

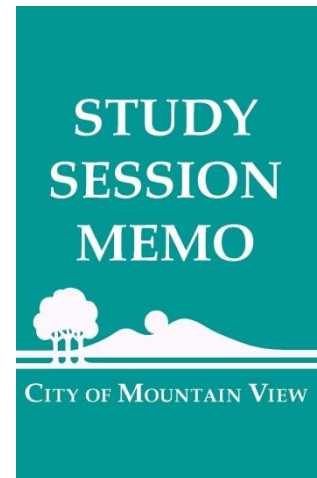
DATE: February 28, 2019

TO: Honorable Mayor and City Council

FROM: Audrey Seymour Ramberg, Assistant City
Manager/Chief Operating Officer

VIA: Daniel H. Rich, City Manager

TITLE: **Council Goal-Setting for Fiscal Years 2019-20
and 2020-21**



PURPOSE

The purpose of this Study Session is to begin the City Council’s biannual goal-setting process by establishing a limited number of Major Goals for Fiscal Years 2019-20 and 2020-21 (confirming, revising, or replacing the current Major Goals) and suggesting potential projects of interest to accomplish these Goals (for the Study Session Agenda – see Attachment 1).

BACKGROUND

History on Council Goal-Setting

Since 2013-14, the City Council has undertaken a biannual goal-setting process to establish a limited number of high-level themes to address challenges or opportunities of great importance to the community and/or organization (referred to as Major Goals) and a Work Plan of projects to accomplish these Goals. This process has been an effective way of directing resources toward, and communicating clearly about, the organization’s top priorities. The choice to adopt goals on a two-year cycle recognizes that many significant projects require more than one year to complete.

The Major Goals since 2013-14 are included as Attachment 2 to this Study Session. The current Major Goals are:

- Promote Strategies to Protect Vulnerable Populations and Preserve the Socioeconomic and Cultural Diversity of the Community;
- Improve the Quantity, Diversity, and Affordability of Housing with an Added Focus on Middle-Income and Ownership Opportunities;

- Develop and Implement Comprehensive and Coordinated Transportation Strategies to Achieve Mobility, Connectivity, and Safety for People of All Ages; and
- Promote Environmental Sustainability with a Focus on Measurable Outcomes.

The status of the Work Plan for these Goals is included in Attachment 3 and reviewed in the Discussion section of this Study Session.

2019-21 Goal-Setting Process

The Council Subcommittee on Goal-Setting (Subcommittee) met on October 29, 2018 to provide direction on the process for establishing goals for the upcoming two fiscal years. At that meeting, some adjustments were suggested to the process used in the last two goal cycles to reflect: (1) the possibility that Council may choose to continue the current Major Goals into the next biannual cycle; and (2) the interest in having time early in the process for Councilmembers to put forward potential projects for the Fiscal Years 2019-21 Work Plan.

At the January 22, 2019 Council meeting, staff presented an agenda (Attachment 1) incorporating these suggestions and providing time both to discuss whether to continue, revise, or replace the current Major Goals and to brainstorm potential project ideas in support of these Goals. Staff also presented an overall timeline for the goal-setting process (Attachment 4). The recommended agenda and timeline were approved by the Council. In addition, Councilmembers were invited to submit the potential projects of interest to them in advance for inclusion in the packet. This option was of interest to some Councilmembers, and their thoughts on goals and projects are included in Attachment 5. All Councilmembers will also have the option to raise project ideas during the Study Session.

DISCUSSION

2017-19 Council Goals Work Plan Update

To accomplish the Council's current Major Goals, staff developed and Council approved 70 projects, initiatives, programs, or policies (hereafter referred to as projects). As noted in Attachment 3, four projects were either merged or discontinued. As a result, the Work Plan currently consists of 66 projects. Some of these projects were intended for completion within the two-year Council goal cycle, while others were longer-term projects expected to extend beyond Fiscal Year 2018-19. Taken together, these projects represent a significant body of work and have demanded considerable

staff resources over the past two years. As shown in the Council Goals Work Plan Update (Attachment 3), after 18 months of the two-year goal cycle, of the 66 projects:

- Thirty-four (34) projects (51 percent) are completed as of December 31, 2018.
- Nine (9) projects (14 percent) are expected to be completed by June 30, 2019.
- Twenty-one (21) projects (32 percent) are under way and will continue into the next fiscal year.
- Two (2) projects (3 percent) have not begun.

Update on Other Significant Department Goals

In addition to the projects identified to accomplish the Council's four priority goals, staff has also undertaken many other significant initiatives, which are reflected in the Fiscal Year 2018-19 Adopted Budget as "Major Departmental Goals/Projects/Initiatives." Looking at all City departments, there are a total of 68 projects above and beyond those associated with the four Council major goals. Of these:

- Twenty-five (25) projects are complete or will be completed by June 30, 2019 (37 percent).
- Forty-three (43) goals (63 percent) will continue with an expected completion beyond Fiscal Year 2018-19. These projects have varying levels of progress with some being longer-term and not intended for completion within Fiscal Years 2017-19.

Capacity Considerations

All together, the projects to accomplish the Council Major Goals and other significant departmental projects, staff undertook a total of 135 projects this fiscal year. Of this total, 68 (51 percent) will be completed by the end of this fiscal year. In addition, as part of the Fiscal Year 2019-20 Budget process, staff may also propose department projects that need to be undertaken but are unrelated to the City Council goals.

It is clear that the current workload is very heavy, and care should be taken to limit the total number of new projects added. The overwhelming majority of staff time (varying by department but estimated to be 85 percent across the organization) is devoted to day-to-day operations, constraining the capacity for new initiatives. Consequently, assessment and prioritization will be needed to ensure that the Major Goals Work Plan

ultimately adopted by Council is feasible. The goal-setting process has been designed to help arrive at this focused set of high-priority projects.

During the April 23, 2019 Study Session, Council's next step in the goal-setting process, Council will be asked to prioritize the list generated at this first Study Session, which will have been augmented with project ideas proposed by advisory bodies and staff. Staff will then identify resource needs, timing, and interdepartmental impacts of the highest-ranked projects to determine which will be feasible to pursue in the Fiscal Year 2019-21 Major Goals Work Plan. This will inform a staff-recommended Work Plan that will be presented to Council for its review and approval on May 21, 2019.

The following considerations are offered as context for the Council's discussion of the appropriate scope of for the Major Goals Work Plan:

- The number of Work Plan projects has increased over the past three biannual Major Goal cycles, with 48 projects in Fiscal Years 2013-15, 51 projects in Fiscal Years 2015-17, and 66 projects in Fiscal Years 2017-19. For the last two cycles, there have been a significant number of projects that are large in scope and carry forward. This underscores the challenge and importance of setting realistic expectations.
- Project complexity has also increased, requiring more staff hours, higher levels of interdepartmental coordination, greater impacts on certain central departments, such as the Attorney's Office and the Finance and Administrative Services Department, and longer time frames in order to complete the projects.
- Staffing capacity is affected not only by the number of budgeted positions, but also by certain organizational challenges related to succession planning and staff recruitment/retention. In 2018, we had an average monthly vacancy of 67 employees due to retirements, separations, and a focus on staff development and a high rate of promoting from within. Over the past three years, 37 percent of the City's budgeted FTEs have been newly hired, and 58 percent of the City's budgeted positions are either new to the organization or performing new roles. In addition, because of the highly competitive labor market, it has become more difficult to fill certain positions, resulting in a longer time required to bring budgeted positions on board. While the City Manager's Office and Human Resources Division are working strategically to address these issues, they do have implications for staff capacity.
- There are various planning processes already under way which will identify resource needs and options for Council's direction. For example, as approved by

Council, staff is currently developing a strategic plan to determine the options and staffing implications for clarifying and achieving the City's vision for sustainability and implementing the recommendations of the Environmental Sustainability Task Force 2. As another example, the Council gave direction during a June 19, 2018 Study Session on public service levels to undertake a Fire and Emergency Response Study, which is an Implementation Action in the North Bayshore Precise Plan. In a related item, at its January 22, 2019 meeting, Council approved funding for a Police Department staffing study to ensure the most effective deployment and level of staff in light of anticipated population growth.

RECOMMENDATION

1. Confirm, revise, and/or replace the current Council Major Goals.
2. Suggest potential projects to accomplish the Major Goals to create a preliminary list which will be brought back for prioritization in April, along with project ideas from departments and advisory bodies.

NEXT STEPS

During the month of March, City departments and Council advisory bodies will be asked to provide input on the Major Goals and potential projects. Staff will bring this input to the second Council Goal-Setting Study Session on April 23, 2019, at which the Council will hear public comment and review and prioritize potential projects for further analysis by staff.

PUBLIC NOTICING

Social media outreach, agenda posting, and notices to all Council advisory body members and neighborhood associations.

ASR/KB/3/CAM
602-02-28-19SS

- Attachments:
1. Agenda for February 28, 2019 Study Session
 2. Council Major Goals Since 2013-14
 3. Fiscal Year 2017-18/2018-19 Major Goals Work Plan Update
 4. Fiscal Year 2019-20/2020-21 Goal-Setting Process Timeline
 5. Councilmember Project Suggestions