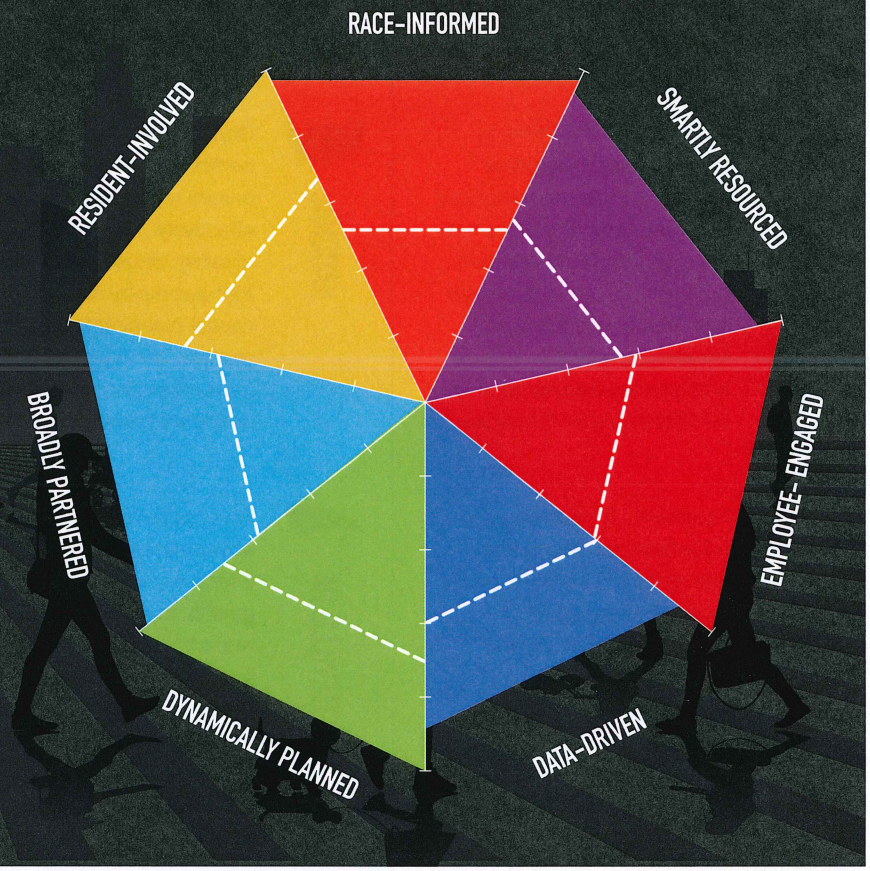
*Equipt to Innovate*®

# 2018 City Report

## Fayetteville, NC

**TOP PERFORMER OVERALL**




- - - - - - - - - - Indicates National Average

0% — 100%

Indicates Top Performance  Indicates High Performance

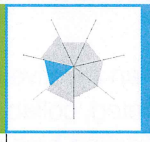
### DYNAMICALLY PLANNED

**NATIONAL**

Cities nationwide are doing a good job of involving multiple stakeholders in the development of their strategic plans, and they're sharing these plans online. But cities generally need to put greater focus on long-term planning.

**FAYETTEVILLE, NC**

Fayetteville uses performance metrics to track goals and ensure its strategic plan is implemented effectively. Planning is done in a highly effective manner, and goals are connected to its strategic plan in a meaningful way.



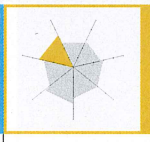
### BROADLY PARTNERED

**NATIONAL**

Cities nationally are strong on fostering internal collaboration. In addition, they typically are both facilitators of and participants in cross-sector initiatives. However, they need to strengthen relationships with state agencies and the federal government.

**FAYETTEVILLE, NC**

Innovative partnerships are part of Fayetteville's collaborative culture. The city recognizes partnerships as a factor in achieving its strategic objectives. It also evaluates and quantifies partnership outcomes.



### RESIDENT-INVOLVED

**NATIONAL**

Cities typically solicit input from residents and use it to inform policies and improve services. They also provide services in multiple languages and formats. But cities need to find ways to engage all populations and update residents on the status of their input.

**FAYETTEVILLE, NC**

Fayetteville uses a variety of methods to engage diverse populations, and it incorporates resident input into governance activities. Like most cities, Fayetteville could improve on letting residents know when and how their ideas are used.

## RACE-INFORMED

**NATIONAL**

Most cities are working to improve racial disparities across multiple programs and services. Often the focus has been on improving relations between police departments and minority populations. However, most cities lack an enterprise-wide approach for addressing racial inequities.

**FAYETTEVILLE, NC**

Fayetteville is narrowing the education gap for minority populations. The city formally recognizes equity as an area of responsibility and uses data to understand and resolve social issues.

## SMARTLY RESOURCED

**NATIONAL**

Cities nationally are adopting performance measures to ensure resources are used effectively. They're also creating longer-term financial frameworks by extending capital planning to 10 years or more, for example. But most cities struggle to reallocate resources nimbly.

**FAYETTEVILLE, NC**

Fayetteville focuses on economic development and effectively uses performance metrics to inform decisions regarding city programs. In addition, the city has a policy for reviewing and modifying programs that fail to achieve desired outcomes.

## EMPLOYEE-ENGAGED

**NATIONAL**

Most cities solicit employee input and recognize employee contributions. They're working to attract new talent, often by promoting their communities as a good place to live. But cities need to streamline hiring processes and put more effort into retaining qualified talent.

**FAYETTEVILLE, NC**

Fayetteville has a simple and quick hiring process. The city also tracks employee engagement indicators to continuously improve, and it invests in employee training.

## DATA-DRIVEN

**NATIONAL**

Cities typically make data available and transparent to citizens. They're also working to improve digital literacy among their residents. But many cities need to strengthen how they use and share data internally.

**FAYETTEVILLE, NC**

Fayetteville uses data to inform processes and find new efficiencies. It also effectively links data activities to city goals and objectives. However, the city could focus more attention on digital equity.

*Equipt to Innovate*® – an initiative launched by Living Cities and Governing – is an integrated, collaborative framework of seven essential elements that define high-performance government and empower innovation.

The framework combines classic disciplines of city planning with fresh lenses for seeing new dynamics in civic life. It is also an invitation for cities to work together, learn from each other and help drive better outcomes for their communities.

As the act of governing becomes more complex, a critical mass of geographically diverse large and mid-sized cities are coalescing around *Equipt* as a way of understanding and building capacity to meet today's needs and tomorrow's expectations.

Stay connected with the framework at
**governing.com/equipt**

GOVERNING

LIVING CITIES
INNOVATE ▸ INVEST ▸ LEAD

© 2018 e.Republic. All rights reserved.

Published by:
GOVERNING

In partnership with:
LIVING CITIES
INNOVATE ▸ INVEST ▸ LEAD

Equipt to Innovate®

# 2018 Profiles in High-Performance Government:

## Cities on the move

# CONTENTS


04
EXECUTIVE SUMMARY

06
DYNAMICALLY PLANNED
Designing and managing city structures, and helping shape urban life and culture for the benefit of all

10
BROADLY PARTNERED
Partnering with allied parties — public, private and philanthropic — as demands for services, revitalization and social justice grow

14
RESIDENT-INVOLVED
Listening to diverse voices in the community to meaningfully engage residents in problem-solving conversations

34
CONCLUSION

18

## RACE-INFORMED

Bringing a racial equity lens to vital community discussions about solving problems and building preferred futures

22

## SMARTLY RESOURCED

Prioritizing how resources are raised and allocated to support evidence-based investments in infrastructure, technology and people

26

## EMPLOYEE-ENGAGED

Doing the public's work — from the frontline to the back office — in ways that tap employees' creativity, expertise and spirit of service

30

## DATA-DRIVEN

Seeing around corners and evaluating program performance and policy needs through analysis of the numbers

# EXECUTIVE SUMMARY

Cities are not waiting for others to solve their problems or define their futures. They can't. The work is too urgent. Residents and businesses alike need and expect cities to provide nimble and robust responses to today's challenges and opportunities. The results of the second annual *Equipt to Innovate* survey show that a critical mass of American cities are pursuing ambitious public goods for themselves, but not by themselves. Cities are partnering with each other, civic organizations and area businesses even as their relationships with the federal government become more distant.

The *Equipt* initiative, a joint effort of Living Cities and *Governing* magazine, is anchored in seven key characteristics of high-performance government — being dynamically planned, broadly partnered, resident-involved, race-informed, smartly resourced, employee-engaged and data-driven.

*Equipt* sets a purposefully high bar across all seven elements, and a growing number of cities are reaching for it. Seventy-four cities participated in the 2017 survey, up 23 percent from 2016, bringing the two-year total to 97 cities. *Equipt* cities represent 53 million residents, including 55 of the 100 largest U.S. cities and all 10 of the largest U.S. cities. The geographic distribution of participating cities also widened this year.

What emerges from the first two years of survey work is a landscape of cities that are leaning into the future. Cities and their diverse networks of public, private and civic institutions are now responsible for investing in and building the many things that make communities good places to live for the people who live there.

The *Equipt* survey is an important tool in assessing readiness to confront today's difficult urban issues, and the integration of the race-informed element in the framework is an important distinction. Outgoing New Orleans Mayor Mitch Landrieu, who leaves office in May when his term expires, says the history of racism in his and other cities is "really our Achilles' heel." He points to the urgency of this moment.

"We can't go around it; we can't go over it; we can't go under it. We have to go through it — which means we have to talk about it, recognize and acknowledge it, put it in its appropriate place and think about ways that we can go forward together."

The *Equipt* framework, with its focus on the race-informed element, offers cities a structured way of having that conversation that touches on every part of city government.

## CLASS OF 2018

In our analysis, a city of just over 200,000 people — Fayetteville, N.C. — emerged as this year's top performer overall. We have also identified top-performing cities in each element:

- **DYNAMICALLY PLANNED** – Las Vegas, NV
- **BROADLY PARTNERED** – Olathe, KS
- **RESIDENT-INVOLVED** – Seattle, WA
- **RACE-INFORMED** – Louisville, KY
- **SMARTLY RESOURCED** – San Antonio, TX
- **EMPLOYEE-ENGAGED** – Fayetteville, NC
- **DATA-DRIVEN** – San Diego, CA

These top performers are flanked by high-performing cities in each category, which are named in the element-by-element discussion that follows. In general, high performers share a commitment to a civic-enhancing set of common practices, some of which remain aspirational:

- Seeing the city as an organic whole
- Enabling open dialogue through fuller transparency with all stakeholders in a collaborative, problem-solving environment
- Establishing clear ties among city strategic planning and the ability to articulate goals, benefits realized and how activities tie back to the plan
- Making thoughtful connections to residents' lives, needs and experiences

- Ensuring thoughtful and strategic deployment of resources to achieve city objectives
- Incorporating crucial data from regular employee and resident surveys
- Recognizing partnerships for all levels of employees, not just senior leadership
- Fostering frontline staff collaboration with specific management philosophies, processes/procedures and training
- Forming a performance management team and developing performance metrics, as well as adopting enterprise-wide management tools
- Using data consistently to drive decision-making
- And in the words of one respondent, encouraging a continuing "zeal for new ideas"

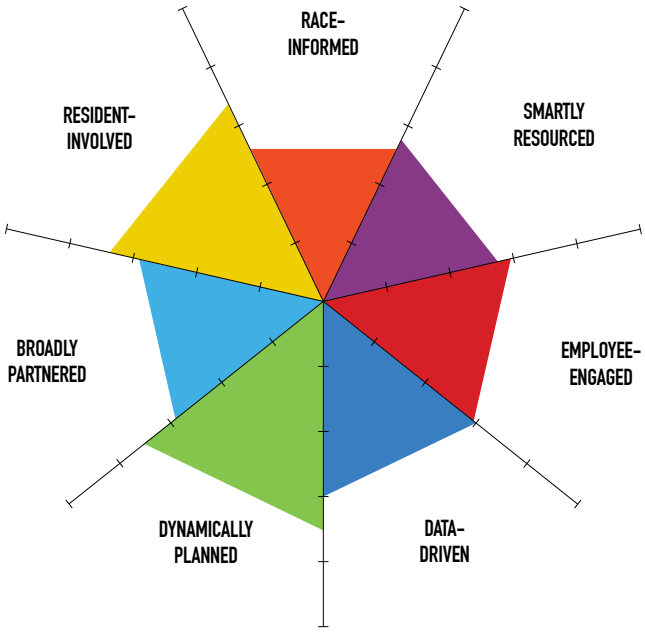
High-performing cities are going from strength to strength, becoming more successful and confident as they continue to build on transformational work started years ago. The results demonstrate the interdependent relationship among *Equipt* elements. There is a discernible clustering among high performers. Cities that perform well in one element are likely to perform well in two or more elements, suggesting a mutually reinforcing effect among the capabilities and competencies that make cities work. In fact, a handful of cities demonstrate high performance simultaneously in three or more outcome elements. It means investments made in one area are likely to build or reinforce good practice and competencies in other areas, developing strength across what previously may have been considered discrete functions or disciplines.

## PROGRESS AND CHALLENGES

The story of cities that emerge from the survey is characterized by good will and intent to serve their communities well, acting organically and collaboratively to redress past wrongs and co-design a preferred future for all. There is a clear view of the challenges — race and wealth inequality and service discrepancies chief among them. And a hopeful stance toward possibilities — (re)building trust, reaching shared goals, and creating communities that are economically and environmentally sustainable over the long term.

However, cities are pursuing these goals amid a worsening relationship with Washington, D.C. Survey respondents report difficulties in working with Congress and the Administration, including a pullback in federal partnerships on infrastructure, healthcare, tax policy and immigration. This distancing makes it far more difficult for cities to maintain their forward momentum. Cities play a vital role in focusing the federal government on the interests of local communities, but city leaders are indicating, through their actions, their intent to go it alone if necessary.

The pages that follow detail the results of the 2017 survey and the key learnings from the top- and high-performing cities that are *Equipt to Innovate.*




The graphic device used throughout this report to depict survey results is modeled after the Nightingale Rose diagram. In 1858, nurse, statistician and reformer Florence Nightingale used the rose to "explain complex statistics simply, clearly, and persuasively."[1] It is used here to show the relative growth of cities on the seven elements of the *Equipt* framework, each of which is given its own petal. The colored petals represent the national average of cities in each element out of 100 percent.

1. Florence Nightingale's Rose Diagram, History of Information.com [See — http://www.historyofinformation.com/expanded.php?id=3815 — Retrieved March 2, 2018]

# DYNAMICALLY PLANNED

## THE IDEAL

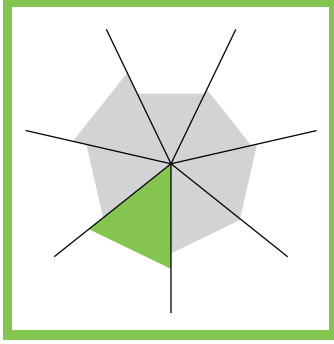
Dynamically planned cities have a clearly stated long-term vision that goes beyond the next election cycle and is supported by an enterprise-wide strategic plan. This plan is backed by city leadership and individual department plans that tie back to the same goals. Cities should be able to easily track progress toward stated goals and that progress should be transparent to everyone, from residents to internal and external government stakeholders.

## WHAT WE FOUND

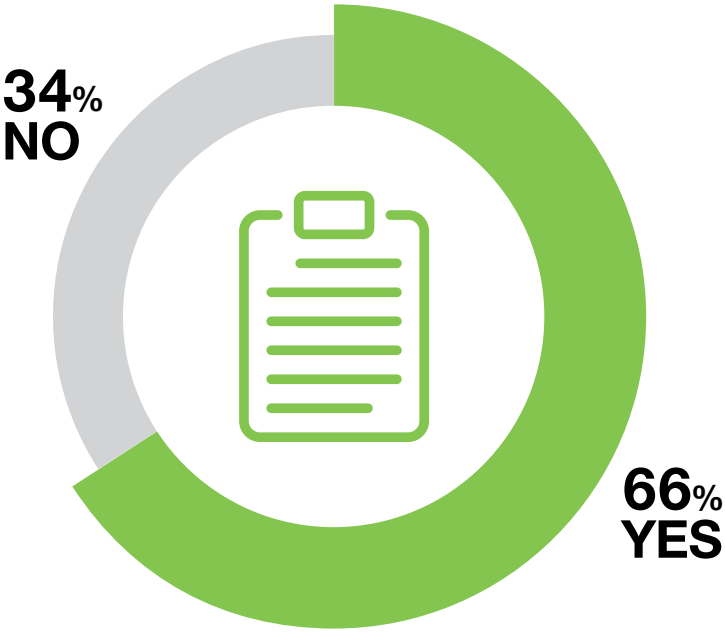
Overall, our survey findings show that city respondents realize the importance of strategic planning and the need to increase transparency. In fact, the number of cities involving residents in the planning process increased in 2017. However, this is still an area that needs growth, and most cities understand they need to put more emphasis on long-term planning.

## STRENGTHS

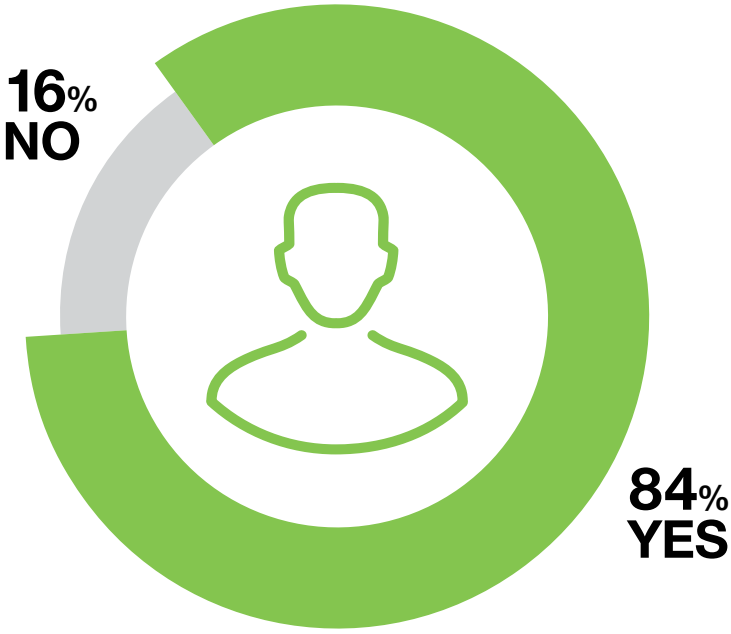
Sixty-six percent of cities have a long-term strategic plan that is up to date and available online. And most cities use resident input and coordinate with other levels of government when creating city programs. In Kansas City, Mo., for instance, resident input is a foundational component in the planning process and helps the city formulate goals and objectives. Finally, 84 percent of cities have a designated person or team responsible for performance management. El Paso, Texas, takes this a step further by using interdepartmental “goal teams” to create shared performance measures with annual targets to ensure continuity and accountability.



## DOES THE CITY HAVE A LONG-TERM STRATEGIC PLAN THAT'S AVAILABLE ONLINE AND UP TO DATE?




## IS THERE A DEDICATED PERSON OR TEAM RESPONSIBLE FOR PERFORMANCE MANAGEMENT?

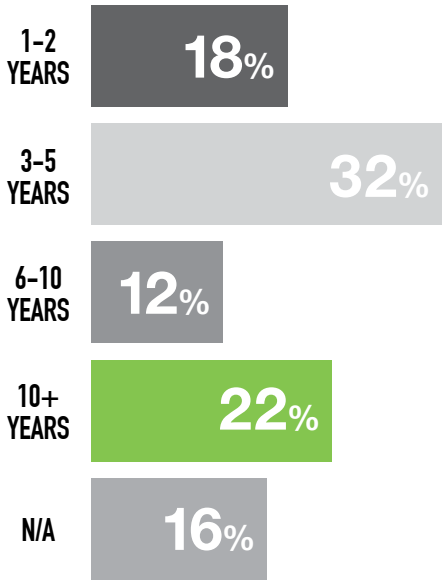


# DYNAMICALLY PLANNED

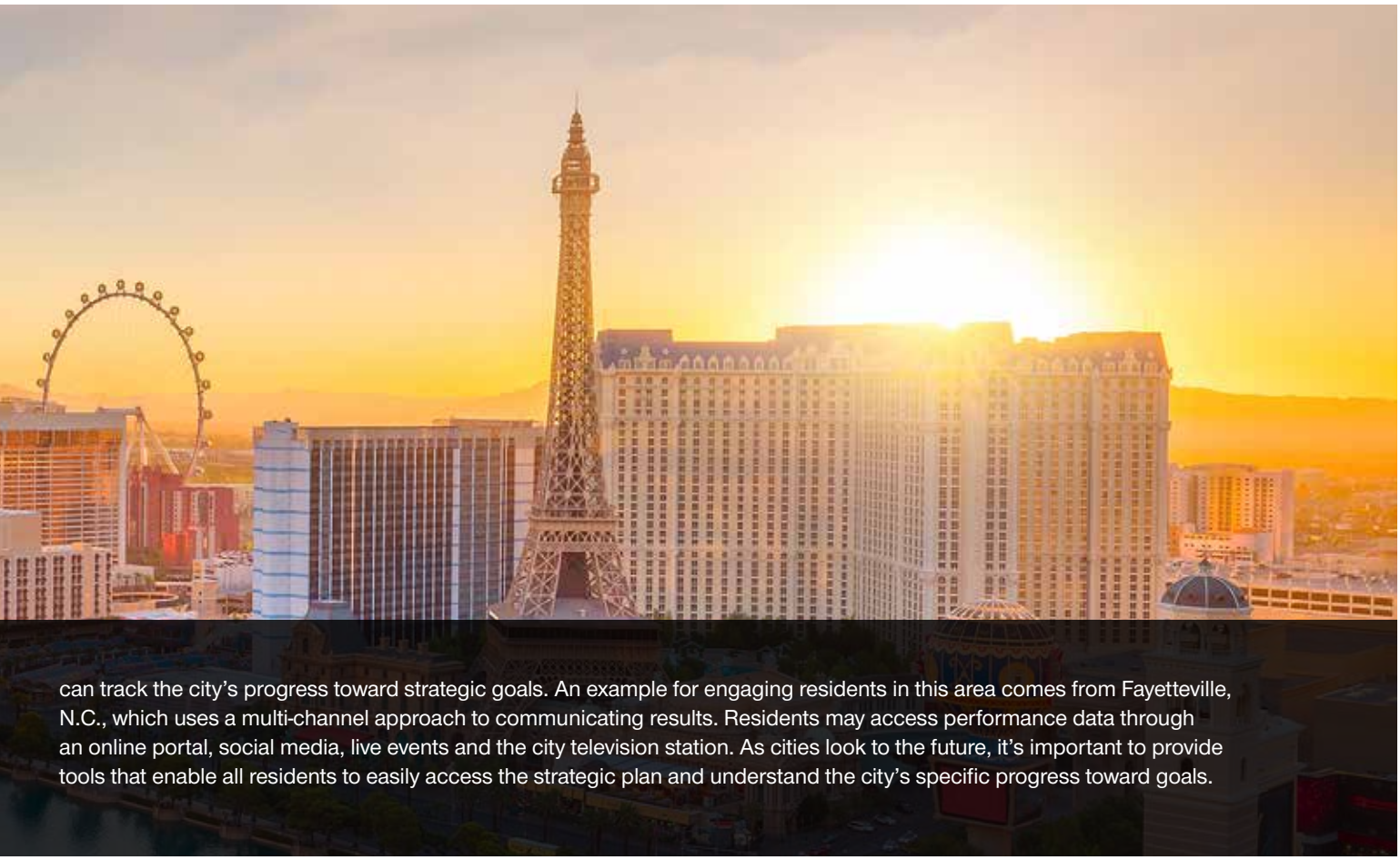
## GROWTH AREAS

While almost all cities have a strategic plan, 18 percent do not have a plan that looks more than two years in the future. In these cities, planning tends to be more reactive and tactical versus proactive and strategic. And even though planning is a clear priority for cities, these efforts aren't always "dynamic." Fifty-seven percent of survey respondents don't have policies in place to support performance management work and only half have a site or dashboard where citizens

### HOW FAR INTO THE FUTURE DOES THE CITY'S STRATEGIC PLAN LOOK?




### CAN THE PUBLIC TRACK THE CITY'S PROGRESS TOWARD STRATEGIC GOALS ONLINE?



can track the city's progress toward strategic goals. An example for engaging residents in this area comes from Fayetteville, N.C., which uses a multi-channel approach to communicating results. Residents may access performance data through an online portal, social media, live events and the city television station. As cities look to the future, it's important to provide tools that enable all residents to easily access the strategic plan and understand the city's specific progress toward goals.

## WHAT MAKES A HIGH-PERFORMING CITY?

### TOP PERFORMER: **Las Vegas, Nevada**

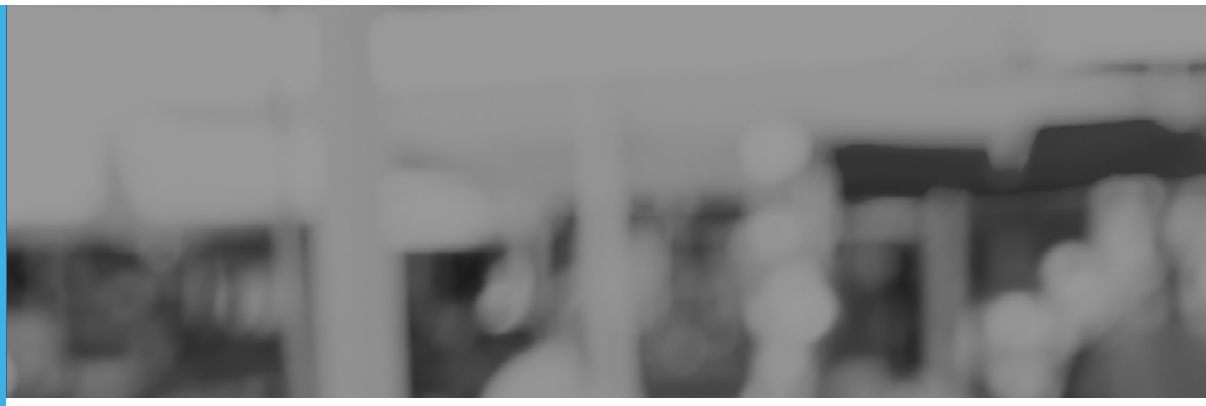
Las Vegas' strategic plan, City by Design, looks 10 or more years into the future and brings together a variety of program and agency-specific goals to ensure a comprehensive, city-wide approach. Performance measures enable the city to monitor its progress toward achieving plan milestones. The city actively involves stakeholders in the planning process and ensures transparency by making the plan — and progress toward plan goals — publicly available.

### HIGH PERFORMERS:

## HIGH-PERFORMING CITIES:

- ✓ Have a comprehensive, enterprise-wide strategic plan
- ✓ Clearly connect strategic planning activities and city objectives/goals in multiple areas
- ✓ Track goals through data and performance measures
- ✓ Have an established and transparent planning process with check-in points
- ✓ Involve multiple stakeholders in the planning process
- ✓ Obtain strong leadership buy-in and have leaders who promote performance improvement and attainment of strategic goals

# BROADLY PARTNERED



## THE IDEAL

Broadly partnered cities freely collaborate internally and externally to achieve better results for the community. This involves participating in cross-sector initiatives, whether or not they originate within the city, and empowering staff to collaborate across departments and with external partners. It also means progress is continuously communicated to stakeholders to inform them where the city stands in terms of reaching specified goals.

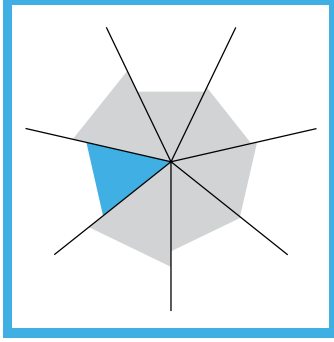
## WHAT WE FOUND

National issues such as the opioid epidemic and homelessness demand intergovernmental and cross-sector collaboration. And while there was little change in our survey findings for the broadly partnered element from 2016 to 2017, cities are realizing they can't tackle these crises alone and are engaging communities more broadly.

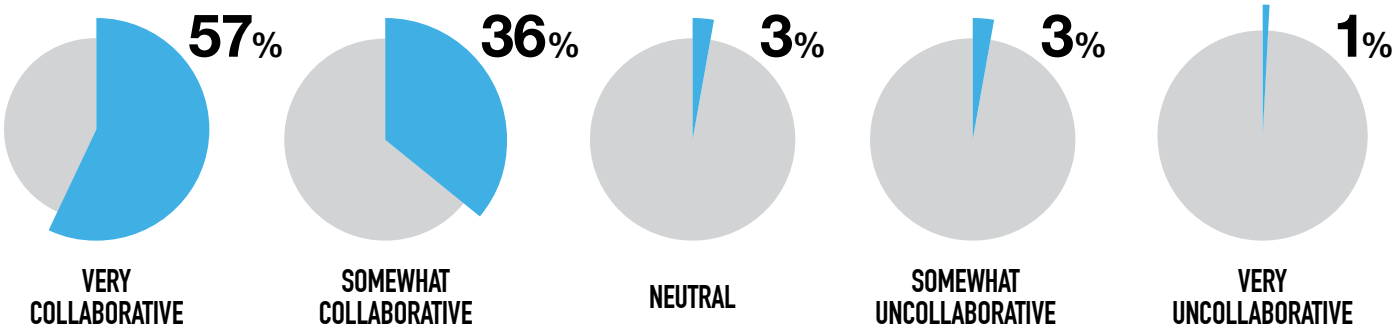
## STRENGTHS

Cities continue to do well in fostering internal collaboration. Executive and legislative branches have strong working relationships and nearly all cities reported having a culture that encourages interdepartmental collaborations to achieve desired outcomes. In Philadelphia, for example, the Office of Grants helps other city departments take advantage of all federal, state and foundation grants available to them.

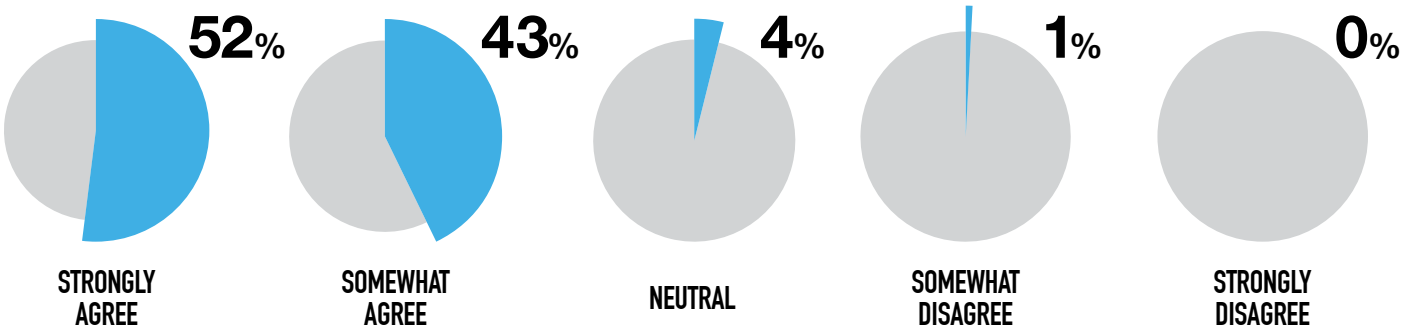
Cities also realize the importance of facilitating and participating in cross-sector initiatives — 95 percent of cities report doing so. For instance, Houston's Complete Communities initiative — an effort aimed at revitalizing the city's under-resourced communities — involves schools, nonprofits, businesses and community development corporations. And the mayor of Tulsa, Okla., recently announced plans — in partnership with Gallup — to create a first-of-its-kind assessment for cities throughout the nation to measure how their residents fare on matters of well-being, opportunity and the city experience. Tulsa hopes to create a national model for urban transformation.



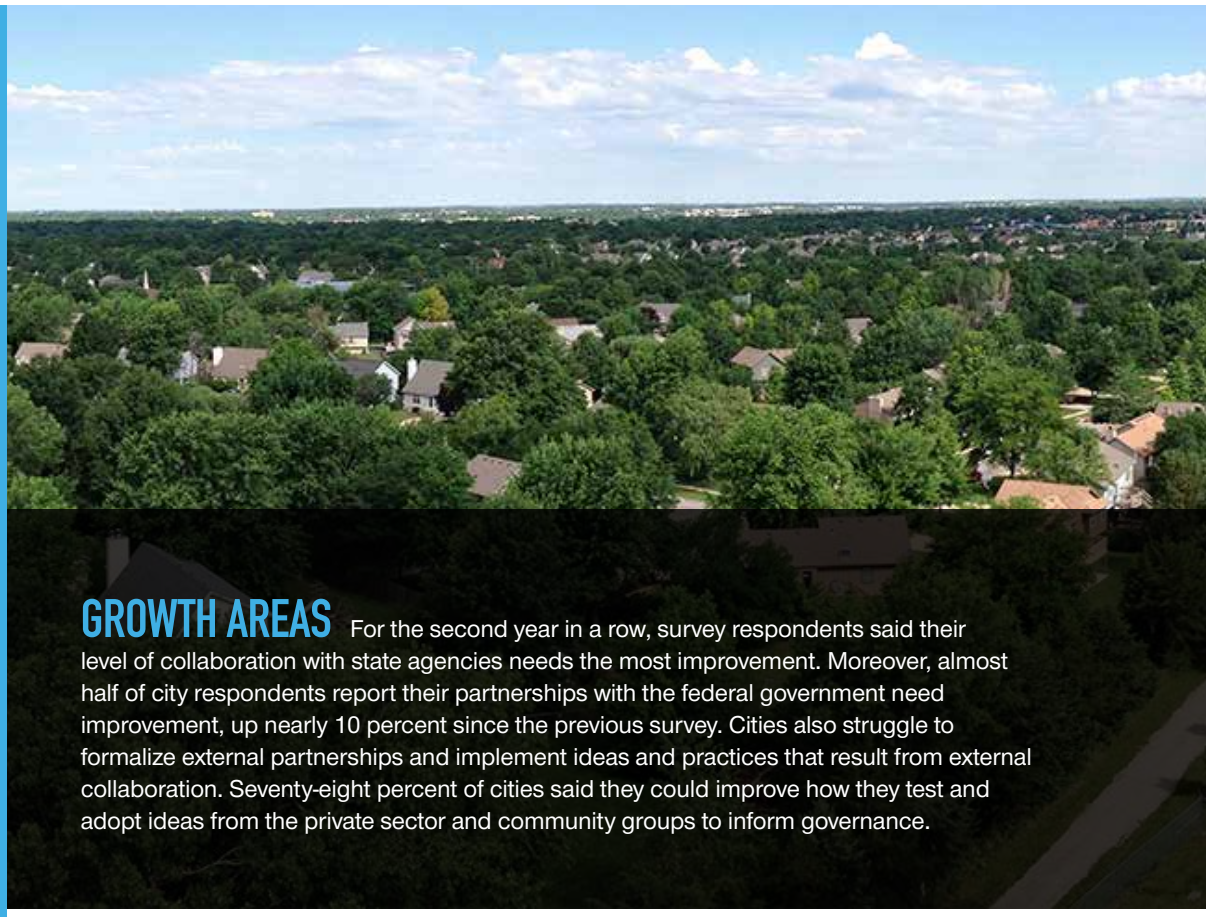
## WHAT IS THE LEVEL OF COLLABORATION BETWEEN THE EXECUTIVE BRANCH AND CITY COUNCIL?




## THE CITY FACILITATES AND PARTICIPATES IN CROSS-SECTOR INITIATIVES.



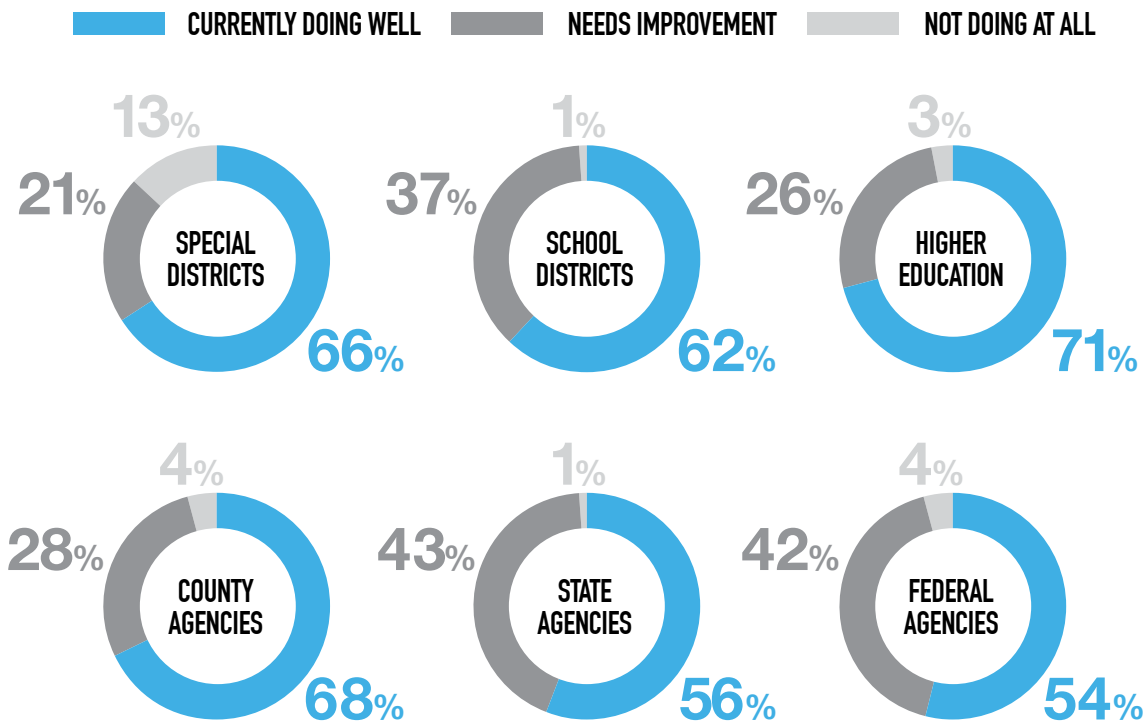
# BROADLY PARTNERED

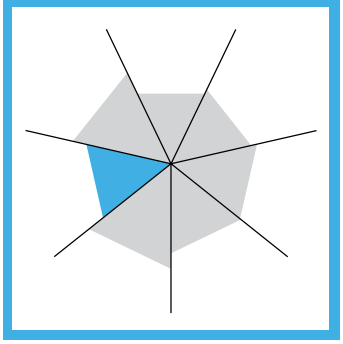


## GROWTH AREAS

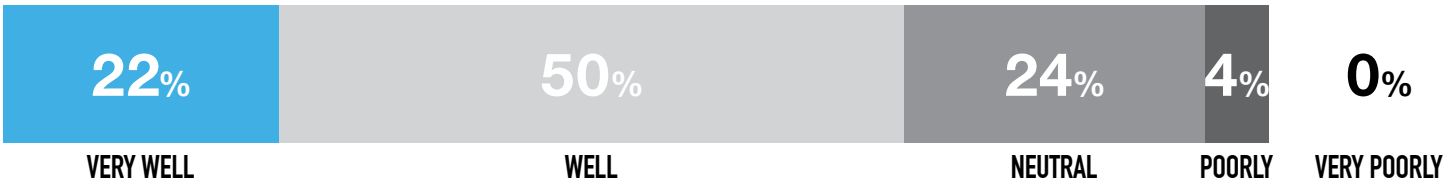
For the second year in a row, survey respondents said their level of collaboration with state agencies needs the most improvement. Moreover, almost half of city respondents report their partnerships with the federal government need improvement, up nearly 10 percent since the previous survey. Cities also struggle to formalize external partnerships and implement ideas and practices that result from external collaboration. Seventy-eight percent of cities said they could improve how they test and adopt ideas from the private sector and community groups to inform governance.

## HOW WELL CITIES COLLABORATE WITH OTHER LEVELS OF GOVERNMENT



## HOW WELL DOES THE CITY TEST IDEAS FROM THE PRIVATE SECTOR AND COMMUNITY GROUPS TO INFORM PRACTICES?




## WHAT MAKES A HIGH-PERFORMING CITY?

### TOP PERFORMER: Olathe, Kansas

Olathe forges strong partnerships across the public, private and nonprofit sectors and connects these collaborations to jurisdictional goals. This city can clearly articulate best practices formed from a history of partnering and has initiated and led multi-jurisdictional partnerships that demonstrate realized benefits. For instance, Olathe played a leadership role in the Kansas City Regional Benchmarking Initiative with 17 nearby cities to share performance data on key metrics in areas such as workforce and economic development. In addition, the city participated in an initiative with the University of Kansas and other Johnson County cities to share key data and analyze the impact of tax incentives on property value growth.

## HIGH-PERFORMING CITIES:

- ✓ Use a variety of partnerships to obtain objectives
- ✓ Partner with peer cities to share data and best practices
- ✓ Lead multi-partner coalitions to address regional issues
- ✓ Evaluate success based on outcomes and pilots

## HIGH PERFORMERS:

# RESIDENT-INVOLVED

## THE IDEAL

The heart of a community is its residents, which is why a resident-involved city pays special attention to the people who choose to live within its borders. This includes using effective engagement tactics — supported by data and technology — to reach all residents, especially those who are harder to engage and underrepresented. Once engaged, resident input is incorporated into the decision-making process and residents are informed when their feedback is used.

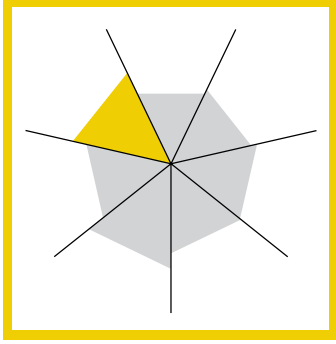
## WHAT WE FOUND

Cities responding to the survey are highly aware of the need for transparent dialogue with their residents. While they feel confident in their ability to solicit input from residents, they find it more difficult to engage all populations and update residents on the status of their input.

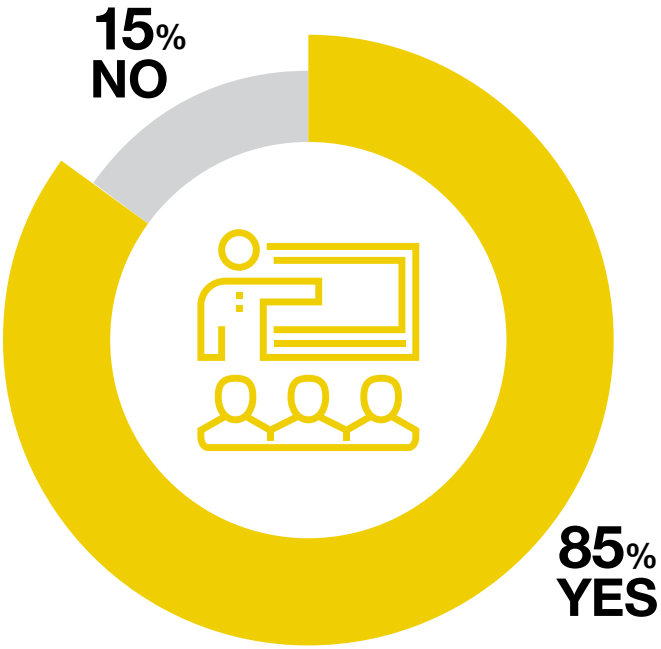
## STRENGTHS

Most cities have invested in community engagement. More than three-quarters of survey respondents have a dedicated person who oversees this area, and all cities use some type of technology to engage citizens. For instance, Houston has an interactive 311 dashboard that lets residents track service requests and provide feedback to specific departments.

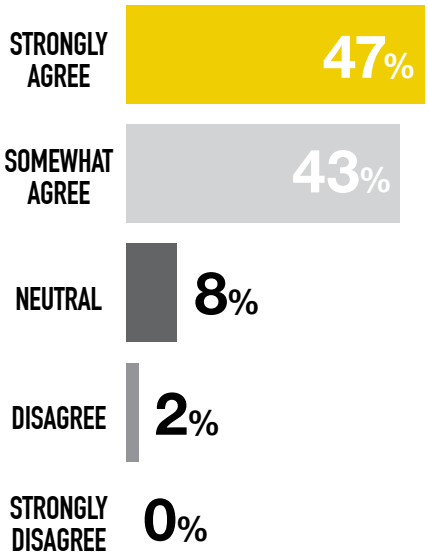
Cities responding to the survey use resident input to inform policies and improve service delivery. They also make it easier for residents to understand the work of government by being transparent about spending and providing information and services in multiple languages and formats. The city of San Antonio invites residents to provide input into the city's annual budget by encouraging them to participate in an online survey and scheduling in-person meetings for those who prefer a non-digital form of engagement.



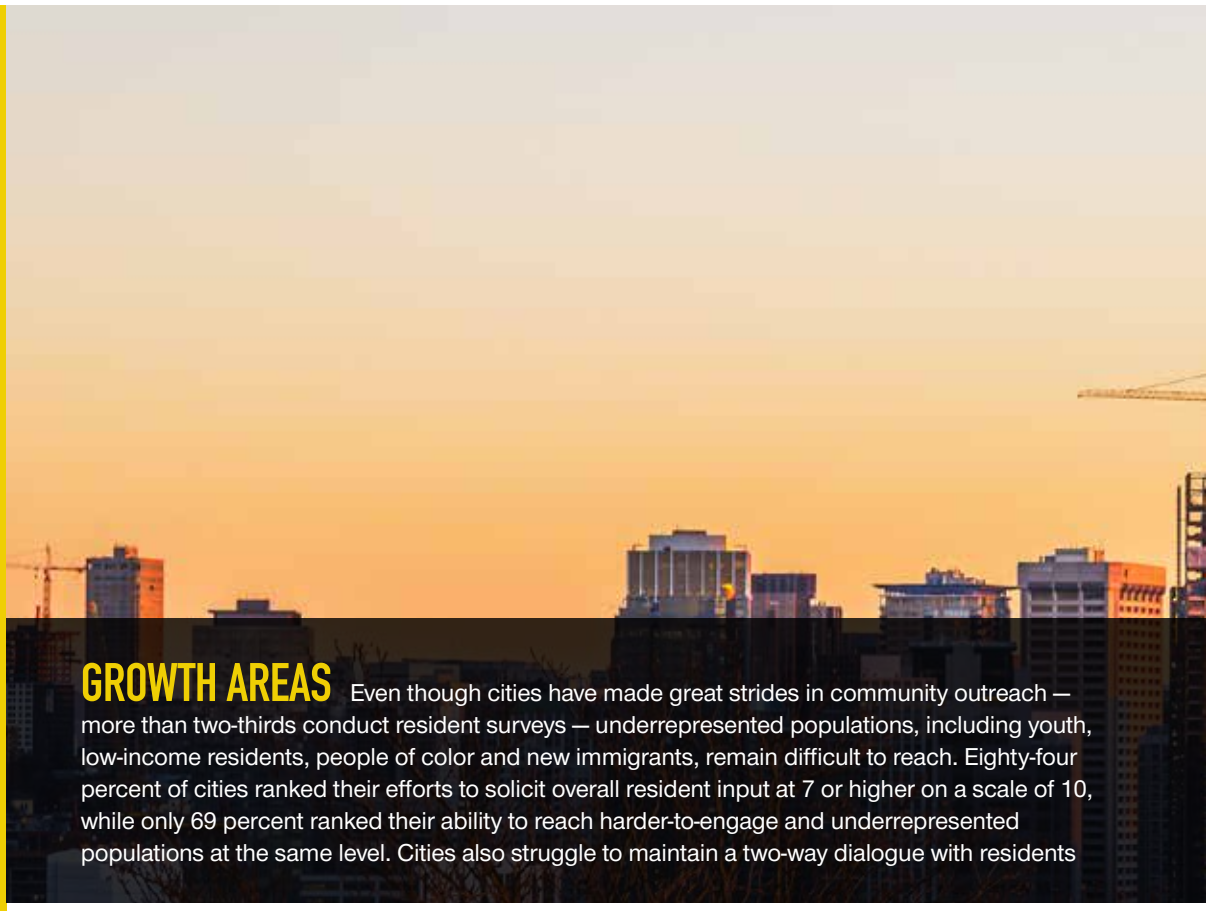
## DOES THE CITY PROVIDE MATERIALS, SERVICES AND MEETINGS IN LANGUAGES OTHER THAN ENGLISH?




## RESIDENT INPUT IS MEANINGFULLY INCORPORATED INTO CREATING POLICY AND IMPROVING SERVICE DELIVERY.

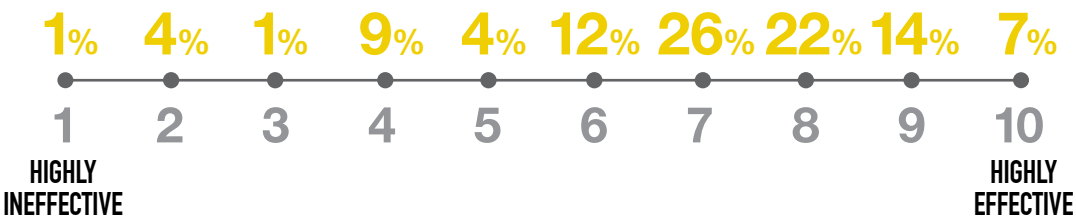


# RESIDENT-INVOLVED



**GROWTH AREAS** Even though cities have made great strides in community outreach — more than two-thirds conduct resident surveys — underrepresented populations, including youth, low-income residents, people of color and new immigrants, remain difficult to reach. Eighty-four percent of cities ranked their efforts to solicit overall resident input at 7 or higher on a scale of 10, while only 69 percent ranked their ability to reach harder-to-engage and underrepresented populations at the same level. Cities also struggle to maintain a two-way dialogue with residents

## RANK THE CITY'S ABILITY TO REACH HARDER-TO-ENGAGE OR UNDERREPRESENTED POPULATIONS.



## DOES THE CITY FOLLOW UP WITH RESIDENTS ONCE THEY PROVIDE INPUT?

once they are engaged. For instance, nearly half don't have a way to follow up with residents once their input is received. One response to the challenge of maintaining a constant dialogue is Philadelphia's PHL Participatory Design Lab, where social scientists, service designers and city staff work with residents to pilot and refine city services and improve interactions between the public and government. As cities continue to fine-tune their community engagement and discover successful strategies, they should share these best practices broadly to ensure pockets of innovation become widespread.

## WHAT MAKES A HIGH-PERFORMING CITY?

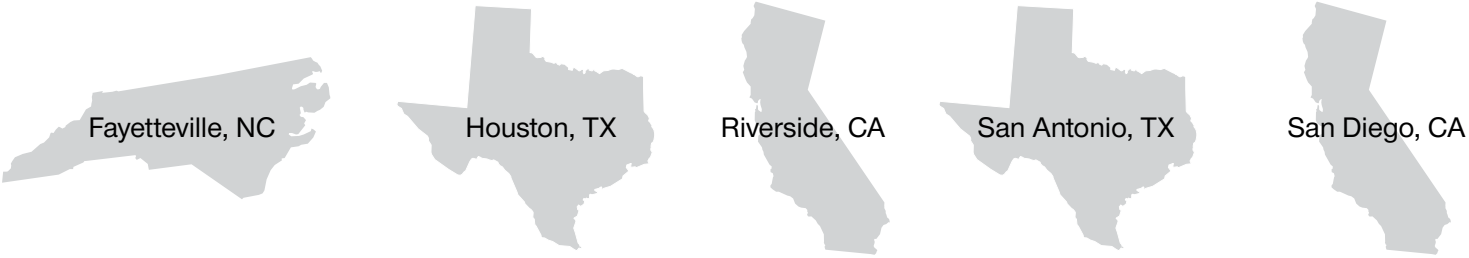
### TOP PERFORMER: **Seattle, Washington**

In Seattle, community outreach is systemic and at the core of the city's mission. It takes numerous steps to ensure participation in civic life and community issues. Coordinated and managed by the Department of Neighborhoods, the city uses an array of communication tools in multiple languages to reach all populations and is thoughtful and strategic about incorporating this feedback to improve programs and services. It also applies metrics to track the effectiveness of its outreach efforts. These activities have produced a measurable uptick in community participation, according to the city, based on survey responsiveness, applicants to commissions, newsletter subscribers and online feedback.

### HIGH PERFORMERS:

## HIGH-PERFORMING CITIES:

- ✓ Field an annual or bi-annual resident survey to better understand unmet needs
- ✓ Incorporate resident input into strategic planning activities and decision-making
- ✓ Create formal entities to solicit and manage resident input
- ✓ Use a variety of methods, including technology, to reach diverse populations
- ✓ Tie resident engagement to city goals and track how input has influenced policy, programs and services
- ✓ Provide transparency into strategic planning, spending and other city activities
- ✓ Foster volunteerism



# RACE-INFORMED

## THE IDEAL

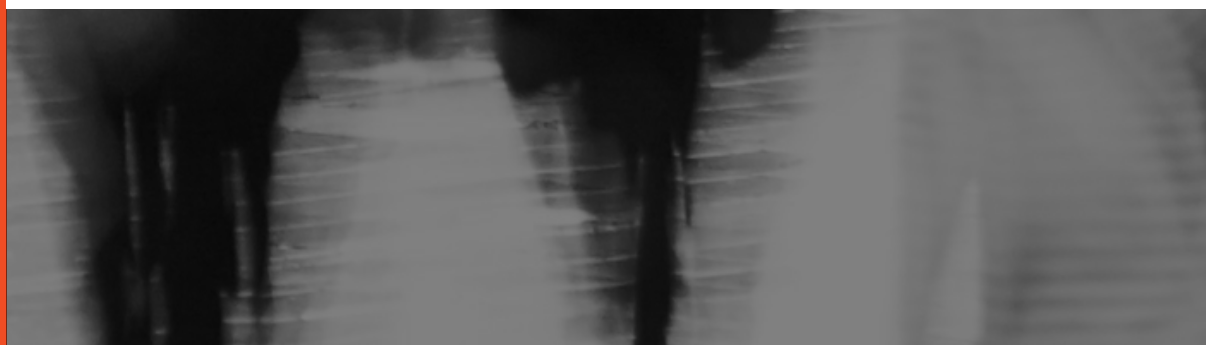
The *Equipt* framework stresses the importance of reaching all populations in a community, especially those that are often underrepresented, which is why being race-informed is an essential element of a high-performing city. A race-informed city intentionally addresses racial disparities in policy and practice and constantly works to close gaps. Employees and other stakeholders are educated and informed about the impact of racial challenges on city outcomes, as well as how city policies have historically added to disparities. And data is used to understand the evolving landscape and effect change.

## WHAT WE FOUND

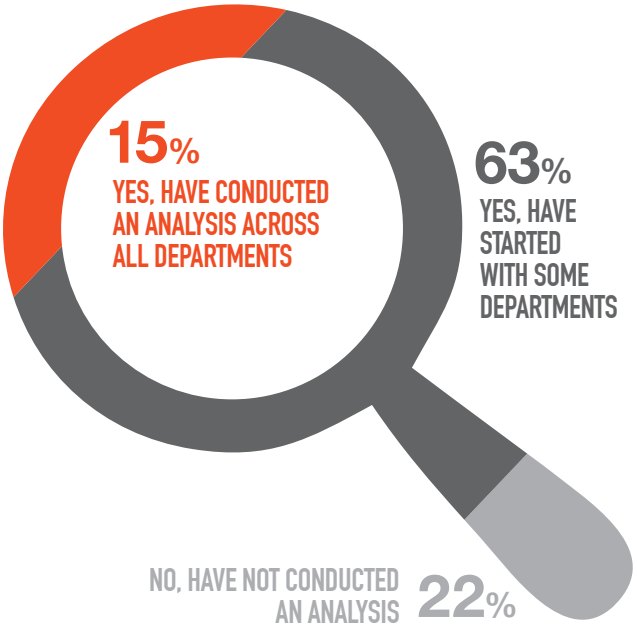
Overall, cities are improving practices and analyzing racial disparities. However, these efforts are often program specific or have limited scope. Many cities have not yet strategically addressed key issues with an enterprise-wide approach.

## STRENGTHS

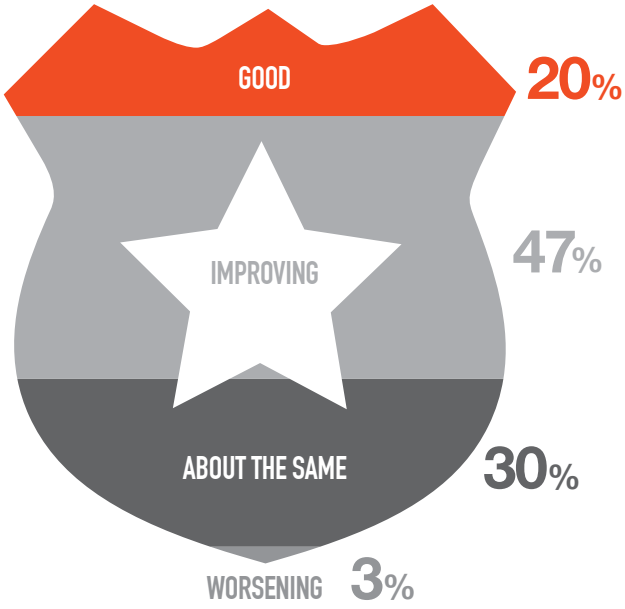
In 2016, many cities focused on improving race relations between police departments and minority populations. That was still a vital issue in 2017 — 67 percent of survey respondents say police relations are good or improving — but cities also are addressing racial disparities across all city programs and services. For example, South Bend, Ind., is conducting research to identify how racial economic inequality affects the city so it can address the issue through economic development planning. And as part of its racial equity initiative, Grand Rapids, Mich., is partnering with its local community college to bring together community and business leaders from some of the city's largest employers to create specific action steps that increase equitable employment and reduce racial disparities in the city.

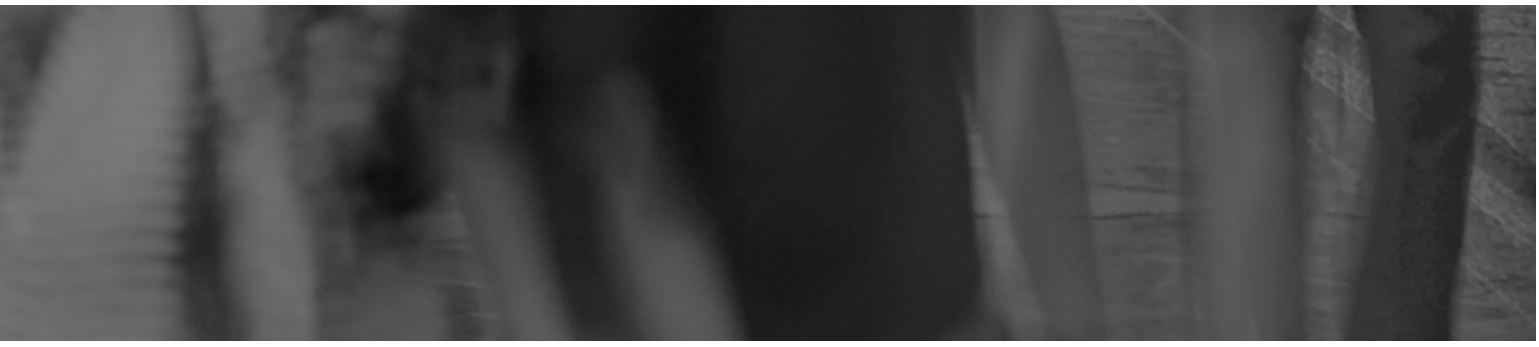


## ARE CITY PROGRAMS ANALYZED TO DETERMINE EQUITABLE SERVICE PROVISION?




## HOW WOULD YOU DESCRIBE POLICE RACE RELATIONS IN THE CITY?



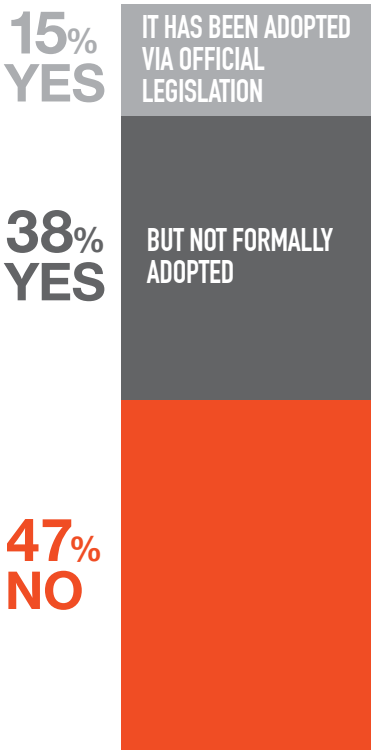



# RACE-INFORMED

**GROWTH AREAS** Cities are expanding racial equity strategies, but these strategies often remain limited to individual departments or programs. To truly achieve racial equity, an enterprise-wide approach is needed, which should include a clear definition of what racial equity means to the city, a dedicated equity officer and a plan for how to move forward. Fifty-three percent of cities do not have a racial equity plan in place or in development, and only 21 percent have an established committee that focuses on equity across all departments.

## DOES THE CITY HAVE AN EQUITY CABINET, COMMITTEE OR TEAM THAT CUTS ACROSS MULTIPLE DEPARTMENTS?

## DOES THE CITY HAVE A CLEAR DEFINITION OF RACIAL EQUITY?



One specific area in need of attention is the educational achievement gap between students of color and white students. Sixty-two percent of cities ranked their education achievement gap as “constant,” “increasing” or “increasing dramatically.” San Antonio’s Pre-K for SA early childhood education initiative offers an example of how to address the challenge. The initiative, which provides full-day educational programs for four-year-old children, has greatly improved student readiness in math, literacy and cognition.

## WHAT MAKES A HIGH-PERFORMING CITY?

### TOP PERFORMER: **Louisville, Kentucky**

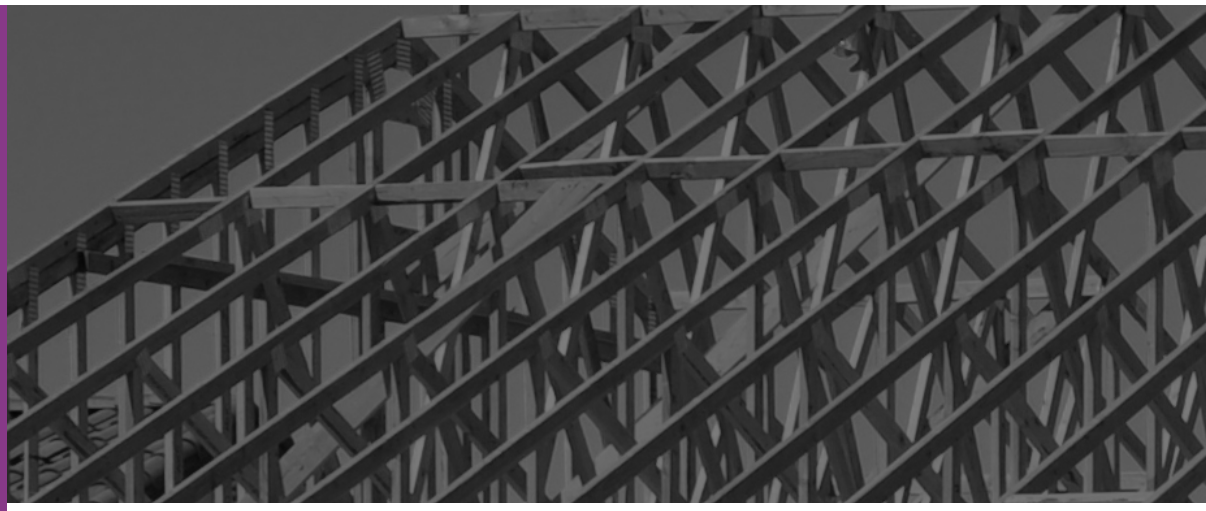
Racial equity is a holistic endeavor in Louisville, which is supported by a city-wide plan with departmental action plans currently in the works. The city analyzes services to ensure equitable provision to all communities and has both a chief equity and chief resilience officer responsible for achieving equity objectives. The community also is engaged in the conversation. The city maintains a map — originally created by a resident — that uses historic data to help citizens understand how past “redlining” practices impact home values and ownership today. A year-long series of public events will promote community dialogue around how to support development and home ownership opportunities in areas experiencing disinvestment.

## HIGH-PERFORMING CITIES:

- ✓ Treat racial equity as an enterprise-wide effort that’s integral to city activities
- ✓ Task a person or team with spreading best practices and policy awareness
- ✓ Apply data to social issues to identify problem areas, source solutions and inform decision-making
- ✓ Position plans and activities to meet the needs of underserved communities
- ✓ Seek outside partnerships to supplement resources and move forward with critical initiatives

## HIGH PERFORMERS:

# SMARTLY RESOURCED



## THE IDEAL

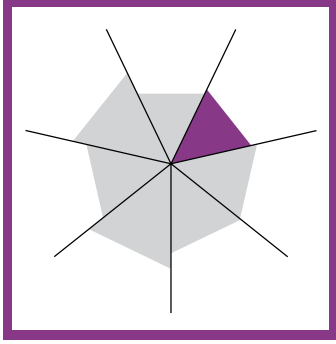
Smartly resourced cities use their resources strategically to achieve the best outcomes for the community. They also forecast financial planning activities far into the future and base budget allocations on evidence. Smartly resourced cities aren't afraid to decommission programs that aren't achieving desired results. They also leverage private and philanthropic capital and take risks to support innovation and benefit populations in need.

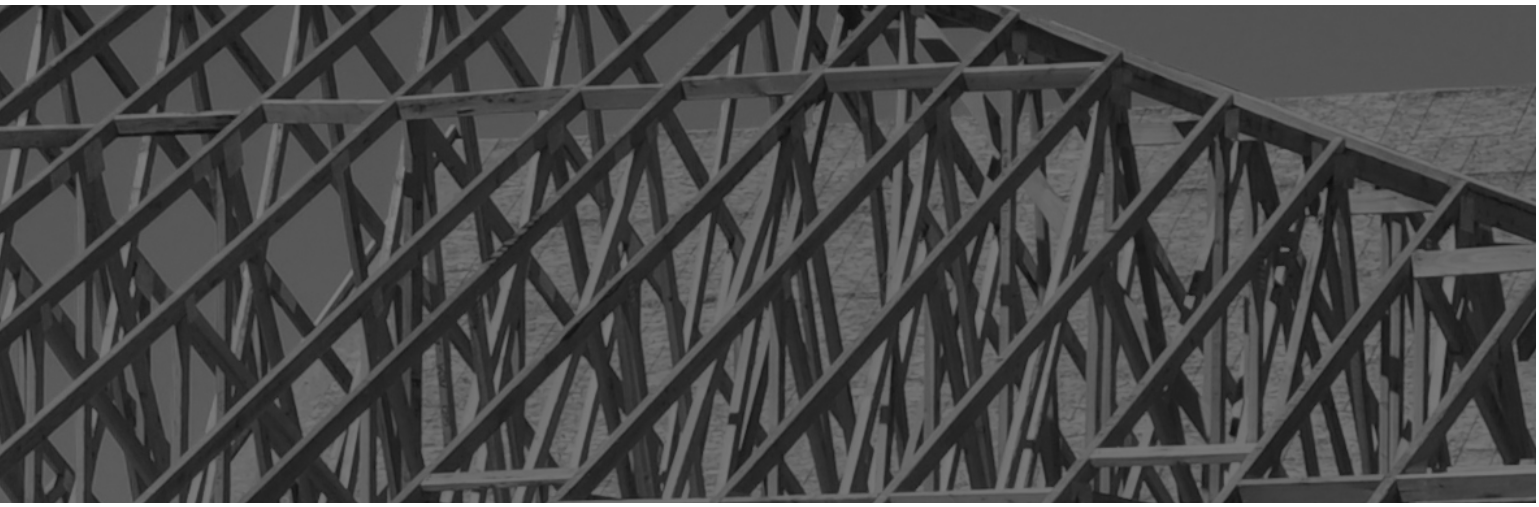
## WHAT WE FOUND

Overall, cities are taking steps to utilize resources strategically and establish best practices in budgeting and spending. They are adopting more performance measures, but are still determining how to use them effectively. Flexibly and quickly reallocating resources based on changing demands or performance remains a challenge.

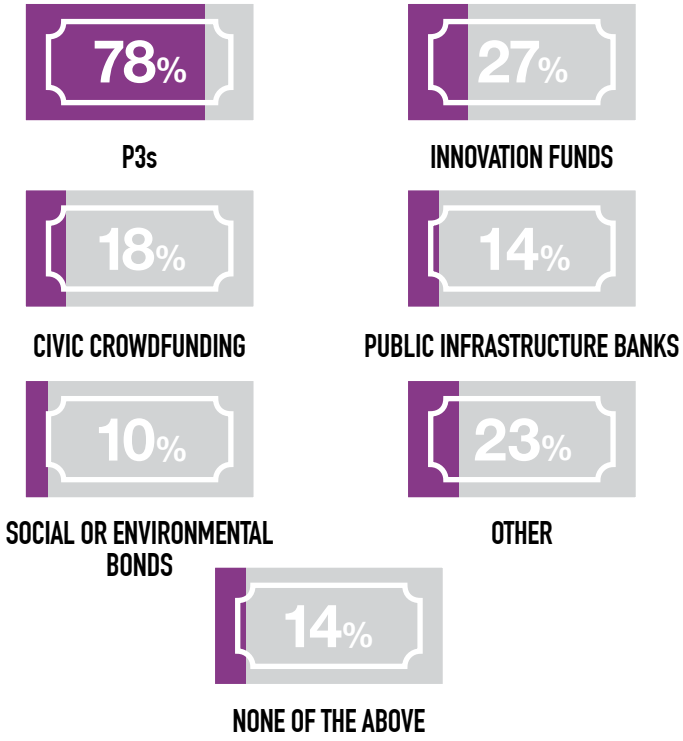
## STRENGTHS

Despite tight financial times, cities are finding innovative ways to allocate resources for new services and programs. The city of San Diego, for instance, converted many municipal employees to a defined contribution plan, rather than a defined benefit retiree health plan, and expects to save $1 billion over the next 25 years. Seventy-eight percent of cities are turning to public-private partnerships (P3s) as another example of innovative funding. Cities also are improving financial planning, with almost all saying they have financial timeframes that include annual budgets, five-year fiscal planning and 10-year or greater capital planning.

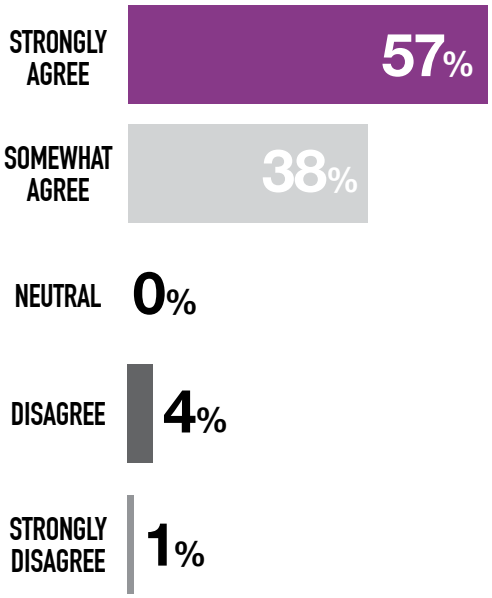




## WHAT INNOVATIVE FUNDING STRATEGIES DOES THE CITY USE?



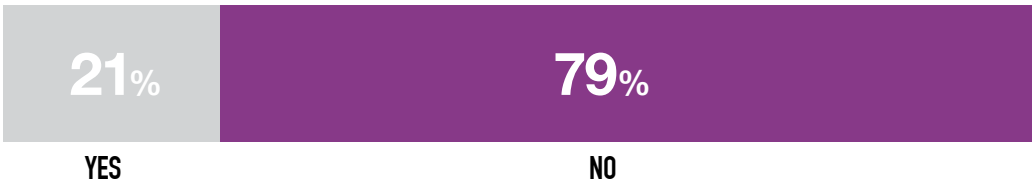

## THE CITY'S FINANCIAL TIMEFRAMES INCLUDE ANNUAL BUDGETS, 5-YEAR FISCAL PLANNING AND 10-YEAR OR GREATER CAPITAL PLANNING.



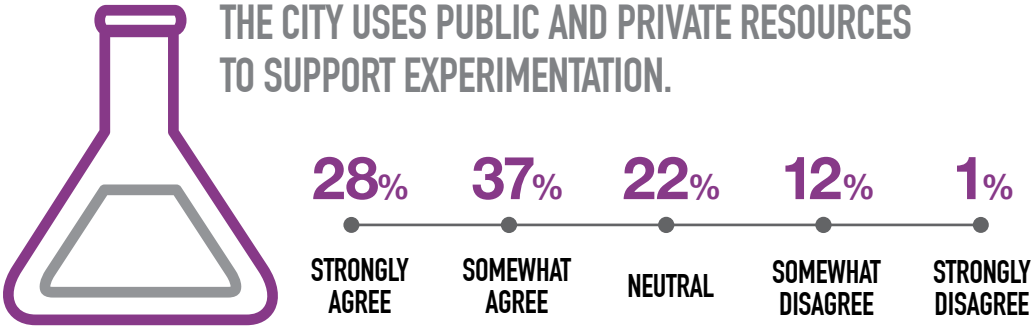
# SMARTLY RESOURCED

**GROWTH AREAS** Cities have improved in this element by adopting more performance metrics, but they still have challenges using performance metrics effectively to impact programs. Eighty-one percent of cities said they could improve their use of performance metrics to inform decision-making. It is also difficult for cities to nimbly change underperforming programs or shut them down altogether. Fayetteville, N.C., is an exception. The city's

## DOES THE CITY HAVE A FORMAL WAY TO MODIFY PROGRAMS OR POLICIES THAT HAVE CONSISTENTLY FAILED TO ACHIEVE DESIRED OUTCOMES?




## THE CITY USES PUBLIC AND PRIVATE RESOURCES TO SUPPORT EXPERIMENTATION.



performance management initiative analyzes underperforming programs to determine if they can be improved by increasing resource allocations or need to be retooled. To grow, city departments need the ability to experiment and innovate so programs can evolve and respond to new conditions, technologies and demands. The reality in many cities is that budget and finance offices are unable or unwilling to alter established processes and protocols, remaining rigid when the challenges and opportunities of the day call for a more flexible and responsive approach.

## WHAT MAKES A HIGH-PERFORMING CITY?

### TOP PERFORMER: San Antonio, Texas

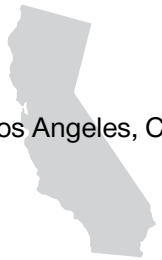
San Antonio emphasizes long-term strategic resource planning based on performance metrics and data-driven decision-making. One hundred percent of its budget allocations are evidence-based and oriented toward results. And the city regularly evaluates and modifies programs to ensure their success. The city's Office of Innovation, for instance, annually evaluates departments and recommends process improvements, including an initiative to consolidate city facilities which saved $700,000. Since its creation in 2007, the department has saved the city $20 million through process improvements.

San Antonio also is not afraid to experiment and innovate and can quantify its successes and outcomes through improvements to residents' quality of life. Finally, the city has an independent audit function and a history of high credit ratings.

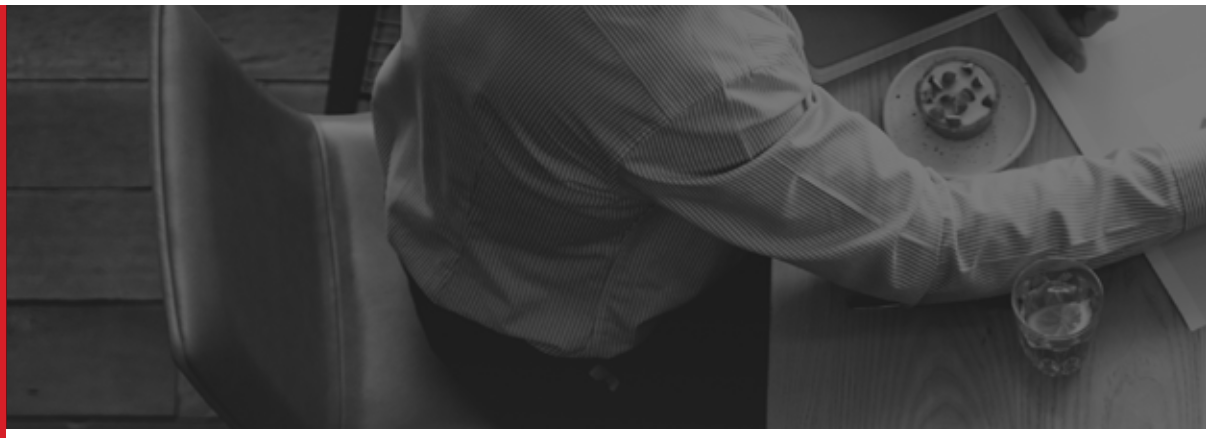
## HIGH-PERFORMING CITIES:

- ✓ Tie spending and investments to an overall plan
- ✓ Implement quality improvements, service modifications or program closures as needed
- ✓ Make targeted investments to improve residents' quality of life and make decisions based on quality data
- ✓ Can easily quantify results from program and process adjustments
- ✓ Adjust procurement processes to make them more effective

## HIGH PERFORMERS:



# EMPLOYEE-ENGAGED



## THE IDEAL

While the heart of a community is its residents, the heart of a local government is its employees. In an employee-engaged city, all employees — from elected and appointed officials to frontline staff — contribute to goals, drive innovation and constantly work to improve operations. Employees feel empowered to problem-solve and take appropriate, calculated risks — and they are recognized for their successes. Finally, the staff composition in every department reflects the talent and diversity of the city itself.

## WHAT WE FOUND

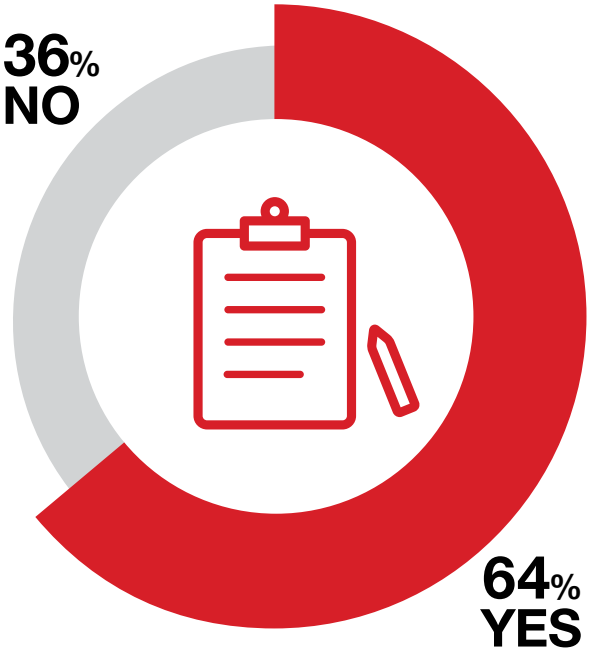
Overall, cities responding to the survey do a good job of soliciting input and recognizing employee contributions. Cities also are getting ahead of workforce challenges by actively attracting new talent and promoting their communities as desirable places to live. Gaps still exist, however, in what cities could be doing to attract and retain the most qualified employees.

## STRENGTHS

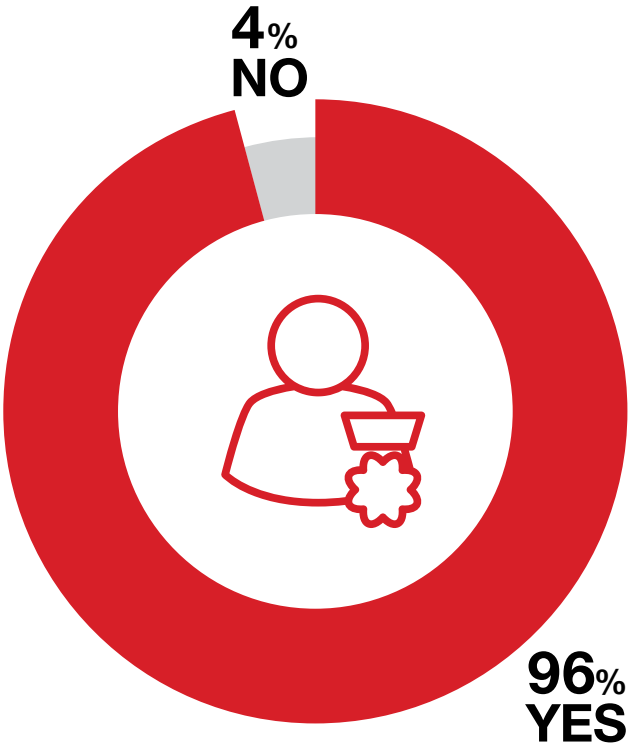
Cities excel at bettering the work environment for current employees. They offer opportunities for employees to contribute to the organization and the community. Municipal employees in San Diego, for instance, can submit ideas to improve city operations. Over a three-month window, 550 city employees — 5 percent of the workforce — submitted proposals, and the winning ideas produced $7 million in taxpayer savings.

Most cities also conduct regular employee surveys to identify areas in need of improvement. Even better, 61 percent of cities incorporate survey feedback into the development of employee programs. In addition, cities are investing in professional development, which signals to employees that they are important to the organization's success. In 2017, for instance, Denver launched a city-wide training initiative to enhance the leadership capabilities of supervisors, which the city believes will create stronger teams and organizations.

## DOES THE CITY CONDUCT AN ANNUAL OR BI-ANNUAL EMPLOYEE ENGAGEMENT SURVEY?



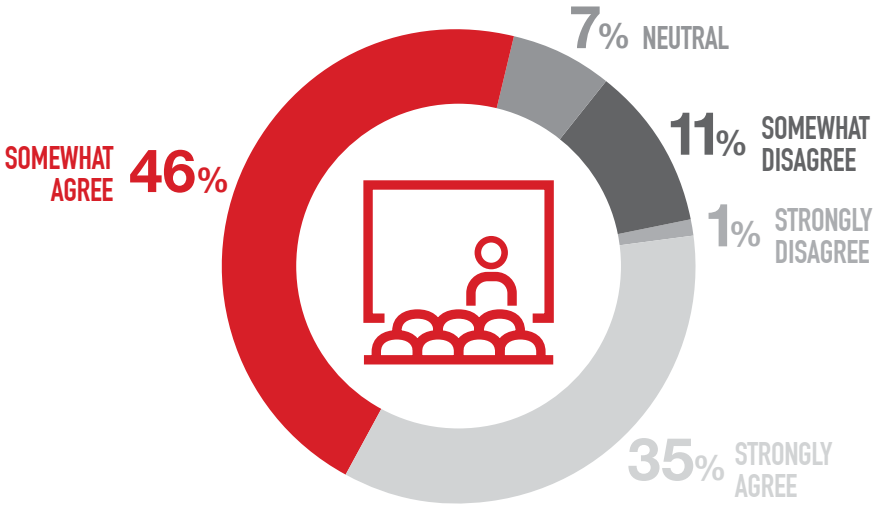

## DOES THE CITY ACTIVELY RECOGNIZE EMPLOYEE ACHIEVEMENTS?



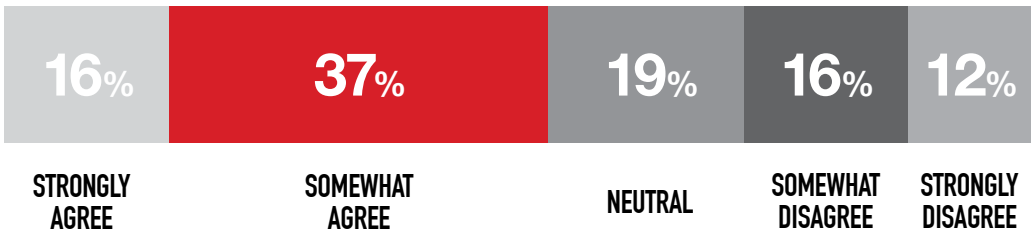
# EMPLOYEE-ENGAGED

**GROWTH AREAS** Despite a current focus on employee retention and engagement, cities said they could do more to provide advanced or specialized professional development. Over half said they also could offer more tools to help employees do their jobs more effectively. But retaining current staff is only one part of being employee-engaged. More attention must be paid to recruiting and hiring new employees. Unfortunately, the hiring process remains cumbersome in many cities — only 16 percent say it's simple and streamlined.

## CITY EMPLOYEES RECEIVE ADVANCED OR ADDITIONAL TRAINING TO HELP THEM CARRY OUT THEIR WORK.




## THE CITY HAS SIMPLE AND STREAMLINED HIRING PROCESSES.



## WHAT MAKES A HIGH-PERFORMING CITY?

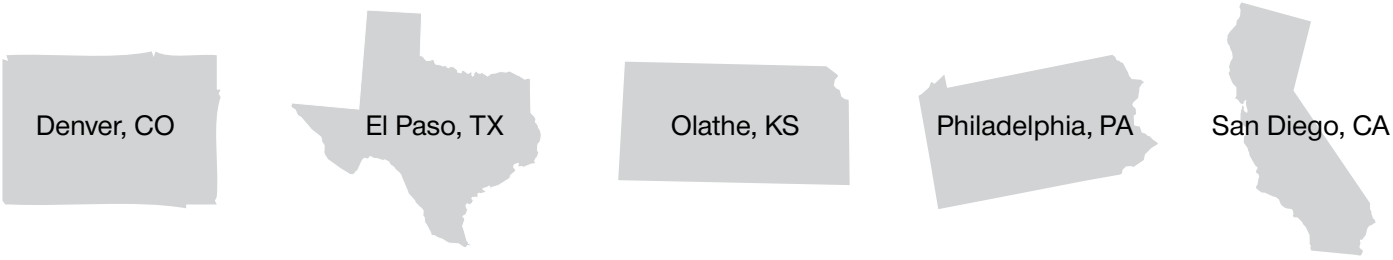
### TOP PERFORMER: **Fayetteville, North Carolina**

Fayetteville has made a conscious effort to invest in its employees and empower them to complete their work. Employees are given several resources to help them excel, including ongoing professional development. They also have the flexibility to reallocate their time to various projects based on their interests. The city conducts regular employee surveys, benchmarks the results against other cities, and then uses the results to inform the strategic plan and improve employee satisfaction. And importantly, employees can easily see how their individual efforts contribute to city-wide programs and goals through the city's performance management system.

### HIGH PERFORMERS:

## HIGH-PERFORMING CITIES:

- ✓ Field an annual or bi-annual employee engagement survey
- ✓ Consider employee input a valuable component of strategic planning
- ✓ Make a significant and ongoing investment in employee training
- ✓ Encourage employees to innovate, problem-solve and contribute ideas to improving efficiencies
- ✓ Tie employee functions to the goals of the city
- ✓ Establish metrics to track engagement
- ✓ Create a simple process for recruiting and hiring new employees
- ✓ Promote local government as an employer of choice



# DATA-DRIVEN

## THE IDEAL

A data-driven city effectively uses data to drive performance, innovation and engagement. Data allows a city to track its progress toward desired goals, and analytics are used to proactively support better outcomes. Most importantly, data is easily accessible and transparent to all stakeholders, especially the public.

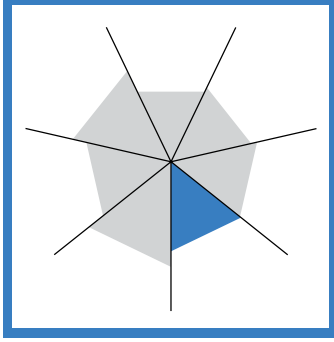
## WHAT WE FOUND

Nationally, cities do well in this element. The public's access to data and the transparency of that data has improved since 2016, and most cities are taking steps to foster a digitally literate population. While cities excel with their external use of data, improvements could be made to how they use it internally.

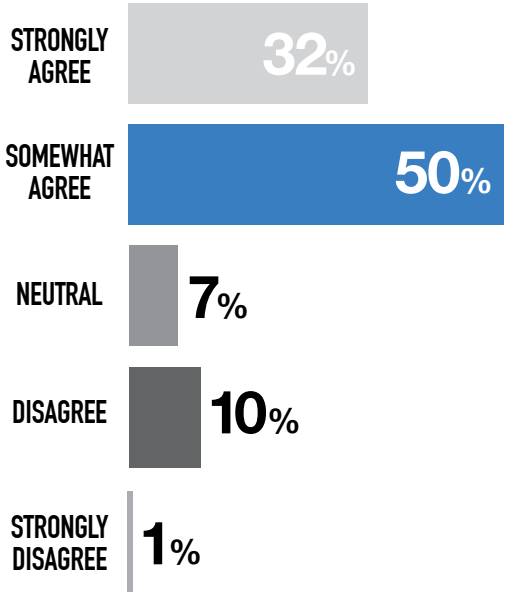
## STRENGTHS

Cities know their residents want and deserve access to government data — more than half are sharing data with their communities through open data portals. They also are partnering with libraries and using other strategies to boost digital literacy and ensure everyone has access to the internet. Louisville's digital inclusion plan, for instance, gave 400 families access to low-cost internet, distributed almost 100 computers and launched a community tech center to reach those with the greatest gap in internet access.

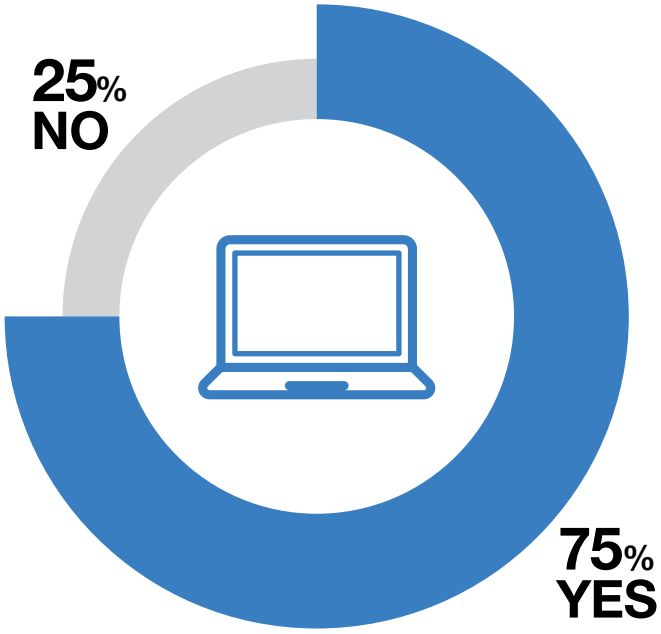
In addition, cities are using data to solve problems. In Los Angeles, the Data Science Federation — a city-led group of 14 universities and colleges — brings students and professors together to work on city data issues. From leveraging predictive analytics to understanding the risks of homelessness to using computer vision and machine learning for traffic safety, the federation helps unleash the creativity of the city's youth and solve city problems at the same time.



## THE CITY'S DATA IS AVAILABLE TO THE PUBLIC AND EASILY CONSUMABLE.



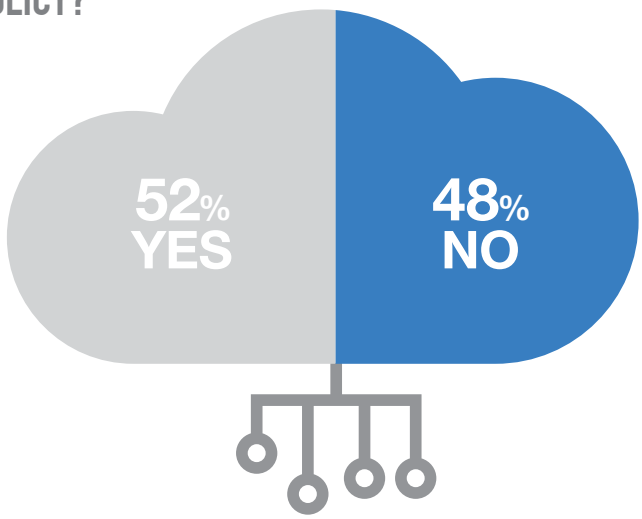

## DOES THE CITY PARTNER WITH LOCAL LIBRARIES OR OTHER ORGANIZATIONS TO OFFER DISADVANTAGED POPULATIONS ACCESS TO AND TRAINING IN DIGITAL SKILLS?



# DATA-DRIVEN

**GROWTH AREAS** Cities are finding internal data access challenging — 81 percent said they could improve in this area. And department managers say it is difficult to locate the data they need to help their city progress toward its goals. Las Vegas is addressing this

## DOES THE CITY HAVE AN INTER-AGENCY DATA USE AND SHARING POLICY?




## CITY DATA IS EASY FOR EMPLOYEES TO ACCESS, CONSUME AND USE IN ADMINISTERING PROGRAMS AND PLANNING.

| 19% | 32% | 19% | 27% | 2% |
|---|---|---|---|---|
| STRONGLY AGREE | SOMEWHAT AGREE | NEUTRAL | SOMEWHAT DISAGREE | STRONGLY DISAGREE |

issue by consolidating traffic and carbon dioxide sensor data in a cloud-based repository to help the city determine peak traffic times and strengthen decision-making. Cities could also improve data sharing between internal divisions and with external agencies. Nearly half of cities have not developed inter-agency data-sharing policies.

## WHAT MAKES A HIGH-PERFORMING CITY?

### TOP PERFORMER: San Diego, California

In San Diego, sophisticated technology tools support data-driven decision-making and governance activities, and city data is easy for employees and residents to consume and use. The city also has a dedicated team working to expand its open data portal by cleaning up data sets and thoughtfully selecting the data it makes public. A chief data officer guides information-sharing policies and processes, and the city effectively uses data to identify process improvements and achieve objectives. Finally, the city makes it a priority to partner with local libraries and offer disadvantaged populations access to the internet and digital skill training to help close the digital inequity gap. For instance, the city's public library system is a hub of learning and connection and has added wireless access points to increase bandwidth. The libraries offer assistive technologies and computer and coding training, and the system is the first in the region to offer a makerspace with free 3D printing.

## HIGH-PERFORMING CITIES:

- ✓ Ensure data drives service excellence and governance activities
- ✓ Establish an office of performance management or innovation or an officer to promote an enterprise-wide data-driven culture
- ✓ Have an open data portal with curated information that contains useful tools like data visualizations
- ✓ Highly prioritize digital inequity and use public-private and philanthropic partnerships to bridge the digital divide
- ✓ Actively foster digital literacy
- ✓ Tie data activities to city mandates, such as cost-effectiveness, transparency and accountability

## HIGH PERFORMERS:

# CONCLUSION

The *Equipt to Innovate* framework for local government was crafted with ambitious expectations of what it takes to be high performing. The second-year results show meaningful progress in many cities that have embraced the work. The interdependency of elements as cities mature each area is a particularly hopeful sign.

This year's top- and high-performing cities are leading the way toward developing the skills, capabilities and competencies to address the complex urban issues they face. Their example should encourage other cities to join the movement.

The burden of designing, funding and managing the future of communities — including retrofitting and building infrastructure; provisioning public services; and supporting inclusion and diversity in housing, employment and entrepreneurship — increasingly rests disproportionately with cities. At the same time, cities must necessarily engage the federal government to perform its unique redistributive role.

In the volatile environment in which cities now operate, it is important to see the *Equipt* framework as dynamic and future-oriented. The Nightingale Rose graphically shows how far cities have come in two short years. It also shows how far they still must go. The rose expands to reflect the growth of progress, as well as increasing need and expectation.

To use a strikingly different metaphor, the goal posts are always moving. It has been that way for the 25 years that Living Cities has worked to define and build "the new urban practice" that improves the lives of low-income and other marginalized populations. Impatient with the rate of progress and the chronic shortcomings in producing dramatically better results for these populations, Living Cities is focused on what *Equipt* is becoming if stretched in the right directions.

Imagine what dynamically planned could mean when all cities have a policy and practice of performance management in place — up from 43 percent today — that extends the planning horizon out five to 25 years. The vision so bold and expansive; the plan so detailed; the data so rich; the buy-in by employees, partners and residents so complete that the entire community swells with civic enthusiasm and pride.

Imagine broadly partnered when national and state governments are fully engaged in silo-busting and supporting other actors in the work of sustaining metropolitan areas. With government in a supporting role, "We the People" is realized in real time through organic collaboration among community members, area businesses and civic organizations — all of whom are mutually aware of need and opportunity through data.

Imagine resident-involved when government routinely acknowledges and provides real-time response to community members and purposefully works across departments and with partners to take the "hard" out of "hard-to-reach" residents. The people-to-people campaign to "Serve All" (to borrow the motto of the Hard Rock Café) includes everybody from individuals returning to the community from prison to renters who often lack a voice in policy decisions.

Imagine race-informed when cities have racial equity plans — fewer than half do today — and act on them consistently. In these cities, youth and people of color will not have to use hashtags to rally support for what matters to them.

Imagine smartly resourced when funding authorities help anticipate the ever-growing demands on government and provide nimble and robust responses to community needs, priorities and grievances.

Imagine employee-engaged when public employees are supported by job-critical professional development. At the same time, candidates are recruited by public agencies as "employers of choice," and are hired to help change the world faster than a startup could hire them.

Imagine data-driven when 80 percent of public agencies no longer concede they could be doing better on basic aggregation and curation of the information they hold and instead focus on working with community members and partners to use data more effectively to help solve problems and create growth opportunities.

If these scenarios seem far-fetched, it may be that our dreams are too small. The *Equipt to Innovate* framework is evolving to help make sense of the delta between today's needs and constraints on one hand and tomorrow's opportunities on the other. The framework also helps integrate elements of public policy, governance and operations that have too long been treated as separate. They are better together. And together, they can make our communities better — creating public value at all points along the way.

Join the journey to high-performance government at: **governing.com/equipt**

# GOVERNING

Governing covers politics, policy and management for state and local government leaders. Recognized as the most credible and authoritative voice in its field, Governing provides non-partisan news, insight and analysis on budget and finance; transportation and infrastructure; workforce and economic development; health and human services and more.

Governing is a division of e.Republic, the nation's only media and research company focused exclusively on state and local government and education.
**www.governing.com**

LIVING CITIES
INNOVATE ▸ INVEST ▸ LEAD

Living Cities harnesses the collective power of 18 of the world's largest foundations and financial institutions to develop and scale new approaches for creating opportunities for low-income people and improving the cities where they live. Its investments, research, networks, and convenings catalyze fresh thinking and combine support for innovative, local approaches with real-time sharing of learning to accelerate adoption in more places. Additional information can be found at **www.livingcities.org.**

**© 2018 e.Republic. All rights reserved.**