

How the Budget Is Created

The budget begins with the Strategic Planning Process, which determines the City's mission, strategic priorities, and Key Intended Outcomes. The Strategic Plan creates a shared vision for the future of the community.

Strategic Priorities

Beginning in 1997, the City Commission began a process of strategic planning designed to identify the issues that must be addressed to achieve our mission and that will persist over the lifetime of the Strategic Plan. These long-range policy issues developed by the City Commission in Fiscal Year 2009 emphasize the values of our customers:

- Customer-Involved Government
- Excellence in Education
- Financial Health and Economic Development
- Neighborhood and Environmental Sustainability
- Strength in Diversity
- Traffic, Mobility & Connectivity
- Youth Development and Family Values

For each priority, an action plan is developed for implementing policy and operating measures. Through this process, the Business Plan is developed:

- Commission Priority: Identify the vital issues;
- Key Intended Outcomes (KIO): Identify desired results;
- Initiatives: Allocate activities, resources, personnel, investment and time planned for the year to achieve each KIO;
- Performance Measures: Specific and measurable data indicating the effectiveness in meeting the KIOs;
- By setting quality targets (Key Intended Outcomes) we are able to determine the resources necessary to meet them. The Performance Budget section includes a matrix listing the KIOs and the departments that impact each.

In an effort to closely align the City's scarce resources with the needs and desires of our residents, we use a number of "listening devices" to gather credible and useful data. This customer input is a critical piece of the Strategic Planning process. Our business model demands that we know our customers' needs and desires. Through citizen and business surveys, SWOT analyses, Slice of the Springs meetings and good, old-fashioned customer contact, we know what our customers think of us and what they expect of us.

Business Plan

Just as in previous years, once the priorities and indicators are established, the operations of the City are reviewed and resources redirected to bring the strategic vision to life. Specific actions, programs, capital purchases, staffing requirements and funding levels are developed in response to the needs identified in the strategic plan. The Business Plan is an outgrowth of the strategic priorities, capturing the City's vision in a quantifiable form, improving decision making, and resource allocation. Despite the reduction in revenue due to property tax reform and the economic recession, initiatives in this year's Business Plan focus on environmental sustainability and focus on assisting our businesses as well as our residents weather the difficult economic times that lay ahead.

A guiding principle we've used to focus our analysis of potential budget reductions is to continue to offer our customers the highest quality services possible. A benefit of using a Business Plan is the direct link between costs, activities, and key drivers. We use this model to monitor our performance by:

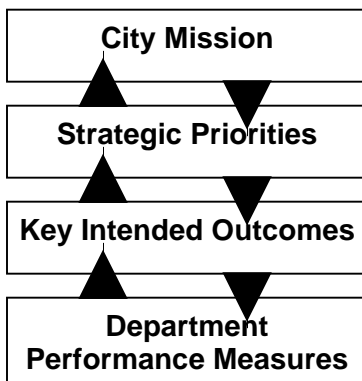
- Performing variance analysis using cost drivers;

- Process mapping that links budget items to activities;
- Identifying value-added and non-value-added activities.

In developing the operating budget, departments analyze existing services and potential services in light of the Strategic Priorities. The Business Plan identifies added and removed services, which are then quantified in the line item budget. They reflect not only the strategic priorities as set by the City Commission, but also incorporate feedback from customer surveys and policy initiatives that contribute to the long-term financial health of the City.

Departments set goals to meet the needs identified by the strategic priorities. To meet these goals, programs within the departments have specific objectives that are measured through process indicators. Staff's individual objectives and performance measures are then linked to the program objectives. Each employee knows what the end result should be and how it contributes to the Strategic Plan. In this way, the budget becomes a tool for monitoring, rather than controlling, operating performance.

The performance measures table included with each department's summary is designed to show how the program objectives support the strategic priorities. Performance Measures are explicitly related to the Key Intended Outcome that they support and the strategic priorities that they fulfill. Our policy deployment model follows this path:



It's significant that we view the process in this fashion, so that we combine top-down and bottom-up input, tightly linking targets to the strategic plan.

Be Part of the Process

Business planning workshops, which are open to the public, are held during the months of June and July. Please check the City's website for upcoming meeting dates.

During the month of August, recommended operating and capital improvement program budget documents are prepared and presented to the City Manager and forwarded to the City Commission for review during budget workshops, which are open to the public.

The City Commission either approves or makes changes in the recommended budget(s) and returns to staff for further study.

Public hearings and final adoption of the budget occurs in mid-September.