

PERFORMANCE MEASUREMENT IN LOCAL GOVERNMENT

Developing Measures for Managing Your Operation

David N. Ammons

University of North Carolina at Chapel Hill



UNC
SCHOOL OF GOVERNMENT

www.sog.unc.edu

Our Focus for Today's Session

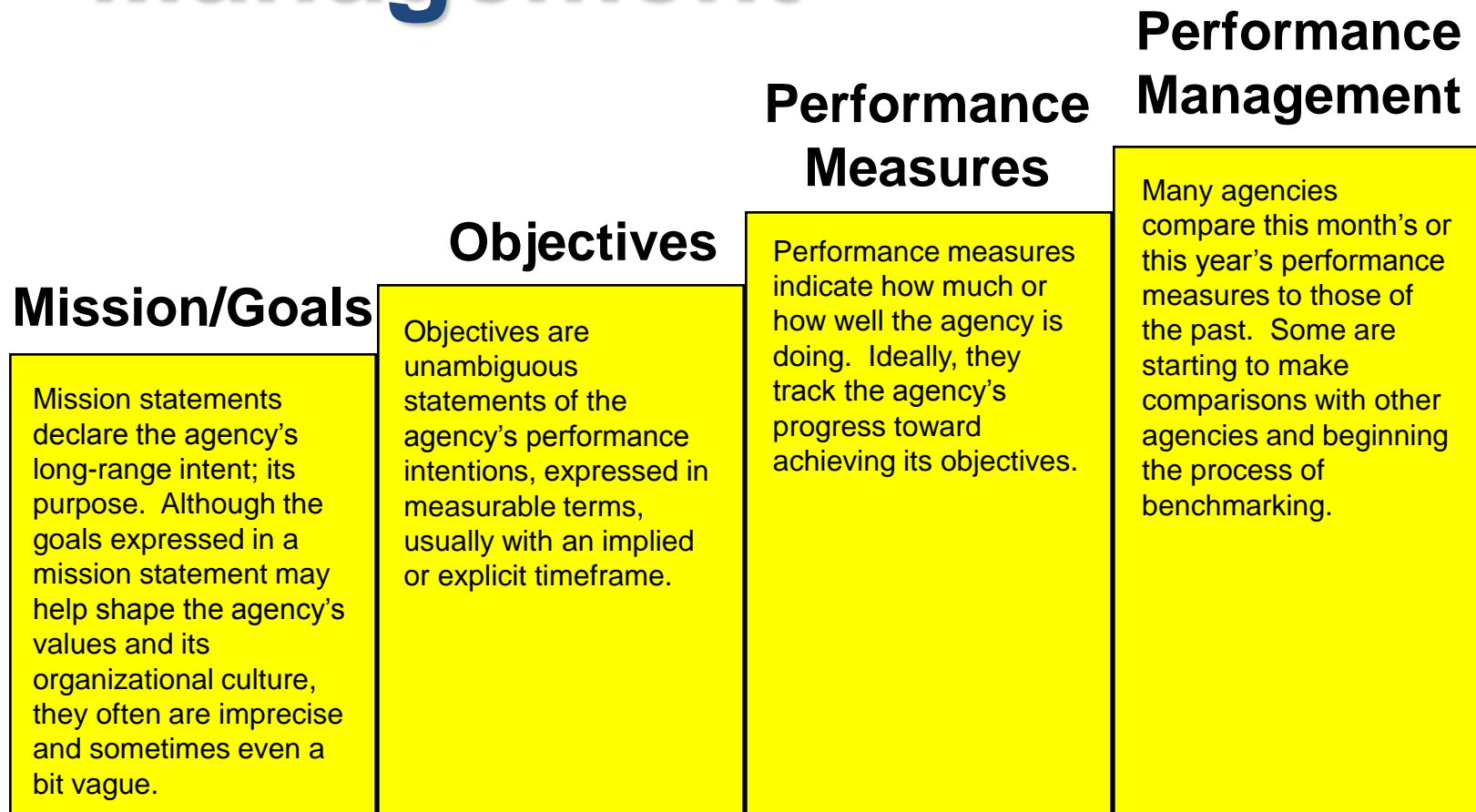
- Establishing meaningful objectives and aligning measures with them
- Elevating measures beyond workload (outputs)
- Measuring results a lot more (and perhaps process a little less)
- Establishing targets



1. Establishing meaningful objectives and aligning measures with them



Climbing the Steps Toward Performance Management



Poorly Written Objectives

- to enhance the health and well-being of community residents (too broad; this is a goal)
- to eliminate speeding on public streets (not realistic)
- to study the traffic flow problem (conducting a “study” is a process; what is the objective?)

Well Written Objectives *Are S-M-A-R-T !*

- Specific
- Measurable
- Aggressive but Attainable
- Results-oriented
- Time-bound

Source: State of Arizona, *Strategic Planning and Performance Measurement Handbook*, 1994, p. 63.

Departmental objectives often address processes rather than results

For example . . .

- improve communications
- increase training
- conduct a study
- expand technology

Addressing results would be better!

Well Written Objectives

- to reduce the rate of infant mortality by 10% in FYXXXX
- to reduce the rate of injury accidents by 5% in FYXXXX
- to achieve a prevailing rate of speed > 20 mph for rush-hour traffic in the XXX-XXX corridor by FYXXXX

Palo Alto's Emergency Dispatch Goal

To provide coordinated,
responsive, and reliable
911 dispatch services.

Palo Alto's Emergency Dispatch Objectives

- Dispatch at least 99% of emergency calls within 60 seconds of the initial receipt of the call
- Dispatch at least 95% of non-emergency calls within 30 minutes
- Maintain a ratio of sustained complaints at less than 1 per 10,000 calls for service

Performance Measures for Dispatch Services in Palo Alto

- Percentage of emergency calls dispatched within 60 seconds
- Percentage of non-emergency calls dispatched within 30 minutes
- Number of sustained complaints per 10,000 calls for service

2. Elevating measures beyond workload (outputs)

Principal Types of Performance Measures

- **Output (workload) measures**
 - tell you “how much” or “how many”
- **Efficiency measures**
 - relate outputs to resources consumed (e.g., unit costs, output per labor-hour)
- **Outcome (effectiveness) measures**
 - tell you “how well” (e.g., indicators of quality or progress toward objectives)

Not All Sets of Measures Are Suitable for Performance Management

Typical Performance Measures for Clerk

Council meetings.....	24
Agenda packets distributed.....	24
Ordinances.....	65
Resolutions	89

Measures Suitable for Performance Management

% of agenda packets provided 4 days in advance of meeting.....	92%
% of draft minutes prepared within 5 working days after meeting.....	96%
% of resolutions/ordinances processed/posted on-line within 30 days of adoption.....	100%

Typical Performance Measures for Fire

Fire alarms.....	14,706
EMS calls.....	11,376
Inspections.....	9,754
Fire prevention presentations.....	656

Measures Suitable for Performance Management

Fire alarms.....	14,706
EMS calls.....	11,376
Inspections.....	9,754
Fire prevention presentations.....	656
Avg response time.....	5:17
Structural fires per 1,000 population.....	1.7
Confined to room of origin.....	89%
Citizen satisfaction.....	91%
ISO rating.....	3

Typical Performance Measures for Parks & Recreation

Recreation classes.....	72
Sports participants.....	1,276
Acres mowed.....	830
Senior Center trips.....	14

Measures Suitable for Performance Management

% of residents living within ½ mile of a park.....	72%
Park acres maintained per FTE.....	10.5
% of acts of vandalism/graffiti abated within 2 working days of notice.....	87%
% of customers returning to recreation programs.....	77%
Recreation and athletic program cost recovery through fees.....	67%

3. Measuring results a lot more
(and perhaps measuring process
a little less)

FOCUSING ON “OUTCOMES”

Striving toward “Effectiveness”

Output	“miles of sewer line cleaned”
	is not the same as
Outcome	“sewer blockages per 100 miles of sewer lines”
Output	“number of service requests handled”
	is not the same as
Outcome	“% of service requests fulfilled within 4 working days”

Remember Your “Customers” and “Stakeholders”

They can help you focus on results

- Who are the customers of your service?
- What do customers need/desire/value as characteristics of this service?
- Are there stakeholders other than the customers?
- What do stakeholders value as characteristics of this service?

4. Establishing targets

Setting Targets

- Consider trying to advance beyond your own previous performance record (e.g., X% better than the latest 3-year average)
- Professional standards
- Norms (state/regional/national averages)
- Performance targets/results of respected counterparts

Mean, Median or Fractile?

Examples

Mean Average response time

Median Median response time

Fractile % of responses within X

Q & A

Q: What if I want to declare an ambitious objective than I know cannot be achieved right away?

A: Consider an approach like this:

Objective: To achieve a crime clearance rate that exceeds the state average for cities of 100,000 population or greater by FY 2015 (target FY 2012: [insert #]% [80% of state average])

PM1 Clearance rate: ___%

PM2 Clearance rate as % of state avg for cities of >100K population: ___%

Q & A

Q: What if I want to set an objective but have no baseline data to guide my target setting?

A: Consider a soft target in year 1 **with the promise of a S-M-A-R-T target in year 2:**

Objective: To serve counter customers promptly

PM1 % of customers having counter service initiated within 10 minutes: ___%

PM2 % of customers having counter service initiated within 15 minutes: ___%

Exercise

With 2 or 3 persons seated around you, select a local government function for this exercise.

Each small group should develop 2 objectives for their function and accompanying performance measures.

Prepare to share your work with the larger group.

Performance Management and Data-Driven Decision Making



Fundamentally,
performance
management entails the
use of performance
feedback **to influence**
operations.

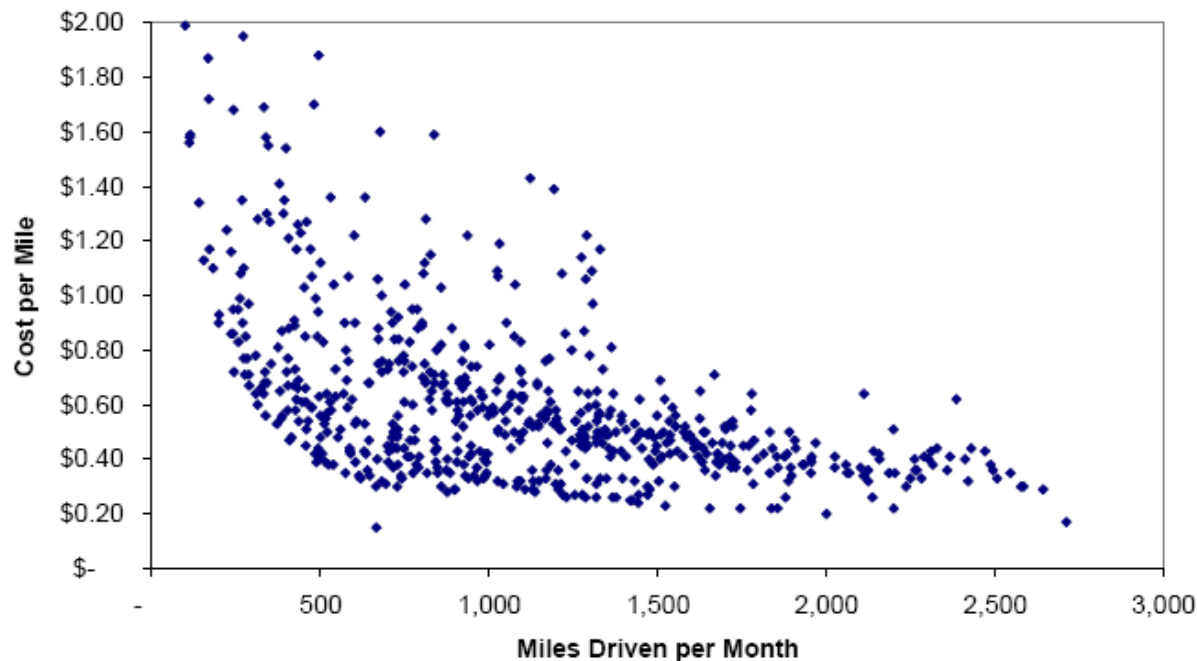
Essentials of Performance Management

- The organization is **serious** about goals, objectives, and performance measures.
- Data-driven decision making is emphasized.
- The focus is on results.
- Positive results are recognized and yield positive consequences.

Analyzing Costs Per Mile for Operating Fleet Automobiles in King County, Washington

EXHIBIT G

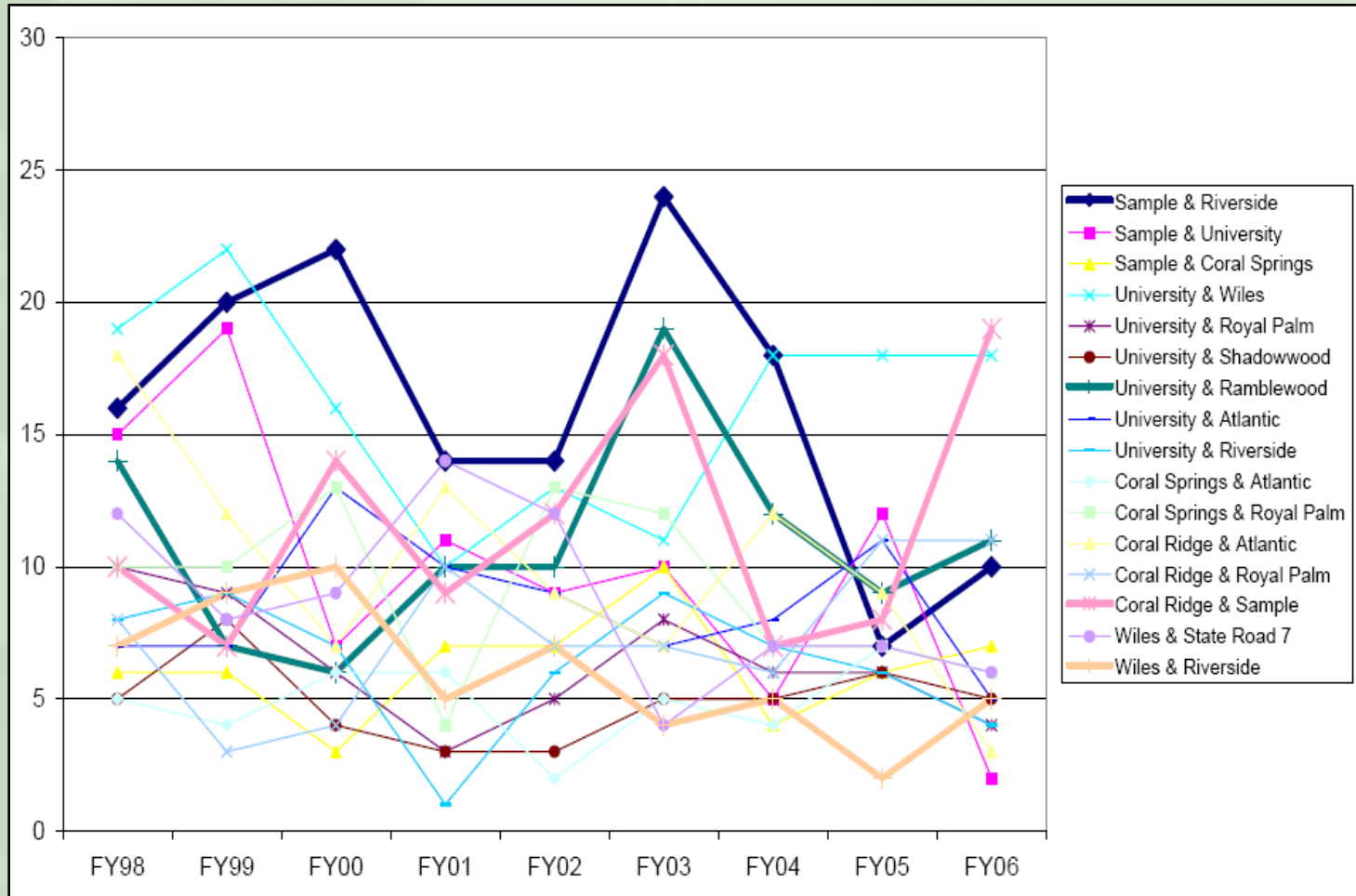
Fleet Administration Automobiles Cost per Mile Decreases as Utilization Increases



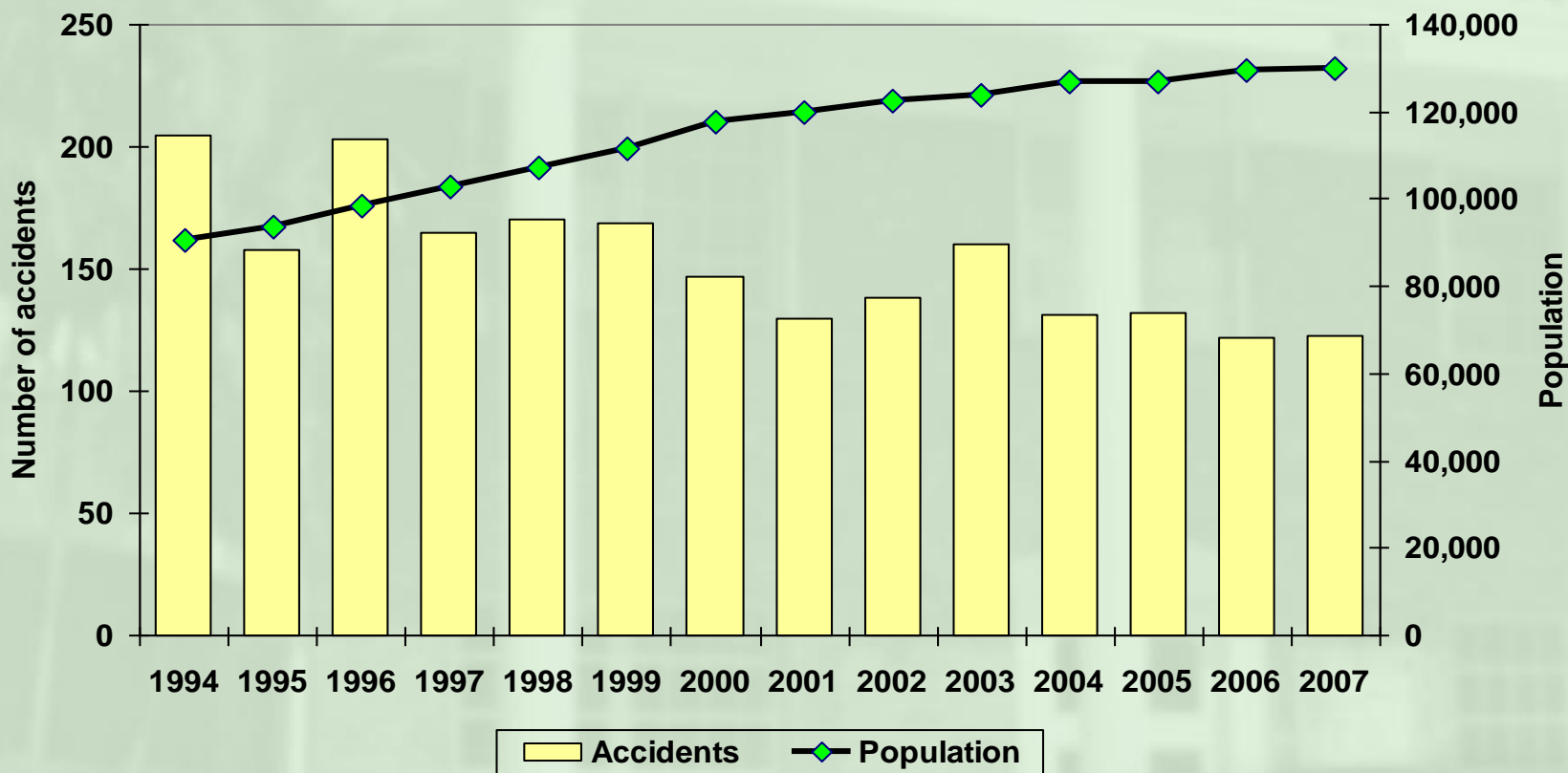
SOURCE: Auditor's Office Analysis of Data Provided by Fleet Administration

Source: Rob McGowan, Larry Brubaker, Allan Thompson, Ron Perry, *County Vehicle Replacement Performance Audit*. Report No. 2007-01 (Seattle, WA: King County Auditor's Office, May 2007), p. 28. Based on Auditor's Office analysis of data provided by Fleet Administration.

Accidents by major intersection



Accidents at major intersections despite population (and traffic) increases



Practical References on Performance Measurement

- David N. Ammons (ed.), *Leading Performance Management in Local Government* (Washington, D.C.: ICMA, 2008). To order, see <http://icma.org/press/leadingpm> .
- David N. Ammons, *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*, 2nd edition (Thousand Oaks, CA: Sage Publications, 2001). To order, see www.sagepub.com .
- James Fountain, Wilson Campbell, Terry Patton, Paul Epstein, and Mandi Cohn, *Reporting Performance Information: Suggested Criteria for Effective Communication* (Norwalk, CT: Governmental Accounting Standards Board, 2003). For an on-line copy, see http://www.seagov.org/sea_gasb_project/suggested_criteria_report.pdf. For ordering information, contact GASB at (203) 847-0700.

Practical References (continued)

- Harry P. Hatry, *Performance Measurement: Getting Results*, 2nd edition (Washington, D.C.: The Urban Institute, 2006). To order, call 1-877-UIPRESS (toll-free).
- Harry P. Hatry, D.M. Fisk, J.R. Hall, Jr., P.S. Schaenman, and L. Snyder, *How Effective Are Your Community Services? Procedures for Performance Measurement*. 3rd edition (Washington, D.C.: The Urban Institute and ICMA, 2006). To order, call 1-800-745-8780.
- Theodore H. Poister, *Measuring Performance in Public and Nonprofit Organizations* (San Francisco, CA: Jossey-Bass, 2003). To order, see www.josseybass.com.

Useful Web Sites

- City of Bellevue, Washington—good selection of performance measures in the budget: <http://www.bellevuewa.gov/budgets.htm>
...plus Performance Reports at http://www.bellevuewa.gov/citizen_outreach_performance.htm
- Fairfax County, Virginia—excellent performance measures found in the budget at: <http://www.fairfaxcounty.gov/dmb/adopted/FY2009/FY09adoptedV1.htm>
- City of Plano, Texas—good selection of performance measures in the budget at: <http://plano.gov/Budget/Pages/default.aspx>