




MEETING DATE: 09-06-05
ITEM NO. 17

COUNCIL AGENDA REPORT

DATE: AUGUST 31, 2005
TO: MAYOR AND TOWN COUNCIL
FROM: DEBRA J. FIGONE, TOWN MANAGER 
SUBJECT: DISCUSSION OF SERVICE INVENTORY FORMAT, CRITERIA AND
PROCESS FOR PLANNING SERVICE PRIORITIES

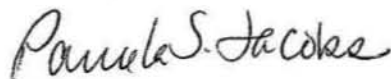
RECOMMENDATION:

Provide feedback on service inventory format, criteria and process for planning service priorities.

BACKGROUND:

On June 20, 2005, the Town Council discussed guiding principles and options for setting service priorities. The purpose of setting service priorities is to guide future decisions regarding budget reductions and/or revenue enhancements. This input is needed due to the continuing fiscal challenges faced by the Town and the level of reductions taken to address the revenue shortfalls over the past four years, making future budget balancing choices more difficult.

The Council concurred with the guiding principles presented by staff, and directed that staff proceed to prepare an inventory of Town services and that staff not conduct a community survey and focus groups prior to returning to Council. The purpose of this report is to present Council with: 1) a recommended service inventory format; 2) criteria for planning service priorities to be applied to the services identified in the inventory; and, 3) the next steps in implementing the process. The report also presents information regarding the purpose, format and scope of a community survey that could be conducted in conjunction with planning for service priorities. Staff is seeking Council feedback on the recommendations so that the priority planning process can proceed.



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Reviewed by: _____ Assistant Town Manager OK Town Attorney _____ Clerk Administrator
SC Finance _____ Community Development Revised: 9/1/05 12:29 pm

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PAGE 2

MAYOR AND TOWN COUNCIL

SUBJECT: DISCUSSION OF SERVICE INVENTORY FORMAT, CRITERIA AND
PROCESS FOR PLANNING SERVICE PRIORITIES

(August 31, 2005)

DISCUSSION:

At the June meeting, Council concurred with staff's recommendation that the service priority setting process focus on establishing criteria upon which to base service delivery and budget decisions, rather than on actual ranking of services. Accordingly, staff recommends that the process being undertaken be referred to as "service priority planning" rather than "service priority setting," which implies ranking and less flexibility. The planning term will be used in this staff report to reflect the flexibility described in the approved guiding principles.

Service Inventory Format and Content

Staff is currently compiling information on services using the format and content on the service inventory included as Attachment 1. This information will serve as the foundation for the Council discussion on service priority planning. Staff is seeking Council feedback on whether the format and content will provide meaningful and useful information for the discussion. The information will be provided for key services in each of the budget programs included in the operating budget, balancing the level of detail provided with the level of effort needed to compile the information. The inventory includes the following columns:

- Name of Service
- Description of Service
- Method of Service Delivery
- Cost of Service
- Type of Service
- Constituency Served
- Scalability/Alternatives
- Other Comments
- Criteria

The content of these columns is described briefly on the matrix. It is important to note that the cost of service will be an estimate only, as may the number of constituency served. Additional information on the "Type of Service" and the "Scalability/Alternatives" columns is provided on Attachment 2. The "Criteria" column is discussed in more detail below. For "Type of Service," the attachments explain what is meant by each type to be listed. While most services may have elements that fall into different types, staff will be noting the predominant type that applies to the service. If a service is legally-mandated on any level, the other predominant type of service will be noted as well. Thus, a service could be legally-mandated by the Town Code and also be an "Extraordinary Service" that goes beyond the expectations of residents in other municipalities. This column is a key one on which staff would seek Council feedback during the service priority planning process, along with the "Criteria" column.

PAGE 3

MAYOR AND TOWN COUNCIL

SUBJECT: DISCUSSION OF SERVICE INVENTORY FORMAT, CRITERIA AND
PROCESS FOR PLANNING SERVICE PRIORITIES

(August 31, 2005)

For "Scalability/Alternatives," the actual manner in which a service could be scaled back or an alternative could be pursued will not be noted. Rather, the information will note only if one or both of these would be possible. If scaling back or alternatives are recommended as part of the development of the FY 2006/07 budget, this would be described in the budget proposal along with the impacts of the proposed change.

Criteria for Service Priority Planning

The final column on the inventory is "Criteria." The application of criteria is key to the service priority planning process, as the criteria will be used to guide recommendations for budget proposals. As discussed in the June 20th staff report, the application of criteria rather than priority ranking allows for flexibility for responding to changing circumstances regarding community needs, funding availability, opportunities for partnership, technology enhancements or other unknown circumstances that could affect the Town's capacity for providing a particular service.

The suggested criteria reflect different qualities or characteristics of services provided by the Town (both internal and external), ranging from critical and essential to "quality of life" enhancing. While the criteria are not meant to rank services, they do provide an indication of the relative necessity of services. Although several criteria could apply to each individual service, staff will select the single criteria that most specifically reflects the service. The exception will be services that are cost recovery, for which that criteria and one other one will be selected. The suggested criteria in relative priority order are:

- A. Critical to health and safety of the community: immediate threat.
- B. Essential government practice and/or business function.
- C. Critical to health and safety of the community: potential threat.
- D. Dedicated revenue source; cost recovery.
- E. Preservation of capital assets/facilities.
- F. Town only provider; uniquely positioned to provide service.
- G. Large customer base; universal v. targeted population.
- H. Special needs customer base (e.g., seniors, disadvantaged, etc.)
- I. Good business practice.
- J. Good government practice.
- K. Quality of life enhancement/amenity.

Community Survey

In the previous staff report, staff suggested conducting a community survey prior to the Council service priority planning process. This report provides more details about the purpose and scope of a community survey, and the reasons why a community survey would complement the priority planning process.

PAGE 4

MAYOR AND TOWN COUNCIL

SUBJECT: DISCUSSION OF SERVICE INVENTORY FORMAT, CRITERIA AND
PROCESS FOR PLANNING SERVICE PRIORITIES

(August 31, 2005)

As Council is aware, the Town conducted a resident satisfaction survey two years ago. The intent at that time was to conduct a similar survey every two years to monitor resident perceptions about Town services, which also appear as performance measures in the budget. This year, the recommendation is to conduct a survey including some of the key satisfaction questions for our performance measures and general sense of resident perceptions, as well as questions regarding the "importance" (e.g., extremely important, very important, somewhat important, not important, etc.) of various services included in the inventory. The latter type of questions was used in the Human Needs Assessment survey conducted in 2003. It is possible that the questions can be asked in the context of limited resources so the respondent understands that not all services can be "extremely important." In addition, questions similar to the ones in the Resident Satisfaction survey about revenue enhancements to maintain service levels and/or for capital facilities (e.g., library, Town Hall, police facility, etc.) could be included.

Results from this community survey would complement the service priority planning process as the staff and Council would have input from the residents about the level of importance they attach to certain services. The survey is meant to gauge public perception, not to ask residents to rank services. This information would help inform budget proposals and subsequent budget decisions, and would also inform actions to better communicate with the community if services are being reduced or changed as a result of budget decisions.

Process and Timeline

Staff suggests that the service priority planning process be scheduled for a Saturday when more time would be available for it, and that the session be facilitated by Public Dialogue Consultants, who has worked extensively with the Council and staff in the past. The general format recommended is for staff to briefly introduce each service inventory by program area, to respond to Council questions, and to receive Council input specifically on the "Type of Service" category and on the "Criteria." The inventories would be provided to Council in advance of the meeting. Staff would then use the inventories as revised with Council comments in developing budget proposals to bring forward to Council.

If Council concurs with this process, staff would continue to complete the inventories by department, with the Executive Team discussing the completed inventories as a group in October. A community survey could be conducted in October, such that the results would be available for staff and Council consideration at the Saturday session, currently scheduled for December 10th.

CONCLUSION:

The service priority planning process recommended by staff seeks to inventory Town services, their estimated costs, how they are delivered, to whom they are provided, why they are provided and if there are alternatives to providing them. This information will assist Council in applying criteria to the services to be used when staff develops budget adjustments with the least impacts to the

PAGE 5

MAYOR AND TOWN COUNCIL

SUBJECT: DISCUSSION OF SERVICE INVENTORY FORMAT, CRITERIA AND
PROCESS FOR PLANNING SERVICE PRIORITIES

(August 31, 2005)

community. A community survey would contribute to the information considered in budget development.

Staff is seeking Council feedback on the service inventory format and content, particularly on the criteria to be applied to the services, and on the recommended process, including the community survey.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT:

It is anticipated that the costs associated with the priority planning process can be absorbed with the FY 2005/06 operating budget. These costs would include facilitation services, meeting costs, staff resources, and the community survey. As noted in the previous staff report, this process would need to be a priority within existing work plans, and thus other projects may be delayed.

Attachments:

1. Service Inventory
2. Inventory Category Descriptions

TOWN SERVICE INVENTORY
DEPARTMENT NAME

DEPARTMENTAL PROGRAM (use program categories reflected in budget)

NAME OF SERVICE	DESCRIPTION OF SERVICE	METHOD OF SERVICE DELIVERY	COST OF SERVICE	TYPE OF SERVICE	CONSTITUENCY SERVED	SCALABILITY/ ALTERNATIVES	OTHER COMMENTS	CRITERIA
Name of Service	Brief description of the service	<ul style="list-style-type: none"> ▪ Deployment of resources ▪ Level of service provided (quantitative or qualitative) 	<ul style="list-style-type: none"> ▪ Total of: <ul style="list-style-type: none"> ✓ \$ value of FTEs ✓ Direct non-personal \$ ✓ Overhead, if applicable ✓ Internal service \$ ▪ Funding source ▪ % Cost Recovery 	<ul style="list-style-type: none"> ▪ Legally mandated: 2 categories ▪ Essential external ▪ Essential internal ▪ Traditional core ▪ Expected ▪ Extraordinary 	Who, how many	Yes, Level of Service Yes, Alternatives Available No, Level of Service No, Alternatives not Available If yes, level of savings estimated. If yes, staff capacity generated.	Any pertinent info not reflected in other columns	Identify applicable criteria
Next service								
Next service								

SERVICE INVENTORY

Type of Service

*Legally-mandated service: federal/state/regional**

Service the Town is legally required to provide (or have provided) by another governmental agency.

*Legally-mandated service: Town Code**

Service the Town is legally required to provide (or have provided) by the Town code.

Essential external service

Service considered to be the minimal, essential service to be provided to residents, businesses, or other customers even if the Town was facing a financial bankruptcy.

Essential internal service

Service considered to be the minimal, essential internal support service required by Town employees to deliver essential external services. Service required even if the Town was facing a financial bankruptcy.

Traditional core service

Service considered to be typical local government service, which Los Gatos and other cities would be expected to provide. Key line of business for local governments. Includes core internal services that are typically provide, but not essential (e.g., non-essential training).

Expected service

Service Los Gatos residents, businesses and other customers have come to expect Los Gatos to provide (or have provided), which other cities may or may not provide. Internal services customers (e.g., employees, other agencies, etc.) expect, but not considered core.

Extraordinary service

Service that goes beyond the expectations of residents and businesses in other cities. Internal support that goes beyond the internal support provided in other cities. Service that is provided at a higher level of service than expected. Discretionary service.

*Services noted as legally-mandated will also be noted as another type.

Scalability/Alternative Options

Yes, Level of Service (frequency, quantity, quality of service can be scaled back)

Yes, Alternatives Available (could provide in other manner, such as contracted out, partnering with other agencies, restructuring within Town, other)

No, Level of Service (would be impractical or impossible to reduce)

No, Alternatives Not Available (no other provider available, no other way to provide)

If yes, level of savings estimated

\$ = < \$10,000

\$\$ = \$10,000 -- \$50,000

\$\$\$ = \$50,000 -- \$100,000

\$\$\$\$ = \$100,000 -- \$250,000

\$\$\$\$\$\$ = >\$250,000

If yes, staff capacity generated (% of FTEs)