



Town of Southern Shores

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MEMORADUM

To: Mayor and Town Council
From: Cliff Ogburn, Town Manager
Date: October 14, 2020
Re: Long Range Capital Budget Planning

Town staff appreciates the opportunity to discuss with Town Council potential amendments to the current fiscal year budget at its October 20, 2020 Workshop. Staff will also ask the Council to consider amending the present fiscal year's budget at a future meeting to include items that were previously cut due to less than anticipated revenues losses due to COVID-19. Expenditures removed from the FY 19-20 Budget include building upgrades, street improvements on Sea Oats Trail and Hillcrest Drive from Hickory Tr to the SSCA tennis courts and one of two requested Police Officers. Additional Expenditures for FY 20-21 that were not previously discussed include website improvements, initiating funding for SSVFD radio replacements, funding the Capital Reserve Fund for the beach nourishment project and amending the current fund balance policy to increase the reserve amount from \$1,750,000 to \$3,000,000 over a five year period.

Included in the back up material is discussion and potential framework for beginning a concerted strategic long-range planning process. There are many ways in which the Town may choose to consider long range planning. For the purposes of this workshop, staff will ask the Town Council to consider Capital Improvement Planning. The discussions from the workshop may lead the Town in the direction of a more involved, strategically focused planning process that produces a guiding document combining future land use, development, and infrastructure improvements. The CIP is presented as an introductory draft that is meant to serve as the basis for its implementation.

Council may also prefer to follow a process that is guided by an outside facilitator such as Professional Staff from the North Carolina School of government. A description of those services can be found at <https://cplg.sog.unc.edu/services/strategic-planning/> .

Attachments

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Strategic Planning: What Difference Does It Make? A Snapshot of Experience in North Carolina Heather Curry, Lydian Altman, and Carl Stenberg. Public Management Bulletin No. 13. March 2019.	
North Carolina School of Government Strategic Planning Info graphic	

Excerpts from –

Bluestein, Frayda S. *County and Municipal Government in North Carolina*. second ed., Chapel Hill, UNC School of Government, 2014, pp. 333–352.

Justification for Capital Budget

The National Advisory Council on State and Local Government Budgeting encourages the adoption of a comprehensive policy to successfully implement and manage the various aspects of capital budgeting.⁵³ A common question in local government is why local officials need to manage two budgeting processes, one for the operating budget and another for the capital budget. There are several reasons for implementing and managing a separate capital budgeting process.⁵⁴

The first reason involves the lasting impact of decisions. For example, a decision to expand bus routes during the operating budget process can be changed during the operating budget process for the following fiscal year. A decision to expand the police station, however, is more permanent in nature, requiring a level of review beyond incremental adjustments to the operating budget.

A second reason, which builds on the first, is that debt financing is often used to acquire capital assets. The issuing of debt has a long-term impact on the county or city because the law requires that debt service payments be appropriated as part of the budget ordinance.⁵⁵ The processes and procedures for capital budgeting can provide a more structured review for a critical decision such as issuing debt, where additional debt service payments may impact the organization's financial condition and possibly reduce future operating budget flexibility.

A third reason for implementing and managing a separate capital budgeting process can be traced back to state law. The budget ordinance adopted by counties and cities in North Carolina covers a single fiscal year beginning July 1 and ending June 30.⁵⁶ The acquisition of major capital assets or the completion of infrastructure projects often extends over multiple fiscal years from approval to completion. State law allows local units to adopt their capital budgets with a capital project ordinance, which authorizes all appropriations necessary for project completion and prevents project proceeds from having to be readopted in subsequent fiscal years.

A final reason is the variation in assets and costs as compared to the operating budget, where decisions are often incremental from one fiscal year to the next. In any given fiscal year during the capital budgeting process, local officials may be faced with using cash reserves for anything from purchasing a new fire truck for \$750,000 to issuing \$20 million of debt for infrastructure improvements. Capital budgeting allows for the use of specific techniques for evaluating and prioritizing capital requests in terms of organizational need, capacity for acquisition, and community impact.

Capitalization and Capital Budget Thresholds

An important policy decision for local units is establishing a capitalization threshold, which dictates how the costs associated with the acquisition of capital assets are reported in the annual financial statements as required by G.S. 159-25(a)(1). The Government Finance Officers Association (GFOA) defines *capital assets* as tangible items (e.g., land, buildings, building improvements, vehicles, equipment, and infrastructure) or intangible items (e.g., easements and technology) with useful lives that extend beyond a single reporting period.⁵⁷ The GFOA recommends that local governments adopt a capitalization threshold of no less than \$5,000 for any individual item, which means that capital assets that cost \$5,000 or less are reported as expenditures or expenses in the period in which they are acquired. Capital assets that cost more than \$5,000 are reported on the balance sheet and depreciated based on their estimated useful lives.

It is a professional practice for counties and cities also to establish a financial threshold to determine what capital requests are considered part of the operating budget process and what capital requests are considered part of the capital budget process. This threshold is often based on the size of the local government. For example, a smaller local government with a population of approximately 20,000 might establish a financial threshold of \$50,000, meaning that capital assets that cost \$50,000 or less would be part of the operating budget process and capital assets that cost more than \$50,000 would be part of the capital budget process. An additional criterion often used in determining this threshold is the estimated useful life of the capital asset, because capital assets with longer estimated useful lives are more appropriate for the capital budget rather than the operating budget. A reason for applying this additional criterion is that debt is often used to finance capital assets, and debt payments should never exceed the estimated useful life of the asset.

Common Capital Budgeting Tools and Techniques

As with the annual budgeting process, a local unit may adopt any capital budgeting process that facilitates effective decision making as long as it complies with the legal requirements of the LGBFCA. An essential component of any well-designed capital budgeting process is planning. Many units have adopted a formalized capital improvement program (CIP) to facilitate the planning process. And increasingly units are relying on more sophisticated analysis relating to the financial condition of the unit to make accurate budget forecasts.

Capital Improvement Program

A CIP is a forecast of capital assets and funding sources over a selected period of time. While local officials often refer to the capital budget and CIP as one and the same, they are separate management tools. The capital budget covers one fiscal year and is adopted by ordinance. The CIP, which commonly contains five years of proposed capital assets and funding sources beyond the capital budget, is approved as a long-term plan that local officials update on an annual basis.

There are numerous reasons why local officials prepare and approve a CIP in conjunction with their capital budget. It provides a schedule for the replacement and rehabilitation of existing capital assets, which is fundamental to all capital improvement programs. It allows time for project design and for exploring financing options, both of which are critical to evaluating the merits of a capital asset from a cost-benefit perspective. It is also the primary vehicle for providing the necessary infrastructure to support economic and community development in a coordinated manner, which is fundamental to land use and master plans. As well, a CIP has the potential to help a local government maintain or improve its bond rating due to the premium that bond rating agencies place on planning.

Table 20.1 provides an example of a capital budget for a local government. The capital budget of \$900,000 is adopted by ordinance for fiscal year 2014, appropriating the necessary financing sources to fund the capital assets aggregated by functional area. The major capital project for fiscal year 2014 is the expansion of the public safety building, which is

Table 20.1 Capital Budget and Capital Improvement Program (CIP)

Item	Capital Budget	Capital Improvement Program				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Capital Assets by Function						
Public safety	500,000	50,000	50,000	50,000	50,000	50,000
Environmental services			250,000			250,000
Streets and transportation	200,000			400,000		
Parks and recreation			100,000			
Water and sewer	200,000	50,000			200,000	
Total	900,000	100,000	400,000	450,000	250,000	300,000
Financing Courses						
Operating revenue	100,000	50,000	50,000	50,000	50,000	50,000
Capital reserve fund		50,000	250,000			250,000
Grants			100,000			
General obligation bonds	600,000			400,000		
Revenue bonds	200,000				200,000	
Total	900,000	100,000	400,000	450,000	250,000	300,000

funded by \$100,000 from annual operating revenue and \$400,000 from general obligation (GO) bonds. The \$200,000 of asphalt maintenance (streets and transportation) is funded from the remaining GO bonds, and revenue bonds will be used to fund an expansion of the water and sewer system.

Table 20.1 also provides an example of a five-year CIP for the local government, beginning with fiscal year 2015. While the CIP represents a plan and is updated on an annual basis as new requests are considered, it gives local officials time to prepare for future events. In fiscal year 2016, for example, \$100,000 is allocated for a new park, giving local officials the time required to negotiate with multiple land owners to secure the necessary property. And in fiscal year 2017, \$400,000 is allocated for GO bonds, giving local officials time to prepare for a bond referendum. These two examples highlight another critical reason that local officials prepare CIPs: doing so allows them to anticipate how the funding of capital assets will impact future operating budgets. Once the park is functional, adequate proceeds must be appropriated in the annual operating budget for additional park maintenance. The operating budget must also appropriate the debt service payments for the issuance of the GO bonds as required by G.S. 159-13(b)(1). Preparing CIPs enables departments to consider the impact of proposed capital assets on their operating budgets when evaluating and submitting capital improvement requests.

Strategic Budgeting

A management tool that is often used by local units to embrace long-term decision making is the creation and adoption of a strategic plan. As previously mentioned, local units often begin their budgetary processes with budget retreats or workshops for elective officials. These retreats and workshops commonly focus on how the forthcoming budget will help advance the long-term goals contained in the local unit's strategic plan. For example, a local unit may focus on infrastructure during the annual budget process because economic development is a long-term goal of the community. An advantage of broadening the budget process to include the organization's strategic plan is shifting the focus of the local unit's leadership from individual line-item accounts to long-term strategic goals that impact the direction of the community.

Funding for Capital Planning

Most local governments expend moneys on capital projects and assets each year (collectively capital projects). And many units engage in a formalized process to project capital expenditures over a period of years. Some of these capital expenses easily can be funded from current revenues and are appropriated in the unit's annual operating budget. Examples include routine maintenance and repair items on existing infrastructure, equipment, and sometimes even vehicles. Larger capital projects and acquisitions typically cannot be financed this way, though. Instead, a local government must accumulate funds over time, identify additional revenue sources, or borrow money to pay for these capital expenses.

There are two methods by which a unit of government may accumulate revenue over time to fund capital projects: (1) using fund balance, and (2) establishing a capital reserve fund.

The Town has historically relied on its use of fund balance to pay as it goes when budgeting capital improvements. Instead of accumulating fund balance, a unit's governing body may establish a capital reserve fund and periodically appropriate money to the reserve fund. G.S. 159-18 authorizes a local government to establish and maintain a capital reserve fund for any purpose for which the unit may issue bonds. And a unit may issue bonds for any capital project in which it is authorized to engage. See G.S. 159-48.

To establish a capital reserve fund a unit's governing body must adopt an ordinance or resolution, which the Town did in 2007 for maintenance and improvements to Town streets, buildings and storm water management systems. In 2012 the CRF ordinance was amended to read, "The Town Council hereby creates a Capital Reserve Fund for the purpose of accumulating revenues by direct appropriation from the General Fund and using such moneys accumulated or to be accumulated in amounts to be determined for future capital outlay purposes of acquiring, constructing, maintaining and/or improving (i) Town rights-of-way and streets, (ii) bridges, (iii) buildings and other structures, (iv) developed or undeveloped properties, (v) storm water management systems, (vi) canals and bulkheads, and (vii) beaches. The ordinance expires on June 30, 2022 but can renew yearly until the Council takes action to terminate it.

Establishing a capital reserve fund affords a unit's governing body a more formalized mechanism to save moneys for future capital expenditures. It also provides greater transparency than using fund balance because the Council must indicate how it ultimately intends to expend the moneys. It is a less flexible savings option, though. Once moneys are appropriated to a capital reserve fund, they must be used for capital

expenditures. The moneys may not be used to fund operating expenses, even in an emergency.

Note that a governing body must list specific capital projects in the capital reserve fund. It may not simply establish the fund to raise money for general capital expenditures. A governing body, however, may amend its capital reserve fund at any time to add new capital projects, delete capital projects, or to change the nature of the capital projects. G.S. 159-19. The Council is not required to expend the accumulated moneys for the capital projects initially identified in the reserve fund.

Benefits of a Capital Improvements Plan

A Capital Improvements Program is an important tool that the Town of Southern Shores can utilize to help manage anticipated growth and development. It provides a roadmap for future projects. Many municipalities have capital improvement plans in place, but find it challenging to tie it into their organization. Integrating the capital improvement plan into a long-range plan will help identify funding and gauge its overall impact.

Making these projections via a long-term financial plan is key to helping Council members see how projects will affect their constituents. Plus, it provides information on the affordability and sustainability of the municipality's needs and is a great way to manage the tax rate.

A Capital Improvement Program coordinates community planning, financial capacity, and physical development. The capital program is a plan for capital expenditures that extends (usually) five years beyond the capital budget. Development of a CIP that will insure sound fiscal and capital planning requires effective leadership and the involvement and cooperation of all municipal departments.

A Capital Improvement Plan (usually) contains all the individual capital projects, equipment purchases, and major studies for a local government, in conjunction with construction and completion schedules, and in consort with financing plans. The plan provides a working blueprint for sustaining and improving the community's infrastructures. It coordinates strategic planning, financial capacity, and physical development. A CIP stands at the epicenter of a government's Planning, Public Works, and Finance departments.

A CIP can deliver some of the following benefits:

1. Synchronizes capital and operating budgets
2. Identifies, prioritizes, and optimizes the financing of capital projects
3. Pay-Go
4. Assists with acquiring Federal and State grants
5. Links strategic and comprehensive plans with fiscal capacity
6. Informs the public about the government's investment in infrastructure

The CIP typically includes the following information:

1. A listing of the capital projects, equipment, and major studies
2. A ranking of projects
3. A financing plan
4. A timetable for the construction or completion of the project
5. A project justification
6. A classification, itemization, and explanation for the project expenditures

Draft of Southern Shores Capital Improvement Plan

The Town of Southern Shores uses its Capital Improvement Plan to formalize the process to project capital expenditures over a period of five years. The CIP represents a balance between maintaining the town's existing assets and investing in new assets to support the town's growth, as well as ensuring that investments are made in accordance with the priorities of the Town. Some of these capital expenses easily can be funded from our current revenues and are appropriated in the annual operating budget. Larger capital projects and acquisitions typically cannot be financed this way. Therefore, the Town needs to accumulate funds over time, identify additional revenue sources, or borrow money to pay for these capital expenses.

Development of the Capital Improvement Plan is intended to ensure that decision makers are responsible to residents and businesses of the Town with respect to the expenditure of public funds. The CIP also promotes the delivery of continuous efficient services. It is an actual plan that lays out a budget for and a schedule of municipal expenditures. The plan shows when, and at what cost, the town expects to expand and/or provide services and facilities in the future.

Without accurately and adequately preparing for future expenditures, communities are left to implement improvements based on emergencies or surprises. While no amount of planning can eliminate every emergency our community faces, proper planning will significantly reduce the number of surprises and emergencies we face, allowing leaders to take charge of the future of their community

Southern Shores defines a capital improvement as one with a cost of at least \$5,000 and a useful life of five years or more and will typically be related to one or more of the following criteria:

- A large dollar expenditure
 - Extended useful life of facility or equipment
 - Street improvements
 - Equipment
 - Vehicles
 - New staff positions
 - An infrequent recurrence of the expenditure
 - Real property acquisition or development
 - Creation or expansion of a public building
- In addition, planning, feasibility, engineering, or design studies are also included.

While typically not included in a Capital Improvement Plan, the Town has elected to include Replacement Items (also defined as a Capital Outlay Item?). In doing so, this will allow the Town's decision makers the ability to look at a plan that includes all large expenses and anticipate when they will need to be funded. Replacement items are defined as those previously funded with a cost of at least \$10,000 (should this be added?)

Due to the limited amount of available funds, the CIP serves to establish a priority for the many necessary projects. Therefore, the CIP will be updated annually to incorporate the changing priorities, needs, and funding sources.

The CIP has the following benefits:

1. Town funds will be spent for improvements compatible with the Town's long-term goals and needs, with funds spent on high priority projects first.
2. Facilitates coordination between capital needs and the operating budget.
3. Avoids sudden changes in the Town's debt service requirements.
4. Identifies the most economical means of financing capital projects to ensure improvements will not cause a financial burden on the Town. (e.g. pay-as-you-go, borrowing, use of fund balance or capital reserve, assessments.)
5. Increases opportunities for obtaining federal and state aid.
6. Focuses attention on community objectives and fiscal capacity.
7. Keeps the public informed about future needs and projects.

**TOWN OF SOUTHERN SHORES
CAPITAL IMPROVEMENT
PROJECT REQUEST FORM**

Department: _____

Date Prepared: _____

Project Title: _____

Prepared by: _____

Project Description: Provide a complete description of the project being proposed. Provide basic information about the project.

Justification: Indicate the need for the project and what it is expected to accomplish. Reference other documents or plans. Attach items, as necessary.

Schedule: Indicate the year funding is requested, or if the project will take several years to complete, outline the schedule. If applicable, be sure to include work done in prior years, including studies or other planning.

Cost Estimate: It is extremely important that the cost data provided be as accurate and complete as possible.

Reference where/how you acquired estimates.
Such as:

- Cost of comparable facility or equipment
- From cost estimate from engineer or architect or vendor
- From bids received
- "Preliminary" estimate, (e.g. no other basis for estimate, guesstimate)

Recommended Source of Financing: Indicate any suggestions for sources of financing, such as federal or state grants, contributions, donations, etc.

Impact on On-going Operating Costs/Personnel Requirements: Explain the effect of this project on the operating costs, such as personnel, purchase of services, materials and supplies, equipment purchases, maintenance, and utilities.

Impact if Project is not completed: Provide a brief statement regarding the impact should the project not be funded/completed within requested time frame.

**Town of Southern Shores
CAPITAL FACILITIES & EQUIPMENT INVENTORY**

Equipment or Facility Expansion	Year Built or Acquired	Latest Major Improvement	Anticipated Replacement
EXAMPLE			
1. Town Hall	1985	??	2025
2. Public Works Equipment Inventory (attach list)			
3. Bridges			
4. Police Equipment Inventory (attach list)			
5. Fire Equipment Inventory (attach list)			
6. Street (attach list)			

DRAFT

FY 19 and 20 Review

	<u>Total</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>FY 24-25</u>	<u>FY 25-26</u>	<u>Balance</u> <u>FY 26-27</u>
Expenditures								
Expenditures from FY 19-20 Budget not completed:								
Building Upgrades	190,000	190,000						
Sea Oats Trail	484,609	484,609						
Hillcrest Drive (Hickory Tr - SSCA tennis courts)	937,493	937,493						
	1,612,102	1,612,102						
Additional Recommended Expenditures for FY 20-21:								
Website Improvements	5,800	5,800						-
SSVFD Radios	152,000	51,000	51,000	50,000				-
Police Officer Position + equipment (2)	159,400	79,700	79,700					-
Beach Fund for Beach Nourishment Project	250,000	250,000						-
UFB Policy increased to \$3M	1,250,000	250,000	250,000	250,000	250,000	250,000	0	-
	1,817,200	636,500	380,700	300,000	250,000	250,000		-
Revenue Sources								
Available UFB (less policy)	4,245,546							
Infrastructure \$ in FY 20-21 Budget after Dewberry Project	100,000							
Total Available	4,345,546							
less recommended expenditures FY 20-21	2,248,602							
	2,096,944							
Capital Reserve Fund-Other Capital Projects	89,393							
Capital Reserve Fund- CANAL Maintenance Only	118,000							
	207,393							-

DRAFT CAPITAL IMPROVEMENT PLAN

<u>Department</u>	<u>Total</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>FY 24-25</u>	<u>FY 25-26</u>	<u>Balance</u> <u>FY 26-27</u>
Beach Nourishment								
Beach Project (total 16,685,800)- DC pays half	8,392,900		1,224,775	1,224,775	1,224,775	1,224,775	1,224,775	2,269,025
Total	8,392,900		1,224,775	1,224,775	1,224,775	1,224,775	1,224,775	
Administration								
Municipal Complex Needs Assessment	25,000							
New Municipal Complex	5,000,000							
Land Bank								
Total	5,025,000							
Fire								
New Fire Department Debt Service	5,419,223	314,020	314,020	314,020	314,020	314,020	314,020	3,535,103
Fire Capital (see department CIP)	271,609	213,671	225,913	175,363	196,375	196,375	196,375	
Total	5,419,223	314,020	314,020	314,020	314,020	314,020	314,020	

<u>Department</u>	<u>Total</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>FY 24-25</u>	<u>FY 25-26</u>	<u>Balance</u> <u>FY 26-27</u>
Police								
License Plate Reader's (LPR)	30,000		30,000					-
Police Base Radios	28,000				28,000			-
Police Mobile Radios	58,815		19,605	19,605	19,605			-
Police Port Radios	55,575		18,525	18,525	18,525			-
Mobile Data Terminals (MDT's)	12,000				4,000	4,000	4,000	-
Total	184,390	0	68,130	38,130	70,130	4,000	4,000	0
Planning								
New position- Permit Coordinator	70,000		70,000					
LUP Update	40,000		40,000					
Total	110,000	0	110,000	0	0	0	0	
Streets								
Chicahauk Trail	472,029	-	472,029					
Hillcrest Drive (Sea Oats Intersection-NC 12)	132,687	-	132,687					
Trinitie Trail	25,000	-	25,000					
Wax Myrtle Trail (E. Dorwood Tr. To end)	476,762	-		476,762				
Include Dolphin Run	71,865	-		71,865				
Include Porpoise Run	74,494	-		74,494				
Ginguite Trail- southern segment	350,560				350,560			
Total	1,603,397	0	629,716	623,121	350,560	0		
Bridges								
Tall Pine Bridge								
North Marina Bridge								
Dick White Bridge								
Trinitie Trail/Juniper Tr. Culvert					1,000,000			
Total		-			1,000,000			
Canals								
Canal Dredging and Maintenance								
Total								
Bulkheads								
Bulkhead Maintenance								
Total								
Sidewalk/Paths								
Sidewalk/Path Maintenance								
Total								
TOTAL		2,248,602	2,727,341	2,500,046	3,209,485	1,792,795	1,542,795	

Budget Adoption Calendar

October 20, 2020 – Budget Discussion

November 2020 – Capital Improvement Infrastructure Committee meeting

January/February 2021 – Council Retreat (??)

April 20, 2021 – Council Budget Work Session

May 4, 2021 – Manager’s recommended Budget presented to Town Council

May 2021 – Council Workshop

May 2021 – Council Workshop (if necessary)

June 1, 2021 – Public Hearing on Manager’s Recommended Budget

June 15, 2021 – Council adopts balanced budget

Council may adopt at any time after the public hearing but must adopt a balanced budget by the end of June 2021.

By July 1: Governing Board Must Adopt Budget Ordinance

After the governing board receives the proposed budget from the budget officer, it is free to make changes to the budget before adopting the budget ordinance. In fact, based on citizen input, as well as that from other boards and department heads, the governing board often makes adjustments to the proposed budget before finalizing and adopting the budget ordinance. Questions often arise when a board makes changes to the proposed budget about whether and to what extent it must make the changes known to the public before adopting the budget ordinance. The statute only requires that the budget officer’s proposed budget be made available for public inspection and that one public hearing be held after the proposed budget is submitted to the board. A unit is under no legal obligation to keep the public informed of modifications to the proposed budget during the budgeting process.

The LGBFCA allows a budget ordinance to be adopted at any regular or special meeting, at which a quorum is present, by a simple majority of those present and voting.³⁵ The board must provide sufficient notice of the regular or special meeting, according to the provisions in the applicable open meetings law.³⁶ The budget ordinance must be entered in the board’s minutes, and within five days after it is adopted copies must be filed with the budget officer, the finance officer, and the clerk to the board.³⁷

Cover

Oct. 14, 2020



Premium Wordpress Website Proposal

Prepared for:

Cliff Ogburn
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Town of Southern Shores
P.O. Box 2514
Southern Shores NC 27949

By:

Chris Hess
Outer Banks Internet, Inc.

Contact:

252.441.6698
sales@obinet.com
<http://www.outerbanksinternet.com>

Goals & Objectives

This proposal describes the objectives, pricing, and initial specifications for the website modernization project.

Website Modernization Objectives

Redesign and modernize your existing website using the latest WordPress website software, a new responsive (mobile friendly) framework, modern design enhancements, and an updated navigation system. Your website will also be faster, more secure, and updated with the latest Search Engine software. Traffic Analytics and search optimized page content updates will be made during the upgrade. The modernized website will offer an enhanced experience for visitors on mobile devices, desktop systems, and website administrators when updating content. As always, your new website software will come with our training services and OBI's comprehensive support services.

Fee Summary

Website Upgrade & Modernization

Services

Website Upgrade & Modernization

\$4,640.00

- Replace the website software with the latest version of WordPress CMS software.
- Replace the website theme software.
- Redesign and modernize the website.
- Replace website navigation with a modern and easy to use multi-level system.
- Reorganize website content and pages into the new navigation system.
- Modernize website special features & components.
- Relocate the website search feature to make it easier to see and use.
- Update the site structure for search optimization.
- Assist in updating site content and rework for SEO effectiveness as needed.
- Upgrade the website server to enhance performance and security.
- Connect Content Delivery Network (CDN) for overall better file delivery performance.
- Provide training, assistance, and support for new theme software and modules.
- Set up website editor permissions for additional TOSS employees.

optional **ADA Compliance Software:**

\$320.00

OBI will complete an analysis of the different ADA Compliance plugin options and make a final recommendation on the plugin and service option that best suits the TOSS website needs. Some plugins are free and others require a purchase/license and an annual renewal fee. Prices typically range from Free, to \$165 - \$500 per year. The fee depends on the level of compliance you want to achieve and if regular site scans are requested. For this module, OBI has budgeted up to 4 hours for the analysis, installation, and configuration.

* Price does not include the initial software purchase or annual renewal.

optional **File Management Software**

\$240.00

OBI will install, configure, and train the TOSS on a file management system. This software will significantly help with the organization, addition, and removal of files on the website to prevent outdated information from being accessed. OBI will also recommend a file naming convention that included a date in each file uploaded. Once installed, the TOSS will need to organize the existing files in the new software. This software requires an annual renewal fee of \$39.00/yr.

* Price includes the initial software purchase, but not the annual renewal.

Subscriptions

Small Business WordPress Plan - Monthly Service Fees

\$96.00 / Month

Your service fees include the following:

- Free Help Desk Support by Phone, Email, Ticketing System (2hrs / year)
- Special Plugin and Module Support
- Premium managed WordPress hosting with Firewall security services (10 GB Storage)
- Secure https URLs via SSL Encryption
- WordPress software and plugin updates (2hrs / year). Typically allows all WordPress software updates, and up to two plug-in and theme updates per year.

*Important: WordPress, plugin, and theme developers may issue updates that require a more hands-on upgrade process resulting in additional one-time production services. You will be alerted in advance of any update exceeding \$80 (1hr).

optional **ADA Compliance Software/Service**

\$165.00 / Year

Although this basic level of service is free, we are recommending a budget of at least \$165 per year for a higher level of ADA compliance software and service. Vendor software pricing is subject to change.

optional **File Management Software**

\$39.00 / Year

Annual renewal and upgrades. Vendor software pricing is subject to change.

optional **Website Content Update Service**

\$640.00 / Year

OBI will provide you with up to 8 hours of website content updates and assistance per year. This includes; text changes, photo updates, page creation, site administration, and most other website content related updates. Can also be used to set up quarterly website reviews with TOSS staff.

Total cost: \$5,200.00
+ \$844.00 / Year
+ \$96.00 / Month

*** Deposit of 50% of Total Cost is necessary to begin production ***

Terms of Service

OUTER BANKS INTERNET, INC. SERVICES AGREEMENT

THIS AGREEMENT, including the Proposal designated in paragraph 1a. below and attached hereto (herein after referred to as this "Agreement") is by and between OUTER BANKS INTERNET, INC. (hereinafter "OBI"), and Town of Southern Shores by Cliff Ogburn on behalf of Town of Southern Shores (hereinafter "CLIENT").

1. SERVICES.

a. OBI hereby agrees to provide one or more of the following Services for CLIENT (hereinafter "CLIENT's Website Services") on the Internet/World Wide Web as is specified and outlined in the Website Proposal dated: Oct. 14, 2020. Services may include; programming, design, marketing, linking, hosting, e-mail, domain registration, DNS service and consulting.

The Website Proposal is/are hereby incorporated into this Agreement by reference.

b. OBI agrees to provide all services outlined in this Agreement under criteria specified therein. If, however, CLIENT changes any of the specified criteria during the project which requires additional services, OBI may, at its sole discretion, charge an additional fee for such services.

c. Additional services will include, but are not limited to, changes in the extent of the work, changes in the schedule, changes in the complexity of any elements of the project, and any changes made after CLIENT approval has been given for a specific stage of the project, including concepts, design, features, composition, production and any increases in web server load, requirements, or increases in storage and data transfers beyond agreed limits.

2. CLIENT APPROVALS.

CLIENT will review, proofread, test and approve all updates, changes and content when requested by OBI, to ensure accuracy.

3. SCHEDULES/OVERTIME/RUSH WORK.

OBI reserves the right to adjust the schedule and or charge additional fees in the event CLIENT fails to meet the agreed-upon deadlines for delivery of information, materials, approvals, payment and for changes or additions to the services outlined in this Agreement.

4. CLIENT'S RESPONSIBILITIES.

CLIENT shall (1) provide all information and/or materials required for the Website in the time, form and manner indicated in this Agreement; (2) bear the cost of, and be solely responsible for the accuracy and completeness of all information and/or materials provided by CLIENT to OBI; (3) comply with all laws, rules and regulations applying to all information and/or materials incorporated in CLIENT's Website including, but not limited to, those pertaining to advertising and unfair and deceptive trade practices; (4) promptly provide OBI with all information necessary to correct any errors in CLIENT's Website.

5. RIGHTS GRANTED TO OBI.

CLIENT hereby grants OBI a non-exclusive right to incorporate into CLIENT's Website all information and/or material provided to OBI by CLIENT. OBI may incorporate such material and/or information into the Website whether such Website be contained on disk or any other media whether now known or hereinafter invented throughout the world by any and all means, methods, processes, whether now known or hereinafter invented. CLIENT hereby grants OBI the non-exclusive right and license to use CLIENT's trade names and CLIENT's trademarks and/or service marks in CLIENT's Website. As used herein, "CLIENT's trade names, trademarks or service marks" shall include all trade names, trademarks and services marks licensed to CLIENT by third parties.

6. RIGHTS GRANTED TO CLIENT.

a. OBI hereby grants CLIENT the exclusive right to distribute CLIENT Website on the Internet/World Wide Web so long as CLIENT posts said Website in accordance with this Agreement. CLIENT shall not have the right or authority to copy, or grant a third party the right to copy, CLIENT Website or any part thereof. Except as provided in

subparagraph "b" of this paragraph, any use or distribution of CLIENT Website in whole or in part not in accordance with this Agreement shall be deemed a material breach of this Agreement. OBI also grants CLIENT the non-exclusive right to distribute the Website bearing OBI's OUTER BANKS INTERNET, INC.[™] and OUTER BANKS INTERNET + DESIGN trademarks.

b. In the event OBI shall cease to do business during the Initial Term of this Agreement or any Renewal Term, OBI hereby grants CLIENT an exclusive license to distribute CLIENT Website on the Internet/World Wide Web through a third party Service Provider for the remainder of any Initial Term or Renewal Term of this Agreement; provided, however, that CLIENT shall remove OBI's OUTER BANKS INTERNET, INC.[™] and OUTER BANKS INTERNET + DESIGN marks from CLIENT's Website distributed in accordance with this paragraph. Notwithstanding the license granted CLIENT under this subparagraph b, CLIENT shall not have the right or authority to copy, or grant a third party the right to copy, CLIENT Website or any part thereof.

7. OWNERSHIP / LICENSE.

a. Subject to the rights granted to OBI under this Agreement, CLIENT shall retain whatever rights CLIENT may hold in any content or existing website files or data provided by CLIENT and incorporated into the CLIENT Website.

b. Subject to the rights retained by CLIENT under this Agreement, OBI shall own all copyright in and to CLIENT Website including, but not limited to, all web server software and scripts, source code and object code used in CLIENT Website for a period of one (1) year, the "Initial Term". After the "Initial Term" and payment in full as outlined in the Website Proposal, CLIENT shall inherit rights to such files, with the exception of original production files, OBI's software & scripts, software OBI may be licensing from a third party vender, or any Open Source software and scripts.

c. OBI shall own all right, title and interest in and to the OUTER BANKS INTERNET, INC.[™] and OUTER BANKS INTERNET + DESIGN trademarks. CLIENT hereby expressly agrees that any and all goodwill associated with these marks shall inure to the benefit of OBI.

8. MARKING.

All completed and posted pages on CLIENT's Website and any reproduction of the pages/designs contained in CLIENT Website shall contain the following notices, or a variation of markings as agreed by both parties:

a. COPYRIGHT MARKING.

© [Year completed] CLIENT | Website by Outer Banks Internet, Inc.

b. TRADEMARK MARKING.

OUTER BANKS INTERNET, INC.[™] and the OUTER BANKS INTERNET LOGO are trademarks of Outer Banks Internet, Inc.

9. FEES & PAYMENT.

Upon execution of this Agreement, CLIENT shall make all payment installments as set forth in this Agreement. If payment is not made within thirty (30) days of the due date, CLIENT agrees to pay interest on all unpaid amounts at the rate of five percent (5%) per month. Payments that are reversed or blocked by the Client or their financial institution are subject to a \$25.00 fee per payment. OBI may suspend its performance under this Agreement without prior notice, at any time that payments for undisputed charges are late (including charges placed into dispute only after the time for payment of them is due), and OBI shall have no liability related to such suspension.

10. NOTICES.

Any notice or other communication required hereunder shall be deemed sufficiently given by one party to the other, if in writing, and if and when delivered or tendered either in person, or one (1) business day after sending said notice via e-mail, if receipt of e-mail is acknowledged, or fax or depositing said notice in the United States mail in a sealed envelope, registered or certified, with postage and postal charges prepaid, addressed:

To: OUTER BANKS INTERNET, INC.
Attn: Chris Hess, Tricia Honeycut
P.O. Box 2560, Kill Devil Hills, NC 27948

E-mail: chris@obinet.com, tricia@obinet.com

To: "CLIENT" address as provided in the attached Website Proposal

11. TERM AND TERMINATION.

This Agreement's term shall begin on the Effective Date and shall end 12 months later (the "Initial Term"). Upon expiration of the Initial Term, this Agreement will automatically renew under the terms and conditions set forth hereunder for subsequent one (1) month terms (the "Renewal Term") unless terminated by either OBI or CLIENT in accordance with this paragraph. In the event of termination of this Agreement during the Initial Term, a termination fee shall be paid by CLIENT. The termination fee will include full payment for all work completed as outlined, hosting and other related services (Subscriptions) stated in the Website Proposal. Any payments that have been received by OBI will be credited against any amounts due under this provision. OBI may suspend or terminate this Agreement without notice for breach of either the paragraph entitled "Ownership" or "Client's Representations and Warranties" or "Restrictions." OBI may terminate this Agreement upon its material breach by CLIENT if the matter is not corrected within ten (10) days of notice of OBI's intent to cancel if not cured. Each party must state their desire to terminate this Agreement in writing at least thirty (30) days in advance of the end of any Term or any Renewal Term.

12. CLIENT'S REPRESENTATIONS AND WARRANTIES.

CLIENT warrants it owns all right, title and interest in and to, or has full and sufficient right and authority to, use any and all materials furnished by CLIENT to OBI for inclusion in the Website designed for CLIENT. CLIENT further warrants it has not granted to any other person or entities rights that would conflict with the CLIENT's performance or obligations under this Agreement.

13. RESTRICTIONS.

OBI reserves the right to restrict designs and information that OBI, in its sole and absolute discretion, deems harmful to the general public or OBI.

14. CONTINUITY OF SERVICE.

OBI may take the Web Servers off the Internet for repairs, upgrades or routine maintenance. OBI will make a good faith effort to minimize the impact of such operations.

15. NO WARRANTY BY OBI.

OBI MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AS TO ANY MATTER, INCLUDING BUT NOT LIMITED TO RECEIVED OR FORWARDED E-MAIL, CLIENT'S WEBSITE CONTENT FORMATTED BY OBI FOR INTERNET/WORLD WIDE WEB DISTRIBUTION, OR OTHER MATTER PRODUCED OR PROVIDED UNDER THIS AGREEMENT. OBI EXPRESSLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE QUALITY OR CONTINUITY OF THIRD PARTY TELECOMMUNICATION OR INFORMATION SYSTEMS OR SERVICES, INCLUDING WITHOUT LIMITATION TO THE INTERNET OR THE WORLD WIDE WEB. OBI shall have no obligation with respect to the interruption of OBI's operation due to computer or electronic transmission failures except to restore service as soon as reasonably practical if OBI's equipment is responsible for the failure of service.

16. LIMITATION OF LIABILITY.

CLIENT agrees that regardless of the form of any claim, CLIENT'S SOLE REMEDY AND OBI'S SOLE OBLIGATION WITH RESPECT TO ANY CLAIMS MADE OR RELATED TO OR ARISING OUT OF THIS AGREEMENT SHALL BE GOVERNED BY THIS AGREEMENT, AND IN ALL CASES CLIENT'S REMEDIES

SHALL BE LIMITED SPECIFICALLY TO REIMBURSEMENT OF PAYMENTS MADE FOR THE SERVICES RENDERED UNDER THIS AGREEMENT. IN NO EVENT SHALL OBI OR ANYONE ELSE WHO HAS BEEN INVOLVED IN THE PERFORMANCE OF THIS AGREEMENT ON BEHALF OF OBI, INCLUDING ITS EMPLOYEES, AGENTS, REPRESENTATIVES OR SUBCONTRACTORS, BE LIABLE FOR ANY OF THE FOLLOWING: (A) DAMAGES RESULTING FROM A THIRD PARTY UNLAWFULLY ENTERING THE OBI WEB SERVER OR ON-LINE SYSTEM AND ACCESSING, ALTERING, OR DESTROYING DATA; (B) DAMAGES RESULTING FROM THE INACCURACY OF CLIENT'S WEBSITE OR OF MATERIAL PROVIDED BY CLIENT; (C) CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES ARISING FROM BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, OR ANY OTHER LEGAL THEORY, WHETHER IN TORT OR CONTRACT, EVEN IF OBI HAS BEEN APPRISED ON THE LIKELIHOOD OF SUCH DAMAGES OCCURRING, INCLUDING WITHOUT LIMITATION DAMAGES FROM LOSS OF PROFITS OR BUSINESS OPPORTUNITIES, LOSS OF DATA, LOSSES CAUSED BY DELAY, LOSSES CAUSED BY THE FAILURE OF OBI'S COMPUTERS OR THOSE OF THIRD PARTIES THROUGH WHOM OBI IS OFFERING SERVICE, OR LOSSES FROM INTERRUPTION, TERMINATION OR FAILED OPERATION OF THE INTERNET/WORLD WIDE WEB OR THIRD PARTY TELECOMMUNICATION SERVICES.

17. INDEMNITY.

CLIENT agrees that it will indemnify and hold OBI and its employees, representatives and agents harmless from any demand, claim, loss, liability or damage, including reasonable attorneys' fees, whether in tort, contract or otherwise, that it or any of them may incur by reason of or arising out of any claim which is made by a third party with respect to any information or materials included in CLIENT's Website in breach of CLIENT's Representations and Warranties provided above.

18. EXECUTION OF AGREEMENT.

This Agreement may be executed in counterparts. The signatories represent and warrant that they have full authority to enter into this Agreement on behalf of the entity for whom they have signed.

19. ENTIRE AGREEMENT.

This Agreement and the Exhibit(s) attached hereto contain the entire and only agreement between the parties relating to the subject matter hereof, and any oral statements or representations or prior written material not herein contained shall have no force or effect.

20. WAIVER.

Failure of either party at any time to require performance by the other party of any provision hereof shall not effect in any way the full right to require such performance at any time in the future. The waiver of a breach of any provision in this Agreement shall not be construed or held to be a waiver of the provision itself or any other breach thereof.

21. INTERPRETATION.

a. This Agreement shall be construed without regard to the party or parties responsible for the preparation of the same and shall be deemed as prepared jointly by the parties hereto. Any ambiguity or uncertainty existing herein shall not be interpreted or construed against any party hereto.

b. If any term, covenant, condition or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent be invalid or unenforceable, the remainder of this Agreement or application of such term or provision to any person or circumstance other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition or provision of this Agreement shall be valid and shall be enforced to the fullest extent provided by law.

22. ASSIGNMENT.

This Agreement may not be assigned by CLIENT without OBI's prior written consent and no amendment or modification of this Agreement shall be valid or binding upon the parties unless made in writing and signed on behalf of each of the parties hereto.

23. GOVERNING LAW.

The validity of this Agreement and the rights, obligations and relations of the parties hereunder shall be construed and determined under and in accordance with the laws of the State of North Carolina.

24. SURVIVAL.

Paragraph numbers 5, 6, 7, 8, 15, 16, 17, 20, 21 and 23 shall survive the expiration, termination, breach or alleged breach of this Agreement.

25. EFFECTIVE DATE.

The effective date of this Agreement shall be: Oct. 14, 2020

Signed by:

Town of Southern Shores

Date

BLANK

The Framework (for future planning)

Why Long-Range Planning

- Identify community needs and desires such as land use, street and building improvements, multi-use path installation and park development.
- Identify specific strategies for development that align with the Town's vision.
- Provide residents, local officials, and others with an overview and projection of development and conversion areas in the Town.
- Serve as a basis for capital improvement planning (CIP) for important Town needs such as streets, bridges, canals, and adequate planning.
- Serve as a basis for many other public programs such as those relating to growth management, the environment, coastal resiliency, historic preservation, or parks and recreation.

Through the process we can plan systematically to identify:

- why your local government exists, and whom it serves,
- what benefits will be derived from the services it provides, and
- the vision regarding how citizens needs can best be served.

A strategic plan is the result of this process and serves as a blueprint for how our local government will achieve its vision. It identifies areas of opportunity and risk. Strategic planning is a powerful tool that can help municipalities forecast the future. A long-term financial plan gives municipalities the chance to conduct a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. This critical planning exercise can help municipalities evaluate potential opportunities and risks—and operate more proactively.

Developing the Mission, Vision and Goals

Mission – The mission statement is the foundation upon which the strategic plan rests. Therefore, it is critical that we have a solid, current and agreed-upon mission statement in place before we initiate the subsequent steps.

Defines the role of the town in accomplishing the vision

- Distinctive purpose
- Memorable
- Results oriented
- Reinforced

Vision - A vision is the "Big Picture" statement of what our community wants to be. It describes what our community will look like when the mission is accomplished. It is brief, compelling and gives purpose and direction to the town. The vision describes our preferred future that the citizens, Council and staff want to create.

The vision statement takes its lead somewhat from the mission statement. A vision articulates where you want our town to be at the end of a certain time period. It builds upon our identity and takes those elements which are unique and that coincide with the mission.

Values - Values are the core principles that define our town's leadership and management style and guide personal and agency behavior.

Goals - Goals are results-oriented, broad statements of policy or intention and represent aspects of the vision.

- The desired situation
- Describe results or ends we seek to achieve.
- Give clear direction to the Council and professional staff for action
- Are linked to the mission statement
- Should be achievable with effort
- Kept to a manageable number

Strategy – the path or plan linking actions, task, objectives, and goals. Strategies are key steps (milestones) in achieving an objective.

Objectives Conditions we want to create to move toward achieving the goal. Objectives are specific products or services that are needed to attain a goal.

Task - approach taken to accomplish an objective

Action - A set of related actions to carry out a set of tasks

Mission, Values & Vision Worksheet

Mission Statement (why we are here):

--

Values (what is important to us?):

- 1
- 2
- 3
- 4
- 5

Vision (where do we want to be in the future?):

Issues going on within the organization

1

2

3

4

5

Issues going on outside the organization

1

2

3

4

5

We can determine whether our mission statement meets these criteria if it can pass this test:

MISSION STATEMENT	Yes	No
Does it clearly state what our purpose is?		
Does it answer the questions: "who we are, what do we do, for whom (or to whom) we do it, and why it's important?"		
Is the ultimate rationale for existence clear?		
Is the mission broad enough to accommodate current times?		
Can the mission survive changes in administration?		
Is it easily understandable to anyone who reads it?		
Can we justify the dollars we spend on executing the mission?		

Similar to the mission statement test, it is helpful if the following criteria are met when deciding on what should be included in the vision statement:

VISION STATEMENT	Yes	No
Does the vision statement provide a clear picture of the organization's future?		
Is the vision statement challenging and inspiring?		
Is the vision statement believable?		
Will achieving the vision positively contribute to our overall mission?		

Goals are created in tandem with the vision statement. They are the desired results that fulfill our mission and also contribute to attaining the vision. Goals should be measurable and have a set a time for accomplishment.

GOALS	Yes	No
Do the goals support the mission?		
Are goals consistent with our legislative authority?		
Do the goals represent a measurable result?		
Do the goals provide direction for action and results?		
Are the goals challenging, but realistic?		
Is there at least one key goal for each program/department that we can reasonably manage?		
Do the goals reflect the Town's priorities?		
Are the goals important to management, policymakers and citizens?		
Will our goals reflect our program budget?		

Objectives take the goals one step further by setting specific and measurable services so that the goals may be accomplished. If progress cannot be measured in

some fashion (percentage, actual numbers, etc.) then the objective needs to be fine-tuned so that it meets this criterion. Every goal should have at least one objective, as well as one person or persons responsible for meeting that objective.

OBJECTIVES	Yes	No
Do the objectives reflect specific desired accomplishments?		
Can progress be measured?		
Are the objectives challenging, yet realistic and attainable within the planning periods?		
Are there enough resources to meet the objectives?		
Do the objectives work toward a result?		
Are there specific time frames associated with the objectives?		
Will meeting objectives lead to goal attainment?		
Is there at least one objective for each goal?		

Strategies are a detailed series of milestones used to implement your objectives. Strategies require evaluation of costs and benefits, consequences of each approach, and the appropriate course of action. Once we have determined our strategies, then it will be easier to develop requests for resource allocation. Strategies lead to the formulation of action plans that contribute to the ultimate vision.

STRATEGIES	Yes	No
Are the strategies framed within a certain time period?		
Are the strategies broken down into specific steps (have operations, procedures been included)?		
Do the strategies contain sufficient detail to track milestones?		
Do the strategies help achieve the objectives?		
Are there enough resources to implement the strategies?		
Do the strategies relate to the ultimate vision?		
Has someone been assigned to each strategy?		

Strategic Planning: What Difference Does It Make? A Snapshot of Experience in North Carolina

Heather Curry, Lydian Altman, and Carl Stenberg

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Lydian Altman teaches about strategic planning and regularly consults with elected and appointed leaders to create strategic plans that help organizations set clear priorities, allocate resources to pursue those priorities, and assess progress toward carrying out planned activities. She also facilitates retreats for governmental and nonprofit organizations and cross-sector community groups to help them plan and work together to solve public problems.

Heather Curry now works as a budget and evaluation analyst with the City of Winston-Salem. During her time as a research assistant with the School of Government, she was instrumental in designing, conducting, and analyzing the survey described in this bulletin.

Carl Stenberg is the James E. Holshouser Jr. Distinguished Professor of Public Administration and Government. He has been on the UNC faculty since 2003 and served as director of the Master of Public Administration Program from 2006–2011. He is the School's liaison with county and city managers, and founded and directs the Public Executive Leadership Academy.

The authors thank Emily Langston for research assistance and Jack Watts for infographic design.

Strategic planning is a management tool that governments at all levels have adapted from the private sector. It is also a relatively recent addition to the public manager's toolbox. Two books that have informed strategic planning in public sector organizations are *The Game Plan: Governance with Foresight*, co-authored by John Olsen and Douglas Edie in 1982, and *Reinventing Government*, co-authored by David Osborne and Ted Gaebler in 1992. These publications focus on strategic planning as a means of increasing an organization's ability to: meet challenges and anticipate and adapt to a changing environment, decide what is important and set forward-looking goals, establish spending and staff priorities, and measure performance and results.¹

Governments have adopted strategic plans as self-initiated best practices or as compliance requirements under federal and state grants-in-aid. For example, Congress passed the Government Performance and Results Act of 1993, requiring all federal agencies and many grant recipients to develop strategic plans and report on implementation progress. A 1999 survey by Jeffrey Brudney, Ted Hebert, and Deil Wright found that state administrators believed strategic planning to be the most important component of the Reinventing Government movement.² And nearly 40 percent of cities with a population of 25,000 or more reported engaging in strategic planning, despite having no mandate or requirement to do so as of 1995.³

This bulletin reports findings of a 2017 School of Government survey of all municipal and county managers and elected officials in North Carolina to discern their views on the importance of strategic planning and to determine what difference, if any, it has made in their roles and relationships. Also included are quotes by local officials who agreed to follow-up interviews.

Strategic Planning Defined

Much of the literature on strategic planning in local governments seeks to define strategic planning, identify the processes involved, or examine what makes implementation successful. Strategic planning is defined as "a deliberative, disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it."⁴ The process usually focuses on addressing key strategic questions, including: (1) Where are we? (2) Why do we exist? (3) What are our values? (4) Where do we want to go? (5) How do we

1. John M. Bryson, Frances S. Berry, and Kaifeng Yang, "The State of Public Strategic Management Research: A Selective Literature Review and Set of Future Directions," *The American Review of Public Administration* 40, no. 6 (2010): 495–521; John M. Bryson and William D. Roering, "Initiation of Strategic Planning by Governments," *Public Administration Review* 48, no. 6 (1988): 995–1004.

2. Jeffrey L. Brudney, F. Ted Hebert, and Deil S. Wright, "Reinventing Government in the American States: Measuring and Explaining Administrative Reform," *Public Administration Review* 59, no. 1 (1999): 19–30.

3. Theodore H. Poister and Gregory Streib, "Elements of Strategic Planning and Management in Municipal Government: Status after Two Decades," *Public Administration Review* 65, no. 1 (2005): 45–56.

4. John M. Bryson, "The Future of Public and Nonprofit Strategic Planning in the United States," *Public Administration Review* 70, no. 1 (2010): 255–67.

get there? and (6) How do we know that we are making progress? To answer these questions, strategic planning processes usually involve at least eight components:

- a situational analysis or environmental scan, called a SWOT (strengths, weaknesses, opportunities, threats) or SOAR (strengths, opportunities, aspirations, results) analysis;
- a mission statement focusing on an organization's distinctive purpose and how it adds value;
- a values statement on how the organization treats its clients, employees, and citizens;
- a vision statement on the overall impact of mission accomplishment on the organization or community;
- three to five goal statements;
- objectives statements for each goal that are SMART (specific, measurable, aggressive (but attainable), results-oriented, and time-bound);
- strategies and annual action plans, with accountable staff, timelines, and budget allocations indicated; and
- performance measures.

In 2007 professional staff and faculty of the UNC School of Government developed a Strategic Public Leadership (SPL) model. One purpose of the practitioner survey described in this bulletin was to determine whether and how the model has been implemented in the field and what difference it is making for North Carolina local governmental organizations and their leadership teams.

The SPL cycle (see Figure 1) connects the work typically associated with the creation of a strategic plan to the activities needed to implement and evaluate it. The cycle differs from traditional strategic planning. Rather than simply creating a document, practitioners using the SPL model will construct a series of events and processes that connects governing board goals to management actions, creates tracking systems for monitoring progress, and facilitates the accountability of management and decision-makers.

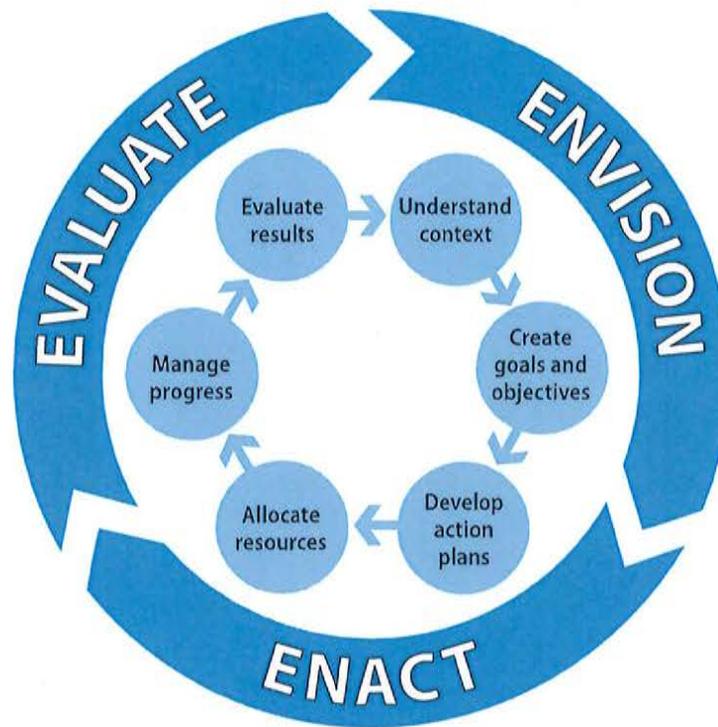
The first phase of the SPL process is to *envision* goals for the future that are informed by data and history. The second phase, *enact*, involves developing action plans and allocating resources. The final phase, *evaluate*, requires leaders to monitor progress and review results. The SPL cycle ties strategic goals to actionable priorities, budget items, and monitoring systems. And, while no model can guarantee success, the SPL cycle offers leaders a framework to

- focus on and remind themselves and others about strategic priorities;
- align resources with agreed-upon goals; and
- track performance, services, and processes that contribute to desired outcomes.

The SPL cycle produces more effective strategic plans by

- emphasizing the *ongoing connections and alignments* between the plan and other parts of the organization;
- adding project *implementation, accountability, and follow-up* to the planning process; and
- translating "big ideas" into measurable goals and action plans with *tracking systems* to ensure the accountability of staff and decision-makers.

Figure 1. Strategic Public Leadership: Setting Priorities and Getting Results



Implementation and Impact of Strategic Plans

An examination of strategic planning in the public sector reveals wide variation in the extent to which strategic planning components are used and taken seriously by public managers and elected officials. As one researcher observes, “The extent to which these efforts are worthwhile is not all that clear.”⁵ The literature identifies a number of common challenges in moving strategic planning to meaningful action. These include the following:

- failing to engage stakeholders or use their feedback;
- developing goals that are vague, too numerous to manage, and not prioritized;
- using watered-down SMART objectives;
- failing to identify cross-cutting goals and budget requests;
- using inappropriate benchmarks and performance measures;
- underestimating resource requirements; and
- unwillingness to evaluate implementation and take corrective steps.⁶

5. Theodore H. Poister, David W. Pitts, and Lauren Hamilton Edwards, “Strategic Management Research in the Public Sector: A Review, Synthesis, and Future Directions,” *The American Review of Public Administration* 40, no. 5 (2010): 522–45.

6. Bryson, “The Future of Public and Nonprofit Strategic Planning in the United States,” S263; Poister et al., “Strategic Management Research in the Public Sector,” S247; Jeremy L. Hall, “Performance

Linking Strategic Plans to Other Initiatives

Once a strategic planning process is in place, the School of Government suggests engaging in the following practices along with the plan to help integrate it into an organization's culture and day-to-day operations. In this way, organizations can maximize the benefit of strategic plans and processes.

- **Benchmark:** Choose key measurements to track as indicators of achievement toward a desired goal.
- **Performance evaluation:** Assign action steps to specific staff to ensure and track the progress of implementation.
- **Budgeting and resource allocation:** Make decisions to invest resources to further priority goals.
- **Internal and external communication:** Use the format of the plan as a tool for reporting progress to others.
- **Citizen engagement and education:** Create opportunities for citizens to hear information and provide input to either the creation or implementation of the plan.
- **Employee orientation:** Use the plan to recruit and orient new employees by explaining what the organization is working toward as well as how each person is expected to contribute to making progress through specific goals and action steps.
- **Disciplined attention:** Use the plan to help focus the governing board's attention on community and organizational priorities.

A variety of factors influence the success of strategic planning and implementation efforts. Bryson and Roering found that the following elements “seem necessary” to start a strategic planning process:

- (1) a powerful process sponsor, (2) an effective process champion, (3) a strategic planning team, (4) an expectation of disruptions and delays, (5) a willingness to be flexible concerning what constitutes a strategic plan, (6) an ability to think of junctures as a key temporal metric, and (7) a willingness to construct and consider arguments geared to many different evaluative criteria.⁷

This characterization parallels Bryson's later observation that strategic planning should be viewed as a process to be tended⁸ over time. Likewise, one of the 2017 School of Government strategic planning study interviewees suggested, “It's a living, breathing document, it's got to change, as priorities change within the city.”

Adding to the Bryson and Roering criteria described above, Burby argued that effective strategic plans involve “broad stakeholder involvement” and found that planning processes including a wider array of stakeholder input were more likely to be implemented than plans with limited participation.⁹ These points were reflected in our interviews. For example: “It's

Management: Confronting the Challenges for Local Government,” *Public Administration Quarterly* 41, no. 1 (2017): 43–66.

7. Bryson and Roering, “Initiation of Strategic Planning by Governments,” 995.

8. Bryson, “The Future of Public and Nonprofit Strategic Planning in the United States.”

9. Raymond J. Burby, “Making Plans That Matter: Citizen Involvement and Government Action,” *Journal of the American Planning Association* 69, no. 1 (2003): 33–49.

council's strategic plan, but it's our staff's strategic plan, it's everyone's strategic plan. It is the strategy by which we are going to move in the direction we said we were going to." And, "You can show community leaders what we're working on, and why we're doing it, and they've had a chance to have input, and if you show measurable progress across those goals, then I think that celebrating that with the community helps build trust and belief that the system works."

Existing literature has identified elements of strategic planning processes that can help improve outcomes. For example, plans with clear, easily measured objectives and extensive and ongoing monitoring resulted in more relevant plans and better organizational outcomes.¹⁰ Other elements that can improve outcomes include linking employee objectives and performance evaluations to strategic goals, publicly reporting performance measures, and connecting budget requests to strategic goals and objectives.¹¹

Otherwise, the question of exactly how strategic planning can improve government outcomes remains an area of further study.¹² Relatively little is known about the ways strategic planning has changed how local governments function, clarified roles and responsibilities in decision-making, or influenced the dynamics of relationships among and between professional staff and elected officials. Our survey sought to fill that void.

Research Methodology

To draw on local government experiences, in early 2017 the School of Government surveyed city councilors, county commissioners, and municipal and county managers in North Carolina. Two hypotheses were developed for testing:

H1: Local governments that engage in strategic planning will have greater role clarity among elected officials, managers, and staff than those that do not engage in strategic planning.

H2: Managers and elected officials in local governments that engage in strategic planning will report having stronger, more positive relationships than those whose governments do not engage in strategic planning.

This bulletin outlines our findings in these two areas and offers a snapshot of strategic planning experience across North Carolina jurisdictions as well as related practitioner perspectives.

The first phase of our study involved soliciting responses to an online survey. The survey link was sent to all 100 counties and 552 municipalities, using School of Government email lists of appointed and elected local officials.

The survey started with demographic questions such as the respondent's jurisdiction, office, and length of service. Next, respondents described their jurisdiction's level of strategic planning on a scale from "no plan" to "at least one multi-year strategic plan complete." No definition for

10. Rebecca Hendrick, "Strategic Planning Environment, Process, and Performance in Public Agencies: A Comparative Study of Departments in Milwaukee," *Journal of Public Administration Research and Theory* 13, no. 4 (2003): 491–519.

11. Poister and Streib, "Elements of Strategic Planning and Management in Municipal Government"; Poister et al., "Strategic Management Research in the Public Sector."

12. Poister et al., "Strategic Management Research in the Public Sector."

strategic plan was given, so some respondents may have considered their comprehensive plan or land use plan as a strategic plan.

At this point the survey split, with respondents without a strategic plan completing one set of questions and respondents with a strategic plan completing a longer set of questions. The “no plan” group responded to questions assessing why they do not engage in strategic planning, the level of role clarity for elected officials, and the quality of relationships between elected and appointed officials. The “engages in planning” group answered similar questions about role clarity and quality of relationships but also responded to questions to assess how their strategic plans are used in decision-making.

Following survey completion, we identified six jurisdictions to participate in more in-depth group discussions or individual interviews. They included one county and one municipality from each of the three geographic regions in the state. A focus group of managers was also conducted at the 2017 North Carolina City and County Management Association’s Winter Seminar as well as a small number of individual interviews to add to the richness of the qualitative data.

Results

The survey had 299 respondents; 131 were from counties and 125 from municipalities. Some respondents did not designate their jurisdictions. As shown in Figure 2, the vast majority of the respondents had an annual or multi-year plan underway or in place. A full third of both counties and municipalities reported having completed a multi-year plan.

As indicated in Table 1 and Figure 2, while wealth and population size were positively correlated with the level of strategic planning, local governments of any economic condition or population can and do engage in strategic planning. Levels of income, budget size, assessed property values, or population size may make strategic planning easier or more necessary, but they are not barriers to the practice.

Figure 2 shows that 14 percent of the county and 16 percent of the municipal respondents did not have a strategic plan in place or a process underway. With respect to the reasons given by respondents from non-planning localities, Figure 4 shows that the budget process serves as the strategic plan in many of these jurisdictions, followed by local elected official disinterest or opposition, lack of sufficient funds to pay for strategic planning consultants, and insufficient qualified in-house personnel.

Hypothesis 1

Our first hypothesis was that local governments engaged in strategic planning would have greater role clarity, especially among elected officials. Specifically, we expected that elected officials would better understand their roles as policymakers and big-picture thinkers and would be less likely involved in day-to-day management issues. We assessed this hypothesis as part of our survey data, asking both the “no plan” and “engages in planning” groups whether elected officials were focused more on long-term projects or daily operations in their respective jurisdictions (see Figure 5).

The presence of a strategic plan appears to have the hypothesized effect, with almost twice as many of the jurisdictions engaged in strategic planning agreeing with the statement “Elected

Table 1. Respondent Demographic Information

	County respondents n = 131	Municipal respondents n = 125
Region		
Eastern	39	40
Central	67	61
Western	25	24
Level of strategic planning		
No plan in place or in process	20	25
Annual work plan in place	45	25
Multi-year planning process underway	33	42
Multi-year strategic plan document complete	30	26
At least one multi-year strategic plan cycle complete	20	19
Median income		
Under \$30,000	5	15
\$30,000–\$39,999	53	38
\$40,000–\$49,999	55	24
\$50,000–\$69,999	18	36
\$70,000 and above	0	12
Population		
<i>County</i>		
Under 15,000	12	
15,000–29,999	21	
30,000–59,999	29	
60,000–89,999	14	
90,000–119,999	7	
120,000–149,999	18	
150,000–179,999	13	
180,000 and above	17	
<i>Municipal</i>		
Under 1,000		7
1,000–2,999		33
3,000–5,999		27
6,000–9,999		18
10,000–29,999		30
30,000–59,999		4
60,000–99,999		1
100,000 and above		5

Figure 2. Strategic Planning for Different Jurisdictions

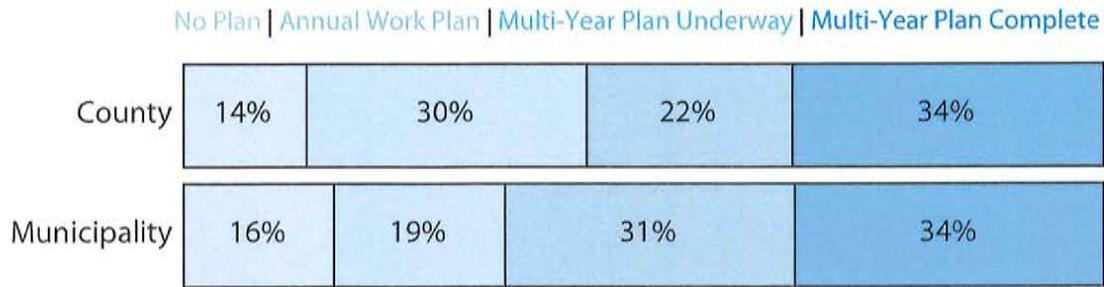


Figure 3. Strategic Planning for All Budgets and Populations

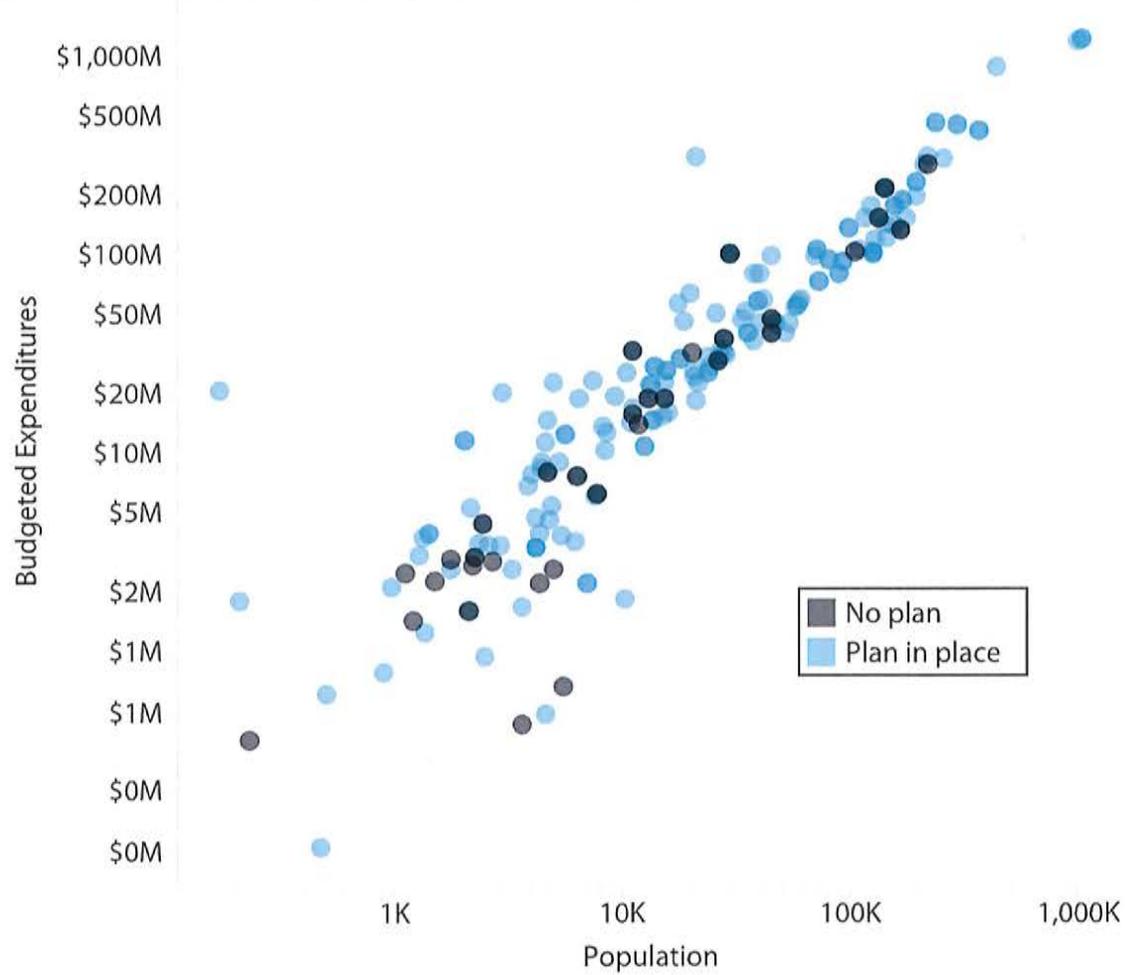
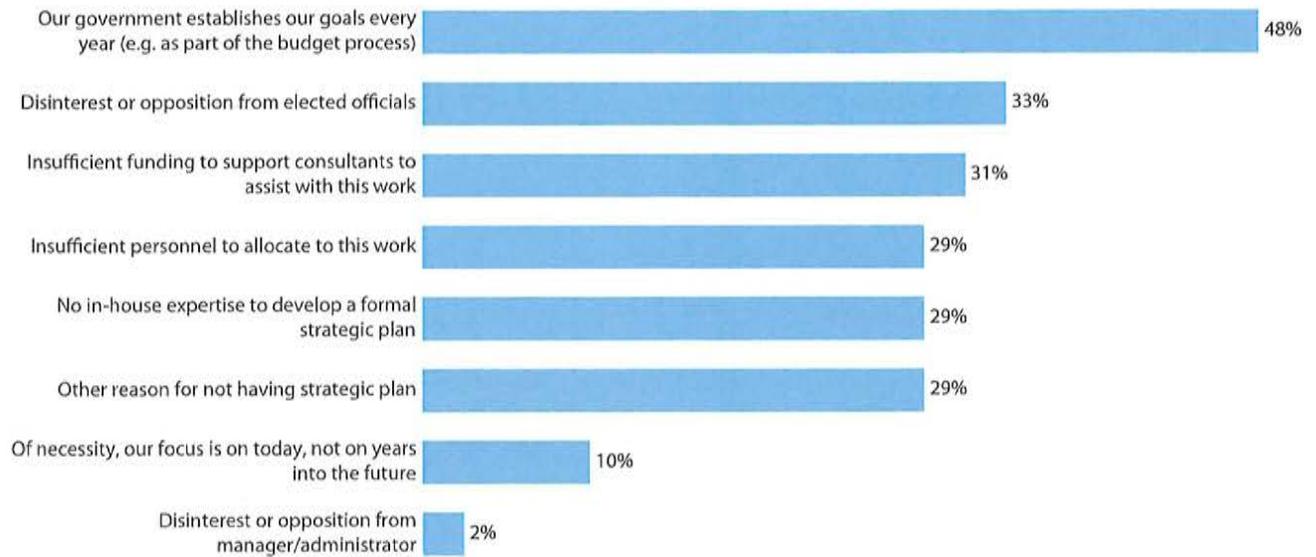


Figure 4. Reasons for No Strategic Plan

officials are focused on the big picture.” For the second metric, whether elected officials are focused on daily operations, responses also match the expected result, but to a lesser extent.

Figure 6 shows the division of responsibility for design, documentation, implementation, and facilitation of strategic plans. While the manager clearly plays an influential role, elected officials also have important responsibilities in three of these areas. (Documentation is chiefly a staff function.) One interviewee highlighted these distinctions: “Within a strategic plan, there is a management piece and a leadership piece. Management is the manager’s role, implementing, etc. Leadership is the board’s duty to keep the values and initiatives at the forefront, providing leadership to inspire management/implementation by staff.” A mayor made this observation about the various roles and functions: “The strategic plan becomes the budget. The manager knows how to go manage that and the board can trust [the manager] to do that and bring back things that they need help with or completed outcomes. It’s shifting the board up to high-level policies and priorities and the manager to the day-to-day running of government.”

Several other interviewees addressed various dimensions of these responsibilities as they relate to the interactions of departments, the management team, and elected officials.

“Strategic planning is something I can always fall back on if I don’t think I’m getting direction. . . . It gives me reassurance that, at some point in time, [the plan] was the . . . direction provided [by] the council. It’s kind of hard to find in the comprehensive plan, because most of my issues that I’m dealing with are day-to-day, hot-wire issues that need to be responded to with some degree of definitiveness. It’s a critical tool to have.”

“Departments were kind of working in silos—we’re one county—aren’t we better as one than we are working in silos? We can leverage all of our resources much better if we have a plan, one initiative that we’re all working on.”

Figure 5. The Relationship between Strategic Plans and Role Clarity

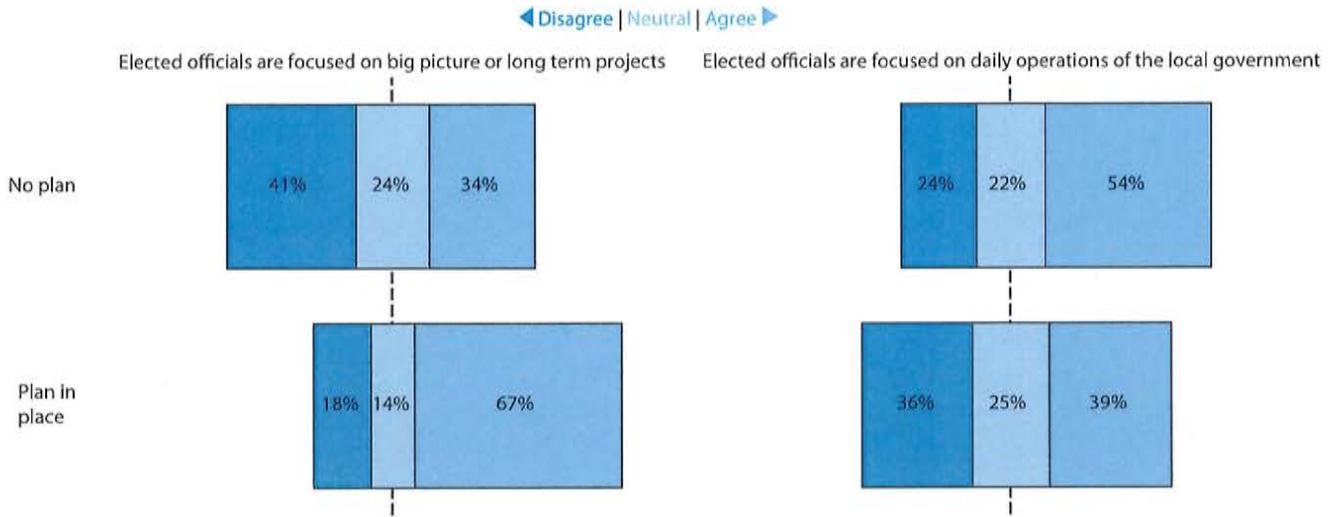
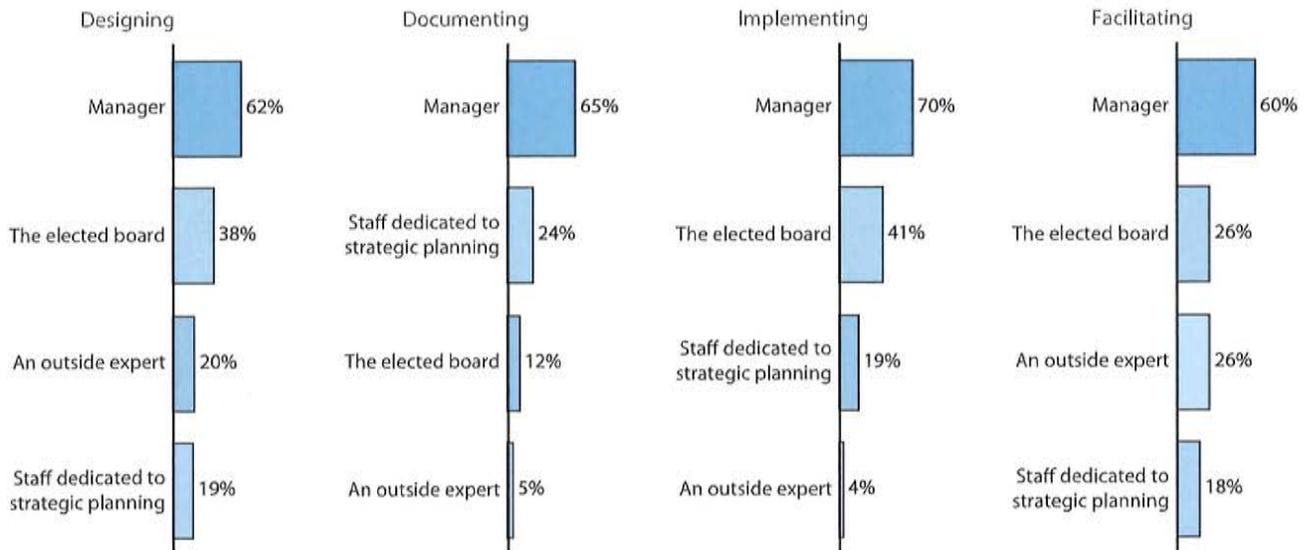


Figure 6. Responsibility in Strategic Planning

Who is responsible for the following aspects of strategic plans?



Suggestions for Clarifying Roles and Responsibilities in the Planning Process			
Primary Roles in Strategic Planning			
	Elected officials	Shared	Appointed officials
In general	<p>Initiate and commit to strategic planning process.</p> <p>Determine expectations and outcomes for a strategic planning process.</p> <p>Use a process that engages the public.</p> <p>Champion the planning process throughout the community.</p>	<p>Recognize and celebrate successes.</p> <p>Focus on why you do the work, not just the money that is spent.</p> <p>Focus on continuous improvement rather than punitive reactions if organization fails to meet expected outcomes.</p> <p>Allow flexibility in the plan to account for changing community needs.</p>	<p>Allow elected officials the space, support, and expertise to set the course.</p> <p>Champion the planning process throughout the organization.</p> <p>Align all major systems, budget, personnel, performance evaluation, and work plans to the strategic plan.</p> <p>Orient the organization to its responsibility to align with agreed-upon strategies.</p> <p>Create outward-facing report of progress.</p>
Throughout planning process	<p>Assess the implications of upcoming changes.</p> <p>Set strategic focus for the organization.</p> <p>Engage various community organizations as stakeholders to formulate plans.</p> <p>Report to the public on progress.</p>	<p>Emphasize measurable objectives and outcomes.</p> <p>Allow plan and process to clarify roles and minimize occasion for confusion.</p> <p>Use the plan to tell the story of your organization and community.</p>	<p>Anticipate upcoming changes with potential community impact.</p> <p>Offer professional advice about implications.</p> <p>Alert all to the plans of other relevant stakeholders.</p> <p>Find and share resources related to plans; provide technical assistance.</p> <p>Expect departments to tie their plans to plan strategies.</p> <p>Encourage discussion about the plan at all levels of the organization.</p> <p>Guide annual work plans and performance.</p>

Hypothesis 2

Our second hypothesis was that appointed and elected officials in local governments engaged in strategic planning will report having stronger, more positive relationships than those whose governments do not engage in strategic planning. Nearly all respondents (90 percent) agreed with the statement that the relationship between elected officials and the manager is enhanced by having strategic goals. Eighty percent said the same was true about the relationships between and amongst elected officials (see Figure 7).

In our survey we identified a number of indicators to assess the quality of relationships between elected officials and between appointed and elected officials. We asked if respondents could describe their relationships according to the following metrics: the relationship is built on mutual respect, we communicate well, we frequently engage in disruptive behavior or personal attacks during debate on issues, or we have personally attacked each other. Jurisdictions that had engaged in strategic planning were closer to the expected response on all but one indicator (disruptive behaviors between elected officials), suggesting that strategic planning is related to stronger relationships between elected and appointed officials (see Figure 8).

We also asked whether strategic plans were used to evaluate individual performance. As shown in Figure 9, half to two-thirds of the jurisdictions with a plan indicated that plans played a role in staff performance evaluations.

We were also curious if having a strategic plan would influence whether, or to what extent, elected officials engaged in self-reflective activities. Clearly, this has not been the case. Only 13 percent of respondents indicated that the self-evaluations of elected officials require them to assess the strategic plan.

Finally, we wanted to know how many elected bodies actually engage in any self-evaluation at all (regardless of whether it is related to a strategic plan). Figure 10 shows that this is not a common practice among elected bodies in North Carolina. Yet, elected officials engaged in strategic planning are more self-reflective as a body than those with no plan.

We also sought to examine the role of strategic planning in decision-making. The average responses as depicted in Figure 11 show that the most common ways local governments use the

Figure 7. Perspectives on Relationships and Strategic Goals

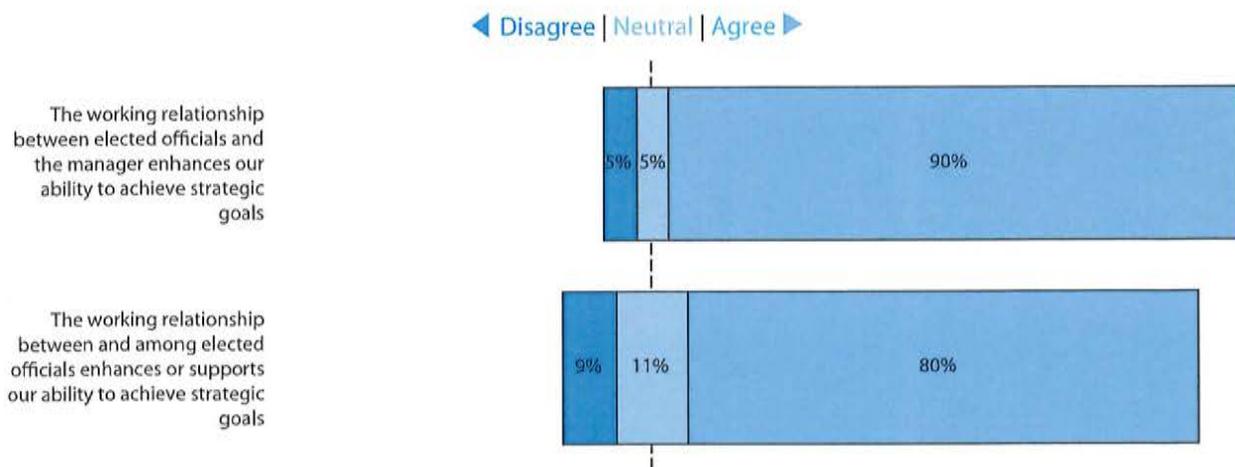
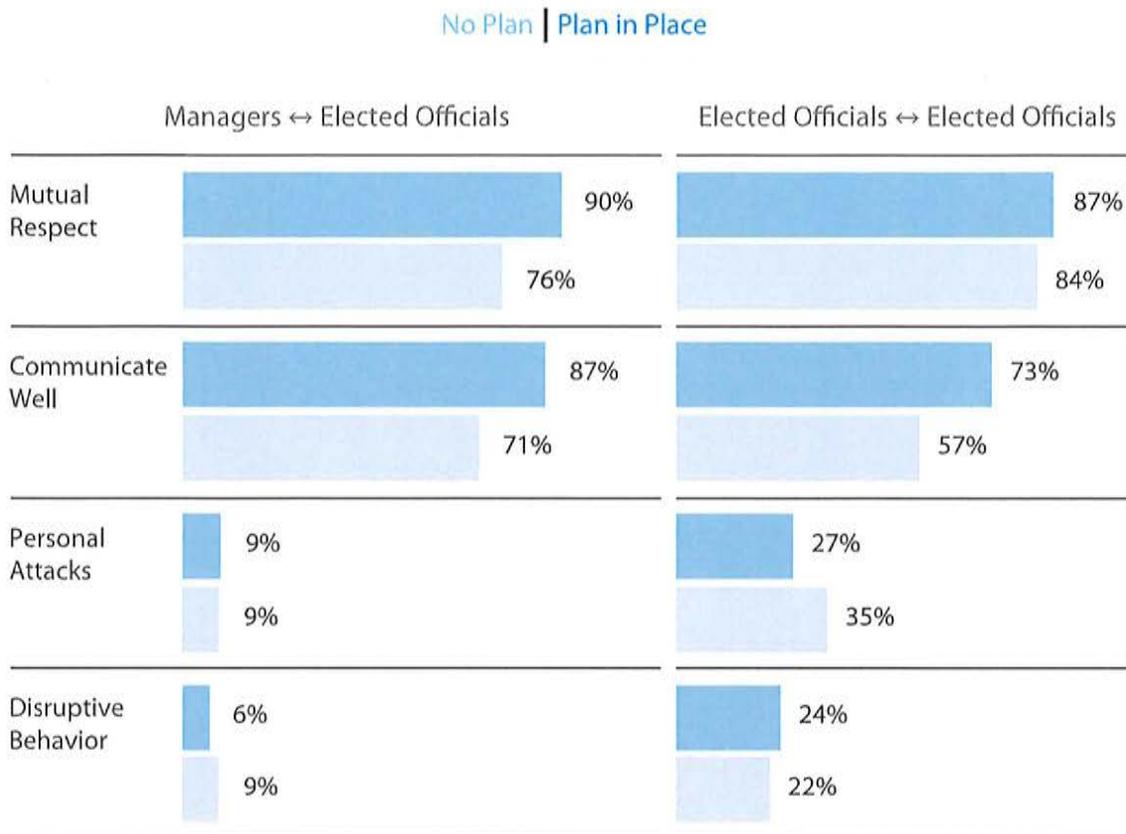


Figure 8. Quality of Relationships between Appointed and Elected Officials Based on Presence of Strategic Plan (Percent Agreeing)



strategic plan in decision-making are in allocating revenue, ensuring both appointed and elected officials are supportive of achieving plan goals, and incorporating references to strategic goals in meeting agendas.

We also found that decision-making practices were correlated with each other in this context, meaning that if a local government includes the strategic plan in one decision-making process, it is likely to incorporate the plan in other processes as well.

Two interviewees reported the following positive impacts:

“The board understands and supports what’s in the plan. They were very methodical in developing it and very serious about what’s in there. They expect plan priorities to show up in developmental work plans.”

“When we have budget requests come in, we take this plan very seriously. So every budget request—this season we ask that every one, almost, be linked to the strategic plan in some form or fashion. . . . We focus mainly on what the city’s priorities are, and we try and do our best to get more of the strategic plan things funded, or shift resources where we can.”

Figure 9. Plans and Performance Evaluations

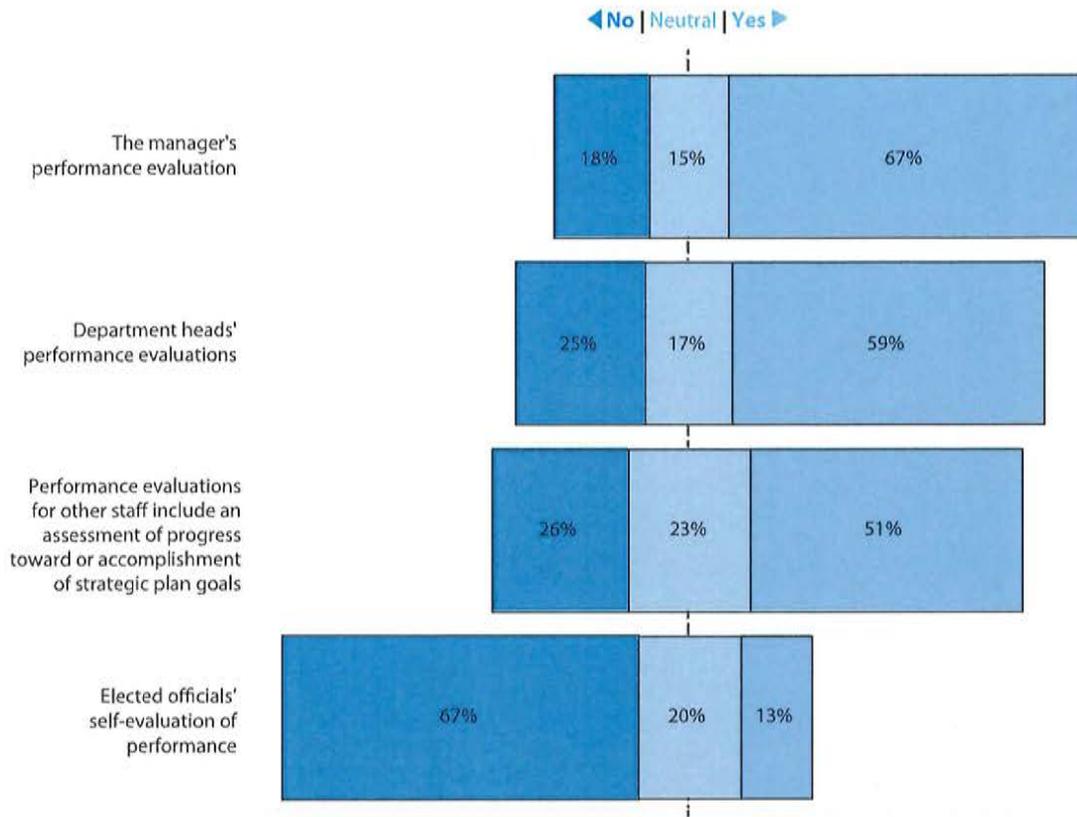


Figure 10. Self-Reflection Practices of Elected Officials as a Body

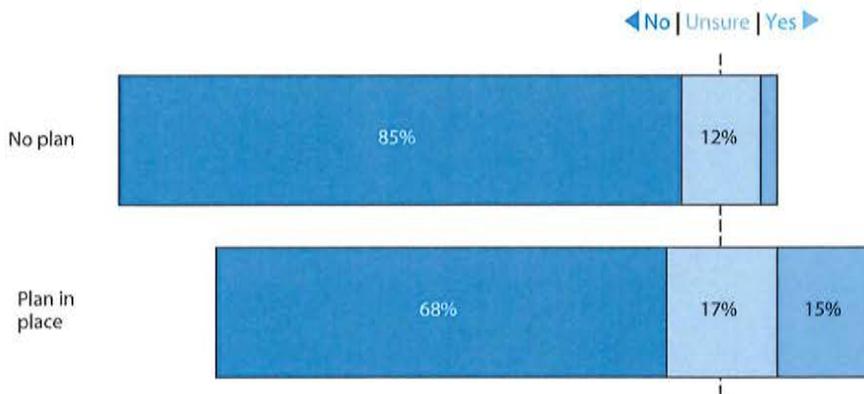
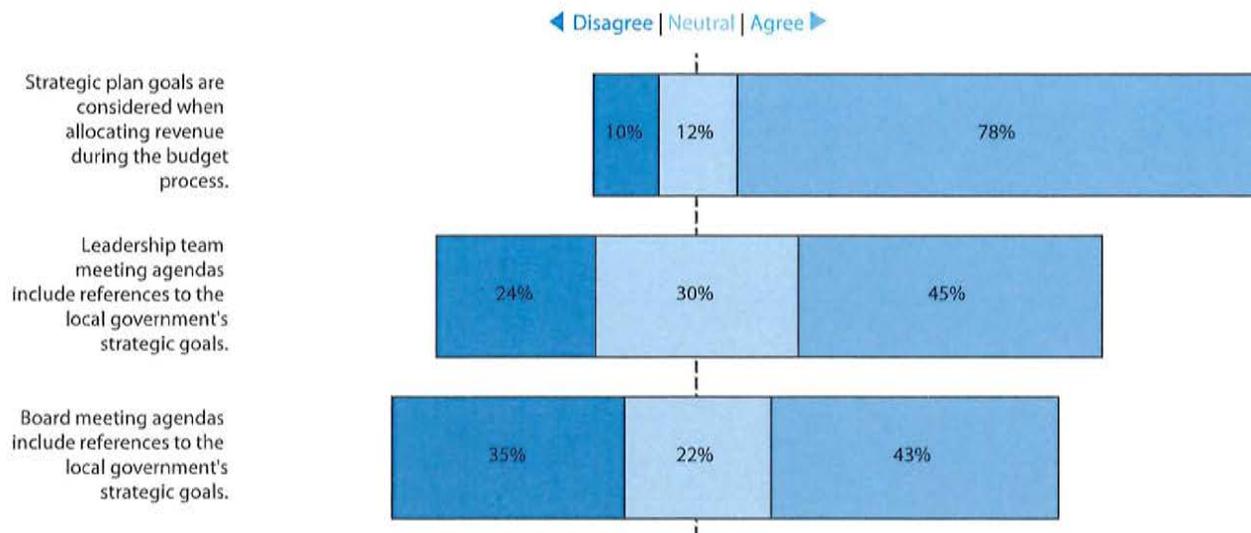


Figure 11. Strategic Plans and Decision-Making Practices

Key Findings at a Glance

Organizations that engage in strategic planning were at least slightly more likely to report the following about their jurisdictions:

- Elected officials engage in self-review as a body.
- The relationship between elected officials is based on mutual respect.
- Elected officials communicate well.
- Elected officials are focused on the big picture.
- Elected officials are not involved in day-to-day management issues.
- Elected official–manager relationships are based on mutual respect.
- There are generally no disruptive or negative interactions between managers and elected officials.
- Managers and elected officials do not engage in personal attacks.
- The manager and elected officials communicate well.

Organizations with strategic plans also generally agree with the following statements:

- The relationship between elected officials supports the strategic plan.
- The relationship between manager and elected officials supports the strategic plan.
- The strategic plan is embedded in the budget.
- The manager's evaluation is based at least in part on the strategic plan.

New Insights

As researchers, what insights have we gained from this snapshot from the field?

Expected Findings

Expected findings include the following:

- Strategic planning is possible regardless of a jurisdiction's population size or budget.
- Relationships and role clarity between managers and elected officials are improved somewhat when plans are in place.
- The most likely way that local governments link plans to decision-making is through budget allocations.
- Managers play the biggest role overseeing a strategic planning process from start to finish; however, elected officials and others contribute to varying degrees throughout the process.

Unexpected Findings

Unexpected findings include the following:

- **Elected bodies in jurisdictions with strategic planning are more likely to self-reflect about their own performance.** Overall, elected officials are not very likely to engage in self-evaluation as a body. This is consistent with our experience working with elected bodies. But apparently having a plan in place makes such self-evaluation more likely than if no plan existed. We find this encouraging and hope that as more jurisdictions adopt strategic plans, elected bodies will use the plans to gauge their own performance over time.
- In jurisdictions with strained relationships, the presence of a plan is not a panacea. Yet our research shows that **having a plan is constructive in building stronger, more positive relationships within elected bodies and between elected and appointed officials.**
- The gap between the perceived quality of relationships between managers and their elected bodies and between elected members is puzzling. Less than 10 percent of managers would characterize their relationships with elected officials as negative, yet **one-quarter to one-third of elected officials said their relationships with fellow elected officials include disruptive behavior and personal attacks** (see Figure 8). This finding may warrant further research.

Conclusion

Several interviewees talked about the “big picture” and long-term impacts of strategic planning on role clarity, relationships, and decision-making:

“A strategic plan crystalizes the story for your community. It provides consistency of message.”

“So [a plan and process] is a broader way of thinking, it's not necessarily so narrowly focused on numbers and tax rate, it's focused on vision for the future.”

“It’s an opportunity—local government is so day-to-day. There’s always something going on. . . . And so strategic planning gives folks in the organization the opportunity to step back, think longer-term, and prioritize.”

“If you open up the dialogue to say we’re going to talk about our future and what we want to see our county become, it kind of changes the focus from how we’re going to make sure we’re more efficient to how we’re going to make sure that we plan our future like we’d like it to be.”

“A strategic plan is also helpful in showing other levels of government (county, state) what you are doing, what you need, and how you fit in with their plans and goals.”

Strategic planning does make a difference! Overall, with respect to the value added by strategic planning, our study suggests that local governments can benefit from: (a) clearer delineation of the roles of elected officials and professionals as they relate to long-term goals and day-to-day management; (b) stronger, more positive working relationships; and (c) closer connections among a variety of decision-making processes beyond just budgeting. These affirmative returns suggest that strategic planning can be a worthwhile investment for communities of all types to make.

Appendix: A Closer Look at the Data

We have shown that leaders who do strategic planning perceive their roles and relationships differently from those who do not. However, we have not determined the statistical significance of these differences. Our analysis here assures us that strategic planning can improve local government function by enhancing role clarity and relationships, but further study illustrating statistical significance would strengthen our results, particularly around relationships.

Our first hypothesis was that local governments engaged in strategic planning will be characterized by greater role clarity, especially among elected officials. Specifically, we expected that elected officials would better understand their roles as policy-makers and big-picture leaders and would less likely become involved in day-to-day management issues. We assessed this hypothesis as part of our survey data with two questions asked of both the “no plan” and “engages in planning” groups.

Indicator	Average response		Expected response
	No plan	Engages in strategic planning	
Elected officials are focused on the big picture or long-term projects.	Neither agree nor disagree (1.86)	Somewhat agree (2.67)	Strongly agree (4.00)
Elected officials are focused on daily operations of the local government.	Neither agree nor disagree (2.36)	Neither agree nor disagree (2.03)	Strongly disagree (0.00)

On the first of these indicators, the presence of a strategic plan appears to have the hypothesized effect, with jurisdictions engaged in strategic planning agreeing more with the statement “Elected officials are focused on the big picture.” On the second indicator, responses also move in the expected direction, but to a lesser extent.

Our second hypothesis was that appointed and elected officials in local governments engaged in strategic planning will report having stronger, more positive relationships than those in governments that do not engage in strategic planning. In our survey we asked a number of questions to assess the quality of relationships between elected officials and between appointed and elected officials, which are listed below.

Indicator	Average response		Expected response
	No plan	Engages in strategic planning	
The working relationship between and among elected officials is built on mutual respect.	Somewhat agree (2.98)	Somewhat agree (3.16)	Strongly agree (4.00)
Elected officials frequently engage in negative or disruptive behavior when debating issues.	Somewhat disagree (1.09)	Somewhat disagree (1.20)	Strongly disagree (0.00)
Elected officials have personally attacked each other.	Somewhat disagree (1.36)	Somewhat disagree (1.31)	Strongly disagree (0.00)
Elected officials communicate well with each other.	Neither agree nor disagree (2.25)	Somewhat agree (2.69)	Strongly agree (4.00)
The working relationship between elected officials and the manager/administrator is built on mutual respect.	Somewhat agree (3.08)	Somewhat agree (3.48)	Strongly agree (4.00)
Elected officials and the manager/administrator frequently engage in negative or disruptive behavior when debating issues.	Somewhat disagree (0.69)	Somewhat disagree (0.60)	Strongly disagree (0.00)
Elected officials and the manager/administrator have personally attacked each other.	Somewhat disagree (0.78)	Somewhat disagree (0.55)	Strongly disagree (0.00)
Elected officials and the manager/administrator communicate well with each other.	Somewhat agree (2.81)	Somewhat agree (3.21)	Strongly agree (4.00)

On all but one indicator jurisdictions engaged in strategic planning were closer to the expected response, suggesting that strategic planning is related to stronger relationships between elected and appointed officials.

We also sought to examine the role strategic planning made in decision-making. To do this we asked local governments engaged in strategic planning the following questions.

Indicator	Average response	Expected response
Elected officials' self-evaluation or self-review requires them to assess their use or implementation of the strategic plan.	(0.46)	Yes (2.00)
Department heads' performance evaluations include an assessment of progress toward or accomplishment of strategic plan goals.	(1.33)	Yes (2.00)
Performance evaluations for other staff include an assessment of progress toward or accomplishment of strategic plan goals.	(1.25)	Yes (2.00)
The manager's/administrator's performance evaluation includes an assessment of progress toward or accomplishment of strategic plan goals.	(1.47)	Yes (2.00)

Note: 0: No 1: Unsure 2: Yes

Indicator	Average response	Expected response
The working relationship between and among elected officials enhances or supports our ability to achieve strategic goals.	Somewhat agree (3.11)	Strongly agree (4.00)
Strategic plan goals are considered when allocating revenue during the budget process.	Somewhat agree (2.98)	Strongly agree (4.00)
Board meeting agendas include references to the local government's strategic goals.	Neither agree nor disagree (2.12)	Strongly agree (4.00)
Leadership team meeting agendas include references to the local government's strategic goals.	Neither agree nor disagree (2.29)	Strongly agree (4.00)
The working relationship between elected officials and the manager/administrator enhances or supports our ability to achieve strategic goals.	Somewhat agree (3.44)	Strongly agree (4.00)

These average responses show that the most common ways local governments incorporate the strategic plan into decision-making practices are to consider the plan when allocating revenue and ensure both appointed and elected officials are supportive of achieving plan goals.

We also ran a correlation matrix for these responses and found that these decision-making factors were correlated with each other, meaning that if a local government includes the strategic plan in one decision-making process, they are likely to incorporate the plan in other processes as well.

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