

**MEMORANDUM**

Office of the City Manager

DATE: December 4, 2024

TO: Ad Hoc Council Goal-Setting Committee

FROM: Audrey Seymour Ramberg, Assistant City Manager

VIA: Kimbra McCarthy, City Manager

SUBJECT: **Fiscal Years 2025-26 and 2026-27 Council Work Plan Development Process**

BACKGROUND

In 2023, City Council reaffirmed its Vision Statement and seven Strategic Priorities for the future of Mountain View, which were originally created and adopted in 2021. Following a three-month work plan development process, Council also adopted a two-year work plan with selected projects to advance the Strategic Priorities. The Council's Strategic Priorities and Work Plan are included as Attachment 1.

The purpose of this meeting of the Ad Hoc Council Goal-Setting Committee (Committee) is to review and provide direction on the proposed timeline and process for development of the Fiscal Years 2025-26 and 2026-27 Council Work Plan (hereafter referred to as the FYs 2025-27 Council Work Plan). Staff will incorporate the Committee's input and bring the process to Council for adoption in January 2025.

ANALYSIS**FYs 2025-27 Council Work Plan Scope and Achievement**

The Council Work Plan establishes the City Council's top priority initiatives that, along with other special projects and ongoing core services, contribute to the Council's seven Strategic Priorities. In the past, the City Council Work Plan has tended to be comprehensive and robust, with a range of 40 to 70 projects since 2019, and an average of 51 projects per work plan cycle. With this volume and breadth of projects, taken in conjunction with the daily work and other priority projects, it has been challenging to successfully initiate or complete every project within the two-year work plan time frame.

In fact, typically less than 50% of projects have been completed within these past two-year work plans. Even with relatively fewer projects (41 as adopted, 38 after further Council direction), the

FYs 2023-25 Work Plan is estimated to close out the cycle with 50% total projects and 62% Category A projects completed. It has become clear over the past few years that the existing volume of Work Plan projects, while laudable, is unrealistic to achieve in a two-year cycle.

For the upcoming two-year cycle, Council has expressed an interest in developing a Work Plan that emphasizes quality rather than quantity, focusing on successfully delivering a smaller number of high priority projects in a timely manner that are important to the Council and community. Consequently, with the considerations and process described below, staff is recommending that the FYs 2025-27 Work Plan contain no more than 10-14 projects.

Quality Over Quantity

Staff appreciates Council's emphasis on quality over quantity and has identified a number of benefits to this approach, including the following:

- Establishes a focus on high visibility projects that can be clearly tracked and communicated to Council and the community, showing measurable progress toward achieving Council's Strategic Priorities;
- Enhances staff's ability to focus on and deliver results by concentrating on fewer, well-defined projects; and
- "Right sizes" the Work Plan to fit current staff and fiscal resources. The effort to right size is particularly timely given the anticipated fiscal outlook, which will make it more challenging than in the past few years to add staff or other resources.

Big Picture Alignment of Work Plan Projects and Other City Efforts

In addition to the specific City Council Work Plan projects, the Strategic Priorities are supported by a multitude of other special projects and ongoing programs and services, including mandated and non-discretionary activities.

In previous Council work planning processes, staff has used the image of an iceberg to demonstrate how staff resources are allocated, with Council Work Plan projects at the top of the iceberg, followed by other important, time-limited projects above the waterline, followed by the City's ongoing operations, which are less visible below the waterline. **It is estimated that 85% of staff capacity is directed toward the ongoing activities below the waterline.**

The image below in Figure 1 further fleshes out this illustration, using the example of the Council Work Plan projects in furtherance of the Economic Vitality Strategic Priority. These projects – creating a vibrant downtown, developing a storefront activation program, and implementing the Economic Vitality Strategy – are at the tip of the iceberg. Listed next are other significant

strategic initiatives such as the Downtown Precise Plan update and implementation of the Castro Street Pedestrian Mall, which also support Economic Vitality. Finally, underneath the surface are a host of other ongoing programs and services which are supported through day-to-day staff operations that are also essential to achieving Economic Vitality.

Figure 1: EXAMPLE - Iceberg Illustration of Efforts Aligned with Council Projects to Accomplish Economic Vitality

STRATEGIC PRIORITY: ECONOMIC VITALITY



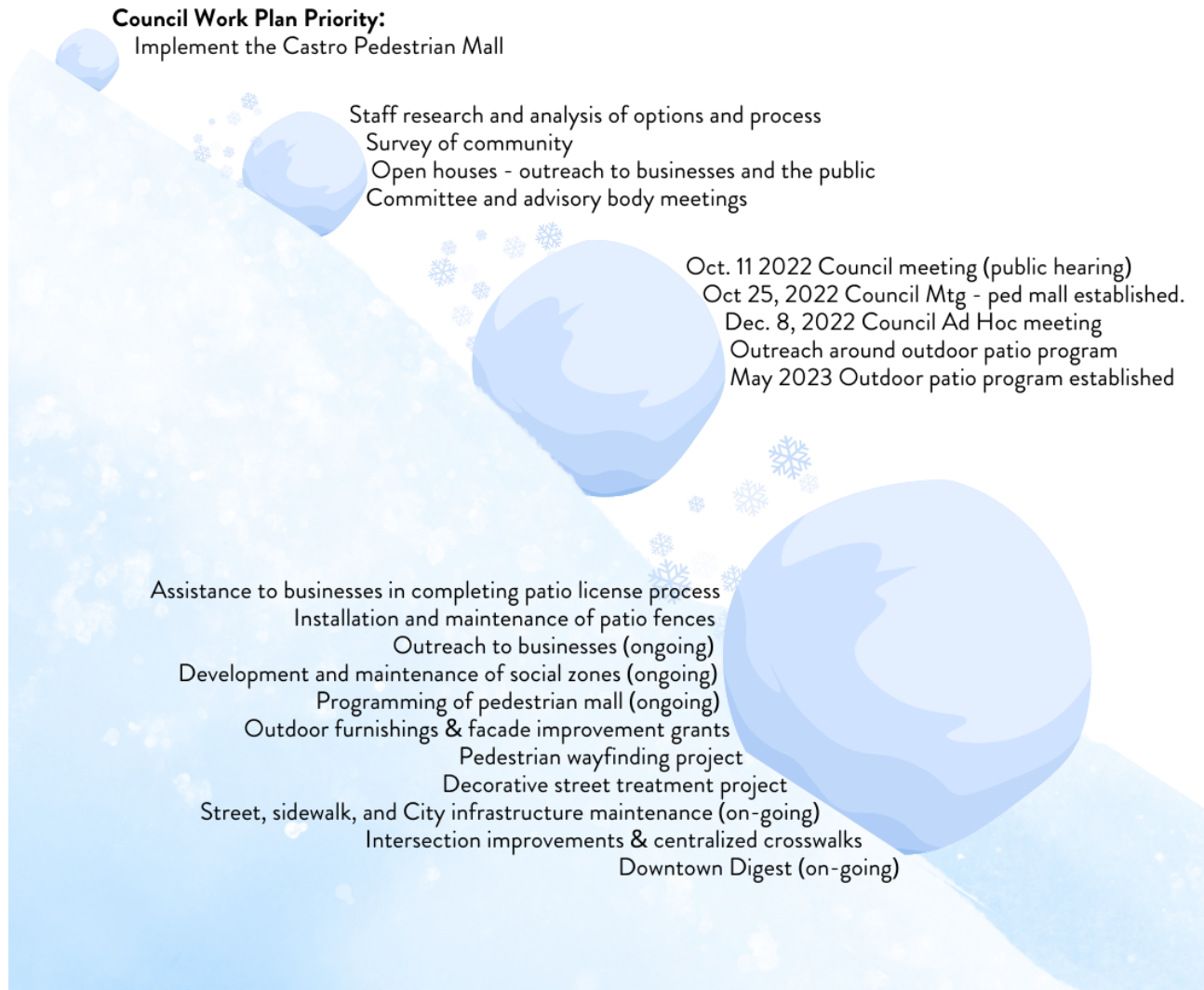
As part of the final adopted City Council Work Plan, staff proposes creating graphic representations for each Strategic Priority (using the concept but not the image of the iceberg) to show the broad range of activity and collaboration across departments and how other projects and ongoing work align with the Council’s Work Plan projects to accomplish its high-level priorities. This will include information on whether projects are discretionary or non-discretionary.

Capacity and Resource Considerations

As mentioned above, approximately 15% of the organization’s staff capacity is available to dedicate to special projects, including, most importantly, the City Council’s Work Plan projects. In developing the Work Plan, it is helpful to consider the ways new projects can have a downstream “snowball effect” on staff capacity, in which other new special projects, programs, and ongoing operational work is needed in order to carry forward and accomplish the intent of the priority project. Figure 2 below illustrates this effect, using the Implementation of the Castro Pedestrian Mall Council Work Plan project as an example.

Figure 2: EXAMPLE - Snowball Illustration of Additional Special Project and Ongoing Activities Associated with Accomplishing the Intent of Council Work Plan Projects

STRATEGIC PRIORITY: ECONOMIC VITALITY



Work Plan Development Process

As in prior years, the development of the FYs 2025-27 Work Plan will consist of a series of study sessions and new business items at Council meetings and will conclude in June 2025, with Council adoption of the Work Plan alongside the FY 2025-26 budget. Once adopted, scheduled Work Plan

updates will be provided to the Council to monitor implementation progress, receive recommendations from staff, and address changing community priorities as appropriate.

Timeline

Below is an overview of the proposed Work Plan development timeline:

- **December 4, 2024** — Ad Hoc Council Goal-Setting Committee meeting to review and discuss process recommendations, timeline and analytical criteria.
- **January 28, 2025** — Council consent item to approve process and timeline recommended by the Committee.
- **February 25, 2025** — Council Study Session to review current and planned projects and identify potential new and existing projects for inclusion in the next Council Work Plan.
- **March 2025** — Staff analysis of potential projects and Council Advisory Body input.
- **April 8, 2025** — Council Study Session to review staff analysis of the potential projects identified in the February Study Session and to determine project prioritization.
- **June 24, 2025** — Council Work Plan adoption during Fiscal Year 2025-26 Budget Public Hearing.

Scope

As mentioned above and in keeping with the quality over quantity approach, staff recommends that the final Council Work Plan have a maximum of 10-14 projects. These projects could be a mix of Council's new project ideas as well as current and planned projects. **The intent is to develop a concise, achievable, and impactful Work Plan which emphasizes the projects and ongoing efforts to accomplish the seven Strategic Priorities while also being mindful of the downstream impacts that new projects may have on the staffing capacity for other essential projects and day-to-day operations.**

Process

This section describes key elements of the proposed process for how Council will put forward, prioritize, and approve projects for the FYs 2025-27 Work Plan.

Staff will prepare analysis to support the Council's deliberations at the February and April Study Sessions as summarized below.

February Study Session

Staff will compile a comprehensive list of current and planned projects and initiatives for consideration at the February Council Study Session. This list will include projects from the FYs 2023-25 Work Plan that will not be completed by the end of June 2025 and are expected to carry forward. Council will have the choice of whether any of the current or planned projects should be elevated to stay on or be added as one of the 10-14 projects in the FYs 2025-27 Council Work Plan. Information will be provided for each current or planned project covering the analysis criteria listed below. In addition to providing Council with potential projects for the upcoming Work Plan, this list will illustrate the breadth and volume of work already underway to support each Strategic Priority. **As such, the list can assist Council in its deliberation by both identifying any significant gaps that could be filled by a potential new project and providing a picture of staff's overall capacity to take on new projects.**

At this Study Session, staff recommends that each Councilmember suggest up to two potential projects for the FYs 2025-27 Work Plan. As noted above, these could include new projects and/or projects that already underway or planned. These potential projects will be analyzed by staff and shared with the City's advisory bodies, as described below, and brought back for Council consideration at its April Study Session.

April Study Session

As in prior years, staff will provide Council with a considered analysis of the potential projects from the February 2025 Study Session to inform Council's deliberation and prioritization of potential new projects using the analysis criteria below. **Staff will present this information, along with a synthesis of advisory body input, any questions regarding project scope, and findings regarding project feasibility, resource impacts, and trade-offs.** Depending on the scope of the potential projects and any trade-offs identified, it may be necessary for Council to go through a prioritization process to select the 10-14 projects to be included in the Work Plan. This could be through a dot voting process as has been used in the past.

The Ad Hoc Goal Setting Committee may also wish to consider the value of having outside, rather than staff, facilitation of this process.

Analysis Criteria

- **Strategic Priorities and Council Goals:** Evaluate each project for its alignment with and advancement of the Council's Strategic Priorities and other Council-adopted goals.
- **Discretionary or Non-Discretionary:** Identify whether the project is at the full discretion of the Council or if State or Federal Law makes the project non-discretionary, mandatory, or time-sensitive.

- **Fiscal Impact:** Estimate the costs and anticipated revenues and whether new one-time or ongoing funding will be needed.
- **Legal Impact:** Determine the level of legal assistance required to analyze legal impacts or develop new legislation.
- **Duration and Timing:** Estimate the anticipated duration and timeframe of the project and identify any urgency or timeliness concerns driving project prioritization.
- **Staff Capacity:** Identify the staff resources involved to lead and support the project, including whether additional staff resources will be needed.

Council Advisory Body Participation

Staff proposes that Council Advisory Bodies (CAB) be consulted in the development of the Work Plan, similar to the process used to develop the FYs 23-25 Council Work Plan. Staff plans to present to each CAB at their regular meetings in March or April 2025 and facilitate a structured discussion about the Work Plan development process, seeking feedback about their perspective on the Strategic Priorities and Council's potential project list. In their advisory role, CABs can provide high-level input on identified potential projects, identify critical issues, and help inform prioritization. Input gathered from CABs will be summarized and provided to Council for consideration during the project prioritization discussion in April 2025.

Discussion Questions for the Ad Hoc Council Goal-Setting Committee

1. Does the Committee support the **Quality over Quantity** approach to the Work Plan with a maximum of 10-14 total projects?
2. Does the Committee suggest any changes or additions to the analysis criteria?
3. Does the Committee want to work with an outside, third-party facilitator to guide Council through this process?
4. Does the Committee have any other comments on the Work Plan development process?

NEXT STEPS

Staff will incorporate the Committee's feedback into the FYs 2025-27 Council Work Plan development process. The process will be brought to Council on consent for approval during the January 28, 2025 meeting.

Staff will provide a status update on the FYs 2023-25 Council Work Plan implementation to Council in February 2025, as part of a compilation of current and planned projects for consideration as part of the project selection process for the FYs 2025-27 Work Plan.

Attachments: 1. Council Strategic Priorities and FY 23-25 Work Plan