Comments from the City Manager
Today’s Agenda

- Review Agenda and Objectives for Today
- Icebreaker: Heike Fallon
- Executive Staffs’ Plans and Visions for their Departments
- Financial Outlook
- Status Report on Strategic Plan Priorities, KPIs, Community Surveys
- Discussion and Consensus on Priorities for FY 2018-19
- Wrap Up and Next Steps
Today’s Objectives

- Understand department heads' plans and visions for change and improvement
- Understand department heads' plans and visions for change and improvement
- Understand financial outlook
- Understand progress of current priorities and KPIs
- Consensus on priorities for FY 2018-19
Ground Rules

- Engage fully
- Listen to understand
- Seek consensus
- Stay focused
- Assume good intent
Bike Rack

Time management tool

Things to discuss at another time will be tracked on a flipchart
Icebreaker

Heike Fallon

*Introduced by Mayor Drew Boyles*
Strategic Plan Framework

- Vision
- Mission
- Values

- Broad multi-year goals
- Priorities
- Key performance indicators

Clear Goals & Achievable Priorities + Effective Day-to-Day Operations + Council-Staff Teamwork = A Better El Segundo
Strategic Planning Roles

Council and Staff Each Play Essential Roles

Council
• Vision, key goals, policy priorities

Staff
• Departmental strategies
• Implementation approaches
Executive Staffs’ Plans and Visions for the Future

Introductory comments from City Manager
Greg Carpenter
Department Head Presentations

- Police Chief Bill Whalen
- Fire Chief Chris Donovan
- Information Systems Director Charles Mallory
- Recreation & Parks Director Meredith Petit
- Public Works Director Ken Berkman
- Planning & Building Director Sam Lee
- Library Director Melissa McCollum
- Finance Director/Acting HR Director Joe Lillio
Comments and Questions

Management Partners
Financial Outlook
Budget Assumptions

Personnel Costs
- Based on current MOUs
- Worker’s Compensation premium increasing by ~$300,000
- Minimum hourly wage increases each January 1: $11 in 2018 to $15 in 2022
- CalPERS pension costs continue to rise (increase of ~$1.3M from prior year)
  - **Public Safety Rate:** 55.0% for FY 2017-18 steadily increasing to 85.6% in 2023-24
  - **Misc. Rate:** 17.7% for FY 2017-18 steadily increasing to 30.0% in 2023-24

Operating & Maintenance (O&M) Budgets
- Departmental O&M budgets status quo with CPI increase reflected per contractual requirement & seek opportunities for reductions where possible
- No new dollars allocated towards Technology or Infrastructure Projects (subject to Council discussion)
- Solid Waste Contract increasing by ~$400,000 in FY 2018-19
Pension Costs Rising: El Segundo Public Safety Projections

- Pension costs are rising in the **short term** due to planned increases caused by CalPERS actuarial changes.
- Costs may rise in the **long term** due to lower investment returns.
## Pension Costs Rising: El Segundo Non-safety Projections

### Millions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Non-safety</th>
<th>Non-safety Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018-19</td>
<td>$3.48</td>
<td>24.5%</td>
</tr>
<tr>
<td>FY 2019-20</td>
<td>$3.77</td>
<td>25.8%</td>
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<tr>
<td>FY 2020-21</td>
<td>$4.20</td>
<td>27.9%</td>
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<tr>
<td>FY 2021-22</td>
<td>$4.46</td>
<td>28.7%</td>
</tr>
<tr>
<td>FY 2022-23</td>
<td>$4.72</td>
<td>29.6%</td>
</tr>
<tr>
<td>FY 2023-24</td>
<td>$4.86</td>
<td>30.0%</td>
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</tbody>
</table>

The non-safety costs are projected to increase significantly over the next five fiscal years, with rates rising from 24.5% to 30.0%.
### Upcoming Financial Decisions

- Continuing to allocate dollars for CalPERS unfunded liability
- Review of current business model for trash and water/sewer
- Cost recovery policy discussion and implementation of fee study
- Results of golf course RFP
- Prioritizing and funding implementation of new technology
- Land use discussions
- Adoption of three-year CIP and infrastructure financing
- Implementation of employee engagement program
- Future salary and compensation model/labor negotiations
Council Comments About Financial Outlook
1) Key accomplishments highlighted by Council Members
2) Strategic plan progress
3) Key performance indicators (KPI) progress
4) Action steps on 3 surveys
Key Accomplishments Highlighted by Council Members

- Addressing pension liability
- Starting technology improvements
- Employee, resident, business surveys
- Downtown improvements
- New businesses
- Centennial celebration
- Measure C
- Sepulveda renamed to PCH
- Agreement with school district about aquatics center
- Increasing property values
- Planning code changes
- Labor contracts negotiated
- New department heads
- Executive performance evaluations
Progress on Strategic Plan Activities

59 Activities in Strategic Plan
• 16 have been completed = 27%
• All but 2 of the others are underway (those two will be underway in FY 2018-19)

Questions and feedback
FY 2017-18 Top Council Priorities

1. Obtain customer feedback and use it to improve services *(surveys completed; transactional level rolled out; will continue into FY 2018-19)*

2. Increase focus on crime prevention including greater community engagement *(completed; now integrated into operations)*

3. Engage a third-party to conduct a Human Resources audit to ascertain updates needed to the municipal code, systems and other components *(will be underway in FY 2018-19)*

4. Successfully implement new technology *(underway)*

5. Improve the downtown *(underway)*

6. Address pension liability *(important steps completed; also ongoing and underway)*
Update on Key Performance Indicators

• Each department tracking KPIs
• Creating baselines
• Starting to determine which are useful to use for decision making, changes and improvements
• Refinements will be needed
• Is a “work in progress”

Examples

- Fire
- Police
- Public Works
Progress Report on Three Surveys

Resident
Business
Employee
Employee Survey

- City Manager met with all departments (May)
- Department heads met with their teams (May-June)
- Supervisory/manager team building and succession planning workshop (FY 2018-19)
- Each department creating action steps

Employees would like:
- Employees want to feel recognized, appreciated and valued
- Job specific training & cross training
- Wellness program

- Consolidated summary to be prepared by June 30 and presented to Council in July
- Implementation of action steps will start in July; some budget will be needed
Resident and Business Surveys

Resident Survey
• City has increased investment in infrastructure & taken a proactive approach on sidewalk repairs
• Increased communication efforts by the City & City Council: E-newsletter, social media, City website, El Segundo TV, YouTube
• Finance Department made personnel and structural changes to the water billing/customer service operations that have directly addressed improved customer service

Business Survey
• City has been working with EDAC to: develop a economic development plan for business attraction, develop a new website & logo
• Developed transaction surveys for Planning & Building Safety
• Developing plan for East of Sepulveda
• City is working on streamlining the permitting process
Lunch Break

(Time for a Break)
Discussion of Priorities for FY 2018-19

Two types of input
Priorities from Councilmembers and Executive Team

- Priorities listed include:
  - Items indicated by Councilmembers to facilitator
  - Items from executive staff
- Priorities placed into goal categories
- Some suggested changes to goals
Current Goals

**Goal 1:** Enhance customer service and engagement

**Goal 2:** Support community safety and preparedness

**Goal 3:** Develop as a choice employer and workforce

**Goal 4:** Develop quality infrastructure and technology

**Goal 5:** Champion economic development and fiscal sustainability
Suggested Changes to Goals

Proposed Revised Goal 4: Develop and maintain quality infrastructure *(currently is first half of Goal 4)*

Proposed new Goal 6: Leverage technology for efficient and effective service delivery *(currently is second half of Goal 4)*

Proposed new Goal 7: Foster effective governance, innovative management and effective advocacy on behalf of El Segundo *(new)*
Observations about the priorities listed:

- **Most** of the priorities listed were mentioned by Council Members and executive staff.
- Most of the priorities listed are in the current strategic plan or are ongoing tasks.
- **14 items** are marked as “would be a new initiative – not budgeted or planned”: Of those...
  - 2 would be **completely new**
    - Goal 1: Items 1, 2
  - 3 are in the strategic plan but will require new level of effort
    - Goal 1: Item 5
    - Goal 3: Item 4
    - Goal 5: Item 5
FY 2017-18 Top Council Priorities

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### Making Choices About Priorities for FY 2018-19

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Future Opportunities – But Not Now</th>
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<tbody>
<tr>
<td>• These will be the Council's top priorities and will receive primary attention</td>
<td>• These will be the projects to be pursued as resources permit.</td>
<td>• Where there is not a Council majority to pursue something or capacity is lacking</td>
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Dot Voting
Review Results and Discuss

What is the consensus?

Does staff believe the identified priorities to be achievable?
Updating the Strategic Plan With New Priorities

✓ Will remove the completed items from the Strategic Plan (including some items that are now part of a department’s ongoing operations)
✓ Will highlight the Council’s top priorities, as we did last year
✓ Will update the wording on some items to clarify
✓ Will integrate the new activities into the strategic plan
Management Partners prepares report from today

Staff prepares for budget study session July 17

Staff prepares FY 2018-19 budget and updates strategic plan
Final Comments and Evaluation
Thank you!

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