

# Responsible Government Performance Report

April 14, 2015



City of Redmond  
WASHINGTON



# Agenda

- Overview
- Priority Dashboard
- Responsible Government at a glance
- Performance Reports
  - Finance
  - Information Services
  - Human Resources
  - Executive
- Next Steps/Questions?

# Priority Dashboard

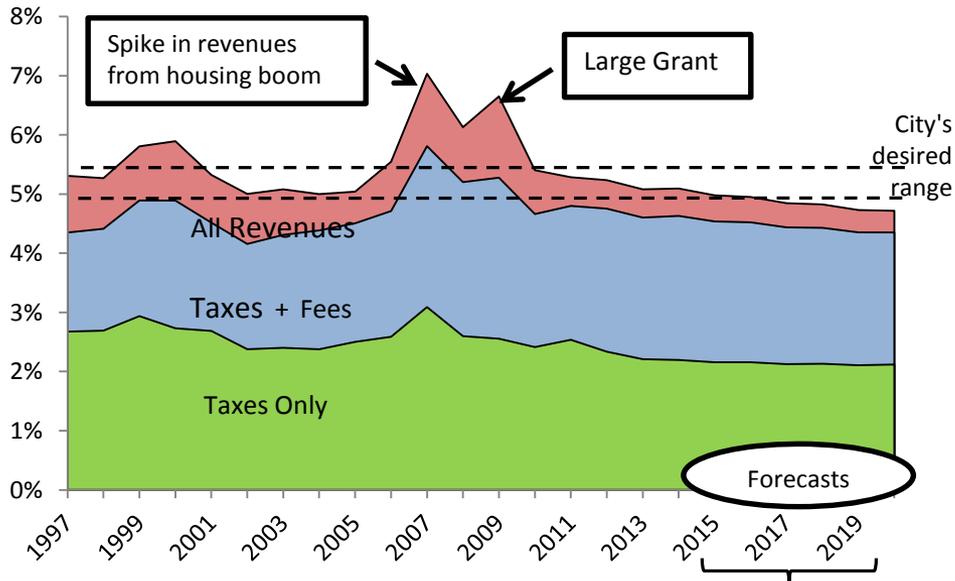
## *Bond Rating & Price of Government (POG)*

Compared to our target:

- Redmond bond rating remains AAA
- POG at an estimated 5.2%



### City of Redmond earns high credit grades: Stable finances lead to 'AAA' ratings



### Why is this topic important?

The City's bond rating and price of government are dashboard measures that inform the Administration of the success of programs and systems.

### What influences this topic?

Various factors influence these two measures, including: proven financial management processes and procedures, economic climate, financial stability and growth in community wealth.

### What is the Department doing about this?

The Finance and IS Department employs prudent financial management practices, maintains an environment of openness and transparency and ensures system integrity.

### How do we measure progress on this?

We measure progress through ratings from financial agencies and monitoring the level of resources available to provide City services.

# RESPONSIVE AND RESPONSIBLE GOVERNMENT at a glance

## Financial Management

Investment Benchmarks		
Invoices paid within 30 days		
Preventable claims		

## Technology Infrastructure

Sites with high speed connections		
Number of incidents related to infrastructure downtime		
Incident closure rate (hours)		

## Human Resources

Turnover rate		
% of on time performance reviews		
Cost per Workers' Comp incident		

## City Administration

Satisfaction with City Services		
Right direction/wrong track		
Citizens feeling informed		

### Understanding the Symbols

Each symbol answers the question:

#### How are we doing now?

Target Met

Progress continuing

Performance gaps

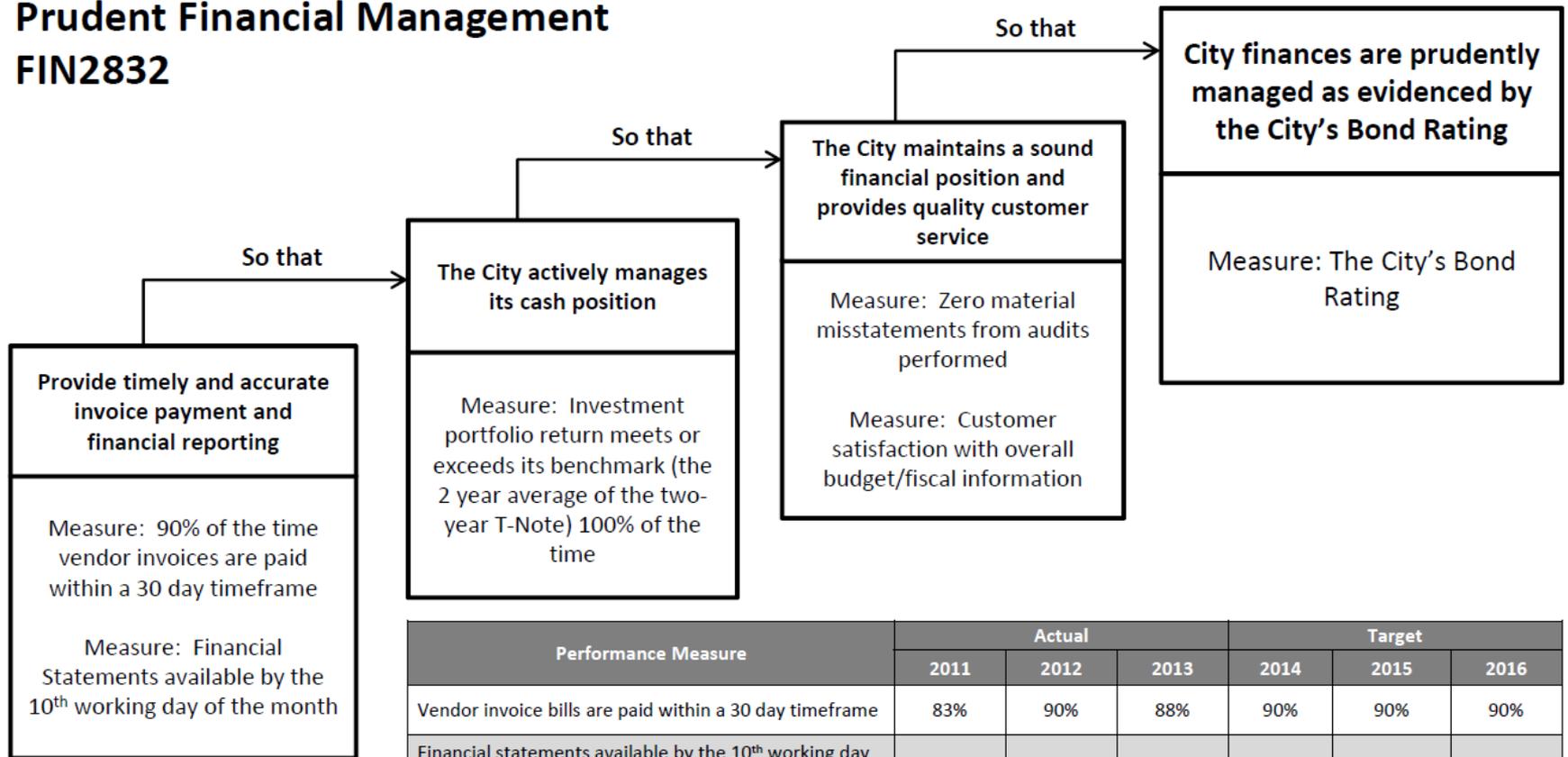
#### Where are we headed?

Maintaining

Improving

Worsening

# Prudent Financial Management FIN2832



Performance Measure	Actual			Target		
	2011	2012	2013	2014	2015	2016
Vendor invoice bills are paid within a 30 day timeframe	83%	90%	88%	90%	90%	90%
Financial statements available by the 10 <sup>th</sup> working day of the month	50%	70%	92%	95%	95%	95%
Investment portfolio return meets or exceeds its benchmark	116%	162%	156%	100%	100%	100%
Zero material misstatements from audits performed	0	0	TBD	0	0	0
Internal customer satisfaction with overall budget/fiscal information	81%	91%	89%	95%	95%	95%

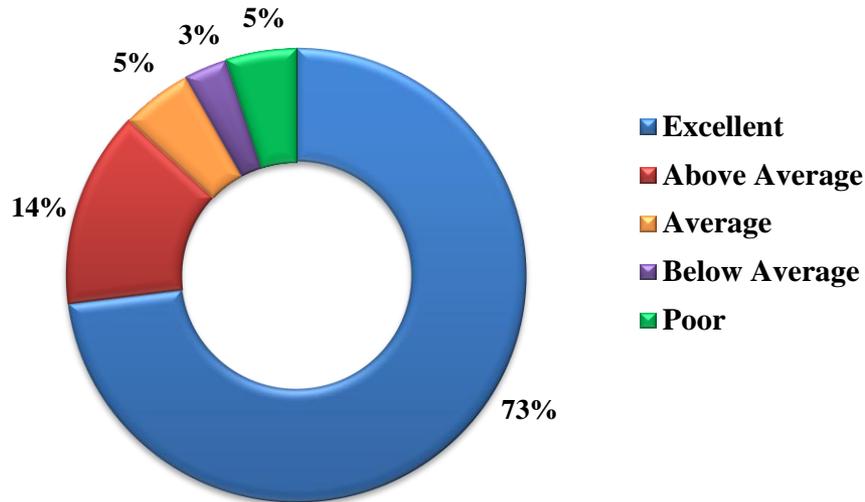
# Finance and Information Services Department

## *Overall Customer Satisfaction*

Compared to our target:

- 95% target: continuously improving from 2012 when satisfaction equaled 86%

87 % of customers rate Finance and IS Services as excellent or above average



487 survey respondents since 2012:

- 69% internal customers
- 31% external customers

### Why is this topic important?

Customer satisfaction supports the Finance and IS Department mission to collaboratively lead and support business solutions for our customers to promote accountable and efficient City operations.

### What influences this topic?

Customer satisfaction is influenced by employee training and development of expertise within the department.

### What is the Department doing about this?

The Finance and IS Department participates in customer service training, development of employee skills in their area of expertise and continual process improvement of systems and procedures. The survey allows us to focus training on needed areas.

### How do we measure progress on this?

We measure progress through a point of service survey continually available to internal and external customers.

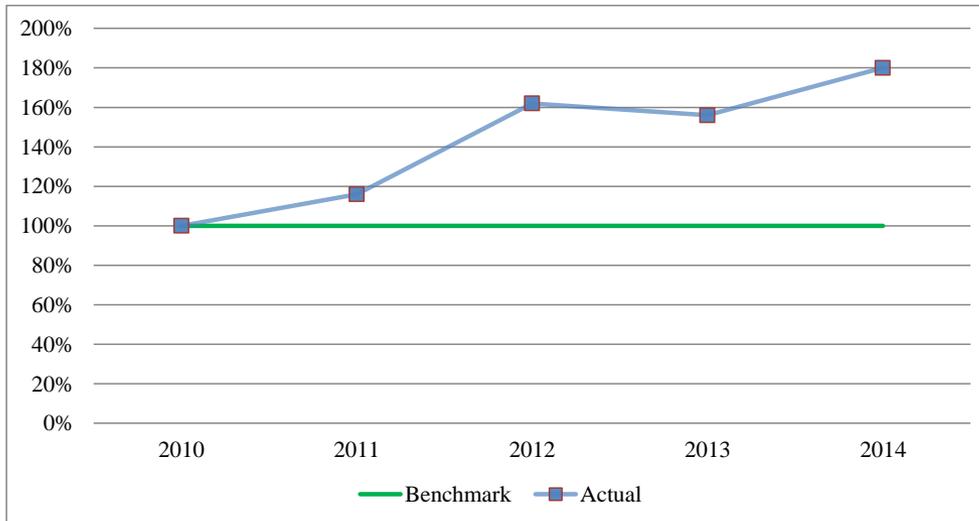
# Finance and Information Services Department

## *Investment Portfolio*

Compared to our target:

- 100% target: substantially exceeded target at 180% in 2014

Investment Performance  
2010-2014



The current benchmark matches the City's risk tolerance and duration goals however, with continued low yields in the marketplace, the two year average also remains low. As the economy recovers, the benchmark will begin to reflect a higher average yield and it is anticipated will more closely reflect the City's portfolio returns.

### Why is this topic important?

On average the City's full investment portfolio equals \$170 million with approximately 15% in cash. Prudent management of the City's investments leads to fiscal sustainability and resiliency.

### What influences this topic?

Benchmarks are directly affected by volatility in the investment market.

### What is the Department doing about this?

The Finance and IS Department closely monitors investments available in the market and seeks to maximize yields while keeping risk low.

### How do we measure progress on this?

We measure progress benchmarking our investment outcomes to the 2 year average of the 2 year Treasury Note with a goal to meet those yields 100% of the time.

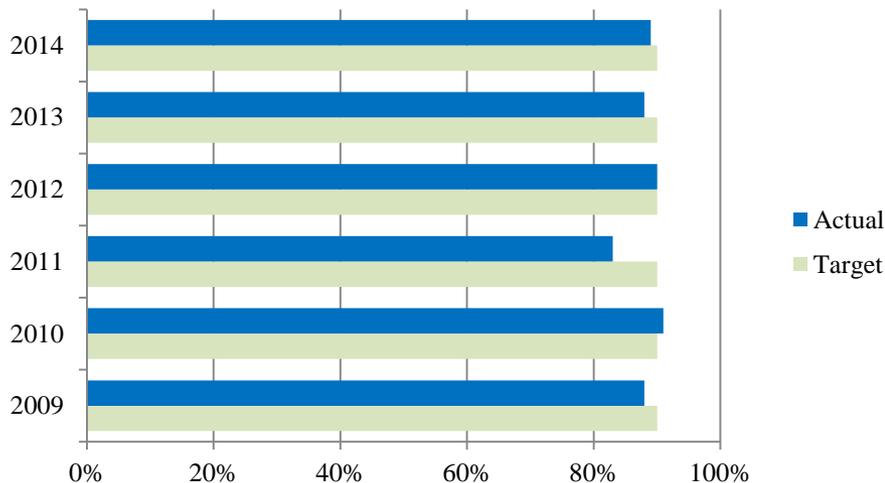
# Finance and Information Services Department

## *Financial Services*

Compared to our target:

- 90% target: holding steady at 88% of invoices are paid within the 30 day due date.
- Target no annual financial reporting misstatements: maintaining to target

**30 Day Payment Cycle  
(Actual vs. Target)**



Leaning the Accounts Payable processes :

- Identifying unmet customer needs,
- Looking for wasteful and unnecessary processes with the goal of building capacity within the division
- Excel at meeting customer expectations.

### Why is this topic important?

In order to produce accurate financial reporting City expenditures should be recorded within the month they occurred. Prompt payment also avoids late payment penalties, if they are assessed.

### What influences this topic?

Factors influencing the measure include accurate vendor invoicing and efficient payment workflow processes.

### What is the Department doing about this?

In 2014, the Accounts Payable (A/P) Division participated in a LEAN exercise to identify system waste and build capacity. Work is now being done to streamline the A/P processes, identify gaps in vendor information and evaluate department workflow practices.

### How do we measure progress on this?

Progress is measured through an annual random sample of approximately 1,500 invoices representing 10% of all invoices paid by the City.

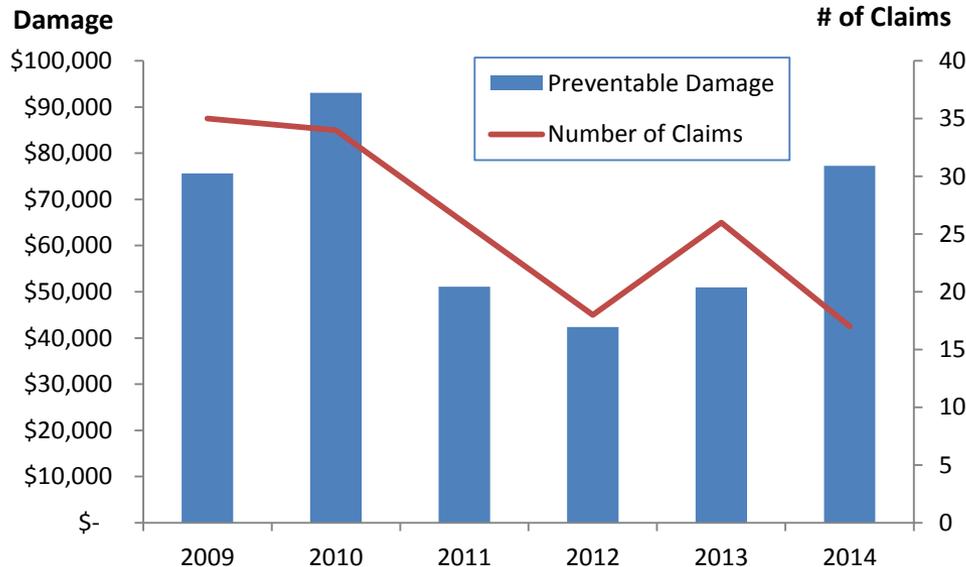
# Finance and Information Services Department

## *Risk Management*

Compared to our target:

- \$25,000 target: preventable claims increased to \$77.3k in 2014

### Preventable Claims



2014 results:

- Fewer claims, but more expensive
- One claim accounts for half of the \$77.3k in claims expense.

### Why is this topic important?

Risk management programs are an important element of a fiscally responsible city by preserving resources, protecting assets and supporting staff by reviewing and advising on city programs.

### What influences this topic?

Factors influencing this measure include appropriate training and safe operation of City vehicles and equipment.

### What is the Department doing about this?

The Department identifies preventable claims, makes department employees aware of the claims and proposes potential safety training or changes in processes that might be needed.

### How do we measure progress on this?

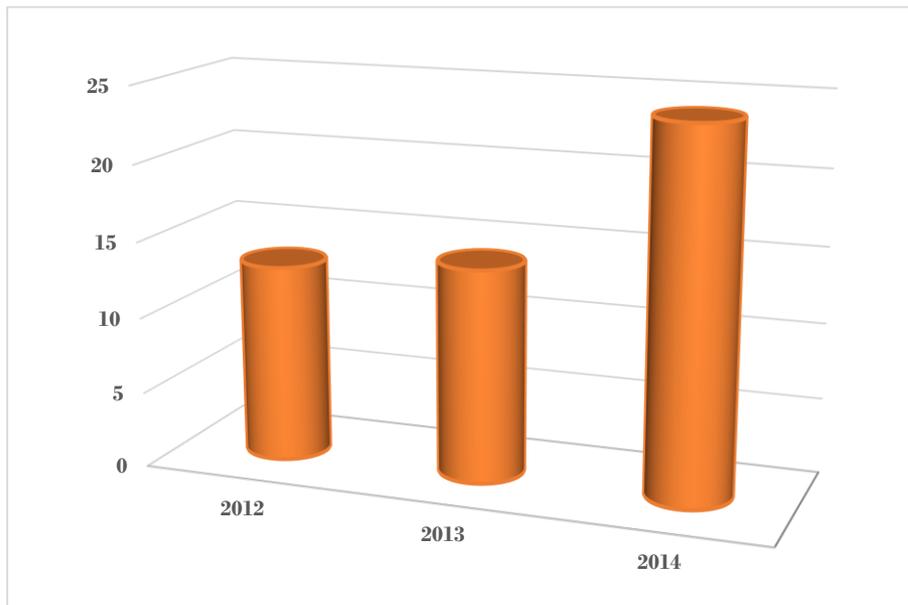
Risk management staff assesses the level of risk through daily claim management, contract reviews and staff consultations. Quarterly preventable claims are identified out of the total claims pool and analyzed to determine future actions such as training and/or system changes needed.

## Finance and Information Services Department *Sites with High Speed Connections*

Compared to our target:

- 2014 Target 16 sites: target exceeded by 8 sites for a total of 24
- 2015 target 21 sites: target met and exceeded due to additional sites connected in 2014

**# of Sites with High Speed Connections**



In 2014, Frontier introduced its Metro-E service (high-speed fiber service). Fire Stations 13, 14, 16 and 18 were all moved to this faster connection. In addition, 4 water sites were also moved to Metro-E.

### **Why is this topic important?**

Higher speed connectivity improves the response time of applications used by staff, allows staff to use online training resources effectively and positions City locations for the implementation of video conferencing and other high bandwidth technology.

### **What influences this topic?**

Availability of high speed infrastructure to City locations via service providers or the City's own fiber optic network.

### **What is the Department doing about this?**

As service provider technology improves and the City's fiber optic network expands, IS makes bandwidth improvements to locations still using slower links.

### **How do we measure progress on this?**

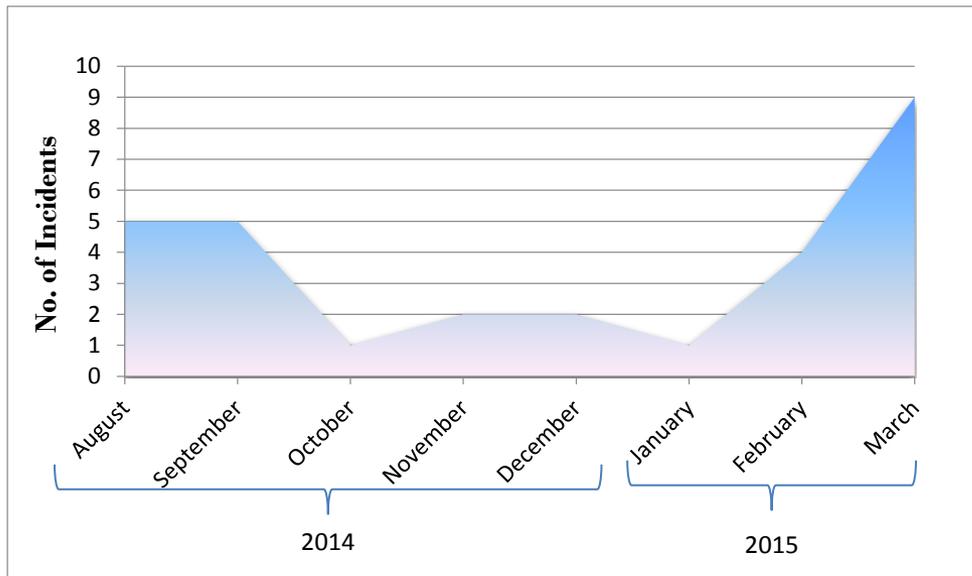
Progress is measured by the number of sites that have been moved to high speed infrastructure.

## Finance and Information Services Department *Number of Incidents Related to Infrastructure Downtime*

Compared to our target:

- 2015 Target: No more than 12 incidents per year (includes a broad spectrum of incidents from computer down to loss of connectivity throughout the City).
- Need to narrow the types of incidents included in the measure.

**Number of incidents related to infrastructure downtime**



Incidents are typically defined as something broken or not working as it should. Priority-1 and Priority-2 are:

- Those that affect staff throughout the City, entire work groups or are urgent individual work stoppages.
- Related to hardware, connectivity, security and phones

### **Why is this topic important?**

Downtime affects staff's ability to do their job and results in lost productivity. It can also have an impact on the City's ability to conduct business with its customers.

### **What influences this topic?**

Hardware or network connectivity failure of City-owned resources, wildlife, failures of external service providers (i.e. telecom or ISP outages) and malware/virus infections.

### **What is the Department doing about this?**

IS keeps spare equipment and parts on-hand to expedite repairs and contracts with support vendors, typically have a 4-hour response, for critical infrastructure components. Hardware and software are patched regularly for security purposes and anti-virus is kept very current. Incident data is analyzed and mitigation strategies are put in place whenever possible.

### **How do we measure progress on this?**

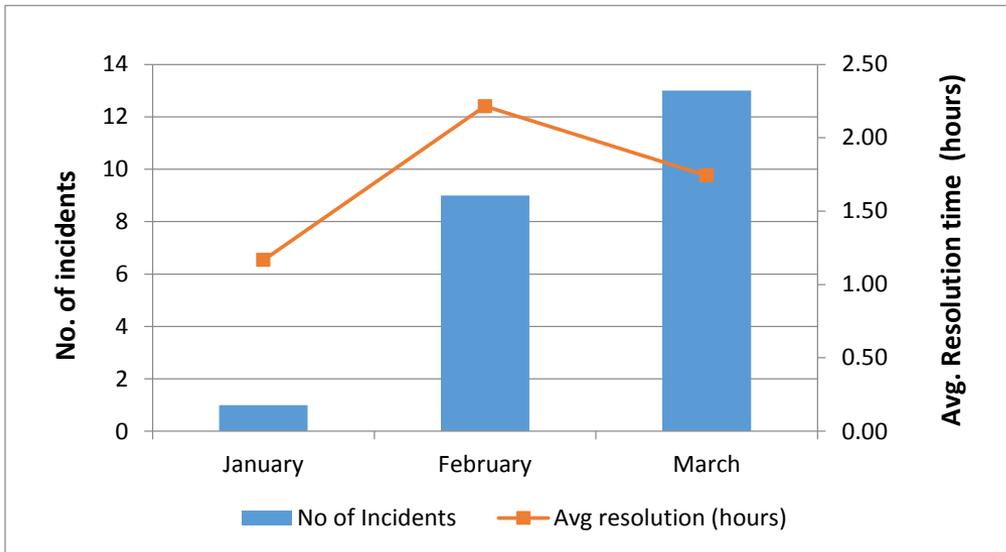
By tracking the incidents reported related to unplanned downtime, analyzing the information and implementing mitigating strategies.

## Finance and Information Services Department *Incident Closure Rate*

Compared to our target:

- Target eight working hours: Average resolution time to close priority 1 and 2 incidents is approximately 2 1/4 hours in March 2015

**Average elapsed time to close incidents (hours)**



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### What influences this topic?

As a relatively new measure, it is not yet known if the target is appropriate. Inaccuracy in capturing resolution time can skew the measure through delays in reporting the incident or agreed upon resolution times.

### What is the Department doing about this?

Staff is being held accountable for accurate entry of resolution times. Incidents are analyzed to identify underlying problems that need resolution and areas in which staff may need training. Spare equipment is kept onsite in the event of hardware failures and any alternatives are identified to ensure staff are back to work quickly

### How do we measure progress on this?

Progress is measured by incident on opening and closing times and dates.

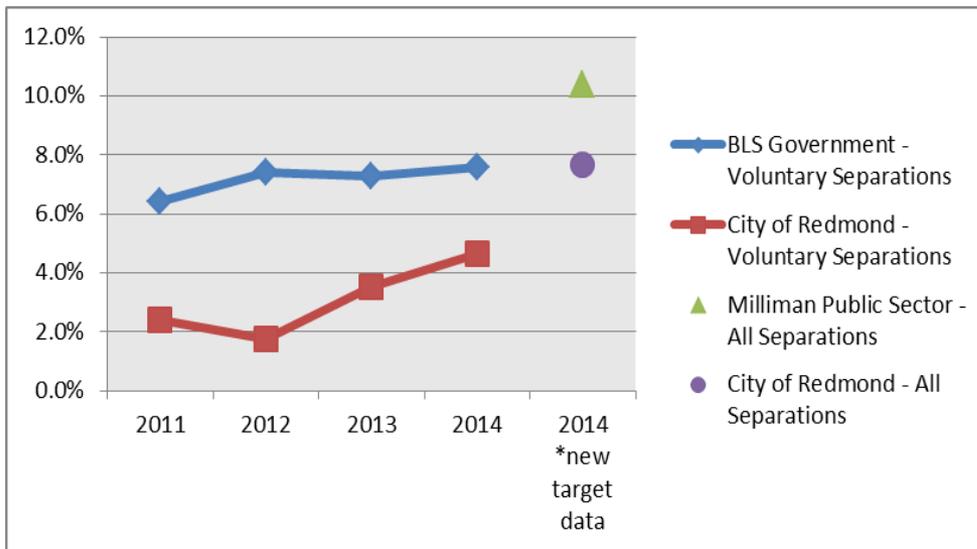
# Human Resources Department

## *Turnover Rate*

Compared to our target:

- 10.4% target (Milliman Puget Sound Regional Salary Survey – Public Sector): maintaining at 7.69%
- 7.6% target (Bureau of Labor Statistics – Government): maintaining at 4.66%

**Turnover Rates  
(Actual vs. Target)**



City typically remains under the turnover target for the two benchmarks.

### Why is this topic important?

Turnover data gives the City high level information to determine if we are reflecting attrition trends in our region and provide insight into employee satisfaction with City services.

### What influences this topic?

A variety of influences may impact this performance measurement such as; total compensation, regional economics, retirements, and job satisfaction.

### What is the Department doing about this?

The Human Resources Department is providing training opportunities for employee development and reviewing compensation packages. The human resources hiring team is going through a LEAN process to increase opportunities to hire the best match for the City's needs.

### How do we measure progress on this?

The benchmark data used for 2011 – 2014 was Bureau of Labor Statistics for voluntary separations. In 2014, Milliman started to capture turnover data in their Puget Sound Regional Salary Survey for all separations (not including layoffs). The Milliman information will be used going forward as it gives more relevant regional data.

## Human Resources Department

### *Percent of Performance Reviews Conducted On Time*

Compared to our target:

- 90% target (within 60 days after an employees pay anniversary date): actual at 76.7%
- New measure introduced in the 2015-2016 Budget

#### **Why is this topic important?**

Performance reviews should be completed on time to provide timely feedback to employees. This is also an opportunity for supervisors to provide measured feedback which impacts employee satisfaction with City services and employee productivity.

#### **What influences this topic?**

The union contracts have timelines associated with performance reviews and on time completion eliminates grievances. There is a desire of employees and management to gain greater consistency in the criteria used for evaluations and the process used by supervisors.

#### **What is the Department doing about this?**

The Human Resources Director is contacting supervisors who are late in their reviews. Department Directors are being notified monthly. A committee is working on revising the performance review documentation for consistency and to reflect the City's values. Training will also take place for supervisors in how to conduct effective performance reviews.

#### **How do we measure progress on this?**

Collecting and reporting monthly performance review data.

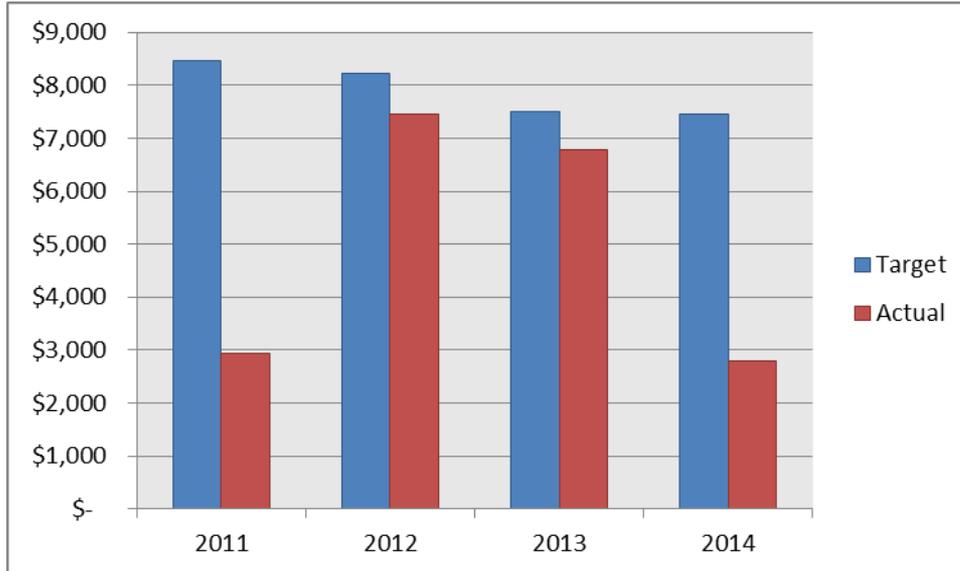
# Human Resources Department

## *Low Cost Per Workers' Compensation Incident*

Compared to our target:

- \$7,460 target (defined by WA Department of L&I): maintaining at \$2,805

**Cost per Workers' Compensation Incident  
(Target vs. Actual)**



### Why is this topic important?

The City has a legal obligation to ensure employee safety and provide injury coverage for its workers. The City also has a fiscal responsibility to manage its workers compensation expenses with appropriate fiduciary oversight. A safe work environment contributes to employee productivity in a fiscally responsible way.

### What influences this topic?

Training, accident/injury reporting, and work practice reviews focused on safety and preventing injury; pre-employment physicals and drug screenings. State requirements for Workers Compensation.

### What is the Department doing about this?

Training employees in safe work practices and self-insuring for its claim expenses related to work injuries.

### How do we measure progress on this?

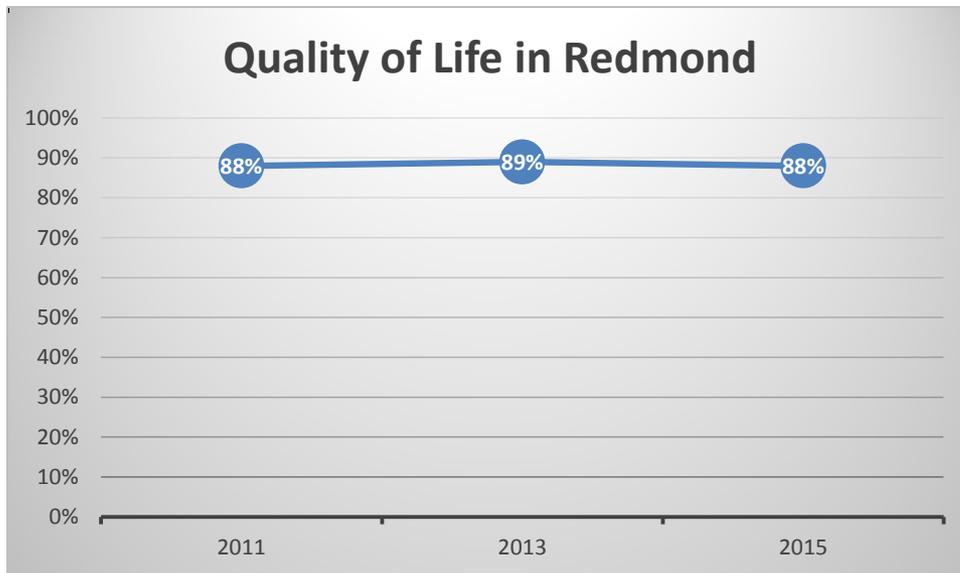
Compared to data supplied by other self-insured municipal governments; we measure a reduction in average cost per claim and claim severity; reduction in claims that result in lost time from work, and claim frequency.

## Executive Department – Office of the Mayor

### *Quality of Life Rating*

Compared to our target:

- 85% target: continuously maintaining from 2011 when satisfaction equaled 88%



#### **Why is this topic important?**

Residents' rating of their quality of life is a useful benchmark of their overall experience in Redmond. From their mobility around town to their experience with city services, it is a broad reflection of how they feel about their lives in our community.

#### **What influences this topic?**

Quality of life ratings are influenced by community concerns from traffic and growth to satisfaction with the job Redmond officials and staff are doing on the priorities that matter most.

#### **What is the Department doing about this?**

The City deploys numerous methods to keep in touch with our community on its priorities and the job we are doing to address them.

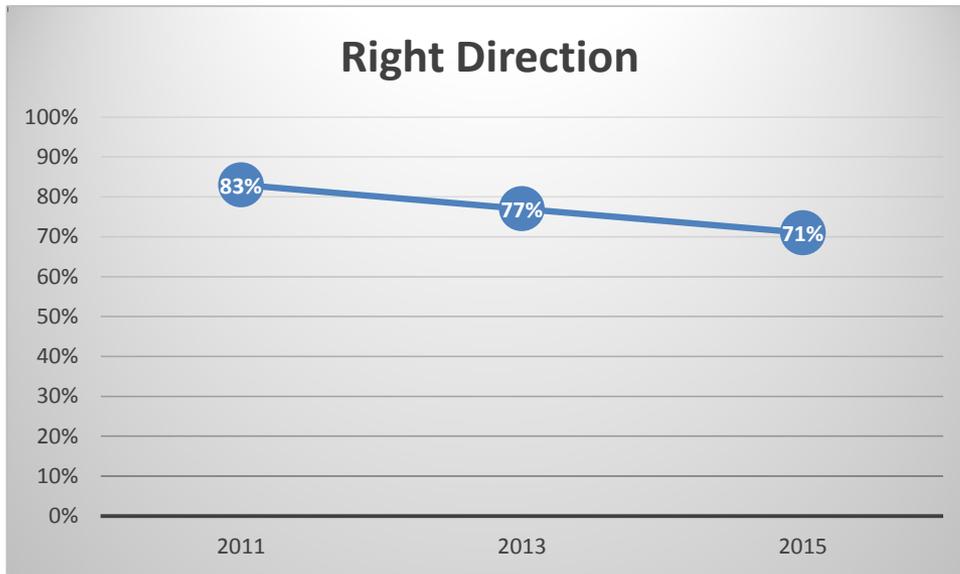
#### **How do we measure progress on this?**

We measure progress through an annual statistically valid community survey and through various anecdotal point-of-service contacts throughout the year.

## Executive Department – Office of the Mayor *Right Direction-Wrong Track*

Compared to our target:

- 85% target: slight dip from 2013 when 77% of community agreed with City's future direction



### Why is this topic important?

Residents' perceptions about the future direction of the City are an important gauge for community reaction to changes taking place around Redmond.

### What influences this topic?

Factors influencing this measure include the amount and pace of private land use (re)development, public infrastructure construction, traffic, tax rates and other societal conditions like crime and homelessness.

### What is the Department doing about this?

The Mayor's Office works with many departments to ensure City communications keep citizens informed about issues/concerns like the above-referenced changes. Progress to realize the community's vision can be disruptive, especially in the urban centers where significant public and private projects are underway at this time – a likely factor influencing 2015 perceptions.

### How do we measure progress on this?

We measure progress through an annual statistically valid community survey and through various anecdotal point-of-service contacts throughout the year.

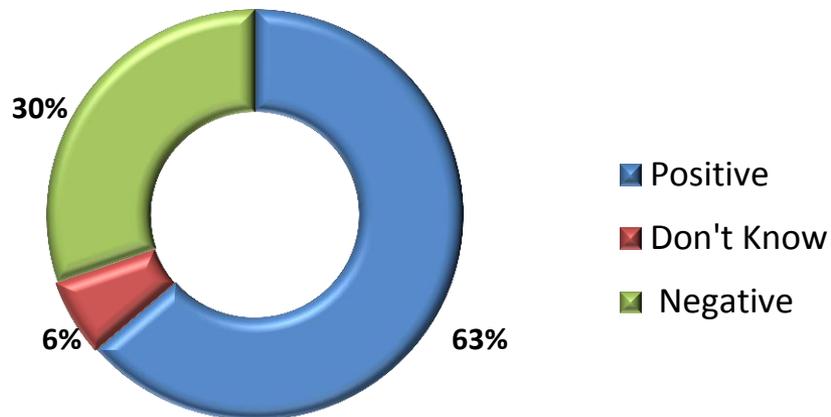
## Executive Department - Communications

### *Citizens Feeling Informed*

Compared to our target:

- 65% target: declined slightly from the 2013 survey when satisfaction equaled 68%

63% of customers feel positive about the job Redmond does keeping citizens informed



Telephone survey of voters in the City of Redmond:

- Survey conducted January 21-27, 2015 by EMC Research
- Total of 360 interviews conducted
- A margin of error + -5.2% at the 95% confidence interval

#### Why is this topic important?

Citizens feeling informed supports the Responsible Government budget priority by providing information and dialogue that encourages community involvement and the sharing of ideas and opinions.

#### What influences this topic?

Citizens feeling informed is influenced by breadth of reach (external as well as internal), quantity, and quality of citywide publications (Focus newsletter, website, social media) and by our community partners who assist us in outreach to ensure that citizens are fully engaged with their community.

#### What is the Department doing about this?

The Communication Division is in the process of developing a strategic communication plan along with strategies that will assist in reaching a broader and more diverse audience via multiple avenues, and in a more efficient and consistent way.

#### How do we measure progress on this?

We measure progress through the annual statistically valid survey executed by an outside research company.

# Next Steps

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- Performance Reports Continue:

Public Safety & Infrastructure	May 12
Clean Green & Community Building	May 26
Business Community	June 23

- Reports can be found here:

<http://www.redmond.gov/Government/FinancesandBudget/Budget/>

- Questions?