



Date: December 17, 2024

To: Honorable Mayor and Members of the City Council

From: Finance and Governmental Operations Committee

By: Sheila Poisson, Finance Director | SPoisson@TorranceCA.Gov

Subject: Finance and Governmental Operations Committee – Approve Key Performance Indicators (KPIs) for City Departments and Provide Direction Regarding the Fiscal Year 2025-27 Operating Budget & Capital Improvement Plan Priorities. Expenditure: None.

RECOMMENDATION

Recommendation of the Finance Director and Finance and Governmental Operations Committee that City Council:

1. Approve Key Performance Indicators (KPIs) for City Departments; and
2. Provide direction regarding the Fiscal Year 2025-27 Operating Budget & Capital Improvement Plan Priorities.

FUNDING

None required.

DISCUSSION

Key Performance Indicators (KPIs)

Beginning with the Fiscal Year 2023-25 Operating Budget and Capital Improvement Plan, Key Performance Indicators (KPIs) for each department were included for the first time. Since that time staff have worked with departments to update these KPIs in an effort to better track department performance relative to the City's Strategic Plan. This revised set of KPIs is designed to assign objective accountability measures for each department's operational responsibilities. This aligns with the recommendation of the Government Finance Officers Association (GFOA) that all organizations should identify, track, and communicate performance measures to monitor financial and budgetary status, service delivery, program outcomes, and community conditions. The data collected using these performance measures can be used to make informed decisions at an operational, managerial, policy making, and community level. These KPIs may adjust over time to ensure that they are in alignment with the previously stated goals.

Staff started the initiative to develop a new set of department's KPIs by conducting research of other cities, including Burbank, Glendale, and Pasadena. This research informed a set of sample KPIs, which was shared with each department. Using these as a reference, each department

submitted a minimum of three KPIs along with target values (Attachment 1). These KPIs and their target values are readily understandable and provide additional clarity to the Department's operational outcomes.

Additionally, staff evaluated the City's Strategic Plan and its' sub-goals to link the Department's KPIs to their assigned sub-goals, where feasible, which will help ensure that the KPIs are aligned with the City's Strategic Plan. Moreover, this will assist staff to evaluate the performance and allocate the City's resources to needed areas more efficiently, which align with the City's budget priorities and the Strategic Plans.

In the following fiscal year, staff will develop an online dashboard accessible to the public in order to communicate all of the department's KPIs along with annual results and target values.

Budget Priorities

The City of Torrance (City) has kicked off the budget development process for the Fiscal Year 2025-27 Operating Budget and Capital Improvement Plan with the first Budget Review Team Meeting taking place on November 7, 2024. The Budget Review Team is a cross-departmental group including department heads, managers, and supervisors from every department. This group supports the overall development of the City's budget with periodic checkpoints throughout the process. During this meeting, Finance staff presented the overall timeline, outlined goals and expectations, and reviewed vacancy levels and first-quarter program modifications. The discussion concluded with an overview of proposed department Key Performance Indicators (KPIs), budget enhancement opportunities, and priorities. Below is the general timeline to be followed in the development of this year's budget:

- November 2024:
 - November 7, 2024 Budget Review Team #1
- December 2024:
 - Departments begin developing submissions for Capital Improvement Plan
- January 2025:
 - Meet with Departments and continue Capital Improvement Plan development
 - Meet with Departments to review staffing and non-wage budget needs including zero-based budget exercise
- February 2025:
 - Continue Capital Improvement Plan development
 - Draft Expenditure budget costing
 - Meet with Departments to review revenue projections and estimates for upcoming budget cycle and 10-year projection
 - Budget Review Team #2
- March 2025:
 - Finalize Revenue Budget, Expenditure Budget, and Capital Improvement Plan costing
 - Draft Budget Document
- April 2025
 - Finalize Budget Document
 - Distribute Budget Document
- May 2025
 - May 6, 2025 Budget Hearing #1
- June 2024

- June 3, 2025: Budget Hearing #2 & Adoption
- June 17, 2025: Budget Adoption (back-up, if needed)

Beginning in Fiscal Year 2024-25, staff started seeking feedback and approval from the Finance and Government Operations Committee and City Council on a set of budget priorities. The goal of establishing these budget priorities at this point in the budget development process is to incorporate City Council priorities into the City-wide budget. These budget priorities are intended to set broad parameters that shall be a primary focus of the budget development process for a given fiscal year.

1. Staff's recommended budget priorities are as follows:
2. Develop a balanced budget including 10-year projection compliant with City's financial policies.
3. Identify strategies and new revenue sources to resolve identified Areas of Focus.
4. Attract and retain a highly skilled workforce to deliver critical city services.
5. Prioritize investments in parks, buildings, and public right of way.
6. Expand business attraction and overall economic development efforts.
7. Explore alternative methods that improve cost effectiveness and service delivery of city operations.
8. Expand investment in technology to proactively address cybersecurity resiliency and improve customer experience.
9. Plan for expanded use of alternative fuel vehicles compliant with recent California Air Resources Board (CARB) guidance.
10. Determine resources needed to implement impacts of Park Services Operational Assessment.
11. Identify resources and strategies to begin implementation of findings from the City's Forensic Review of Fiscal Management Processes.

Upon approval, the identified priorities will provide staff with a roadmap to develop the coming year's budget plan. Staff will connect items included in the budget to these priorities to ensure limited resources are allocated most efficiently.

It is the recommendation of the Finance Director and the Finance and Governmental Operations Committee that City Council approve the Departments' KPIs and provide direction regarding the Fiscal Year 2025-27 Operating Budget & Capital Improvement Plan Priorities.

ATTACHMENT

1. Department's Key Performance Indicators (KPIs) Summary Table

| Department | Key Performance Indicator (KPI) | Target Value (Annual) | Description |
|-----------------------|---|--|---|
| City Attorney | Number of civil litigation cases received and closed in the preceding year | TBD | |
| City Attorney | Number of work requests received and closed in the preceding year | TBD | |
| City Attorney | Total number of training opportunities provided by the City Attorney's Office | TBD | |
| City Manager | Percentage of Strategic Plan Subgoals Off Track | <=5% | This would be a measure as of a point in time, in percentage format, that would quantify the number of Strat Plan subgoals, as a percentage of total subgoals that are marked as "Off Track". |
| City Manager | Number change of unhoused individual within the City | <=0 | This would be a measure of staff progress on combating homelessness. In this situation a zero means we have no increase/decrease in the population of those experiencing homelessness. |
| City Manager | Viewer Retention Rate | 30 seconds | Achieve a monthly 30 second viewer retention rate average of 70% or better. (60-65% of viewers is considered "good" according to industry benchmarks) |
| CIT | Average amount of time to complete service requests | Achieve a 2-hour target in responding to critical service requests for a 98.5% SLA | |
| CIT | Percentage of radios that are operational | 100% | |
| CIT | Percentage of Cyber Security Incidents investigated and closed | 100% of incidents investigated and closed | |
| CIT | Percentage of Cyber Security threats prevented | 100% of threats prevented | |
| CIT | Percentage of employees who complete cybersecurity training | 100% employees complete the training | |
| Community Development | Number of revitalized and redeveloped commercial properties through the City's Commercial Facade Improvement Program. | 3 | |
| Community Development | Percentage of Code Compliance | Achieve 85% code compliance through the closing of code enforcement cases | |
| Community Development | Customer Satisfaction Rate at Permit Center | Achieve 90% customer satisfaction rate and 20% reduction in wait times | |
| Community Services | Number of public art pieces installed | TBD | |

| Department | Key Performance Indicator (KPI) | Target Value (Annual) | Description |
|--------------------|---|--|-------------|
| Community Services | Average number of attendees for library programs/ Number of library visitors/ Percentage of resources checked out | TBD | |
| Community Services | Average enrollment rates of offered classes | 75% | |
| Community Services | Percentage of natural urban ecosystem and new green spaces and/or open spaces enhanced | 5% Increase | |
| Community Services | Number of days to close a Community Services Service Requests | 5 days | |
| Finance | Percentage of internal audit recommendations implemented | 100% | |
| Finance | Total percentage of cooperative purchase agreements as a percentage of total purchase orders | 33% | |
| Finance | Average number of days to complete requested change orders | 3 days | |
| Finance | Number of audit findings from 3rd party independent audits | <=1 | |
| Finance | Number of public engagement meetings | >3 | |
| Finance | Net change of new business added to the City | Net positive | |
| Finance | Average number of days to complete a Budget Transfer | 3 days | |
| Fire | Performance of 1st unit on-scene for all Fire incidents at the 90th percentile | 6 min 24 secs | |
| Fire | Performance of 1st unit on-scene for all EMS incidents at the 90th percentile. | 6 min 4 secs | |
| Fire | Percentage of initiated (performed) state-mandated inspection annually | 100% | |
| Fire | Percentage of planned training at TUSD campuses that received fire and life safety training | 100% | |
| General Services | Average time elapsed from submittal of facility work orders until project completed. | <=3 days | |
| General Services | Number of gallons reduced through purchases of alternative fuel (green) vehicles. | Reduce fuel by 5,000 – 7,000 gallons annually. | |
| General Services | Average time elapsed from Dept. approval of Central Services work orders until project completed. | <=3 days | |
| General Services | Average time elapsed from submittal of graffiti work orders until abatement completed. | <=2 days | |
| Human Resources | Percentage of employees who attend the Benefits Fair | Annual participation increase of 10% | |
| Human Resources | Average number of days from NeoGov requisition to posting online | 7 days | |
| Human Resources | Average number of days to complete processing PAFs per pay period | 3 days | |
| Human Resources | Average number of days to complete processing NeoGov Req | 2 days | |
| Human Resources | Average number of days to enroll employees in benefits | Decrease of timeline by 10% | |

| Department | Key Performance Indicator (KPI) | Target Value (Annual) | Description |
|-------------------|--|--|--|
| Police Department | Average Police Response Time to Emergency Priority One Calls | 5 Minutes | This KPI measures the average time taken by the Torrance Police Department to respond to emergency priority one calls—incidents requiring immediate police presence due to imminent threats to life or property. Monitoring and improving response times enhance public safety and demonstrate our commitment to effective and timely law enforcement services. |
| Police Department | Increase Hiring of Police and Professional Staff | Reduce vacancies by 50% | This KPI tracks the number of new police officers and professional safety staff hired within a given period. Increasing our qualified personnel enhances the department's capacity to provide superior public safety services, supports community policing efforts, and ensures we meet the growing needs of the Torrance community. |
| Police Department | Number of Felony Criminal Charges Filed | Increase filings by over 5% from prior year | This KPI measures the number of misdemeanor and felony arrests/bookings made and the actual filing of criminal charges. By monitoring these figures, we gain insights into crime trends, evaluate the effectiveness of law enforcement efforts, and assess the efficiency of the criminal justice process in our community. |
| Police Department | Number of community engagement meetings/events/forums | 24 | |
| Public Works | City's Pavement Condition Index (PCI) rating | Sustain a minimum PCI rating of 70 | |
| Public Works | Percent of local water supply sold | 7 to 10% annual increase of local water sold through 2029, with an overall goal of 70% | |
| Public Works | Number of trees planted | Plant 1,750 new trees each year through June 2027, for a total of 7,000 new trees | |
| Transit | Percent of Bus On-time Performance | 80% | This KPI is used by most transit agencies in the US and worldwide to demonstrate how reliable is the service. To measure On-time Performance, all of our buses are equipped with Automatic Vehicle Locator (AVL) system to track their location. This system tracks when a bus actually reaches a defined location (timepoint) in real time, compared to the scheduled time. A bus is considered on time when it arrives within 1 minute early or 5 minutes after the scheduled time at any defined timepoint. Torrance Transit currently has approximately 130 timepoints with over 750 trips weekly. The numbers are reported to planning staff on daily, weekly, monthly, and annual basis. National average is 75% |

| Department | Key Performance Indicator (KPI) | Target Value (Annual) | Description |
|------------|---|---------------------------|--|
| Transit | Total Transit Ridership (All Bus, TCTP and future Microtransit) by annual passenger trips | 2,000,000 passenger trips | This KPI is used by most transit agencies in the US. Ridership (or boardings) is the number of rides taken by passengers using public transit. To measure ridership, all Torrance Transit buses are equipped with automatic people counters at the front and rear door, where passengers enter and exit the buses. These counters use latest sensor technology to count the number of people boarding and exiting our buses. The numbers are reported to planning staff on daily, weekly, monthly, and annual basis. These sensors are tested on a regular basis and re-certified every 3 years to the Federal Transit Administration (FTA). |
| Transit | Average vehicle revenue miles between mechanical failures | 6,000 miles | This is a vehicle reliability performance indicator that measures the average distance in miles that a transit vehicle travels before failure of a vital component forces removal of the vehicle from service. Valid mechanical road calls usually cause a delay in service. National average is approximately 5,500 miles. |