I'm enclosing this month's edition of the City and County Management Innovations e-newsletter. As you can see, many cities and counties are responding well to the tight budget cycle we're in through improved planning, performance management, and streamlining.

If your local government has started implementing these kinds of reforms and you want to share the results, please send me an email with some of the details and I can have my research staff get in touch with you. We need to highlight and share management innovations at all levels!

Carl DeMaio

November 2003

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Managing for Results: Strategic Planning and Performance Budgeting

Long Beach Strategic Plan and Performance Measurement Project Underway

The Performance Institute recently met with staff from the City of Long Beach to discuss efforts the City has undertaken to develop departmental performance measures that align with the City's comprehensive strategic plan. Along with other cities nationwide, Long Beach is facing financial challenges–the City's General Fund structural budget deficit is expected to rise to approximately $97.9 million by FY06. In response to this challenge, the City has recognized the importance of performance management and the ultimate goal is the implementation of a city-wide system of performance-based budgeting. Thus far, the results have been overwhelmingly positive and the City continues to be at the forefront of promoting transparency and accountability at the municipal level. To view the City's strategic plan, proposed FY04 budget, and other City government resource documents go to:
http://www.ci.long-beach.ca.us/citygov/index.htm

Nassau County to Use Strategic Planning to Address Growth Issues

Nassau County (FL) Commissioners began planning for their future when they held the first of four meetings to discuss the County's exploding growth and what they can do to control it. The goal of the meetings was to give commissioners an opportunity to discuss the current status of the County, where they see it in the future, and to fully understand what they need to shape that future. At the recommendation of staff, commissioners have considered hiring a strategic planner to replace the planning and zoning director who resigned in August. Furthermore, commissioners created a strategic planning committee composed of employees from the county's road and bridge, building, emergency services and other departments, and gave members six months to bring back strategic plans for the development of transportation, drainage, public schools, recreation and public safety. Future meetings will focus on the county's comprehensive plan and give residents, developers, home and business owners and regional officials the ability to provide feedback to commissioners on how they believe growth should be addressed in Nassau County. To view this article go to:
http://www.jacksonville.com/tu-online/stories/102203/nen_13828661.shtml

Chesterfield County, VA. - A Model of Best Practice in Local Government

At a Best Practices Forum hosted by the Performance Institute, Fran Pitaro talked about Strategic Planning and Change Management, focusing on the successes seen in Chesterfield County, VA. Mr. Pitaro is the Director of General Services responsible for providing timely services in a manner that is transparent, accountable and performance-based. The successes in Chesterfield County have led it to be a "best-practice" in State and Local governments, and this presentation highlights the successes in its performance goals, measures and services while also being an employee-friendly atmosphere. To view the presentation slides go to:
http://www.performanceweb.org/pi/research/newsletters/ccmi_nov_pitaro.pdf

King County Seeks Approval of Two-Year Budget Cycle

Elected officials from King County, WA, have requested that they have the option to shift to a two-year budget cycle in order to help the county cope with growing budget shortfalls. The County Council is pushing for an amendment in the county charter to change the requirement that budgets be adopted annually. If adopted, the amendment would give county officials the option to put any or all county money on a two-year budget cycle. The annual budget cycle from early October to late November focuses the council to balance costs and revenues particularly in the current expense fund -- the $495 million pot of money for basic county services -- without spending enough time on the rest of the overall, $3.1 billion budget. The Performance Institute has long advocated biennial budgeting to make programs consider long-range implications of budget requests and program operations. A comprehensive analysis of a two-year budget cycle is done in the Institute's "Citizens' Budget" plan. A biennial budget could enable the council to spend one year preparing the current expense fund and focus during the second year on some of the big, separate agencies, such as the county's bus, solid waste and sewer utilities, for special scrutiny. Biennial budgeting should improve long-range and strategic planning, an important factor as the county faces the prospect of continuing general fund deficits, including projected deficits of about $20 million in 2004 and $24 million more in 2005. To view this article go to:
http://seattlepi.nwsource.com/local/140417_budget19.html

2004 Best Practices Forum on Strategic Planning and Change Management in Government (January 23-24, Arlington, VA)

The Performance Institute is hosting an event to help agencies develop an effective strategic plan, linking performance to results. This involves creating clearly defined end outcomes and developing strategies to best link your resources to your agency's GPRA goals. By using a Strategic Issue Landscape Assessment, the Institute can assist you determine what steps must be taken in order to implement your strategic plans and fulfill your agency's mission. An emphasis is given on building stakeholder support to obtain the input of internal and external stakeholders to ensure your plans are fully integrated. Assessing organization culture to ensure readiness for adoption of new performance plans and accountability requirements will also be covered. For more information go to:
http://www.performanceweb.org/performancemanagement/p216/p216.htm

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Workforce: Strategic Management of Human Capital

New Guide to Encourage Young Professionals to Work in Local Government

In light of the human capital crisis, local government management is facing a great challenge to attract young people to fill local government jobs. Today's managers are nearing retirement, and fewer young professionals are in line and prepared to fill their shoes. Attracting and retaining qualified young and mid-career professionals is further complicated by today's political culture, which teaches young people that government service is bureaucratic, second-rate work. As a result, many potential candidates overlook the deep satisfaction that comes from leading a local government through times of innovation and change. At the same time, few public managers consider that they are also responsible for the critical job of developing young and mid-career talent. As a result, a new report has come out titled "Preparing the Next Generation–A Guide for Current and Future Local Government Managers". It was developed to

inspire young and mid-career professionals and to help the senior public manager prepare, develop, and motivate the next generation. To view this report go to:
http://www1.jobs.icma.org/documents/next_generation.pdf

Succession Management Prevents Disruption at Contra Costa County

When the CFO of Contra Costa County, California's Department of Information Technology (DoIT) suffered a heart attack and was hospitalized, DoIT was ready to continue with business as usual. The reason was that the CFO had been attending a succession management pilot. The program required a "hat" -- a detailed written description of how each person carried out his or her multiple responsibilities. The succession plan pilot was conceived in response to national publicity about baby boomers reaching retirement age. The pilot became more important when the financially stressed county put together an early retirement plan. In 2002, retirement rules were changed from 59 to 55. A survey of county staff indicated that 30 percent of the county's 10,000 staff would probably leave. In response, the county selected Effective Training Solutions (ETS) to run a pilot in DoIT that could be used countywide. ETS utilizes a succession management program called "Hats & Stats" based on the its manual that lays out the process DoIT followed. To view this article go to:
http://www.govtech.net/news/news.phtml?docid=2003.10.15-72738

Arkansas Public Employees Retirement System

Under proposals being considered by the Arkansas pension board, local government employees who are hired after July 1, 2005, and become members of the Arkansas Public Employees Retirement System would be required to pay 3-6 percent of their salaries into the system. Local governments stand to benefit if this proposal is enacted since they would no longer be required to pay as much into the retirement system for those individuals who contribute part of their salaries. Though some in the state are concerned about the effect this proposal may have on hiring entry-level employees, only four other public employee retirement systems in the nation don't require their members to pay into their systems. Furthermore, a contributory plan would help offset the rising employer rate, which has financially burdened many localities. The system includes 17,000 local government employees who receive an average salary of $20,570 a year. The 46-year-old system has 18,000 retired members who receive an average benefit of $9,240 a year. To view this article go to:
http://www.nwanews.com/adg/story_arkansas.php?storyid=46366

2003 Best Practices Forum on Human Capital Planning and Workforce Assessment (December 1-2, Arlington, VA)

Government agencies must recognize that a more strategic approach to human capital management is essential to improve performance. Good management starts with good planning. Human capital plans must be aligned with agencies' missions. The Performance Institute is hosting a forum to help agencies develop a strategic approach to attract qualified employees, conduct a workforce assessment to effectively managed their human capital, and identify the most effective performance measures. For more information go to:
http://www.performanceweb.org/humancapital/p211/p211.htm

Technology: E-Government and Information Technology

Digital Counties Survey Shows E-Gov Successes

In the past, technology was seen as an infrastructure used by individual departments to meet operational needs, but today it is known as the enabling foundation which supports every government leader, service provider and decision-maker throughout the entire organization. According to the first Digital Counties Survey, most county governments are striving to deliver high-quality online services to citizens despite budget challenges. The survey revealed that on average, 82 percent of counties give citizens the ability to search for county job information online, and 85 percent allow citizens to e-mail elected officials and receive responses in a few days. Additionally, 67 percent of responding counties provide citizens with immediate, visible information on national and local emergency preparedness. The survey shows that technology is truly transforming government at the county level. Information technology is helping local governments execute more effectively in producing priority-driven results. To view this article go to: http://www.govtech.net/magazine/story.php?id=66704&issue=9:2003

New York City's Technology Committee Launches Ambitious IT Agenda

At a Technology Forum in New York, Gale Brewer, Chairman of New York City's Select Committee on Technology in Government presented a five-point plan intended to deliver matter-of-fact results to city residents. Dubbed the New York City Technology Agenda, the initiative would use technology to expand digital opportunities, open up government, maintain public safety, streamline government services, and reduce waste and fraud. Brewer believes that technology should play a fundamental role in strengthening government operations and delivering practical benefits to citizens. He said it is important to explain to New Yorkers how technology improves their daily lives. To view this article go to: http://www.govtech.net/news/news.php?id=2003.10.27-74875

Inter-Agency Collaboration Pays Off

One year after the launch of eCityGov.net, a permit portal, online usage of the application has exceeded expectations. It was developed by the collaborative effort of a regional e-government alliance in King County, WA. Participating municipalities in the alliance expected the online system to account for about 30 percent of all the counter permits issued. Instead, usage exceeded that target and in some cases neared 50 percent. Contractors and property owners performing work within participating municipalities can apply for mechanical, low voltage, plumbing, and electrical permits online using the MyBuildingPermit.com portal. Contractors must register with the site so the alliance can verify they have the required state and local business licenses. The system accesses the back-end systems for each municipality, verifies credit card transactions, sends payments to the jurisdictions and provides permits in a PDF format to contractors, who can print the document and post them at the work site. The permit portal is the first of a number of transactional capabilities planned for the alliance. To view this article go to: http://www.fcw.com/geb/articles/2003/0929/web-ecity-09-29-03.asp

Small and Medium-Sized Regions Can Also Benefit from IT Development

The tech boom of the 1990s created significant wealth of the nation's economy. However, the benefits of technology development have largely accrued to a relatively small number of regions nationwide, leaving many other communities interested in replicating it. Communities in Washington State, where technology-based development has been an explicit policy focus, were used in a report describing case studies that show how to broaden the impact of technology to a wider number of places. The study examines five

Washington regions–Bellingham, Tacoma, Spokane, the Tri-Cities, and Wenatchee–that have chosen a technology focus for their local economic development efforts. These five areas are located in different parts of the state, have varied economic bases, and somewhat different goals and strategies for expanding their respective technology sectors. Their efforts to grow or attract new companies provide insights on strategies that may be useful in other regions of the country. To view this report go to:
http://www.brookings.edu/dybdocroot/es/urban/publications/200310_Sommers.pdf

Richmond Citizens Can Request Services Online

The Richmond, VA, Web portal lets citizens make requests for city services around the clock. Users can send in their requests to the Citizens' Requests System, at www.richmondgov.com, for tree trimming, pothole filling and other city services. The current portal features a user account system called MyRichmondgov.com. When a citizen submits a request, the system assigns it to the appropriate department with a tracking number. Each department assigns the item an estimated completion date. One application verifies user addresses against an address database for the area. The site also has a geographic information system that maps requests digitally, which was very useful during and after Hurricane Isabel. The system averages about 1,200 requests a month. The month after Isabel hit, the site received more than 3,170 requests. To view this article go to:
http://www.gcn.com/vol1_no1/daily-updates/23999-1.html

Performance-Based Contracting and Outsourcing Strategies for Government IT (December 3-5, Arlington, VA)

The Performance Institute is hosting an event to help agencies design and manage competitive outsourcing initiatives related to IT projects. The Institute will guide agencies through a seven-step process to manage contracts for the best results. You will acquire useful tips for forming effective teams to monitor IT performance-based contracts, assess their performance, and provide vendors with feedback. For more information go to:
http://www.performanceweb.org/technology/t154/t154.htm

Procurement: Competitive Sourcing and Contracting

Managing Public-Private Partnerships for Water and Wastewater Projects

The Partnership Council has released a handbook for municipal officials that offers guidance on establishing and managing public-private partnerships for water and wastewater projects. Based on interviews with 30 community leaders and industry experts, the handbook covers the basics of partnering and cost savings, as well as taking care of employees and developing effective contracts. To obtain a copy of the handbook go to:
http://www.waterpartnership.org/handbook.htm

Dana Point City Shifts to Contracting

The city of Dana Point, CA, has recently restructured its staff by filling some management positions with workers from contracting firms that specialize in city projects. Outsourcing allows the city to adjust the

level of service more rapidly and more efficiently. Dana Point now has 17 full-time contract employees from the private sector plus four working under contract from Orange County and 15-20 from the Orange County Sheriff's Department. Dana Point's Public Works Department has gone from being nearly full staffed by city employees to now having most of its work managed by a contracting firm. To view this article register with Orange County Register at:
http://www.ocregister.com/subscribe

New Guide on Public-Private Competitions

A working group with the Federal Acquisition Council has issued a new guide, “Managers’ Guide to Competitive Sourcing,” on how to conduct public-private competitions. The guide describes what competitive sourcing is, and the claimed benefits of subjecting government employees to competitions with contractors to perform services readily available in the commercial world. The manual walks government managers through the most recent version of OMB Circular A-76, which is the rulebook for public-private competitions. The manual advises that competitive sourcing is not about contracting out or reducing the government payroll, but rather it is about conducting public-private competitions to assess how best to deliver services to the public. The 24-page manual was written for federal managers, however it can also be applied at the local government level. To view this guide go to:
http://www.fac.gov/documents/managers_guide.doc

2004 Government Contracting Summit – Increasing Cost-Efficiency, Transparency and Accountability Through Competitive Sourcing and Performance-Based Contracting (January 27-29, 2004, Washington, DC)

Government contracting is increasingly becoming more results-oriented. Recently released rules are designed to make the process of managing public-private competitions and direct conversion outsourcing more streamlined, cost-efficient and performance-based. The cutting-edge, seven-step process developed by leading government procurement officials and leading government procurement officials has simplified the implementation of performance-based contracting (PBC) and illustrates the most efficient ways to achieve goals. To assist your agency in implementing these changes, you are invited to join administrative officials, competitive sourcing managers and national performance-based competitive sourcing experts on January 27 - 29, 2004, at the 2004 Government Contracting Summit in Washington, D.C. For more information go to:
http://www.competitive-government.org/competitive-government

Reform Update: Restructuring, Charter Changes, and Consolidation

Polk County Reorganizes

Newly appointed Polk County (FL) Manager, Mike Herr, has promised change for one of the state's largest workforces. Herr officially unveiled his reorganization of county offices, eliminating an entire level of management, moving around some staff and creating three new departments. The reorganization will create more accountability and group similar divisions together for more efficiency. Herr said his reorganization means he'll receive six direct reports instead of 10, and the county will see $140,000 in savings by eliminating two assistant department directors' salaries. Herr's reorganization will go into effect on November 10. To view this article go to:

http://www.polkonline.com/stories/101603/loc_government.shtml

Cumberland County Charter Commission May Be Established

The ballot in Cumberland County, Maine's 27 towns and cities will ask residents whether they favor the creation of a Cumberland County Charter Commission. If created, the commission would write a charter that could reshape county government, changing its size, structure, and the services it provides. Candidates are discussing a charter that could potentially make certain elected positions appointed, increasing the number of county commissioners and giving the county the ability to tax residents directly. The creation of a charter commission would come at a time when Governor John Baldacci and other state officials have began a push toward regionalized government. If municipalities provide certain services together, the theory contends, the services will cost less and government would become more efficient. To view this article you must register with Portland Press Herald at: http://www.portland.com/archive/index.shtml

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Program Innovations

Pay-As-You-Throw - A New Waste Collection Program

A solid waste collection program that promotes environmental benefits and economic savings is being used by more than 6,000 cities that are turning garbage disposal into dollars through pay-as-you-throw (PAYT). Similar to the way utilities charge their customers for water and electricity, PAYT charges residents based on the number or size of trash containers discarded.

PAYT has a proven record of success in a variety of cities. PAYT programs' widespread success is attributed to their flexibility in adapting programs to city needs. Administrators can analyze their municipality's needs based on its unique circumstances and construct a PAYT system that best suits the city. Planners can tailor a PAYT program by selecting from key features – tag or container type (bag or can), pick-up schedules, accounting systems and rate design. They can choose the features that match their community's goals and needs.

No two PAYT communities are alike. For example, residents in Mount Vernon, Iowa, a suburban college town of 3,700 residents, opted to use a tag program. Residents purchase tags for $2 each at either city hall or a local retail store. The tag is placed on the bag or container and allows residents to dispose of 30 gallons of waste. In addition to the cost of the tags, Mount Vernon residents also receive an $8 monthly waste bill, which helps offset the cost of the city's recycling program. The city saved $46,000 for the city's 980 households, and it is estimated that the average household reduced the amount of land-filled trash by 40 percent.

Another example is San Jose, CA., a city serving 186,000 households, that uses four sizes of cans with prices based on the cart's size. The program also offers residents an extensive, free recycling program. Under PAYT, San Jose has reduced municipal solid waste costs by $4 million per year using private contractors. Additionally, the city more than doubled its amount of collected yard trimmings and recyclables.

PAYT is not only an environmental solution that promotes source reduction and increased recycling rates, but it also is an economic one. Cities are able to generate a relatively stable funding source, as well as increase recycling rates and reduce landfill costs. By providing an equitable accounting of costs versus services provided, municipalities can make residents more conscious of their waste disposal behaviors, which can lead to savings for both residents and municipalities.

For more information go to:
http://www.epa.gov/epaoswer/non-hw/payt/index.htm

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City and County Management Innovations Newsletter is provided as an informational newsletter to all city and county government employees. Should you not wish to continue to receive the newsletter, please respond to this email address with "unsubscribe" and your email will be taken off of the distribution list.

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.