

DURHAM  
150  
— EST 1869 —



CITY OF  
DURHAM

GETTING  
BETTER  
WITH TIME







**CITY OF  
DURHAM**

# Performance Management in America

APSE Performance Networks Seminar 2019

Bertha T Johnson

Director Budget & Management Services

December 5, 2019



# Where is Durham, North Carolina, USA?



# About Durham

## Anchor Institutions

---

**North Carolina Central University (Eagles)**

**Duke University (Blue Devils)**

**Duke University Health System**

**Durham Bulls (Triple-A affiliate of Tampa Bay Rays)**

**Research Triangle Park (anchored by North Carolina State University, Duke University, and University of North Carolina at Chapel Hill)**

**277,902**

---

**POPULATION**

**\$477M**

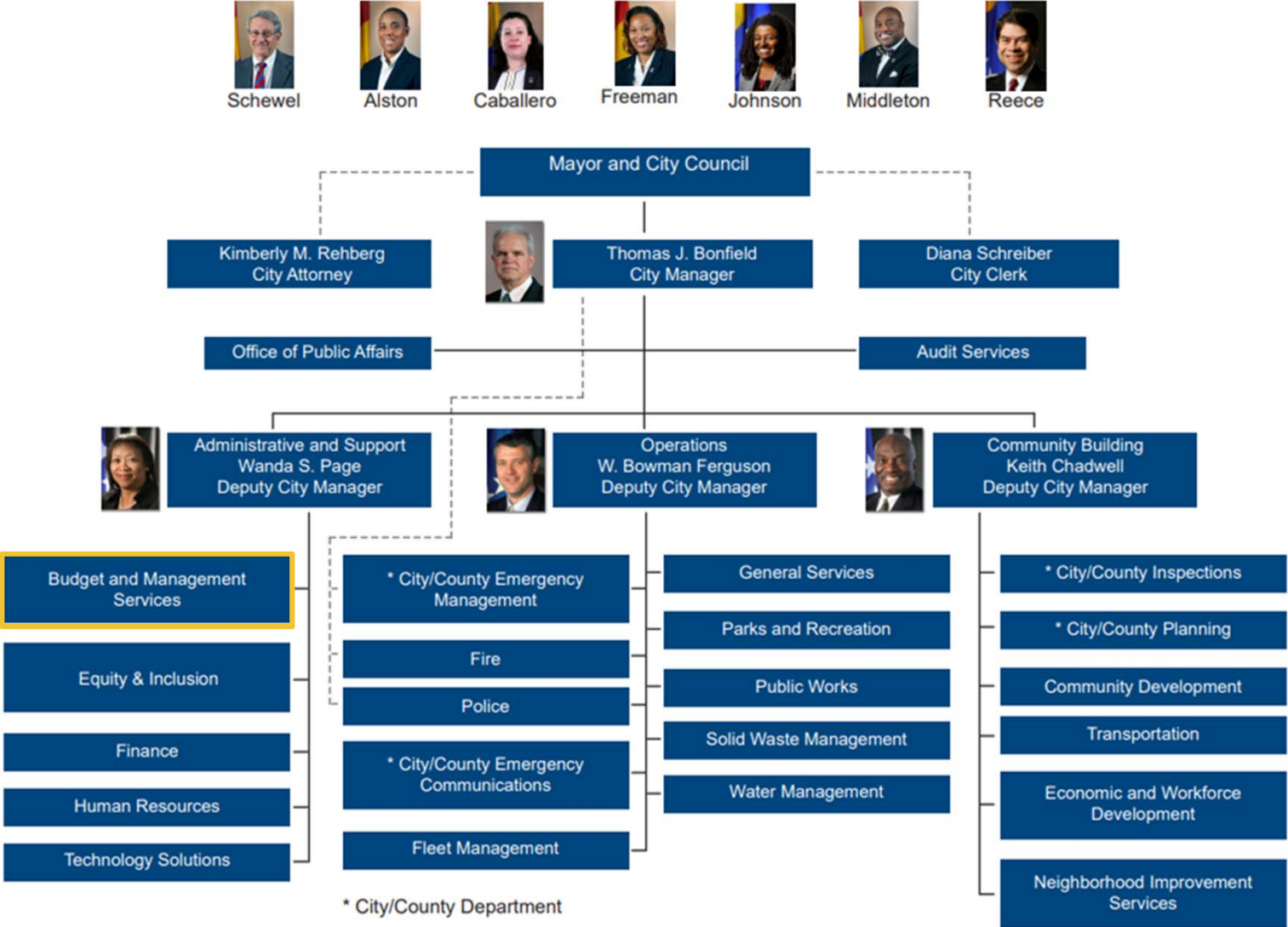
---

**BUDGET FY19-20**



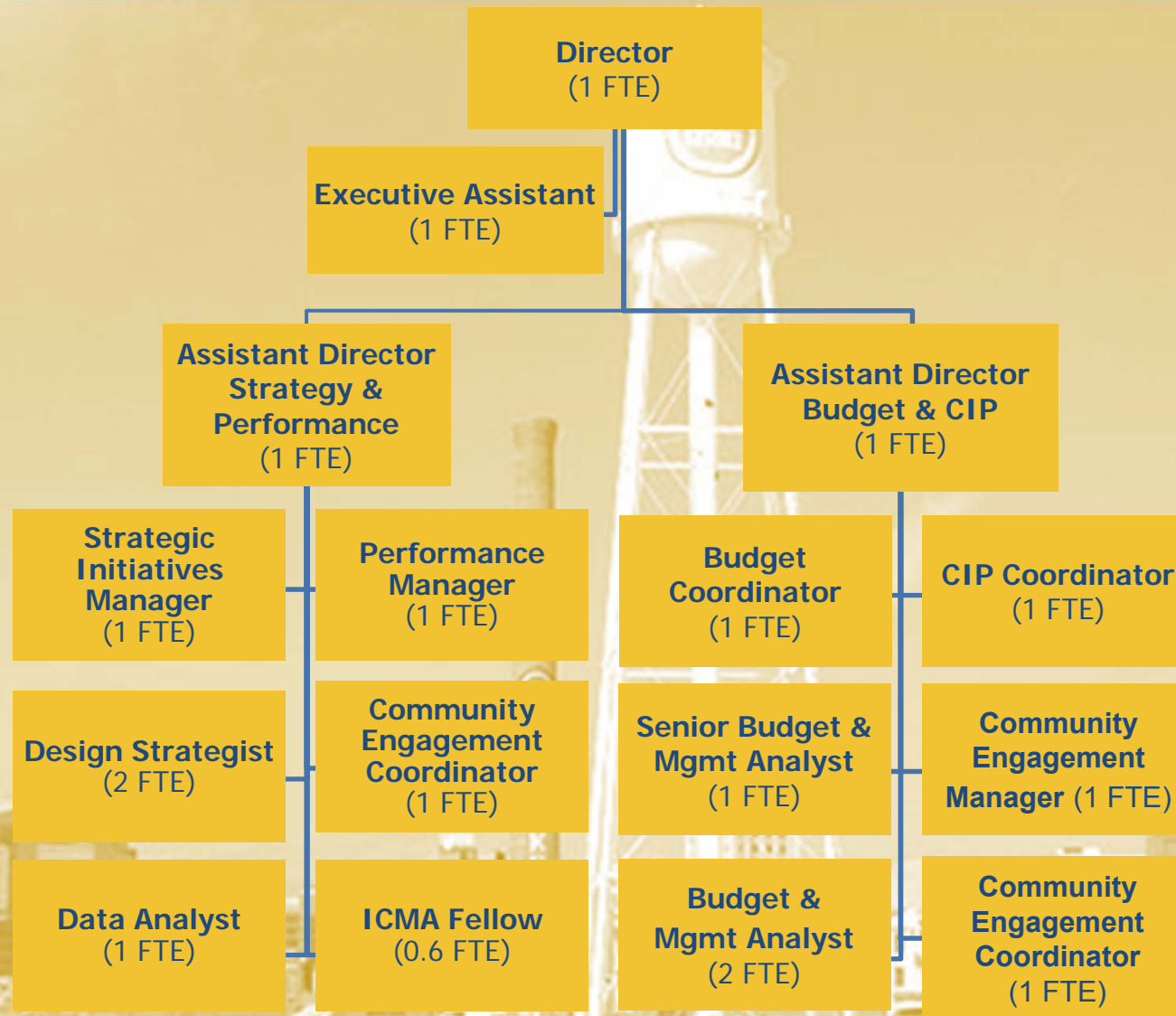


# City Organizational Structure





# Budget Organizational Structure





# How it all connects

## Strategic Plan

Where we  
want to go?





# How it all connects

## Strategic Plan

Where we want to go?

How are we getting there?

**Budget, CIP & DSAP**



# How it all connects

## Strategic Plan

Where we want to go?

How are we getting there?

**Budget, CIP & DSAP**

Are we doing the right things?

**Evaluation & Engagement**





# How it all connects



# How it all connects





# How it all connects





# Strategic Planning

- ✓ Roadmap for translating long term vision into present and future organizational efforts
- ✓ Helps engage employees and anyone that lives, works, and plays in Durham with the long term vision of the City
- ✓ Connects resources with long term vision to accomplish priorities



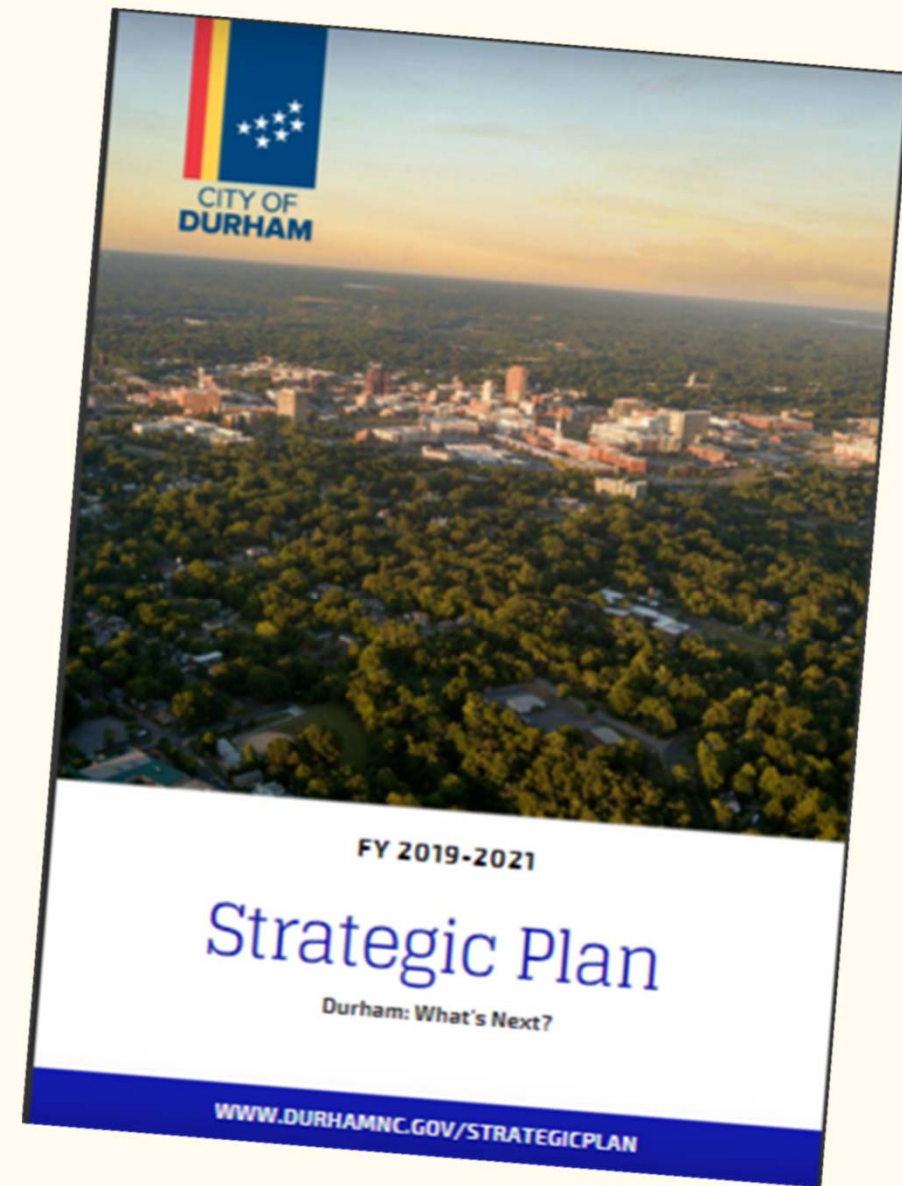


## Our Vision

Durham is the leading city in providing an excellent and sustainable quality of life.

## Our Mission

To provide quality services to make Durham a great place for people to live, work, and play.



# Our Goals



Shared Economic Prosperity



Creating a Safer Community Together



Connected, Engaged, and Diverse Communities



Innovative & High Performing Organization



Sustainable, Natural, and Built Environment







ADOPTED FY 2019-2021

# Strategic Plan

## Durham: What's Next?

### SHARED ECONOMIC PROSPERITY

Maintain and grow a strong and diverse economy through a variety of businesses, industries, and employment opportunities to benefit all Durham residents and businesses. View all strategic initiatives and their current status [here](#).

[Back to Dashboard Home](#)

### Create an Inclusive Development Environment

96%

Development Review  
Efficiency Rating

On Target

99%


Customer Satisfaction  
Survey

On Target

94%

Development Review  
Completion

On Target

-  Shared Economic Prosperity
- Creating a Safer Community Together
- Connected, Engaged, and Diverse Communities
- Innovative & High Performing Organization
- Sustainable Natural and Built Environment
- FY 2019 - 2021 Strategic Plan
- Contact Us





# DSAP – Durham Strategy and Performance

- 2-hour monthly meetings with the Executive Team and Strategic Initiative Teams.
- A forum for discussing progress on initiatives and performance metrics included in the Strategic Plan.
- Teams use performance data to “tell a story” about their initiatives.
- Is a platform for cross-departmental problem solving and information sharing.
- Creates opportunities to discuss new funding requests outside the budget process.





# THE BUDGET PROCESS

Operating Budget & CIP



# Using Data in the Budget Development Process

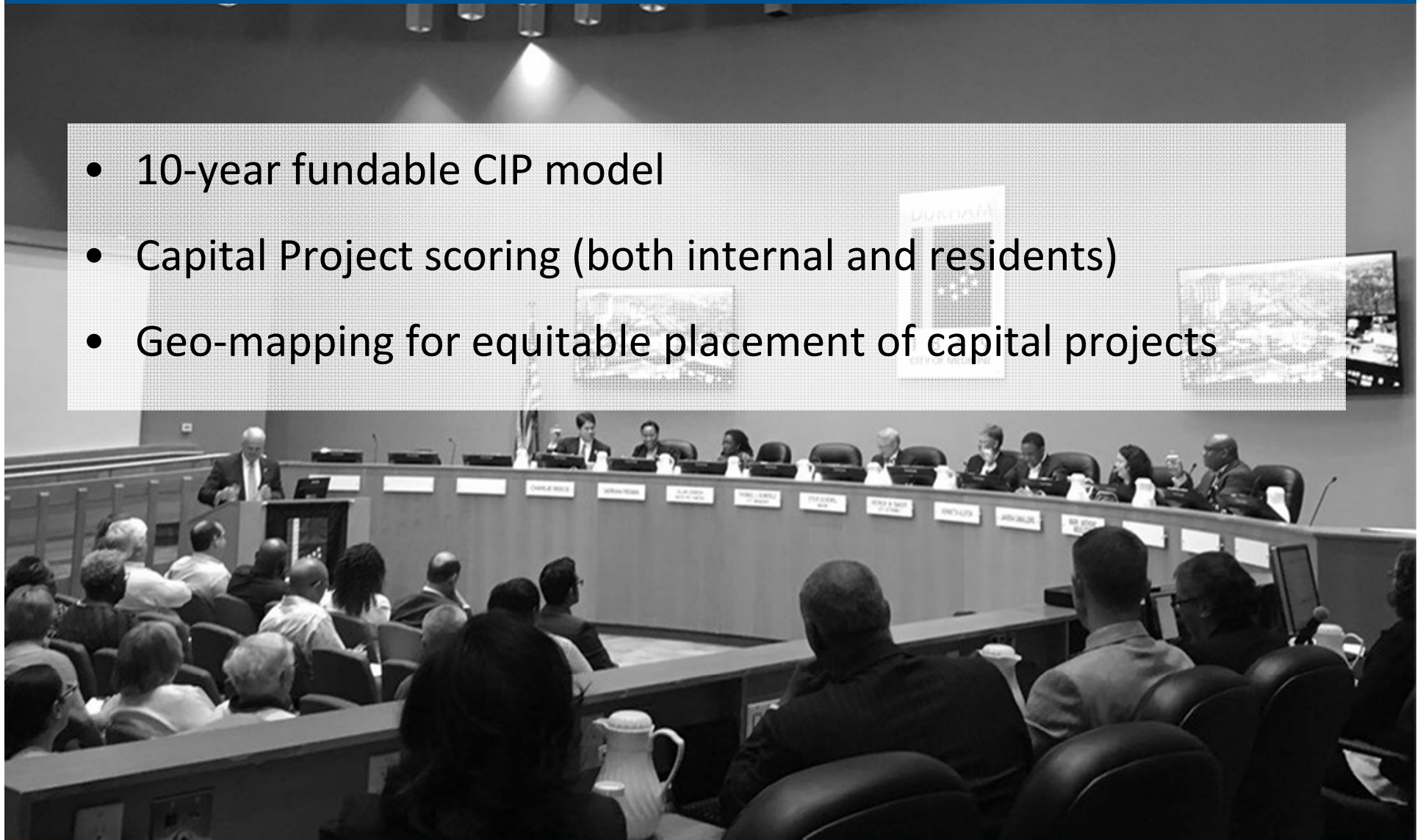
- Budget analysis using performance measures
- Program Evaluations
- Process Improvements / LEAN
- Resident Surveys
- Priority Based Budgeting
- Budgeting through an Equitable- based lens





# Using Data in the CIP Process

- 10-year fundable CIP model
- Capital Project scoring (both internal and residents)
- Geo-mapping for equitable placement of capital projects





# Fiscal Year 2019-20 Budget

## Total Budget: \$477.8 million

Compared to \$510.9 million in FY 2018-19  
a decrease of \$33.1 million (6.5%)

- General Fund: \$215.8 million, increase of \$14.2 million (7.03%) over FY 2018-19 (\$201.6 million)
- Water & Sewer Fund: \$109.8 million
- Debt Service Fund: \$39.7 million
- Solid Waste Fund: \$28.2 million
- All other Funds: \$84.3 million

## Property tax rate = 53.17

(Cents per \$100 of assessed value)

- General Fund = 30.83 cents
- Debt & Capital Projects = 11.00 cents
- Solid Waste = 5.59 cents
- Transit = 3.75 cents
- Housing = 2.0 cents



# LONG TERM FINANCIAL PLANNING

Sustainability



# Multi-Year Financial Plan

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<b>Revenues</b>						
General Property Taxes	\$ 107,192,426	\$ 110,408,199	\$ 113,720,444	\$ 117,132,058	120,646,020	124,265,400
Taxes: Prior Year Levy/Interest	1,272,715	1,254,980	1,279,235	1,304,084	1,329,544	1,355,631
Other Local Taxes	72,063,828	74,334,301	76,681,254	79,472,046	82,368,896	85,376,102
State-Shared Revenues	11,962,793	12,076,338	12,192,153	12,310,284	12,430,779	12,553,683
Licenses and Permits	354,500	356,430	358,399	360,407	362,455	364,544
Investment/Rental Income	114,263	114,263	114,263	114,263	114,263	114,263
Charges for Current Services	9,278,749	10,462,417	10,592,211	10,724,599	10,859,636	10,997,373
Intragovernmental Services	6,520,126	6,800,413	7,076,752	7,368,589	7,648,057	7,976,047
Other Revenues	1,151,550	1,151,550	1,151,550	1,151,550	1,151,550	1,151,550
Additional Revenues	5,896,006	4,000,000	4,608,099	4,000,000	4,608,099	4,000,000
<b>Total Revenues</b>	<b>\$ 215,806,956</b>	<b>\$ 220,958,891</b>	<b>\$ 227,774,360</b>	<b>\$ 233,937,880</b>	<b>241,519,299</b>	<b>248,154,593</b>
<b>Appropriations</b>						
Personal Services	\$ 165,657,357	\$ 171,395,611	\$ 175,592,750	\$ 179,826,408	183,303,531	187,010,883
Operating	37,261,266	39,338,297	40,800,798	40,919,553	43,148,963	44,770,035
Capital Outlay	1,191,448	1,237,266	1,284,916	1,334,473	1,386,012	1,439,613
Others	856,519	856,519	856,519	856,519	856,519	856,519
Transfers to Other Funds	10,840,366	10,900,454	10,911,046	10,922,168	10,933,848	10,946,112
<b>Total Appropriations</b>	<b>\$ 215,806,956</b>	<b>\$ 223,728,147</b>	<b>\$ 229,446,029</b>	<b>\$ 233,859,122</b>	<b>\$ 239,628,873</b>	<b>\$ 245,023,162</b>
Property Taxes Needed	\$ 107,192,426	\$ 113,177,455	\$ 115,392,113	\$ 117,053,299	\$ 118,755,595	\$ 121,133,971
Projected Levy	107,192,426	110,408,199	113,720,444	117,132,058	120,646,020	124,265,400
Surplus/(Shortfall)	\$ -	\$ (2,769,256)	\$ (1,671,669)	\$ 78,759	\$ 1,890,425	\$ 3,131,429
One Cent on Tax Rate	\$ 3,476,887	\$ 3,581,194	3,688,629	3,799,288	3,913,267	4,030,665
Tax Rate (General Fund Only)	0.3083	0.3083	0.3083	0.3083	0.3083	0.3083
<b>Tax Rate Equivalent</b>	<b>0.0000</b>	<b>0.0077</b>	<b>0.0045</b>	<b>-0.0002</b>	<b>-0.0048</b>	<b>-0.0078</b>
<b>Tax Rate (cents)</b>	<b>0.3083</b>	<b>0.3160</b>	<b>0.3128</b>	<b>0.3081</b>	<b>0.3035</b>	<b>0.3005</b>
Undesignated Fund Balance	\$ 40,470,238	\$ 36,470,238	\$ 31,862,139	\$ 27,862,139	\$ 23,254,040	\$ 19,254,040
12% Undesignated Fund Balance	\$ 24,595,991	\$ 25,539,323	\$ 26,224,198	\$ 26,752,434	\$ 27,443,403	\$ 28,089,246
16.7% Undesignated Fund Balance	\$ 34,229,421	\$ 35,542,225	\$ 36,495,342	\$ 37,230,471	\$ 38,192,069	\$ 39,090,868
Fund Balance %	19.74%	17.14%	14.58%	12.50%	10.17%	8.23%

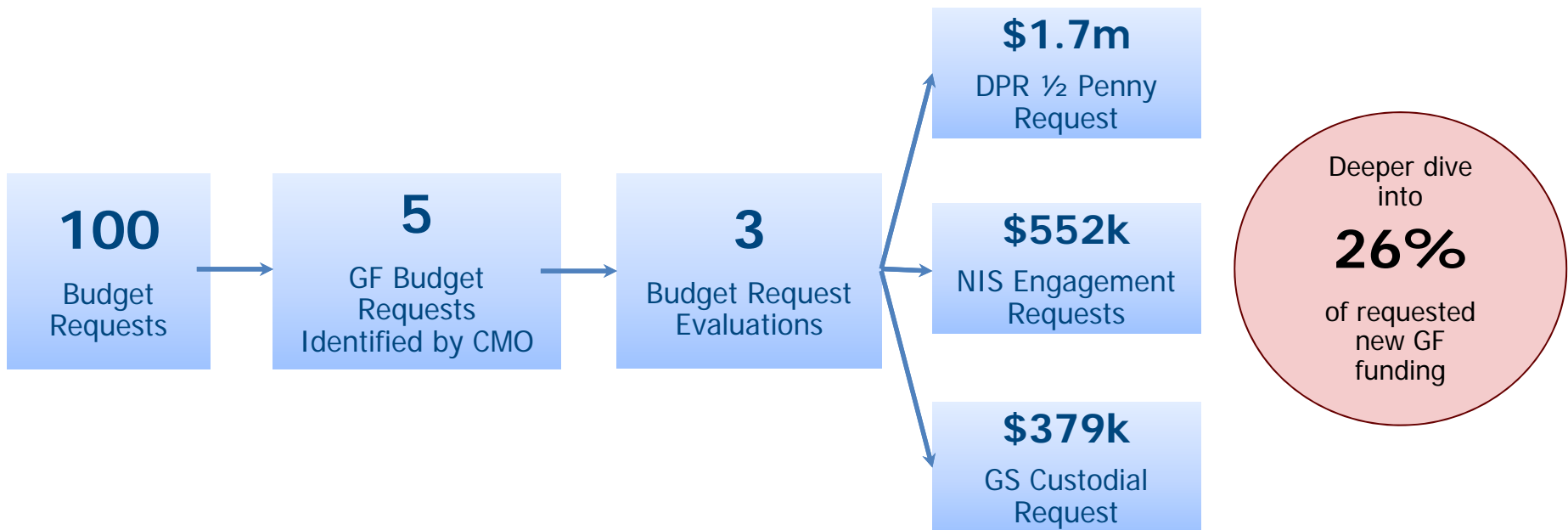


# Program Evaluation

Evaluation is systematically investigating the **worth (value), merit (quality) or significance (importance)** of a program.

It can also be used as a method for collecting, analyzing, and using information to answer basic questions about a program.

**Used in BMS as part of FY 2019-2020 budget request process:**





# Resident Survey

- The City of Durham began surveying residents in 1999 and currently surveys annually and partners with the County.
- The survey assesses how well the City is achieving its vision and mission with both quality of life and service quality questions.
- The survey also provides feedback on what services or priorities need to be addressed from the residents' perspective.



# Performance Measurement

- To use performance data to frame strategic discussions about the future.
- To monitor, report and analyze data to make changes to operations throughout the year and to drive budget discussions.
- To use data to make operational, strategic and budget decisions, not anecdotal stories or “gut” feelings:
  - The city is growing; therefore we need more firefighters, police officers, building inspectors.
  - Show the need with data... What will be different?





# Performance Measurement

- Each department tracks performance data and reviews daily, weekly, or monthly depending on the type of measure.
- Departments discuss performance data quarterly with their Deputy City Manager.
- Departments provide performance updates to the City Manager twice a year as part of the budget process.
- Departments present to the City Council performance data during the annual budget presentations prior to budget adoption.





# Continuous Improvement

Staff uses Lean methods, Design Thinking and other tools to support City projects and train City staff to build continuous improvement capacity.



# How can we build a culture of innovation in the City?



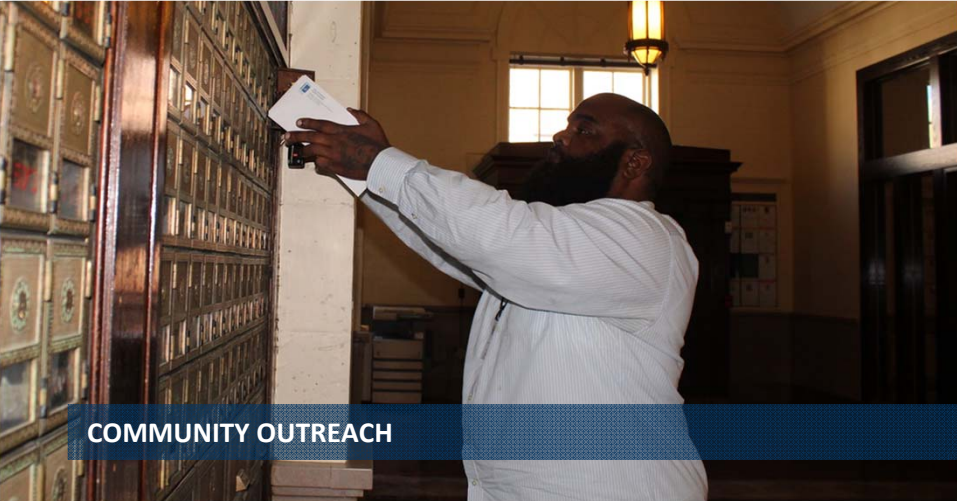
HUMAN-CENTERED DESIGN



DATA SCIENCE



BEHAVIORAL SCIENCE



COMMUNITY OUTREACH





# How can we build a culture of innovation in the City?

## **IdeaStarter**

An annual campaign for City employees to receive support, training and funds to build test their innovative ideas.

## **Innovate Durham**

A 12-week partnership program that turns the City of Durham and Durham County into a lab to test new ideas, products or services. Through the program participants get access to staff, data and facilities to assist with making Durham more efficient and encourage a culture of innovation at the City and County.

## **Durham City-County IdeaLab**

A joint venture with Durham County to provide a forum for employees to engage with innovation concepts, tools and approaches. (ex. human-centered design, prototyping, etc.)





