




# Performance Management the Kirkland Way



Presented by  
Tracey Dunlap, Director of Finance & Administration  
James Lopez, Director of Human Resources & Performance Management

# Where We Were Coming From

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- ▶ **Solid budget process in place for many years**
  - ▶ Budgets passed with strong Council majorities
  - ▶ GFOA Distinguished Budget Awards
- ▶ **Performance Measurement report that was well regarded**
  - ▶ Prepared by the City Manager's Office
  - ▶ Not linked to the budget process

# What Changed?

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- ▶ Financial times got tougher
- ▶ The Council completed a years-long process to establish City Council Goals
- ▶ Our friends and neighbors were pursuing new approaches
  - ▶ Redmond Budgeting for Outcomes
  - ▶ King County Blue Ribbon Panel
  - ▶ Shoreline Citizen Advisory Group
- ▶ Lead some Councilmembers to say: “We need to change our budget process, too”

# What Did We Do?

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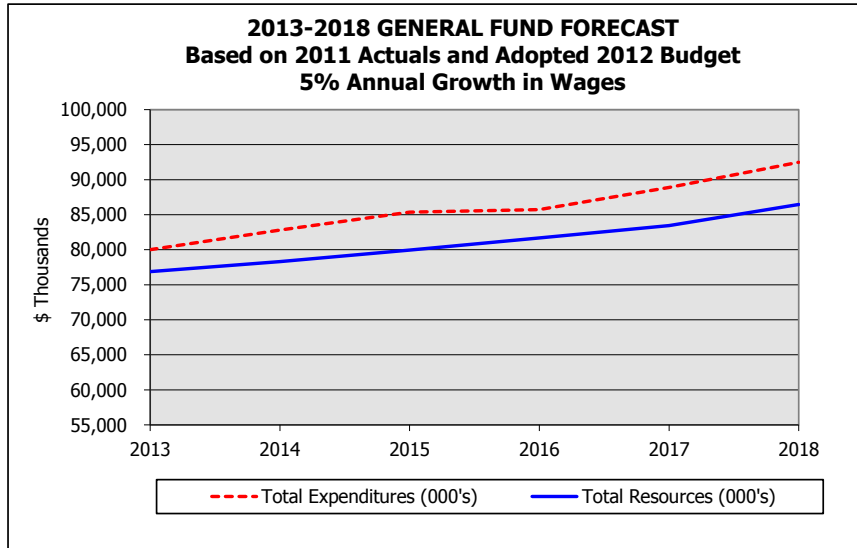
- ▶ Define what we were trying to accomplish
  - ▶ Focus Groups
  - ▶ Presentations at Council Retreat on those other approaches
    - ▶ General reaction: Well, we don't really need to do that!
  - ▶ New City Manager conducted one-on-one interviews with Council members
    - ▶ Result: The issue wasn't about the budget process, it was about messaging and communication

# What Did We Do?

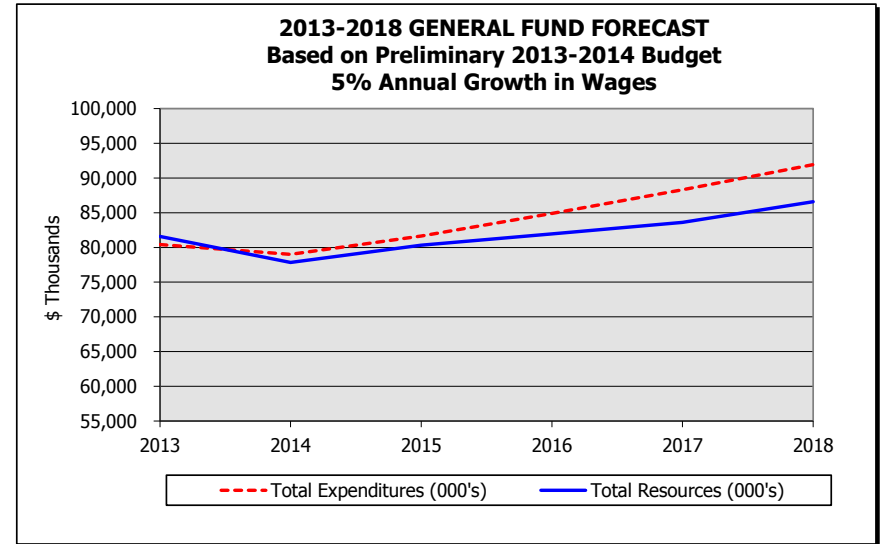
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- ▶ **More opportunities for public input:**
  - ▶ Additional public hearings
  - ▶ E-mail list
  - ▶ Blog
  - ▶ Videos
- ▶ **Looked at what we already did that was working well**
  - ▶ Goals <http://www.kirklandwa.gov/Assets/City+Council+Goals.pdf>
  - ▶ Forecast
  - ▶ Quad
  - ▶ Performance Report  
[www.kirklandwa.gov/depart/CMO/Performance\\_Measures.htm](http://www.kirklandwa.gov/depart/CMO/Performance_Measures.htm)
- ▶ **How do we build on these to tell the story differently?**

# What Did We Do?



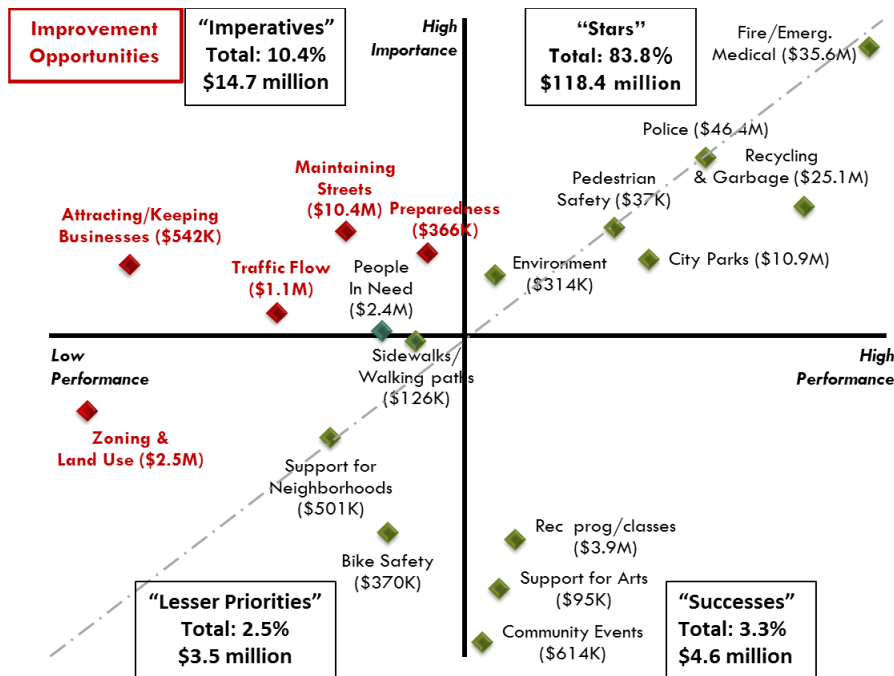
	2013	2014	2015	2016	2017	2018
Total Resources (000's)	76,882	78,302	79,964	81,677	83,441	86,453
Total Expenditures (000's)	80,026	82,814	85,376	85,742	88,900	92,481
<b>Net Resources (000's)</b>	<b>(3,144)</b>	<b>(4,512)</b>	<b>(5,412)</b>	<b>(4,065)</b>	<b>(5,459)</b>	<b>(6,027)</b>
<b>Biennium Total (000's)</b>	<b>(7,656)</b>		<b>(9,477)</b>		<b>(11,486)</b>	



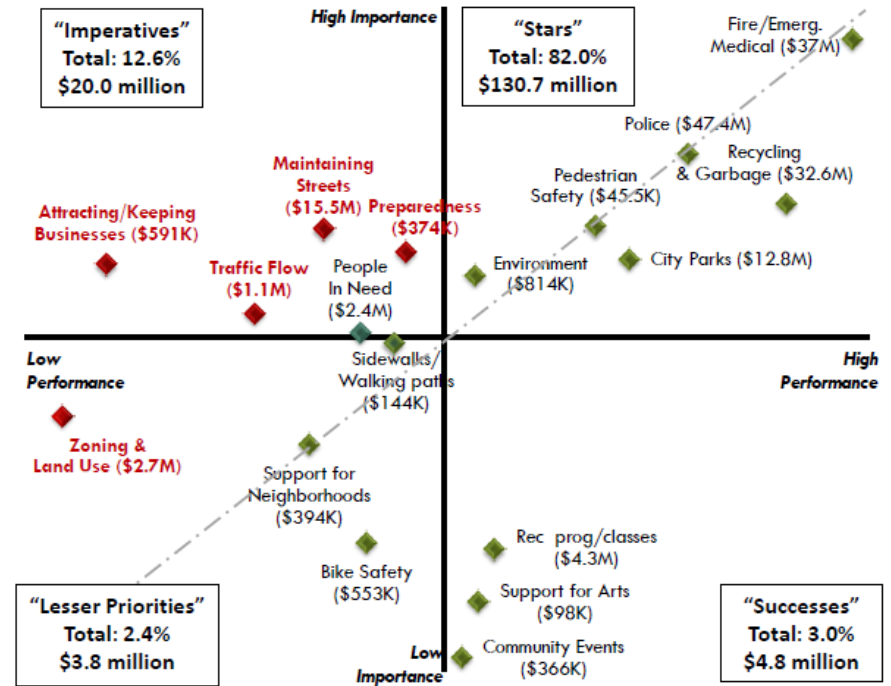
	2013	2014	2015	2016	2017	2018
Total Resources (000's)	81,572	77,842	80,323	81,950	83,625	86,584
Total Expenditures (000's)	80,420	78,994	81,640	84,889	88,320	91,940
<b>Net Resources (000's)</b>	<b>1,152</b>	<b>(1,152)</b>	<b>(1,317)</b>	<b>(2,938)</b>	<b>(4,694)</b>	<b>(5,356)</b>
<b>Biennium Total (000's)</b>	<b>0</b>		<b>(4,255)</b>		<b>(10,050)</b>	

# What Did We Do?

## 2012 Survey with 2011-12 Budget Kirkland Quad Chart



## Kirkland Quad Chart with 2013-14 Budget



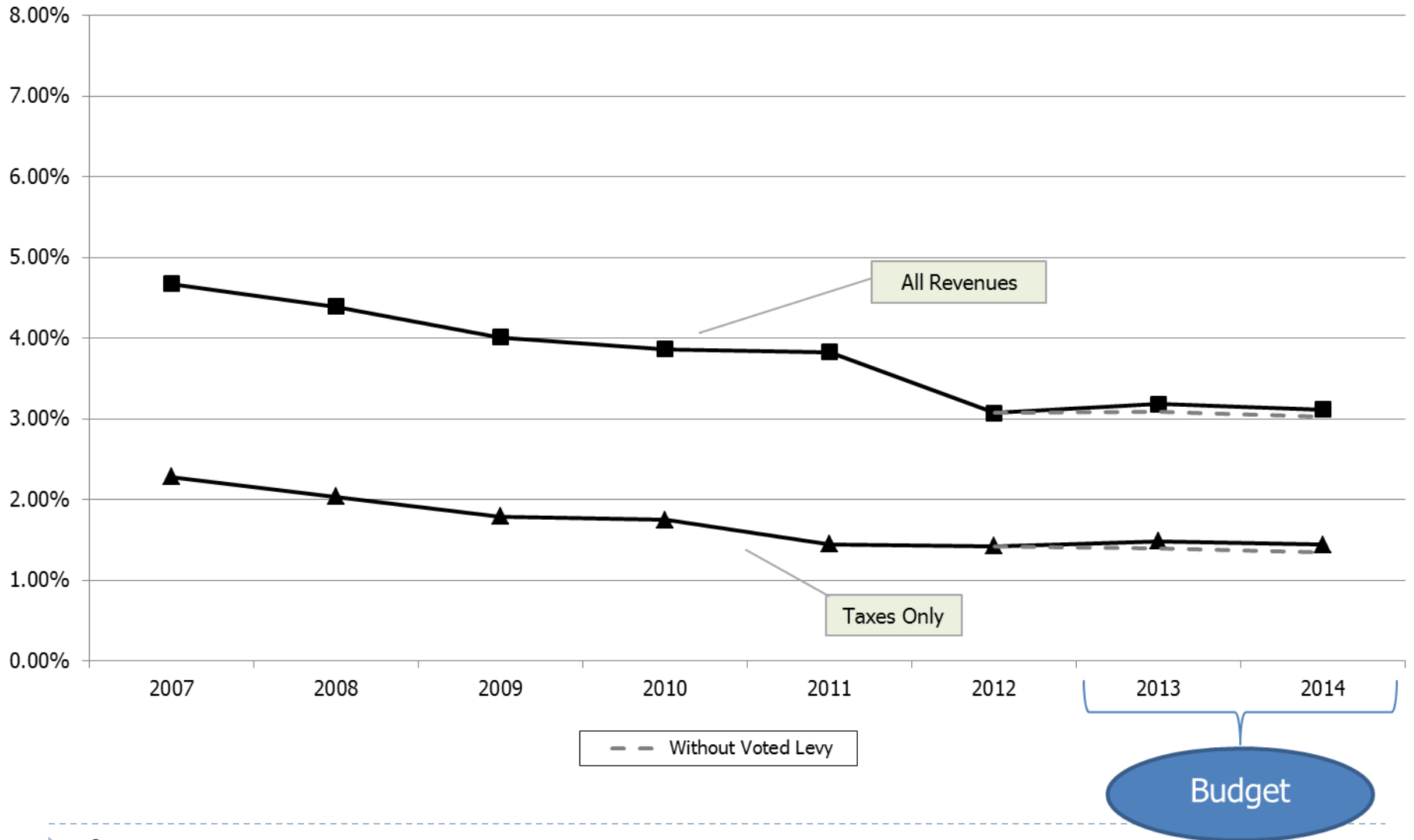
# What Did We Do?

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- ▶ Looked at elements of all the approaches that would help tell the story
  - ▶ Price of Government
  - ▶ Identification of program level adds/cuts
  - ▶ Casting budget recommendations as they relate to goals set by Council and priorities set by quad



# The Price of Government City of Kirkland, Washington



# Budget Message

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## KEY RECOMMENDATIONS BY GOAL AREA

The City Manager's recommendations were crafted to address the community and City Council priorities within the context of the City Council goals. The funded service packages, key policy recommendations, and major capital investments are presented within the goal area they primarily support, although many of the recommendations support multiple goals.



*The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.*

Goal: To ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.

- Increasing ARCH Housing Trust Fund contribution from \$432,000 to \$630,000
- Continued support of affordable housing projects in the City, specifically the Transit-Oriented Development at the South Kirkland Park & Ride



*Citizens of Kirkland enjoy high quality services that meet the community's priorities.*

Goal: Provide a sustainable level of core services that are funded from predictable revenue.

- No basic operations funded by one-time revenues
- Incorporating a component into the on-going budget for replenishment based on 1% of the General Fund budget

# What Did We Do?

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- ▶ **Resulted in changes to:**

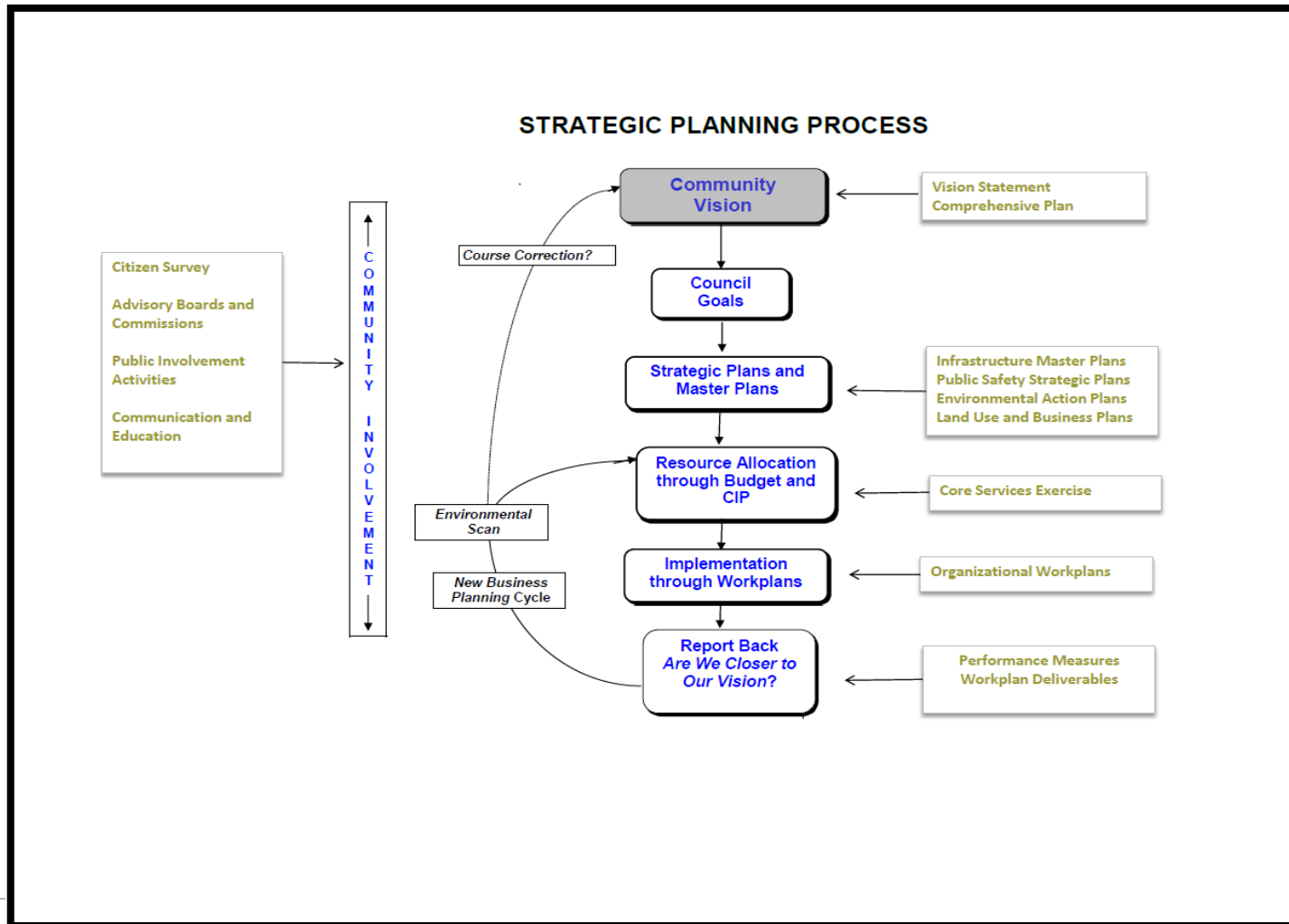
- ▶ The structure of the budget message [www.kirklandwa.gov/budgetdoc](http://www.kirklandwa.gov/budgetdoc)
- ▶ Department overviews [www.kirklandwa.gov/budgetdoc](http://www.kirklandwa.gov/budgetdoc)
- ▶ Public communication materials – Budget in Brief  
<http://www.kirklandwa.gov/Assets/Finance+Admin/2013-2014+Budget/2013-14+Budget+in+Brief.pdf>

# So How Did It Go?

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- ▶ The usual 6-hour budget study session took 4 hours
- ▶ The 2013-2014 Budget was adopted unanimously and with applause
- ▶ The hug!
- ▶ So what happens next?

# You end where you begin



# Clarity

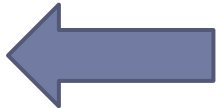
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- ▶ “At its core, organizational health is about integrity, but not the ethical or moral way that integrity is defined so often today. An organization has integrity—is healthy—when it is whole, consistent, and complete, that is, when its management, operations, strategy, and culture fit together and make sense.”
- ▶ Discipline #1:           Build a Cohesive Leadership Team
- ▶ Discipline #2:           Create Clarity
- ▶ Discipline #3:           Overcommunicate Clarity
- ▶ Discipline #4:           Reinforce Clarity

*Patrick Lencioni, The Advantage*

# Clarity

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- ▶ “In addition to being behaviorally cohesive, the leadership team of a healthy organization must be intellectually aligned and committed to the same answers to six simple but critical questions.”
  - ▶ Why do we exist?
  - ▶ How do we behave?
  - ▶ What do we do?
  - ▶ How will we succeed? 
  - ▶ What is most important right now?
  - ▶ Who must do what?

*Patrick Lencioni, The Advantage*

# How will we succeed?

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- ▶ “How will we make decisions in a purposeful, intentional, and unique way that allow us to maximize our success and differentiate us from our competitors?” *Patrick Lencioni, The Advantage*



# How will we succeed?

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- ▶ “When I took over at the University of Oregon, the first thing we had to find out was “What do we stand for?” ...People should be able to come, observe you, and in five minutes know what you stand for.”
- ▶ Fast.
- ▶ Work Hard.
- ▶ Finish.

*Chip Kelly (from the book The Tao of Chip Kelly by Mark Saltveit)*

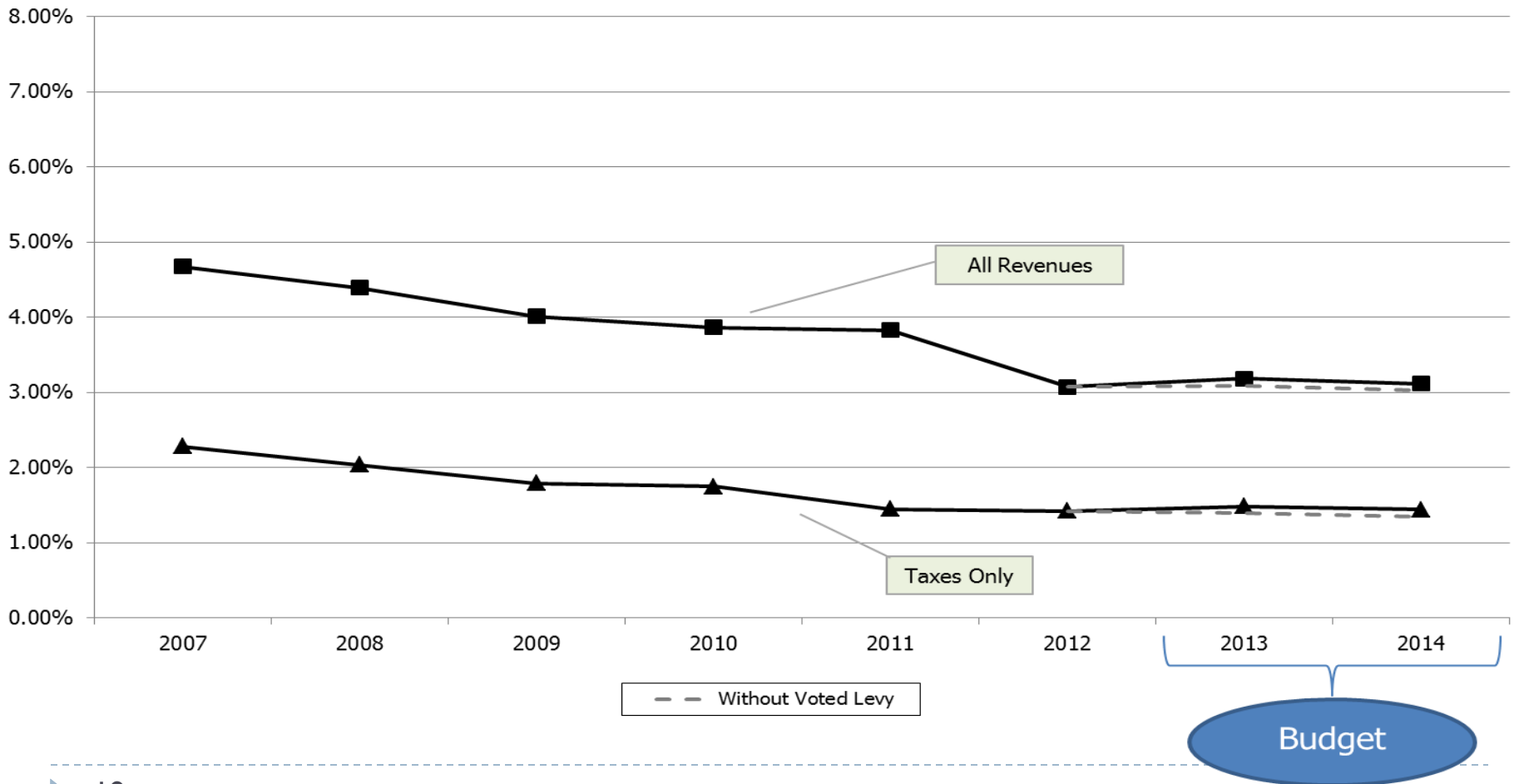
# How will we succeed?

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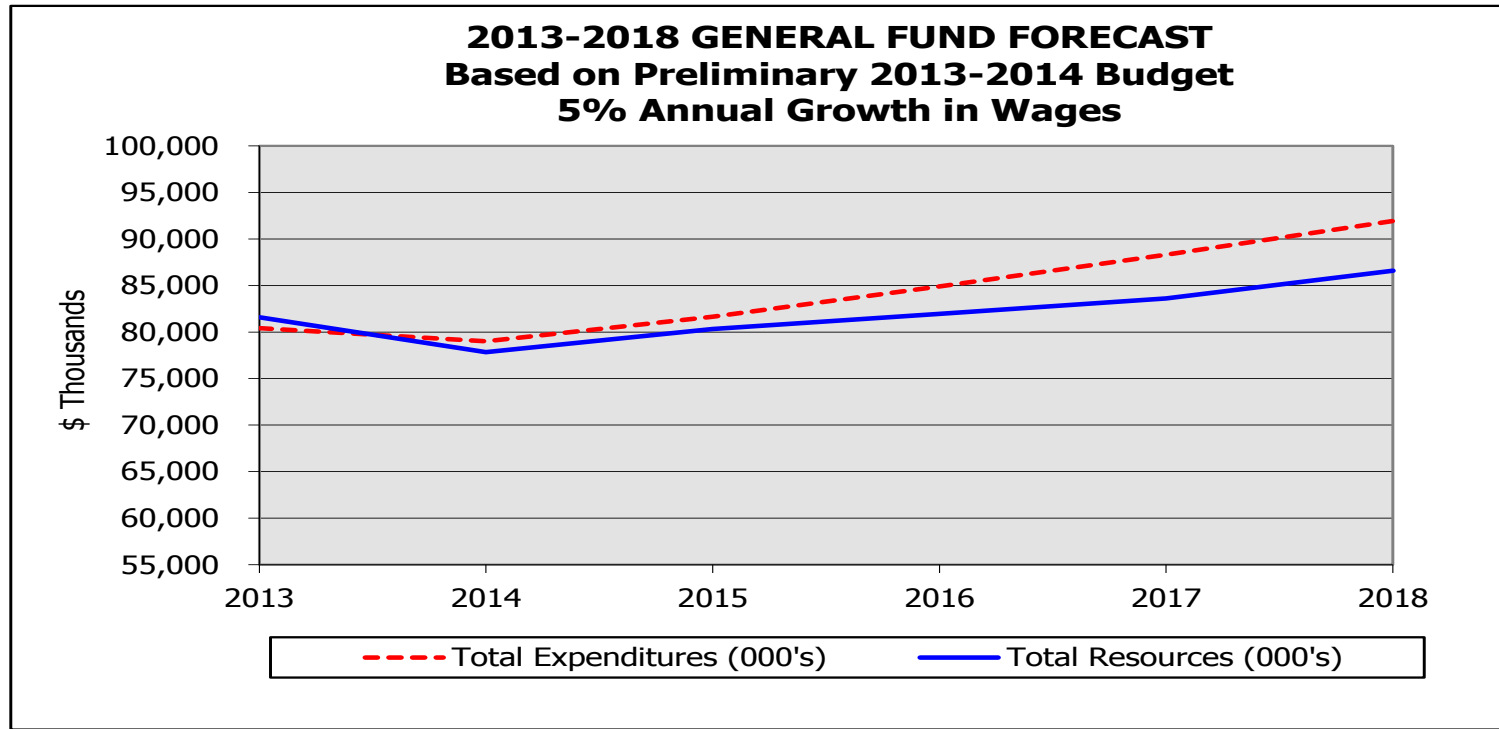
- ▶ Capture how your City makes decisions in a “purposeful, intentional and unique way” and leverage that information to maximize your ability to best serve your constituents.
- ▶ *Kirkland’s Strategic Anchors...*

# Affordable

## The Price of Government City of Kirkland, Washington

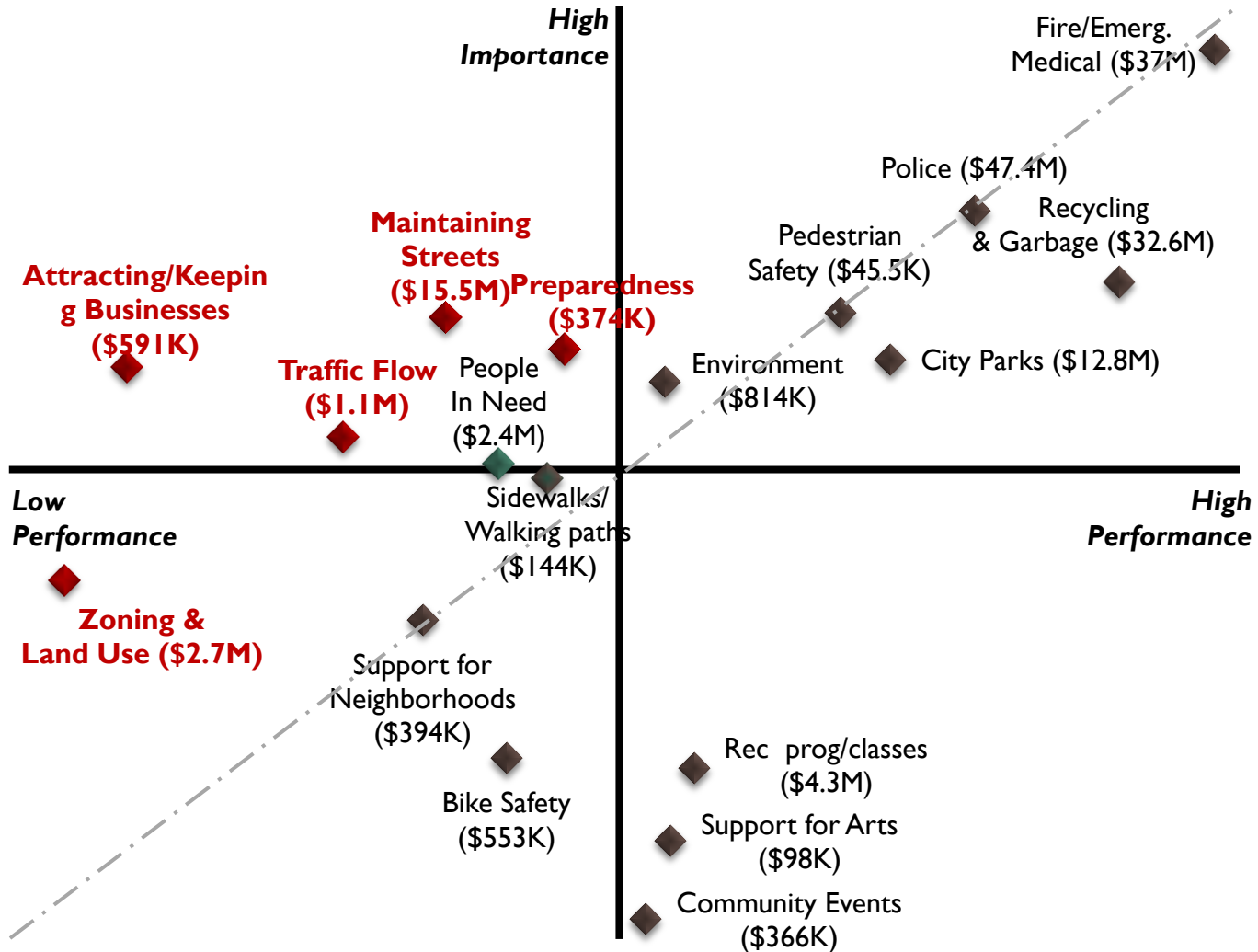


# Sustainable

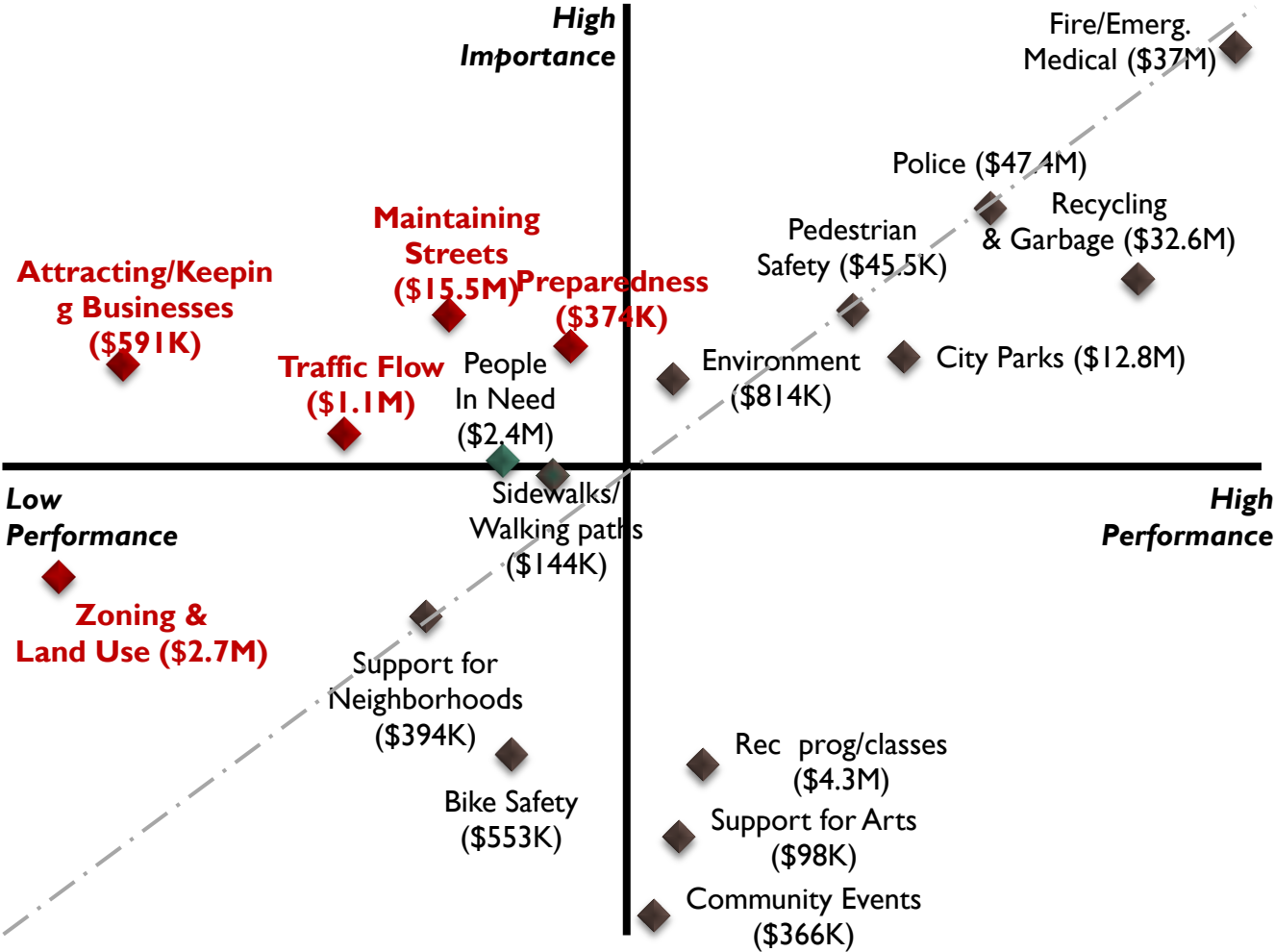


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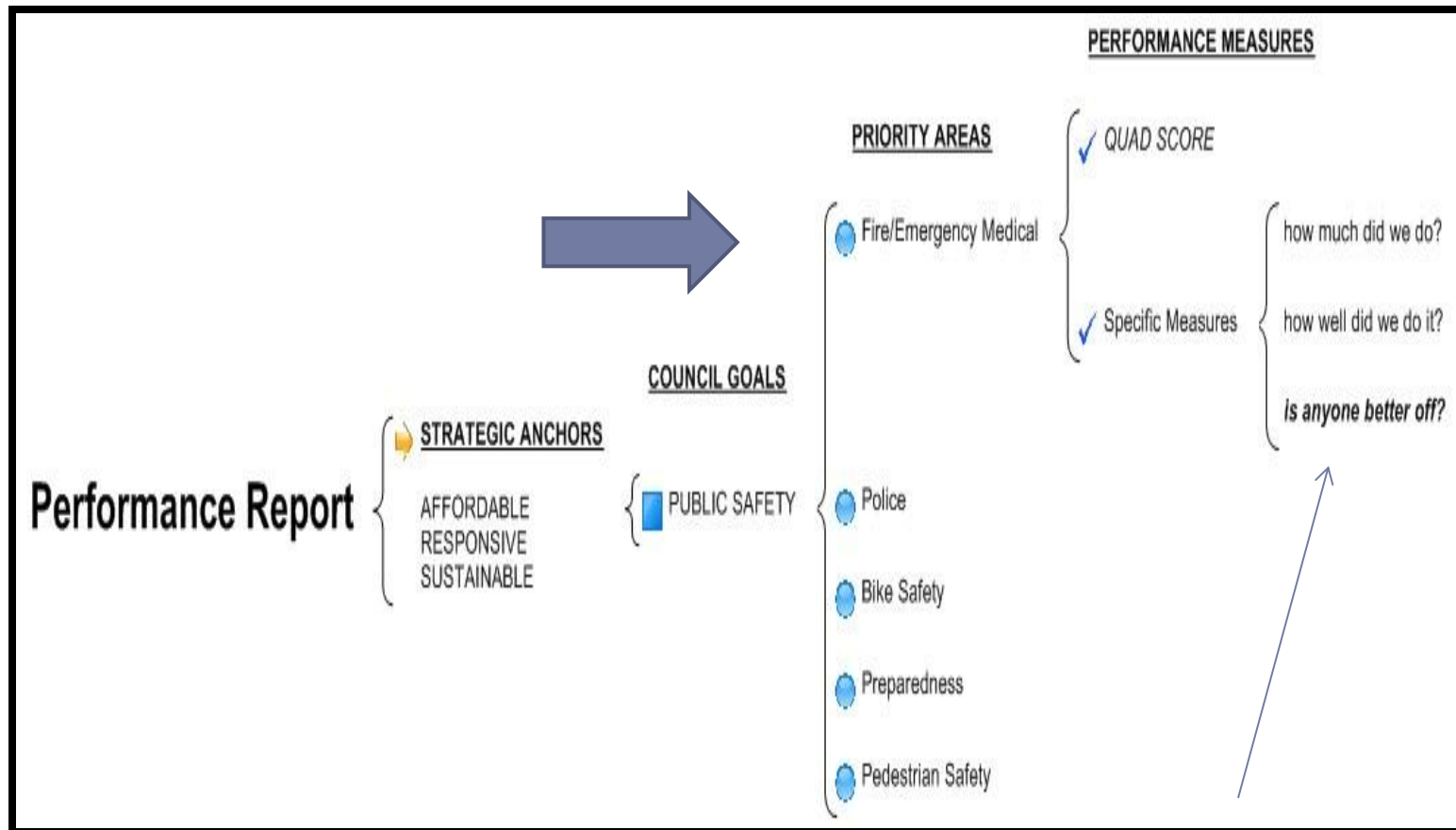
# Decisive and Responsive



# The Deeper Dive



# The Deeper Dive



Mark Friedman—Results Based Accountability

# Making Performance Management Work

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- ▶ 1. Do I know what is expected of me at work?
  
- ▶ 2. Do I have the materials and equipment that I need in order to do my work right?
- 3. At work, do I have the opportunity to do what I do best every day?
- 4. In the past seven days, have I received recognition or praise for doing good work?
- 5. Does my supervisor, or someone at work, seem to care about me as a person?
- 6. Is there someone at work who encourages my development?
- 7. At work, do my opinions seem to count?
- 8. Does the mission or purpose of my company make me feel that my job is important?
- 9. Are my coworkers committed to doing quality work?
- 10. Do I have a best friend at work?
- 11. In the past six months, has someone at work talked to me about my progress?
- 12. This past year, have I had opportunities at work to learn and grow?

***Marcus Buckingham***





# Making Performance Management Work

