



DATE: April 15, 2025

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Hayward's Strategic Roadmap: Work Session Part 2

RECOMMENDATION

This is a work session to engage in exploring the interest and priorities of the City Council to inform the development of next year's strategic roadmap and budget. No formal action will be taken at this meeting.

SUMMARY

Each year since 2020, Hayward's City Council has participated in strategic planning sessions to set priorities for the following fiscal year (FY). This process informs the budget formation and culminates in the adoption of a strategic roadmap document that is included in the annual operating budget.

This year's strategic planning process is being conducted at two different work sessions to better align strategic planning with the City of Hayward's (City) operations, budget and City Council priorities. The first part, which was on March 8, 2025, highlighted the City's operations from FY 2024-25 and presented pressing issues from each department for the upcoming year.

As part of the Strategic Planning Work Session Part 2 on April 15, 2025 staff will provide an update on the fiscal state of the City, proposed Strategic Roadmap metrics, and proposed special projects for FY 2025-26. This work session will also provide an update on the data and learnings from the HEART initiative as an example of a special project.

DISCUSSION

The work session format will take place as part of the April 15, 2025 regular City Council meetings to encourage City Council members' comments and discussion. However, per the requirements of the Brown Act, no formal actions may be taken at this Work Session. Therefore, any items requiring formal City Council action will be referred to future City Council meeting for consideration.

In advance of the work session, the City Council completed a presurvey to provide additional feedback. In the presurvey, City Council Members confirmed that the existing vision and priority areas of the Strategic Roadmap continue to be the right fit for Hayward. Because of this, the focus of this work session will be on metrics and special projects for the coming year.

The April 15 work session will cover the following items. The agenda is included as Attachment II.

- 1) Provide a high-level update on the City's fiscal state to inform realistic goals for the coming year,
- 2) Receive City Council input on the first draft of proposed metrics for FY 2025-26, including summarizing presurvey feedback,
- 3) Present data and learnings from a focus topic: the HEART pilot project, a Strategic Roadmap initiative
- 4) Receive City Council input on the first draft of proposed special projects for FY 2025-26, including presurvey feedback.

The City Council's feedback at this work session will be used to create an updated draft of the FY 2025-26 Strategic Roadmap document. Depending on the level of consensus, staff may schedule an additional work session in the month of May, with adoption planned for the month of June. In addition, the City Council's feedback at this work session will help frame the discussion topics for the annual budget work session on May 13, 2025.

City's Fiscal State for FY 2025-26

The development of the Strategic Roadmap informs the City's annual budget process and vice versa. The City is facing a structural deficit that will limit the number and types of projects the organization can implement next year. Because of this, staff will begin the April 15 work session by providing context on the City's fiscal state for FY 2025-26.

Staff have projected a structural deficit of approximately \$12M for FY 2025-26. Staff recommend that the City Council discuss their priorities with financial constraints in mind and the impact on future years. The upcoming budget work session on May 13 will discuss the budget in detail. Staff are also planning a fall revise of the budget to present updates to help mitigate the structural deficit.

Connection to the General Plan, Council Referrals, and other City Documents

Separate from the Strategic Roadmap, staff present annual status updates on the City's General Plan projects to the City Council, which is a requirement by the State of California. In addition, Public Works staff provide an informational report twice a year with status updates on capital projects.

There is overlap in projects between the Strategic Roadmap, General Plan, and Capital Improvement Program (CIP). In general, the Strategic Roadmap is intended to be a more

focused and near-term plan that highlights the priorities for the coming year, while the General Plan looks further in the future and the CIP is a detailed overview of all capital projects.

At the March 24, 2025 City Council meeting that included the General Plan Annual Progress Report, City Council Members expressed a desire to coordinate the reporting and cohesiveness between various City plans moving forward. In addition, in the presurvey, Council Members requested that staff provide a report on past City Council referrals and status updates. Staff's understanding is that the work to streamline these policy documents is a priority for the next six months and staff are seeking confirmation from the City Council at this work session.

Status Report on FY 2024-25 Projects

Attachment III provides a more detailed status report on FY 2024-25 projects, which has been updated since the March 8 work session. In summary:

- Of the 79 projects in this year's Strategic Roadmap, 41 (52%) are either complete or on track to be completed by the end of this fiscal year (June 30).
- An additional 29 (37%) are actively meeting project milestones but are multi-year efforts that will continue through to next year. These are included in the FY 25-26 proposed projects.
- Staff have placed nine projects (11%) on hold due to staff vacancies or loss of funding. Of those nine, staff recommend including three in the roadmap for the coming year and keeping the other six on hold.

As discussed at the March 8, 2025 work session, staff are working to launch an interactive dashboard by the end of this fiscal year that will show the full accomplishments and metrics from FY 2024-25.

Proposed Metrics for FY 2025-26

At the March 8, 2025 work session and in the presurvey, City Council Members reiterated the importance of metrics to measure the effectiveness / impacts of the City's efforts. The April 15 discussion is the City Council's opportunity to share what success looks like in each priority area and confirm that staff are planning to collect the right data to measure that success.

Attachment IV shows the first draft of proposed metrics for each priority area and the City Council's feedback from the presurvey. Staff are seeking further input on whether these are the right metrics to track progress and to ensure that relevant data reflects impact as intended for each priority area.

A goal for the coming year is to work towards disaggregating data by voting district whenever possible. This will be an additional staff focus for this coming year. Staff understand this to be a City Council priority and can be an item of consideration pertaining to staff capacity. In

addition, staff will be working to set appropriate targets for metrics and confirm these targets with the corresponding City Council committees.

Focus Topic: HEART Pilot Program

One of the FY 2024-25 Projects is SP7: Transition HEART program from pilot to permanent response program. Attachment V provides details on the learnings and data from the HEART pilot project, which has been a Strategic Roadmap project for the past four years. At the April 15, 2025 work session, staff will present on this pilot program and are seeking feedback from the City Council on staff's proposed approach moving forward. This discussion is intended to highlight a major effort from the past several years, as well as to provide an example of the type of resources and analysis that goes into special projects.

Proposed Special Projects FY 2025-26

Each year, staff manage the implementation of special projects to execute the City Council's objectives for that year that are beyond day-to-day core services. The April 15, 2025 discussion is the City Council's opportunity to share what special efforts they see as the most impactful for this coming year considering the City's resource constraints. Attachment VI shows the first draft of proposed special projects for each priority area and City Council feedback from the presurvey. Staff are seeking further input on whether these are the right special projects to move this priority area forward this year.

FISCAL IMPACT

There is no fiscal impact as a result of this work session.

Prepared by: Mary Thomas, Assistant to the City Manager

Approved by:

A handwritten signature in dark ink, appearing to read 'Dr. Alvarez', written over a horizontal line.

Dr. Ana M. Alvarez, City Manager