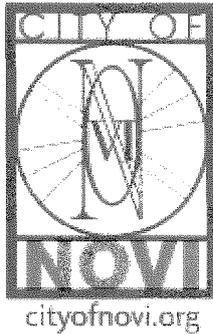


MEMORANDUM



TO: MAYOR GATT AND CITY COUNCIL MEMBERS
FROM: CLAY J. PEARSON, CITY MANAGER
SUBJECT: EARLY BUDGET INPUT PLANNING
DATE: DECEMBER 1, 2011

Good afternoon,

On the City Council agenda for December 5, we have placed an item in consultation with Mayor Gatt, "City Council Early Budget Input planning." The item is geared towards an opportunity to make sure we are on the same page, have agreed expectations, and can meet your needs for the valuable time together on Saturday, January 7, 2012 at Fire Station #4.

There are a couple of questions that could be answered on Monday night to provide a starting basis:

- Do you want the services of an outside facilitator, or do you want to continue with staff and the Mayor moving things?
- Do you want to continue using the technology for individual input and then balloting?

There have been some observations in the past that not all items entered at the January early input on budget does not constitute true "goals". There are two points to consider:

1. The first topic is timing. The early input on the budget City Council has conducted in January is invaluable in providing a strong sense of the City Council's priorities for the upcoming Fiscal Year that begins six months later. By having that input and going through the electronic voting process, we can go into the budget development with a much clearer sense of the City Council's group priorities. That is how we have achieved successful budget documents and processes through the years. When the actual recommended budget is presented to you in April, it includes Council, community, and staff input aligned into a work plan matched with budget resources. The Red Box Objectives, or program highlights, under each of the six strategic theme buckets (Infrastructure, Citizen-Focused Government, etc.) represent the more traditional funded goals to accomplish for the fiscal year. Victor had prepared and shared a quarterly update on those Red Box Objectives in your November 10 Administrative packet. I suggest if the City Council is willing, that we have in May when you adopt the final budget, a separate resolution acknowledging and adopting those Objective Goals so there is increased clarity and visibility to those identified objectives. Trying to come out of the session in January with such a detailed and funded list would be challenging.

2. The second topic is how the input that Council makes is worded. In our observations, it may be true that some items are difficult to understand as an actionable item. That could perhaps be solved with some additional time at the January session to go through the items after they are entered and `audit' them for clarity before things are voted upon.

One final background thought is on resources. Despite being on a decent financial foundation, thanks to lots of solid planning and staff execution, the fact is there is not much of any discretionary money available for new or expanded programs. We may have moneys for one-time and capital expenditures, but even that has, and will continue to be, very limited. So, a long and committed list of desired projects will undoubtedly become wants versus realities. We should recognize and accept that reality so as to not get into disappointments of expectations. The other part of this is that in addition to generating lists of wants, we need to have some discussions about resources. We should be discussing too our financial resources and where they are committed as well as the staff resources we have to get the majority of things done. You re-reading the `Looking Ahead' section of the FY 2011/12 Budget message, pp. xi-xiv, may be of help. I have the obligation to bring forward option to address resources and will be developing those further with you in the coming months.

Finally, in thinking and going back to old materials on this topic, I found a nice background outline that a consultant I worked with used in another community. The attached is from that program and provides some high-level outlines for strategic goal setting which may be helpful in light of this whole process.

We look forward to your guidance on Monday evening.

Clay

Test for Effective Goals

Know What You Want

Strive For Best for Community

Keep Your Expectations Realistic

Stay within Your Resource Capacity

Negotiate, Negotiate

Be Willing to Compromise

Know Your Target

Have a Plan and a Process

Define What is Success

Establish Criteria for Judging Results

Be Positive

Know You Can Do It

Take Action

Have Little Successes to Build Momentum

Assess the Impact of Actions

Adjust to Keep Expectations to Target

Evaluate Results Against Your Criteria

Learn To Be Better

Celebrate Success

Share Successes with Others

Strategic Goal Setting Process

C

Goal Setting should result in . . .

More effective use of City resources – serves as a guide for financial, capital and human resources (from how to use time to how to spend money)

Improved meetings and study sessions by focusing on the most important issues shaping our future

Move from reacting to the “Last Crisis” to responsible leadership – listening to citizens and deciding on best for overall community

Helps Mayor and City Council take charge of the City’s future by defining the direction

Opportunities for open discussion among Mayor and City Council – sharing ideas and dreams

Building community partners among those who are necessary for successful issue resolution and goal accomplishment

Assisting Mayor and City Council in becoming City leaders and decision makers

Effective Goal Setting Underlying Premises

Look Beyond Today: Past/Future

Many cities have been captured by the past – what has happened during the past several years, and by the moment – the current “crises.” A longer horizon helps the Mayor and City Council move beyond today to a horizon they have an ability to influence through choices (decisions) and their actions.

Understanding Your Community – Shaping Forces and Citizen Expectations

The Mayor and City Council need to achieve a better understanding of the major forces shaping the City's future, the expectations and messages from citizens and potential land mines in the community.

Outcome-Based Goals – Our City Destination

A goal begins with a destination point in mind – what the Mayor and City Council would like the City to be like or to achieve at the end of five years. The destination should be a guide for short-term goals, decision making, program development and resource allocation.

Consensus on Direction

At formal meetings, the Mayor and City Council focus on solution ideas and decision making rather than policy direction. During goal setting, there needs to be an opportunity to share individual ideas, to focus personal thoughts and desires, to focus the issues and directions among the Mayor and City Council and to strive for consensus through active discussion and debate.

Strategy Links Actions to Outcomes

A strategy is crucial to link the outcome (our City destination point) with today's actions. A policy strategy helps guide policy decision making and actions by City employees.

Keep On Target

Goal setting is an on-going process, not just an annual event, a workbook or a workshop. Goal setting is not perfection – Cities need to adjust expectations and strategies after evaluating the results. Maximum results are produced when the Mayor and City Council have an outcome in mind (destination), have a strategy to get there (a map), make decisions, take timely actions, monitor the results (the impact) and make adjustments.

Make Commitments A Reality – The Courage to Act

During the Team Building Workshop, the Mayor and City Council have traditionally made commitments. However, back at the City Council meeting, these commitments are continually tested and challenged, and may be blocked by: 1) loss of enthusiasm, 2) no emotional belief, 3) lack of resources, and 4) no energy to follow through. Effective goals help support the Mayor and City Council to have courage.

Build Momentum for City's Success

The Mayor and City Council build momentum by remembering the celebrating of recent successes, having little successes today and preparing for major successes tomorrow. Translated, this means it is necessary for the Mayor and City Council to set immediate goals which will have a high likelihood of success.