



Working  
Paper

School of Public Administration  
University of Victoria

LOCAL GOVERNMENT INSTITUTE  
WORKING PAPER SERIES  
May 2007

Municipal Performance Measurement, Performance  
Management and Citizen Engagement  
Practices in British Columbia

By: Lori Fischer, HR Consultant, British Columbia  
Public Service Agency

**Abstract:** This paper is based on a recent survey of performance measurement, performance management and citizen engagement practices in BC municipalities of various sizes. It builds on previous studies conducted by Gergley (2004), Oldford (2005) and Svec (2005) around the process of implementing the *Community Charter* requirement for annual municipal progress reporting.

The paper begins by describing the three previous studies and how they lay the foundation for this report. The literature on performance measurement is then reviewed, particularly the historical context and the movement towards more accountability and transparency in government. This section also discusses the definition and uses of performance measurement, the roles of citizen engagement in the performance measurement process, and the challenges of performance measurement and citizen engagement.

The next section illustrates the way the survey was implemented to obtain systematic and current information. The design of the survey instrument and limitations of the research are also discussed.

The findings and discussion section describes current patterns in performance measurement, ways that performance measures are renewed or changed, ways that managers, councils and citizens are engaged in the process, and issues for the future. In the final section, the author discusses the key trends observed in municipalities that participated in the survey and the prospects for furthering the implementation and use of performance measurement in British Columbia municipalities.

Local Government Institute  
School of Public Administration  
University of Victoria  
P.O. Box 1700, STN CSC  
Victoria, B.C. V8W 2Y2

Phone: (250) 721-8055  
Fax: (250) 721-8849  
E-mail: padm@uvic.ca

Web: <http://publicadmin.uvic.ca/lgi/index.htm>

This paper was prepared as part of a Local Government Knowledge Partnership between the School of Public Administration and the British Columbia Ministry of Community Services. The views expressed in this report should not be interpreted as representing the views of the Ministry of Community Services.

## Table of Contents

<b>Executive Summary</b>	2
I. Introduction	6
II. Context for this Study: Previous Assessments of Local Government Responses to Community Charter in British Columbia	8
III. Relevant Literature: Performance Measurement and Citizen Engagement	10
<i>Performance Measurement in Local Governments</i>	11
<i>Using Performance Measures</i>	12
<i>Citizen Engagement in the Performance Measurement Process</i>	13
<i>Challenges of Performance Measures &amp; Citizen Engagement</i>	14
<i>Mechanisms of Citizen Participation</i>	15
<i>Conclusions Drawn from the Literature Review</i>	16
IV. Data Collection	17
<i>The Survey Instrument</i>	17
<i>Research Limitations</i>	18
<i>Response Profile</i>	18
V. Findings and Discussion	20
VI. Conclusions	35

## Bibliography

## Appendices

## **Executive Summary**

Performance measurement is intended to be a set of management tools for governments to describe and assess the efficiency and effectiveness of programs and services. With the trend in the public sector to demonstrate accountability and transparency, reporting results is becoming more prevalent. In British Columbia, the implementation of the *Community Charter* in 2004 includes performance reporting requirements for local governments.

### ***Purpose of this Report***

This paper first examines three previous studies by Meagan Gergley, Stephanie Oldford and Barbara Svec, all of which provide snapshots of the impacts on local governments at various points in the process in implementing the *Charter* in British Columbia. Secondly, this paper reports the findings from a recent survey of B.C. municipalities to describe the ways that performance measurement, performance management and citizen engagement are viewed by local government managers. More specifically, this report examines how small and medium sized local governments in British Columbia are measuring performance; how performance information is used by managers, council members and citizens; and the challenges in measuring and reporting performance.

### ***Summary of Methods***

To understand the current practices of municipalities regarding performance measurement and its future direction, the sample comprised a cross section of municipalities in British Columbia. A previous study conducted by Stephanie Oldford had sampled 60 municipalities and her sample became the starting point for purposes of

consistency. Given the resources available for this study, 32 municipalities were to be contacted.

A survey instrument was created to elicit how British Columbian municipalities are measuring performance; how performance information is being used by managers, council members and citizens; and the challenges in measuring and reporting performance.

To ensure a better response rate, each of the 32 municipalities were contacted via email, including the survey and an opening letter describing the purpose of the survey as well as how it would be administered. The survey was administered via telephone interview.

The survey was divided into three parts: the process of developing and working with performance measures; uses of performance measures; and looking to the future by asking participants about what it would take to better engage elected officials and citizens in the development and use of performance measures.

## **Results**

A total of 21 municipalities participated in the survey. Most of the local governments surveyed were well established in the reporting requirements of the *Community Charter*. However the majority of local governments in this study were doing only what was required of them in this regard and nothing more. It was not surprising to find that most municipalities did not have performance measurement in place prior to the Charter, or if they did it was an informal, ad-hoc collection of information.

In most municipalities (particularly the very small and small municipalities), respondents reported that the development, monitoring and reporting of municipal performance measures usually fell to the Chief Administrative Officer, or in some fewer cases, the Chief Financial Officer or a department head. For these 21 municipalities,

council was rarely engaged in the development of the performance measures. Their involvement consisted primarily of receiving the annual report once a year. Participation from citizens was virtually non-existent.

When asked what process was in place to update the performance measures, 40% of very small municipalities said they had no process. The majority of respondents said they reviewed them on an annual basis. Some said they were developing a process, but that it wasn't in place yet. Others said there was an informal process that was ad-hoc across the departments. While it is understandable that some of the very small municipalities may simply not have the resources to focus on performance measures the way they would like, most municipalities are still lacking when it comes to ensuring their measures remain relevant to their goals and objectives.

When asked if their performance measures were tied to their corporate strategic plan, 43% of all municipalities reported that they had no corporate strategic plan. Understandably, this was most prevalent in the very small municipalities with 100% of respondents in this category reporting the lack of a corporate strategic plan. Very few small and medium municipalities reported having a longer-term scope in their performance measurement process and it was simply non-existent in the very small municipalities.

When examining the uses of performance measures, respondents stated that council mostly used the information to ensure the annual report's requirements were satisfied. Otherwise, performance measures were mostly used internally to see if projects and budgets were on track. Very few respondents were aware of how the public were using the information generated from the performance measures.

While many respondents were interested in the concept of further engagement among members of council, many commented that council had too many demands for their time to be able to participate more in the development of performance measures.

Many respondents felt that because council was not asking to participate, that meant council would not be interested in further engagement.

With regard to citizen engagement, again it was the large municipalities that seemed to be actively engaging citizens. The very small municipalities were unaware of what could be done. Some respondents thought engagement of citizens would be a good idea, but did not know how to go about it. For the most part, respondents thought council would be interested in more citizen engagement regarding the development of performance measures, but were concerned over the quality of feedback from the public and many were skeptical whether the public would be interested in such an exercise in the first place.

## I Introduction

Performance measurement is widely implemented in the public sector and is usually intended to provide information about the results of programs and services. Performance information can be used by organizations and governments to determine whether programs and services are meeting their objectives, and what the trends are in performance. Coupled with financial information, it is possible to use performance results to assess the efficiency and cost-effectiveness of programs and services. In the private sector, performance information is critical for determining profitability, market share, and productivity. For governments, the focus lies in determining whether objectives are being met, and if public funds are providing services effectively and efficiently.

The trend in government has been to emphasize transparent and accountable provision of services, and performance measurement has been used as a tool to demonstrate this. For local governments in British Columbia, this trend has translated into the implementation of the *Community Charter* in 2004 and its requirement that municipal governments report on their progress on an annual basis.

This paper begins by describing the previous studies that have been done by Gergley, Oldford and Svec and how those studies lay the groundwork for this report. These three previous studies were intended to be snapshots taken at different points in time around the process of implementing the Charter. Gergley's report was written prior to the Charter's implementation in 2004, with Oldford and Svec's both following in 2005. The historical context and review of the literature is then discussed in the following section.

Section three reviews the literature on performance measurement, particularly the historical context and the movement towards more accountability and transparency in government. This section also discusses the definition and uses of performance

measurement, the roles of citizen engagement in the performance measurement process, and the challenges of performance measurement and citizen engagement. This section lays the groundwork for the study.

Section four describes the way that the survey was implemented to obtain systematic and current information. The design of the survey instrument and limitations of the research are discussed.

The findings and discussion are addressed in section five. These findings describe current patterns in performance measurement, ways that performance measures are renewed or changed, ways that managers, councils and citizens are engaged in the process, and issues for the future.

The sixth and final section of the paper discusses the key trends observed in municipalities that participated in the survey and the prospects for furthering the implementation and use of performance measurement in B.C. municipalities.

## **II Context for this Study: Previous Assessments of Local Government Responses to the Community Charter in British Columbia**

In 2003, the Ministry of Community, Aboriginal and Women's Services<sup>1</sup>, Local Government Department commissioned the *Project for the Implementation of Municipal Annual Reporting*. Meagan Gergley authored this report.

Gergley summarized the activities of the implementation project undertaken by MCS and facilitated the implementation of the *Community Charter* annual municipal progress reporting requirements. Her report questioned whether municipalities have the appropriate organizational capacity, understanding and resources needed to carry out the *Charter's* requirements.

A key deliverable of Gergley's report was "A Guide to Municipal Progress Reporting Meeting the Requirements of the *Community Charter*" (Fall 2004). The guide's purpose was to help local governments with meeting *Community Charter* annual reporting requirements. It contained tools and guidelines to assist municipalities in their reporting as well as sample annual reports. The guide does not restrict municipalities to one format, but instead provides them with principles to use in their reporting.

Oldford's paper, *Steps Toward Greater Accountability through Progress Reporting* (2005) discusses the readiness and commitment of municipalities in moving forward in progress reporting and whether their setting objectives does in fact lead to increased public accountability.

One of Oldford's key findings was that municipalities' annual progress reports were difficult to find, therefore information to citizens was limited and contradicted a key purpose of the reports. Oldford recommended a central repository for all annual reports. She also found that the lack of standardization in the reports themselves limited the ability to compare reports across municipalities. As well, citizens would find locating

---

<sup>1</sup> The ministry is now called the Ministry of Community Services (MCS) and will be referred to as such throughout this paper.

objectives challenging. One of Oldford's recommendations was to increase consultation with citizens, and thereby engage them to learn which areas of municipal activity are most significant to their interests.

In "The Municipal Experience with *Community Charter* Annual Reporting Requirements", Barbara Svec (2005) further examines how municipalities have responded to the implementation of the *Charter* and how the Ministry of Community Services can best assist municipalities further in developing their progress reporting systems.

In her paper, Svec identified three common challenges in municipal progress reporting: establishing objectives and often measures, and working effectively with council. "Some municipalities indicated that they experienced problems such as getting council to buy-in and focus on the development of progress reporting measures." (Svec, 2005, p. 53)

This current paper examines issues identified by Gergley, Oldford and Svec and updates and broadens the scope of the previous reports on the ways that municipalities in British Columbia are measuring performance. In particular, it focuses on how performance information is used by managers, council members and citizens; what municipalities are doing to better engage council, managers and citizens in the development of performance measures; and the challenges in measuring and reporting performance.

### **III Relevant Literature: Performance Measurement and Citizen Engagement**

In Canada, government deficits during the 1970s and 1980s were one reason why a major shift in public sector governance occurred during the 1990s. Coupled with a need for fiscal restraint was a growing demand for being able to demonstrate the results of public expenditures. The role of the Auditor General was expanded in the 1970s with the passing of the Auditor General Act in 1977 and the inclusion of value for money audits of government programs. The growing emphasis on accountability included financial accountability as well as accountability for results.

This demand for accountability in government was the impetus behind the release of *Results for Canadians: A Management Framework for the Government of Canada* (2000). This document, released by the Treasury Board Secretariat, changed the way the federal organizations managed and delivered their service by encouraging government to respond to citizen needs and collaborate with other levels of government and non-profit sectors.

At the provincial level, the Office of the Auditor General in British Columbia released the report *Enhancing Accountability for Performance in the BC Public Sector* in 1995. This report marked the beginning of a concerted focus on measuring and reporting performance with a view to using performance information to better manage public sector organizations in B.C. A key feature of the work of the Auditor General and the Deputy Ministers' Council was to develop an explicit performance management framework that situated performance measurement and reporting in a broader cycle of strategic planning, program and policy design, implementation and evaluation. Performance information was intended to be used to make strategic decisions in the B.C. Legislature.

In 2000, the *Budget Transparency and Accountability Act* (BTAA) was passed by the provincial government. This mandated performance reporting in the form of

standardized annual performance plans and reports for all ministries and agencies in the province. Goals, objectives and resulting performance measures had to be included in the reports. The BTAA was amended by the Liberal Government in 2001, but the essential provisions – three year plans based on strategic objectives, and annual reports to show how well each agency was performing in relation to its stated (annual) objectives, remained. Currently, service plans and service plan reports are a key part of B.C. Government accountability.

The year 2001 also saw the province pass the *Community Charter Council Act*. This Act provided the legislation for the *Community Charter* and gave municipalities in British Columbia a new legislative framework which required municipal governments to provide annual progress reports. The *Charter* itself came into effect on January 1, 2004.

The *Community Charter* mandated that all municipalities submit an annual report, which must include a performance measurement component. Municipalities are now required to include a progress report on their performance with respect to established objectives and measures. Municipal progress reporting differs from its provincial counterpart as municipalities are not required to follow a standardized reporting or performance plan format.

### ***Performance Measurement in Local Governments***

The literature on performance measurement is vast, but most definitions focus on performance measurement as an ongoing monitoring and reporting of program accomplishments and how organizations have met pre-established goals. (Horne, 1996) Epstein uses the analogy of the private sector: "...performance measurement is government's way of determining whether it is providing a quality product at a reasonable cost." (Epstein, 1984, p. 3)

Municipal performance measurement comes in many shapes and sizes. Local governments use a wide range of performance measurement systems in such areas as

police, fire, solid waste, water, wastewater, roads, transportation, health, housing, recreation, and social services. (Carleton 2003)

**Using Performance Measures**

Performance measures are intended to assist managers and other stakeholders in making decisions. For local governments, having a strategically organized decision making framework can assist decision makers on a variety of levels. Epstein (1984) created the following chart of potential users and uses of local government performance measures. He states that in practice, the users and uses overlap and can vary for each organization (for example all managers and elected official usually get involved in the budget process). However, this still provides a good conceptual breakdown of the uses.

<b>User</b>	<b>Use</b>
Elected Body (e.g. Council or Commission)	<ul style="list-style-type: none"> <li>- Strategic planning – developing community objectives</li> <li>- Resource allocation</li> <li>- Communicating to the public about government performance</li> </ul>
“Top Management” (e.g. City or County Manager, Budget or Management Director)	<ul style="list-style-type: none"> <li>- Negotiate budget with departments and justify it to council</li> <li>- Control costs for all services</li> <li>- Serve as an early warning of service problems</li> <li>- Improve service effectiveness</li> </ul>
Department Heads, Middle Managers, and Supervisors	<ul style="list-style-type: none"> <li>- Improve service efficiency and effectiveness</li> <li>- Quality control</li> <li>- Tactical planning</li> <li>- Improve employee performance</li> </ul>
Line Employees	<ul style="list-style-type: none"> <li>- Improve work performance – make it possible to do a better job</li> <li>- Improve pay or other benefits</li> </ul>

**Source: Epstein, 1984 p.31**

Ideally, to increase the likelihood of performance measures being used, a collaborative approach among the people directing a measurement program, the people expected to use the data and the people who must collect it, will increase buy-in among the stakeholders involved in the design and implementation. Managers will feel less threatened by the process if they are included, and if managers collaborate to select the

measures, and see them as valuable, there is more opportunity for the data to be used. (Epstein 1984)

In order to ensure that performance measures remain useful and relevant, ongoing feedback mechanisms can improve the measures themselves.

### ***Citizen Engagement in the Performance Measurement Process***

Alfred Ho (2006) argues that lack of public involvement in the performance measurement process may lead to less relevant political decision-making. He states that even though technical and political hurdles exist to make citizen engagement in performance measurement challenging, managers in government have a professional and ethical duty to ensure that performance measurement can be used as a tool to make government more accountable to the public.

In some governments in the United States, citizens have been engaged in the development of performance measurement systems, but these are not common occurrences. According to studies, only a few citizens are involved in the development of measures. In the United States, only 13 percent of city and county governments said their citizens participate in the selection of measures. (Ho 2006) One reason that governments generally do not include citizens in the development phase of performance measurement systems is that citizens are perceived as having a poor understanding of the services and programs being measured. (Carleton 2003)

In addition, Ho states that studies show that many legislators have paid limited attention to performance information. Instead, special interests, partisan influence, and political maneuvering seem to continue to be the key motivating factors behind budgeting and other policy decisions.

For advocates of performance measurement, this has been a disappointing finding. Although many data and reports are being generated each year by the government bureaucracy, the information has not been fully used, which means time and resources have been wasted in the data collection and analysis process. Also, one has to question whether managers have been measuring the “right” thing. If major

stakeholders, such as citizens and their elected officials are not interested in the information, which is supposed to show the “results” that matter, the whole purpose of “results-oriented management” may be an empty promise. (Ho, 2006, p.4)

Until performance information has more meaning to voters and major stakeholders, who will then use the information to hold politicians accountable for results, the reality is that the information has little meaning to the general public. Studies have shown that if governments engage citizens in the performance measurement process, they are more likely to use the performance information to make changes such as setting strategic goals and reinforcing the client focus of government. Organizations are also more likely to hold their individual departments accountable for their performance. Therefore, a limited or non-existent effort to engage citizens in the development of performance measures reduces the incentive for managers to use performance measurement information to make a difference in their programs and service delivery. (Ho, 2006)

### ***Challenges of Performance Measures and Citizen Engagement***

Even though there may be valid reasons to engage citizens in the performance measurement process, there are challenges if local governments choose to do so. In communities that appear to be well governed, apathy can be common. Citizens feel satisfied with the status-quo and see little need for their involvement in local government. Even the low participation rates in local elections, particularly for larger communities, suggest that most citizens choose not to engage at even this basic level.

Engaging citizens in the performance measurement process can be even more challenging compared to other forms of public participation, including voting, because of the following reasons:

- Performance measurement involves technical details and data questions. Ordinary citizens may not feel capable of understanding the methodological and technical questions involved.
- Local government services can be multi-faceted and challenging to measure because of their technical complexities.

- Performance measurement is a process that tracks things over time to monitor progress and assess results. It is not a single event that has a clear beginning and end.
- Performance measurement does not necessarily relate to policy outcomes. Performance measures are information that allows for informed dialogue about policy and program decisions. How the information should be used and what policy options should be proposed and chosen are often beyond the scope of performance measurement. Citizens who expect to use performance measurement to dictate how elected officials should govern may feel disappointed and may not be interested in participating.
- Even if elected officials and managers are serious about performance measurement and are committed to using public input and performance information to make a difference in policymaking and program management, citizens are unlikely to see concrete results from their input until years later. This again may discourage citizen participants to commit their time and effort to the exercise. (Ho 2006, p.6)

### ***Mechanisms of Citizen Participation***

Citizen committees, public hearings or town hall meetings, and focus-group discussions can be useful in engaging citizens in performance measurement. However face-to-face engagement has limitations: it limits the number of participants in a public forum; in-depth discussion can be limited; and often those who attend are activists and may not be representative of the larger public.

Other ways to engage citizens can include:

***Surveys and Response Cards*** – Many local governments have annual or biennial citizen surveys to evaluate citizen satisfaction. Response cards are useful for such services as libraries or other public services where citizens come to an office or have face-to-face contact with service providers.

***Usage of the Internet*** – Municipalities can set up online surveys that citizens can use to report their satisfaction with services or to file a complaint.

Depending on the purpose of the information required, a combination of these methods may allow municipalities to understand better how citizens view and evaluate the performance of public services. (Ho 2006)

### ***Conclusions Drawn from the Literature Review***

The past few decades have marked a widespread shift in the ways that governments are expected to keep track of their performance. Although evidence of the uses of performance information is equivocal, there continues to be a strong normative thrust that emphasizes the importance of measurement as an important part of good governance.

Performance measurement in local government can be a valuable way to encourage a focus on results, however difficulties lie in the realm of implementation. In order to have performance information that is relevant and significant for decision makers, citizen and elected decision maker involvement in performance measurement is important. Governments need to be encouraged and provided with information about ways of engaging stakeholders in the process.

#### ***IV Data Collection***

The design used for this study consisted of accessing previous studies to determine the sample group. As mentioned above, this study was to gather new data for existing studies by Gergley, Oldford and Svec.

Oldford's paper included a list of municipalities (Oldford 2005, p.55). The parameters of the current study were to conduct a survey of 32 municipalities of various sizes and geographic locations. Oldford's sample served as the starting point because it provided a broad range of B.C. municipalities. In addition, one goal of this current study was to see how similar municipalities, that had been sampled before, had evolved with respect to performance measurement and reporting over time.

Oldford's sample (Appendix 2 of her paper, p. 55) listed the 60 municipalities included in her survey, with 15 municipalities from four separate categories of population size. These municipalities were reviewed to obtain a smaller, but representative sample. A list of these municipalities can be seen in Appendix A. An Excel database was created to compile data for each municipality regarding its name, population, region, total operating expenditures, and contact information of the Chief Executive Officer, including their name, email address and telephone number. The method chosen to further collect information from the municipalities was a survey.

#### ***The Survey Instrument***

A questionnaire was designed to obtain information regarding municipalities' practices regarding their process of developing and working with performance measures; how they used performance measures; and to what extent municipalities were engaging citizens or had an appetite to engage citizens further in the development and use of performance measures.

To ensure a better response rate, each of the 32 municipalities was contacted via email with the survey and with an opening letter describing the purpose of the survey

and how it would be administered. The municipalities were then provided with a timeframe during which they could expect to be contacted. The survey was administered via a telephone interview.

The survey consisted of open-ended questions as well as simple-dichotomous questions with the response options being either “yes” or “no”. The survey was divided into three parts: 1) the process of developing and working with performance measures; 2) uses of performance measures; and 3) looking to the future where participants were asked questions regarding what it would take to better engage elected officials and citizens in the development and use of performance measures.

The survey was then administered by telephoning each municipality’s Chief Executive Officer. The survey is attached at Appendix B.

### ***Research Limitations***

This study interviewed one person from each municipality, and their views have been included in this report. Limitations of the research relate to the possibility of respondents not being totally candid about their practices. Some may choose to present their information in a way that makes them feel they are portraying a more favorable response on behalf of their organization. Furthermore, some answers were speculative. Respondents gave views on what they believed to be the thoughts of council, other staff or citizen advisory groups.

### ***Response Profile***

Twenty-one out of 32 municipalities responded to this survey. Municipal responses were grouped by population and divided into four categories; very small, small, medium and large. The “large” group of municipalities had the highest response rate at 100%, with the medium group of municipalities having the lowest at 25%. This can be further examined in the table below:

**Table 1: Response Profile**

	<b>Very Small</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>	<b>Total</b>
	0 to 2,499	2,499 to 9,999	10,000 to 49,999	50,000 +	
<b>Responses out of the total number in the category</b>	6/8	5/8	2/8	8/8	21/32
<b>Response rate</b>	75%	63%	25%	100%	66%

## **V Findings & Discussion**

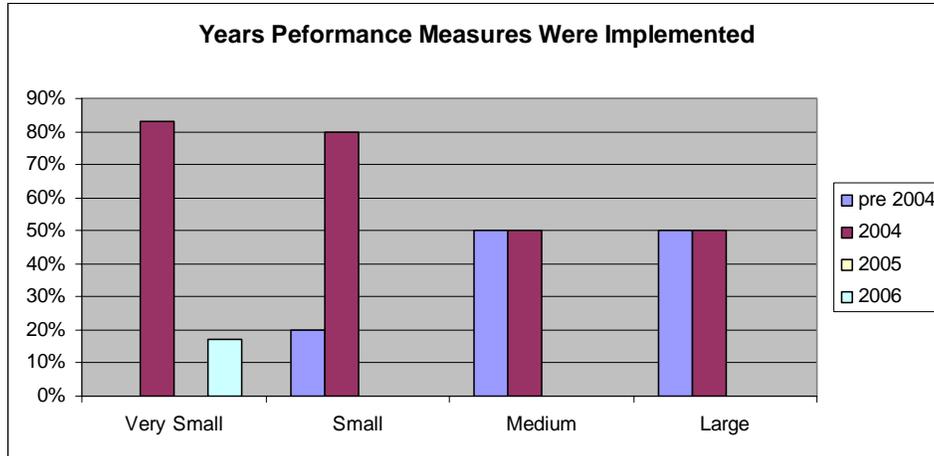
The findings of this study will be presented in three sub-sections. The first will reflect the process of developing and working with performance measures. The second will report on the responses regarding municipal uses of performance measures, and the last will comment on respondents' feedback regarding what it would take to better engage elected officials and citizens in the development and use of performance measures. The longer version of the survey responses with more detail can be found in Appendix B of this report.

### ***Part 1 - Developing and Working with Performance Measures***

There were six main questions in the first part of this survey, including sub-sections. The questions in this section totaled 17. These questions were designed to help determine how municipalities have developed and are currently working with performance measures.

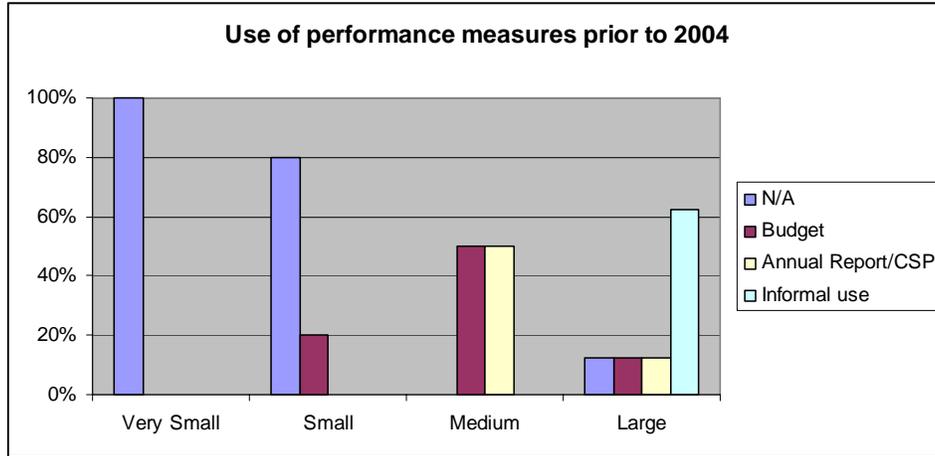
#### ***When did municipalities start developing performance measures?***

Overall, the majority of municipalities did not have a performance measurement system in place prior to the implementation of the *Community Charter* in 2004. 67% of municipalities surveyed implemented a performance measurement system in 2004. The larger the municipality, the more likely they were to have initiated a performance measurement system prior to the *Charter's* implementation. None of the very small municipalities had anything in place prior to 2004.



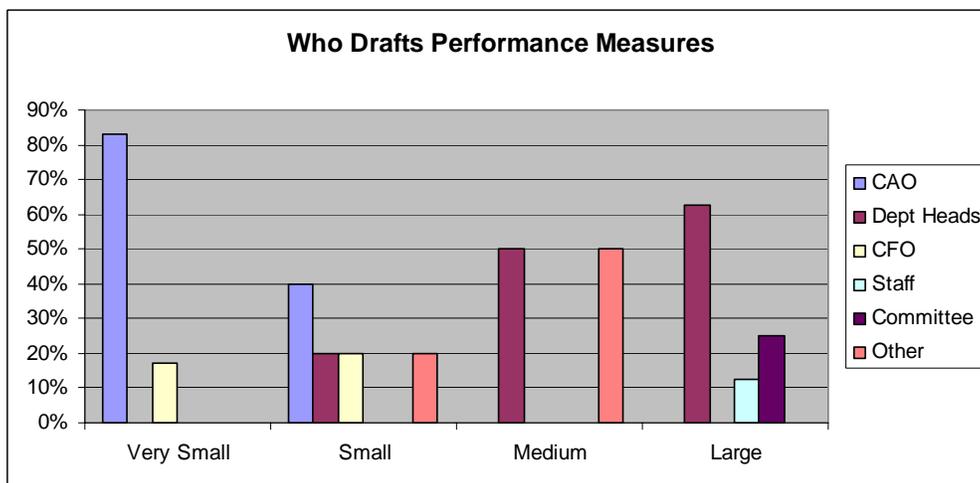
***How were performance measures used by managers, council and citizens prior to the implementation of the Community Charter?***

None of the very small municipalities used performance measures and 52% of all municipalities did not use performance measures in any way prior to 2004. Many respondents stated that prior to the *Community Charter's* implementation, performance measures were mostly used internally as part of the budgeting process. 50% of medium and 12.5% of large municipalities reported that they had used performance measures for either part of their annual reporting process or their corporate strategic plan. 62.5% of the large municipalities stated performance measures were used in an informal way and application was inconsistent among departments. Not one respondent reported on citizens using the information from performance measures prior to the *Community Charter's* implementation.



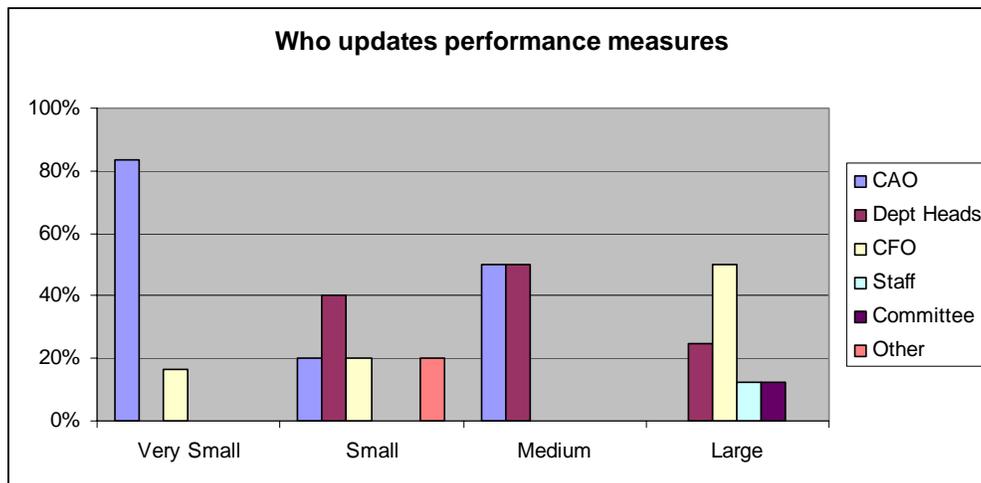
***How are staff involved in the performance measurement system? In particular, who currently drafts the performance measures?***

33% of the total respondents indicated that the Chief Administrative Officer was responsible for drafting performance measures in their municipalities. However, in the very small municipalities, where staff are limited to only a few full-time equivalent employees, the Chief Administrative Officer was responsible 83% of the time for the drafting of performance measures. As the municipality became larger in the number of employees, the responsibility of drafting performance measures fell to department heads, committees and staff. In the case of “Other”, respondents reported using external consultants, and one organization had council involved in the drafting of the performance measures.



**Who currently takes the lead in updating the performance measures to ensure they are appropriate and relevant?**

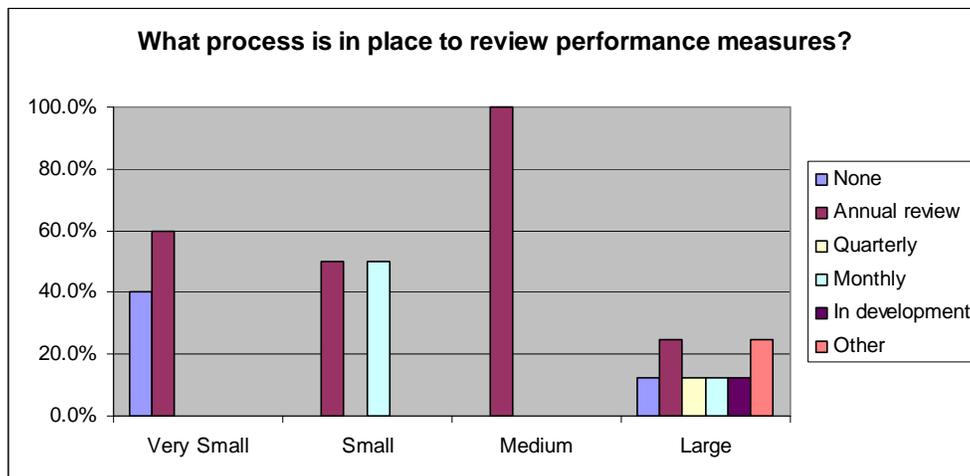
Across all municipalities, 33% of respondents reported that the CAO is responsible for monitoring the performance measures, with 29% indicating that the CFO was responsible. In the case of very small municipalities, 83% of respondents indicated that it is the CAO who is responsible for monitoring performance, with the CFO being responsible in the remaining 17% of municipalities. In the small municipalities category, department heads are responsible 40% of the time, with the remaining 60% being evenly distributed among the CAO, CFO and an external consultant. Among medium municipalities, 50% of respondents cited the CAO and 50% cited department heads. Among large municipalities, the CFO was responsible for updating performance measures for appropriateness and relevancy 50% of the time, department heads 25% and staff and committees each 12.5% of the time respectively.



**What process do municipalities have in place to update the performance measures?**

Overall, 33% of respondents reported having no process in place whatsoever to update performance measures. 42% of respondents replied they had an annual review to update performance measures, however 40% of very small municipalities stated they had no particular process in place to update the measures. 60% of very small

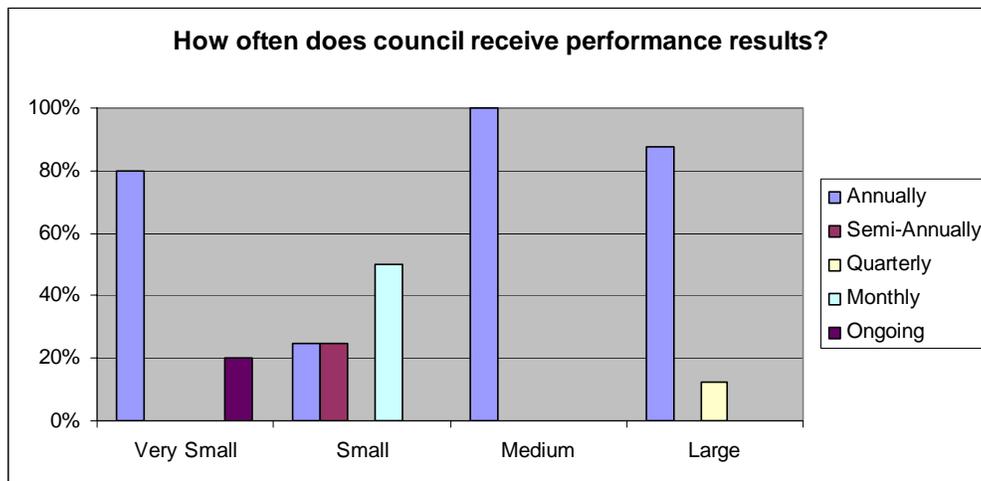
municipalities reported conducting an annual review to update their measures. Among small municipalities, 50% of respondents reported an annual review of performance measures and the other respondents reported performing a monthly update. In medium sized municipalities, 100% reported using an annual review to update their performance measures. The most diversity in process was among the large municipalities with either no process reported by 12.5% of respondents, and the same number reported having a process that was currently in development but not in use. 12.5% stated they used a monthly review process to update the performance measures and 25% stated that each department had its own method, so there was no singular process being used across the organization.



***Does council receive the performance results and how often do they receive this information?***

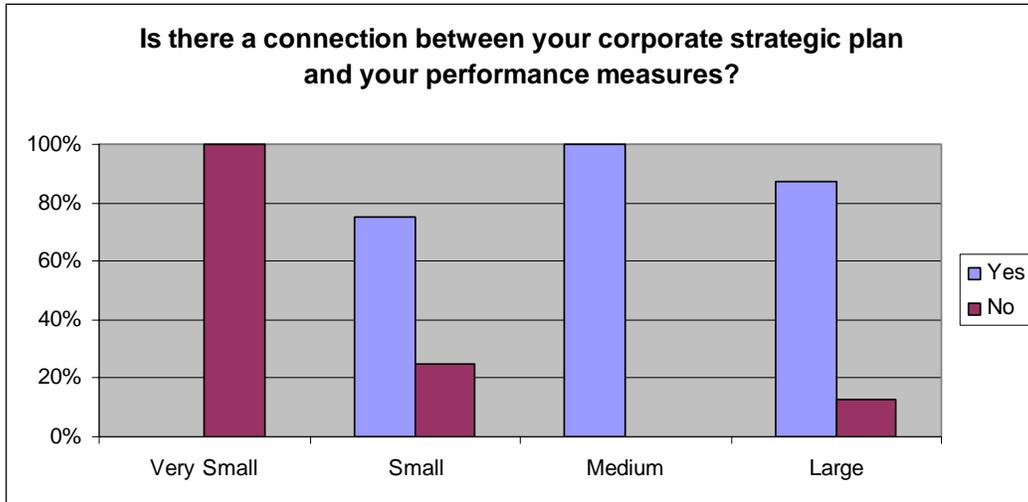
All respondents (100%) reported that council received performance results and 64% reported that council received performance results on an annual basis. Among the very small municipalities, 80% stated council received performance results on an annual basis with the remaining 20% stating they were informed on an ongoing basis. Small municipalities reported council receiving information on an annual basis 25% of the time, semi-annual 25% of the time, and monthly 50% of the time. 100% of respondents from

medium municipalities provided council with annual performance reports. Finally, 87.5% of large municipalities informed council of performance results annually, with the remaining 12.5% giving council the information on a quarterly basis.



***Is there a connection between the organization’s corporate strategic plan and its performance measures?***

Amongst all respondents, 43% had no connection between the organization’s corporate strategic plan and its performance measures, with the remaining (57%) having a connection. As most very small municipalities did not have a corporate strategic plan, 100% of those reported no connection between a plan and its performance measures. 75% of small municipalities reported there being a connection, while 25% reported no connection. In this case, there was no corporate strategic plan for those organizations. 100% of medium sized municipal respondents reported a connection. With large municipalities, 87.5% of respondents reported a connection, but the remaining 12.5% did not have a corporate strategic plan and therefore no connection.



***Is there a connection between the corporate strategic plan and the organization's performance measures, what is that connection?***

As discovered in the previous question, very small municipalities reported having no connection as they did not have a corporate strategic plan. 40% of small municipalities reported the same and thereby had no connection. The following table summarizes the connections for respondents:

**Table 2: The Connection Between the Corporate Strategic Plan and the Organizations**

Very Small	Small	Medium	Large
No Connection	As support to the strategic plan goals and objectives	Measures aligned to strategic goals	Each department does own, so not sure
	Whether or not goals in the strategic plan were completed or not	Council priorities float down to operational and performance measures support these	Corporate strategic plan lists priorities and goals and performance measures support these
			Macro measures in corporate strategic plan
			N/A, now focusing on the community plan

### ***How are performance measures selected for the annual report?***

Below is a summary of the respondents based on the size of the municipality. The larger the municipality, the more the measurement selection was a result of a strategic planning session.

**Table 3: How Performance Measures are Selected for the Annual Report**

<b>Very Small</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
Financial criteria	A retreat is held to look at goals, objectives and measures	Senior managers pick the major measures and report on those	Importance and relevancy
Group consultation	To demonstrate whether projects are done or not done	The ones that support the goals in the annual report	Based on the corporate strategic planning session
			Measures support the goals and objectives
			No specific criteria at the moment

### **Part 2 – Uses of performance measures**

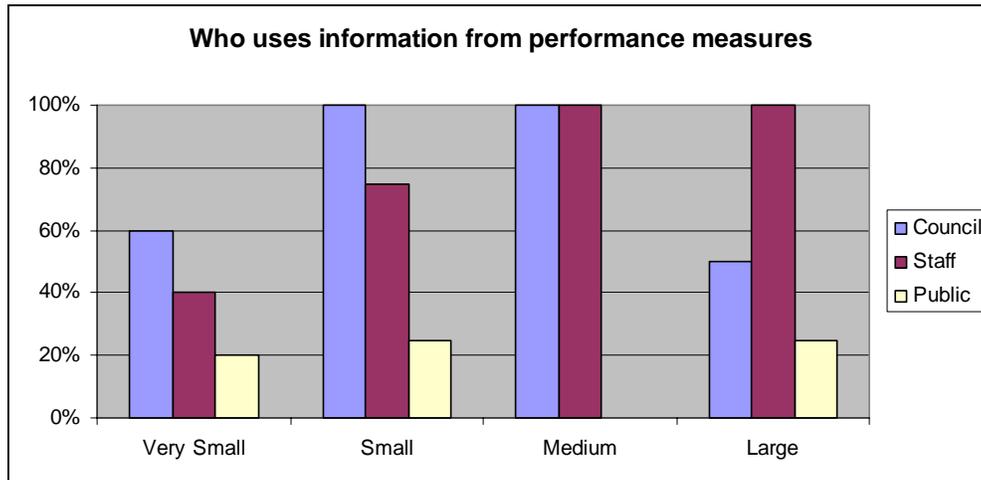
This part consists of four questions regarding who uses the information generated from the performance measures and how; how do managers and staff use the information; how do elected officials use the information and how do citizens and other groups in the community use performance information.

#### ***Who uses the information generated from the performance measures and how?***

The majority of all respondents (63%) reported that staff was the most prominent user of information generated from the performance measures; 53% of all organizations reported council's use of the information and public use of the information was 21%.

The larger the organization, the more staff used the information. In very small municipalities, 40% of staff used the information, as opposed to 75% in small and 100% in medium and large municipalities. Council was reported as using the information generated by performance measures in 40% of very small municipalities, 100% of both small and medium municipalities and 50% of large municipalities.

Twenty percent of very small municipalities reported the public using the information, and 25% of small municipalities responded in this way, too. 25% of large municipalities reported the public used the information generated from the performance measures.



Regarding how these groups used the information generated by the performance measures, very small municipalities stated that they used the information via the annual report. One respondent stated that it was too soon to know how the information was being used. Respondents from small municipalities stated that oftentimes the information was used by council to elevate issues and by staff to maintain direction. Respondents from small municipalities reported the public using the information in town hall meetings. Medium sized municipalities reported that the information generated by performance measures was used internally by council and staff as a way to determine effectiveness of staff services. Large municipalities reported the information being used primarily in the same way as medium municipalities, as well as during the budget process as a method to request more funds for projects. The public in large municipalities used the information in town hall meetings and advisory committees.

***How do elected officials in your municipality use the information?***

Among all respondents, councils tend to use the information generated by the performance measures as a way to monitor finances. Others reported council merely receiving the information as part of the annual report and not being further interested in the information. Others used it as a way to evaluate the Chief Administrative Officer. The following is a summary of the responses.

**Table 4: How Elected Officials Use Performance Measurement Information**

<b>Very Small</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
To ensure projects council deemed are important are completed	Used to evaluate CAO's performance	As part of the budget	As a comparison to other municipalities
Too soon to know	As part of the annual report		Monitor progress
To make sure funds are being spent appropriately	To make sure funds are being spent appropriately		As part of the annual report
			Don't know

***How do citizens and other groups in the community use the performance information?***

Most respondents were not aware of how citizens and other groups in the community used the information generated by the performance measures. The majority of respondents commented that the extent of their knowledge was that the annual report was made public and citizens had access to the information. The larger the municipality, the more citizens appeared to be using the information. Respondents from large municipalities commented that advisory groups and community associations used the information depending on the issue.

**Table 5: How Do Citizens and Other Groups Use Performance Information**

<b>Very Small</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
Don't know	Don't know	Don't know	Don't know
They receive the annual report	Present annual report at a public meeting but no one comes	The information is in the annual report, but don't know how citizens use it	Advisory groups provide feedback and input back into the performance measures
			Depends on the issue, but community associations use the information

### **Part 3 - Looking to the Future**

This part consisted of four questions that focus on engaging council and citizens in the performance management process. In particular, what would be needed to further engage elected officials in the development and use of performance measures; what would it take to better engage citizens in the process as well, and are there any examples of citizen engagement; how would elected officials feel about more citizen engagement in the performance measurement process, and finally; how would managers and staff feel about more direct citizen involvement in the development of performance measures and assessing the performance results for programs and services delivered in the community?

#### ***What would it take to better engage elected officials in the development and use of the performance measures?***

The majority of respondents stated time restraints as being the number one obstacle to engaging elected officials in the development and use of the performance measures. Others stated that further engagement was not necessary – either because no one seemed to be asking for more involvement and thereby it was assumed council was satisfied, or because council preferred to be at arms' length. Very small municipalities stated that financial limitations restricted council from being more engaged.

Other municipalities commented that they were working on this issue either by hosting retreats with council, or that they wanted to further engage elected officials with some kind of workshop. These respondents however, were in the minority.

**Table 6: What it Would Take to Engage Elected Officials in the Development and Use of Performance Measures**

Very Small	Small	Medium	Large
So limited with the budget, don't know what to do	Need to get buy-in from council that this is worthwhile	Would like to have a retreat	Workshops would be good
Too soon to answer	Not necessary – no one is asking for more information		Need to tie the measures into the corporate strategic plan
Opportunity to make things better, but don't know what to do	Council not interested because of time constraints		Council prefers to be at arms length
	Had a retreat and it worked well, so will probably do again		Council satisfied with the way things are
			Council doesn't have enough time

***What would it take to better engage citizens in their community in the performance measurement process? Are there any examples of citizen engagement?***

Most of the very small municipalities didn't know what could be done and did not have any methods to engage citizens. One respondent also replied there was no need for it, as the current performance measurement process was working well, and didn't feel it would benefit from citizen engagement. More examples of citizen engagement occurred as the municipalities became larger. Respondents from small municipalities stated they would be interested in further engagement, but didn't know what to do. One small municipality said it was currently engaging citizens in their capital plan and it was working quite well. Another respondent stated citizens were engaged via the community plan.

Medium-sized municipalities were currently engaging citizen via website surveys and a residential satisfaction survey. Larger municipalities felt for the most part that they

were doing enough to engage citizens by using feedback through community groups, open houses, focus groups, and citizen and business surveys. Other respondents from large municipalities, however, stated that there was no need to further engage citizens, as they did not get a good response from public meetings. One respondent commented that they didn't want to engage citizens without first getting more strategic direction.

**Table 7: What it Would Take to Better Engage Citizens in Their Community in the Performance Measurement Process. What Examples of Are There of Citizen Engagement?**

Very Small	Small	Medium	Large
Don't know	Citizens are engaged in capital plan	Currently have website surveys	Have a network of feedback through community groups that works well
Too soon to answer	Would like to engage citizens more, but don't know what to do	Citizen engagement is more around issues. Currently have residential satisfaction survey	Don't want to engage citizens without more strategic direction first
Current process is working, don't need more engagement	Citizens are engaged in community plan		Currently have open houses and focus groups
			Conduct citizen survey every 3 years and a business survey. Want to alternate years.
			Don't want to engage citizens more – we don't get good responses from public meetings
			Have advisory groups, but it's a challenge to get the public involved

***How would elected officials feel about more direct citizen involvement in the performance measurement and performance results process?***

Some respondents, regardless of size, appeared hesitant to be answering on behalf of council. Some said they would get a different answer depending on who was asked. Respondents from the very small municipalities state that council would be interested in pursuing more citizen involvement if they felt citizens would be interested. Respondents from the small municipalities stated that for the most part, they did not

know how council would react. One respondent stated that council would indeed be interested, but are usually quite chagrined when no one showed up to public meetings. Medium sized municipalities were interested, but one respondent felt citizens would not engage significantly to make it worthwhile. Large municipalities felt council overall would be interested in more direct citizen involvement in performance measurement and the results process, but others felt council was currently satisfied and felt it unnecessary to engage citizens further, citing the voting process was enough.

**Table 8: How Would Elected Officials Feel About More Direct Citizen Involvement in the Performance Measurement and Performance Results Process?**

Very Small	Small	Medium	Large
Just started	Can't speak for council	Would prefer it	Don't know
Wouldn't mind doing it if the public was interested	Would probably get a different answer from each councilor	Sounds good, but realistically public will not engage significantly in this type of exercise	Would probably get a different answer from each councilor
Suspect council is currently happy but would encourage more citizen involvement	Yes, usually chagrined when no one shows		Some want more, others feel citizens engaged enough in voting process
	Would be a luke warm response but is getting better		Council comfortable with current level of feedback
			Council would prefer it

***How would their local government managers and staff feel about more direct citizen involvement in developing performance measures, and assessing the performance results for programs and services delivered in the community?***

Overall, respondents felt that managers and staff would be interested in having more direct citizen involvement in developing performance measures and assessing the performance results for programs and services delivered in the community. The very small municipalities felt this would be acceptable, with the exception of one respondent stating it was too soon to know the answer. Many of the large municipalities also felt it would be a positive endeavor. However, there was some resistance to the idea. For the most part, the small municipalities felt there was more than enough to do and further

engagement was not realistic at this time. Others cited concern with quality of the input that would be received. One respondent stated that it would be worthwhile if the public were educated on issues facing government. One respondent from the medium sized municipalities echoed that sentiment further by saying it would be good if the input was representative of the community and not just of special interest groups. Many of the large municipalities felt they currently did a lot to engage citizens, and some respondents felt that a lot of energy was put into preparing for input from the public, but then would be frustrated when no one showed up.

**Table 9: How would local government managers and staff feel about more direct citizen involvement in developing performance measures, and assessing the performance results for programs and services delivered in the community?**

Very Small	Small	Medium	Large
Too soon to answer	Don't know	Would prefer it	Don't know
They wouldn't have a problem with it, if the public was interested	Problem is resources. Day to day is enough. For under 25,000 it's just not realistic. All we can do to just do the financial plan	Would be good if input was representative of overall community as opposed to a select group	Those that have done public input processes often spend lots of time preparing for public input and then no one shows up
Suspect mgmt is currently happy but would be positive about more involvement	If public was educated, would be more open to it		Feel current level of involvement appropriate
	CAO would like it, staff not interested		Doubt it would be positive
			Mgrs feel they do a lot to engage
			Yes - very open to it
			Satisfied - feel they get enough input

## VI Conclusions

This paper began by reviewing the work of three previous reports written by Gergley, Oldford and Svec. Gergley questioned whether municipalities have the appropriate capacity, understanding and resources needed to carry out the Charter requirements. Oldford's study found that the information available to citizens was limited and contradicted a key purpose of the annual reporting process. A recommendation was to increase consultation with citizens and thereby engaging them to learn which areas of municipal activity are most significant to their interests. Finally, Svec identified a challenge in municipal progress reporting was working effectively with council – and that still stands. In particular, obtaining buy-in and getting them to focus on development of performance measures.

These findings still hold true. Most of the local governments surveyed were well established in the reporting requirements of the *Community Charter*. However, the majority of local governments in this study were doing only what was required of them in this regard. It was not surprising to find that most municipalities did not have performance measurement in place prior to the *Charter*, or if they did it was an informal, ad-hoc collection of information. In some cases, the *Community Charter* served to formalize what they were already doing, or served as the excuse to pursue a process that was meeting some resistance prior to the *Charter's* implementation.

In most municipalities, particularly the very small and small municipalities, respondents reported that the development, monitoring and reporting of municipal performance measures usually fell to the Chief Administrative Officer or in some fewer cases, the Chief Financial Officer or a department head. With regard to all municipalities, Council was rarely engaged in the development of the performance measures. For the most part, their sole involvement was to receive the annual report. Participation from citizens was virtually non-existent.

When asked what process was in place to update the performance measures, 40% of very small municipalities said they had no process. The majority of respondents said they reviewed them on an annual basis. Some said they were developing a process, but that it wasn't yet in place. Others said there was an informal process that was ad-hoc across the departments. There was a different answer from almost each of the respondents in this category. While it is understandable that some of the very small municipalities may simply not have the resources to focus on performance measures the way they would like, most municipalities are still lacking when it comes to ensuring their measures remain relevant to their goals and objectives.

When asked if their performance measures were tied to their corporate strategic plan, 43% of small municipalities reported that they had no corporate strategic plan. Understandably, this was most prevalent in the very small municipalities with 100% of respondents in this category reporting the lack of a corporate strategic plan. One very large municipality also reported not having a plan. When reviewing the literature, it was clear that a performance measurement system was not a solution in itself. It is a part of a larger strategically focused process.

The disparate responses from municipalities surveyed show a narrow approach to performance measurement with annual reviews. Very few of the small and medium sized municipalities reported having a longer-term scope in their measurement process and it was simply non-existent in the very small municipalities. It would be interesting to gather more research from the municipalities to see what their approach is to strategic planning (in the case of those who do participate in such an activity) but this is beyond the scope of this paper.

When examining the use of performance measures, respondents stated for the most part that council using the information mostly to ensure the annual report's requirements were satisfied. Otherwise, performance measures were mostly used

internally to see if projects and budgets were on track. Very few respondents were aware of how the public were using the information generated from the performance measures. Most respondents, regardless of size, said the annual report was available to the public, so the information from the performance measures was there to be used if they so chose. However respondents for the most part were unaware of the uptake of that information by citizens.

The issue of engagement among elected officials and citizens received a lukewarm response for the most part. While many respondents were interested in the concept of further engagement among council, many commented that council had too many demands for their time to be able to participate more in the development of performance measures. Many respondents felt that because council was not asking to participate, that meant council would not be interested in further engagement. That being said, there were some examples of engagement with council. One small municipality reported having a retreat and that it went well. Some of the large municipalities reported having a workshop or retreat with council as well. But most respondents stated that council either did not have enough time, were satisfied with the way things were, or preferred to remain at arms' length.

With regard to citizen engagement, again it was the large municipalities who seemed to be actively engaging citizens. The very small municipalities were unaware of what could be done. Some respondents thought engagement of citizens would be a good idea, but did not know how to go about it. For the most part, respondents thought council would be interested in more citizen engagement regarding the development of performance measures, but were concerned about the quality of feedback from the public and many were skeptical whether the public would be interested in such an exercise in the first place.

Overall, there seemed to be a disconnect between the development of the performance measures and any strategic planning process. While the annual reporting requirements under the *Community Charter* specify that a statement of municipal objectives and the measures that will be used to determine progress respecting those objectives for the current and next year must be included, a large number of municipalities appear to be doing what is required and nothing more.

Furthermore, the lack of engagement among council and the public in the development of performance measures suggests limited use of the performance results. Many municipalities are viewing the performance measurement process as a mandatory requirement and are possibly not maximizing the process as a tool for decision-making. The literature has shown that the more engagement with council, senior staff, and citizens, the more likely the information generated from the performance results will be seen as valuable and thereby use of the information will increase.

That being said, it is important to recognize the achievement of the municipalities during this process. Prior to 2004, many municipalities did not have a performance measurement system in place and even among the ones that did, many were informal and ad-hoc. Great strides have been taken, especially among the very small and small municipalities, and they should be commended for their endeavors.

## Bibliography

- British Columbia Ministry of Community, Aboriginal and Women's Services et. al. "A Guide to Municipal Progress Reporting: Meeting the Requirements of the Community Charter." 2003
- British Columbia Ministry of Community, Aboriginal and Women's Services with the Local Government Management Association. "Local Government Progress Reporting: A Summary of Survey Results and Key Findings." 2003
- Budget Transparency and Accountability Act* (British Columbia) (BTAA) Queen's Printer (2000)
- Burke, John. "Ontario's Municipal Performance Measurement Program - Fostering Innovation and Accountability in Local Government."  
[http://www.mah.gov.on.ca/userfiles/page\\_attachments/Library/1/1883652\\_article.pdf](http://www.mah.gov.on.ca/userfiles/page_attachments/Library/1/1883652_article.pdf)
- Community Charter*, (British Columbia) Queen's Printer, 2004  
[http://www.qp.gov.bc.ca/statreg/stat/C/03026\\_00.htm](http://www.qp.gov.bc.ca/statreg/stat/C/03026_00.htm)
- Epstein, Paul D. "Using Performance Measurement in Local Government: A Guide to Improving Decisions, Performance, and Accountability" New York, N.Y.; Van Nostrand Reinhold, 1984.
- Gergley, Meagan. "Project for the Implementation of Municipal Annual Reporting: Final Report" School of Public Administration, University of Victoria. 2004.
- Horne, Garry. "Guidelines for Performance Measurement in the British Columbia Government." Analysis and Evaluation Branch, Treasury Board Staff, July 1996
- Ho, Alfred Tat-Kei, "Engaging Citizens in Performance Measurement – Lessons from the United States" School of Public and Environmental Affairs; Indiana University – Purdue University Indianapolis, 2006
- Ho, Alfred Tat-Kei and Coates, Paul. "Citizen Participation: Legitimizing Performance Measurement as a Decision Tool." *Government Finance Review*, 18(2): 8-10, 2002. [http://www.iowacipa.org/downloads/GFOAarticle\\_Citizen-BasedPM.pdf](http://www.iowacipa.org/downloads/GFOAarticle_Citizen-BasedPM.pdf)
- Industry Canada "Focusing on Results: A Guide to Performance Measurement - Industry Canada - 1996/12/04" Discussion Paper; March 1995  
<http://www.tbs-sct.gc.ca/eval/pubs/pubs-since-1996/icguide-icguide-e.asp>
- Kernaghan, Kenneth, Brian Marson and Sandford Borins. "The New Public Organization" The Institute of Public Administration of Canada. 2000.
- Local Government Leadership Academy June 2007 curriculum  
[http://www.civicnet.bc.ca/files/%7B01ADE2A0-18E8-4F77-8CC8-AFFFE8AD57EA%7DLGLA\\_Forum\\_Overview.pdf](http://www.civicnet.bc.ca/files/%7B01ADE2A0-18E8-4F77-8CC8-AFFFE8AD57EA%7DLGLA_Forum_Overview.pdf)

Ministry of Community, Aboriginal and Women's Services "A Guide to Municipal Progress Reporting – Meeting the Requirements of the *Community Charter*" Fall 2003

Municipal Performance Measurement Program, Ministry of Municipal Affairs and House, Government of Ontario

[http://www.mah.gov.on.ca/userfiles/HTML/nts\\_1\\_5600\\_1.html](http://www.mah.gov.on.ca/userfiles/HTML/nts_1_5600_1.html)

Office of the Auditor General of British Columbia. "Report 3 – Building Better Reports: Public Performance Reporting Practices in British Columbia." 2001/02

Office of the Auditor General of British Columbia. "Report 7 – Building Better Reports: Public Performance Reporting Practices in British Columbia." 2003/2004

Office of the Auditor General of British Columbia. "Report 11 – Towards a More Accountable Government: Putting Ideas into Practice" 1999/2000.

Oldfield, Stephanie. "Municipal Objective Setting and Performance Measurement. Steps Toward Greater Accountability through Progress Reporting." School of Public Administration, University of Victoria. 2005

Svec, Barbara. "The Municipal Experience with Community Charter Annual Reporting Requirements." School of Public Administration, University of Victoria. 2005

## Appendix A

### Municipal Selection Criteria

Because a total of 30 telephone interviews were to be conducted, Stephanie Oldford's list of 60 municipalities was used and reduced by half to maintain consistency. At the same time, population base, geography and organizational revenue were examined. As previous reports all divided municipalities into very small, small, medium and large categories, a primary sort based on those categories was conducted to maintain consistency. This resulted in a list of 32 municipalities.

The list of municipalities is as follows:

<b>Very Small (0 – 2,499)</b>	<b>Small (2,500 – 9,999)</b>	<b>Medium (10,000 – 49,999)</b>	<b>Large (50,000 plus)</b>
Cache Creek	Bowen Island	Campbell River	Chilliwack
Hazelton	Creston	Comox	Kelowna
New Denver	Fernie	Cranbrook	Nanaimo
Pemberton	Golden	Langford	New Westminster
Port Alice	Lake Cowichan	North Saanich	Prince George
Salmo	Merritt	Prince Rupert	Richmond
Taylor	Qualicum Beach	West Vancouver	Saanich
Valemount	Smithers	White Rock	Surrey

## Appendix B

### Survey Instrument

#### Background Information

Local Government name:

Email:

Population:

Name of Contact Person:

Phone:

Current position of contact person:

#### Part 1 – The Process of Developing, and Working with Performance Measures

Performance measures are typically indicators of the results for services and other initiatives undertaken in your municipality. They can be linked to municipal objectives to show progress towards achieving them.

1. a) When did you get started with developing performance measures for your local government?  
  
b) Did you have performance measures before the Community Charter was implemented in 2004?  
  
c) Before the Community Charter was implemented, how were performance measures used by managers, council, and citizens?  
  
d) How did the Community Charter change the way that performance measurement was done in your municipality?
2. Currently, how are staff involved in the process of measuring performance?
  - a) Who currently drafts the performance measures?  
(i.e. CAO; executive, staff, staff committee(s), council, external consultants, other)
  - b) Who monitors the measures? That is, who keeps track of performance?  
(i.e. CAO; executive, staff, council, external consultants, other)
  - c) Who reports performance results? (i.e. staff, executive, other)
3. a) Currently, who takes the lead (if anyone) in updating the performance measures so that they are appropriate and relevant? (i.e. CAO; executive, staff, council, external consultants, other)  
  
b). What process do you have in place to update the performance measures?
4. In your own work, how often do you review performance measures or performance results? (i.e. annually, semi-annually, quarterly)

5. a) Does council receive performance results? (yes/no)
  - b) If so, how often? (i.e. annually, semi-annually, quarterly)
  - c) (If applicable) in what form do performance results go to council?  
(Written report, oral presentation, email with attachments)
  - d) Is there a connection between your corporate strategic plan and your performance measures? (yes/no)
  - e) And if so, what is that connection?
6. a) Are the performance measures tied to the annual performance report? (yes/no)
  - b) If so, how are performance measures selected for the report?

### **Part 2 – Uses of performance measures**

7. a) Who uses the information generated from the performance measures and how?
  - b) How do your municipal managers and staff use the information?
  - c) How do elected officials in your municipality use the information?
  - d) How do citizens and other groups in the community use the performance information?

### **Part 3 - Looking to the Future**

8. What would it take to better engage your elected officials in the development and use of the performance measures? Give an example.
9. What would it take to better engage citizens in your community in the performance measurement process? An example of engaging citizens would be to hold focus groups to find out what performance measures citizens would want to see. Are there any examples of citizen engagement in your municipality?
10. How would your elected officials feel about more direct citizen involvement in the performance measurement and performance results process?
11. How would your local government managers and staff feel about more direct citizen involvement in developing performance measures, and assessing the performance results for programs and services delivered in the community?

***Thank you so much for your input!***

## Appendix C

### Findings and Discussion – Long Version

The survey consisted of three parts. Part 1, the process of developing and working with performance measures, consists of 17 questions which fell into six broader themes. These were: When and how performance measures were implemented into the organization; how are staff currently involved in the performance measurement process; Who is responsible in updating performance measures to ensure they remain appropriate and relevant to the organization and how is this done; How often are performance measures reviewed; Does council receive performance results, how often and in what fashion, and finally; Are the performance measures tied to the annual report and how?

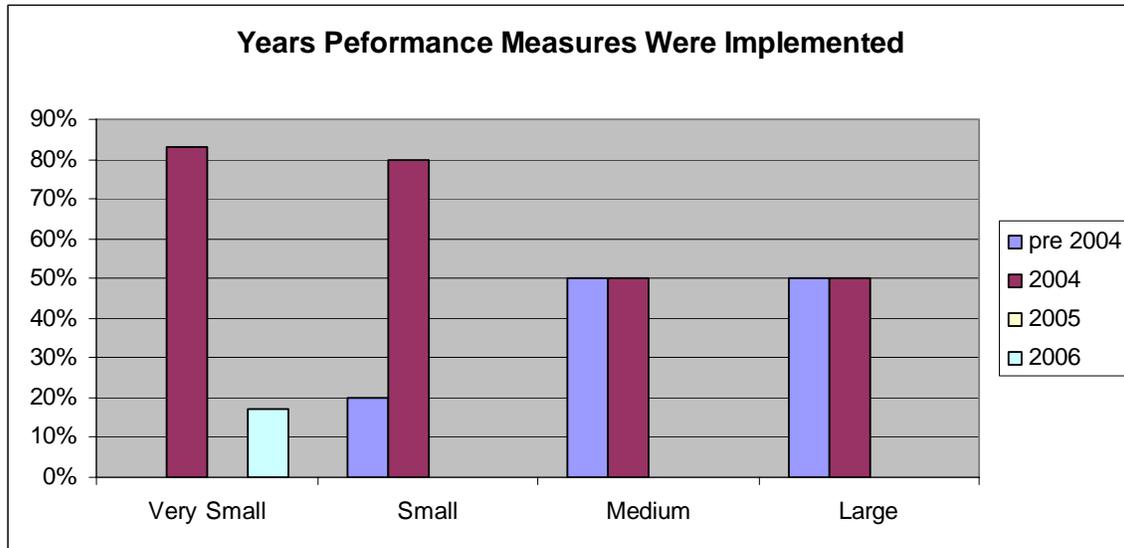
Part 2, uses of performance measures, consists of four questions regarding who uses the information generated from the performance measures and how; How do managers and staff use the information; How do elected official use the information, and finally; How do citizens and other groups in the community use performance information.

Part 3, Looking to the Future, consists of four questions that focus on engaging council and citizens in the performance management process. In particular, what would be needed to further engage elected officials in the development and use of performance measures; What would it take to better engage citizens in the process as well, and are there any examples of citizen engagement; How would elected officials feel about more citizen engagement in the performance measurement process, and finally; How would managers and staff feel about more direct citizen involvement in the development of performance measures and assessing the performance results for programs and services delivered in the community?

#### ***Part 1 - The Process of Developing, and Working with Performance Measures***

There were six main questions in the first part of this survey, and including sub sections, questions in this section totaled 17. These questions were designed to help determine how municipalities have developed and are currently working with performance measures.

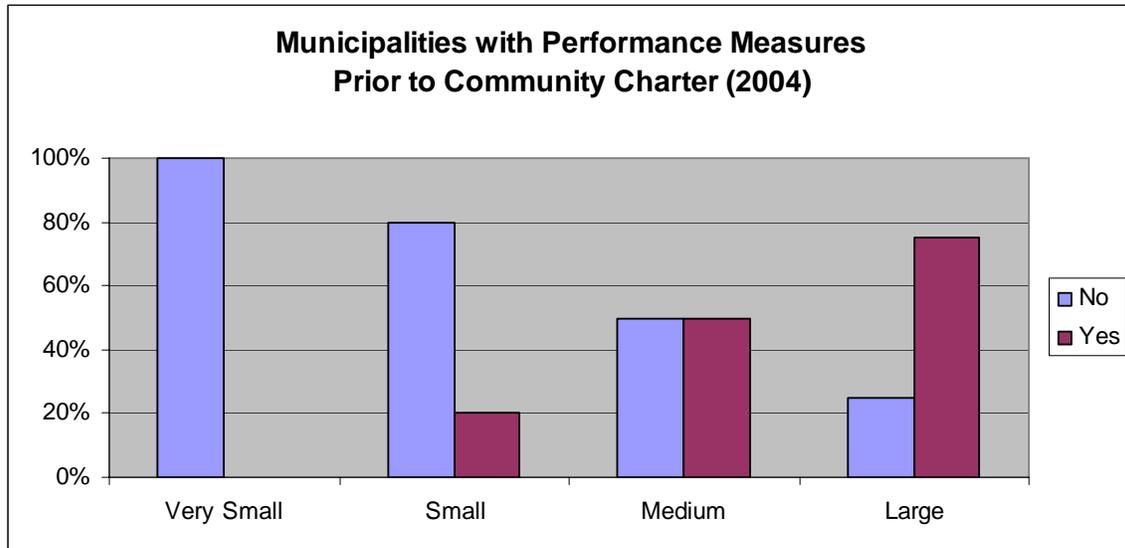
**Question 1a asked when municipalities started developing performance measures.** Overall, the majority of municipalities did not have a performance measurement system in place prior to the implementation of the *Community Charter* in 2004. 67% of municipalities surveyed implemented a performance measurement system in 2004. The larger the municipality, the more likely they were to have initiated a performance measurement system prior to the Charter's implementation. None of the very small municipalities had anything in place prior to 2004. And one very small municipality stated they had no performance measures in place until 2006.



Overall, out of the total 21 municipalities that responded, 67% implemented their systems as a result of the Community Charter's implementation in 2004. 29% of municipalities surveyed had implemented their performance measurement systems prior to the Charter's implementation. Most of these municipalities however, said their performance measurement systems were informal and the Charter served to formalize their reporting process. One municipality stated that there had been some resistance to implementing performance among the department heads, and the Community Charter was a much-needed excuse to get buy-in from the resisters in the organization.

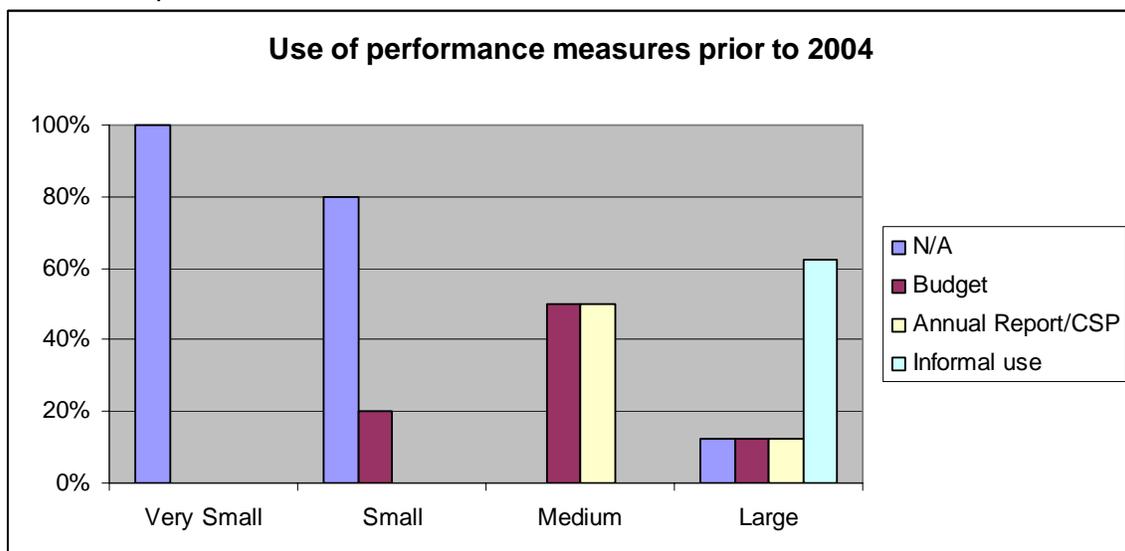
**Question 1b asked if there were performance measures in place prior to the Community Charter's implementation in 2004.**

Out of all respondents, 62% reported not having any performance measures in place. 100% of very small municipalities had no performance measurement system prior to 2004. As the size of the municipalities increased, the more likely it was that they had implemented some kind of performance measurement system in their organization prior to the Charter's implementation. Out of all respondents, 38% stated they had some kind of performance measures in place prior to 2004. 75% of all large municipalities reporting having performance measures in place prior to 2004.



**Question 1c asked how performance measures were used by managers, council and citizens prior to the implementation of the Community Charter.**

None of the very small municipalities used performance measures and 52% of all municipalities did not use performance measures in any way prior to 2004. Most respondents stated that prior to the Community Charter's implementation, performance measures were mostly used internally as part of the budgeting process. 50% of medium and 12.5% of large municipalities reported that they had used performance measures for either part of their annual reporting process or their corporate strategic plan. 62.5% of the large municipalities stated performance measures were used in an informal way and application was inconsistent among departments. Not one respondent reported on citizens using the information from performance measures prior to the Community Charter's implementation.

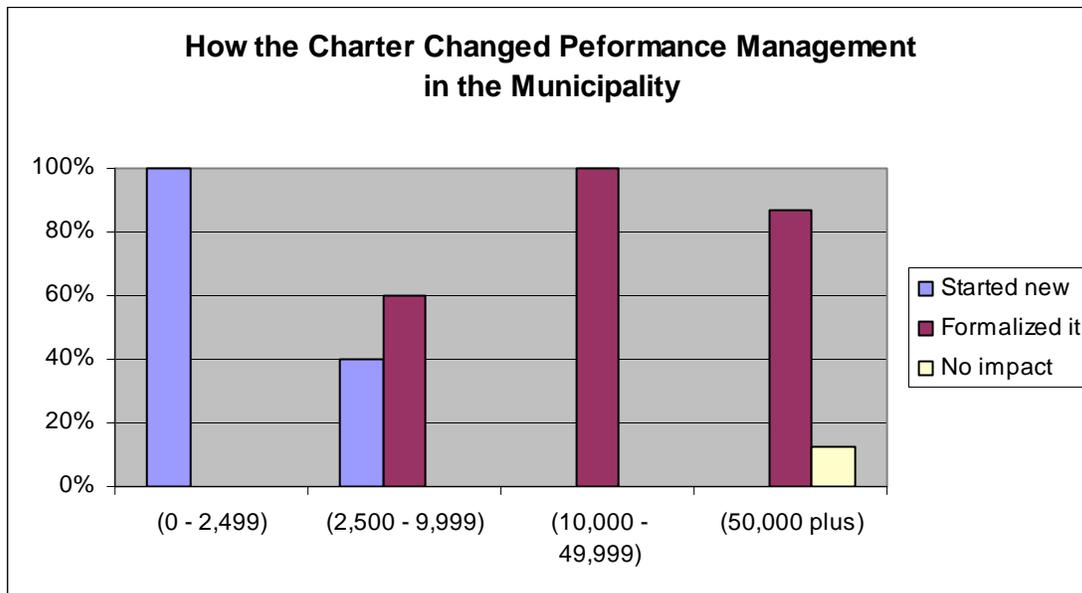


**Question 1d asked how the Community Charter changed performance measurement among municipalities.**

Out of all the municipalities, 38% reported starting new with performance measures as a result of the Community Charter's implementation. 57% stated the Charter served to formalize the process and 5% reported the implementation had no impact.

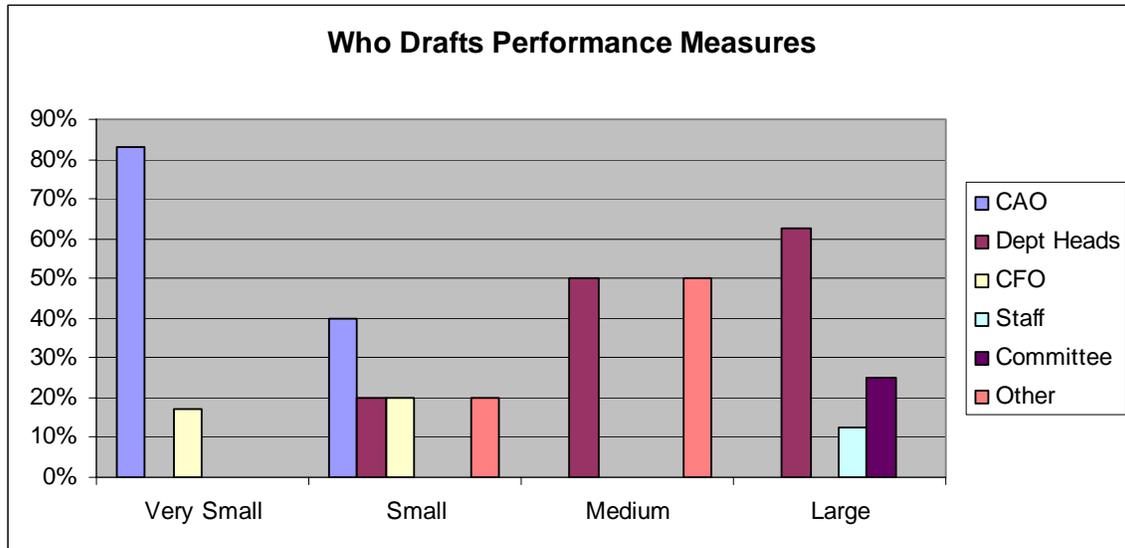
Very small municipalities had to start performance measurement from scratch with the implementation of the Charter. As the municipality got larger, respondents reported the Charter as having less impact on how they did performance measurement, with one large municipality reporting no change as a result of the Charter's implementation.

Most respondents that had a performance measurement system in place replied that the Community Charter only served to formalize the process. Some of the smaller and very small municipalities chose the word "forced" when talking about performance measurement implementation.



**Question 2 regarded how staff were involved in the performance measurement system. In particular, Question 2a asked who currently drafts the performance measures?**

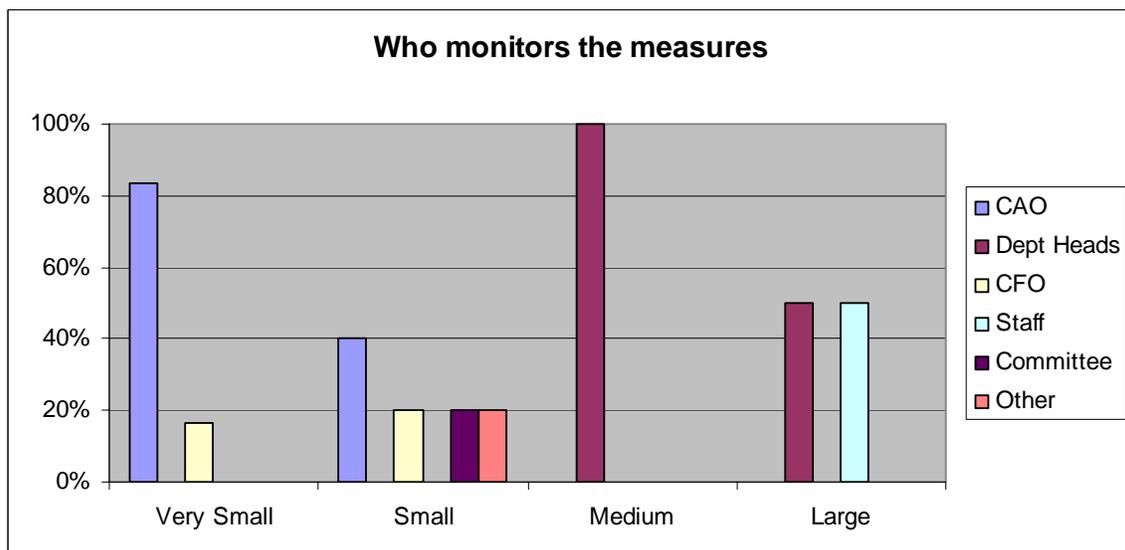
Throughout all municipalities, the Chief Administrative Officer was responsible for drafting performance measures in 33% of the total respondents. In the very small municipalities, where staff are limited to only a few full-time equivalent employees, it is not surprising to note that it was the Chief Administrative Officer who was responsible 83% of the time for the drafting of performance measures. Some of the very small municipalities surveyed replied only having the CAO and one other staff member. As the municipality became larger in employees, the responsibility of drafting performance measures fell to department heads, committees and staff. In the case of "Other", respondents reported using external consultants, and one organization had council involved in the drafting of the performance measures. Delegation of authority in the process increases as the size and complexity of the organization increases.



**Question 2b asks who monitors or keeps track of performance?**

As seen in the question above, with very small municipalities it is the CAO who is responsible 83% of the time for monitoring or keeping track of performance measures in the organization. In the 17% other cases for very small municipalities, it is the Chief Financial Officer who is designated with this task. Small municipalities had the most diversity in their response with 40% reporting the CAO was responsible, and then evenly distributed among the CFO, department heads and one small municipality reported using an external consultant in this process. Again, as the municipality grows in size and complexity, responsibility for this task falls to department heads (100% of respondents for medium municipalities stated this was the case) and it was even 50/50 split between department heads and other staff for large municipalities.

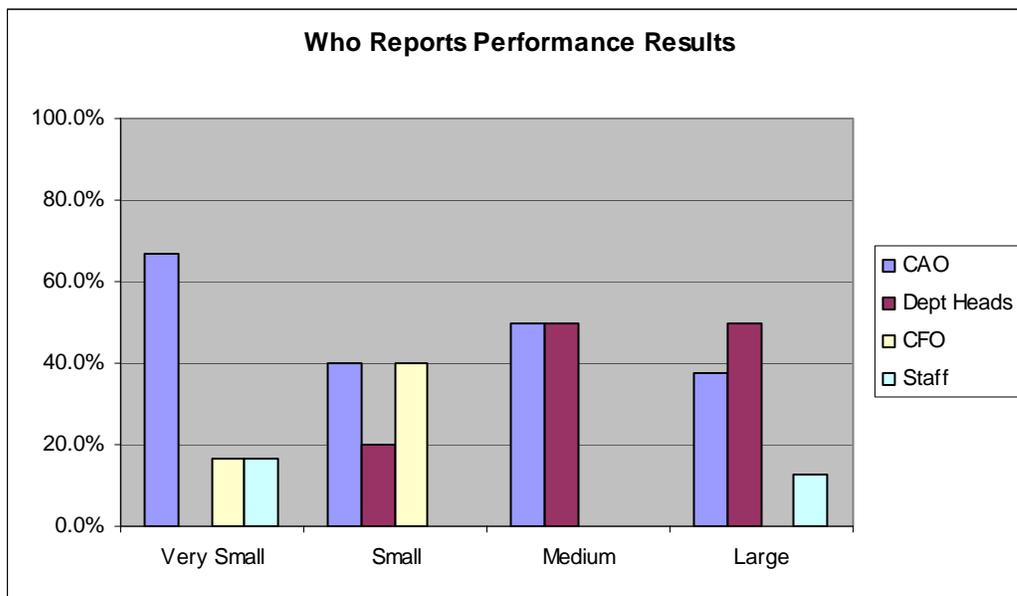
Among all municipalities, 33% stated it was the CAO who was responsible for monitoring performance measures; 29% stated it was the team of department heads; 9% reported the CFO; 19% reported staff; 5% reported a committee approach; and the remaining 5% reported using consultants.



**Question 2c asks who reports the performance results?**

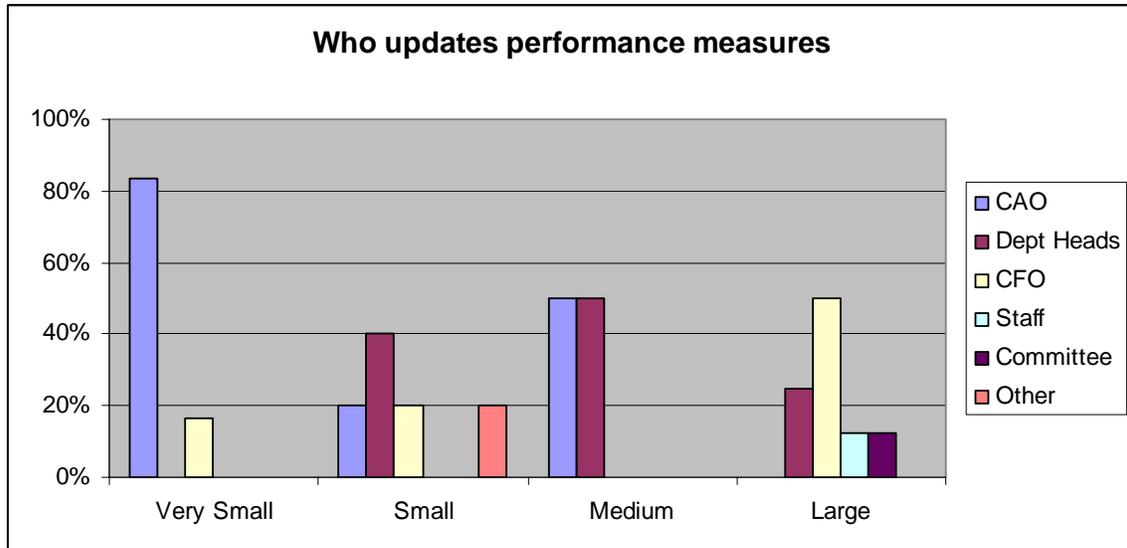
Respondents stated that it was the Chief Administrative Officer who was most often the individual tasked for reporting the performance results in 48% of the cases. In 29%, the department heads were the ones who reported the results, the CFO in 14% and the staff in 9% of the cases. Again, in the very small municipalities where staff are limited, the CAO reported the results 83% of the time. In the other cases, it was either the Chief Financial Officer, or one very small municipality reported staff being involved as well.

In the small municipalities, 40% of respondents stated the CAO, 40% stated the CFO and 20% stated department heads. In medium municipalities the task was more evenly distributed among CAOs, and department heads and large municipalities responded in a similar fashion, but with staff being responsible for 12.5% of respondents.



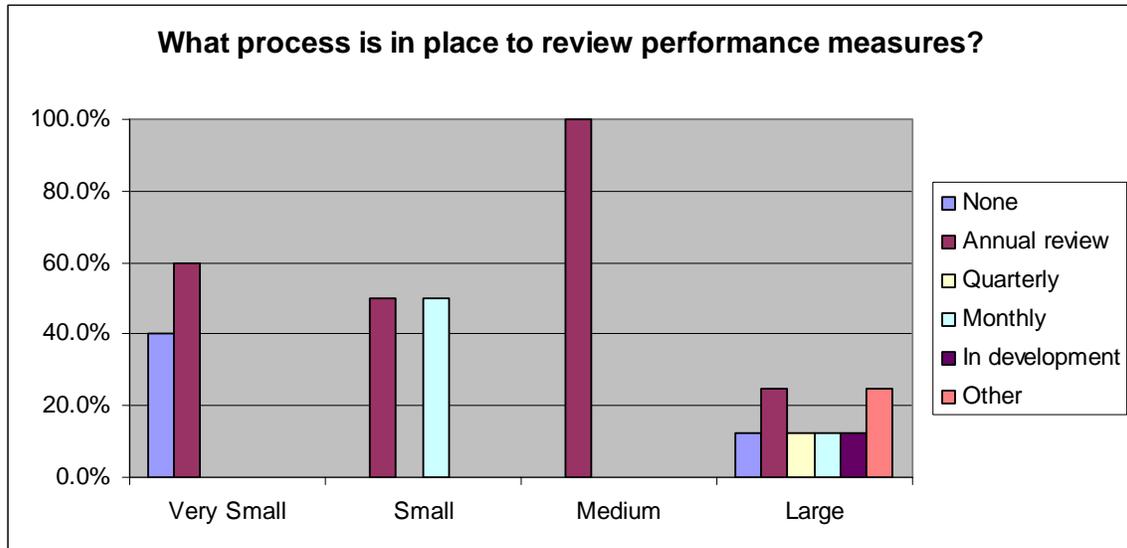
**Question 3a asks who currently takes the lead in updating the performance measures to ensure they are appropriate and relevant?**

Across all municipalities, the CAO is responsible for monitoring the performance measures in 33% of respondents, with the CFO being responsible for 29%. With very small municipalities, it is the CAO who is responsible for monitoring for 83% of respondents, with the CFO being responsible for the remaining municipalities. In the small category, department heads are responsible 40% of the time, with the remaining 60% being evenly distributed among the CAO, CFO and an external consultant. Among medium municipalities, 50% of respondents cited the CAO and 50% cited department heads. Among large municipalities, the CFO was responsible for updating performance measures for appropriateness and relevancy 50% of the time, department heads 25% and staff and committees each 12.5% of the time respectively.



**Question 3b asks what process do municipalities have in place to update the performance measures?**

Overall, 33% of respondents reporting having no process in place whatsoever to update performance measures. 42% of respondents replied they had an annual review to update performance measures. 40% of very small municipalities stating they had no particular process in place to update the measures. The majority of respondents replied an annual review to update performance measures, however, 40% of very small municipalities stated they had no particular process in place to update the measures. 60% of very small municipalities reported conducting an annual review to update their measures. Among small municipalities, 50% of respondents reported an annual review of performance measures and the other respondents reported performing a monthly update. In medium sized municipalities, 100% reporting using an annual review to update their performance measures. The most diversity in process was among the large municipalities with either no process reported by 12.5% of respondents, and the same number reported having a process that was currently in development but not in use. 12.5% stated they used a monthly review process to update the performance measures and 25% stated that each department had its own method, so there was no singular process being used across the organization.

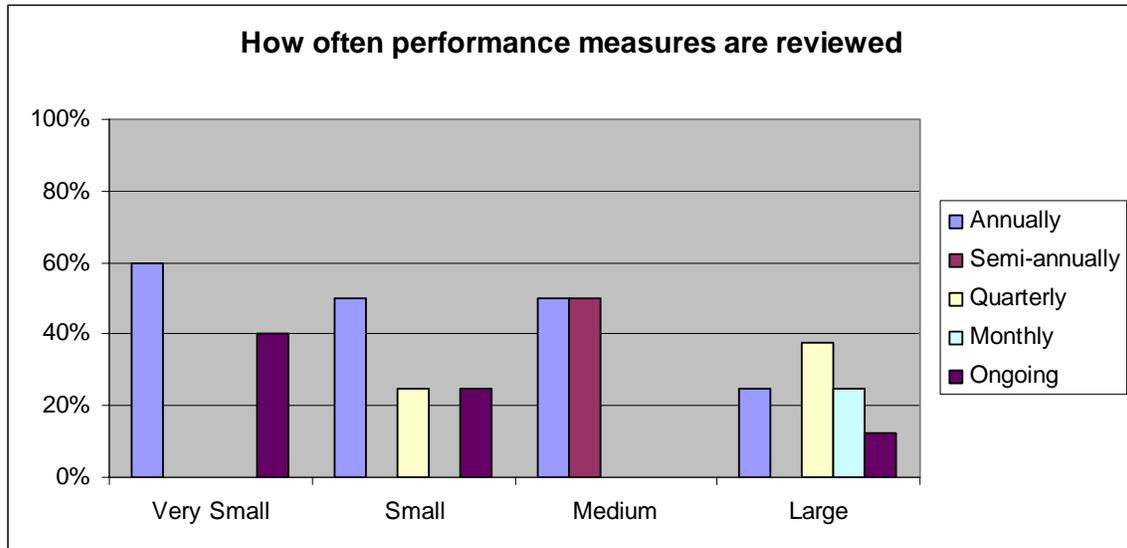


**Question 4 asked how often individuals, in their own work, reviewed performance measures or performance results?**

This question was different from the one above in that it asked the respondent directly how they reviewed measures or results in their own job, and not necessarily on the organizational level. However, in very small municipalities, this could be one and the same in the case of a one or two person organization.

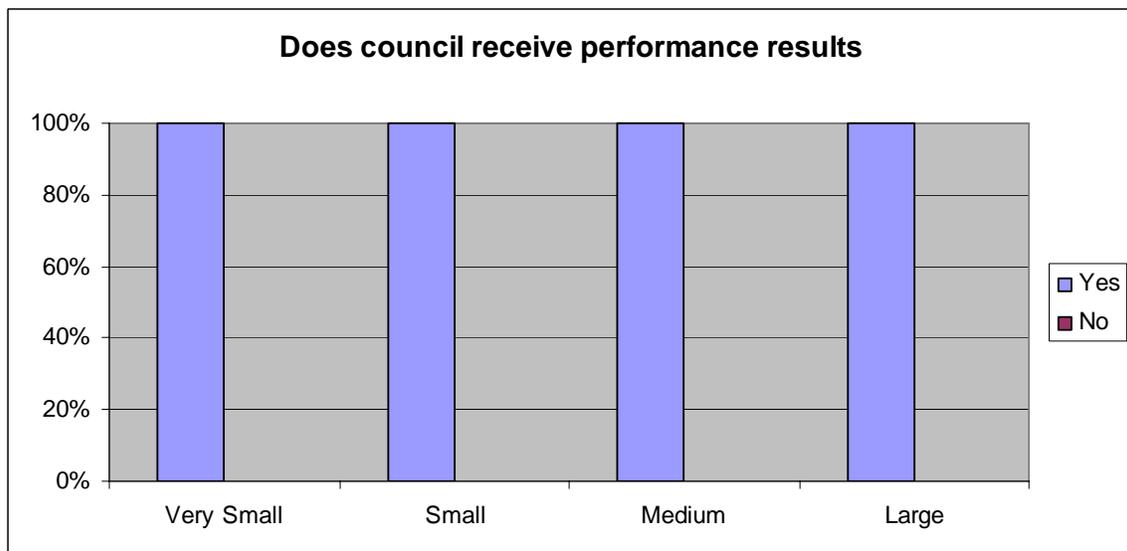
Of all municipalities surveyed, 38% reported they reviewed their performance on an annual basis; 5% semi-annually; 19% quarterly; 10% monthly and another 19% reporting ongoing monitoring.

In very small municipalities, 60% of respondents reporting reviewed performance measures or results on an annual basis. The remaining 40% reported an ongoing review. In small municipalities, 50% of respondents stated they reviewed performance on annual basis, with 25% stating it was a monthly process, and the remaining 25% reporting an ongoing review. In medium municipalities, it was a 50/50 split among an annual review and a semi-annual review. Finally, large municipalities reported the most diversity in replies with 25% reporting an annual review; 37.5% conducting a quarterly review; 25% of respondents conduct a monthly review; and 12.5% review performance on an ongoing basis in their own work.



**Question 5a asks does council receive performance results?**

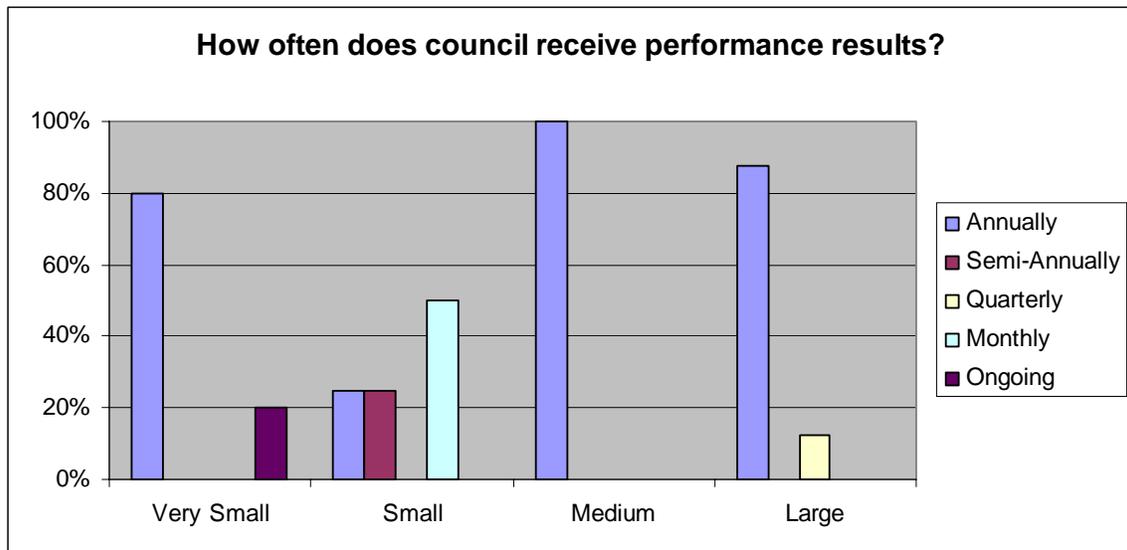
100% of all respondents, regardless of the size of the municipality, replied that council does indeed receive the performance reports. Most respondents stated that this was usually in the form of the annual report. One of the respondents reported that council received this information as part of the financial reporting process as well as through the strategic planning process.



**Question 5b asked if council did receive the performance results how often did they receive this information?**

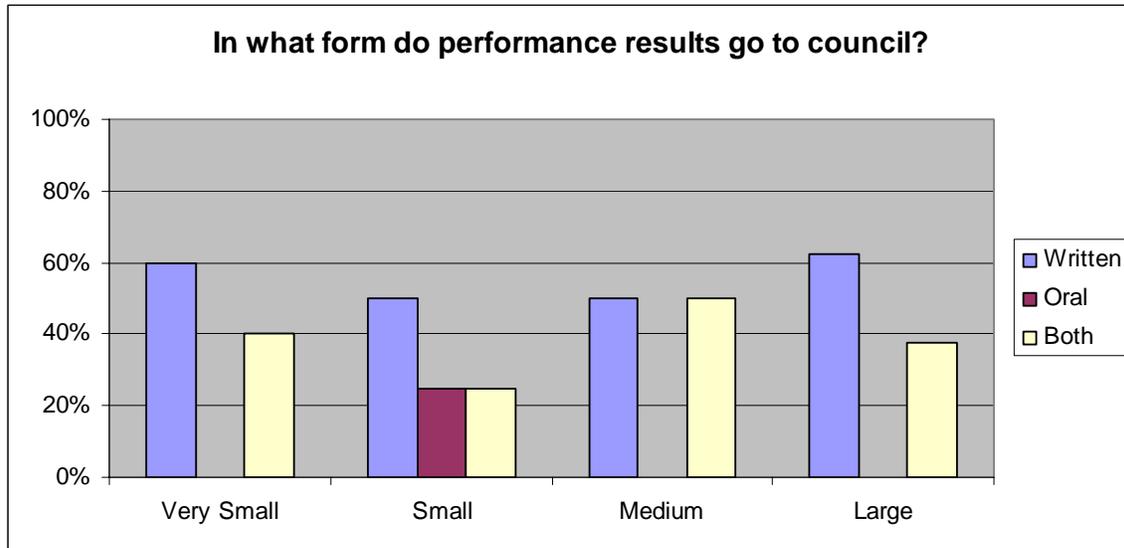
The vast majority of all municipalities (64%) reported that council received performance results on an annual basis. Among the very small municipalities, 80% stated council received performance results on an annual basis with the remaining 20% stating they were informed on an ongoing basis. Small municipalities reported council receiving information on an annual basis 25% of the time, semi-annual 25% of the time, and monthly 50% of the time. 100% of respondents from medium municipalities provided

council with annual performance. Finally, 87.5% of large municipalities informed council of performance results annually, with the remaining 12.5% giving council the information on a quarterly basis.



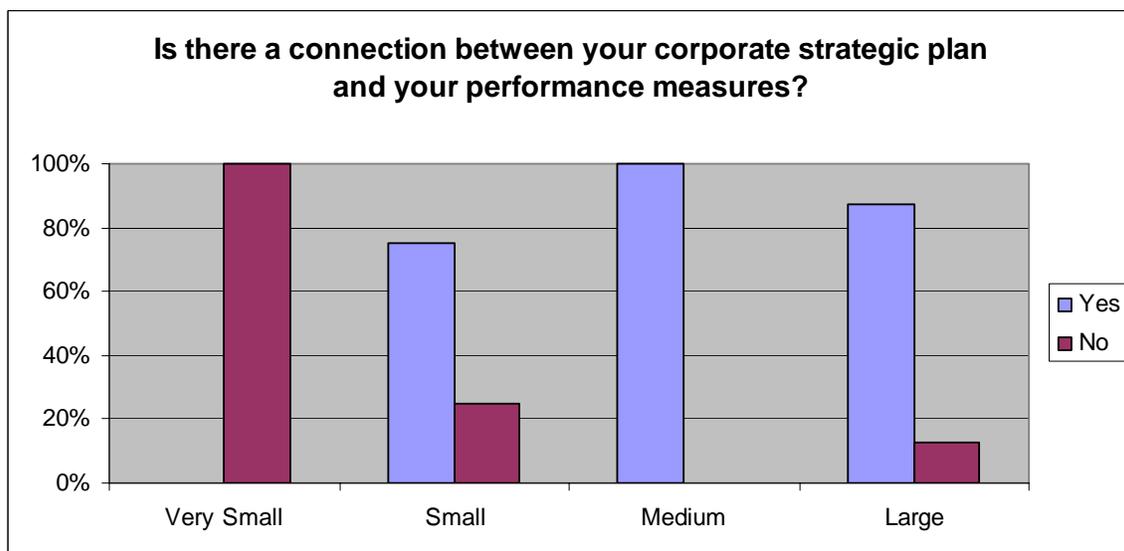
**Question 5c asked in what form do performance results go to council?**

Many respondents (62%) reported council received performance results in written form, and 33% reported receiving them in both oral and written form, while only 5% reported receiving results in oral form. In very small municipalities, 60% reported providing written information and 40% provided both written and oral feedback. In small municipalities, 25% of respondents reporting providing only an oral presentation to council, while 50% provided written and the remaining 25% provided both forms. Medium-sized municipalities provided 50% with only written and the remaining 50% of respondents provided both written and oral presentations to council. Finally, 62.5% of large municipalities provided written reports to council and the remaining 37.5% provided both oral and written presentations. The majority of all respondents stated that the written format was often the annual report itself.



**Question 5d asked if there was a connection between the organization’s corporate strategic plan and its performance measures?**

Amongst all respondents, 43% had no connection between the organization’s corporate strategic plan and its performance measures, with the remaining (57%) having a connection. This was most prevalent among the very small municipalities, with 100% of respondents reported no connection between a plan and its performance measures. 75% of small municipalities reported there being a connection, while 25% reported no connection. In this case, again there was no corporate strategic plan for those organizations. 100% of medium sized municipal respondents reported a connection. Finally, with large municipalities, again 87.5% of respondents reported a connection, but the remaining 12.5% did not have a corporate strategic plan and therefore no connection.



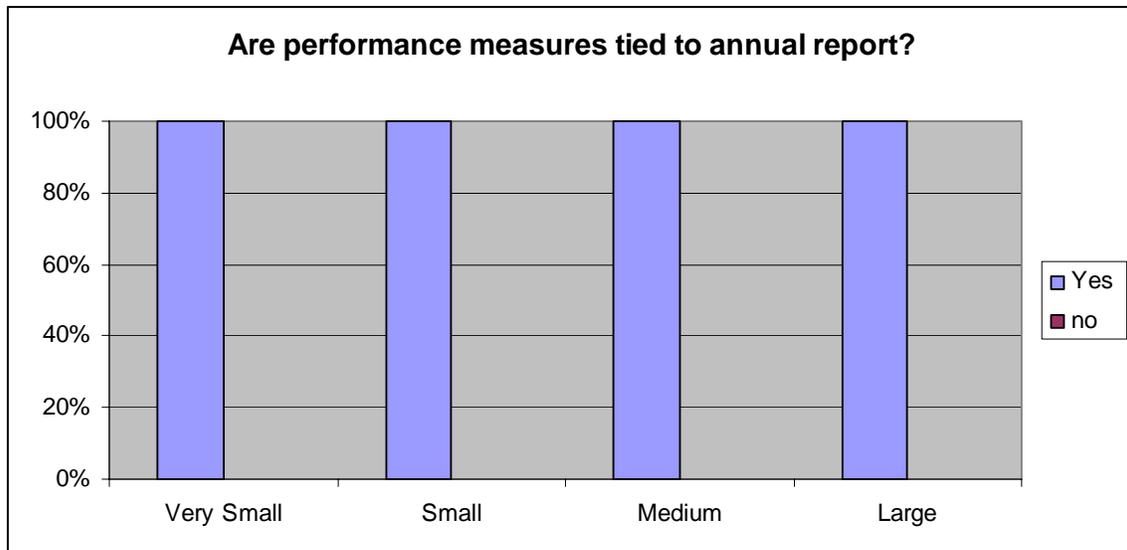
**Question 5e asked if there was a connection between the corporate strategic plan and the organization’s performance measures, what is that connection?**

100% of very small municipalities reported no connection as they did not have a corporate strategic plan. 40% of small municipalities reported the same and thereby had no connection. The following summarizes the connections for respondents:

Very Small	Small	Medium	Large
No Connection	As support to the strategic plan goals and objectives	Measures aligned to strategic goals	Each department does own, so not sure
	Whether or not goals in the strategic plan were completed or not	Council priorities float down to operational and performance measures support these	Corporate strategic plan lists priorities and goals and performance measures support these
			Macro measures in corporate strategic plan
			N/A, now focusing on the community plan

**Question 6a asks whether the performance measures tied to the annual performance report?**

100% of all respondents, regardless of the size of the municipality reported that the performance measures were tied to the annual performance report.



**Question 6b asks if so, how are performance measures selected for the report?**

Below is a summary of the respondents based on the size of the municipality. The larger the municipality the more the measurement selection was a result of a strategic planning session.

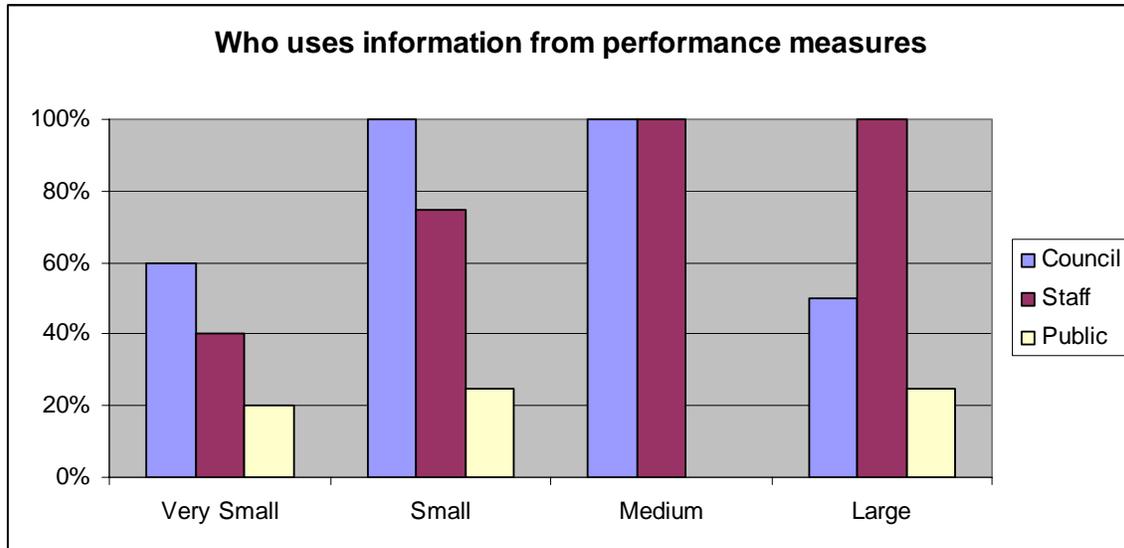
Very Small	Small	Medium	Large
Financial criteria	A retreat is held to look at goals, objectives and measures	Senior managers pick the most major measures and report on those	Importance and relevancy
Group consultation	To demonstrate whether projects are done or not done	The ones that support the goals in the annual report	Based on the corporate strategic planning session
			Measures support the goals and objectives
			No specific criteria at the moment

**Part 2 – Uses of performance measures**

This part consists of four questions regarding who uses the information generated from the performance measures and how; How do managers and staff use the information; How do elected official use the information, and finally; How do citizens and other groups in the community use performance information.

**Question 7a asked who uses the information generated from the performance measures and how?**

The majority of all respondents (63%) reported that staff was the most prominent user of information generated from the performance measures; 53% of all organizations reported council's use of the information and the public use of the information was 21%. The larger the organization, the more staff used the information. In very small municipalities 40% of staff used the information, as opposed to 75% in small and 100% in medium and large municipalities. Council was reported as using the information in 40% of very small municipalities, 100% of both small and medium municipalities saw council using the information generated by performance measures and 50% of large municipalities reported council using the information. 20% of very small municipalities reported the public using the information. 25% of small municipalities responded in this regard as well. Finally, 25% of large municipalities also reported the public used the information generated from the performance measures.



In regards to how these groups used the information generated by the performance measures, very small municipalities stated that they used the information via the annual report. One respondent stated that it was too soon to know how the information was being used. Respondents from small municipalities stated that oftentimes the information was used by council to elevate issues and used by staff to maintain direction. Respondents from small municipalities reported the public using the information in town hall meetings. Medium sized municipalities reported that the information generated by performance measures was used internally by council and staff as a way to determine effectiveness of staff services. Finally, large municipalities reported that the information was used primarily in the same way as medium municipalities, as well as during the budget process as a method to request more funds for projects. The public in large municipalities used the information again in town hall meetings and advisory committees.

**Question 7b asked how do municipal managers and staff use the information?**

This question, for the most part, saw a repeat of the answers given in 7a. The answers to this question can be summarized as follows:

Very Small	Small	Medium	Large
Use it to request more money	A way for managers to appreciate what projects are competing for limited resources	As a tool to evaluate services, but only in the beginning stages	Check alignment
Guide to advance projects and improve operations	Use it examine funds and see if on track	Annual performance evaluation process	Tool to measure effectiveness
	Check alignment		Bench marking purposes

**Question 7c asks how do elected officials in your municipality use the information.**

Among respondents, councils tend to use the information generated by the performance measures as a way to monitor finances. Others reported council merely receiving the information as part of the annual report and their interest in the information ended there. Others used it as a way to evaluate the Chief Administrative Officer. The following is a summary of the responses.

Very Small	Small	Medium	Large
To ensure projects council deemed are important are completed	Used to evaluate CAOs performance	As part of the budget	As a comparison to other municipalities
Too soon to know	As part of the annual report		Monitor progress
To make sure funds are being spent appropriately	To make sure funds are being spent appropriately		As part of the annual report
			Don't know

**Question 7d asks how do citizens and other groups in the community use the performance information.**

Most respondents were not aware how citizens and other groups in the community used the information generated by the performance measures. The majority of respondents commented that the extent of their knowledge was that the annual report was made public and citizens had access to that information. The larger the municipality, the more citizens appeared to be using the information. Respondents from large municipalities commented that advisory groups and community associations used the information depending on the issue.

Very Small	Small	Medium	Large
Don't know	Don't know	Don't know	Don't know
They receive the annual report	Present annual report at a public meeting but no one comes	The information is in the annual report, but don't know how citizens use it	Advisory groups provide feedback and input back into the performance measures
			Depends on the issue, but community associations use the information

**Part 3 - Looking to the Future**

This part consists of four questions that focus on engaging council and citizens in the performance management process. In particular, what would be needed to further engage elected officials in the development and use of performance measures; What would it take to better engage citizens in the process as well and are there any examples of citizen engagement; How would elected officials feel about more citizen engagement in the performance measurement process, and finally; How would managers and staff feel about more direct citizen involvement in the development of performance measures and assessing the performance results for programs and services delivered in the community?

**Question 8 asks what would it take to better engage elected officials in the development and use of the performance measures?**

The majority of respondents stated time restrictions as being the number one obstacle to engaging elected officials in the development and use of the performance measures. Others stated that further engagement was not necessary – either because no one seemed to be asking for more involvement and thereby it was assumed council was satisfied, or because council preferred to be at arms’ length. Very small municipalities stated that financial limitations restricted council from being more engaged.

Other municipalities commented that they were working on this issue either by hosting retreats with council or that they wanted to further engage elected officials with some kind of workshop. These respondents however, were in the minority.

Very Small	Small	Medium	Large
So limited with the budget, don't know what to do	Need to get buy-in from council that this is worthwhile	Would like to have a retreat	Workshops would be good
Too soon to answer	Not necessary – no one is asking for more information		Need to tie the measures into the corporate strategic plan
Opportunity to make things better, but don't know what to do	Council not interested because of time constraints		Council prefers to be at arms length
	Had a retreat and it worked well, so will probably do again		Council satisfied with the way things are
			Council doesn't have enough time

**Question 9 asks what would it take to better engage citizens in their community in the performance measurement process? An example of engaging citizens would be to hold focus groups to find out what performance measures citizens would want to see. Are there any examples of citizen engagement?**

Most of the very small municipalities didn’t know what could be done and did not have any methods to engage citizens. One respondent also replied there was no need as the current performance measurement process was working well and didn’t feel it would benefit from citizen engagement. More examples of citizen engagement occurred as the municipalities became larger. Respondents from small municipalities stated they would be interested in further engagement, but didn’t know what to do. One small municipality said it was currently engaging citizens in their capital plan and it was working quite well. Another respondent stated citizens were engaged in via the community plan.

Medium-sized municipalities were currently engaging citizen via website surveys and a residential satisfaction survey. Larger municipalities felt for the most part that they were doing enough to engage citizens by using feedback through community groups, open houses, focus groups, and citizen and business surveys. Other respondents from large municipalities however, stated that there was no need to further engage citizens as they did not get a good response from public meetings. One respondent commented that they didn’t want to engage citizens without first getting more strategic direction.

Very Small	Small	Medium	Large
Don't know	Citizens are engaged in capital plan	Currently have website surveys	Have a network of feedback through community groups that works well
Too soon to answer	Would like to engage citizens more, but don't know what to do	Citizen engagement is more around issues. Currently have residential satisfaction survey	Don't want to engage citizens without more strategic direction first
Current process is working, don't need more engagement	Citizens are engaged in community plan		Currently have open houses and focus groups
			Conduct citizen survey every 3 years and a business survey. Want to alternate years.
			Don't want to engage citizens more – we don't get good responses from public meetings
			Have advisory groups, but it's a challenge to get the public involved

**Question 10 asks how would elected officials feel about more direct citizen involvement in the performance measurement and performance results process?**

Some respondents, regardless of size, appeared hesitant to be answering on behalf of council. Some said they would get a different answer depending on who was asked. Respondents from the very small municipalities stated that council would be interested in pursuing more citizen involvement if they felt citizens would be interested. Respondents from the small municipalities stated that for the most part they did not know how council would react. One respondent stated that council would indeed be interested, but are usually quite chagrined when no one shows up to public meetings. Medium municipalities were interested, but one respondent felt citizens would not engage significantly to make it worthwhile. Finally, large municipalities felt council overall would be interested in more direct citizen involvement in performance measurement and the results process, but others felt council was currently satisfied and felt it unnecessary to engage citizens further, citing the voting process was enough.

Very Small	Small	Medium	Large
Just started	Can't speak for council	Would prefer it	Don't know
Wouldn't mind doing it if the public was interested	Would probably get a different answer from each councilor	Sounds good, but realistically public will not engage significantly in this type of exercise	Would probably get a different answer from each councilor
Suspect council is currently happy but would encourage more citizen involvement	Yes, usually chagrined when no one shows		Some want more, others feel citizens engaged enough in voting process
	Would be a lukewarm response but is getting better		Council comfortable with current level of feedback
			Council would prefer it

**Question 11 asks how would their local government managers and staff feel about more direct citizen involvement in developing performance measures, and assessing the performance results for programs and services delivered in the community?**

Overall, respondents felt that managers and staff would be interested in having more direct citizen involvement in developing performance measures and assessing the performance results for programs and services delivered in the community. The very small municipalities felt this would be acceptable, with the exception of one respondent stating it was too soon to know the answer. Many of the large municipalities also felt it would be a positive endeavor. However, there was some resistance to the idea. For the most part, the small municipalities felt there was more than enough to do and further engagement was not realistic at this time. Other cited the quality of the input that would be received. One respondent stated that it would be worthwhile if the public were educated on issues facing government. One respondent from the medium municipalities echoed that sentiment further by saying it would be good if the input was representational of the community and not just special interest groups. Many of the large municipalities felt they did a lot currently to engage citizens, and some respondents felt that a lot of energy was put into preparing for input from the public, but then would be frustrated when no one showed up.

Very Small	Small	Medium	Large
Too soon to answer	Don't know	Would prefer it	Don't know
They wouldn't have a problem with it, if the public was interested	Problem is resources. Day to day is enough. For under 25,000 it's just not realistic. All we can do to just do the financial plan	Would be good if input was representative of overall community as opposed to a select group	Those that have done public input processes often spend lots of time preparing for public input and then no one shows up
Suspect mgmt is currently happy but would be positive about more involvement	If public was educated, would be more open to it		Feel current level of involvement appropriate
	CAO would like it, staff not interested		Doubt it would be positive
			Mgrs feel they do a lot to engage
			Yes - very open to it
			Satisfied - feel they get enough input