

# Linking the Strategic Plan to the Budget

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# Why Link?

- Why do we plan? To improve/change and to improve you must measure
- Strategic plan leads to action items which require funding
- Accountability –Budget reporting should show accomplishments
- Budget is the resource allocation policy

# What is a Strategic Plan?

- Methods to achieve the Mission
- Must be issue driven
- Process that results in decisions and actions to guide

# Strategic Planning Leads

- To Clear Direction
- More focus on tangible measures
- A strong foundation for an organized system to promote Continuous Process Improvement (CPI)

# Strategic Planning/Performance Measurement Hierarchy



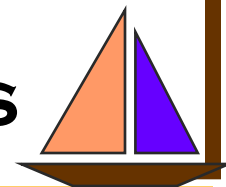
# Mission, Vision, Values

- The Mission -- Why do we exist?
- The Vision – A *practical* statement about the future
- Values – What an organization believes about its work attitude and behavior. Best describes organization

# CORNERSTONES OF LEADERSHIP

## STEWARDING DIRECTION

### UTOPIA IN THE FLORIDA KEYS

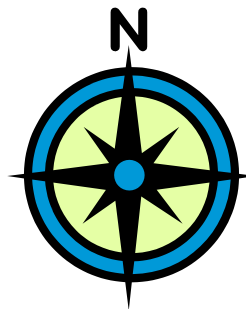


#### Full Sails Provides Propulsion

Working and learning together to maintain the diverse community by preserving the natural resources and habitat that makes us a unique and preferred place to live and visit!



VISION



VALUES

Proper Sail Trimming Provides Behavioral Direction

*What will we become in the future?*

*What do we believe in?*

#### *Mission*

*Why do we exist? What's the purpose?*

The mission of Monroe County is to provide outstanding public service responsive to the needs of our citizens, our unique community, and our environment.



Solid Hull provides the Foundation



# OUR VALUES

## WE BELIEVE IN THE HIGHEST OF ETHICAL BEHAVIOR AS WE SAIL THE SEVEN “C”S

- **Competence = knowledge.** We encourage a competent workforce through continuing education and training. Knowledge adds value to the services we provide and increases employee and citizen satisfaction.
- **Creative = new ideas.** We are open to new ideas. We believe in taking fresh approaches to overcome challenges while striving to add value to the services we provide to our community.
- **Committed = career as a calling to public service.** We believe that service to government is the highest career calling. A professional attitude imposes a pledge of excellent performance with a commitment to the organization.
- **Concern = fiscal responsibility.** We believe fiscal responsibility demonstrates our respect for the citizens whose taxes support our organization. Fiscal responsibility recognizes that most problems cannot be solved by money alone; however, take seriously our task to safeguard the public trust.
- **Care = positive and supportive work environment.** We provide a positive work environment for our employees by recognizing their needs and allowing a balance with their professional and personal lives. We treat everyone with respect. We are compassionate and responsive to the needs of all citizens.
- **Communication = exchange of ideas.** We believe that two way communication amongst our organization, our employees, and our citizens is essential. We encourage feedback and the sharing of ideas. By working together, we can share information and improve our services through open government.
- **Continuity = fairness, equality and sustainability.** We believe in fairness and equality and place emphasis on truth and honesty in all of our actions. Through the use of strategic planning we ensure the continuity and sustainability of County services and programs.

# Taking it down

- A separate plan for each unit in the organization
  - Each should have a specific mission
  - Each plan should be 5-9 pages
  - Each should deal with issues effecting the mission
  - Should not include activities
  - Focus on improvement and productivity
  - Measure improvements in outputs

# Goals and Objectives

- Both should always start with “to”  
*increase, decrease, or maintain*
- Goals provide direction toward general outcomes
- Objectives provide specific quantified measured progress - annual

# Goal Template

To provide/produce (service or product)

to (customer)

in order to (statement of accomplishment)

# Cost Center Goal Example

To oversee the preparation and administer the City's annual spending plan in a manner that ensures efficient and effective use of taxpayer dollars.

# Objective Statement Template

To improve/reduce (accomplishment)

By (a number or percent), (from X to Y)

Toward a target of (a number).

# Program Area Objective Example

## Budget Program Area

- ➡ To maintain a variance of 5 % or less between estimated and actual revenues.
- ➡ To maintain a variance of 10 % or less between estimated and actual expenditures in the general fund with a goal of 5.0% or less by FY 2006.

# Practical Ideas

- ➡ Identify your major activities
- ➡ Do not identify every activity, focus on major activities
  - ✓ Critical to success of the Department's mission
  - ✓ Consume significant portion of the department/division budget
  - ✓ Politically sensitive or frequently in spotlight
  - ✓ Significant customer focus
- ➡ Group activities that have common objectives and/or customers

# Goals and Objectives

- Should be “SMART”
  - Specific
  - Measurable
  - Attainable
  - Realistic
  - Time Parameter

# Action or Strategies

- Are specific operations that indicate how an goal or objective is to be accomplished
  - Request for funding

# Strategic Planning

If we have performance measurement without strategic planning, we know how fast we are going, but we do not know whether we are going in the right direction.

If we have strategic planning without performance measurement, we know we are going in the right direction, but we don't know whether we are getting there.

# Linking Measures to Strategic Planning

- ➡ Performance measures help translate an organization's mission, vision and strategy into tangible objectives.
- ➡ Sometimes it helps to ask yourself what is the WORST thing that would happen if your service didn't exist?
- ➡ That may be what you should measure.

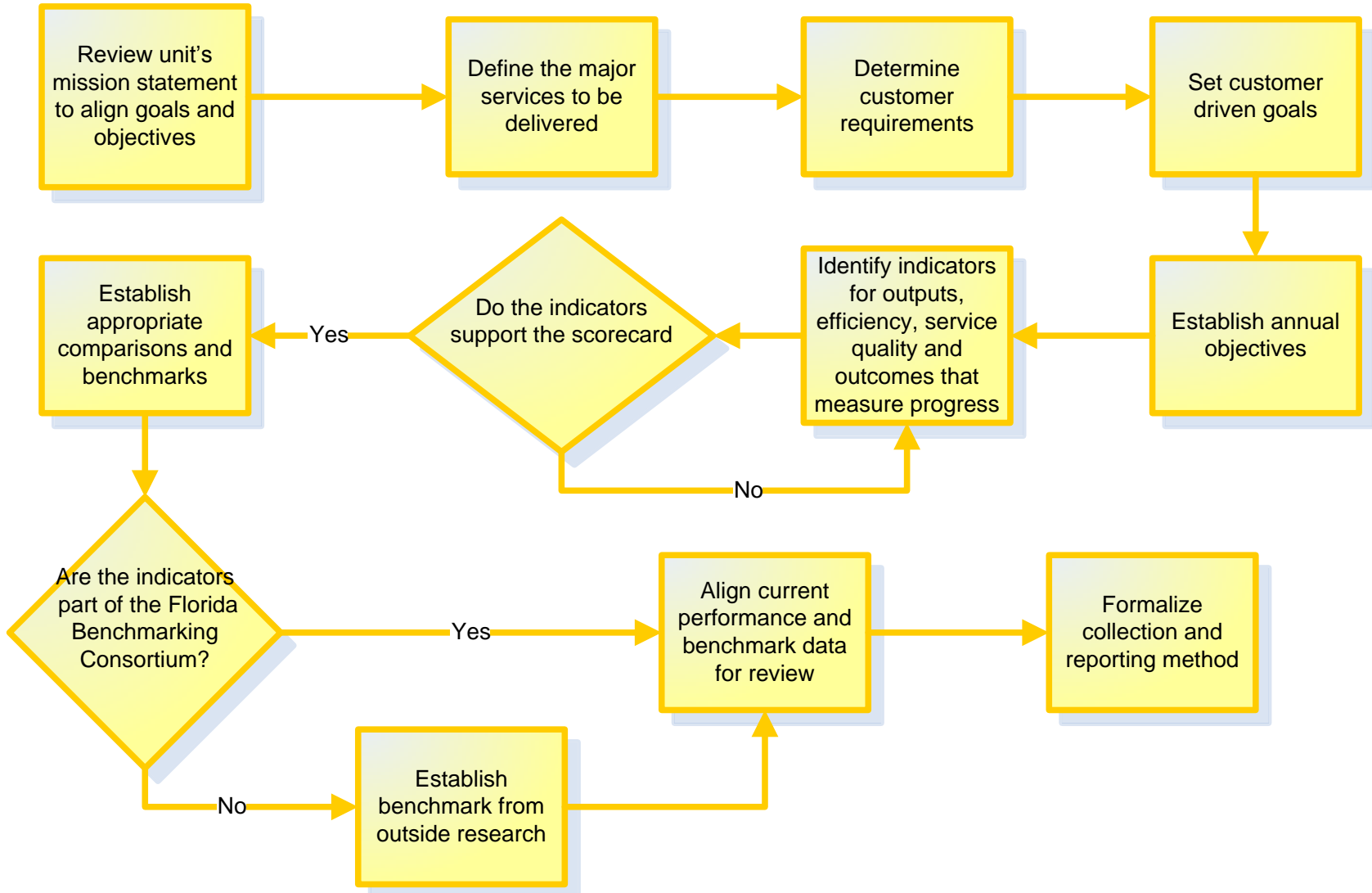
# Purpose of Performance Monitoring & Evaluation

- Enhance quality of service
- Improve management practices
- Evaluate programs
- Aid in budget development and review
- Make programs more understandable

# Performance Indicators Should

- ➡ Be quantifiable and measurable
- ➡ Be relevant, understandable, timely, consistent, comparable, and reliable
- ➡ Constitute a Family of Measures
  - ✓ input
  - ✓ output
  - ✓ efficiency
  - ✓ service quality
  - ✓ outcome

# The Measurement Process



# Input Indicators

- ➡ Resources used to produce an output
  - ✓ Cost (budgeted or actual)
  - ✓ Staff-year equivalents (SYE)
  - ✓ Full-time equivalents (FTE)
  - ✓ Direct labor hours (DLH)

# Output Indicators

- ➡ What was produced/provided
- ➡ Usually end in “ed”
- ➡ Questions to ask
  - ✓ What services were delivered?
  - ✓ What volume was provided?
  - ✓ What was produced?
  - ✓ How many units of service?

# Efficiency Indicators

Inputs used per unit of output

Examples:

- ✓ Cost per unit: cost per check printed, cost per swale regraded, etc.
- ✓ Productivity: hours per customer complaint, plans reviewed per reviewer, etc.

# Service Quality Indicators

- How satisfied customers are
- How accurately a service is provided
- How timely a service is provided
- Examples
  - ✓ Percentage of respondents satisfied with service
  - ✓ Frequency of repeat repairs
  - ✓ Average wait time

# Service Quality Indicators

<b>Service Area</b>	<b>Indicator</b>
Delinquent Assessment Collection	Percent of bills deliverable
Occupational License Processing	Average waiting time
Police Investigations	Percent completed (in time increments)
Fire suppression	Average response time
Recreation based services	Percent of clients satisfied with services provided
Water production	Customer satisfaction in water quality
Human resources	Satisfaction rate with vacancy processing
Custodial services	Percent of customers satisfied with custodial services

# Outcome Indicators

Are qualitative consequences associated with a program/service

Focus on the ultimate why of providing the service

Examples include:

- ✓ Reduction in fire response time
- ✓ Increase in job trainees who hold a job for more than six months
- ✓ Decrease in unbilled water

# Examples: City of Cape Coral

## Program: Budget

**Goal:** To oversee the preparation and administer the City's annual spending plan in a manner that ensures efficient and effective use of taxpayer dollars.

**Objectives:** To maintain a variance of 5.0 percent or less between estimated and actual revenues. To maintain a variance of 10.0 percent or less between estimated and actual expenditures with the goal of 5.0 percent or less by FY 2007.

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006	FY 2007
<b>Output:</b>					
Dollar value of budgets reviewed (in millions)	\$272.3	\$326.4	\$666.0	\$775.9	\$964.8
Dollar value of general fund budget	\$87.3	\$89.0	\$105.7	\$132.1	\$162.8
<b>Efficiency:</b>					
Analyst per total budget (in millions)	1:\$68.0	1:\$81.6	1:\$81.6	1:\$172.4	1:\$192.9
<b>Service Quality:</b>					
GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes	Yes
<b>Outcome:</b>					
Percent variance in actual and projected revenues in the general fund	4.04%	2.10%	4.70%	3.50%	5.00%
Percent variance in actual and projected expenditures in the general fund	18.00%	5.00%	0.80%	5.00%	5.00%

**Results:** The current financial policies of the City dictate that certain revenues are budgeted at 95 – 96% of projected receipts. These revenues include ad valorem taxes, franchise fees, and state shared revenues. As a result of these policies, it is anticipated that the variance between budget and actual will be approximately 5% annually.

# Examples: City of Cape Coral

## **Program: Accounting**

**Goal:** To provide technical accounting oversight and guidance to City Departments to ensure that generally accepted accounting procedures and City policies and procedures are consistently applied; to maintain the integrity of the City's accounting record; and to satisfy all reporting requirements.

### **Objectives:**

To provide technical oversight of accounting records by reviewing and analyzing financial records of all City Departments so that the City earns an unqualified opinion.

To provide technical oversight of the City's fixed asset accounting records by reconciling the fixed asset module in H.T.E. with the fixed asset general ledger accounts.

# Examples: City of Cape Coral

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006	FY 2007
<b>Output:</b>					
Funds reviewed and analyzed	59.00	69.00	73.00	90.00	90.00
Mandated reports issued	6.00	6.00	6.00	6.00	6.00
Fixed asset records reconciled	2,129.00	2,510.00	2,761.00	3,037.00	3,400.00
<b>Efficiency:</b>					
Staff hours per fund reviewed and analyzed	10.58	9.04	8.55	13.86	13.86
Cost per fund reviewed and analyzed	N/A	N/A	626.75	456.13	496.74
Staff hours per report issued	N/A	N/A	22.00	22.00	22.00
Staff hours per fixed asset record reconciled	0.78	0.66	0.60	0.55	0.55
Cost per fixed asset record reconciled	N/A	N/A	7.14	7.63	6.75
<b>Service Quality:</b>					
Percent of funds requiring no year-end adjustment	N/A	N/A	0.36	0.34	0.30
Certificate of Achievement for Excellence in Financial Reporting awarded by Government Finance Officers Association	Yes	Yes	Yes	Yes	Yes
Days to complete monthly asset reviews and reconciliations	30.00	30.00	30.00	30.00	15.00
<b>Outcome:</b>					
Unqualified audit opinions	Yes	Yes	Yes	Yes	Yes
Mandated reports completed within the established time frame.	1.00	1.00	1.00	1.00	1.00
Percent of asset reconciliations completed within 30 days of month-end	N/A	N/A	0.60	0.75	0.90

**Results:** The City met all statutory, regulatory, and external mandates for timely, comprehensive financial reporting. The FY 2005 Comprehensive Annual Financial Report (the most recent report) was submitted to the Government Finance Officers Association (GFOA) to determine its eligibility for a Certificate of Achievement for Excellence in Financial Reporting. This will be the 20<sup>th</sup> consecutive year the City has earned this award.

# Benchmarking Our Process

- Four types of Benchmarking
  - Perception Benchmarking
    - Surveys on how others think we are doing – serves as a baseline
  - Compliance Benchmarking
    - How are we doing against established standards, certifications
  - Effectiveness Benchmarking
    - We have measures but how well do we use them?
  - Continuous Improvement Benchmarking
    - Do our measures help us get better?

# Where to Look

- Use the Internet
  - Workforce Development
  - Best Counties & Cities
  - State and Federal Sites
- Use Trade and Professional Magazines
- ICMA benchmarking

# *Questions?*

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