



## **Staff Report**

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### REPORT ON FY 2004 PERFORMANCE BUDGET RESULTS AND RECOMMENDED REFORMS

Honorable Mayor and Members of the City Council:

#### **Summary**

The City of Belmont has implemented performance budgeting as a component of an overall effort to improve services known as the Service Delivery Initiative. The attached report summarizes and analyzes the performance results for FY 2004. This is the first annual report on performance budgeting since all programs have implemented it. This report also includes recommendations for improvements and simplifications to the performance budgeting system such as reducing the number of measured by more than 50% and including line-item budgets in the annual budget document. Staff recommends Council accept the Annual Report and results found in Attachment A and set a time at a future meeting to discuss the recommended changes and any other reforms Council desires.

#### **Background**

The Service Delivery Initiative (SDI) was adopted by the City Council in May, 2001. The overall goal of SDI is for the City to be more of a customer-driven, results-oriented organization. It is intended to help focus the roles of Council and staff and bring about alignment of policies, procedures and resource allocations. The hope is that it will enable the City Council and staff alike to focus more on customers and results. SDI gives the City Council, the voice of the community, the tools they need to do set policy, priorities and service levels. Staff's job is then to implement Council policies and report to Council and the community on the organization's achievement of desired service levels.

Performance budgeting is one component of SDI (others are the Priority Calendar, staff work planning and evaluation, as well as an enhanced commitment to customer service and responsiveness). Implementing performance budgeting entailed the restructuring of the City's operations into budgetary Service Areas and Service Centers. Each Service Area and Center is structured to answer three fundamental questions: *Why*, *How* and *How Well*. They each have an overall mission or purpose statement (the *why*) and a series of specific performance measures (the *how well*). The mission is intended to be a high-level outcome or statement of the desired results. The measures are intended to be outcome-oriented, focusing on the end result level of service.

The key objectives of performance budgeting, as adopted by Council, were:

- To assist the City Council in making more informed resource allocation decisions
- To assist staff to more sharply focus on the services desired and to serve as the foundation for continuous improvement
- To enhance periodic monitoring and reporting
- To conform to emerging GASB recommendations and possible requirements
- To provide for a flexible and expandable “architecture”

The City developed a framework for implementation that focused on a multi-year, phased approach. The first phase was to develop the structure or reporting entities (Service Area or Service Center) that provided the following information:

- *Why* a particular service is provided
- *How* a particular service is provided
- *How well* a service is provided
- What resources are required/and or expended for the service provided

A two-tiered structure for performance reporting was developed. The top tier, or Service Areas, defines a broad class of services provided to the citizenry. Examples include Development Services, Police Services, Financial Management and Transportation Services, etc. The City has developed a total of 15 Service Areas. The second tier of services, or Service Centers, are cost centers used by management to improve planning and control. Examples of Service Centers include, Inspections & Compliance, Crime Control & Order Maintenance, Financial Operations and Street Maintenance. A total of 32 Service Centers were created.

Four Service Areas and seven Service Centers were implemented in the second phase of performance budgeting for fiscal year 2002-03:

**Facility Services**

1701 Building Services

**Parks & Open Space**

5101 Parks & Open Space

**Financial Services**

1501 Financial Operations  
1502 Financial Planning and Reporting  
1503 Risk Management

**Police Services**

2101 Crime Control/Order Maintenance  
2102 Traffic  
2103 Emergency Preparedness  
2104 Support Services

In October 2003, staff presented Council with a report on the results of these “early adopter.” The remaining Service Areas and Centers for operating programs were developed and rolled out in the FY 2004 Budget and in May 2004, Council approved a number of revisions to measures based on early analysis.

## Discussion

### Setting the Context

As noted when the final reorganization was presented to Council and again in the October 2003 report, performance budgeting is a means, not an end. The ultimate goal of SDI is to be a performance *organization*. The original SDI concept approved by Council emphasized “alignment” as a critical component of the program.



Simply developing missions and reporting measures does not change the organization, or the culture. Performance budgeting is a tool, not the tool, for managing and governing a city. It is not intended to cover everything done by staff or be used as the *only* planning or evaluation mechanism. With other policies and practices, we have to work to ensure all our actions are centered on being customer-focused and results-oriented.

The Priority Calendar process creates a planning and prioritization system that dovetails well with performance budgeting. Other elements of staff work-planning and evaluation are being considered for revisions to further the intent of SDI. Specifically, side letters of labor agreements create a mechanism for developing new performance evaluation systems. The intent is for such a system to be better integrated with the results desired by the Council as articulated through performance measures. In addition, budget decisions in the future should be based on the impact on Service Area measures and missions. Management decisions and decision-making processes should change in light of what is important to the community. Staff envisions using performance data to help the Council set annual goals and priorities, and be a catalyst for policy discussions. Again, a factor, not the factor.

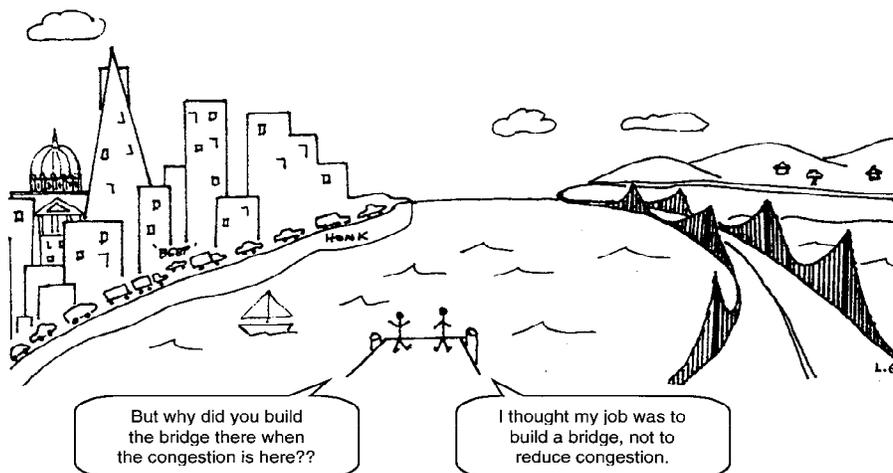
As noted in previous reports, the most critical step in the Service Delivery Initiative is to *act*. Performance budgeting and the related on-going efforts afford our organization an opportunity to place a sharpened focus on service delivery, to establish a foundation for continuous improvement activities, and to increase accountability. This customer-oriented approach, if properly supported and implemented, can result in a substantial increase in quality of service while at the same time enabling service efficiencies. The Service Delivery Initiative will not, however, result in quick fixes, but rather systemic long-term sustainable change.

### Expected Benefits

Staff believes there are a number of benefits to those involved in public policy from the use of a performance budget system. For example:

- **Citizens**  
Know exactly the values received in return for their tax dollars; what services are being provided; and how well these services were accomplished.
- **City Council**  
Able to clearly articulate the levels of service for the city, establish true budgetary policy.
- **City Staff**  
Able to focus on achieving results and have clear direction on service levels desired.

The following cartoon captures the essence of performance budgeting – ensuring you are focused on the desired result:



### Results

The City is now in the next phase of performance budgeting, which includes annual reporting of results and fine-tuning the system, based on lessons learned. The report that follows details the results for the all of the Service Areas. Since this is the initial report, a complete reporting cycle, including base year and comparator year, has transpired for the above referenced Service Areas and Service Centers only (the “early adopters”). The remaining Service Areas and Service Centers only have base year results available. Some measures have no data to report due to collection problems or delays in full implementation.

### Administration

Clearly establishing performance budgeting was a labor-intensive process over the first two years. Each department created a cross-functional team to work with a facilitator to create the structure. Then staff developed detailed “standard operating procedures” for each measure to define how it would be calculated and measured. That effort has all be completed and is one-time in nature. The ongoing “maintenance” effort begins in the second year of operation. Based on the experience of the

nine Service Centers in the second year of operation, it appears the average ongoing time commitment is about 30 per year per Service Center. As staff gets more comfortable with the routine of data collection, and if the changes recommended below are made, it is anticipated that the time would decrease. In addition to time on specific performance measures, there is a citywide administrative effort by Finance and the City Manager's office to compile, check, and report the results. That effort is estimated to total about 50-100 hours throughout the year.

### Suggested Changes

The transition to performance budgeting has not been without its challenges. As noted above, the start-up time was substantial and any change can be stressful. In addition, measures that might have seemed appropriate or relatively simple to compile sometimes turn out not to be. Therefore, staff recommends making adjustments to the system in order to simplify it and make it more useful to the Council and staff. Specifically:

1. Future performance results will be reported on Service Areas measures only. Service Centers will no longer include measures but will simply be budgetary tools.
2. Service Areas will be streamlined and non-meaningful or overly cumbersome measures will be eliminated.
3. Only performance measures from Service Centers deemed most important will be consolidated at the Service Area level.
4. Budget line item detail will be provided for all Service Areas and Centers.

Finally, staff recommends Council review the proposed new structure, obtains input from the Finance Commission, and then spends time at a study session or Council meeting to have a dialogue on the missions and measures to ensure they represent Council's priorities. Additional measures could be added or deleted at the direction of Council.

If the changes above are adopted, the number of measures will reduce from 207 to 93. With the implementation of the above-recommended changes, staff believes the key benefits of performance budgeting can continue while reducing the level of resources required to keep the process functioning.

### Fiscal Impact

Information only. There is no fiscal impact.

### Public Contact

The meeting was properly noticed and the Finance Commission will be discussing the item at their March meeting.

### Recommendation

Accept the attached report and direct staff to return in March for a discussion of performance budgeting and the recommended changes.

**Alternatives**

1. Refer matter back to staff with direction.
2. Take no action at this time.

**Attachments**

- A. FY 2004 Performance Budget Annual Report

Respectfully submitted,

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Thomas Fil, Finance Director

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Daniel Rich, Interim City Manager

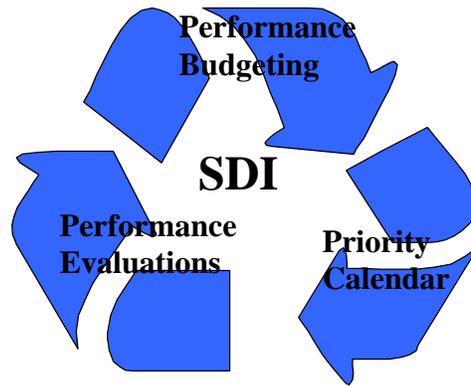
**City of Belmont  
Fiscal Year 2004  
Performance Budget Results**



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## Executive Summary



The City has adopted performance budgeting as part of the Service Delivery Initiative (SDI), which includes the Priority Calendar, Performance Budgeting, and Performance Evaluations. The overall goal is to be a more customer-focused and results-oriented organization.

Performance budgeting is intended to:

- Assist City Council in making informed resource allocation decisions
- Assist staff to focus on key services and continuous improvement
- Enhance periodic monitoring and reporting
- Conform to emerging GASB requirements

Performance budgeting includes reporting entities, or Service Areas and Service Centers, which provide the following information:

- Why a particular service is provided
- How a particular service is provided
- How well a service is provided
- What resources are required/and or expended for the service provided

Highlights of FY 2004 Results for Second Year Service Areas		
Cost Ratio	1.09 citywide	
Service Areas	Police	<ul style="list-style-type: none"> <li>❖ Customer satisfaction rating of 96%.</li> <li>❖ Weighted crime rate of 53% of the County rate.</li> <li>❖ Average response time is 6.8 minutes for emergency calls.</li> </ul>
	Parks & Recreation	<ul style="list-style-type: none"> <li>❖ Facility satisfaction rating of 95%.</li> <li>❖ Park usability, attractiveness and safety rating is 72%.</li> <li>❖ Athletic field satisfaction rating of users is 61%.</li> <li>❖ Revenues are 61% of total program costs.</li> </ul>
	Finance	<ul style="list-style-type: none"> <li>❖ 100% of audit opinions are unqualified.</li> <li>❖ The three-year rolling average return from revenue audits is \$66,769.</li> <li>❖ The three-year rolling average claim payment 17% of demand.</li> </ul>

## **Introduction**

SDI is a process that integrates strategic goals and objectives, program planning, budgeting, operational management, program evaluation, and both internal and external reporting of performance measures. SDI incorporates a performance management system used by an outcome-focused organization to:

- Establish and communicate direction
- Monitor progress toward meeting its goals
- Invest resources strategically for results
- Utilize fact-based performance information to improve performance and provide accountability for results
- Report service efforts and accomplishments information

SDI is a way to recast planning, budgeting, management, and reporting in direct relation to what government wants (or is expected) to accomplish. The ideas behind SDI are basic: to identify key needs a government is trying to address; to develop an overall plan (mission, goals, objectives, and strategies) for addressing those needs; to come up with policies, and services to meet those needs; to organize and implement budgeting, accounting, and management systems that support the strategies, goals, and objectives laid out in the overall plan; and finally to develop and track cost and performance data that allow the government to gauge its progress in reaching its goals and objectives, and modifying tactics when necessary.

Regardless of policy area, SDI is meant to get policymakers, managers, and front-line workers thinking about results as the reason for providing service. This means they begin identifying and collecting the kind of data that will allow them to connect what they do—the policies they set, the money they spend, the actions they pursue from upper-level managers down to the front-line—to the results the community wants to achieve.

## Strategic Delivery Initiative—An Overview



*Planning for results (strategic planning).* This includes developing a broad set of goals and objectives for government, based on a clear understanding of the needs government is supposed to be addressing as established by policymakers, ideally in response to constituent inputs about their concerns. Such goals and objectives may come in the form of a mission statement based on identified needs or may simply be a list that sets out the principal areas where government wants to see progress. Such a planning process may also include developing clear policy directions and directives that begin to push the overall plan down to the operational level.

*Service Area (program) planning.* This includes looking at how staff deliver services and whether those services contribute to achieving the government's broader goals and objectives. It may also include departmental strategic plans, including mission statement, needs assessments, a set of specific departmental and program goals and objectives, and a set of services (strategies) for producing outputs necessary for achieving those goals and objectives.

*Developing meaningful performance measures.* This involves working with the relevant departments (from director, to front-line staff, and in some cases to citizens/customers/clients) to come up with meaningful measures aimed at judging progress (or lack thereof) in meeting goals and objectives. A full set of measures also will include data on activities (the type and amount of work being done) and on costs (including direct costs of providing services or doing other work, along with indirect and overhead costs). Governments generally develop input, output, efficiency, service quality, and outcome indicators to track the extent to which service area and center goals and objectives and desired outcomes are being achieved.

*Budgeting for results.* This involves allocating resources based on some set of negotiated priorities that take into consideration the government's stated goals and objectives. To accomplish this, the line-item budget is normally reformatted to allocate resources based on strategies for achieving outcomes associated with the goals and objectives that the government has determined it wants to achieve.

*Collecting and using the data to manage work processes.* This involves developing systems (for example, databases, accounting) for collecting data at the desired level and then assessing the data and regularly monitoring them for indications of the extent to which goals and objectives are being achieved and how efficiently and effectively programs are operating. The results of these continuing assessments are then used at the operational level to make adjustments to services and spending.

*Evaluating and responding to results.* This is a more formal, overall assessment of what the data are telling government about the effectiveness and efficiency of services—both provided internally and through outside contracts. Such assessments typically are in the form of formal periodic reports to upper-level career and appointed officials, and elected officials. Often these evaluations, which are used in setting policies and budgets for future operating years, are made quarterly or less frequently.

*Reporting results.* This involves communicating to elected and appointed officials and constituents a comprehensive set of clear, decipherable performance measures. Reporting generally involves communicating the extent to which the government's goals and objectives are being achieved with information to assist users in assessing the efficiency and effectiveness of services.

### **Why Manage for Results?**

The advantages of SDI are straightforward: SDI allows governments to organize around an evaluation of what they are trying to accomplish, and what is working and what is not based on performance and cost information. Is the government efficiently and effectively achieving its goals and objectives? Reasons that individual governments may consider managing for results include:

- To focus government more clearly on citizens (including citizens as “customers” or “clients”) and the services they need or want, and less on organization and process
- To establish goals and objectives and to track whether those goals and objectives are being achieved
- To answer such questions as: How efficient and effective are the government's services? What are the services' quality levels and how can they be improved?
- To allocate resources, set policies, and organize government in as close accord as possible with desired outcomes
- To determine the degree to which services are aligned with the results the government is trying to achieve
- To modify policies, services, or budgets in midstream based on performance data and results as they flow in
- To compare the government's performance to itself over time, or with that of other governments (or in certain circumstances, the private sector if such a comparison is appropriate)
- To better communicate to the public and legislative bodies what government is accomplishing, the extent to which goals and objectives are being achieved, and how efficiently and effectively government is functioning.

The ultimate purpose of SDI is to provide a systematic process to help improve the way government is functioning: to develop goals and objectives, to manage based on intended results, to identify ways to improve the performance of programs, and to be able to communicate to their constituents to what

extent goals and objectives have been achieved. Performance measures are tools to improve the way government is functioning.

### **Accountability and Citizen Engagement**

The concept of governmental accountability has been extensively discussed in public administration literature. Accountability is a relationship between those who control or manage an entity and those who possess formal power over them. It requires the accountable parties to provide an explanation or a reason for their activities and show the results of efforts to achieve the specified tasks or objectives.

Accountability requires governments to answer to the citizenry—to justify the raising of public resources and the purposes for which they are used. Governmental accountability is based on the belief that the citizenry has a “right to know,” a right to receive openly declared facts that may lead to public debate by the citizens and their elected representatives.

Citizens are important decision makers in the accountability process. Citizens, like elected officials, need performance information on public programs, such as outcomes and efficiency data, in order to understand the consequences of public policy and operating decisions. They want to know whether (a) government resources are managed properly and used in compliance with laws and regulations, (b) government programs are achieving their objectives and desired outcomes, and (c) government programs are being provided efficiently, economically, and effectively.

Performance information provides elected officials and citizens with an objective way to assess the results of efforts made to implement decisions made on their behalf, leading to efficient and effective services provided through use of their tax dollars and other public resources.

Citizens use performance measurement information in the following ways:

- Increase government accountability
- Increase citizen engagement
- Enable citizens to analyze, interpret, and evaluate public performance
- Support citizen decision making
- Increase citizens’ confidence in government.

### **Accountability and Reporting**

For citizens and other users to be able to assess a government’s performance, they first must have the necessary information to make such an assessment. Therefore, to be accountable, a governmental entity should provide information about the key aspects of its performance to citizens and other interested users. This includes information about both (a) the acquisition and use of financial and non-financial resources and (b) service efforts and accomplishments, as part of general purpose external financial reporting. Such information should be understandable to users, as reliable and free from bias as possible, relevant to the outcome being measured and the decision being made, timely, consistent over time, and comparable.

Financial reporting should provide information to assist users both in assessing accountability and in making economic, social, and political decisions. Accountability is the paramount objective from which all other objectives for financial reporting must flow. Financial reporting should provide

information to assist users in assessing the service efforts, costs, and accomplishments of the governmental entity.

## **Terms and Definitions**

Performance Budgeting is an approach to budgeting that states clearly the outcome desired, measures the success in achieving results, helps Council focus on policy and the high-level outcome, creates greater accountability, empowers staff with flexibility, makes the budget more understandable and relevant to the community and leads to better organizational alignment.

The guiding principles for a performance budget are:

- Focus on outcomes
- Measure achievement
- Be understandable and usable by all
- Be responsive to the customer but allow flexibility
- Support interdepartmental efforts
- Encourage continuous improvement
- Assist with strategic planning

Key definitions used in Belmont's performance budgeting include the following:

### **Service Area**

Service Areas are created around core outcome(s). Only core outcome(s) will be measured.

They answer three basic questions:

- **WHY?** (outcome) A statement of the ultimate goal and define the purpose of our existence.
- **HOW?** (services) A statement of the broad services provided.
- **HOW WELL?** (measures) Specific measurements of success
- *Standard measure:* Budget/Cost Ratio

### **Service Centers**

Same structure as Service Areas. Include What, How, How Well?

- More detailed, operational level
- Additional measures
- Used primarily as management roadmap

### **Indexes**

Uniform method of graphically showing performance over time to report accomplishment at Service Area level.

- Tracking of trends
- Evaluation of performance
- Planning tool

### **Missions**

A statement of the ultimate goal and define the purpose of the service being delivered (the “Why”).

### **Measures**

Key indices of performance which can be evaluated over time to determine the effectiveness and efficiency of providing a given service (the “How Well”).

- High level
- Broad based
- Comparative over time
- Always includes a budget to cost ratio (to ensure managing within available resources).

### **Target Values**

Expected result for a given measure based on budgeted resources. The standard of service to be measured against.

### **Index**

Actual performance relative to target value (goal). 100 is meeting the target.

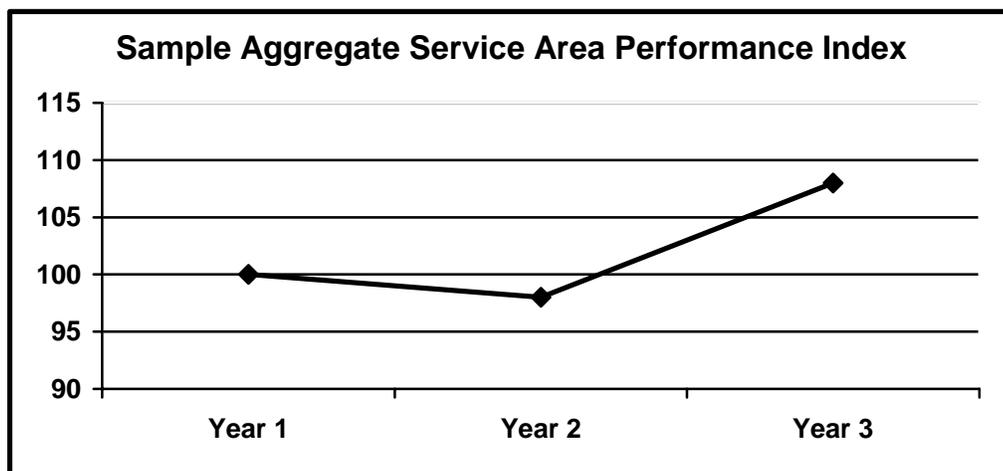
### **Weights**

Allows Council to indicate *relative* priorities between various measures.

- Use 1-5 scale
- May impact strategies/tactics used
- Creates Aggregate Service Performance Index

## Aggregate Service Performance Index

Measure	Index/Score	Weight	Total
Outcome Measure #1	x 103	3	= 309
Outcome Measure #2	x 110	2	= 220
Outcome Measure #3	x 90	5	= 450
Budget/Cost Ratio	x 97	4	= 388
Sum		14	1367
<b>Year 2 Index</b>			<b>97.6</b>



The first year establishes the baseline, so by definition it equals 100. Future years are judged against that.

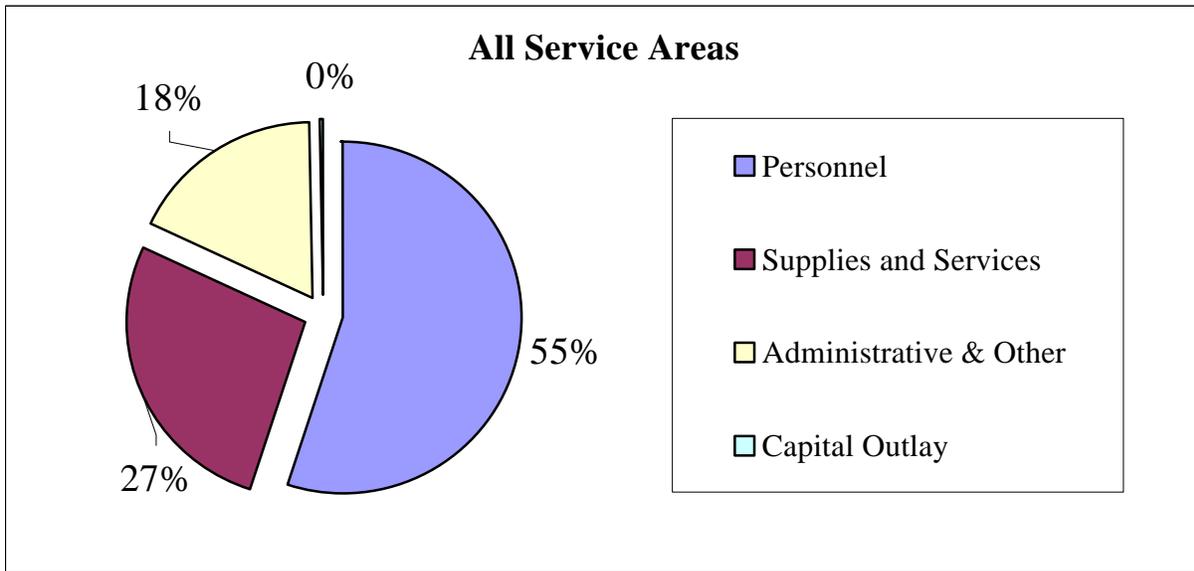
## FY 2004 Highlights

### Citywide Results

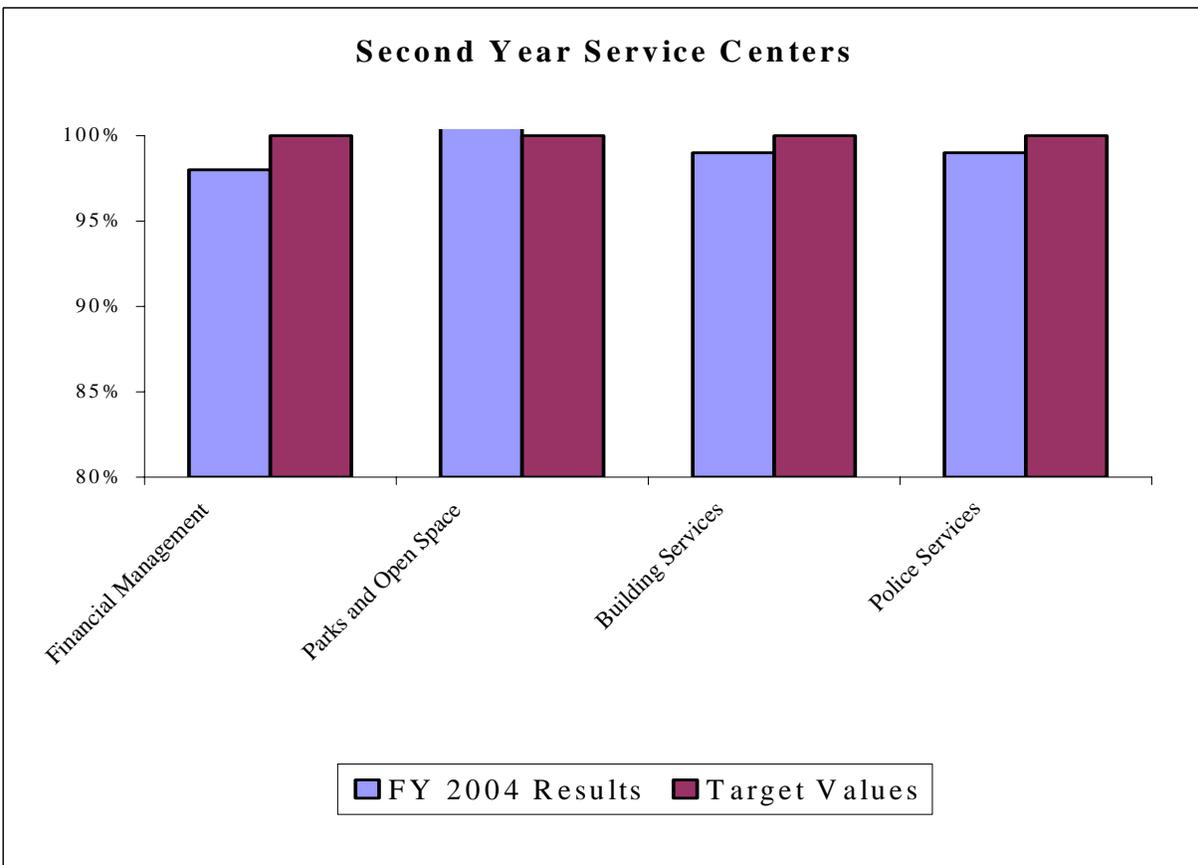
FY 2004 Budget-Cost Ratio (\$000)			
	Budget	Actual	%
City Clerk	\$286	\$274	1.04%
Executive Management	545	500	1.09
Information Services	635	486	1.31
Housing	1,275	1,031	1.24
Advanced Planning	179	175	1.02
Development Services	1,406	1,281	1.10
Financial Management	1,212	1,136	1.07
Human Resources	399	360	1.11
Parks and Open Space	1,278	1,230	1.04
Building Services	632	575	1.10
Recreation Services	1,949	1,916	1.02
Police Services	6,715	6,319	1.06
Environmental Services	4,355	4,208	1.03
Fleet Management	819	450	1.82
Transportation Services	1,320	1,221	1.08
<b>All Service Areas</b>	<b>\$23,004</b>	<b>\$21,162</b>	<b>1.09%</b>

The City's total FY 2004 budget for all Service Areas totaled \$23,004,093 compared to actual expenditures totaling \$21,161,967, resulting in a budget-cost ratio of 1.09 citywide (budget divided by expenditures). In addition, all Service Areas achieved a budget-cost ratio greater than 1.0, indicating that expenditures were within budget. This is critical to the financial stability of the City.

**Expenditures by Classification**



**Aggregate Performance Index**



## Analyses of Service Areas

Public Works	<ul style="list-style-type: none"> <li>❖ The three year rolling average rate of solid waste diverted is 55%</li> <li>❖ 96% of sewer calls are responded to within 1 hour.</li> <li>❖ Response to emergency road conditions are addressed within 1 hour, 62% of the time.</li> <li>❖ The bi-annual Citywide pavement condition index is 65%.</li> </ul>
Police Department	<ul style="list-style-type: none"> <li>❖ The three-year rolling average weighted crime rate is 107% of that of comparable cities and 53% of the San Mateo County rate.</li> <li>❖ The average response time is 6.8 minutes for emergency calls and 11.8 minutes for non-emergency calls.</li> <li>❖ 98% of diverted juveniles do not repeat offend within 3 years.</li> <li>❖ 85% of abandoned/inoperable vehicles are moved within 96 hours of receipt of call.</li> </ul>
City Manager	<ul style="list-style-type: none"> <li>❖ 90% of citizen comments are acted on within one week.</li> <li>❖ 70% of requests for Information Services assistance meet response time standards.</li> <li>❖ 100% of Annual Technology Plan milestones are met.</li> </ul>
Community Development	<ul style="list-style-type: none"> <li>❖ 84% of Advanced Planning amendments and reports are completed according to adopted timelines.</li> <li>❖ 50% of public hearings on single family residential projects with completed applications are held within 60 days.</li> <li>❖ 84% of code enforcement investigation requests are responded to within one working day.</li> <li>❖ 92% of simple permits are issued over the counter.</li> <li>❖ 93% of permits are approved with one or less re-submittals</li> </ul>
City Clerk	<ul style="list-style-type: none"> <li>❖ Notices, Agendas and Minutes are accurately prepared 97% of the time.</li> <li>❖ 97% of requests for active City documents are provided to the customer within two days.</li> </ul>
Parks & Recreation	<ul style="list-style-type: none"> <li>❖ A recreation facility user customer satisfaction rating of 95% is achieved.</li> <li>❖ The developed park usability, attractiveness and safety rating is 72%.</li> <li>❖ The customer satisfaction rating of athletic field users is 61%.</li> <li>❖ Overall recreation services revenues are 61% of total program costs.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>❖ 100% of audit opinions are unqualified.</li> <li>❖ The three-year rolling average return from revenue audits is \$66,769</li> <li>❖ The three-year rolling average claim payment as a percent of claim demand is 17%.</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>❖ The average recruitment time (from notice of vacancy to completion of first interview) is 26 days.</li> <li>❖ 77% of action items in the Injury and Illness Prevention Program are implemented.</li> </ul>

## **Contacting the City's Management**

This Annual Performance Budget Report is intended to provide Council, citizens, taxpayers, investors, and creditors with a general overview of the City's performance budgeting system. Questions about this Report should be directed to the City Manager's office at 1070 Sixth Avenue, Belmont, CA 94002. Additional information about the City's operations and activities can be obtained from the website at [www.belmont.gov](http://www.belmont.gov).

**Appendix A – Service Area Detail Results**

*(Electronic Attachment Not Available)*

**Appendix B – All Service Area & Center Measures, Results and Proposed Changes**

**FY 04 PERFORMANCE BUDGET RESULTS**  
**AND RECOMMENDED CHANGES**

**CITY CLERK SERVICE AREA (1100)**

	<b>Measure</b>	<b>2004</b>
1.	Notices and agendas are prepared according to legal requirements 100% of the time.	100%
2.	100% of election-related procedures are administered accurately and on time.	100%
3.	The customer satisfaction rating is X%.	89%
4.	Notices, Agendas and Minutes are accurately prepared X% of the time.	97%
5.	Minutes are prepared for Council Action within two meetings X% of the time.	94%
6.	X% of requests for active City documents are provided to the customer within two days.	96%
7.	100% of mandated filers are notified of financial disclosure filing obligations in advance of deadlines.	100%
8.	The budget/cost ratio is at least 1.	1.04

**EXECUTIVE MANAGEMENT SERVICE AREA (1300)**

	<b>Measure</b>	<b>2004</b>
1.	The Citywide Aggregate Performance Index is X	NA
2.	The City-wide budget/cost ratio is at least 1	1.09
3.	X% of Priority Calendar items are presented to Council according to schedule	59%
4.	The overall citizen satisfaction rating is X%	NA
5.	X% of Service Requests are acted on within one week	90%
6.	The budget/cost ratio for City Manager Office is at least 1	1.09

**INFORMATION SERVICES SERVICE AREA (1400)**

	<b>Measure</b>	<b>2004</b>
1.	X% of requests for service meet response time standards	70%
2.	A customer satisfaction rating of X%	71%
3.	X% of Annual Technology Plan milestones are met	100%
4.	The budget/cost ratio is at least 1	1.21

**HOUSING SERVICE AREA (6100)**

	<b>Measure</b>	<b>2004</b>
1.	X% of new residential units are affordable over a rolling three year average	0
2.	The number of contacts for loan programs is at or above X	927
3.	X% of funds appropriated for ownership and rehabilitation loans are made annually	142
4.	The budget/cost ratio is at least 1	1.25
5.	Annual Housing reports prepared and submitted according to established Schedules	100

**ADVANCED PLANNING SERVICE AREA (6200)**

	<b>Measure</b>	<b>2004</b>
1.	A satisfaction rating of X% by City Council/Planning Commission with quality of Advanced Planning work	63 (PC Only)
2.	X% of Advanced Planning amendments and reports are completed according to adopted timelines (SOP: includes annual General Plan report)	84
3.	A satisfaction rating of X% from participants in community involvement efforts related to Advanced Planning	81
4.	The budget/cost ratio is at least 1.0.	1.02

**DEVELOPMENT SERVICES SERVICE AREA (6300)**

	<u>Measure</u>	<u>Weight</u>
1.	X% of internal construction plan reviews are completed within 10 days for additions, retaining walls and small residential projects	
2.	Public hearings are conducted on completed applications for single family dwellings within 60 days, X% of the time	
3.	A satisfaction rating of X% by City Council/Planning Commission with quality of current planning staff reports	45 (PC only)
4.	X% of inspections are conducted within 24 hours of request	82
5.	X% of investigation requests are responded to within one working day	84
6.	An overall customer satisfaction rating of X% is achieved	NA
7.	On a three-year rolling average basis, 100% of costs are recovered	NA

8.	The budget/cost ratio is at least 1.	1.10
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Public Information Service Center (6301)

	<u>Measure</u>	<u>2004</u>
1.	A customer satisfaction rating of X%	
2.	All disciplines are represented in the Permit Center at designated times X% of the time	64
3.	X% of <b>Permit Center</b> inquiries are responded to within 1 business day	89
4.	X% of requests for records are completed within 5 business days	99
5.	Pre application meetings are held for X% of large projects	100

Development Review Service Center (6302)

	<u>Measure</u>	<u>2004</u>
1.	The City Council/Planning Commission satisfaction rating with the quality of current planning staff reports is X%	45 (PC Only)
2.	The customer satisfaction rating is X%	NA
3.	X% of letters of completeness are issued within 25 days	14
4.	X% of legal notices are on time and error free	100
5.	X% of public hearings on single family residential projects are conducted on completed applications are made within 60 days	50
6.	X% of public hearings on other projects are conducted on completed applications are made within 90 days	67
7.	X% of records of decision, resolutions and CEQA documents are filed within one week of action.	0

Plan Check and Permits Service Center (6303)

	<u>Measure</u>	<u>2004</u>
1.	X% of simple permits are issued over the counter	92
2.	X% of internal plan reviews are completed within 10 days for additions, retaining walls and small residential projects	56
3.	X% of internal plan reviews are completed within 14 days for new homes and small commercial projects	80
4.	X% of internal plan reviews are completed within 21 days for large commercial, residential subdivisions and institutional projects	100
5.	X% of internal plan reviews are completed within 10 days for all re-submittals	53
6.	X% of permits are approved with one or less re-submittals	93
7.	The customer satisfaction rating is X%	NA

Inspections and Compliance Service Center (6304)

	<u>Measure</u>	<u>2004</u>
1.	X% of inspections are conducted within 24 hours of request	82
2.	Post construction meetings are conducted on X% of new buildings	100
3.	X% of projects are inspected for conditions of approval annually	NA
4.	X% of investigation requests are responded to within one working day	84
5.	X% of City code enforcement issues are resolved within 60 days	73

Public Works Engineering Service Center (6305)

1.	X% of temporary encroachment applications are completed within one working day	NEW
2.	X% of construction inspections in the public right of way are conducted within one working day	NEW

**HUMAN RESOURCES SERVICE AREA (1600)**

	<b>Measure</b>	<b>2004</b>
1.	An overall customer satisfaction rating of X%	86%
2.	The average recruitment time (from notice of vacancy to completion of first interviews) is X days.	25.8
3.	Benefit and compensation forms are processed accurately within 3 days, X% of the time.	86%
4.	X% of employees participate in mandatory training annually. *	100%
5.	X% of action items in the Injury and Illness Prevention Program are implemented as outlined	77%
6.	The budget/cost ratio is at least 1.	1.11
7.	The number of work-related disability hours is maintained at the three-year rolling average of X.	2,351

**SERVICE AREA: POLICE SERVICES (2100)**

	<b>MEASURES</b>	<b>FY03</b>	<b>FY04</b>
1.	The customer satisfaction rating is X%.	NA	94%
2.	The three-year rolling average weighted crime rate is <b>133%</b> of that of comparable cities, and <b>63%</b> of the San Mateo County rate.	133%	107%
3.	The three-year rolling average accident rate will be maintained at or below <b>257</b> .	257	242
4.	The budget/cost ratio is at least <b>1</b> .	1.09	1.06
5.	The average response time is <b>6.0</b> minutes for emergency calls and <b>8.9</b> minutes for non-emergency calls.	6.0	6.8
		8.9	11.8

6. The three-year rolling average weighted clearance rate is <b>18% of that of comparable cities and X% of the San Mateo County rate.</b> *	18%	21%
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Service Center: Crime Control and Order Maintenance (2101)

MEASURES	FY03	FY04
1. The three-year rolling average weighted persons crime rate is <b>179%</b> of that of comparable cities and <b>47%</b> of the San Mateo County rate.	179% 47%	107% 53%
2. The three-year rolling average weighted property crime rate is <b>85%</b> of that of comparable cities and <b>78%</b> of the San Mateo County rate.	85% 78%	87% 83%
3. The three-year rolling average weighted persons crime clearance rate is <b>24% of that of comparable cities and X% of the San Mateo County rate.</b>	24%	33%
4. The three-year rolling average weighted property crimes clearance rate is <b>6% of that of comparable cities and X% of the San Mateo County rate.</b>	6%	8%
5. The average response time (from dispatch to arrival on scene) is <b>3.1</b> minutes for emergency calls.	3.1	3.24
6. The average response time (from dispatch to arrival on scene) is <b>3.6</b> minutes for non-emergency calls.	3.6	4.46
7. 100% of diverted juveniles do not repeat offend within 3 years.	100%	96%

\* Recommend returning to original language (take out red)

Service Center – Traffic (2102)

MEASURES	FY03	FY04
1. The three-year rolling average number of injury accidents will be maintained at or below <b>73</b> .	73	80
2. The three-year rolling average number of property traffic accidents will be maintained at or below <b>184</b> .	184	161
3. <b>82%</b> of abandoned/inoperable vehicles are moved within <b>96</b> hours of receipt of call.	82%	85%
4. The three-year rolling average number of parking complaints is 381.	381	407

Service Center - Emergency Preparedness (2103)

MEASURES	FY03	FY04
1. <b>89%</b> of employees participate in required SEMS training	89%	63%
2. <b>100%</b> of the pre-established training exercise objectives are met, as determined by the director of emergency services.	100%	77%

3. Annual training exercises receive an evaluation rating of <b>78%</b> by participants	78%	63%
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Service Center - Support Services (2104)

MEASURES	FY03	FY04
1. The average dispatch time (from receipt of call to dispatch) is <b>2.9</b> minutes for emergency calls.	2.9	3.6
2. The average dispatch time (from receipt of call to dispatch) is <b>5.3</b> minutes for non-emergency calls.	5.3	7.3
3. <b>100%</b> of officers and dispatchers meet or exceed State training standards.	100%	100%
4. Reporting errors that are discovered on the monthly NCIC Validations will be corrected within 72 working hours, <b>100%</b> of the time.	100%	100%
5. The average response time for the Peninsula Humane Society to "Category 1" animal control calls is <b>21</b> minutes.	<b>21</b>	<b>22</b>

**SERVICE AREA: FINANCIAL MANAGEMENT (1500)**

MEASURES	FY03	FY04
1. The average time for depositing receipts is X days	NA	22
2. X% of payments are made within 30 days	NA	46%
3. <b>100%</b> of audit opinions are unqualified and the average time for publishing reports is <b>28</b> days.	100%	100%
	28	28
4. The customer satisfaction rating is <b>84%</b> **	84%	78%
5. The budget/cost ratio is at least <b>1</b> .	1.08	1.07
6. The three-year rolling average claim payment as a percent of claim demands is <b>10%</b> and the rolling three-year average total claims is <b>17</b>	10%	17%
	17	14

Service Center - Financial Operations - 1501

MEASURES	FY03	FY04
1. The average time for processing receipts is X days	NA	22
2. X% of receipts are deposited within 30 days	NA	86%
		30 days
3. X% of payments are make within 30 days	NA	46%
		30 days
4. X% of bids transactions are competitively bid	NA	60%
5. The three-year rolling average return from revenue audits is <b>\$21,286</b>	\$21,286	\$66,769

**Service Center - Financial Planning And Reporting - 1502**

<b>MEASURES</b>	<b>FY03</b>	<b>FY04</b>
1. <b>100%</b> of audit opinions are unqualified	100%	100%
2. The average time for publishing reports is <b>28</b> days	28	28%
3. A customer satisfaction rating of <b>78%</b>	78%	70%
4. <b>100%</b> of staff-proposed budget fund balances meet or exceed Council-adopted reserve policies	100%	100%

**Service Center - Risk Management - 1503**

<b>MEASURES</b>	<b>FY03</b>	<b>FY04</b>
1. The three-year rolling average claim payment as a percent of claim demands is <b>10%</b>	10%	17%
2. The rolling three-year average total claims is <b>17</b>	17	14%
3. The three-year rolling average percent of claims denied and sustained is <b>67%</b>	67%	70%
4. Any findings from annual audit are processed within an average of <b>10</b> days *	10	Yes, 6-day average
5. <b>100%</b> of policies competitively bid	100%	100%

**SERVICE AREA: PARKS AND OPEN SPACE (5100)**

<b>MEASURES</b>	<b>FY03</b>	<b>FY04</b>
1. A customer satisfaction rating of <b>64%</b> is achieved from athletic field users.	64%	61%
2. The developed park usability, attractiveness and safety index is at least <b>69</b> .	69	72
3. The athletic field usability and safety index is at least <b>73</b> .	73	78
4. The budget/cost ratio is at least <b>1</b> .	1.05	1.04
5. The landscaped median and right-of-way attractiveness and safety index is at least <b>74</b> .	74	84
6. The Open Space Maintenance Index is at least <b>75</b> .	75	83

**SERVICE AREA: BUILDING SERVICES (1700)**

<b>MEASURES</b>	<b>FY03</b>	<b>FY04</b>
1. Preventative maintenance is completed on schedule <b>100%</b> of the time.	100%	94%

2.	A building user customer satisfaction rating of <b>84%</b> is achieved.	84%	77%
3.	Repairs are completed as scheduled <b>100%</b> of the time.	100%	98%
4.	Custodial Services meet <b>85%</b> of City standards. *	85%	93%
5.	The Budget/Cost Ratio is at least <b>1.05</b> .	1.05	1.10
6.	The consumption of natural gas is maintained at <b>1.32</b> btu's per occupied square feet and electricity consumption is maintained at <b>15.98</b> kwh's per occupied square feet, based on a three year rolling average.	<b>1.32</b> <b>15.98</b>	<b>NA</b>
7.	The percentage of leased City space as a proportion of available space is <b>100%</b> .	<b>100%</b>	<b>100%</b>

**RECREATION SERVICES SERVICE AREA (5300)**

	<b>Measure</b>	<b>2004</b>
1.	The overall customer satisfaction rate for recreation services is X%.	4.66
2.	The overall participation ratio for registered programs is X%.	49%
3.	Overall recreation services revenues are X% of total program costs.	61%
4.		
5.	The budget/cost ratio is at least 1.	1.02

**Recreation Programs Service Center (5301)**

	<b>Measure</b>	<b>2004</b>
1.	The customer satisfaction rating is X%	91%
2.	The participant ratio is X for registered senior programs	45%
3.	The participant ratio is X for registered adult programs	46%
4.	The participant ratio is X for registered youth and children programs	53%
5.	Recreation services revenues from programs is X% of program costs.	49%
6.	Athletic field schedules are produced on time twice a year	100%

**Special Events Service Center (5302)**

	<b>Measure</b>	<b>2004</b>
1.	The customer satisfaction rating is X%	NA
2.	The participation at events is maintained at the previous 3 yr. rolling average of X.	347 (first year)
3.		
4.	Revenues from special events is X% of special event costs.	\$19,914

Day Care Service Center (5303)

	<b>Measure</b>	<b>2004</b>
1.	The customer satisfaction rating is X%	95%
2.	The Community Care Licensing annual visit rating is X%	N/A*
3.	At least X parent participation opportunities and field trips are provided annually	17
4.	Revenues from day care services is X% of day care program costs.	88%

\* State did not make inspection.

Recreational Facilities Service Center (5304)

	<b>Measure</b>	<b>2004</b>
1.	The customer satisfaction rating is X%	5%
2.	Custodial Services meet X% of City standards.	4%
3.	Revenue is maintained at the rolling three year average of X.	\$173,083 (one year)

**ENVIRONMENTAL SERVICES SERVICE AREA (3100)**

	<b>Measures</b>	<b>2004</b>
1.	Respond to emergency calls within 1 hour X% of the time	94%
2.	X% of annual preventative maintenance cleaning programs are completed	82%
3.	The three year rolling average rate of solid waste diverted is X%	55%
4.	X% of the sewer and storm drain capital projects are completed according to scheduled timelines and budget	81%
5.	The budget/cost ratio is at least 1.	1.45

Planning and Project Management Service Center (3101)

	<b>Measures</b>	<b>2004</b>
1.	X% of project design milestones are met	38%
2.	X% of projects are constructed according to schedule	80%
3.	X% of projects are completed within budget	100%

Sanitary Sewer Operations Service Center (3102)

	<b>Measures</b>	<b>2004</b>
1.	X% of sewer calls are responded to within 1 hours	96%
2.	X% of sewer repairs are completed within 30 days	100%

3.	X% of USA markings are completed within 2 working days	98%
4.	X% of annual preventative maintenance cleaning programs are completed on time	78%
5.	Overflows are reduced X% on a rolling three year average	NA
6.	The number of sustained claims is reduced X% on a rolling three year average	NA

<b>Storm Drain Operations and NPDES Service Center (3103)</b>
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	<b>Measures</b>	<b>2004</b>
1.	X% flooding calls are responded to within one hour	63%
2.	X% of storm drain repairs are completed within 30 days	59%
3.	X% of USA markings are completed within 48 hours	98%
4.	X% of streets are swept biweekly	92%
5.		deleted
6.	The annual NPDES workplan report is approved by the State X% of the time	100
7.	X% of illicit discharges and spills are responded to within one hour	NA
8.	A compliance rate of X% is achieved for commercial properties.	100%
9.	X% of catch basins are inspected and cleaned according to the annual plan	54%

<b>FLEET MANAGEMENT SERVICE AREA (3200)</b>
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	<b>Measures</b>	<b>2004</b>
1.	The vehicle uptime rate is X%.	99%
2.	X% of preventative maintenance repairs are completed according to schedule.	94%
3.	The fuel system is available X% of the time.	98%
4.	X% of vehicles/equipment are purchased and replaced within the timelines of the annual purchasing plan.	100%
5.	The customer satisfaction rating is X%.	75%
6.	The budget/cost ratio is at least 1.	1.42
7.	Per vehicle preventative maintenance costs for police cars and light vehicles is X% less than comparable cities	NA

<b>TRANSPORTATION SERVICES SERVICE AREA (3300)</b>
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	<b>Measures</b>	<b>2004</b>
1.	Response to emergency road conditions are addressed within 1 hour, X% of the time	58%
2.	Respond to X% of citizen traffic safety concerns within 30 days	60%
3.	The bi-annual citywide pavement condition index is X%	65%
4.	X% of non-emergency roadway repairs are completed within 30 days	87%
5.	X% of the transportation capital projects are completed according to scheduled timelines and budget	51%

6.	The budget/cost ratio is at least 1	1.08
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Street Maintenance Service Center (3301)
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	Measures	2004
1.	Response to emergency road conditions are addressed within 1 hour, X% of the time	58%
2.	X% of streets repairs are completed within 30 days	87%
3.	X% of sidewalks, curb and gutter repairs are completed within 30 days	100%
4.	X% of obstacles are removed within 24 hours	91%

Traffic Operations Service Center (3302)
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	Measures	2004
1.	X% of street lights repaired within 2 weeks	78%
2.	X% of traffic signals repaired within 24 hours*	57%
3.	X% of stop signs are repaired within 48 hours	63%
4.	X% of annual striping plan is achieved	NA

Transportation Programs Service Center (3303)
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	Measures	2004
1.	X% of Service Requests from citizens are acted on within 1 week	93%
2.	X% of citizen traffic safety concerns are acted on within 30 days	63%
3.		
4.	X% of transportation studies and strategies are completed according to established milestones	100%
5.	Participation in X% of regional transportation activities (SOP: meetings, surveys...)	80%
6.	The traffic collision rate is X% of the regional 3-year average	NA

Project Management Service Center (3304)
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	Measures	2004
1.	X% of project design milestones are met	29%
2.	X% of projects are constructed according to milestones	25%
3.	X% of projects are within budget parameters	75%
4.	The customer satisfaction rating for transportation is X%	NA
5.	The bi-annual Citywide pavement condition index is X%	65%