



Measuring What Matters

By Barbara Opie

The City of Westminster, Colorado, takes a comprehensive approach to performance measurement.

What makes for a good performance measurement program? It takes a willingness to look unflinchingly at your current internal situation and report on it accurately. It takes flexibility and an openness to change. It takes motivation and effort on the part of management to challenge staff and bring about continuous improvement.

An organization is best able to achieve these requirements when measurement is part of the roadmap for the community. In the City of Westminster, Colorado, the performance measurement program focuses on the city council's strategic plan, which drives the services provided by each department. A performance measurement team works to ensure that performance measures are accurate, relevant, and actually used within the organization.

Performance measures also help city officials evaluate services and demonstrate accountability to city council and the public. The information is used in annual reports to the city manager, agenda memorandums, staff reports, and the city's annual performance measure report. Measuring performance in areas that matter most to city council members and the public is critical to Westminster, which continually strives to improve its communications with the public and demonstrate accountability for the limited resources available.

In fact, the city manager identified performance measures as one of the city's "Core Four" (along with its mission statement, strategic plan, and organizational values — service, pride, integrity, responsibility, innovation, and teamwork, or SPIRIT). Performance measures gauge the city's progress toward achieving its strategic plan goals and objectives. As a result, Westminster's approach to performance measurement is comprehensive, connecting strategic planning and budgeting, with performance measure reporting and training.

PERFORMANCE MEASUREMENT PROGRAM

The City of Westminster embarked on its performance measurement program in 1999, after a difficult start on the 2000 budget underscored the importance of linking performance measures to strategic planning and to the city council's goals and objectives. The city manager's office had directed staff to create at least two performance measures per division, and the measures obtained did not truly measure how they were performing. The data were presented in the budget documentation in table format and with no explanations, leaving them open to misinterpretation, and a city councilor questioned the city's proposal for additional staff, since one of the measures presented showed workload leveling. The request for additional staff was supported after it was explained that the department reported

only one small measure of workload that did not reflect all the issues, but the experience made the city re-evaluate how it was reporting and using its measures. The city now uses performance measures as one tool for assessing budgetary priorities and judging how well it is managing resources and delivering services, based on the city council's strategic plan.

The performance measurement program consists of two parts. One piece, the internal performance measures, describes city goals and shows year-to-year trends for city programs, divisions, and projects. Internal measures correlate with the city's strategic-plan objectives and the local government's unique management philosophy and aspirations. The second part of the program is the external measures available through the city's participation in the International City/County Management Association (ICMA) Center for Performance Measurement (CPM), which gives Westminster an opportunity to compare its operations to those of governmental entities nationwide. Comparison cities and service areas are chosen according to key criteria such as population, geographic size, staffing levels, weather, services delivered, and general fund budget, providing valuable context for the city's goals and achievements.

Key performance measurement outcomes, gathered through analysis of internal and external performance measures, are consolidated into an annual report called *Take a Closer Look: How Performance Measures Build a Better City*. The report discusses the city's progress toward achieving its strategic plan goals and discusses key performance measurement outcomes

as they relate to those goals. (The report is available online at <http://www.ci.westminster.co.us/gov/pm.htm>.)

The performance measurement program is dynamic, and the level of participation varies, depending on employee experience and reporting requirements. The program is coordinated by a city manager's office staff member, who is the primary coordinator, along with his other responsibilities. He coordinates the performance measurement team, citywide and individual training for staff, annual CPM and staff reporting requirements, and ongoing oversight of the performance measurement program.

LESSONS LEARNED

The city originally implemented a structured performance measurement program to help evaluate service delivery in meeting the city council's annual goals. The concept of performance measurement was introduced to the organization by training managers and encouraging staff to develop measurable goals. The program's top-down approach made engaging managers and key staff difficult. So did the lack of context, such as the lack of any connection to longer-term strategy.

It was soon evident that the program needed enhancements. Critical city services went unmeasured. Managers did not see the value of collecting, analyzing, and reporting data. Performance measures related only to workloads and not to organizational efficiency and effectiveness. The city did not provide comparative and contextual information in conjunction with its own facts and figures. Public reporting of performance was minimal. Performance measurement had yet to be integrated into the managers' decision-making

process, and the link to fiscal responsibility and planning was lacking. While the city's performance measurement program was not intended for use in formula-based budgeting, there was interest in using performance measures to develop and evaluate budget proposals and other critical decisions, but this was not occurring. Performance measures needed to become a valuable tool for making financial and other critical decisions.

In an effort to expand and enhance the city's performance measurement program, Westminster joined ICMA's CPM in 2002. City staff made numerous changes to improve data analysis, public reporting, and integration of performance measurement into management decision making.

The team's role. The performance measurement team comprises representatives from every department. They meet to discuss ways of improving the data collection process to make more efficient use of existing data collection resources. The team also discusses how the responsibility for collecting data can be shared more efficiently among staff members and across departments and divisions. Team members also act as mentors and help decentralize the program so every department has a responsibility for and ownership in performance measurement. They also promote the value and use of performance measures within their own departments.

Long-term perspective. Departmental performance measures were refocused to tie back to the city council's five-year strategic plan. Until 2001, the city council had prepared annual goals for staff. Westminster's city manager worked with the city council and the

department directors to create a long-term set of priorities to provide continuity in vision and allow for continuity in projects undertaken to achieve the city's goals. The departments developed their work plans and performance measures around the strategic plan and reported back accordingly.

Benchmarking analysis. To improve data analysis, team members met with division managers to review CPM data and filter it into more manageable and meaningful selections. Team members worked with staff to redefine measures, ensuring that critical services were being assessed. In addition, the team discussed which pieces of the benchmarking data directly correlated with the city's internal measures and strategic plan goals.

Training. The team developed a city-wide training class that is required for all employees. This half-day class defines performance measures, examines what information is collected, and reviews how the information is presented to the city council and the public. This training has been instrumental in helping staff at all levels understand how they contribute to the "big picture" and in achieving the goals laid out in the strategic plan. At every level throughout the organization, staff learns how their individual jobs and departments relate to the overall success of the organization. Every employee plays an integral part in achieving the city's performance measurement and strategic plan goals. To date, approximately one-third of the city's 981 full-time employees has attended the class, which was updated in spring 2007 and is now called "Performance Measurement 101: Measuring What Matters."

Accountability. To encourage integration of performance measures, department directors were asked to report to the city manager on how performance measurement is used in their departments. Specifically, directors must explain how they have used their performance measures to analyze operations, highlight accomplishments, make improvements, or justify current practices. In addition, the city manager asks staff to discuss how managers might use the data to highlight the departments' activities and accomplishments in meetings, press releases, the city's Web site, and council communications.

Communicating the results. Staff worked to communicate performance information to the city council and the public in more meaningful ways, which included creating the streamlined *Take a Closer Look* annual report. Using a sampling of both internal and external performance-measure comparisons, this report focuses on the city's five strategic plan goals and how staff is working to achieve them. The creation of *Take a Closer Look*, which emphasized the city's commitment to continuous improvement, accountability, and communication, marked a significant improvement in the city's performance measurement reporting efforts. The new reporting format is more comprehensive and illustrative than in prior years, when performance measurement data was reported to the public and the city council in numeric tables in the annual budget document. City staff strives to make *Take a Closer Look* inviting, interesting, and informative. Public reporting was lacking in the early years of the program, but this new performance measurement report and other publication

efforts have enhanced the city's communication with and accountability to the public.

The City of Westminster's performance measurement program could be easily replicated in communities of any size. To imitate what Westminster has done, cities and towns would need to establish clear program goals, develop methods to encourage program integration, select a team of program contributors to help champion the program, offer performance measurement training to employees, and achieve the buy-in and support of management. A successful program must also include public reporting of achievements and areas needing improvement, conveyed in a sincere and easily understood fashion.

TANGIBLE BENEFITS OF PERFORMANCE MEASUREMENT

The benefit of performance measurement to staff is clearer today than it was at the beginning of the program. Staff is encouraged to use performance measurement in making policy and procedural recommendations to the city manager and to the city council. The following are a few examples of how performance measures have helped improve or support changes to operations:

- In the community development department, the director used performance measurement data to substantiate his case that the building division needed additional staff. After evaluating operations for inefficiencies, he demonstrated that high workloads, increased wait times for customers, and decreased satisfaction ratings indicated a need for additional staff.

- The police and fire departments used performance measures to demonstrate the need for a sales tax increase for public-safety funding. As a result of their efforts, residents approved a 0.6 percent sales tax increase and authorized the hiring of 83 additional public-safety-related personnel and the purchase of related equipment.
- The fire department used performance measures to evaluate standard operating procedures. The department was not satisfied with its emergency response times and used a three-tiered performance measure to identify problem areas. It analyzed the time required for dispatch to process a call, the time it took the fire crews to leave the station (turnout time), and the time it took for the engine or ambulance to arrive on the scene. Fire department officials determined they could improve response times and service by making an operating adjustment. They determined they should focus more attention on turnout times and subsequently implemented standard operating procedures and identified future facility design enhancements that enable firefighters and emergency medical service personnel to leave the station more quickly.
- The police department determined that it should work on containing overtime pay costs. Based on the department's survey of eight comparable Colorado cities in 2005, Westminster was the second-highest in average overtime pay: an average \$4,359 per employee per year, compared with an overall average of \$3,353. Police department staff used

this information to evaluate deployment schemes and operational changes, and changed its deployment schedule at the beginning of 2007, as well as implementing other operational changes. The department estimates approximately \$285,000 savings in 2007, or 31 percent of its \$963,700 overtime budget.

- In the finance department, one measurement indicator is the percentage of time the sales tax auditors spend on auditing and the amount of audit revenue collected. An analysis of this data for 2001-2003 led to a recommendation to reorganize the division by eliminating one clerical position and replacing that person with a revenue agent. The change gave the auditors more time to audit by relieving them of their enforcement responsibilities, and enforcement performance was expected to improve because it would be centralized under the revenue agent. Analysis of the 2005 and 2006 data indicates that the reorganization is producing the desired outcome: The auditors are spending less time on enforcement activity, and audit revenue has increased because of the increased audit activity.

SO WHAT?

In the performance measurement world, the number of measures and the level of detail to which something is measured can go to extremes — from one small measure that truly provides no meaningful data to expansive volumes of measures that allow governments to say that they are tracking things. Too often, local governments get bogged down in attempting to justify services by measuring everything possi-

ble, getting overloaded with statistics. A government that is not making use of the information it gathers is not making effective use of performance measurement.

On the other hand, government can also get so narrowly focused that it never measures those basic things that matter most to residents and businesses. In Westminster's case, City Manager Brent McFall summed it up best, saying, "When examining our performance measures, we must ask ourselves: 'So what?' Performance measurement is not merely a data collection exercise, but rather a management practice to understand, justify, and improve operations. We must focus our efforts and measure what really matters."

Taking time to identify those things that truly matter to the city council, residents, businesses, and staff is the primary focus of the City of Westminster's performance program, and tying performance measures back to the strategic plan is critical to Westminster's success. While the program still has significant room for improvement, keeping focus on the "so what?" and how it relates to the bigger picture of the strategic plan lays the groundwork that is critical for our continued efforts to provide exceptional services to the community. ■

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