



## MEMORANDUM

**TO:** City Council

**FROM:** Whitney McDonald, City Manager

**SUBJECT:** Receive an Update on Progress Toward Council Goals and Priorities for Fiscal Year 2021-22

**DATE:** February 22, 2022

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### **SUMMARY OF ACTION:**

Continued consideration of an update regarding the progress made toward meeting the City Council's Goals and Priorities for Fiscal Year 2021-22.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

There are no financial impacts associated with receipt of the update regarding progress toward meeting Council's Fiscal Year 2021-22 Goals and Priorities.

### **RECOMMENDATION:**

Receive an update regarding progress toward the City Council's Fiscal Year 2021-22 Goals and Priorities.

### **BACKGROUND:**

This item was continued from the February 8, 2022 City Council meeting agenda due to a lack of sufficient time to discuss the item.

On September 22, 2020, the City Council adopted a list of Top 10 Council Priorities for Fiscal Year 2020-21 to help prioritize and focus staff work efforts for the year. On March 23, 2021, Council received an update regarding the City's progress toward completing the Top 10 Priorities and directed that a process be undertaken each year to establish the Council's goals and priorities.

On April 27, 2021, Council considered and approved a list of Council Goals and Priorities for Fiscal Year 2021-22 (Goals and Priorities) (Attachment 1) to help direct the work of the Council and City staff during the applicable biennial budget cycle. The identified Goals and Priorities were grouped under three main categories: Investing in the Future, Investing in the City's Infrastructure and Facilities, and Investing in People. A number of key considerations guided the development of the Goals and Priorities, including Top 10 Priorities not completed during Fiscal Year 2020-21, items identified as new priorities as

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a result of the work completed in Fiscal Year 2020-21, items required to support the ongoing operations of the City’s enterprises and infrastructure, and emergent needs continuing to result from the COVID-19 pandemic and turnover in City staff. The Goals and Priorities were updated as part of the Fiscal Year 2021-23 Biennial Budget presentation and adoption in June 2021 to include estimated time frames for completion. While the Goals and Priorities were incorporated into the Biennial Budget, which spans two years, the identified work items focused on Fiscal Year 2021-22 with a stated intent to review and update the Council approved Goals and Priorities each year

This report provides an update regarding the City’s progress on completing the identified Goals and Priorities for Fiscal Year 2021-22, with a focus on the first half of the Fiscal Year.

**ANALYSIS OF ISSUES:**

Significant progress has been made toward accomplishing a number of Goals and Priorities for Fiscal Year 2021-22. Some items, however, have experienced delays and will take more time to complete or are ongoing in nature. Table 1 below identifies each Goal and Priority, the estimated timeframe for completion provided as part of the Biennial Budget, and a status report in the far-right column.

**Table 1**

<b>Category</b>	<b>Goal/Priority</b>	<b>Estimated Timeline</b>	<b>Status Update</b>
<b>Investing in the Future</b>	Begin comprehensive General Plan update	Scoping discussion to occur by Fall 2021; kick-off of update to begin by Spring 2022.	Delayed due to staff turnover, other priority and emergent items. New target date is Spring 2022 for scoping discussion with kick off in Fall 2022.
	Initiate and/or complete housing initiatives funded by grant programs <ul style="list-style-type: none"><li>Regional pre-approved ADU plans</li><li>Objective design standards</li></ul>	<ul style="list-style-type: none"><li>Regional pre-approved ADU plans currently underway, to be completed in 2022</li><li>Consider incorporating objective design standards into comprehensive General Plan update with scoping</li></ul>	<ul style="list-style-type: none"><li>On target. Pre-approved plans reviewed by Architectural Review Committee &amp; Planning Commission. Will be presented to Council in Spring 2022.</li><li>Objective design standards will be discussed with General Plan update</li></ul>

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		discussion in Fall 2021	scoping item in Spring 2022.
	Complete ADU ordinance amendments	Summer 2021	Delayed due to conflict issues, introduced on February 8, 2022, but continued to a date uncertain to address changes requested by Council.
	Evaluate water resiliency options available to the City	Part of Council’s consideration of Central Coast Blue Project in Summer and Fall 2021	Completed. Direction provided to pursue: <ul style="list-style-type: none"> <li>• Short term agreement with OCSD</li> <li>• Emergency interconnect with Golden State Water</li> <li>• CCB</li> <li>• Discuss potential sale of water from scalping plant with nearby ag users</li> <li>• Continue engaging with County staff re Nacimiento and State Water if available in the future</li> <li>• Ballot measure to allow purchase of State Water outside of emergency</li> </ul>
	Continue support for existing and new economic development initiatives <ul style="list-style-type: none"> <li>• COVID Relief Program</li> <li>• Determine whether to conduct baseline analysis of</li> </ul>	Incorporate into comprehensive General Plan update process <ul style="list-style-type: none"> <li>• COVID Relief Program to be administered through 2021</li> <li>• Consideration of baseline analysis to</li> </ul>	To be included in General Plan update process <ul style="list-style-type: none"> <li>• COVID relief programs expanded through ARPA allocations</li> <li>• Baseline analysis to be included in</li> </ul>

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	<p>existing and future business needs</p> <ul style="list-style-type: none"> <li>Evaluate the potential to enable cannabis businesses in Arroyo Grande</li> </ul>	<p>occur with discussion of comprehensive General Plan update scope (Fall 2021)</p> <ul style="list-style-type: none"> <li>Consider potential to enable cannabis businesses in Fall 2021</li> </ul>	<p>General Plan scoping discussion in Spring 2022.</p> <ul style="list-style-type: none"> <li>Delayed until 2023</li> </ul>
	<p>Support regional efforts to address homelessness and emergency shelter needs</p>	<p>Ongoing</p>	<p>Ongoing. Specific steps completed this year include:</p> <ul style="list-style-type: none"> <li>ARPA funding allocated for the purchase of property and/or development of a homeless shelter by 5Cities Homeless Coalition.</li> <li>Safe parking meeting conducted in December 2021 with faith community to discuss interest in programs and services.</li> <li>Facilitated locating the warming shelter at the South County Regional Center this winter, with certain dates reserved at the Women’s Club due to scheduling conflicts at the Regional Center.</li> </ul>
	<p>Review status of Five Cities Fire Authority 3rd Amendment to the Joint Powers Agreement, and</p>	<p>Fall 2021</p>	<p>Completed.</p>

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	consider cost analysis of service delivery models		
	Evaluate options to pay down CalPERS unfunded accrued liability	Summer/Fall 2021	Completed.
<b>Investing in City Infrastructure and Facilities</b>	Identify and pursue short- and long-term funding mechanisms, such as a sales tax measure, for pavement maintenance and other infrastructure maintenance needs	<ul style="list-style-type: none"> <li>• Discuss options for short- and long-term infrastructure financing in Fall 2021.</li> <li>• Consider potential sales tax measure in Spring 2022.</li> </ul>	<ul style="list-style-type: none"> <li>• Delayed due to other priority items, such as water shortage emergency, and the need to completed updated pavement index evaluation. Scheduled for March/April 2022.</li> <li>• On track to consider tax measure in Spring 2022.</li> <li>• Excess reserves allocated to additional 2020/21 pavement repair projects.</li> </ul>
	Complete design and/or begin construction of key infrastructure projects, including: <ul style="list-style-type: none"> <li>• Brisco Interchange Project</li> <li>• Traffic Way Bridge Replacement</li> <li>• Swinging Bridge Rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Contract for design services for Brisco Interchange Project expected Fall 2021 with design expected to be completed in Spring 2023</li> <li>• Traffic Way Bridge Replacement design expected to be complete in Fall 2022 and construction expected to begin Summer 2023</li> <li>• Swinging Bridge Rehabilitation construction</li> </ul>	<ul style="list-style-type: none"> <li>• Delayed. RFP issued in December 2021 with contract award expected for consideration April 2022.</li> <li>• Delayed. Replacement design expected to be complete in Summer 2023 and construction expected to begin Summer 2024.</li> <li>• Delayed. RFP for construction issued. Construction</li> </ul>

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		expected to begin Spring 2022	expected to begin Summer 2022.
	Evaluate and select options for replacing the Mark M. Millis Community Center	Spring 2022	Estimated in Spring/Summer 2022.
	Complete a water and sewer rate study and consider implementing a rate adjustment	Complete rate study in Summer 2021 and propose adoption in Fall 2021.	Delayed but partially completed. Rate Study approved January 11, 2022, rate hearing scheduled for March 8, 2022, and new rates anticipated to be implemented in April 2022.
	Complete a comprehensive fee study and consider adjusting City fees, including impact fees	Begin in Winter 2021-22 with proposed adoption in Spring 2022	RFP issued February 10, 2022, with project commencement expected to begin June 1, 2022.
<b>Investing in People</b>	Adopt and implement Diversity, Equity, and Inclusion initiatives	Proposed policy for Council consideration in Summer 2021. Implementation and preparation of additional polices as appropriate will be ongoing.	Delayed but completed in January 2022. Implementation ongoing.
	Maintain and increase public engagement with the City <ul style="list-style-type: none"> <li>Complete process to create voting districts in 2022</li> <li>Increase public outreach through surveys, social media engagement, and events</li> </ul>	Ongoing <ul style="list-style-type: none"> <li>The process for creating voting districts will begin with two public hearings in Summer 2021 and conclude with two public hearings in Spring 2022. Districts will be implemented in Fall 2022.</li> </ul>	Ongoing <ul style="list-style-type: none"> <li>On track. Next hearings scheduled in February and March with maps to be adopted by April 2022. Several outreach methods employed to date.</li> </ul>

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	<ul style="list-style-type: none"> <li>Evaluate technology opportunities to enhance public participation in meetings</li> </ul>	<ul style="list-style-type: none"> <li>Public outreach efforts will increase with the hiring of a new Deputy City Clerk/Communications Coordinator</li> <li>Ongoing video- and tele-conferencing options for public meetings will be discussed with Council in June 2021 and implemented in July 2021, with ongoing evaluation and refinement thereafter</li> </ul>	<ul style="list-style-type: none"> <li>Completed.</li> <li>Completed. Hybrid meeting option implemented in July and August 2021, but Zoom only meetings resumed due to delta variant and increase in local COVID cases and mask requirements.</li> <li>Survey completed regarding parklets.</li> </ul>
	<p>Modernize technologies and systems in key areas, such as public safety cameras, human resources processes, and accounting and agenda management software systems</p>	<ul style="list-style-type: none"> <li>Public safety camera upgrades are expected to be completed by Winter 2022.</li> <li>Human resources software systems will be implemented by Winter 2021.</li> <li>Agenda management software will be implemented in Summer 2021.</li> <li>Accounting management software will be procured in Winter 2021/22 and implemented through Fiscal Year 2022-23.</li> </ul>	<ul style="list-style-type: none"> <li>Delayed, expected to begin deployment in Spring 2022.</li> <li>Summer 2022 more likely due to staffing constraints.</li> <li>Implemented.</li> <li>Delayed due to staffing constraints, Water Shortage Emergency, COVID impacts, other items. Procurement expected in Summer 2022.</li> </ul>
	<p>Focus resources and implement efficiencies to</p>	<p>Ongoing</p>	<p>Ongoing</p>

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	ensure optimized service levels within core City functions		
	Evaluate and implement employee retention, attraction, recruitment, development, and support strategies	Ongoing. A City-wide salary survey will be completed during Fiscal Year 2021-22.	Ongoing. Salary survey delayed, expected to be completed during first half of Fiscal Year 2022-23.

During the course of the Fiscal Year 2021-22, emerging issues in certain areas have created the need to readjust priorities. For instance, significant staff time and resources have been required to respond to the current drought and the need to declare and implement a Stage 1 Water Shortage Emergency. This work effort was not anticipated as part of the Goals and Priorities and resulted in the redirection of staff resources. Additionally, the COVID-19 pandemic has continued to create operational constraints for the City, creating delays due to staff outages. Other emerging issues and Council-directed priorities, such as changes at the Integrated Waste Management Authority, implementation of State legislation (e.g. SB 1383 and SB 9), development of a permanent parklet program, etc., have also adjusted staff work efforts during Fiscal Year 2021-22. These considerations have resulted in delays for some items identified in the Goals and Priorities.

Staff will continue making progress toward meeting the Goals and Priorities established for Fiscal Year 2021-22, as described above. A new goal-setting process will be undertaken in April 2022 to review and adjust the Goals and Priorities as needed and desired by Council for the upcoming Fiscal Year.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Receive an update regarding progress toward the City Council's Fiscal Year 2021-22 Goals and Priorities; or
2. Provide other direction to staff.

**ADVANTAGES:**

Receiving the status report on the Fiscal Year 2021-22 Goals and Priorities provides an update to the Council and the public on the City's efforts toward completing and accomplishing a number of vital work efforts. This review may assist in the development of new goals and priorities for the upcoming Fiscal Year 2022-23.

**DISADVANTAGES:**

There are no disadvantages identified at this time.



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**ENVIRONMENTAL REVIEW:**

No environmental review is required for this item.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachment:

1. Fiscal Years 2021-23 Goals and Priorities Included in Biennial Budget