Update on Fiscal Year 2014-15 City Goals

RECOMMENDED ACTION:

City Council RECEIVES and FILES the update to the Fiscal Year 2014-15 City Goals.

DISCUSSION:

The City Council developed three primary goals which are supported by a variety of action plans and initiatives. Those goals are:

<table>
<thead>
<tr>
<th>Proposed Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enhance the Indian Wells Financial condition</td>
</tr>
<tr>
<td>2. Continue to build Trust, Capacity and a Customer Service culture in the Indian Wells organization</td>
</tr>
<tr>
<td>3. Continue to build the Indian Wells Community devoted to an exceptional quality of life</td>
</tr>
</tbody>
</table>

In this report, staff details the progress on Council Goals and Action Plans where significant progress has been recorded in the quarter. The title is listed with a number which corresponds to FY 2014-15 City Goals and Action Plan which is attached.

FISCAL IMPACT:

The fiscal impact will be reviewed as each action plan is brought forward. While adopting the goals creates a financial impact as the City is committing to moving certain projects forward, there is no specific expenditure related to this action.

ALTERNATIVE:

Council may elect to modify the goals by redirecting the effort, or exchanging a goal not on the list for one that is.

ATTACHEMENT:

1. FY 2014-15 City Goals, Action Plan
Explore Temporary Facilities (Goal #1):

Strategic Planning discussions centered on the notion that the City could lease private property thereby reducing the property tax burden for the owner and the owner then could use those funds to construct temporary facilities until a permanent usage is realized. City staff investigated the tax implications when the City leases private property and found leases do not reduce or eliminate the property tax burden to the property owner.

Staff continues to have conversations with vacant commercial property owners regarding development alternatives, both short and long term. Staff is waiting on Brixton to determine their project concept before moving forward with projects for the neighboring parcels known as Mountain View Villas phase II or Miles Crossing phase II owned by the Housing Authority. Updated project status for vacant sites is listed in the next section.
Opportunities for Vacant Sites (Goal #2):

Staff has contacted most property owners of large vacant sites. An update of those projects is as follows:

- Brixton and Fogelson are in the process of developing concepts for the highest and best uses for their properties. Both are performing market analyses to understand the needs of the community. They have completed design plans for the Whitewater River Channel improvements and have submitted applications to the permitting agencies.

- Haagen has submitted plans that include two buildings, one retail the other a restaurant.

- Lissoy is on hold. However, Lissoy is still interested in purchasing the City’s Warner Trail parking lot property adjacent to his site.

The beautification project of the parkway adjacent to the Mountain View Villas has been approved. Construction is scheduled to start September 29, 2014 and be completed by November 21, 2014. The next phase of the beautification project at the frontage of Miles Crossing phase II is on hold until Brixton completes its development concepts to avoid redundancy of effort. Staff is continuing to partner with other property owners to improve screening of vacant parcels.
Miles Parking (Goal #3):

Staff has been working on the entitlements to permit development and temporary operation of a parking lot, and the Planning Commission approved the Conditional Use Permit on August 28, 2014. It has been determined that there are cultural resources e.g., Indian artifacts on the property and further cultural analysis is required. The City has met with the Agua Caliente Band of Cahuilla Indians, and additional study and time are necessary to complete the process. Staff is in the process of establishing a timeline and cost information. The project is on hold until the information is received.
45-300 Club Drive Building (Goal #4):

Staff is investigating alternative uses for the 45-300 building including:

- Emergency Operation Center
- Sheriff substation
- Office rental space
- Offsite record storage facility for City

Each alternative requires a different level of building standard, an EOC or police substation are considered essential service facilities and are required to meet a more ridged building standards than a records storage facility. To address the differing building standard levels for the varied alternatives, the City has requested proposals from structural engineering companies to evaluate the current structural condition of the building, make recommendations as to any required structural modifications, and provide cost estimates to design the building to meet the various required building standards.

Fogelson Property (Goal #5):

The original “The Miles Lodge” project is not moving forward. The Development Agreement is in the process of being terminated. Fogelson’s team is in the process of preparing development concepts for the highest and best use of the property. The team has completed design plans for the Whitewater River Channel improvements and they have submitted applications to the permitting agencies.
**Brixton Property (Goal #6):**

Brixton has retained a marketing company to help determine high quality anchor tenants and tenant mix on the commercial center. They are also working on design concepts for a commercial center. They continue to be interested in adjacent properties. The team has completed design plans for the Whitewater River Channel improvements and they have submitted applications to the permitting agencies.

**Goals #7 – 12: No updates**

**Grant Funding Opportunities (Goal #13):**

In order to comprehensively approach grant funding opportunities three things have taken place for improving City grant funding success:

Established a grants team to formulate ways in which the City can best approach grant applications as a cross-departmental team effort. The grants team will function as a matrix team to address opportunities for grants and write applications. The goal of the team is to apply to at least three grant applications by the end of FY14-15.

Joined the Alliance for Innovation which provides access to American Funding Innovators award winning Grant Navigator system. This will allow for frequent updates and targeted searches for grant funding opportunities throughout the U.S.
Researched grant writing consultants who provide turn-key application services. Consultants researched to date do not appear to be worth the City’s investment and it has been determined that the best approach for IW is to have in-house grant writing.

IW Golf Resort Strategic Plan (Goal #14):

The implementation of the Indian Wells Golf Resort Strategic Plan is outlined below:

The Golf Operations plan focuses on increasing the Average Daily Rate and maintaining quality turf conditions, not simply looking for more golfers. The Golf Resort has ended its relationship with Golf Now, a golf wholesaler, and has engaged the services of a golf revenue manager who is actively working towards maximizing rates and times.

Dynamic pricing has been implemented at the Golf Resort. Dynamic pricing encourages golfers to book tee times earlier at a reduced rate rather than waiting to book tee times closer to the desired day of play and pay the daily rack rate.

Food and Beverage continue to be a challenge. The restaurant was closed for lunch from July through August to reduce expenses. The cost savings benefitted the bottom line but the personnel and marketing impacts offset the benefit. The restaurant will likely be open next summer. Specialty events, discount times and specials are being used to bolster sales.

The sales pace of Banquet Events has increased year over year by 900%. The booking pace of the Pavilion has been very strong since the new marketing plan began. Staff are aggressively marketing the various banquet services offered by the Golf Resort.

The construction of the Pavilion has created sales and business opportunities not previously available at the Golf Resort. Capturing incredible views and providing extraordinary banquet services, the Golf Resort is quickly gaining a good reputation as the spot for weddings and events. Currently there are 17 wedding/reception events booked in fiscal year 2014/2015 tripling the amount of wedding/reception events booked in the previous two years.
To expand revenue opportunities and offset fixed costs during the shoulder and summer seasons, the Golf Resort has focused on creating attractive specials and events in the VUE Grille. The goal was to create excitement and attract new and repeat guests to the facility.

The VUE ran extended happy hour times from 3:00 pm to close and added food and beverage specials to the menu.

To attract and retain new guests, brunch was reduced in price to compete with other valley restaurants. By all measures, the summer brunch concept was very successful in attracting new guests to the Golf Resort. The number of guests attending brunch during July and August doubled compared to the prior year.

Friday nights became known as “Surf and Turf night” and Saturday nights were labeled “Prime Rib night”. The program quickly created a lot of buzz as “the place to be” and was very successful at expanding the loyal customer base.

The Food and Beverage Director changed the bar menu to a “small plates” concept, in order to reduce prices and attract more guests during “happy hour”.

The Golf Resort took advantage of vendor discounts for food and beverage purchases during the summer months to lower cost of sales.

Tourism & Marketing Strategy (Goals #15-19):

The 2014-15 marketing goals and action plans are underway. Staff and our resort partners are working with a consultant to generate a mission statement and marketing strategy for the 2015-17 two-year budget. The current strategies include:

- Core Digital Marketing (online marketing, social media, website, database management)
- Consumer Marketing & Advertising (which includes partner marketing with Resorts, Tennis Garden, Convention and Visitors Bureau “CVB”)
- Group Incentive program designed to introduce Meeting Planners to Indian Wells through an event in their area (i.e. Mariners & Giants game), and local events for Meeting Planners such as Site So-Cal and Ensemble which will be held in Indian Wells and with city and the resorts partnering to build future business.
- Tennis Marketing (National TV Ads, events, promotions and on-site marketing during tournament)
- Partnering with the Tennis Garden on the Jazz Event (May 1 & 2)
Other Strategies include:

- Working closely with the CVB on data collection projects to identify and forecast the desert visitors and build a robust attraction effort.
- Meeting with BNP Paribas Open/Tennis Garden on their strategies/goals moving forward with events and use of the facility
- Researching the options of creating a Tourism Marketing District
- Researching service providers for tourism industry data and strategies
- Working with the Golf Resort to pursue other events (i.e. Modernism Week, Entertainment events that are revenue generating)

**Goal #20: No report**

**Monitor City Contracts (Goal #21):**

Staff has instituted a short-form contract for all services under $25,000, to better protect and indemnify the City. Staff has met with all the internal stakeholders and addressed the concerns raised about the contact and the process. All responsible staff have been trained on the process and the program has been implemented. Each department is responsible for preparing their department’s short-form contracts, staff will verify that insurance requirements have been met and that the contract package is complete prior to execution.

Staff has added a “contract management” module as part of the City’s existing Eden financial system, to enhance the monitoring of contract capability. Training for all responsible staff is scheduled for November and implementation of the program in December. Staff decided to go with the Eden module for its ease of integration into existing city program, streamlining of data into one system, and the seamless fusion of information of the contract life cycle.
Continue to build **Trust, Capacity** and a **Customer Service** culture in the Indian Wells organization

**Performance Based Compensation System (Goal #22):**

Management has worked with each department to create the “Merit Based Pay System.” The approach is somewhat similar to the previous pay for performance approach initiated in FY 09-10, with some minor modifications. Through discussions with staff and a review of documentation from FY 09-10, management has developed Merit Based Pay ("MBP") to overcome a few weaknesses in the previous system. Department Heads are working with their staffs to finalize clear definitions of expectations for each employee’s MBP performance evaluation sheet in the coming weeks. Once completed the departments will have regular meetings throughout the year to ensure that staff and management are communicating effectively on regarding performance expectations.

Management will be working with Council and the Employee Association to revise the City’s personnel rules in order to codify and clarify the structure of the MBP system.

**City Personnel Rules (Goal #23):**

Staff has reviewed the City’s Personnel Manual rules and identified a number of areas to modify the personnel rules. There has been initial meetings with the Personnel Committee to discuss management’s recommended changes. In the coming months there will be negotiations with the Employee Association to ensure that personnel rule changes take effect by the end of the fiscal year.
Build Organizational Culture (Goal #24):

The organization had a number of culture building events so far this year:

July/August/September birthday celebrations for the employees. These are fun, short events that produce laughter and praise for those employees celebrating their birthdays’ in the month. A special thank you should go out to Jill Moon, Sonia Hapner, and Nick Werner for being our de-facto birthday committee who organizes these events and creates fun, team building activities.

Thank You Lunch provided by the McKinney’s in appreciation of staff’s hard work over the prior year. City Manager could not accomplish Council’s goals without the hard work and dedication of staff. As a thank you Wade and Cheryl provided lunch to all staff as a way of thanking them for their efforts in making FY13-14 a successful first year.

New Year’s Party. On July 1 we celebrated New Year’s (fiscal New Year that is) with a lunch and team building activity.

Quarterly CM Roundtable meetings are held to help increase communications, improve transparency and reduce rumors. All employees gather on a quarterly bases to allow the City Manager the opportunity to relay information to the employees, highlight the City’s financial condition, address any rumors about topics pertinent to the organization, and provide staff the opportunity to ask questions or inquire about topics of interest.

Labor relations with IWCEA (Goal #25):

Management has begun holding semi-monthly informal meetings with the Association in order to discuss items of interest. The strategic planning, Merit Based Pay, and regular meetings should help to establish a more open relationship based off clear communication. The City is placing a renewed emphasis on organizational training and employee empowerment to better engage all employees in the workplace. These ongoing efforts should begin to show improved relationships.
Employee Training Program (Goal #26):

Efforts to improve training with employees has been three fold to date in the fiscal year:

1. One category of the Merit Based Pay performance evaluation process is based on employee growth goals. This creates a requirement for employees to dedicate themselves to advancing their knowledge, skills, and abilities as an expectation for performance within City Hall.

2. The City has begun creating regular training opportunities through webinars, in-person professional development training courses, and frequent distribution of training advertisements to all staff. By frequently exposing staff to training opportunities we are sending the message that professional development is the expectation of the organization.

3. Liebert Cassidy Whitmore law firm Coachella Valley Consortium has 4 all-day workshops focused on supervisor/management trainings. With a fairly new management team in place, these trainings will be highly attended by IW management in order to hone our leadership skills at the top. This will also help us to lead training by example.

As time goes by this year, employees will be included in the development of training opportunities that get brought to City Hall on a frequent basis. Staff will be creating and distributing a training survey for all staff in coming months to better match organizational development with the needs of the organization and desires of staff.

PERS Retirement Policy (Goal #27):

Staff is researching best practices to develop a funding policy to reduce the unfunded liability of the CalPERS retirement fund and maintain the current funding status of the Other Post-Employment Benefits (OPEB) Trust Fund. Based upon data reviewed so far, Staff expects to present Council a policy that establishes a minimum funding ratio of 85% using the market value of assets. The OPEB Trust Fund already exceeds this funding ratio, but the policy would ensure minimum funding of 85% be maintained. The projected cost to fund the CalPERS pension to a minimum funding ratio of 85% would be approximately $2.3 million which would be funded over a suggested five year term of about $460k annually.
Goal #28: No report

Important Topics on Website (Goal #29):

The City launched the Virtual Town Hall online forum which broadens civic engagement and incorporates resident comments into Council decision-making process. The topic for the forum was vacation rentals, with 531 total views and 209 comments were posted on the issue.

Staff has instituted “topic webpages” on the City’s website, to proactively provide information to the residents on important topics to the community. An example is the Vacation Rentals webpage. The page has all related information on vacation rentals including agenda packets, minutes, meeting videos, updates, and dates for future meetings. As other important topics develop, staff will create similar topic webpages.

Additional staff is being trained on the website Content Management System to better disseminate information in a consistent manner. Each department is responsible for updating their specific webpages.

Goal #30: No report
Continue to build Indian Wells Community devoted to an exceptional quality of life

Carl Bray Monument (Goals #31-33):

The City Council held a workshop on August 21, 2014 to get design and budget direction regarding the Carl Bray monument project. The Council reviewed three design concepts and recommended the project be revised using elements from two of the concepts presented that would include the use of a replica artist pallet pole sign with a wavy wall as a backdrop. The Council also asked the consultant to reevaluate the project to see if the project can be constructed for less than what was proposed. In addition, the Council directed staff to develop a strategy for long-term preservation of the original palette sign. The consultant has since revised the design and the Carl Bray monument, which is scheduled for review and action by the City Council on October 2. Once the Council approves the monument design, the consultant will develop construction drawings and the project will formally go out to bid for construction. Construction of the monument is anticipated to start before the end of the fiscal year.
**Cook and Highway 111 Entrance (Goals #34-36):**

The City will utilize the virtual town hall online forum to solicit input from the residents and business owners as to the illustrations that best represent the City. The forum will go live in November and give the residents two months to provide ideas. Staff will then evaluate and use the feedback to develop parameters for the monument design.

![Map of Cook and Highway 111 Entrance](image)

**Documents on Website (Goals #37-38):**

Staff has completed the Optical Character Recognition and inserting keywords component for all existing documents posted on the website to improve the search function for residents. The next phase is to post additional documents, such as agreements, on the website.
Goals #39 – 40: No report

Village Undergrounding Project (Goals #41-42):

The utility undergrounding project includes the relocation of the utility systems for Southern California Edison, Time Warner Cable and Verizon from overhead service to underground. The individual homeowners have completed the conversions for their individual utility boxes and Edison has switched the electrical overhead service to underground service. Time Warner Cable will complete the conversion by the end of October and Verizon is scheduled to be completed around the end of this year.

Goals #43 – 47: No report