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The Council on Local Results and Innovation

2013 Legislative Report

February 1, 2013

The Council on Local Results and Innovation 2013 Legislative Report is respectfully submitted by the members of the Council:

- Dave Bartholomay, City of Circle Pines
- Karen Brown, Fillmore County
- Richard Devlin, Olmsted County
- Sara Folsted, Renville County
- John Gunyou, Three Rivers Park District (retired City of Minnetonka City Manager)
- Mark Hintermeyer, City of Moorhead
- Linnea Mirsch, St. Louis County
- Rebecca Otto, State Auditor
- Matt Stemwedel, City of Coon Rapids, Chair
- Jay Stroebel, City of Minneapolis
- Wendy Underwood, Target Corporation (formerly with the City of St. Paul)

Background

In 2010, the Legislature created the Council on Local Results and Innovation. The purpose of this program is to aid residents, taxpayers, and state and local elected officials in determining the efficiency and effectiveness of counties and cities in providing services and measuring residents' opinions of those services. The first task of the Council was to develop a standard set of performance measures for cities and counties, which were submitted to the Legislature in February 2011. The second duty of the Council was to create an outline for a comprehensive "Performance Measurement System" for cities/counties. This system was developed by the Council and was implemented as a part of this program in 2012.

Participation in the standard measures program by a city or a county is voluntary. Cities/counties that choose to participate in the standard measures program must officially adopt the corresponding standard performance measures developed by the Council and implement them. A city/county that elects to participate in the standard measures program is eligible for a reimbursement of $0.14 per capita in local government aid, not to exceed $25,000, and is also exempt from levy limits for taxes payable in the following calendar year if such limits are in effect.

In 2011 and 2012, to receive the per capita reimbursement for the first year of participation, cities/counties were required to file a report with the Office of the State Auditor that verified that the governing body adopted the minimum ten standard set of measures. The following are the requirements to receive the benefits of the program for 2013 and beyond:

1) Submit a resolution approved by the city council or county board declaring that:

    - The city/county has adopted and implemented or is in the process of implementing a local Performance Measurement System, which includes the minimum 10 performance measures developed by the Council on Local Results and Innovation.
    - The city/county will report the results of the 10 adopted measures to its residents before the end of the calendar year through publication, direct mailing, posting on the entity's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

2) Submit the actual results of the adopted performance measures to the Office of the State Auditor by July 1.

Council's Review of Program

The Council met six times between the end of 2012 and the beginning of 2013 as part of the third phase of their work. The Council reviewed participation rates in the program from 2011 and 2012, reviewed feedback from local governments who participated in the program and from those who chose not to. The Council then worked to make changes to the measures and the system based on this information.

Program Participation

In 2011, 113 cities (13%) and 38 counties (44%) were successfully certified by the Office of the State Auditor to the Minnesota Department of Revenue to receive additional local government aid and an exemption from levy limits. In contrast, there were 62 cities (7%) and 25 counties (29%) that were certified in 2012.

Feedback Received

In reviewing the measures and system as designed, the Council received feedback from the Office of the State Auditor who worked directly with local governments trying to implement the program, and from Council members. The Council concluded that there were several factors that contributed to the decline in participation in the program from 2011 to 2012, including:

- In the first year of participation, cities/counties were simply required to adopt and implement the measures by resolution and to submit the resolution to the Office of the State Auditor. In the second year of participation, cities/counties were required to adopt by resolution and implement a performance measurement system including the measures, and to submit the resolution and the results of those measures. The Performance Measurement System was confusing. Many cities/counties stated that they didn't fully understand the Performance Measurement System requirement and, therefore, decided not to participate.
- Some cities determined that the reimbursement rate of that the $0.14 per capita was not adequate to cover the costs of implementing the program. Levy limits were not in place for 2012, so the incentive of exemption from levy limits did not apply to help offset any costs. The LGA reimbursement for some very small cities was under $30.
- The standard set of ten measures created by the Council for cities/counties included measures for service areas that some cities/counties did not provide. Examples included water and sewer for cities, and parks for counties.
- The measures were often reliant on community survey data, and that was a problem for some cities/counties.

Changes

As a result of the feedback received, the Council has made the following changes to the performance measures system:

1. The number of performance measures to choose from has been increased for both counties and cities. While a city/county must submit at least 10 performance measures per statute and should include at least one measure from each service category, they now have more measures choose from[1]. The increase in the number of measures should increase participation rates (see Attachment 2).

[1] In the event that a particular service is not provided, such as water and sewer services for cities or library and park services for counties, the city/county would select a different measure that was appropriate.

2. A new Performance Measurement System document was created for cities/counties to use as a guide to successfully participate in the program. The document is more user-friendly than the original version. This improved document should increase participation rates as it will reduce confusion (see Attachment 1).

3. Sample resolutions for adoption by cities/counties have been created to meet the program requirements. Some cities/counties requested sample resolutions for the 2011 and 2012 reporting years from the Office of the State Auditor. These new sample resolutions will assist smaller cities/counties with very limited staffing to successfully participate in the program (see Attachment 3).

4. Future work for the Council will include pursuing options that will enable cities/counties to conduct cost-effective community surveys. This may include working through the State contract to identify a vendor that would provide cost-effective surveying services. The Council will also work to identify best practices in this area and will develop additional resources to support participation in this program.

Legislative Recommendation

The Council respectfully recommends that the Legislature consider setting a reimbursement rate floor for successful participation in the performance measures program. Specifically, the Council suggests that the Legislature consider setting a reimbursement rate LGA floor of $350.00. This figure was arrived at by taking the current reimbursement rate of $0.14 per capita and multiplying by 2,500. Creating a floor would assist the cities under 2,500 in population to cover their costs to adopt and implement the performance measurement system, and possibly conduct community satisfaction surveys. This change, if adopted, would increase the participation rate in the program.

Minnesota Council on Local Results and Innovation

Performance Measurement System

The following are steps that must be taken by a city/county to effectively adopt and implement the basic performance measurement system.

1. City Council/county board should adopt **community goals** related to the services that are provided.
    a. Community goals are typically long-term (3 to 5 years) and describe the strategic objectives a city/county is seeking to achieve in the future. Examples of community goals include objectives such as a safe community, livable neighborhoods, low taxes, and low unemployment.

2. Adopt by official **resolution** (see Attachment 3) and implement a minimum of 10 **performance measures** (see Attachment 2).

3. Establish appropriate **outcome and output measures** for the performance measures that were adopted.
    a. **Outcome measures** describe the results of the services provided, and are used to help assess whether the community goals are being met. Examples include citizens' rating of safety or road condition, overall pavement condition index rating, and percentage of children with no recurrence of maltreatment.
    b. **Output measures** detail the units produced, goods or service provided, or people served. An example of public safety services output would be police/sheriff or fire response times.

4. **Report** the results of the measures at least annually **to the public** through publication, direct mailing, posting on the city/county website, or a public hearing at which the budget and levy will be discussed and public input will be taken.

5. **Report** by July 1 of each year **to the Office of the State Auditor** to be eligible for the benefits of participation in the program. The reporting includes your official resolution (see Attachment 3), and the city/county results of the 10 minimum performance measures adopted and implemented. To report, go to www.auditor.state.mn.us and select "Forms", and then the Performance Measurement Program menu item.

Attachment 2: Standard Measures

Standard Measures for Counties

Category	#	Measure	Notes:
Public Safety	**1.**	Part I and II Crime Rates	Submit data as reported by the Minnesota Bureau of Criminal Apprehension
	2.	Citizens' rating of safety in their community (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	3.	Deputy Response Time	Time it takes on top-priority calls from dispatch to the first officer on scene
	4.	Percent of adult offenders with a new felony conviction within 3 years of discharge	MN Sentencing Guidelines Commission
	5.*	Total number of accidents that occur on County State Aid Highways, County Roads and Un-Organized Township Roads that involve fatalities and injury	Available in Towards Zero Death reports
Public Works	**6.**	Hours to plow complete system during a snow event	County records
	7.	Average county pavement condition rating	Pavement Quality/Condition Index. Provide average rating and the rating system program/type. Example, 70 rating on the Pavement Condition Index (PCI).
	8.	Citizens' rating of the road conditions in their county (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor. Alternatively: good condition, mostly good condition, many bad spots
	9.*	Average Bridge Sufficiency Rating	County records/MN Dept of Transportation
Public Health, Social Services	**10.**	General life expectancy	US Census: MN Dept of Health Center for Health Statistics-Interactive queries
	11.	Behavioral Risk Factor Surveillance system rating	www.countyhealthrankings.org
	12.	Workforce participation rate among MFIP and DWP recipients	Defined as "Percent of MFIP/DWP adults working 30 or more hours per week or off cash assistance three years after baseline"; data available from MN Dept of Human Services
	13.	Percentage of children where there is a recurrence of maltreatment within 12 months following an intervention	County records
	14.*	Child Support Program Cost Effectiveness	Recommended from 2012 Steering Committee report; Available from MN Dept of Human Services
	15.*	Percentage of low birth-weight children	MN Dept of Human Services or www.countyhealthrankings.org
Property Records, Valuation, Assessment	**16.**	Level of assessment ratio	If the median ratio falls between 90% and 105%, the level of assessment is determined to be acceptable; median ratio requested for all 3 types of assessment ratios submitted to Dept of Revenue
	17*	Turn-around time for recording, indexing and returning real estate documents	County records, MN Statutes 357.182, Subd 6 require a 10 day turn around time by the year 2011, 90% of the time
Elections	**18.**	Accuracy of post-election audit (% of ballots counted accurately)	County records
Veterans Services	**19.**	Percent of veterans surveyed who said their questions were answered when seeking benefit information from their County Veterans' Office (survey data, provide year completed and total responses)	Survey data
	20.*	Dollars brought into county for veterans' benefits	Federal and State dollars (this measure was recommended by 2008 OLA report)
	21.*	Percentage of veterans receiving federal benefits	This measure was recommended by 2008 OLA report
Parks, Libraries	**22.**	Citizens' rating of the quality of county parks, recreational programs, and/or facilities (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	23.	Number of annual visits per 1,000 residents	County records. (Number of visits / Population) x 1,000 = visits per 1,000 residents
Budget, Financial	**24***	Bond rating	Standard & Poor's Ratings Services or Moody's Investor Services
	25*	Debt service levy per capita; outstanding debt per capita	County records, Comprehensive Annual Financial Report
Environment	**26***	Recycling percentage	Available in the SCORE report
	27*	Amount of hazardous household waste and electronics collected	County records

***New or amended measure**

Attachment 2: Standard Measures

Standard Measures for Cities

Category	#	Measure	Notes:
General	**1.**	Rating of the overall quality of services provided by your city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	2.	Percent change in the taxable property market value	County assessor's office data
	3.	Citizens' rating of the overall appearance of the city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	4.*	Nuisance code enforcement cases per 1,000 population	(Number of cases / Population) x 1,000 = cases per 1,000 population
	5.*	Number of library visits per 1,000 population	(Number of visits / Population) x 1,000 = visits per 1,000 population
	6.*	Bond rating	Standard & Poor's Ratings Services or Moody's Investor Services
	7.	Citizens' rating of the quality of city recreational programs and facilities (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	8.*	Accuracy of post election audit (% of ballots counted accurately)	
Police Services	**9.**	Part I and II Crime Rates	Submit data as reported by the Minnesota Bureau of Criminal Apprehension
	10.*	Part I and II Crime Clearance Rates	Submit data as reported by the Minnesota Bureau of Criminal Apprehension
	11.	Citizens' rating of safety in their community (survey data, provide year completed and total responses)	Example of responses: very safe, somewhat safe, neither safe nor unsafe, somewhat unsafe, very unsafe
	12.	Average police response time	Average time it takes to respond to top priority calls from dispatch to officer on scene.
Fire & EMS Services	**13.**	Insurance industry rating of fire services	Insurance Service Office (ISO) Rating. The ISO issues ratings to fire departments throughout the country for the effectiveness of their fire protection services and equipment. ISO analyzes data and then assigns a classification from 1 to 10. Class 1 represents superior property fire protection and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria.
	14.	Citizens' rating of the quality of fire protection services (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	15.	Average fire response time	Average time it takes from dispatch to apparatus on scene for calls that are dispatched as a possible fire
	16.*	Fire calls per 1,000 population	(Number of calls / population) x 1,000 = calls per 1,000 population
	17.*	Number of fires with loss resulting in investigation	
	18.*	EMS calls per 1,000 population	(Number of calls / population) x 1,000 = calls per 1,000 population
	19.	Emergency Medical Services average response time	Average time it takes from dispatch to arrival of EMS
Streets	**20.**	Average city street pavement condition rating	Provide average rating and the rating system program/type. Example, 70 rating on the Pavement Condition Index (PCI).
	21.	Citizens' rating of the road conditions in their city (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor. Alternatively: good condition, mostly good condition, many bad spots
	22.*	Expenditures for road rehabilitation per paved lane mile rehabilitated (jurisdiction only roads)	Total cost for rehabilitations / lane miles rehabilitated
	23.*	Percentage of all jurisdiction lane miles rehabilitated in the year	Lane miles rehabilitated in year / total number of lane miles
	24.*	Average hours to complete road system during snow event	
	25.	Citizens' rating of the quality of snowplowing on city streets (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
Water	**26.**	Citizens' rating of the dependability and quality of the city water supply (survey data, provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	27.	Operating cost per 1,000,000 gallons of water pumped/produced	Centrally provided system: (actual operating expense for water utility / (total gallons pumped / 1,000,000)) = cost per million
Sanitary Sewer	**28.**	Citizens' rating of the dependability and quality of city sanitary sewer service (Provide year completed and total responses)	Example of responses: excellent, good, fair, poor
	29.	Number of sewer blockages on city system per 100 connections	Centrally provided system: (Number of blockages / number of connections) x 100 = blockages per 100 connections

***New or amended measure**

Attachment 3: Sample Resolutions

Sample resolution for cities/counties participating for the first time in the program

COUNTY BOARD OF COMMISSIONERS/CITY COUNCIL

, Minnesota

Date _____ Resolution No. _____

Motion by Commissioner/Council Member _____ Second by Commissioner/Council Member _____

WHEREAS, In 2010, the Minnesota Legislature created the Council on Local Results and Innovation; and

WHEREAS, The Council on Local Results and Innovation developed a standard set of performance measures that will aid residents, taxpayers, and state and local elected officials in determining the efficacy of counties in providing services and measure residents' opinion of those services; and

WHEREAS, Benefits to the City of /County are outlined in MS 6.91 and include eligibility for a reimbursement as set by State statute; and

WHEREAS, Any city/county participating in the comprehensive performance measurement program is also exempt from levy limits for taxes, if levy limits are in effect; and

WHEREAS, The City Council of /County Board has adopted and implemented at least10 of the performance measures, as developed by the Council on Local Results and Innovation, and a system to use this information to help plan, budget, manage and evaluate programs and processes for optimal future outcomes; and

NOW THEREFORE LET IT BE RESOLVED THAT, The City Council of /County will report the results of the performance measures to its citizenry by the end of the year through publication, direct mailing, posting on the city's/county's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

BE IT FURTHER RESOLVED, The City Council of /County will submit to the Office of the State Auditor the actual results of the performance measures adopted by the county/city.

Detail of Voting: Ayes Nays

Attachment 3: Sample Resolutions

Sample resolution for cities/counties in the second year plus of participation in the program

COUNTY BOARD OF COMMISSIONERS/CITY COUNCIL

, Minnesota

Date _____ Resolution No. _____

Motion by Commissioner/Council Member _____ Second by Commissioner/Council Member _____

WHEREAS, Benefits to the City of /County for participation in the Minnesota Council on Local Results and Innovation's comprehensive performance measurement program are outlined in MS 6.91 and include eligibility for a reimbursement as set by State statute; and

WHEREAS, Any city/county participating in the comprehensive performance measurement program is also exempt from levy limits for taxes, if levy limits are in effect; and

WHEREAS, The City Council of /County Board has adopted and implemented at least10 of the performance measures, as developed by the Council on Local Results and Innovation, and a system to use this information to help plan, budget, manage and evaluate programs and processes for optimal future outcomes; and

NOW THEREFORE LET IT BE RESOLVED THAT, The City Council of /County will continue to report the results of the performance measures to its citizenry by the end of the year through publication, direct mailing, posting on the city's/county's website, or through a public hearing at which the budget and levy will be discussed and public input allowed.

BE IT FURTHER RESOLVED, The City Council of /County will submit to the Office of the State Auditor the actual results of the performance measures adopted by the city/county.

Detail of Voting: Ayes Nays