



**Department:** Administration  
**Cost Center:** 1001  
**For Agenda of:** 2/8/2025  
**Placement:** Business  
**Estimated Time:** 5.5 Hours

**FROM:** Whitney McDonald, City Manager  
**Prepared By:** Natalie Harnett, Policy and Project Manager

**SUBJECT:** 2025-27 FINANCIAL PLAN PROCESS: COUNCIL GOAL SETTING WORKSHOP

## RECOMMENDATION

1. Consider information and community feedback (to-date) for deliberation during the goal-setting process in order to develop Major City Goals and define associated desired outcomes for the 2025-27 Financial Plan; and
2. Direct Staff to return to the City Council with recommended preliminary work programs, a draft Capital Improvement Plan, and proposed budget appropriations in April 2025 to support core departmental services and advance Major City Goals.

## POLICY CONTEXT

The City of San Luis Obispo utilizes a two-year financial planning process to create its budget. The fundamental purpose of the City's budget process is to link, through public engagement and strategic deliberation, the interests of the community to the available financial resources to achieve the desired outcomes. The process allows the City Council to engage the community in identifying Major City Goals for the City while also providing information and education regarding the City's core services and programs, including the day-to-day work and responsibilities carried out by City employees to support residents' quality of life. The Goal-Setting Workshop is the opportunity for Council Members to take the feedback from the Community Forum and previous community input and develop the Major City Goals for the 2025-27 Financial Plan.

## DISCUSSION

The Council Goal-Setting meeting is one of the most important steps of the financial planning process where Council Members will collaboratively develop the City's priorities for the 2025-27 Financial Plan. All prior staff reports related to the 2025-27 Financial Planning process and community feedback on priorities are linked under the "Previous Council Action" section of this report for reference. This information will help develop goals for the next two years. These goals will guide staff in the preparation of the budget and recommended Major City Goal work program allocations for the 2025-27 Financial Plan.

### Background

Since November 2024, there have been a variety of opportunities for community members to provide input to the City Council to enable them to establish the Major City Goals. These opportunities include input from [City Advisory Bodies](#), [a Community Priorities Survey](#), a notice to over 100 community groups and individuals, and a Community Forum (Forum) on January 23, 2025.

The Forum included a presentation by staff and leadership, followed by an interactive breakout session and an opportunity for public comment at the end. It was publicly noticed as a Joint Session of the City Council and the Revenue Enhancement Oversight Commission. More than 200 community members attended the event.

During the breakout session, staff facilitated nine input stations, determined based on [Community Survey results](#), to answer questions and gather feedback. Each topic area featured a list of planned or proposed projects or work program efforts aligned with identified priorities. Community members ranked these items digitally via their phones or tablets available at the stations, viewing real-time results, and could also propose additional ideas using a free-response polling option.

A livestream recording of the Forum is available on the City's [YouTube channel](#). Attachment A provides a summarized report of the feedback from the Forum and Attachment B includes all free responses collected at the Forum, organized by priority.

### Format

Before the Goal-Setting Workshop, Council Members will each submit a completed Council Worksheet (Attachment C) by February 4th at 5 PM, addressing the following questions:

1. What edits to the [existing Major City Goals](#) would you make to focus on the most important items in these goal areas?
2. Are there any Major City Goals that need to be added?
3. Are there any work efforts that need to be added?
4. Within the current goals or high-level, high-importance tasks, what do you think could be stopped or deferred, if needed?
5. Would you be interested in changing the label of Major City Goals? The intention behind relabeling the Major City Goals would be to create overarching bodies of work, rather than value statements, with specific work items, measurable goals, and timelines.

Based on the Council Members' responses, the facilitator will lead a discussion on goals by category and their connection to current activities and services. This discussion aims to define the desired long-term outcomes and identify actionable steps the City can take over the next two years to move toward those outcomes. The Council may choose to align on goals for the next two years or, if necessary, use a prioritization exercise to determine key focus areas for the 2025-27 Financial Plan.

### Materials for Goal-Setting

In addition to the Forum results included in this agenda packet, staff will provide two follow-up documents via Staff Agenda Correspondence ahead of the goal-setting workshop. These documents will support the Council's discussions during the workshop:

1. Major City Goal Update – A comprehensive update on the status of current Major City Goal efforts, including a list of completed items.
2. Combined Council Pre-Work Submittals – A summary compiled by the third-party facilitator, synthesizing Councilmembers' pre-work submissions into an overarching report. Individual Councilmember names will not be included.

### Goal-Setting Workshop Agenda

Location: 990 Palm Street – Council Chambers

*(Times are estimates)*

<b>9:00 AM</b>	Welcome - <i>Mayor Erica A. Stewart</i>
<b>9:05 AM</b>	Introduction and Budget Context - <i>Whitney McDonald, City Manager</i>
<b>9:20 AM</b>	Process and Guidelines - <i>Sommer Kehrli, Facilitator</i>
<b>9:30 AM</b>	Discuss Goals for 2025-27 and Review Prioritization from the Survey, Forum, and other public input - <i>Council</i>
<b>12:00 PM</b>	Break
<b>12:30 PM</b>	Continued Discussion of Goals - <i>Council</i>
<b>2:00 PM</b>	Public Comment - <i>Teresa Purrington, City Clerk</i>
<b>2:30 PM</b>	Discuss Next Steps - <i>Council/Staff</i>

### Previous Council or Advisory Body Action

- [December 10, 2024](#) - City Council Meeting: Setting the Stage/Strategic Scan
- [January 14, 2025](#) - City Council Meeting: 2025-27 Financial Plan Process, Economic Outlook, Fiscal Policies, and Capital Improvement Plan Review
- [January 23, 2025](#) - Community Forum - Joint Special Meeting of the City Council and Citizen's Revenue Enhancement Oversight Commission

### Future Council Actions

- April 15, 2025- Major City Goal Work Program and Strategic Budget Direction
- June 2025- Budget Adoption Hearing

### Public Engagement

Public comment on this item can be provided to the City Council through written correspondence before the workshop and through public testimony at the workshop.

### ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

**FISCAL IMPACT**

Budgeted: Yes  
 Funding Identified: Yes

Budget Year: 2024-25

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund	\$12,925	\$12,925	\$	\$
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$12,925</b>	<b>\$12,925</b>	<b>\$</b>	<b>\$</b>

The Finance Department budgeted funds for the third-party facilitator, aligning with past facilitated Forums. Beyond designing and leading the Goal-Setting Workshop, the facilitator offers consultation and strategic support for the City's goal-setting process. This includes intake and planning meetings with the City Manager and leadership, ongoing advising for the Community Forum and Survey, and virtual one-on-one interviews with each Council Member.

**ATTACHMENTS**

- A – 2025 Community Forum Results Summary
- B – 2025 Community Forum Open-Ended Responses – Compiled list
- C – Council Worksheet (to be added after February 4, 2025)