

**RESOLUTION NO.: R-2005-075**

*Adopting Performance Based Budgeting*

BE IT RESOLVED by the Mayor and City Council of the City of Columbia this 11th day of January, 2006 that "Performance Based Budgeting" as outlined in the attached summary be and it hereby is adopted.

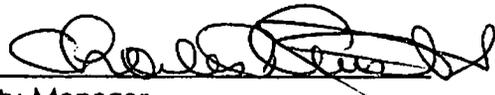
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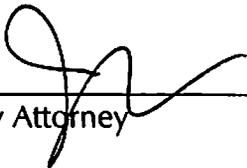
Charles P. Austin, Sr., City Manager

  
\_\_\_\_\_  
Mayor

Approved by:

  
\_\_\_\_\_  
City Manager

Approved as to form:

  
\_\_\_\_\_  
City Attorney

ATTEST:

  
\_\_\_\_\_  
City Clerk

Introduced: 1/11/2006  
Final Reading: 1/11/2006



# Performance Based Budgeting

## *Summary and overview*

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### **Background**

For many years, the City of Columbia departments and divisions have utilized performance measures as part of their Annual Activity Work Plans. The Work Plan process begins around October each year. Even though the Work Plans are the start of the budget process, there has been a disconnect between linking the Work Plans to the Budget. Furthermore, little to any review during the year was given to whether those measures were being tracked and utilized. The budget process did not provide the information that City Council and Management needed to make informed decisions nor was direction provided for department managers in delivering the services and programs they provide to citizens and customers.

To address these problems, City Manager Charles Austin has announced his goal to incorporate Performance Based Budget (PBB) into the City's budget process. The goal of performance budgeting is to identify opportunities for making program delivery more effective and more efficient. The focus is on the cost for achieving outcomes that are linked to the organization goals as defined in the strategic plan. Though there are varying degrees of performance-based budgets, the purpose is to make budgetary decisions on desired outcomes and performance results. It provides the framework for a heightened level of communication by informing City Council and management with good information and measurable results.

Mr. Austin expects to accomplish through Performance Based Budgeting, 1) the ability to demonstrate what we do, 2) measure how we are doing it, 3) identify what it costs to deliver services, and 4) evaluate the return on our investment.