



MEMORANDUM

TO: City Council

FROM: Whitney McDonald, City Manager

BY: Aleah Bergam, Management Analyst

SUBJECT: Fiscal Year 2023-25 Goal Setting Study Session

DATE: March 2, 2023

SUMMARY OF ACTION:

Participate in a facilitated goal setting process and establish major City Goals for Fiscal Years 2023-25.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There are no financial impacts associated with participation in the goal setting process, aside from \$11,300 for the costs of the facilitator, which was included in the Mid-Cycle Budget update for Fiscal Year 2022-23. Goals set by Council during the workshop will be incorporated into the FY 2023-25 Biennial Budget development. Staff will develop work plans to accomplish the goals and any service level budget change requests will be prioritized based on whether the request furthers a City goal.

RECOMMENDATION:

Participate in a facilitated workshop to develop City goals and priorities for Fiscal Years 2023-25.

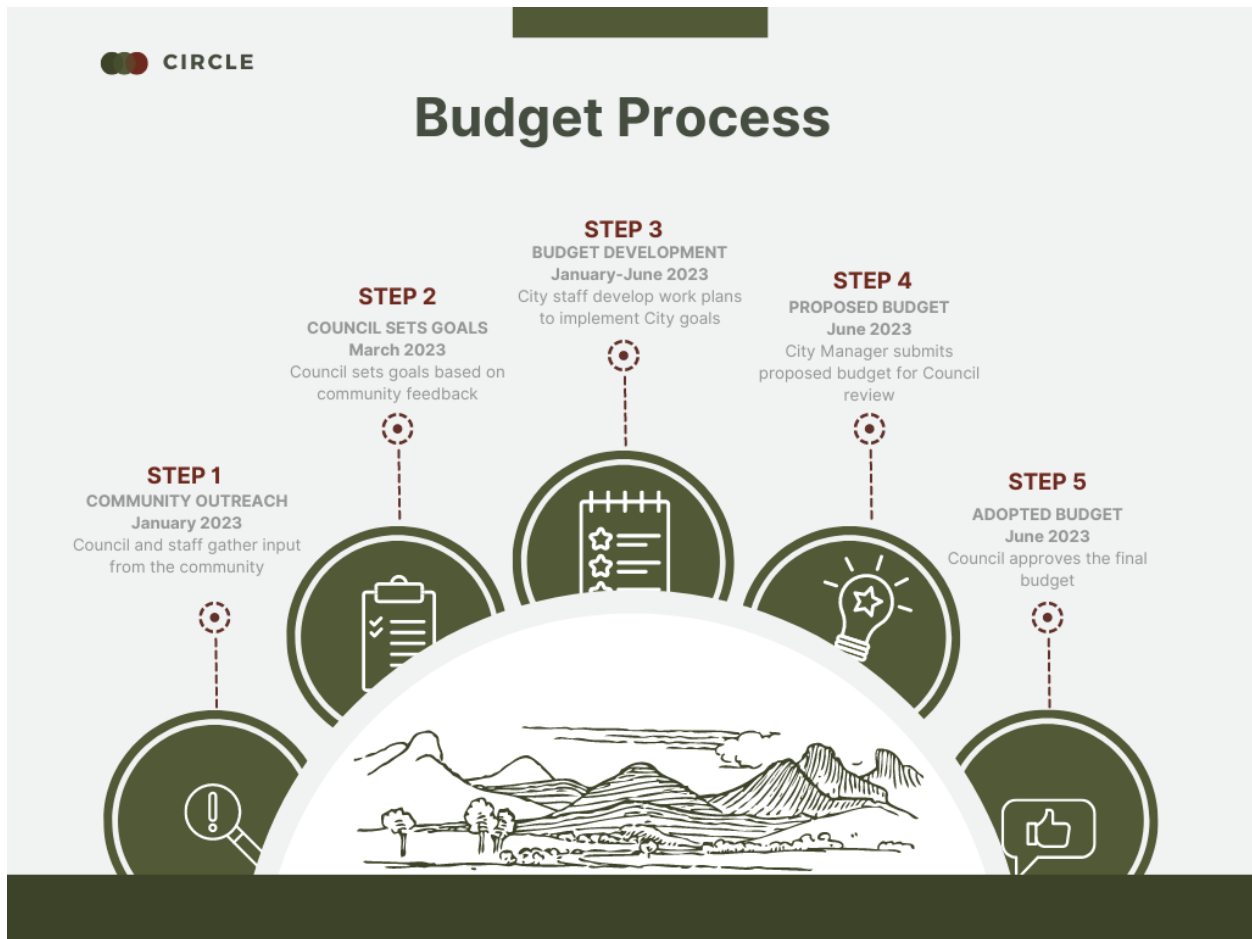
BACKGROUND:

Every two years, staff and Council prepare a Biennial Budget document, which commits government resources and services to accomplish the City's mission of making Arroyo Grande the best place possible for everyone who lives, works, and visits here. As part of the FY 2021-23 Biennial Budget, Council approved a set of goals and priorities that were incorporated into and guided the development of the budget document (Attachment 1). In May 2022, the goals and priorities were revisited and adjusted to reflect needs and priorities for the Mid-Cycle 2022-23 Fiscal Year (Attachment 2). On January 24, 2023, an update was provided to the City Council the status of the current Fiscal Year 2022-23 goals and priorities (Attachment 3).

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ANALYSIS OF ISSUES:

Work is now underway to develop the upcoming biennial budget for Fiscal Years 2023-25. The anticipated 5-step process and timeline for this budget cycle is depicted below.



Step 1:

On January 3, 2023, an Arroyo Grande Community Priorities Survey was published. This 5-question online survey was posted on the City website and promoted on social media channels. The survey was open for one month and closed on February 20th. The survey allowed community members to provide input regarding their thoughts on what the top priorities should be for the City over the next 2-3 years. The survey included a combination of multiple choice and short response questions. A summary of the responses is included in Attachment 4.

Step 2:

This special meeting will accomplish step 2 identified above. During this session, Council will discuss and provide direction on the top priorities and goals for the City for the

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upcoming biennial budget cycle. The results of the community survey and input from the public and staff will be offered to Council for consideration, with an anticipated outcome of establishing 3-5 major City goals for staff to focus on for 2023-25. This set of priorities will be used by staff to create work plans and a proposed biennial budget.

Step 3:

Following completion of the study session, staff will develop a proposed budget by implementing the following steps:

- **March 2023 – Financial Forecast**
 - Staff will present to Council a 5-year financial forecast with budget assumptions, challenges, goals, and strategies.
- **Spring 2023 – Staff Develop Work Plans**
 - Staff will finalize operating and Capital Improvement Plan (CIP) preliminary budgets that reflect the established major City goals and the financial forecast.
- **May 2023 – Review of CIP**
 - Staff will present a proposed 5-year CIP for review and input from the City Council, and by the Planning Commission for determination of consistency with the General Plan.

Step 4:

The proposed operating budgets, work plans, and CIP will be incorporated into a proposed FY 2023-25 Biennial Budget for discussion and consideration by Council in June 2023.

Step 5:

Adoption of the FY 2023-25 Biennial Budget will occur by the end of June 2023. Once Council approves the FY 23-25 Biennial budget, FY 23-24 funds will be appropriated on July 1, 2023.

ALTERNATIVES:

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

1. Participate in the facilitated goal setting process and provide direction regarding major City goals for Fiscal Years 2023-25;
2. Provide other direction to staff.

ADVANTAGES:

Participation in the goal setting process provides an opportunity for an open and robust discussion of the challenges and opportunities facing the City in the upcoming two years. Establishing major City goals for FY 2023-25 facilitates the preparation of a proposed budget that reflects the priorities of Council and the community.

DISADVANTAGES:

There are no disadvantages identified at this time.

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.

Attachments:

1. Goals and Priorities for Fiscal Years 2021-23
2. Updated Goals and Priorities for Fiscal Year 2022-23
3. [January 24, 2023, Staff Report on Progress Toward Council Goals and Priorities for Fiscal Year 2022-23](#)
4. 2023 Community Priorities Survey Results