

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Dolan Beckel

SUBJECT: 2022-2023 CITY ROADMAP
PRIORITY SETTING PROCESS

DATE: March 3, 2022

Approved



Date

3/3/2022

INFORMATION

OUTCOME

The City Council will develop a common understanding of the 2022-2023 City Roadmap Priority Setting Process for prioritizing strategic, change initiatives as part of the overall annual budget process.

BACKGROUND

The purpose of the City Roadmap is to focus the City of San José (City) on our most vital change initiatives. Currently, the City finds itself continuing the COVID-19 Response, COVID-19 Recovery, major change initiatives, and core City Services all in parallel.

The initiatives that make up the City Roadmap are importantly distinct from core City services in that they represent significant new policies, strategies, or projects that are not traditionally or routinely delivered by the City, are complex and cross-departmental, and/or require significant strategic planning and leadership capacity to deliver successfully. Also included as part of the 2021-2022 City Roadmap are initiatives that leverage over \$800 million in one-time local, state and federal funding to recover to a better normal with our community as part of the COVID-19 Pandemic: Community and Economic Recovery Enterprise Priority. The single largest and most flexible funding source is the City's direct allocation from the American Rescue Plan Act of \$212.3 million. Of this amount, approximately \$50 million remains unallocated.

While these community and economic recovery initiatives and services have been funded on a one-time basis, if some of these services were to discontinue in 2022-2023, they would likely cause a negative impact to the community that no one would want and may need to be considered for additional funding in 2022-2023 and beyond. As described in the 2022-2023 City Manager's Budget Request and 2023-2027 Five Year Forecast and Revenue Projections¹, when

¹ <https://www.sanjoseca.gov/home/showpublisheddocument/82656>

considering both these community and economic recovery initiatives and other important services currently budgeted in the General Fund on a one-time basis, the City faces a budgetary service level/structural shortfall in 2022-2023.

Given the prolonged COVID-19 Response and constrained delivery capacity across the City and our partners, the prioritization and focus brought by the City Roadmap is critical to our success in balancing the levels of investment necessary to improving key outcomes for the community while still mindful of the City's Core Services. In order to maintain the necessary focus on City Council priorities and their associated execution, the 2022-2023 City Roadmap Priority Setting Process will be part of the overall annual budget process this spring.

ANALYSIS

The key process steps to define the 2022-2023 City Roadmap are described below with the goal of efficiently aligning the City Roadmap with City Council priorities, budget-setting activities, and available resources all through a single process.

Step 1 – Adopt Mayor's March Budget Message. The City Council's upcoming review and adoption of the 2022-2023 Mayor's March Budget Message will guide development of the 2022-2023 City Roadmap by identifying a vital few City Council priority areas, corresponding outcome measures, and desired long-term goals. This direction will help prioritize and focus the continued resourcing of one-time funded initiatives that should continue as part of the 2022-2023 City Roadmap.

Step 2 – Refine Draft 2022-2023 City Roadmap. Guided by direction from the City Council's approval of the 2022-2023 March Budget Message, the City Manager's Leadership Team and Executive Sponsors for each City Roadmap Enterprise Priority will engage in a process to refine and narrow the current list of initiatives within each Enterprise Priority and seek consensus on a small number of priorities to recommend for City Council consideration through the 2022-2023 budget development process. This process will integrate the approved 2022-2023 Mayor's March Budget Message priority areas, outcome measures, and desired long-term goals by identifying the outcome metrics and realistic timeframes for implementation. While it is envisioned that many of the current initiatives will be recommended to continue on through the 2022-2023 City Roadmap, it is also expected that the total size of a new "right-sized" 2022-2023 City Roadmap will be smaller to reflect the reality of lessons learned over the past 12 months, need for more focus, and expected availability of funding and staff resources next year. This process is expected to be completed in April 2022 and rolled into the release of the 2022-2023 Proposed Operating Budget on May 2, 2022.

Step 3 – Conduct City Council City Roadmap Prioritization During Budget Study Sessions. Last year, the City Council approved the City Roadmap in advance of the budget process. However, since it is the combination of City Council priorities paired with the strategic allocation of available resources that drives the implementation of City Roadmap

objectives, the Administration recommends reviewing and discussing the 2022-2023 City Roadmap during the 2022-2023 Proposed Budget Study Sessions in mid-May. The proposed City Roadmap will reflect the priorities and objectives that are resourced in the 2022-2023 Proposed Operating and Capital Budgets. Discussion of the proposed City Roadmap during the Budget Study Sessions allows for City Council discussion and subsequent iteration prior to its final approval along with the Adopted Budget. This discussion could also include potential “swaps” of initiatives (that is to say, remove one initiative in order to replace it with another, similarly ‘sized’ priority initiative) to be further evaluated by the Administration in a subsequent Manager’s Budget Addendum (MBA). Potential swaps may include, among other new policy proposals, policy initiatives from the City Roadmap Backlog and yellow-lit recommendations from the Rules and Open Government Committee.

Step 4 – Approve the 2022-2023 City Roadmap with the 2022-2023 Adopted Budget.

Following the City Council’s feedback from the Proposed Budget Study Sessions, the Administration will publish a refined 2022-2023 City Roadmap as part of an MBA in late May/early June. This MBA will document any modifications to the proposed City Roadmap resulting from the City Council’s discussion and ensure that it is “right-sized” to align initiative efforts with City Council priorities and the Proposed Budget, including staffing levels. The MBA would be subject to City Council modification as part of their approval of the 2022-2023 Mayor’s June Budget Message in mid-June.

CONCLUSION

The 2022-2023 City Roadmap Priority Setting Process will begin with City Council’s approval of the 2022-2023 Mayor’s March Budget Message on March 15, 2022 and subsequent Administration refinement to develop a draft 2022-2023 City Roadmap that will be included for consideration as part of the 2022-2023 Proposed Operating Budget that will be released on May 2, 2022. The City Council will provide feedback on the draft City Roadmap in conjunction with their review of the Proposed Budget through the Budget Study Sessions that will be held between May 11-16, 2022. An MBA will be released in late May/early June to reconcile City Council’s Study Session discussion and final approval of the 2022-2023 City Roadmap would occur with City Council’s approval of the 2022-2023 Mayor’s June Budget Message on June 14, 2022.

Ultimately, this process will result in a 2022-2023 City Roadmap adopted by the City Council for implementation during the 2022-2023 fiscal year. The City Council will receive quarterly reports through use of Objectives as measured by Key Results to ensure communication, accountability, and measurement in implementing the initiatives on the roadmap.

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COORDINATION

This information memorandum was prepared in coordination with the City Manager's Budget Office.

/s/
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