



Midpeninsula Regional
Open Space District

R-22-137
Meeting 22-27
December 6, 2022

AGENDA ITEM 2

AGENDA ITEM

2022 Environmental Scan and Fiscal Year 2023-24 Strategic Plan Goals and Objectives

GENERAL MANAGER'S RECOMMENDATIONS *den*

Consider the results of the 2022 Environmental Scan and review, update if needed, and adopt the Fiscal Year 2023-24 (FY24) Strategic Plan Goals and Objectives to guide the development of the FY24 Budget and Capital Improvement and Action Plan (CIAP).

SUMMARY

Each year, the Board of Directors (Board) holds two retreats as part of the annual budget process. For the budget development cycle ending June 30, 2024 (FY24), these retreats are scheduled on Tuesday, December 6, 2022 and Tuesday, March 7, 2023. On December 6, 2022, the Board will review and discuss:

- The Environmental Scan Report, which is prepared annually to inform any updates to the Strategic Plan Goals and Objectives (Attachment 1);
- The current Strategic Plan Goals and Objectives, considering and identifying any proposed language revisions, and subsequently adopt the FY24 Strategic Plan Goals and Objectives (Attachment 2).

This annual Board Retreat Meeting 1 (Strategic Planning) provides the Board with an early opportunity to set the overall course for the coming year at a broad policy level. It also provides the framework for Board Retreat Meeting 2 (Priority Setting) scheduled on March 7, 2023. At this future meeting, the Board will discuss and confirm the priorities for the next fiscal year to guide the Budget and Action Plan development ahead of the presentations to the Action Plan and Budget Committee, which begin in late April 2023.

DISCUSSION

The Board adopted a comprehensive Strategic Plan in 2011 (R-11-96) to provide a policy framework for guiding the Midpeninsula Regional Open Space District (District) in implementing its mission. Each year, the Board reviews, makes edits as necessary, and adopts the Strategic Plan Goals and Objectives for the following fiscal year to provide high-level direction for developing the upcoming Budget and Action Plan.

Environmental Scan

Staff will present the results of the 2022 Environmental Scan Report (Attachment 1) and discuss the strengths, challenges, barriers, and opportunities facing the District as it looks forward to FY24. The environmental scan includes significant internal and external conditions, data, and factors that may influence the efficiency and effectiveness of the organization's operations, services, and project delivery. The annual environmental scan informs the Board's subsequent review and any revisions to or affirmation of the Strategic Plan Goals and Objectives. Below is a summary of the notable themes and findings from the environmental scan (please refer to Attachment 1 for the complete list):

- The cost of living within our District and surrounding areas remains high, constraining our ability to recruit. Competitive salaries and telework options reduce the number of qualified applicants at all levels. There appear to be more public sector jobs than qualified applicants in the Bay Area, causing much movement as workers move from agency to agency. Midpen's competitive edge in having a focused and high-valued mission may be diminishing. Additional internal talent development and offering new pathways for career growth can improve staff retention. Adequate staffing capacity is critical for retention, sustaining current activity levels, and supporting positive morale.
- Mental and physical health issues continue to be real and present in the workforce. Strategies to support staff may include providing additional resources, tools, and training to build healthy habits, manage stress, and avoid burnout, all of which support retention and service delivery.
- The District has an opportunity to restart negotiations with the Midpeninsula Rangers Peace Officers Association with a fresh and positive outlook to creatively consider options that address the goals and concerns of both parties. Arriving at a mutually agreeable Memorandum of Understanding and continuing to strengthen relationships with field staff, particularly with Rangers, will improve the strength, stability, and morale of the organization.
- Midpen will be placing significant effort to properly onboard two new Board members from Wards 1 and 6 who take office starting January 2023. New Board members will be briefed on Board policies, rules/norms of procedures, communications, workload, and capacity. A Board workshop early in the calendar year may be useful for new Board members to build strong peer relationships and for all members to discuss the characteristics that distinguish high functioning boards.
- The Wildland Fire Resiliency Program is facing high costs for in-demand contracted services, concerns about staff recruitment and retention to fill field positions, and the need for sufficient internal capacity to manage partner agency coordination work, meet grant deadlines, and ensure sufficient public outreach and education, all to successfully ramp up efforts in fuels management. The continued large infusion of grant funding for wildland fire resiliency projects adds opportunity and pressure. The Land and Facilities Department may be exceeding resource loading limits and struggling to keep pace with the fuels management work while trying to meet other operational (trail maintenance and construction) needs. A review and update of the 2015 Financial and Operational Sustainability Model (FOSM) to guide priority areas of operational growth and the pace of growth is critical.
- Significant inflation has resulted in rising costs of goods and services, continuing to make routine maintenance and project delivery more expensive. Continued supply chain issues have affected the availability of goods, further delaying the completion of District work.

- Although it is not fully clear how higher inflation might impact District revenues, the agency's financial status has to date remained strong. In most past inflationary periods, higher inflation has raised the demand for hard assets, such as real estate, with a positive impact on property tax revenue. However, conversely, higher inflation can reduce revenues at the state and county levels, with the potential for substantially reducing grant funding sources and impacting the ability for agencies to partner with the District on projects and programs. A recent article in the [San Jose Mercury News](#) announced that the state is projecting a \$25 billion shortfall next year as compared to the record \$100 billion surplus the year prior.
- Diversity, Equity, and Inclusion (DEI) continues to be of high importance to our society. The workforce in particular values the integration of measurable DEI-actions throughout the organization, policies, programs, recruitments, staff development, and engagement work. This includes efforts in engaging underrepresented communities and tribal groups in the District's work.
- The District's robust public outreach efforts have expanded its profile and its connections with the surrounding communities. This is leading to new requests from the public to expand access, open new areas to visitors, improve accessibility for under-resourced communities, and develop more trails that offer a variety of experiences for people of different ages and physical abilities (families, kids, seniors).
- Various local and state elected officials are terming out, resulting in new representation and the opportunity to establish new relationships and build new partnerships.
- The District is challenged in balancing the management/construction of new facilities and infrastructure with the stewardship/enhancement of the natural resources. Allocating sufficient time and resources to both is becoming increasingly difficult given competing demands for resources. Tied to this challenge is the philosophical question that seems to be getting raised regarding the District's trail standards and practice of incorporating existing legacy roads into its trail systems, where appropriate. At the core of this question lie the District's core values and how the District weighs/balances the impacts and disruptions to the natural resources with the visitor trail experience.
- The District's technological capabilities are a strength, including the agency's innovative use of GIS tools. At the same time, the addition of new software-dependent systems, staffing growth, new offices and facilities, etc., have exploded the amount of additional tech support needed to keep up with demands and keep the agency innovating.
- As seen in the news, cyber-attacks are becoming increasingly frequent and sophisticated, requiring ongoing District-wide training and greater security measures.
- New remote-controlled equipment and remote sensing equipment have proven to be effective and are becoming more prevalent. Different tools can improve productivity, reduce injuries, and help the District collect extensive amounts of field data. These new technologies require training and data management. Challenges for the District are the enormously large quantities of data generated, the storage and processing of this data, and the increasing interest by the public in accessing the data 'real time'.
- Additional resiliency measures are needed to address ongoing drought conditions and ensure that land management and operations, including the conservation grazing program, remain sustainable, and that essential systems remain operable in the event of power shut offs or fires.

- The Board is encouraged to review the detailed information in Attachment 1 prior to the retreat to prepare for the discussion.

Strategic Plan Goals and Objectives

Last year, the Board made a few edits to the District's Strategic Plan Goals and Objectives in response to prior environmental scan considerations to ensure ongoing successful implementation of the District's mission (Attachment 2). After reviewing the 2022 Environmental Scan report, the General Manager offers the following food for thought as the Board discusses any potential edits to adopt the Strategic Plan Goals and Objectives for FY23:

- Goal 2, Objective 2 – Consider adding the word “biodiversity” to further clarify the intent of the District's work in protecting the natural environment; this addition also aligns well with conservation partner objectives.
- Goal 2, Objective 5 – consider adding the words “protect the” to specify the District's actions and focus related to the character of rural communities.
- Goal 4, Objective 5 – consider adding “operational” to include the evaluation of large operational costs that can affect the District's long term financial sustainability.

FISCAL IMPACT

Acceptance of the Environmental Scan Report and adoption of the FY24 Strategic Plan Goals and Objectives have no immediate fiscal impact. These actions will inform, together with Board confirmation of District priorities on March 7, 2023, the development of the FY24 Budget and CIAP as part of the annual Budget and Action Plan development process.

BOARD AND COMMITTEE REVIEW

The Board reviews the environmental scan report and strategic goals and objectives annually as a part of the Annual Budget and Action Plan development process.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

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

NEXT STEPS

On March 7, 2023, the Board will confirm the District-wide priorities for the upcoming fiscal year. The outcomes of the December 6, 2022 and March 7, 2023 Board retreat meetings will guide the development of the FY24 Budget and Action Plan.

Attachments:

1. 2022 Environmental Scan Report
2. FY24 Strategic Plan Goals and Objectives

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Environmental Scan Summary

Introduction

Each year, Midpeninsula Regional Open Space District (District) managers, the General Counsel, and Controller take time to reflect on external and internal environments as part of the annual Environmental Scan by answering a series of questions. The goal of this exercise is to identify any new trends that the District should be aware of, respond in a timely fashion, and ideally get ahead of to leverage new prospects and avoid potential challenges. The Environmental Scan considers current and emerging opportunities and pressures on District operations, staffing, economy/finances, society, political environment, regulations, technology, innovation, and climate resiliency. The key findings are presented below to inform Board discussion as revisions to the annual Strategic Plan Goals and Objectives are considered. Note: the information below reflects viewpoints from early October 2022.

District Operations and Staffing Themes:

Major recurring themes reflect challenges related to recruitment and retention, the new hybrid work environment and its effect on workplace culture, staffing capacity, and major initiatives that are underway.

- Competition for labor is high with private sector employers able to offer more competitive salaries and full telework options. Candidate pools in the public sector labor market have dwindled, with public agencies competing for the same scant resources. There appears to be more public sector jobs than qualified applicants in the Bay Area, causing much movement as workers move from agency to agency for a higher hourly rate, a promotional opportunity, or a lateral opportunity to gain new skillsets. Moreover, the District's competitive edge in having a focused and high valued mission may be diminishing. Internal talent development and pathways for expanding career growth opportunities are key for staff retention. Hiring up-and-comers who demonstrate capacity and aptitude without having all the qualifications is a consideration coupled with providing the tools and training for them to quickly ramp up. Maintaining adequate staffing capacity is critical for sustaining productivity and service levels and supporting positive morale. Note: as of receipt of this input, the Board approved a wage increase for all classifications, excluding Board Appointees, to improve recruitment and retention efforts.
- Following an unsuccessful negotiation year with the Midpeninsula Rangers Peace Officers Association (MRPOA) that resulted in a lack of agreement on a new Memorandum of Understanding (MOU), the District has an opportunity to restart negotiations with the MRPOA with a fresh and positive outlook to creatively consider options that address the goals and concerns of both parties. Arriving at a mutually agreeable MOU and continuing to strengthen relationships with field staff, particularly with Rangers, will improve the strength, stability, and morale of the organization. Expanding the connections between field and office staff will also improve organizational cohesion and inter-office support and collaboration.
- Mental and physical health and wellness continue to be real and present needs within the workforce. Strategies to support staff may include providing additional resources, tools, and training to build healthy habits, manage stress, and avoid burnout, all which support retention and service delivery.
- Telework for eligible personnel provides added workplace flexibility, supports the District's recruitment efforts and Diversity, Equity and Inclusion (DEI) initiatives, and expands the geographic size of the candidate pool. Maintaining flexibility in work schedules, and expanding the flexibility where possible throughout the organization, is a recurring theme for recruitment and retention.
- The new Administrative Office provides increased opportunities for public engagement. The more prominent and accessible location on El Camino Real improves the District's visibility and connection to



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the community, and at the same time poses new security risks that may require additional measures to ensure staff and workplace safety, including additional training, new safety protocols, and security procedures.

- Hybrid meetings provide the opportunity for staff to work and communicate from any office or remote location. However, hybrid meetings can inhibit meaningful human connection, focus, collaboration, creativity, and spontaneous or frank conversations. Instituting office working norms and periodically holding intentional gatherings that promote in-person discussions, interactions, and collaborations can be a strategy to overcome the downsides of the hybrid work environment.
- The District will be placing significant effort to properly onboard the two new incoming Board members from Wards 1 and 6, who will be taking office in January 2023. New Board members will be briefed on Board policies, rules/norms of procedures, communications, workload, and capacity, and also review the process by which Board priorities are set each fiscal year and how a majority Board action is required to take on new ideas, projects, or change scopes midstream. In addition to the many onboarding sessions led by staff (including site tours), a Board workshop early in the calendar year may also be useful for new Board members to build strong peer relationships and for all members to discuss the characteristics that distinguish high functioning boards.
- The Wildland Fire Resiliency Program is facing high costs for contracted services that are in demand, concerns about staff recruitment and retention to fill field positions, and the need for sufficient internal capacity to manage partner agency coordination work, meet grant deadlines, and ensure sufficient public outreach and education, all to successfully ramp up efforts in fuels management. The continued large infusion of grant funding for wildland fire resiliency projects adds opportunity and pressure. The Land and Facilities Department may be exceeding resource loading limits and struggling to keep pace with the fuels management work while trying to meet other operational (trail maintenance and construction) needs. A review and update of the 2015 Financial and Operational Sustainability Model (FOSM) to guide priority areas of operational growth and the pace of growth is critical.
- The District appears to be heading toward a philosophical question regarding its trail standards and practice of incorporating existing legacy roads into its trail systems, where appropriate. Future discussions on the topic should consider the District's core values and weigh/balance the impacts and disruptions to the nature resources with the visitor trail experience. If a major change is made, a transition plan may be needed that accounts for existing and planned workloads, current and projected staff resources, backlog of projects, competing priorities (i.e., Measure AA projects), etc.
- The District is experiencing an increase in large, regionally significant, and complex projects happening concurrently that require specialized focus and expertise; outside expertise to assist the District is becoming difficult to secure as firms downsize or are impacted with turnover, affecting their ability to provide services at the pace/timeline requested.

Economic and Financial Themes:

The major changes in the past year in the economic and financial environment are driven by high inflation and an increase in interest rates, resulting in higher costs to conduct business.



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- Significant inflation has resulted in rising costs of goods and services, continuing to make routine maintenance and project delivery more expensive. Continued supply chain issues have affected the availability of goods, further delaying the completion of District work.
- Although it is not fully clear how higher inflation might impact District revenues, the agency's financial status has to date remained strong. In most past inflationary periods, higher inflation has raised the demand for hard assets, such as real estate, with a positive impact on property tax revenue. However, conversely, higher inflation can reduce revenues at the state and county levels, with the potential for substantially reducing grant funding sources and impacting the ability for agencies to partner with the District on projects and programs. A recent article in the [San Jose Mercury News](#) announced that the state is projecting a \$25 billion shortfall next year as compared to the record \$100 billion surplus the year prior.
- The current California state budget saw a record surplus for the second year with \$54 billion being allocated toward climate resilience over the next five years and approximately \$15 billion towards nature-based solutions, wildfire, and drought. In November 2021, the federal bipartisan infrastructure law (BIL) was signed into law, adding billions in climate resilience funding. Dispersal of BIL funding is underway with the District awaiting access to \$350 million allocated to the U.S. Department of Transportation for wildlife crossings. Next fiscal year's state budget may not be as positive, with state revenues expected to drop, reducing or eliminating the surplus of the prior year. If this is the case, grant programs will likely be constrained, reducing the amount of state funding the District can secure.
- The growth in inflation and resulting increases in the cost of materials, bids, and routine activities are commonly exceeding the General Manager's purchasing authority, resulting in additional staff time and process delays to prepare Board reports and obtain Board approvals to implement Action Plan priorities and keep projects and programs moving forward. Joining East Bay Regional Park District's pursuit to increase the General Manager's purchasing authority would improve administrative efficiencies and workflow.

Societal, Political and Regulatory Themes:

The value of a diverse and inclusive work environment remains strong. Recent levels of high public engagement have raised the District's profile, increased its connections with the community, and is introducing new requests and expectations from the public. Changes in local elected representation bring new opportunities for partnerships and a need to build and foster strong relationships.

- Diversity, Equity, and Inclusion (DEI) continues to be of high importance to our society. The workforce in particular values the integration of measurable DEI-actions throughout the organization, policies, programs, recruitments, staff development, and engagement work. The District's DEI Staff Committee is taking the lead in implementing the first set of recommendations that were developed the prior fiscal year focused on staff hiring/recruitment/development and community outreach/partnerships. Concurrently, other efforts have been/are also underway, including embedding DEI criteria in contracting processes, an expanded internship program, expanded translation services, and conducting a robust 50th anniversary public engagement effort.
- Many organizations are discussing the challenges in engaging underrepresented communities and tribal representatives and the lack of sufficient resources within these communities to be actively a part of multiple engagement efforts. The District's participation in Together Bay Area's Right Relations Program will provide new insights and strategies on how to effectively build strong and meaningful partnerships with tribal groups while respecting the governance sensitivities that exist amongst different tribes.



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- Seeking and leveraging opportunities to expedite contracting processes continues to be a priority to sustain productivity, manage heavy workloads, meet grant and funding deadlines.
- The District's outreach efforts and heightened public awareness about the importance of parks and open space have increased the District's visibility and emphasized the value and benefits of nature. The District has also expanded the breadth and depth of its public engagement work as part of numerous planning projects (e.g., Purisima Multimodal project, Purisima-to-the-Sea Trail and Parking project) which has increased its connections to the community and raised expectations to continue this high level of public engagement work.
- With a higher profile come new requests from the public to expand access, open new areas to visitors, improve accessibility for under-resourced communities, and develop more trails that offer a variety of experiences for people of different ages and physical abilities (families, kids, seniors).
- Regional planning and coordination work is happening all around the District and is essential to supporting District projects and priorities. The District continues to take leadership positions and actively participate in local, regional and statewide groups. The promotion of ecologically sensitive vegetation management has positioned the District as an innovative, science-informed leader who actively advocated for state funding to support this type of work, resulting in a state budget allocation of \$80 million in Cal Fire funding.
- Various local and state elected officials are terming out, resulting in new representation and the opportunity to establish new relationships and build new partnerships.
- The District is challenged in balancing the management/construction of new facilities and infrastructure with the stewardship/enhancement of the natural resources. Partners and the public expect the District to effectively deliver two legs of mission to: 'protect and restore the natural environment; and provide opportunities for ecologically sensitive public enjoyment and education.' Allocating sufficient time and resources to both is becoming increasingly difficult given competing demands to implement capital projects.

Technology, Innovation, and Climate Resiliency Themes:

As the District continues to scale up, it is applying more tools and technology to support work functions, which require time to bring systems online, train staff, and integrate with existing business practices. Cyber security remains an increasing threat to District operations, with cyber-attacks growing in complexity and frequency. Ongoing climate change impacts raise the need for additional measures and actions to ensure the climate resiliency of open space lands and the protection and sustainability of the natural resources.

- The migration to Munis (Accounting and Finance Software System) will require additional time from staff to get up to speed and may cause temporary delays in processing invoices and payments.
- The District's technological capabilities are a strength, including the agency's innovative use of GIS tools.
- As more systems come onboard, additional positions approved, and with the addition of the new South Area Field Office and new Administrative Office that come with many software-dependent systems, the amount of additional tech support needed have exploded. It has become very difficult to sustain manageable IST (Information Systems and Technology) Department workloads and keep up with the growing demand.



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- As seen in the news, cyber-attacks are becoming increasingly frequent and sophisticated, requiring ongoing District-wide training and greater security measures.
- New remote-controlled equipment, such as remote-controlled mowers, has proven to be effective and is becoming more prevalent. Additional equipment can increase productivity and reduce injuries. These new technologies require training and data management.
- The use of remote sensing equipment, such as cameras and audio recording units, is increasingly being relied upon by scientists to collect data on the distribution and abundance of wildlife. The District is also using this equipment and technology and staying abreast of developments and innovations in these technologies. A challenge for the District in using these technologies are the enormously large quantities of data generated, the storage and processing of this data, and the increasing interest by the public in accessing the data 'real time'.
- Fleet electrification mandates passed by the state will impact the vehicle and equipment fleet and require a transition plan to meet deadlines. Staff capacity will need to be allocated to manage the transition and keep the District in compliance with future GHG emission standards.
- Ongoing drought conditions continue to negatively impact the conservation grazing program and can begin to significantly impact other land management operations. It may be time to place added emphasis on water infrastructure projects to build resiliency, requiring either additional staff resources or a reprioritization of projects to implement.
- If PG&E power disruptions increase in frequency, additional resiliency measures will be needed to keep essential systems operable (i.e., water sanitization, electricity-dependent infrastructure).

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FY24 Strategic Plan Goals and Objectives

Goal 1 – Promote, establish, and implement a regional environmental protection vision with partners

Objective 1 – Continue implementation of the District’s Vision Plan and communicate progress on projects through reporting results and building partner relationships

Objective 2 – Build and strengthen diverse partnerships to implement a collaborative and science-based approach to regional environmental protection

Objective 3 – Build and strengthen relationships with legislators and other elected officials to advocate environmental protection goals

Objective 4 – Preserve and connect open space and agricultural lands of local and regional significance

Goal 2 – Protect the positive environmental values of open space and agricultural lands

Objective 1 – Take a regional leadership role in promoting the benefits of open space

Objective 2 – Protect and restore the natural environment to preserve healthy natural systems and biodiversity

Objective 3 – Implement the Climate Action Plan, expand regional resiliency, and implement climate change adaptation strategies.

Objective 4 – Work with fire agencies and surrounding communities to strengthen the prevention of, preparation for and response to wildland fires for enhanced ecosystem resiliency and public safety

Objective 5 – Support the viability of sustainable agriculture and protect the character of rural communities

Goal 3 – Connect people to open space and a regional environmental protection vision

Objective 1 – Engage the public in realizing the benefits and responsibilities of a regional environmental protection vision to further the District’s achievements in protecting open space and agricultural lands

Objective 2 – Implement diversity, equity, and inclusion (DEI) strategies to build and strengthen partnerships, increase broad and inclusive public outreach and engagement, and instill DEI values across all levels of the organization

Objective 3 – Expand opportunities, including multimodal options, to equitably connect people to their public open space preserves in balance with the protection of natural resources

Objective 4 – Reflect the diverse communities we serve in the District’s visitors, staff, volunteers, and partners

Goal 4 – Strengthen organizational capacity and long-term financial sustainability to fulfill the mission

Objective 1 – Provide the necessary resources, tools, training, and infrastructure, including technology upgrades and capacity building

Objective 2 – Update the financial and operational sustainability model to guide operational growth and areas of focus to effectively and efficiently deliver Vision Plan projects and priority initiatives

Objective 3 – Maintain a state of readiness for potential disruptions and leverage new resiliency practices and procedures to improve business operations, public participation, and communications

Objective 4 – Remain financially sustainable by preparing for, pursuing, and ensuring discretionary funding opportunities and partnerships

Objective 5 – Ensure large operational and capital expenses, including and land acquisitions, including associated public access and land management costs, are evaluated within the long-term financial model and remain financially sustainable

Objective 6 – Continue to recruit, develop and retain talented staff to implement the District’s mission and strengthen our organizational capacity