



CITY OF  
**PALO  
ALTO**

## City Council Staff Report

**Report Type: 2024 ANNUAL COUNCIL RETREAT PROGRAM**

**Lead Department: City Manager**

**Meeting Date: January 29, 2024**

Report #:2401-2526

### **TITLE**

2A. Discuss 2023 City Council Priorities & Objectives

### **RECOMMENDATION**

Receive and discuss the progress updates on the 2023 Council Priorities and Objectives as of the 4<sup>th</sup> Quarter.

### **BACKGROUND**

On January 28, 2023, the Council held its annual retreat to approve the 2023 Council Priorities<sup>1</sup>. The Priority Setting Guidelines define a priority as a topic that will receive unusual and significant attention during the year. At the conclusion of the retreat, the City Council approved the following priorities:

- Economic Recovery and Transition
- Climate Change and the Natural Environment: Protection and Adaptation
- Housing for Social and Economic Balance
- Community Health and Safety

On February 6, 2023<sup>2</sup>, Council reviewed a set of Objectives meant to reflect potential Council actions, be measurable and time-bound to make real progress in advancing Council Priorities. At its April 10, 2023<sup>3</sup> meeting, the Council adopted 72 Objectives which were further refined and several funded during the 2024 Budget Adoption meeting<sup>4</sup>. These are summarized in Attachment A of the report.

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<sup>1</sup> City Council Retreat 1/28/23 <https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=1492>

<sup>2</sup> 2023 City Council Objectives 2/6/2023

<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=1067>

<sup>3</sup> 2023 Updated City Council Objectives

<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=1109>

<sup>4</sup> FY 2024 Budget Adoption <https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=1170>

## **ANALYSIS**

Progress on Council Priorities is measured by the accomplishments of its subset objectives and reported on a calendar quarterly basis. Calendar Q4 spans the months October through December 2023. A summary of all 72 objectives is listed in Attachment A, including an estimated completion date, also measured in calendar quarters. A narrative on each objective update is found in Attachment B, it includes:

*Project description*- describes activities and outcomes for the calendar year as some projects are multi-year in length and are broken up into phases.

*Project Status*-

- *Completed* - Project as described in the description is overall complete, though some minor/non-substantive follow-up may still be needed.
- *On-Track*- Project is expected to be completed as specified, no significant delays.
- *Behind Schedule/Not Started* - The project estimated completion date may be delayed due to operational issues, capacity constraints (such as vacancies in staffing), or project has not started.
- *On Hold/Dropped* - Project is not actively in progress or will no longer move forward in the current year. Reasons may include the issue is no longer relevant or is stalled/dropped due to Council direction.

*Estimated Completion* - The calendar quarter in which the objective is expected to be completed.

*Department Lead* - Identifies the lead department and project manager responsible for coordinating progress.

*Update* - a brief progress update on the project describes work reflected in the respective calendar quarter. Any delays or project issues will be reflected in this section.

Of the 72 Council objectives supporting Council priorities, in the final quarter, a total of 35 have been completed, 11 are on track, 18 behind schedule/not started, and eight (8) are on hold/dropped.

<b>City Council Priority Area</b>	<b>Completed</b>	<b>On Track</b>	<b>Behind Schedule</b>	<b>On Hold/ Dropped</b>	<b>Total</b>
<b>Economic Recovery &amp; Transition (ER&amp;T)</b>	8	2	0	1	<b>11</b>
<b>Climate Change and the Natural Environment: Protection and Adaptation (CC&amp;NE)</b>	7	2	9	2	<b>20</b>
<b>Housing for Social and Economic Balance (HSEB)</b>	11	1	5	3	<b>20</b>
<b>Community Health and Safety (CH&amp;S)</b>	9	6	4	2	<b>21</b>
<b>TOTAL</b>	<b>35</b>	<b>11</b>	<b>18</b>	<b>8</b>	<b>72</b>

The year-end review of 2023 Council Objectives reveals an overall completion rate of approximately 50% when considering the 72 Objectives; about 72% either Completed or On Track with new Council direction, when discounting the eight (8) Council directed objectives that were either Dropped or placed On Hold (64% either Completed or On Track when including those eight).

It may be unavoidable that some may be disappointed with a 50% completion rate. To the contrary, with this being the first year of setting and tracking such an expansive set of objectives, it should be reassuring that the City is setting and pursuing clear and aggressive goals throughout the year. This effort was set from the beginning as an iterative process of Council goal-setting and pursuing objectives while adjusting to unexpected events, so that in future years objectives can be better defined to reflect actual experience and organizational capacity.

The highest number of objectives was accomplished in the Economic Recovery & Transition priority area, boasting a 73% completion rate, followed by Housing for Social and Economic Balance with 55%. As noted in the table above, there are 11 objectives that remain On Track, or 15%. Despite the timeframe spanning the calendar year, objectives in this category were either more of an ongoing effort or the scope of the project was changed due to Council direction, extending the duration beyond the originally planned timeline.

The Behind Schedule or Not Started categories makes up 25% of the objectives for a total of 18, with a majority residing in the Climate Action & the Natural Environment: Protection and Adaptation. Some of the common issues delaying completion in this category are due to continue capacity constraints with competing priorities, extended procurement and contract phases including delivery of materials, and strain on supply chain, while others had unanticipated longer procurement and contractual phases delaying start. Listed below are the 18 objectives, the full update on each can be found in Attachment B.

<b>Objective ID</b>	<b>Project Title</b>
<b>CC&amp;NE I</b>	Implement Advanced Metering Infrastructure (AMI) through purchase of meters/equipment for installation (CCPA7)
<b>CC&amp;NE p</b>	Begin first phase construction for grid modernization and consultant resources to plan for gas transition
<b>CC&amp;NE q</b>	Install first 1,000 heat pump water heaters through the advanced pilot program and approve expanded full-scale program
<b>CC&amp;NE r</b>	Approve advanced pilot program for whole residential home electrification by the end of 2023 (targeted areas)
<b>CC&amp;NE s</b>	Approve commercial rooftop HVAC electrification advanced pilot program
<b>CC&amp;NE t</b>	Accept Electric Vehicle Strategic Plan
<b>CC&amp;NE u</b>	Accept Reliability and Resiliency Strategic Plan
<b>CC&amp;NE v</b>	Review preliminary draft S/CAP study discussing workplan resource needs and project funding opportunities
<b>CC&amp;NE w</b>	Advance the San Francisquito Creek Flood Protection capital project (Reach 2) by the end of 2023, through Council's JPA representation and any Council approvals involved.
<b>HS&amp;EB ee</b>	Advance local and state housing interests through an HCD-compliant Housing Element (HSEB5)
<b>HS&amp;EB ff</b>	Advance vision for North Ventura Coordinated Area by adopting a coordinated area plan (HSEB4)
<b>HS&amp;EB 8</b>	Construct preliminary schedule for starting new coordinated area plans for San Antonio Road, California Ave, Downtown, and El Camino Real
<b>HS&amp;EB kk</b>	Respond to various Grand Jury recommendations related to Housing (HSEB 6, 17, 24)
<b>HS&amp;EB ll</b>	Refine implementation of City's SB9 objective development and urban lot split standards (HSEB 14)
<b>CH&amp;S yy</b>	Update without interruption 911 dispatch system (CAD provider) once selected through procurement process (CHS4)
<b>CH&amp;S aaa</b>	Approve updated Local Hazard Mitigation Plan and Community Wildfire Protection Plan (CHS15)
<b>CH&amp;S ccc</b>	Advance final construction phase of Public Safety Building and begin preparations for move-in (CHS9)
<b>CH&amp;S eee</b>	Approve resources and consultant to study and develop seismic and resiliency ordinance (CHS20)

Finally, there are eight or 11% of the 72 objectives in the Dropped/On Hold category, of which half were directed by Council to return for funding consideration during the FY 2024 Midyear review. Staff is reviewing these and expect the FY 2024 Mid-Year Budget Review to be considered by Council in February 2024. Another two were also directed by Council to either discontinue or be considered in 2024 Council priority and objective setting. The last two are On Hold due to staffing constraints. Any non-dropped or unfinished 2023 objectives will be tracked

and included in future review by the Council either at FY 2024 Midyear as directed, or as objectives in the 2024 Council Priority process for consideration.

#### **FISCAL/RESOURCE IMPACT**

Although there are no additional direct resource impacts for the listed objectives during the 2023 calendar year, several other objectives were deferred during the FY2024 Budget Adoption process for reconsideration at the FY 2024 midyear review. Those are identified with an \* in Attachment A and noted in Attachment B.

#### **STAKEHOLDER ENGAGEMENT**

In March 2023, Council was presented with community engagement plans based on the selected 2023 Priorities and adopted objectives. There are various levels of community engagement and communications to support each project.

#### **ENVIRONMENTAL REVIEW**

The Council informational report on this item is not a project as defined by CEQA because the Council review of 2023 Priority Objectives is continuing administrative or maintenance activity. CEQA Guidelines section 15378 (b)(2).

#### **ATTACHMENTS**

Attachment A: 2023 Priority Objectives Summary Table

Attachment B: 2023 Priority Objectives Q4 Update

#### **APPROVED BY:**

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