



Priority Based Budgeting Presentation of *“Resource Alignment Diagnostic Tool”*

City of Kenmore, Washington

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October 6, 2014



CENTER FOR
PRIORITY BASED BUDGETING

Using a Unique Lens to Focus Community Resources on Results



BRINGING VISION INTO FOCUS WITH A NEW "LENS"





STEPS to SUCCESS – Priority Based Budgeting

1. Determine Results

- Accurate prioritization of programs, reflecting the organization’s stated objectives, depends on the comprehensive identification of the *Results* it is in business to achieve

2. Clarify Result Definitions

- Precision in prioritization depends on the articulation of the cause and effect relationship between a program and a *Result*
- Using clearly defined **“Result Maps”**, detailing the factors that influence the way *Results* are achieved, the organization can minimize subjectivity in the process of linking programs with its *Results*

3. Identify Programs and Services

- Comparing individual programs and services as opposed to comparing departments that provide those services allows for better prioritization

4. Value Programs Based on Results

- With the right *Results* that are clearly defined, the organization can more accurately “value” a program relative to its influence on achieving *Results*

5. Allocate Resources Based on Priorities

- Using **“Resource Alignment Diagnostic Tool”**



City of Kenmore's Community Results

- *Access to Quality Cultural, Recreational, Educational and Leisure Opportunities*
- *Attractive, Well-Planned, Enduring and Desirable Place to Live and Work*
- *Connected, Involved and Family-Oriented Community that Values Diversity*
- *Effective Mobility and Connected, Reliable Transportation System*
 - *Prosperous, Vibrant and Sustainable Economy*
 - *Safe and Secure Community*
- *Sustainable, Healthy Environment and the Preservation of Natural Resources*



City of Kenmore's Good Governance Results

- *Fosters Open, Responsive and Transparent Government by Ensuring Accountability, Efficiency, Effectiveness and Integrity in all Operations*
- *Protects, Manages, Optimizes and Invests in its Financial, Human, Physical and Technology Resources*
- *Supports Decision-Making with Timely and Accurate Short-Term and Long-Range Analysis that Enhances Vision and Planning*
 - *Provides Assurance of Regulatory and Policy Compliance*
- *Attracts, Motivates, Develops and Retains a High-Quality, Engaged and Productive Workforce*
- *Provides Responsive and Accessible Leadership, Focused Community Priorities and Facilitates Timely, Well-Utilized Two-Way Communication and Input with all Stakeholders*



City of Kenmore, Washington

Collaboratively encourages and supports opportunities to focus on the arts, advance cultural enrichment, cultivate historic preservation, offer community events and provide life-long learning opportunities

Enhances access to, and opportunities and activities to enjoy the City's waterfront region

Offers a safe, well-planned community with convenient access to public gathering spaces, emphasizing the City's unique downtown, it's parks, trails and open spaces

Partners and promotes community events and activities that encourage healthy, active lifestyles and provide entertainment

Attracts visitors and businesses by creating and advertising a safe, clean, conveniently traversable community with unique tourist amenities

Actively seeks out and leverages it's public, private, and non-profit community partners and volunteers to support the recreational and educational needs of it's community

ACCESS to QUALITY CULTURAL, RECREATIONAL, EDUCATIONAL and LEISURE OPPORTUNITIES



City of Kenmore, Washington

ATTRACTIVE, WELL-PLANNED, ENDURING and DESIRABLE PLACE TO LIVE and WORK

Develops, maintains and consistently regulates neighborhoods that are safe, attractive and clean

Offers a variety of shopping and entertainment experiences that attract residents and visitors, and stimulates job growth

Builds a strong sense of community togetherness through partnerships and events that stimulate public involvement

Plans strategically to encourage targeted development, supported by consistently applied design standards, and facilitated by efficient and appropriate review processes

Actively markets the City's assets, unique culture and image to attract visitors and community investment

Provides, maintains and invests in well-planned public infrastructure, focusing on a transportation network and public facilities that accommodate the long-range growth needs of the community

Provides for convenient modes of mobility, through safe, well-marked and well-maintained roads with the capacity to minimize congestion, and paths, trails and sidewalks to promote a walkable community



City of Kenmore, Washington

Encourages and facilitates a culture that values and supports a diverse population

Empowers citizens to be partners in a connected community, providing opportunities for volunteerism, partnerships, and community input

**CONNECTED,
INVOLVED and
FAMILY-ORIENTED
COMMUNITY that
VALUES DIVERSITY**

Provides access to adequate housing options and access to services to meet the basic needs of all income-levels

Connects the community through parks and public spaces, bike trails and sidewalks that encourage walkability

Engages community partners in the joint-pursuit of collaboration and connectedness, through the offering of diverse, family-oriented events and activities



City of Kenmore, Washington

Provides Access to Safe, Efficient Roads with Congestion-Free Traffic Flow

Collaboratively invests in building and improving a well-designed, well-maintained system of safe, reliable road and street infrastructure (including roads, traffic signals, sidewalks, bridges and street lighting)

EFFECTIVE MOBILITY and CONNECTED, RELIABLE TRANSPORTATION SYSTEMS

Ensures adequate, well-planned and accessible parking options for residents, businesses and visitors

Provides a Network of Trails, Paths and Bike Lanes for Multi-Modal Transportation

Advocates to Improve Public Transportation through All Modes of Travel



City of Kenmore, Washington

Attracts New Businesses, and Retains and Grows Existing Business through Diversity, Quality Development and Reasonable Tax Support

Promotes a Business-Friendly Environment through Sensible Regulations and Incentives

Promotes Job Growth, and Offers Adequate Housing Options and Quality of Life Amenities

**PROSPEROUS,
VIBRANT and
SUSTAINABLE
ECONOMY**

Encourages Development of its Signature Waterfront Asset, and Emphasizes Strategic Development of its Downtown Areas

Encourages strategically planned, sufficiently regulated and appropriately balanced development and re-development that stimulates economic growth

Continually reinvests and appropriately maintains its infrastructure assets, providing the type of mobility options, including parking, that businesses require to thrive



City of Kenmore, Washington

Provides for the physical, social and economic needs and well-being of the community

Provides effective, efficient traffic flow, safe mobility for vehicles, cyclists and pedestrians alike and a well-maintained, connected transportation network

Fosters a feeling of personal safety throughout the community by establishing a visible, accessible presence that proactively provides for prevention, intervention, safety education, and community involvement

Portrays and invests in a visibly thriving community that is safe, clean, attractive and provides for the well-being of its residents, businesses and visitors

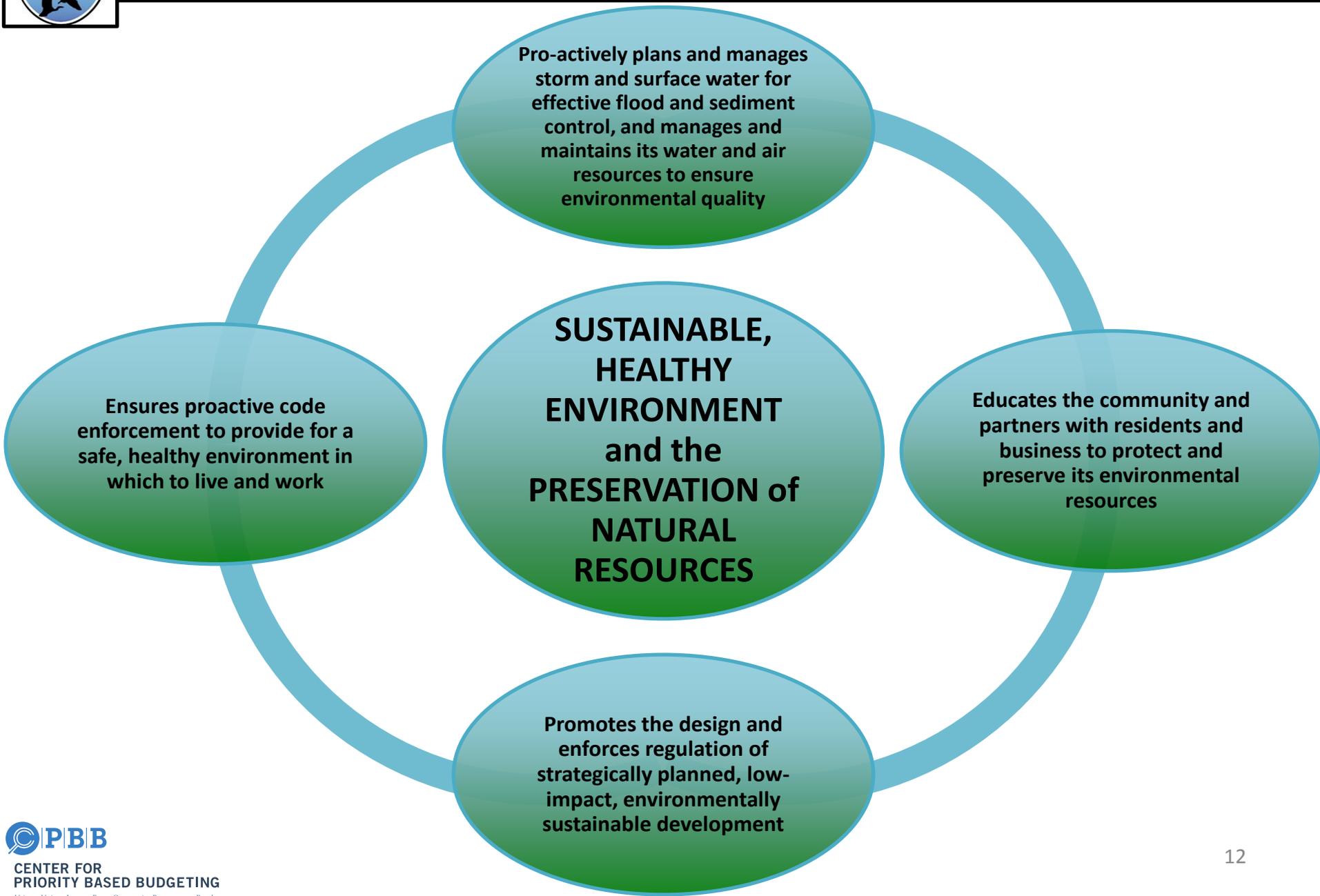
SAFE and SECURE COMMUNITY

Plans for and provides timely and effective response to emergencies and other disaster situations

Offers Protection, Enforces the Law, Proactively Prevents Crime and is Well-Prepared to Promptly Respond to Emergencies and Calls for Service



City of Kenmore, Washington





City of Kenmore, Washington

GOVERNANCE

FOSTERS OPEN, RESPONSIVE and TRANSPARENT GOVERNMENT by ENSURING ACCOUNTABILITY, EFFICIENCY, EFFECTIVENESS and INTEGRITY IN ALL OPERATIONS

PROTECTS, MANAGES, OPTIMIZES and INVESTS in its FINANCIAL, HUMAN, PHYSICAL and TECHNOLOGY RESOURCES

SUPPORTS DECISION-MAKING with TIMELY and ACCURATE SHORT-TERM and LONG-RANGE ANALYSIS that ENHANCES VISION and PLANNING

PROVIDES ASSURANCE of REGULATORY and POLICY COMPLIANCE

ATTRACTS, MOTIVATES, DEVELOPS and RETAINS a HIGH-QUALITY, ENGAGED and PRODUCTIVE WORKFORCE

PROVIDES RESPONSIVE and ACCESSIBLE LEADERSHIP, FOCUSED COMMUNITY PRIORITIES and FACILITATES TIMELY, WELL-UTILIZED TWO-WAY COMMUNICATION and INPUT with ALL STAKEHOLDERS



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.”

- **400 Citywide Programs -** **\$13,503,106**
 - 24 Department Administration Programs
 - 1 Fixed Cost Program

- **307 Community Programs -** **\$12,024,255**
 - 89.05% of ongoing City budget

- **93 Governance Programs -** **\$1,478,851**
 - 10.95% of ongoing City budget



Program Inventories (and Costs) Developed by City

City of Kenmore, Washington
 Department Program Inventory Worksheet
 June, 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
General	Public Safety	District Court	Civil Filings (up to \$75K)	198	
General	Public Safety	District Court	District Court Call Center	199	
General	Public Safety	District Court	DV and anti Harrassment Orders	200	
General	Public Safety	District Court	Hearings-Civil Infraction Hearings	201	
General	Public Safety	District Court	Hearings-Misdemeanor	202	Provide district court judges and the facility to preside over misdemeanor cases; preside over civil infraction hearings; provide court security; conduct small claim hearing, issue protection orders
General	Public Safety	District Court	Interpreters, Jury and Witness Management	203	



Program Scoring :

“Value” of Programs based on their influence on Results and Basic Program Attributes

CITY OF KENMORE, WASHINGTON					MASTER PROGRAM SCORECARD																									
Master Program Scorecard - Community Programs					Evaluation Criteria: Community Results and Basic Program Attributes																									
September, 2014					Basic Program Attributes										Community Results															
					MANDATED to PROVIDE the PROGRAM	RELIANCE on the CITY to PROVIDE the PROGRAM	COST RECOVERY of PROGRAM	PORTION of COMMUNITY SERVED by the PROGRAM	CHANGE in DEMAND for the PROGRAM	Access to Quality Cultural, Recreational, Educational and Leisure Opportunities	Attractive, Well-Planned, Enduring and Desirable Place to Live and Work	Connected, Involved and Family-Oriented Community that Values Diversity	Effective Mobility and Connected, Reliable Transportation System	Safe and Secure Community	Sustainable, Healthy Environment and the Preservation of Natural Resources	Prosperous, Vibrant and Sustainable Economy														
ACCOUNTING FUND	DEPARTMENT	SUBDIVISION	PROGRAM NAME	PROGRAM NUMBER	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review	Department Score	Peer Review		
General	Engineering & Environmental Services	Administration	Capital Project Program Support	1	2	2	3	3	2	0	4	4	3	3	1	1	3	3	1	1	4	4	2	2	1	1	2	2		
General	Engineering & Environmental Services	Administration	Citizen Action Request - Engineering (1)	2	2	2	4	4	0	0	0	0	3	3	1	1	2	2	1	2	2	2	2	3	2	2	1	1		
General	Engineering & Environmental Services	Administration	Document Management	3	2	2	4	4	0	0	2	0	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0		
General	Engineering & Environmental Services	Administration	Front Desk Support	4	1	1	4	3	0	0	1	0	3	2	1	1	1	1	1	0	1	0	1	1	1	0	1	2		
General	Engineering & Environmental Services	Administration	Public Records Request	5	4	4	4	4	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0		
General	Engineering & Environmental Services	Administration	Title VII Reporting	6	4	4	4	4	0	0	4	0	0	0	1	1	2	2	2	2	3	2	2	2	0	0	1	2		
General	Engineering & Environmental Services	Administration	Traffic Accident Data	7	1	1	2	2	0	0	0	0	2	2	1	1	2	3	1	0	2	3	3	3	0	0	1	1		
General	Engineering & Environmental Services	Engineering	American with Disability Act (ADA) Inventory	8	4	4	4	3	0	0	4	0	4	4	1	1	2	2	1	2	4	4	2	2	0	0	2	2		
General	Engineering & Environmental Services	Engineering	CP Project Construction Management/Inspection	9	3	2	3	3	3	3	3	3	2	2	1	1	4	4	1	1	4	4	3	3	2	2	3	3		
General	Engineering & Environmental Services	Engineering	CP Project Design/Environmental	10	3	2	3	3	3	3	3	3	2	2	1	1	4	4	1	1	4	4	3	3	2	2	3	3		
General	Engineering & Environmental Services	Engineering	CP Project Grant Applications/Funding Management	11	3	2	3	3	3	3	3	3	2	2	1	1	4	4	1	1	4	4	3	3	2	2	3	3		
General	Engineering & Environmental Services	Engineering	CP Project Right of Way Acquisition	12	3	2	3	3	3	3	3	1	2	2	1	1	4	4	1	1	4	4	3	3	2	2	3	3		
General	Engineering & Environmental Services	Engineering	Citizen Action Request - Engineering (2)	13	2	2	3	3	0	0	0	0	3	3	1	1	2	2	1	2	2	2	2	3	2	2	1	1		



Peer Review Process (Quality Control)



CITY of KENMORE, WASHINGTON

Priority Based Budgeting

Peer Review of Departmental Program Scoring - September, 2014

Commun Safe & Secure Community



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:

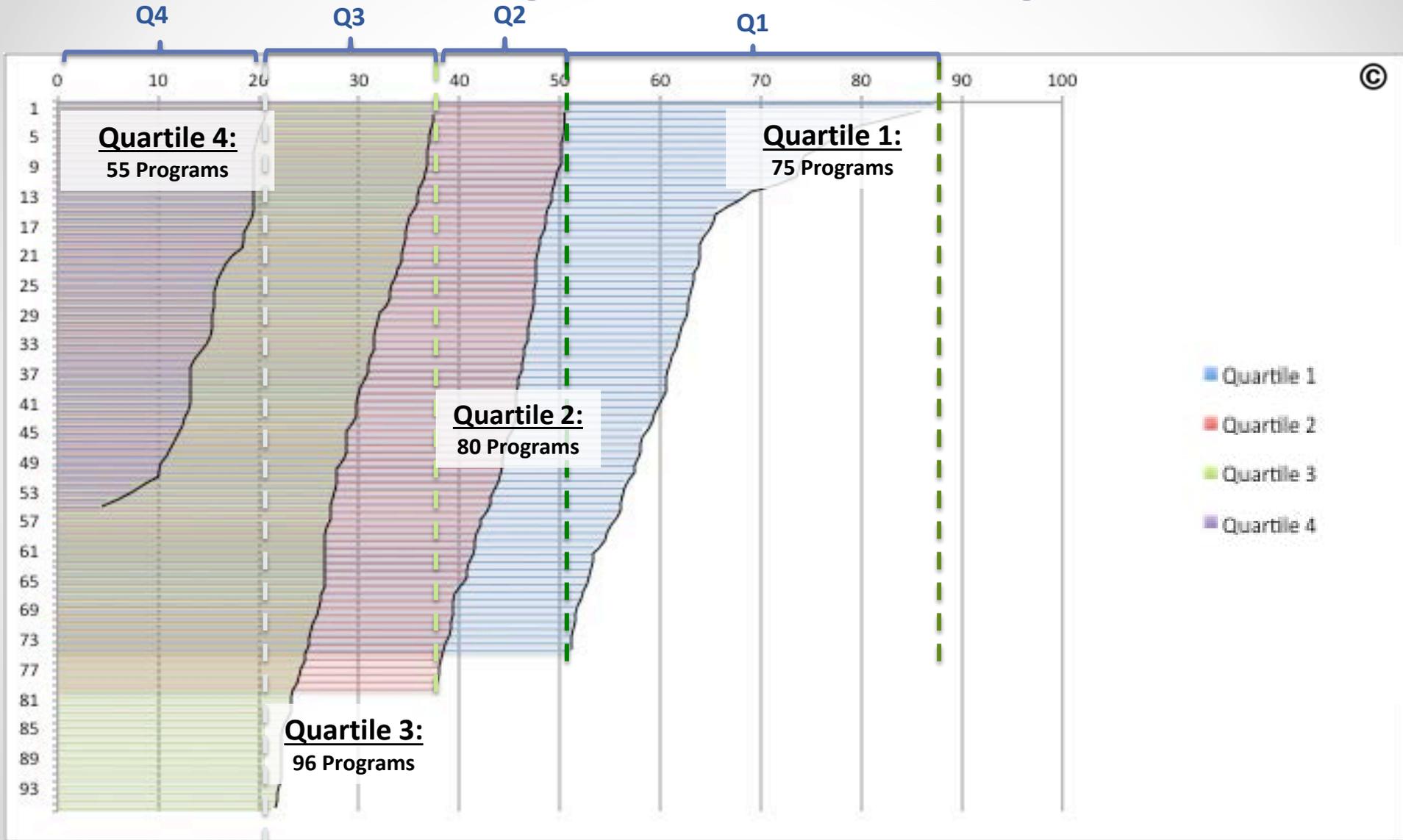
- 1) determine whether the team agrees with the departmental score based on how well the program aligns with the Priority Result or meets the scoring criteria for the Basic Attribute
(i.e. does the program achieve the Priority Result and to what extent OR does it meet the scoring criteria of the Basic 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)		
General	Community Development	General	City Emergency Operating Center (EOC) Planning		41	4	Yes			4
General	Community Development	Policy and Long Range Planning	Critical Area Regulations Updates and Implementation	Prepare updates and assist with implementation of Critical Area Regulations	62	4	No			3
General	Community Development	Policy and Long Range Planning	Transportation Planning	coordinate with outside agencies on transit planning	74	4	Yes			4
	Public Works	Administration	Citizen Action Request - General	Receive new requests, enter into Cityworks, route to staff, input responses, close requests, add documentation and updates	77	4	Yes			4
Parks/Facilities	Public Works	Parks	Parks Construction/Design Review	Perform design review for new park projects.	93	4	No			3
Parks/Facilities	Public Works	Parks	Pier Inspections and Maintenance	Pier in-water inspections done by contractor; surface inspections, cleaning and maintenance.	96	4	Yes			4
Parks/Facilities	Public Works	Parks	Playground Maintenance	Perform weekly inspections of all playground equipment, make necessary repairs, provide playground inspector certification training to staff, along with routine maintenance of structures and fall protection.	97	4	Yes			4
Parks/Facilities	Public Works	Parks	Seasonal Park Worker Program	Develop position descriptions, advertise and hire.	99	4	No			1
Streets	Public Works	ROW	Franchise Utility Permit Application Review	Intake and review all franchise utility permit applications.	101	4	No			2
Streets	Public Works	ROW	Debris Hauling	Debris clean up, removal of dumped items and haul off.	103	4	No			2



Defining Quartile Groupings

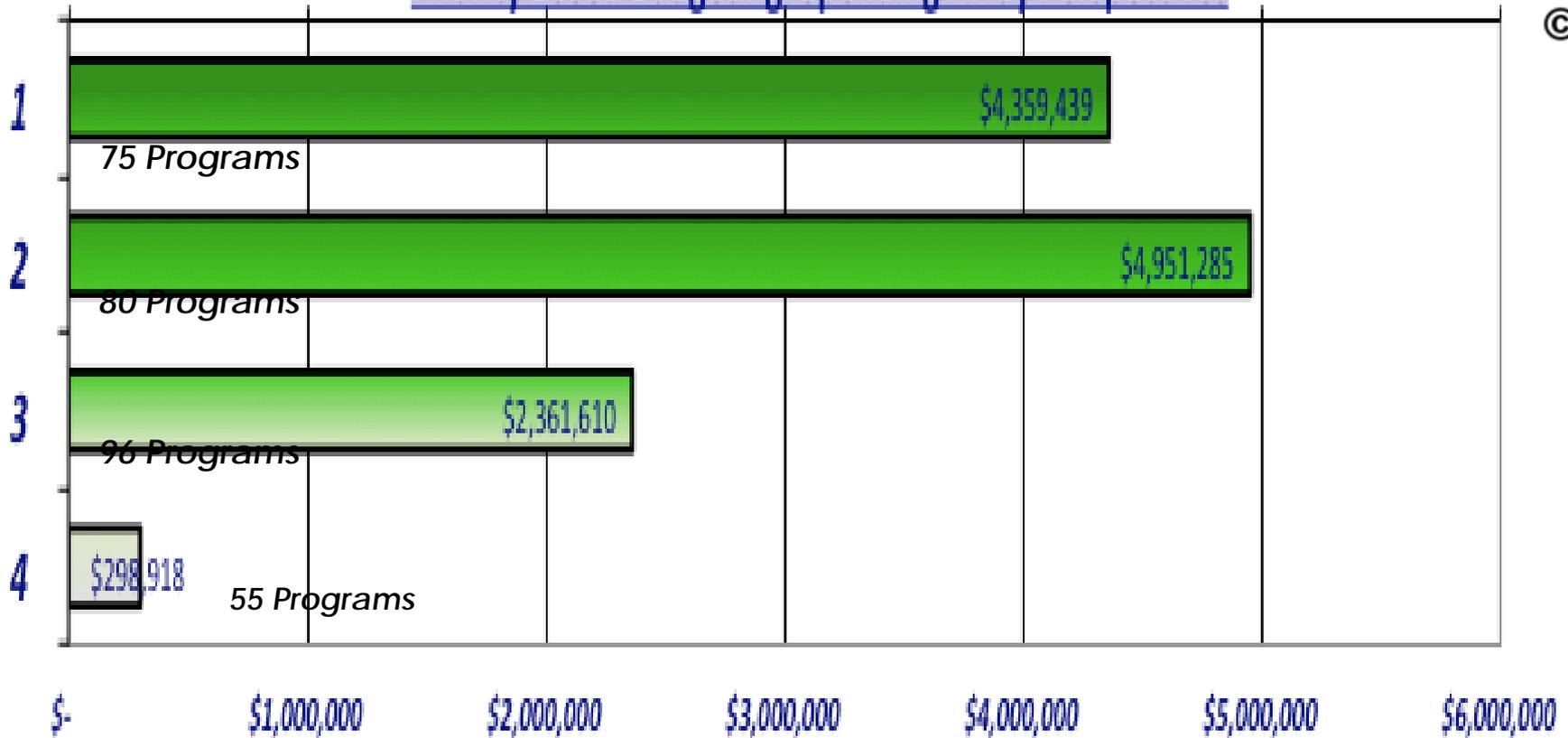




Allocate Resources Based on Prioritization

Priority Based Budgeting: Spending Array Perspectives

Quartile Ranking
(Quartile 1: Highest Rated Programs;
Quartile 4: Lowest Rated Programs)



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“Looking Through the “New Lens”



- Which programs are of the highest priority in terms of achieving what is expected by the community?
 - *And which are of lesser importance?*
- Which programs are truly mandated for us to provide
 - *And how much does it cost to provide them?*
- Which programs are offered because they are “self-imposed” ?
- Which programs are offered for which there are no other service providers?
- Are there programs might lend themselves to public/private partnerships?



“Looking Through the “New Lens”



- Who in the private sector is offering programs that are similar in nature?
 - *And should we consider “getting out of that business”?*
- Which programs are experiencing an increasing level of demand from the community?
 - *And which are experiencing a decreasing need?*
- Are there programs offered that are not helping us achieve our intended “Results”?
- What are we spending to achieve our “Results”?



"Resource Alignment Diagnostic Tool"

City of Kenmore, Washington



October, 2014



City of Kenmore, Washington "Resource Alignment Diagnostic Tool"

Program Type:

(All Programs, Governance, Community-oriented)

Fund Perspective:

(All or Individual Funds)

Department / Division Perspective:

Department

Division

Funding Perspective:

(Revenue Source; Direct/Indirect Costs)

Community-Oriented Programs

City-wide

All Departments

Total Estimated Budget

Priority Based Budgeting: Spending Array Perspectives

Quartile Ranking
(Quartile 1: Highest Rated Programs;
Quartile 4: Lowest Rated Programs)



Quartile Ranking	Prior Year Budget	2014 Budget	Increase (Reduce) %	Impact	2015 Target Budget	# of Programs
Qrt 1	\$0	\$4,359,439	0.00%	\$0	\$4,359,439	75
Qrt 2	\$0	\$4,951,285	0.00%	\$0	\$4,951,285	80
Qrt 3	\$0	\$2,361,610	0.00%	\$0	\$2,361,610	96
Qrt 4	\$0	\$298,918	0.00%	\$0	\$298,918	55
Fixed Costs	\$0	\$53,003	0.00%	\$0	\$53,003	1
Allocated Costs	\$0	\$0	0.00%	\$0	\$0	0
TOTALS	\$0	\$12,024,255	0.00%	\$0	\$12,024,255	307

Generate List of Programs

Total City Budget	% Of Total City Budget	% of Total Programs	Total Programs
\$ 13,503,106	89.05%	72.41%	424





QUESTIONS?



Thank You !



CENTER FOR PRIORITY BASED BUDGETING

Using a Unique Lens to Focus Community Resources on Results

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Basic Program Attributes



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 only 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 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 negative 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%)