Priority Based Budgeting

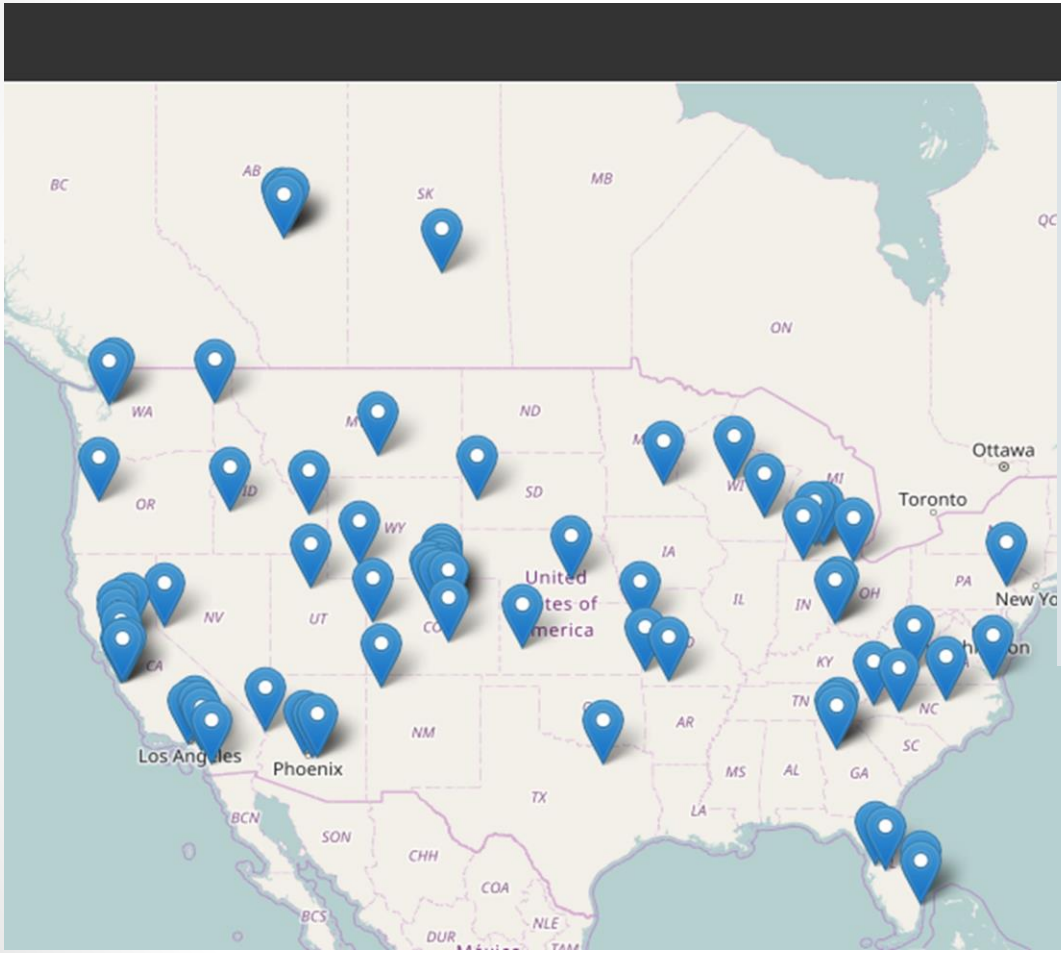
City Council Update

June 26, 2018

Purpose

- Identify what is most important
- Question current assumptions and practices
- Reallocate resources accordingly
- Articulate rationale to the community
- Educate City Council members

A Best Practice



Over 180 communities served across the US and Canada

Including Chesapeake, VA and Christiansburg, VA

3 Questions

- Why are we in business?
- What do we do?
- What does it cost?

Opportunity

- Utilizes criteria from strategic plan results and basic attributes
- Provides a consistent lens that allows a review of all services
- Examine the entire budget, not just incremental increases and reductions

Example formatted like the Periodic Table of Elements

Does offering it:

- Make us Safer?
- Improve Economic Vitality?
- Contribute to the Health and Well-being of Citizens?
- Improve Transportation?

RESULTS

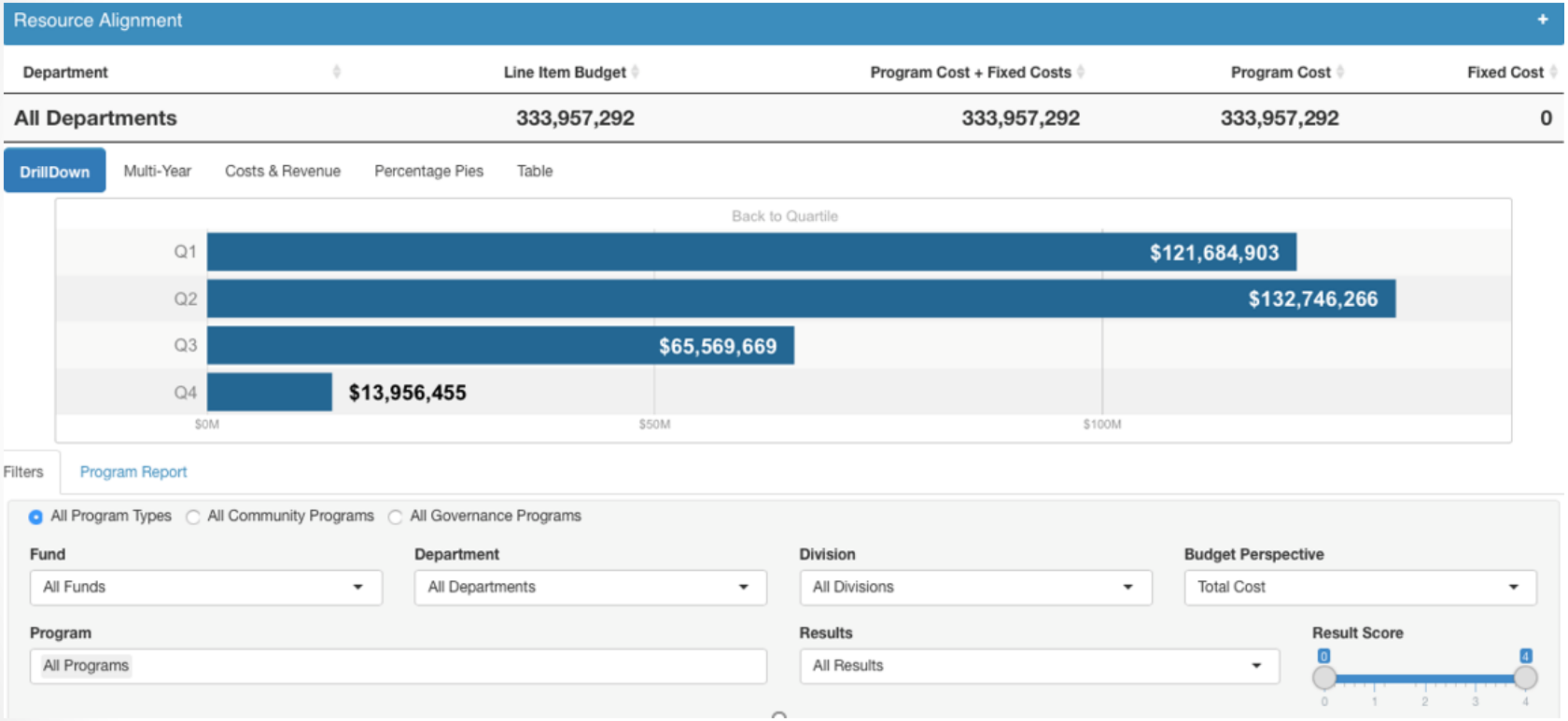
$4,187,384	Service Cost
Street Sweeping	Service Name
212.7 FTE	FTEs

- Is it mandated?
- How mandated is it?
- Does it recover it's costs?
- Is there anybody else who provides it?
- Does it serve the entirety of the population?

BASIC ATTRIBUTES

Example from the City of Toledo, Ohio

Prioritization

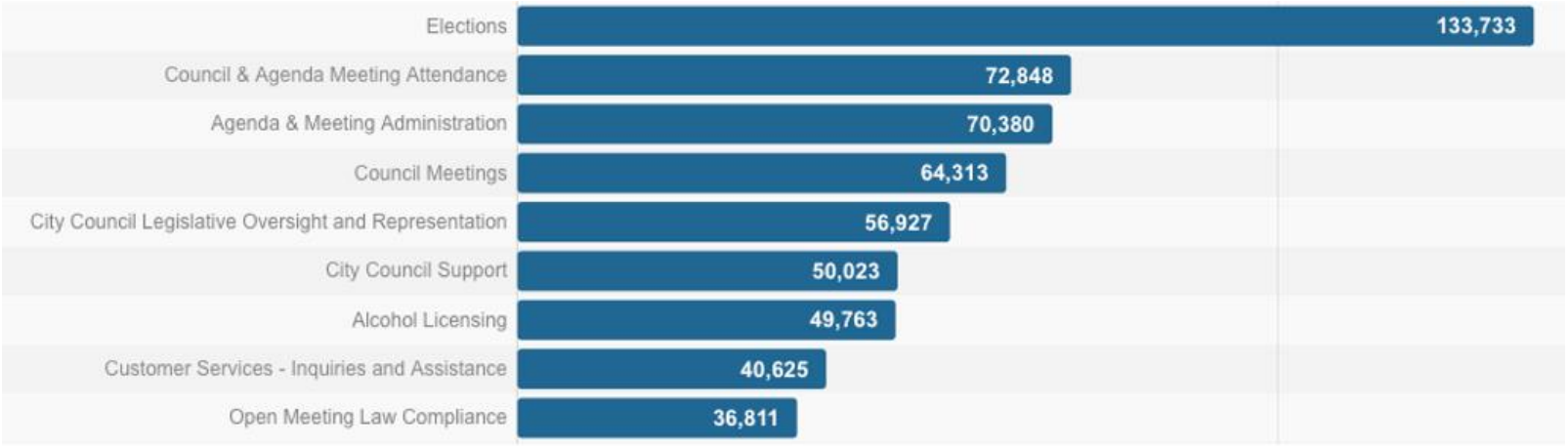


Refine Service Inventory

- Began in FY 2019 budget development process
- Currently right-sizing service list

Too Small	Right-Sized	Too Big
Task	Annual Audit and CAFR Preparation	Department
Supplying Bailiff for Courtroom	Court Security Program	Municipal Court

Allocate Costs



Define Results

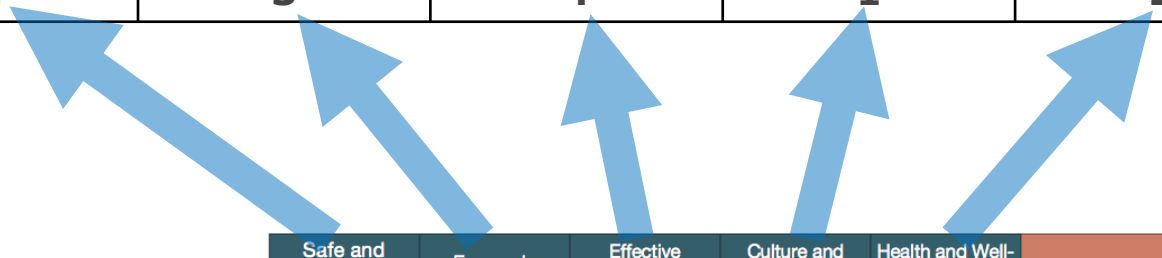
Safe and Secure Community	Economic Vitality	Effective Transportation and Mobility	Culture and Recreation Options	Health and Well-being of Community	Governance
…is prepared to respond to emergencies	…attracts new businesses, and creates jobs	…eases traffic flow and minimizes congestion	…supports the arts	…access to safe drinking water, clean air, waste removal	…maintains regulatory compliance
…enforces the law	…helps retain current businesses	…provides convenient and efficient access	…opportunities for cultural enrichment	…preserves the natural environment	…assists and supports decision makers
…reduces crime	…develops the workforce	…well-maintained infrastructure, planned for future development	…life-long learning opportunities (libraries)	…basic needs – safety, shelter, food, opportunity to work	…stewardship of financial, human and physical resources
…protects property	…attracts visitors and tourism	…safe travel	…encourages healthy people (promotes active lifestyle)	…cares for the vulnerable (elderly, youth)	…attracts, develops and retains talent
…ensures safe air and access to drinking water	…provides infrastructure to support commerce (transportation, utilities, internet/communications, smart cities, etc)	…provides access to multi-modal travel options (transit, public transportation, bike lanes, trails)	…supports community events, and entertainment options	…keeps community safe from danger (crime, disease, emergencies)	…enhances accountability and transparency in operations
…protects the environment	…regulates growth and development		..parks, trails, open spaces		
…provides safe travel and mobility	…enables business to function				
…looks after it's most vulnerable					

Scheduling meetings with City Council members for input

Score Services

Program "Influence" Example: **Snow Removal**

Safe and Secure Community	Economic Vitality	Effective Transportation and Mobility	Culture and Recreation Options	Health and Well-being of Community	Governance
4	3	4	1	2	N/A



Safe and Secure Community	Economic Vitality	Effective Transportation and Mobility	Culture and Recreation Options	Health and Well-being of Community	Governance
Choose among the most widely acknowledged contributing indicators of success, for your Results					
…is prepared to respond to emergencies	…attracts new businesses, and creates jobs	…eases traffic flow and minimizes congestion	…supports the arts	…access to safe drinking water, clean air, waste removal	…maintains regulatory compliance
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Scoring Scale

- 4: Essential to the Result
- 3: Strong influence on the Result
- 2: Influences the Result
- 1: Minor influence on the Result
- 0: No influence on the Result

Score Services

Basic Program Attributes		
Attribute	**Score**	**Definition**
Mandate	4	Required by higher level of government (Federal, State)
Reliance	4	Sole Provider
Cost Recovery	3	Fees generate 50% to 74% cost recovery
Demand	0	No change in demand
PopServed	4	100% of the community

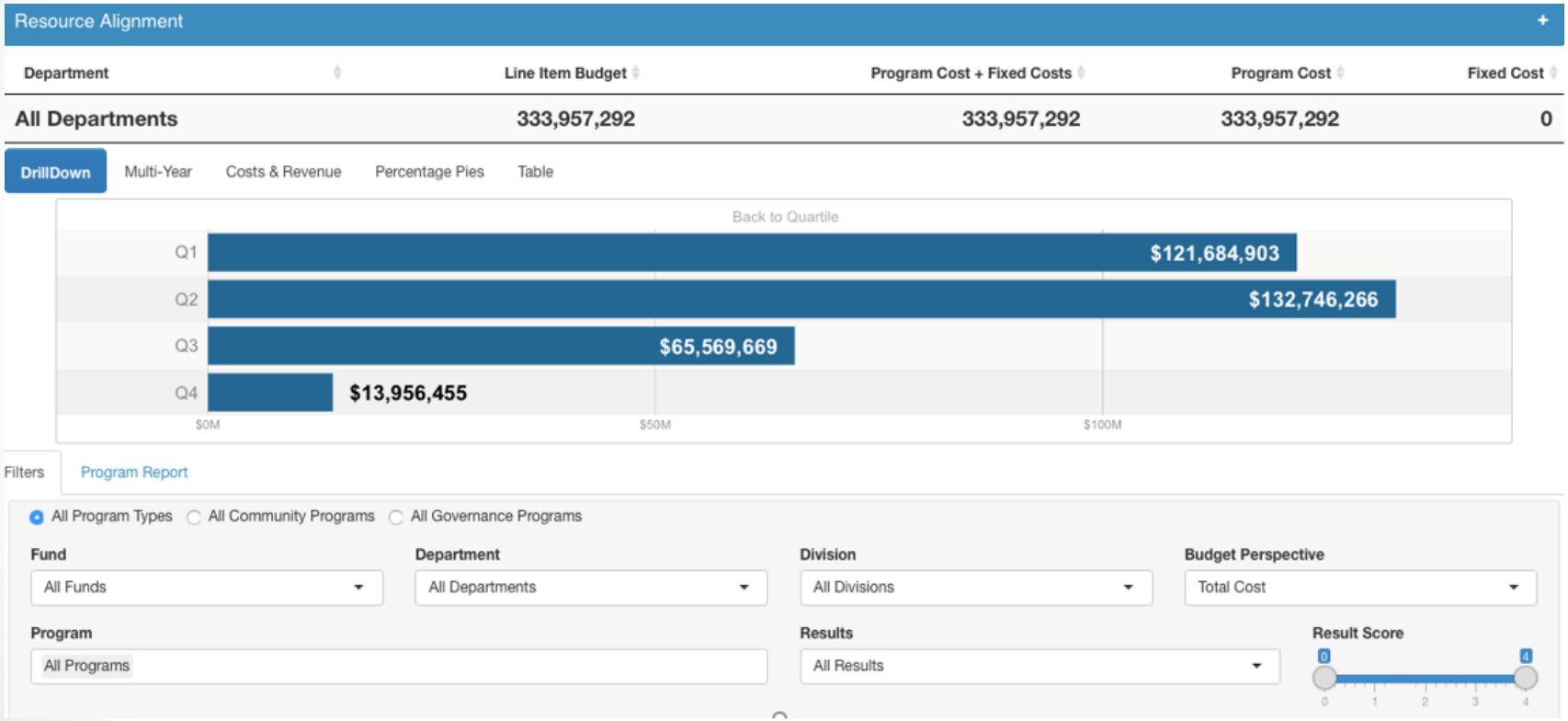
Alignment with Results	
Result	**Score**
Well-Managed Government	4
Safe and Security Community	4
Multi-modal Transportation	2
Strong Economy	2
Arts and Culture	1
Healthy Residents	1

Peer Review

ResultType	ProgDept	ScoreDept	ScorePeer	ProgName	ProgDescription
BPA	Police	4	0	Animal Reclamation	Reunite animals with owners.
BPA	Fire Rescue	4	4	Apparatus and Equipment	Assist with the development and implementation of polices, procedures, and methods fo
BPA	Parks, Recreation and Com	4	4	Aquatic Center Competitions and Special Ev	Host Triathlons and Cross-Fit competitions.
BPA	Utilities	4	4	Asset Management - Utilities Infrastructure	Review of the analysis of asset condition and risk assessment for water, wastewater and re
BPA	Utilities	4	2	Asset Management - Wastewater Infrastruct	Analysis of asset condition and risk assessment for wastewater infrastructure and equipm
BPA	Development Services	4	4	Blight Elimination	Declare a blighted condition on any home that has fallen over 40% of the home exterior i
BPA	Public Works	4	4	Block Wall Repairs	Repair damaged block walls on city property.
BPA	City Wide	4	0	Budget Development, Approval, and Monit	Develop, approve and monitor annual budget for the general fund, special funds, and MP
BPA	Utilities	4	4	Bulk Fill Water Customer Management	Setup new customer accounts and bill current customers receiving potable water from th
BPA	Police	4	4	Cadet Academy	Teach individuals how to become a police officer, including necessary certification skills f
BPA	Financial Services	4	0	Cellular Phone Issuance and Maintenance	Issue new and replacement cell phones to City Staff. Manage phone options and assist sta
BPA	Public Works	4	4	Citizen Inquiries and Assistance - Streets and	Staff creates work orders based on citizen phone calls and
BPA	Human Resources	4	3	City Employee Training - Development & HR	Provide City employees
BPA	Public Works	4	2	City Fleet Acquisition	
BPA	Public Works	4			
BPA	Public Works				

ResultAbbr	User Group	ProgName	ScoreDept	ScorePeer
Demand	City Attorney	Risk Management Compliance Reporting	3	4
Demand	City Attorney	Insurance - Subrogation Pursuit	4	4
Demand	Development Services-Code Enforcement	Blight Elimination	4	4
Demand	Development Services-Code Enforcement	Foreclosed and Vacant Property Enforcement	4	4
Demand	Development Services-Code Enforcement	Graffiti Abatement	3	4
Demand	Development Services-Code Enforcement	Nuisance Weed Enforcement	3	4
Demand	Development Services-Code Enforcement	Public Inquiries and Assistance - Code Enforcement	4	4

Prioritization



Resource Reallocation

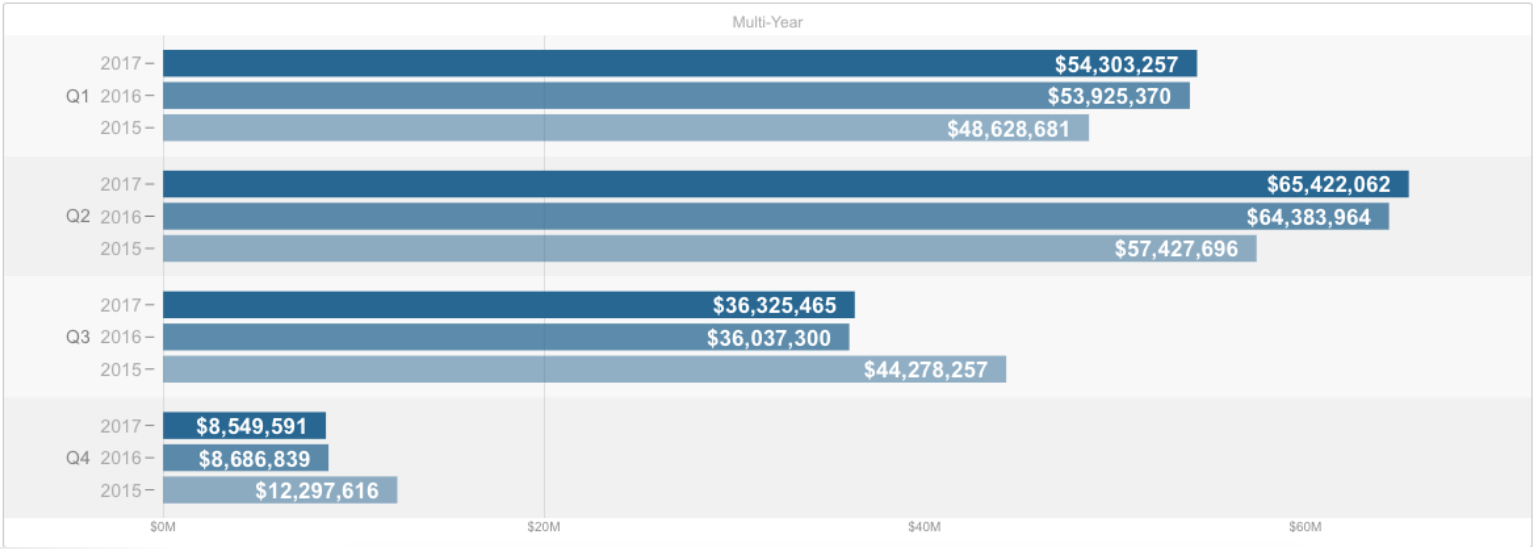
Resource Alignment +

Department	Line Item Budget	Program Cost + Fixed Costs	Program Cost	Fixed Cost
All Departments	**161,132,483**	**164,941,903**	**164,600,375**	**341,528**

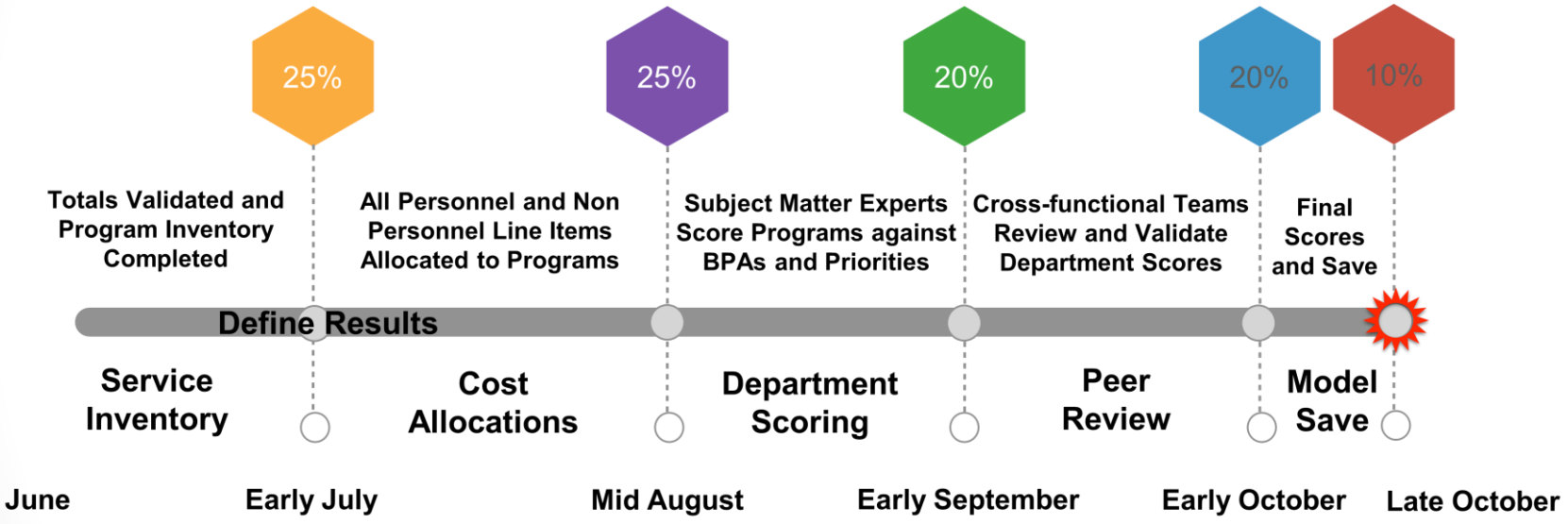
DrillDown | **Multi-Year** | Costs & Revenue | Percentage Pies | Table

Summarize over Years by:

(•) Quartiles ( ) Programs



Timeline


25%
25%
20%
20%
10%
Totals Validated and Program Inventory Completed
All Personnel and Non Personnel Line Items Allocated to Programs
Subject Matter Experts Score Programs against BPAs and Priorities
Cross-functional Teams Review and Validate Department Scores
Final Scores and Save
Define Results
Service Inventory
Cost Allocations
Department Scoring
Peer Review
Model Save
June
Early July
Mid August
Early September
Early October
Late October

Questions?