Our Leadership System
Our Leadership System

- Plan Fort Collins
- Master Planning
- City Strategic Plan

- Vision
- Mission
- Values

Strategic Planning

Capital Improvement Planning
Workforce Planning
• Steps 1 – 3 are about Strategic Plan
• Steps 4 – 5 are mostly about our budget process called BFO
• Steps 6 – 7 are about managerial and executive performance reviews (QSARs and Strategy Maps)
Cascade of Council Influence
Starting with the On-Boarding Process

2017 Budget
2018 Budget
2019
2020

BFO Programs & Initiatives

On Board
Strategic Plan
5 Yr. View
BFO 2019/2020

ELECTIONS

PLANNING

EXECUTION
Strategic Outcome Areas

- Neighborhood Livability & Social Health
- Culture & Recreation
- Economic Health
- Environmental Health
- Safe Community
- Transportation
- High Performing Government
Key Outcome Areas
- Highest level Strategic Goals
- 7 Key Strategic Outcomes
- Used in City Plan, Strategic Plan, BFO, Etc.

Strategic Objectives
- Multiple Strategic Objectives (SO) per Outcome
- Achieving SOs helps achieve our Outcomes
- Performance demonstrated by metrics per SO

Budgeted Initiatives (BFO)
- Reflects all City programs and services
- Multiple BFO Initiatives for each SO
- Initiatives designed to achieve SO
- Metrics tied to each budget initiative
ENVIRONMENTAL SCAN

Citizen Input & Priorities
- Citizen Survey
- Focus Groups/Outreach
- Boards & Commissions
- Citizen Priorities

Council Input & Priorities
- Community Concerns
- Retreat Priorities

Organizational Priorities
- City Plan & Master Plans
- Economics & Financials
- Emerging Trends / Issues
- Infrastructure Issues
- Workforce trends
- Metrics

STRATEGIC WORK & ANALYSIS

- Implications, Conclusions, Challenges, Advantages, Priorities
- Define Issues to be addressed in Strategic Objectives

STRATEGIC PLAN (5 YEAR HORIZON):

Outcomes
- Highest level focus areas

Strategic Objectives
- 6-10 per Outcome, helps achieve the Outcome

Metrics
- Tied to Strategic Objectives

Strategic Plan Driven by Citizen, Council and Staff Input and Priorities
### Process – How it Worked

<table>
<thead>
<tr>
<th>OWNER</th>
<th>ACTIVITY</th>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPIO</td>
<td>• Citizen engagement – non traditional groups</td>
<td>TOP PRIORITIES:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Affordable Housing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Multimodal &amp; Public Transit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Controlled &amp; Planned Growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Environmental Sustainability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Traffic</td>
</tr>
<tr>
<td>City Staff</td>
<td>• Internal assessment by department</td>
<td>Matrix by Outcome of issues &amp; challenges</td>
</tr>
<tr>
<td>Strategy Core Team</td>
<td>• Reviewed all data – developed issues matrix</td>
<td>Draft Strategic Plan</td>
</tr>
<tr>
<td></td>
<td>• Citizen engagement – non traditional groups</td>
<td></td>
</tr>
<tr>
<td>Outcome Teams</td>
<td>• Reviewed / modified strategic objectives</td>
<td>Updated Draft Strategic Plan</td>
</tr>
<tr>
<td></td>
<td>• Identified metrics for each strategic objective</td>
<td>• Strategic Objectives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Metrics assign to each SO</td>
</tr>
<tr>
<td>Steering Team</td>
<td>• Detailed review &amp; edits</td>
<td>Draft Updated Strategic Plan for Council Review</td>
</tr>
<tr>
<td></td>
<td>• Alignment of critical issues to be addressed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Accurate representation of issues</td>
<td></td>
</tr>
</tbody>
</table>
Our Leadership System

VISION
MISSION
VALUES

BUDGETING
FOR OUTCOMES

Capital Improvement Planning
Workforce Planning
What is Budgeting for Outcomes?

• Budgeting for Outcomes (BFO) is a form of priority-based budgeting
• A budgeting process focused on community priorities
• A shift from paying for departments to buying services and programs
• A method to put citizens and their priorities, not status quo, first

At the highest level, BFO is about selling Offers (budget requests) and purchasing the services and programs most important to the community based on available funding
Strategic Plan vs. BFO

Strategic Plan – 5 Year View

Updated prior to BFO
Mission, Vision, Values

Outcomes
- Highest level Key Focus Areas
- Broad aim to direct efforts
- Broad statement Community impact

Strategic Objectives (SO)
- Something to attain or accomplish
- Achievement helps realize Outcome
- Ideally – specific & measurable

Performance Measures
- Metrics tied to Outcomes
- Track progress achieving Outcome goal

BFO – 2 year Budget Cycle

Initiatives Tied to Strategic Objectives
- Tactics & actions to achieve SO
- Initiatives may support multiple SO’s

Core Services
- Ongoing core services
- Each core service includes tactics & actions to achieve SO

Enhancements
- New services & initiatives to achieve SO

Linkage & Metrics
- Describes how initiative achieves SO
- Metrics tied to Strategic Objectives
Budgeting for Outcomes (BFO) Process

City Strategic Plan
Defines Strategic Objectives

Departments
Create Offers to Achieve Strategic Objectives
Budget Requests

BFO Teams
Review and Rank Offers
What Best Achieves the Strategic Objectives?

Budget Lead Team
Fine Tunes Recommendations to Develop City Manager's Recommended Budget

City Council
Reviews, Solicits Public Input, Changes & Adopts

FINAL BUDGET
### The BFO Process

<table>
<thead>
<tr>
<th>Strategic Plan</th>
<th>Budget Proposals Developed</th>
<th>City Manager &amp; Exec Team Evaluates &amp; Modifies</th>
<th>Council Discussion, Public Hearings &amp; Budget Adoption</th>
</tr>
</thead>
</table>
| • Strategic Objectives become the basis for Ranking Budget Proposals | • Staff develops Budget Proposals to achieve Strategic Objectives  
• BFO Teams (staff & citizens) rank proposals based on achievement of Strategic Objectives | • Executive Team input to align with Strategic Plan, Council Work Plan & City Priorities  
• Staff addresses questions raised by Executive Team | • Finalize Budget  
• Adopted by the end of November |

### BUDGET TIMELINE & PROCESS

<table>
<thead>
<tr>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUNE</th>
<th>JUL</th>
<th>AUG</th>
<th>SEPT</th>
<th>OCT</th>
<th>NOV</th>
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<tbody>
<tr>
<td>Strategic Plan</td>
<td>Budget Proposals Developed</td>
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<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- **Strategic Plan**
  - Strategic Objectives become the basis for Ranking Budget Proposals
  - Metrics tied to Strategic Objectives measure progress

- **Budget Proposals Developed**
  - Staff develops Budget Proposals to achieve Strategic Objectives
  - BFO Teams (staff & citizens) rank proposals based on achievement of Strategic Objectives

- **City Manager & Exec Team Evaluates & Modifies**
  - Executive Team input to align with Strategic Plan, Council Work Plan & City Priorities
  - Staff addresses questions raised by Executive Team

- **Council Discussion, Public Hearings & Budget Adoption**
  - Finalize Budget
  - Adopted by the end of November
1. City Council determines the community Outcomes
   - Can be time consuming initially and important to revisit periodically
     - Neighborhood Livability & Social Health
     - Culture and Recreation
     - Economic Health
     - Environmental Health
     - Safe Community
     - Transportation
     - High Performing Government

2. Staff submits Offers (budget requests)
   - Ongoing
   - Enhancements
   - Reductions
3. **BFO Teams are formed**
   - Comprised of 7 staff cross-functional staff members, one of whom is the chairperson and another who is a financial person
   - Each team also has 2 resident volunteers
   - Each team is tasked with:
     - Analyzing Offers
     - Negotiating with Sellers
     - Prioritizing all Offers
     - Recommending what to purchase to the executive team

4. **The executive team finalizes which Offers will be included in the City Manager’s Recommended Budget**
   - This is visually represented as a “Drilling Platform”
## High Performing Government

<table>
<thead>
<tr>
<th>BLT</th>
<th>Original Accepted</th>
<th>Funding Source: 100 General Fund: Ongoing</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Type</strong></td>
</tr>
<tr>
<td>1</td>
<td>57.4</td>
<td>ENHANCEMENT: Microsoft Office 365</td>
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<tr>
<td>2</td>
<td>10.1</td>
<td>Financial Programs and Services</td>
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<tr>
<td>3</td>
<td>19.18</td>
<td>Facilities Vehicle and Equipment Rental - Existing Commitments</td>
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<td>4</td>
<td>13.1</td>
<td>City Clerk Administration</td>
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<tr>
<td>5</td>
<td>22.1</td>
<td>City Council</td>
</tr>
<tr>
<td>6</td>
<td>22.2</td>
<td>City Manager’s Office</td>
</tr>
<tr>
<td>7</td>
<td>57.1</td>
<td>Information Technology Infrastructure Services</td>
</tr>
<tr>
<td>8</td>
<td>58.1</td>
<td>Information Technology Administration Services</td>
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<tr>
<td>9</td>
<td>30.1</td>
<td>Information Technology Application Services</td>
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<tr>
<td>10</td>
<td>63.1</td>
<td>General Legal Services</td>
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<tr>
<td>11</td>
<td>42.1</td>
<td>HR Core and Learning &amp; Organizational Development</td>
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<tr>
<td>12</td>
<td>9.1</td>
<td>Facilities Operations</td>
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<td>13</td>
<td>23.1</td>
<td>Communications and Public Involvement (CPI)</td>
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<td>14</td>
<td>33</td>
<td>Purchasing Buyer</td>
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<td>15</td>
<td>48</td>
<td>Systems Analyst for Open Data Portal - Second Phase Implementation</td>
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<td>16</td>
<td>42.8</td>
<td>Human Resources Partner</td>
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<td>17</td>
<td>10.2</td>
<td>Program Performance Evaluation Analyst</td>
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<td>18</td>
<td>10.6</td>
<td>Continuous Improvement Program</td>
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<td>19</td>
<td>57.2</td>
<td>Enhanced Legal Services</td>
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<tr>
<td>20</td>
<td>19.17</td>
<td>Facilities Vehicle and Equipment Replacements</td>
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<tr>
<td>21</td>
<td>10.1</td>
<td>IT Network Engineer</td>
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<tr>
<td>22</td>
<td>0.5</td>
<td>PC Hardware/Software Specialist</td>
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<tr>
<td>23</td>
<td>10.1</td>
<td>ERP Systems Analyst Position</td>
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<tr>
<td>24</td>
<td>10.1</td>
<td>PC Hardware/Software Specialist</td>
</tr>
<tr>
<td>25</td>
<td>13.1</td>
<td>Board and Commission Software</td>
</tr>
<tr>
<td>26</td>
<td>42.7</td>
<td>Recruitment Specialist - Talent Acquisition - Recruitment and Staffing</td>
</tr>
</tbody>
</table>
Factors for Success

• Commitment from organizational leadership
  - Change is hard and some decisions are very difficult

• Engaged employees; the organization needs to support necessary resources (staff time)
  - Identify the right people to be involved in the process
  - The 50 to 70 hours required as part of being on a BFO Team are incremental to each team member’s ‘day job’

• Open and honest communication – internally and to the public

• Deep, genuine commitment to continuous improvement
Challenges to Implementation

• One size doesn't fit all
• Potentially more time consuming - benefits of biennial budgeting
• Increased transparency and accountability
• Catalyst for change – are you ready for it?
  - Led to performance-based pay
  - OpenBook (on-line spending transparency)
  - Pursuit of regional equivalent of Malcolm Baldrige
  - Data-driven performance measurement system
• Provides more transparency into how the money will be spent
  - Internally to Council and City staff
  - Externally to our residents and businesses
  - Better understanding of what our programs and services are, what they do for the community and how much they cost

• BFO does not look at departmental budgets

• Focuses on services and programs
  - Existing programs & services are not “givens”
  - No program gets a “free pass”
Benefits – Strategic Linkages and Measurement

• Linkage to the current Strategic Plan
  - Each Offer must link to at least one strategic objective in the strategic plan
  - Narrative must include information on how the Offer supports the strategic objective
  - Important for future organizational performance reviews

• Linkage to Performance Measures
  - Each Offer must link to at least one performance measure
  - Completely aligns, or is the basis of, a greater performance measurement system
  - Tracking the results monthly / quarterly is a powerful management tool
• The basis of BFO is the results that are most important to residents and businesses

• Entire Offer Narratives available online
  - Includes links to Strategic Plan and Performance Measures
  - fcgov.com/budget

• Significant community outreach
  - Reach a broad spectrum of the community across multiple demographics
  - Resident requested ‘Mobile Budget Booths’
  - Inform, educate and get their input
  - Online tool for citizens also at fcgov.com/budget

• Residents on BFO Teams
• Communication of the process to employees
• Transparency of details of what programs and services were requested; which were funded and in what priority ranking
• BFO Teams
  - Sharing knowledge across divisions
  - Driver for interdepartmental collaboration
  - New leaders emerge
  - It’s a way to help create a learning organization
• Strengthened partnership with City Council
  - Council plays a more active role
  - Greater transparency of services and costs

• Established clear connection and challenges between community priorities, available resources and levels of service

• Strengthened partnerships between departments
  - Eliminated some duplication of efforts
  - No one “owned” their own bucket of money; greater collaboration
Keys to Sustainability

• During Implementation
  - Ensure executive management and City Council are fully supportive
  - Consider utilizing a 3rd party consultant (impartial expertise)
  - Document and communicate roles, responsibilities and policies
  - Carefully select the employees to be involved
  - Celebrate success

• Ongoing
  - Make the process your own; let it evolve
  - Actively seek feedback for continuous process improvement
  - Make processes, tools and reports efficient
  - Communicate, communicate, communicate
  - Be transparent with the process and how/why decisions were made
THANK YOU!
Our Leadership System

Performance Measurement
Financial Monthly Review
Organizational Performance Review

VISION
MISSION
VALUES

MEASUREMENT, REVIEW & ANALYSIS
Strategic Hierarchy & Measurement Alignment

**Key Outcome Areas**
- 7 High-level Strategic Goals
- Used in City Plan, Strategic Plan, Budget for Outcomes (BFO), Etc.
- Measured by the Community Dashboard

**Strategic Objectives**
- Multiple Strategic Objectives (SO) per Outcome
- Achieving SOs helps achieve our Outcomes
- Performance demonstrated by metrics linked to each Strategic Objective

**Budgeted Initiatives (BFO)**
- Reflects all City programs and services
- Multiple BFO Initiatives for each SO
- Initiatives designed to achieve SO
- Operational metrics linked to BFO Initiatives
Implementation of Budgeting for Outcomes (BFO) was a transformational catalyst for Fort Collins

Was the inception of our 7 key Strategic Outcomes

Foundational question: How do we know if we are being successful in achieving our Outcomes?
2009 - 2011

- Published first measurement report to the community

[Link to report: fcgov.com/communications/scorecard.php]
2009 - 2011

- Worked Well
  - Displayed current performance and trends
  - Good marketing piece

- Learning Opportunities
  - Only 1 of 70 metrics had a target
  - No comparable data (benchmarks)
  - Time intensive manual process to create
  - Only updated annually
2011

- Began journey with Rocky Mountain Performance Excellence (RMPEX)* as a framework for continuous improvement

*Regional equivalent of Malcolm Baldrige National Quality Award
2013

- Launched Community Dashboard Website

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood Livability and Social Health</td>
<td>Q1 2018</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>Q1 2018</td>
</tr>
<tr>
<td>Economic Health</td>
<td>Q1 2018</td>
</tr>
<tr>
<td>Environmental Health</td>
<td>Q1 2018</td>
</tr>
<tr>
<td>Safe Community</td>
<td>Q1 2018</td>
</tr>
<tr>
<td>Transportation</td>
<td>Q1 2018</td>
</tr>
<tr>
<td>High Performing Government</td>
<td>Q1 2018</td>
</tr>
</tbody>
</table>

(last updated: May 10, 2018)

fortcollins.clearpointstrategy.com
2013

► Worked Well
  • Involved City Council in its creation
  • Allowed viewers to ‘put their finger on the pulse’ of the overall health of Fort Collins

► Learning Opportunities
  • Manual process to update
    • Later automated in 2016
  • Department Head level review not successful
2014

- Completed City’s 1st Strategic Plan

- Linked Online Metrics and Strategic Objectives with Budget Requests

  https://www.fcgov.com/file-gateway/?id=145
2014

- **Worked Well**
  - Strategic Plan included formal reviews/adoptions by Council and posted online for transparency with the community
  - Strategic Objectives and performance metrics linked to budget requests

- **Learning Opportunities**
  - Using only Community Dashboard metrics in the Strategic Plan did not reflect performance of achieving the plan
  - Metrics included in the budget requests were too operational
2015

- Began 1st Executive Level Review of Metrics
Organizational Performance Review – Quarterly Service Area Reviews (QSARs)

2015

- Began 1st Executive Level Review of Metrics

[Diagram showing BFO Scorecard - Utilities - Community Dashboard with data for various metrics and analysis notes.]
2015

- Worked Well
  - Monthly executive level review including metrics
  - Audience appropriate
  - Leveraged metric reports from central repository

- Learning Opportunities
  - Too many metrics
  - Good discussion about metrics, but without context to why they were important
2017

- Implemented Strategy Maps to review City’s performance in achieving the Strategic Plan
- Monthly meetings with Department heads
- Each Outcome covered quarterly
- Used operationally by discussing the performance of the metrics and initiatives aligned with each Strategic Objective
- All underperforming metrics and initiatives also require an action plan for improvement
2017

▶ Worked Well
  • Audience appropriate
  • Gives context to the discussions about metrics
  • Includes status of performance on our community commitments

▶ Learning Opportunities
  • Better measurability of Strategic Objectives
  • Some metrics still need refined / defined
  • Post results on the web for transparency with our community
2017

6.2 - Improve traffic flow to benefit both individuals and the business community.

Citywide Scorecard

Strategy Map Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Analysis</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRAN 65. % Commute Mode Share</td>
<td>New Measure, no data yet</td>
<td></td>
</tr>
<tr>
<td>TRAN 18. Pothole response time</td>
<td>The purpose of this metric is to track the response time to repair potholes. Pothole repair prolongs the life of streets and reduces future maintenance and rehabilitation costs. The goal is to fill potholes within 48 hours of the initial report. In the second quarter of 2017, Streets received 82 pothole requests from citizens. The average pothole response time was 47 hours. Weekends and holidays are not accounted for when generating the pothole response time.</td>
<td>A variety of efforts are underway to reduce congestion and improve this metric. Some examples include:</td>
</tr>
<tr>
<td>TRN 49. % of citizens responding very good/good - Traffic congestion in Fort Collins Traffic</td>
<td>The 2015 Citizen Survey showed high levels of dissatisfaction with traffic congestion in Fort Collins. The survey was conducted while some major capital projects were underway including the CDOT Mulberry Bridge project which had very large impacts on travel. Further, train impacts were at historically high levels—particularly at Lemay/Riverside in mid-2015. Train impacts have been reduced significantly since 2015. However, construction impacts continue to be high in Fort Collins with a large capital project at Timberline/Prospect in 2016 and projects at College/Prospect and Shields/Elizabeth thus far in 2017. The construction impacts surely affect survey results. The good news is that data shows significant improvements in travel after the completion of past capital projects.</td>
<td></td>
</tr>
<tr>
<td>TRAN 28. Average Travel Speeds/Times on Arterial Streets Traffic</td>
<td>Traffic volume weighted average travel times (in minutes/mile) on City arterial streets including Harmony, Horsetooth, Drake, Prospect, Mulberry, Taft Hill, Shields, College, Lemay and Timberline during the p.m. peak period on weekdays. Q2 17 travel times remained better than target. Overall travel time on arterial streets were the same as Q1 17 and increased by 2.4% compared to Q2 16. Construction activity on Prospect continued to cause congestion on parallel east/west routes. We would anticipate improvement in Q3 17 with the completion of work on Prospect.</td>
<td>In addition, the City is just starting an update to the City’s Transportation Plan. Reducing VMT and other dealing with congestion will be integral parts of the transportation plan update.</td>
</tr>
</tbody>
</table>
A = RUNNING
B = WALKING
C = CRAWLING
D = INFANT
F = NEWBORN
PERFORMANCE MANAGEMENT

IT’S A JOURNEY
NOT A DESTINATION
Key Takeaways

• Leverage your existing plans to focus on a shorter time horizon (e.g. 5 years)

• What are the areas your organization needs to strive toward achieving over that period of time? Those could be strategic objectives.

• How would you measure if you are successful in achieving each strategic objective?

• How do your budgeted programs and services support your strategic objectives?

• What sort of managerial dialogue would work for your company to discuss organizational performance
Key Takeaways

JUST GET STARTED

[ ] KNOW IT WON’T BE PERFECT

THEN MAKE IT BETTER WITH CONTINUOUS IMPROVEMENT
THANK YOU!