



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Status of City of San Diego Performance Measures

OVERVIEW

Mayor Sanders provided departmental performance measures for the first time during his administration as part of the budget process for FY 2009 and continued them for FY 2010. Over 600 departmental measures were included in the FY 2009 and FY 2010 budget documents. Citing the substantial budget reductions that went into effect in mid FY 2010 and the difficulty of assessing their impact, in June 2010 the Mayor announced suspension of all performance measures for FY 2011 and FY 2012. After further discussions with our office, the Mayor agreed to provide "Interim Performance Measures" for FY 2012 which consisted of 190+ measures from the original list. A similar approach was used for FY 2013.

Our office consistently encouraged the Mayor's Office to provide the Council and the community with meaningful, data-driven performance measures that can be evaluated year after year and are easily accessible. While the City's performance measures have progressed, what measures are provided, how they are reported, and whether they are provided at all has largely been at the discretion of the Mayor. As the City Council's programs and priorities continue to take shape and move forward, a consistent and reliable method for tracking successes or challenges and for effectively conveying priorities to the community is needed.

In light of this, in February 2012 the IBA recommended and Council agreed it was time for the Council to identify and highlight for the public a more concise set of performance measures representative of City Council goals, programs, policies and initiatives, to be consistently maintained, evaluated and reported over time.

The intent was not to replace the Mayor's department measures but rather to focus on key measures from City operations of high interest to the community (e.g. police response times, library operating hours) or to establish new measures of strong community and Council interest. Examples include financial trends such as bond ratings, General Fund reserves percentage and

debt capacity ratio, which have typically not been included in the City's performance measurement portfolio. There was also a desire to develop a set of measures that utilized a policy and programmatic approach.

Attachment One presents the list of 66 Council-identified measures in five broad areas:

- Community Services
- Infrastructure Maintenance and Expansion
- Business and Economic Development
- Environmental and Sustainability
- Efficient and Effective Government

As part of the FY 2013 Council Budget Priorities Resolution adopted March 19, 2012, Council requested the following of Mayor Sanders:

“ To join with them (Council) in embracing these measures by consistently tracking them, along with other departmental measures, and making them highly visible to the public by publishing them in the Executive Summary of the Fiscal Year 2013 fiscal budget document, the City's website and other public areas”.

As shown in Attachment One, Mayor Sanders included roughly two-thirds of the Council measures in the FY 2013 budget document by adding them to the department(s) budget sections in Volume II. Some measures were not included if they did not fall in a specific department's area of responsibility or if data was not available. In some cases, measures were revised to capture the intent while aligning them with available data.

While considerable performance data is provided in the budget document, several original objectives have not been met including maintaining a concise set of measures focused on priority policies and programs rather than department structure; emphasizing a City-wide approach to accomplishing City goals and objectives; increasing the transparency of this information; and providing new venues to highlight this information to the public, such as greater use of the City's website.

RECENT DEVELOPMENTS RELATED TO PERFORMANCE MEASURES

Council Adoption of Ten Fundamental Principles

At the Council meeting of October 15, 2012, City Council adopted “Ten Fundamental Principles for an Effective, Cooperative and Transparent Mayor-Council Form of Government” (“Principles”) to ensure that future Mayors are committed to a governance structure guided by the overriding principles of effectiveness, cooperation and transparency and that also work within the parameters of the City's Charter. At this meeting Mayor Filner, who was a mayoral candidate at the time, pledged to honor these “Principles”.

Principle Four addressed the following:

“Publicly report performance results and future goals for core City services. This information will be published annually in the Mayor’s Proposed and Final Budget; and beginning FY 2015, annual performance reporting will be supplemented with quarterly reporting through the issuance of a stand-alone “City of San Diego Quarterly Performance Report” to the City Council, to also be made available on the City’s website.”

Council Adoption of FY 2014 Budget Process “KEY DATES” Calendar

The Council recently adopted the “KEY DATES” calendar for the FY 2014 Budget Process which calls for the Mayor to provide performance measurement data for FY 2012 and FY 2013 and targets for FY 2014, to the Budget and Finance Committee at their March 13, 2013 meeting.

City Auditor’s Office Performance Audit of the Real Estate Assets Department (READ)

On January 7, 2013, the Audit Committee reviewed a recently released performance audit of READ which included a recommendation that “READ should improve its performance goals by establishing measures, targets, outcomes and outputs for each goal” and “READ should annually report its performance and achievements to the City Administration and City Council.” During the course of the Committee discussion two new performance measures for READ were suggested by READ staff:

- Comparison of rental rates with other governmental entities for properties where the City is the lessor either a rate of return for fixed rate leases or as a comparison of percentage rates for percentage rate leases.
- Comparison of the ultimate sale price of properties with their appraised value where the City is the seller.

The Audit Committee requested the City Auditor to work with READ in developing a set of measurable objectives for inclusion in the FY 2014 budget process and referred this matter to Budget and Finance Committee for further discussion. It was agreed that the annual budget process and related budget documents are the appropriate vehicles for reporting the results of these measures to the Council and the public.

CONCLUSION

The process for developing, tracking and reporting of performance measures has evolved and will continue to do so. Opportunity exists to continue to improve this process by retaining the strengths of the existing program while addressing weaknesses as well.

It should also be noted that when the Council adopted its set of 66 measures in February 2012, the Council expressed a strong desire to arrive at a portfolio which represented both Council and

Mayoral priority performance measures. Departments would continue to track and report other measures related to more specific departmental operations.

Finally, the development of a stand-alone Quarterly Performance Report beginning in FY 2015 as required by the “Principles” will be a significant addition to the current process.

Our office looks forward to working with the new administration and the City Council on these improvements.



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Attachment: 1. City Council Policy and Program Measures