

AGENDA REPORT

TO: Joe Tait, City Manager 

FROM: Cindy Russell, Chief Financial Officer/City Treasurer

SUBJECT: Long-Term Vision/Strategic Business Plan Workshop #10 – Review of the Long-Term Strategic Plan Document (Final Draft)
(City Council Priority No. 24A – FY 08/09)

RECOMMENDATION:

By Motion, approve the final draft of the Long-Term Strategic Plan Document and direct staff to complete and publish the final document with edits as approved by City Council.

SITUATION:**Summary and Recommendation:**

The City's Long-Term Vision/Strategic Business Plan (the "Plan") process includes a number of phases. The City Council, along with input from City staff, the community and other stakeholders, have completed the final draft Plan document (Attachment 1) for final review and approval by City Council. Additionally, a sample of the final draft format of the document is included as Attachment 2 for any additional feedback.

The Mission Statement and Statement of Community Values were completed in November/December 2009. The Vision Statement was completed at the June 3, 2010 workshop. Pages 7 through 11 of the final draft Plan document include the City's adopted Mission, Vision and Values statements.

Business Planning and Performance Measurement - The Plan is based on the strategic, operational and financial elements that have been produced throughout this project. Business Planning describes implementation plans and schedule, high-level financial impacts of strategic goals/action-plans, and performance measures and other mechanisms for monitoring progress on implementing the plan. Based on the final action plan, a detailed implementation plan for the next two to three fiscal years has been included in final draft Plan document. Staff and our consultants have developed a set of strategic measures that will communicate progress on the strategic issues to elected officials, staff, and the public. From these strategic measures, a larger set of operational measures has been developed for departmental operations. These operational measures will help departments to relate their activities to the City's strategic goals and

track their progress. These strategic and operational measures are contained in the Service and Operations Strategy section beginning on page 22.

The Financial Forecast Model is an integral part of the strategic business plan. The model provides a baseline of revenues and expenditures that will illustrate the City's financial position and ability to deliver projects, etc. based on our current revenue and expenditures and certain assumptions. The model will then be used as a tool to understand the short-term and long-term (high-level) financial impacts of the City's strategic goals and action plans. The Financial Strategy section of the draft final Plan document includes the City's twenty-year fiscal forecast, strategic business plan economic impacts and general financial condition. This section begins on page 52.

The budget process is one of the most important methods for executing the strategic business plan. The development of the detailed implementation plan that outlines specific tactics for the next two to three fiscal years will allow the staff and the City Council to assure that the plan becomes the basis for the City's annual budget.

The objective of this workshop is the final review and approval of the Long-Term Vision Strategic Business Plan document to allow staff to complete and publish the document

Staff recommends that the City Council review and approve the final draft of the Long-Term Vision/Strategic Business Plan Document and direct staff to complete and publish the final document with edits as approved by City Council.

Background:

The City Council identified the development of a Long-term Vision and Strategic Business Plan (the "Plan") as a City Council priority in FY 2008/09. The purpose of the Plan is to align the community's values and decisions about "who we are" and what our community represents with the desire to continue our strong level of service to the community, maintain our infrastructure and maintain a solid financial position for the future. Therefore, the City Council has identified the need to develop a long-term vision and strategic plan that is supported by a solid long-term financial analysis, detailed implementation strategies, and performance measures.

The completed Plan would identify:

- Strategies - Broad goals and values the City sees for the future and desires to accomplish and maintain.
- Tactics - The City's projects, methods, and movements toward the successful outcome of the City's strategies. For example, if the strategy is to "Support Economic Development", a tactic could be developing a competitive hotel market or encourage business ventures that will help to diversify our sales tax base.

- Goals - The measuring tool for each tactic. For example, if the tactic is developing a competitive hotel market, the measurable goal would be to have an increase of XX% in hotel revenues each year or to increase sales tax from a certain business type.

The long-term vision would be a) consensus based and b) involve the efforts of the community, City Council, and City staff. The strategic business plan would be the framework around which all of the City's programs, projects, activities and financial resources would be structured and allocated.

In June 2008, the City retained the services of the Government Finance Officers Association (GFOA) to provide professional service in support of this project.

Phase 1 – Project Set-up - A project charter was prepared for staff review and approval. During July/August 2008, GFOA conducted interviews with key stakeholders inside the City government, including all City Council members, key City staff, and staff with other agencies operating within the community such as the Capistrano Unified School District, Orange County Fire Authority, and Chamber of Commerce. Based on these interviews, GFOA developed a community involvement strategy. This strategy was reviewed by staff and the Steering Committee. The strategy was finalized September 30, 2008.

Phase 2 – Mission and Vision - In January 2009, GFOA conducted the Appreciative Inquiry Summit and interviews as outlined in the Community Involvement Strategy with stakeholders outside the government structure. Based on this information, the Mission, Vision, & Strategic Issues Summary report was delivered to staff for review in February 2009. The document which was finalized in April 2009 was presented at the June 15, 2009 workshop. The Appreciative inquiry summit group also served as the focus group for this stage of the process. Their reactions and feedback were also provided to City Council at that workshop. The City Council received the refined Mission, Vision and Values statements at the August 5, 2009 City Council workshop and provided final comments to the Steering Committee to finalize these items. The final mission statement was approved on November 4, 2009. The final community values statement was approved on December 10, 2009. The vision statement was completed at the June 3, 2010 workshop.

Phase 3 – The financial analysis and environmental analysis were been completed in June 2 009, combined with the refined Mission, Vision & Strategic issues summary report, and presented at the City Council's public workshop on August 5, 2009. These analyses will be used throughout the remainder of this development process. Additionally, the financial model development will be used to identify the financial impact of strategies and tactics that are approved.

Phase 4 – Issues and Strategies Validation - during this phase preliminary recommendations on strategies, overall objectives, and a first cut of an action plan were prepared. At the June 15, 2009 workshop, the City Council reviewed the Strategic Issues Summary report, received community input and developed seven strategic issues and

questions to be addressed for each issue. At the August 5, 2009 workshop, the City Council prioritized these issues and questions. From these strategic issues, action plan teams were developed to address the questions under each issue and develop the strategy and tactics to be used to achieve the objectives. At the November 4, 2009 and January 27, 2010 workshops, two of the action plan teams (Land Use/Open Space/Building Standards and Strengthening the Downtown, Los Rios Historic District, and the Mission) had their review of the strategic issues and action plan or tactics identified. At the December 10, 2009 and February 11, 2010 workshops, three of the action plan teams (Infrastructure/ Maintenance/Open Space/Traffic, Financial Sustainability, and Diversity) had their review of the strategic issues and action plan or tactics identified. At the March 31, 2010 workshop, the City Council provided feedback allowing staff to finalize the action plans in conjunction with the Steering Committee.

Phase 5 – Business Planning and Performance Measurement – On November 5, 2009. GFOA provided a business template and performance measurement workshop for City staff to provide training on tools designed to produce an “issues driven” business plan and budget, rather than one focused on departments of other functional division of the City. Since that time, staff and the Steering Committee have been developing their action plans, tactics and financial forecasts in order to prepare the strategic business plan. Feedback from the City Council at the March 31, 2010 workshop, provided staff with the information to work toward completion of their performance measurements and the City’s strategic business plan in conjunction with the Steering Committee. Those items were approved at the June 9, 2010 workshop

Phase 6 – Drafting the Strategic Business Plan – GFOA prepared the outline for the strategic business plan and reviewed with the Steering Committee to validate direction and the plan contents. Under the contract with GFOA, City staff had a large role in preparing the actual Long term Vision/Strategic Business Plan document. Due to the City’s current workload, the City retained the services of Kate Roberts, to provide the work that would otherwise have been done by City staff. The rough draft of the plan document was reviewed by City Council on June 9, 2010. GFOA and Ms. Roberts have worked together, with the input of the Steering Committee and City action team staff to create the final draft Plan document and publication format.

Phase 7 – Linking to the Budget Process – City Council recently adopted the FY 2010/11 budget. Staff will be finalizing the process for the on-going update of the Plan and linking to the City’s annual budget process

COMMISSION/BOARD REVIEW AND RECOMMENDATIONS:

Not Applicable

FINANCIAL CONSIDERATIONS:

The funding for the Long-Term Vision/Strategic Business Plan process was included in the FY 2009/10 budget.

NOTIFICATION:

N/A

RECOMMENDATION:

By Motion, approve the final draft of the Long-Term Vision/Strategic Business Plan Document and direct staff to complete and publish the final document with edits as approved by City Council.

Respectfully submitted,



Cindy Russell
Chief Financial Officer/City Treasurer

Attachments:

1. City Council Workshop #10 Agenda –Review of Long-Term Vision/Strategic Business Plan Document (Final Draft)
2. Final Plan Document formatting sample