



Midpeninsula Regional
Open Space District

R-15-150
Meeting 15-26
October 22, 2015

AGENDA ITEM 1

AGENDA ITEM

Annual Review of the Strategic Plan Goals and Objectives to Guide the Focus for Fiscal Year 2016-17

GENERAL MANAGER'S RECOMMENDATION

Adopt the Proposed Changes to the Strategic Plan to Effectively Respond to Changes in the Surrounding Environment.

SUMMARY

Each year, the Board of Directors (Board) reviews and comments on the results of an Environmental Scan to determine what adjustments are needed to the Strategic Plan goals and objectives to best position the Midpeninsula Regional Open Space District (District) to respond to future challenges and/or opportunities. Results of the Environmental Scan and the corresponding proposed changes to the Strategic Plan are discussed in detail as part of this report. Moreover, additional information regarding select topics of interest regarding the District's Diversity Program.

BACKGROUND

In 2011, the District developed and the Board adopted a comprehensive Strategic Plan (R-11-96) to provide a high-level framework for guiding the District's implementation of its mission statement. Each year, the District recommends and the Board approves adjustments to the Strategic Plan to ensure that the strategic goals and objectives appropriately respond to changes in the surrounding environment, which are captured in an annual Environmental Scan. The updated Strategic Plan is then used to provide high level direction for developing the upcoming fiscal year Action Plan and Budget. As such, the annual Strategic Plan review is intended to provide the Board with an early opportunity to set the District's overall course for the coming year at a broad policy level. In addition, the Board will also have an opportunity to confirm the District-wide priorities for the next fiscal year on November 17, to guide the Action Plan and Budget development well ahead of the presentations to the Action Plan and Budget Committee, which will now occur in April.

Information provided in this memorandum and staff presentations during the meeting will summarize the District's progress on its Strategic Plan goals and objectives over the last year, present the results of an environmental scan concerning significant changes in the last year or forecasted for the coming year, and a recommendation from the General Manager on potential adjustments to the Strategic Plan for Fiscal Year (FY) 2016-17.

DISCUSSION

Environmental Scan Results

As a reminder, the annual Strategic Plan Review includes an annual Environmental Scan that analyzes and evaluates the internal and external conditions, data, and factors that affect the organization to understand whether any strategic adjustments are needed to better position the District to respond to future challenges and/or opportunities.

At the retreat, staff will summarize information from the Environmental Scan results provided in Attachment 1, including the following main take aways:

1. Strong emphasis is needed at least for the next year on building the internal systems, providing adequate staff capacity, completing the organizational restructuring, and making decisions on staff facilities to establish the District's new business model to fully focus on expedient project delivery and effective land management. Significant time must be devoted to: hiring/on-boarding; conducting new systems needs assessments, vetting consultants/vendors, and implementing new systems; maintaining strong communication across all levels of the organization, developing departmental restructuring plans, and utilizing change management tools to support the organizational transitions; and, evaluating various long-term options for staff facilities and making decisions and setting priorities for implementation.
2. Remaining staff capacity needs to be focused on implementing the Measure AA projects that are already underway (including Mt. Um, Bear Creek Redwoods, La Honda).
3. The District should not pursue any large, new initiatives or projects at this time (see additional discussion under Adjustments to Strategic Plan, below).
4. The District needs to build the systems and mechanisms in place to allow for a more mobile and flexible work environments to continue attracting/retaining staff and respond to growth in preserve acreage, visitor use, and staffing numbers.
5. Continued changing demographics and increase in awareness and use of District preserves requires greater internal District awareness and appreciation for diverse perspectives and needs; additional training and pursuit of new partnerships are becoming more important.

The Environmental Scan reveals the need for continued intense focus on organizational change actions to expand the District's project delivery capacity and excellent services provided to the public. Beginning mid-year during FY2014-15, and prior to completion of the Financial and Operational Sustainability Model (FOSM) Study, the District began to implement organizational changes based on early findings of the FOSM to get a head start on facilitating the delivery of Measure AA projects. These steps included mid-year budget approvals for critical new positions and commencement of an Information Systems and Technology Strategic Plan. Following adoption of the Final FOSM Study in March 2015, the District began additional FOSM implementation steps. Simultaneously, the District has been actively progressing on Measure AA projects. These two categories of Action Plan projects – FOSM Implementation and Measure AA projects – are anticipated to dominate staff resources into FY2016-17, in addition to continued improvements to the District's on-going programs such as public outreach, field maintenance and visitor service functions, and restoration work.

Adjustments to the Strategic Plan

Proposed adjustments to the Strategic Plan goals and objectives are provided in detail in Attachment 2. Adjustments to the Strategic Plan will help set the framework for the Board's

discussion on District-wide priorities scheduled for November 17 and guide the overall development of the FY2016-17 Action Plan and Budget.

Given the Board's direction to the General Manager to focus on the Board's list of five success criteria that emphasize pacing of projects, delivering exceptional work, a balanced mission delivery, project delivery innovation and creating an exceptional organization, it is the General Manager's recommendation that the District needs to approach any new projects or initiatives with caution and thorough scrutiny of scoping, planning, and identifying staff resource trade-offs when considering whether new projects or initiatives are feasible. Staff morale is very high and hopeful, but it is also fragile given the current pace, workload, and amount of change the organization is undergoing. These dynamics are important to consider as the District plans its budget and action plan for FY2016-17.

FISCAL IMPACT

Acceptance of the Environmental Scan and Adoption of the proposed changes to the Strategic Plan has no direct fiscal impact, but will drive, together with the Board's confirmation of District priorities on November 17, the development of the FY2016-17 Action Plan and Budget.

BOARD COMMITTEE REVIEW

This item was brought straight to the full Board given full Board interest and importance.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

NEXT STEPS

On November 17, 2015, the Board will confirm the District-wide priorities for the upcoming fiscal year. The outcomes of the October 22 and November 17 Board Retreats will guide the development of the FY2016-17 Action Plan and Budget, including the 3-Year Capital Improvement Plan.

Attachments

1. 2015 Environmental Scan
2. Proposed Revisions to the Strategic Plan Goals and Objectives for Fiscal Year 2016-17

Responsible Department Head:
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Prepared by:
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ENVIRONMENTAL SCAN ANALYSIS

What has changed over the last year?

1. Intense focus on financial/organizational restructuring to effectively deliver Measure AA

a. Results:

- i. Completion of the FOSM
- ii. Board approval of following new/updated policies:
 1. Fund Balance Policy and Initial Reserve Commitments
 2. Initial and Continuing Disclosures Relating to Bond Issuances
 3. Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy
- iii. First Bond Issuance - \$45M and AAA rating
- iv. Approval of formation process for the Bond Oversight Committee
 - v. AB495 signed into law, allowing GM purchasing authority to increase to \$50k
- vi. Approval of 14 new positions; 5 hired, 4 underway, 5 remaining to initiate
- vii. Rental of additional administrative office space (AO3)
- viii. Completion of the Information Systems and Technology Strategic Plan
- ix. Movement of work units into new spaces/new departments
- x. Implementing new Electronic Timecard System
- xi. Implementing new Human Resources Information System (HRIS)
- xii. Developing a new project delivery/hand-off process
- xiii. Developing transition plans for the creation of new departments/moving of functional work groups
- xiv. Pursuing additional temporary rental office space (AO4)
- xv. Evaluating long-term staff facility options

b. Impacts:

- i. Implementing new Business Model for the District
- ii. Fast paced increase in staffing – expanding capacities and skills sets
- iii. Systems, policy, procedural, and staffing changes occurring simultaneously
- iv. Need for ongoing change management and clear communication about recent and upcoming changes – important to establish a District intranet
- v. Strong momentum in place for changes and adjustments to occur; willingness and expectations from staff for continued change – best to take advantage of this momentum
- vi. Increased pressure to select best long-term solution for the Admin Office and field offices
- vii. IT infrastructure needs major improvements to handle new information systems, software applications, additional employees, separate GIS server, mobile work environment, and for disaster recovery/business continuity. Significant cost and time implications; need to identify and focus on highest benefit improvements.
- viii. Shifting staff and work functions into new/other departments will create gaps of capacity in prior departments (where overflow work assignments/scope creep would otherwise be shared / distributed to greater numbers. Will need to

consider adding staff to some departments to “fill in these gaps” and avoid reducing overall capacity to manage important functions.

- ix. Implementation of multiple new systems is increasing the need/desire for additional management analyst capacity to help run implement and new systems, and conduct data analytics to keep current staff focused on capital projects and preserve management

2. Increased Emphasis in Public Outreach

a. Results

- i. Greater engagement and participation from diverse communities throughout the District’s jurisdiction
- ii. Greater District awareness and name recognition
- iii. Increase in public attendance at Board/Committee meetings; increase in written and oral comments from the public
- iv. Increase in freedom of information act requests

b. Impacts

- i. Increasing pressure to implement a Document Management System for ease of document retrieval to respond to information requests
- ii. Increasing pressure to improve the Contacts Database to maintain up-to-date address information for email/mailed notifications
- iii. Important to continue promoting District awareness to new residents coming into the region recognizing the continued job growth
- iv. Increasing need for a more robust interpretive program and greater collaboration with outside entities/organizations who have the resources and connections to organize events and bring groups to the preserves
- v. Increasing need for District-wide diversity awareness/humility training

3. Pressure to Demonstrate Progress on Measure AA projects

a. Results

- i. Mt Um Summit Project is one year ahead of schedule (began in late 2012); opening of summit and trail scheduled for fall 2016.
- ii. Expedited Bear Creek Redwoods Preserve Plan and added Alma College and Bear Creek Redwoods Site Plans as components (began in 2014).
- iii. Draft EIR for the Bear Creek Redwoods Preserve Plan scheduled to be released in late 2015.
- iv. La Honda Creek Watershed Protection Project (road upgrades) completed; working on completing additional road segment off Sears Ranch Road and opening an interim parking area for early opening in 2016.
- v. Opening of Mindego Hill Trail scheduled for spring 2016.

b. Impacts/Considerations

- i. Significant staff resources dedicated to Mt Um, Bear Creek Redwoods, and La Honda Creek (equivalent of approx. 8 FTEs across all departments).
- ii. Redirecting attention to other or new areas/preserves or initiatives will impact the schedules of big preserve projects that are currently in progress.

- iii. Intense focus on Measure AA projects leaves little/no room for responding to new issues.
- iv. As new areas are opened to the public, the District will better understand the operational impacts and levels of visitation of these areas; important to remain flexible to adding more operational/management staff to manage the future use.

4. Strong Employment and High Cost of Living

a. Results

- i. Strong job growth in both public and private sectors.
- ii. Seeing increases in compensation packages throughout the region.
- iii. High employment and low housing stock resulting in lack of local/regional affordable housing.
- iv. Employees facing longer commute times.
- v. Experiencing more employee turnover in entry level positions.
- vi. Jurisdictions increasing minimum wage.

b. Impacts

- i. More employees/new candidates for employment requesting telecommuting benefits – telecommute administrative policy underway.
- ii. Faced with hiring for both new positions and to fill vacancies.
- iii. Pressing need to consider new ways of doing business to ease the long commute impacts – satellite AO offices on the north/south/coast; cloud-based systems; reliable video conferencing; reliable data connectivity; mobile devices; revisiting the District’s housing policy for tenant residences; modifying the core working hours.

5. 5th Year of Below Average Rainfall

Please refer to Board FYI on the District’s Strategic Response to the Drought. In addition, the District is pressed to hire a new Water Resources Specialist in the Natural Resources Department with expertise in water supply improvements and water rights management to protect District water rights, ensure sufficient and establish secondary sources of water for agriculture/cattle grazing, tenant use, and wildlife/fisheries, and better understand private water rights on District lands. Legal issues regarding protection of water resources, illegally tapping into available water, potential loss of water rights, etc., are increasing. Also, likely to experience additional regulations and restrictions on water use in the future.

6. Other Items Worth Briefly Noting:

- a. Assessed Value continues to grow faster than expected, we therefore expect more tax revenue and a greater likelihood that all \$300M of GO bonds will be issued.
- b. El Nino may bring substantial flooding, slope failures, road and trail damage, tree damage, and potential structural issues, with all the concomitant repairs, contracting, liability, and resource management issues arising from that. If this is the case, staffing resources may need to be redirected to address emergencies and public safety – which would then significantly impact other priorities and time-sensitive commitments. This

would have the largest impact on Operations and Natural Resources staff, who have addressed these issues in the past.

KEY TAKE AWAYS FOR COMING YEAR

1. Strong emphasis is needed at least for the next year on building the internal systems, providing adequate staff capacity, completing the organizational restructuring, and making decisions on staff facilities to establish the District's new business model so that we can then fully focus on expedient project delivery and effective land management. Significant time needs to be devoted to: hiring/on-boarding; conducting new systems needs assessments, vetting consultants and vendors, and implementing new systems; maintaining strong communication across all levels, developing plans for all department restructurings, and utilizing change management tools to support the organizational transitions; evaluating various long-term options for staff facilities and making decisions and setting priorities for implementation.
2. Remaining staff capacity needs to be focused on implementing the Measure AA projects that are already underway (including Mt. Um, Bear Creek Redwoods, La Honda).
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Attachment 2: Proposed Adjustments to Strategic Plan Goals and Objectives for FY2016-17

Goal 1 - Promote, establish and implement a common conservation vision with partners

Objective 1 – Build and strengthen collaboration with partners

Objective 2 – Implement an integrated approach to conservation on the Peninsula, South Bay and San Mateo Coast

Objective 3 – Implement the District’s Vision Plan

Goal 2 – Connect people to open space and a regional vision

Objective 1 – Complete the selection process, ~~and~~ appoint, and on-board the Bond Oversight Committee

Objective 2 – Develop and implement a comprehensive public outreach strategy including engagement of diverse communities and enhanced public education programs

Objective 3 – Expand the District’s diversity awareness and sensitivities so that ~~Involve~~ the entire District organization in-is effectively engaging in public outreach and communication

Goal 3 – Strengthen organizational capacity to fulfill the mission

Objective 1 – Provide the necessary resources, tools, and infrastructure to meet Measure AA commitments, implement new systems and structures, deliver enhanced services, and manage staffing growth and change. Plan and complete first bond issuance under Measure AA authority to fund high-priority Measure AA projects

Objective 2 – ~~Pursue~~ Provide the necessary resources and tools to pursue additional discretionary revenue opportunities to augment operating and bond revenues

Objective 3 – ~~Begin to implement~~ Continue implementing additional phases of the new business model, as informed by the results of the Financial and Operational Sustainability Model Study, to effectively and efficiently deliver Vision Plan projects and the District’s ongoing functions