

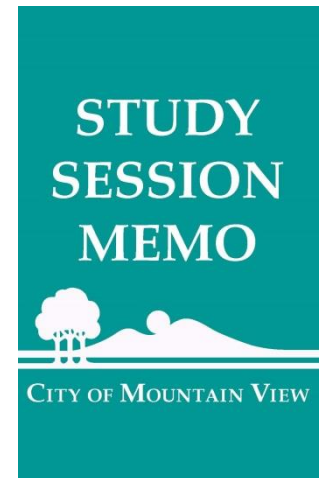
DATE: February 27, 2017

TO: Honorable Mayor and City Council

FROM: Audrey Seymour Ramberg, Assistant City Manager

VIA: Daniel H. Rich, City Manager

TITLE: Fiscal Years 2017-18 and 2018-19 Goal Setting



PURPOSE

The purpose of this Study Session is for the City Council to begin the process of developing priorities for Fiscal Years 2017-18 and 2018-19 by identifying a limited number of theme-based major goals.

BACKGROUND

Since 2013-14, the City Council has undertaken a goal-setting process which consists of Council identifying three high-level thematic goals ("major goals") with specific projects and initiatives identified by staff and advisory bodies that fulfill those goals over a two-year period. This selection of top priorities has been an effective way of directing resources, aligning staff efforts, and communicating clearly about the organization's central areas of focus. The choice to adopt goals on a two-year cycle recognizes that many significant projects require more than a year to complete.

The Council Major Goals for Fiscal Years 2015-16 and 2016-17 are to:

- Improve the Quantity, Diversity, and Affordability of Housing;
- Enhance Environmental Sustainability Efforts; and
- Improve Transportation by Enhancing Mobility and Connectivity.

The 2015-17 Council Major Goals Work Plan is provided for reference in Attachment 1. It includes a list of the existing Major Initiatives and Projects that have been identified to accomplish the Council's Major Goals, along with the milestones and timelines associated with these projects. Given the magnitude and complexity of the issues of housing, environmental sustainability, and transportation, it is understandable that some of the projects will be carrying forward beyond 2016-17. Attachment 2 provides a

brief summary of the status of the Council's goals, as well as other major goals that departments are focused on.

DISCUSSION

2017-19 Goal-Setting Process

The Council Subcommittee on Goal-Setting (Subcommittee) met on November 1, 2016 to establish the timeline for Fiscal Year 2017-19 Council goal setting, as well as the format for the Council Study Session.

The Subcommittee's recommendation was to continue the established format from the most recent goal-setting process and identify broad theme-based major goals that can be aligned with the significant work done by departments. Using this approach to goal setting, staff is able to identify specific efforts to fulfill major goals that will be a significant focus for departments, in addition to other departmental projects/initiatives that are separate and distinct from the Council major goals.

Based on the Subcommittee's recommendation, the Fiscal Year 2017-19 goal-setting process will entail:

- A February 27, 2017 three-hour Study Session to identify two to four major goals/high-level themes for the two-year period. This includes receiving an update on the status of the City's existing goals;
- Following the February 27, 2017 session, staff will solicit feedback and specific ideas from Council advisory bodies and City departments for actions that support the goals;
- A second Study Session held in April 2017 to finalize major goals and review specific action items that support the goals; and
- Council formal adoption of goals with the budget in June 2017.

The Subcommittee's recommended format for the February 27, 2017 kick-off Study Session includes:

- Three-hour session facilitated by staff;
- Brief staff presentation summarizing the purpose of the session, desired outcomes, description of the process, and background information on priorities/projects currently under way.
- Time for Council to discuss the desired outcomes for the process and ask questions;
- Exercise for Councilmembers to briefly discuss and then each write short thematic goals on sheets of paper that will be attached to a wall and then sorted into groups by determining and naming the broader theme that is shared by each group of goals; and
- Following the sorting, Council dialogue and identification of themes. If there are more than two to four themes and consensus cannot be reached on the highest priorities, a dot-voting exercise will be conducted to determine the priority themes.

A proposed agenda for the goal-setting exercise is provided as Attachment 3.

Update on 2015-17 Council Goals and Other Major Department Projects

As noted in the Background section of this report, the Council's 2015-17 Major Goals are to:

- Improve the Quantity, Diversity, and Affordability of Housing;
- Enhance Environmental Sustainability Efforts; and
- Improve Transportation by Enhancing Mobility and Connectivity.

To accomplish these overarching goals, staff developed and Council approved 51 projects and initiatives. 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 2016-17. These projects have demanded significant staff resources during Fiscal Years 2015-16 and 2016-17. As shown in the Council Goals Work Plan (Attachment 1) and the Council and Departmental Major Goals Status Report (Attachment 2), after 18 months of the two-year goal cycle:

- Three (3) projects have been eliminated or merged with other projects, reducing the number of total projects to forty-eight (48). Thirty-four (34) of these projects (71 percent) have been completed or are expected to be completed by June 30, 2017.
- Fourteen (14) projects are scheduled to continue as part of staff's workload beyond Fiscal Year 2016-17. Four (4) of these projects are expected to be completed during fall 2017; the other ten (10) projects have anticipated completion dates later in Fiscal Year 2017-18 or in 2018-19.

In addition to the projects identified to accomplish the Council's three priority goals, City staff has also undertaken a number of other significant initiatives, which are reflected in the Fiscal Year 2016-17 Adopted Budget as "Major Departmental Goals/Projects/Initiatives." Looking at all City departments, staff identified a total of 62 projects/goals in the Fiscal Year 2016-17 Budget, beyond those projects associated with the three Council major goals. Of these goals:

- Twenty-five (25) projects are, or will be, completed by June 30, 2017 (40 percent).
- Two (2) goals are ongoing.
- Thirty-five (35) goals will continue, with an expected completion beyond Fiscal Year 2016-17. These projects have varying levels of progress with some being longer term and not intended for completion within Fiscal Year 2016-17. These include items such as the construction of the Community Center renovation and expansion, development of City-owned property downtown, and continued implementation of the El Camino, North Bayshore, and San Antonio Precise Plans.

Taking together the projects to accomplish the Council Major Goals and other significant departmental goals, staff undertook a total of 110 projects/goals this fiscal year. Of this total, 59 goals (54 percent) will be completed by the end of this fiscal year.

In addition, just as in the current fiscal year, staff will identify new projects to accomplish important departmental objectives in addition to City Council goals as part of the Fiscal Year 2017-18 Budget process. These continuing and potential new departmental projects will be presented to Council during the second Goal-Setting Study Session in April, providing a context of all proposed projects to inform Council's identification of priorities. There may be initiatives of interest to Council that do not fit into the major goal themes, but that are nonetheless important to pursue. In any event, it is clear that the current workload is very heavy and a reduction in the total number of new projects is recommended. It is important to remember that the overwhelming majority of staff time and resources are devoted to day-to-day operations, leaving limited capacity for other projects.

RECOMMENDATION

Identify two to four theme-based major goals by the end of the Study Session. Staff recommends that Councilmembers give thought in advance to their top goals in order to facilitate discussion at the Study Session.

NEXT STEPS

Department staff and Council advisory bodies will be asked throughout the month of March to provide input on specific projects/initiatives related to the preliminary goals. Staff will prepare a draft list of specific projects/initiatives that fulfill the proposed major goals. Staff will also assess budgetary impacts and staff capacity to pursue these projects, taking into consideration existing staff commitments related to the major projects that will extend beyond 2016-17 as well as ongoing programs and services. Staff will bring the results of this work to the second Council Goal-Setting Study Session in April 2017.

PUBLIC NOTICING

Agenda posting and notices to all Council advisory body members and neighborhood associations.

ASR/7/CAM
602-02-27-17SS-E

- Attachments:
1. Fiscal Years 2015-17 Council Major Goals Work Plan
 2. Council and Departmental Major Goals Status Report
 3. Agenda for Goal-Setting Exercise