



The Center for Strategic Governance

STRATEGIC GOVERNANCE:

HOW MUNICIPALITIES CAN ACHIEVE A DESIRED FUTURE

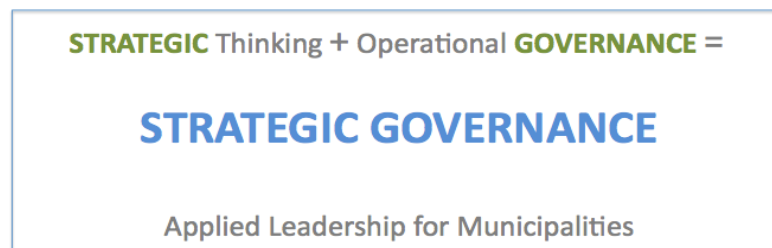
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INTRODUCTION

The role of strategic governance is to help leaders and residents create a desired future for their community – intentionally. Key aspects of the process involve all stakeholders in envisioning that future, then managing the present so that decisions and efforts made each day move the community towards fulfilling that vision.

People at all levels of local government make decisions every day that have strategic consequences. So, it is essential that everyone in government be involved and engaged in shaping future directions to ensure that their decision-making serves those priorities. This happens when communities deploy strategic thinking and leadership skills for use by all government personnel.

STRATEGIC GOVERNANCE DEFINED

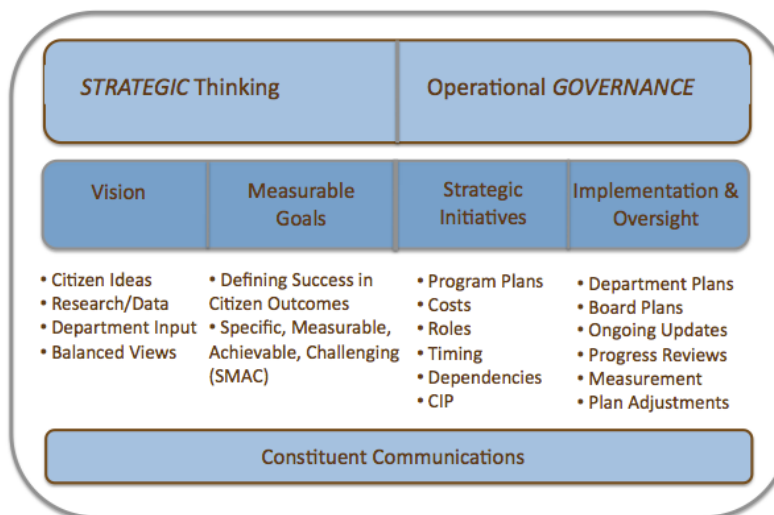


The framework of strategic governance consists of two separate but related ongoing efforts. The first has to do with engaging citizens and officials in clarifying what matters most to their community and in envisioning a desired future in which those values and related outcomes are attained and maintained. This is strategic thinking; it aims to help people decide *what to achieve*.

The second activity involves managing efforts to make that vision a reality. It entails framing and managing strategic initiatives as well as the day-to-day efforts of running a municipality. This is operational governance, which focuses on *how to achieve it*. Operational governance helps ensure that the right things get done at the right time for the right expenditure of tax dollars.

A Framework for Strategic Governance

Engaging Citizens to Envision and Achieve a Desired Future



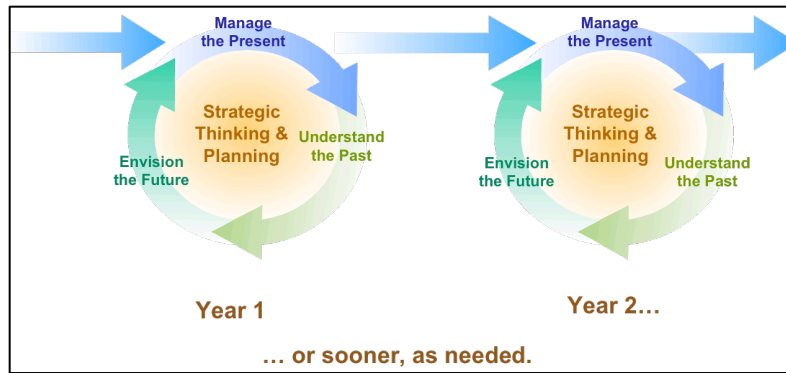
Strategic thinking clarifies a vision for the future and the outcomes that will benefit residents. Operational governance focuses on applying resources effectively and measuring ongoing progress.

Strategic thinking focuses on creating a vision for the community and the measurable outcomes that would let everyone know when a goal has been achieved. Operational governance focuses on identifying all the initiatives necessary to produce those desired outcomes and the array of operational management practices that enable government officials to track progress, review related expenditures, and address the inevitable unplanned for issues that arise in the dynamic life of a community.

Without both, a municipality or school system will fail to serve its citizens fully. If a community successfully envisions a desired future but fails to take relevant steps to make it a reality, it won't happen. Conversely, if municipal officials simply forge ahead – perhaps "doing what's always been done" – without a clear framework for what they're trying to accomplish, there is little likelihood they will successfully meet citizen expectations. As the old adage says, "If you don't know where you're going, any road will get you there."

CREATING A VIRTUOUS CYCLE

Strategic governance enables communities to understand their past, envision the future, and manage the present as a way to get there. It helps create a virtuous cycle in which everyone sees and contributes to shaping the future of the community. And it is revisited annually to keep plans aligned with the realities of the community.



By starting with the creation of departmental plans, which is what we recommend, everyone gains a sense of what it takes to keep the community running and of what additional resources might be available for other strategic investments. That said, you can start the strategic governance process anywhere on the circle and progress around it over time.

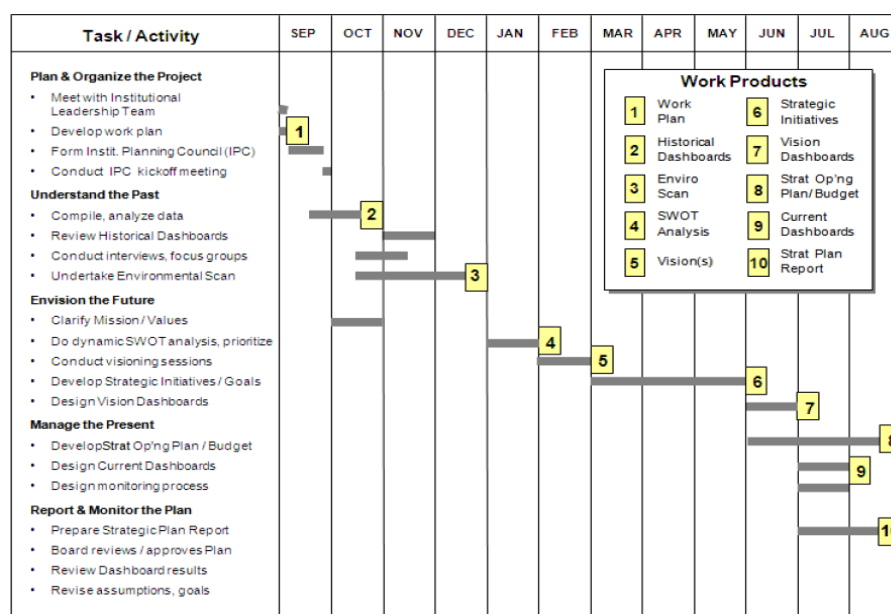


No plan, however strategic, can remain static, because we live in a constantly changing world. So, this process calls for plans to be refreshed at least annually to serve as relevant and useful guideposts. Also, plans are more likely to be achieved if people believe they are realistic and match the reality they deal with daily.

A STEP-BY-STEP APPROACH

The process of doing strategic thinking and operational governance involves 10 activities and their associated work products, each of which can be accomplished by people who may not have done extensive strategic planning in the past. These phased steps create a framework through

which department heads, selectmen, educators, and other town officials can structure their thinking and efforts for maximum success.



While a community can set its own pace for implementing strategic governance, the process can very speedy. For example, both Amherst and Enfield NH completed the 10 activities in just four months.

The work products from these activities include:

1. A defined **work plan** and timeline for the overall strategic governance process.
2. A set of **historical dashboards** that shows trends in service demand, spending, staffing, key initiatives, etc. for each department.
3. An **environmental scan** to anticipate key factors from within the town and from other sources (federal and state regulations, professional regulations and new requirements, etc.) that might well have an impact on community needs and departmental operations.
4. A **SWOT analysis** of external opportunities and threats that might impact each department along with departmental strengths and weaknesses that should be better managed.
5. A dashboard reflecting current **key performance measures** for each department.
6. A **vision** for where each department should be heading and what it should achieve over a specified time period.
7. A set of **strategic initiatives** that would be required to fulfill that vision (including those that would be required by other departments to support their efforts).
8. A **vision dashboard** reflecting all the outcomes each department wants to achieve over a

multi-year planning period.

9. Strategic **plans with associated budgets** for those years.
10. A strategic **plan presentation and document** covering all these elements that are publicly presented to and discussed with the selectmen and shared with citizens.

WHAT THE ACTIVITIES ACHIEVE

Each of the 10 activities plays a specific role either in ensuring that the past remains a reference point for the future, setting a vision for the future, or aligning and measuring current-day activities with that broader vision.

Understand the Past	Enhanced understanding of historical performance, drivers of success, key environmental trends, critical issues.
Envision the Future	Clarified mission, values, SWOTs. Future scenarios with implications. Vision of desired future. Internal consensus around a coherent set of strategic initiatives, programs, goals.
Manage the Present	Set of tools (dashboard metrics, strategic budgets) to manage strategic initiatives and continually assess progress toward goals.

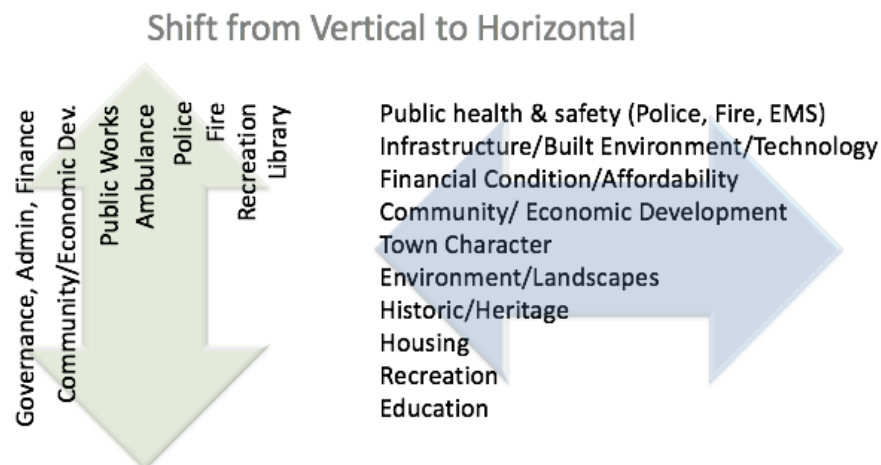
Together, these efforts enable each department to construct a multi-year strategic plan that includes all the key elements to make a case for, and to achieve, a desired outcome.

Elements of a Strategic Plan

- **Mission** – Why the organization exists (enduring purpose).
- **Vision** – How the mission will be achieved over the plan timeframe.
- **Outcomes** – Constituent-centered results to be achieved.
- **Investments** – Initiatives/resources to achieve outcomes.
- **Structures and Staffing** – How to organize to do work.
- **Operations and Procedures** – Best practices.
- **Schedule** – Timeline to achieve planned outcomes.

LOOKING VERTICALLY AND HORIZONTALLY

The strategic plans of the various town departments reflect the *vertical* functions into which town government is organized to do work. But there are broader, more *horizontal* categories that, together, shape the quality of life for residents. Understanding the vertical operations and plans of departments helps officials pivot to their more expansive roles of assessing and addressing key quality of life aspects that affect their entire community.



TOOLS AND TRADE-OFFS

Department heads, selectmen, and other officials can use strategic governance as the basis for multi-year initiatives, operational plans, and budgets. In public meetings, they can use tools to debate tradeoffs and clarify and (tax) impacts of various scenarios in real time for everyone to see. They can also communicate and engage with residents so that everyone understands the process, the reasons for it, and the rationale for goal setting and decision making.

Officials can set the stage for dialogue and priority setting with residents who help frame and support multi-year perspectives rather than focusing only on the next annual budget. They can also use financial modeling tools to perform “what if” analysis for various spending scenarios that cover a period of years to show in the tax impact of pursuing various strategic initiatives and outcomes.

Department	Goal	Purpose/Initiative	Historical Budgets					Projected Budgets				
			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATIONAL BUDGETS												
6 Ambulance						145,195	147,508	130,249	133,500	136,692	139,765	142,960
9 Administration/Finance			417,061	424,889	456,412	499,079	500,795	542,374	553,425	564,494	575,744	587,299
10 Assessing (Reevaluation)			40,000	30,000	30,000	33,000	33,000	45,000	35,000	35,700	36,414	37,142
11 Human Services		Human Services Administration & Assistance	32,363	33,108	34,904	35,039	35,377	36,125	36,887	37,649	38,411	39,173
		Regional Associations					37,012	37,762	38,507	39,277	40,043	40,804
12 DPW (including W&S)							2,378,939	2,490,573	2,483,184	2,738,848	2,793,585	2,847,417
14 Police							723,881	734,076	747,051	759,711	772,787	786,104
15 Fire		Adult Recreation Programs					118,404	120,772	123,188	125,651	128,164	130,728
		Recreation Programs Age 7-9					9,460	10,258	10,471	13,287	13,561	13,844
		Recreation Programs Age 6-6					1,900	1,946	1,994	2,043	2,095	2,148
		Whole Family Programming					46,000	41,725	42,938	44,212	45,554	46,908
		Regional Recreation					780	808	1,171	1,550	2,043	2,308
20 Library					58,186	61,481	50,891	51,809	52,947	54,006	55,086	56,188
22 Planning & Zoning							275,518	179,028	182,409	186,261	189,966	193,786
23 Building & Health Inspection							86,772	88,507	90,278	92,083	93,925	95,803
24 Departments Sub-Total							76,022	77,542	79,093	80,675	82,289	83,934
25 All Other							4,621,940	4,748,116	4,873,197	4,938,846	5,026,648	5,125,510
26 TOTAL OPERATIONAL BUDGETS							1,807,652	1,843,805	1,880,681	1,918,295	1,956,651	1,995,794
NEW INITIATIVES												
28 Ambulance	Reduce Response Time	Establish 2 Full Time Staff for Infield Ambulance						100,000	102,000	104,040	106,120	108,243
		Recruit 6 Additional On-Call Personnel						500	500	500	500	500
32	Upgrade Facility	Repair Leaking Foundation						20,000				
		Replace and Repair Corroding Heating System						4,000				
34		Expand and Improve Storage Area						2,500				
35		Repair and Expand Training Area						20,000				
36 DPW/Highway	Road Improvements	Overlay (\$80,000 cost/mile)						160,000	168,000	176,400	185,220	194,481
		Resurface (\$400,000 cost/mile)						400,000	408,000	416,520	425,275	434,264
38		Reconstruct (\$1,000,000 cost/mile)						2,000,000	2,100,000	2,205,000	2,315,250	2,431,013
39		Bridge Improvements										
		Big Road							700,000			
40		One Hill Road									250,000	
41 DPW/Various	Equipment Replacement	Grader Overhaul						35,000				
		Truck 200						45,000				
43		Truck 209						95,000				
44		Truck 212							35,000			
45		Tractor							20,000			
46		Roadside Mower								80,000		
47		Truck 214									185,000	
48		Loader										150,000
49		Shaker Bridge Pump Station Generator							35,000			
50		Grounds Mowers						10,000		10,000		
51		Recycling Compactor									25,000	
52 DPW/Slips & Grounds		Whitney Hall Siding Replacement						150,000				

Communities can use a variety of modeling tools to understand and share the multi-year financial impact of various strategic initiatives before undertaking them.

Especially important is that government officials can measure and report on progress towards all goals, which are stated as citizen-oriented outcomes, so that residents can clearly see how they benefit from initiatives and investments.

KEEPING PLANS RELEVANT

All plans are refreshed annually to account for unanticipated changes either from within the community or from outside. Refreshed plans are presented annually to the selectmen (and Budget Committees), who use these plans as the basis for their annual operational planning and budgeting and for explaining to residents their intent and the elements that comprise the proposed budget.

IMPROVING MASTER PLANNING AND CAPITAL IMPROVEMENTS PLANNING

Strategic governance can also greatly enhance a community's master planning efforts. When a community is clear about its strategic goals, its Planning Board inherits a broad framework to use as a basis for its land use planning. Too often, planning boards struggle to get significant public engagement to define their community's long-term goals, which makes creating an appropriate multi-year land use plan that much harder. Most planning boards have neither the skills nor staff to tackle strategic thinking on their own. This often leads to master plans that fall short of their potential usefulness and the dollars invested in the process.

The strategic governance process helps communities frame the larger strategic goals, thereby enabling the Planning Boards to focus on their strengths in land use planning and aligning ordinances and project implementation with those long-term plans in a well-timed fashion. It also

aids in thinking through the priorities and timing of capital expenditures because they are tied closely to clearly framed strategic initiatives.

THE HALLMARKS OF THIS APPROACH

Strategic governance differs from more traditional planning and management efforts because it is:

- Rooted in meaningful data.
- Promotes strategic thinking, not just planning.
- Reinforces the municipality's culture and values.
- Empowers all involved to do their best.
- Links the strategic with the operational and measurable.
- Provides a repeatable process that communities can learn to do on their own.

A FRAMEWORK FOR SMART DECISION MAKING

Strategic governance creates a broad context into which annual planning and budgeting fit. Everyone in town government knows what longer-term goals they're working for, so proposed annual plans and budgets are driven by how much progress will be made towards those goals.

This agreed-upon framework for the future also helps dull the agendas of individuals, because there is clear, broad-based consensus regarding the goals to be achieved. It also empowers more distributed and effective decision making throughout municipal government, because everyone knows the goals, the initiatives, and the budgets that have been approved by the electorate – all of which can help focus their daily decision making. This keeps activities and progress aligned with the broader goals and citizen expectations.

Ultimately, the power of strategic governance is in engaging municipal officials and residents in the collaborative venture of attaining the future they want at a cost they can afford.