City of Ithaca

Performance Measures Framework
and
Organizational Analysis Report

November 7, 2011

The Novak Consulting Group

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November 7, 2011

Mayor Carolyn K. Peterson
City of Ithaca
City Hall
108 E. Green Street
Ithaca, NY 14850

Dear Mayor Peterson,

We are pleased to provide you with our recommendations relative to the Performance Measures Framework and Organizational Analysis project. In addition to specific recommendations designed to improve the overall effectiveness and efficiency of City services, this report also includes a detailed inventory of each City department's programs as well as suggested performance measures. Once collected, data gleaned from these measures can provide quantitative information for the City to use in evaluating City services.

The recommendations contained in this report are based on the input and information provided by City staff, tested against industry standards and best practices. We are confident that these recommendations can serve as a framework for improved operational performance and a performance measurement system. Implementation of the recommendations will require careful coordination between the Mayor, Common Council and City staff, particularly as leadership transitions occur in the coming months.

Thank you for the opportunity to work with the City of Ithaca. Please do not hesitate to contact us if we can be of assistance as the City works to implement these recommended improvements.

Sincerely,

Julia D. Novak
President

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Introduction

In July 2011, the City of Ithaca engaged The Novak Consulting Group to develop an organizational effectiveness and efficiency framework that could be implemented by City departments and staff. The purpose of the framework is to bring consistency, accountability and greater effectiveness to all City operations. Additional objectives of this engagement include:

   a. Identify areas where similar services, common practices or use of technology suggest an opportunity to consolidate, centralize, de-centralize, create interdepartmental or municipal partnerships, outsource, improve workflow or otherwise deploy a new or cost-effective model for the delivery of such services.
   b. Identify opportunities to improve the efficiency, effectiveness and coordination of functions among the various City departments.
   c. Provide guidance on what decisions, processes and/or organizational structure changes should occur to achieve the appropriate balance between cost savings to taxpayers and the maintenance of delivery of a high level of services.

The City's Performance Measurement Working Group, consisting of Mayor Peterson, Councilmember J.R. Clairborne, Councilmember Deb Mohlenhoff, IT Director Duane Twardokus and HR Director Schelley Michell-Nunn, was responsible for overseeing this project.

Methodology

In order to complete the objectives of this engagement, The Novak Consulting Group met with the Performance Measurement Working Group in July 2011 to begin work and collect initial information. Subsequently, the consulting team met with each department director, the Mayor and one Councilmember in August 2011 to learn more about: the programs and services provided by the City; the operations currently working well; and opportunities that exist for greater efficiency and effectiveness. Significant background information was provided by the City and reviewed as part of the analysis, including staff documents, previous consultant reports, departmental annual reports, the City Charter and Codes, Working Group agendas and minutes.

To further inform the fieldwork, interviews and analysis, the Performance Measurement Working Group tasked The Novak Consulting Group with conducting an employee survey for all City employees. In the survey, employees were asked to provide input on possible improvements to City operations, as well as the collection of performance data that could be useful to them in their day-to-day work. Opportunities for increased efficiency in City operations, as well as potential elements for the City's new performance measurement framework are highlighted in the recommendations that follow in this report. (Detailed analysis of the employee survey can be found in a separate report, "2011 Employee Survey Results.")

Organization of Report

There are two key components of this report: an organizational analysis resulting in high level recommendations for increased efficiency and effectiveness; and a framework for the development of a performance measures system.

Recommendations for increased efficiency and effectiveness have been categorized by common themes:

1. Strategic Planning
2. Governance
3. Organizational Management
4. Operational Enhancements
5. Employee Survey

The performance measures framework includes the identification of specific programs in each City department and related key performance measures.

Organizational Analysis

The following recommendations are the result of careful consideration of all documentation provided over the course of the project, interviews with City staff and best practices in local government.

Strategic Planning

RECOMMENDATION 1: Develop an organization-wide strategic plan.

City-wide, the use of strategic management principals and strategic planning is limited. Few departments have strategic plans in place or accompanying work plans. There is currently no strategic plan for the City of Ithaca, and this has led to a lack of focus and priority setting for departments. While most departments establish annual goals, these goals are not linked to a City-wide vision or priorities set by the Mayor and Common Council.

The Mayor and Common Council needs to establish a clear vision for the City. According to results of the employee survey, City staff generally understand the mission and goals of their individual departments. However, the lack of an organization-wide strategic plan limits the ability of the City to provide services effectively and efficiently to the residents. Without identification of priorities, there can be little strategic allocation of resources. Furthermore, without a unity of purpose, departments have functioned independently and sometimes autonomously, thus creating a culture of departmental silos.

A comprehensive strategic planning process considers the mission for the organization and articulates the organization's values by preparing an environmental scan. An environmental scan identifies the factors affecting the organization, establishes goals, identifies priority strategies and creates implementation plans. Typical factors assessed include fiscal constraints and opportunities, service demand drivers, policy issues, legislation, demographic characteristics of the community, and workforce issues. A "SWOT" (strengths, weaknesses, opportunities, threats) analysis is normally part of the environmental scan. Input gathered from the employee survey conducted in tandem with this project could provide the beginning of some of the SWOT information.

Goals set the framework for the organization's policies that guide the direction and focus of the City, budget decisions and allocation of other resources such as staff time. Goals can be broadly viewed as opportunities for change and improvement. They provide the larger context of the specific actions the organization takes. They help elected officials decide which of the many worthy projects should be done and when, within available resources. Goals must be meaningful and attainable.

Strategies are the means to achieve the goals. They are the individual tasks that must be assigned, with resources identified, that will contribute to achievement of a goal. Tasks and assignments should be achievable within the available resources, with clear direction and attainable timeframes, with periodic checking on progress, changes or challenges.

The City would benefit from a comprehensive strategic planning process, which carries through to specific work plans for departments that support the overall City-wide strategic plan. In this way, elected officials can be assured that resources are deployed effectively and departments and their employees are united in focus.

Governance

RECOMMENDATION 2: Revise process for handling of matters before the Common Council.

The City operates under a Mayor-Council form of government. All matters of City policy are brought before the Common Council for decision. Under the current governance structure, members of the Common Council also serve on one of the City's two standing committees: City Administration and Planning and Economic Development. Additionally, members of the Common Council, along with City staff, participate in various working groups. At present, there are four active working groups: Parking; Capital Budget; Performance Measurement; and Charter Review.

Under the committee structure, policy matters generally originate at the committee level. After an often lengthy discussion of the matter, the committee makes a recommendation to the Common Council. The Common Council then takes up the matter at their next meeting. At present, these matters are placed on the regular agenda. Discussion and debate, similar to that which took place at the committee level, often occurs. This process can be very time consuming, subjecting members of the Common Council who sit on these committees to multiple discussions on the same matter.

While certain matters warrant significant discussion, this process should not be the norm for all issues brought before the Common Council. This does not represent the most effective use of the governing body's finite meeting time. Therefore, the Common Council should prioritize those issues which need to be brought to Common Council for discussion, versus those which can be decided primarily by committee.

To better utilize the committee structure, it is a best practice in local governments to utilize a consent agendas for routine issues, as well as items previously discussed in committee. Detailed discussions occur at the committee level. When matters of interest are on a committee's agenda, members of the governing body not serving on the committee are encouraged to attend to hear and comment on the discussion of the matter. If the committee vote on the matter is unanimous (or, in some cases, a majority), the item is then placed on the Common Council's consent agenda. The consent agenda is then voted on as a single action, and removal of items from the consent agenda should be the exception, reserved for only matters of significant public interest.

There is currently very little use of the consent agenda in the City. It is recommended that the Mayor and Common Council review and revise the current process for handling matters before the Common Council to increase the efficiency of the decision making process and to better utilize the committee structure. The Common Council Rules of Procedure should also be revised to broaden the defined uses of the consent agenda.

RECOMMENDATION 3: Modify role and authority of the Board of Public Works to be *advisory* to the Common Council.

According to the City Charter, the Board of Public Works:

> Shall take charge and, subject to the limitations herein contained and the direction and review of the Common Council shall have control of the following departments of the City government, of the property belonging thereto and of the appropriations made therefore, including Water, Sewer, Streets, Facilities, Bridges, Parks, Cemeteries, Garages, and Streetlights.

There is a clear overlap of authority between the Board of Public Works and the Common Council. The lack of clarity on final responsibility for decisions has led to a high level of confusion, disagreement and strained organizational dynamics regarding the role and responsibility of the Board in relation to the Common Council. This structure also places a burden on staff who often receive conflicting direction from the Board and Common Council. This type of structure is not a best practice because final accountability is unclear.

Currently, the Charter Review Working Group is reviewing this matter as part of its scope of work. It is recommended that the working group consider repurposing the Board of Public Works to become an advisory body charged with making recommendations on public works matters to the Common Council. While a departure from the status quo may be politically sensitive, the organization could function more effectively with the Board of Public Works serving as an advisory body. The most appropriate method for making these modifications to the Board of Public Works should be assessed by the City.

RECOMMENDATION 4: Revise the budget development process for both operating and capital funds.

Like most cities across the country, Ithaca is facing severe fiscal constraints. As a result of economic conditions, as well as the state-wide 2% property tax cap, the City has been forced to make significant reductions in its expenditure levels over the last several years. Development of the 2012 proposed budget was no exception.

The lack of strategic direction by the Common Council has also added to the difficulty in developing a balanced budget. As described in "Recommendation 1: Develop an organization-wide strategic plan," a strategic plan establishes goals and strategies for a community. This allows for budget allocations to be made in direct support of the priorities identified by the governing body. In the absence of clear priorities, the reality is that nothing becomes the priority.

In the 2012 budget development process, City departments were tasked with developing departmental budgets without specific priority guidance from the Common Council. As a result, departments based their budget recommendations on individual departmental goals, rather than City-wide priorities. Across the board cuts result in an erosion of resources for all programs, rather than a targeted elimination of lower priority programs.

The Mayor's Proposed 2012 budget does provide several goals, namely:
- increase/maintain fund balance; reduce debt load;
- reduce tax burden on City taxpayers;
- continue to move operating expenses from borrowed capital funds to the General Fund;
- purchase more efficiently and effectively; and
- maximize revenues and minimize costs.

Unfortunately, the broad nature of these goals does not provide sufficient direction to departments to ensure strategic budget recommendations.

The annual budget process should begin with the development of priorities for the fiscal year, aligned with the City's strategic plan. This should be followed by specific departmental goals based on the Common Council's priorities. The departmental goals should be derived from an analysis of City programs and careful consideration and prioritization of the needs of the City.

These more specific annual budget goals, program by program, should serve as direction for budget preparation by each department head.

Organizational Management

RECOMMENDATION 5: Create Chief of Staff position to manage internal functions of the City.

As outlined in the City Charter, the Mayor is the "chief executive magistrate" of the City and shall be responsible for executing all laws passed by the Common Council. As an elected leader of the City, the position must respond to a significant body of external demands. This includes direct service to residents of Ithaca as well as regional, state-wide and national committees, boards and organizations.

Understandably, these external demands diminish a Mayor's capacity to provide direct oversight to the internal functions of the City and its 13 offices and departments. To assist the Mayor, there is no administrative leader with the authority and responsibility to manage and coordinate the activities of the City. As a result, departments function independently with limited oversight, further increasing the siloed culture in the organization. As a $50 million operation, the sheer size and scope of the City structure demands additional administrative capacity to more effectively manage and supervise the organization. Therefore, a Chief of Staff position should be created. Having a position dedicated to internal management and supervision is a best practice for local governments operating under the Mayor-Council form of government. The Chief of Staff will be an at-will position, hired by the Mayor to serve in an administrative capacity. This will not be an elected position, nor does it reflect a change in the basic form of government.

With direction and supervision of the Mayor, the Chief of Staff should oversee the internal operations of the City, assist in development of the City's annual operating and capital budgets, be responsible for the performance management system (see Recommendation 6 below) and coordinate interdepartmental cooperation and communication.

RECOMMENDATION 6: Implement a performance management system.

Performance management systems are a process tool utilized to ensure that the work of both employees and management is focused on the vision of the organization being served. Effective performance management systems ensure that employees focus their work in ways that directly support the organization's strategic plan. Further, this system monitors the organization's progress toward achieving the goals and priorities identified in the strategic plan.

A performance management system typically consists of three core elements: (1) setting goals and creating strategic plans; (2) measuring performance against established performance goals; and (3) sustaining a dialog between management and employees to ensure that the work of the organization is completed in conformance with established schedules.

This system encompasses all of the work—including strategic planning, budgeting and the planning of all work that is done in an organization. A performance management system includes all of the processes through which managers plan and manage the work of the organization to fulfill the organization's mission and produce the desired outcomes. The collection and use of performance measurement data is one element of a performance management system.

In addition to monitoring the work, a good performance management system employs discipline. Under such a system, managers meet with subordinates on a regular basis to review organizational performance. The Chief of Staff meets with his/her direct reports once a month, or every other month, to discuss a regular agenda of issues. Typically the agenda is focused on four issue areas: customer, financial, operations and employees. In preparation for these meetings, department directors meet with their subordinates on a regular basis as well. Performance measures, project management tools, customer surveys/complaints and employee issues are reviewed during these meetings. As the regularity and discipline of the management system becomes integrated into operations, discussions about performance become focused on important issues. This type of a management system allows managers to avoid total crisis management, as the rigor of the system helps ensure regular meetings to discuss strategic issues rather than the crisis du jour.

Throughout the City, performance measures are rarely used in evaluating and managing program effectiveness and efficiency. Without these metrics, it is difficult to establish or track City priorities or performance, making objective evaluation of departments or workloads difficult.

A program evaluation system should be in place for each program in the City as part of the performance management system. Effectively evaluating City programs should include the following elements:

- Provision of clear direction and support from Common Council and Mayor
- Inclusion of feedback from constituents and key stakeholders, collected through surveys, interviews, focus groups, etc.
- Identification of information needed for measuring effectiveness and efficiency
- Determination of criteria for effectiveness
- Identification of resources available for collecting information

The Chief of Staff should compile performance measurement data from each department on a quarterly basis and present to the Common Council any important trends or changes, as well as

actions taken by the City in response to those trends. In addition, the Chief of Staff should include the regular collection of stakeholder feedback evaluating current programs, and other resident feedback on City services. The recent resident survey is a good example of such feedback, and should be helpful in evaluating the usefulness of programmatic services in the City. (See the "Performance Measures Framework" section of this report for detailed information about performance measurement systems.)

RECOMMENDATION 7: Streamline financial functions.

Under the City's current structure, the Offices of the City Chamberlain and the City Controller each have certain financial responsibilities and, in some cases, overlap in programmatic duties. From a customer perspective, there is not a single point of contact in the City for paying taxes and fees or securing licenses and permits. Therefore, residents must navigate the different offices to conduct common City business. From an internal perspective, some staff in the various offices are performing similar functions. In fact, the Office of the Chamberlain often serves as backup to the Office of Controller when needed. An analysis of workload and comprehensive cross training of employees could result in a more efficient deployment of staff resources.

The functions of these offices are outlined in the City Charter and are currently under review by the Charter Working Group. While the City's expectation for checks and balances in financial functions is essential, the efficient function of these offices is hindered by the current separation of duties and duplication of routine processing. It is widely considered a best practice in local government to have a Chief Financial Officer responsible for oversight of all financial functions, thus unifying the financial operations and creating efficiencies. In Ithaca, financial functions are currently bi-furcated between the two offices. Therefore, it is recommended that the Working Group give consideration to merging the functions of the Offices of the City Chamberlain and the City Controller to improve customer service and the efficiency of back office staff while still maintaining appropriate fiscal controls.

Operational Enhancements

RECOMMENDATION 8: Review and streamline the hiring process.

Through the course of the interview process, the City's current hiring process was often cited by departments as cumbersome and time consuming. The process involves the following key steps:

1. A vacancy request is submitted to Human Resources (HR) by the hiring manager.
2. The Vacancy Review Committee meets as needed to review all vacancy requests; the hiring manager presents the details of the current vacancy.
3. If the vacancy is approved for hiring, HR conducts recruitment or, where appropriate, provides a certified list to the hiring manager for interviews.
4. HR reviews qualifications of candidates and submits a qualified list of candidates to the hiring manager.
5. Hiring manager determines candidates to interview and conducts interviews.
6. Following selection of a preferred candidate, when members of a protected class are in the selection pool and a member of a non-protected class is chosen, then the Workforce Diversity Selection Committee meets to review the process and ensure proper procedures were followed.

7. If approved by the Workforce Diversity Selection Committee, HR sends the offer letter to preferred candidate unless further review is warranted.

While it is appropriate for the City to ensure standards are met in recruitment and hiring, the current process as outlined has caused many positions to remain unfilled for an extended period, potentially reducing the level of service to City residents.

An assessment of the hiring process should be completed to determine areas where the process can be condensed and streamlined without compromising the integrity of the process and the diversity of the candidate pool. The HR Director and the hiring manager should be given more authority to conduct these reviews administratively, without the use of committees. While an expedited process is desirable, any changes to this system should continue to ensure that the most qualified candidates are hired by the City.

RECOMMENDATION 9: Assess all fees and charges by commissioning a fee study.

It is common practice for cities to charge fees to recover the cost of services provided. The City currently charges fees for services provided to property owners, residents and those doing business in the City. These fees are intended to reflect the market rate for these services and to offset the cost of performing the service. However, a comprehensive review of all City fees and charges has not been conducted.

It is recommended that a study be commissioned to identify an appropriate schedule of fees, fines and charges.

The advantages of a cost recovery system include:
- Increased revenues for the General Fund, both from internal and external sources
- Greater equity in charges to identifiable service recipients
- A comprehensive cost accounting framework for determining the cost of City operations
- Better information upon which to design future efforts aimed at improved productivity

Based on the results of the fee study, the City should adopt a revised schedule for all City fees, fines and charges.

RECOMMENDATION 10: Eliminate redundant payroll processes.

Currently, payroll is run on a weekly basis for all employees. This causes a significant level of work on a weekly basis for the Payroll staff in the Office of the City Controller including collecting, processing and sending check requests to the Office of the City Chamberlain. It also requires a significant amount of time on a weekly basis in the Office of the City Chamberlain for cutting, approving and delivering checks.

It is an industry best practice to pay on either a bi-weekly or twice monthly basis. The payroll process for the City should be extended to a bi-weekly payroll. This will cut the time expended in payroll processing by the City Controller's Office and the City Chamberlain's Office in half, freeing staff up to participate in other value-added activities.

RECOMMENDATION 11: Automate manual processes, where possible.

The City has maintained a significant number of manual processes, particularly in the Offices of the Chamberlain and the Controller and the Human Resources Department. For example, in the Chamberlain's Office, staff use MS Govern™ for accounts receivable and Munis™ for accounts payable and general ledger. However, the two systems are not fully integrated.

Additionally, the capital fund accounts and trust and agency accounts are not on Munis. Therefore, issuance of projects and printing of checks from these accounts must be done manually. In the Controller's Office, a significant portion of payroll must be double-entered because the systems are not compatible. Controller's Office staff re-enter payroll data into Munis, data that was previously keyed in by individual departmental staff. Munis modules are available to help the automation process, but they are not currently being used by these offices due to a lack of training and time available to set up the systems properly.

In the Human Resources Department, there are significant manual operations during the hiring process and for the contract negotiation process. In both cases the majority of information is contained in numerous Microsoft Excel™ spreadsheets and must be transferred from responsible party to responsible party through the process.

Wherever possible, these manual processes should be automated to create additional staff time for other important responsibilities. In the Controller's Office and the Chamberlain's Office, this means spending time working to make accounts payable and receivable systems communicate as well as getting the capital projects and trust and agency accounts into Munis. Support and training from Munis will be required. For Human Resources, this means researching new software that can assist in the new hire process and the contract management process.

RECOMMENDATION 12: Enhance e-gov opportunities.

Ithaca currently utilizes e-gov services for:

- Resident online document access to Common Council and Committee meetings
- Resident requests for information
- Reporting potholes, dead animals, and other hazards
- City-wide activity calendar
- Resident frequently asked questions regarding City services

Recently the Chamberlain's Office has added on-line bill payment options for services such as water bills, property taxes and parking permits. These efforts should be encouraged, as further implementation of online services both enhances customer service and increases the City's internal capacity to handle other, less transactional matters. The City should pursue accepting on-line payments for taxes, parking tickets, permits and applications and all other resident and business payments to the City. Encouraging individuals to go online instead of requiring them to come to City Hall saves time and effort for both the customer and City staff.

RECOMMENDATION 13: Clarify/consolidate responsibility for public parking.

Currently, parking garages are the responsibility of Public Works (including staffing the payment kiosks), while the Police Department is responsible for all on street parking enforcement. When asked during staff interviews, this division of responsibility has been a source of confusion, in part because the Police Department previously held all responsibility for public parking, but for staffing reasons the responsibility for City garages was transferred to Public Works.

To clarify the division of responsibility, there are several options that could be pursued:
- The Police Department could assume all responsibility for public parking.
- The City could form a Public Parking Department.
- The City could privatize all public parking garages.

The Police Department could be given responsibility for all staffing and kiosk collection at City parking garages, using civilian employees. This follows the principles set forth by the current arrangement for on-street parking; the Police Department is responsible for all meter collection and enforcement, while Public Works is responsible for the infrastructure (all maintenance of the meters and the streets/sidewalks). In the same way, the Police Department could be responsible for all enforcement and collection in City parking garages, while Public Works is responsible for all maintenance and repairs in the garages.

Alternately, a Public Parking Department could be created and given authority for all public parking. This would include responsibility for on street parking ticketing, meter collection and meter maintenance. It would also include responsibility for City parking garages, including maintenance to both the structure and the collection kiosks, staffing collection kiosks, and facilitating police enforcement within City parking garages.

Finally, the City could investigate the financial feasibility of privatizing all public parking garages. This could provide a significant influx of one-time revenue for the City.

Employee Survey

The employee survey was administered using a web-based survey tool, Survey Monkey™. The survey was available online from August 2 to August 19, 2011, during which time 212 employees responded to some or all portions of the survey, representing a response rate of 50.8%. One hundred-sixty (160) fully completed responses were received. The total number of fully completed responses received indicates a response rate of approximately 38.4%. A 30.0% response rate for online surveys is generally considered average, indicating an above average response in Ithaca.

In the survey, employees were asked to provide input on possible improvements to City operations, as well as the collection of performance data that could be useful to them in their day-to-day work. Opportunities for increased efficiency in City operations, as well as potential elements for a City-wide performance measurement framework were also requested.

Based on all responses received, the City's employees display generally positive opinions of the organization's use of taxpayer dollars, communication and teamwork within their individual departments, as well as their understanding of the mission and goals of their individual departments. Respondents' opinions of communication and collaboration across City departments, routine data collection, and analysis of data collected for use in decision-making and process improvement efforts were mixed. Results suggest that these areas may require increased, strategic attention in the future in order to improve effectiveness.

Responses indicate that there are some data collection efforts underway throughout the City, but employees would like additional data collection to occur and would like improved technological tools for gathering and analyzing data. Communication across City departments was consistently cited by respondents as a weakness. In addition to addressing communication shortfalls, respondents suggested that City leaders consider opportunities for consolidating City departments to streamline service delivery, increase the use of shared resources across departments, and hold all employees accountable for consistent, high-quality service delivery.

As previously mentioned, detailed analysis of the employee survey can be found in a separate report, "2011 Employee Survey Results." The results of the survey were factored into the recommendations described throughout this report. However, one additional recommendation is detailed below.

RECOMMENDATION **14: Design and implement internal communications plan.**

Lack of comprehensive and systematic internal communication was cited as a common area of concern from employees. Therefore, it is recommended that the City design an internal communication plan to improve the flow of information across City departments. This plan should include routine, consistent outreach to staff on issues affecting them and the City as a whole.

While the Human Resources Department publishes an employee newsletter, it is not completed on a consistent schedule, and there is little coordination with all City departments to collect information regarding organizational development and share it with all staff. At a minimum, the newsletter should include departmental news and announcements and provide greater detail regarding developments within the organization. This will require that Human Resources

regularly coordinate with all City departments to collect information and develop newsletter articles.

While communication tools such as newsletters serve a valuable function in complex organizations, it is also important to utilize face-to-face communication to facilitate horizontal and vertical communication. This can be achieved by establishing regular departmental and organization-wide communication forums to share information and ideas. Monthly departmental staff meetings and quarterly interdepartmental meetings could be used to share information and coordinate efforts. Meetings should utilize effective meeting management techniques to ensure time is productive (e.g., use agendas, clearly articulate purpose and decision-making process, frequency, attendees, start and end time).

Periodic, routine communication to all employees should be delivered by the Mayor, in collaboration with the City's department directors. Key issues for the City's elected leaders, the review and implementation of the recommendations outlined in this report and information about significant successes or challenges within City departments all have an impact on the organization and its employees and should be included in routine internal communication.

Performance Measures Framework

Performance measurement is designed for policy-makers, chief administrative officers, department heads and program managers to assess whether a program or service is obtaining the desired or expected results. Performance measurement should be considered an integral part of the overall performance management system, as detailed in "Recommendation 6: Develop a performance management system" of this report.

The use of performance measures is an excellent management tool to help assess the overall effectiveness of services that are being provided and determine if resources are being allocated efficiently. City programs can be subjected to measurement to ascertain current levels of effectiveness and efficiency. If performance is measured systematically, leaders will have the information that can serve as the basis to make changes to improve on quality, timeliness or cost over a period of time. Performance measures should become part of the organization's regular dialogue about program goals, budget allocations and accomplishments.

There are a number of factors to be considered in the structuring of a good performance measurement program. Once the measures themselves have been determined, care must be given to the implementation of the program. Data collection, reporting and survey development are three very important areas requiring management attention if the program is to be successful and provide relevant information in order to adopt best practices and strive for continuous improvement.

As the City proceeds with implementation of this framework, the following matters should receive specific attention:

1. Data Collection

When an organization begins collecting data for use in a performance measurement system, several key issues must be reviewed:
- Ensure there is a clear understanding of the data needs for each of the measures contained in the program.
- Assign specific responsibility for data management for each program to ensure it is developed and collected properly. Encourage the persons responsible for data collection to keep spreadsheets and work papers to explain how calculations were derived and notes about methodology used. This will help assure consistency from one data collection period to another.
- Provide staff with direction and a consistent methodology for cost allocation to ensure that all programs collect and account for data in the same way. For example, operating expenses should include salaries, benefits, equipment, supplies, etc., and programs should use the same elements consistently.
- Evaluate the results of data collection to make sure the desired information is being collected for complete measurement.

2. Reporting

Special reports and formats should be designed for the various users of performance information. Elected officials, managers and residents each have different needs and will benefit from a view of the data developed especially to meet those needs. It will be important to determine the formal reporting period for the program reports and executive level reports, e.g., annually, semi-annually, monthly. Some organizations choose to perform trial runs with reports to make sure the users of the information understand them and are comfortable with the format.

If possible, build in some capability to review the accuracy of the data reported. This is critical for data that support important, highly visible policy and resource decisions. While a formal audit is not necessary, a mechanism for periodically reviewing data is important. The use of management reports of performance results should be integrated into the regular work of managing City operations, including linking them to work planning and strategic planning, should such a process be undertaken.

3. Citizen and Customer Surveys

Customer satisfaction is a key indicator of program performance. Therefore, a number of the effectiveness measures for each of the programs require some form of survey to obtain data directly from customers about their level of satisfaction.

The recently completed City-wide survey can serve as a valuable source of this information. This survey should be repeated on a regular basis to allow measures to be updated on a consistent cycle, typically an annual or bi-annual basis will serve this purpose. In addition to a citizen survey, some specialized customer surveys are also required for those areas where customer opinions are needed to gauge satisfaction.

4. Integration with a Performance Management System

By developing performance measures, an organization takes the first step implementing an organizational performance management system – the measurement of organizational performance in the delivery of City services. Performance measurement information should be integrated into a City management system in which managers use the data as an important basis for planning improvement in service execution and delivery to citizens. Performance measurement results, both effectiveness and efficiency information, should be used by managers as they collaborate about continuous improvement and formulate work plans for the future.

This system of organizational performance measurement lays the foundation for increasingly sophisticated performance management. Integration of performance results in an enhanced City budgeting process is a key next step for use in policy-making.

5. Continuous Improvement

Performance measurement provides a management tool for improvement and an instrument for planning and decision-making. To be successful, performance measurement requires committed leadership and organizational support. To be of maximum value, it must become part of the fabric of the organization's system for planning and managing its work. Once it is incorporated into the structure of the organization, it can help drive continuous improvement of programs and processes.

Properly implemented, performance measurement serves to:

- Help local government excel at achieving results
- Better inform the community about service accomplishments
- Tell an organization how well it is fulfilling its mission and accomplishing its objectives
- Provide elected and management officials with improved decision-making information
- Highlight areas for improvement among the services being delivered
- Tell the people doing the work how well they are doing

It is important that the community, elected officials and management recognize that implementation of good performance measures will not take place overnight. In some instances, the data needed for the measures will take two or more years to accumulate in a meaningful manner. Trends are established over time. As information is collected and the results are reviewed, the process and measures will be refined. In some service areas, there may be data currently available to use for comparisons from one year to the next, but in many areas baseline data is needed before comparisons can be made. This experience is common among those local governments who have made the commitment to systematic performance measurement. It is with a clear long-term view of the performance measurement system that the City will see results.

6. Training

When an organization embarks on an important initiative such as the implementation of performance measures as part of the performance management system, it is useful to provide training for employees. While some departments may be familiar with tracking and using data to manage their operations, others will find this to be a challenging method of doing business. Providing training for all program managers creates a common language throughout the organization and builds the internal capacity to effectively use the data.

Departmental Information

The following section represents the basis for a performance measurement framework for the City of Ithaca, and includes the following components:

- **Department Description** – a brief description of the department's main functions

- **Programs and Activities** – an inventory of programs and related activities.

  Programs are the organization's primary "line of business" and represent on-going services that are provided to stakeholders (internal or external). These are the components measured through a performance measurement system.

- **Performance Measures** – key performance measures based on industry best practices

Implementing the use of performance measures should include defining the statement of purpose for each program and linking measures specifically to each program. There are typically three types of measures:

- **Workload** - Workload measures indicate internal activity – the amount of work accomplished within the organization.

- **Efficiency** - Efficiency measures indicate how well a program uses its allocated resources. Expressed as a ratio between the amount of input and the amount of work.

- **Effectiveness** - Effectiveness measures indicate how well the program accomplishes its intended purpose and is of direct importance to customers and the public. Effectiveness measures include program quality, cycle time and customer satisfaction indicators.

Fire Department

Description:

The Fire Department is responsible for fire protection services and maintenance of two fire stations in the City and two stations in the Town of Ithaca (via contract with the Town). The department is also responsible for fire protection on the Cornell University and Ithaca College Campuses. In addition to fire suppression, the department also conducts investigations and performs various prevention activities.

Key Programs and Activities:

Programs	Activities
Fire Suppression	Fire Call Response
Special Operations	EMS, High Angle Rescue, Water Rescue, Confined Space Rescue, Swift Water Rescue, Trench Rescue, Hazmat Team
Public Safety	Fire Safety Inspections, Public Safety Ticketing
Public Education	Equipment Demonstrations, Public Education Events
Fire Investigation	Cause Determination

Performance Measures:

- Total fire incidents per 1,000 population
- False alarms and good intent calls as percentage of total fire incidents, non-fire incidents, and false alarms
- Arson clearance rate
- Fire rate
- Response and control times for fires
- Average response time for first suppression unit
- Rate of civilian fire death and injury (fire incidents)
- Rate of firefighter fire death and injury (fire incidents)
- Number of human saves and rescues (fire incidents)
- Number of property saves (fire incidents)
- Rate of structure fires in inspectable properties
- Fire loss in inspectable versus non-inspectable properties
- Number of inspection/code violations and rate of correction
- Average overtime hours worked per FTE
- Percent change in overtime worked per FTE
- Hazmat incidents per 10,000 population
- Percent of citizens who rate satisfaction with fire or EMS as good or excellent

Police Department

Description:

The Ithaca Police Department's goal is to provide high quality enforcement of the laws through the protection of the life, property and liberty of its residents. The Police Department averages 16,000 calls for service per year and is responsible for enforcement in the City, with limited enforcement responsibility in Cornell University.

Key Programs and Activities:

Programs	Activities
Patrol	Patrol, Crime Prevention
Traffic Enforcement	Accident Investigation, Traffic Safety, School Zones
Investigations	Criminal Investigation, Crime Scene Processing
Public Education	DARE, Equipment Demonstrations, Public Education Events
Records	Data Entry, Records Management, FOIA Requests

Performance Measures:

- Number and type of calls for service
- Average call response time (in minutes; from dispatch to arrival)
- Crime rate (major crimes per 1,000)
- Clearance rate (by crime type)
- Percent change in business crimes (e.g., commercial break-ins; commercial vandalism; shoplifting; commercial auto thefts)
- Percent change in juvenile crimes (e.g., Reported crimes on school grounds; Police reports of incidents where suspect is under the age of 18)
- Percent change in vehicle-related incidents (e.g., vehicle crashes, vehicle crashes with serious personal injuries or fatalities, traffic-related pedestrian injuries or deaths, etc.)
- Ratio of recorded crimes to arrests
- Juvenile crime arrests (as a percent of all arrests)
- Sworn officers per 1,000 residents
- Total hours of in-service training conducted
- Average overtime hours worked per FTE
- Percent change in overtime worked per FTE
- Percent of citizens rating quality of contact with police as good or excellent
- Percent of citizens rating safety in their neighborhood as good or excellent

Department of Planning and Development

Description:

The Department of Planning and Development provides professional and technical services to assist City residents, property owners, business owners, developers, elected and appointed officials and other City departments. The department provides support for the Planning and Economic Development Committee, the Planning Board, the Parks Commission and the Ithaca Urban Renewal Agency, among others.

Key Programs and Activities:

Programs	Activities
Long Range Planning	Comprehensive Plan Updates, Historic Preservation, Environmental Management, Neighborhood Planning, Recreation and Open Space Planning, Transportation Planning
Current Planning	Site Plan Review, Environmental Review, Design Review, Zoning (new and rezoning), Construction Management, Subdivision Review
Economic Development	Business Development, Business Expansion and Retention
Community Development	CDBG and HOME Grant Development and Management

Performance Measures:

- Percent of plans and studies completed as scheduled
- Average cost per plan or study completed
- Percent of applications reviewed and returned as scheduled (by type)
- Average number of days to complete initial review
- Average cost per application reviewed
- Percent of design projects completed as scheduled
- City vacancy rate (by type)
- Percent of businesses that rate Ithaca as an excellent or good place to do business
- Percent of projects completed within budget (CDBG and HOME projects)
- Percent change in the number of economic development agreements executed
- Number of projects managed per FTE
- Average cost per project managed
- Percent of citizens who rate land use, planning and zoning as good or excellent
- Percent of citizens who rate Ithaca as good or excellent as a well-planned community

Building Department

Description:

The Building Department provides required inspections for building permits, housing inspections, exterior property maintenance, and zoning compliance. In addition, staff provide support for the Board of Zoning Appeals, among others.

Key Programs and Activities:

Programs	Activities
Inspection Services	Construction Inspections, Electrical Inspections, Housing Inspections, Property Maintenance, Zoning and Land Use Inspections
Plan Review	Plan review, Permit Issuance

Performance Measures:

- Cost per inspection completed (by type)
- Average number of calendar days to complete an inspection (by type)
- Percent of inspections completed within 4 calendar days (by type)
- Average number of inspections performed by day per FTE
- Cost per inspection completed
- Cost per permit issued
- Average number of calendar days from permit application to issuance (by type)
- Number of cases managed per FTE
- Voluntary compliance rate
- Rate of forced compliance
- Average number of calendar days from case initiation to voluntary compliance
- Average number of calendar days from case initiation to forced compliance
- Number of calendar days from first complaint to investigation
- Percent of violation cases carried over to the next month
- Percent of customers who rate the quality of services received from the Building Department as good or excellent

Department of Public Works

Description:

The Department of Public Works (DPW) mission is to provide for public health and safety, to support commerce and industry, and to provide or support public services in an economical and timely manner. The department is responsible for maintaining water lines, sewer lines, streets, buildings, parking structures, parks and recreation facilities. While the Water Treatment Plant serves only the City of Ithaca, the Wastewater Treatment Plant also serves the Town of Ithaca and the Town of Dryden as well.

Key Programs and Activities:

Programs	Activities
Streets Maintenance	Sign Shop, Street Lights, Streets, Sidewalks, Paving, Plowing, Street Sweeping, Storm Sewers, Bridges
Solid Waste Collection	Trash Collection, Yard Waste Collection, Bulk Waste
Parks and Public Spaces Maintenance	Parks, Parking Garages, Cemetery, Golf Course,
Building Maintenance	Custodial Services, Maintenance, Capital Improvement
Vehicle Maintenance	Repairs, Maintenance, Replacement
Engineering	Water Project Review, Sewer Project Review, GIS Management, GIS Data Entry
Sewer	Operations, Maintenance
Water	Operations, Maintenance

Performance Measures:

- Cost per street repair completed (by type)
- Number of staff hours per snow event worked
- Percent change in the tons of debris collected through street sweeping
- Percent change in the number of snow events responded to
- Percent of streets cleared within 24 hours of a snow event
- Road rehabilitation expenditures per paved lane mile
- Average waste per household
- Average yard waste per household
- Cost per ton of yard waste and/or leaves collected
- Percent of waste stream that is diverted as yard waste
- Percent of emergency work orders completed within 24 hours of receipt
- Number of custodial project work orders per FTE
- Average response time for custodial non emergency repairs
- Cost per CIP project managed

- Percent of CIP projects completed within budget
- Percent of CIP projects completed on schedule
- Number of projects managed per FTE
- Number of reviews completed per FTE
- Average number of calendar days to complete a work order
- Overall fleet availability
- Hours worked per vehicle or equipment
- Percent of fleet expenditures contracted out
- Cost per linear foot of pipe maintained (by type)
- Percent of inspections completed as scheduled (by type)
- Percent of preventative maintenance work completed as scheduled (by type)
- Percent of work orders closed within 48 hours of receipt (by type)
- Average number of calendar days required to complete work order (by type)
- Percent of emergency calls responded to within 4 hours (by type)
- Percent of citizens who rate snow removal as good or excellent
- Percent of citizens who rate street repair as good or excellent

Greater Ithaca Activities Center

Description:

The Greater Ithaca Activity Center (GIAC) provides services to the residents of Ithaca and the surrounding jurisdictions. GIAC's goal is to be a center for all ages, particularly youth and teens by providing multicultural, educational and recreational programs focused on social and individual development.

Key Programs and Activities:

Programs	Activities
Senior Adult Program	Outings and Programs for 60+ Population
Recreation Program	Youth, Teen and Adult Programs
Teen Program	After School Program, Evening Programs
Youth Program	After School Program, Summer Day Camp
Supportive Services	Case Management, Parent/Teacher Meetings, Advocacy, Employment Services
Aquatics	Facility Programming, Facility Maintenance

Performance Measures:

- Percent change in program enrollment (by type)
- Percent change in the number of programs offered
- Percent change in the number of individuals served (by program)
- Average cost per program provided (by type)
- Number of programs managed per FTE
- Percent change in the number of job placements
- Percent of programmable space utilized
- Percent of participants who rate the quality of their experience as good or excellent

Ithaca Youth Bureau

Description:

The Ithaca Youth Bureau (IYB) serves the residents of Ithaca and the surrounding jurisdictions by providing and contracting for a variety of recreation programs and youth services to promote health, happiness and well-being via intermunicipal contracts. The IYB provides these services on school campuses, at Cass Park, Stewart Park, in local libraries, at GIAC and at other locations as the need arises.

Key Programs and Activities:

Programs	Activities
Recreation Services	Recreational Sports, Lessons, Camps, Theatre Classes, Art Classes, Expressive Arts, Special Events, Tot Spot
Recreation Support Services	Adult Programs, Youth Programs
Youth Development	Academic Support, Mentoring, Community Service, Civic Engagement, Employment, Job Skills, Youth Leadership
Cass Park/Stewart Park	Facility Programming, Facility Maintenance
Aquatics	Facility Programming, Facility Maintenance

Performance Measures:

- Recreation expenditures per 1,000 population
- Percent change in program enrollment (by type)
- Percent change in the number of programs offered
- Percent change in the number of individuals served (by program)
- Average cost per program provided (by type)
- Percent of programmable space utilized
- Percent of programs serving specific populations (by type)
- Turn-away rate (by program and/or facility)
- Percent of citizens who rate recreational opportunities as good or excellent
- Percent of citizens who rate diversity of recreation programming at recreation as facilities good or excellent
- Percent of participants who rate the quality of their experience as good or excellent

City Chamberlain's Office

Description:

The Chamberlain's Office functions as the treasurer of the City and is responsible for receiving payments for tax bills, water bills, parking permits, trash tags, parking tickets, and various other city payments. In addition, the Chamberlain also processes all payments from the city, including payroll and other accounts payable.

Key Programs and Activities:

Programs	Activities
Revenue Collection	Tax Bills, Water Bills, Parking Permits, Trash Tags, Parking Tickets
Check Issuance	Payroll Check Runs, Accounts Payable Check Runs, Capital Projects

Performance Measures:

- Percent change in collections processed (by type)
- Number of transactions processed per FTE (by type)
- Cost per transaction processed
- Cost to administer as a percent of collections
- Number and dollar value of payments completed online (by type)
- Number and dollar value of outstanding delinquencies
- Average processing time for returns and refunds
- Percent of delinquency collections
- Percent of payments posted accurately
- Average processing time for returns and refunds
- Percent of payroll checks/direct deposits issued without error
- Percent of customers who rate the quality of Chamberlain's Office services as good or excellent

City Controller's Office

Description:

The City Controller serves as the Chief Financial Officer of the City. The Controller prescribes and enforces a general accounting system for the city government and each of its offices, departments and agencies.

Key Programs and Activities:

Programs	Activities
Budget and Financial Management	Budget Preparation, Budget Monitoring, Auditing, Debt Issuance, Investments
Accounts Payable	Payroll Processing, City Contract Payments, Debt Payments, Payments for Services Provided
Purchasing	Contracts Issuance, Contract Coordination

Performance Measures:

- Percent change in total revenue received
- Ratio of expended budget to budgeted
- Ratio of revenue collected to budgeted
- Percent of operating expenditures covered by revenues
- Ratio of actual year end fund balance to projected
- Average annual rate of return on investments
- Percent of available funds invested
- Percent of purchases made through alternative purchasing means (by type)
- Number of payroll checks/direct deposits processed per FTE
- Cost per payroll check/direct deposit processed
- Percent of payroll issued as direct deposit
- Percent of payroll checks/direct deposits processed without error
- Number of compliance citations in the annual audit
- Number of audit adjustments passed in the annual audit
- Percent change in the number of general ledger corrections made
- Percent of bank reconciliations completed on time
- Percent of employees who rate the quality of finance services as good or excellent

City Clerk's Office

Description

The City Clerk's Office is responsible for the creation, maintenance and preservation of the legislative records of the City of Ithaca and ensures public access to such records. In addition, the Clerk's Office is responsible for dispensing over 30 permits and licenses.

Key Programs and Activities:

Programs	Activities
Licensing and Permits	Permits, Licenses
Records Management	Records Retention, Permanent Files, Legal Notices, FOIA Requests
Legislative Support	Minutes, Agendas, Meeting Scheduling, Publishing Legislation, Public Hearings, Oaths of Office
Public Information/Emergency Management	Community Newsletter, Emergency Preparedness, Website Content, Press Releases

Performance Measures:

- Number of meetings managed per FTE
- Number of records requests processed per FTE
- Cost per meeting managed (agenda preparation and minutes)
- Average response time for information or records requests
- Percent of meeting minutes completed within 7 days of meeting
- Percent change in the number of citizen requests received
- Percent change in total revenue received
- Number of critical incident drills completed
- Percent of after action reports completed as scheduled
- Number of emergency operations center (EOC) activations
- Percent of customers who rate the quality of clerk services as good or excellent
- Percent of customers who rate the timeliness of clerk services as good or excellent
- Number of licenses processed
- Percent change in the number of licenses processed

Department of Information Technology

Description:

The Department of Information Technology is tasked with enhancing the operational efficiency and effectiveness of the City by continuously improving the exchange of information and the delivery of services. The department serves as an internal support unit for the City, providing user support and resource maintenance for computer and phone systems.

Key Programs and Activities:

Programs	Activities
Technical Support	Help Desk, Server Maintenance, Email Support, Cell Phone Support, City Phone Support, Website Management, Network Security
Project Management	Standards Development, Project Management
IT Procurement	Replacement Schedules, Equipment Purchase and Installation

Performance Measures:

- Percent of repair calls resolved within 24 hours
- Average number of network outages
- Average duration of network outages
- Percent of telephone issues resolved within 24 hours
- Number of repair calls processed per FTE
- Cost per repair call
- Cost per network outage
- IT expenditures per workstation
- Total IT expenditures as a percentage of total city operating expenditures
- Number of help desk calls received per FTE
- Cost per help desk call received
- Percent of help desk calls resolved at time of call
- Percent of help desk calls resolved within 4 and 8 hours of call
- Number of projects managed per FTE
- Cost per project managed
- Percent of projects completed as scheduled
- Percent of projects completed as budgeted
- Percent change in the number of projects managed
- Percent of employees who rate the quality of IT services as good or excellent

Department of Human Resources

Description:

The Human Resources Department is tasked with managing all contracts and agreements with 417 current City employees; temporary, union, civil service, and management. In addition, HR is responsible for all recruiting of quality candidates and retention/discharge of current employees as well as training of current employees.

Key Programs and Activities:

Programs	Activities
Employment Services	Recruitment, Benefits, Compensation, Employee Relations, Employee Relations
Training and Development	Training, Organizational Development,
Contract Management	Civil Service Administration, Contract Negotiations, Contract Interpretations
Risk Management	Workers Compensation, Insurance, Occupational Safety, Safety Training

Performance Measures:

- Turnover rate
- Average number of working days to complete a recruitment
- Cost per vacancy filled
- Number of vacancies filled per FTE
- Percent of employees by protected class (EEO statistics)
- Percent of new hires completing introductory period
- Benefit funding level per employee per year
- Number of employee grievances and appeals per FTE
- Percent of grievances resolved before passing from management control
- Percent of employees (Citywide) receiving required training as scheduled
- Percent of employees (Citywide) receiving annual professional development training
- Percent of performance reviews (Citywide) completed as scheduled
- Percent change in the value of worker's compensation claims filed
- Lost time incidence rate
- Number of workers compensation claims processed per FTE (by type)
- Cost per claim processed (by type)
- Percent change in the number of worker's compensation claims filed
- Percent change in the number of safety incidents reported
- Percent of employees who rate the quality of HR services as good or excellent

City Attorney's Office

Description:

The City Attorney's Office prosecutes and defends actions and proceedings by and against the City. The City Attorney is the official legal advisor of the Mayor, Common Council, boards and committees, and other officers of the City.

Key Programs and Activities:

Programs	Activities
Legal Services	Contract Review, Labor and Employment, Land Use
Prosecutor's Office	Prosecute Cases

Performance Measures:

- Average cost of legal services (by type)
- Percent of legislation prepared as scheduled
- Percent of legal opinions prepared as scheduled
- Percent of contracts prepared as scheduled
- Percent change in the number of cases prosecuted
- Average number of cases managed per FTE
- Percent change in the number of property loss claims filed
- Expenditures for liability claims per capita
- General liability claims per 10,000 population served

Conclusion

This review was undertaken to identify opportunities to create efficiencies and develop a framework for a performance measurement system intended to bring consistency, accountability and greater effectiveness to all City operations. The Novak Consulting Group, through interviews and best practice review, determined a series of recommended changes, which, when implemented, should achieve these goals.

As with any new system, there must be a strong focus by the Common Council, the Mayor and the leadership team of the organization to ensure successful implementation. The City of Ithaca, by establishing a performance measurement system, is moving the organization to a position of data-based, outcome-driven decision making. This will provide for more effective and efficient management of limited City financial and personnel resources.