

Agenda Report

TO: CITY COUNCIL

DATE: JANUARY 26, 2009

FROM: CITY MANAGER

SUBJECT: STRATEGIC PLANNING PROCESS

RECOMMENDATION:

This is an informational report on the strategic planning process and no City Council action is required.

BACKGROUND:

As staff undertakes the process of preparing the fiscal year 2010 operating and capital budgets, we begin in an economy that is dramatically different from where the city was one year ago. When the City Council adopted the fiscal year 2009 Operating Budget, there was still optimism that the city would be unaffected by the fiscal challenges that other local municipalities were facing. Today, we know that is not the case and that Pasadena will need to begin the process of reducing both the operating and capital budgets to reflect the reductions in major revenue sources such as retail sales tax, gas taxes, transient occupancy tax, and others.

Preparing a budget that includes reductions to services and programs, as well as operational efficiencies, requires that staff take an approach that is in alignment with the goals and objectives set forth by the City Council.

Strategic planning is a common process that helps define an organization's strategy/direction and identify a set of priorities for the allocation of human and financial resources. The strategic planning process helps define the organization's principle mission, internal strengths and weaknesses, external threats and opportunities, and

most importantly set goals and objectives. Over the past many years, the City Manager has successfully used this process in other organizations. Such a process can also be instrumental in helping to define a work plan for the City Manager and executive staff, especially for a new City Manager. Additionally, these tough economic times demand that we have a plan by which to direct our limited resources. Participating in a strategic planning process provides an open and inclusive framework for how we define, plan, and determine success.

Review of the City's Strategic Planning

Undertaking a formal process to help define direction for staff is not uncommon for Pasadena. Over 15 years ago the City Council developed goals through a strategic planning process. These goals have been modified slightly through the years and are listed below:

- Assure a Safe and Secure Community
- Foster Economic Prosperity
- Create Neighborhood Vitality and Livability
- Focus on Planning, Programming and Reinvesting in Our Parks and Parklands
- Make Water and Power Utilities Market Competitive
- Create a More Efficient, Cost Efficient Government
- Improve Our Public Schools

These goals have been used by the departments when making recommendations for their budgets and annual work plans. The department "Highlights" in the Operating Budget articulates how the programs of each City department relate to and support the Council goals. When the City first began using results statements in the budget, the intention was to illustrate how the various work plans and objectives related to and supported the Council Goals. The key question today is if these goals are still relevant for the challenges facing the city over the next 12 months.

The Citywide Strategic Plan of 2006 and Citizen Surveys from 2007 and 2008 are also good examples of such activities. In December 2006, former City Manager Cynthia Kurtz presented the "Citywide Strategic Plan: Stakeholder Results Report." The purpose of this report was to provide the City Council with the results of information gathered from interviewing City Council, executive staff, commissions, neighborhood associations, local businesses, community organizations and citizens at large. These interviews were based on a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. All the responses were classified into major themes and then synthesized into the following matrix:

Citywide Strategic Goals Matrix

December 31, 2006

City Council	Executive Committee	City Commissions	Neighborhood Associations	Businesses	Community Organizations	Citizens at Large
Affordable housing	Maintain city's fiscal stability	Affordable Housing	Affordable housing	Improve public schools	Improve public schools	Improve public schools
Improve public schools	Improve public schools	Traffic and congestion	Population growth and over development	Traffic and congestion	Affordable housing	Affordable housing
Traffic and congestion	Increasing expectations of local government	Improve Public Schools	Improve public schools	Affordable housing	Traffic and congestion	Traffic and congestion
Maintain city's fiscal stability	Racial and ethnic disparities	Over development	Traffic and congestion	Crime	Over development	Over development
Aging city infrastructure	Traffic and congestion	Maintain city's fiscal stability	Green Space	Maintain city's fiscal stability	Aging city infrastructure	Increased homeless population

By reviewing this matrix, several topics emerged as being a priority for the City such as affordable housing, traffic and congestion, and maintain fiscal stability. An outcome from this process was to first create a department dedicated to housing needs and housing related programs. Additionally, in 2009 staff will complete the 710 mitigation projects, complete the Arroyo Parkway project, and continue to implement ITS (intelligent transportation system) throughout the city. Given today's economy, maintaining fiscal stability is a top priority of the staff and they continue to implement strategies that will balance the budget balanced and prepare for future needs.

Traditionally when we look at setting a strategic plan, the focus is only on those issues where the City has the ability to directly control the outcome. However, one of the reoccurring issues is concern over the public schools, which are not under the direct control of the City Council. During the last two years the City has become a more active partner with the Pasadena Unified School District. The City Council and the PUSD Board continue the commitment of meeting twice annually as a joint body and focus on areas where they can work together. School playgrounds are now available to neighborhoods during non-school hours, tennis courts have been renovated, and the

Safe Schools program has been expanded. It has been proven that even if the City is not directly responsible for public schools, it can be a partner in improving them.

Referring back to the strategic planning process and answering the question "where do we want to be over the past years," staff completed two formal citizen surveys in June 2007 and again in April 2008. The surveys were undertaken to assess the issues most important to the broader Pasadena citizenry. It must be recognized that if another survey were taken today, the responses may be considerably different given the dramatic downturns in both the economy and the housing market. However, the results of the two surveys do provide some consistent themes which are still relevant today.

The 2008 survey identified the following as the most serious issues facing Pasadena:

- education/public schools
- crime
- increased development
- cost of living
- housing costs/affordable housing
- traffic congestion.

There was also an awareness that the State was experiencing a large budget deficit that would likely have a negative impact on City services and programs. It is apparent from the surveys that Pasadena residents have a good sense of what services the City provides and the important issues facing the community. Attachment A provides a summary of the April 2008 citizen survey results.

The Current Strategic Planning Process

Over the past four months the City Manager reviewed the results of the citizen surveys and the Citywide Strategic Plan: Stakeholder Results Report from December of 2006, as well as actively seeking community input on issues facing Pasadena from various constituencies throughout the City. In order to supplement the information learned and to establish a short-term work plan for the manager and staff, the City Manager held a strategic planning retreat on January 8, 2009 with the City Council and executive managers. The retreat was facilitated by a professional facilitator, Marilyn Snider, with over 28 years of public and private sector strategic planning experience. This effort represented a first step in the process of developing a current strategic plan and a management work plan.

One of the outcomes from the workshop was the creation of a new mission statement that clearly defines what we do as an organization. The new mission statement is as follows:

The City of Pasadena is dedicated to delivering exemplary municipal services responsive to our entire community and consistent with our history, culture and unique character.

Following the identification of internal strengths and weaknesses and external threats and opportunities (Exhibit B), the following three-year goals were developed:

- Maintain fiscal responsibility and stability
- Improve, maintain and enhance public facilities and infrastructure
- Increase conservation and sustainability
- Improve mobility and accessibility throughout the city
- Support and promote the local economy

Each of the above goals has supporting objectives intended to be achieved within the next six months. Attachment C outlines the six-month strategic objectives for each of the five goals. Once the objectives are completed, new ones will be identified to ensure a continuous process to meet the five City Council goals. On a monthly base, a monitoring report on the status of the objectives will be presented to City Council. This is a dynamic process that is designed to keep the strategic plan current and responsive to City Council priorities.

Although these five goals capture what is important to the City of Pasadena today, they are intended to be flexible in that the goals can be changed to deal with issues as they emerge. The City Council will have an opportunity to modify the goals during the monthly updates as well as during future strategic planning workshops.

The goals, although all-encompassing, are not exclusive of what the City is expected to provide its residents, businesses, and visitors. They do, however, articulate the critical issues requiring attention today. As part of the next City Council update, staff will provide a list of additional initiatives/objectives that are being pursued in accordance with the above goals and not reflected on the current strategic objectives tracking sheet.

The fact that providing outstanding public safety is not specifically called out does not mean that such a goal is not critical to the community, but instead may reflect the fact that at this point in time there is a sense that we are providing quality public safety programs and attention by staff to improve those programs is not critical as it relates to other significant issues facing the community. If an incident or issue were to arise that would change that perception, the process allows for the inclusion of that goal and the resulting increased attention by staff to resolve those issues.

Just because a broader community goal may not be clearly reflected in the above goals, it also doesn't mean that staff isn't working on it. Again, public safety is a great example since staff is clearly working every day to deliver the highest quality public safety programs, but in a way that reflects the goal of "maintaining fiscal responsibility and stability." And certainly public safety facilities are included in the goal to "increase, maintain, and enhance public facilities and infrastructure," as well as the goal to "improve mobility and accessibility throughout the city."

Public Input Process

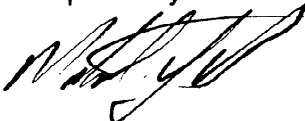
One of the questions raised during the strategic planning retreat was how to best incorporate public input into the goal setting process. One way to do this would be to undertake a community meeting to develop the city vision. Such an exercise could take place during late summer or early fall. An outside consultant could be used to facilitate the meeting to ensure consensus is reached and continuity with the on going strategic planning process.

Since the economic conditions are so dramatically different today then they were when the last citizen survey was completed in April 2008, staff recommends a new survey be undertaken in the next few months in order to accurately reflect the issues most important to our citizens today.

FISCAL IMPACT:

This is an information item and therefore has no direct fiscal impact. However, the successful implementation of a strategic planning process will greatly benefit staff as they prepare the upcoming operating and capital budgets.

Respectfully submitted,



MICHAEL J. BECK
City Manager

Attachments:

- Exhibit A: Excerpt of April 2008 Citizen Survey
- Exhibit B: January 8, 2009 Strategic Planning Retreat Notes
- Exhibit C: January 8, 2009 Strategic Plan objectives matrix