



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Marilynne Beard, Assistant City Manager
Date: March 13, 2011
Subject: STRATEGIC PLANNING CYCLE AND COUNCIL GOALS

The City Council will be discussing City Council goals and the budget process at their annual retreat. The purpose of this memo is to provide background information for the City Council's discussion about how Council goals and the budget process fit into a larger strategic planning process.

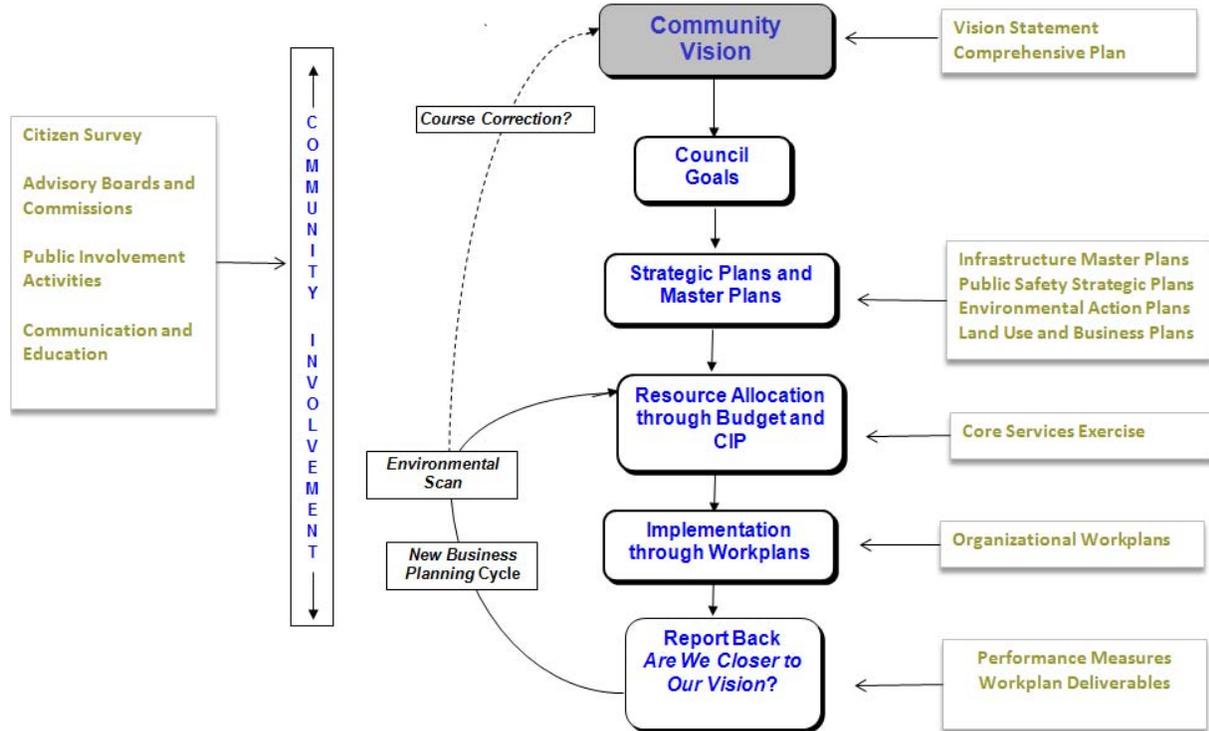
Strategic Planning

There is an abundance of literature about strategic planning and its role in community and financial planning. This document is not intended to be a definitive document, but rather a synthesis of the concepts. Strategic planning is a systematic process for identifying an entity's mission and how to achieve them. There are many ways to approach a strategic planning process, but all have a few common elements.

- **Identification of the mission/vision** – A statement of the long-term community vision
- **Internal and External environmental assessment** – An assessment of the City's internal and external environment that provides a context for planning for the future (often in the form of a "SWOT" analysis where organization identifies strengths, weaknesses, opportunities and threats)
- **Agreement on broad goals** – Development of a limited number of broad goal statements that give more form to the vision. Goals do not change frequently but should be regularly reviewed in the context of the current environment.
- **Development of strategies to achieve the goals** – Development of strategic plans, action plans and long-range plans that are achievable over time
- **Development of an action plan** – Specific actions that will be taken over a defined time period (for instance over a budget cycle) that systematically implement strategic plans and actions plans. This most often occurs during the budget process where resources are allocated to programs, projects and initiatives.
- **Implementation of the action plan** – As defined in organizational work plans.
- **Monitoring and measurement of progress towards achieving goals** – Measures of the effectiveness of the actions taken to achieve the vision. These often take the form of a performance measurement system.

The strategic planning process is a recurring cycle of planning, implementing, measuring and adjusting. If the steps noted above are the generic elements of strategic planning, a city government such as Kirkland achieves these activities through a variety of recurring processes. The diagram on the following page depicts this recurring cycle of events and how the various activities of government feed into the strategic planning process.

STRATEGIC PLANNING PROCESS



Over the past three years, the City Council has taken a more strategic approach to planning through the development of Council goals, performance measures and work plans. The following table compares the general elements of a strategic plan to Kirkland processes.

Strategic Planning Step	Kirkland Processes
Identification of the mission/vision	A vision statement is adopted in Kirkland's Comprehensive Plan and an abbreviated version is published on Council agendas.
Internal and external environmental scan	Reports are provided to Council during the budget process and at the City Council Retreat (e.g. financial status reports, "SWOT" analysis, budget process)
Agreement on broad goals	Adopted City Council goals – Attachment A
Development of strategies to achieve the goals	Strategic plans and action plans – Attachment B is a list of adopted strategic and actions plans and their update cycle.
Development of an action plan	Resource allocation through the Budget and CIP – Attachment C provides a crosswalk between Council Goals and the adopted work plan and budget.
Implementation of the action plan	Annual work plans – Attachment D
Monitoring and measurement of progress	Performance measures and periodic reports to City Council about progress on annual work plans.

Since Kirkland is on a biennial budget cycle, the business planning cycle occurs over two years. The following table depicts the activities that occur during the two year cycle beginning with 2012.

	2012 (Even Numbered Year)		2013 (Odd Numbered Year)	
	Budget Cycle	Comp Plan Cycle	Budget Cycle	Comp Plan Cycle
JAN	Annual work plan adoption	Begin Comp Plan Update	Annual work plan adoption	Begin Comp Plan Update including private amendment requests
FEB		Planning work program adoption		Planning work program adoption
MAR	Council Retreat: Budget priorities and strategies		Council Retreat: Program Focus (2011 example, Budget Process Review <i>(proposed)</i>)	
APR	Begin preparation of CIP		Program review and/or strategic plan preparation <i>(proposed)</i>	
MAY				
JUN				
JUL	Begin preparation of biennial budget			
AUG	Council review of CIP			
SEP	Budget hearing			
OCT	Budget review and hearing		Council receives report on program review or strategic plan <i>(proposed)</i>	
NOV	Budget review and hearing		Mid-biennial Budget Review and hearing	
DEC	Adoption of biennial budget, CIP and property tax levy	Adoption of Comp Plan amendments including Capital Facilities Element	Adoption of mid-biennial budget adjustments, property tax levy and strategic/action plans	Adoption of Comp Plan Amendments including Private Amendment Requests

Observations and Recommendations

Integration of Vision Statement and Goals

The abbreviated version of Kirkland’s vision statement is published on the City website and on all City Council agendas (*Kirkland is an attractive, vibrant, and inviting place to live, work and visit. Our lakefront community is a destination for residents, employees and visitors. Kirkland is a community with a small-town feel, retaining its sense of history, while adjusting gracefully to changes in the twenty-first century.*) However it isn’t integrated into the City Council goal document. The vision statement should be added to the goal document since the goals were developed in support of the vision.

Goal Review and Update

The Current City Council goal document states that these goals are dynamic and “should be reviewed on an annual basis and updated or amended as needed.” In addition, Council members have expressed a desire to revisit the goals given the change in the economic climate. Other changes in the environment may also prompt a review of goals (see next section on environmental scan). Council direction is needed regarding the timing and process for reviewing goal statements.

Environmental Scan

The City performs some of the activities of strategic planning as part of the normal budget and Comprehensive Plan review cycles. The one activity that is not currently integrated into these processes is an environmental scan. An environmental scan provides an opportunity to “step back” from the day-to-day activities of government to determine whether changes in the internal or external environments prompt reassessment of the City’s immediate work plans or longer range goals. Although the budget process incorporates an environmental scan by virtue of the economic assessment, it is done within the context of the allocation of resources for services and capital. In 2008, the City’s executive team conducted a SWOT analysis for the six “goal areas” identified by the City Council at the time (Attachment E). This was provided to the City Council as background for the Council goal setting process. A SWOT analysis (or comparable activity) could be undertaken on an annual basis either by the City Council or by the executive team (or both groups together).

Department and Functional Reviews

When the City Council first adopted the biennial budget cycle, staff presented options for “off-year” activities (i.e. the year when the organization was not preparing a budget). The past two budget cycles, the City Council has been focused on budget strategies every year in order to deal with unprecedented and dramatic changes in revenue. Assuming that the City’s financial environment has somewhat stabilized, one option for off-year activities would be a program focus, whereby the City Council would choose one function or department of the City that would undergo a comprehensive review of policies and procedures. The purpose of the review would be to assess Kirkland’s programs against industry best practices and to identify opportunities to streamline, reorganize or reallocate resources to maximize efficiency and effectiveness. This activity may take the form of development or update of a strategic plan for the department or function. Depending on the topic and scope of the review, outside consultants or voluntary assistance from peer agencies or businesses may be engaged to provide expertise and to facilitate discussions within the organization.

Performance Measurement

Performance measurement has been an ongoing project that has evolved with the development of Council goals. Over the past two years, staff has worked with Council and advisory boards to develop performance measures for the ten Council goals. The most recent iteration was presented to the City Council as an issue paper with the 2011-2012 Budget (Attachment F). Earlier in the year, staff had presented a proposal to the City Council to adopt the basic format used for the performance measure report (Attachment G). The City Council did not have an opportunity to discuss the final performance measures presented during the budget process; however, they represent the recommendations of the various staff groups, advisory boards and Council subcommittees that were charged with reviewing and refining the earlier version. At this point, staff will need to create a new performance measurement report using the proposed

measure in the format suggested in 2010. This will ultimately be incorporated in the biennial budget document.

Summary and Direction Needed

The purpose of strategic planning for local governments is to encourage a thoughtful and thorough analysis of the community to compare current conditions to the common vision. Kirkland has integrated many of the steps of the strategic planning process into its normal business cycle. Several articles on the use of strategic plans in local government are attached as additional background.

There are a range of steps that could be taken by the City Council to take advantage of the benefits that strategic planning processes offer. The City Council may choose to:

1. Undertake a major strategic planning initiative;
2. Incorporate some or all of the modifications mentioned above including a review and update of Council goals, or;
3. Continue on the current path for now.

The City's Comprehensive Plan will undergo a major update in 2014 which may be the time for a more comprehensive update.



CITY OF KIRKLAND

CITY COUNCIL GOALS

The purpose of the City Council Goals

is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

In addition to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Kirkland encourages and participates in regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, improves customer service and furthers Kirkland's interests beyond our boundaries.
- **Efficiency** – Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.
- **Accountability** – The City of Kirkland is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals. Performance measures will be both quantitative and qualitative with a focus on outcomes. The City will continue to conduct a statistically valid citizen survey every two years to gather qualitative data about the citizen's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Community** – The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

The City Council Goals are dynamic.

They should be reviewed on an annual basis and updated or amended as needed to reflect citizen input as well as changes in the external environment and community demographics.

NEIGHBORHOODS

The citizens of Kirkland experience a high quality of life in their neighborhoods.

Council Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

PUBLIC SAFETY

Ensure that all those who live, work and play in Kirkland are safe.

Council Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

HUMAN SERVICES

Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

Council Goal: To support a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.

BALANCED TRANSPORTATION

Kirkland values an integrated multi-modal system of transportation choices.

Council Goal: To reduce reliance on single occupancy vehicles.

PARKS, OPEN SPACES AND RECREATIONAL SERVICES

Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

Council Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

DIVERSE HOUSING

The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, sizes and affordability.

Goal: To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.

FINANCIAL STABILITY

Citizens of Kirkland enjoy high quality services that meet the community's priorities.

Council Goal: Provide a sustainable level of core services that are funded from predictable revenue.

ENVIRONMENT

We are committed to the protection of the natural environment through an integrated natural resource management system.

Council Goal: To protect our natural environment for current residents and future generations.

ECONOMIC DEVELOPMENT

Kirkland has a diverse, business-friendly economy that supports the community's needs.

Council Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

DEPENDABLE INFRASTRUCTURE

Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

Council Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

Adopted Strategic and Action Plans

Plan	Update Cycle	Last Update
Land Use		
Comprehensive Plan*	Comprehensive: 10 years PAR's: 2 years City-Initiated Minor amendments and Neighborhood Plans: Annual	2010
Shoreline Master Program*	7 years	2010
Downtown Strategic Plan	As needed	2007
Totem Lake Action Plan	As needed	2010
Housing Strategy Plan	5 years	2007
Infrastructure		
Capital Improvement Plan	Comprehensive: 2 years Minor amendments: Annual	2010
Comprehensive Parks, Open Space and Recreation Plan*	6 years	2010
Comprehensive Water Plan*	6 years	2007
Surface Water Master Plan*	6 years	2005
Comprehensive Sewer Master Plan*	6 years	2010
Active Transportation Plan	As needed	2009
Commute Trip Reduction Plan*	As needed to stay compliant with State law	2007
Transportation Improvement Plan*	Annual	2010
Public Safety		
Comprehensive Emergency Management Plan*	4 years	2011
Fire and Emergency Medical Services	As needed	2000
Police Services	5 years	2004
Environmental		
Natural Resource Management Plan	As needed	2003
Tree Management	As needed	
Climate Protection Action Plan	3 years	2009
Other		
Information Technology	As needed	2006
Arts, Culture and Heritage Master Plan	As needed	2009
Tourism Action Plan	As needed	2009

*Required by law, regulation or as a condition of funding eligibility

Comparison of Goals and Values to Work plan Items and Budget Decisions

Goals and Values	Work plan Item	Budget Decisions
Neighborhoods - Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services	Annexation BNSF Corridor Purchase SKP&R Transit Oriented Development 85th Street Corridor Project	Restoration of neighborhood matching grants Maintenance of neighborhood resource officer Maintenance of graffiti removal staff Annexation budget
Public Safety -- Provide for public safety through a community-based approach that focuses on prevention of problems and timely	Annexation Public Safety Building Legislative involvement Resolution of bargaining union contracts	Transport fee Maintenance of neighborhood resource officer Liquor profits public safety reserve Municipal Court security Portable radio replacements Fire personal protective equipment Maintenance of graffiti removal staff
Human Services - To support a coordinated system of human services designed to meet the special needs of our community and	Legislative involvement SKP&R Transit Oriented Development	Maintenance of human services funding Maintenance of ARCH contribution
Balanced Transportation -- To reduce reliance on single occupancy	Legislative involvement BNSF Corridor Purchase SKP&R Transit Oriented Development 85th Street Corridor Project	
Parks, Open Spaces and Recreational Services -- To provide and maintain natural areas and recreational facilities and opportunities	Legislative involvement Revitalize Totem Lake Business District BNSF Corridor Purchase	
Diverse Housing -- To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.	Legislative involvement SKP&R Transit Oriented Development	Maintenance of ARCH contribution
Financial Stability -- Provide a sustainable level of core services that are funded from predictable revenue.	Legislative involvement Revitalize Totem Lake Business District Park Place Development Agreement Explore New Revenue Options Budget process review Resolution of bargaining union contracts Partnerships with employees	Medical self-insurance Liquor profits public safety reserve Reserve replenishment Budget task force support Reduction of \$6 million in operating costs and 16.13 FTES's
Environment -- To protect our natural environment for current residents and future generations.	Legislative involvement BNSF Corridor Purchase SKP&R Transit Oriented Development	
Economic Development -- To attract, retain and grow a diverse and stable economic base that supports city revenues, needed	Legislative involvement Revitalize Totem lake Business District Park Place Development Agreement SKP&R Transit Oriented Development 85th Street Corridor Project	Maintenance of development review staff for Park Place permit review
Dependable Infrastructure -- To maintain levels of service commensurate with growing community requirements at optimum	Legislative involvement Public Safety Building 85th Street Corridor Project	Solid waste street maintenance surcharge
Regional Partnerships	BNSF Corridor Purchase Annexation	Maintenance of ARCH contribution
Efficiency	Budget process review Resolution of bargaining union contracts Partnerships with employees	Medical self-insurance Budget task force support
Accountability	Budget process review Partnerships with employees	Medical self-insurance Community survey Budget task force support
Community	Budget process review	Community survey



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MEMORANDUM

To: City Council
From: Kurt Triplett, City Manager
Date: January 24, 2011
Subject: RESOLUTION ADOPTING THE 2011 CITY WORK PROGRAM

RECOMMENDATION:

City Council reviews and adopts a Resolution adopting the 2011 City Work Program

BACKGROUND DISCUSSION:

At the January 18 study session the Council received a presentation about establishing a 2011 City Work Program consisting of key initiatives of major cross-departmental efforts with significant financial resources. The Council provided direction to the City Manager to propose a Resolution adopting a Work Program at a February Council meeting. As a result of Council input, the proposed Work Program has additional specificity around what should be achieved in 2011 and some of the administrative items from the presentation have been dropped. The attached Resolution contains a series of "WHEREAS" statements that outline the definition and purpose of the Work Program and also three sections.

Section 1 states that the adopted 2011 City Work Program shall consist of the following twelve initiatives:

1. Successfully annexing the neighborhoods of Juanita, Finn Hill and Kingsgate;
2. Actively engaging both the City Council and City staff in the 2011 State Legislative Session to achieve Kirkland's adopted legislative agenda;
3. Revitalizing the Totem Lake Business District through implementation of the Totem Lake Action Plan;
4. Completing a Development Agreement and facilitating the permit process for Park Place redevelopment;
5. Completing design and permitting of the Public Safety Building and initiating construction bidding;
6. Completing due diligence and potential purchase of the Burlington Northern Santa Fe Eastside Rail Corridor within Kirkland;
7. Developing zoning regulations to support Transit Oriented Development at the South Kirkland Park and Ride that reflect community input and values;
8. Completing property acquisition and Phase I utility undergrounding of the 85th Street Corridor Project;

Attachment D

9. Exploring new revenue options authorized by the State Legislature or requiring voter approval;
10. Researching and evaluating the evolution of Kirkland's budget development and adoption process to ensure an engaged public and desired Council outcomes for the 2014-2014 Budget;
11. Successfully resolving each of the five Collective Bargaining Agreements scheduled for negotiation in 2011;
12. Developing partnership initiatives with employees to achieve sustainability of wages and benefits.

Section 2 states that the City Manager is hereby authorized and directed to develop implementation steps and benchmarks for each element of the 2011 City Work Program, prioritize resources and efforts to achieve those benchmarks, and periodically update the Council regarding progress on these efforts.

Section 3 states that a copy of this resolution shall be distributed to the Planning Commission, Parks Board, Transportation Commission, Design Review Board, Neighborhood Associations, the Chamber of Commerce and Houghton Community Council.

RESOLUTION R-4864

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
ADOPTING THE 2011 CITY WORK PROGRAM.

WHEREAS, the City Council desires to retain a high quality of life in Kirkland, spur job growth and economic development, and provide efficient, cost-effective City services to an informed and engaged public; and

WHEREAS, to help achieve these goals, the City Council supports adoption of a 2011 City Work Program to publicly identify the priority focus of the City of Kirkland's staff and resources and enable the public to measure the City's success in accomplishing its major policy and administrative goals; and

WHEREAS, the 2011 Work Program is a list of high priority major cross-departmental efforts involving significant financial commitment that are designed to maintain public safety and quality of life in Kirkland, as well as an effective and efficient City government; and

WHEREAS, when new issues require substantial staff resources and City Council review, the adopted 2011 Work Program shall be used to proactively determine whether emerging items can be accommodated, deferred, or if the Work Program must be reprioritized;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The 2011 City Work Program consisting of the following initiatives is adopted:

1. Successfully annexing the neighborhoods of Juanita, Finn Hill and Kingsgate;
2. Actively engaging both the City Council and City staff in the 2011 State Legislative Session to achieve Kirkland's adopted legislative agenda;
3. Revitalizing the Totem Lake Business District through implementation of the Totem Lake Action Plan;
4. Completing a Development Agreement and facilitating the permit process for Park Place redevelopment;
5. Completing design and permitting of the Public Safety Building and initiating construction bidding;
6. Completing due diligence and potential purchase of the Burlington Northern Sante Fe Eastside Rail Corridor within Kirkland;

7. Developing zoning regulations to support Transit Oriented Development at the South Kirkland Park and Ride that reflect community input and values;
8. Completing property acquisition and Phase I utility undergrounding of the 85th Street Corridor Project;
9. Exploring new revenue options authorized by the State Legislature or requiring voter approval;
10. Researching and evaluating the evolution of Kirkland's budget development and adoption process to ensure an engaged public and desired Council outcomes for the 2013-2014 Budget;
11. Successfully resolving each of the five Collective Bargaining Agreements scheduled for negotiation in 2011;
12. Developing partnership initiatives with employees to achieve sustainability of wages and benefits.

Section 2. The City Manager is hereby authorized and directed to develop implementation steps and benchmarks for each initiative in the 2011 City Work Program, prioritize resources and efforts to achieve those benchmarks, and periodically update the City Council regarding progress on these efforts.

Section 3. A copy of this Resolution shall be distributed to the Planning Commission, Parks Board, Transportation Commission, Design Review Board, Neighborhood Associations, the Chamber of Commerce and Houghton Community Council.

Passed by majority vote of the Kirkland City Council in open meeting this 1st day of February, 2011.

Signed in authentication thereof this 1st day of February, 2011.

MAYOR

Attest:

City Clerk

ECONOMIC DEVELOPEMENT

Strength	Council support – has Council’s attention Teamwork (Totem Lake Mall) Zoning starting to change to support economic development (e.g. NE 85 th corridor)
Weaknesses	We’re still not sure what we want to be when we grow up Picky – we may be too selective in businesses we are trying to attract Lack of funding Training of staff (other than Ellen) No coherent plan Zoned commercial area is limited
Opportunities	Strong technology sector Attractiveness of Kirkland Unique niche Demographics Attract upscale companies 405 improvements New Microsoft employees coming
Threats	Perception of parking problem downtown Neighborhoods versus business interests Bellevue (aggressive neighboring cities) Land availability Land values Transportation system Affordability to live here – limited labor pool due to cost of living

NEIGHBORHOODS

S trengths	Neighborhood Program – Kari Page Neighborhoods are recognized in Comp. Plan Neighborhood Connections Neighborhood Services Team Neighborhood Council Meetings (because they attract larger audience) Neighborhood U List-serv works well as communication device
W eaknesses	Neighborhood Associations may not represent everyone in the neighborhood (but that's who we communicate with)
O pportunities	Neighborhoods are very engaged Woodlands Park Project (shows a different kind of engagement) Breeding ground for community leaders Neighborhood Associations could be made more effective & then would be better venue for communication Good organization mode for disaster preparedness
T hreats	NIMBY Lack of unified neighborhood voice (13 Neighborhoods is sometimes like having 13 cities) HCC as competing interest Limited Neighborhood Association involvement (# of people that attend meetings)

HOUSING

Strengths	Good housing stock Affordable housing incentives – more bonuses ARCH Staff willing & able to work with programs Council engaged
Weaknesses	Lack of funding (subsidized housing) Need more staff to dedicate to housing
Opportunities	Innovative housing Mixed use development Affordable housing – more different people could live & work in Kirkland Diversity Annexation – (ability to subdivide)
Threats	Don't have a transportation system that links jobs to housing Affordability Rising property values NIMBY Not all citizens are engaged or accept problem Fear of density

ENVIRONMENTAL STEWARDSHIP

Strengths	Fleet purchases (hybrids and electric vehicles) Recycling program Council support Green space in Kirkland Good environmental policies Natural Resources Management Team Green Kirkland Every dept. is focusing on Open space acquisition
Weaknesses	Resources to maintain sustainable forest Dispersed approach to environmental policy
Opportunities	King Conservation District funding Community values (support) Kyoto Protocols endorsement Green buildings/roofs Alternative fuels CLC partnerships Engaged public through education & participation Youth employment program funding
Threats	Global warming Initiative 933 – property rights initiative Invasive plants

LONG RANGE PLANNING

S trengths	Individual strategic plans (some depts.) Biennial budget Public involvement Community conversations Internal skills to do planning
W eaknesses	Don't have city-wide strategic plan Difficulty sustaining vision when people change (staff, council, stakeholders) Can't afford to fund strategic plans Time to plan Long time to make decisions Length of time to do plans Annexation potentially impacts future (hard to plan with that uncertainty)
O pportunities	Long range financial plan to address operating and capital needs Comprehensive update of vision statement Use of outside consultants (brings different perspective and credibility)
T hreats	Pace of change Eymanization of government Taxpayer fatigue Lack of guiding principles (doing what's in the community's best interest vs. reacting to the voice of public)

COMMUNITY INVOLVEMENT

Strengths	Strong organizational value of involvement Council cares about involving the community Enthusiasm around involvement Technology available for communications
Weaknesses	Seldom fund dollar or provide time to do community involvement as a regular part of project planning Don't know when to say no (need to manage expectations) No public information officer (staff) Don't know when to stop getting input (react to squeaky wheel) We reward late-comers
Opportunities	Use technology more New position Increase staff training & resources Public process policy & Council buy-in to roles
Threats	Squeaky wheels Bowling alone (less & less involvement by people in general) Get same people (usual suspects) NIMBY Late-comers to the process

ANNEXATION

S trengths	Experience (we've done it before) City staff is problem solvers
W eaknesses	Staffing levels to plan for annexation Long Term Funding Facilities (especially Public Safety Building)
O pportunities	Support of PAA residents (per survey) Untapped community involvement potential Larger City can lead to greater regional influence King County funding
T hreats	Legislative actions that eliminate funding Possible lack of support at 60% level Unknown level of support in Kirkland community

PUBLIC SAFETY

S trengths	Acknowledge importance of Labor Relations in providing services Staff has good equipment to work with Public Safety Departments get along with each other Good personnel Professional staff Council supports public safety Kirkland is an organization that people want to be a part of (so we can attract recruits) Accreditation of Police Department Improving labor relations
W eaknesses	Staffing levels Don't meet our own standards Funding Public Safety Building Lack of uncommitted officer time Disaster preparedness
O pportunities	Community feels safe NORCOM Focus on disaster awareness CERT Regional partnerships Public sees Public Safety as important service
T hreats	Limited pool of qualified candidates (police) Mandatory Arbitration leads to higher cost of personnel Meth Gang activity ID thefts – Electronic accessibility to IDs Internet crime

TRANSPORTATION

Strengths	NTCP Transportation Commission Quality of streets (condition) Increasing alternative transportation modes Mary-Alyce on Sound Transit Board Quality staff
Weaknesses	Lack of funding Potential concurrency failures
Opportunities	ITMS (Intelligent Transportation Management System) Larry Springer Lobbyists Sound Transit More mixed-use development Price of gas Alternative fuels
Threats	Disconnect between public wants vs. willingness to pay Regional topography Lack of regional leadership Lack of good regional transit system Taxpayer fatigue Initiatives

HUMAN SERVICES

Strengths	Human Services Advisory Board Support for human services is a strongly-held value Council support Dedicated staff Youth and Senior Councils Per capita commitment
Weaknesses	Limited staffing overseeing Limited Funding
Opportunities	Tent City Regional Human Service Forum participation Kirkland is considered a regional leader in Human Services
Threats	Decreased federal funds (CDBG) Donor fatigue (disaster relief) Fear of Tent City Changing demographics (greater diversity in populations served) Number of competing demands


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MEMORANDUM

To: Kurt Triplett, City Manager

From: Erin Leonhart, Intergovernmental Relations Manager
Marilynne Beard, Assistant City Manager

Date: September 17, 2010

Subject: Performance Measures for Council Goals – Council Retreat Follow Up

The City Council began a goal-setting process at its 2009 Council Retreat. Between March and September 2009, the Council refined the value and goal statements. The final statements were adopted in September 2009. Since that time, performance measures related to the goals were developed by staff for City Council review and, during the 2010 City Council Retreat, the Council discussed proposed performance measures related to the adopted City Council Goals.

Many of the performance measures were referred to related Commissions, Boards, Council Committees and one staff committee. This report includes feedback and suggested revisions to the performance measures from those bodies as well as from the City Council during the retreat. Data not provided in this report will be provided after final approval of the measures.

I. Neighborhoods

Neighborhood measures were not referred to another group; however, the Council suggested the revisions reflected below during the Council retreat.

Value Statement: The citizens of Kirkland experience a high quality of life in their neighborhoods.

Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Residents surveyed are satisfied with neighborhood growth & character		41%		54%	90%
Residents surveyed rate neighborhood infrastructure & maintenance as good or excellent		*		*	90%
Participation in neighborhood connections process programs					

*Not included in survey

II. Public Safety

Public Safety measures were not referred to another group; however, the Council suggested the revisions reflected below during the Council retreat.

Value Statement: Ensure that all those who live, work and play in Kirkland are safe.

Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Residents surveyed feel safe walking in their neighborhood after dark		79%		78%	80%
Residents surveyed feel safe walking in their neighborhood during the day		98%		98%	90%
Fires are contained to the room of origin	41%	80%	80%		60% 80%
Residents surveyed are prepared for a three day emergency		69%		70%	90%
Residents surveyed have working smoke detectors in their residence		*		93%	100%

*Not included in survey

III. Human Services

Human Services measures were referred to the Human Services Commission for review. The Commission's suggestions are reflected in the table below.

Value Statement: Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

Goal: To support a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Number of unsheltered homeless people in East King County as determined in the annual "One Night Count"	2159 128	2631 153 (20% increase)	2827 158 (3% increase)	2759 141 (11% decrease)	Annual decrease
Percentage of funded agencies that meet or exceed human services contract goals		94%		94%	90% 100%

IV. Balanced Transportation

Balanced Transportation measures were referred to the Transportation Commission for review. The Commission's suggestions are reflected in the table below.

Value Statement: Kirkland values an integrated multi-modal system of transportation choices.

Goal: To reduce reliance on single occupancy vehicles.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Numbers of bicycles and pedestrians as measured by annual count program (Bicyclist/Pedestrian)		176/398	128/480		10% over 2008 levels by 2015
Annual feet-Percentage completion of sidewalk construction on at least one side of school walk route on collectors and arterials					Complete all by 2019
Number Rate of auto crashes accidents involving bikes or pedestrians (Bicyclist/Pedestrian)	14/21	12/15	8/13	0/2	Annual decrease <u>Downward trend</u>
<u>Metro/Sound Transit Ridership</u>					<u>Upward trend</u>
<u>Automobiles per household</u>					<u>Downward trend</u>

V. Parks, Open Spaces and Recreational Services

Parks, Open Spaces and Recreational Services measures were referred to the Park Board for review. The Board proposed no revisions.

Value Statement: Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Neighborhood parks within ¼ mile radius of residents	72%	72%	76%	76%	100%
Amount of acreage of natural areas in restoration	10.64	17.14	22.94	27.09	372 acres by 2028
Residents surveyed rate City parks as good or excellent		87%		83%	95%
Recreation program class subscription rate	73%	75%	76%		80%

VI. Diverse Housing

Diverse Housing measures were referred to the Housing Subcommittee for review. The Subcommittee's suggestions are reflected in the table below. There was also interest in adding a measure related to variety of housing types; however, staff recommends that information be captured through other methods/reports.

Value Statement: The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.

Goal: To ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Percent increase of new <u>New/preserved</u> housing that is affordable to those earning 80% or less of King County median income: <u>A- Annual Number, B- Annual Percentage</u>					<u>A: ##</u> <u>B: 41%</u>
Number of affordable units brought on line each year					
<u>Percent of new housing that is affordable to those earning 80%-120% of King County median income</u>					

VII. Financial Stability

Financial Stability measures were referred to the Finance Committee for review. The Committee's suggestions are reflected in the table below.

Value Statement: Citizens of Kirkland enjoy high quality services that meet the community's priorities.

Goal: Provide a sustainable level of core services that are funded from predictable revenue.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Maintain AAA credit rating (according to Standard & Poor's)	AA	AAA	AAA	AAA	100%
Minimum balance in General Purpose contingency reserves as a percent of target	87%	85%	46%*	N/A	80%
Investment in surveyed functions <u>public service areas</u> rated as highly important in <u>community survey</u>	N/A	94%	N/A	93%	90%

*NOTE: 14% of the decrease is due to the \$4.9 million increase in the targets based on the 09-10 Budget and 09-14 CIP.

VIII. Environment

Environmental measures were referred to the Green Team for review. The Green Team's recommendations are reflected in the table below.

Value Statement: We are committed to the protection of the natural environment through an integrated natural resource management system.

Goal: To protect our natural environment for current residents and future generations.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Total waste per capita entering the landfill in lbs/person/week (single- and multi-family residents)	12.11	11.24	11.05	10.04*	14.2 lbs/person/week by 2020
Tree coverage (estimated at 32% in 2003, Urban Tree Canopy project due to be completed by the end of 2010)					40%
Reduction in greenhouse gas emissions (data for 2009 currently being collected and analyzed)					<u>10% reduction of 2005 levels by 2012</u> <u>20% reduction from 2005 levels by 2020</u> 80% below 2007 levels by 2050
Surface water quality as measured by the benthic index of biotic integrity					Increasing trend

*Through April 2010

IX. Economic Development

Economic Development measures were referred to the Economic Development Committee for review. The Committee's recommendations are reflected in the goal statement as well as the table below.

Value Statement: Kirkland has a diverse, business-friendly economy that supports the community's needs.

Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, provides needed goods and services and creates jobs for residents.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Businesses surveyed are satisfied with Kirkland as a place to do business					50%
Residents surveyed are satisfied with availability of goods & services in Kirkland		*		76%	70%
Visits to explore kirkland.com website	203,092	191,227	148,442**		Annual increase
Annual net new businesses			606	109 (as of March 4)	Annual increase
<u>Annual business tax revenue</u>					<u>Annual increase</u>

MEASURE	2007	2008	2009	2010	GOAL
<u>Annual net new jobs created</u>					<u>Annual increase</u>

*Not included in survey

X. Dependable Infrastructure

Dependable Infrastructure measures were not referred to another group for review; however, the Transportation Commission reviewed them and did not have any suggested revisions.

Value Statement: Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Pavement Condition Index for major & minor arterial streets	59*	52	**	**	70
Pavement Condition Index for collectors and neighborhood streets	73*	68	**	**	65
Residents surveyed are satisfied with maintenance of active transportation facilities (bike lanes, walking paths, sidewalks, etc.)		83%		84%***	90%
Number of annual water main failures caused by fatigue or age	3	8	0		

*From 2004 PCI survey, however these numbers are a little skewed as they have information from overlays done in 2005, but doesn't account for the degradation/decline on streets not resurfaced since the 2004 PCI survey.

**Based on PCI survey done in 2008

***Average of Walking Paths, Bike Lanes & Sidewalks

**CITY OF KIRKLAND**

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager

From: Marilynne Beard, Assistant City Manager
Erin Leonhart, Intergovernmental Relations Manager
Tammy McCorkle, Budget Analyst

Date: February 16, 2010

Subject: CITY COUNCIL GOALS AND PERFORMANCE MEASURES

A portion of the City Council's annual retreat is devoted to reviewing the ten adopted Council goal areas and related performance measures. The following memo provides background on the process used for developing the goals and measures and recommendations regarding the integration of the goals statements with the upcoming budget process.

Council Goal Process

The City Council began the current goal-setting process at the 2009 Retreat in March. Between March and September, the Council refined the value and goals statements. The final statements were adopted in September 2009. At that meeting, the City Council also reviewed a format for integrating the current performance reporting document with the new goal areas. Council agreed with the recommended format. Actual performance measures were to be refined by staff and presented to Council later. The Council Goals Statements were formatted for publication and posted to the City's website. A short vision statement was also developed that captured the themes discussed in the Comprehensive Plan vision statement. A copy of the formatted goal statements is included as Attachment A.

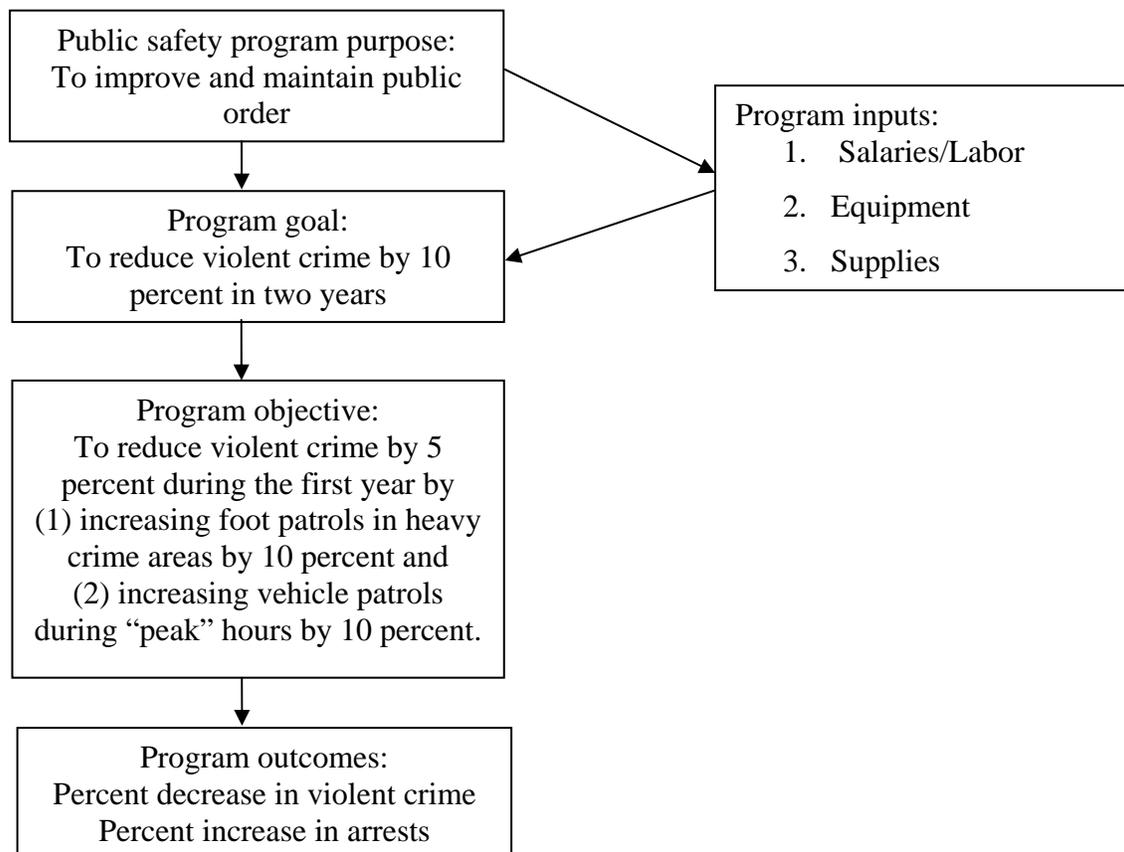
Performance Measures

A key element to the performance measures was the completion of the 2010 community survey that would contain some of the data needed for the measures. In previous staff reports, background on performance measures was provided to focus Council's discussion and staff's work to develop appropriate measures. The following excerpt provides a conceptual framework for performance measurement efforts.

Goal Setting Process and Performance Measures

The following information was taken from the Government Finance Officers Association booklet, "An Elected Officials Guide to Performance Measurement."

- A "goal" can be defined as a broad statement of purpose or direction based on community needs. Goals are developed for the various program areas. Kirkland's City Council has identified ten program areas for the focus of their goal setting exercise.
- Objectives are more specific forms of goals and reflect work items that are "stepping stones" along the way to achieving goals. Objectives should be "SMART": Specific, Measurable, Achievable/Attainable, Relevant and Time-based. For example, "Reduce greenhouse gas emissions to 20% below 2005 levels by 2020."
- Performance measures are indicators of how well the organization is meeting its objectives and overall goals. The flow chart below shows the relationship between goals, objectives, inputs and outcomes ("An Elected Official's Guide to Performance Measurement, Government Finance Officers Association, 2000, p. 19).



There are various types of performance measures that are described by professionals in the field. For the purposes of this discussion, four types of performance measures are defined below:

Inputs – *The amount of resources dedicated to a program (e.g. budget, employees or equipment).*

Outputs – *The quantity of services or products provided (e.g. number of building permits processed, miles of streets overlaid, number of calls for service).*

Efficiency – *The relationship between inputs to outputs that provides a measure of productivity (e.g. cost per mile of streets swept, percent of permits processed within 24 hours, cost per call for service).*

Outcomes – *The results generated by the inputs. Outcome indicators measure whether the City is moving closer to its program goals (e.g. citizen perception of safety, incidence of crimes, average fire loss per capita).*

The City's performance measure publication (now incorporated within the City's budget document) integrates these types of measures. For example, an existing public safety goal statement calls for the community to be safe and for citizens to feel safe. To that end, the Police Department delivers programs to prevent and respond to crimes so that the City is safe so that citizens feel safe. The Police Services performance measure chart includes input measures (sworn FTE's per 1,000 population), output measures (calls for service per shift, criminal citations, collisions with enforcement), efficiency measures (total arrests per 1,000 population) and outcome measures (citizen rating of safety in their neighborhoods). Performance measure pages from the budget document are included as Attachment C to this memo. The Council may want to use the format and narratives currently utilized in the budget document, but to use the revised goals statements and measures as identified in the current process. The performance measure report would be expanded to encompass all of the goal areas identified by the City Council.

Benchmarking is another concept associated with performance measures that is incorporated in the City's current performance measurement document. Benchmarks can include comparisons to past performance, comparisons to other cities and comparisons to industry standards or established targets. The City's performance measurement document includes benchmarks against past performance (four years of data) and targets established within adopted master plans (e.g. percent calls for fire service responded within the 5.5 minute goal). Annual reports to Council on specific programs such as the annual recycling report also provide comparisons of Kirkland's performance compared to other local jurisdictions for measures such as solid waste diversion rates.

Performance measures should be easily understood and relevant to the stated goal. Quality is better than quantity so focusing on a few key measures for each goal area is preferable to having many measures. The cost of collecting and analyzing data should be evaluated against the usefulness of the data. For instance, the number of infractions (non-criminal citations) written may have little bearing on the community being safe or feeling safe.

Once goals and measures are identified, staff can provide input to Council about the programs and services currently offered or that should be offered that help achieve the goals. Some goals can be advanced with the programs, services and investments currently in place. Others may require new resources or reprogrammed resources. The biennial budget process is the mechanism that is used to allocate resources. The goal statements and measures provide an overarching framework that informs resource allocation (budget) priorities.

In keeping with the discussion held last year, staff is proposing performance measures that provide a variety of ways to measure progress against goals, include data that is available or that can be obtained and that focus on outcomes and efficiency. As mentioned earlier, the community survey is one source of data for performance measurement. During the most recent survey development process, the subcommittee worked with staff and the consultant to add survey questions specifically dealing with goal areas (e.g. emergency preparedness questions). However the survey does not completely align with the goal statement. For instance:

- Respondents are asked to rate a list of services in terms of their importance and how well they believe the City is performing in that area. The quadrant analysis correlates importance to performance to determine if the City is doing a good job in the most important areas. Additional data is provided by Finance to demonstrate the City's relative investment in services compared to their importance to the community. The issue here is that not all of the goal areas are addressed in the list of services (importance vs. performance). A matrix comparing the goal areas with the survey results is included as Attachment B.
- Some goal areas (e.g. financial stability) or over-arching principles (e.g. efficiency) are included in the survey, however, the answers are not recommended as performance measures. Public perceptions of efficiency or financial management may be indicators of just that -- perceptions -- and may not be reflective of the City's overall fiscal integrity or its efficiency.

For all performance measures, staff has recommended a target that is based on their professional judgment about levels of performance that are achievable and reflect a high level of service. This information is provided as Attachment C. For each performance measure, data from 2007 through 2010 is provided as well as the target. Performance data is available on a variety of schedules. The community survey and the budget, for example, have biennial cycles where the Pavement Condition Index is updated every three to four years.

In September 2009, the City Council agreed to maintain the performance measure report format used in previous years. The current goals and performance measures will be integrated into the annual performance measure report and published in the biennial budget document. A sample of the format reflecting the value statement, goal and recommended performance measures is included in Attachment C.

Summary and Council Direction Requested

Developing City Council goal statements and performance measures has taken almost one year. As the organization begins development of the 2011-2012 budget, the goals will provide guidance regarding priorities. The City Council retreat provides an opportunity to review the

goals to determine if they reflect the Council's current priorities. Council direction is requested on the following items:

1. Do the Council Goal statements reflect the Council's current priorities?
2. Are the proposed performance measures acceptable?



CITY COUNCIL GOALS

The purpose of the City Council Goals

is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

In addition to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Kirkland encourages and participates in regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, improves customer service and furthers Kirkland's interests beyond our boundaries.
- **Efficiency** – Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.
- **Accountability** – The City of Kirkland is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals. Performance measures will be both quantitative and qualitative with a focus on outcomes. The City will continue to conduct a statistically valid citizen survey every two years to gather qualitative data about the citizen's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Community** – The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

The City Council Goals are dynamic.

They should be reviewed on an annual basis and updated or amended as needed to reflect citizen input as well as changes in the external environment and community demographics.

NEIGHBORHOODS

The citizens of Kirkland experience a high quality of life in their neighborhoods.

Council Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

PUBLIC SAFETY

Ensure that all those who live, work and play in Kirkland are safe.

Council Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

HUMAN SERVICES

Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

Council Goal: To support a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.

BALANCED TRANSPORTATION

Kirkland values an integrated multi-modal system of transportation choices.

Council Goal: To reduce reliance on single occupancy vehicles.

PARKS, OPEN SPACES AND RECREATIONAL SERVICES

Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

Council Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

DIVERSE HOUSING

The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, sizes and affordability.

Goal: To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.

FINANCIAL STABILITY

Citizens of Kirkland enjoy high quality services that meet the community's priorities.

Council Goal: Provide a sustainable level of core services that are funded from predictable revenue.

ENVIRONMENT

We are committed to the protection of the natural environment through an integrated natural resource management system.

Council Goal: To protect our natural environment for current residents and future generations.

ECONOMIC DEVELOPMENT

Kirkland has a diverse, business-friendly economy that supports the community's needs.

Council Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

DEPENDABLE INFRASTRUCTURE

Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

Council Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

COMMUNITY SURVEY COMPARED TO CITY COUNCIL GOALS STATEMENTS

Goal Area/Item Surveyed	Stars	Imperatives	Successes	Lesser Priorities	Other
	High Importance/High Performance	High Importance/Low Performance	High Performance/Low Importance	Low Importance/Low Performance	Not Surveyed for Importance and/or Performance
NEIGHBORHOODS					
Neighborhood Services				√	
Zoning				√	
PUBLIC SAFETY					
Police	√				
Fire	√				
Emergency Medical	√				
Emergency Preparedness		√			
HUMAN SERVICES					√
BALANCED TRANSPORTATION					
Traffic Flow		√			
Sidewalks				√	
Walking Paths				√	
Bike Lanes				√	
PARKS, OPEN SPACE AND RECREATION					
Park Facilities	√				
Recreation Services			√		
Arts				√	
DIVERSE HOUSING					√
FINANCIAL STABILITY					√
ENVIRONMENT					
Solid Waste and Recycling	√				
Environmental Programs				√	
ECONOMIC DEVELOPMENT					
Business Assistance					
Availability of Goods and Services		√			
Tourism/Special Events				√	
DEPENDABLE INFRASTRUCTURE					
Street Maintenance		√			
Utility Services					√
TOTAL INVESTMENT	\$ 91,500,000	\$ 8,600,000	\$ 4,500,000	\$ 3,200,000	

**City Council Goals
(Including Draft Performance Measures)**

I. Neighborhoods

Value Statement: The citizens of Kirkland experience a high quality of life in their neighborhoods.

Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Residents surveyed are satisfied with neighborhood growth & character		41%		54%	90%
Residents surveyed rate neighborhood infrastructure & maintenance as good or excellent		*		*	90%
Participation in neighborhood connections process					

*Not included in survey

II. Public Safety

Value Statement: Ensure that all those who live, work and play in Kirkland are safe.

Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Residents surveyed feel safe walking in their neighborhood after dark		79%		78%	80%
Residents surveyed feel safe walking in their neighborhood during the day		98%		98%	90%
Fires are contained to the room of origin	41%	80%	80%		60%
Residents surveyed are prepared for a three day emergency		69%		70%	90%
Residents surveyed have working smoke detectors in their residence		*		93%	100%

*Not included in survey

III. Human Services

Value Statement: Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

Goal: To support a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Number of unsheltered homeless people in King County as determined in the annual "One Night Count"	2159	2631 (22% increase)	2827 (7% increase)	2759 (2% decrease)	Annual decrease
Percentage of funded agencies that meet or exceed human services contract goals		94%		94%	90%

IV. Balanced Transportation

Value Statement: Kirkland values an integrated multi-modal system of transportation choices.

Goal: To reduce reliance on single occupancy vehicles.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Numbers of bicycles and pedestrians as measured by annual count program					10% over 2008 levels by 2015
Annual feet of sidewalk construction on at least one side of school walk route on collectors and arterials					Complete all by 2019
Number of auto accidents involving bikes or pedestrians					Annual decrease

V. Parks, Open Spaces and Recreational Services

Value Statement: Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Neighborhood parks within ¼ mile radius of residents	72%	72%	76%	76%	100%
Amount of acreage of natural areas in restoration	10.64	17.14	22.94	27.09	372 acres by 2028

MEASURE	2007	2008	2009	2010	GOAL
Residents surveyed rate City parks as good or excellent		87%		83%	95%
Recreation program class subscription rate	73%	75%	76%		80%

VI. Diverse Housing

Value Statement: The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.

Goal: To ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Percent increase of new housing that is affordable to those earning 80% or less of King County median income					41%
Number of affordable units brought on line each year					

VII. Financial Stability

Value Statement: Citizens of Kirkland enjoy high quality services that meet the community's priorities.

Goal: Provide a sustainable level of core services that are funded from predictable revenue.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Maintain AAA credit rating (according to Standard & Poor's)	AA	AAA	AAA	AAA	100%
Minimum balance in General Purpose contingency reserves as a percent of target	89%		55%		80%
Investment in surveyed functions rated as highly important	N/A	94%	N/A	93%	80%

VIII. Environment

Value Statement: We are committed to the protection of the natural environment through an integrated natural resource management system.

Goal: To protect our natural environment for current residents and future generations.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Annual decrease in total waste per capita entering the landfill	15,429 tons +1.5%	14,320 tons -7.2%	14,320 tons -7.2%	13,726 tons -2.5%	2.5%
Tree coverage (estimated at 32% in 2003, Urban Tree Canopy project due to be completed by the end of 2010)					40%
Reduction in greenhouse gas emissions (data for 2009 currently being collected and analyzed)					80% below 2005 levels by 2050
Surface water quality as measured by the benthic index of biotic integrity					Increasing trend

IX. Economic Development

Value Statement: Kirkland has a diverse, business-friendly economy that supports the community's needs.

Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Businesses surveyed are satisfied with Kirkland as a place to do business					50%
Residents surveyed are satisfied with availability of goods & services in Kirkland		*		76%	70%
Visits to explorekirkland.com website	203,092	191,227	148,442**		Annual increase
Annual net new businesses			606	109 (as of March 4)	Annual increase

*Not included in survey

**One month of data was lost in 2009

X. Dependable Infrastructure

Value Statement: Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

Performance Measures:

MEASURE	2007	2008	2009	2010	GOAL
Pavement Condition Index for major & minor arterial streets	59%*	52%	**	**	70%
Pavement Condition Index for collectors and neighborhood streets	73%*	68%	**	**	65%
Residents surveyed are satisfied with maintenance of active transportation facilities (bike lanes, walking paths, sidewalks, etc.)		83%		84%***	90%
Number of annual water main failures caused by fatigue or age	3	8	0		

*From 2004 PCI survey, however these numbers are a little skewed as they have information from overlays done in 2005, but doesn't account for the degradation/decline on streets not resurfaced since the 2004 PCI survey.

**Based on PCI survey done in 2008

***Average of Walking Paths, Bike Lanes & Sidewalks

PERFORMANCE MEASURES

Throughout 2009 Kirkland City Council worked to develop value statements and goals for the City. The process resulted in ten core service areas including:

Neighborhoods

Value Statement: The citizens of Kirkland experience a high quality of life in their neighborhoods.

Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

Public Safety

Value Statement: Ensure that all those who live, work and play in Kirkland are safe.

Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

Human Services

Value Statement: Kirkland is a diverse and inclusive community that respects and welcomes every one and is concerned for the welfare of all.

Goal: To support a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.

Balanced Transportation

Value Statement: Kirkland values an integrated multi-modal system of transportation choices.

Goal: To reduce reliance on single occupancy vehicles.

Parks, Open Spaces and Recreational Services

Value Statement: Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

Diverse Housing

Value Statement: The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.

Goal: To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.

Financial Stability

Value Statement: Citizens of Kirkland enjoy high quality services that meet the community's priorities.

Goal: Provide a sustainable level of core services that are funded from predictable revenue.

Environment

Value Statement: We are committed to the protection of the natural environment through an integrated natural resource management system.

Goal: To protect our natural environment for current residents and future generations.

Economic Development

Value Statement: Kirkland has a diverse, business-friendly economy that supports the community's needs.

Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

Dependable Infrastructure

Value Statement: Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

The City is committed to the enhancement of Kirkland as a community for living, working and leisure, with an excellent quality of life which preserves the City's existing charm and natural amenities.

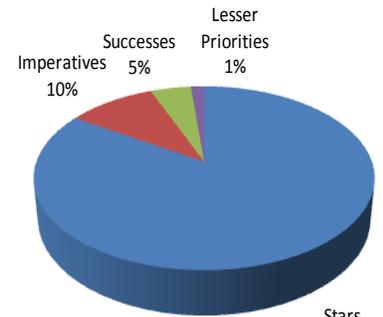
...sus the City's performance in providing that service. For example, the "Stars" in the upper right hand square were rated as having high importance and a high level of performance.

The Performance Measures Report provides information on the key service areas that support this mission. Many of the performance measures relate to citizen satisfaction with City services. In the 2008 Citizen Survey by Elway Research, Inc, citizens were asked to rate various services provided by the City as to their importance and how well they were provided. These services make up more than 75% of the City's budget.

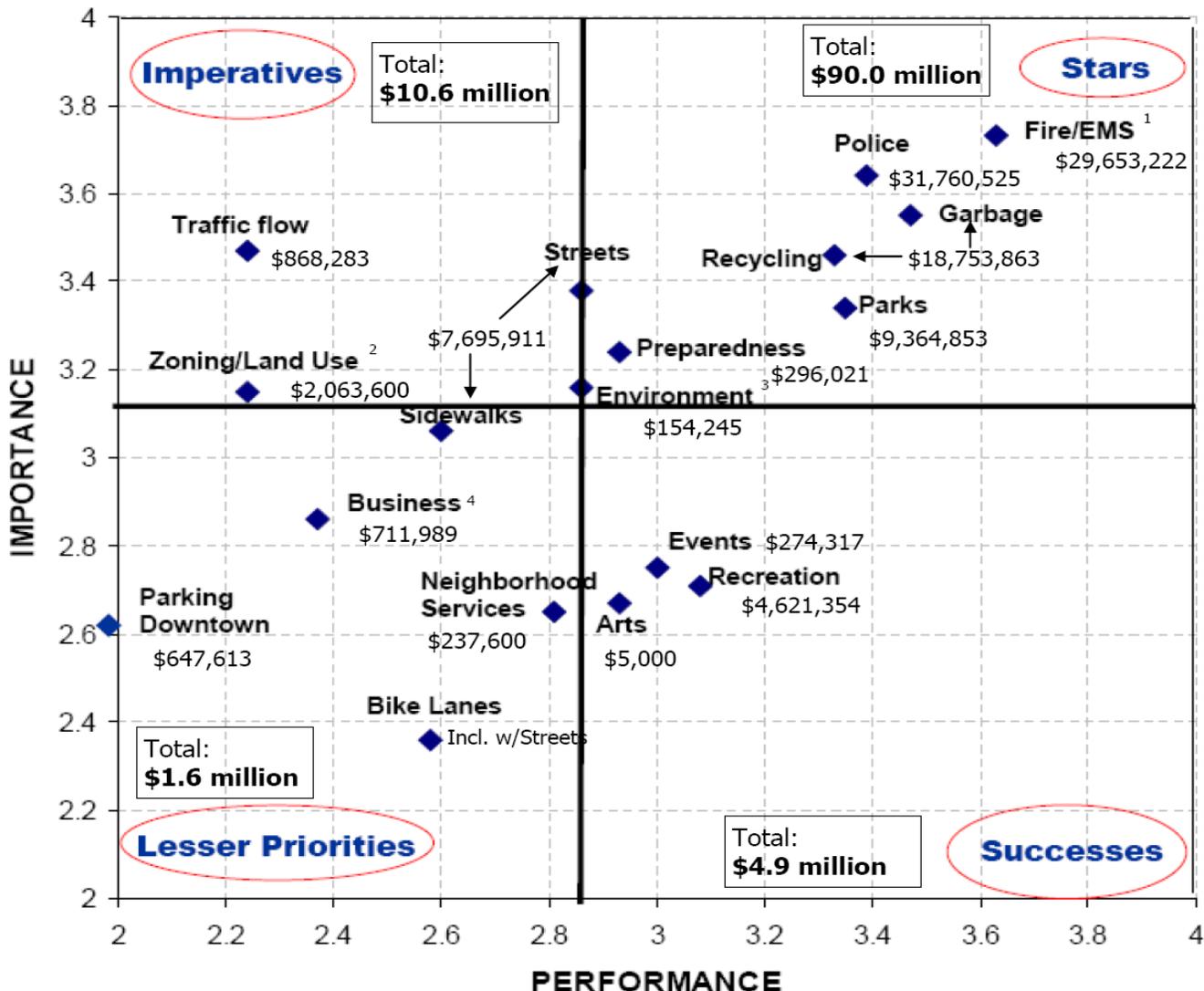
To provide additional context, the City's biennial budget was then overlaid onto the survey results to show the cost of the services provided. For example, the City invests over \$60 million each biennium into two of the largest areas in the "Stars" category, Fire/EMS (\$29.7 million) and Police services (\$31.8 million).

Examples of service areas that were included in the survey are Police, Fire, Garbage and Recycling Services, Streets, and Emergency Preparedness.

As can be seen by the chart below, the City's budget decision-making closely aligns with the community's priorities. \$90 million or 84% of the cost shown is invested in the high importance and performance "Stars".



The results are displayed on the chart below. Each quadrant in the chart represents a different combination of citizen ratings of the importance of specific services ver-



1. Fire/EMS excludes Building Services and Emergency Preparedness.
 2. Zoning/Land Use only includes the Land Use Mgmt portion of the Planning budget.
 3. Environment includes environmental stewardship funding in Parks and an estimated \$10-15 thousand in Planning.
 4. Business includes the Economic Development budget.

Cost of Service Per Resident

Service Area	2009-10 Cost	Est. Cost per Resident
Neighborhoods:	\$237,600	\$4.91
Public Safety:	\$61,413,747	\$1,026.74
Human Services:		
Balanced Transportation:		
Parks, Open Spaces and Recreational Services:		
Diverse Housing:		
Financial Stability:		
Environment:		
Economic Development:		
Dependable Infrastructure:		

Parks, Open Spaces and Recreational Services

Diverse Housing

Financial Stability

Environment

Economic Development

Dependable Infrastructure

- The estimated 2008 population for all services, except Fire & Emergency Services is 48,410. Fire & Emergency Services estimated their service area population to be 80,000, including the area North of the City known as the Potential Annexation Area and Fire District 41.

Key Findings and Challenges

Some notable findings of the Performance Measures report are:

Neighborhoods

Public Safety

Human Services

Balanced Transportation

Reliability of Information

Information is gathered and reported on by each responsible department and is checked annually. The report contains no data known to be inaccurate or misleading. Should an error be identified after the report has been published it is corrected the following year and noted.

To ensure accuracy of the report there are several steps taken:

1. Information is provided by each department to the performance measures report coordinator.
2. The information is gathered in the report format and randomly verified.
3. If any data seems high or low the department providing the service is asked for their reasoning of the difference.
4. The report is returned to department staff that originally provided the information to the coordinator and asked to review and verify that everything is correct.
5. Each department director reviews the report.
6. The City Manager and Finance review the report.

There are no changes in the measures or measurement methodology made unless noted.

Due to the homogeneity and size of the City of Kirkland, most information presented in the report is aggregated. There are a few exceptions where information is disaggregated, such as information presented on Refuse and Recycling.

Report Accessibility

The City of Kirkland operates on a calendar year and the information reported covers the period of January-December, with the most recent information covering January 1, 2008 through December 31, 2008.

Copies of the report may be obtained by calling the City of Kirkland at 425.587.3018 and requesting a paper copy or online at:
http://www.ci.kirkland.wa.us/depart/CMO/Performance_Measures.htm

This report is issued on: August 25, 2009

NEIGHBORHOODS

Goal Statement

Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

	MEASURE	2008	2009	Target
Funding is provided for neighborhood services and infrastructure ↓ So that.....	Neighborhood services and outreach			N/A
	Neighborhood CIP funding			N/A
	Neighborhood connections and matching grants programs			N/A
Citizens participate in the growth and development of their neighborhoods ↓ So that.....	Citizens participate in their neighborhood associations and community programs			25%
	Citizens participate in their neighborhood connections program (% of neighborhood population)			75%
Citizens are satisfied with their neighborhoods ↓ So that.....	Citizens surveyed are satisfied with neighborhood growth and character (satisfactory or better)			90%
	Citizens surveyed are satisfied with neighborhood infrastructure and maintenance (satisfactory or better)			90%
The citizens of Kirkland experience a high quality of life in their neighborhoods.				

Key Findings and Challenges

PUBLIC SAFETY

Goal Statement

Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

	MEASURE	2008	2009	Target
Provide public safety services	Total Police Services Funding			N/A
	Total Fire and Emergency Management Services Funding			N/A
	Sworn Police FTE's (authorized) ¹ per 1,000 population			N/A
	Paid fire and EMS staffing per 1,000 population served			N/A
So that.....				
Citizens are safe and prepared for emergencies	Building fires are contained to the area of origin			60%
	EMS response times are under 5 minutes			90%
	Fire response times are under 5.5 minutes			90%
	Citizens have at least two working smoke detectors in their residence			100%
	Citizens are prepared for a three day emergency			90%
So that.....				
Citizens feel safe	Citizens feel safe walking in their neighborhoods after dark			80%
	Citizens feel safe walking in their neighborhoods during the day			90%
So that.....				
All those who live, work and play in Kirkland are safe.				

Key Findings and Challenges

HUMAN SERVICES

Goal Statement

To support a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.

	MEASURE	2008	2009	Target
Fund human services	Per Capita Spending on Human Services			N/A
So that.....				
Services for diverse populations are available	Funded agencies meet or exceed human services contract goals			100%
So that.....				
Kirkland is a diverse and inclusive community that respects and welcomes everyone	Number of people without homes in Kirkland (One-Night Count)			Annual Decrease

Key Findings and Challenges

CITY OF KIRKLAND

BALANCED TRANSPORTATION

Goal Statement

Reduce reliance on single occupancy vehicles.

	MEASURE	2008	2009	Target
<p>City funds active transportation options</p> <p>So that.....</p>	CIP funding of active transportation options			N/A
	Operating funds used to maintain active transportation infrastructure			N/A
	Commute Trip Reduction spending			N/A
<p>City can implement the adopted Active Transportation Plan</p> <p>So that.....</p>	Number of bicycles and pedestrians (per annual count program)			10% over 2008
	Auto accidents involving bikes or pedestrians			0
	Complete sidewalk construction on at least one side of all school walk routes			100% by 2019
<p>Kirkland has an integrated multi-modal system of transportation choices</p>				

Key Findings and Challenges

PARKS AND RECREATIONAL SERVICES

Goal Statement

To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

	MEASURE	2008	2009	Target
Invest in parks and recreational programs	Parks Capital Improvement Program			N/A
	Total Operating & Maintenance (O&M) for parks maintenance			N/A
	Recreation programs Operating & Maintenance (O&M)			N/A
	Number of volunteers/volunteer hours			N/A
So that.....				
Progress is made on the Comprehensive Park, Open Space and Recreation Plan	Citizens have a park within 1/4 mile radius from their home			100%
	Acres of natural areas are restored			372 acres by 2028
	Recreation classes maintain a high prescription rate			80%
	Citizens rate City parks as satisfactory or better			95%
So that.....				
Kirkland has an exceptional park, natural areas and recreation system				

Key Findings and Challenges

DIVERSE HOUSING

Goal Statement

To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.

	MEASURE	2008	2009	Target
City funds affordable housing	City Contributions to ARCH—A Regional Coalition for Housing			N/A
So that.....	Zoning and Land Use Management			N/A
The City has a diverse housing stock per the comprehensive plan	New housing is affordable to those earning 80% or less of the area median income			41%
So that.....	Affordable units brought online			
The City's housing stock meets the needs of a diverse community				

Key Findings and Challenges

FINANCIAL STABILITY

Goal Statement

Provide a sustainable level of core services that are funded from predictable revenue.

	MEASURE	2008	2009	Target
City is fiscally responsible ↓ So that.....	Balance in General Purpose Contingency Reserves			80% of target
	Credit Rating			AAA
City can invest in community priorities ↓ So that.....	Investment in surveyed functions rated as highly important ("Stars" and "Imperatives")			80% of rated services
Citizens of Kirkland enjoy high quality services that meet the community's priorities				

Key Findings and Challenges

ENVIRONMENT

Goal Statement

To protect our natural environment for current residents and future generations.

City is committed to sustaining, preserving and protecting our natural resources (water, land and air)

MEASURE	2008	2009	Target
Tree canopy coverage			40%
Surface Water Quality (benthic index of biotic integrity)			Increase
Waste per capita entering landfill			2.5% decrease
Green House Gas Emissions			80% below 2005 levels

So that.....

Citizens of Kirkland enjoy an integrated natural resource management system

Key Findings and Challenges

ECONOMIC DEVELOPMENT

Goal Statement

To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

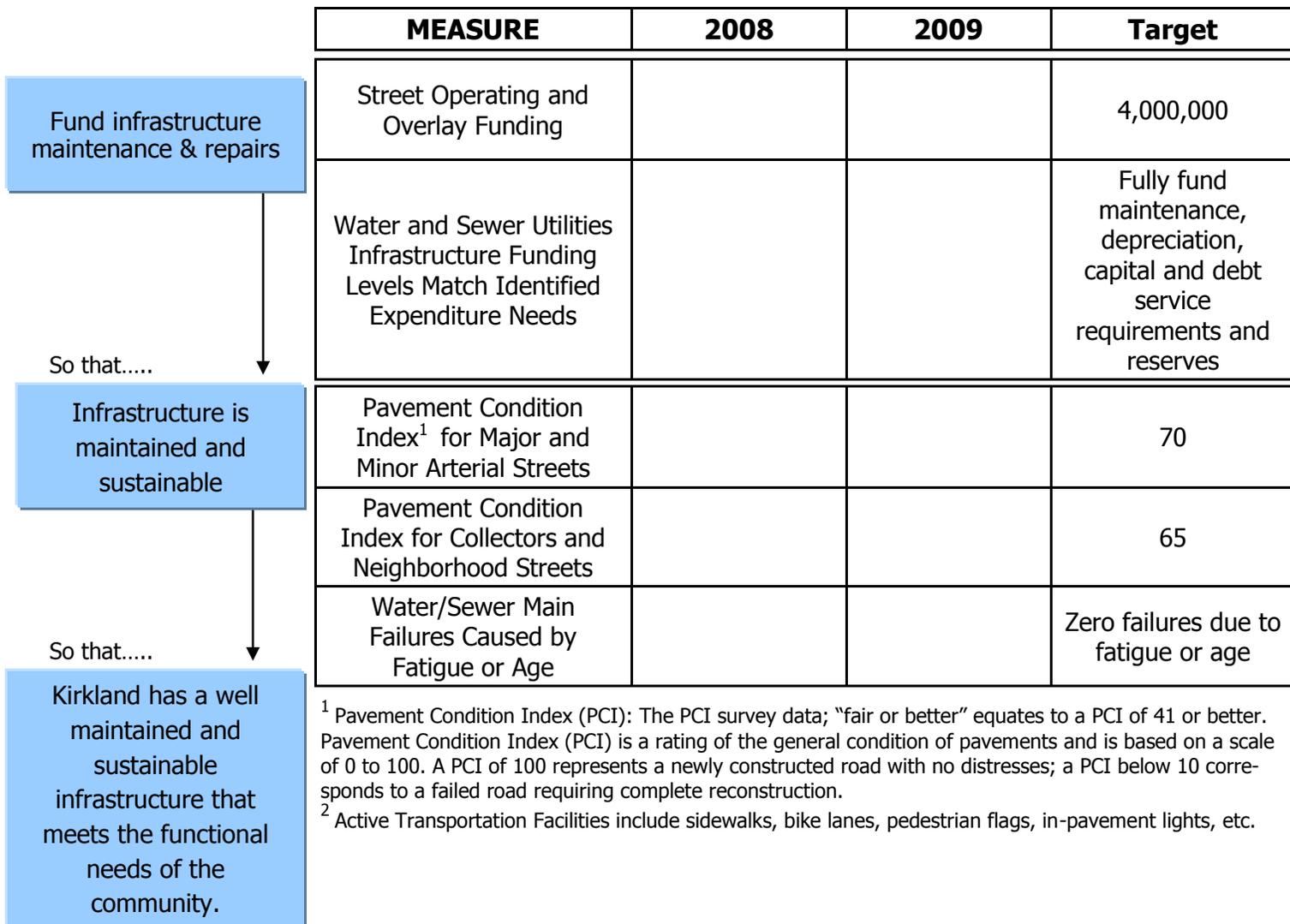
	MEASURE	2008	2009	Target
Kirkland has a healthy business economy ↓ So that.....	Office Space Vacancy Rate			Equal to or better than regional
	Lodging Tax Revenue			Increase
	Net new businesses			Increase
There is satisfaction with Kirkland's business economy ↓ So that.....	Businesses are satisfied with Kirkland as a place to do business			80%
	Residents are satisfied with the availability of goods and services in Kirkland			80%
Kirkland has a diverse, business-friendly economy that supports the community's needs				

Key Findings and Challenges

DEPENDABLE INFRASTRUCTURE

Goal Statement

To provide and maintain a sustainable, integrated infrastructure system.



Key Findings and Challenges

CITY OF KIRKLAND

GLOSSARY

Public Safety: includes police services, fire and emergency medical services and court services.

Strategic Planning Cycle and Council Goals

Related Articles

Strategic Planning in Government — The Key to Reinventing Ourselves

Let's Get Out of the Firefighting Mode and Into the Fire Prevention Game

BERWYN E. JONES

The most frequent criticism of reinvention, reengineering, and quality improvement processes in government is the alarmingly low success rates they seem to have. Lack of top- or middle-management support is responsible for some failures, but another factor is often present as well: the lack of comprehensive strategic planning, both for the reinvention effort and for the organization as a whole.

Strategic planning is the identification of a desired long-range outcome and the development of a sequence of actions to achieve it, based on analysis of the organization's resources and its environment. Although military strategy dates back for centuries, business has used strategic planning for only about the last 30 years. Its application to civilian government activities is even more recent. Many of us have not come across the concept until the Government Performance and Results Act (GPRA) of 1993 mandated strategic planning and performance measurement in all federal agencies beginning September 30, 1997.

Strategic planning is easiest to do in a stable environment, where one can make assumptions about the future with great certainty, but planning is most necessary in periods of great stress and upheaval. In calm seas with gentle breezes, a sailor can safely set a



course, lash the wheel, and take a nap. In rough seas, the sailor must make constant reassessment of position and readjustment of headings to maintain progress toward the desired destination. A clear understanding of one's destination and the strategies needed to reach it are as important in government as in sailing.

In traditional government organizations, strategic planning is solely the responsibility of top management. Since the managers make all the decisions, no one else has a need or a right to know the plan. Modern organizations, particularly those staffed with "knowledge workers," tend to involve a cross-section of the staff in preparing the strategic plan, to bring together wisdom from all levels and areas of the organization. By involving many people, management also obtains broader support for the plan and wider understanding of agency and unit purposes and goals.

Steps in the Planning Process

There are at least as many strategic planning models as there are consultants in the field. This particular model, although simpler than some, still involves a number of sequential steps that must be executed in order. The "Ready, Fire, Aim" technique just does not work in strategic planning, particularly when done in a team setting. The steps in this model are:

Dr. Jones is the National Quality Management Coordinator for the Water Resources Division of the U.S. Geological Survey. Dr. Jones holds a Ph.D. in Analytical Chemistry from Kansas State University and has published numerous research papers, a Quality Assurance Manual for the National Water Quality Laboratory, and a textbook on Analytical Chemistry.

- **Mission.** What basic agency activity do we exist to provide? Whom do we serve? What do we do for them?
- **Vision.** What sort of world will we live in 10 years from now? What position should we occupy in that world? Do we want to be the Rolls Royce or the Volkswagen of our industry?
- **Critical Success Factors.** What are the *few major* keys to achieving our vision? The things that, if we have them, it doesn't matter what else we lack; but if we don't have them, it doesn't matter what else we have.
- **Assessment of the Present.** In each of the Critical Success Factors, how well do we measure up today? How does (and will) the external environment affect our ability to succeed?
- **Strategic Objectives.** Knowing what we must have to succeed, and what we have today, what goals must we reach to close the critical gaps?
- **Tactics.** What is the best way to reach those critical goals, given our current resources and environment? Did we remember to consider people's feelings in our plans for change?
- **Action Plans.** Who will carry out the planned tactics? When? What resources must be provided? Don't forget to manage the feelings of people caught in upheaval! How should we measure our progress toward these goals? Will we know when we have reached our destination?

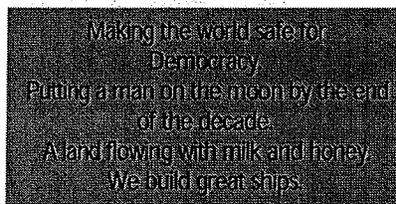
Mission

A mission statement constantly reminds us of our basic purpose. If it isn't accurate, we will be firing at the wrong target. It needs to address how we serve a need for our customer, not what we want from the customer. An American automaker once decided that its business was making money, not making automobiles. Some say that's when its troubles began.

A mission statement should not focus too narrowly. If, for example, your product is "carburetor," you will fail to see "fuel injection" when it comes along, and someone will take your market away. The true product here is "fuel-air mixtures." Think about the customer and the outcome, not about the technology now used to achieve the outcome.

Vision

A vision represents the highest aspirations of the organization. It must challenge and inspire its members. Some examples of well-written visions are:



The best vision statements are brief and memorable. Explanations may accompany it, but the vision itself needs to be short.

The first step in creating a vision of the future is to make specific, explicitly stated assumptions about the future environment. This requires the fine art of "futuring," which is admittedly a risky proposition. For example, do you remember all the talk about the "leisure society?" How much leisure have you had lately? Since the plan will rest on one's assumptions, the plan must change if the assumptions prove invalid. An annual (or more frequent) check of the validity of the assumptions is the best way to decide when to reassess the plan.

The second part of visioning is creating a picture of the ideal organization to deal with this assumed future. I like to use the technique of "structured visioning" (which I learned here at the Defense Systems Management College) to develop this picture. I find that even the most hard-headed geologists, who deal in "just the facts, ma'am," can describe their ideal work environment. It usually includes a very altruistic view of service to the nation. The trouble

comes when different members of a management team have radically different visions, and they discover that they have been working at cross purposes for years. Before creating a plan, resolution of these conflicts is extremely important.

Critical Success Factors

The first step toward achieving the vision is to identify the key factors necessary for success. For example, a portion of my personal vision is to take advantage of the free ski passes given to those over 70 years old. If I plan to be around and in shape to do that, I need to start working on it now. Physical conditioning becomes a Critical Success Factor, not just something nice to have. Also, I'd be a little foolish to accept a job in Alabama. My location, one hour from Breckinridge, Keystone, and Winter Park, is a strategic advantage.

One of my colleagues says that Chief Executive Officers (CEO) of outstanding companies can readily identify a small number of critical corporate factors that promote success in their business, but CEOs of failing companies can usually name 35-50 "key factors." The art of focusing one's efforts on a few critical factors is essential to the development of a worthwhile plan. No consultant can tell you what these factors are in your company; you must identify each one. We can, however, help you focus your efforts — a task that may appear deceptively simple, but is actually harder than it seems.

Assessment Of the Present

The planning team should assign a team of knowledgeable stakeholders to assess each critical factor. These teams gather data and reach decisions about the strengths and weaknesses of the organization in their assigned factor, and evaluate opportunities and threats from outside. This is the classical SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. It requires data and analysis. Too many teams want to whip this task off the

top of their heads in half a day. However, its importance merits more than superficial treatment.

Strategic Objectives

The SWOT assessment helps the team develop strategies to close the critical gaps between what exists today, and what must be "futures" to meet the critical success factor. Even with unlimited resources, most teams could produce endless lists of strategies! This is a mistake. The art of selecting strategies is to distinguish the "critical few" strategies from the "trivial many" — the "Pareto Principle."

The team then states each of the critical few strategies in a specific, measurable form called a Strategic Objective. The word "objective" implies a specific, measurable point in time and space. Rather than a general statement such as, "We gotta improve customer satisfaction," it specifies and quantifies that, "We will decrease new model development time from 60 months to 24 months within the next 5 years."

Strategic objectives should be long-range, roughly comparable to the planning horizon itself. They do not change within that horizon, unless the underlying assumptions do not prove to be true. Again, the Pareto Principle is crucial. Postulating a thousand strategic objectives will only dilute efforts to achieve the critical few.

Tactics

Tactical planning answers the "how-to-do" questions raised by the "what-to-do's" in the strategic objectives. They are shorter in duration, more specific, and subject to change if they don't work as planned, or if they meet unanticipated resistance. Each strategic objective will require a few well-coordinated tactical actions.

Planning teams often delegate each tactic to one or two organizational sub-units that have specific responsibilities in the area in question. The Japanese have a technique they call *Hoshin kanri*, translated roughly as "catch-ball." The term describes the act of tossing



Strengths, Weaknesses, Opportunitites, and Threats — a SWOT team of knowledgeable stakeholders should assess critical factors and plan strategies.

the plan back and forth between the steering team and the sub-units, to negotiate the contribution of each sub-unit to the achievement of the strategic objective. Coordination of effort, while still allowing each sub-unit to use its creativity and professional knowledge, is the object of this process.

Once a year or so, the planning team should assess progress on each tactic, and alter the plan if things have not progressed as anticipated.

Action Plans

The final stage of planning involves the details of executing the tactics and the plan for measuring progress. The for-

mer is familiar to all of us: the who, what, when, where, and how of the plan. The latter is not typical in most government operations and needs some explanation.

Measurements in government have seemed to concentrate mostly on the size of budget and staff. These are *input* measures, and in the past have determined the importance and the pay grade of management. The second type of measure is the *output* measure, such as how many pieces of paper we process, or how many meetings we attend. These data are easy to produce and tend to demonstrate our busyness but not our success. In the long run, what really matters is whether all these resources and all these outputs cause any positive results. Now we are talking about *outcomes*, which are what GPRA demands and what any reasonable organization uses to justify its existence.

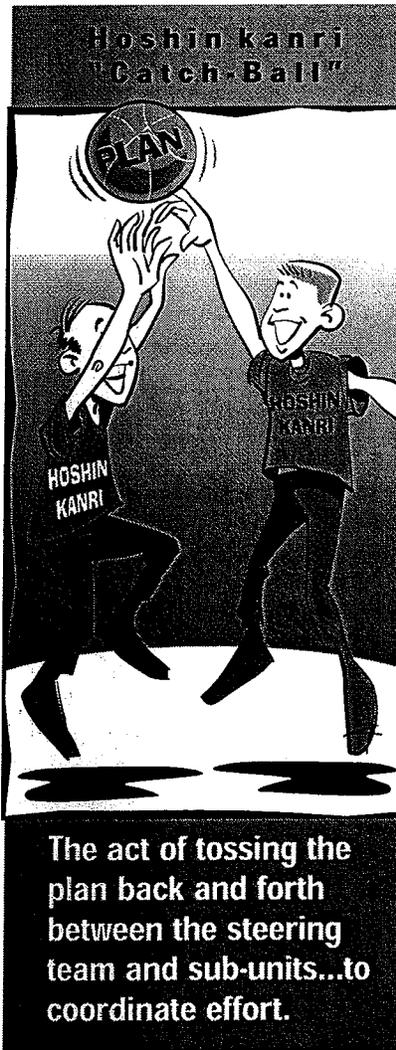
The proper measure of effectiveness of a government organization is not its consumption of resources, or the weight of paper it puts out, but the effect it has on society. Unfortunately, outcomes are hard to identify and hard to quantify. For example, a legend tells that Saint Patrick drove the snakes out of Ireland. The absence of snakes there might support this assertion, unless we find that the fossil record shows there never have been any snakes in Ireland! As in any good scientific experiment, the measurement process consists of the sequence, "Measure baseline, make a change, measure result, compute outcome." The classic system requires that changes be made one at a time, so that an outcome can be linked directly to a single cause. Try *that* in government! A newer technique called "design of experiments" makes it possible to study several variables simultaneously and to estimate the relative effect attributable to each (as well as the collective effects of combinations of variables).

A final word on the human side of the equation. We whose backgrounds are

in the technical areas tend to feel that a good strategic plan will sell itself to the people — not so. Managing the feelings of people involved in the great changes brought about by most good strategic plans is an integral part of the planning process. In many cases it is the single most critical determinant factor of whether a plan succeeds or fails. So bring the Human Resources people into the process early, and give them a chance to participate.

Techniques For Planning

The Total Quality Management teachers have developed many useful techniques for planning teams. For example, facilitators are critical for planning teams (especially in first-time planning efforts), although their role is somewhat more directive than in a quality improvement team. I therefore call this person a *coach* rather than a *facilitator*, to suggest a more active role in directing process, although not in directing outcome. The Seven Planning and Management Tools taught by Michael Brassard of Goal/QPC¹ are invaluable, but not easy to learn. Sequential team meetings with intervals between for data collection, consolidation, and review, which is used in



most Total Quality Management processes, are also useful for strategic planning teams. Unlike some consultants, I consider that expecting to complete a plan in a single 3-day workshop is unrealistic and counter-productive.

Conclusion

My closing thought is for those managers who say, "I don't have time to plan!" One of the best managers I know says, "Managing is planning. Not to plan is not to manage!" I believe that for too many years, most of us managers have been spending our days running around our shops putting out fires. We get a lot of encouragement in this activity from our superiors, who kindly allow us to help fight their fires, too. Anyone associated with a good municipal fire department knows that a tremendous emphasis is placed on fire prevention and on disaster planning. I think we need to follow that example. Let's get out of the firefighting mode (too bad — it's really exciting!) and get into the fire prevention game.

REFERENCE

Brassard, Michael, *The Memory Jogger Plus+*, Goal/QPC, 13 Branch Street, Methuen, Mass. 01844

ALL ABOARD...

ON OCTOBER 17, 1996, ABOUT 15 DSVC STAFFERS, SPOUSES, AND SIGNIFICANT OTHERS TOOK A DAY'S LEAVE AND TRADED STRESS, TRAFFIC, AND DAY-TO-DAY ROUTINE FOR A CHANGE OF PACE — A RIDE ON THE WESTERN MARYLAND RAILROAD'S "MOUNTAIN THUNDER" STEAM LOCOMOTIVE. DEPARTING FROM QUINERLAND, MARYLAND, DURING THE PEAK OF "LEAF TURNING," THE TRAIN WOUND ITS WAY ACROSS MOUNTAINS AND VALLEYS TO THE PICTURESQUE TOWN OF FROSTBURG, MARYLAND. RIGHT (STANDING): TIM DECKER, ENGINEER; 3RD FROM RIGHT (STANDING): HOWARD HOWATER, ENGINEER; CENTER (STANDING): RAY LARSON, FIREMAN.





Strategic Planning for Local Government

SECOND EDITION

Gerald L. Gordon



ICMA Textbooks

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1

Introduction

The practice of strategic planning grew out of the private sector, where it gained acceptance as a means of identifying strategies for increasing corporate profits and minimizing the impacts of environmental change. The public sector also adopted it and has now used strategic planning long enough to have gained experience of its own. By now a body of instructive literature and a cadre of public sector practitioners know what works well and what does not.

Public sector practice still closely follows private sector practice. Strategic planning in the municipal setting prescribes a systematic process that enables a community's leadership to understand the numerous future environments in which the community will exist, establish consensus about how best to achieve its most desired vision, and illuminate the actions that will most likely make that happen—all within the context of expected available financial and human resources.

Government must act no differently [from business]. Waukesha County receives valuable resources from the taxpayers to provide goods and services. Since 1991, we have participated in a strategic planning process that replicates private sector philosophies and models.

—Daniel M. Finley, county executive
Waukesha County, Wisconsin

Strategic planning for cities and counties is a never-ending process, just as it is in the business world. Every organization exists within several interlocking environments. For businesses, these include the industry and the relevant markets. For communities, environments may be local, state, regional, national, and even global.

Complexity

Each community environment is influenced by a series of factors: the economy, financial considerations, technology, ecology, legal and regulatory matters, and more. Communities can use the strategic planning process to consider how each factor will change, and how the community can take advantage of the resulting opportunities and prepare to minimize the impacts of potential threats to the public good.

Strategic planning in the public sector is usually much more complicated than in the private sector. State and local governments have broad responsibilities for providing services that range from human needs such as public safety and education to technical needs such as water treatment. The environments in which these responsibilities function are intricately interwoven. A change in one area often portends impacts in others: a public safety issue may be felt in the schools, and a loss of jobs will be felt by the agencies providing human services.

Concerns about the rapidity of change can be multiplied by the size of the jurisdiction, the complexity of its geography, the diversity of its residents, and the volatility of its industrial sectors. Counties in which numerous independent cities and towns are located often experience greater change—with greater rapidity—than do smaller, isolated jurisdictions.

Collaboration

In some cases, a city and a county collaborate to prepare a comprehensive strategic plan that covers both jurisdictions or specific services and issues that affect both. For example, the city of Columbus and Franklin County, Ohio, developed a consolidated plan that does not supplant the existing strategic plans of either entity but instead addresses their collective housing and community development needs. Even when joint planning is confined to a few specific issues, planners need to study the wider range of issues facing the partnering jurisdiction because those issues may be different from issues in their own locality. To prepare for their joint planning process, officials in both Columbus and Franklin County gathered information from a variety of sources, including earlier visioning exercises, and published goals and strategies of community organizations.

Dynamism

A community and its environment change in hundreds of ways every day, and strategic plans and the planning process cannot be static. They must be dynamic. This concept is vital to planning: many local government strategic plans summarize recent changes in an introduction to make sure that residents understand the context for planning.

Strategic plans represent the current state of collective thinking about what the future will be like. A plan that reflects the best thinking of a group of insightful participants—"two heads are better than one"—who represent a wide spectrum of perspectives enables a community to define the future with the greatest of clarity.

Care is essential, however. A group of smart, well-intentioned people, left to its own devices to reflect on the unknown, is likely to yield as much dissent as clarity.

A structure for the collection and assimilation of data and viewpoints enables a strategic planning group to extract relevant information and build consensus toward an accepted vision of the future. A well-thought-out strategic planning process can produce the best road map to approach the future. The planning has as much value for a community as the plan itself.

We all agree that the process of developing the plan was just as important, if not more so, as the final plan itself.

—Charlie Graham, city manager
Frankenmuth, Michigan

Art of the possible

Results of the strategic planning process must be related to available human and capital resources. No plan is useful unless it can be followed by specific actions that are within the capacity of the local government.

This handbook will describe the strategic planning process and provide on-target examples from local governments across the United States—some from governments of rural communities, some from urban settings; some large jurisdictions, others small; some counties as well as towns, cities, and villages. Each has issues and interests common to all, and each has unique concerns. Resulting plans will be different, but the process to reach a successful plan is essentially the same.

Both the content and the process are highlighted. Examples clarify concepts and illustrate exemplary formats. A step-by-step guide to the local government strategic planning process precedes the appendices.

For municipalities, much has changed in recent years. What is quite clear is that the pace of change will continue to accelerate. Local government leaders will need every possible insight into what is happening, why, and when to help their communities attain the future their constituents desire and deserve.

9

Strategic Planning and the Business Plan

Local governments need to ensure that their strategic plans and business plans are consistent and interconnected. Planners now recognize that resource allocations that result from the strategic plan's objectives and tactics must be coordinated with ongoing budgeting tasks, responsibilities, and work assignments.

The three-year (2003–2005) plan of Grand Rapids, Michigan, includes the following statement on its cover.



Several documents represent the strategic direction of the city, including the city's mission statement, fiscal plan, performance measurement plan, three-year strategic plan, and various departmental, technical, and community strategic plans. Together, these documents form the strategic blueprint for the city to provide equitable access to urban life for all citizens.

Worcester, Massachusetts, is typical. Goals, objectives, and strategies of its strategic plan for 2000 were all tied to its performance budgeting system, which identifies service delivery inputs, outputs, and departmental outcomes. These were linked to departmental performance, budget priorities, and financial allocations. The system identifies costs, benefits, efficiencies, and constraints of municipal dollars and services.

In Maricopa County, Arizona, the 2000 strategic planning effort made a clear connection between strategy and business planning.



Maricopa County is ready to manage for results, developing strategic plans that integrate planning with budgeting and performance measurement. This effort will create powerful tools for making good business decisions and achieving department/agency and corporate goals and priorities. . . . Of importance, the guide will provide information and time lines on how the county will move toward performance-based budgeting and the integration of results-oriented performance information in every employee's appraisal. . . . The resource guide also provides the methodology for creating alignment of the people, resources, and systems of each department/agency. This makes it possible for each employee to know how his or her job contributes at every level of the organization.

This thorough integration of various planning and budgeting programs has been acknowledged consistently by the communities cited in this book. In some cases, the budget and business plans were used to drive the strategic planning process, although in most instances that order was reversed. In many cases, the municipal leadership incorporated the components of the budget into the strategic plan itself. Objectives and implementation plans from the strategic plan are also frequently embedded into the budget process and documents. See Appendix H for an example of Winston-Salem, North Carolina's integration of strategic planning and business planning.

In this way, planners and staff are forced to connect the documents, the thinking, and the planning. Neither the strategic plan nor the business plan is entirely functional without the other. Making the connection ensures that the ongoing decision-making processes concerning resource allocations are governed not just by funding availability but also within the context of established needs assessments and priorities, and with an eye on the long-term vision for the community. The budget transmittal document of Sedona, Arizona, shows how cross-referencing also enables staff to assign proper priorities to long-term and day-to-day operations.



The FY 2001 budget represents the first strategically developed expenditure plan. The city council's adoption of the strategic management and planning system...laid the foundation for the development of this budget document. The strategic management and planning system links the strategic and community plan's goals and objectives to the planning process. This linkage is accomplished through a series of issue papers or decision packages that the city council approves for major expenditures and work objectives for the upcoming fiscal year. This alignment of the strategic and community plans with the budget and work priorities for the city is intended to make sure that "first things are put first."

Sedona then itemized planned expenditures in the context of the relevant strategic focus.



Proposed budget expenditure

Proposed budget expenditure	Cost	Strategic plan reference
Traffic officer to improve traffic enforcement and education	\$36,110	Customer service goals and objectives, goal #1: Provide high quality, effective, and efficient public service
Assistant engineer/project manager to manage major sewer and non-sewer collection and conveyance system	\$43,192	Infrastructure goals and objectives, goal #1: Continue expansion of the city's sewer projects
Assistant planner to provide quality controls on the city's current planning efforts	\$36,865	Smart growth management goals and objectives, goal #2: Strengthen the city's design standards to prevent franchised architecture, thereby retaining our unique community

Maintenance crew to maintain drainage ditches, cut brush, and perform other right-of-way maintenance	\$150,496	Customer service goals and objectives, goal #1: Provide high quality, effective, and efficient customer service
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Both Olathe, Kansas, and Columbus and Franklin County, Ohio, make a very clear connection between the needs of the community as laid out in the strategic plan and the budget that will support the programs planned to meet these needs.

To make clear the link between the strategic plan and the budget, the Olathe, Kansas, 2001 strategic plan summarizes its strategic targets (goals); numbered items are action items from the plan. For each of the action items, a parenthetical statement about the cost of each action is inserted.

We believe this plan should be used to "drive" the budgetary practices in the city and the human resources that make this community great.

—Olathe, Kansas, cover letter accompanying strategic plan, 2001



1. City should actively consider traffic mitigation needs when planning, developing, and constructing all infrastructure projects (costs borne by developer)
2. City should consider the impact that all infrastructure projects have on east/west connections before plans are finalized
 - Develop the 127th Street overpass (approximately \$15 million)
 - Develop the 159th Street connection (approximately \$36 million)
 - Develop the 111th Street arterial in partnership with the school district and county (approximately \$18 million)
3. City should consider the impact that all infrastructure projects have on circulation patterns in and around downtown. The city should also consider opportunities that:
 - Move traffic north/south in the area west of Olathe Lake and around downtown (approximately \$100 million)
 - Capitalize on opportunities to create a gateway to the city from the south, such as extending Kansas Avenue south of the mall (cost to be determined)
4. City infrastructure funding priorities should be assessed in terms of their impact on how they promote traffic flow.... The city should also provide needed funding to keep infrastructure working properly (approximately \$70,000 annually)
5. City annexation and development criteria should consider impact on traffic flow (approximately \$50,000 annually)
6. City should use intelligent transportation systems technology to improve traffic flow (approximately \$6 million).

The consolidated plan of Columbus and Franklin County, Ohio, covers their collective housing and community development needs, and it uses a slightly different format, as seen in the following sample section.



Priority housing needs

Household type	Income percentile	Priority need level	Estimated units	Estimated dollars to address
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Renter

Small related	0-30%	H	10,439	\$803,803,000
	31-50%	H	6,068	467,236,000
	51-80%	L	4,015	309,155,000
Large related	0-30%	H	3,332	271,558,000
	31-50%	H	1,603	130,644,500
	51-80%	L	1,046	85,249,000
Elderly	0-30%	L	4,635	356,895,000
	31-50%	M	3,006	231,462,000
	51-80%	M	1,665	128,205,000
All other	0-30%	H	12,896	992,992,000
	31-50%	M	10,378	799,106,000
	51-80%	L	6,888	530,376,000

Homeowner

Existing	0-30%	H	4,233	203,184,000
	31-50%	M	2,097	100,656,000
	51-80%	L	1,547	74,256,000
Purchaser	0-30%	—	na	na
	31-50%	—	na	na
	51-80%	H	11,749	763,685,000

6

Environmental Scan

Every local government group working on a strategic plan needs to carry out an environmental scan that considers the various environments that make an impact on the jurisdiction. Local governments operate within numerous environments. In each of these operating environments, local government managers must attempt to describe what will happen during the next several years. Only after they form these descriptions can they devise strategies.

External environment

Of all the areas that affect strategic planning, the area of formal jurisdiction is the one that will most obviously affect the success of the plan. Happenings within the jurisdiction are only one part of what affects a jurisdiction, however. Strategic planners need to look outside their borders and also consider factors in the surrounding areas. What neighbors do can affect local operations, and the region needs to be considered, too.

Local governments are affected by what happens at the state and national levels, not only in terms of unfunded mandates and direct appropriations but also in terms of general political and legislative directions. Border communities are more affected than others by neighboring states within a region and by the policies and actions of other countries; therefore, they need to look closely at factors in those environments. Even states that do not share a border with Mexico or Canada or face a coast may be influenced by what happens in other countries; for example, international air service affects many states, whether or not they have an international border.

Internal environment

The internal environment is the local government itself. Are the elected officials and staff effective? Are they receptive to new ideas? Is the local government properly structured and staffed?

The internal scan is often more difficult for planners to complete effectively than are the scans of the external environments. People outside the government are often unfamiliar with the inner workings of the local government, and those who are inside are too close to situations to view them with a fresh and unbiased eye.

Further, many internal situations require qualitative assessments that are more difficult to evaluate than the often more factual issues in the external environments. Still, the effort is important because, ultimately, the plan will be implemented to a large extent by professionals on the local government staff.

Another consideration important to the scan of the internal environment is that, although the local government managers might believe that they are effective, efficient, and responsive, the perception in the community might be otherwise. It is the perceptions of the local government that will drive the community at large to support the strategic plan and help implement it. Communities often use surveys to assess what people believe to be the strengths and weaknesses of the staff; Appendix A provides the results of a survey of citizen opinion conducted in Winston-Salem, North Carolina.

Management environment

The environment of local government management as a profession is also important. What is new in the practice of municipal management? What lessons have been learned in other communities that can be instructive in other jurisdictions?

The strategic planning committee attempts to anticipate as many of the changes that will occur in its environment as possible. Of course, much cannot be forecast. No one anticipated the events of September 11, 2001, and the impact they would have on local governments. Other events, including natural disasters or business location decisions, can have unanticipated consequences for localities.

Notwithstanding the completely unexpected—for which one can only plan in the most general way—professional managers and planners at the local government level can draw upon their collective experiences and design a fairly accurate picture of what is coming. A planning committee with a great diversity of experiences and perspectives is thus a valuable component of the planning committee's membership.

Environmental scanning matrix

In each of the relevant environments, some factors obviously deserve consideration: legislation and regulations; political and policy shifts; and economic, demographic, sociocultural factors. Each community should also consider whether additional factors characterize local circumstances.

To ensure that the planning committee considers all of the possible changes to the many factors within each of the various environments, it is helpful to construct an environmental scanning matrix to guide study and discussion and to lead to a comprehensive view of the future for the community and its government. The matrix is a tool best used in a flexible way to set an agenda without controlling the discussion. A sample environmental scanning matrix is illustrated in Table 6-1.

It is often helpful to identify, for each of the resulting cells, a number that can serve as a reference point during research and discussion. This can be accomplished by assigning a letter to each environment and a number to each factor, as is illustrated in the example in Table 6-2.

Table 6-1 Sample environmental scanning matrix

Factors	Environments							
	Internal	Managerial	Local	Local government	Regional	State	National	Global
Economic/financial								
Demographic								
Technological								
Legal/regulatory								
Sociocultural								
Competitive								
Managerial								
Physical/environmental								
Other								

Table 6-2 Sample environmental scanning matrix with cells identified

Factors	Environments							
	Internal A	Managerial B	Local C	Local government D	Regional E	State F	National G	Global H
Economic/financial	A-1	B-1	C-1	D-1	E-1	F-1	G-1	H-1
Demographic	A-2	B-2	C-2	D-2	E-2	F-2	G-2	H-2
Technological	A-3	B-3	C-3	D-3	E-3	F-3	G-3	H-3
Legal/regulatory	A-4	B-4	C-4	D-4	E-4	F-4	G-4	H-4
Sociocultural	A-5	B-5	C-5	D-5	E-5	F-5	G-5	H-5
Competitive	A-6	B-6	C-6	D-6	E-6	F-6	G-6	H-6
Managerial	A-7	B-7	C-7	D-7	E-7	F-7	G-7	H-7
Physical/environmental	A-8	B-8	C-8	D-8	E-8	F-8	G-8	H-8
Other	A-9	B-9	C-9	D-9	E-9	F-9	G-9	H-9

This scanning matrix can be used effectively in several ways. One means of facilitating the discussions of members of the planning committee is to provide background material for their preparation before the first meeting. The scan can be used to ensure that all relevant information is made available and to classify it for the members.

Second, experts in the group can be assigned to clarify each of the relevant cells. Each person recognized as an expert on a specific topic can be designated as the lead member in preparing the group and facilitating its discussion of that topic.

The scan can also be helpful in facilitating the discussions of the group when it arrives at that point in the process. Planners in St. Louis County, Missouri, took this approach. Expert task forces were formed to "develop the specific outcomes and strategies to address the four critical issues." The four task forces, one focusing on each strategic issue, comprised internal and external experts with considerable knowledge of their specific issue. Task force participants included county officials, municipal officials, regional and civic leaders, and private sector representatives.

The environmental scanning matrix is a tool for discussants, but it must be used flexibly. If the group is discussing cell A-5, for example, and a point is raised that seems to fit cell C-5 instead, it needs to be noted and included when it comes up in the conversation. The fact that it is not in the "best" or "correct" cell is irrelevant because all the conclusions will be integrated at a later point in the process. The strategic planning matrix is only a tool to make sure that all relevant topics are considered.

In the course of discussion, local planners will identify the points requiring discussion for each of the cells in the matrix. Although it is unlikely that two local governments will have exactly the same points to cover, there are some likely constants. Appendix B lists some areas that are likely to be appropriate for most communities.

The detailed analysis and discussions that will later serve as the foundation of the strategic plan now have an outline. Using the environmental scanning matrix, the planning committee will begin to see goals and objectives take form clearly and logically. Appendix C reproduces an excellent example of an environmental scan from Winston-Salem, North Carolina.

SWOT analysis

When the environmental scan has been completed, the conclusions can be categorized in the form of a SWOT analysis—the strengths and weaknesses of the community and its local government as well as the potential opportunities and threats that were discussed. Strategic planners can then develop goals and objectives that address the weaknesses, take maximum advantage of the strengths, and minimize or eliminate the presumed threats while they prepare to take advantage of likely opportunities.

Examples of how three jurisdictions—Gratiot County, Michigan; Wilcox, Arizona; and Franklin County and Columbus, Ohio—documented their SWOT analyses are in Appendix D.

SWOT Analysis— Three Examples

Gratiot County, Michigan

Gratiot County's strategic plan lists the potential trends (SWOT) and the issues that result. The issues then form the basis for the county's goals statements.



Potential Trends

- Completion of U.S. 27 between St. John's and Ithaca as a limited access highway, creating development pressure in the county
- Competition from neighboring counties, regional economic development agencies, and the Internet for business
- Increasing community awareness about workforce issues related to substance abuse, quality, and dependability
- Competing and contemporary urban centers for residents and workers
- Lack of adequate broadband communications infrastructure, putting rural areas at an expanding disadvantage
- Access to education and training more critical to future employment
- Growing importance of the healthcare industry to the county and state
- Decreasing public funds for recreation systems and opportunities
- Demise or consolidation of locally owned agricultural markets and infrastructure is driving a movement to larger producers with on-farm storage and transportation
- September 11 refocus of government resources to homeland security.

Issues

Key issues in the county were identified and formed the basis for the development of the strategic plan.

- **Economic Development** Maintaining the economic vitality of the county in the midst of a changing business base
- **Education** Ensuring all citizens are given appropriate educational opportunities to ensure a good quality of life

- **Environmental** There are several areas in the county in need of environmental remediation
- **Land Use** Development pressure from U.S. 27 and neighboring counties will continue to present challenges for the county
- **Quality of Life** Changes in the community and the economy require new diligence in maintaining a basic quality of life for all citizens
- **Recreation** A lack of variety of recreational choices in the county affects the quality of life and the ability of businesses to attract new talent to the area
- **Transportation** Gaps remain in transportation systems that support the needs of residents as well as commercial and industrial sectors of the county
- **Youth** Creating employment, recreational, and educational opportunities for youth in Gratiot County that will enhance the quality of life for them and fellow citizens.

Wilcox, Arizona

Another instructive example of both format and content comes from the strategic plan for Wilcox, Arizona. This can be found on the city's Web page, www.wilcox-city.org/. The following is excerpted from the section on economic opportunity.



Promote Economic Opportunity

Wilcox has experienced a less-than-average employment and population growth rate in the 1990s. Although the city's population grew 19.4% during the ten-year period, the average growth rate for the state was 42%. The city was fortunate to attract a truck travel center and a small discount retail outlet during this period. A number of small tourism-related businesses specializing in niche markets were also launched. Most recently, Wilcox has witnessed expansions in the local telephone cooperative industry, as well as in the governmental segment of employment.

Developing a strategy for economic development is essential for economic success and prosperity of the community. Most forecasts and trends point to modest growth beyond the year 2005. At the same time, other indicators suggest the need to position the community for sudden and impulsive growth due to the following issues.

Job growth is expected outside of the incorporated city limits. The Bowie Power Station received approval from the Arizona Corporation Commission to site a power generation plant in Bowie. This project will bring as many as 400 construction jobs and approximately 40 full-time positions to northern Cochise County. Eurofresh, Inc., has also announced expansion of their greenhouse operations. Both of these businesses are located outside of the incorporated city limits. However, Wilcox is the closest incorporated city and will provide the majority of services and programs to the employees of these industries.

The demographics and family income levels of the community are changing. Surveys conducted during the 2000 census indicate that the Hispanic population is now 49% of the city. Additionally, the results indicate a growing number of household incomes within the city are below the median income levels.

The unemployment rate of the community has averaged 4.5 to 5%. The existing workforce lacks the required skills for the information technology and manufacturing industries. Additionally, there is limited access to training within the community. Finally, should the labor force require expansion, the lack of adequate and affordable housing has been identified as a weakness in the Wilcox Housing Strategy and the Wilcox General Plan.

Franklin County and Columbus, Ohio

The following example is taken from the consolidated plan for housing and community development issues for the jurisdictions of the city of Columbus and Franklin County in Ohio. Its SWOT is specific to these issues. This list of obstacles (threats) is preceded by the following statement: "The housing and community development needs assessment (environmental scan) that is a part of the Consolidated Plan provides a basis for identifying obstacles to meeting underserved needs in the community."



People

- Growing gap between rich and poor
- Multiple obstacles and barriers facing people in poverty
- Personal and social problems taken to the workplace
- More single-parent households
- Aging population
- Increased immigrant population
- General public not aware of housing and community development needs

Economy

- Economic opportunity moving to the suburbs
- Minimum-wage and low-wage service- and retail-sector job growth
- Lending institution mergers and acquisitions
- Loss of minority business set-asides
- Turnover and job retention problems
- Growth and the strong economy mask poverty problems

Housing

- Tight rental housing market
- Job/housing location mismatch
- Loss of public and private subsidized units
- NIMBY increasing
- Developers facing more codes and restrictions from the multiplicity of local governments

Services

- Welfare reform dictates human service delivery
- Declining quality of public schools
- Needs for transportation and childcare exceed available services

Resources

- Lack of adequate financial resources and competition for scarce resources
- Changes in federal programs and policies and uncertainty about the future of the programs and funding upon which the plan is built
- Competition for scarce resources between low-income areas and new fast-growth areas
- Duplication and inadequate collaboration among programs, projects, and service providers
- Federal regulations that limit flexibility in use of funds and increase project costs.



BEST PRACTICE

Recommended Budget Practice on the Establishment of Strategic Plans (2005) (BUDGET)*

Background. Strategic planning is a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission and achieve consensus on strategies and objectives for achieving that mission. Strategic planning is about influencing the future rather than simply preparing or adapting to it. The focus is on aligning organizational resources to bridge the gap between present conditions and the envisioned future. While it is important to balance the vision of community with available resources, the resources available should not inhibit the vision. The organization's objectives for a strategic plan will help determine how the resources available can be tied to the future goals. An important complement to the strategic planning process is the preparation of a long-term financial plan, prepared concurrently with the strategic plan. A government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions. A financial plan illustrates the likely financial outcomes of particular courses of actions.

Strategic planning for public organizations is based on the premise that leaders must be effective strategists if their organizations are to fulfill their missions, meet their mandates, and satisfy their constituents in the years ahead. Effective strategies are needed to cope with changed and changing circumstances, and leaders need to develop a coherent and defensible context for their decisions. National Advisory Committee on State and Local Budgeting (NACSLB) Recommended Practices provide a framework for financial management, which includes strategic planning.

Recommendation. The Government Finance Officers Association (GFOA) recommends that all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. While there is not a single best approach to strategic planning, a sound strategic planning process will include the following key steps:

- (1) *Initiate the Strategic Planning Process.* It is essential that the strategic plan be initiated and conducted under the authorization of the organization's chief executive (CEO), either appointed or elected. Inclusion of other stakeholders is critical, but a strategic plan that is not supported by the CEO has little chance of influencing an organization's future.
- (2) *Prepare a Mission Statement.* The mission statement should be a broad but clear statement of purpose for the entire organization. One of the critical uses of a mission statement is to help an organization decide what it should do and, importantly, what it should not be doing. The organization's goals, strategies, programs and activities should logically cascade from the mission statement.
- (3) *Assess Environmental Factors.* A thorough analysis of the government's internal and external environment sets the stage for an effective strategic plan. A frequently used methodology for conducting an environmental assessment is a "SWOT" (Strengths, Weaknesses, Opportunities, Threats) analysis. Strengths and weaknesses relate to the internal environment, while analysis of opportunities and threats focuses on the environment external to the organization.

Local, regional, national, and global factors affecting the community should be analyzed, including (a) economic and financial factors, (b) demographic trends, (c) legal or regulatory issues, (d) social and cultural trends, (e) physical (e.g., community development), (f) intergovernmental issues, and (g) technological change.

Also, a government should develop mechanisms to identify stakeholder concerns, needs, and priorities. Among the mechanisms that might be employed to gather such information are (a) public hearings, (b) surveys, (c) meetings of community leaders and citizens interest groups, (d) meetings with government employees, and (e) workshops for government administrative staffs and the legislative body.

(4) *Identify Critical Issues.* Once the environmental analysis has been completed, the next step is to use the resulting information to identify the most critical issues. Issue recognition should reflect stakeholder concerns, needs, and priorities as well as environmental factors affecting the community.

(5) *Agree on a Small Number of Broad Goals.* These written goals should address the most critical issues facing the community. It may be necessary to define priorities among goals to improve their usefulness in allocating resources.

(6) *Develop Strategies to Achieve Broad Goals.* Strategies relate to ways that the environment can be influenced (internal or external) to meet broad goals. A single strategy may relate to the achievement of more than one goal. There should be a relatively small number of specific strategies developed to help choose among services and activities to be emphasized. Use of flowcharts or strategy mapping is encouraged in the design of strategies. To optimize the success of these strategies, opportunities should be provided for input from those who will be affected.

(7) *Create an Action Plan.* The action plan describes how strategies will be implemented and includes activities and services to be performed, associated costs, designation of responsibilities, priority order, and time frame involved for the organization to reach its strategic goals. There are various long-range planning mechanisms available to enable organizations to clarify their vision and strategy and translate them into action.

(8) *Develop Measurable Objectives.* Objectives are specific, measurable results to be achieved. Objectives and their timelines are guidelines, not rules set in stone. Objectives should be expressed as quantities, or at least as verifiable statements, and ideally would include timeframes.

(9) *Incorporate Performance Measures.* Performance measures provide an important link between the goals, strategies, actions and objectives stated in the strategic plan and the programs and activities funded in the budget. Performance measures provide information on whether goals and objectives are being met.

(10) *Obtain Approval of the Plan.* Policymakers should formally approve the strategic plan so it can provide the context for policy decisions and budget decisions.

(11) *Implement the Plan.* Organization stakeholders should work together to implement the plan. Moreover, the strategic plan should drive the operating budget, the capital plan, and the government's other financial planning efforts.

(12) *Monitor Progress.* Progress toward planned goals should be monitored at regular intervals. Organizations should develop a systematic review process to evaluate the extent to which strategic goals have been met.

(13) *Reassess the Strategic Plan.* Many external factors, such as the national or regional economy, demographic changes, statutory changes, legislation, mandates, and climate/environmental changes, may affect the environment and thus achievement of stated goals. To the extent that external events have long-range impacts, goals, strategies and actions may need to be adjusted to reflect these changes. New information about stakeholder needs or results may also require changes to the plan. It is desirable to minimize the number of adjustments to longer-term goals in order to maintain credibility. However, governments should conduct interim reviews every one to three years, and more comprehensive strategic planning processes every five to ten years, depending on how quickly conditions change. Performance measure results need to be reviewed more frequently than the strategic plan.

* Key elements of this recommended practice are drawn from *Recommended Budget Practices: A Framework for Improved State and Local Governmental Budgeting* of the National Advisory Council on State and Local Budgeting and from GFOA's recommended practice on "Performance Measurement: Using Performance Measurement for Decision Making – Updated Performance Measures"

Approved by the GFOA Executive Board, March 2005