



CITY OF POULSBO

Legislative Policy/Procedure

Title: Performance Measures	Page Number: 1 of 2
Department: Finance Department	Effective Date: August 4, 1999
Revised Date: New	Revised By: Finance Director Bjorkman

PURPOSE

A key responsibility of the City of Poulsbo is to develop and manage services, programs and resources as efficiently and effectively as possible and to communicate the results of these efforts to the tax-paying public. Meaningful performance measurements assist government officials and citizens in identifying financial and program results, evaluating past resource decisions, facilitating qualitative improvements in future decisions regarding resource allocation and service delivery options, and communicating service and program results to the community.

POLICY

The City has established the policy that financial, service and program performance measures be developed and used as an important component of decision making and incorporated into governmental budgeting. Performance measures should:

- be based on program objectives that tie to the City Council's goals and program mission or purpose;
- measure program results or accomplishments;
- provide for comparisons over time;
- measure efficiency and effectiveness;
- be reliable, verifiable and understandable;
- be reported internally and externally;
- be monitored and used in decision-making processes; and
- be limited to a number and degree of complexity that can provide an efficient and meaningful way to assess the effectiveness and efficiency of key programs.

GUIDELINES

The City encourages all departments to utilize performance measures. At a minimum, performance measures should be used to report on the outputs of each program and should be related to the objectives of each department. Departments in the early stages of incorporating performance measures into their budget process should strive to:

- identify meaningful and relevant objectives for each department and its service delivery units;
- identify and track output measures that are useful and relevant to the goals and objectives of key services;

- identify and track performance measures for a manageable number of meaningful financial objectives that are used in evaluation; and
- develop and refine additional performance indicators to make them more meaningful and identify mechanisms to improve their interpretation and use in decision-making and accountability.

As departments gain experience with these measures, they are encouraged to use a variety of performance measures to report on the achievements, impacts and outcomes of key programs. These measures should be linked to the objectives of the programs and the missions and priorities of the organization. Departments should:

- develop multi-year services of input, output, efficiency (output/input) and effectiveness (or quality) measures in major governmental areas;
- develop a database of statistics of common measures;
- analyze the implications of using particular measures for decision making and accountability;
- use customer and resident satisfaction measures;
- develop common definitions of key performance measures to allow intergovernmental comparisons;
- develop common or improved approaches to utilization of financial and service performance measures in making and evaluating decisions; and
- use community condition measures to assess resident needs that may not be addressed by current programs.

REVISION CRITERIA

A change in this policy may be initiated in the form of a memorandum to the Finance Director or may also be initiated by the Mayor. Each year during the Budget process the Finance/Administration Committee will review this policy and make recommendations to the Council regarding changes.

Approval of revisions, additions and/or deletions to this policy will be made by the Council.