



Midpeninsula Regional
Open Space District

R-14-136
Meeting 14-30
October 28, 2014

AGENDA ITEM 1

AGENDA ITEM

Annual Review of the Strategic Plan Goals and Objectives to Guide the District's Focus for FY2015-16

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 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 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.

BACKGROUND

In 2011, the District developed and the Board adopted a comprehensive Strategic Plan (R-11-96). Since then, the Board of Directors has made two annual revisions to the Strategic Plan, one in 2012, and a second in 2013. This latest iteration served to provide strategic direction for Fiscal Year 2014-15 (see Attachment 1). The Strategic Plan provides a high-level framework to guide the District's focus on achieving all components of its mission statement, and is a dynamic document that is re-evaluated by the Board and staff annually prior to the development of the annual Action Plan and Budget. The annual review of the Strategic Plan 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.

The Special Board Meeting on October 28, 2014, is an opportunity for the Board to review and provide input on the strategic framework of goals and objectives the District has been and will continue to follow to preserve a regional open space greenbelt in perpetuity, protect and restore the natural environmental, and provide opportunities for ecologically sensitive public enjoyment and education.

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 years, and a recommendation from the General Manager on potential adjustments to the Strategic Plan for FY2014-15.

DISCUSSION

Environmental Scan Results

As a reminder, the Strategic Planning Cycle 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 2, including the following main take aways:

- 1. Changing political agenda requires the District to (1) remain vigilant and allocate sufficient resources to gauge political/legislative environment and (2) demonstrate/communicate an active role in addressing socio-economic issues and water scarcity (e.g. reaching out to low-income communities, engaging diverse audiences, protecting the upper watersheds, restoring creeks, etc).*
- 2. Additional staffing, tools, and training is critical for a successful Measure AA ramp up. Given factors that are out of District control (i.e. permitting, public review process) it is more realistic to bring in additional resources to accomplish more during the same timeframe, than to attempt to do more in less time.*
- 3. FOSM streamlining and efficiency recommendations will improve internal processes and require time and attention for successful implementation to ensure high adaptability by the entire organization.*
- 4. Drought conditions and greater attention to water issues is demanding additional resources to carefully inventory, track, monitor, protect the District's water rights; pursue upgrades to existing water systems and development of new water sources and water rights to ensure sufficient supply for existing and future uses.*
- 5. Clear direction, sustained focus on existing District priorities, and clear policies to address emerging issues are all critical to avoid loss of project momentum and delays.*
- 6. Consideration of new workplace practices, changes in the organizational structure, and anticipated staffing growth will inform the District's short-term and long-term staff facility needs, which will need to be evaluated in short term.*

Proposed Strategic Plan Adjustments

Based on Strategic Plan progress to date, the status of current FY2014-15 Action Plan projects, the successful passage of the 2014 General Obligation Bond measure, and the results of the environmental scan, staff has identified the following draft list of key categories of work items for FY2015-16:

- *Implement Measure AA/Vision Plan Priority Projects:* Proceed with the second year of Measure AA/Vision Plan Priority Project Implementation; institute all expenditure tracking and reporting mechanisms needed to prepare accountability reports.

- *Implement Recommendations from the Financial and Operational Sustainability Model (FOSM) study:* Develop a detailed schedule and phasing plan to implement FOSM recommendations across all levels of the District's organization to increase internal efficiencies and expand capacity to better fulfill the District's mission and priorities.
- *Policy Development:* Develop new draft Board policies to address emerging and current operational, environmental, and use issues.

This draft list of work item categories is provided to assist the Board's consideration of the proposed revisions to the goals or objectives of the Strategic Plan, which are provided in detail in Attachment 3. Adjustments to the Strategic Plan will help guide staff's development of the Action Plan and Budget for FY2015-16, for future Board consideration. In addition, the Board's consideration of which Measure AA projects to include as part of the upcoming 5-year capital improvement program on October 29 will also guide the development of the Action Plan and Budget for FY2015-16.

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 Action Plan and Budget priorities and their attendant costs in the coming year.

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

The General Manager and District Departments will develop the draft annual Action Plan and Budget for FY2015-16, including the 5-Year Capital Improvement Plan, to reflect the Board-approved revisions to the Strategic Plan,

Attachments

1. Fiscal Year 2014-15 Strategic Plan Update
2. 2014 Environmental Scan
3. Proposed Revisions to the Strategic Plan Goals and Objectives for Fiscal Year 2015-16

Responsible Department Head:
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Skyline Ridge Open Space Preserve

Liv Ames



Long Ridge Open Space Preserve

Todd Ditchendorf



Sierra Azul Open Space Preserve

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Fiscal Year 2014-15 Strategic Plan Update

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

- Objective 1 – Enhance collaboration with partners
- Objective 2 – Implement an integrated approach to conservation on the Peninsula, South Bay and San Mateo Coast
- Objective 3 – Implement a Regional Open Space Vision Plan

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

- Objective 1 – Conclude the work of the Community Advisory Committee on the Vision Plan and explore roles for a future community advisory group
- Objective 2 – Continue to develop and implement a long-term public outreach strategy
- Objective 3 – Involve all District departments in public outreach and communication

Goal 3 – Strengthen organizational capacity to fulfill the mission

- Objective 1 – To implement public access, acquisition, and restoration priorities, prepare for a voter-approved revenue measure
- Objective 2 – Evaluate additional discretionary revenue opportunities (grants, etc.)
- Objective 3 – Identify staffing needs to most effectively implement the Vision Plan, re-evaluate the current business model, and adapt the funding model accordingly

Vision Plan

Through a public visioning process, the District and its Community Advisory Committee identified a slate of 54 project areas of high priority. These projects are distributed throughout the District’s jurisdiction and include adding trail and trail connections, opening new preserves, protecting redwood forests, preserving farmland, restoring wetlands and streams, providing habitat connectivity and reducing fire risk. The top 25 priority projects were evaluated and costed for an amount of approximately \$300 million. A complete list with more details about the projects can be found at www.openspace.org/imagine.

Funding Measure

In February 2014, the District’s Board of Directors voted to place a general obligation bond measure on the June 2014 ballot. Designated as Measure AA, it will fund up to \$300 million in bonds over a 20-30 year period at an additional tax rate not to exceed \$3.18 per \$100,000 of assessed property value. All funds from Measure AA are designated for the top 25 priority projects identified through the District’s public visioning process. This measure requires two-thirds vote in the District’s jurisdiction in San Mateo, Santa Clara and a portion of unincorporated Santa Cruz counties, and all expenditures would be verified by an independent oversight committee. More information about the proposed bond measure can be found at www.openspace.org/MeasureAA.



Windy Hill Open Space Preserve

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2014 ENVIRONMENTAL SCAN ANALYSIS

What is has changed around us and internally that may affect (either positively or negatively) the District's ability to carry out its mission effectively and efficiently?

1. Visitors and Demographics

a. Status

- i. Bay Area has a high concentration of young tech workers; large sector of local population is technology-driven, affecting where and how they get information
- ii. Measure AA supported by younger, urban, ethnically-diverse population; support from older/wealthier demographic is beginning to decline
- iii. Increased demand for new and expanded visitor programs as more people learn about the District – true for volunteer docent programs and specialized hikes, requests for presentations and attendance at events
- iv. Demand for more access and parking at busy Preserves, both evening and weekends
- v. Increase demand for mountain biking, dog walking opportunities
- vi. 36% of local population are born outside this country, bringing different perspectives and use patterns/desires of open space
- vii. Although area is one of healthiest in the nation, health and obesity concerns still exist:
 - 2013 CA statistics - 24.1% of adults were identified as obese - up from 21.5% in 2004 and from 9.9% in 1990¹
 - In 2011-12, 16.9% of US children and teens were identified as obese, and an additional 15% as overweight for a total 31.8%²
 - Obesity rate in California is expected to increase to as high as 46.6% in 2030 if current trends continue³
 - In 2007 - 37.8% of adults in San Mateo County and 32.9% in Santa Clara County were identified with having at least one chronic health condition and more than half with multiple chronic conditions*⁴

b. Considerations for the District

- i. Outreach needed to more diverse population, youth, and Millennial generation to build solid understanding of and strong support for open space and outdoor recreation
- ii. Greater use of technology/social media needed to transmit information - needs to be adaptable for use via mobile/handheld devices

¹ The State of Obesity in California. The State of Obesity – Better Policies for a Healthier America. www.stateofobesity.org

² Drop in Obesity Among Nation's Youngest Kids. Robert Wood Johnson Foundation. March 3, 2014. www.rwjf.org

³ California Obesity Rate to Double by 2030, New Report Projects. California Healthline. September 19, 2012. <http://www.californiahealthline.org>

⁴ Chronic Conditions of Californians, 2007 California Health Interview Survey. California Healthcare Foundation. <http://www.chcf.org>

- iii. Provide high-value services that meet the needs of the changing population to establish strong roots and relevancy with the changing supporter demographic
- iv. Expand visitor programs and how we reach out to the public; bring nature out to where the people are located and locate events closer to residents
- v. Communicate successes and “promises kept” broadly and frequently to the public, especially when opening new trails, parking areas, new areas to bicycle and dog uses
- vi. Emphasize health benefits of outdoor recreation

2. Climate Change/Environmental Sustainability

a. Status

- i. 4th year of below average rainfall
 - More wildlife seeking water and food at wildland-urban interface leading to increased encounters with humans
 - Wildlife populations showing signs of stress, breeding rates low (e.g. reduced breeding of CRLF in 2014); increased livestock predation as prey becomes more scarce
 - Reduced water for grazing and residential tenants (domestic and stockwater)
 - Neighbors who rely on spring, well, creek water are impacted; many springs, creeks, and wells have gone dry
 - Increasing threat of fire – 2014 fire season lasted the entire calendar year
 - Pressure growing in adjudicated watersheds to track water usage and potentially limit types of water consumption (domestic vs. stockwater)
- ii. Balancing conflicting desires to use sustainable/green construction elements and keep project costs down.
- iii. Potential for increased inquiries for installation of renewable facilities on District land (e.g. wind turbines, solar panel farms)
- iv. Use of new technologies and approaches to reduce GHG emissions: videoconferencing, cloud based technology, and handheld devices for remote access

b. Considerations for the District

- i. Secure new sources of water for domestic and stockwatering use: new well installations, off-site storage/pond development to rely less and/or have alternatives to spring and creek water; purchase properties with additional water rights/resources
- ii. Scope and develop program to manage, inventory, track, and monitor District water rights and water use
- iii. Establish clearer policies regarding sustainable practices and green technology

3. Political Landscape

a. Status

- i. Passage of Measure AA has engaged the community, other agencies, and stakeholders to seek and lobby for funding and/or partnerships for outside projects, examples: Farm

Bureau and San Mateo County push for farm labor housing; realignment and improvements to Town of Portola Valley trails; acquisition of the defunct Los Trancos Water District surplus property

- ii. Key leaders in California legislature are largely from Southern California, focusing on issues that may not be relevant to this region. New legislation may reflect a stronger focus on socio-economic/social justice issues, including park funding for inner-city areas and improved access to disadvantaged communities
- iii. Committee for Green Foothills' People for Parks Project focuses on parks and open space needs in East Palo Alto
- iv. Push for Measure Q by sister/partner agency Santa Clara Open Space Authority
- v. Increased media/public scrutiny of District matters; increased visibility and awareness may also increase public interest in volunteering/serving on the Board/participating in District events
- vi. Increased pressure to preserve/expand farm labor housing on the coast
- vii. Potential new changes of elected officials will require new partnership outreach and cultivation
- viii. Potential for new legislation to conserve water and manage consumption, including well water use; increased reporting requirements for water usage/water rights management

b. Considerations for the District

- i. Clear direction and sustained focus on District priorities to avoid loss of project momentum and delays is needed particularly now when pressure to take on other's priorities is increasing
- ii. Important to remain vigilant and engaged in legislative matters given potential for changing priorities and focus
- iii. Take a more proactive approach to ensure broad distribution of benefits and engagement in programs that service a socio-economically diverse audience – support for improvements and programming at Cooley Landing offers one opportunity
- iv. Establish clearer policies regarding structures disposition, particularly for structures/houses on the Coast given low housing stock and high need

4. Economy and Finance

a. Status

- i. Improved economy coupled with high construction demand decreases contractor availability and increases contractor selectivity resulting in higher project costs and fewer bids, particularly for small projects
- ii. Improved economy also affecting responsiveness and service quality of consultants, as they too become more busy with new jobs, additional clients
- iii. Increased land values may result in potentially more expensive land purchases

- iv. New budgeting, tracking and reporting processes needed to administer Measure AA (includes tracking of project management/construction staff costs)
- v. By providing a new secure source of funding for capital projects and land acquisitions, Measure AA frees up additional General Funds for operational needs. However, Measure AA will also drive the need to expand operational staff and facilities which support accelerated capital spending.
- vi. In order to manage the financial changes driven by Measure AA, the District must revise its short-term spending guidelines, its long-term financial model and its reserves policy.
- vii. Projected continued above-average growth in General Fund tax revenue due to high demand for residential and commercial real estate within the District.
- viii. High housing cost and regional housing shortage is heightening outside interest in retaining and rehabilitating unused structures – including structures to use as farm labor housing – potentially affecting District decisions regarding disposition of structures
- ix. IRS regulations limiting issuance of tax-free general obligation bonds for purchase of “private purpose” assets may affect District decisions regarding agricultural and grazing use on new land acquisitions.

b. Considerations for the District

- i. Bundle construction projects when possible to attract more bidders and more competitive bids
- ii. Enter into more on-call consulting contracts to have at hand multiple expert consultants to hire for projects and issues as needed
- iii. Assign additional staff time and funding to Finance function including new project management software/training, as well as to establish more robust functionality and use of IAFS
- iv. Adjust funding guidelines, financial models and reserve policies to reflect new strategic plan and set aside additional General Funds for operating needs, including an initial ramp-up to accelerate needed capacity and resources.
- v. Establish clearer policies regarding structures disposition, particularly for structures/houses on the Coast given low housing stock and high need
- vi. Structure future land purchases to minimize need for taxable general obligation bonds.

5. Human Resources/Workplace Environment

a. Status

- i. Increased demand for additional staff and consultant/contractor capacity to complete Measure AA projects – complete more projects in a shorter timeframe
- ii. Likewise, District will be facing an increasing demand for staff to address ongoing maintenance and management needs as new properties are purchased, improved, opened and new facilities are constructed

- iii. Bay Area high cost of housing/living negatively impacts District's ability to attract new employees and retain existing staff – or compel more employees to accept longer commutes – may want to consider new work arrangements/employee housing options to reduce commute times and attract/retain staff
- iv. Demand for additional lease space to house increases in staff will grow
- v. FOSM study is evaluating best management practices, process improvements, organizational structure options, to increase internal efficiencies – recommendations are forthcoming and implementation will require careful, strategic roll-out to allow for orderly, systematic, and adaptable implementation
- vi. Increased network bandwidth at field offices allows for more video-conferencing, eliminating travel time
- vii. Growth in staff to implement and subsequently manage/maintain MAA projects will accelerate need for expanded staff facilities and additional staff support services (IT, HR, GIS)
- viii. Additional effort needed to outreach to prospective new hires/colleges/high schools/etc to attract interest and new candidates, particularly for field positions

b. Considerations for the District

- i. Ramp up the initial hiring of additional staff to expand capacity to complete more projects and manage lands; bring forward obvious additions at mid-year
- ii. Open up existing housing stock as general employee housing on limited term/reduced cost basis as an additional employee benefit to retain/attract employees given high cost of housing; integrate telecommuting/work from remote locations, including field offices; integrate flexible work schedules beyond existing core hours (9 – 4 PM)
- iii. Begin exploring new work structure for District employees and what type of facility expansion is needed to accommodate new staffing and new work structure
- iv. Implement new methods, outreach tools, search for new potential labor pools to broaden and further diversify our recruitment

6. District Operations and Management

a. Status

- i. Demands on staff to implement more projects, more quickly are high – additional resources will be needed to sustain the strong push.
- ii. Importance of transitioning District resources from focusing on large, organizational, District-wide projects (Capital Finance, Strategic Plan, Vision Plan) to project implementation and core function delivery
- iii. Importance of timely reviews and decision-making to move projects forward
- iv. Greater delegation of department-level business decisions is needed to keep items and projects moving forward to resolution; greater delegation requires acceptance of higher level of risk and increased internal training to minimize risk

- v. Heightened need for clear direction and sustained focus on District priorities to avoid loss of momentum and delays
- vi. Project permitting at local, state, and federal levels continues to be source of greatest uncertainty and cause for significant project delays; lack of consistent application of rules and regulations also an issue (e.g. State Water Board C-3 requirements differ between SMCo and SCCo)
- vii. Need for additional training, tools, policies to expedite project delivery and reduce processing times (project management training, data management systems, etc)
- viii. Direction on future staff facility expansion options/range of acceptable costs will be needed to address staff growth in the short term and long term.
- ix. Increased expectations to accomplish more in less time

b. Considerations for the District

- i. Ramp up the initial hiring of additional staff to expand capacity to complete more projects and manage lands
- ii. Implement efficiency strategies recommended by FOSM and others to streamline decision-making processes to arrive at project completion more quickly
- iii. Careful Board consideration of new projects, new initiatives to avoid delaying/losing momentum on priority Measure AA projects
- iv. Push for permit streamlining mechanisms at local, state, federal levels
- v. Set aside sufficient funding to provide tools/training to improve efficiencies
- vi. Prioritize policy development to proactively fill policy gaps that can result in project delays on the back end when policy issues arise; include staff training in changes to administrative policies

KEY CONSIDERATIONS FOR FY2015-16

1. *Changing political agenda requires the District to (1) remain vigilant and allocate sufficient resources to gauge political/legislative environment and (2) demonstrate/communicate an active role in addressing socio-economic issues and water scarcity (e.g. reaching out to low-income communities, engaging diverse audiences, protecting the upper watersheds, restoring creeks, etc).*
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3. *FOSM streamlining and efficiency recommendations will improve internal processes and require time and attention for successful implementation to ensure high adaptability by the entire organization.*

- 4. Drought conditions and greater attention to water issues is demanding additional resources to carefully inventory, track, monitor, protect the District's water rights; pursue upgrades to existing water systems and development of new water sources and water rights to ensure sufficient supply for existing and future uses.*
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Strategic Plan goals and objectives for FY ~~2014~~2015-1516:

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

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

- Objective 1 – ~~Conclude the work of the Community Advisory Committee on the Vision Plan and explore roles for a future community advisory group~~Complete the selection process for the Bond Oversight Committee
- Objective 2 – Continue to develop and implement a long-term public outreach strategy
- Objective 3 – Involve all District departments in public outreach and communication

Goal 3 – Strengthen organizational capacity to fulfill the mission

- Objective 1 – ~~To implement public access, acquisition, and restoration priorities, prepare for a voter-approved revenue measure~~To fund high-priority Measure AA projects, plan and complete first bond issuance under Measure AA authority
- Objective 2 – ~~Evaluate additional discretionary revenue opportunities (grants, etc.)~~Continue to pursue grant funding for projects to augment operating and bond revenues
- Objective 3 – ~~Identify staffing needs to most~~Begin to implement the new business model, as informed by the results of the Financial and Operational Sustainability Model Study, to effectively and efficiently deliver ~~implement the~~ Vision Plan projects and the District's ongoing functions, ~~re-evaluate the current business model, and adapt the funding model accordingly~~