TO: HONORABLE CITY COUNCIL  
FROM: CITY MANAGER  
DEPARTMENT: CITY MANAGER’S OFFICE  
DATE: APRIL 15, 2002  
CMR: 208:02  
SUBJECT: PROPOSED MILESTONES FOR COUNCIL “TOP 5” PRIORITIES  

BACKGROUND  
During the City Council retreat on February 11, 2002, Council discussed its Top 5 Priorities for 2002-03. The goal of the retreat was for Council to identify well-defined priorities and brainstorm possible milestones to measure the progress made on each priority.  

Prior to the retreat, each Council Member submitted their top three priorities to the City Manager. The City Manager compiled all of the responses and presented them to Council at the retreat. After a discussion of all the priorities, each Council Member voted for five priorities. Council established the following priorities: Long Term Finances, Infrastructure, Land Use Planning, Alternative Transportation/Traffic Calming, and Affordable/Attainable Housing.  

During the retreat, the City Manager presented and Council agreed upon the following key assumptions:  
1. If everything is a priority, nothing is.  
2. Staff needs to be involved in selecting key milestones or “success factors” for each of the priorities.  
3. Major priorities require multi-years to achieve efforts.  
4. It is difficult to maintain current service levels with regard to the over $8 million budget deficit. In spite of the constrained budget, the 2002-03 budget must reflect the Council’s Top 5 Priorities.  
5. Staff must report back regularly on success factors/milestones to ensure accountability.  
6. Council and staff must communicate on a regular basis through a variety of means to let the community know the status of the Top 5.  
7. Council and staff need to avoid adding new projects and activities to the “full plate.” This is a joint responsibility of Council and top management to keep from having attention diverted from priorities. It is important to recognize that 90 percent of the departments’ work is not on the list of priorities.
8. If the Council adds new projects and activities during the year, it is the responsibility of the City Manager to clearly indicate the impact on the Top 5 and the ongoing workload.

**DISCUSSION**

Staff has proposed milestones for each of the Top 5 Priorities (Attachments 1-5), which include lead department designation and timelines. Staff carefully selected milestones that were measurable and attainable. The following is an overview of the milestones for each Council priority:

- **Long Range Finances** – Beyond dealing with the immediate problem of bringing decreasing revenue sources into alignment with expenses for 2001-02 and 2002-03, staff is working on several long-range financial issues. These include: implementing new revenue sources such as housing, park, community facility, and citywide transportation fees; analyzing the structure and need for a new Business License Tax and higher Transient Occupancy Tax that could be used to backfill any lost General Fund revenue or support new General Fund programs or facilities; working on a November 2002 financing plan for new community facilities; aggressively pursuing grants; and proposing a project area for the Edgewood Redevelopment Agency. In addition, staff is evaluating the City's long-term retiree medical liability and will propose to Council options for meeting this obligation. In the fall of 2002, the Long Range Financial Plan will be presented to Council highlighting future sources and uses of funds and financial challenges that lie ahead.

- **Infrastructure** – In 2001-02, the milestones for the Cityworks Infrastructure priority were focussed on the Infrastructure Management Plan (IMP) and the goal of rehabilitating the City's existing infrastructure. Responding to the Council's input at the February retreat, this priority has been expanded to include other major infrastructure projects that will be the focus for the City Manager's Office, Community Services and Public Works Department project staff that are also committed to the IMP. These include the library and community facility projects proposed to be funded by a bond measure in November 2002; the storm drain system, the Homer Avenue undercrossing, the Roth Building, and the police building, among others. It is important to recognize that, with the exception of one engineering position to work on the library and community facilities projects, no additional staffing has been added to accommodate new projects such as those mentioned above, and that resources are consequently diverted from the IMP goals, extending the Plan's initial timelines.

- **Land Use Planning** – A comprehensive update to the City’s zoning ordinance is the highest priority for Land Use Planning in the coming year. Various land use categories will be drafted and the public will be invited to review and comment on
each draft as it is completed throughout the next year. The final draft update will be available for public review and comment by March 2003, and will address urban design, housing opportunities, parking, development standards, and procedures. The south El Camino Real study is another high priority, as is completion of Phase II of the South of Forest Coordinated Area Plan.

- **Alternative Transportation/Traffic Calming** – In 2002-03, staff will continue to enhance the shuttle operation; develop a citywide transportation impact fee, which expands the use of traffic fees to non-vehicular transportation modes; complete six neighborhood traffic calming projects; expand outreach on commute alternatives to employers and employees citywide; complete Phase 2 (South Palo Alto) of the Citywide School Commute Study; and complete the Downtown North trial traffic calming project and Lytton area traffic calming study. Other initiatives include the Embarcadero Bridge bicycle and pedestrian bike path construction, crosswalk safety improvements, planning for a new Intermodal Transit Center, and ongoing outreach regarding transportation safety in coordination with local schools and businesses.

- **Affordable/Attainable Housing** – In 2002-03, staff will complete the Housing Element Update to the Comprehensive Plan; evaluate some commercial sites for residential use; begin construction of the Oak Court project; and facilitate acquisition of future housing sites which address this Council priority. The Commercial In-Lieu Housing fee will also be refined, to better reflect Council priorities via exemptions and administration.

These newly identified Council Top 5 Priorities will be in effect from April 2002 until June 2003.

In order to promote the priorities, staff intends to do the following:

- Provide quarterly progress report to Council and community (beginning in July 2002).
- Prepare periodic displays in the area between the City Hall lobby and the Council Chambers.
- Continue to place a Top 5 logo on staff reports or items in the City Manager’s Weekly memo to highlight progress on the priorities.
- Continue to use *CityPages* and the employee newsletter “In the Loop” to publicize the Top 5 priorities, beginning with the March issue of *CityPages* and the May issue of “In the Loop.”
- Use new CATV magazine show “CityBeat” to promote Top 5 projects.

**RESOURCE IMPACT**

A separate staff report addresses implications of the 2002-03 Council Top 5 Priorities.
ATTACHMENTS

1. The Top 5: Long Term Finances
2. The Top 5: Infrastructure
3. The Top 5: Land Use Planning
4. The Top 5: Alternative Transportation/Traffic Calming
5. The Top 5: Affordable/Attainable Housing

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