

# City Council Work Session

5:30 PM  
Council Chambers  
June 4, 2012

## ATTENDANCE:

Mayor/Council (please check) x Hanel, x Ronquillo, x Cromley, x Cimmino, x Pitman, x McFadden, x Bird, x Ulledalen, x McCall, x Astle, x Crouch.

ADJOURN TIME: 8:40

## Agenda

|                      |                     |
|----------------------|---------------------|
| <b>TOPIC #1</b>      | <b>Public Works</b> |
| <b>PRESENTER</b>     | Dave Mumford        |
| <b>NOTES/OUTCOME</b> |                     |

- Dave Mumford: reviews the staff organizational chart and recent personnel reductions and changes. Described what Public Works does and some recent projects and programs.
- Ronquillo: question about letter to the editor about being charged at the landfill.
- Dave: old information, he was called and confirmed that he was not recently charged and will not be in the future. Continues with presentation. Reviewed Public Works service statistics. Reported major revenue sources. Public Works was removed from the General Fund several years ago and provides revenues to it. Outlined operating cost increases.
- Astle: health insurance costs reduced by single provider contract this year?
- Tina: employee contributions didn't increase but the city's did.
- Pitman: looked at energy savings as part of the energy audit?
- Dave: yes, ongoing changes. Solar for some office building uses but can't operate plants with it because there's too much demand. Methane generator will be improved at a new wastewater treatment plant. Shifted money and employees from planned snow plowing to street maintenance and improvements. Only about \$200,000 more into streets than previous years, so not that much shifted. Assessment increases include Arterial Construction Fee, Stormwater Fee and Street Maintenance District Fees; more frequent but smaller increases than if they changed less often. Solid Waste billing process change; working with customers and landlords about the change.
- McFadden: billing software is flexible enough for all needs?
- Dave: no, but can mitigate some of the problems. Monthly billing will save money and allow smaller reserve to be carried in the Fund. 2011-2012 accomplishments include: streets, intersections, SIDs, downtown signals, zone 4 water reservoir, wastewater disinfection, and pipe replacement program. Future considerations include Compressed Natural Gas (CNG) fleet changeover and the division is working with Montana Dakota Utilities (MDU) on it.
- McFadden: vehicles will refuel from gas that is withdrawn from the landfill?

- Dave: yes. MDU will pay for the fueling system. Plan to buy new CNG trucks with that capability and slowly move away from diesel.
- Ronquillo: used to use CNG for the MDU vehicles, but it didn't work that well for small vehicles but it should work on garbage trucks. Easier on the engines and cleaner exhaust.
- Crouch: other departments moving toward CNG?
- Dave: testing for big trucks, harder to implement with small vehicles. Test on Solid Waste but willing to share the filling site.
- Astle: truck fleet replacement pace?
- Dave: within 12 months plan to buy some new trucks and slowly change the whole fleet.
- Bird: green barrels? Citywide?
- Dave: yard waste recycling. Citizens need to request the barrels but not all areas of the city are being covered yet. Will cover citywide by the end of June.
- Cimmino: slide 13 on snow removal; actual in 2010-2011 was \$1.5 million; all costs included? \$745,000 actual for 2011-2012?
- Dave: yes. We budgeted one million and used \$745,000.
- Public comments:
- Kevin Nelson, 4235 Bruce Avenue: set some money aside to fix the fence posts at Grand and 32<sup>nd</sup>, or maybe at Shiloh? Shouldn't be a problem for property entry. Set aside money from arterial fund for curbing on Grand Avenue from Will James School to Cancer Center. Same on Central Avenue from 32<sup>nd</sup> to 29<sup>th</sup>. Don't want to see another Grand Avenue with incomplete street improvements.

|               |                                 |
|---------------|---------------------------------|
| TOPIC #2      | <b>Council Budget Questions</b> |
| PRESENTER     | Tina Volek                      |
| NOTES/OUTCOME |                                 |

- Tina: staff passed out information in response to questions from prior sessions. Will answer additional questions now.
- Ulledalen: at the last meeting, Tina said we'll add \$1 million to reserves, as we did last year. Why not use some of the money for deferred maintenance, especially in parks. Want it to be part of the discussion about how much to assess versus using reserves.
- Tina: accumulating reserves helps buffer for future emergencies and harder times. Told by past Councils to not use reserves for operations.
- Astle: actually \$2 million over past two (2) years.
- Tina: yes.
- Pitman: SID reserve fund; shouldn't some portion of that stay available for city share of future SIDs?
- Tina: bond counsel advised us to not keep the money in SID reserve; we will still have about 15% in reserve.
- Astle: developers have to install street improvements as they develop? There will be new development near the Brewer Center on Central in the next 60-180 days.
- Dave: yes, developers have to install curb, gutter, sidewalk and one lane of asphalt.
- Bird: only department that had a decline in General Fund was Parks. Why did that budget decline from past years by 1.19%? FY 12 expenses are estimated? Why would we reduce the General Fund budget when we're planning to spread PMD assessments in FY 13?

- Tina: SBRs weren't significant this year, positions will be funded by the PMD, operating costs are flat. Improvements through the PMD. SBRs for all improvements beyond base budgets, especially for labor saving or long term cost controls.
- McFadden: chip sealing in alleys – worst alleys in town parallel to Broadwater, Central and Grand Avenue on the west end.
- Dave: small amount of chip sealing, don't know how much will be available, still trying to identify where they will be used.
- Pitman: maybe these are Priority Based Budgeting (PBB) issues, but can't align true expenses and budget. Example is giving water to parks and city hall. Use CNG for MET buses, where fuel cost is an issue. Is PMD part of this budget or is it a separate decision?
- Tina: can make a presentation at next week's meeting regarding setting the assessment. Staff presentation on June 18<sup>th</sup>?
- Ulledalen: working on budget for regular parks and recreation expenses and also on PMD projects and assessments.
- Cimmino: question about fund raising for Swords Park vault toilet. BikeNet is organizing it.
- Mike: the vault toilet won't need water; installation will be similar to the restrooms found in state parks or forest service campgrounds.
- Bird: policies on vacancy savings, use voluntary furloughs?
- Tina: used voluntary furloughs in Planning and salary savings depends on the department. Finance analyzes vacancy savings for General and Public Safety Funds. Public Works plans were discussed by Mr. Mumford.
- Bird: how does the city fund for long term employee cash out of sick and vacation when they retire?
- Pat: use a five (5) year average for vacancy savings and budget annually for anticipated retirement pay-out costs.
- Cimmino: savings from long term vacancies (police and Public Works).
- Pat: Police Department is moving money to property and liability, Finance and Public Works finance figured out what to budget for vacancies.
- Bird: when vacancy occurs, how much time between when a position is vacated and positions advertised? Positions vacant 45-60 days?
- Tina: a month. About the right time for recruitment period. Retirements don't take that long to fill.
- Ulledalen: may need to cut in a year. Are we perpetuating cutting expenses in Parks in favor of other departments? Should we fund the park district when we continue shorting the park department in the General Fund? Could we freeze the budget and solve the problem. We need more innovation from departments, like we hear from Public Works. Need to knit all trends and practices together. Not sure PBB will pull us out before we hit the wall. Don't have a lot of time to avoid hard budget decisions.
- Tina: 2.5% wage increase was approved, so flat budget causes personnel reductions or reductions in other areas. Position or personnel reductions are common in other areas of the city. Careening toward a cliff is an overstatement and I may have contributed to it. Use PBB as a tool to shape future budgets.
- Pat: lots of moving parts. One time cuts, cuts over several years, levies at 1% and levies at 2% are all currently being worked on.

- Pitman: whether parks or other operations, don't want to have this be the last chance for Council to ask or make changes.
- McCall: overview presentation talked about reserves requirements. Would like to have the reserves requirements summary for all Council.
- Astle: don't want to see parks or other departments lose or gain as a result of the park district. City Charter says 74 mills in Section 1.02. Ordinance #4278 referenced in the Charter is a 1980 ordinance. If council adopted the ordinance, can't council change it?
- Ulledalen: need policies in line with where we are. Need to start working on public safety levy if we're not going to lay off police and fire. Having to spend money now for past annexations.
- Public comments:
- None

|               |                                 |
|---------------|---------------------------------|
| TOPIC #3      | <b>Priority Based Budgeting</b> |
| PRESENTER     | Jon Johnson & Chris Fabian      |
| NOTES/OUTCOME |                                 |

- Tina: introduced the concept and introduced Jon Johnson and Chris Fabian. No decisions tonight but issues will be back on the agenda June 18<sup>th</sup>.
- Jon: hope the process starts better conversations and guides you for many future years. Many cities are starting their second and third budget cycles. Each one uses it differently – as it fits them. ICMA is close to adopting this process as a best practice. Hope it will be a lasting or sustainable budget process.
- Chris: described the process that Council and staff have been using since January.
- Jon: hope the process allows Council to discuss programs, not departments. More programmatic discussions. Describes program scoring process and peer review process.
- McCall: are the teams a mix of department representatives?
- Jon: yes and try to make objective decisions. Compliments staff for the work they did scoring programs and peer review.
- Chris: shows programmatic quartile groupings. Program groups and total costs for each.
- Jon: discusses the priority budget tool.
- McCall: what staff is being trained to use the software?
- Tina: department directors, Bruce, Pat and me.
- Jon: easy tool, excel, will be a web based program by the end of the year.
- McFadden: department directors can use what-if scenarios?
- Jon: set dollars and programs, but use filters to look at the information in different ways.
- Bird: allowed when discussing quartiles, to request that a program that you really like move to a higher quartile?
- Jon: no, but discussion should happen about whether it should be kept even though it scores low, or it could be that results need to change or be defined differently. Define programs so the results are clear to the community.
- Cimmino: Out of the 347 programs there are 64 programs in quartile 1; what are they? How much time did staff spend getting to this information? Council has lots of catching up to do.
- Jon: we'll generate the list quickly and it will be shared with you. Every department has some quartile 1 programs. Five (5) months of work.



- Pitman: emphasize that discussions need to happen about why programs scored where they did, not to change the scores.
- Jon: right. Probably won't see many programs that city wants to save regardless of low score, or city will question their results.
- McCall: this tool is one that city should use ongoing not just about budget. Example of Planning Department programs.
- Ulledalen: how do we avoid getting occupied by topics that don't matter to the general fund, public safety fund, planning, etc? How will we decide qualitative or effectiveness issues?
- Jon: tool allows city to avoid talking about all funds and to focus on the ones where you need to. Keep discussions on programs, including ones that aren't getting done or being done poorly.
- Astle: will council see programs in quartile 4 and how each compared to others?
- Jon: will see quartile 4 programs but not how all programs in quartile 4 compare to each other. A four (4) is a four (4), no matter how many points each program scored. Show other filters.
- Ulledalen: are you seeing cities asking the tough questions about what programs really need to continue or continue at the level being offered.
- Jon: yes.
- Cromley: have you seen any problem with evaluating quality or effectiveness in high quartile programs?
- Jon: cities are using the tool to talk about how high score programs are being done or could be done cheaper or more effectively. Pick the big dollar programs and ask questions about how they're provided and whether they could be improved. Continues showing how the filters can be combined to show different perspectives.
- Pitman: where do you find the programs?
- Jon: will show you but discourage you from talking about programs yet – staff hasn't been able to review the results yet.
- Bird: access to you to facilitate?
- Jon: can help you run the program and show you how to use it. Compliment staff for their dedication to getting this done. Think it will change the city.
- Public comments:
- None

|                                  |
|----------------------------------|
| <h3>Additional Information:</h3> |
|----------------------------------|

Comments on items not on the agenda:

- Kevin Nelson, 4235 Bruce Avenue: handed Tina information on EPA rules on noise and other similar material on the effect of noise in our neighborhoods. Thanks to staff and Council who attended meeting today with the County Commissioners. Commissioners said that 301 Orchard Drive complies with zoning. There are city impacts even though the land is in the county. Sand blasting removes everything that is on the steel and releasing it with the blasting media into the air. Does the city have a responsibility to deal with the problems?
- Cimmino: Legal respond to whether city has authority to deal with the problems.
- Brooks: short answer is no. Neither responsibility nor authority.
- Bird: what is the address?

- Kevin: 345 Orchard Drive.
- Brooks – it's 301 Orchard Drive.
- McFadden: is there equipment and technology that would help with the problem?
- Kevin: yes. City requires conditions with special reviews, so technology must be available. They could follow the city standards.
- McCall: have the health department and DPHHS or EPA been contacted?
- Brooks: local health department can't act. Private nuisance action could happen.
- Ronquillo: manager attended Southwest Task force meeting and agreed to try to help with the problems.
- Bird: lease or own?
- Ronquillo: Five (5) year lease.



# Public Works Department

## FY 2013 Proposed Budget



# Public Works Department

**241.5 FTEs**  
**39 seasonals**

**David Mumford, PE**  
**Public Works Director**  
3 FTEs

**Vern Heisler, PE**  
**Deputy Public Works Director**  
2 FTEs

**COMMERCIAL &  
METER DIVISION**

**Dwile Weagel**  
22 FTEs, 1 seasonal

**DISTRIBUTION &  
COLLECTION DIVISION**

**Scott Emerick, PE**  
30 FTEs, 5 seasonals

**ENGINEERING  
DIVISION**

**Debi Meling, PE**  
23 FTEs, 2 seasonals

**ENVIRONMENTAL  
AFFAIRS**

**Boris Krizek, PE**  
2 FTEs

**FINANCE DIVISION**

**Jennifer Duray, CPA**  
3 FTEs, 1 seasonal

**SOLID WASTE  
DIVISION**

**Vester Wilson**  
63.5 FTEs, 14 seasonals

**STREET/TRAFFIC  
DIVISION**

**Bill Kemp**  
45 FTEs, 10 seasonals

**WATER TREATMENT  
PLANT**

**Mike Rubich, PE**  
25 FTEs, 4 seasonals

**WASTEWATER  
TREATMENT PLANT**

**Susan Stanley**  
23 FTEs, 2 seasonals

Change from FY 12 = reduction of 1 FTE



# Facilities in 34 Locations



- Offices in 5 Locations
- Water Treatment Plant
- Wastewater Treatment Plant
- 15 Reservoirs
- 11 Pump Stations
- Landfill



# PWD At A Glance



- Maintain:
  - 524 Roadway/123 Alley Miles
  - 149 Miles of Storm Sewers
  - 155 Signals
  - 67 Street Light Districts
- Manage \$60 Million in Capital Projects Annually
- Review, Permit, & Inspect 1,200 Sites

- Collect 256,400 Tons of Waste
- Collect 50,000 Pounds in Household Hazardous Waste
- Compost 6,653 Tons of Yard Waste
- Serve 36,000 Solid Waste Customers





# PWD At A Glance (cont.)

- Perform 10,000 Feet of Pipe Bursting
- Maintain 447 Water & 466 Sanitary Sewer Main Miles
- Treat 5.8 Billion Gallons of Wastewater Annually
- Serve 29,500 Water customers & 32,500 Wastewater Customers
- Treat 8.5 Billion Gallons of Drinking Water Annually



**We Impact All Residents, Employees, & Visitors!!!**

# Major Revenue Sources

## **Administration Division:**

- Inner department cost allocations

## **Solid Waste Division:**

- Landfill fees
- Collection fees

## **Street-Traffic Division:**

- Assessments (street maintenance, storm drain, and street light districts)
- Charges for services
- State reimbursements

## **Water & Wastewater Divisions:**

- Water and wastewater fees
- Water/wastewater utility service
- System development fees

## **Engineering Division:**

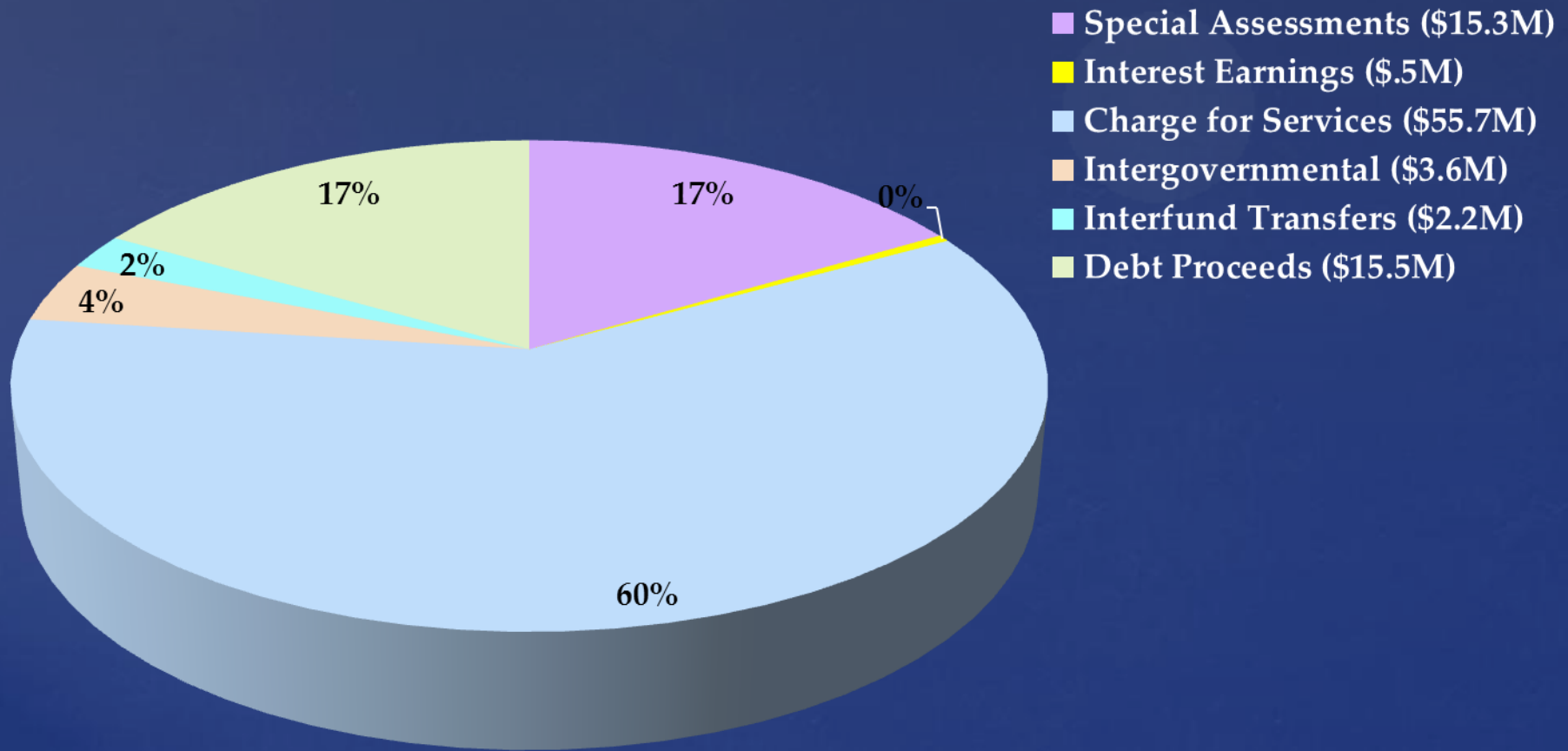
- Permit fees
- Subdivision review fees
- Private contracts
- Charges for services

## **Capital Project Funds:**

- State fuel tax
- Special assessments (arterial, storm drain, and street maintenance)
- Tax increment financing
- CTEP grants
- Sidewalk and SID assessments

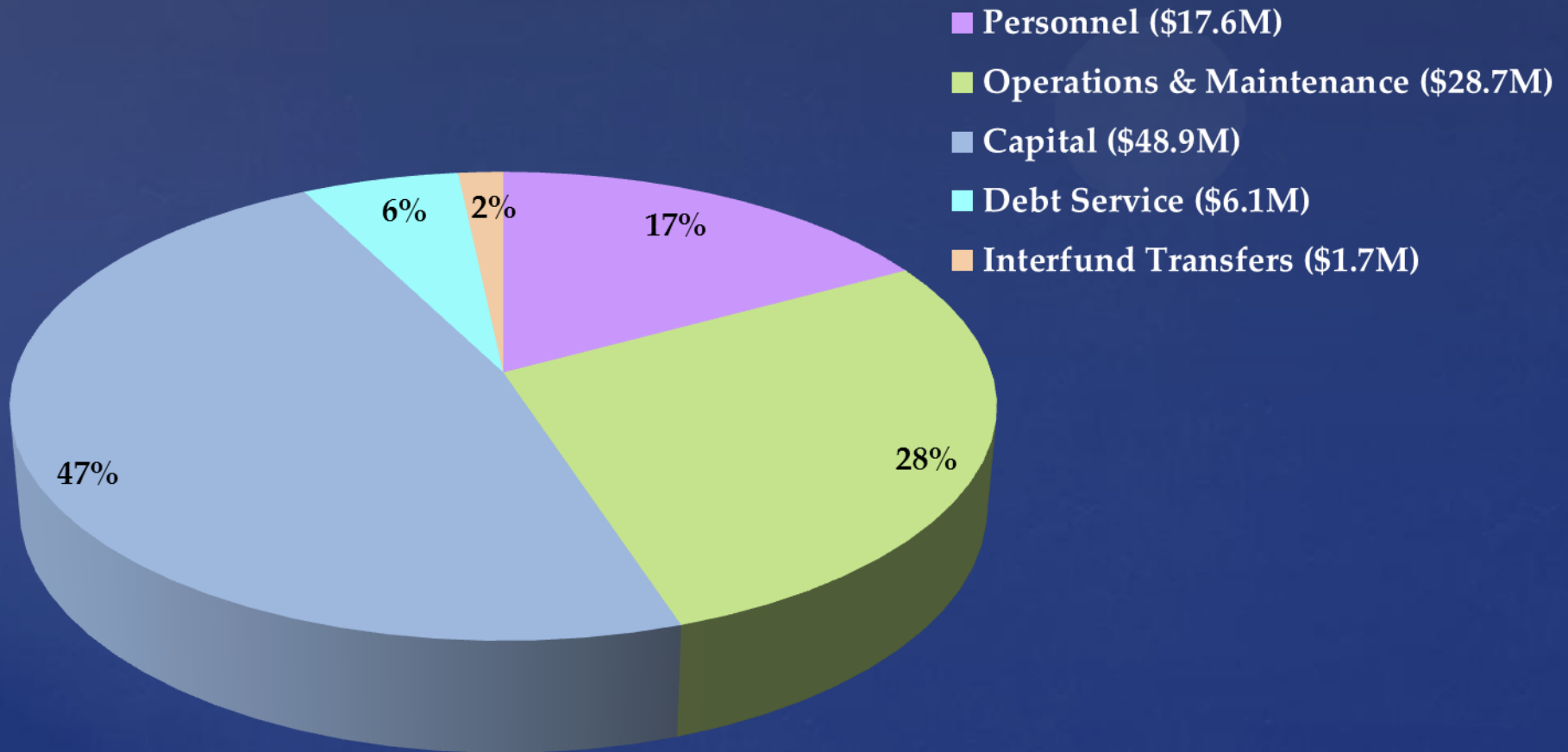


# Public Works FY 13 Budgeted Revenues - \$92.8M



# Public Works FY 13

## Budgeted Expenses - \$103M

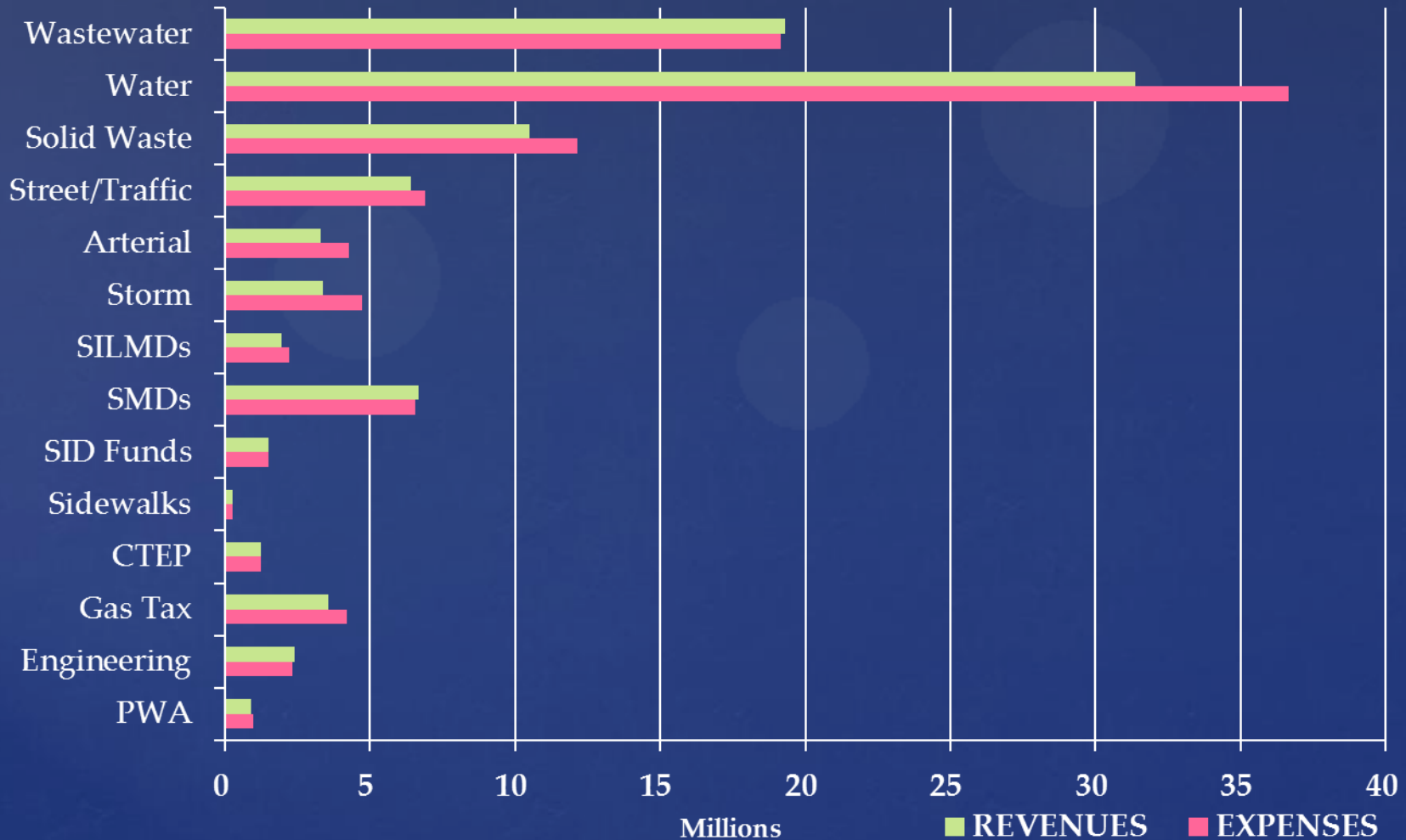


# FY 13 Summary by Fund

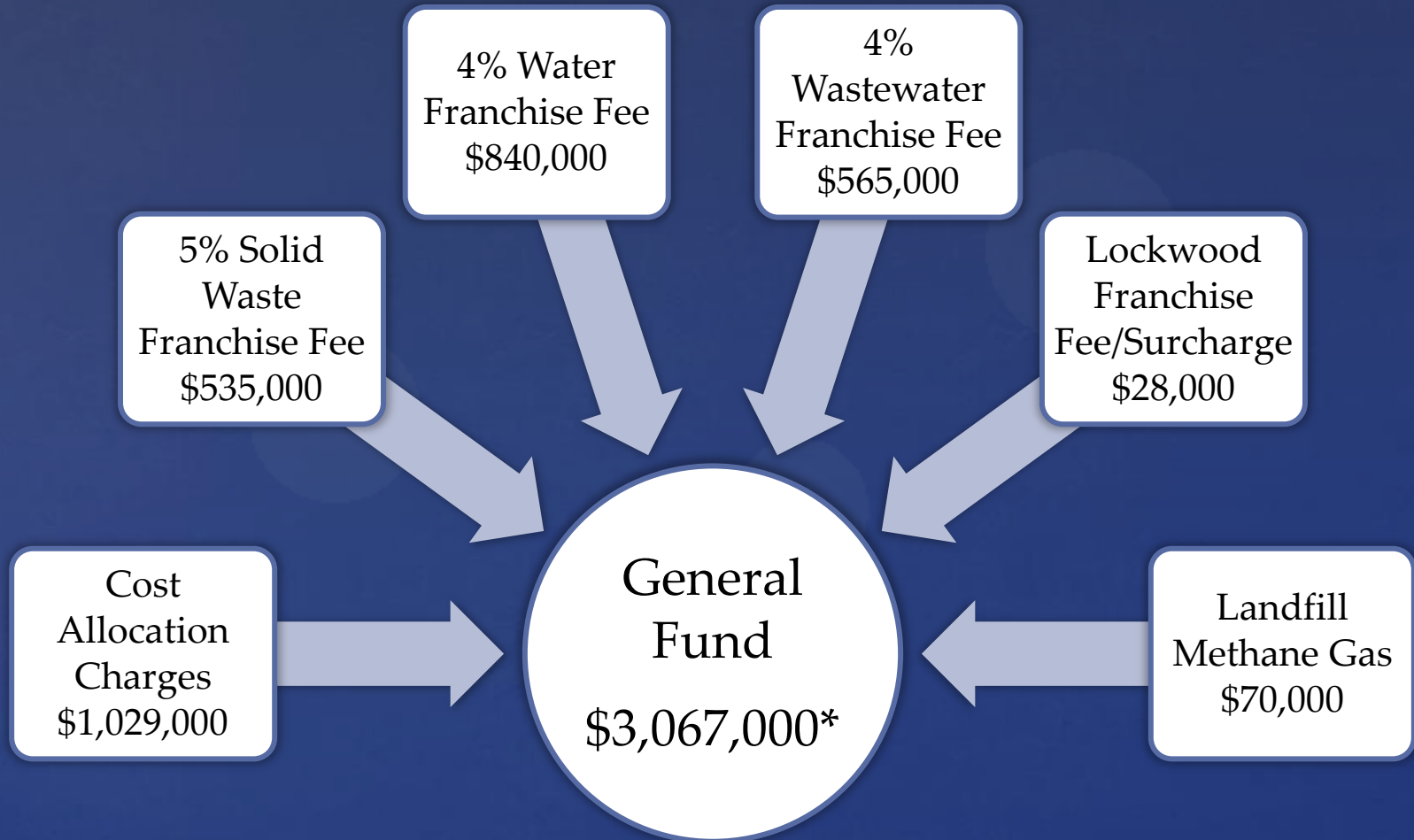
**Total Revenues \$ 92.8M**

**Total Expenses \$103.0M**

**Use of Cash \$ 10.2M**



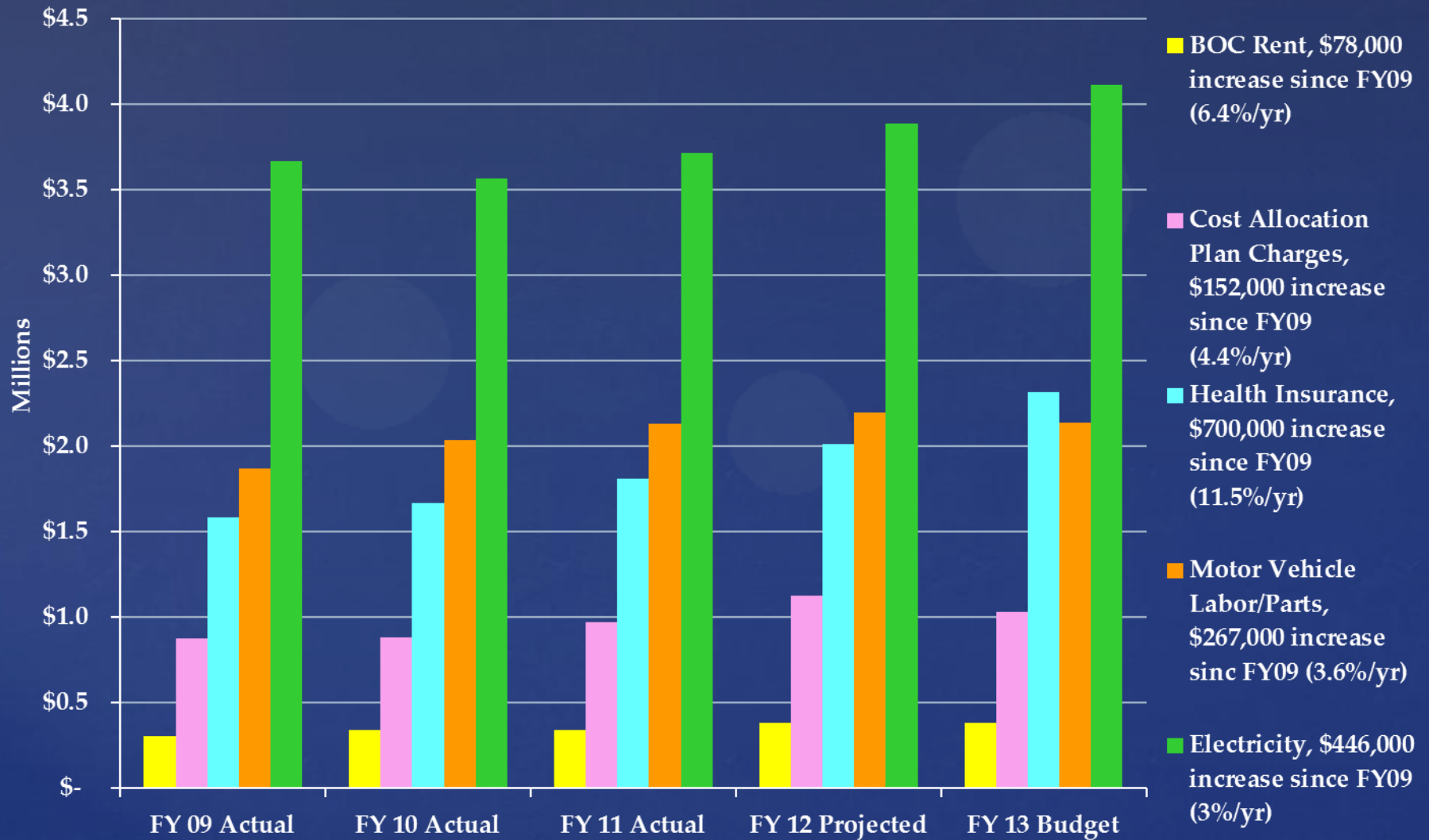
# Public Works Has a Positive Impact on the General Fund



\*Does not include free water, sewer, garbage, and assessments we provide to the Library, Transit, and General Fund Departments

**Budgeted Revenue from the General Fund in FY 13 = \$0**

# Operating Cost Increases



# Operating Cost Increases (cont.)

Had to Compensate for Increases in Electricity, Health Insurance, Vehicle Parts, Charges from the General Fund, etc. that Exceed Annual Increases in Revenues:

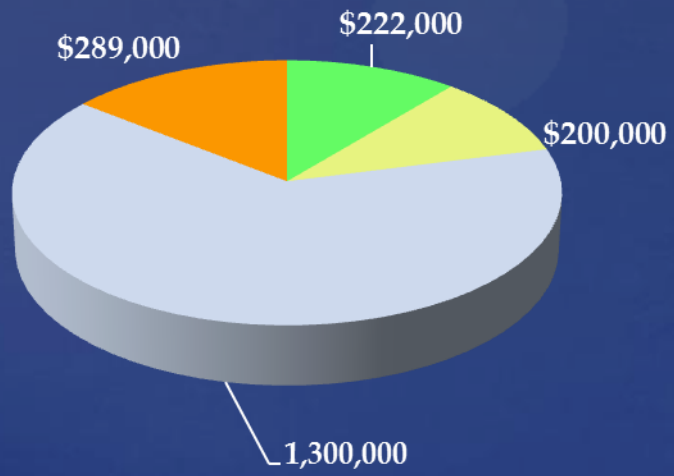
- Made Reductions in Capital Program
- Cut Other O&M Items
  - Average Overall Increase in O&M only 2.3% per year since FY 09
  - Total O&M Change in FY 13 Budget from FY 12 Budget is \$74,000 (< 0.3%)



# Lack of Snow in FY 12 Enabled Street/Traffic to Focus on Other Areas

## What Last Year's SMD Increase Was For:

- Amount to Cover Annual Cost Increases
- Increase Arterial Snow Removal
- Increase PAVER Program Funding
- Loss of MDT Revenues/Cover Costs of Additional Roads



## Snow Removal Budget

|            | <u>FY 11</u> | <u>FY 12</u> |
|------------|--------------|--------------|
| Budget     | \$ 750,000   | \$ 1,000,000 |
| Actual     | \$ 1,558,000 | \$ 745,000   |
| Difference | \$ (808,000) | \$ 255,000   |

Just as the FY 11 overage in snow removal was covered by reducing other tasks, the FY 12 savings was utilized by taking on additional tasks.

## Street Traffic Labor Hours

|                          | <u>FY 11</u>  | <u>FY 12</u>     |                 |
|--------------------------|---------------|------------------|-----------------|
|                          | <u>Actual</u> | <u>Estimated</u> | <u>Variance</u> |
| Gravel Roads/Alleys      | 4,523         | 7,475            | 2,953           |
| Landscaping/Walkways     | 7,208         | 10,360           | 3,153           |
| Miscellaneous Services   | 1,527         | 170              | (1,357)         |
| Snow & Ice Removal       | 17,433        | 7,252            | (10,181)        |
| Storm Maintenance        | 10,064        | 7,665            | (2,399)         |
| Street Light Maintenance | 4,113         | 3,100            | (1,013)         |
| Street Repair/Paving     | 7,654         | 11,710           | 4,057           |
| Sweeping                 | 10,999        | 11,890           | 892             |
| Traffic Control          | 4,204         | 15,980           | 11,776          |
| Total                    | 67,722        | 75,602           | 7,881           |



# FY 13 Proposed Revenue Increases

## Public Works Assessments:

- Only Minor Increases to Keep up with Inflation
- Average of 2.5% Increases Proposed (5% in SMD II)

|                                  | Average Annual<br>Residential Rate |                 | Increase       |              |
|----------------------------------|------------------------------------|-----------------|----------------|--------------|
|                                  | <u>FY 2012</u>                     | <u>FY 2013</u>  | <u>\$</u>      | <u>%</u>     |
| Arterial Construction Fee        | \$ 41.10                           | \$ 42.14        | \$ 1.04        | 2.53%        |
| Stormwater Fee                   | \$ 36.10                           | \$ 37.05        | \$ 0.95        | 2.63%        |
| Street Maintenance District Fees | \$ 92.02                           | \$ 94.20        | \$ 2.18        | 2.37%        |
| <b>Total Assessment Fees</b>     | <b>\$ 169.22</b>                   | <b>\$173.39</b> | <b>\$ 4.17</b> | <b>2.46%</b> |



# FY 13 Proposed Revenue Increases

## Other Fee Increases:

- Solid Waste – No Increase if Billing is Changed from Assessment to Monthly Utility Bill
- Water- No Change
- Wastewater
  - Average Increase for Residential Household is \$2.19 per Month
  - Rate Increase Approved at May 14, 2012 Council Meeting
- ROW Permit Fees & Traffic/Site Plan Review Fees
  - Proposed Increase to Recoup 100% Cost of Services
  - Average Increase = \$45/permit
- Subdivision Review Fees
  - Currently Get an Annual Amount of \$6,000 from Planning and Subsidized by General Fund
  - Propose Setting Fees at Level to Obtain 100% Cost Recovery for Engineering and Eliminate Annual Transfer from Planning & General Fund

# Significant Accomplishments in FY 12

## Completion of Several Road and Sidewalk Projects

- Jackson Street Sidewalks Phase II
- Moore Lane
- Rimrock Road
- 6<sup>th</sup> Ave to Bench Connection
- Overlays on 1<sup>st</sup> Ave North & 24<sup>th</sup> Street West
- 150 ADA Ramps Installed
- Repaired Concrete Infrastructure for 200 Property Owners



# Significant Accomplishments in FY 12

## Traffic Improvements

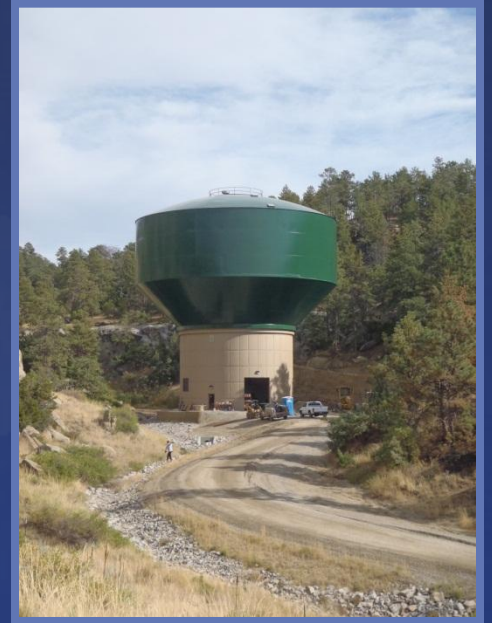
- Downtown Signal Project
- 32<sup>nd</sup> Street West Striping & Turn Lane
- 32<sup>nd</sup> & Broadwater Turn Lane
- 29<sup>th</sup> & Central Signal
- Wicks & St. Andrews Traffic Signal
- 2<sup>nd</sup> & 3<sup>rd</sup> Ave N 2-Way Conversion





# Significant Accomplishments in FY 12

- Completion of Zone 4 Reservoir
- UV Disinfection Installed & Operational
- More than 22,000 ft. of Water Pipe & 4,500 ft. of Sewer Pipe Installed
- Began Operation of Milling Machine
- Green Barrel Program Rolled Out by End of June
- Progress Made in Developing Nutrient Standards



# Future Considerations

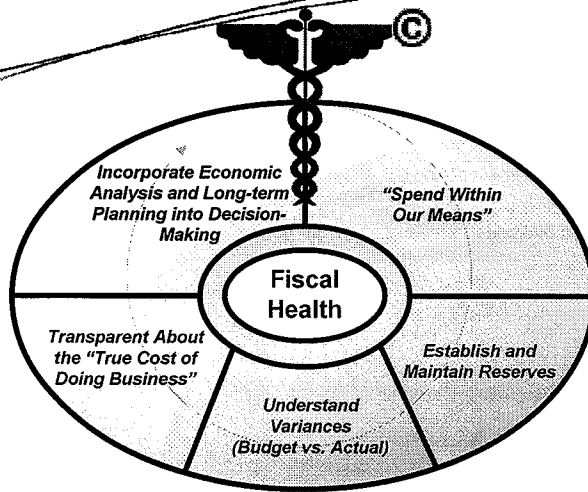
- New Regulations for Nitrogen & Phosphorus Removal Are Coming
- Need to Address Existing Storm Water Deficiencies
- Continue to Seek Annual Rate Increases that Keep up With Cost Increases and Incorporate 100% Cost Recovery
- Landfill Master Plan
- Converting Solid Waste Fleet to CNG to Allow Low Cost Fill-Ups at the Landfill



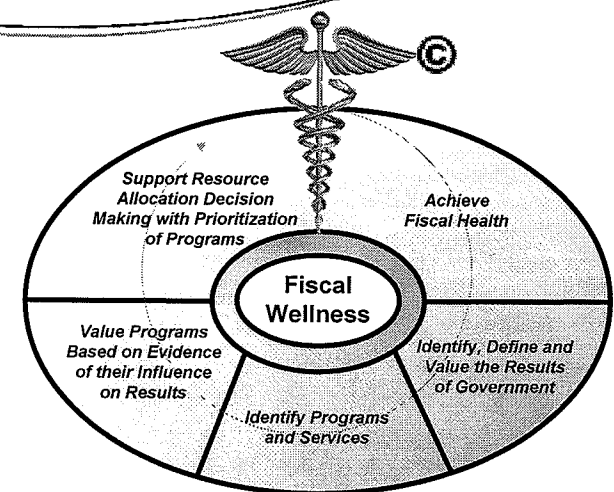
# Public Works Department

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ACHIEVING FISCAL HEALTH



ACHIEVING LONG-TERM FISCAL WELLNESS



# ***ACHIEVING FISCAL HEALTH and WELLNESS***

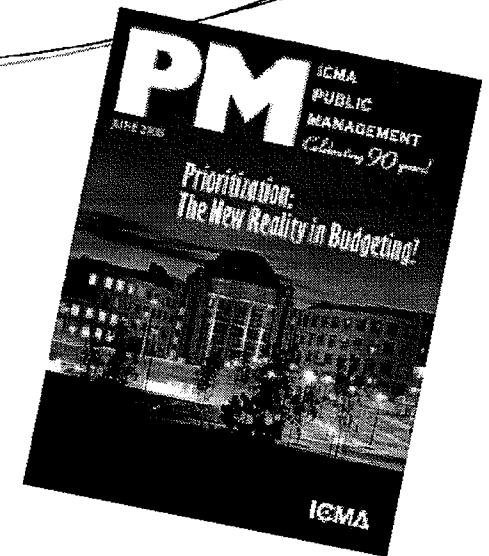
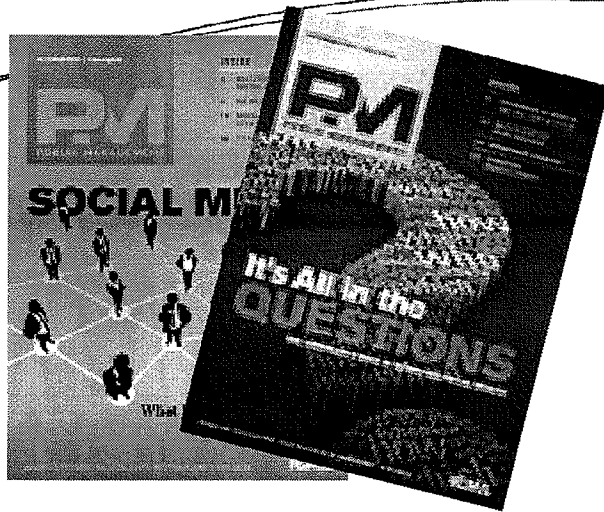
## ***Center for Priority Based Budgeting Jon Johnson & Chris Fabian***

Resource Alignment Diagnostic Model Review  
for the City of Billings, Montana  
June 4th, 2012

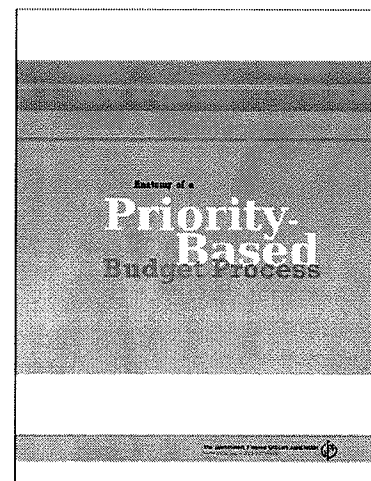
# ***Local Governments Achieving Fiscal Health & Wellness***

- **Billings, MT**
- Blue Ash, OH
- **Boulder, CO** (2 yrs)
- Chandler, AZ
- **Chesapeake, VA** (2 yrs)
- **Christiansburg, VA** (2 yrs)
- Cincinnati, OH
- Delray Beach, FL
- Denver International Airport, CO
- Douglas County, NV
- Fairfield, CA
- Fort Collins, CO
- Fort Lauderdale, FL
- **Grand Island, NE** (2 yrs)
- Green River, WY
- **Lakeland, FL** (3 yrs)
- **Longmont, CO** (3 yrs)
- Manitou Springs, CO
- Mission Viejo, CA
- **Monterey, CA** (2 yrs)
- Pasco County, FL
- Placentia, CA
- Plano, TX
- Post Falls, ID
- Queen Creek, AZ
- Sacramento, CA
- **San Jose, CA** (2 yrs)
- **Seaside, CA** (2 yrs)
- **Thornton, CO** (*Fiscal Health*)
- **Tualatin, OR** (*Fiscal Health*)
- **Walnut Creek, CA** (2 yrs)
- Wheat Ridge, CO



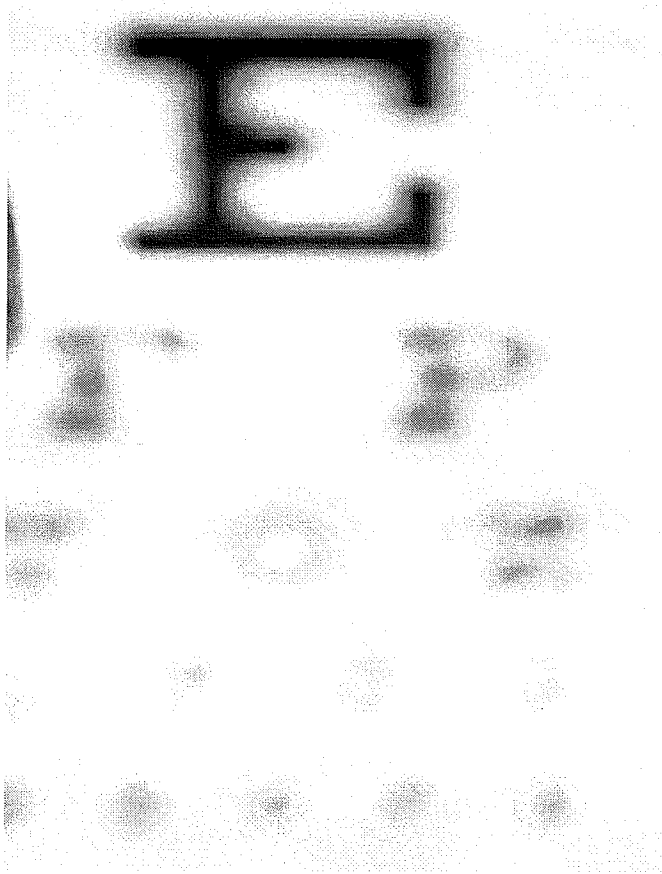


# ***Fiscal Health & Wellness Highlighted by the Alliance for Innovation, GFOA, and ICMA***



**Center for Priority Based Budgeting**  
*Leading Communities to Fiscal Health and Wellness*

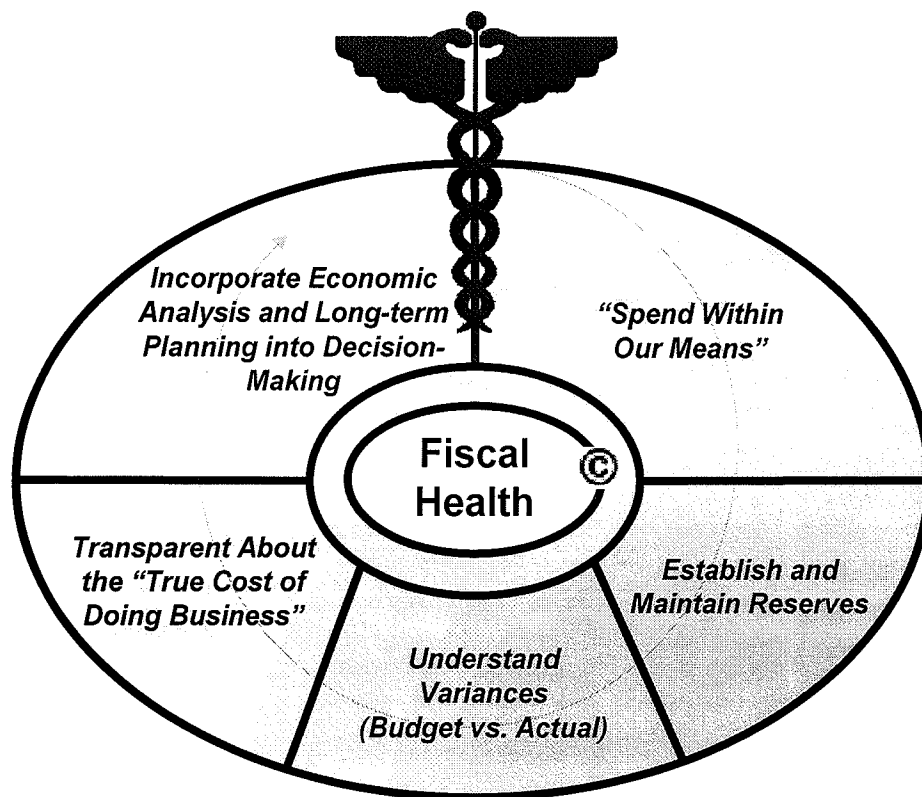
# BRINGING VISION INTO FOCUS WITH A NEW “LENS”



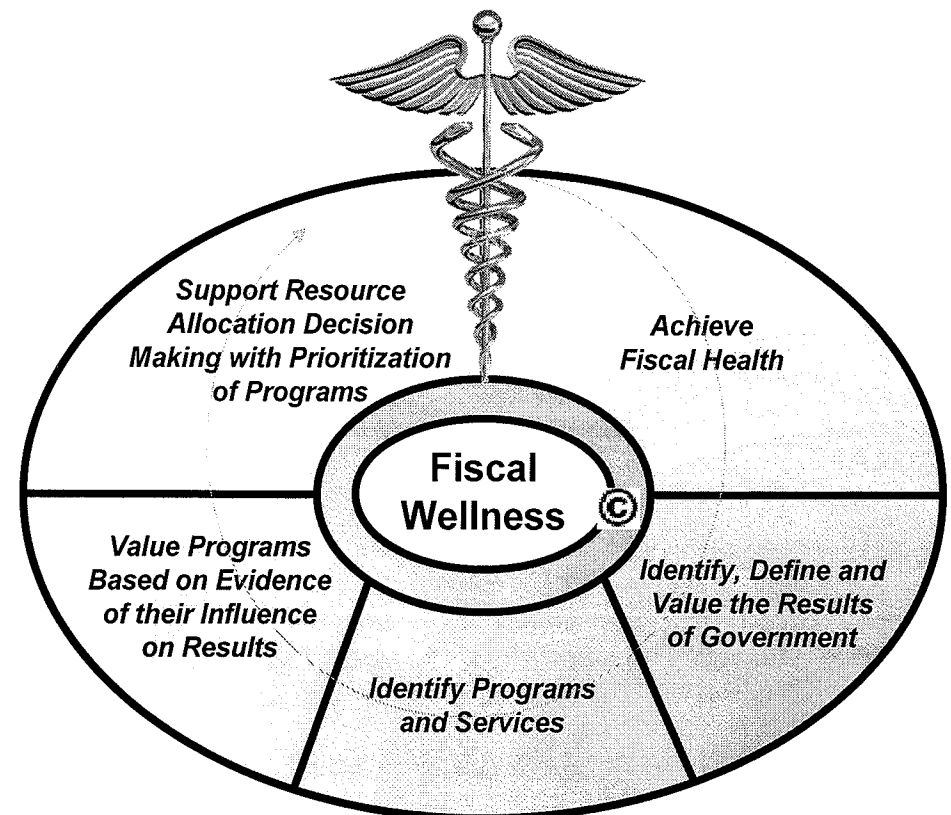
# Achieving Fiscal Health & Wellness<sup>®</sup>

## 2 Strategic Initiatives

### *Fiscal Health*



### *Long-term Fiscal Wellness*



# **Steps to Successful Prioritization**

- **1.) Determine Results**

- Accurate prioritization of programs, reflecting the organization's stated objectives, depends on the comprehensive identification of the Results we are in business to achieve

- **2.) Clarify Result Definitions**

- Precision in prioritization results from the articulation of the cause and effect relationship between a program and a Result
- With clearly defined Result Maps, detailing the factors that influence the Results we are in business to achieve, we can seek to minimize subjectivity in the process of linking programs with Results

- **3.) Identify Programs and Services**

- Differentiating programs and services we offer, as opposed to comparing the departments who provide those services allows for better Prioritization

- **4.) Value Programs Based on Results**

- With the right Results, and with clear definitions of those Results, we can more accurately place a value on a program relative to its influence on achieving Results

- **5.) Allocate Resources Based on Priorities**

- Using "Resource Alignment Diagnostic Tool"

# Step 1: Determine Results

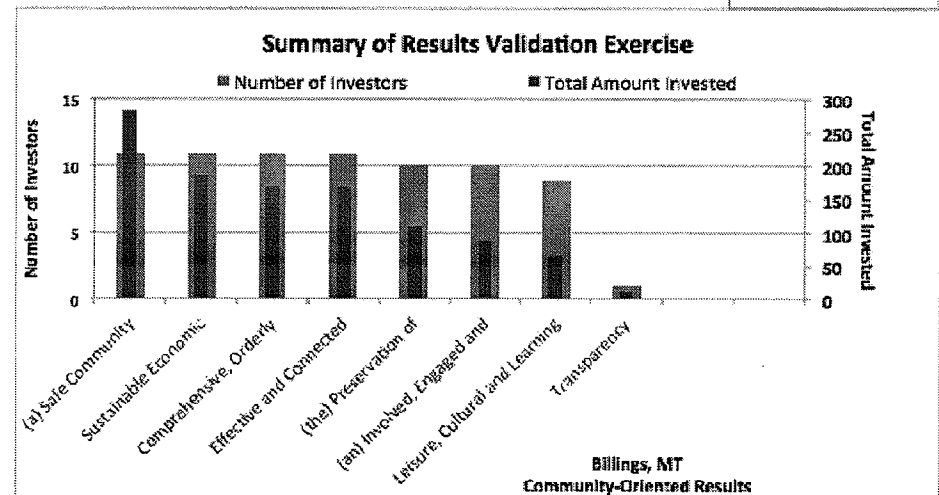
**City of Billings, Montana**  
Results Validation Exercise

Friday, June 1,



## Community-Oriented Results - Results Validation Exercise

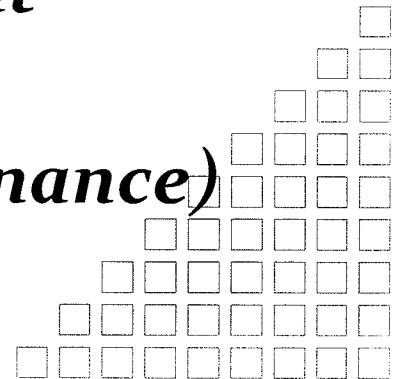
| City of Billings' Results                      | Number of Investors | Percentage of Investors | Total Amount Invested | Result Weighting Factor |
|--|---------------------|-------------------------|-----------------------|-------------------------|
| Comprehensive, Orderly Growth and Development  | 11                  | 100%                    | \$ 169                | 1.5                     |
| Effective and Connected Transportation Systems | 11                  | 100%                    | \$ 169                | 1.5                     |
| (the) Preservation of Community Resources      | 10                  | 91%                     | \$ 110                | 1.0                     |
| Sustainable Economic Development               | 11                  | 100%                    | \$ 187                | 1.7                     |
| (an) Involved, Engaged and United Community    | 10                  | 91%                     | \$ 88                 | 0.8                     |
| (a) Safe Community                             | 11                  | 100%                    | \$ 282                | 2.6                     |
| Leisure, Cultural and Learning Opportunities   | 9                   | 82%                     | \$ 65                 | 0.6                     |
| Transparency                                   | 1                   | 9%                      | \$ 10                 | 0.0                     |
| <b>TOTAL</b>                                   |                     |                         | <b>\$ 1,080</b>       |                         |



\*Ensure that the concept of "Transparency" is included in the Result Definition for "Involved and Engaged Community"

# City of Billings' Results

- *Comprehensive, Orderly Growth and Development*
- *Effective and Connected Transportation Systems*
  - *Involved, Engaged and United Community*
- *Leisure, Cultural and Learning Opportunities*
  - *Preservation of Community Resources*
  - *Safe Community*
  - *Sustainable Economic Development*
- *Honest, Responsive Government (Governance)*



# Step 2: Clarify Result Definitions

## CITY OF BILLINGS, MONTANA



**Result: COMPREHENSIVE, ORDERLY GROWTH and DEVELOPMENT**

If the CITY OF BILLINGS \_\_\_\_\_, then it will have successfully achieved the result of providing COMPREHENSIVE, ORDERLY GROWTH and DEVELOPMENT

| Provides, maintains and invests in a well-planned public infrastructure network that accommodates the long-range growth needs of the community  |  |  |   |  |  |   |  |
|---|--|--|---|--|--|---|--|
| Develops, preserves and revitalizes residential neighborhoods that are safe, attractive and provide diverse, affordable housing options   |  |  |   |  |  |   |  |
| Appropriately plans for the creation, maintenance and accessibility of open space, parks, recreational activities and educational opportunities   |  |  |   |  |  |   |  |
| Optimizes the City's resources and enhances the growth needs of the community through well-planned infill and annexation  |  |  |   |  |  |   |  |
| Develops and prepares integrated, comprehensive long-range zoning and land use plans that are consistently followed and managed   |  |  |   |  |  |   |  |
| Partners to plan, prepare and collaboratively invest in properly regulated, quality and future-focused development and redevelopment that stimulates the local economy and is consistent with community standards |  |  |   |  |  |   |  |
| Fix existing infrastructure before building new   | Support affordable housing development city-wide, not just in low income areas | Park/trails/open space creation & maintenance  | Incentivize infill development  | Structured/consistent land use regulations       | Funds the planning department                | Following existing phase policies   | Invests in downtown & neighborhoods  |
| Administers and prioritizes its CIP   | Promote neighborhood revitalization  | Develop resources to support park development  | Continue annexation policy that identifies areas for growth already served by City programs | Updates & reviews as zoning/land use regulations | Planning related to growth                   | Developer buy-in  | Blighted/run-down area redevelopment   |
| Fund CIP on regular basis so infrastructure is built, repaired & replaced   | Invests in downtown & neighborhoods  | Water Park 15 minutes from every home          | Annexation plan   | Zoning regulations (2)                           | Planning for development                     | Reviews & approves fees for service that cover at least 75% of that true cost of development review | Invest in downtown   |
| Reviews & approves the CIP  | Blighted/run-down area redevelopment   | Public indoor recreation centers               | Well-defined annexation plan/map/policy   | Mixed use structures and neighborhoods           | Master plan                                  | Figure "real cost" of developments before approving   | Dangerous building abatement   |
| Long-term arterial road plan  | Provides broad housing choices   | Parks where needed                             | Identify whether infill areas are sufficient to meet future growth needs                    | Good zoning                                      | Prepare/implement neighborhood plans         | Development review boards   | De-localize businesses (so that I don't have to travel across town to get what I want) |
| Infrastructure paid for by development  | Ensure affordable housing  | New recreation programs for youth              | Infill policy   | Zoning control                                   | Future planning                              | Developers follow the rules   | Support & encourage small business   |
| Anticipate, plan & provide for increased infrastructure   | SUBDIVISION ZONING - INCLUDES LOW INCOME HOUSING                               | A park within walking distance from every home | Stops annexing areas not up to City standards   | Green zone                                       | Provide for long-range planning & annexation | Partnering with development community   | Save small businesses  |

# Recap of Results Definition Workshop

## CITY OF BILLINGS, MONTANA

Result: **COMPREHENSIVE, ORDERLY  
GROWTH and DEVELOPMENT**

If the CITY OF BILLINGS, then it will have successfully achieved the result of providing **COMPREHENSIVE, ORDERLY GROWTH and DEVELOPMENT**

Provides, maintains and invests in a well-planned public infrastructure network that accommodates the long-range growth needs of the community

Develops, preserves and revitalizes residential neighborhoods that are safe, attractive and provide diverse, affordable housing options

Appropriately plans for the creation, maintenance and accessibility of open space, parks, recreational activities and educational opportunities

Optimizes the City's resources and enhances the growth needs of the community through well-planned infill and annexation

Develops and prepares integrated, comprehensive long-range zoning and land use plans that are consistently followed and managed

Partners to plan, prepare and collaboratively invest in properly regulated, quality and future-focused development and redevelopment that stimulates the local economy and is consistent with community standards

Fix existing infrastructure before building new

Support affordable housing development city-wide, not just in low income areas

Park/trails/open space creation & maintenance

Incentivize infill development

Structured/consistent regulation

Administers and prioritizes its CIP

Promote neighborhood revitalization

Develop resources to support park development

Continue annexation policy that identifies areas for growth already served by City programs

Updates & maintains

Fund CIP on regular basis so infrastructure is built, repaired & replaced

Invests in downtown & neighborhoods

Water Park 15 minutes from every home

Annexation plan

Reviews & approves the CIP

Blighted/run-down area redevelopment

Public indoor recreation centers

Well-defined annexation plan/map/policy

Long-term arterial road plan

Provides broad housing choices

Parks where needed

Identify whether infill areas are sufficient to meet future growth needs

Infrastructure paid for by development

Ensure affordable housing

New recreation programs for youth

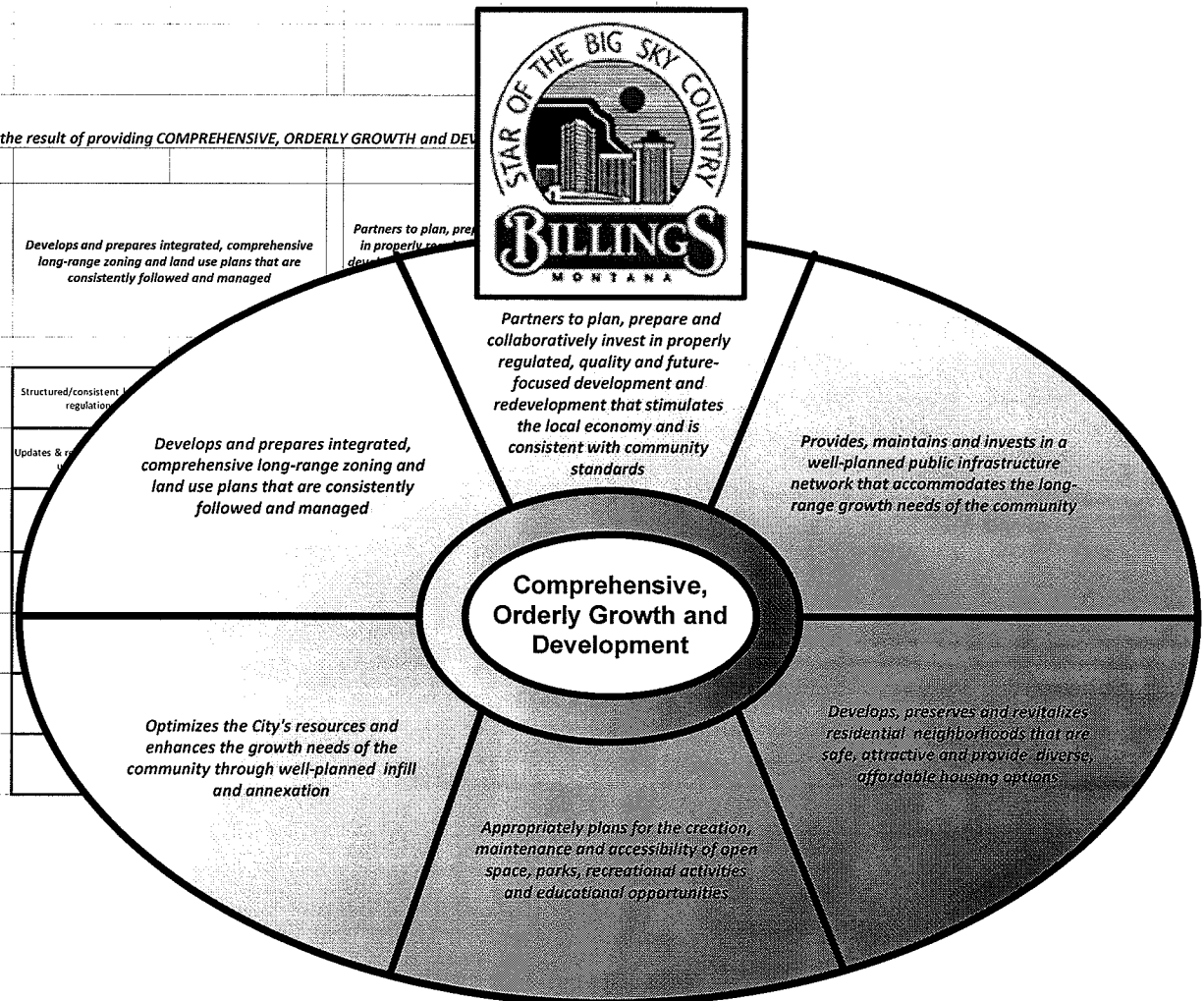
Infill policy

Anticipate, plan & provide for increased infrastructure

SUBDIVISION ZONING - INCLUDES LOW INCOME HOUSING

A park within walking distance from every home

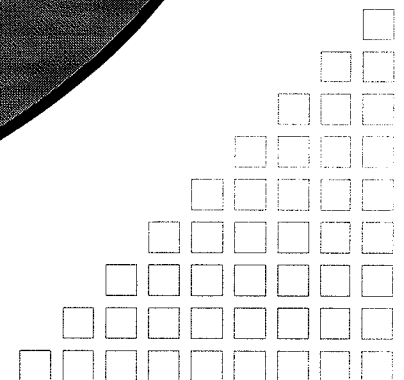
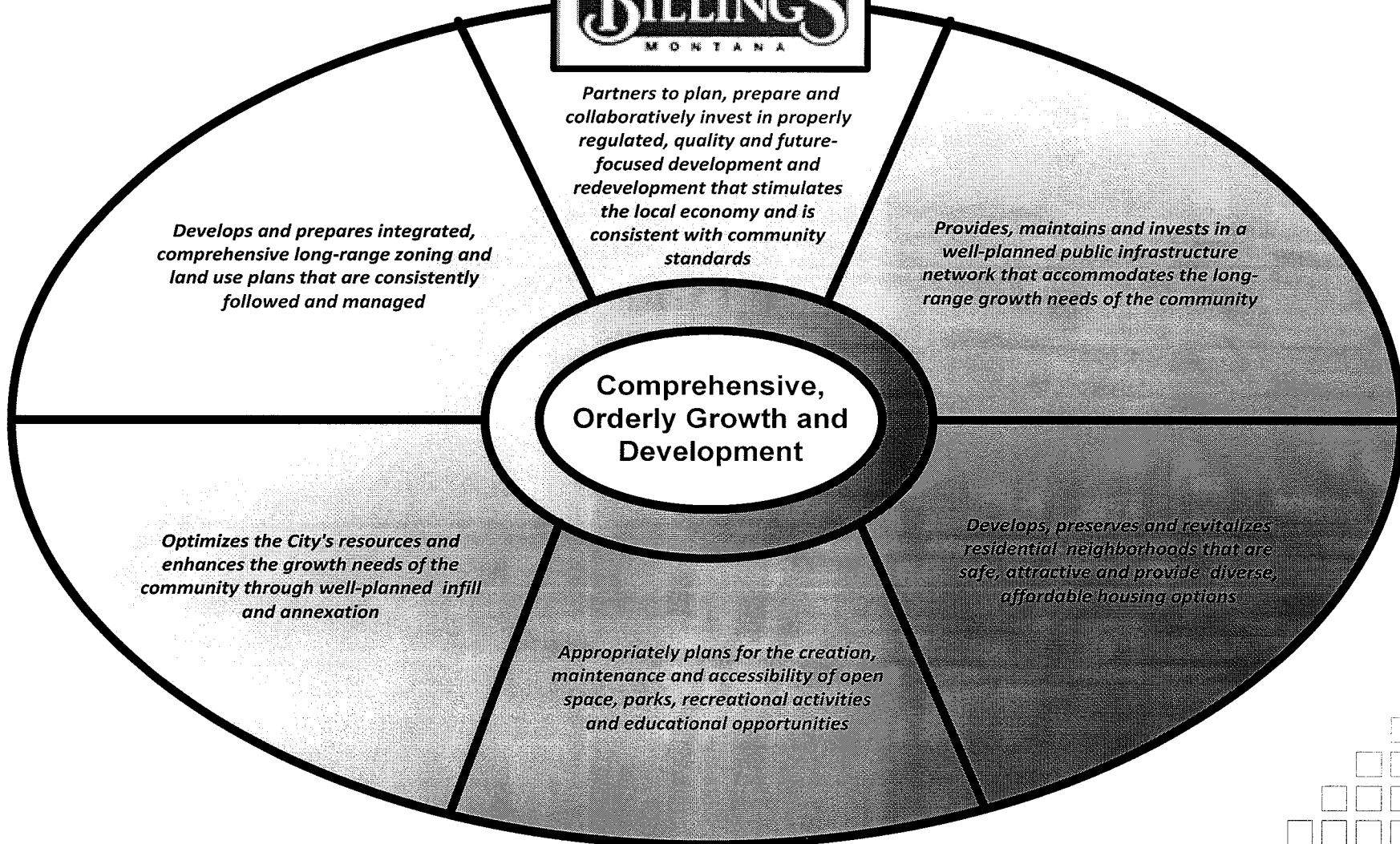
Stops annexing areas not up to City standards

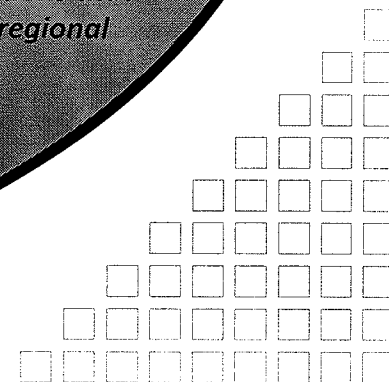
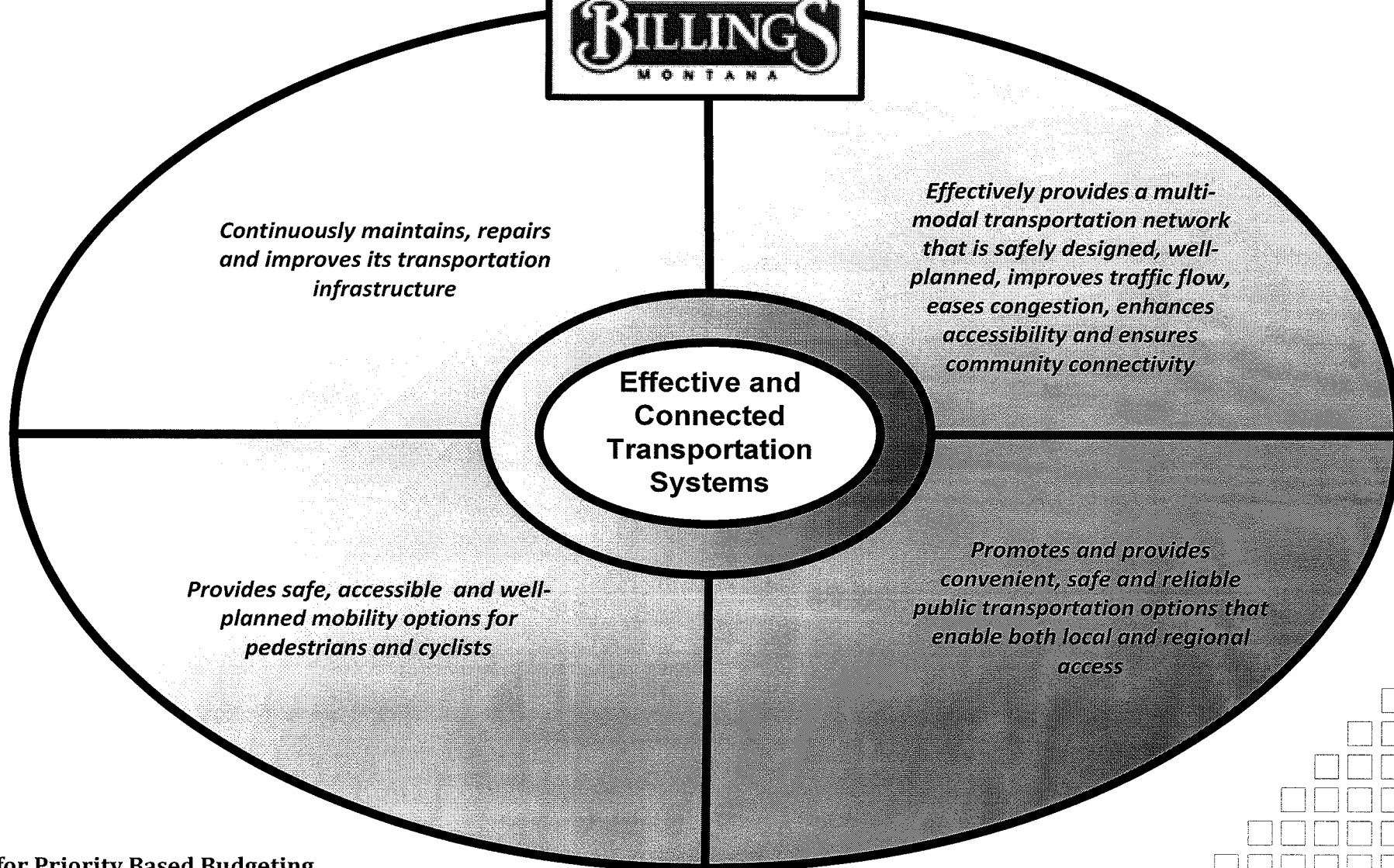






# Community-Oriented Results







**Involved,  
Engaged and United  
Community**

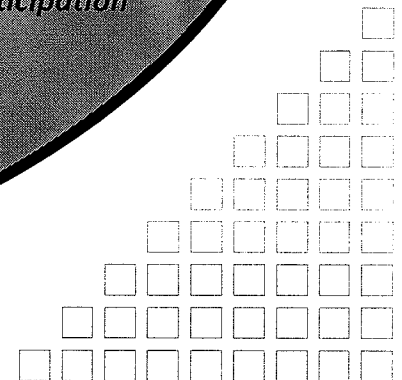
*Creates an engaged and informed community through public outreach, education and conversations that allow for constructive feedback, clear understanding and timely input*

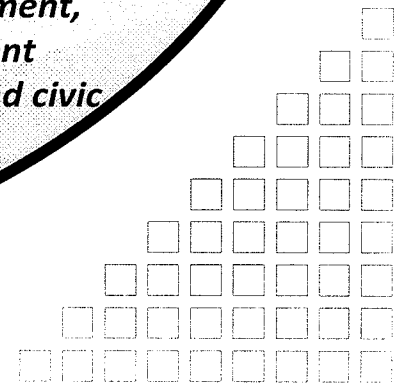
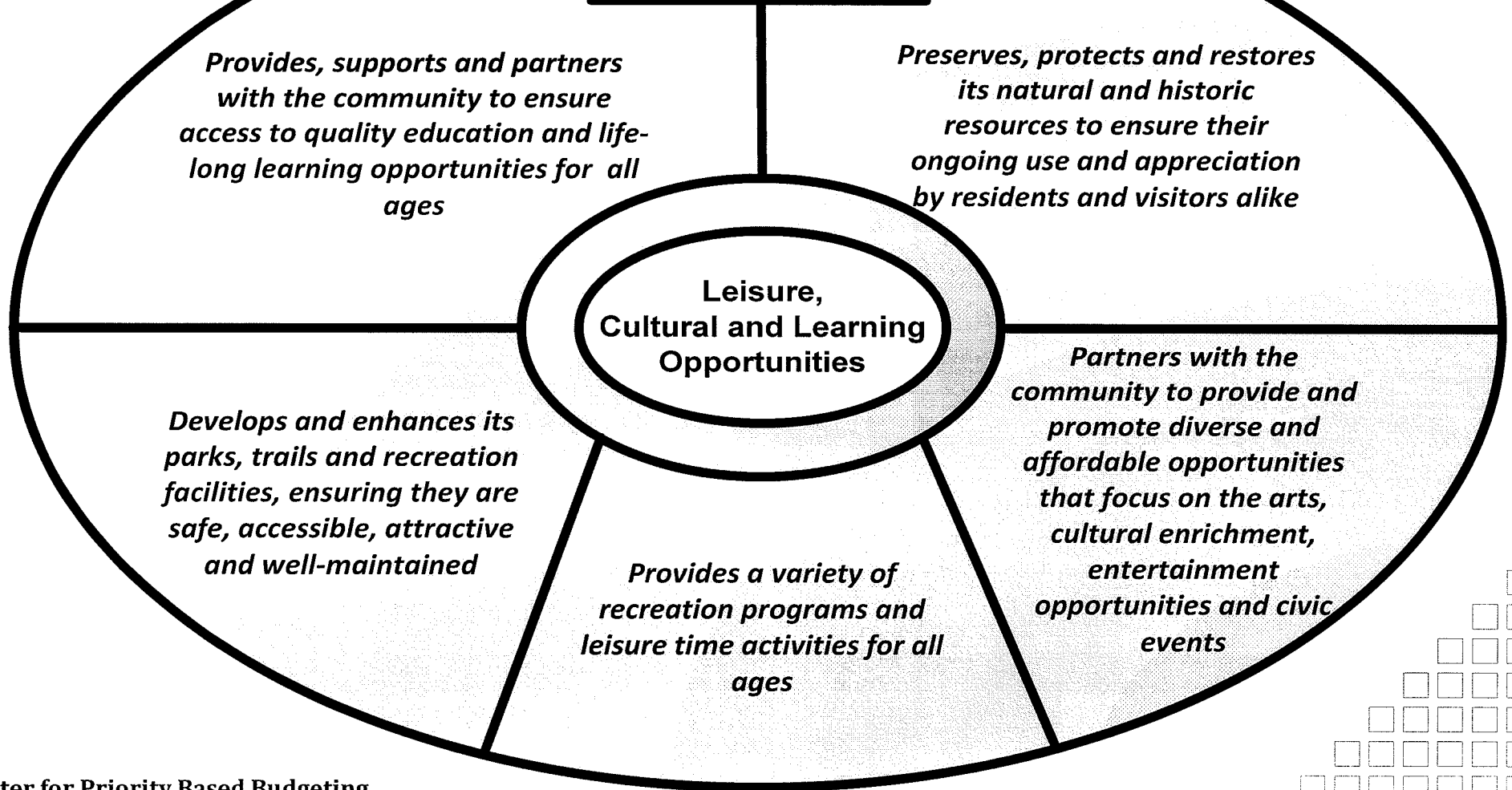
*Engages in timely and on-going two-way communication, using a variety of mediums, with residents, businesses and other community stakeholders to share information, ensure cooperation and enable effective partnerships*

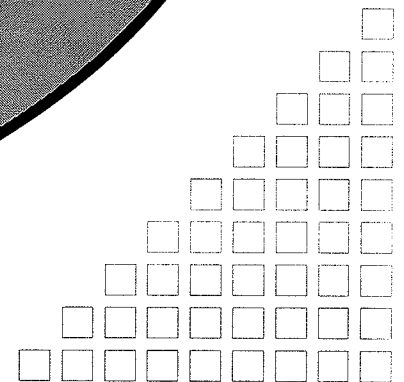
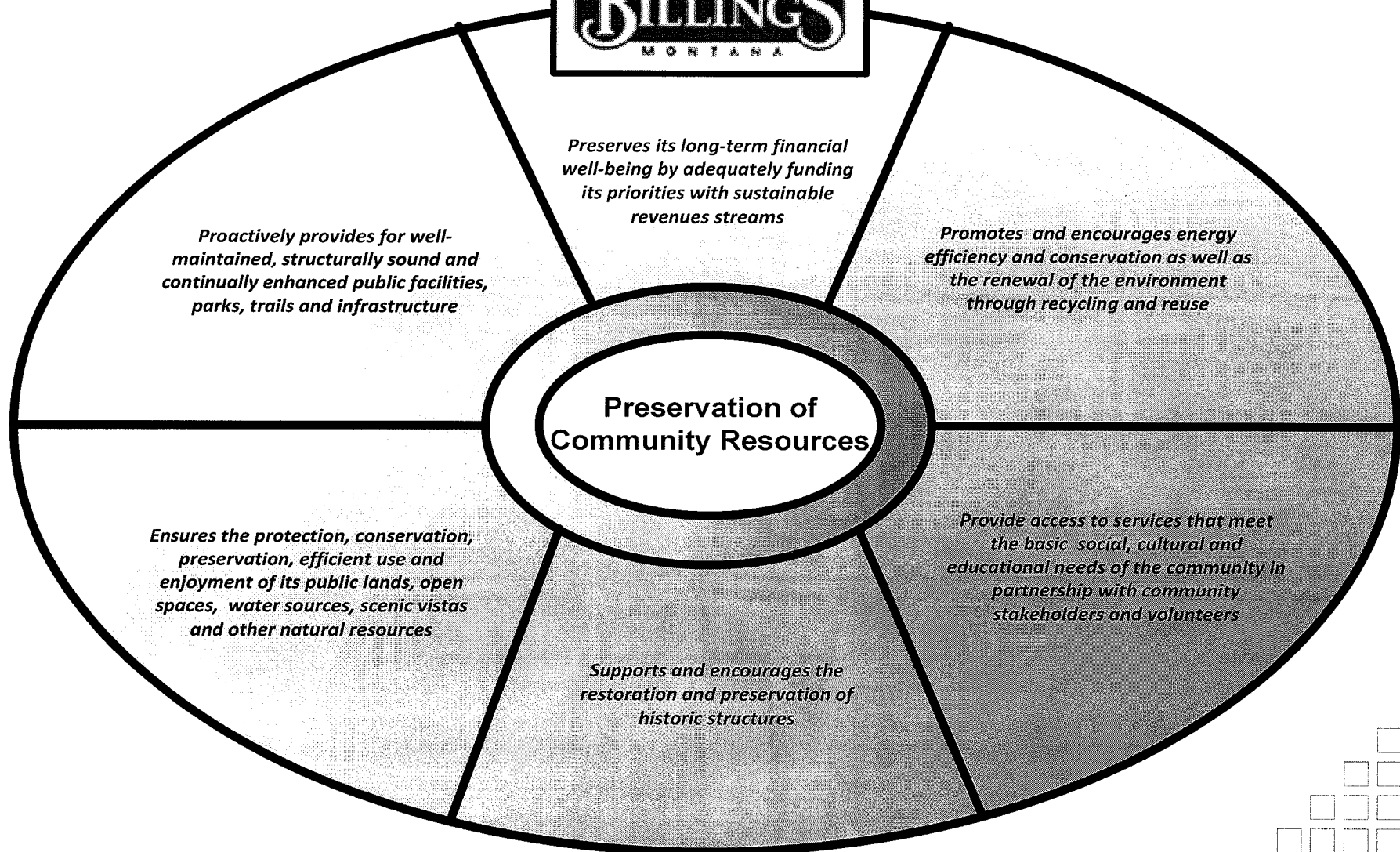
*Provides and supports events, programs and facilities that bring the community together*

*Encourages and facilitates a culture that is transparent, open accessible and responsive to the needs and concerns of its residents, businesses and visitors*

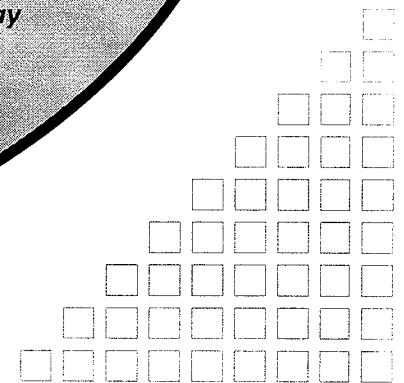
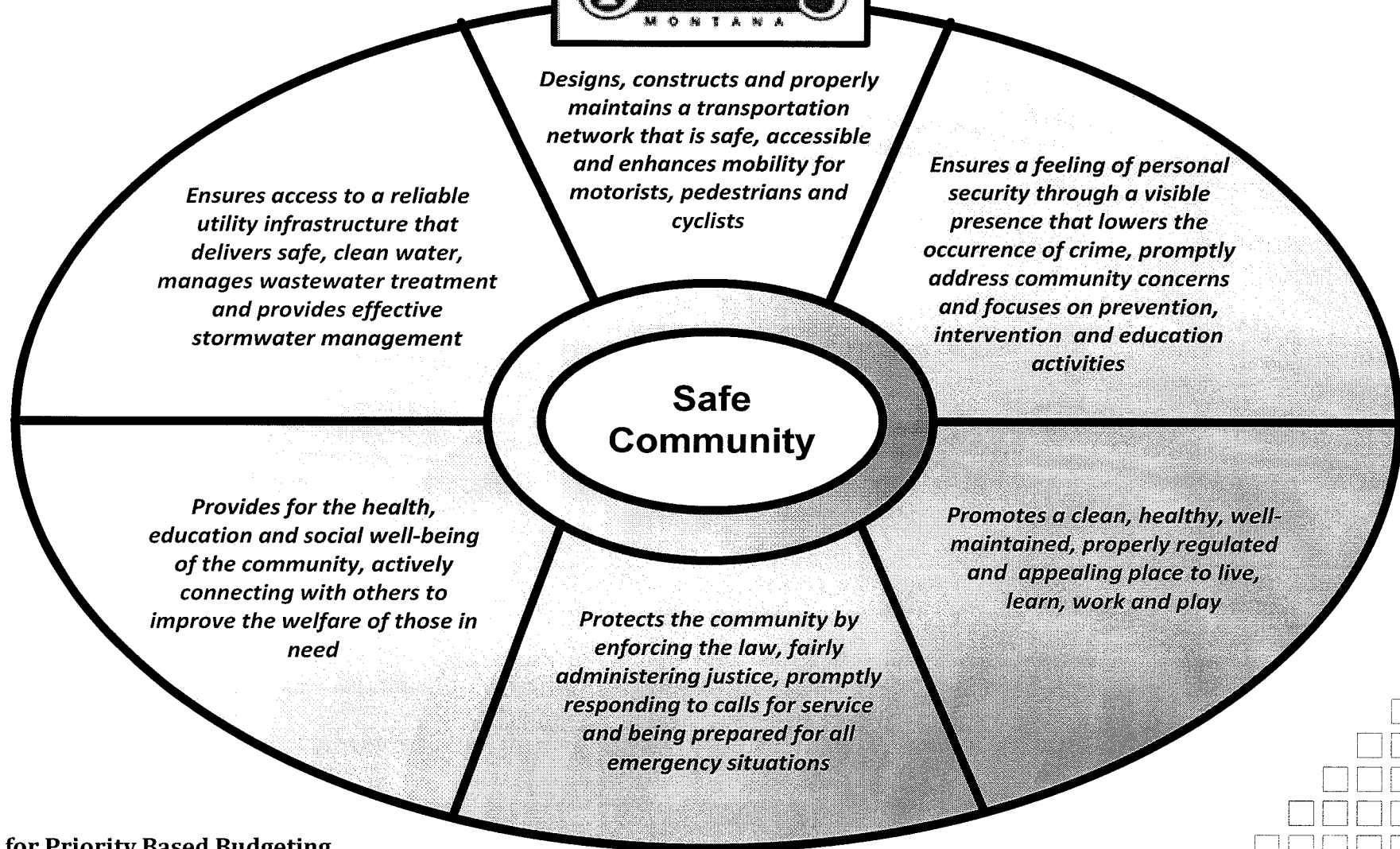
*Cultivates an environment of increased community involvement and participation*

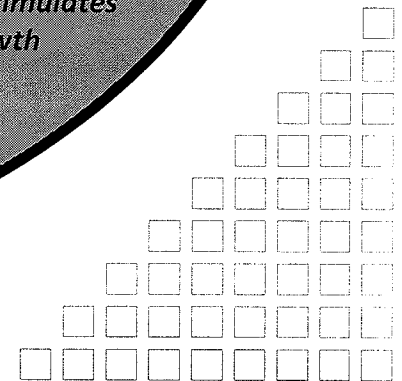
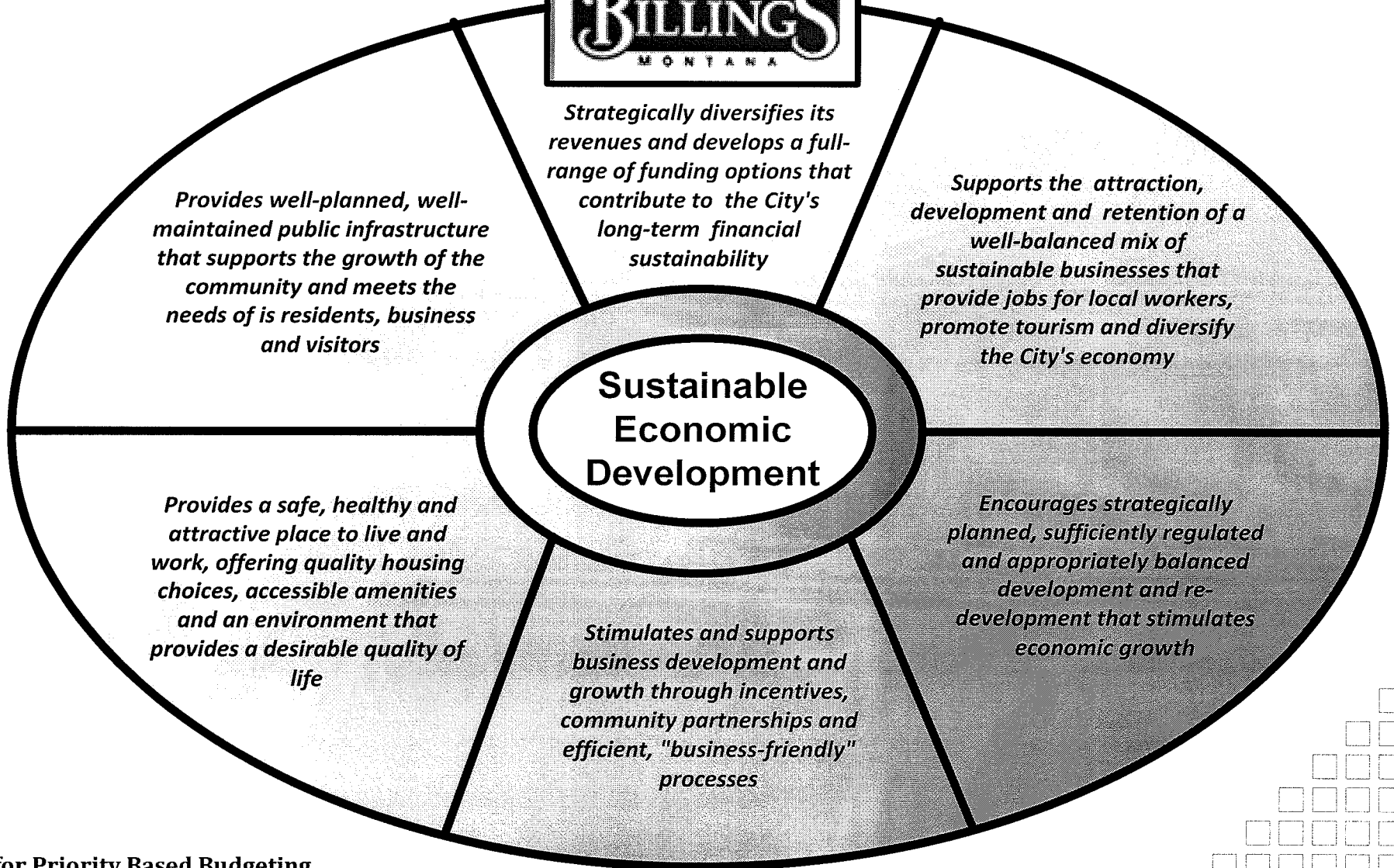








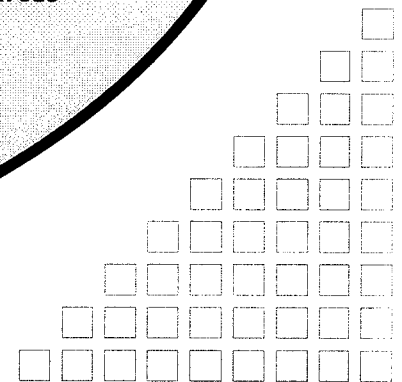
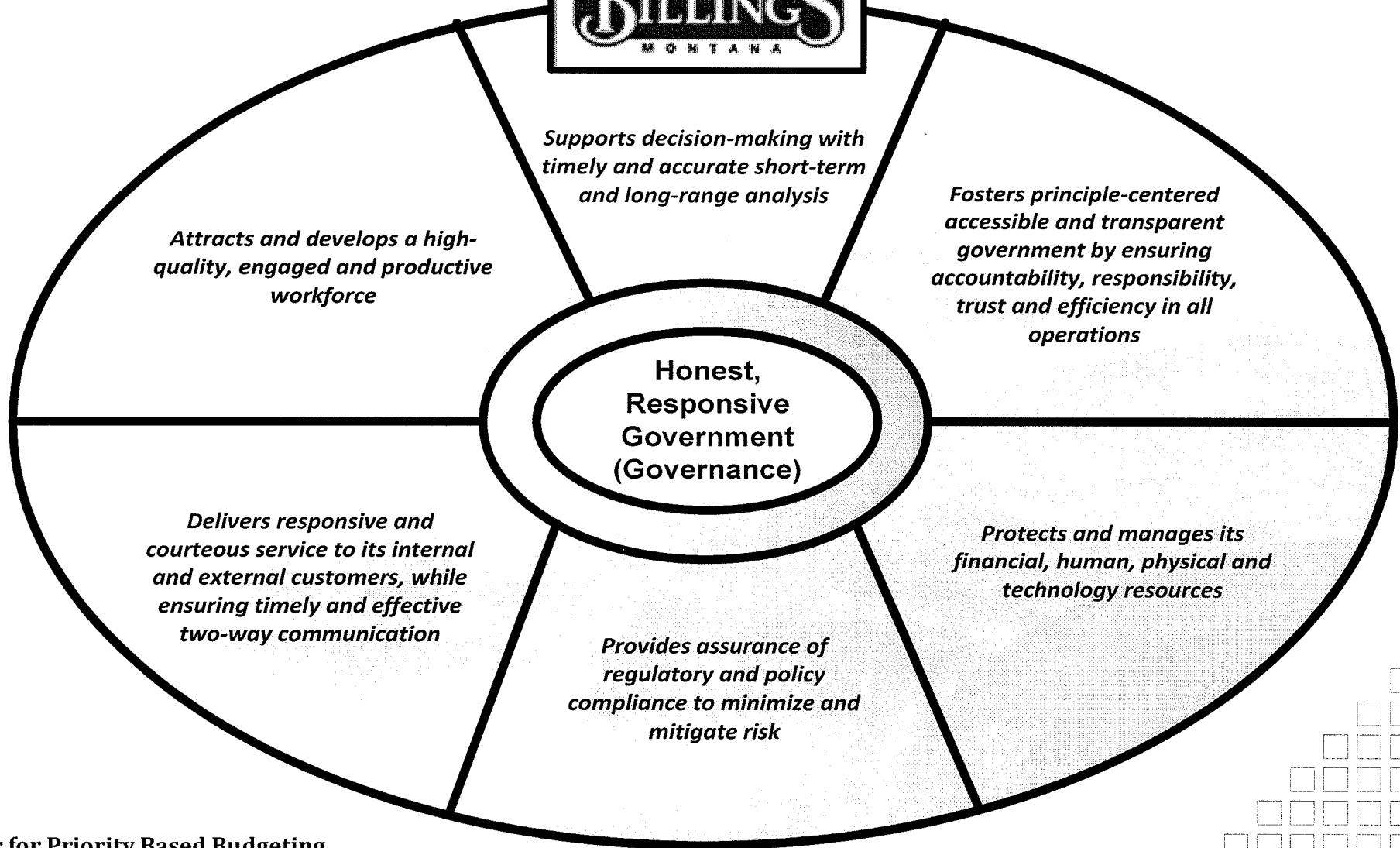








# Governance Results



# Step 3: Identify Programs and Services

- Departments develop their own program inventories
- When defining programs, be clear on the objectives of what inventory will be used for
- Not too big, not too small, just right!
  - Measure relative size based on costs, people associated with program
  - Departments and Divisions = too big
  - Tasks = too small

| ACCOUNTING FUND | DEPARTMENT PROVIDING PROGRAM | DIVISION       | PROGRAM NAME ©                                |
|-----------------|------------------------------|----------------|---|
| General         | Administration               | Administration | Business Recruitment, Retention and Expansion |
| General         | Administration               | Administration | Ceremonial                                    |
| General         | Administration               | Administration | Citizen Engagement                            |
| General         | Administration               | Administration | Downtown Programs                             |
| General         | Administration               | Administration | Intergovernmental Relations                   |
| General         | Administration               | Administration | Legislative Advocacy                          |
| General         | Administration               | Administration | Special Projects                              |
| Parking         | Administrative Services      | Parking        | Leased Office/Retail Space                    |

# **Step 4: Score Programs against Results & Attributes**

## **City of Billings' Results**

- Comprehensive, Orderly Growth and Development
- Effective and Connected Transportation Systems
- Involved, Engaged and United Community
- Leisure, Cultural and Learning Opportunities
- Preservation of Community Resources
- Safe Community
- Sustainable Economic Development
- Honest, Responsive Government (Governance)

## **Basic Program Attributes**

- Mandated to Provide the Program
- Reliance on the City to Provide the Program
- Cost Recovery of the Program
- Change in Demand for the Program

# 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



Identify “Value” of Program  
Influence on *All of the Results* and BPA’s

[illegible]

PCL XL error

Subsystem: MODEL


Error: Illegal Operator Sequence

Operator: readImage

Position: 103

# Peer Review Process (Quality Control)

CITY OF BILLINGS, MONTANA  
Priority Based Budgeting  
April 2012 Peer Review of Departmental Program Scoring  
Community Result: SAFE COMMUNITY

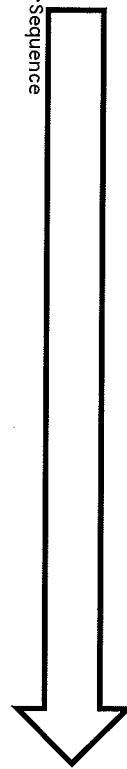


Each department has scored its programs using a two-step process: (1) determine the relevance of a program in respect to the Priority Result and (2) determine the influence of the program to achieve the Priority Result. Based on that process, programs were scored within a range of between "0" and "4". For details on the scoring, see the scoring instructions in your packet. As part of the validation process, each Peer Review team will review those programs which departments scored with a "3" or "4." The task of the Peer Review team is to review the information provided regarding these programs within the context of the Priority Result definition. Specifically, you will:

1. review the program descriptions and determine whether you agree with the departmental score based on how well the program aligns with the Priority Result (does the program achieve the Priority Result and to what extent);
2. request additional information to understand the departmental score, if necessary; and
3. after receiving additional information and based on the team's discussion, recommend a different score for the program.

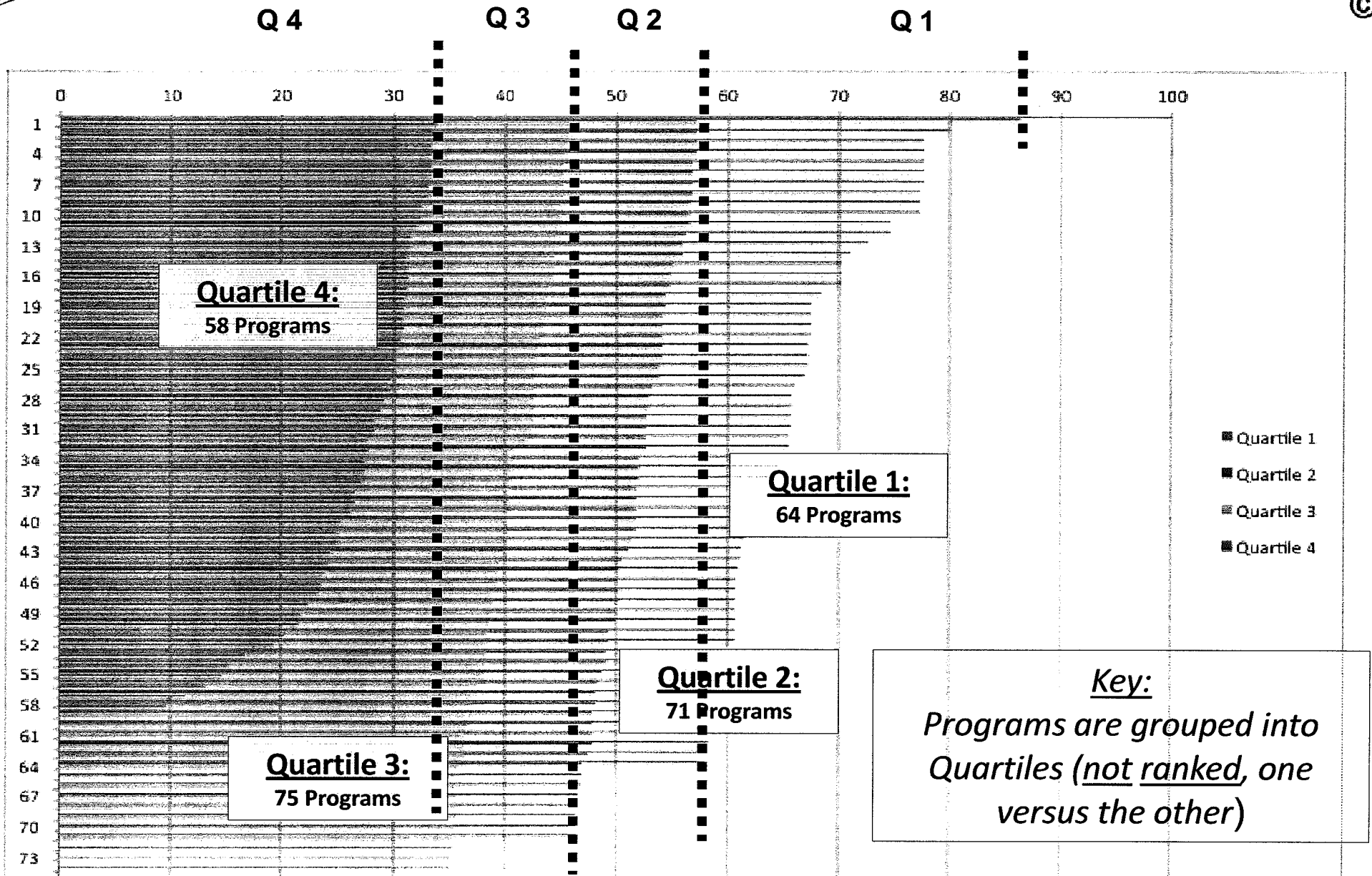
The following Programs are Listed in Order of Score, From High to Low, Relative to this Result

| DEPARTMENT | Program | Score | Notes |
|------------|---------|-------|-------|
|------------|---------|-------|-------|



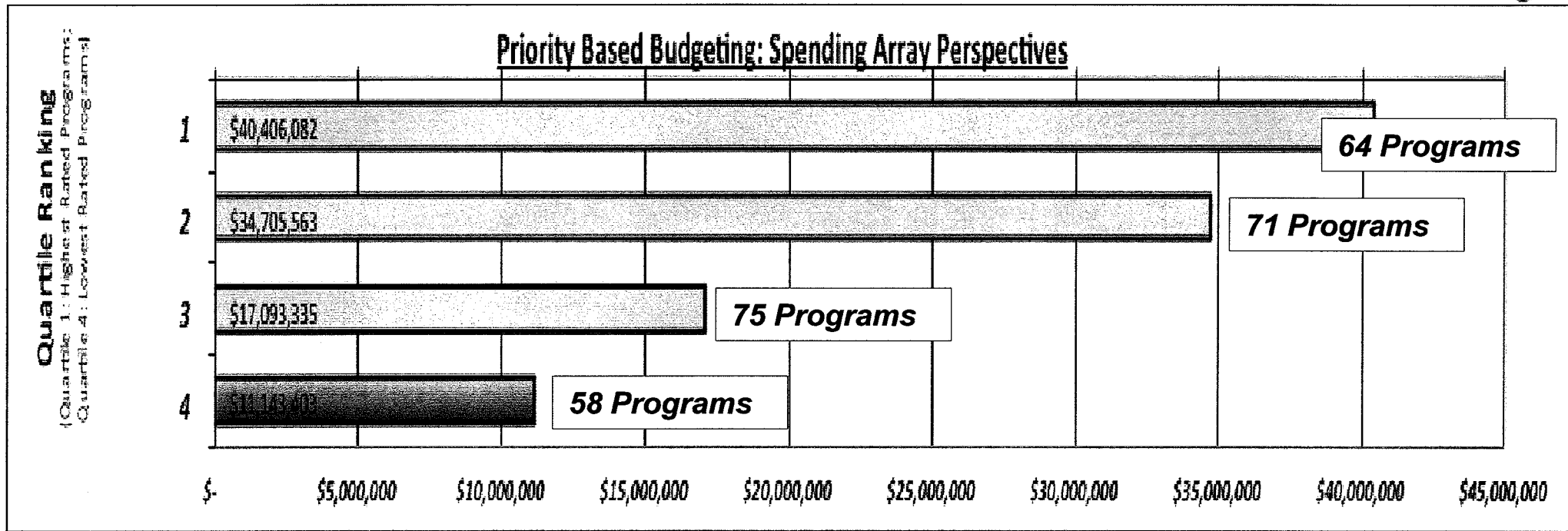
- In Peer Review, the approach is “vertical” - *looking at all of the programs that influence a Result*

# Defining Quartile Groupings – Community Programs



# Step 5: Allocate Resources Based on Prioritization

## Community Oriented Programs



# Resource Alignment Diagnostic Tool

©



June 4, 2012

**Program Type:**  
(All Programs, Governance,  
Community-oriented)

Every City Program

**Prioritization Perspective:**  
(City-wide, Fund, Funds)

City-wide

**Choose Department:**  
(All Departments, Specific)

All Departments

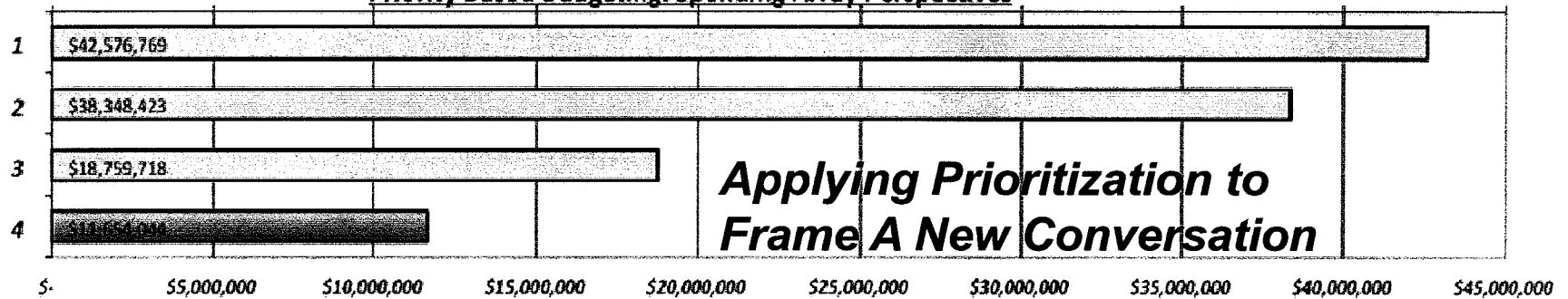
**Use of Resources:**  
(Financial Resources, Human  
Resources, etc.)

Total Estimated Budget

## Priority Based Budgeting: Spending Array Perspectives

Quartile Ranking

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



| Quartile Ranking | 2011 Actual | 2012 Proposed Budget | Increase (Reduce) % | Impact     | 2012 Target Budget   |
|------------------|-------------|----------------------|---------------------|------------|----------------------|
| Qrt 1            | \$0         | \$42,576,769         | 0.00%               | \$0        | \$42,576,769         |
| Qrt 2            | \$0         | \$38,348,423         | 0.00%               | \$0        | \$38,348,423         |
| Qrt 3            | \$0         | \$18,759,718         | 0.00%               | \$0        | \$18,759,718         |
| Qrt 4            | \$0         | \$11,654,044         | 0.00%               | \$0        | \$11,654,044         |
| Fixed Costs      | \$0         | \$2,873,638          | 0.00%               | \$0        | \$2,873,638          |
| Allocated Costs  | \$0         | \$0                  | 0.00%               | \$0        | \$0                  |
| <b>TOTALS</b>    | <b>\$0</b>  | <b>\$114,212,593</b> | <b>0.00%</b>        | <b>\$0</b> | <b>\$114,212,593</b> |





# **Live Demonstration of Resource Alignment Diagnostic Model**

|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|

# Thank You !

## Contact Information:

***Center for Priority Based Budgeting***  
***Denver, Colorado***

***Jon Johnson, Senior Manager***

***Chris Fabian, Senior Manager***

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