

Performance Management



Performance Management

The Value of Performance Management

In 2005, City of Long Beach implemented Performance Management as a philosophy and management framework to more efficiently provide services and clearly communicate results to residents, visitors, and employees. Under the leadership of the City Manager, Performance Management requires City departments to set specific service objectives based on community and City Council priorities, as well as monitor performance toward meeting these objectives. As a result of Performance Management, the City is better able to assist the community in understanding City operations, enhance governmental accountability and allocate the City's limited resources to core services. Performance Management addresses three basic government challenges: open communication, increased accountability and the efficient allocation of resources.

Open Communication

Through Performance Management, communicating goals and progress increases transparency and therefore helps dispel misconceptions within the community regarding the purpose, nature, volume, and impact of City services. To gauge progress, departments work to meet service targets and communicate measurable outcomes to the community and decision makers. As a result, City staff and community members are informed of ongoing departmental successes and challenges to service delivery, allowing for an improved understanding between the community and its government.

Increased Accountability

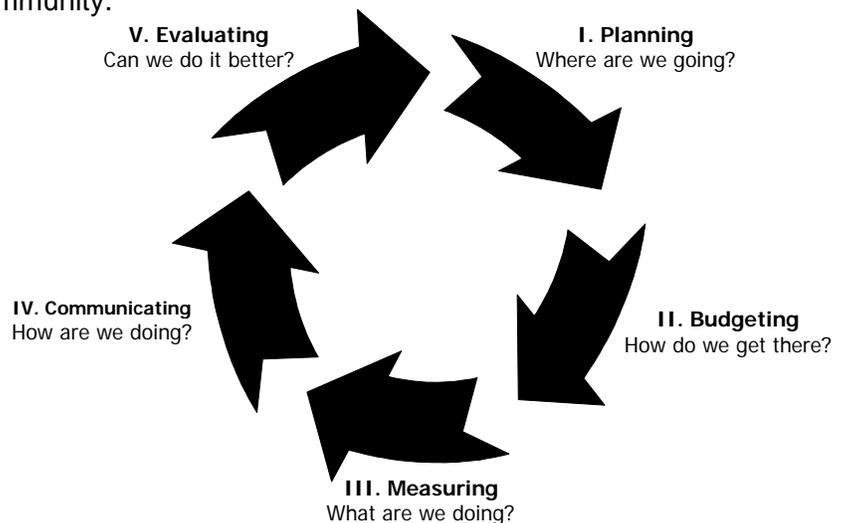
Performance measurement involves setting clear expectations for City operations through identification of goals and the monitoring of progress toward achieving them. Transparently establishing each department's expected results in the provision of City services forms a "performance contract" between City agencies providing services and the community, allowing policymakers and service providers to be held accountable for the results provided each year for the community. This increased clarity and accountability also allows City staff to better manage daily operations. Operational and financial information is now readily available for staff to identify performance anomalies and make course corrections.

Efficient Allocation of Resources

With a limited amount of dollars available, performance-based budgeting guides how we will use the City's limited resources to meet goals. By tying fiscal decisions to measurable outcomes addressing community needs, the City is better able to identify and focus service delivery on areas of highest importance to the community.

Using Performance to Manage

The City engages in a logical, continual process consisting of five major stages. These include *planning, budgeting, measuring, communicating* and *evaluating* results.



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For each of the stages, the City has developed specific strategies to ensure that all City Manager-led departments use a common approach to managing the community's resources. The City has gone to great lengths to make Performance Management a practical, valuable, accessible, and easily understood tool. The following section highlights how each stage is utilized to fulfill the needs and priorities of the community.

I. Planning: The Strategic Business Plan



The City must know the direction it is heading and where it expects to go. This is a basic operational tenet of any organization. However, as a public agency, the City must clearly articulate this direction for the community. As the foundation for Performance Management, planning requires that each City Manager-led department align department-specific operations with the City Council priorities and organizational objectives. These department plans are reviewed and updated each year to reflect the changing service delivery environment. Planning begins with departments aggregating input from residents, businesses, the City Council and City employees to determine the most significant challenges currently facing their operations. Departments then develop Strategic Objectives by which the department will address these challenges over the next several years.

Department functions are grouped into service areas called Programs. In order for departments to gauge progress, each Program has a set of related performance targets. Departments regularly track and evaluate their Programs' performance toward meeting their targets, and reporting the results to the City Council on a quarterly basis.

II. Budgeting: The Performance-based Program Budget



Since FY 06, the City has used a Performance-based Program Budget format, which presents budget and performance information by service areas (Program). In contrast to the traditional format that presents budget allocations only by organization (Department and Bureau), the Performance-based Program Budget links dollars to measurable results, creating a critical "performance contract" through which the community can hold its public officials and staff accountable for the results they promise through the annual Budget. Furthermore, a Performance-based Program Budget shifts the focus from inputs (how much are we spending and by whom) and focuses instead on outcomes (what priority areas are being funded and what impacts these services have on the community). As a result, the Performance-based Program Budget allows the City Council, management and staff to allocate resources based on community priorities and clearly communicates this through the Budget document.

III. Measuring



To ensure that the City is headed in the right direction and delivering the results the community expects, departments track a minimum of two performance measures per Program. To provide timely, accurate and meaningful performance information to the community, City Council and employees, the City tracks all performance measures in a centralized, shared database system. While most performance measures are tracked on a monthly basis, others are tracked on a quarterly or annual basis. Accurate tracking and careful monitoring of performance provides useful information for staff and the community about both the quantity and quality of services provided by the City. These important management practices enable decision-makers to spot trends, identify areas of concern, make operational adjustments before problems arise and make informed policy decisions during the annual budget process.

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IV. Communicating: Reporting to the Community



Because performance information that merely resides in a database is no good to anyone, the City's Performance Management effort provides an on-going stream of communication. Through monthly newsletters, inter-departmental monthly progress reports, and Quarterly Performance Reports to the City Council, the City is able to share information about the City's fiscal and operational performance.

The City's public reporting of performance information also includes key measures on the Program pages of the annual Budget Book. In the FY 09 Budget, readers find key measures that define and track the "performance contract" for each Program over the past few years and establish the proposed level of performance for the coming year.

V. Evaluating: Managing for Results



Ongoing evaluation is needed to understand operational shortcomings, funding needs and organizational priorities for the future. To analyze performance trends over time, evaluating results involve utilizes both financial and operational performance information. Benchmarks or comparisons to similar jurisdictions are used to evaluate the effectiveness and efficiency of service delivery, as well as to evaluate how the City compares to regional and national standards (for example, crime statistics, open space available per capita and library material circulation per capita).

In line with the City's dedication to continuous improvement, Performance Management gives the City Council, City Manager and City staff the means to plan and adapt for future needs, and provides community members with more information about how we can work together to improve our great City.

In recognition of the City of Long Beach's efforts to modernize its operational practices through Performance Management, the International City/County Management Association, a national leader in professional municipal management, has recognized Long Beach with its 2008 Certificate of Distinction for the third consecutive year. This national award puts Long Beach in elite company amongst local governments throughout the United States.

