



OFFICE OF NEIGHBORHOOD INVOLVEMENT:
Clearer goals and more comprehensive measures
needed to improve accountability

A REPORT FROM THE CITY AUDITOR
June 2008



Office of the City Auditor
Portland, Oregon



CITY OF
PORTLAND, OREGON

OFFICE OF THE CITY AUDITOR
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June 12, 2008

TO: Tom Potter, Mayor
Sam Adams, Commissioner
Randy Leonard, Commissioner
Dan Saltzman, Commissioner
Amalia Alarcon de Morris, Director, Office of Neighborhood Involvement

SUBJECT: *Audit – Office of Neighborhood Involvement: Clearer goals and more comprehensive measures needed to improve accountability* (Report #363)

Attached is Report #363 containing the results of our audit of the Office of Neighborhood Involvement, and its development of performance measures. The goal of developing these measures is partly to include them as a chapter in the annual Service Efforts and Accomplishments report published by the Audit Services Division.

Mayor Potter and ONI Director Amalia Alarcon de Morris have responded to the audit. We have included their written responses at the back of this report.

We make several recommendations in the report, and as a result we ask the Office of Neighborhood Involvement, through their commissioner-in-charge, to provide a status report on implementation of those recommendations within one year.

We appreciate the cooperation and assistance we received from the Office of Neighborhood Involvement staff as we conducted this audit.


GARY BLACKMER
City Auditor

Audit Team: Drummond Kahn
Ken Gavette
Shea Marshman

Attachment

OFFICE OF NEIGHBORHOOD INVOLVEMENT:

Clearer goals and more comprehensive measures
needed to improve accountability

Background The City budget states that the overall purpose of the City's Office of Neighborhood Involvement (ONI) is to facilitate open, inclusive discussions about important civic issues among the City's residents, government agencies, and businesses. Through discussions with ONI managers, we discovered that it is more accurate to say that ONI's purpose is to enhance community participation, provide education, and improve residents' access to City Hall or impact livability. ONI does this by administering a variety of programs with 37 full time equivalent staff and a FY2007-08 budget of \$6.5 million. Chief among its programs is the Neighborhood Resource Center, which works with a city-wide network of 95 Neighborhood Associations, seven district coalition offices, and 40 business district associations.

ONI has a long history of providing a neighborhood framework for civic discussion. The Bureau was created by City Ordinance in 1974 and has been cited as one of the exemplary community involvement programs in the nation. However, significant change is anticipated in the near future.

Recently, ONI, the Mayor's Office, and community members developed Community Connect, a five year plan to increase community involvement in Portland. Community Connect includes eight recommendations designed to increase the number and diversity of people who are involved in communities, strengthen community capacity, and increase community impact on public decisions. These recommendations may significantly affect the way ONI delivers services to neighborhoods. Therefore, ONI's goals may need to be revised to reflect the broad mandate of Community Connect.

Figure 1 Office of Neighborhood Involvement's programs

Program Name	Staff	Adopted Budget 2007-08	Responsibility
Administration	3	\$408,200	Promote the sound and responsive management of ONI's fiscal, personnel, and policy issues
Information & Referral	6	\$447,173	Provide assistance via walk-in, telephone, and email contact with community members seeking access to public services
Neighborhood Livability Services	3	\$797,800	Provide a range of problem-solving tools and resources to address neighborhood livability and nuisance problems
Crime Prevention	16	\$1,294,334	Get neighbors involved in community policing efforts through collaborative efforts to address crime and livability issues
Neighborhood Resource Center	9	\$3,468,262	Enhance the quality of neighborhoods through community participation
Total	37	\$6,415,769	

Source: FY 2007-08 City of Portland Adopted Budget

ONI management also expressed an interest in developing and implementing performance measures. City Council allocated \$50,000 for this effort. We encourage City bureaus to join the Auditor's Office city-wide performance reporting efforts. In addition, we strongly encourage every bureau to develop a logical, well-reasoned set of performance measures that allow them to report progress toward stated goals in the City budget and other public documents.

Objectives, Scope and Methodology

The purpose of this audit is to assess the current state of ONI's system for measuring and reporting its performance, and to make recommendations for improvement. This work is in preparation for developing a chapter for ONI in our annual Service Efforts and Accomplishments (SEA) report, and was included in our audit schedule.

To accomplish this objective, we reviewed documents from a variety of sources including the City budget office, the League of Women Voters, the Community Connect committee, the Neighborhood Associations, the ONI FY 2007-08 Work Plan, and ONI's website. We conducted staff interviews to gain an understanding of day-to-day operations in each of the major programs. In addition, we attended five Neighborhood and Coalition meetings.

We also facilitated a series of performance measurement training and work sessions with nine ONI staff members and managers. The Bureau members who participated in these sessions made up the Performance Measurement Committee (PMC), which was intended to give ONI staff and managers a foundation for conducting on-going evaluations of their performance measures. The PMC meetings also helped us gain a more in-depth understanding of ONI's programs, its current data collection systems, and how they might be improved to facilitate better performance measurement in the future. The committee met three times for a total of over seven hours.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and a conclusions base on our audit objectives.

What are good performance measures?

Performance measures are important to government as a means of providing accountability for the services rendered. Because government has no central measure equivalent to the bottom line profit margin found in business, it is necessary for government to report on the outputs and outcomes of services and the relationship of resources to the outcomes.

The following characteristics of good performance measures and measurement reporting are based on the suggested criteria of the Governmental Accounting Standards Board (GASB), and Audit Services' seventeen years of experience publishing the SEA report.

Good performance measures:

- Relate to mission, goals and objectives of the organization
- Focus on results not processes
- Use a limited number of key indicators
- Should be balanced, including several types of measures (i.e., workload, efficiency, and effectiveness)
- Integrate existing data collection systems where possible
- Use reliable data
- Are timely
- Stress simplicity in both data collection and reporting
- Include comparisons to targets and external entities
- Are supported by data that is relatively inexpensive to collect

Audit Results **ONI's mission statement is not comprehensive and may need to be expanded.**

Performance accountability requires clear linkages between mission, goals, and performance measures. In order to ensure that performance measures capture and report the right information, they should be directly tied to a higher level mission and set of goals. If the connection between an agency's mission and its goals is not logical, there is no assurance that the agency is achieving its intended results or that tax money is being spent wisely.

A *mission statement* is a brief, encompassing statement of purpose that establishes the organization's reason for existence. The mission statement succinctly states what the agency does, why, and for whom.

ONI's current mission statement: Enhance the quality of Portland's neighborhoods through community participation.

Since its inception, ONI's responsibilities have expanded significantly beyond the original concept of providing a framework for civic discussion. For example, information and referral responsibilities, crime prevention activities, and various neighborhood livability programs have been added. Broadly, however, these activities fit into ONI's basic purpose because management has integrated some degree of community participation, education, and enhancements to residents' capacity to access City Hall or to impact neighborhood livability into each of these new additions.

Although ONI's mission generally contains the basics of a good mission statement, it is not comprehensive because it does not reflect the full scope of ONI's responsibilities.

During our meetings with staff and the PMC we learned that ONI is responsible for more than just community participation. In addition, staff members engage in specific problem solving activities such as graffiti removal, mediation of issues between neighbors, and certifying apartment owners in property-centered crime prevention techniques. We acknowledge that it is difficult to craft a specific mission statement for a bureau with such a broad mandate. In order to more fully describe ONI's responsibilities, its mission statement may need to be expanded or refined through a formal strategic planning process that involves both staff members and community stakeholders.

Key bureau-level goals for ONI have not been developed, and program goals may be too numerous to provide specific direction toward the attainment of measurable outcomes.

Goals direct more detailed organizational planning. They are more specific than the mission statement, but remain general enough to allow for creativity in devising means to accomplishing them. Goals at the organization level may provide the rationale for the establishment of a program. At the program level, goals are even more specific since they are usually closely related to program activities.

ONI is organized into four distinct operational program areas. Managers told us it is very difficult to identify overarching Bureau-wide goals that represent the specific work that is done in each program.

Therefore, ONI's published goals are directly associated with individual programs rather than the Bureau as a whole. This creates a disconnection between the goals of the programs and the mission of ONI, which makes Bureau-wide accountability more difficult.

In place of Bureau-wide goals, ONI's website lists values like: embrace diversity, understanding, and mutual learning. While these values are essential elements of ONI's work, unlike goals, they do not provide sufficient direction for detailed organizational planning.

Although we found program-level goals in various documents including the budget, the ONI FY2007-08 Work Plan, and the ONI website, there are inconsistencies between the program goals listed in ONI's FY2007-08 budget and the FY2007-08 Work Plan. There are differences in the way that goals are stated. Many of the goals do not provide the basis for measurable outcomes. In addition, there are goals in the Work Plan that do not appear in the budget. When combined, the goals are too numerous to be tracked easily. Therefore, it is unlikely that managers will be able to make decisions based on a well defined organizational strategy.

Existing measures are not comprehensive, are weighted toward workload, and contain few efficiency or effectiveness measures

In general, there are three major types of performance measures. They correspond to budget instructions issued by the Office of Management and Budget. These measures are:

- Workload – indicates the amount of work done, or demanded. Example: Number of calls processed.
- Efficiency – measures the relationship of resources used to results obtained. Example: Cost to answer each call.
- Effectiveness – measures the extent to which an organization meets an objective. It measures actual results. In many cases, these can be thought of as measures of quality of service delivery. Example: Percent of calls answered within 25 seconds.

A good measurement system has a mix of these three types, but focuses on effectiveness measures. Taken together, the measures should reflect the major work and expenditures of each program.

There is no absolute right or wrong method of labeling measures by type. Some measures may fit into more than one category. Also, there is no set number of measures for each category. However, there should be a reasonable balance between the three types of measures.

It is clear that ONI's current set of performance measures is heavily weighted toward workload measures with little emphasis on efficiency or effectiveness. Of the measures reported in the City's FY2007-08 budget, 10 are workload, 2 are efficiency, and 2 are effectiveness (See Figure 2). Further, the few existing effectiveness measures do not necessarily meet the standards for good performance measures, and should be more properly classified as workload.

In its FY 2007-08 budget, ONI lists several items that could be considered to be effectiveness measures under the heading of "Performance". For example, Information and Referral's goal of answering 90 percent of calls in less than 25 seconds, and having less than 25 percent of calls abandoned would be considered measures of effectiveness. That is, they measure the quality of how Information and Referral is performing its core responsibility.

However, most of the items listed under "Performance" in the budget would be considered strategies, or actions ONI will take to achieve an objective, not a measure of the achievement of the objective itself. An example is Crime Prevention's "Performance" task of "organizing Public Safety Action Committees." This is commendable task, but it is a specific action that will be used to achieve a level of effectiveness, not something that can be used to judge effectiveness itself. That is, the committees will be used as a means of increasing public involvement (effectiveness) and hopefully, decreasing crime (effectiveness).

Figure 2 ONI goals and performance measures prior to the Performance Measurement Committees Work

	Goals	Workload	Efficiency	Effectiveness
Crime Prevention	Ensure a safe and peaceful community and improve the quality of life in neighborhoods	Number of Neighborhood Watch programs developed and maintained		
Information and Referral	Improve quality of life in neighborhoods by providing neighborhoods and citizens with simplified access to thousands of government and nonprofit services	<ul style="list-style-type: none"> • Number of calls and email inquiries received • Numbers of calls and email inquiries responded to 		
Administration	Improve quality of life in neighborhoods by insuring that the bureau is responsive to implementing recommendations from a variety of initiatives and implementing and monitoring the effectiveness of revised ONI standards		<ul style="list-style-type: none"> • Administrative staff as percentage of total bureau staff • Administrative budget as percentage of total bureau budget 	
Neighborhood Resource Services	<ul style="list-style-type: none"> • Strengthen and develop community partnerships • Provide communication links between community and bureaus • Promote outreach and leadership development • Increase capacity for resource development 	<ul style="list-style-type: none"> • Number of community involvement projects or events initiated, maintained, or completed • Number of technical assistance contracts with neighborhood associations and the public • Number of efforts to involve traditionally underrepresented groups such as communities of color, renters, and elders in neighborhood association and coalition activities 		<ul style="list-style-type: none"> • Number of people reached through community newsletter and communication efforts • Number of attendees at leadership development events and activities
Neighborhood Livability Center	Improve quality of life in neighborhoods by coordinating the delivery of services and programs that provide a range of problem-solving tools and resources to address and provide relief of neighborhood livability and nuisance issues	<ul style="list-style-type: none"> • Mediation case intakes • Number of liquor license applications processed • Number of graffiti tags removed • Number of residential siting cases needing conflict resolution 		

ONI staff are dedicated to improving measurement, accountability and reporting

During our audit fieldwork, we experienced an enthusiastic response from ONI staff. They appeared eager to engage in the process through which they would be able to communicate their work to the public and to policy makers. In setting up the PMC we had more ONI volunteers than we could use, despite the potential for a fairly significant amount of time and effort for the project.

ONI has also recently hired an internal consultant to focus efforts on performance measures for the Neighborhood Resource Center (NRC), which is undergoing potentially significant changes as a result of recommendations from the Community Connect effort. Therefore, we decided the PMC would primarily focus on the other three operational programs (Crime Prevention, Information and Referral, and Neighborhood Livability Services).

With the exception of the NRC, the Graffiti Abatement Section of Neighborhood Services, and some effectiveness measures for Crime Prevention, PMC members and the auditors made significant progress in rounding out the performance measures needed for an ONI SEA report chapter (See Figure 3). We understand that methodological barriers may stand in the way of data collection for these two areas. However, we believe that ONI managers, working closely with line staff who have the most in-depth knowledge of day-to-day operations and data collection needs, can mitigate these potential barriers in all program areas. In addition, we are confident that the expertise provided by the internal consultant can result in reliable performance measures for the NRC.

Recommendations

The performance measurement training and work sessions attended by ONI staff and managers provided the basis for understanding and developing good performance measures. Combined with ONI management's readiness to improve accountability and reporting, ONI is able to continue work to develop performance measures for improved public reporting. The following recommendations are intended to build on the efforts made by the staff during the audit period and on the work of the internal consultant who is specifically working on issues related to the Neighborhood Resource Center.

In order to complete a good, reliable set of performance measures ONI should:

1. Continue internal work on improving performance measures in order to develop a complete chapter for the SEA report.

Auditor's Office staff will be available periodically to review staff proposals or offer technical assistance. Specifically ONI should:

- Focus efforts on the Neighborhood Resource Center. This unit is the single largest cost center for the bureau, is at the heart of ONI's mission, and is undergoing potentially significant changes resulting from the Community Connect report.
- Expand on the work of the PMC by developing more complete measures of efficiency and effectiveness for all programs. We believe managers and staff, working together with the internal consultant, will be able to overcome methodological issues faced by the committee.

2. Consider conducting a formal strategic planning process to refine ONI's mission statement and bureau-level goals.

City staff, elected representatives, and stakeholders should be involved. Previous work done to develop performance measures should be integrated into the process so the mission, goals and measures are all linked. In the meantime, work on performance measures can proceed.

- Although some of ONI's work is difficult to measure since its work products are less specific than other City services such as street paving or emergency response, we conclude that with clearer goals, ONI can make considerable progress in measuring performance.
- ONI is built upon the mandate that community stakeholders will have a strong voice in its practices. Therefore, strategic planning should include a representative group of community members. We realize that such a task will be difficult and take time. However, a focus on an inclusive, succinct mission and a limited number of broad, overarching goals will facilitate on-going efforts to clearly identify reliable performance measures.

Figure 3: Performance measures based on the recommendations of the Performance Measurement Committee

Potential Bureau-Wide Measures
<ul style="list-style-type: none"> • Crime rates by District Coalition • Percent of the population who participated in a Neighborhood Associations/District Coalition activity in last 12 months • Percent of the population aware of Neighborhood Association/District Coalition Activities • Of those in crime prevention programs, percent who feel better prepared to prevent crime • Percent who feel they know how to participate in neighborhood and city issues that are important to them

CITY GOAL:
 ...improve the quality of life in neighborhoods...

BUREAU MISSION:
 The mission of the Office of Neighborhood Involvement is to
 ENHANCE THE QUALITY OF PORTLAND'S NEIGHBORHOODS THROUGH COMMUNITY PARTICIPATION

|-----|

Bureau Goal(s): _____

|-----|

Bureau Goal(s): _____

	Crime Prevention	Information & Referral	Neighborhood Livability Services
Workload	<ul style="list-style-type: none"> • Annual Spending • Annual staffing • Number of neighborhood watches • Number of trainings and attendance • Number of Enhanced Safety Properties (ESP) programs • Number of new ESP programs • Number of active Public Safety Advisory Committees (PSAC) 	<ul style="list-style-type: none"> • Annual Spending • Annual staffing • Number of calls answered • Number of referrals • Number of walk-ins • Number emails received • Number of emails responded to 	<ul style="list-style-type: none"> • Annual Spending • Annual staffing • Number of liquor license applications, by type (new vs. renewals) • Number of temporary liquor license applications • Number of liquor license information mail-outs • Number of complaints a license locations • Number of time, place, manner violations • Number of graffiti reports • Number of referrals for graffiti cleanup • Number of mediation cases • Number of siting cases
Efficiency (with targets)	Cost per attendee	Cost per FTE	<ul style="list-style-type: none"> • Cost per liquor license by type • Cost per mediation case
Effectiveness (with targets)	<ul style="list-style-type: none"> • Number of neighborhood watches established as percentage of trainings done • Number of ESPs as percentage of total potential city-wide • Percentage of those trained who thought the training was useful 	<ul style="list-style-type: none"> • Percent of calls answered in less than 25 seconds (GOAL=90%) • Percent of calls abandoned (GOAL=<5%) 	Percent of graffiti cleared, of total reported

RESPONSES TO THE AUDIT



Office of Mayor Tom Potter
City of Portland

MEMORANDUM

June 5, 2008

To: Gary Blackmer
City Auditor

From: Mayor Tom Potter

Re: ONI Response to the Final Draft of the Office of Neighborhood
Involvement Performance Measurement System, Report #363

Thank you for the opportunity to review Report # 363. Your audit was thorough in research, clear in methodology, and recognized the dynamic issues underlying the Office of Neighborhood Involvement and its application of performance measures. I also appreciate your consideration of the Community Connect product "The Five Year Plan to Increase Community Involvement," as well as information from other stakeholders like Neighborhood Associations and the League of Women Voters.

I concur with the suggestion to develop stronger bureau-wide goals and will encourage the Director to lead a process to do so. Additionally, my office will work with ONI staff to ensure development of comprehensive efficiency and effectiveness measures.

ONI has committed to revisiting their mission statement with an eye towards being more comprehensive. Furthermore, I believe that establishing excellent bureau-wide goals, as recommended in your report, can lead to the clarity of direction in addition to a clearer mission.

I would like to honor and recognize the commitment to community involvement, urban livability, and good governance that reside within ONI. The report noted "an enthusiastic response from ONI staff," during audit fieldwork. This reflects the values and work ethic that I have frequently observed from this bureau. I commend ONI staff and management for their outstanding work.

Again I thank you for the impressive work of your team, the value-adding collaboration with ONI staff, and the Auditor's Office commitment to accountability.



CITY OF

PORTLAND, OREGON

OFFICE OF NEIGHBORHOOD INVOLVEMENT

TOM POTTER, MAYOR

Amalia Alarcón de Morris, Bureau Director
1221 SW 4th Avenue, Room 110
Portland, Oregon 97204

Enhancing the quality of Portland's Neighborhoods through community

MEMORANDUM

DATE: May 29, 2008

TO: Gary Blackmer, City Auditor

FROM: Amalia Alarcón de Morris, ONI Bureau Director 

SUBJECT: ONI Response to the Final Draft of the Office of Neighborhood Involvement Performance Measurement System, Report #363

Thank you for the review of our programs and recommendations included in your recent audit of ONI's performance measurement system (Report #363), as well as for giving us the opportunity to respond. Much of what is noted in your report is quite timely.

Recently, the City completed a nearly two-year process to review and recommend improvements to City public involvement practices. The report, titled The Five Year Plan to Increase Community Involvement, presented recommendations for year-one implementation strategies, which formed the basis of ONI's budget request in FY 2007-08. With these new initiatives comes the need to have performance measures that document the impact of our programs. To that end, the Budget Work Group of our ONI Bureau Advisory Committee (BAC) advocated for, and received a budget allocation in FY 2007-08 to focus on developing significant effectiveness performance measures for ONI and its partner programs. We have hired a staff person who is currently working with ONI partners and staff to develop these measures. We hope to have this work completed by October of 2008.

While The Five Year Plan to Increase Community Involvement gave us year-one implementation strategies, it recommended the City undertake a process to convert broad recommendations into strategic actions for years two through five. Therefore, part of our work plan for FY 08-09 is to engage City staff and the community in a broader conversation to develop this strategic plan. We expect this process will yield the ONI bureau-wide goals that your report recommends and will inform the development of our performance measures. This process will kick off at our June BAC meeting.

ONI's mission statement, which was revised in 2001 by a broad-based stakeholder committee, has kept us focused throughout many changes ONI has experienced over the years. All of the base ONI programs that are reviewed in this report were a part of ONI when the work was done on our mission statement. We too have had discussions in the intervening years about the continued relevance of our mission statement. The decision to keep it as it is was based on the fact that no matter what programs we implement, community involvement continues to be our central focus. That being said, there is always room for improvement. We will make the review of our mission statement a part of the broader strategic planning discussion and are open to implementing what our partners recommend.

Your audit has validated our direction and will help us clear up discrepancies in the many City documents that describe our work. Better performance measures will help us to better tell our story and will justify continued support of our programs. We appreciate your report and its recommendations – it will help us to improve the way in which we continue to work with the community to enhance its capacity to access City Hall.

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Report #363, June 2008

Audit Team Members: Ken Gavette
Shea Marshman

This report is intended to promote the best possible management of public resources. This and other audit reports produced by the Audit Services Division are available for viewing on the web at: www.portlandonline.com/auditor/auditservices. Printed copies can be obtained by contacting the Audit Services Division.

Gary Blackmer, City Auditor
Drummond Kahn, Director of Audit Services

Other recent audit reports:

Public Participation in Capital Projects: Bureau processes align with best practices but should be formalized and available to residents (#347, March 2008)

Mandatory Supervisory Training: Not cost-effective and should be streamlined (#354, March 2008)

Police Overtime: Most recommendations implemented, but more could be done (#361, February 2008)

Construction Contracts: Bureau of Environmental Services strengthened its contract management procedures (#348B, Feb. 2008)

