



Las Vegas

Agenda Item No.: 4.

AGENDA SUMMARY PAGE
SPECIAL JOINT CITY COUNCIL AND REDEVELOPMENT AGENCY
MEETING OF MAY 20, 2008

DEPARTMENT: FINANCE AND BUSINESS SERVICES

DIRECTOR: MARK R. VINCENT

Consent Discussion

SUBJECT:

Report and possible action on the Performance Plus strategic planning process

Fiscal Impact:

No Impact

Augmentation Required

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

The City implemented a rigorous program to train staff at all levels to develop and execute Strategic Business Plans that include a high degree of performance measurement. With three departments remaining to be trained, as well as the City Manager's Office, this report will highlight the status of the program and its application and integration into the budget process. Several departments volunteered to highlight specific examples of how the Performance Plus program has made a difference in their operations.

RECOMMENDATION:

None

BACKUP DOCUMENTATION:

1. Submitted after final agenda PowerPoint Presentation by staff
2. Submitted at meeting Written comments by Tom McGowan

Motion made by GARY REESE to Approve the report

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN,
GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None);
(Did Not Vote-None); (Excused-None)

Minutes:

CITY MANAGER DOUG SELBY stated the Council action today would be the final action on the budget which would be submitted to the State and noted that municipalities across the state were also having budget hearings as required by statute.

Reading the Council directions given to staff at the last budget workshop, CITY MANAGER SELBY described staffs efforts to complete a review of all City programs and streamline the Citys operations so the Citys budget would better match the reduced revenues anticipated in the future. He stated that cities that had not planned and managed their budgets properly were being

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forced to take drastic measures to cut costs and, as an example, he noted that the City of Vallejo, California, had been forced to declare bankruptcy because they could not balance their budget.

CITY MANAGER SELBY noted the review would reveal which programs and services were not aligned with the Council's priorities, were no longer serving their original purpose and which were no longer effective. With regard to critical services, CITY MANAGER SELBY stated that the review would help the City reduce operational costs and increase service efficiencies. Despite the economic downturn, he emphasized the City's focus on providing customer service, preserving its workforce, maintaining its bond rating and building needed infrastructure.

Acknowledging the importance of the fundamental review, CITY MANAGER SELBY stated DR. BARBARA JACKSON, Department of Leisure Services, would be overseeing the project because of her extensive experience with the City and its programs. He explained that DR. JACKSON would be reporting directly to him and would function in that role until a report was presented to the Council on October 1. CITY MANAGER SELBY added that the use of an outside consultant was also being considered. CITY MANAGER SELBY gave a brief update on the status of the review, stating that past assessments were being catalogued and reviewed and noted that a preliminary list of 16 functions had been assembled for review by the Council. He explained that new revenue sources were being explored, as well as improved revenue collections and efficiency savings, stressing that the Council would have opportunities for input throughout the process.

CITY MANAGER SELBY informed the Council that he had explored the possibility of consolidation of government with other jurisdictional managers. He explained that agreement by elected officials would be needed and added that certain activities were being examined for possible consolidation.

Pointing out that 75 percent of the City's operating cost is labor, CITY MANAGER SELBY stated that the City's labor costs were being closely examined. He noted that a classification and compensation study was a possibility as it would allow unbiased comparison of salaries, benefits and job classifications by an outside company and would assist the City in determining whether its employees were being fairly compensated. CITY MANAGER SELBY added that any possible changes would have to be implemented through the collective bargaining process.

COUNCILMAN WOLFSON commented that using an outside consultant for this budget review process would be prudent and appropriate and stated he could support an outside consultant if the price were reasonable. COUNCILWOMAN TARKANIAN concurred.

CITY MANAGER SELBY stated that some outside consultants were being considered and informed COUNCILWOMAN TARKANIAN that DR. JACKSON and any outside consultant would report to him.

COUNCILMAN BROWN requested a briefing regarding the review of the fundamental and critical functions of the City, noting that the City has an opportunity to make dramatic policy

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decisions to change the way the City operates, makes decisions, and provides services.

MAYOR GOODMAN observed that time is of the essence regarding the fundamental review and expressed concern that DR. JACKSON might not be the appropriate person for this job as her personal responsibilities could possibly conflict with her job. CITY MANAGER SELBY expressed his confidence in DR. JACKSON'S abilities, but assured the Council that he would adjust if it became necessary.

DEPUTY CITY MANAGER ELIZABETH FRETWELL utilized a Power Point presentation on Performance Plus which was submitted for the record. She stated that implementation of Performance Plus started before the economic downturn and noted that the data and information gathered through the process was already reaping benefits for the City and its taxpayers.

DEPUTY CITY MANAGER FRETWELL gave a brief history and overview of Performance Plus. She stated the process was on-going and the information gathered would be critically important to the City fundamental review. She emphasized that budgets as well as every City program, service and line of business would be aligned to the Council's highest priorities and listed the many benefits of Performance Plus, beginning with the 2010 budget. DEPUTY CITY MANAGER FRETWELL explained that a transparent accountability system based on performance management and measurable outcomes. She applauded the staff for their dedication to Performance Plus and thanked them for submitting their performance plans well ahead of schedule. DEPUTY CITY MANAGER FRETWELL explained and described the process review which would identify key departmental issues, create useful and logical strategic measures and align each departments budget to its programs and results. She pointed out the high level of detail identified within every City program and invited staff from different departments to speak about their experiences with Performance Plus.

DEPUTY FIRE CHIEF RICK GRACIA, Support Services, Las Vegas Fire and Rescue, highlighted three changes attributed to Performance Plus and described the successful results which had been realized.

JIM CARMANY, Court Administrator, Municipal Court, noted the customer service improvements attributed to Performance Plus, including increased use of the phone unit to collect fines and reduced waiting times at the front counter.

JOE MARCELLA, Director of the Information Technologies (IT) Department, explained that IT primarily serves the City's internal needs with the goal of making systems as efficient and as available as possible. He noted an 18 percent increase in financial transactions through the Web and pointed out the significant savings and other benefits achieved when the transactions are processed through the Internet.

KAREN COYNE, Director of the Detention and Enforcement Department, observed that the Performance Plus process is not for wimps. Using the City's canine program as an example, she noted the program's great popularity, but pointed out that cutting the program had saved the City

\$400,000 annually.

DEPUTY CITY MANAGER FRETWELL noted the significant benefits resulting from implementation of Performance Plus and listed future goals. She stated that the remaining departments would finish their business plans and that the City management team will review all of existing plans to update for next year and that existing Performance Plus would be reviewed to ensure alignment with Council priorities. DEPUTY CITY MANAGER FRETWELL added that the management team would also put together a plan that would address issues impacting more than one department; that mini-workshops were planned to implement the alignment effort and gather Council input. She concluded by saying that work continued on a citizen survey which would ensure customer needs were being met.

In response to COUNCILMAN BARLOWS question regarding the average length of time needed for each departments evaluation, DEPUTY CITY MANAGER FRETWELL described in detail the steps for developing each departments performance plan and stated each plan took approximately four to six months. She also informed COUNCILMAN BARLOW that the idea of expanding the City Marshalls responsibilities had been a policy and legislative action would be needed to allow that to happen.

COUNCILMAN BROWN observed that the Performance Plus initiative would set a great foundation for the City and wondered what impact the two vehicle trips per unit was having on coverage. DEPUTY FIRE CHIEF GRADIA explained that the changes provided more efficient care and improved service to the public.

COUNCILMAN BROWN applauded CHIEF COYNE'S example of eliminating the canine patrol which had resulting in an incredible savings for the City, despite being a very popular program. He stressed the importance of critically evaluating every City service, function and program to ensure they were in line with Council priorities and core services. He stated the Performance Plus is a phenomenal program and he recognized staff for their work.

DEPUTY CITY MANAGER FRETWELL informed COUNCILMAN BROWN that Performance Plus is a different way of doing business because it forces the City to look at its operations in a way that has not been done before. She also noted that the information gathered would be needed by the Council in their budget decisions, especially in light of the Citys current financial condition.

MAYOR GOODMAN commented that Performance Plus is the type of thinking utilized by successful private businesses and wondered how budget decisions were made before the initiatives implementation. DEPUTY CITY MANAGER FRETWELL explained that the level of scrutiny and transparency applied to City programs and services had changed and also noted that the Council, City management and the department heads had fully committed to a performance-based planning mode. She stated that staff had worked very hard to get to this point with Performance Plus and move towards performance-based budgets.

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In response to MAYOR GOODMAN'S question regarding the improved wait times at the Traffic Ticket Front Counter, MR. CARMANY explained that the information gathered through Performance Plus had triggered the changes. He stated that real-time management of open windows was done hourly to reduce wait times and allowing citizens to use other options for paying their tickets had also greatly reduced wait times. DEPUTY CITY MANAGER FRETWELL added that the Performance Plus initiative is a different philosophy which encourages calculated risk-taking and is not a punitive process. MAYOR GOODMAN congratulated DEPUTY CITY MANAGER FRETWELL on the implementation of Performance Plus and encouraged that it remain closely monitored.

COUNCILWOMAN TARKANIAN observed that private businesses had criticized public entities for not using performance-based management and budgeting and noted the results were tremendous. DEPUTY CITY MANAGER FRETWELL explained that Performance Plus is very similar to the business models used by the private sector. In response to COUNCILWOMAN TARKANIAN'S question, MS. FRETWELL stated that the City is already using several components of Performance Plus in its long-term planning. COUNCILWOMAN TARKANIAN suggested that Performance Plus could be used to reduce multiple redundancies in positions and programs and DEPUTY CITY MANAGER FRETWELL agreed, saying that the information would also help the City determine and define its priorities. COUNCILWOMAN TARKANIAN commended everyone involved in Performance Plus.

