level Review of Metrics



2015

► Began 1st Executive Level Review of Metrics

BFO Scorecard - Utilities - Community Dashboard
Citywide Scorecard

Home Measures

Measure	Charts	Series Status	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Target	Analysis
 ENV 3. Community Energy Use Utilities - Customer Connections		Percent Change from 2005 Baseline	(12.7) %	(16.6) %	(16.0) %	(16.3) %		-10:00	The data to calculate ENV 3 will not be available until late January.
 ECON 7. Electric System Average Interruption Duration Index (SAIDI) in Minutes Utilities - Light and Power		Fort Collins SAIDI	18.83	23.20	17.23	16.57	15.97	26.15	Please note that the Q4 2017 SAIDI number of 15.97 minutes is preliminary at this time. Sufficient information for analysis and verification of the metric is not available until the third week of January 2018.



2011

2012

2013

2014

2015

2016

2017

2015

► Worked Well

- Monthly executive level review including metrics
- Audience appropriate
- Leveraged metric reports from central repository

► Learning Opportunities

- Too many metrics
- Good discussion about metrics, but without context to why they were important



2011

2012

2013

2014

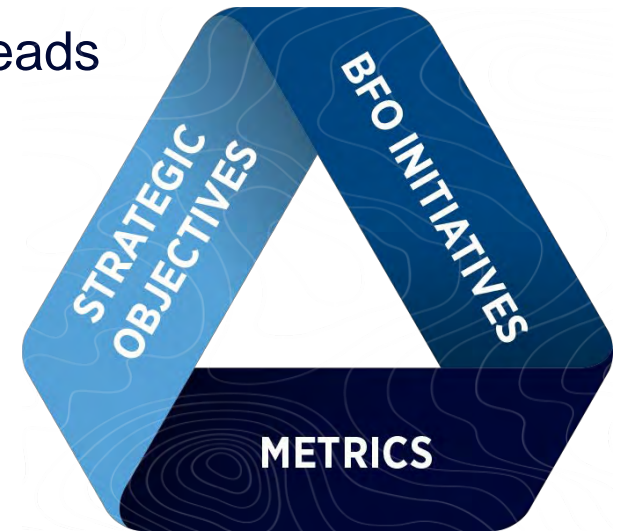
2015

2016

2017

2017

- ▶ Implemented Strategy Maps to review City's performance in achieving the Strategic Plan
- ▶ Monthly meetings with Department heads
- ▶ Each Outcome covered quarterly
- ▶ Used operationally by discussing the performance of the metrics and initiatives aligned with each Strategic Objective
- ▶ All underperforming metrics and initiatives also require an action plan for improvement



2011

2012

2013

2014

2015

2016

2017

2017

► Worked Well

- Audience appropriate
- Gives context to the discussions about metrics
- Includes status of performance on our community commitments

► Learning Opportunities

- Better measurability of Strategic Objectives
- Some metrics still need refined / defined
- Post results on the web for transparency with our community



2011

2012

2013





2014

2015

2016

2017

2017

6.2 - Improve traffic flow to benefit both individuals and the business community.		
Citywide Scorecard		
Home Strategic Objectives		
Strategy Map Measures		
Measure	Analysis	Actions
 TRAN 65. % Commute Mode Share FC Moves	New Measure, no data yet	
 TRAN 18. Pothole response time Streets	<p>The purpose of this metric is to track the response time to repair potholes. Pothole repair prolongs the life of streets and reduces future maintenance and rehabilitation costs. The goal is to fill potholes within 48 hours of the initial report. In the second quarter of 2017, Streets received 82 pothole requests from citizens. The average pothole response time was 47 hours. Weekends and holidays are not accounted for when generating the pothole response time.</p>	
 TRAN 49. % of citizens responding very good/good - Traffic congestion in Fort Collins Traffic	<p>The 2015 Citizen Survey showed high levels of dissatisfaction with traffic congestion in Fort Collins. The survey was conducted while some major capital projects were underway including the CDOT Mulberry Bridge project which had very large impacts on travel. Further, train impacts were at historically high levels – particularly at Lemay/Riverside in mid-2015.</p> <p>Train impacts have been reduced significantly since 2015. However, construction impacts continue to be high in Fort Collins with a large capital project at Timberline/Prospect in 2016 and projects at College/Prospect and Shields/Elizabeth thus far in 2017. The construction impacts surely affect survey results. The good news is that data shows significant improvements in travel after the completion of past capital projects.</p>	<p>A variety of efforts are underway to reduce congestion and improve this metric. Some examples include:</p> <ul style="list-style-type: none"> • Increased staffing and real-time management of traffic in the City's Traffic Operations Center • Adaptive signal timing • Addressing railroad blockages • Capital projects targeting congested intersections, i.e. Timberline/Horsetooth, Timberline/Prospect • Adding right turn lanes (16 added in the past five years) • Construction management, i.e. time restrictions, lane rental strategies etc. • Encouraging mode shift to transit or bicycles • Land Use Planning to reduce vehicle-miles traveled <p>In addition, the City is just starting an update to the City's Transportation Plan. Reducing VMT and otherwise dealing with congestion will be integral parts of the transportation plan update.</p>
 TRAN 28. Average Travel Speeds/Times on Arterial Streets Traffic	<p>Traffic volume-weighted average travel times (in minutes/mile) on City arterial streets including Harmony, Horsetooth, Drake, Prospect, Mulberry, Taft Hill, Shields, College, Lemay and Timberline during the p.m. peak period on weekdays. Q2 '17 travel times remained better than target. Overall travel time on arterial streets were the same as Q1 '17 and increased by 2.1% compared to Q2 '16. Construction activity on Prospect continued to cause congestion on parallel east/west routes. We would anticipate improvement in Q3 '17 with the completion of work on Prospect.</p>	



A = RUNNING
B = WALKING
C = CRAWLING
D = INFANT
F = NEWBORN





PERFORMANCE MANAGEMENT

IT'S A JOURNEY
NOT A DESTINATION



- Leverage your existing plans to focus on a shorter time horizon (e.g. 5 years)
- What are the areas your organization needs to strive toward achieving over that period of time? Those could be strategic objectives.
- How would you measure if you are successful in achieving each strategic objective?
- How do your budgeted programs and services support your strategic objectives?
- What sort of managerial dialogue would work for your company to discuss organizational performance



**JUST GET
STARTED**

[KNOW IT WON'T BE PERFECT]

**THEN MAKE IT BETTER WITH
CONTINUOUS IMPROVEMENT**



THANK
YOU!

