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TYLER PERFORMANCE EXCELLENCE PROGRAM DRIVES RESULTS

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The City of Tyler, nestled in the piney woods of East Texas, has a long history of innovative, forward-thinking management focused on performance excellence. That reputation was strengthened in 1997, when the city adopted its

"Blueprint" business model to express its commitment to continuous improvement in the way the city conducts business and delivers services to citizens.

The results have been remarkable. As an effect of the Blueprint, staffing has been kept at a minimum and Tyler has paid off all general obligation debt, has earned a AAA bond rating, and has the lowest property tax rate in the state among cities with a population greater than 15,000.

Though the Blueprint resulted in progress, it was recognized that more could be done, especially in light of the 2008 recession and an increasingly negative public impression that government is inherently wasteful. It became critical that the City of Tyler differentiate itself and continue to demonstrate a commitment to performance excellence and fiscal responsibility.

To address those issues while also increasing performance excellence, it was imperative that the City of Tyler evolve its processes. The response was the creation of the Performance Excellence Program (PEP), which brought all City of Tyler efficiency programs under one umbrella.

PEP is patterned after the Malcolm Baldrige Performance Excellence Criteria. The criteria, which is categorized by leadership, strategy, customers, measurement, analysis and knowledge management, workforce, operations, and results, are supported by the over-arching goals of the City of Tyler to SERVE. SERVE stands for streamline, empower, respond, venture, and evaluate.

To accomplish the SERVE goals, the City of Tyler invested in programs such as Lean Six Sigma (a business management strategy that seeks to improve the quality of processes by identifying and removing the causes of defects, waste, and variation) program/department accreditation programs, City University (a continuing education program for employees), participation in the Alliance for Innovation, improved internal communications and organizational structure, monthly department budget forecasts, city-wide and departmental strategic planning, and departmental fiscal alignment reviews to ensure metrics and requests are aligned with strategic plans. Together, these programs form the City of Tyler PEP.

Bringing all programs under the PEP umbrella depended on the hard work and talents of the PEP Squad, which is composed of representatives from different levels and departments within the organization. The PEP Squad is ultimately tasked with evaluating the performance of all departments by reviewing their quarterly business plans and answers to the criteria questions. The goal of this evaluation is to confirm alignment between the department and the city's strategic plan, vision, mission, and values.

Following the business plan evaluation, the group provides feedback that outlines strengths and opportunities for improvement, along with a performance excellence score that is based on a 1,000-point scoring system. Each department is expected to make improvements to enhance or strengthen the overall performance of the department.

PEP is designed to accomplish the following:

- Improvement of organizational and departmental performance practices, capabilities, and results.

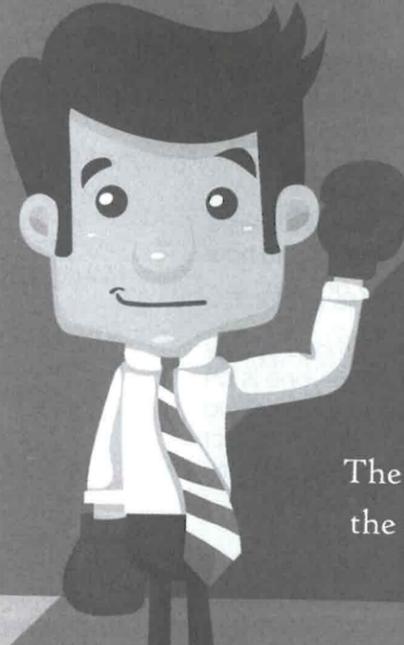
- Facilitation of communication and sharing of best practices.
- Serve as a working tool for understanding and managing performance, guide organizational planning, and provide opportunities for learning.

Department leaders and staff are encouraged to research best practices from around the state and nation through our partnership with the Alliance for Innovation. One example of utilizing best practices is the use of Visual Management Boards. These boards are used to communicate a "snapshot" of the department's mission, financial perspective, operational progress, customer outlook, and workforce focus.

As with any major undertaking, PEP has not been without its challenges. Some departments responded to the program with confusion and/or uncertainty as to the process. To address these concerns and gain buy-in, the PEP Squad developed training at City University, one-on-one training for departments, and four-hour PEP coaching sessions



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Lean Six Sigma and Program/Departmental Accreditation

- More than 400 out of 850 employees have been trained in the Lean Six Sigma methodology.
- The city has 42 active Green Belts and 12 Black Belts.
- \$6.7 million in hard- and soft-dollar savings via the Lean Six Sigma Program that started in 2009.
- Accreditation of the Tyler Police Department through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA).
- Accreditation of the City of Tyler Main Street Program by the Texas Main Street Program and the National Main Street Program of the National Trust for Historic Preservation.
- The Tyler Fire Department is working towards accreditation.

City University and Strategic Partners

- Employees have attended more than 26,577 hours of training since the City University program started in October 2008.
- 544 city employees have graduated from City University.
- City University received the Texas Municipal League Management Innovation Award in 2013.
- The city is an active member with the Alliance for Innovation, Quality Texas Foundation, and the American Society for Quality.

Internal Communications and Organizational Structure

- City employees created the internal motto "Called to SERVE".
- Every employee receives a PEP Personal Playbook that explains PEP, the mission and vision for the city, and has a place for employees to explain how what they do every day helps the city reach its vision. Employees have this Playbook with them at all times.
- Annual Employee Satisfaction and Engagement Survey with After Action Teams who focus on areas that have opportunities for improvement.

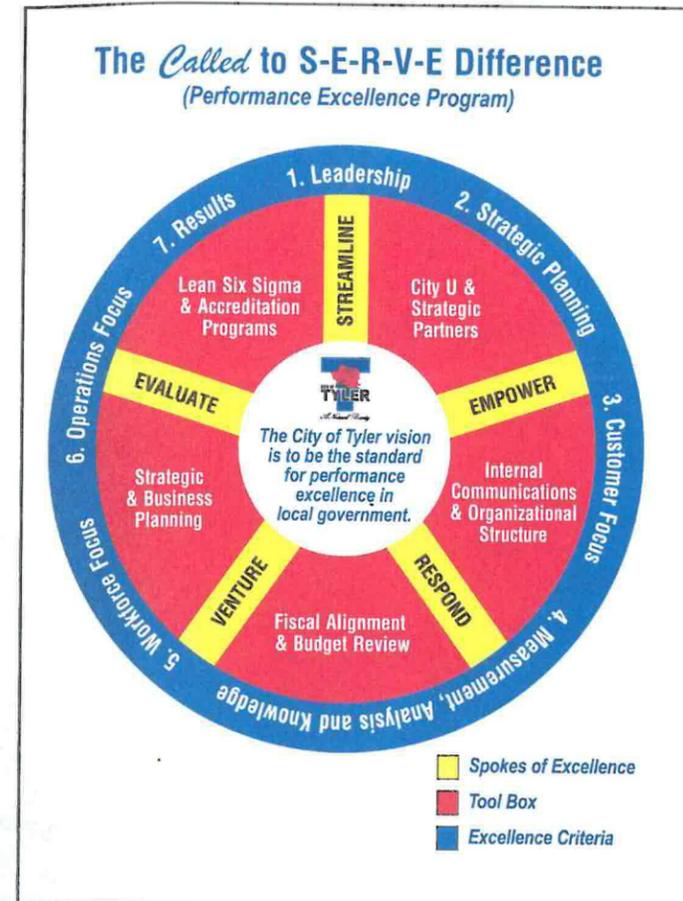
- Monthly "Called to SERVE" events increase employee morale and interdepartmental networking.
- Blueprint Bravo awards allow supervisors and coworkers to recognize each other for outstanding performance.
- A monthly PEP Talk Newsletter keeps employees informed.

Fiscal Alignment and Budget Review

- Monthly budget forecasting
- Annual fiscal alignment review
- AAA bond rating
- Zero general obligation debt
- Low property tax rate at \$0.22 per \$100 valuation (the lowest of any Texas city with a population of 15,000 or more)
- The city has twice been presented with the Gold Award for Transparency from the State Comptroller's Office, and was most recently awarded with the 2015 Platinum Award for displaying a high level of financial transparency online and in a user-friendly format.
- Since 1986, the city has been annually awarded with the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.
- The city achieved eight consecutive Distinguished Budget Presentation Awards from the Government Finance Officers Association of the United States and Canada.
- The city has earned five consecutive Certificate of Distinctions for outstanding Investment Policies from the Government Treasurer's Organizations of Texas.

Strategic Planning and Business Planning

- Department performance scores provide measurable evaluation of department's performance.
- Strategic capital improvement projects paid through half-cent sales tax program.
- The city's PEP was recognized as the 2015 Harvard Ash Center Bright Idea in Government.



- The city has received the Quality Texas Progress Level Recognition for three consecutive years.

The City of Tyler PEP is a unique and successful model that can be replicated throughout the nation. PEP has sent a clear message that excellence in performance and excellence in efficiency are not mutually exclusive. When goals are clearly communicated, the workforce is educated and the organization is constantly and consistently motivated, the results are those enjoyed by the citizenry of the City of Tyler. ★

