



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive Office
Department No.:
For Agenda Of: January 9, 2018
Placement: Departmental
Estimated Time: 90 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Mona Miyasato, County Executive Officer
Director(s)
Contact Info: CEO Staff – Terri Nisich, Matt Pontes, Jeff Frapwell, Dennis Bozanich;
Lori Gentles, Human Resources Director
Susan Klein-Rothschild, Deputy Director, Public Health

Renew 2022 Ideas for Consideration

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive an update on the Renew '22 initiative to proactively address the organization's fiscal and organizational challenges, and as part of that update:
 - (i) Receive a report on proposals that are already underway by departments ("Category 1") or consistent with Board policy or previous direction ("Category 2"). Staff in the County Executive Office will proceed exploring these ideas with departments;
 - (ii) Provide guidance on ideas presented that involve a change in Board policy or prior direction ("Category 3") or significantly impact multiple department operations ("Category 4") before further exploration and analysis occur;
- b) Suggest other proposals not included in staff's proposal for further staff exploration and analysis;
- c) Provide other direction, as appropriate; and
- d) Determine pursuant to CEQA Guidelines §15378 that the above activities are not a project under the California Environmental Quality Act.

Summary Text:

The Renew 2022 initiative is a countywide effort to transform how we do our work by 2022. It looks at interdepartmental and individual department proposals and is comprised of five distinct areas:

- **Re-visioning** the organization – We seek to implement a common vision mission and values for the organization.
- **Rebalancing** our resources – We seek financial resiliency by setting five-year targets, reviewing revenue and developing sustainable new revenue sources.
- **Re-designing** how we do our work – We seek organizational resiliency by consolidating and centralizing functions, conducting departmental audits, improve and expand technology, and partnering with others in our community.
- **Responding** to residents and customers with the highest quality of service within our means – We seek to solicit resident/customer feedback, improve and expand on-line services and customer service guidelines, and improve public information and communication.
- **Retaining** high-performing employees and preparing the next generation of leaders – We seek to engage county employees even in tough times, conduct stay interviews to retain employees, mentor the next generation, and develop new Human Resource strategies.

What work we do is largely determined by mandates, existing laws, funding availability, Board direction and Board priorities. While Renew '22 seeks to better define how we do our work, it also seeks Board clarity on what work is prioritized so employees can ensure they are working on the right things in the right way.

This Board letter presents *initial* ideas developed by departments and Renew Steering Committee teams, which were tasked with developing proposals to significantly affect one of the five areas listed above. Proposals are categorized as follows, and summarized in Attachment A:

- (1) Actions or evaluations that are already underway (Category 1) and proposals that are consistent with existing Board policy or direction. Staff will further explore these proposals for cost/benefit, timing and operational issues. (Category 2)
- (2) Ideas that involve a change in Board policy or direction (Category 3) or significantly impact multiple department operations (Category 4). Staff is requesting the Board provide guidance on these ideas before staff spends time evaluating them further.

While most proposals will require some level of Board authorization at some point – for either position or budgetary changes, related contracts, or work effort priority – not all represent changes in current Board policy. Some of these proposals may also require close coordination with our employee bargaining groups, or will require an investment to implement. Further analysis and assessment of each of the ideas will result in clarity about next steps. Some but not all of these proposals will result in savings or greater revenue. **Direction to further evaluate these proposals does not presuppose the Board's future decisions on the proposed changes nor assure funding for them.**

Timing. Not all of the ideas proposed are intended to be implemented next year; many ideas are proposed to be implemented within the five year time period. For those proposals that can be implemented for FY 2018-19, staff will return at the Budget Workshops with more information and

analysis. Also, this is just the beginning of the Renew process, and staff will continue to work on these and other ideas over the next four to five years.

Background:

As early as winter 2016, following notice that pension and other costs over the next five years would be greater than planned for, the CEO's office began meetings with employees from across the county to gather budget balancing ideas in response to projected challenges. There was recognition of significant challenges to align revenues and expenditures in the coming years, increasing retirement and other personnel-related costs, uncertain state and federal revenues and changing service demands. The process to generate alternative ideas for exploration and analysis was initiated prior to the traditional budget process to allow adequate time for a thoughtful process. Staff presented the Renew initiative to the Board in October 2017 with the Five-year forecast update.

Transform, not simply transition, the organization. It became clear that changes needed to be made to transform — not simply transition — our County government to proactively address our realities and position the organization to be successful in the future. We defined our future target to be 2022 to at least start developing actions and plans. These actions involve more than budget balancing. : Renew seeks to evaluate and make changes to our operations, develop sustainable revenue strategies, prepare our next generation of leaders, make our delivery of services more efficient, and refocus on customer service, in alignment with the community and the Board's priorities. The initiative integrates the Budget Rebalancing initiative; internal Organizational Strategic Plan, and Communications Strategic Plan, all which had previously been brought to the Board.

Commitment by Departments and the Steering Committee. None of the work described could be accomplished without the work of the County department directors and their teams. In December 2016, department directors met and framed commitments to ensure effective collaboration through this process. These were refined and approved in 2017. The resulting document, "Our Ten Commitments," is included as Attachment B.. In addition, the Steering Committee was instrumental in guiding the Renew effort to date, as well as developing the five component teams and their sub-committees. The list of Steering Committee members and the work group participants are included in the Renew Update Report (Attachment A).

Renew '22 Proposals and Ideas

1. Re-visioning our organization

The County does not have a countywide vision and mission statement to guide how the organization will act to implement services. ACE values ("ACE – Accountability, Customer Service, Efficiency") were developed over ten years ago by the then CEO and HR Director. Its simplicity has worked well but was in need of updating. Also, with the turnover of staff in recent years, newer employees were unclear where it came from and why there wasn't a more cohesive, countywide statement.

For Renew '22, a work team revisited the new mission, vision and values statements to ensure consistency with the intent of Renew '22. The group found they were consistent and made slight changes to improve their meaning and impact. The revised statements are as follows:

- **Our vision:** Employees empowered to deliver exceptional public service to communities.

- **Our mission:** Deliver exceptional services so Santa Barbara County’s communities can enjoy a safe, healthy and prosperous life.
- **Our organizational values:** Trust and Ethics, Customer Focus and Quality Public Services, Accountability and Professionalism, and Innovation.

More information is provided in Attachment A. These revisions are consistent with the previous Board authorization and do not require a change in Board policy (Category 2). Staff will proceed with rolling these out to the wider employee organization.

2. **Re-balancing** our resources

Transformation planning has involved a deeper examination of ideas related to maximizing and developing sustainable County revenues, curtailing costs, or reallocation of resources. A large part of the Renew planning also involved a deeper examination of ideas related to how work is performed to improve efficiencies in areas that impact multiple departments and will have countywide effects.

An interdepartmental “Rebalancing” team was created to develop revenue and fiscal ideas for further exploration. Departments also reported or proposed ideas for greater fiscal sustainability within their departments.

Ideas put forward are shown in Attachment A. “Category 3” ideas that require Board direction include the following (numbers below correspond to those in the Renew Update Report):

- A program for Williamson act enforcement
- General purpose sales tax ballot measure
- Human Services suspension/reduction/redirection of funds
- Property tax shift slow-down or restriction
- Hybrid retirement models
- Department management audits on a rotating cycle
- Full cost recovery of permit appeals
- Increase of General Plan surcharge on permits
- Public-private partnership at Cachuma Lake Recreation

3. **Re-designing** how we do our work

As with all the Renew work, an interdepartmental “Redesign” team was also created. A large part of the Renew planning involved a deeper examination of ideas related to how work is performed to improve efficiencies in areas that impact multiple departments and will have countywide effects. The group generated a multitude of ideas and proposals which were then evaluated by the group as to feasibility and impact. In addition, ideas generated by employees from the Rebalancing effort were considered.

Redesign strategies. All departments were also tasked with developing ideas for their departments in their Renew proposals. Specifically, they were asked to review discretionary services (either the service is discretionary, or the level of service provided is at their or the Board’s discretion) and evaluate if they could be suspended; simplified or standardized; maximized; centralized; automated; or renegotiated.

Ideas put forward are shown in Attachment A. “Category 3” ideas that require Board direction before staff does further evaluation include the following:

- Boards and Commission evaluation
- Consolidation or suspension of multiple office locations
- Consolidate or integration departments with similar target service populations
- Suspending local vendor preference program
- Consolidate Office of Emergency Management into the Fire Department
- Delegation of a limited settlement authority to County Counsel and HR
- Assessment of degree of County Counsel review and participation in various activities
- Develop public-private partnership for EMS contract
- Phase out Sheriff's component of Air Support Unit
- Suspend clinical labs in public health
- Change animal shelter service hours and expand use of community partners for spay –neuter services
- Modify DSS eligibility service hours in Santa Maria to make consistent across all offices
- Review Long Range Planning projects and work effort
- Transfer sidewalk maintenance
- Remove forest service roads from system
- Suspend Goleta Pier hoist services

Ideas proposed in Category 4, or those that affect multiple departments, are as follows:

- Develop Countywide information technologies standards policy
- Consolidate business functions/centralize accounting functions
- Develop Countywide best use of resources for facility maintenance and capital projects
- Improve Board docketing process and evaluate paperless technology for contracts and Board letters
- Maximize functions and improve coordination for healthcare eligibility services across Social Services, Behavioral Wellness and Public Health departments.
- Create coordinated geographic information systems (GIS)
- Implement software for Public Record Act (PRA) requests
- Centralize purchasing
- Centralize Information Technology Service functions in the General Services Department
- Centralize human resource functions in the Human Resource Department

4. **Responding** to residents and customers with the highest quality of service within our means

The transformation planning process has maintained a focus on quality and community engagement. An interdepartmental “Respond” team brought forward two specific ideas for consideration:

- Creating a culture of engagement – This would be a countywide approach to creating a culture of engagement including all levels of County staff beginning with hiring of employees and throughout their employment. It would continue ideas of the Strategic Communications Plan and could include customer and resident surveys, website enhancement and video production.
- Customer service standardization –This would bring practice guidelines for consistent, personalized and responsive approaches with any customer across all departments.

These actions are consistent with the Board's focus on customer service (Category 2). Both these will require investments. Staff will explore these ideas further and bring information back to the Board.

5. **Retaining** high-performing employees and preparing the next generation of leaders

Transformation planning has considered how to attract and retain high performing County employees. The retention and development of the next generation of leaders in county government is essential to achieving the goals of Renew 22. This interdepartmental group was led by Human Resources and developed ideas that emphasize organizational transformation, retention, accountability, fiscal and structural sustainability:

- Leadership certificate program – This training program is focused on training early tenure high performing employees who demonstrate a commitment to public service, who are excited about where the organization is headed, who have the desire to be part of a transformative initiative and who have the right mindset to drive and implement change. This option would require an investment.
- Flexibility to support retention – This alternative would develop ways to offer greater flexibility to high performing employees such as how and where work is performed to retain them long-term with the County.

Other ideas are already underway by the Human Resources department, such as revising the Civil Service Rules, developing a Civil Treatment policy to enhance the work environment, and implementing Stay Interviews to encourage retention among others.

These Retain ideas are consistent with the Board’s previous direction on employee retention (Category 2). Staff will continue to explore and define these and bring information back to the Board for further discussion and direction.

6. **Other Ideas Not Pursued**

In the course of gathering ideas and developing proposals, there were ideas discussed but not forwarded to be evaluated at this time due to feasibility, uncertainty, overall benefit or staff resources to accomplish. Some of these would require voter approval. These include:

- Establish parking fees at all County beach parks
- Establish a utility user tax
- Establish a business license tax (currently we have a business license fee)
- Consolidate county offices into one single County campus
- Develop community service or facility districts to establish new parcel taxes
- Issue of pension obligation bonds

7. **Other ideas for further examination**

The Board may wish to suggest other ideas to evaluate that is not provided.

8. **Next Steps**

The Renew 2022 initiative is a five-year plan still in its initial phase. The first year has involved idea generation and collection among all departments and staff. Ideas and proposals generated will be evaluated and/or implemented over the next four years with more discussion and Board direction

required. For immediate items requiring Board guidance, staff will return at either the April Budget Workshops, for proposals to be implemented in FY 2018-19, or later for those proposals that will require more time to develop and implement.

Informing our employees is also critical. Information about the Renew 2022 initiative has been sent to employees via email and posted on our intranet for several months. As we proceed with greater clarity, employees will be informed, involved and engaged in the process.

It will also be important to bring the public into these discussions as we move from idea-generation to more evaluation and analysis. Over the next year, as further develop our Renew ideas, we will develop strategies as part of the “Respond” team to engage the public and our communities on our Renew 2022 initiative.

Performance Measure:

N/A. As the Renew 2022 proposals develop, staff will track and measure their implementation.

Fiscal and Facilities Impacts:

There are no fiscal impacts of receiving this report and providing direction. The Renew 2022 was included in the FY 2017-18 budget as a countywide work initiative. Further evaluation of the ideas presented will result in revenue increases or expenditure reductions within departments and countywide.

Attachments:

Attachment A: Renew 2022 Update Report

Attachment B: “Our Ten Commitments”

Authored by:

Susan Klein Rothschild