INTEGRATION OF POLICIES, PERFORMANCE MEASUREMENT, AND PLANNING IN THE BUDGET PROCESS

AN ACTION REPORT SUBMITTED TO
THE FACULTY OF THE COLLEGE OF SOCIAL SCIENCES IN CANDIDACY FOR THE DEGREE OF MASTER OF PUBLIC ADMINISTRATION REUBIN O'D ASKEW SCHOOL OF PUBLIC ADMINISTRATION AND POLICY

BY

SARAH D. FOX

DECEMBER 2, 2004
December 2, 2004

Jeffrey Esser, Executive Director
Government Finance Officers Association
203 N. LaSalle Street
Suite 2700
Chicago, Illinois 60601-1210

Dear Mr. Esser:

Recognizing the need for the integration of policy, performance measurement, and planning in the budget process, this report provides information on the practices of six award winning government entities.

The six entities have each received the GFOA Distinguished Budget Presentation Award and have also received recognition for the use of performance measures in the budget document. The six entities include four cities, one county, and one sewerage management district.

The entities were evaluated and similarities and differences were identified. From this analysis, options and recommendations for use by other entities have been reported.

I believe this information will be of assistance to the GFOA in its continued mission of promoting the professional management of governments. Please let me know if you have questions or if I can be of further assistance.

Sincerely,

Sarah D. Fox, CPM,
3909 Reserve Drive
Tallahassee, Florida 32311
(850) 575-9684
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>iii</td>
</tr>
<tr>
<td>Problem Statement</td>
<td>1</td>
</tr>
<tr>
<td>Background</td>
<td>3</td>
</tr>
<tr>
<td>Literature Review</td>
<td>4</td>
</tr>
<tr>
<td>Methodology</td>
<td>10</td>
</tr>
<tr>
<td>Evaluative Criteria</td>
<td>11</td>
</tr>
<tr>
<td>Findings</td>
<td>12</td>
</tr>
<tr>
<td>Scottsdale, Arizona</td>
<td>12</td>
</tr>
<tr>
<td>San Jose, California</td>
<td>14</td>
</tr>
<tr>
<td>Coral Springs, Florida</td>
<td>15</td>
</tr>
<tr>
<td>Lake County, Florida</td>
<td>16</td>
</tr>
<tr>
<td>Huntsville, Texas</td>
<td>18</td>
</tr>
<tr>
<td>MMSD, Wisconsin</td>
<td>20</td>
</tr>
<tr>
<td>Summary of Findings, Table 1</td>
<td>22</td>
</tr>
<tr>
<td>Options</td>
<td>24</td>
</tr>
<tr>
<td>Recommendations</td>
<td>35</td>
</tr>
<tr>
<td>Conclusion</td>
<td>38</td>
</tr>
<tr>
<td>List of Budgets (web addresses)</td>
<td>39</td>
</tr>
<tr>
<td>Reference List</td>
<td>40</td>
</tr>
<tr>
<td>Exhibits</td>
<td>41</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

This report provides information regarding the integration of policy, performance measurement, and planning in the budget process.

A STUDY OF GFOA AWARD WINNERS
The Government Finance Officers Association utilizes a peer review process in awarding the Distinguished Budget Presentation Award and recognition for use of performance measures. A listing of winners is available from the GFOA website. This review identified six entities that have received both the Distinguished Budget Presentation Award and recognition in the use of performance measures. These six entities consisted of four cities, one county, and one sewage management district. All four cities utilize a council/manager form of government.

METHOD
The most recent budget documents available for the entities were accessed online and evaluated by a set of criteria found on page 11 of this report. The criteria are divided into three sections: policy, performance measurement, and planning. This analysis has revealed similarities and differences among the budget practices of these entities. This information provides the foundation for the options and recommendations presented in this report.

BUDGET REPORTING OPTIONS
Policy
Options for utilizing and reporting policies in the budget process include reporting policies in short paragraphs or bullet format; providing policies in fuller length written in easy to understand language; and including discussion of financial or other policies impacting budget decisions within the transmittal, introduction or summary section of the budget document.

Performance Measurement
This analysis identified options for reporting performance measures. Performance measures could be reported in a consolidated listing in the beginning of the budget document and/or reported by unit (program, department, division, office, etc. depending on the structure of the entity). At minimum, all entities provide prior year results. However, a few entities also report the prior year goal or target, allowing the reader to assess if the standard of performance was met.

Planning
Incorporating planning in the budget document presents several options. These include providing trends information in the unit pages and/or identify strategic issues and provide a strategic discussion regarding the future direction of the unit. Also, goals and objectives identified in the planning process can be presented in several formats. These formats vary from Policy Ends and Focus Ends, Strategic Priorities, and Focus Areas and Initiatives.
RECOMMENDATIONS

From the literature review, analysis, and identified options, recommendations have been made for best practices.

Policy
As a policy document the budget should include financial and operating policies related to the development of the budget. These policies should be presented in the beginning of the budget document and if possible submitted in short paragraphs or bullets providing a brief summary of the policy. Also, policies (financial or not) impacting budget decisions or priorities should be referenced in the transmittal letter or summary section that serves as the introduction to the budget document.

Performance Measurement
Performance measures should relate to goals and objectives, or other format used by the entity. When reporting prior year results, entities should also provide the prior year target, standard, or goal. A few of the entities in this analysis reported performance measures in this format. By doing so, it allowed the reader to assess if prior year targets were met, and provides information regarding the status of the goal it is measuring.

Planning
Information regarding goals and objectives (or other format) identified in the planning process should be presented in the budget document. Unit pages should indicate to which goal(s) they relate. Also, including strategic issues identified in the planning process and providing a strategic discussion regarding the direction of the unit should be provided. Costs should be reported with proposed strategies, objectives, etc. Prior to selection, cost information assists decision makers in selecting among options, especially when resources are limited. Reporting cost information in the budget document serves several purposes – it is a communication between the entity and its shareholders, it provides further information as to how the budget was developed.

The options and recommendations provided in this report are presented as a tool to be used by other entities in the development of a budget document.
I. PROBLEM STATEMENT

Budget documents should provide information to explain current policies and how priorities in the budget have been selected. Budget documents should provide the long term and short-term goals, the strategies for attaining these goals, and also use meaningful measures to track the progress of meeting goals. By providing such information, budget documents supply stakeholders and other interested parties with the information needed to determine if resources are effectively utilized and to identify where deficiencies may exist.

The Government Finance Officers Association (GFOA) utilizes a peer review process in which government entities can submit their budgets as candidates for the GFOA Distinguished Budget Presentation Award. This peer review process uses a specified set of criteria to evaluate the submitted budgets. Entities may also receive awards for distinguished presentation by category. An entity may be recognized for outstanding performance in the categories of use of the budgets as a policy document, financial plan, operations guide, and/or communications device.

According to the GFOA criteria, budgets should be developed using accepted financial policies and should plainly indicate the priorities of the entity. The current policies of an entity should be addressed in the development of the budget and support the priorities chosen by the entity (http://www.gfoa.org/forms/documents/BudgetCriteriaExplanations.pdf).

In addition to the Distinguished Budget Presentation Award, entities may receive recognition for the use and inclusion of performance measures in the budgeting process. At a minimum the GFOA recommends addressing outputs in the budgeting process to
identify the cost of providing a unit of service, and addressing outcomes to provide information on the progression of goal attainment (http://www.gfoa.org/services/rp/budget/budget-performance-management.pdf).

The GFOA has not established a specific category for the Distinguished Budget Presentation Award related to the linkage of the budget process to strategic planning. However, a few non-mandatory criteria apply to the concept of linking planning and budgeting processes.

Few entities that have submitted their budgets for review have received the Performance Measures Recognition Award and the Distinguished Budget Presentation Award with outstanding performance in the category of budgets as policy documents. The purpose of this Action Report is to provide an analysis of the budgeting practices of the government entities receiving both awards. The analysis will focus on three parts: use of the budget document as a policy document including explanations regarding how budget issues were determined and the policies involved; use and reporting of performance measures, specifically looking to see if funding decisions are based on performance results; and connection of the budget process and planning process including references to strategies to attain goals and funding of these strategies.

This analysis will be used to develop best practices recommendations for use by other government entities.
II. BACKGROUND AND LITERATURE REVIEW

The Government Finance Officers Association, formerly known as the Municipal Finance Officers Association, was formed in 1906 following a 1903 Bureau of the Census meeting of finance officials (Allison and Rivenbark 2004, 39). There are approximately 16,000 members of the GFOA.

Prior to the 1970’s the GFOA published documents regarding budget procedures in local government, but did not take a hands on approach to encouraging conformity among local budget officers until the 1980’s. The GFOA Committee on Governmental Budgeting developed criteria for a budget awards program and in 1984 the Distinguished Budget Presentation Awards program was adopted (Allison and Rivenbark 2004, 41). The categories for the budget presentation award are the budget as a policy document, the budget as a financial plan, the budget as an operations guide, and the budget as a communications device.

The GFOA has made some revisions to the criteria for the Distinguished Budget Presentation Award since its inception. The following revisions have been made in the category of the budget as a policy document: criteria of reporting program and financial policies was separated into two criteria, with the reporting of financial policies now mandatory; the budget message criteria was also changed to include discussion of major issues impacting the development of the budget including policy issues and regulatory or legislative changes; and the definition of goals has been changed to mean long-term and objectives are considered to be short term (Fishbein and Moravec 2003, 49).

To further professionalism in budgeting, the GFOA was instrumental in the development of the National Advisory Council on State and Local Budgeting (NACSLB).
(Allison and Rivenbark 2004, 41). The NACSLB developed recommend budgetary practices that evolve around four budgeting principles. These four principles are the establishment of broad goals to guide government decision making; development of approaches to achieve goals including development of strategies and financial policies; development of a budget consistent with the approaches developed; and the assessment of performance (http://www.gfoa.org/services/nacslb/).

With the establishment of the Distinguished Budget Presentation Award and the adoption of the budgeting principles and recommendation developed by NACSLB, the GFOA has established a strong base for governments to look to in the development of strong budget documents.

**Literature Review**

The literature review will provide information on strategic planning, performance measurement and linkage of these elements to the budget process. Also included is a discussion of what is meant by the term best practices and the development of best practices.

**Planning**

“Strategic planning is a structured and coordinated approach for developing long-term organizational goals and for developing strategies to accomplish them” (Rivenbark 2003, 23). Although the linking of budgets to other planning documents is not a mandatory criteria of the GFOA Distinguished Budget Presentation Award, the GFOA does promote the practice. The GFOA endorses the budgeting principles established by the NACSLB, in which the first principle is the development of goals and objectives. According the NACSLB, three of the key characteristics of the budget process are the
incorporation of a long-term perspective, the establishment of linkages to goals, and making budget decisions based on results and outcomes.

In 2002, William Rivenbark conducted a survey regarding the use of strategic plans. Surveys were sent to 1,143 municipalities that were members of the GFOA. Of the 1,143 sent, 346 useful surveys were produced. The survey found that 50% of the respondents are using strategic plans at the organization wide level, 10% at the program level only, and 40% did not use strategic planning or did not use it in a meaningful way. Only 37% of the respondents answered yes to the question “are the goals in the strategic plan formally linked to the annual budget” (Rivenbark 2003, 24-25).

This survey indicates that while the GFOA and the NACSLB promote the use of strategic planning and the connection of planning to the budget process, not all local governments have adopted this practice.

For those that have established goals in the budgeting or strategic planning process, a process must be established to measure the attainment of these goals. Performance measures are needed to assist in linking the planning and budgeting processes.

**Performance Measurement**

The GFOA recommends that governments develop financial, service, and program performance measures as part of the budgeting process. Governments can use performance measures to “identify financial and program results, evaluate past resource allocation decisions, provide information that facilitates program and service delivery improvements for future years, and to communicate to stakeholders how well goals, objectives, and outcomes are being met” (Esser 2001, 5).
The GFOA and the International City/County Management Association emphasize the importance of performance measurement for performance management. Performance management is applying the data collected through performance measurement into a management system to assist decision-makers with decisions of resource allocation in order to achieve organizational goals and objectives (ICMA 2004). According to the International City/County Management Association, the use of an effective performance management system will not assist only with resource allocation decisions but also with the formulation of policy.

The three primary administrative functions of governments are planning, management, and budgeting (Greene and Tigue 1994, 1). The monitoring of performance is necessary for governments to fulfill their administrative functions. During the planning process, administrators identify the services that should be provided in order to design programs and establish goals and objectives for the organization (Green and Tigue 1994, 1-2). Performance measures must also be developed as indicators of whether or not the objectives are being met. In addition to providing information regarding the attainment of goals, performance measure such as unit cost measures provide information on the cost of providing a unit of service and can be used for assessing resource allocation and identifying service alternatives (Greene and Tigue 1994, 2). From a management perspective, administrators are accountable for the responsible use of resources and the implementation of programs. The use of performance measures provides program administrators with the information that they need to identify the areas of change needed to attain program and organizational goals. In budgeting, performance measures can be used for resource allocation decisions. The information provided by
measures can be used by decision-makers to evaluate the effects of increasing spending on a specific program (Greene and Tigue 1994, 2). “When used as an integral part of all three functions, performance measures can improve the ability of governments to achieve the results that are intended for programs and services” (Green and Tigue 1994, 2).

**Best Practices**

In reviewing articles and research involving the development of best practices, a common idea of what is meant by best practices has been identified. Best practices are the actions, principles, elements, etc. that are exceptional. These practices may be found in one organization, or may be a composite of exceptional factors of several organizations. Although the information found varied from best practices in Australian organizations, identifying best human asset management practices, to best practices for service leadership, the method in identifying best practices were similar. Best performers are identified and analyzed and from this analysis best practices are formulated.

In “Defining Best Practices in Australian Organizations” Dr. Graeme Cocks identified eleven successful organizations by asking 1000 senior executives to nominate their views of the most successful organizations in Australia. The author studied these organizations for a 20-year period and identified nine key elements for long-term success. The box below provides the nine elements as listed in the article.

---

1. Effective Execution – do what you say
2. Perfect Alignment – seek to align culture, leadership, people and perceptions
3. Adapt Rapidly- flexibility and innovation
4. Clear and Fuzzy Strategy- have a clear strategy but look for opportunities that lie just outside of this clear strategy
5. Leadership, Not Leaders- use teams of leaders
6. Looking Out, Looking In- aware of customers, environment, community, industry and trends
7. Right People-hiring people whose values and attitudes fit
8. Manage the Downside-consider downsides of decisions
9. Balance Everything-balance alternatives – such as being conservative and entrepreneurial, focus on long term and short term, focus on financial aspect and service aspect, etc.

Jac Fitz-enz in the article titled “The Truth About Best Practices, What they are and How to apply them”, states that best practice “is not a surface program, process, or policy.” Fitz-enz states best practice can be described as “an enduring commitment to a set of basic beliefs, traits, and operating stratagems. These are the constant context of the organization: the driving forces that distinguish it from all others” (Fitz-enz 1997, 98). This same article goes on to describe the methodology and results of a study to identify best human asset management practices. Using a human resource financial report database containing information on about 600 companies in more than 20 industries, researchers were able to identify the top performers. Researchers identified eight factors that were common among all of the qualifiers (Fitz-enz 1997, 100). These eight factors are presented in the following box.

1. Values – focus on adding value in everything
2. Commitment- dedication to a long-term core strategy
3. Culture- proactive application of the corporate culture
4. Communication- communicate with all stakeholders
5. Partnering- include people within and outside the company
6. Collaboration- cooperation and involvement of sections within functions
7. Innovation and Risk- innovation if necessary, willing to risk shutting down present systems and restarting in a different manner
8. Competitive Passion- seek feedback and incorporate ideas from all sources


Another example of best practice research is from Steven A. Leth in “The Five Best Practices of Service Leadership”. After reviewing about forty organizations, Leth identified five best practices for service leadership. These practices are identified in the following box.

1. Service levels and features are clearly linked to the organization’s mission, strategies and objectives
2. A practical, motivating philosophy of service and related service procedures are continuously at work.
3. Effective, reliable system support identification of customer needs/expectations and tracking of service
4. The development and delivery cycle of the products or services is well-defined and well-managed.
5. Measures are focused on service effectiveness and value added to customer; the data are used for constructive change by all employees.

Although the subject matter varies, the process used is similar. In the three examples provided above, the researchers identified the entity or groups to study, conducted an analysis of these, and identified common factors. Leth looked at companies that he was familiar with, Cocks looked at organizations based on recommendations from senior executives, and Fitz-enz used an approach that identified top performers computed by a database. Despite the method used to identify the entities to study, in all three examples, commonalities were identified and presented.

The following methodology and evaluative criteria section will provide further information as to how the entities studied in this action report were chosen and evaluated.
III. METHODOLOGY

It would be appropriate at this point to provide information regarding the peer review process utilized by the GFOA. In the program requirements (accessible online at http://www.gfoa.org/forms/BAPINSTR.PDF) a description of the review process is provided. Budgets are sent to three reviewers who are members of the GFOA’s Budget Review Panel. The names of the reviewers assigned to a specific budget are not released. In order to receive the Distinguished Budget Presentation Award, two of the three reviewers must determine that the budget meets all mandatory criteria and is proficient in all of the categories (policy document, financial plan, operations guide, and communication device). In order to receive special recognition in a category, the budget must be rated outstanding by all three reviewers.

A publication listing the winners of the Distinguished Budget Presentation Award was located on the GFOA website. This listing included winners of the award that excelled in the category of the budget as a policy document, as well as a listing of those entities that received recognition for the use of performance measures in the budgeting process.

From this listing, six entities receiving recognition in the category of the budget as a policy document and use of performance measures were identified. The budgets of these entities were accessed using the Internet and analyzed using the criteria discussed in the following section. The most recent and complete budgets available online were used in this analysis.

This research was performed under the assumption that the formats of the budgets presented on the Internet and to the GFOA are equivalent.
IV. EVALUATIVE CRITERIA

The six budgets chosen were evaluated using criteria divided into three sections – policy document, performance measurement, and planning. The criteria were used not to identify one outstanding budget, but to identify commonalities among these winning budgets. It is possible that weaknesses could also be identified and incorporated into the best practices recommendations provided at the end of this report.

Policy Document

Are financial policies included?*

1. Where are the financial policies reported? Are they understandable?
2. Is there a detailed explanation as to how priorities in the budget were chosen?
3. Does the explanation include the impact of current policies on the decision?
4. Does the explanation include information on why priorities changed from previous years – if applicable?
5. Is there evidence that the entity performs needs assessments?

This criterion is required for the entity to have received the Distinguished Budget Presentation Award.

Performance Measurement

Are performance measures provided?**

1. Are they easily understood?
2. Are the performance measures meaningful/useful?
3. How are the results of the measures reported?
4. Are budget decisions/funding decisions based on performance results?

**This criterion is required for the entity to have received recognition in the use of performance measures in the budget process.

Planning

1. Are goals and objectives reported?
2. Are strategies for achieving goals provided and explained?
3. Are there specific references to other plans?
4. If yes, where/how are the references made?
5. Are costs reported with the strategies and objectives listed for achieving goals?
6. Is there discussion regarding the status of goal achievement?
V. FINDINGS

The six entities include Scottsdale, Arizona; San Jose, California; Coral Springs, Florida; Lake County, Florida; Huntsville, Texas; and Milwaukee Metropolitan Sewerage District, Wisconsin. The budget documents of these entities were analyzed using the evaluative criteria provided in the previous section of this report. The following pages provide a discussion of the findings of this analysis. Entities are listed in alphabetical order by state.

Scottsdale Arizona

Scottsdale divides the budget into three volumes. Volume 1 is a budget summary and includes fund summaries, five year financial plans for funds, and an overview of the capital improvement plan. Volume 2 is the program operating budget and provides information on the operating budgets, goals and objectives, and description of the programs. Volume 3 is the City’s capital improvement plan.

Financial policies are included in Volume 1 of the budget and includes operations management policies, capital management policies, debt management policies, and financial reporting policies. The policies are understandable, but more importantly an explanation is provided as to the purpose of the policies. The City uses these policies as a guideline for budgetary management as well as to help to demonstrate to bond buyers the city’s commitment to fiscal integrity.

The City Manager’s transmittal letter includes an explanation regarding why some specific budget priorities were chosen. For example, the letter includes narrative indicating public safety has been chosen as a priority due to the voter approved increase in sales tax rate to fund public safety issues such as traffic enforcement and additional
police officers. In Volume 1 of the budget, it is explained that city staff assess the needs for programs or services by getting input from citizens, boards and commissions. An independent research organization conducts a citizen survey and the City Council budget subcommittees hold public budget forums for inputs. The City Council reviews citizen input, financial policies, and economic trend analysis and uses this information to develop goals and strategies that provide the basis for decision making in the budget process. The needs assessment process as described is a strength of Scottsdale. Although the other entities may perform needs assessment, the process used was not described in as much detail as in Scottsdale’s budget.

The Scottsdale budget provides output and outcome performance measures. The measures are easily understood appear to be meaningful measures to support the goals and priorities of the City Council. The measures are listed by individual program and provide the results from the previous year(s) and expected results for the coming year. It was not apparent if funding decisions are based on performance results.

Broad goals of the Mayor and City Council are reported in Volume 1 of the budget. Program goals are provided in each program in area in Volume 2. In the program area description, program goals are linked back to the City Council goals the program relates (see exhibit 1). Objectives for attaining program goals are also provided. However, costs relating to these objectives were not apparent.
San Jose, California

Financial policies and other policies impacting the budget process are included in the budget policies section of the document. This section also includes policies on capital improvement and debt management. The policies are written in short paragraphs or bullets that highlight the major aspects of the policy.

The City Manager’s budget message includes information regarding the status of the economy and reports that budget decisions focus on essential services and the City Council’s priorities. Commitment to neighborhoods and public safety were considered in funding and reduction decisions. The budget message also reiterates the impact that the balanced budget requirement has on decisions to fund essential services and make reductions in other areas.

There is discussion in the budget document that citizen surveys are conducted, however it is not clear if this survey includes a needs assessment. Budget policies do not reference the requirement of a needs assessment.

Outcomes for reaching goals are provided along with a discussion regarding environmental impacts on these outcomes. In a side by side column format the goal, performance measure, 5-yr target for the measure, and previous year target and estimated result and the current year target are provided (see example in Exhibit 2).

Goals are reported by City Service Area (CSA). Goals and strategies for achieving goals are provided, as well as outside impacts on strategies. The Public Safety CSA has developed a 5-year strategic plan and references to the plan are made within the budget document. Performance results and information provide the reader with an idea of the status of achieving goals.
Coral Springs, Florida

Financial Policies are included in the Overview Section (front part of budget). This section includes operating budget, financial reserve, use of surplus, performance measurement, capital improvements, debt management, revenues and investment policies. Also includes statement that these policies are the basis of all budgeting decisions.

Citizen focus groups and advisory boards (both citizens and city staff) address concerns and assist in the development of strategic priorities for adoption by the City Commission. These citizen focus groups and advisory boards may be the city’s method of needs assessment. The priorities are reviewed and updated every two years and drive the decision making in the budget process. The transmittal letter includes specifics regarding decisions made in the current budget request. The Budget Highlights section includes information on factors contributing to changes in the budget and major policy considerations (see exhibit 3).

Performance measures are provide to evaluate the City’s progress in providing services and meeting the strategic priorities. As least one key intended outcome (KIO) is reported for each strategic priority. Performance goals for these KIOs have also been reported. In addition to the KIO, other performance measures are reported to measure the programs and services provided by the city. KIO are reported in a listing together, as are other departmental performance measures. This listing provides the prior year goal, prior year actual and the current year goal (see exhibit 4).

The City’s budget is based on a business plan that is developed from the strategic planning process. In addition to the business plan, the budget includes a long range
financial planning section. Strategic priorities are reported in the budget along with initiatives to achieve these priorities. These strategic priorities guide the decision making process. The performance budget section includes a list of the strategic priorities and status of initiatives (see exhibit 5). The performance measures also provide the reader with information that can be used to assess the City’s progress toward the priorities. The budget does include new initiatives related to the priorities and includes projected costs of these initiatives (see exhibit 6). As discussed in the Literature Review section of this report, relating costs with objectives/strategies provides valuable information to decision-makers.

Lake County, Florida

At the time of this analysis, the only information located online for the current budget year was the “budget in brief”. The brief did not contain the information necessary to complete a full analysis, therefore the fiscal year 2002-03 budget was used.

Operating budget, debt service, capital improvement, reserve, and financial reporting policies are reported in the Budget Summary section. This section also includes a status update illustrating if and how the current budget is in line with the policies (see exhibit 7). Of the budgets reviewed in this report, Lake County is the only entity that provides this information as part of the budget document.

Budget in Brief section includes a statement that the foundation of the budget “lays in long-term citizen-driven plans that span years and even decades.” The Focus Areas (or policy issues) of the Lake County Board of County Commissioners also drive the budget. The impact of current policies on budget decisions is also discussed in the Budget in Brief section. For example, in the explanation of changes from prior year
budget, it is explained that $110,000 for extended indigent health care costs was added to the budget due to State legislation requiring counties to cover such costs. Another policy influencing budget decisions is the State law requiring that the county’s budget be balanced. The Departmental services pages include a table listing the previous year budget, current year budget, and the percentage change (see exhibit 8).

The Budget Summary includes a statement that departments assess “current conditions, programs and needs”. A flow chart of the accountability and linking citizen concerns into the budget process shows the start as input from citizen surveys, committees, and direct contact of citizens with commissioners and county staff. The information gathered from departments and citizens appears to be a form of needs assessment.

Departments develop goals and objectives related to the Focus Areas and Goals of the County Commission. Performance measures reported relate to the Department goals and objectives. Results are listed in the Departmental service page and provide actual results and estimated and target results for current and future year. An explanation of significant expenditure and staffing changes are provided; however these changes seem to be more related to policy or environment changes than a reflection of performance results.

The Lake County Commission develops Focus Areas for the county. These Focus Areas are reported in the Budget Summary section along with goals and strategies. Focus Areas are developed as part of the strategic planning process. In the Departmental Services section, the Focus Areas supported by the department are reported along with service objectives.
Previous year results and current year strategies, objectives, and action steps are provided to inform the reader on the status of goal attainment. In addition to goals and Focus Areas providing direction, each department in the county develops a three-year financial forecast, which is used to make resource allocation decisions.

Huntsville, Texas

Financial policies are reported toward the end of the budget document. Includes policies on accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, and debt management.

Included in the Overview section at the beginning in the budget document is a detail of major initiatives in the operating budget. These major initiatives relate to City Council priorities and/or support the mission and vision of the City (see exhibit 9).

Departments provide “decision packets’ that are changes to, additions to, or decreases in the basic maintenance and operations budget. The term “needs assessment” is referenced elsewhere in the document, for example a needs assessment is referenced as being planned for next year in the Department Overview section for Public Safety.

Performance measures are reported and provide information regarding the services provided. The measures are reported by department. The performance measures do not appear to be linked to a specific “focus end” or “Policy End” (see following paragraph). Information regarding actual prior year performance is reported, however the target for the prior year is not reported, therefore the reader is unable to assess in a glance if the department met, exceeded, or was short of the target. This analysis was unable to find evidence of budget decisions based upon performance results.
The vision “The city of Huntsville is a community that is beautiful, historic, culturally diverse, affordable, safe and well planned with great opportunity for our citizens”, has produced six global ends – Beautiful, Historic, Culturally Diverse, Affordable, Safe, and Well-Planned. Policy Ends are developed for each Global End, and Focus Ends are developed for each Policy End. Focus ends are descriptive of what will need to occur to meet the Policy End. The following provides an example of a policy end and focus ends for the global end of Huntsville being a “Safe” community. As stated in the previous paragraph, it is unclear in the budget document how Huntsville measures progress toward achieving Global, Policy, or Focus Ends. The description and performance measures reported in the department pages do appear to relate to specific Policy or Focus Ends.

SAFE
Policy End 5.00 We will know the City of Huntsville is safe when
Focus End 5.01 Neighborhoods and intersections are well lighted
Focus End 5.02 There are sidewalks along all arterials and defined collector streets
Focus End 5.02.01 Sidewalks are within 1000 feet of schools and parks
Focus End 5.03 Citizens feel safe and well protected from crime and disorder
Focus End 5.04 Citizens/visitors affected by health emergencies are assured of timely transfer to necessary treatment facilities
Focus End 5.05 Response times and service levels for emergency services are compatible in all parts of the City
Focus End 5.06 Citizens are safe from the threat of natural, technological and social hazards
Focus End 5.07 People and property are safe and secure from the threat of fire
Focus End 5.08 Roadways provide safe passage for people and goods
Focus End 5.09 The city airport is safe for those using it and those living nearby
Focus End 5.10 Citizens are assured of safe utilities, food service and building practices
Focus End 5.11 Families and individuals are safe from domestic and public abuse

Source: City of Huntsville, Texas 2003-04 Annual Budget, page 18.
In the department pages, strategic issues are listed along with a strategic discussion that provides information regarding the direction of the Department in the next two years and also provides a discussion for the next ten years. An example of this from the Public Safety Department Overview is provided as exhibit 10.

**Milwaukee Metropolitan Sewerage District, Wisconsin**

Financial policies are reported in front of the budget document in the summary section.

Transmittal letter includes information on initiatives to improve quality and effectiveness such as machinery and equipment replacement and enhancement of electronic communication. Policy changes such as a new pay plan for upper level management employees resulted in reduced growth to salaries and prioritization of activities impact the budget. Seventy percent of the District’s expenses are directly associated with a mission of controlling pollution. Needs assessment is not addressed in the transmittal letter; however needs assessments are referenced in by division data. For example, the Water Quality Protection Team budget information references that a needs assessment of the laboratory was conducted.

Performance outcomes are reported by division and track progress towards strategic objectives. Performance outcomes are reported with previous year actual and target for current year. This analysis was unable to determine if funding decisions are made based on performance results.

The budget document provides a description of the strategic planning process for the District. District wide objectives are developed as part of the strategic planning process. Each division identifies strategic issues and develops objectives and
performance outcomes for reaching these objectives. The division objectives are developed in response to District objectives. These division objectives drive the budgeting process for the divisions. In fact, divisions associate a dollar amount with each objective (see exhibit 11).
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong Mayor or Council Manager</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scottsdale, AZ</td>
<td>Council/Manager</td>
<td>Location: Budget Policies section, toward the beginning of budget document Format: Short Paragraphs and Bullets</td>
<td>Discussion provided in Transmittal letter/Overview Section</td>
<td>Detailed Explanation of needs assessment provided in Volume 1. Uses input from citizens, boards, and commissions and conducts a citizen survey</td>
</tr>
<tr>
<td>San Jose, CA</td>
<td>Council/Manager</td>
<td>Discussion in Transmittal letter and in Budget Highlights section</td>
<td>Discussion in Budget in Brief Section</td>
<td>Unable to Determine</td>
</tr>
<tr>
<td>Coral Springs, FL</td>
<td>Council/Manager</td>
<td>Discussion in Budget Summary section (beginning of budget document) Format: Includes a status update illustrating if current budget is in line with policies</td>
<td>Discussion of major initiatives in Overview section of budget</td>
<td>Appears citizen surveys and committees, and department assessments provide needs information</td>
</tr>
<tr>
<td>Lake County, FL</td>
<td>Not applicable</td>
<td></td>
<td></td>
<td>Departments present &quot;decision packets&quot; for additions, deletions, or other changes. Unable to identify the process used by departments to make assessment of need for additions, deletions, or changes. Planned needs assessments are referenced in some department pages.</td>
</tr>
<tr>
<td>Huntsville, TX</td>
<td>Council/Manager</td>
<td></td>
<td></td>
<td>References are made within division pages of needs assessments conducted</td>
</tr>
<tr>
<td>MMSD, WI</td>
<td>Not applicable</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Government Entity**

<table>
<thead>
<tr>
<th>Scottsdale, AZ</th>
<th>San Jose, CA</th>
<th>Coral Springs, FL</th>
<th>Lake County, FL</th>
<th>Huntsville, TX</th>
<th>MMSD, WI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong Mayor or Council Manager</td>
<td>Council/Manager</td>
<td>Council/Manager</td>
<td>Not applicable</td>
<td>Council/Manager</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance Measurement</th>
<th>Method for Reporting Results</th>
<th>Linkage of measures to goals and/or objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Needs Assessment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Provided by program area. Actual provided for previous two years, projection for current year and future year</td>
<td>Reported by City Service Area (CSA). 5-year target for measure is provided. Previous year target, previous year result, and current year target are provided.</td>
</tr>
<tr>
<td></td>
<td>Key Intended Outcomes (KIO) are reported for each strategic priority. Performance measures for programs and services also provided. Measures are provided in one comprehensive listing toward the beginning of budget document.</td>
<td>Measures relate to Department Goals and Objectives</td>
</tr>
<tr>
<td></td>
<td>City uses Policy End/Focus End format, however does not appear that performance measures relate directly to specific Focus Ends. Focus Ends applying to the department are not provided.</td>
<td>Performance measures relate to strategic objectives.</td>
</tr>
<tr>
<td><strong>Strong Mayor or Council Manager</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scottsdale, AZ</td>
<td>Council/Manager</td>
<td>Performance Measures and Goals are listed for major Outcomes (by CSA)</td>
</tr>
<tr>
<td>San Jose, CA</td>
<td>Council/Manager</td>
<td></td>
</tr>
<tr>
<td>Coral Springs, FL</td>
<td>Council/Manager</td>
<td></td>
</tr>
<tr>
<td>Lake County, FL</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td>Huntsville, TX</td>
<td>Council/Manager</td>
<td></td>
</tr>
<tr>
<td>MMSD, WI</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td>Budget decisions/funding decisions based on performance results</td>
<td>Unable to Determine</td>
<td>Unable to Determine</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Format of Goals and Objectives</td>
<td>City Council Broad Goals provided as well as in the program pages, program goals and objectives are provided. The City Board Goal related to the program is also provided</td>
<td>Reported by City Service Area.</td>
</tr>
<tr>
<td>Long-Range (Strategic) information provided</td>
<td>Provides trend information, program goals, and program objectives.</td>
<td>Includes the following by City Service Area: five year business plan, community indicators (external conditions), trends/issues/opportunities, and goals and objectives.</td>
</tr>
<tr>
<td>Costs of strategies or objectives</td>
<td>Not provided</td>
<td>Not provided</td>
</tr>
<tr>
<td>Status of Achieving Goals Provided</td>
<td>Unable to find status of City Council Broad Goals, Department pages provide “highlights” and performance measures that address progress towards department goals</td>
<td>Information provided by City Service Area and performance results</td>
</tr>
</tbody>
</table>
VI. OPTIONS

Based on the analysis, several options may be available for other entities to consider in preparing budget documents. The following paragraphs discuss these options for using policies, performance measures, and planning as part of the budget process. Recommendations will follow this discussion.

Policy Document

This analysis has identified entities that report financial/budgeting policies in the beginning or end of the budget document. The common factor among these entities is that policies regarding budgeting, operations, capital programs, debt, and revenue management are provided. These policies directly impact the financial management of the entity. Some entities provide an explanation to the reader regarding the purpose of financial policies- directing budget process and demonstrating fiscal integrity.

Among these entities, some policies were reported in what appeared to be full length. This may be an option if the policy is written succinctly and in a manner that is understandable to the average citizen. Coral Springs, Florida appears to report policies of more length (see following example).
Financial Reserve Policies
On an annual basis, after the year-end audit has been completed, the staff shall produce a schedule of all fund surpluses and deficits, with projections of reserve requirements and a plan for the use of an excess surplus for the current year in accordance with Use of Financial Reserve Policies and Use of Surplus Policies. This document will be used not only to ensure compliance with stated policies, but also to analyze the total reserve and surplus picture to ensure that the policies as provided do not inadvertently create adverse effects. The Director of Financial Services may make changes to any policies in Use of Financial Reserve Policies and Use of Surplus Policies based on needs identified in this analysis.

Working Capital
The General Fund unappropriated fund balance will be maintained in an amount greater than or equal to seventeen percent (17%) of the annual General Fund budget. This amount approximates 60 days of working capital.

The City shall include in the General Fund operating budget annually, a contingency account equal to 0.5% of the General Fund total expenditures, less chargebacks, debt service, interfund transfers and capital expenditures. This contingency will expire at the end of each fiscal year and balances will not be brought forward.

The City shall maintain a reserve of $500,000 in the Fire Fund for working capital in the event of a natural disaster or operating emergency. In addition, a contingency of at least $25,000 in the non-departmental operating budget will be budgeted annually and will expire at the end of each fiscal year.

In order to provide the resources necessary to ensure continued operations of the City’s Water & Sewer programs should a natural disaster or significant changes in the weather pattern occur, the City shall maintain a working capital reserve. The reserve will be equal to a minimum of three months of the Water & Sewer operating budget less capital expenditures.

The City shall maintain a reserve for the Property, Casualty and Worker’s Compensation Insurance Fund of a minimum of 125% of the current year’s estimated claims. Risk Management and the City Attorney’s Office shall review and adjust on a quarterly basis the funding of the reserve. Adjustments to the reserves shall be reflected in the budget as current expense with an offsetting liability account. An independent actuarial report will be performed biennially on reserves to verify their adequacy. In addition, up to 20% of General Fund revenue in excess of expenditures, calculated annually, shall be dedicated to support the Insurance reserves as needed.

The City shall maintain an unreserved retained earnings balance in the Health Fund of an amount equal to or greater than 25% of total budgeted health claims.

All retirement programs (General, Police, ICMA, City Commission, and Volunteer Firefighters) will be financed in a manner that systematically funds
liabilities at a minimum of 85% of the Pension obligation per fund as determined by an annual independent actuarial report.

**Capital Reserves**

The City shall maintain a Capital Reserve balance in the Water & Sewer Renewal and Replacement Fund of the lesser of 15% of the Water & Sewer operating budget or the prior year’s depreciation expense.

The City shall establish a Capital Reserve balance in the Capital Projects Fund for unanticipated expenses for the maintenance of buildings and replacement of related equipment of 0.5% of the total annual General Fund operating budget, less chargebacks, debt service, interfund transfers, and capital expenditures. The purpose of this fund is to pay for new Business Plan Initiatives that are adopted midterm, high-profile projects that go over budget, or emergency repairs not included in the annual operating budget or Capital Improvement Program. This fund is maintained at this level from year to year for this purpose.

The City may transfer up to 20% of the General Fund revenue in excess of expenditures, determined annually, into the Computer Replacement Program or any other program for the purpose of creating a perpetual funding method for replacing the City’s equipment. Prior to any funds being transferred, a ten-year funding projection shall be made to determine appropriate balance requirements.

The City shall maintain an Environmentally Sensitive Land Trust Fund for the purchase, restoration, and maintenance of environmentally sensitive lands. The primary source of funding will come from the remaining balance of the 1995 Series General Obligation Bonds issued for this purpose.

The City shall maintain a Tree Trust Fund for the purpose of replacing or maintaining the City’s tree canopy.

Another option is policies may be reported in short paragraphs or bullets that highlight the major aspects of the policy. San Jose, California uses this type of format in reporting policies.

### A. Operating Budget (Cont’d.)

#### 2. Fiscal Integrity

The City will maintain the fiscal integrity of its operating, debt service, and capital improvement budgets, which provide services and maintain public facilities, streets, and utilities.

Ongoing operating program costs will not exceed the amount of ongoing revenue to finance those costs. The ongoing revenue source will be identified along with new program costs. Any available carryover balance will only be used to offset one-time costs.

#### 3. Contingent Accounts

Three different contingency accounts should be established:

a) **Contingency Reserve**

   For the General Fund, a contingency reserve amount, which is a minimum of 3% of the operating budget, is established. The purpose of this reserve is to meet unexpected circumstances, such as a General Fund revenue shortfall.

   Appropriate levels of contingency funds will be determined and maintained in the capital and special funds.

b) **Earmarked Reserve**

   Create an earmarked reserve for known but unspecified expenses that can be spent throughout the year as Council authorizes.

c) **Emergency Reserve**

   An adequate emergency reserve (Fund 406), as mandated by the City Charter, shall be determined and maintained.

#### 4. Fund Balance

The appropriation of carryover fund balance must be approved judiciously. This should ensure that ongoing expenditures will be budgeted only to the extent that proven revenue streams exist. In the annual budget, and in subsequent reports, there will be a presentation on fund balances and their anticipated uses.

Source: City of San Jose, California 2004-05 Adopted Operating Budget, page V-2.
In addition to providing financial policies, several entities reference other policies and the impact on budget decisions or initiatives. San Jose, California and Lake County, Florida both list balance budget requirement policies as influencing decisions on allocation of funds and the selection of initiatives. Lake County, Florida reports policy impacts on these decisions in a “Budget in Brief” section in the beginning of the budget document. San Jose, California provides this information in the City Manager’s budget message. In the transmittal letter, The Milwaukee Metropolitan Sewerage District (MMSD) addresses the impact of changes to policies on the budget. For example, the MMSD refers to a new pay plan for upper level management employees. This new plan resulted in reduced growth in salaries. In addition, the MMSD prioritized activities and developed initiatives to improve quality and effectiveness.

Needs assessment was also an interest in this analysis. Some of the entities referenced the completion of planned need assessments in the departmental/division budget pages, however a clear process was often not defined. A few of the entities reference the involvement of citizen groups or surveys but the information gathered from these is not clear. As discussed in the analysis section, Scottsdale, Arizona provides a detailed explanation regarding needs assessment. The city uses input from citizen surveys, boards and commissions to identify needs for programs or services. This information is reported in Volume 1 of the budget document. Lake County, Florida provides information that departments assess “current conditions, programs and needs”, however the process is not fully explained. As noted in the analysis section, the county does include a flow chart of accountability in the budget process illustrating input from citizen surveys, committees, and direct contact of citizens with commissioners and
county staff as the start of the process.

Performance Measurement

All entities reviewed report performance measures. All of the entities provide prior year results and at minimum, a current year goal for the measure. The measures are listed with the results listed in a side to side format. This analysis has produced a few options for consideration.

Coral Springs, Florida reports a complete listing of performance measures and results in the beginning of the budget. The city identifies strategic priorities and then develops key intended outcome (KIO) measures for these priorities. These KIO are grouped and reported together in a comprehensive listing. In addition to these KIO, the city has developed other performance measures to measure the programs and services provided by the city.

### Strategic Planning Cycle Fiscal 2003 and 2004

#### Key Intended Outcomes

<table>
<thead>
<tr>
<th>Customer-Involved Government (6)</th>
<th>FYs 2001-02 2-Year-Goal</th>
<th>FY 2002 Year-End Actual</th>
<th>FYs 2003-04 2-Year-Goal</th>
<th>FY 2003 Year-End Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Overall quality rating for City services and programs (City Survey)</td>
<td>Ta</td>
<td>91%</td>
<td>92%</td>
<td>91%</td>
</tr>
<tr>
<td>2. Overall satisfaction rating of City Employees (HR Survey)</td>
<td>Ta</td>
<td>90%</td>
<td>95%</td>
<td>92%</td>
</tr>
<tr>
<td>3. Percent of plan reviews completed within 15 days</td>
<td>Ta</td>
<td>85%</td>
<td>96%</td>
<td>85%</td>
</tr>
<tr>
<td>4. City crime rate (crimes/100,000 residents—Calendar Year)</td>
<td>Ta</td>
<td>3390</td>
<td>3001</td>
<td>3091</td>
</tr>
<tr>
<td>5. Quality rating for City employees customer service (City Survey)</td>
<td>Ta</td>
<td>90%</td>
<td>95%</td>
<td>92%</td>
</tr>
<tr>
<td>6. Percent of voter turnout</td>
<td>Ta</td>
<td>N/A</td>
<td>6.90%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*No elections during FY2002

Source: City of Coral Springs, Florida 2004 Annual Budget, page 168.

Another option for reporting is by department, division, or program depending on the entity’s structure. Scottsdale, San Jose, Lake County, Huntsville, and the Milwaukee Metropolitan Sewerage District all report performance measures in this manner.

Most of these entities develop program, department, or division goals or priorities, depending on the format used. Performance measures are developed to support
attainment of these goals and/or priorities. San Jose, California reported a 5-year target for measures and included the previous year target, the previous year results, and the target for current year. This would assist the reader and other interested parties in determining if the city service area is on track for meeting the 5-year target.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Public feels safe anywhere, anytime in San Jose</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5-Year Strategic Goals</td>
</tr>
<tr>
<td>A. Achieve safe neighborhoods throughout the City (Cont'd.)</td>
<td>2. % of residents who perceive themselves to be &quot;Safe&quot; or &quot;Very Safe&quot; walking during the day/night</td>
</tr>
<tr>
<td></td>
<td>- in their neighborhood:</td>
</tr>
<tr>
<td></td>
<td>- Citywide</td>
</tr>
<tr>
<td></td>
<td>- SII Areas</td>
</tr>
<tr>
<td></td>
<td>- in the City park closest to residence</td>
</tr>
<tr>
<td></td>
<td>- Citywide</td>
</tr>
<tr>
<td></td>
<td>- SII Areas</td>
</tr>
<tr>
<td></td>
<td>- in the Downtown area</td>
</tr>
<tr>
<td></td>
<td>- Citywide</td>
</tr>
<tr>
<td></td>
<td>- SII Areas</td>
</tr>
<tr>
<td>B. Maintain / Reduce response times</td>
<td>1. % of time the initial responding Fire unit arrives within eight (8) minutes after 9-1-1 call is received</td>
</tr>
<tr>
<td></td>
<td>2. % of time first dispatched Police unit arrives within six (6) minutes to emergency calls (Priority One calls)</td>
</tr>
</tbody>
</table>

Source: City of San Jose, California 2004-05 Operating Budget, page VII-244

There was little evidence found to suggest that these entities are using performance results in budget decisions. If performance results are considered, this analysis was unable to locate narrative in the individual pages or in the transmittal letter, budget summary, or budget in brief documents that included an explanation of such consideration.

Planning

This section proved to have the most variation among the entities. The entities used goals, strategic priorities, policy ends, etc. to assist with budget decisions. These goals, priorities, and policy ends were usually developed through a strategic planning process. Some entities appear stronger in the use of the budget as a planning document.
Scottsdale, Arizona reports broad goals developed by the Mayor and City Council in Volume 1 of the budget. In Volume 2, each program area develops and reports program goals and objectives. The broader City Council goals that the program relates to are also provided. It appears that the program goals are developed to support the achievement of the broader goals.

Coral Springs, Florida provides another example of the use of planning and budget development. The city’s budget is based on a business plan that is developed from the strategic planning process. Strategic priorities and initiatives are reported in the budget and these priorities guide the decision making process. The statuses of initiatives are reported in the performance budget section and provide the reader with an understanding of the achievements toward reaching the strategic priorities. The city also
lists projected cost for new initiatives. This information assists decision-makers, especially in lean economic conditions to informatively choose which initiatives to propose and implement.

**Fiscal Year 2003 Initiatives**

<table>
<thead>
<tr>
<th>Customer-Involved Government</th>
</tr>
</thead>
</table>
| Community Pride Program      | Completed
| Vote Turnout Campaign        | Continuing
| PEG Channel II               | Continuing
| Sterling/Bridge Applications | Completed
| New Resident Information     | Continuing
| Job Shadowing in City Gov’t  | Completed
| Improved Construction of Small | Continuing
| Construction Projects        |                              |

Source: City of Coral Springs, Florida 2004 Annual Budget, page 162.

Example of costs provided with new initiatives:

**Coral Hills Drive Traffic Improvements**

*Lead Department:* Public Works and Community Development

*Capital Outlay:* $135,000

Speeding continues to be a significant traffic concern on Coral Hills Drive between Sample and Wiles Road. Through the construction of traffic calming devices, the City hopes to mitigate this problem on one of the busier local collector roads. Past studies have shown northbound vehicles at an average speed of 38.6 m.p.h. and southbound traffic at 37.5 m.p.h., on a road with a posted speed limit of 25 m.p.h.. The adopted traffic calming devices include an intersection traffic circle, five mid-block center islands, and a raised median just north of City Hall.

The Milwaukee Metropolitan Sewerage District develops district objectives as part of the strategic planning process. Each division then develops objectives. Dollars are associated with these objectives and these dollars develop the division’s budget.

<table>
<thead>
<tr>
<th>Objective Summary</th>
<th>Technical Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td><strong>2004 Budget</strong></td>
</tr>
<tr>
<td>1 Ensure that the conveyance and storage system have the capacity and operational guidelines identified by the Facilities Plan as needed to support the achievement of a score of 90 or higher on the Water Resources Protection Scorecard.</td>
<td>(513,310)</td>
</tr>
<tr>
<td>2 Ensure that the treatment plants have the capacity and operational guidelines to provide the equivalent of secondary treatment identified by the Facilities Plan as needed to support the achievement of a score of 90 or higher on the Water Resources Protection Scorecard.</td>
<td>(607,412)</td>
</tr>
<tr>
<td>3 By 2006, ensure that watercourse projects have the capacity and operational guidelines needed to protect 95% of the structures in the 1% floodplain.</td>
<td>(682,668)</td>
</tr>
<tr>
<td>4 Develop a 2020 Facilities Plan with operational guidelines that can be approved by DNR in 2007, and ensure municipal compliance with facilities-related rules.</td>
<td>(140,832)</td>
</tr>
<tr>
<td>5 Ensure the development and implementation of an annual Capital Improvement program designed to meet District objectives.</td>
<td>266,659</td>
</tr>
<tr>
<td>6 Ensure cost-effective treatment plant and conveyance system operation, maintenance, and monitoring needed to support the achievement of a score of 90 or higher on the Water Resources Protection Scorecard and minimize overflows.</td>
<td>36,198,202</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$34,520,639</td>
</tr>
</tbody>
</table>


Both the MMSD and Huntsville, Texas report strategic issues by division or department. In the Huntsville, Texas budget document, these strategic issues are listed and a strategic discussion is also provided. This discussion provides information regarding the direction of the department in the next two years and in the next ten years. The following is an example from the City of Huntsville, Texas Department of Parks and Recreation:
Strategic Issues

✓ Implement the parks & recreation master plan to ensure the community demands are continuously being met.
✓ Cultivate and expand cooperation with other community organizations to create a more integrative approach to the coordination of leisure time activities in Huntsville.
✓ Provide citizens with a variety of recreation, cultural, and athletic opportunities.
✓ Successful management of the new golf course.
✓ Construct and open community swimming pool.
✓ Continue to implement healthy community philosophy and continue to educate the community on the 40 development assets.

Strategic Discussion

The next 2 years

The major focus of the Parks and Recreation Department is in the next two years is the renovation of the Martin Luther King Neighborhood Center. The planned renovations are designed to better accommodate the growing demands and changing desires of the community. These growing demands are also the basis of the recent discussion of existing recreational sites and the consideration of new recreational sites throughout the community. Additionally, plans for a swimming pool and two multi-purpose soccer fields in Huntsville are being developed to provide new facilities for the growing community.

The next 10 years

A revised master plan for the Parks and Recreation Division will be created to address a number of issues including the constant upgrading of the existing and establishment of new small neighborhood parks, security in the parks (lighting and possibly Park Rangers), replacement of park and maintenance equipment, and a revision of the development code which establishes the regulations and guidelines for the department. The need for a new recreation center will be evaluated in order to accommodate the growing community.

The Recreation division will attempt to extend partnerships with community organizations and institutions, such as the YMCA, HISD, SHSU and the Boys and Girls Club. An Aquatic Center has been a recent topic due to growth but needs further discussion and evaluation. To address the teenage population a support organization such as a Teen Council Center or a Teen Advisory Board should be considered.

The Parks and Recreation Department will be very closely involved with the Community Network that allows all city departments and community organizations to share information and coordinate of programs and projects. Parks and Recreation will work with Huntsville’s Promise, a non-profit organization founded last year, to coordinate the creation of the Community Network.
VII. RECOMMENDATIONS

Based on the information found in the literature review and in the analysis of these entities, recommendations have been formulated.

Policy Document

Financial policies have a direct impact on the development of budget documents and therefore should be reported at the beginning of the budget document. These policies may be provided in an introduction section, a budget summary section, etc. Also, entities may want to explain or illustrate to the reader the purpose of the policies. For example, Scottsdale Arizona includes a statement that the city uses these policies as a guideline for budgetary management as well as to help to demonstrate to bond buyers the city’s commitment to fiscal integrity. Also, entities should explain in the transmittal letter, budget summary, or other introductory section, any other policies that may have an impact on the budget. For example, MMSD implemented a new pay plan for upper level management employees, reducing salary growth.

An explanation of the process by which the entity conducts needs assessments and this assessment’s role in budget development should be provided. Narrative in the transmittal letter or other introductory section should provide a listing of priorities in the budget that have resulted from needs assessment.

Performance Measurement

When reporting performance measures, the prior year target, standard, or goal should also be reported. Coral Springs uses this format and provides the goal for the previous two years, the actual for the previous two years, the goal for the current two years and the results so far (see exhibit 4). As observed in Coral Springs and in San Jose,
this information allows the reader to determine if the goal, standard, or target was met. If entities choose to utilize performance based budgeting, then results as well as the target need to be reported. In reporting prior year targets and goals, the practice utilized by Coral Springs and San Jose have been identified as best practices (exhibits 2 and 4). Performance measures, especially outcome measure, should link to the overall entity or unit goals and objectives. MMSD and Scottsdale, report performance measures for objectives.

A few of the entities indicated in budget policies or in other parts of the document, that a performance based budgeting approach is used. However, this analysis was unable to identify a specific budget that appeared to use performance results in budget decisions. Entities should provide an explanation as to the budget changes occurring as a result of performance. This explanation could be reported in the individual division, department, or program budget pages or in an introductory section of the budget document.

Planning

Linking planning and budgeting is a natural step in the budget process. Budget documents should include goals and objectives or a similar format such as the strategic priorities and initiatives utilized by Coral Springs, Florida. Department, division, or program goals and objectives should support the broad goals of the entity. For example, in the Scottsdale, Arizona budget document, program goals are developed and support one or more of the broad goals of the city.

To strengthen the linkage of strategic planning and budgeting, entities should include information identified in the planning process. Huntsville, Texas and MMSD are
examples of including strategic issues in the budget documents. Also, Huntsville provides strategic discussion of the direction of the unit over the next two and ten years. In the city service area, San Jose, California provides a five-year business plan, information regarding external conditions, trends, issues, and opportunities, as well as goals and objectives of the City Service Area. This information links the planning process and budget process and has been identified in this analysis as a best practice.
CONCLUSION

The integration of policy, performance measurement, and planning in the budget process provides stakeholders and other readers with information to further understand how the entity operates and why decisions have been made.

This report has identified and provided an analysis of practices used by six award winning entities for the purpose of providing options, recommendations and information to guide other entities in this integration. An interesting note is the all four cities discussed in this report utilize a council/manager form of government.

Interested persons may visit the internet sites of these entities to review these budget documents further. Review of future budget documents may produce additional practices as these entities continue to integrate the elements of policy, performance measurement, and planning into their budgeting process.
List of Budgets

Scottsdale, Arizona
http://www.ci.scottsdale.az.us/finance/Current.asp

San Jose, California
http://www.sanjoseca.gov/budget0405/adoptedOperating.html

Coral Springs, Florida

Lake County, Florida

Huntsville, Texas

Milwaukee Metropolitan Sewerage District, Wisconsin
http://www.mmsd.com/docs/about/budget/2004_Annual_Budget.pdf
Reference List


EXHIBITS
OFFICE OF THE CHIEF

Program Description

The Office of the Chief provides the leadership, management, strategic planning and administrative support necessary to ensure the most effective delivery of public safety services to the community. These include special community functions such as the citizen and teen academies, Community Emergency Response Team (CERT) training, citizen and media requests for information, and the reporting of newsworthly incidents of community interest. This office is also responsible for coordination and administration of fiscal control and accountability functions.

Trends

Retaining the open lines of communication with the community remains vital to our public safety mission. Thus, this outreach effort is established as one of the key objectives of the Office of the Chief of Police.

Program Broad Goals

Ensure the progress of our strategic plan initiatives is reviewed on a regular basis and outcomes are communicated to City leadership and the organization.

Continue the oversight of the Citywide Emergency Safety and Preparedness (ESAP) Team efforts to ensure both the City and community are prepared, ready to respond effectively, and can recover efficiently given any man-made or natural disaster.

Continue community outreach efforts through the Citizen Academy, the Citizen Academy Alumni Association, the Teen Academy, the Community Emergency Response Team (CERT) training, the "Behind the Badge" video series, and through the Public Information Officer's response to requests for information. Explore opportunities to create positive community partnerships and enhance quality communication with our citizens.

Program 2004/05 Objectives

Provide effective and efficient police services to the community in a timely manner.

Ensure the City is prepared to handle emergencies, can respond effectively to them, and has plans in place to facilitate the efficient recovery from these serious events. This includes the completion and testing of department-focused emergency plans, Emergency Operations Center drills, evacuation drills, and the development of the Citywide emergency recovery plan.

Complete the Deployment Study and review the findings for future budget implications of those suggestions in the best interests of public safety service delivery.

Program Provided in Partnership With

Scottsdale citizens, City Manager, City Council, other City department general managers, media

Program Customers

Scottsdale citizens, City Manager, City Council, other City department general managers, media

City Council's Broad Goal(s)

Neighborhoods

Basic Equipment

Basic officer equipment, computers

Special Equipment

Vehicles for sworn police officers - basic police equipment (uniform, weapons, gun belt, portable radio, bullet proof vest, ballistic helmet, baton, gas masks and filters, and vehicles equipped with emergency lights, sirens, radio, and other emergency equipment (flares, crime scene tape, Emergency Operations Center case, etc.) as appropriate
City Service Area
Public Safety

**Performance by Outcome**

**Outcome 2: Residents Share the Responsibility for Public Safety (Cont'd.)**

**Partners in Public Safety**

The San José Prepared! Program empowers neighborhood-based teams to provide leadership in their own communities. Team members obtain emergency response skills to use in times of disaster. They also act as ambassadors to their neighborhoods, urging them to prepare their own homes for 72 hours of independence following a disaster.

Public Safety personnel respond to emergency medical calls as quickly as possible, but they are rarely the closest people to the victim. A person in medical distress may be surrounded by residents who could provide immediate life-saving aid if they had the proper training.

Although some program reductions will occur in community education programs, CSA partners continue to work with the community on alternative means of developing self-help action programs. Neighborhood threat assessments will continue to be conducted.

**Awareness and Access**

The economic downturn has impacted the Public Safety CSA partners’ ability to enhance the formal means of information dissemination. Resources once available to attend meetings and provide presentations have been re-assigned to basic emergency response functions. This is the time when partnerships and involvement are therefore most important. These partnerships with customers afford the opportunity to more readily share information and referrals to all other City services to provide better, more timely service to residents. The CSA partners are forming a collaborative approach to sharing public outreach resources and personnel to continue to serve the public’s need for personal preparedness and safety information.

Residents need to feel that Public Safety personnel are available to them for a variety of needs in the areas of response, education, and prevention. Adequate prevention and mitigation measures learned as a result of this outreach will help avoid or mitigate some emergency situations. Smoke detectors can save lives by facilitating early escape from a burning building. Neighborhood surveillance by residents can prevent crime, including terrorism.

**Outcome 2: Residents share the responsibility for public safety**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Empower residents to respond appropriately to emergencies and disasters</td>
<td>1. Number of residents receiving San José Prepared! training</td>
<td>cumulative 1,700</td>
<td>1,350</td>
<td>1,550</td>
<td>1,400</td>
</tr>
<tr>
<td></td>
<td></td>
<td>annual -</td>
<td>50</td>
<td>60</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>2. % of SNI neighborhoods with San José Prepared! teams</td>
<td>100%</td>
<td>55%</td>
<td>52%</td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td>3. Number of residents receiving emergency medical &amp; safety training from public safety personnel</td>
<td>cumulative 2,500</td>
<td>2,227</td>
<td>2,541</td>
<td>2,861</td>
</tr>
<tr>
<td></td>
<td></td>
<td>annual -</td>
<td>400</td>
<td>420</td>
<td>340</td>
</tr>
<tr>
<td></td>
<td>4. % of residents who changed behavior after attending presentations***</td>
<td>90%</td>
<td>90%</td>
<td>86%</td>
<td>90%</td>
</tr>
<tr>
<td>C. Increase the number of residents who actively participate in volunteer public safety assistance programs</td>
<td>1. Number of residents who actively participate in volunteer public safety assistance programs (VOLT, RACES, Search &amp; Rescue, Neighborhood Watch, SJ Prepared)</td>
<td>2,214</td>
<td>2,214</td>
<td>3,210</td>
<td>2,400</td>
</tr>
</tbody>
</table>

*** Measure is a combination of Police, Fire & OES survey results.
Budget Highlights

Introduction
The Fiscal Year 2004 Annual Budget, which will be adopted on September 16, 2003, is a numerical reflection of the Fiscal Year 2004 Business Plan, which was presented in July. By allocating our resources through a balanced combination of strategic alignment with the Commission’s six priorities and departmental performance indicators, we believe that this budget will successfully meet the challenges we have before us and set the stage for our continued success in the future.

Budget in Brief
The adopted operating net budget for Fiscal Year 2004 for all funds totals $108,643,953. This represents an increase of $4,997,769 or 4.8% over the Fiscal Year 2003 budget. The Fiscal Year 2004 budget is balanced, prudent and responsive to community needs as identified in the Fiscal Years 2003-2004 Strategic Plan.

Budget Highlights
Some factors contributed to changes in the budget are:

- Keeping the operating millage rate steady at $3.8715;
- Decreasing the voter approved debt service millage rate from $0.5226 to $0.4131, due to a decrease in debt service costs and refinancing of older issues;
- Setting the combined general operating and debt service millage rate is $4.2846 per $1,000 of assessed value;
- Adding a net of sixteen full-time staff—eleven new and five transferred from temporary to full-time with benefits. Positions include five in Police—one Captain, two Investigators, one partial year Youth Liaison Officer, and one Crime Scene Technician; one Senior Programmer/Analyst and one Programmer/Analyst in Information Services; three Parks Maintenance Workers; one Code Enforcement Office Assistant; and five partial year staff to operate the new Sportsplex Athletic Complex;
- Inventing $14,522,000 for capital projects. The City is anticipating using $1,035,000 in Water & Sewer Renewal and Replacement funds, $160,000 in Water & Sewer Impact Fee funds, $3,273,700 in Variable Rate debt, $80,000 in Tree Preservation Fund resources, $1,582,000 in Grant Funding, $259,850 in Maintenance Reserve funds, $3,583,330 in operating cash, $3,998,120 in Fund Balance, $185,000 in Traffic Concurrency, $215,000 in TIF and $150,000 in ESL;
- Recommending no Water & Sewer fee increase; and
- Debt service, which by policy, is limited to 12.5% or less of the total General Fund budget, will equal 3.8% this year, as compared to 7.3% for Fiscal Year 2003. In addition, general obligation debt is 0.3% of the total taxable assessed value of $6,675,464,161, well within the maximum of 5.0%.

These changes reflect our increasing emphasis on “life after build-out,” environmental issues, and education.

Personal Services
Total adopted full-time and part-time positions in all funds for Fiscal Year 2004 is 767. This represents an increase of sixteen full-time positions from Fiscal Year 2003 all in the General Fund. Two positions were transferred to the Water and Sewer Fund, one from the General Fund (Public Works Engineering) and one from the Equipment Services Fund.

Capital Improvements
The CIP element for Fiscal Year 2004 is programmed at $14,522,000. This amount consists of $7,601,340 in General Fund capital (including EMS), $2,382,370 in Fire Fund capital, $1,611,250 in Water & Sewer Fund capital, $200,000 in Center for the Arts capital, $2,567,000 in Equipment Services Fund capital and $80,000 in Tree Preservation Trust Fund capital.
Major Policy Considerations

Realignment of Strategic Priorities

Last year the City Commission elected to change the priority “Customer-Focused Government” to “Customer-Involved Government.” This change not only recognizes the success that staff has had in customer focus, but also points to the need for an informed and involved citizenry.

The more involved our citizens are, the better we can align our resources with legitimate community needs.

Market Impacts

This year several of the City’s important financial instruments were negatively impacted by economic conditions. While our borrowing costs remained low, the weak stock market created large deficits in pension funds and reduced current investment income. In 2002 and 2003, more than $3 million in additional funds were needed to offset decreased values in our Police Pension. For Fiscal Year 2004, an additional $2 million in pension contributions are budgeted for Police, Fire, and General Employee Pensions.
### Strategic Planning Cycle Fiscal 2003 and 2004

**Key Intended Outcomes**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Overall quality rating for City services and programs (City Survey)</td>
<td>T a</td>
<td>91%</td>
<td>92%</td>
</tr>
<tr>
<td>2. Overall satisfaction rating of City Employees (HR Survey)</td>
<td>T a</td>
<td>90%</td>
<td>95%</td>
</tr>
<tr>
<td>3. Percent of plan reviews completed within 15 days</td>
<td>T a</td>
<td>85%</td>
<td>96%</td>
</tr>
<tr>
<td>4. City crime rate (crimes/100,000 residents—Calendar Year)</td>
<td>T a</td>
<td>3390</td>
<td>3001</td>
</tr>
<tr>
<td>5. Quality rating for City employee customer service (City Survey)</td>
<td>T a</td>
<td>90%</td>
<td>95%</td>
</tr>
<tr>
<td>6. Percent of water outage</td>
<td>T a</td>
<td>N/A</td>
<td>6.80%</td>
</tr>
</tbody>
</table>

**Neighborhood & Environmental Vitality (6)**

<table>
<thead>
<tr>
<th>Neighborhood &amp; Environmental Vitality (6)</th>
<th>FY 2001-02</th>
<th>FY 2002</th>
<th>FY 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of formal and informal neighborhood partnerships each year (30 each year; 60 two years)</td>
<td>T c</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>2. Number of cooperative projects and the number of different partners (public, private and intra-city depts.) focused on enhancing the environment</td>
<td>T c</td>
<td>6 proj</td>
<td>15 proj</td>
</tr>
<tr>
<td>3. Percent of attendees who find Sible of the Springs meetings productive</td>
<td>T a</td>
<td>91%</td>
<td>94%</td>
</tr>
<tr>
<td>4. Number of pounds of recycled material collected per resident each year</td>
<td>T a</td>
<td>104</td>
<td>104</td>
</tr>
<tr>
<td>5. Compliance with State and Federal drinking water tests</td>
<td>T a</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>6. Percent of code cases cleared on first re-inspection</td>
<td>T a</td>
<td>67%</td>
<td>75%</td>
</tr>
</tbody>
</table>

**Excellence in Education (4)**

<table>
<thead>
<tr>
<th>Excellence in Education (4)</th>
<th>FY 2001-02</th>
<th>FY 2002</th>
<th>FY 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Student attendance at Coral Springs Charter School</td>
<td>T a</td>
<td>25%</td>
<td>13.30%</td>
</tr>
<tr>
<td>2. Number of students added</td>
<td>T c</td>
<td>N/A</td>
<td>1,077</td>
</tr>
<tr>
<td>3. Number of partnerships with institutes of higher education</td>
<td>T c</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4. Percent of school overcrowding in public schools</td>
<td>T a</td>
<td>110%</td>
<td>123%</td>
</tr>
</tbody>
</table>

**Family, Youth, and Community Values (4)**

<table>
<thead>
<tr>
<th>Family, Youth, and Community Values (4)</th>
<th>FY 2001-02</th>
<th>FY 2002</th>
<th>FY 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Percent of repeat domestic disturbance calls</td>
<td>T a</td>
<td><strong>25%</strong></td>
<td>15.20%</td>
</tr>
<tr>
<td>2. Number of volunteer hours donated to the City of Coral Springs (25,000 each year; 50,000 two years)</td>
<td>T c</td>
<td>17,500</td>
<td>34,854</td>
</tr>
<tr>
<td>3. Number of teen volunteer hours donated to the City of Coral Springs (8,000 each year; 16,000 two years)</td>
<td>T c</td>
<td>N/A</td>
<td>12,553.50</td>
</tr>
<tr>
<td>4. Number of Middle School After-School Programs offered annually</td>
<td>T a</td>
<td>9</td>
<td>20</td>
</tr>
</tbody>
</table>

**Respect for Ethnic and Religious Diversity (3)**

<table>
<thead>
<tr>
<th>Respect for Ethnic and Religious Diversity (3)</th>
<th>FY 2001-02</th>
<th>FY 2002</th>
<th>FY 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Citizen support of Community efforts to increase tolerance (City Survey)</td>
<td>T a</td>
<td>90%</td>
<td>94%</td>
</tr>
<tr>
<td>2. Minority residents who feel the City is a great place to live (City Survey)</td>
<td>T a</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>3. Percentage of minority applicants per recruitment</td>
<td>T a</td>
<td>30%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Financial Health and Economic Development (6)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Estimated rate of return for the City in economic development incentives (No incentives given in FY2003; yet cumulative value continues to grow.)</td>
<td>T c</td>
<td>$50</td>
<td>$133.25</td>
</tr>
<tr>
<td>2. Residential value rating (City Survey)</td>
<td>T a</td>
<td>75%</td>
<td>77%</td>
</tr>
<tr>
<td>3. Non-residential value as a percent of total taxable value</td>
<td>T a</td>
<td>N/A</td>
<td>23.8%</td>
</tr>
<tr>
<td>4. General Fund debt carrying costs as a percent of total expenditures</td>
<td>T a</td>
<td>12.5%</td>
<td>9.4%</td>
</tr>
<tr>
<td>5. Percentage increase of operating milage rate</td>
<td>T a</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Fiscal Year 2003 Year-End Results

<table>
<thead>
<tr>
<th>Fiscal Year 2003 Year-End Results</th>
<th>Met or Exceeded Goal</th>
<th>On Track to Meet by FY04</th>
<th>Goal Not Met</th>
<th>Not Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met or Exceeded Goal</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Track to Meet by FY04</td>
<td></td>
<td>✓</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Goal Not Met</td>
<td>2</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Available</td>
<td>1</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total KIDs** 29
Fiscal Year 2003 Initiatives

Customer-Involved Government

- Community Pride Program: Completed
- Voter Turnout Campaign: Continuing
- PEG Channel II: Begun 24/7 programming on Dec. 1, 2002. Produced 78 shows and 56 PSAs to date. Named "Best Overall Station in Florida".
- Starling/Baldridge Applications: Completed
- New Resident Information: Continuing
- Job Shadowing in City Gov't: Completed
- Improved Coordination of Small Construction Projects: Draft policy developed. Procedures implemented in Development Services.

Neighborhood & Environmental Vitality

- St. Rd 7 & Sample Rd Beautet: Continuing
- Parks Renovations: Continuing
- Guard Rail Installations: Continuing
- Interface Transfers: Continuing
- Regional Communications System: Continuing
- Fire Apparatus Crews: Continuing
- New Business Inspections: Completed
- Code Enforcement: Continuing
- Speeding Awareness Program: Continuing
- Comm. Parking/Landscaping: Continuing
- CRA Phase I Development: Continuing
- Police Recruitment: Continuing

- FDOT creating joint partnership agreement with Coral Springs, Margate & Coconut Ctrk. Construction to begin 03/04.
- Numerous renovations have been completed.
- Contractor has completed 85% of the year-one locations. Anticipates completion by late November.
- Customer response has improved and weekly number of requests is increasing.
- Technical issues resolved. Developing joint operational procedures with Margate Fire Department.
- Eight career firefighters added to Station 95. Additional personnel have been added to each station.
- This initiative has been revised. Any life safety requirements not met will be identified during annual fire inspections.
- Codes & Courtesy's Manual revised. Staff participated in SCs of the Springs meetings. "Codes & Courtesies" seminars aired on Ca. 19, along with regular articles on the website and in the Citizen.
- Installed a radar unit to use in a City vehicle during workdays. PSAs given to High School SROs to show to the students. 50 roadway signs being placed throughout the City. License plates and posters available through Community Development.
- Committee selected 6 commercial sites for revitalization. Enhancements for all 6 property owners will be done by April.
- Begun Phase I of development at the SE corner of University & Sample. Phase I completion slated for June 2003.
- Amended several Job Fairs. 15 LEAD/LP positions have been filled. Additional hirings in other areas filled vacancies.

Financial Health & Economic Development

- Training Center: Continuing
- Virtual Business Incubator: Continuing
- eTraining: Continuing
- City Manager's Office Racing: Continuing
- Business Continuity: Continuing
- Internet/Extranet Development: Continuing
- Paperless Recruiting: Continuing

- "TFO" Training Center: Land for new Training Center purchased. Chairing task group to build facility.
- Virtual Business Incubator: Evaluating Business Plan from Langley Group. Agreement between City and ECS to establish TSN is underway.
- eTraining: Staff investigated various market offerings and developed a scope of services for RFP to be issued in the Fall of 2003.
- City Manager's Office Racing: Hired a certified legal assistant. CAD hiring full time Municipal Prosecutor in Oct.
- Business Continuity: Completed upgrade of backup system, and power serving PSG, Ralstedcare Mgmt., and GIS server to PSG.
- Internet/Extranet Development: Implemented MYCS/ACCESS. Fifty-one people are trained and using the extranet.

Family, Youth, & Community Values

- Skateboard Park: Continuing
- Art Museum 2nd Floor Renov: Continuing
- Youth Empowerment Summit: Continuing
- Youth Commission: Continuing
- Sports Commission Event/Recruitment Video/CD: Completed

- Non-profit organization is in place. Construction to begin in Nov. at Battie Straddling Park. Completion by May 2004.
- On hold pending Fund Raising Plan by Museum of Art Board.
- Over 100 students attended YES Prog. on Nov. 11. PT/Coordinator to be hired. Will implement summit feedback.
- Youth Commission in place. Working on tennis programming this summer; regular meetings have begun.
- Begun shooting and script development, with input from Sports Commission. Project turned over to Sports Commission.

Excellence in Education

- Higher Education Opportunities: Continuing
- "JIT" High School: Continuing
- Environmental Education: Continuing
- Charter School Municipal Preference: Completed
- ACE Academy at CSCS and Jr. Achievement at CSCS Middle School: Completed
- School Nurse Programs II: Continuing
- Safey in Schools II: Continuing

- Nature Center and Coral Springs Animal Hospital discussed starting program with UF Vet. School for students to assist at wildlife hospital at Nature Center. Barry University is using Charter School for evening classes.
- The School Board began construction in January. The expected completion date for all facilities is Aug. 2004.
- Cross-training regarding True ordinance, added content to the website; supervised new seconics removal contractor; completed 3 Eagle Scout projects; led environmental tours at museum.
- City residents have preference in lottery conducted on Apr. 29. Over 1,300 applications received for next school year for fewer than 300 slots.
- ACE Academy is fully functional this year enjoying full support and participation of the CEO group.
- ACE Academy will be introduced in the middle school grades in the next academic year.
- Agreement with performance expectations signed by School Nurse Partnerships, Inc. Goal set to add four schools to the already existing four that are receiving funds. Two schools to be added in FY2004.
- SROs assisted schools with their 2002-2003 School Safety Plan; trained crossing guards to help identify and report bullying; completed instruction of Child Lovers program at 11 eligible elementary schools.

Respect for Ethnic & Religious Diversity

- Historical Society Museum: Continuing
- International Partnership II: Completed
- "Viva Broward" Continuing

- City hired an architect to provide cost estimates of needed improvements.
- Coral Springs International Partnerships had a successful Art Exchange with the Artists of Peruaso, Costa Rica.
- Hosted 2003 International Dinner Dance in September as part of Viva Broward.
# Fiscal Year 2004 Initiatives

## Customer-Involved Government
- Business Education Program
- City Government Education Program
- Citizen Notification System
- Community Visioning Process
- Orientation Program for New City Commission Members
- Customer Survey Enhancements
- Sterling Feedback/Baldrige Preparation

## Development Services
- Communications & Marketing
- Police Department
- City Manager's Office
- Human Resources

## Neighborhood & Environmental Vitality
- Master Bike Path Update/Greenways Corridor
- Auto Burglary Prevention
- Public Art Program
- Nuisance Tree Removal
- Canopy Enhancement
- Commercial Facade Grants
- Coral Hills Drive Traffic Improvements
- Whispering Woods Park
- Regional Fire and Communications Effort
- Annexation Planning
- Neighborhood Street Light Program

## Public Works & Development Services/Community Development
- Police Department
- Development Services
- Parks & Recreation
- Development Services/Community Development
- Development Services/Community Development
- Public Works & Development Services/Community Development
- Parks & Recreation
- Fire Department
- Financial Services
- Public Works

## Financial Health & Economic Development
- Pension Alternatives for Employees
- Cost Control for Employee Health Insurance
- Downtown Coral Springs-Phase I
- Public Safety Training & Technology Center
- TSN Project
- Cost Allocation/Cost Recovery Study
- FEMA Grants for Fire Training Equipment
- Liens Services

## Human Resources
- Development Services
- Fire Department
- Information Services
- Financial Services
- Financial Services

## Family, Youth & Community Values
- Gymnasium Addition
- Park Renovations II
- Skateboard Park II
- Westchester Park Improvements
- Second Floor Center for the Arts Finishing
- Expansion of Bus Services to Saturdays
- Youth Empowerment Follow-Up

## Parks & Recreation
- Parks & Recreation
- Parks & Recreation
- Sportsplex
- Development Services
- Parks & Recreation
- Human Resources

## Excellence in Education
- School Nurse Program
- Opening of High School "JJJ" and Sportsplex Improvements
- Charter School Phase III-Arts & Music Wing
- Senior Program Enhancements
- Douglas Innovation Zone Coaching

## Human Resources
- Sportsplex
- City Manager's Office
- Aquatics
- Human Resources

## Respect for Ethnic & Religious Diversity
- Multi-Cultural Garden
- Cultural Competency Seminar
- International Partnership Program/Relationships with Other Cities

## Parks & Recreation & Human Resources
- Human Resources
- Human Resources
- Human Resources

---

**City of Coral Springs, Florida**

---

**48**
Neighborhood & Environmental Vitality

Ongoing Initiatives

Alternative Fuels II (2002)

Four Honda hybrid vehicles were purchased in Fiscal Year 2003, and staff is working with General Motors to be the first to purchase hybrid pickup trucks. The standing team has also conducted research on Honda hydrogen cell vehicles, but the auto manufacturer does not plan on making the vehicle available outside of California and Japan in the near future.

Improvements to NW 44th Court (2002)

The last phase of this project will go out to bid during the summer 2003. Award of construction contract is expected in the early part of Fiscal Year 2004 and total construction time is anticipated to be six months.

State Road 7 and Sample Road Beautification (2002)

In keeping with the grant requirements, the Florida Department of Transportation is preparing an agreement that Coral Springs, Margate and Coconut Creek must execute prior to the commencement of actual construction. Phase I of the construction for this project is expected to begin in Fiscal Year 2004.

New Initiatives

Master Bike Path Update/ Greenways Corridor

Lead Department: Public Works and Community Development

Capital Outlay: $155,000

The master bike path plan is an adopted document under the City's Comprehensive Plan. A staff review of the plan showed missing links across the City that would serve a public purpose if connected. The priority for Fiscal Year 2004 is to begin work on Wiles Road across from Forest Glen Middle School.

To complement the City's master bike path plan, the Broward County Greenways project consists of numerous east-west and north-south corridors connecting parks and cultural attractions. In Coral Springs, the C-14 canal corridor, when completed, will allow bicyclists and pedestrians to travel from the intracoastal waterway to the Everglades. The Greenways corridor and the City's bike path make for scenic and enjoyable biking in Coral Springs.

Auto Burglary Prevention

Lead Department: Police Department

Operating Cost: Existing

Auto burglaries are currently the crime that occurs most often in the City of Coral Springs. The vast majority of these crimes could be avoided simply by not leaving personal property of value in plain view. Additionally, a very large number of these crimes result in identity theft. This is a new trend in auto burglary since historically such thefts were committed for auto parts such as stereo systems. Identity theft compounds this crime. The Police Department will be adding an Economic Crime Investigator to improve customer service to victims of identity theft.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Type</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of formal &amp; informal neighborhood partnerships each year</td>
<td>cumulative</td>
<td>60</td>
</tr>
<tr>
<td>Number of cooperative projects and the number of different partners focused on enhancing the environment</td>
<td>cumulative</td>
<td>12 projs 8 parts</td>
</tr>
<tr>
<td>Percent attendees who find Slice of the Springs meetings productive</td>
<td>annual</td>
<td>92%</td>
</tr>
<tr>
<td>Number of pounds of recycled material collected per resident each year</td>
<td>cumulative</td>
<td>208</td>
</tr>
<tr>
<td>Compliance with State and Federal drinking water tests</td>
<td>annual</td>
<td>100%</td>
</tr>
<tr>
<td>Percent of code cases cleared on first re-inspection</td>
<td>annual</td>
<td>75%</td>
</tr>
</tbody>
</table>
Fiscal Years 2002 and 2003

Budget and Financial Policies

STRATEGIC BUDGET INITIATIVES

The purpose of Lake County’s Strategic Financial Plan is to establish the framework for overall fiscal planning and management. The initiatives and policies set forth guidelines for current activities and long-range planning, and enable decision-makers to formulate measures which can ensure the long-term financial stability of the County.

STATUTORY REQUIREMENTS OF A BALANCED BUDGET

Chapters 129 and 200, Florida Statutes, govern the County’s annual budgetary process. These Statutes require that the County prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budget shall control the levy of taxes and the expenditure of money for all County purposes during the ensuing fiscal year. Other provisions include:

☐ A budget shall be balanced, and adopted by the Board of County Commissioners.
☐ The revenues of the budget shall include 95 percent of all receipts reasonably to be anticipated from all sources, including taxes to be levied.
☐ The appropriations of the budget shall include itemized appropriations for all expenditures authorized by law, contemplated to be made, or incurred for the benefit of the County during the year and the provision for the reserves as follows:
☐ Provision may be made for contingency reserves not to exceed 10 percent of the total budget. A reserve shall be established for a cash balance to be carried over for the purpose of paying expenses from October 1 of the ensuing fiscal year until the time when the revenues for that year are expected to be available. This reserve may not be more than 20 percent of the total receipts and balances of the budget.

OPERATING BUDGET POLICIES

☐ Current General Fund Revenues Are Sufficient To Support Current Expenditures. Ongoing operating costs should be supported by ongoing, stable revenue sources. Consequently, cash balances should be used only for one-time expenditures, such as unanticipated emergencies and projects.

Status: Fiscal Year 2002 estimated revenues will be equal to actual operating expenditures, less expenditures carried forward from the prior year.

☐ Revenues and operating expenditures will be projected for the next three years and will be updated annually. The County has determined that a realistic approach to projecting long-range revenues and operating expenditures is a three-year budget estimate from department staff. Five-year trends are projected by the Budget Division staff but are for management review only and are not part of this budget document.

Status: Fiscal Year 2002 begins the County's second biennial budget cycle.

☐ The County will maintain all its physical assets at a level adequate to protect the County’s capital investment and to minimize future maintenance and replacement costs. Funding will be provided annually for refurbishing of County-owned assets consisting of, but not limited to, buildings, parks, streets, curbs, sidewalks and operating equipment on a pay-as-you-go basis. Funding will be provided annually during the budget process within each respective fund responsible for the assets.

Status: An aggressive maintenance program was initiated last budget year with the assistance of state-of-the-art software scheduling.
Fiscal Years 2002 and 2003

Budget and Financial Policies

DEBT SERVICE POLICIES

- Long-term debt will not be issued to finance current operations.

  Status: *None issued to finance current operations.*

- The County will remain financially conservative in issuing long-term debt. Long-term debt will not exceed the County’s resources for repaying the debt.

  Status: *The County has maintained an appropriate mix of bonded debt, short-term borrowings and pay-as-you-go financing in the funding of capital projects. All Fiscal Year 2002 and 2003 capital projects are funded by current year revenues, with one exception: certain parks and recreation projects will be funded by bonded Pari-Mutuel dollars.*

- **Status:** Debt Service to Budgeted Revenues: Fiscal Year 2002 2.4%; Fiscal Year 2003 2.9%

CAPITAL IMPROVEMENTS PROGRAM

- A Five-Year Capital Improvements Program (CIP) will be developed and updated annually, including anticipated funding sources. The CIP will reflect a consensus of the perceived needs and desires of the community based on a variety of inputs, including community meetings and long-range planning retreats with the Board of County Commissioners.

- The County will coordinate the development of the capital improvements budget with the development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts.

- Capital projects financed through the issuance of bonds will be financed for a period not to exceed the expected useful life of the project.

  Status: *Please refer to the Capital Improvement Program section of this document for a detail of the CIP.*

RESERVE POLICIES

- **General Fund.** The County will continue its healthy financial reserve position. Fund Balance coverage for the General Fund will be maintained at approximately 2 months (16%) of General Fund expenditures.

  Status: *For Fiscal Year 2002, total reserves are equal to 16% of expenditures.*

- **Contingencies.** Each fund will provide, on an annual basis, funding from which appropriations may be made to meet minor, additional needs not specifically provided for in the current operating budget. For the General Fund, the Contingency should be at least $650,000. Other funds should maintain a combination of contingencies and other reserves sufficient to ensure adequate ongoing operations.

- **Excess Cash Carryforward Policy.** In an effort to maintain adequate reserves to offset increases in ad valorem taxes in the General Fund, the Board adopted a policy of setting aside the difference between the budgeted cash balance forward and the actual cash balance forward as determined after the County’s annual audit. This amount, which is placed in a Special Reserve, is usually not determinable until March of the budget year. Formal action by the Board is required to appropriate and release the funds from this Special Reserve.

  Status: *The Special Reserve account in the General Fund for Fiscal Year 2002 is budgeted at $2,747,634, which represents 22% of the total General Fund reserves.*

  Status: *Please refer to pages 44-47 for a detailed analysis on the reserves of the County’s major funds.*
## DEPARTMENT OF EMERGENCY SERVICES

### EXPENDITURES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Management</td>
<td>$119,104</td>
<td>$155,440</td>
<td>$89,269 (42.6%)</td>
<td>$93,729</td>
<td></td>
</tr>
<tr>
<td>Hazardous Analysis</td>
<td>2,434</td>
<td>21,033</td>
<td>23,467 (11.6%)</td>
<td>7,822</td>
<td></td>
</tr>
<tr>
<td>Emergency Mgmt. Trust Fund</td>
<td>102,996</td>
<td>107,181</td>
<td>130,118 (21.4%)</td>
<td>130,118</td>
<td></td>
</tr>
<tr>
<td>Emergency Services Administration</td>
<td>50,911</td>
<td>50,312</td>
<td>48,954 (2.7%)</td>
<td>51,103</td>
<td></td>
</tr>
<tr>
<td>EMS Grant</td>
<td>50,000</td>
<td>62,159</td>
<td>69,882 (44.6%)</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td>Animal Control Field Operations</td>
<td>421,135</td>
<td>323,999</td>
<td>335,637 (10.6%)</td>
<td>338,470</td>
<td></td>
</tr>
<tr>
<td>Animal Control Shelter Operations</td>
<td>310,232</td>
<td>414,935</td>
<td>422,464 (1.8%)</td>
<td>442,293</td>
<td></td>
</tr>
<tr>
<td>Total General Fund</td>
<td>1,016,812</td>
<td>1,114,659</td>
<td>1,139,791 (2.3%)</td>
<td>1,113,535</td>
<td></td>
</tr>
</tbody>
</table>

### REVENUES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMS Grant</td>
<td>51,432</td>
<td>52,162</td>
<td>50,000 (4.1%)</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>State and Local Assistance</td>
<td>27,192</td>
<td>27,192</td>
<td>- (100%)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Emerg. Response - Terrorism Annex</td>
<td>-</td>
<td>30,000</td>
<td>- (100%)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Hazardous Mat. Analysis Contract</td>
<td>23,466</td>
<td>7,823</td>
<td>23,467 (200.0%)</td>
<td>7,822</td>
<td></td>
</tr>
<tr>
<td>Emergency Mgmt. Trust Fund</td>
<td>103,052</td>
<td>107,181</td>
<td>130,118 (21.4%)</td>
<td>130,118</td>
<td></td>
</tr>
<tr>
<td>Animal Control - Shelter Operations</td>
<td>72,916</td>
<td>86,125</td>
<td>82,400 (4.3%)</td>
<td>86,000</td>
<td></td>
</tr>
<tr>
<td>General Fund Funding</td>
<td>739,654</td>
<td>804,176</td>
<td>853,806</td>
<td>839,595</td>
<td></td>
</tr>
</tbody>
</table>

### Total Revenues

- **General Fund**: $1,016,812
- **Lake County Ambulance Fund**: $1,701,022
- **State and Local Assistance**: $27,192
- **Emerg. Response - Terrorism Annex**: $0
- **Hazardous Mat. Analysis Contract**: $23,466
- **Emergency Mgmt. Trust Fund**: $103,052
- **Animal Control - Shelter Operations**: $72,916
- **General Fund**: $739,654

**Total Revenues**: $11,433,282
Overview

TAX RATES and VALUES

The proposed tax rate of $0.425 is a decrease over the current rate of $0.45. The total taxable property for the City rose 10.4%, from $730,935,177 to $815,829,864 in 2003/04. The City imposes a ½ cent sales tax for property tax reduction. The sales tax adjustment rate is $0.159060 for 2003/04.

UTILITY RATES

The water utility minimum rates remained the same as the prior year at $15.00 per month after an increase the previous year. The expansion of the water treatment plan has been deferred pending review of all potential options.

The Robinson Creek Wastewater Treatment Plant was completed in 2003 with debt issue funding. Benefits were the installation of wastewater lines to divert sewage flow from other facilities, providing wastewater availability to the Robinson Creek watershed.

ECONOMIC OUTLOOK

Texas followed the nation into recovery at the beginning of 2002 but the state’s job losses resumed in May even as the nation continued its anemic recovery; however, the economy improved in 2003. Huntsville, however, does not necessarily follow the state and general economy because a large portion of the economic base is driven by State government - Sam Houston State University (SHSU) and Texas Department of Criminal Justice (TDCJ). Hence, the 2003 Legislative Session will have an impact on the local economy depending upon State funding policies with regard to higher education and the criminal justice system.

Economic activity is anticipated to be minimal during the year. However, the City’s efforts in economic development and affordable housing can positively impact the sales tax receipts and the ad valorem tax base outlook in two to three years regardless of the current state trends. This is possible because of the increased housing demand, particularly among correctional officers and planned student growth at SHSU.

BUDGET HIGHLIGHTS: MAJOR INITIATIVES

The major initiatives in the 2003/04 operating budget and beyond are outlined below:

- **Fire Station Initiative.** Funding of $1,200,000 was obtained for construction of a new fire station and renovations on two existing stations.

- **Information Technology.** A homeland security grant was secured for fiber installation at city facilities and citywide in conjunction with the county and university. The department continued implementation of integrated financial and asset management systems.

- **Golf Course Initiative.** With completion of the Raven Nest Golf Course, a study was undertaken in the FY2004 to determine the best course of action for management of the facility. This championship golf course was designed by Tripp Davis and is the home of the SHSU Bearkats and the Huntsville Hornets.

- **Debt Refunding.** A debt refunding issue in 2004 saved approximately $90,000 with the refunding of bond issues related to Elkins Lake Mud District, and certain city street and wastewater bond improvement debt.

Annual Budget FY 2003-04

Overview - 5
Overview

- **Community Image and “Feel”:** Preliminary efforts are underway to initiate a comprehensive strategic plan for Huntsville. This plan will be based upon significant citizen involvement and direction, with an expectation that recommendations will be forwarded to Council in the latter part of 2003 or early 2004. The plan, with underlying policies and guidelines, will shape the image of Huntsville as it develops and will maintain the small-town character and feel that is so important to our citizens.

- **Code Enforcement** has been a priority of the Council over the past two years. Cleanliness of our neighborhoods, through code enforcement, will continue with extensive involvement of the Code Enforcement staff and neighborhood residents within the community. Having citizen involvement is important not only in determining the level of enforcement, but also its short- and long-term success. City staff continues to be pro-active in this effort.

- **Healthy Community Initiative.** The City has taken a leadership role in the community by focusing on developmental assets, a positive philosophical approach to creating a youth and family supportive environment. The City will activate the community network in April 2003. This $500,000 grant funded initiative will help coordinate service offerings by the non-profit sector as well as assist citizens in making information available to one web location. In addition, kiosks and other computer terminals will be placed at strategic points throughout the community to ensure citizen access. The City will continue to provide in-kind support to Huntsville’s Promise as the City’s point in developing a youth and family friendly community environment. In addition, the City also contracts with local agencies to provide social support. A contract provision requires the agencies to participate in the Healthy Community Initiative and community network. These agency contracts include:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
<th>Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAR Program</td>
<td>$10,000</td>
<td>County at-risk youth</td>
</tr>
<tr>
<td>Senior Citizen Center</td>
<td>$10,000</td>
<td>Senior citizens</td>
</tr>
<tr>
<td>SAAFE House</td>
<td>$5,000</td>
<td>Domestic violence</td>
</tr>
<tr>
<td>Brazos Transit Authority</td>
<td>$21,000</td>
<td>Demand response transportation</td>
</tr>
<tr>
<td>Good Shepherd Mission</td>
<td>$8,500</td>
<td>Shelter and food bank</td>
</tr>
<tr>
<td>Second Step</td>
<td>$5,000</td>
<td>Drug counseling</td>
</tr>
<tr>
<td>Literacy Program</td>
<td>$20,000</td>
<td>Literacy</td>
</tr>
</tbody>
</table>

**CITY/CITIZEN RELATIONS**

A primary characteristic of the desired integrative culture of the City is the close coordination and joint planning between the City and citizens. The City will continue to utilize citizen groups, citizen involvement and surveys to help improve and coordinate the levels of services and quality of services desired by citizens. Organizational and employee development is key to the long-term success of this initiative; therefore, a continued investment in personnel development will continue this year as in the past two years.

**PUBLIC SAFETY**

The City has completed the renovations to the Police Department. Acquisition of furniture ($46,118) will complete the project. The City will also complete in 2004 the installation and training of COPSLINKS, an advanced relational based package to be used for criminal investigations. This tool was funded by the Department of Justice and will be used by the City and County. Beginning January 1, 2003, the City will contractually assume responsibility for policing at the Huntsville Independent School District. The School Resource Officer (SRO) Program will be funded primarily through a three-year grant from the Department of Justice, with supplemental funding by the school district and the City. It is the intention of the City to create a special revenue fund to accept for those expenditures.

Design efforts will begin early in the fiscal year for the construction of the new fire station ($1.2 million) on Veteran’s Memorial Parkway. The construction of the fire station will also improve emergency access into...
Overview

the Spring Lake and Majestic Forest subdivisions, connecting Daisy Lane to Tall Timbers ($240,018), as well as providing emergency access to the Elkins Lake and Westridge subdivisions, and other areas on the west side of town. The department will also house staff for the Walker County Emergency Medical Services system. With the opening of this station, the City will be able to close Fire Station No. 1. Staffing levels will then receive priority attention, with initial focus on SHSU students to serve as part-time firefighters; expansion of our part-time firefighter program; the cross-training and utilization of City employees as back-up firefighters; and then, of course, the final answer is hiring additional full-time personnel.

During the year, the City will participate with other taxing jurisdictions in the county to look at strategies for better coordinating, or perhaps merging, fire and EMS services. The City is also working with SHSU on developing a fire training academy, and with TDCJ on constructing a fire training facility.

PARKS AND RECREATION

With the new fiscal year, the City will complete the play module at Eastham-Thomason Park ($37,000). The basketball court at Emancipation Park is to be replaced at a cost of $35,000.

New soccer fields will be constructed at Kate Barr Ross Park ($206,000). This will enable the continued expansion of the soccer program in Huntsville, as well as relieve the pressure by the softball, baseball and soccer organizations sharing common facilities.

The City intends to apply to the Texas Department of Parks and Wildlife for funding for a $1.3 million outdoor pool. The City’s match of $500,000 cash is included in the budget. This pool will enhance aquatic activities for both the city and the school system.

In April/May 2003, the City opened the long-awaited Raven Nest Golf Course. This championship-caliber, par 72, 7,001-yard course was designed by Tripp Davis, a nationally prominent golf course architect. It will be the home to the SHSU Bearkats and HiSD Hornets and is intended to help forge a deeper relationship with the University and HiSD.

TRANSPORTATION

Transportation covers three areas: sidewalks, streets, and the airport. $415,000 has been set aside to install sidewalks. The areas of focus include State Hwy 30, US Hwy 190, Martin Luther King Jr. Blvd., and Bowers Blvd. These areas have been selected to maximize pedestrian safety along the busiest streets and for public school and university student safety.

Street improvements for the year include $203,820 for 1st Street improvements and extension and, dependent upon a cost sharing agreement, the connection between Normal Park Drive and 11th Street ($385,000). A ten year airport master plan was completed in 2002. Funding was provided through an Aviation Division grant from the Texas Department of Transportation to resurface the runway, upgrade lighting, and modify the drainage.

CAPITAL PROJECTS

The City opened the Robinson Creek Wastewater Treatment Plant in the fiscal year 2002/03. With the opening of the plant, the City will enjoy a capacity of 50%. This will ensure adequate wastewater treatment plant capacity for projected growth through 2020. Wastewater projects during the year include providing wastewater service into the Westridge, Majestic Forest, Sumac, and Highway 347 area subdivision as well as the diversion of wastewater flow from the north and south plants to the Robinson Creek plant. This will assure the capacity for growth at any area of the City.
Public Safety

Vision

A community with a safe environment free from fear of crime inspired by a professional organization with a well-planned future.

Mission

We affirm our commitment to a professional organization, centering on honesty and integrity. Providing exemplary service by establishing and maintaining mutually effective partnerships, we will create a positive impact on the quality of life throughout the community.

Strategic Issues

✓ Cooperate with HISD and SHSU to enhance community relations
✓ Healthy Community
✓ Build a new fire station to ensure that response times to emergency calls are at a minimum

Division Description - Police

The Police Department of the City of Huntsville consists of two divisions; Uniform Services and Support Services.

The Uniform Service Division’s main task is patrol. This involves traffic enforcement, accident investigations, K-9, bicycle patrols, crime scene and in general responding to calls for service. Currently there are twenty-nine (29) police officers assigned to this division, under one Lieutenant.

The Support Services is responsible for a number of functions such as; crime analysis, evidence control, case investigations, community service and a special response team. This division is also involved with the School Resource Program and the records functions. Currently, there are fifteen (15) police officers and five (5) civilian employees assigned to this division, under one Lieutenant.

Strategic Discussion - Police

The next 2 years

During the next two years the Police Department will address a number of areas including personnel, equipment and training. Specifically, we will develop the healthy community policing concept within our organization and continue to implement this philosophy within our community. There will be supervisory training for Senior Officers and continuing discussion about a take-home vehicle program that would increase the presence of the police in the community. A needs assessment for equipment used in labs and at crime scenes is planned for
Strategic Discussion – Police (cont’d)

the next year as well as a review of the software currently in use. Traffic problems will be high on the agenda for the coming years; the position of a Traffic Officer was established in 2001 due to an alarming number of accidents the previous year. The completion of the renovation of the Police Department building will be achieved by the end of this year.

The Police Department is currently working with the Huntsville Independent School District (HISD) on the School Resource Officer Program. We will work closely with the leadership of the school board on establishing school safety and enhancing a Healthy Community.

One of the ways this will be accomplished is with the completion of Safety Town which will be opened to all first graders in surrounding school districts. This is just one program that will move the Police Department towards a more integrative role within the community.

The next 10 years

Development in information technology will be closely monitored so the Police Department’s equipment can be updated and brought up to standard with the ever increasingly changes on improving technology. Will continue to improve relations between the Police Department and the community.

Cooperation and partnerships with community organizations will be expanded and along those lines, the Police Department will take part in the development of the community Network. All efforts directed towards closer relations to the Huntsville community will be along the lines of the integrative approach of the City and the Healthy Community project. These efforts can be summarized under the concept of community policing, which focuses on proactive or reactive rather than reactive policing. This means that the focus of police work will be on the underlying issues, which in turn cause specific incidents, rather than treating those as unconnected and separate from each other.

At the same time the Police Department will have to cope with the effects of growth of and further land annexation by the City of Huntsville, which will cause problems with regard to public presence of police officers in a growing community while the resources stay limited.

Public Safety

Division Description - Fire

At the heart of the Huntsville Fire Department are currently four full-time firefighters and thirty-seven (37) part-time volunteers whose activities are directed by the Fire Chief. The Fire Department works in close cooperation with six other volunteer fire departments in Walker County, by responding to calls from inside and outside the city limits of Huntsville.

The Fire Department has high recruiting standards for part-time volunteers, which can be seen in their extensive recruiting tests as they pose the greatest resource to the department and thus to the citizens of Huntsville.
## 2004 Operation & Maintenance Budget

**Water Quality Protection Team**

<table>
<thead>
<tr>
<th>Objective Summary</th>
<th>2004 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Meet all MMSD permit-required reporting requirements in an accurate and timely manner.</td>
<td>121,071</td>
</tr>
<tr>
<td>2. Provide laboratory services that meet customer-defined expectations.</td>
<td>1,361,824</td>
</tr>
<tr>
<td>3. Prevent point source pollution from industrial sources, while meeting all IWPP permit requirement cost effectively.</td>
<td>264,770</td>
</tr>
<tr>
<td>4. Provide stormwater and conveyance system monitoring data and information that meet customer-defined expectations.</td>
<td>2,209,945</td>
</tr>
<tr>
<td>5. Minimize variance from scheduled workloads.</td>
<td>95,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,052,610</strong></td>
</tr>
</tbody>
</table>

**Objective 1:** Meet all MMSD permit-required reporting requirements in an accurate and timely manner.

<table>
<thead>
<tr>
<th>Outcome Indicators and Funding</th>
<th>2002 Actual</th>
<th>2003 Budget</th>
<th>2004 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid any citations from the DNR for incomplete or late submittals</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>O &amp; M Funding</td>
<td>144,588</td>
<td>142,963</td>
<td>121,071</td>
</tr>
<tr>
<td>Capital Funding</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Funding</strong></td>
<td><strong>$144,588</strong></td>
<td><strong>$142,963</strong></td>
<td><strong>$121,071</strong></td>
</tr>
</tbody>
</table>

The District is committed to continuing its record of exceeding the performance standards contained in the Wisconsin Pollutant Discharge Elimination System (WPDES) permit. The District's Water Resource Protection Scorecard focuses on the District's overall results in preventing pollution from point sources such as treatment plant effluent, sewer overflows and industrial discharges, as well as efforts to reduce contamination of sediments transported through the area's waterways.

As part of the Mercury Reduction Program, the District participates in the Department of Natural Resources' Mercury Strategy Advisory Committee, whose goal is to update the DNR requirements for sampling, limits and source-reduction programs.
PRESS RELEASE

December 2, 2004

Contact: Sarah D. Fox
(850) 413-2114

Budget Practices of Six Award Winning Entities Identified

TALLAHASSEE- A report submitted to the Askew School of Public Administration and Policy identifies best practices in the integration of policies, performance measurement, and planning in the budget process.

This report evaluated six government entities that have received both the Government Finance Officers Association Distinguished Budget Presentation Award and recognition for the use of performance measures in the budget document. The budget documents of these entities were located online and evaluated. This analysis has revealed similarities and differences among the budget practices of these entities, providing the foundation for the recommendations presented in the report.

Recommendations formulated include referencing financial or other policies impacting budget decisions or priorities; reporting financial and operating policies in an easy to understand format at the beginning of the document; reporting prior year results and prior year target for performance measures; relate performance measures to goals and/or objectives; reporting strategic issues identified in the planning process and providing a strategic discussion; and goals and objective should be reported along with cost information for objectives or strategies.

The full report will soon be posted to the internet and will be accessible from the Public Administration Graduate Association website http://www.pubadm.fsu.edu/paga/.