

SOUTH JORDAN CITY
CITY COUNCIL SPECIAL BUDGET MEETING
POLICE TRAINING ROOM
NOVEMBER 12, 2015

Present: Mayor Dave Alvord, Councilman Mark Seethaler, Councilman Chuck Newton, Councilman Steve Barnes, Councilman Chris Rogers, Councilman Don Shelton, CM Gary Whatcott, City Attorney Ryan Loose, COS Paul Cunningham, CTO Director Jon Day, CFO Sunil Naidu, Administrative Services Director Dustin Lewis, Development Services Director Brad Klavano, Fire Chief Andy Butler, Public Works Director Jason Rasmussen, City Commerce Director Brian Preece, Strategic Services Director Don Tingey, Police Chief Jeff Carr, Council Elect Tamara Zander, Council Elect Brad Marlor, Council Elect Patrick Harris, Chris Fabian, Jon Johnson

**Budget Meeting 6:00 p.m.
Police Training Room**

Mayor Alvord welcomed everyone present as noted above.

A. Invocation: *By Councilman Don Shelton*

Councilman Don Shelton offered an invocation.

B. Budget discussion: Priority Based Budgeting (*By City Manager Gary Whatcott*)

CM Whatcott said I would like to introduce Jon Johnson and Chris Fabian from the Priority Based Budgeting group in Denver, Colorado. They have gotten to know the staff intimately by working through this process, as well as they have been our consultants and will be working with us through the program. I just wanted to take a minute and remind us why we are here tonight. We are not here for an actual “Budget Meeting,” what we are having is a philosophical discussion about how we prioritize our resources, imp articular the physical resources as it pertains to your strategic plan. One of the things I want to make sure you understand is that this is not something we pull out in January, get through the process, and then put it away. This is a philosophy that we are adopting. This will be an ongoing part of everyday business now. Today we are here because we have finally gotten to a point where we feel like we have some information to share with you in a way that will be meaningful. I don’t think we have arrived yet, and I don’t think that we ever will, but we have arrived to a point that we think it is worth sharing now. This is not going to be a perfect document that you see tonight, but once you start drilling down and looking at the various filters you will start to see that some things are not perfect because we still need to internalize some things, and at this point no one has seen all of the information that has been compiled and put in this format until tonight, not even myself. I am now going to turn the time over to Strategic Director Don Tingey.

Strategic Director Don Tingey said what I would like us to do tonight is walk through the process that we as a City have gone through as a refresher (presentation) so that we can turn the time over to Chris Fabian and Jon Johnson from Priority Based Budgeting.

Chris Fabian and Jon Johnson from Priority Based Budgeting, Executive Staff, and Council-members participated in a Priority Based Budget presentation and discussion.

Councilman Rogers motioned to close the Budget meeting. Councilman Seethaler seconded the motion. All were in favor.

The November 12, 2015 Budget Meeting adjourned at 8:40 pm

Priority Based Budgeting

City Council Work Session
November 12, 2015



Agenda

◉ *Review:*

- *Purpose*
- *Philosophy*
- *Process*

◉ *Demonstration*

- *Online Priority Based Budgeting*
 - *Center for Priority Based Budgeting*
 - *Chris Fabian*
 - *John Johnson*



Purpose: Priority Based Budgeting

*“... **identify** its most important strategic priorities, and then, through a collaborative, evidence based process, **rank** programs or services according to how well they **align** with the priorities. Then **allocate** funding in accordance with the ranking.”*



Purpose: Priority Based Budgeting

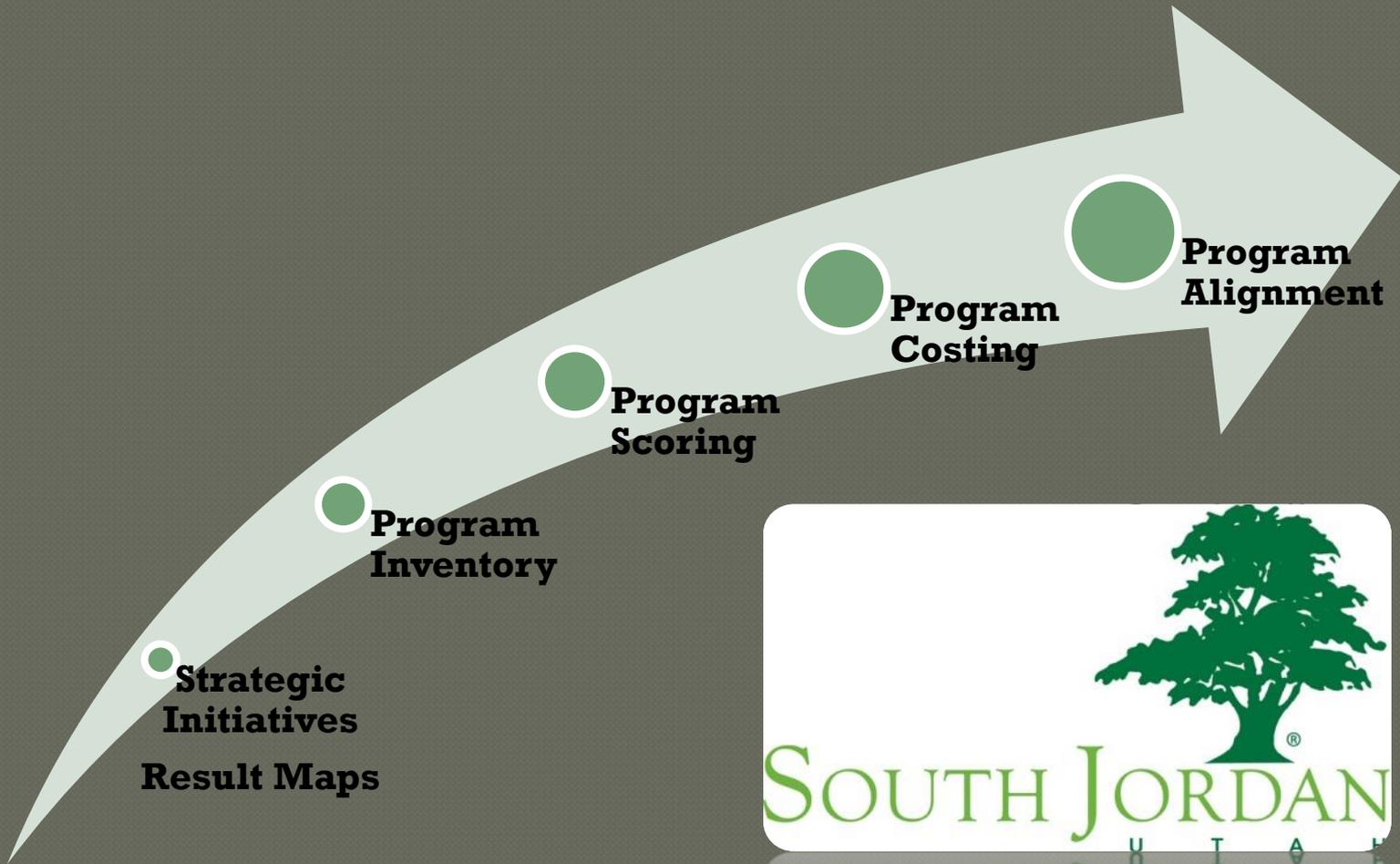
*“This process puts elected officials in an **influential policy-making role** – perhaps more powerful than under traditional budgeting system. It allows them to achieve what inspired them to run for office – **identifying the results and implementing the policies** that are most important to their community.*



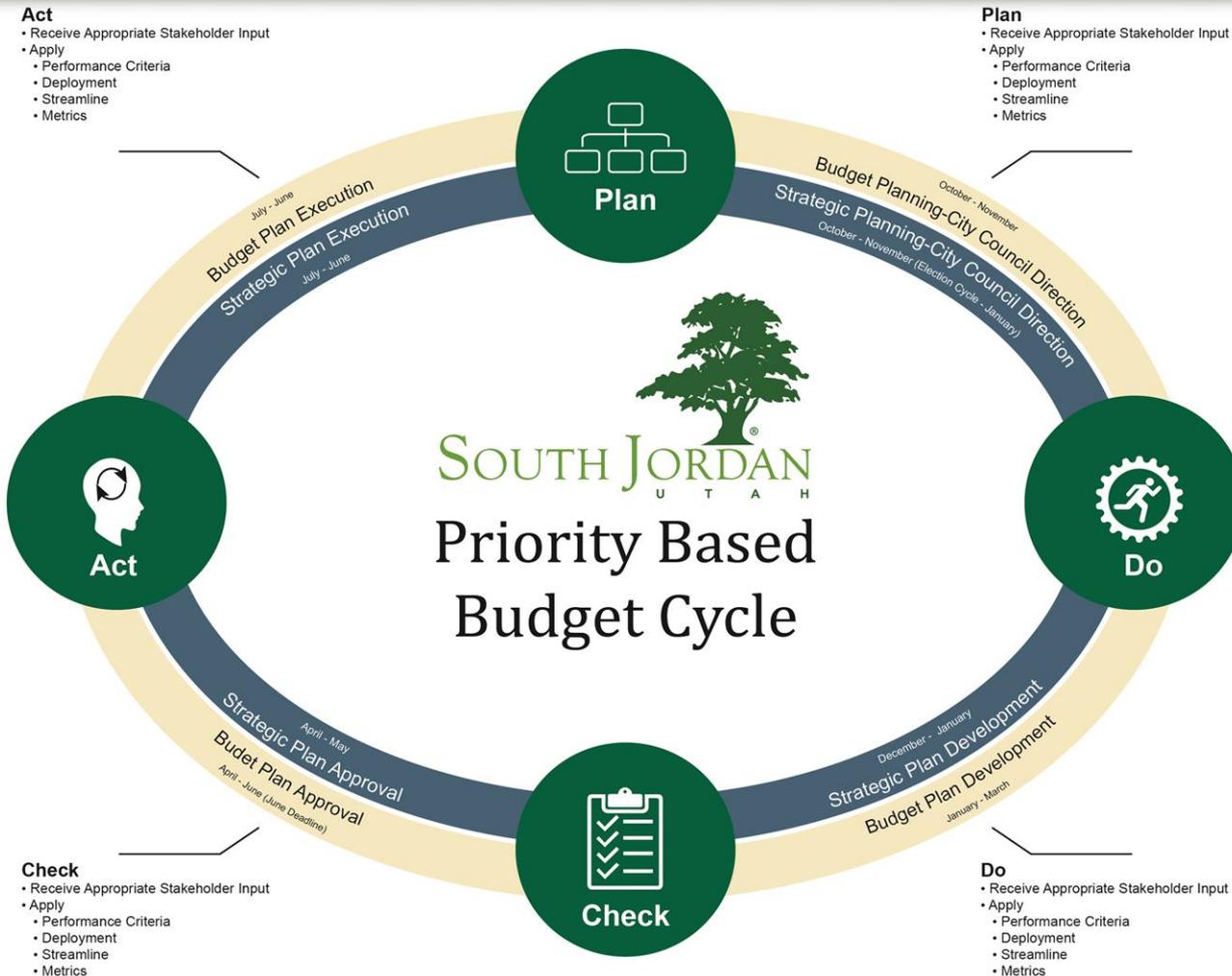
Philosophy

- ◉ Prioritize Services
- ◉ Do the Important Things Well
- ◉ Question Past Patterns of Spending
- ◉ Spend Within the Organization's Means
- ◉ Know the True Cost of Doing Business
- ◉ Provide Transparency of Community Priorities
- ◉ Provide Transparency of Service Impact
- ◉ Demand Accountability for Results

Priority Based Budgeting Development Process



Priority Based Budget Cycle



Strategic Initiatives



Balanced Regulatory Environment

Establishes and Enforces
Codes that Maintain a Clean,
Orderly and Sustainable
Environment
(BRE-3)

Provides for a Long-Term Safe
and Attractive Community
Through an Efficient and
Appropriate Set of Effective,
Well-Balanced and Consistently
Applied Regulations that Meet the
Community's Expectations
(BRE-1)

Balanced Regulatory
Environment



Educates, Engages and
Partners with the Community to
a Develop a Sense of Shared
Responsibility and Instill
Community Pride
(BRE-3)

Develops and Implements
Strategic Land-Use Plans,
Zoning Plans and Regulatory
Policies that that are Clear and
Fairly Managed, Ensure
Compliance with Current
Standards and Encourage
Community Growth and
Development
(BRE-2)

Civic Development

Provides for a Well-Managed, Well-Planned and Highly Reliable Public Utility System that Serves the Needs of the Community (CD-4)

Develops and Provides Quality Well-Maintained Parks, Trails, Open Spaces, Public Spaces and Public Use Facilities that Meet the Needs of the Community (CD-1)

Civic Development



Prioritizes Funding and Supports Resource Allocation to Maintain Planned and Existing Infrastructure Assets (CD-3)

Plans, Builds, Repairs and Continuously Enhances a Well-Designed, Sustainable and Well-Maintained Transportation Infrastructure Network that Ensures Safe Traffic Flow and Offers Public Transit Options (CD-1)

Desirable Amenities & Open Space

Partners and Collaborates with Aligned Stakeholders to Expand Parks and Recreation Facility Access and Programming (DAOS-4)

Develops and Maintains Park and Recreation Venues and Facilities that are Attractive and Connected to a Comprehensive Parks and Trail System that Provides the Community with Safe and Accessible Family Recreational Opportunities (DAOS-1)

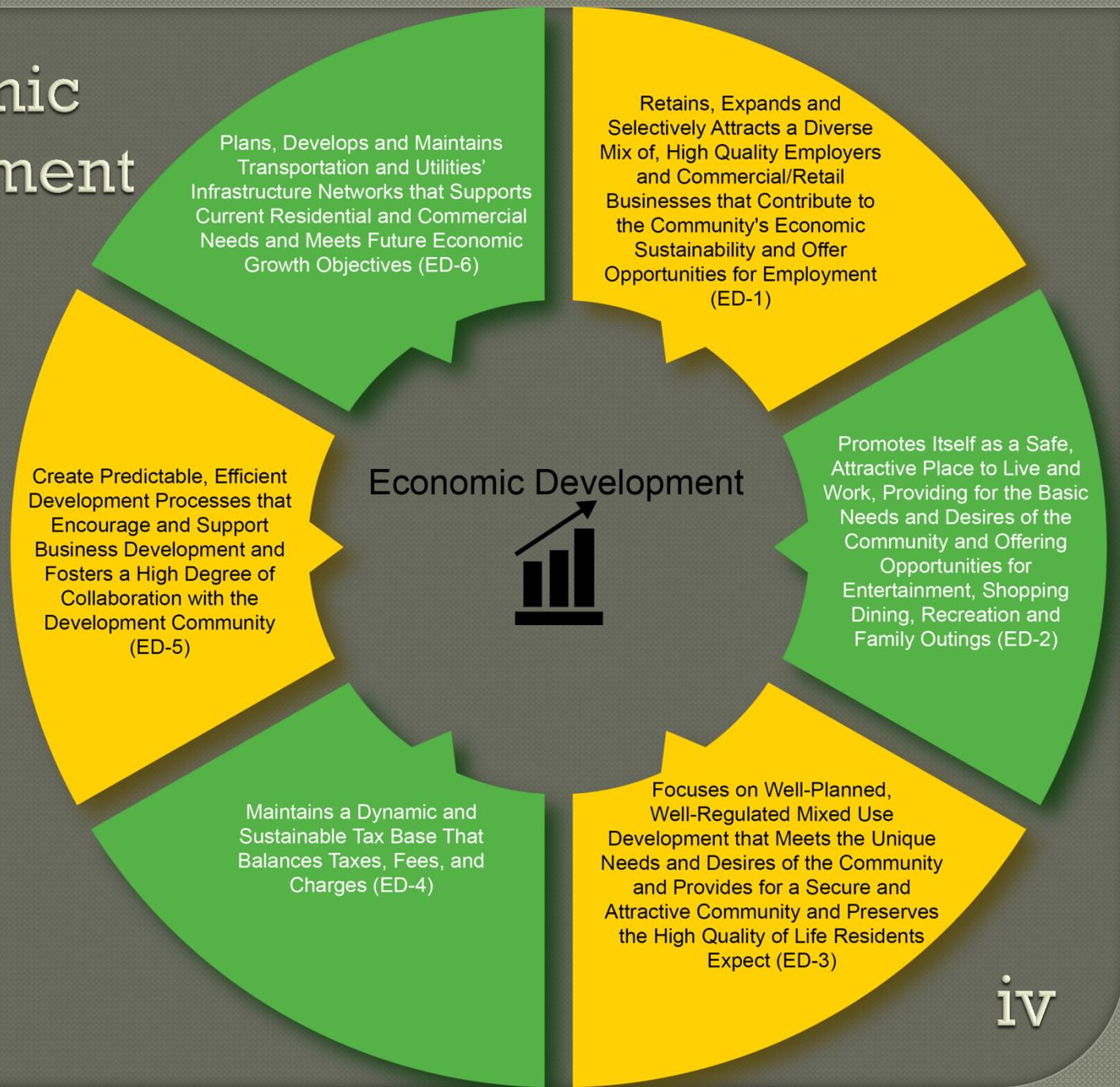
Desirable Amenities & Open Space



Preserves Its Unique History, Heritage and "Rural Feel" by Preserving Open Space and Sustaining Well-Maintained, Inviting and Accessible Open Spaces, Water Ways, Entry Ways and Public Rights of Way (DAOS-3)

Provides a Variety of Programs that Meet the Diverse Recreational and Leisure-time Needs for all Ages and Abilities (DAOS-2)

Economic Development



Engaged Community

Supports a Vibrant, Stable, Orderly, Well-Planned and Highly Served Community That Promotes Special Events, Recreational Activities and the Arts (EC-5)

Responds to the Needs and Concerns of the Community in a Prompt, Transparent, Professional, Respectful and Ethical Manner (EC-1)

Engaged Community

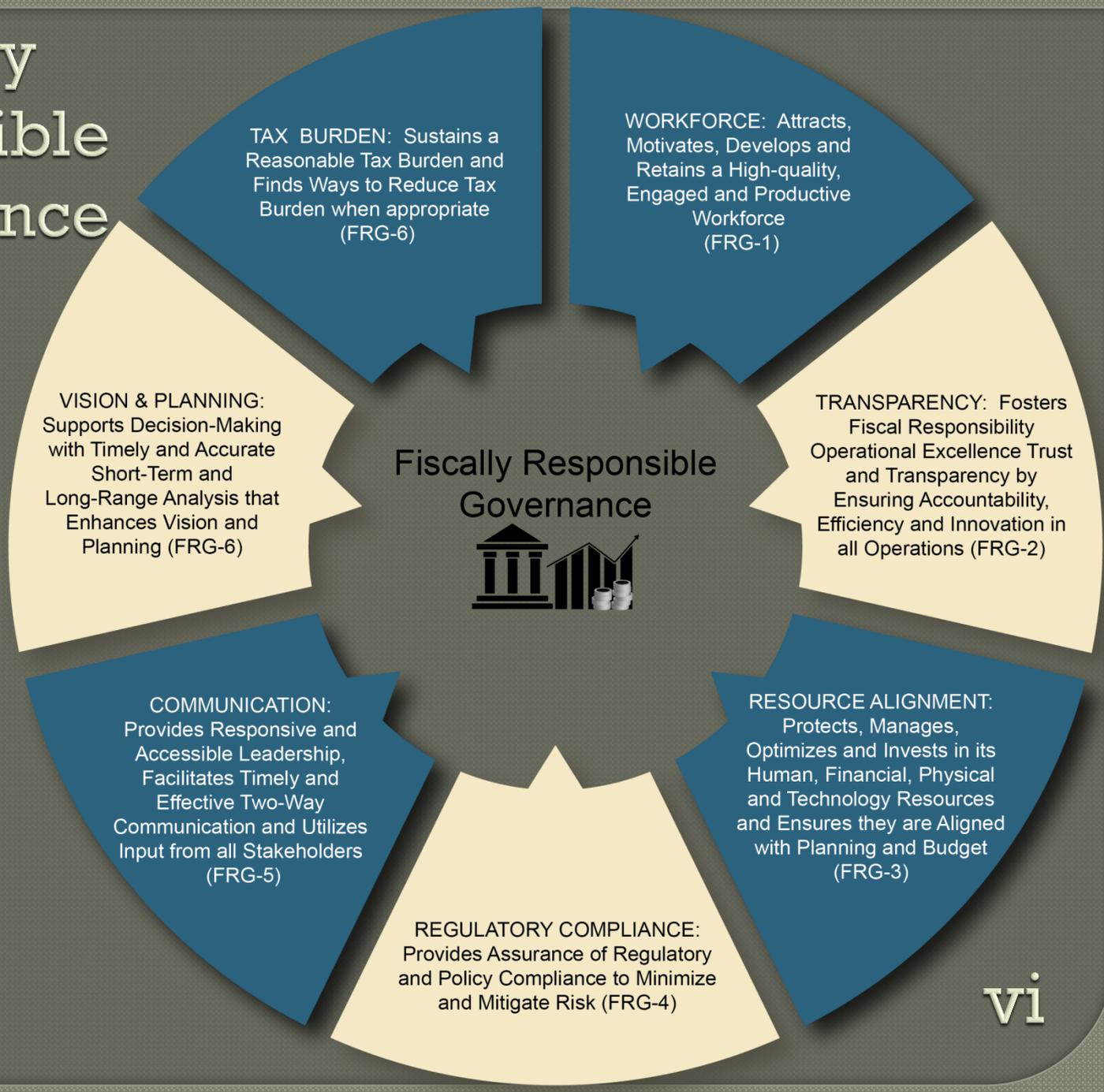


Provides Ample Opportunities to Engage, Educate, Inform and Involve the Community, Encouraging Participation, Partnerships Volunteerism (EC-4)

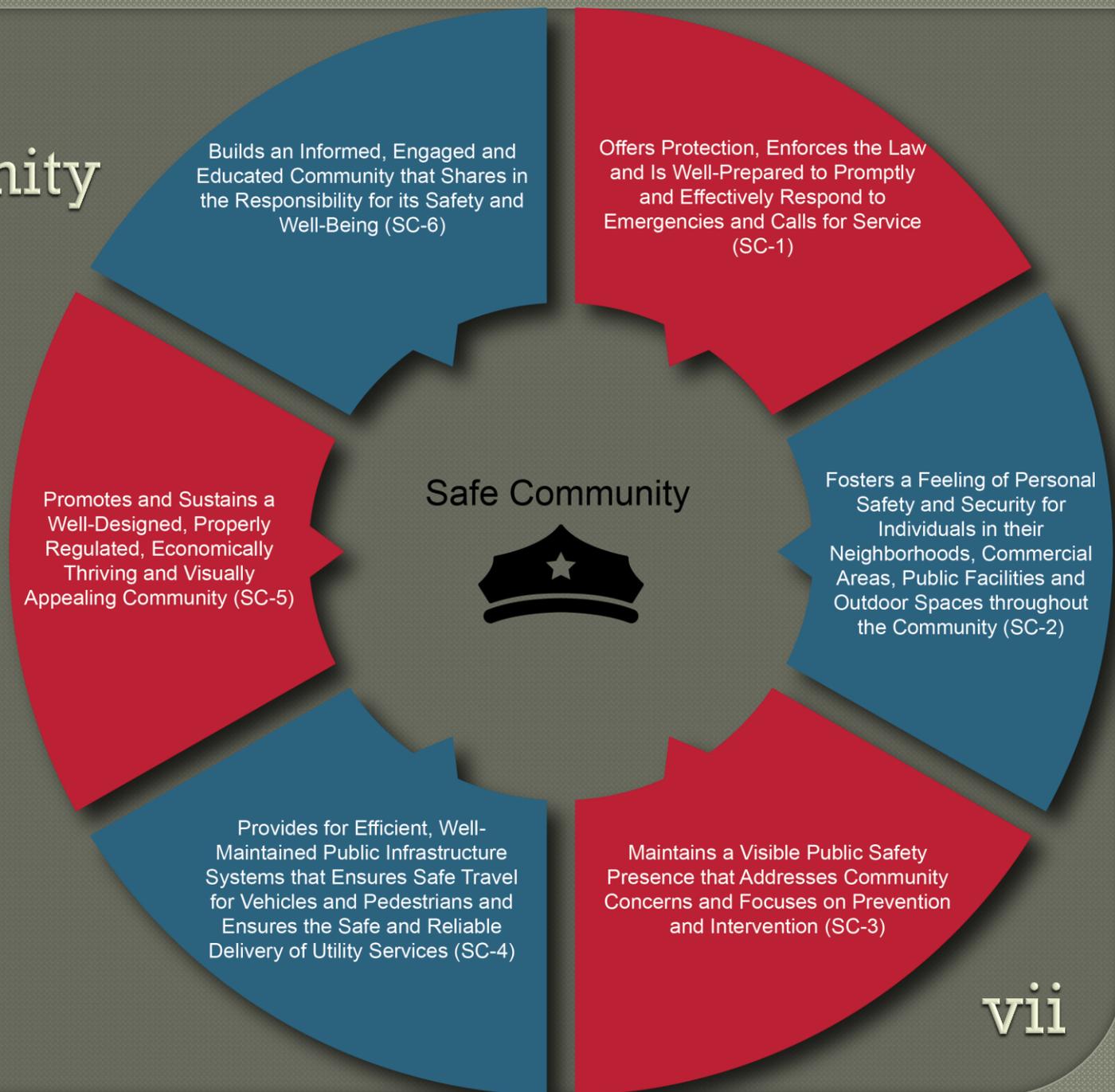
Fosters a Feeling of Growing Community Pride and a Sense of Shared Responsibility (EC-2)

Ensures an Environment that Fosters Open, Two-way Communication and Solicits Feedback from Community Members Through a Variety of Media Channels (EC-3)

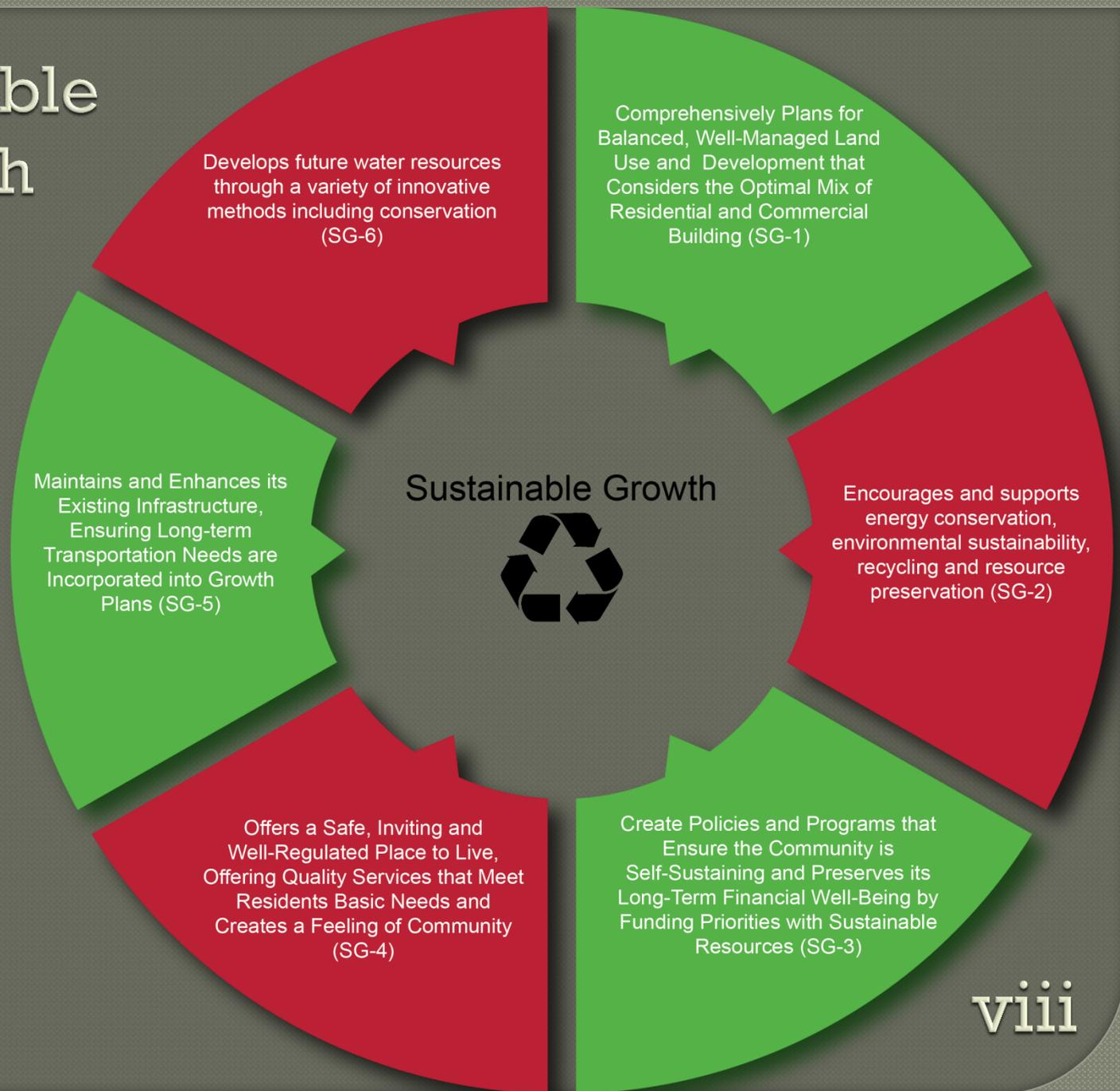
Fiscally Responsible Governance



Safe Community



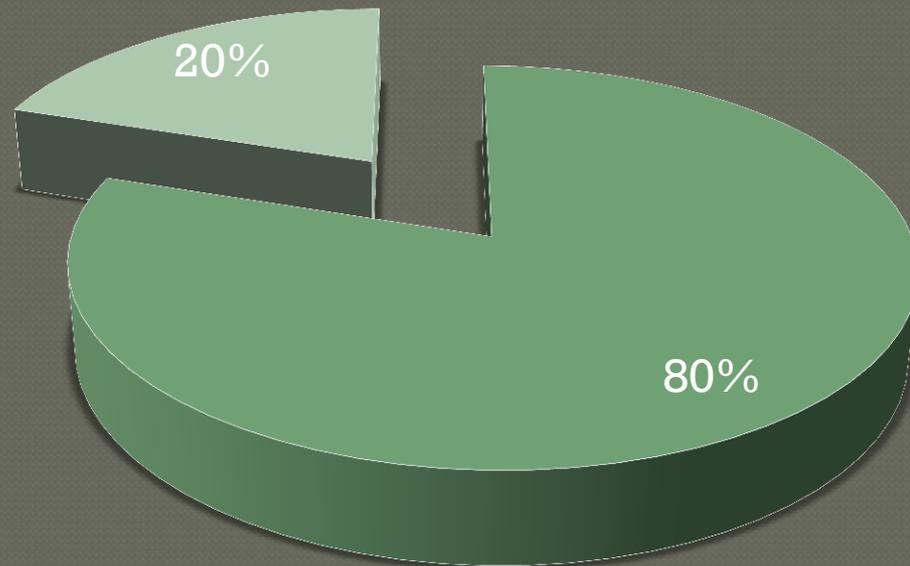
Sustainable Growth



Program Inventory

South Jordan City: 646 Programs

■ Community Programs ■ Governance



Program Scoring

● Scoring

• Community Result Attributes

- Balanced Regulatory Environ.
- Civic Development
- Desirable Amenities & Open Space
- Economic Development
- Engaged Community
- Safe Community
- Sustainable Growth
- Fiscal Responsible Governance

• Basic Attributes

- Mandate
- Reliance
- Cost Recovery
- Portion Served
- Change in Demand

• Governance Attributes

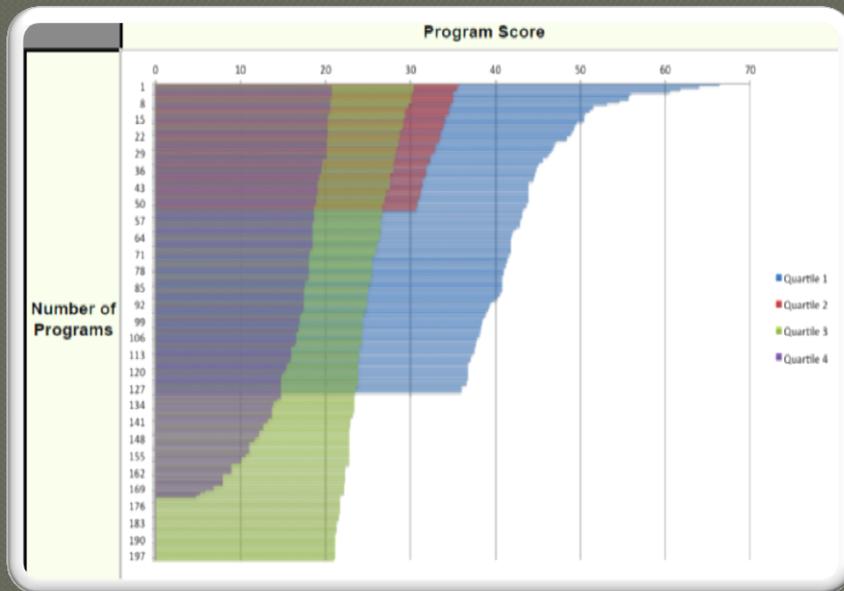
- Workforce
- Transparency
- Resource Alignment
- Regulatory Compliance
- Communication
- Vision & Planning
- Tax Burden

● Scored by Department

● Scored by Attribute Team

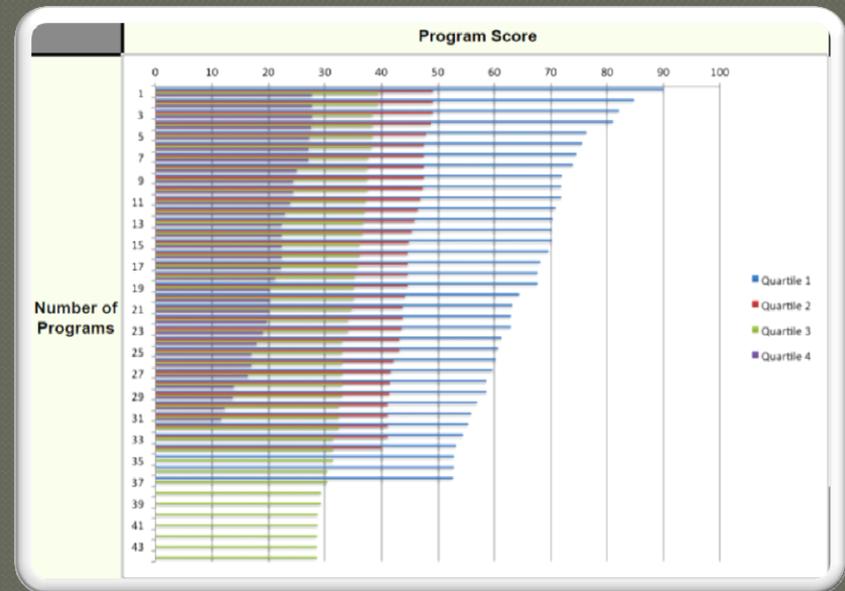
Program Scoring

Community Programs



Q1:	134	\$23.8 m
Q2:	47	\$11.6 m
Q3:	175	\$10.3 m
Q4:	148	\$ 8.6 m

Governance Programs

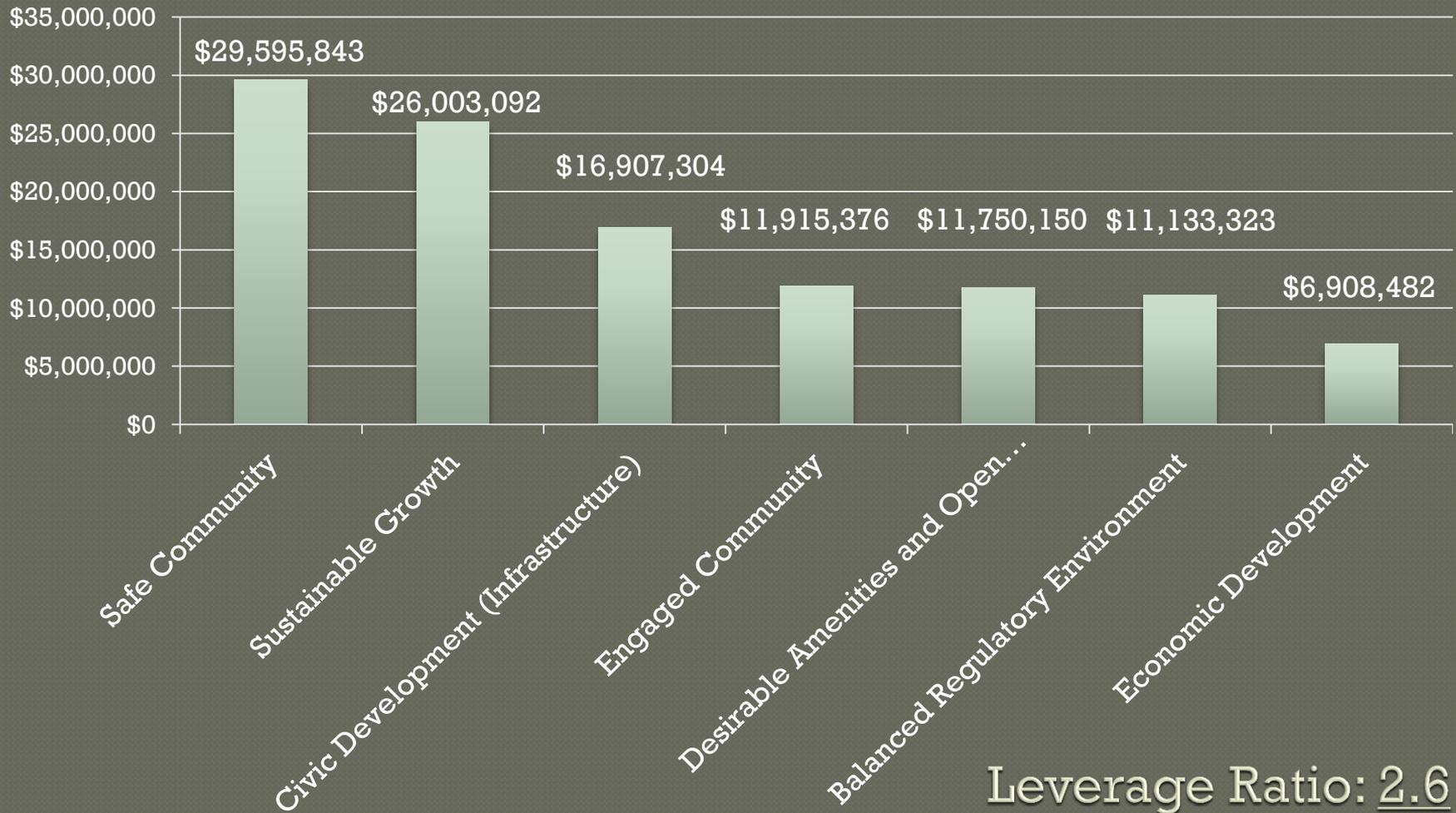


Q1:	36	\$2.2 m
Q2:	30	\$2.1 m
Q3:	36	\$3.5 m
Q4:	25	\$0.4 m

Program Costing

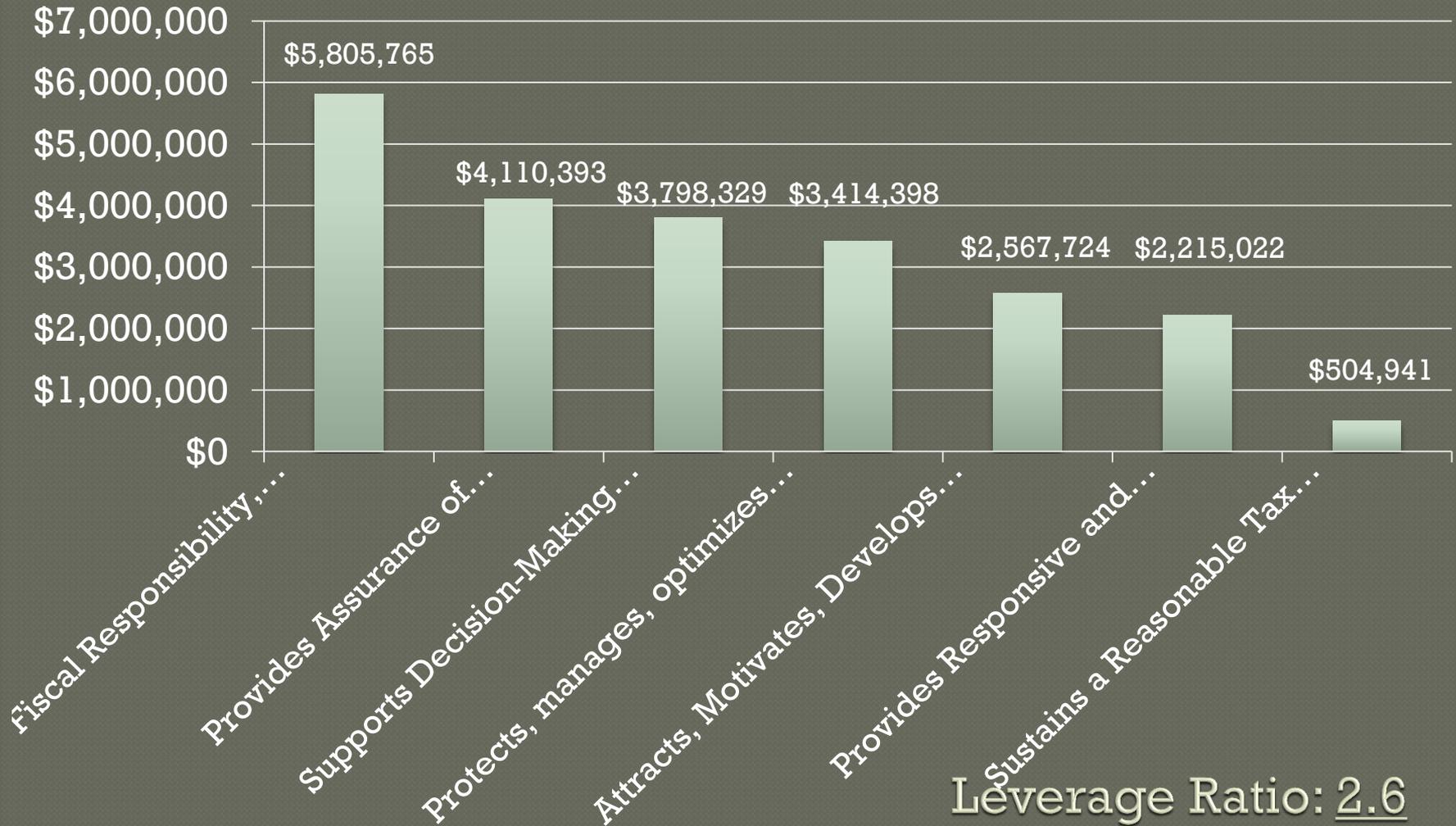
- ◎ Personnel/Benefits
- ◎ Operation Budgets
 - Excludes:
 - Debt payments
 - Capital Improvement Projects
 - One-time project payments
- ◎ Program Revenues
 - Fine tuning in future years

Spending Toward Community Results



Leverage Ratio: 2.6

Spending Towards Governance Results



Program Alignment

- FY2016-17 Budget Process
- Demonstration & Training
 - Priority Based Budgeting On-Line Tool
 - *Priority Based Budgeting Consultants*



Priority Based Budgeting Presentation of “Resource Alignment Diagnostic Tool”

***CITY of SOUTH JORDAN, UTAH
Jon Johnson & Chris Fabian
November 12, 2015***



Achieving Fiscal Health & Wellness

2 Strategic Initiatives

Fiscal Health

Long-term Fiscal
Wellness





WHY ADOPT
**PRIORITY BASED
BUDGETING?**



Why Priority Based Budgeting?

- *Better depicts and communicates organization's financial/budget information to inform decision-making*





Why Priority Based Budgeting?

- *Better depicts and communicates organization's financial/budget information to inform decision-making*
- *Avoids traditional "across the board" approach*



The Mercury News

From 2007

Across the Board Cuts Address \$14.5 Billion Shortfall

- California Governor's Office: “Across-the-board approach spreads reductions as evenly as possible so no single program gets singled out.”
- Reaction: “the governor’s approach would be like a family deciding to cut its monthly mortgage payment, dining-out tab and Netflix subscription each by 10%, rather than eliminating the restaurant and DVD spending in order to keep up the house payments.”



According to Moody's:



- Across-the-Board versus Targeted Budget Cuts
 - ***“Across-the-board cuts can be a way to avoid tough decisions”***
 - ***“Targeted cuts require a serious discussion of community values, relative benefits of different services, and long-term implications”***
- Moody's wants to see how local governments plan for and respond to financial challenges over the long term
 - ***“Making targeted cuts can demonstrate a more strategic approach to managing the fiscal crisis”***



Why Priority Based Budgeting?

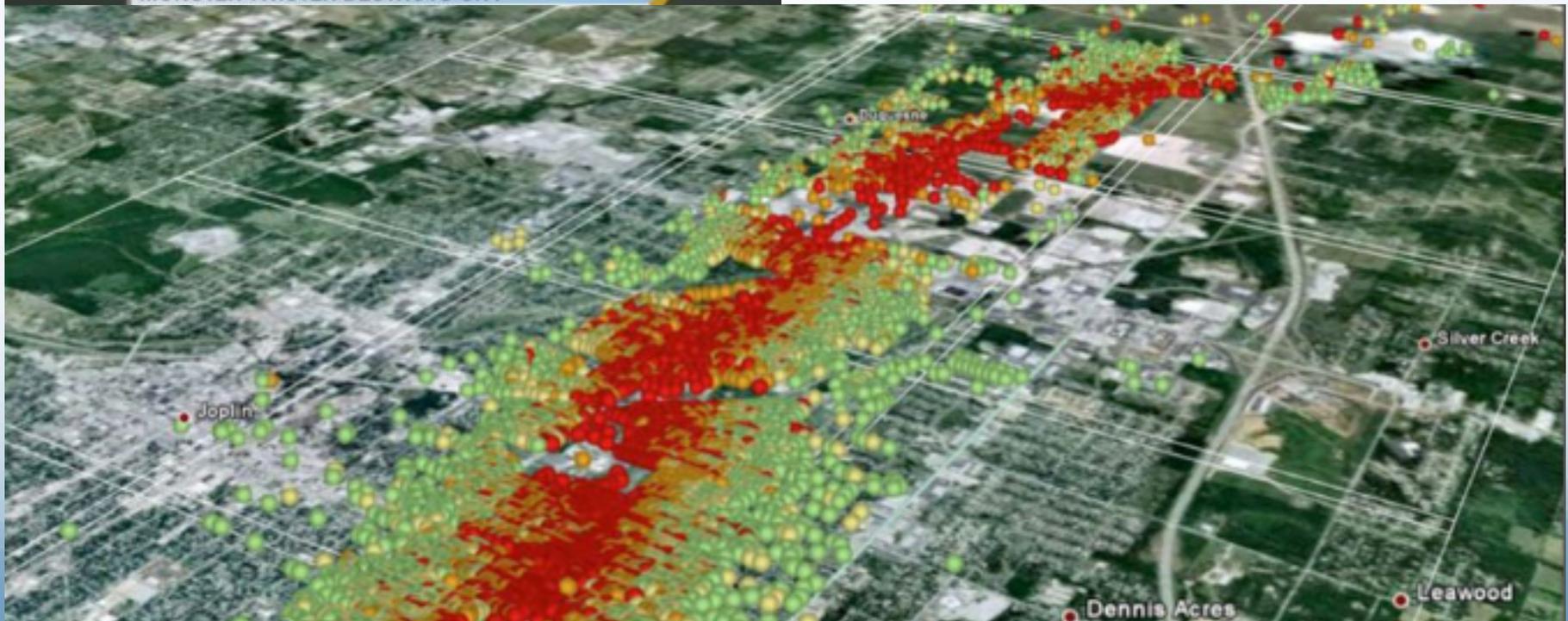
- *Better depicts and communicates organization's financial/budget information to inform decision-making*
- *Avoids traditional "across the board" approach*
- *Ensures organization is "fiscally prepared" for whatever is ahead*



CITY OF JOPLIN, MISSOURI

“Monster Twister Destroys City”

(But the rest of the City still needed full City services)



GOVERNING

THE STATES AND LOCALITIES

FINANCE | HEALTH | INFRASTRUCTURE | MANAGEMENT | ELECTIONS | POLITICS | PUBLIC SAFETY | URBAN | EDUCATION

FINANCE

The Illusion of Cities' Recovery From the Recession

In many ways, Colorado Springs and other cities have rebounded. But things aren't as good as they seem.

BY ZACH PATTON | SEPTEMBER 2015



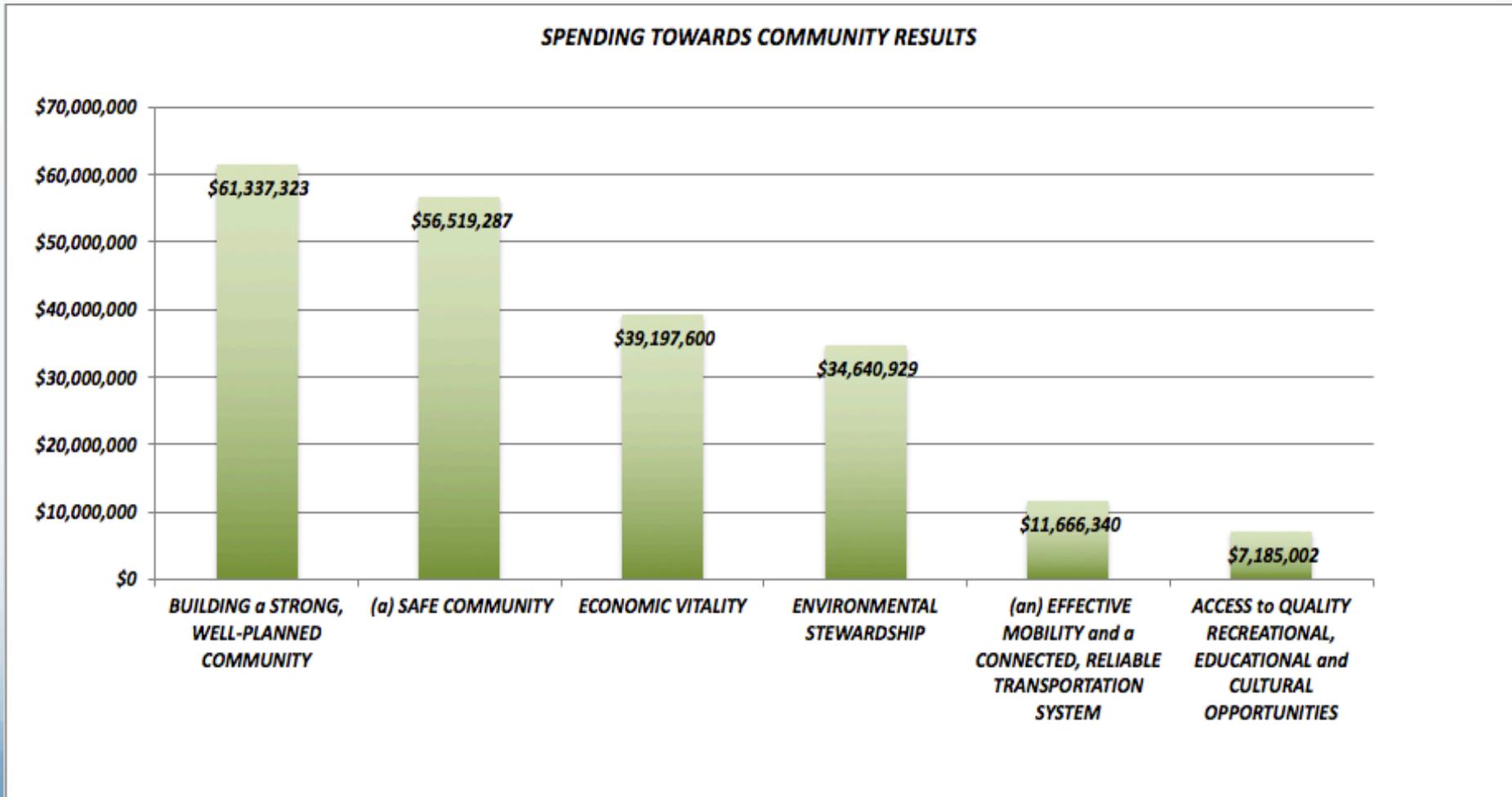


Why Priority Based Budgeting?

- *Better depicts and communicates organization's financial/ budget information to inform decision-making*
- *Avoids traditional "across the board" approach*
- *Ensures organization is "fiscally prepared" for whatever is ahead*
- **Ensures resource allocation (Budget) is aligned with community expectations (Results)**



Budget Allocation - Community Results





Why Priority Based Budgeting?

- *Better depicts and communicates organization's financial/ budget information to inform decision-making*
- *Avoids traditional "across the board" approach*
- *Ensures organization is "fiscally prepared" for whatever is ahead*
- *Ensures resource allocation (Budget) is aligned with community expectations (Results)*
- *Allows organization to "see" things in a different way and apply a more diagnostic approach*



BRINGING VISION INTO FOCUS WITH A NEW “LENS”





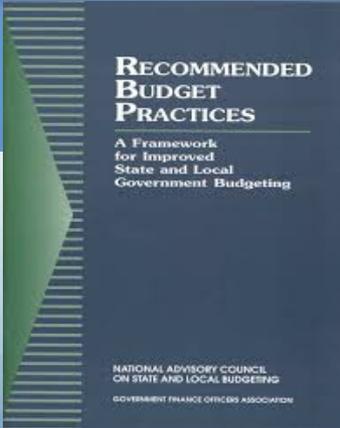
Why Priority Based Budgeting?

- *Better depicts and communicates organization's financial/ budget information to inform decision-making*
- *Avoids traditional "across the board" approach*
- *Ensures organization is "fiscally prepared" for whatever is ahead*
- *Ensures resource allocation (Budget) is aligned with community expectations (Results)*
- *Allows organization to "see" things in a different way and apply a more diagnostic approach*
- *Aligns with current best practices in local government*



ICMA

ALLIANCE FOR INNOVATION
TRANSFORMING LOCAL GOVERNMENT



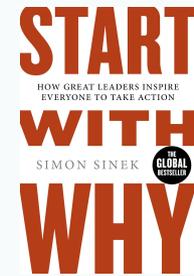


*Aligning Resources with Priorities
through*

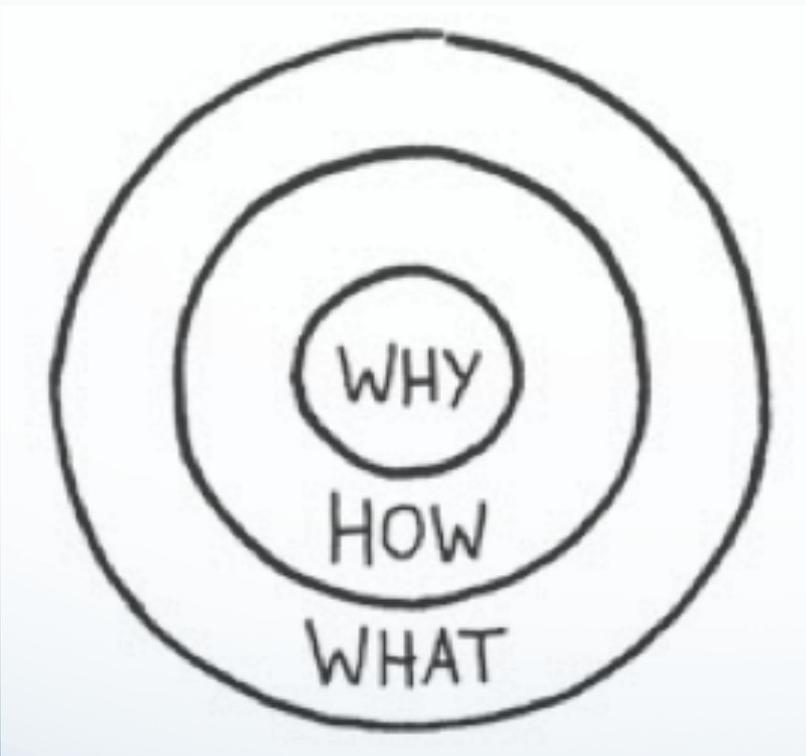
**PRIORITY BASED
BUDGETING**



Start with “Why”



The Golden Circle



© 2013 Simon Sinek, Inc.

What

Every organization on the planet knows **WHAT** they do. These are Products they sell or the services they offer.

How

Some Organizations know **HOW** they do it. These are things that make them special or set them apart from their competition

Why

Very few Organizations know **WHY** they do what they do. **WHY** is not about making money. That's a result. It's a purpose, cause or belief. It's the very reason your organization exists.



STEPS to SUCCESS – Priority Based Budgeting

- **Assess Financial Reality**
 - **“WHAT is our “picture of Fiscal Health”?”**
- **Identify Programs and Services**
 - **“WHAT exactly do we do?”**
- **Estimate Costs of Programs and Services**
 - **“HOW much does it cost to do what we do?”**
- **Identify and Establish Results**
 - **“WHY do we exist and what are we in business to do?”**
- **Clarify Results Definitions**
 - **“HOW will we achieve our Results?”**
- **Evaluate Programs Based on Results**
 - **“WHAT is the highest importance”**
- **Allocate Resources Based on Community Priorities**
 - **“WHAT, HOW and WHY can we “see” differently?”**



Program Inventories (and Costs) Developed by City

City of South Jordan, Utah
Department Program Inventory Worksheet
 July, 2014

DIRECTIONS: Comprehensively identify "what you do" in your department by developing a list of programs /services you offer. Please provide a program name that clearly identifies what the program "does" and provide a brief description, if needed to clarify that programs function. **PLEASE AVOID ABBREVIATIONS, ACRONYMS or TERMINOLOGY THAT WOULD BE UNFAMILIAR TO SOMEONE OUTSIDE YOUR DEPARTMENT**

Accounting Fund Name	DEPARTMENT NAME	DIVISION NAME	PROGRAM NAME	PROGRAM NUMBER	PROGRAM DESCRIPTION
Special Revenue	Administrative Services	Fitness Center	Aquatic Facility Administration and Operations	21	Maintain safe and healthy aquatic facilities in compliance with regulations set forth by the Centers for Disease Control and the Salt Lake Valley Health Department.
Special Revenue	Administrative Services	Fitness Center	Swim Lessons, Classes and Certification Programs	22	Plan, implement and evaluate swim programs. Current program offerings include swim teams, lifeguard certification programs and learn to swim programs.
Special Revenue	Administrative Services	Fitness Center	Community Events & Outreach	23	Plan, implement and evaluate health fairs, open houses & educational seminars. Work with other departments to combine efforts in events and activities to promote health and well being.
Special Revenue	Administrative Services	Fitness Center	Membership Sales	24	Membership sales, renewals, cancellations and refund requests.
Special Revenue	Administrative Services	Fitness Center	Child Care	25	Provide a safe and clean atmosphere for children while their parents or guardian work out. Maintains certifications and licensure with State and Local regulatory agencies.
Special Revenue	Administrative Services	Fitness Center	Group Fitness	26	Plan, implement and evaluate group fitness programs. Provide a range of classes to appeal to a diverse membership population.
Special Revenue	Administrative Services	Fitness Center	Facility Rental	27	Effectively manage facility rental requests.
Special Revenue	Administrative Services	Fitness Center	Personal Trainers	28	Effectively manage personal trainers.
Special Revenue	Administrative Services	Fitness Center	Fitness Center Administration	1001	Includes Budgets and Financial Management, contract administration, office supply orders, personnel, travel and training.



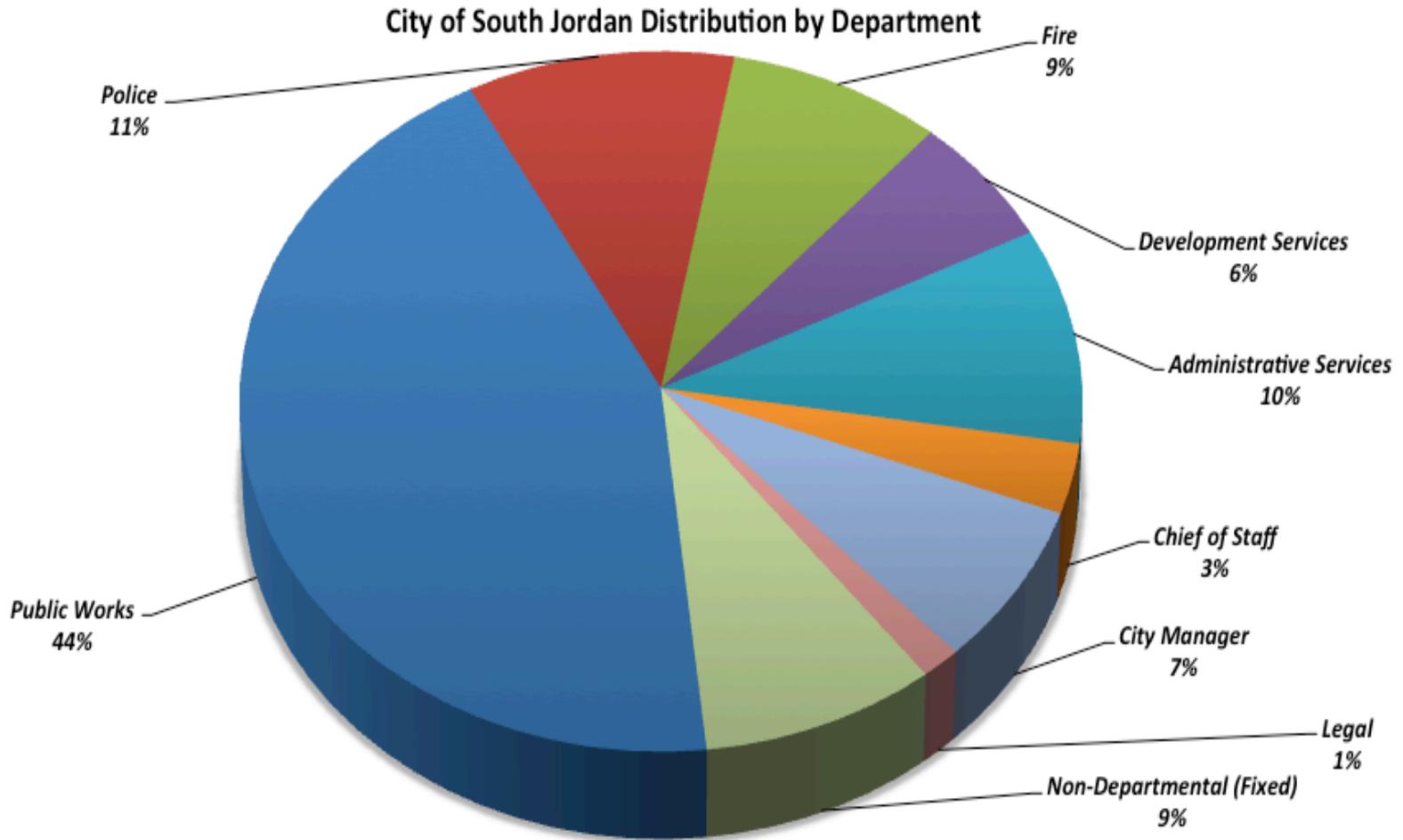
Identifying Programs & Program Costs

“Inventorying all of a government’s services into a list of programs is the most difficult part of the process, but for many, it is the most illuminating. By costing out and rethinking the budget in terms of what specific services a government provides, decision-makers gain valuable information about what they actually do and how much each unit costs to produce.”

- **646 Citywide Programs - \$62,685,656**
 - 621 Direct Programs
 - 4 Multi-Funded Programs
 - 15 Department Administration Programs
 - 6 Fixed Cost Programs
- **517 Community Programs - \$54,446,638**
 - 86.9% of ongoing City budget
 - 9.8% of which are Fixed Cost Programs (\$6.1m)
- **129 Governance Programs - \$ 8,239,018**
 - 13.1% of ongoing City budget



Costs Distributed by Department





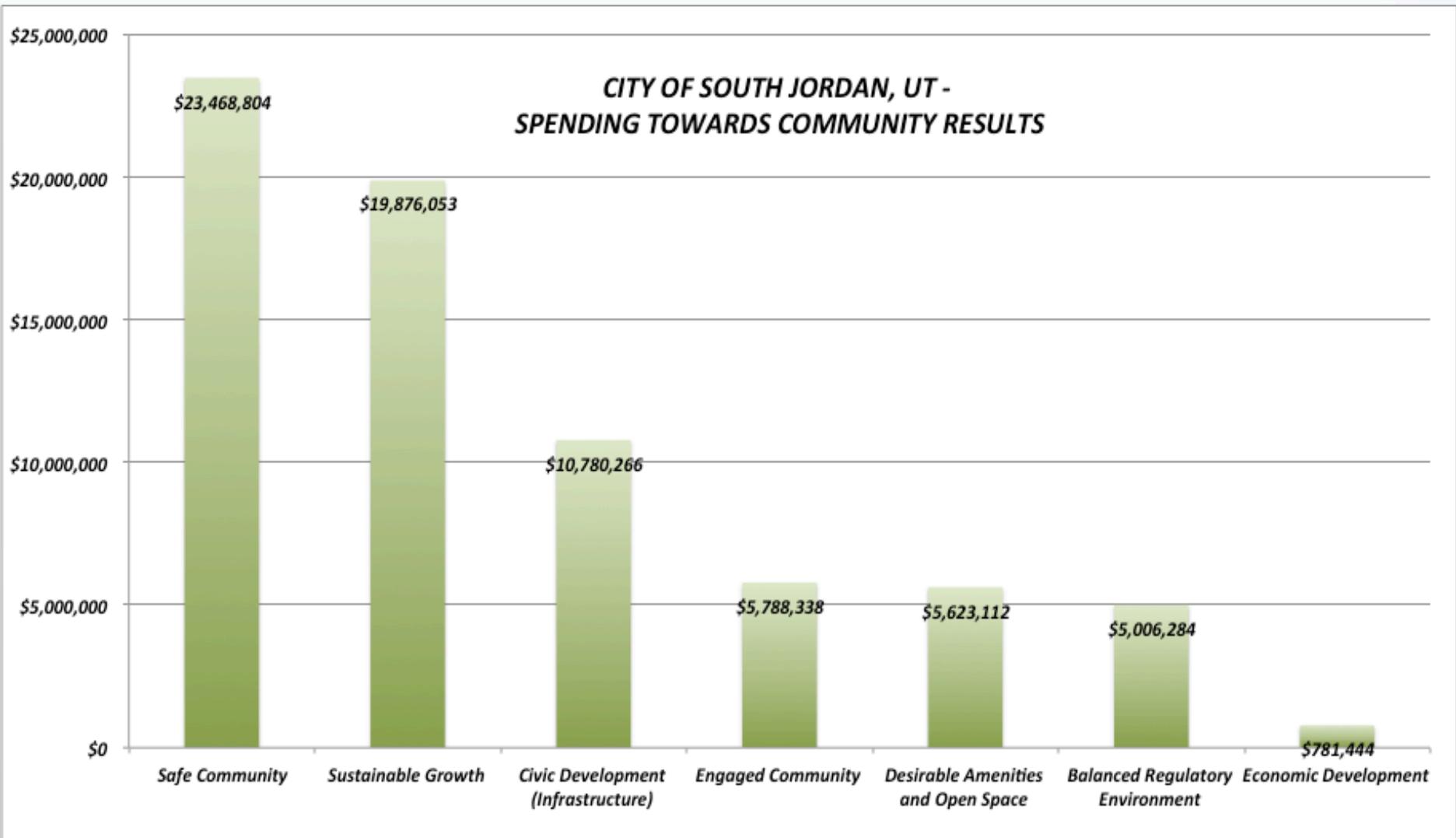
City of South Jordan, Utah

Community Results

- **Balanced Regulatory Environment**
- **Civic Development (Infrastructure)**
- **Desirable Amenities and Open Space**
 - **Economic Development**
 - **Engaged Community**
 - **Safe Community**
 - **Sustainable Growth**



Budget Allocation - Community Results





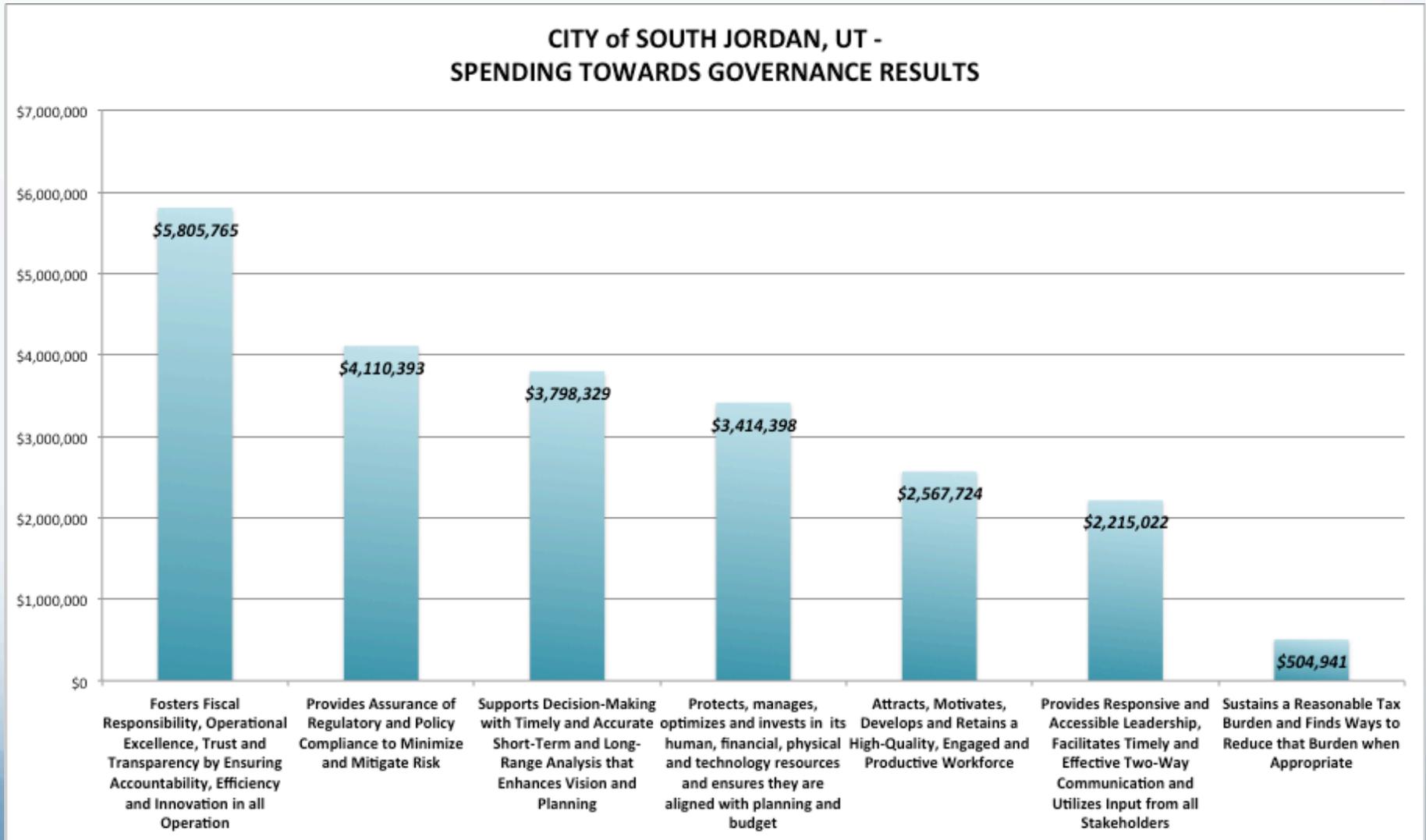
City of South Jordan, Utah

Fiscally Responsible Governance

- *Attracts, Motivates, Develops and Retains a High-Quality, Engaged and Productive Workforce*
- *Fosters Fiscal Responsibility, Operational Excellence, Trust and Transparency by Ensuring Accountability, Efficiency and Innovation in all Operations*
- *Protects, Manages, Optimizes and Invests in its Human, Financial, Physical and Technology Resources and Ensures they are Aligned with Planning and Budget*
 - *Provides Assurance of Regulatory and Policy Compliance to Minimize and Mitigate Risk*
- *Provides Responsive and Accessible Leadership, Facilitates Timely and Effective Two-Way Communication and Utilizes Input from all Stakeholders*
- *Supports Decision-Making with Timely and Accurate Short-Term and Long-Range Analysis that Enhances Vision and Planning*
- *Sustains a Reasonable Tax Burden and Finds Ways to Reduce that Burden when Appropriate*



Budget Allocation - Governance Results





Community-Oriented Results

Provides Long-term for a Safe and Attractive Community Through an Efficient and Appropriate Set of Effective, Well-Balanced and Consistently Applied Regulations that Meet the Community's Expectations

Establishes and Enforces Codes that Maintain a Clean, Orderly and Sustainable Environment

BALANCED REGULATORY ENVIRONMENT

Develops and Implements Strategic Land-Use Plans, Zoning Plans and Regulatory Policies that are Clear and Fairly Managed, Ensure Compliance with Current Standards and Encourage Community Growth and Development

Educates, Engages and Partners with the Community to a Develop a Sense of Shared Responsibility and Instill Community Pride

Develops and Provides Quality Well-Maintained Parks, Trails, Open Spaces, Public Spaces and Public Use Facilities that Meet the Needs of the Community

Provides for a Well-Managed, Well-Planned and Highly Reliable Public Utility System that Serves the Needs of the Community

CIVIC DEVELOPMENT (Infrastructure)

Plans, Builds, Repairs and Continuously Enhances a Well-Designed, Sustainable and Well-Maintained Transportation Infrastructure Network that Ensures Safe Traffic Flow and Offers Public Transit Options

Prioritizes Funding and Supports Resource Allocation to Maintain Planned and Existing Infrastructure Assets

Develops and Maintains Parks and Recreation Venues and Facilities that are Attractive and Connected to a Comprehensive Parks and Trails System that Offers the Community Safe, Accessible Family Recreational Opportunities

Partners and Collaborates with Aligned Stakeholders to Expand Parks and Recreation Facility Access and Programming

DESIRABLE AMENITIES and OPEN SPACE

Provides a Variety of Programs that Meet the Diverse Recreational and Leisure-time Needs for all Ages and Abilities

Preserves Its Unique History, Heritage and Rural Feel by Preserving Open Space and Sustaining Well-Maintained, inviting and Accessible Open Spaces, Water Ways, Entry Ways and Public Rights of Way

Retains, Expands and Selectively Attracts a Diverse Mix of, High Quality Employers and Commercial/Retail Businesses that Contribute to the Community's Economic Sustainability and Offer Opportunities for Employment

Promotes Itself as a Safe, Attractive Place to Live and Work, Providing for the Basic Needs and Desires of the Community and Offering Opportunities for Entertainment, Shopping, Dining, Recreation and Family Outings

Focuses on Well-Planned, Well-Regulated Mixed Use Development that Provides for a Secure and Attractive Community and Preserves the Unique Quality of Life Residents Expect

ECONOMIC DEVELOPMENT

Maintains a Dynamic and Sustainable Tax Base That Balances Taxes, Fees, and Charges

Plans, Develops and Maintains Transportation and Utility Infrastructure Networks that Support Current Residential and Commercial Needs and Meets Future Economic Growth Objectives

Creates Predictable, Efficient Development Processes that Encourage and Support Business Development and Fosters a High Degree of Collaboration with the Development Community

Responds to the Needs and Concerns of the Community in a Prompt, Transparent, Professional, Respectful and Ethical Manner

Supports a Vibrant, Stable, Orderly, Well-Planned and Highly Serviced Community that Promotes Education, Special Events, Recreational Activities and the Arts

Fosters a Feeling of Growing Community Pride and a Sense of Shared Responsibility

**ENGAGED
COMMUNITY**

Provides Ample Opportunities to Engage, Educate, Inform and Involve the Community, Encouraging Participation, Partnerships and Volunteerism

Ensures an Environment that Fosters Open, Two-way Communication and Solicits Feedback from Community Members Through a Variety of Media Channels

Offers Protection, Enforces the Law and Is Well-Prepared to Promptly and Effectively Respond to Emergencies and Calls for Service

Fosters a Feeling of Personal Safety and Security for Individuals In their Neighborhoods, Commercial Areas, Public Facilities and Outdoor Spaces throughout the Community

Builds an Informed, Engaged and Educated Community that Shares in the Responsibility for its Safety and Well-Being

SAFE COMMUNITY

Maintains a Visible Public Safety Presence that Addresses Community Concerns and Focuses on Prevention and Intervention

Promotes and Sustains a Well-Designed, Properly Regulated, Economically Thriving and Visually Appealing Community

Provides for Efficient, Well-Maintained Public Infrastructure Systems That Ensures Safe Travel for Vehicles and Pedestrians and Ensures the Safe and Reliable Delivery of Utility Services

**Comprehensively Plans for
Balanced, Well-Managed Land Use
and Development that Considers
the Optimal Mix of Residential and
Commercial Building**

**Encourages and Supports Energy
Conservation, Environmental
Sustainability, Recycling and
Resource Preservation**

**Develops Future Water Resources
Through a Variety of Innovative
Methods, Including Conservation**

SUSTAINABLE GROWTH

**Creates Policies and Programs that
Ensure the Community is Self-
Sustaining and Preserves its Long-
Term Financial Well-Being by
Funding Priorities with Sustainable
Resources**

**Maintains and Enhances its
Existing Infrastructure, Ensuring
Long-term Transportation Needs
are Incorporated into Growth
Plans**

**Offers a Safe, Inviting and Well-
Regulated Place to Live, Offering
Quality Services that Meet
Residents' Basic Needs and
Creates a Feeling of Community**



Governance Results

**Attracts, Motivates, Develops
and Retains a High-quality,
Engaged and Productive
Workforce**

**Fosters Fiscal Responsibility,
Operational Excellence, Trust
and Transparency by Ensuring
Accountability, Efficiency and
Innovation in all Operations**

**Sustains a Reasonable Tax
Burden and Finds Ways to
Reduce that Burden when
Appropriate**

FISCALLY RESPONSIBLE GOVERNANCE

**Protects, Manages, Optimizes
and Invests in its Human,
Financial, Physical and
Technology Resources and
Ensures they are Aligned with
Planning and Budget**

**Supports Decision-Making with
Timely and Accurate Short-Term
and Long-Range Analysis that
Enhances Vision and Planning**

**Provides Responsive and
Accessible Leadership,
Facilitates Timely and Effective
Two-Way Communication and
Utilizes Input from all
Stakeholders**

**Provides Assurance of
Regulatory and Policy
Compliance to Minimize and
Mitigate Risk**



Simple Scoring Scale – “Degree” of Relevance to a Result

4 = Program has an essential or critical role in achieving Result

3 = Program has a strong influence on achieving Result

2 = Program has some degree of influence on achieving Result

1 = Program has minimal (but some) influence on achieving Result

0 = Program has no influence on achieving Result

*“High Degree”
of Relevance*

*“Lower Degree” of
Relevance (still a
clear connection)*

*No Clear
Connection*



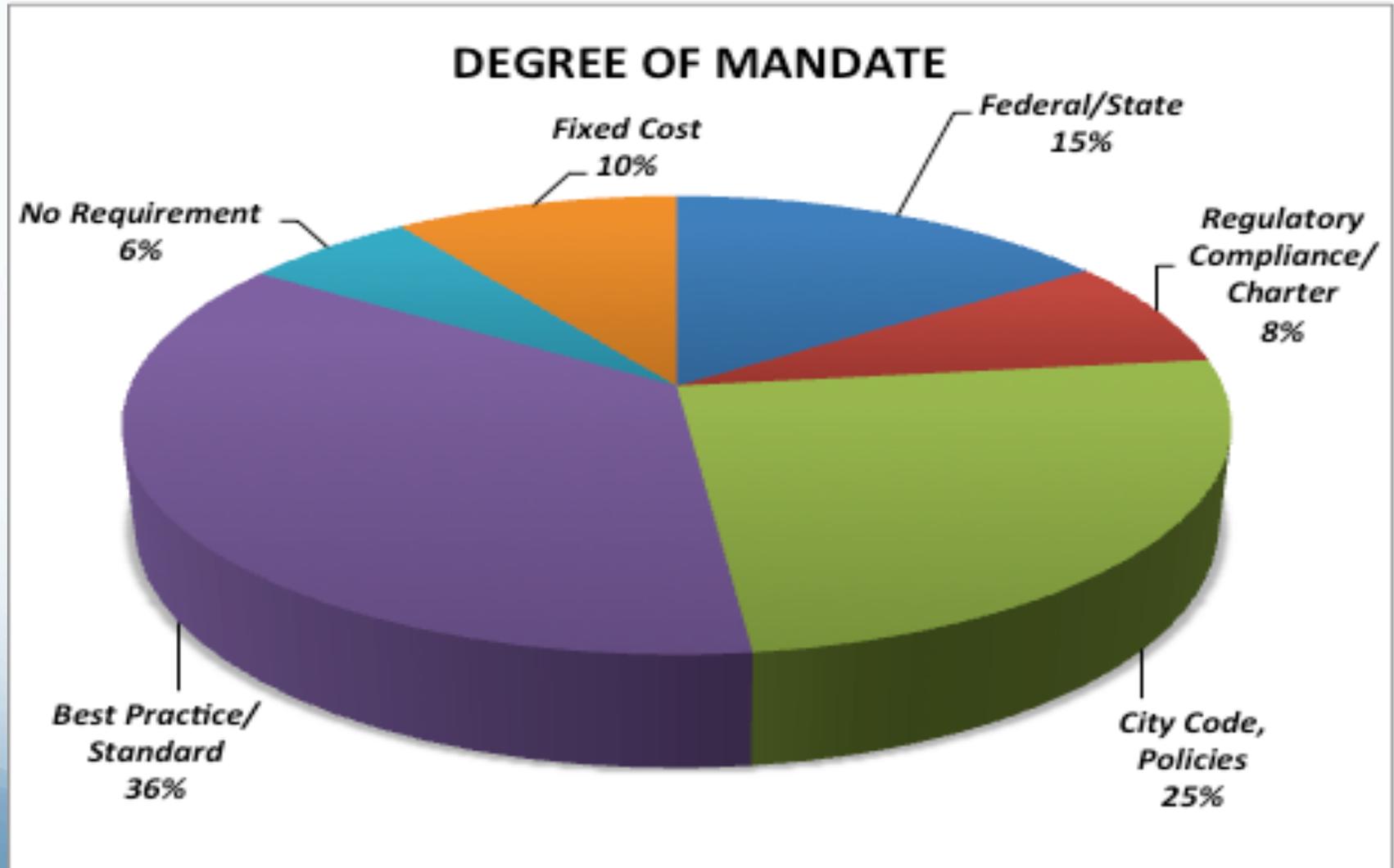
City of South Jordan, Utah

Basic Program Attributes

- ***Mandated to Provide Program***
- ***Reliance on City to Provide Program***
 - ***Change in Demand for Program***
 - ***Cost Recovery of Program***
- ***Portion of Community Served by Program***

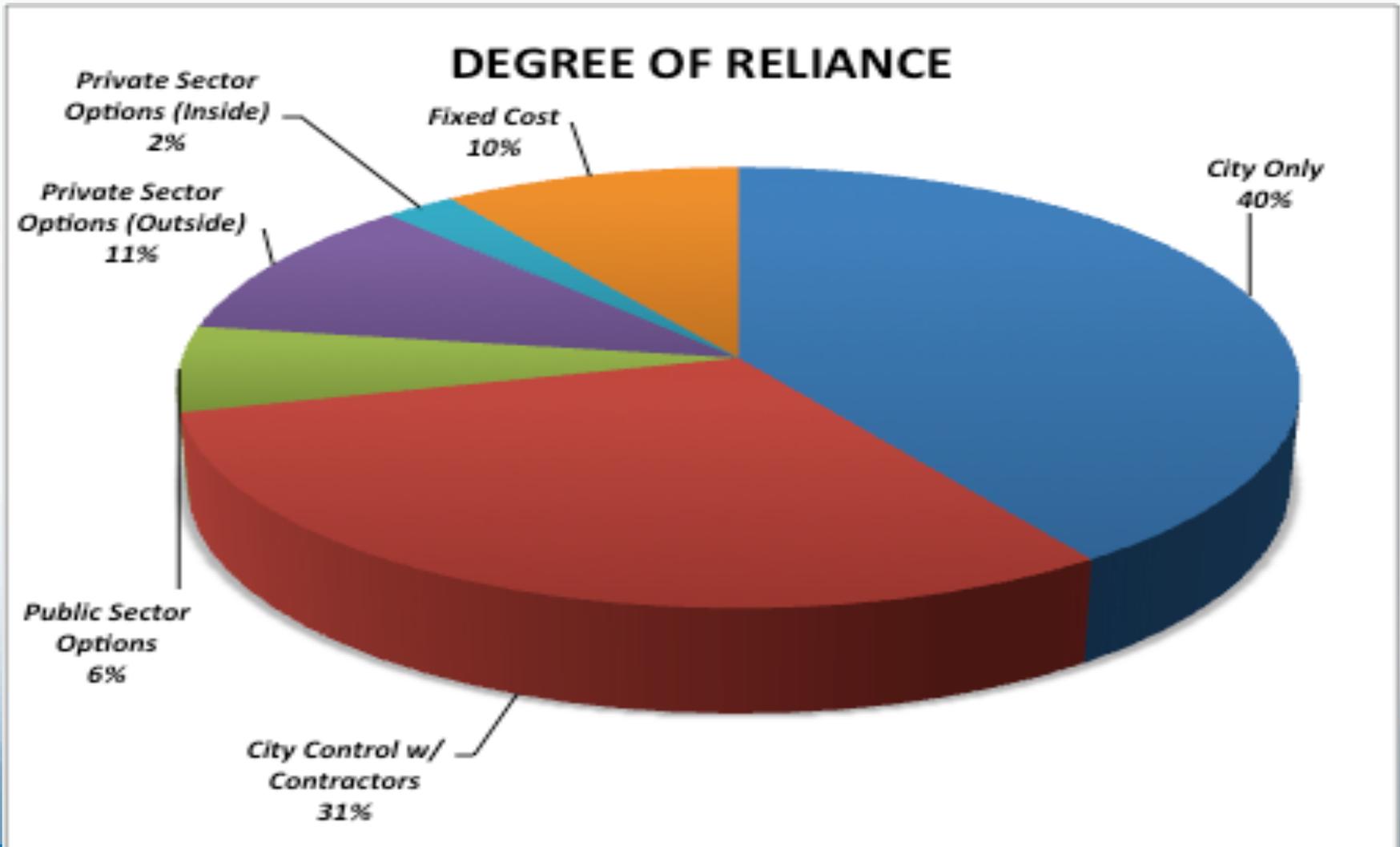


Basic Program Attributes: *Mandated to Provide Program*



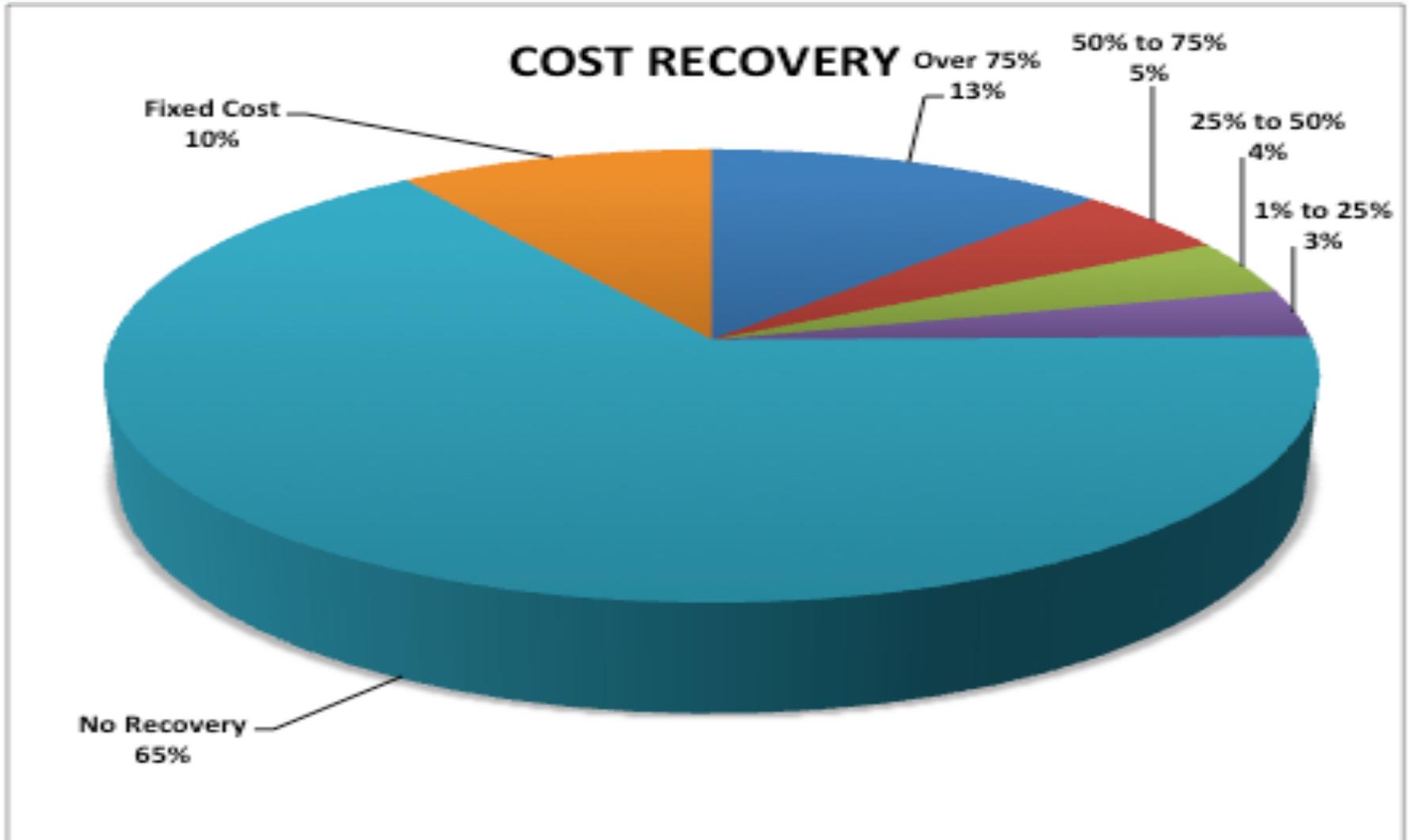


Basic Program Attributes: **Reliance on City to Provide Program**



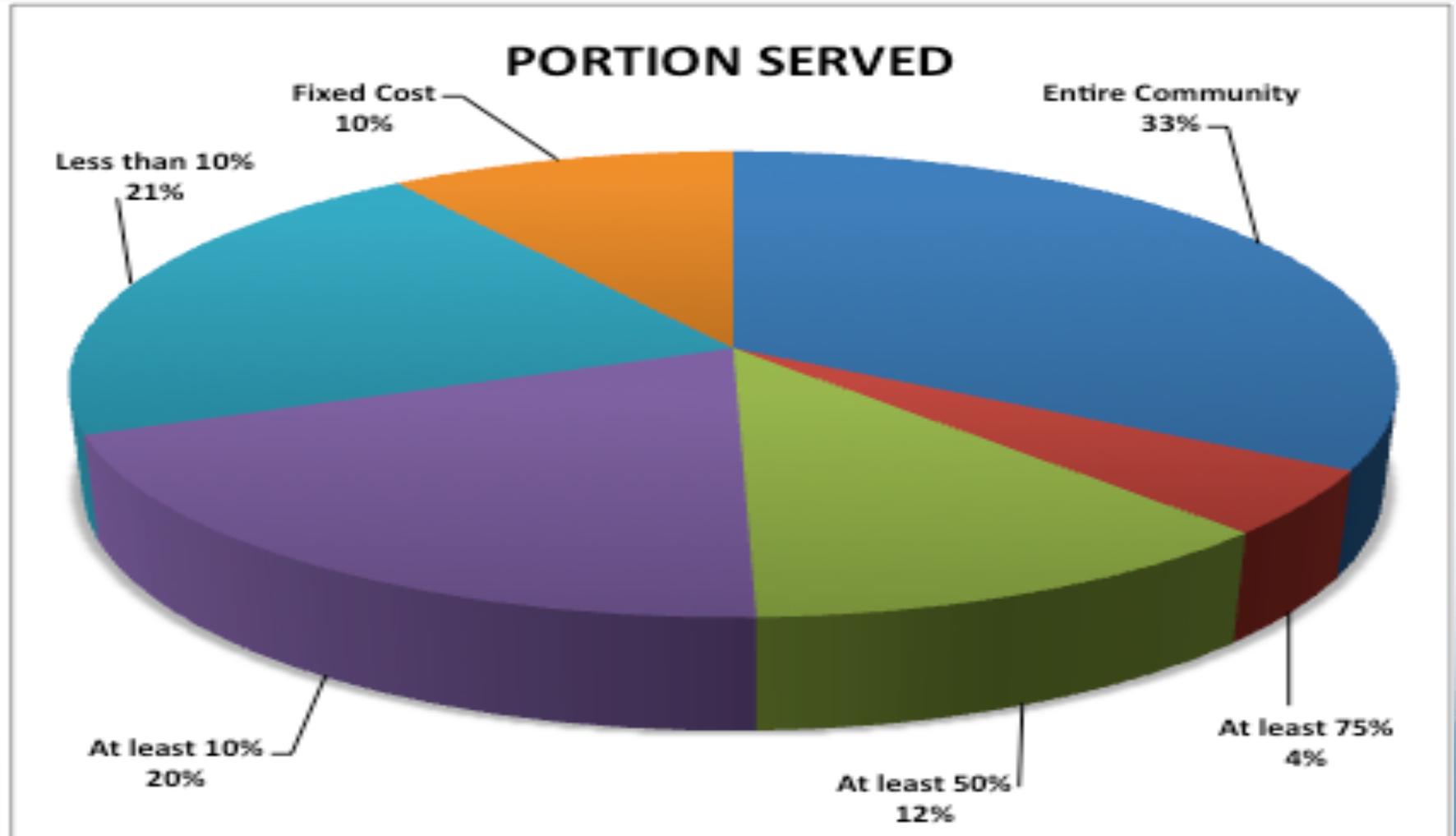


Basic Program Attributes: **Cost Recovery of Program**



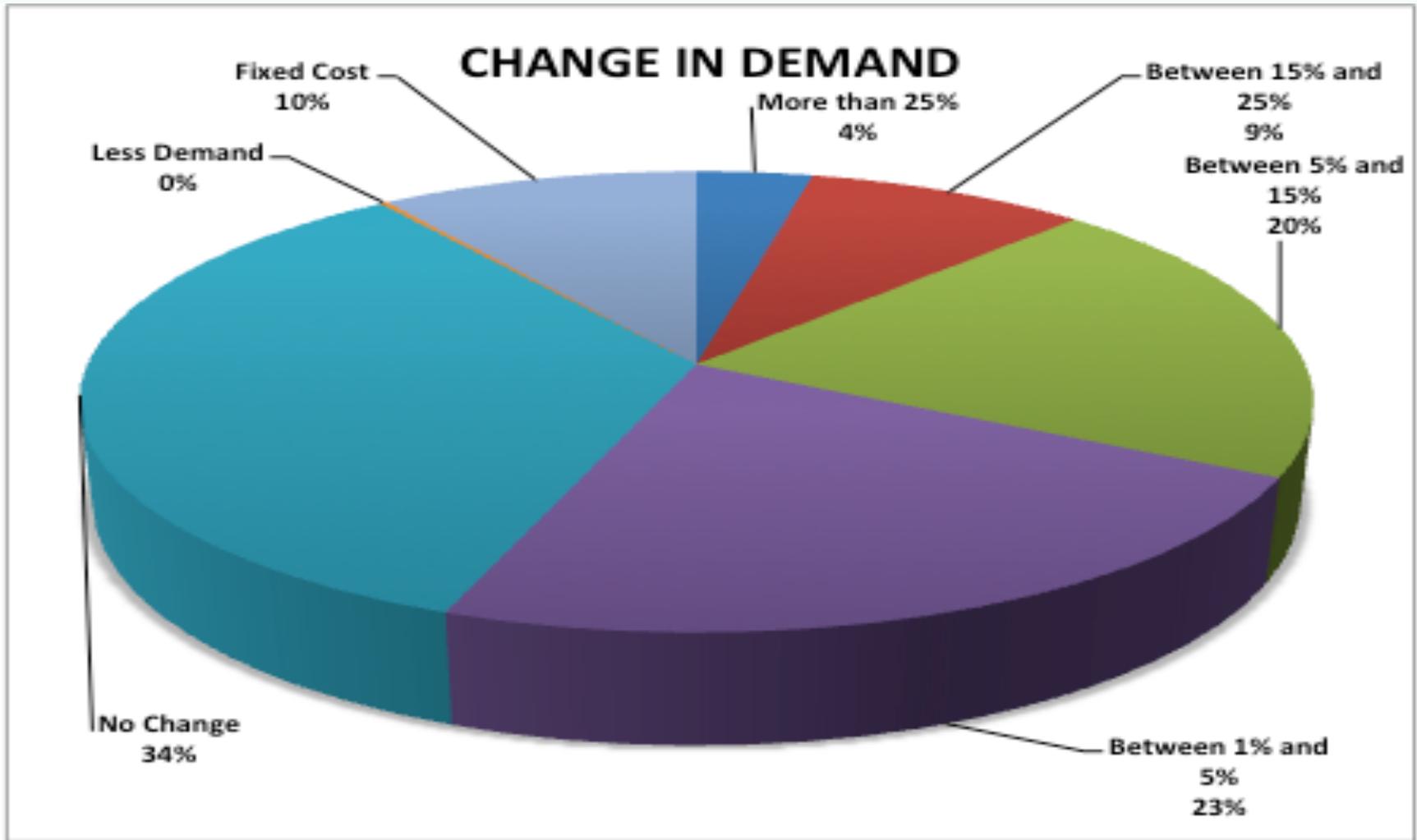


Basic Program Attributes: Portion of Community Served by Program





Basic Program Attributes: **Change in Demand for Program**



Peer Review Process (Quality Control)



CITY of SALINAS, CALIFORNIA

Priority Based Budgeting

Peer Review of Departmental Program Scoring - February, 2014



Basic Program Attribute: MANDATED to PROVIDE the PROGRAM



Each department has scored its programs against both the Priority Results and the Basic Attributes. Based on this process, programs were assigned a score between "0" and "4". Peer Review serves as a "quality control" step in the scoring process. Each Peer Review team is asked to review the scores assigned by the department for each program relative only to the Priority Result or Basic Attribute the team is assigned to study. Specifically, each team is asked to:

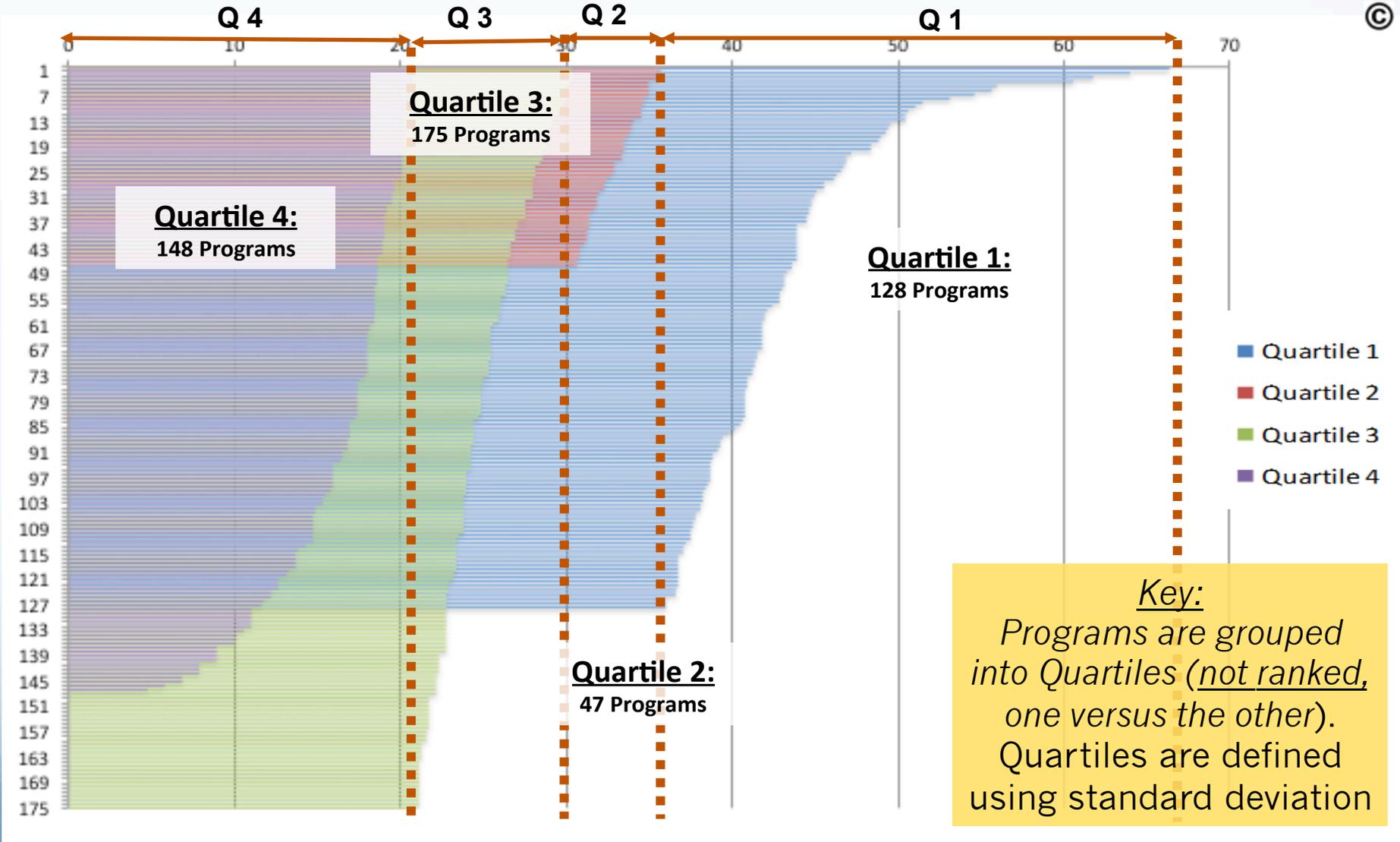
- 1) determine whether the team agrees with the departmental score based on how well the program aligns with the Priority Result or meets the scoring criteria for the Basic Attribute (i.e. does the program achieve the Priority Result and to what extent OR does it meet the scoring criteria of the Basic Attribute);
- 2) request additional information about the program to gain a better understanding of the departmental score, if necessary;
- 3) based on any additional information and based on the team's discussion, recommend the final score for the program (either higher, lower or the same as the original score.)

Programs are Listed in Order of Score, From High to Low, Relative to this Result or Attribute

ACCOUNTING FUND	DEPARTMENT	DIVISION	PROGRAM NAME	PROGRAM DESCRIPTION	PROGRAM NUMBER	DEPT. SCORE	Agree with Dept. Score?	Need More Information?	NOTES	PEER REVIEW FINAL SCORE
							(Yes/No)	(Yes/No)		
CDBG - 2910	Community and Economic Development - 30	Rehabilitation	CDBG Housing Services Program- Rehabilitation	Grant funds provided to low/mod income households; rehabilitation of owner and non-owner occupied dwellings to prevent blight and improve substandard living conditions in Salinas including the target area Alisal Homeownership Neighborhood Revitalization Area	19	4	No	No		2
General - 10	Community and Economic Development (30)	Administration	Customer Service Assistance (1)	Assist with "walk-ins" for permit information, Phones, Issue refunds, Direct customers to the appropriate depts.	39.10	4	No	No		1
General - 10	Community and Economic Development (30)	Building Safety	Customer Service Assistance (2)	Assist with "walk-ins" for permit information	39.20	4	No	No		1
General - 10	Community and Economic Development (30)	Code Enforcement	Customer Service Assistance (3)	Assist with "walk-ins" for permit information	39.30	4	No	No		1
General - 10	Community and Economic Development (30)	Developing Engineering	Customer Service Assistance (4)	Assist with "walk-ins" for permit information	39.40	4	No	No		1
General - 10	Community and Economic Development (30)	Administration	Plan Submittal and Routes	Accept and route submitted documents from the public	41	4	No	No		1
General - 10	Community and Economic Development (30)	Administration	Records Management	Scan, file and store all required documents. Prepare and gather any public records requests	43	4	Yes	No		4
General - 10	Community and Economic Development (30)	Administration	State Reports	Provide reports of permit history and pay fees to the State	44	4	Yes	No		4



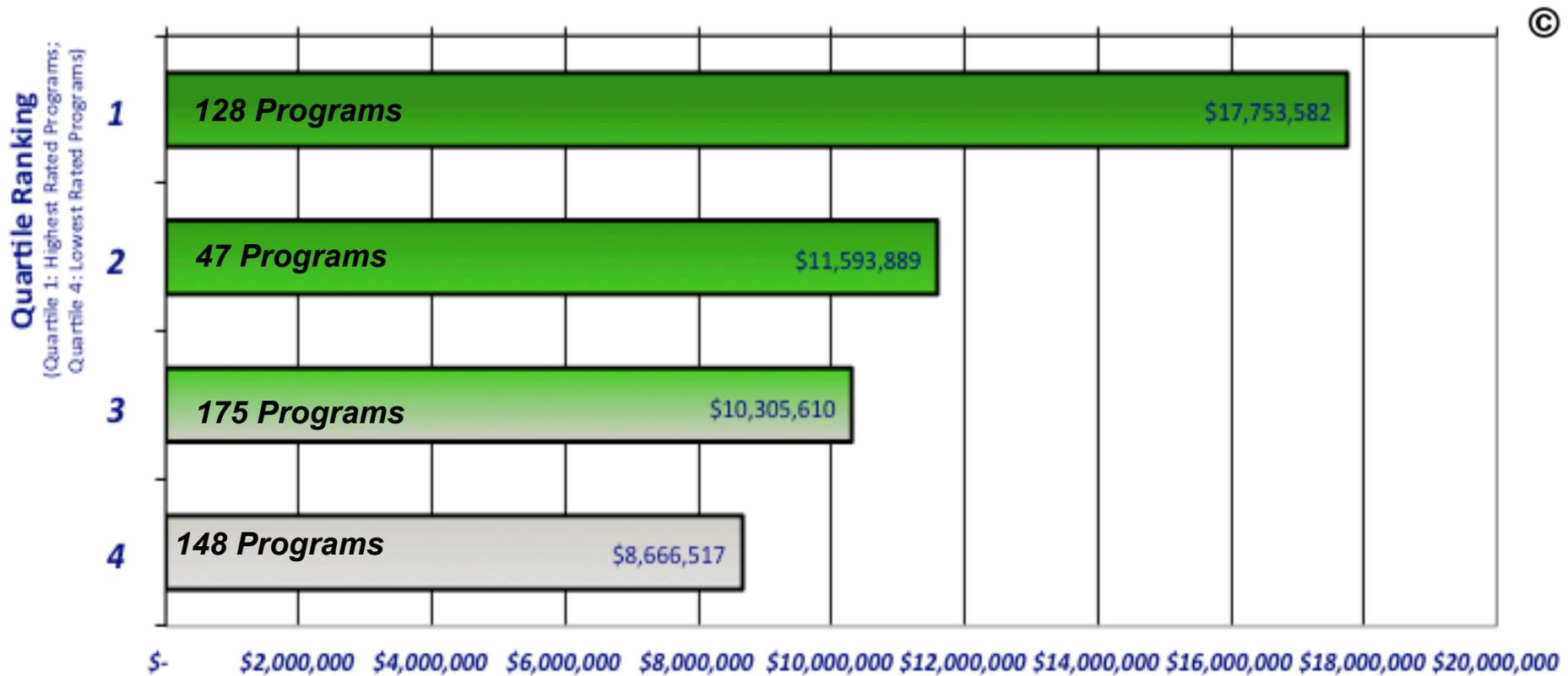
Defining Quartile Groupings





Allocate Resources Based on Prioritization

Priority Based Budgeting: Spending Array Perspectives





“Resource Alignment Diagnostic Tool”

City of South Jordan, Utah

©

Org	Total Budget	Total Program Cost	Total Fixed Cost
South Jordan, UT	62,685,656	56,558,618	6,127,038

iRAD 2.0

Select Program Type: Community Programs

Select Fund: All Funds

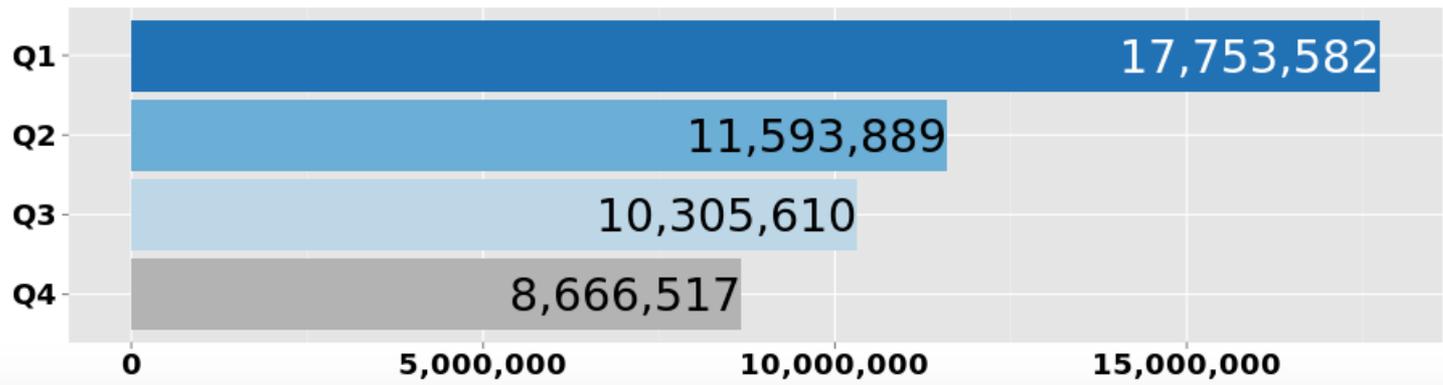
Select Department/Division: All Departments

Select Budgeting Perspective: Total Estimated Budget

Summary Strip - Just the Totals

Add Comp Stats to Summary Strip

Filter by Division





Thank You !



CENTER FOR PRIORITY BASED BUDGETING

Using a Unique Lens to Focus Community Resources on Results

Jon Johnson, Co-Founder

jjohnson@pbbcenter.org

Chris Fabian, Co-Founder

cfabian@pbbcenter.org

www.pbbcenter.org

Phone: 720-361-3710

*Copyright ©2009 by Chris Fabian and Jon Johnson d/b/a the **Center for Priority Based Budgeting,**
Denver, Colorado.*



Basic Program Attributes: **Mandated to Provide Program**

- *Programs that are mandated by another level of government (i.e. federal, state or county) will receive a higher score for this attribute compared to programs that are mandated solely by the City or have no mandate whatsoever.*
- The grading criterion established to score programs, on a 0 to 4 scale is as follows:
 - **4** = Required by Federal, State or County legislation
 - **3** = Required by Charter or incorporation documents **OR** to comply with regulatory agency standards
 - **2** = Required by Code, ordinance, resolution or policy **OR** to fulfill executed franchise or contractual agreement
 - **1** = Recommended by national professional organization to meet published standards, other best practice
 - **0** = No requirement or mandate exists



Basic Program Attributes: **Reliance on City to Provide Program**

- *Programs for which residents, businesses and visitors can look only to the City to obtain the service will receive a higher score for this attribute compared to programs that may be similarly obtained from another intergovernmental agency or a private business.*
- The grading criterion established to score programs, on a 0 to 4 scale is as follows:
 - **4** = City is the sole provider of the program and there are **no** other public or private entities that provide this type of service
 - **3** = City is currently the sole provider of the program but there are other public or private entities that could be contracted to provide a similar service
 - **2** = Program is also offered by another governmental, non-profit or civic agency
 - **1** = Program is offered by other private businesses but none are located within the City limits
 - **0** = Program is also offered by other private businesses located within the City limits



Basic Program Attributes: **Change in Demand for Program**

- *Programs demonstrating an increase in demand or utilization will receive a higher score for this attribute compared to programs that show no growth in demand for the program. Programs demonstrating a decrease in demand or utilization will actually receive a minus score for this attribute.*
- The grading criterion established to score programs, on a -4 to 4 scale is as follows:
 - **4** = Program experiencing a **SUBSTANTIAL** increase in demand of 25% or more
 - **3** = Program experiencing a **SIGNIFICANT** increase in demand of 15% to 24%
 - **2** = Program experiencing a **MODEST** increase in demand of 5% to 14%
 - **1** = Program experiencing a **MINIMAL** increase in demand of 1% to 4%
 - **0** = Program experiencing **NO** change in demand
 - **-1** = Program experiencing a **MINIMAL** decrease in demand of 1% to 4%
 - **-2** = Program experiencing a **MODEST** decrease in demand of 5% to 14%
 - **-3** = Program experiencing a **SIGNIFICANT** decrease in demand of 15% to 24%
 - **-4** = Program experiencing a **SUBSTANTIAL** decrease in demand of 25% or more



Basic Program Attributes: **Cost Recovery of Program**

- *Programs that demonstrate the ability to “pay for themselves” through user fees, intergovernmental grants or other user-based charges for services will receive a higher score for this attribute compared to programs that generate limited or no funding to cover their cost.*
- The grading criterion established to score programs, on a 0 to 4 scale is as follows:
 - **4** = Fees generated cover 75% to 100% of the cost to provide the program
 - **3** = Fees generated cover 50% to 74% of the cost to provide the program
 - **2** = Fees generated cover 25% to 49% of the cost to provide the program
 - **1** = Fees generated cover 1% to 24% of the cost to provide the program
 - **0** = No fees are generated that cover the cost to provide the program



Basic Program Attributes: **Portion of Community Served by Program**

- *Programs that benefit or serve a larger segment of the City's residents, businesses and/or visitors will receive a higher score for this attribute compared to programs that benefit or serve only a small segment of these populations.*
- The grading criterion established to score programs, on a **0 to 4** scale is as follows:
 - **4** = Program benefits/serves the **ENTIRE** community (100%)
 - **3** = Program benefits/serves a **SUBSTANTIAL** portion of the community (*at least 75%*)
 - **2** = Program benefits/serves a **SIGNIFICANT** portion of the community (*at least 50%*)
 - **1** = Program benefits/serves **SOME** portion of the community (*at least 10%*)
 - **0** = Program benefits/serves only a **SMALL** portion of the community (*less than 10%*)

BUDGET SCHEDULE

FISCAL YEAR 2016-2017

DATE	ITEM	DESCRIPTION	INVOLVMENT	OBJECTIVE	LOCATION
AUGUST					
18th	Priority Based Budgeting	Priority Based Budgeting Presentation	Staff/City Council	Council understand concepts and use of PBB tool during the budget process	Ex. Conference Room
28th	Priority Based Budgeting	Department use of PBB in the Budget Process	Leadership Team	Departments understands PBB concepts & accountability	JSD
SEPTEMBER					
21st	Personnel Request	Personnel needs.	Departments	Submit needs to be considered to HR	HR
OCTOBER					
8th	Priority Based Budgeting	Discussion on use of PBB tool	Departments	Resolve issues/ final training on PBB tool.	TBD
NOVEMBER					
12th	Strategic Priorities	Council Strategic Planning Meeting	City Council/ Council Elects	Revisit strategic priorities and set goals.	Police Training Room
DECEMBER					
1ST	CIIP	Submit 5 Yr. Plan	Committee	Preliminary review by Office of the CM	
8th	CIIP	Presentation & Review using PBB	Committee	Plan approved by the Office of the CM	
15th	Reserve Fund	General Fund Reserve Allocation	City Council	Per resolution determine amount to be allocated to GF reserve.	Council Meeting

4:00 PM

4:00 PM

4:00 PM

DATE	ITEM	DESCRIPTION	INVOLVMENT	OBJECTIVE	LOCATION
JANUARY					
Tuesday 5th	CIIP	City Council Receives five year CIIP	City Council	Council begins reviewing CIIP	
Tuesday 12th	General Revenue Discussion	General Revenue Discussion	Staff/City Council	Council understands revenue available toward operational expenditures.	Police Training Room
Tuesday 19th	Mid-Year Amended Budget	Public Hearing on Mid-year amended budget	Staff/City Council	Budget Compliance	Council Meeting
Tuesday 26th	Revenues & Fee Schedule	Discuss analysis on GF major revenue sources - historical & projection. Discussion on Fee Schedule	Staff/City Council	Council understands revenue available toward operational expenditures.	Police Training Room
FEBRUARY					
Tuesday 9th	CIIP	Final discussion on FY16-17 projects	Staff/City Council	City Council finalizes/approves projects and funding.	Police Training Room
Tuesday 23th	City-wide programs - Session one	Present programs that will achieve Council strategic priorities for the FY.	Staff/City Council	Council approves programs and funding to achieve priorities.	Police Training Room
MARCH					
Tuesday 8th	City-wide programs - Session two	Present programs that will achieve Council strategic priorities for the FY.	Staff/City Council	Council approves programs and funding to achieve priorities.	Police Training Room
Tuesday 22nd	Preliminary Budget	Discussion & review of City-wide budget	Staff/ City Council	Review City-wide budget, resolve any outstanding issues.	Police Training Room
Tuesday 29th	As needed				Police Training Room
APRIL					
5th	Tentative Budget	Adopt FY16-17 Tentative Budget	City Council	Approve Tentative Budget and make it available for public.	Council Meeting
MAY					
17th	Final Budget	Public hearing on FY16-17 Final Budget	City Council	Council adopts Final Budget for FY16-17.	Council Meeting
JUNE					
21st	Final Amended Budget	Public hearing on FY15-16 Final Budget	City Council	Council adopts Final Budget for FY15-16.	Council Meeting