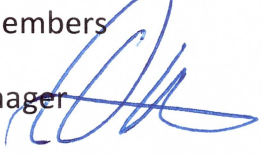




MEMORANDUM

TO: Mayor and Council Members

FROM: Marc A. Ott, City Manager 

DATE: December 2, 2015

SUBJECT: Creation of Office of Performance Management

As part of the Fiscal Year 2015-16 budget, City Council included funding for the creation of a new departmental and program budget review function (item 1.86 from the Council Concept menu). The stated intent for the program was to: (1) Improve service delivery; (2) Test the continued desirability of programs and whether they are meeting data driven outcome objectives; and (3) Positively impact the annual operating budget through reduced costs or increased efficiencies. In support of this Council directive, I have created a new Office of Performance Management (OPM) within the Financial Services Department.

OPM will consist of five staff, four of which are new and one is a transfer from the Budget Office. While Council included funding in the budget for this new initiative, no new positions were added. I am exploring options to reallocate vacant positions within the organization, but may return to the Council in the future with a budget amendment for the additional staff positions that will be needed to make this initiative successful. Job postings have already been developed and I am hopeful that these new staff can be on board by the end of January. Expertise from outside consultants may also be utilized as part of the review process on a case-by-case basis.

The goals and objectives of OPM include:

- Review departments, programs, and cross-department issues for alignment with City priorities;
- Provide a means to formally verify and recognize "best managed" practices and policies;
- Provide the community and City Council greater understanding of service delivery, performance measure, and expenses and revenues required to deliver core services;

- Identify possible gaps in current service delivery or performance;
- Identify possible inefficiencies or duplication of services;
- Suggest changes to performance measures and targets;
- Assess staffing levels and span of control;
- Identify opportunities to consolidate or outsource services;
- Recommend changes to (or reallocation of) line item budgets.

The first year of OPM's existence will serve as a pilot program from which it can adjust and build for future years. The departments proposed for review in year one include Austin Code, Public Works, and Fleet Services. This selection is based upon the desire to have a mix of service areas represented as well as a careful consideration of the workload that can reasonably be completed in the program's first year. In future years, it is anticipated that the program would evolve to likewise review cross-departmental policy issues such as affordability or mobility.

The performance review process will include the completion of self-evaluation documentation by each department followed by an in-depth review and analysis by OPM in collaboration with a Performance Review Team. The Performance Review Team will consist of cross-departmental City staff with a broad range of backgrounds and service area expertise. I will utilize these department evaluations and any resultant recommendations to develop a report to the City Council during the annual budget development process.

As part of the creation of this office, I am pleased to announce the appointment of Kimberly Springer Olivares as the Acting Chief Performance Officer in the Financial Services Department effective immediately.

Kimberly has been with the City since 2003 and has served roles in the Financial Services Department, City Manager's Office, and Public Works Department. She has served as Deputy Budget Officer since 2012. In her most recent role, she has managed the City's capital improvements program budget, the information technology support team for the City's operating budget and capital program management systems, and the City's award winning Managing for Results performance management program.

Kimberly holds a Bachelor of Arts degree from the University of Notre Dame, a Master of Public Affairs from the University of Texas – Lyndon B. Johnson School of Public Affairs, and a Master of Business Administration from St. Edward's University. She serves as a member of the Government Finance Officers Association's Committee on Economic Development and Capital Planning.

xc: Assistant City Managers
Chief Financial Officer
Deputy Chief Financial Officers
Department Directors
Financial Managers