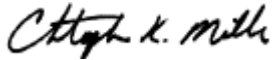


REQUEST FOR COUNCIL ACTION

Date: 05/14/12
Item No.: 12.d

Department Approval



City Manager Approval



Item Description: Adopt a Comprehensive Performance Management Program

BACKGROUND

At the 3/12/12 and 4/9/12 City Council meetings, the Council discussed the merits of adopting a comprehensive Performance Management Program. A Performance Management Program would incorporate the various initiatives the City has undertaken in the past several years that were designed to improve the effectiveness and sustainability of day-to-day operations while ensuring that the City's long-term goals are met.

These initiatives include; a 20-year visioning process, strategic planning, citizen survey, performance measurement, goal-setting, and a number of long-term financial and non-financial planning exercises. The initiatives are consistent with governmental best practices.

At the conclusion of these discussions, the Council iterated its support for formally adopting a Performance Management Program. A copy of the proposed Program is included in *Attachment B*.

POLICY OBJECTIVE

Establishing a Performance Management Program demonstrates a commitment to effective decision-making and ensuring that the allocation of resources is aligned with desired outcomes.

FINANCIAL IMPACTS

Not applicable.

STAFF RECOMMENDATION

Staff recommends that the Council adopt the attached Performance Management Program.

REQUESTED COUNCIL ACTION

Motion to approve the attached resolution adopting the Performance Management Program.

Prepared by: Chris Miller, Finance Director
Attachments: A: Resolution to Adopt a Performance Management Program
B: Proposed Performance Management Program

**EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE**

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the 14h day of May 2012 at 6:00 p.m.

The following members were present:
and the following were absent:

Member introduced the following resolution and moved its adoption:

RESOLUTION _____

**RESOLUTION ADOPTING THE
2012-2013 PERFORMANCE MANAGEMENT PROGRAM**

WHEREAS, the City Council of the City of Roseville, Minnesota desires to make consistent improvement in the delivery of programs and services; and

WHEREAS, the City Council recognizes the importance of having a comprehensive approach to improving results through systematic processes and continuous evaluation; and

WHEREAS, the City Council will commit to effective decision-making by aligning resources with established priorities and desired outcomes; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseville, Minnesota, that the attached Performance Management Program be adopted and remain in effect until such time that a subsequent policy action is taken.

The motion for the adoption of the foregoing resolution was duly seconded by member and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON, said resolution was declared duly passed and adopted.

State of Minnesota)
) SS
County of Ramsey)

I, undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of said City Council held on the 14th day of May, 2012, with the original thereof on file in my office.

WITNESS MY HAND officially as such Manager this 14th day of May, 2012.

William J. Malinen
City Manager

Seal



2012 - 2013
Performance Management
Program

Adopted May 14, 2012

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General Overview

The 2012-2013 Performance Management Program is enclosed. The Program represents a comprehensive approach to improving results through systematic processes and continuous evaluation. It includes an integrated, sequential model that features community input, long-term planning, goal-setting, and performance measurement.

The various components of the Program include initiatives that are customary in most successful local governments. However, the Program is designed to incorporate these initiatives into a formalized setting to ensure that each initiative serves as a foundational step for the next.

Performance management goes beyond the establishment of traditional controls and processes designed to prevent missteps. Instead, it ensures that the public's interest is protected and taxpayer value is optimized through proven results. With performance management we recognize that City Officials are better decision-makers when they have relevant information. Those same Officials are held accountable not just for following a process, but for achieving results.

Performance Management can also be crucial in addressing a number of organizational challenges. It keeps the focus on results that are important to the community, and it engages all employees, not just managers and supervisors, in finding new efficiencies and innovations. It also helps assure the public's trust and confidence through enhanced communication, transparency, and accountability.

In 2010, a joint effort of 11 leading state and local public interest associations led to the formation of the National Performance Management Advisory Commission. The Commission includes industry-leading organizations including the International City/County Management Association, Government Finance Officers Association, National League of Cities, and others. The Commission developed a framework that identified 7 principles of performance management. Those principles are incorporated in the City's Performance Management Program and are shown below.

7 Principles of Performance Management

1. A results focus permeates strategies, processes, the organizational culture, and decisions.
2. Information, measures, goals, priorities, and activities are relevant to the priorities and well-being of the government and the community.
3. Information related to performance, decisions, regulations, and processes; is transparent, and easy to access and understand.
4. Goals, programs, activities, and resources are aligned with priorities and desired results.
5. Decisions and processes are driven by timely, accurate, and meaningful data.
6. Practices are sustainable over time and across organizational changes.
7. Performance management transforms the organization, its management, and the policy-making process.

To be successful, this Performance Management Program must be fully-supported by citizens, the City Council, and Staff; and it must be integrated into the City of Roseville's culture. The benefits of this Program will not be fully realized until these performance management principles and practices have been embedded into day-to-day operations over a sustained period of time.

The next section of this Program details the calendar and the relationships between the various Program components. A description of the components can be found on pages 10-11.

2012-2013 Performance Management Program

Program Calendar & Relationships

As noted above, the City undertakes a number of initiatives or components as part of its Performance Management Program. The Program has a 2-year cycle, and within each cycle the components are scheduled into a specific sequential order to ensure they complement one another.

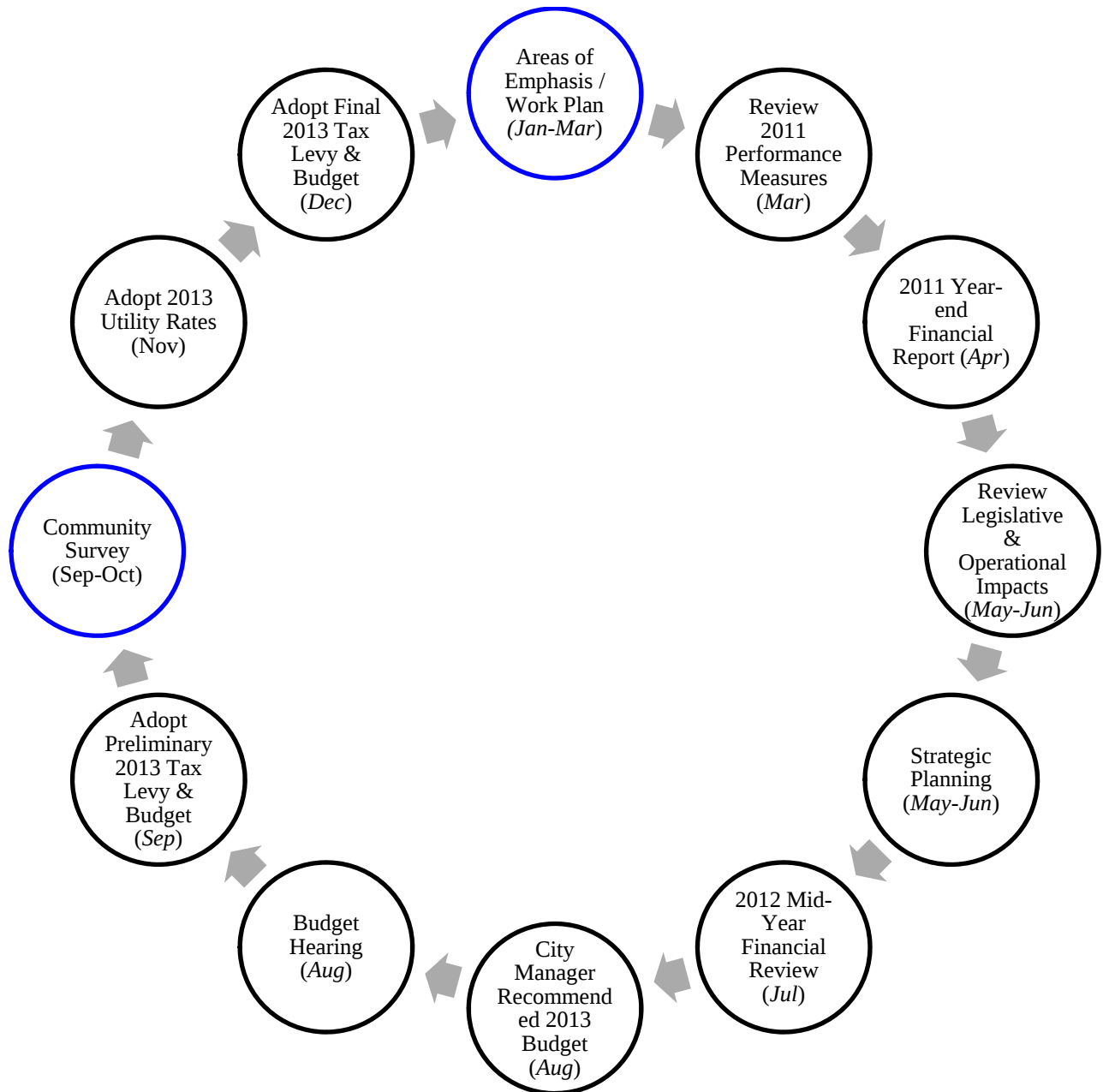
The following table and diagrams depict the components of the Program and the approximate timeframe that they will be conducted during the next 2-year cycle.

Program Component	Program Measure	Cycle	2012	2013	Timeframe	Lead
Citizen/Stakeholder Input	Community Visioning Process	10+ Years			TBD	City Council
	Community Survey **	Biennial	✓	✓	Sep-Oct, Jan **	City Council
Long-Term Planning	Budget Hearing	Annual	✓	✓	Aug	Staff
	City Council Goal-Setting *	Biennial	✓	✓	Feb-Mar *	City Council
	Financial Policy Review	Biennial		✓	May	City Council
Operational Planning	Strategic Plan	Biennial	✓		May-Jun	Staff
	Budget and Program Priorities	Biennial		✓	Apr	City Council
	Capital Improvement Plan	Biennial		✓	Apr-May	Staff
Short-Term Planning	Biennial Budgeting	Biennial		✓	May-Aug	Staff
	Areas of Emphasis / Work Plan *	Annual	✓	✓	Jan-Mar	City Council
	Legislative or Operational Impacts	Annual	✓	✓	Mar-Jun	Staff
	Budget & Levy Adoption	Annual	✓	✓	Sep, Dec	Staff
Results Monitoring	Utility Rate Adjustments	Annual	✓	✓	Nov	Staff
	Performance Measurement	Annual	✓	✓	Mar	Staff
	Financial Reviews	Semi-annual	✓	✓	Apr, Jul	Staff

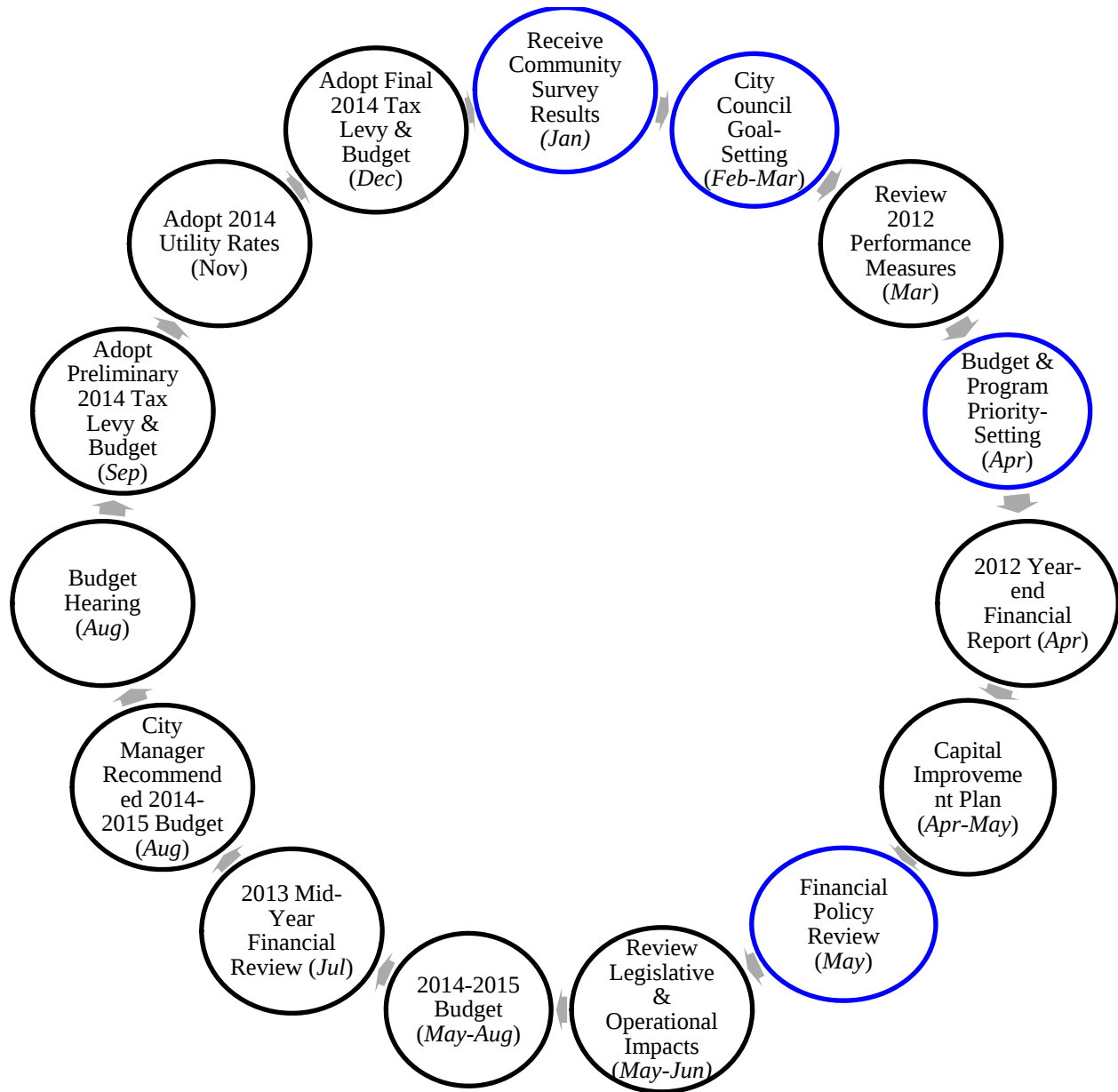
* These two processes would take place in alternating years.

** Community Survey would be conducted Sep-Oct, with the presentation of the results in January.

2012 Calendar



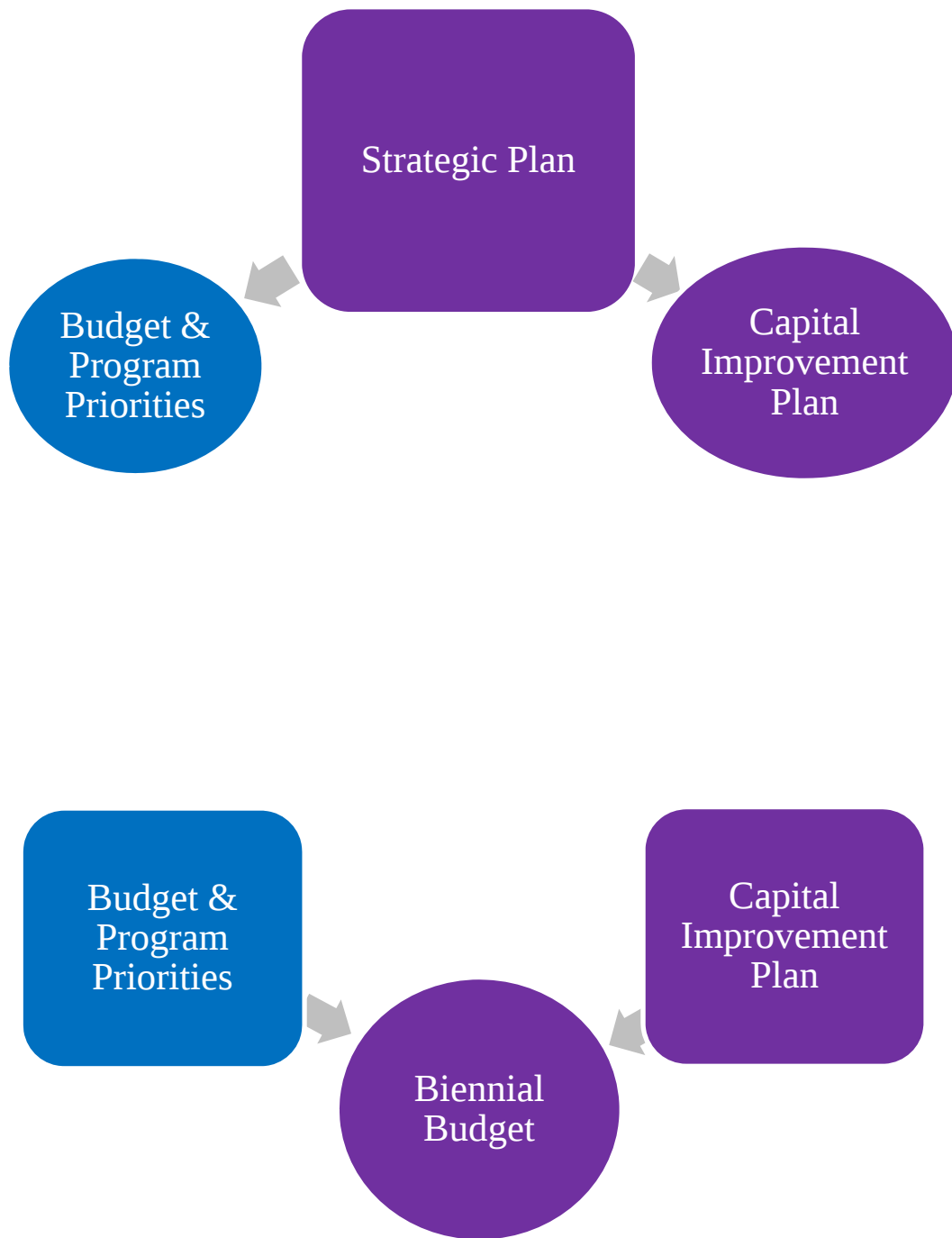
2013 Calendar

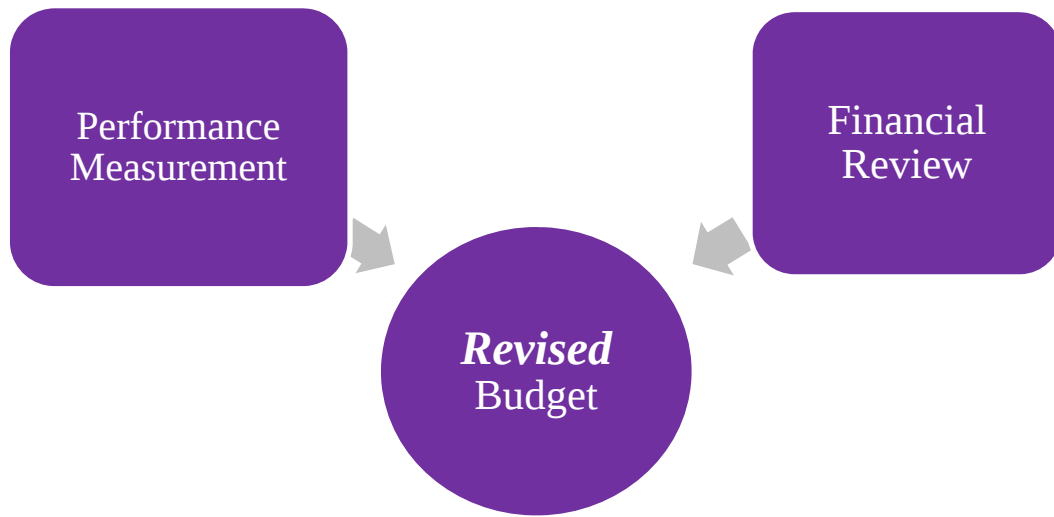


Program Relationships

The following diagrams depict the relationships between various components of the Program. Program inputs (information) are depicted by rectangles, while the circles represent the results. The components are also color-coded. Green components represent input or results derived primarily from citizen participation, blue from City Councilmembers, and purple from City Staff.







Program Component Descriptions

Areas of Emphasis / Work Plan

Similar to Council goal-setting, it is expected that the Council will meet to review the progress made on previously-established goals. Where necessary, the Council will establish new or refined Areas of Emphasis to ensure consistent progress in achieving these goals. These Areas of Emphasis should serve as the basis for making budget adjustments, but should NOT upend the Strategic Plan or Budget Priorities.

The Areas of Emphasis / Work Plan exercise is done on an alternating basis with the broader City Council Goal-Setting process.

Biennial Budgeting

The City Council should adopt a Biennial Budget based on the Council's Budget & Program Priorities and the Capital Improvement Plan. The purpose of the Biennial Budget is to give greater emphasis on long-term strategies and goal-setting, rather than short-term desires.

Although the Biennial Budget spans over two years, the City must formally adopt an annual budget and tax levy in accordance with State Statutes. The second year of the Biennial Budget should be generally consistent with the first except in extenuating circumstances; and should require only minimal review.

Budget and Program Priorities

The City Council should establish budget and program priorities based on the Strategic Plan. This should include a Council priority-ranking exercise to determine how financial resources are allocated.

Budget Hearing

The purpose of the Budget Hearing is to provide citizens with an opportunity to address proposed tax levy and spending plans. The City Council can use this input in determining the preliminary, not-to-exceed levy; and tentative budget.

Capital Improvement Plan

The Capital Improvement Plan is developed in accordance with the Strategic Plan and in conjunction with the establishment of Budget and Program Priorities. The CIP should span over a period of 10 years at a minimum. The first two years of the CIP should be reflected in the Biennial Budget.

City Council Goal-Setting

Council goal-setting would be conducted based on the information derived from the Community Survey and Vision. Council Goals should serve as the basis for establishing the Strategic Plan and setting financial policies.

Community Survey

The City's most recent community survey took place in the fall of 2011. It is suggested that the City conduct a survey on a biennial basis at a minimum. The Community Survey, along with the Community Vision, should be the basis for the City Council Goal-Setting and Work Plans.

Community Visioning Process

Over the past 20 years, the City has conducted two comprehensive citywide visioning exercises; Vista 2000 in 1992, and Imagine Roseville in 2006. It is suggested that the City conduct this type of exercise every 10-15 years to be facilitated by a professional planning consultant.

The Community Vision should lay the foundation for all long-term planning, goal-setting, and city priorities. City Council Goal-Setting and Work Plans should begin with a review of the Community Vision.

Financial Policy Review

The Council should conduct a biennial review of the budget and financial policies that establish parameters for the adoption of a budget and capital improvement plan.

Results Monitoring

Both Performance Measurement and Financial Reviews represent look-back features of the Performance Management Program cycle. These processes ensure that emerging trends or unforeseen events are identified and managed. They also provide information that should be used in future planning and budgeting cycles.

Short-Term Planning

In addition to the annual Areas of Emphasis/Work Plan process, the City should also annually undertake a review of legislative or other operational impacts or trends that can have a significant impact on both day-to-day operations and long-term objectives.

In addition, the City should also annually review its utility rates to ensure that the City's water and sewer revenue sources are sufficient to accommodate operations and capital improvements.

Strategic Plan

The Strategic Plan is developed by City Staff in accordance with City Council goals. The Strategic Plan provides the framework for the Budget and Program Priorities and the Capital Improvement Plan.