Here is the October edition of the City and County Management Innovations Newsletter. Once again we find that cities and counties are searching high and low for management innovations that can save money and improve performance.

As always, we want to hear from you. We're eager to hear what management innovations have worked for your city or county government so that those ideas and strategies can be shared with other government managers grappling with the same kinds of issues. Please send me an email at carl_demaio@performanceweb.org if you have innovations you'd like to share.

-Carl DeMaio

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If you find this newsletter useful and informative, please forward it to your friends and colleagues!

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Citizens' Budget Project Recommends 10 Management Reforms for City of San Diego

With the City of San Diego grappling with an $20-40 million budget deficit and a $2.3 billion pension deficit, The Performance Institute's "San Diego Citizens' Budget Plan" mixes long-term structural reforms with immediate cost saving reforms to balance the budget. The ten reforms offered by the plan are:

#1 - Enact a Balanced Budget Accountability Initiative

#2 - Launch an Independent Audit of City Enterprise Funds

#3 - Reorganize City Government to Streamline Overhead Costs

#4 - Create "311" Citizen Service Center

#5 - Create a Competitive Bid Process to Make Support Services Efficient

#6 - Reform Employee and Optimization Incentive Funds

#7 - Reduce Skyrocketing Labor Costs and the Pension Liability

#8 - Establish a Reasonable Limit on City Spending Increases

#9 - Reduce Corporate Welfare and Subsidies to Special Interests

#10 - Reduce Mayor and Council Staff Size and Budgets

These 10 reform recommendations achieve an immediate cost savings of $26 million in FY 2005. This budget reform package also builds on the best ideas contained in the project's earlier reports that detailed 226 "Options" for potential cost savings of between $45-120 million.

Additional information on the San Diego Citizens' Budget Project can be found at www.sandiegobudget.org.

Managing for Results: Strategic Planning and Performance Budgeting

Cities Less Able to Meet Fiscal Obligations

A new report from The National League of Cities (NLC) shows that three out of five American cities were less able to meet their financial obligations in 2004 and have low expectations that their financial needs will be met in 2005. Revenues are not keeping pace with the increasing costs of infrastructure, public safety, employee health care costs, and pensions. Cities that rely primarily on income taxes reported the worst conditions, with those relying on property or sales taxes faring somewhat better. To access this report, go to:

http://www.nlc.org/nlc_org/site/files/pdf/City%20Fiscal%20Conditions%20in%202004.pdf

Financial Strategies for Raising Revenues

The NLC has posted a database of cities that have adopted new and creative methods of increasing revenue in the face of fiscal challenges. Some methods include fees for services, fundraising, and innovative marketing techniques. To access this database and to find out how your innovations can be added to the database, go to: http://nlc.org/nlc_org/site/newsroom/nations_cities_weekly/display.cfm?id=45367A2B-4FEC-42C1-B4242EEB8D9552A5

Dakota County Seeks Alliances

The County of Dakota, Minnesota, has issued a report that explores ways of collaboration for the delivery of several government services more cheaply and efficiently. Dakota County commissioners authorized county staff to explore ways to get city and county government working together in: prosecution of minor crimes, law enforcement support services, sharing of specialized public safety equipment, computer support services, purchasing of employee health care coverage, and centralized 911 emergency dispatching. The report solicited information from citizens, county employees, and the study of other partnerships from around the country. Rapid growth and dwindling funds made collaboration necessary. To access the report, go to: http://www.co.dakota.mn.us/administration/CollaborativeEfforts/HiPP%20Final%20Report%20073004.pdf

Plan to Reorganize Camden Nixed by City Council

A plan to reorganize the city agencies of Camden, New Jersey, to move more control to the city Redevelopment Agency in order to help eliminate decades of mismanagement and inefficiency was rejected by the City Council. The plan was created to satisfy the requirements of the Camden Municipal Rehabilitation and Economic Recovery Act. This Act provides $175 million in state money to help revitalize the city. Council members, in a unanimous vote, called the plan too costly and illegal, as the city is facing a $48 million deficit and the increase in city agencies from nine to 12 is not legally permitted in Camden. To read more, go to: http://www.philly.com/mld/inquirer/news/local/9994081.htm?1c

Austin Provides Performance Report Card Online

The City of Austin, Texas, recently began posting city performance data online. Previously only available to city employees in paper form, the city developed a database late last year to test electronic posting, recently going public after a successful evaluation. Austin assures the quality of its performance data through audits and agency self-evaluation. The city hopes to put monthly and quarterly performance measures online for FY04 and 05. To read more, go to: http://www.gcn.com/23_24/state-local/26980-1.html

2004 Best Practices Forum on: Budget & Performance Integration in Government (November 3-5, Arlington, VA)

In the last three years performance-based budgeting has transformed the way the government organizations are managed and paid for. Program managers and budget officers are finding that linking resources to results is paying off not only with better and larger budgets, but with better management. For more information, go to: http://www.performanceweb.org/financial/p224/p224-2.pdf

Government Performance Management Certification Program

Program performance measures, strategic plans, IT capital plans, performance-based contracts, competitive sourcing studies, employee performance evaluations...the list goes on and on! Government agencies at all levels are increasingly under pressure to measure the performance of their programs and report the results to policymakers and the general public. To help government agencies achieve successful implementation of performance-based management reforms, the Performance Institute provides comprehensive education programs through its "Government Performance Management Certification Program." For more information go to: http://www.performanceweb.org/pi/training/perfmgmt_index.htm

Workforce: Strategic Management of Human Capital

County Employee Status May be Affected by New Overtime Rules

The Department of Labor's final overtime regulations may make counties reevaluate the status of salaried managers to receive mandatory overtime pay. The new overtime rules specify that "exempt executives" must have hiring and firing ability, or their opinion must carry some weight in these decisions. Since most counties have strict hiring and firing procedures, the number of managers that likely fall in this category will be small. This might result in the reclassification of many managers making under $100,000 per year, who are exempt from overtime in the previous regulations. Counties fear that the potential cost of overtime pay will lead to an additional financial burden in this fiscally challenging time. To read more, go to: http://www.naco.org/Template.cfm?Section=Home&template=/ContentManagement/ContentDisplay.cfm&ContentID=13567

Denver Fixes Major Glitches in Human Resource System

The information technology (IT) that handled key functions of Denver's personnel system, including payroll, human resources, and benefits, was previously plagued by glitches that caused many late night scrambles to issue paychecks on time. This article outlines the problems with both the system and how it was managed, and outlines the steps taken by senior city managers to iron out the problems and change the management of Denver's personnel system. To access this article, go to: http://www.denverpost.com/Stories/0,1413,36~53~2491943,00.html

Succession Planning and Implementation (December 6-7, Arlington, VA)

Developing and implementing a strategic approach to succession planning ensures that an agency's policies and systems are aligned with strategic goals and it will be possible to motivate the best and brightest to join public service. This training will give mangers the tools to recruit employees, develops their skills and abilities, and prepare them for advancement, all while retaining them to ensure a return on investment. It is critical not only for short-term success of the agency, but also for long-term success in achieving the agency mission. For more information, go to: http://www.performanceweb.org/humancapital/p268/p268web.pdf

Technology: E-Government and Information Technology

Denver Rated Best E-Government City for Second Consecutive Year

Denver has retained its title in the area of e-government in the fourth annual Urban E-Government Study conducted by the Taubman Center for Public Policy at Brown University. The study evaluates the largest city governments and ranks them based on eight factors, including availability of information; accessibility for people with disabilities; number of online services; and security and privacy policies. Each city's executive, legislative, and judicial branch websites are analyzed, along with the websites of agencies providing crucial government services. Updated privacy and security policies are attributed for many cities improved rankings, but the study also indicates a drop in the percentage of cities offering online services. To access the report, go to:
http://www.insidepolitics.org/egovt04city.html

More Federal Guidance Needed for Local Homeland Security IT

A senior federal government official said that information technology (IT) for state and local homeland security programs can be improved and more effective if the federal government could provide localities with firmer standards and practices. Federal government CIOs do not feel that specific industry standards are necessary, rather that federal agencies should develop methods of disseminating information to local governments. Factors crucial for developing these methods include interoperability, complementary functions, and sensitivity to the needs of local governments. To read more, go to:
http://www.gcn.com/vol1_no1/daily-updates/27632-1.html

E-Government Spending Projected to Double by 2008

A recent report finds that state and local government spending on e-government products and services is expected to double over the next four years. The expected growth will likely come from integration and consolidation spending. Budget constraints will still be an obstacle facing state and local governments in the next phase of e-government development. Producing measurable returns on investment and disagreements where agencies must integrate operations may also impede growth. To read more, go to:.
http://www.washingtontechnology.com/news/1_1/finmarket/24076-1.html

Procurement: Competitive Sourcing and Contracting

Outsourcing of IT Infrastructure in Minneapolis Expected to Save $20 Million

In an effort to save money and focus on providing services to citizens as opposed to technology maintenance, the City of Minneapolis, Minnesota, outsourced the management of its IT infrastructure and 24-hour support line to a private firm. The city government successfully outsourced the management of its IT after an analysis of the IT Department showed that 60 percent of its budget and management time is spent on maintaining infrastructure operability. The outsourcing resulted in no job losses for city employees and is projected to generate a $20 million savings over the course of the seven-year contract. To read more, go to:
http://americancityandcounty.com/mag/government_outsourcing_services/

Mayoral Candidates in Miami-Dade to Limit County Commissions' Contracting Authority

Both mayoral candidates in Miami-Dade County are backing proposals to limit or completely remove the contracting authority of the County Commissions Office. This proclaimed "procurement reform" is thought to be necessary in eradicating lobbyist influence over the commission. The candidates cite a long and costly battle over a

contract for pay phone operations that was delayed for three years by the politically influenced commission as a prime reason for limiting the commission's authority. The candidates say that county professional staffers should be the final say in awarding contracts. To read more, go to: http://www.miami.com/mld/miamiherald/news/local/9933356.htm?1c

2004 Best Practices Forum: Performance-Based Service Acquisition
(November 17-18, Arlington, VA)

This comprehensive training session will simulate the use of the Seven-Step Process for Performance-Based Service Acquisition and the execution of the logic model methodology. Walk away with feedback from both the instructors and training participants in order to acquire the necessary skills and take back to your agency. From start to finish, participants will test their skills in developing and implementing performance measures for writing quality performance-based contracts. For more information, go to: http://www.performanceweb.org/contracting/c138/c138-web.pdf

Program Spotlight: Chesterfield County, VA - Continuing Excellence

Chesterfield County, Virginia, continues to be a benchmark for best practices in government. The County recently received a second Award for Continuing Excellence (ACE) from the U.S. Senate Productivity and Quality Award Program (SPQA) for the State of Virginia. Chesterfield County is a past recipient of the SPQA Senate Medallion of Excellence, as well as an earlier ACE. The ACE is presented to past medallion recipients that demonstrate exemplary trends in performance excellence.

The U.S. Senate Productivity and Quality Award was established by a 1982 Senate Resolution to recognize organizations with exemplary quality and productivity improvement efforts, contributing to national competitiveness. Virginia is one of approximately 15 states with an established awards program, but its program is the most widely developed with the greatest number of applicant submissions.

To win the award, applicants must be able to present exemplary organizational performance that demonstrates measurable quality and productivity results in seven designated areas. The seven categories are: leadership; strategic planning; customer and market focus; information and analysis; human resource focus; process management; and organizational results. SPQA examiners also conduct an on-site visit of potential winners.

Chesterfield County maintains eight strategic goals that guide the operation of the government. The County's mission states that the County is dedicated to "Providing a FIRST CHOICE community through excellence in public service." The County maintains eight strategic goals that guide the operation of the government. County Administrator, Lane B. Ramsey, says Chesterfield County employees have adopted a quality philosophy in their daily activities. Despite budgetary challenges, the County makes solid financial performance a priority without sacrificing quality of life programs. Human resource management continues to evolve to improve efficiency and services.

Chesterfield's dedication to performance continues to earn national recognition for efficient government, and its dedication to citizen satisfaction ensures a top quality services for its community.

To access Chesterfield's government, go to: http://www.co.chesterfield.va.us/

President: Carl DeMaio
Director, Center for State & Local Government Performance: Benjamin Neumann
Newsletter Editor: Vincent Badolato

City and County Management Innovations Newsletter is provided as an informational newsletter to all city and county government employees about the latest news from the local government and independent news media on performance management.

The Performance Institute is a private think tank that serves as the nation's leading authority and repository on performance-based management practices for government organizations. Its mission is to identify, study and disseminate the leading management innovations pioneered by "best-in-class" government programs at federal, state and local levels. Through its national conferences on pressing issues, interactive executive training programs, and best practice research projects, the Institute provides cutting-edge expertise in the design, implementation and evaluation of strategies to solve operational challenges and enhance government performance.

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