

# Benchmarking for local government



NEIL ABERCROMBIE

ULCT ANNUAL CONVENTION  
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# What is benchmarking?



- **Benchmark is a standard or point of comparison.**
- **Benchmarking is a methodology used to improve performance by finding high-performing organizations and importing their practices to the home organization**
- **It is the process by which performance and service levels are measured and compared with similar communities, processes, or industries to achieve maximum efficiency and effectiveness**

# Common benchmarking steps



- Charter and train a team to conduct a benchmarking study.
- Define the process for benchmarking.
- Research potential partners.
- Collect and analyze data.
- Identify the causes of performance differences.
- Adapt the high-performing practice(s) to the benchmarking organization.
- Implement the practice(s) and monitor changes.

# Benefits of Benchmarking



- Measuring and benchmarking performance can help managers promote change and monitor progress toward city goals
- Measuring and benchmarking performance can enable the celebration of successes
- Increased accountability and fiscal transparency
- Benchmarking is recognized as a best practice norm by GFOA, GASB, ICMA and other professional organizations



Fortunately we have no city “Enrons” in Utah.

Important to carefully choose benchmarking partner.

Need for apples – to – apples comparison.

ULCT’s cluster analysis.

## Choosing your benchmarking partner...



*"Whose idea was it to use Enron as a benchmark?!"*

# ULCT Cluster Analysis



- **Cluster Analysis of all 243 cities and towns**
  - Created 11 clusters with one outlier, Salt Lake City
- **Factors considered**
  - 2005 population
  - Percent population change 2000-2005
  - Household median income (2000 Census data)
  - 2003 Primary residential land value
  - 2003 Commercial and industrial land value
  - 2003 Property tax revenue
  - 2003 Sales tax revenue



## URBAN

Capital City  
Major Cities  
Commercial Centers  
High Growth  
Residential Transitioning  
High Income  
Edge Cities



## RURAL

Resort Communities  
Mining Based  
Old Established  
Traditional Agricultural  
Small Towns



# Participating Cities (by cluster)

- Major Population Cities

- Layton
- Ogden
- Orem
- Sandy
- West Jordan
- West Valley

- Commercial Centers

- Cedar City
- Clearfield
- Lehi
- Vernal
- Washington City

- High Growth Communities

- Centerville
- Cedar Hills

# Participating Cities (cont'd)

- Residential Transitioning

- Ivins
- Santa Clara
- West Point

- High Income Residential

- Alpine
- Bountiful
- Farmington
- North Ogden
- South Jordan
- South Weber

- Urban Edge

- Marriott-Slaterville
- Riverdale City
- South Ogden
- Tremonton
- Washington Terrace
- Woods Cross

- Resort Community

- Park City

# Current Utah Municipal Benchmarking Project



## CURRENT BENCHMARKING PROJECT TEAM

- UCMA
- Brigham Young University
- University of Utah
- Utah State University
- ULCT

# Project Timeline



2006 UCMA Meeting led to creation of project  
Park City and Washington Terrace

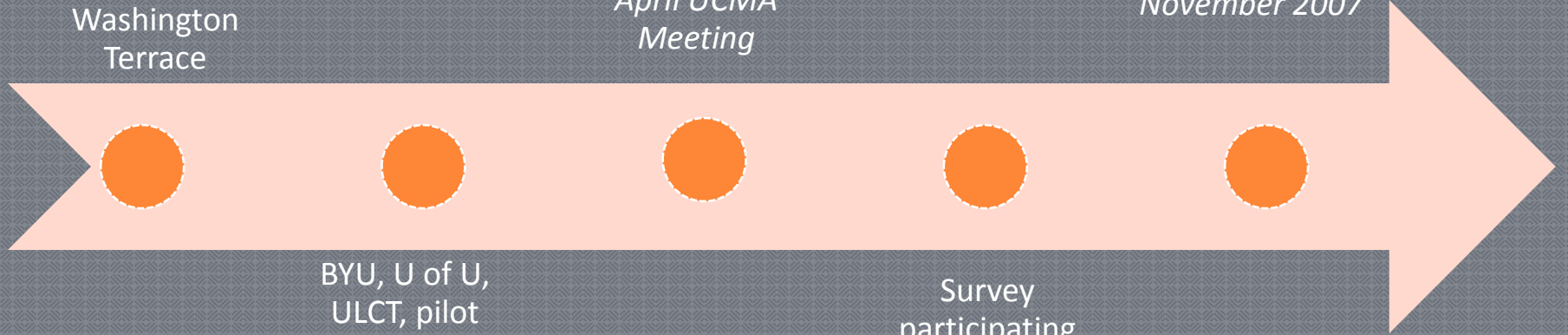
Presentation of pilot study (29 cities)  
*April UCMA Meeting*

Presentation of performance measures to fall UCMA Meeting  
*November 2007*



BYU, U of U, ULCT, pilot cities partner to collect and share information

Survey participating cities and collect data.



# Initial Pilot Report



## Management Environment

- Demographics
- Growth
- Financial Structure

## Three Core City Services

- Public Safety
- Transportation
- Parks and Recreation

# Growth: Cluster, High Income Residential



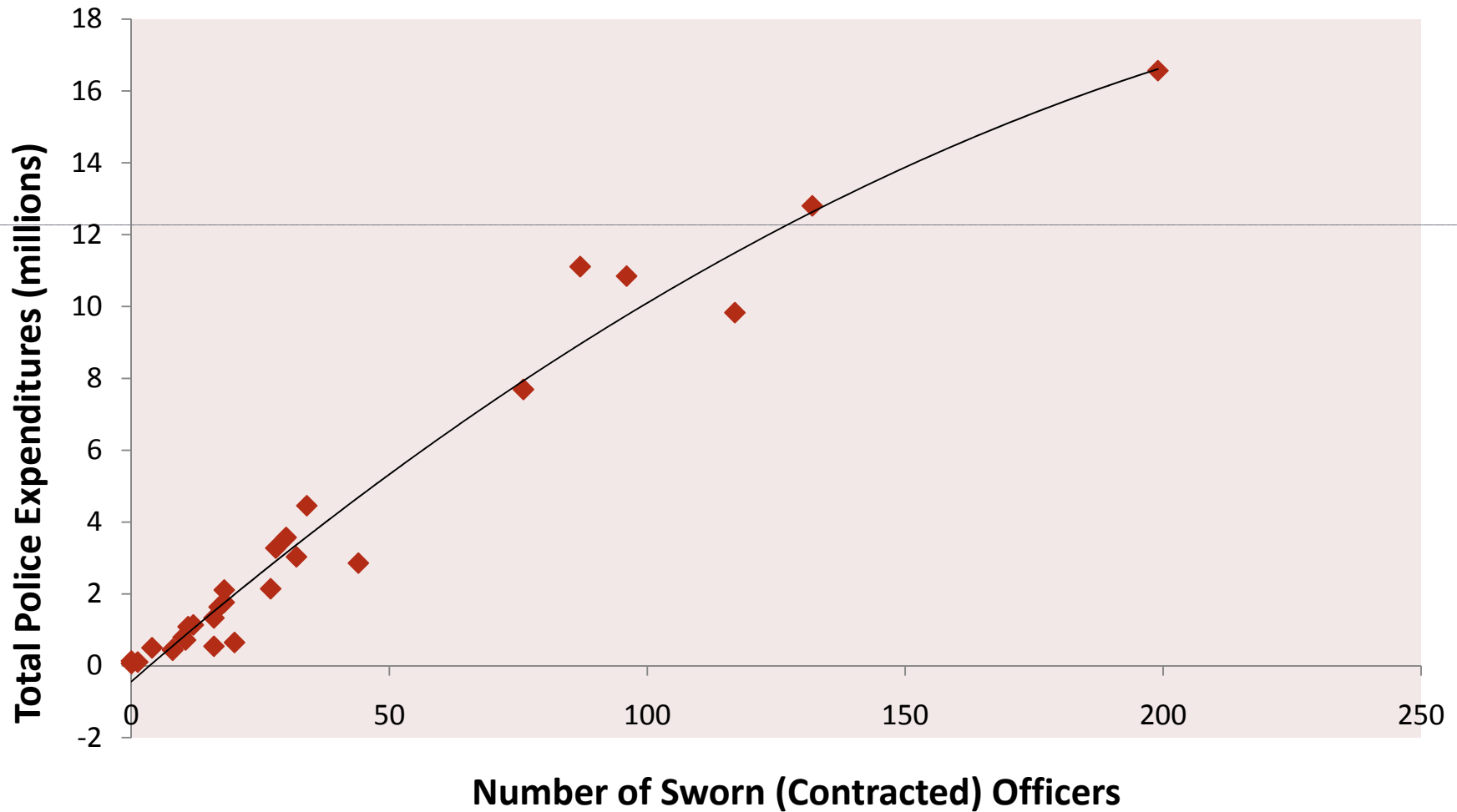
City	2005 Population	Population change: 1990-2005	New Dwelling Units Authorized (2006)	Number of Housing Units	2006 Permits as% of existing housing units	Value of New Non-Residential permits (2006, \$1,000s)
Alpine	9,063	160%	66	1,733	3.8%	\$3,436
Bountiful	41,085	12%	77	13,846	0.6%	\$2,611
Farmington	14,357	59%	284	3,235	8.8%	\$2,427
North Ogden	16,542	42%	64	4,560	1.4%	\$47
South Jordan	40,209	229%	1,088	7,733	14.1%	\$54,329
South Weber	5,593	95%	51	1,104	4.6%	\$2,074

# Property Tax Base: Cluster, Residential Transitioning



City	Total Primary Residential Land & Buildings	Primary Residential Value per capita	Total commercial, industrial and Centrally Assessed Value	Total commercial, industrial and Centrally Assessed Value per capita	Total of Land, Buildings and Personal Property	Total of Land, Buildings and Personal Property per capita
<b>Ivins</b>	\$229,961,955	\$34,129	\$17,481,897	\$2,595	\$410,202,931	\$60,879
<b>Santa Clara</b>	\$180,709,385	\$30,817	\$8,517,589	\$1,453	\$225,588,343	\$38,470
<b>West Point</b>	\$182,750,415	\$23,889	\$8,742,280	\$1,143	\$207,734,341	\$27,155

# Cost of Police Services



# Where to now?



## Prioritize measures

- Survey participating cities
- Priority focus
  - Community development
  - Finance
  - Growth/Housing
  - Human resources
  - Parks and recreation
  - Public safety
  - Transportation
  - Water

## Collect Information

- Some of the information is already available, public databases.
- Much of the data needs to be submitted by individual cities
  - Survey creation

# Example survey questions...



- Roads/transportation
  - Identify the actual expenditures during FY2006 on crack seals. Dollar amount spent on Activity. Use direct costs only.
- Parks and Recreation
  - Park acreage developed
  - Park acreage undeveloped
- Police
  - Are you police officers sworn or contracted? Total number of police officers.

# Steps to effective benchmarking revisited...



- Charter and train a team to conduct a benchmarking study.
- Define the process for benchmarking.
- Research potential partners.
- Collect and analyze data.
- Identify the causes of performance differences.
- Adapt the high-performing practice(s) to the benchmarking organization.
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Collecting data for the sake of collecting data.

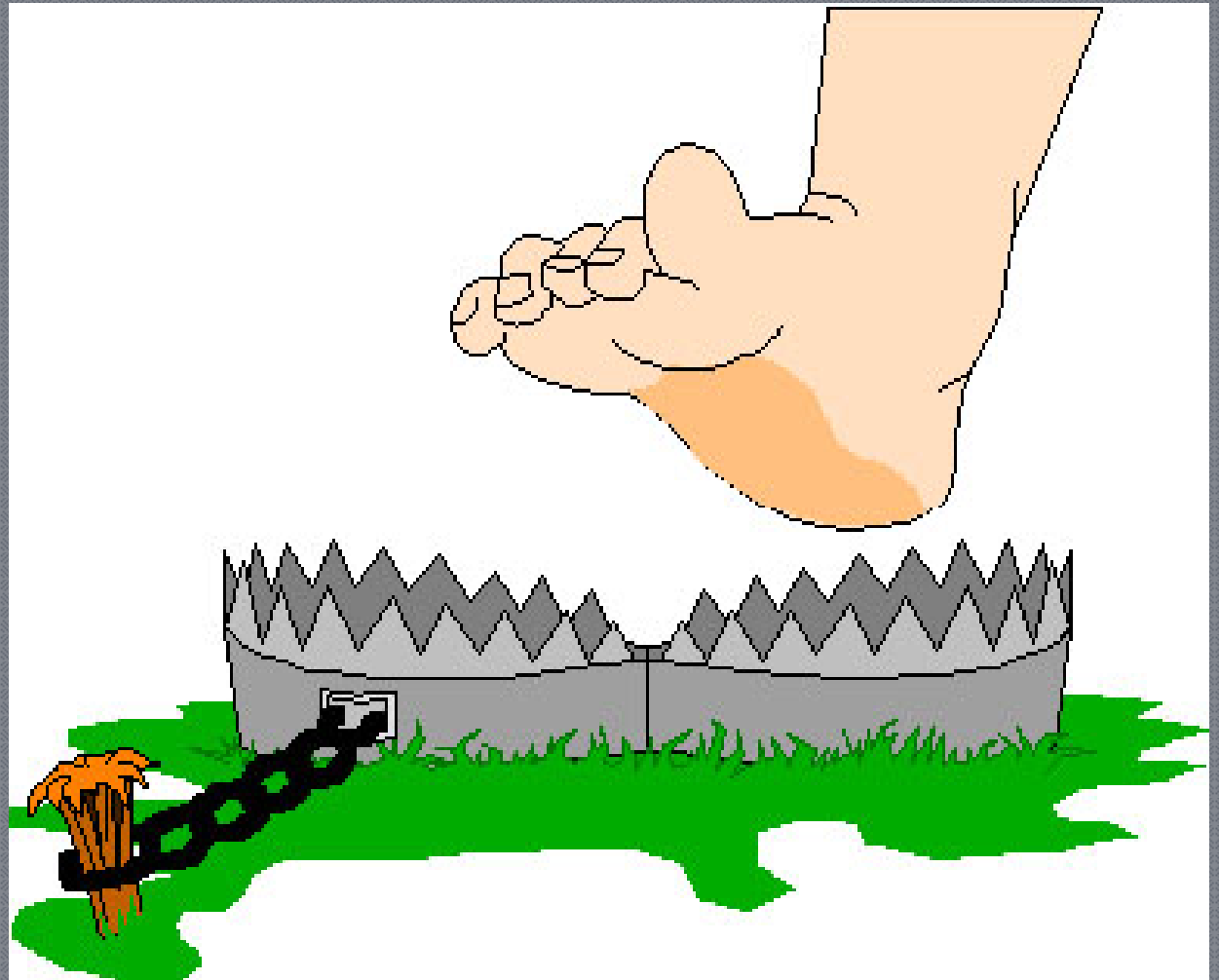
Not focusing on management relevant measures.

Using data to negatively compare cities.

Inconsistent definitions of measures.

Burn-out.

## Pitfalls to avoid



# Summary



- Attempted to demonstrate the viability and potential of a benchmarking system for cities in Utah
- Using existing data, university based resources and the ULCT
- Potential benefits include providing city officials with information to
  - monitor governing their environment
  - identify smart practice
  - inform their strategic planning processes
  - celebrate and promote progress toward stated city goals and objectives

# Questions...



- What is the value to my city or town?
- How much staff time will this require?
- What if my city or town looks bad?
- What if the media uses this benchmarking data for negative stories (high tax burden, etc.)
- Is this an ongoing project?
- What will it cost?
- Other questions....

# Contact:



MARK CHRISTENSEN  
CITY MANAGER, WASHINGTON TERRACE  
**MARKC@WASHINGTONTERRACECITY.ORG**

LAURIE JOHNSON, SOUTH JORDAN CITY  
RICHARD MANNING, OREM CITY

NEIL ABERCROMBIE, ULCT  
**NABERCROMBIE@ULCT.ORG**