

W. 14.a.

AGENDA COVER MEMORANDUM

AGENDA DATE: February 14, 2007

PRESENTED TO: Board of County Commissioners

PRESENTED BY: Jennifer Inman, Management Analyst II

AGENDA TITLE: **IN THE MATTER OF REPORT ON THE IMPLEMENTATION OF THE LANE COUNTY STRATEGIC PLAN, STRATEGIC OBJECTIVES, AND LANE COUNTY GOALS AND NEXT STEPS FOR STRATEGIC PLANNING & GOAL SETTING**

I. MOTION

Discussion item – no motion required.

II. AGENDA ITEM SUMMARY

The Lane County Strategic Plan 2001-2005 provided a basis for change, focused the organization's energies, identified ways to work differently, and was the catalyst for creating new ways to evaluate service priorities and service levels. In 2005, as the Strategic Plan timeline drew to an end, the Lane County Board of Commissioners adopted three Goals and four Strategic Objectives, each with specific workplans, to guide the County's decision making and priority setting from 2005-2007.

Currently facing service reductions on a scale not experienced by the County in over twenty years, the Board of Commissioners and County's executive management are again immersed deeply in planning and strategic decision making. It's timely thus to review the implementation and outcomes of the strategic directives established in the past and discuss the next steps in goal setting and the future revision of the County's Strategic Plan.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

In 1998, facing another year of declining revenue and increasing expenses, the Board appointed the Future Focus Task Force. Asked what business Lane County should be in, this citizen group recommended that while the mix of services appeared appropriate, the County should adopt a strategic plan that could be used as a guide in future years. The Board agreed and two years later the Lane County Strategic Plan was adopted (March 14, 2001).

Plan implementation was lead and monitored by the Strategic Plan Implementation Steering Committee. Convened by the County Administrator and chaired by the County

Assessor, the committee was made up of Commissioners, department directors or designees, and a citizen representative. The committee continued to meet through early 2006, when it finalized a review of the implementation of the plan and began planning for revision of the plan.

Again faced with growing budget deficits and the uncertain future of the Secure Rural Schools Act, the Board of County Commissioners appointed the Service Stabilization Task Force in August of 2004. After two months of intensive work, the task force reported to the Board of County Commissioners on November 3rd, 2004. The task force's first recommendation urged the Board to "immediately determine the service priorities and desired results for Lane County Government" and "prioritize its goals and establish outcome measures ... in time for preparation of the 2006-07 budget."

In the months following the task force report, the Management Team developed a list of Strategic Objectives, designed to focus countywide efforts on specific priorities. The objectives and related action plans were reviewed by the Leadership Team on January 11th, 2005 and prioritized and adopted by the Board on February 15th, 2005. Two months later, the Board set aside work sessions to further consider and deliberate on the County's strategic direction, culminating in the adoption, on April 13th, of the following three Goals:

1. Decrease and eliminate the structural deficit.
2. Fund an improved public safety system for the long term.
3. Improve the quality of facilities for public health caregivers and service recipients.

B. Policy Issues

Countless policy and practice changes have occurred as a direct or indirect result of the Strategic Plan or Strategic Objectives. Here are just a few of the areas of policy/practice change:

- Financial policies such as the general fund operational reserve policy and the development of quarterly financial reporting
- The identification and recovery of user fees and charges
- Human resources related policy changes such as the recent analysis and adoption of a new classification and compensation plan
- Reorganization efforts such as the merging of the Lane Co. Information Services and Regional Information Services departments and the establishment of Human Resources as a department
- Changes related to promoting and implementing eGovernment and eCommerce
- The service prioritization process used during budget development
- Establishment of performance management practices and reporting of performance results in the budget

C. Board Goals

Strategy C4 of the Strategic Plan is a commitment not only to the implementation of the plan, but also to the review and revision of the plan (Lane County Strategic Plan 2001-2005, pg 35).

D. Financial and/or Resource Considerations

The plan, objectives, and goals speak directly to financial and resource considerations. A majority of the plan's core strategies, the strategic objectives, and Goals are directly related to the County's financial stability, revenue development, efficiency and containment of costs, and accountability. The Strategic Plan, Objectives, and Goals are actively used to prioritize allocation of resources for direct services and key countywide strategies such as the Working for You public information initiative and replacement of the Public Health facility.

An inclusive and comprehensive strategic planning process like the one undertaken by Lane County in 1999-2000 involves many steps, many participants, and dedicated resources. Scheduling the planning process should take into consideration both the direct expense of the process as well as the demands on time from elected officials, executive management and staff.

E. Analysis

Highlights from the Implementation of the Lane County Strategic Plan 2001-2005

Overall, the development and implementation of the Strategic Plan has been a resounding success for Lane County. The plan provided a basis for change, focused the organization's energies, identified ways to work differently, and was the catalyst for creating new ways to evaluate service priorities and service levels.

A. Service Improvement

- One of the most noted highlights of this core strategy has been the promotion of electronic access to public services. eGovernment and eCommerce projects in several departments have made services more readily available and Lane County government itself more accessible.
- This core strategy also included the evaluation of several potential reorganization and partnership opportunities both internal and intergovernmental. After thorough evaluation, some of these ideas were either not viable or did not find support outside the County. Much internal reorganization did occur in the interest of improving efficiency, effectiveness, and quality of services.
- Also as a result of this core strategy, the County developed and is implementing the Diversity Action Plan, adopted by the Board on Feb. 2nd, 2005. Routine reports on progress are made to the Board.

B. Resource Planning and Allocation

- The most used and referred to section of the Strategic Plan, this core strategy lines out the County's funding priorities. The process for prioritizing services has been refined since the adoption of the plan and used in each the development of each budget since the adoption of the plan.
- Another highlight of this core strategy was the creation of plans for the chief resources applied to deliver County services - Human Resources and Information Technology. Both plans were created, implemented, and are

revised as needed. Similarly, the Communications Plan was revised and updated routinely.

C. Performance Management

- The plan calls on the County to refine countywide goals and planning at the department level. Some progress was made in this area with the development of the Lane County Goals (April 2005) and several departments now maintain departmental strategic plans.
- The Performance Measurement initiative successfully institutionalized the measurement of performance in the County. The Performance Measures Implementation Team established and refined a countywide methodology measurement of performance then purchased and implemented a centralized performance management database. Performance results are now routinely reported in the budget document and used to inform decision making by program and executive managers in many service areas.
- The County was able to enhance its analytical capacity in many areas (financial, performance, etc.). However, most participants in the final review of the implementation of the Strategic Plan felt the analytical capacity of the County still seriously needs strengthened.

D. Revenue Development

- One of the more successful strategies in this area has been the identification and recovery of user fees and charges. The Land Management Division is now completely self supporting.
- The Parks Division, also completely off the general fund, successfully pursued entrepreneurial opportunities.
- While the “timber revenue continuance strategies” have not resulted in the renewal of PL 106-393 (Secure Rural Schools Act), Lane County provided national leadership to the effort to renew the act, and continues to do so.

Update on the Implementation of the Strategic Objectives (2005-2007)

1. Ensure the continuity of high quality Lane County services by enhancing revenues and containing costs.
 - Activities related to this objective center on the evolving strategies to fund an improved public safety system for the long term and resolving the structural deficit. Staff continues to provide analysis and develop language to assist the Board in crafting a successful local income tax solution.
2. Engage and inform citizens about the services of Lane County government.
 - The Working For You information initiative was launched in early 2006 to raise awareness of county programs and services. A phone poll in September 2006 found that 5 percent reported an increase in understanding and awareness of county services and 6 percent reported an increase in overall familiarity with the county. The information initiative is an on-going effort to meet the Board’s strategic objective of engaging and informing citizens.
3. Safeguard delivery of public health service by construction of a new Public Health Building. (See County Goal #3)

4. Measure performance and use results in County decision-making.
 - Departments are in the final phase of implementation of the countywide performance measures database. Increasingly, performance results are informing operational and funding decision making. Next steps on this objective include completion of the database, development of a few high-level countywide measures, and a public report on the County's performance. (A demonstration of the performance management database and analysis tools will be provided during the board meeting.)

Status of Lane County Goals (2005-2007)

Over the last two years, the Goals have kept the organization focused, unified, and moving forward with both flexibility and determination. Decrease and eliminate the structural deficit.

1. Fund an improved public safety system for the long term.
 - Progress on each of these two goals is closely tied together. In 2005, the Board directed consideration of the formation of a public safety district, noting that in 24 other Oregon counties, county governments receive some form of property tax revenue in addition to their permanent rate under Ballot Measure 50. The public safety district approach would have required an amendment to the metro plan. When proposed, the City of Springfield approved the proposal, but the City of Eugene did not. With support from the Mayor of Eugene, the Board convened the Public Safety Task Force, made up of mayors and/or city councilors from all 12 cities in Lane County. The group met frequently over the summer of 2005 and ultimately recommended a comprehensive solution which would eliminate the deficit and improve public safety service levels for the long term. The Task Force recommended funding the improvements with either a sales tax or gross receipts tax. Both taxes were drafted and presented at a public hearing, but found little support or outright opposition. Therefore, the Board, in a series of work sessions, indefinitely tabled the sales and gross receipts taxes and developed an income tax solution. Tied to a Charter amendment limiting the Board from increasing the tax, local voters considered the tax last spring with 48.7% voting yes to the tax. Encouraged by the close vote, the Board and County leadership remain focused on securing a long term solution.
 - The County's financial stability is further daunted by the failure of the 109th Congress to renew the Secure Rural Schools Community Self-Determination Act of 2000. Both the House and Senate of the 110th Congress, with good support from Oregon and throughout the West and other parts of the country, have introduced legislation that will continue the program another seven years at full funding. The bills -- HR 17 and its companion in the Senate -- will be the vehicles to extend the program. Together there are more than 100 co-sponsors on the legislation. However, getting stand-alone bills through both chambers will require months, not weeks or days.
2. Improve the quality of facilities for public health caregivers and service recipients.

- Proceeds of the sale of the West Lane County Annex have been earmarked for replacement of the facility. In addition, the Board set aside \$1.5 million from the general fund in the FY 06-07 budget and built saving for the replacement of the facility into the long range financial plan.

F. Next Steps/Recommendations

The Strategic Plan needed to be revised in 2006, but revision was postponed while elected officials and executive management focused efforts on developing a mechanism to fund our public safety system and alleviate the structural deficit in the general fund and on lobbying for the renewal of the Secure Rural Schools Act. Should the County make significant cuts to services and staff in FY 07-08, it's unlikely a revision would be feasible until after departments are able to stabilize. However, should such large scale upheaval be averted, revision of the strategic plan could begin in the summer or fall of 2007 depending on whether Congress acts to extend Secure Rural School by one year or longer term.

VI. ATTACHMENTS

None.