

MEMORANDUM #2

TO: Mayor Osborne and Members of City Council

FROM: Jane S. Brautigam, City Manager
Paul J. Fetherston, Deputy City Manager
Bob Eiche, Finance Director/Acting Executive Director of
Administrative Services
Kathy McGuire, Budget Officer
Jim Reasor, Budget Analysis Manager

DATE: April 13, 2010

SUBJECT: Study Session: Update on 2011 Budget Process and Priority-based Budgeting

PURPOSE:

The purpose of this study session item is to provide an update regarding how community input is being incorporated into the new Priority-based Budgeting (PBB) approach and obtain City Council feedback on the identification and definition of the city's "results." The "results" are the high level, core goals/objectives of the city intended to reflect the fundamental values of a community and are the foundation of PBB. The "definitions" provide more information by clarifying how the "results" are to be consistently interpreted during program evaluation or scoring.

EXECUTIVE SUMMARY:

PBB is an iterative and collaborative process for establishing the priorities of local government and provides flexibility in order to meet the changing needs of the community. At a study session on Dec. 1, 2009, City Council was provided with a general overview on the purpose and objectives of using the PBB approach. The first step in implementing this approach is to identify the city's goals or "results" which serve as the high level, overarching objectives that represent the priorities of City Council and the community.

Based on existing council goals, staff presented draft results and definitions at the Jan. 19 City Council meeting. The draft results include:

- Safe Community
- Inclusive and Socially Thriving Community
- Accessible and Connected Community
- Healthy Environment and Community
- Economically Vital Community
- Responsive Government

As a part of the PBB process, community input and feedback on the draft result definitions was sought. Two separate public meetings, on March 18 and 22 respectively, were held to inform the public about the new budgeting process and engage the community in identifying result definitions. Following the public meetings, a focus group consisting of community members was convened to review and provide input on the draft results. Based on the feedback received at the public meetings and from the focus group, the draft result definitions have been revised.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS:

Economic, Environmental and Social: The PBB approach provides a process through which all city programs and services can be evaluated. Through this evaluation, those areas of the highest priority in accomplishing the city's overall results/goals can be identified. This process is then used to guide the allocation of city financial resources to programs and services based on their contribution toward the achievement of the city's overarching results. Since the city's results are based on the principles of sustainability, the city budget will support community sustainability through the allocation of financial resources.

BACKGROUND:

An initial step of PBB involves identifying the city's desired results. Once the results are determined each result is defined. The definitions are determined by asking the question:

When the city of Boulder _____(insert proposed definition) it has this (result).

When finalized, the definitions become the basis for evaluating each city program. The evaluation process includes the definitions and other factors that are currently reflected in the business plan such as customer demand, mandates, and cost recovery.

During the January 19, 2010 meeting, draft results and definitions based on existing council goals were presented. The draft results (a) address fundamental local government services delivery such as public safety and the provision of utility services; and (b) acknowledge Boulder community values such as libraries, open space, recreation, human services and the environment. A responsive government result is also provided to reflect the internal service departments and identify and measure the outcomes associated with leading and managing a sustainable organization.

As a part of the PBB process, community input and feedback on the draft result definitions was sought. Two separate public meetings, on March 18 and 22 respectively, were held to inform the public about the new budgeting process and engage the community in identifying result definitions. The format of the meeting included a general overview by the City Manager, a brief presentation regarding the city's PBB approach and a brainstorming exercise to help identify definitions. Following the public meetings, a focus group consisting of community members was convened to review and provide input on the draft results. Based on the feedback received at the public meetings and from the focus group, the draft result definitions have been revised (see Attachment A).

Attachment B provides a graphical crosswalk to illustrate the following: initial result definitions (as presented to Council on Jan. 19); the major themes from the public meetings and focus group; the corresponding revised definitions. This information, along with a compilation of the complete public feedback received through the public meetings, is available on the city's website on the priority based budgeting webpage. The website also provides the public with the opportunity to provide further comment on the results and definitions.

Once the results and definitions are determined, the major steps of the internal process of formulating a City Manager recommended budget are summarized below:

- Identify and Cost Programs and Services
- Apply Result Definitions and Prioritize Programs
- Draft 2011 City Manager Recommended Budget Based on Priorities and Other Factors
- Present 2011 City Manager Recommended Budget to the City Council and community

Upon the presentation of the 2011 City Manager Recommended Budget to the City Council and community, the City Council and community will review and consider the process through which funding recommendations were formulated. The City Council will then be able to adjust and adopt a budget as necessary and appropriate.

In the Blue Ribbon Commission Phase II (Commission) Final Report presented on March 31, 2010, the Commission identified the need to adopt a budget process based on prioritizing services. In doing so, the Commission concluded that such a process would allow the city to allocate limited resources in a way that most effectively meets the city's key goals or top priorities. The development and use of the PBB process in the formulation of the 2011 City Manager Recommended Budget is a step in implementing this important strategy identified by the Commission.

It is important to acknowledge that the PBB process is an evolution of the Business Plan which has and continues to serve the city well. As the initial year in which the city transitions the process in which the City Manager's Recommended Budget is developed, analyzed and adopted, this process will also continue to evolve. As this PBB evolves from year to year, it is anticipated that results and definitions are subject to adjustment to ensure their alignment with community needs and values. Through this continuous evolution, the effectiveness of the process in meeting the needs and values of the community will be maximized.

NEXT STEPS:

The proposed results and definitions of the PBB process for the 2011 City Manager Recommended Budget are presented to council for its feedback. Based on input provided by the council during the study session, the results and definitions will be updated and used by departments to evaluate all city programs and services. Internal peer review

teams will work to ensure that priorities reflect objectivity, consistency and fairness in evaluating programs. It is anticipated that an update regarding the initial prioritizations developed by the peer review teams will be provided at a future council meeting. The results, definitions and prioritizations will serve as the basis for the development a 2011 City Manager Recommended Budget.

Approved By:

Jane S. Brautigam
City Manager

ATTACHMENTS:

Attachment A - Revised Result Definitions Based on Public Workshops

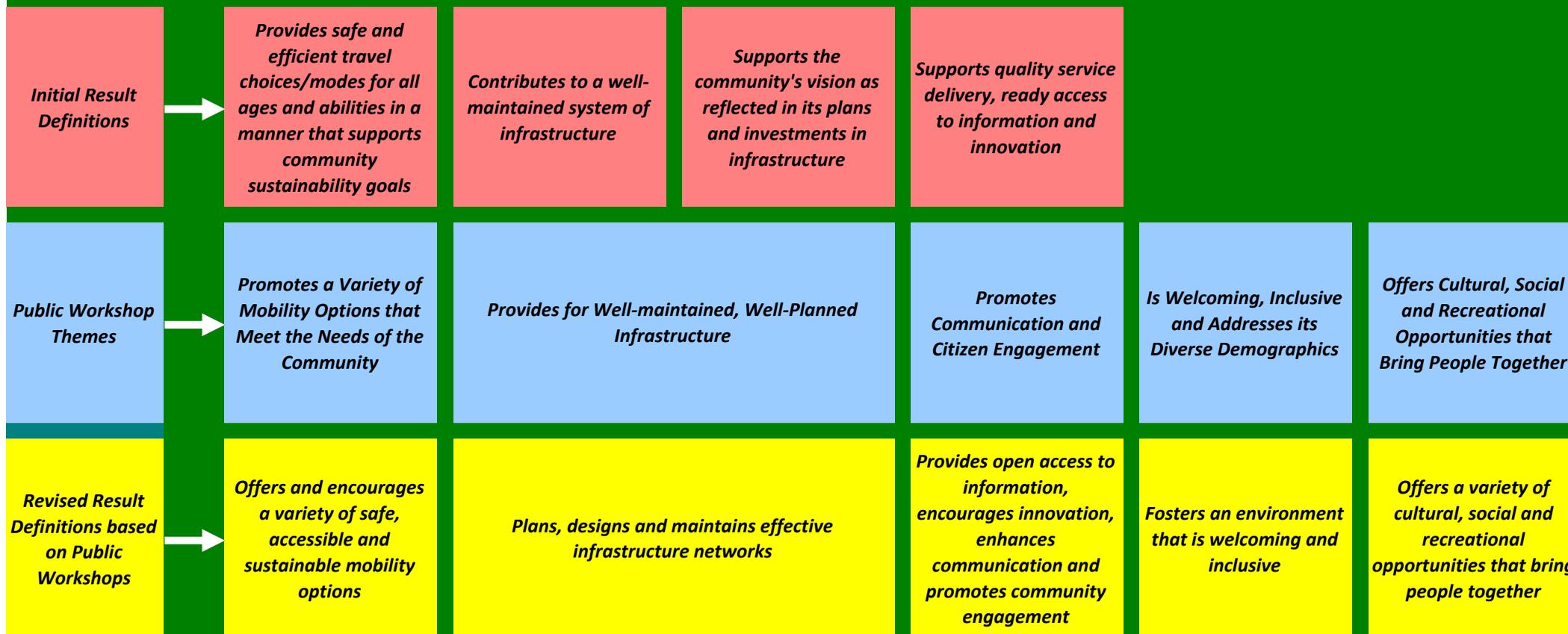
Attachment B - Graphical Crosswalk to Illustrate Change to Result Definitions

Attachment A

If the City of Boulder...	then it will have provided/achieved a (an)...
<p><i>Offers and encourages a variety of safe, accessible and sustainable mobility options</i></p> <p><i>Plans, designs and maintains effective infrastructure networks</i></p> <p><i>Provides open access to information, encourages innovation, enhances communication and promotes community engagement</i></p> <p><i>Fosters an environment that is welcoming and inclusive</i></p> <p><i>Offers a variety of cultural, social and recreational opportunities that bring people together</i></p>	<p>ACCESSIBLE and CONNECTED COMMUNITY</p>
<p><i>Helps sustain a qualified and diversified work force that meets employers' needs and supports broad-based economic diversity</i></p> <p><i>Fosters regional and public/private collaboration with key institutions and organizations that contribute to economic sustainability</i></p> <p><i>Encourages sustainable development supported by reliable and affordable city services</i></p> <p><i>Invests in primary economic generators and businesses</i></p> <p><i>Provides for a quality of life that attracts, sustains, and retains diverse businesses and creative entrepreneurs</i></p>	<p>ECONOMICALLY VITAL COMMUNITY</p>
<p><i>Promotes environmental stewardship in a manner that advances community sustainability goals</i></p> <p><i>Supports and sustains resource conservation</i></p> <p><i>Provides for multi-generational community enrichment and community engagement</i></p> <p><i>Provides for inclusive and diverse recreational and arts programs</i></p> <p><i>Promotes and sustains a safe, clean and attractive place to live, work and play</i></p>	<p>HEALTHY ENVIRONMENT and COMMUNITY</p>
<p><i>Facilitates housing options to accommodate a diverse community</i></p> <p><i>Provides for the physical and mental well-being of its community members and actively partners with others to improve the welfare of those in need</i></p> <p><i>Fosters inclusion, embraces diversity and respects human rights</i></p> <p><i>Manages growth through well-planned development that promotes community and values open spaces</i></p> <p><i>Cultivates a wide-range of recreational, cultural, educational and social opportunities</i></p>	<p>INCLUSIVE and SOCIALLY THRIVING COMMUNITY</p>
<p><i>Fosters a climate of safety for individuals in homes, businesses, neighborhoods and public places</i></p> <p><i>Enforces the law, taking into account the needs of individuals and community values</i></p> <p><i>Plans for and provides timely and effective response to emergencies and natural disasters</i></p> <p><i>Promotes environmental safety and community health</i></p> <p><i>Encourages an inclusive community that is accepting, connected and promotes shared responsibility</i></p> <p><i>Provides safe and well-maintained public infrastructure</i></p>	<p>SAFE COMMUNITY</p>

CITY OF BOULDER, COLORADO
Result: ACCESSIBLE and CONNECTED COMMUNITY

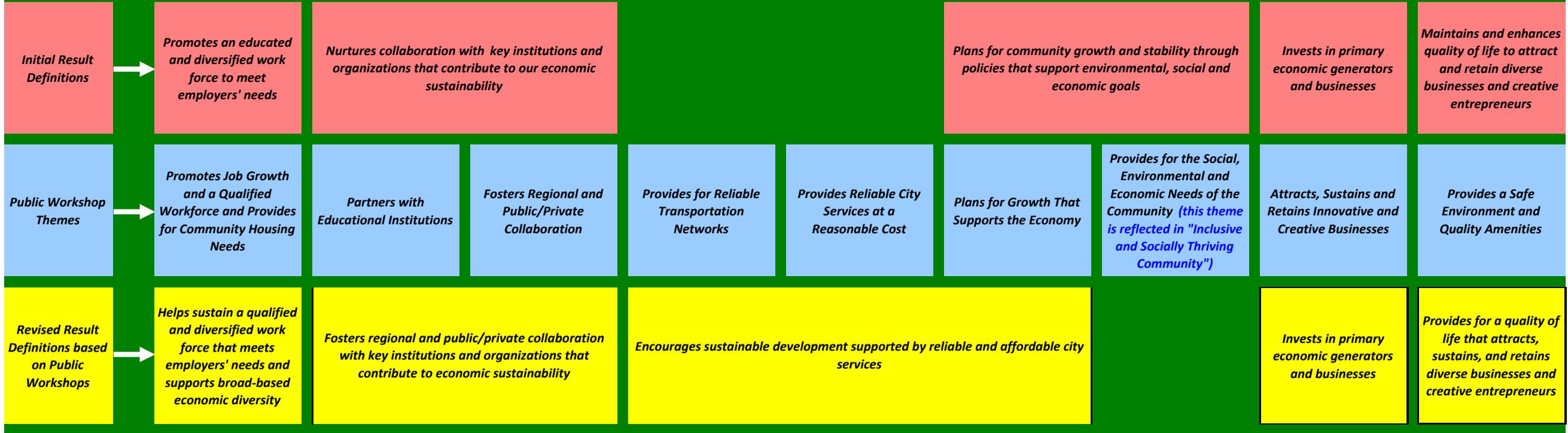
If the City of Boulder _____, then it will have successfully achieved the result of providing an ACCESSIBLE and CONNECTED COMMUNITY



CITY OF BOULDER, COLORADO

Result: ECONOMICALLY VITAL COMMUNITY

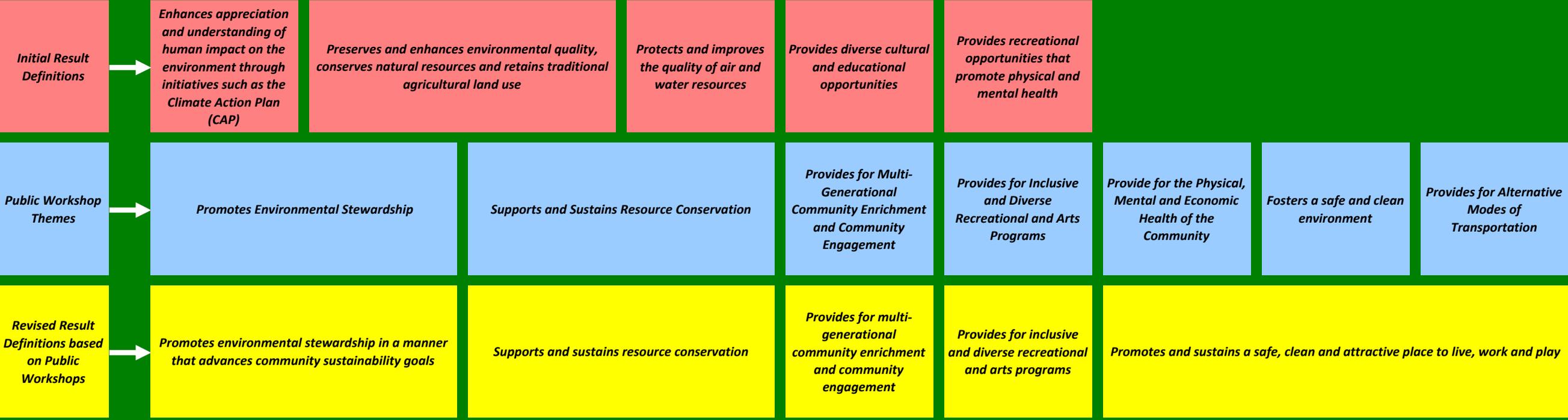
If the City of Boulder _____, then it will have successfully achieved the result of providing an ECONOMICALLY VITAL COMMUNITY



CITY OF BOULDER, COLORADO

Result: HEALTHY ENVIRONMENT and COMMUNITY

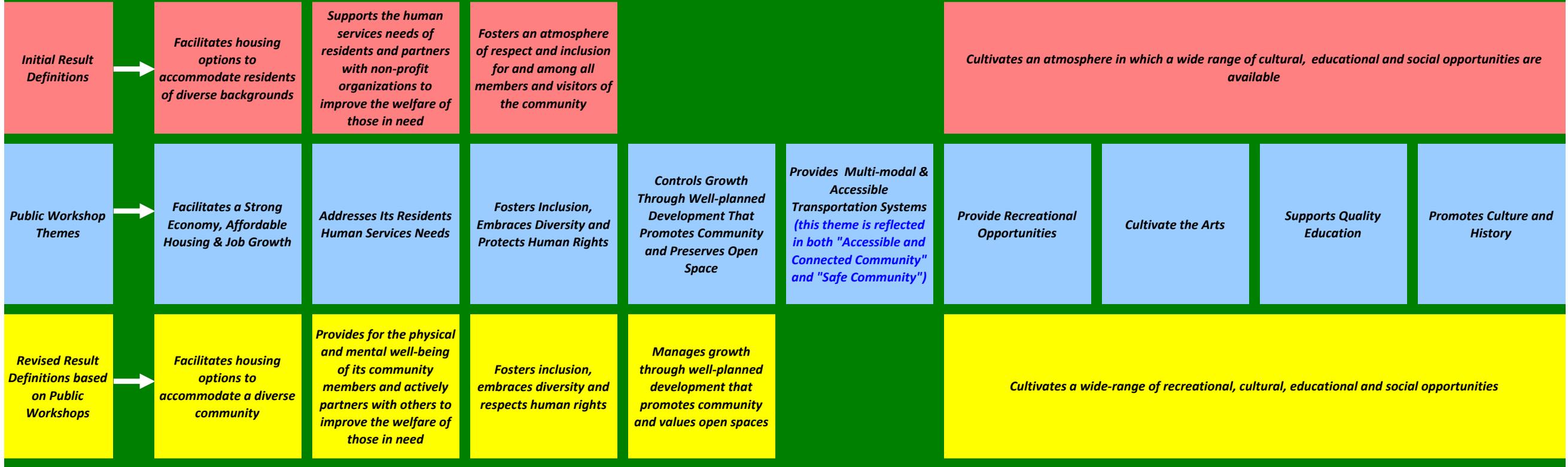
If the City of Boulder _____, then it will have successfully achieved the result of providing a HEALTHY ENVIRONMENT and COMMUNITY



CITY OF BOULDER

Result: INCLUSIVE AND SOCIALLY THRIVING COMMUNITY

If the City of Boulder _____, then it will have successfully achieved the result of providing an INCLUSIVE AND SOCIALLY THRIVING COMMUNITY



CITY OF BOULDER, COLORADO

Result: SAFE COMMUNITY

If the City of Boulder _____, then it will have successfully achieved the result of providing a SAFE COMMUNITY

