



**City of Seal Beach
City Council Workshop
Held January 30, 2024**

February 2024



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Workshop Report

The City of Seal Beach held a City Council strategic planning workshop from 9:00 a.m. to 3:00 p.m. on Tuesday, January 30, 2024, at the Orange County Fire Authority Station #48. The workshop provided an opportunity for Councilmembers to reflect on effective governance practices, review roles, gain consensus on strategic priorities for the coming year, and strengthen teamwork. This report contains a summary of the results of the workshop.

Carol Jacobs and Steve Alexander with Baker Tilly facilitated the workshop.

Workshop Overview

Agenda

- Welcome and call to order
- Public comments
- Comments from the City Manager
- Review agenda, objectives, ground rules
- Icebreaker exercise
- Good governance: roles, leadership, norms
- MythBusters
- Review key accomplishments and challenges
- Financial overview
- Introduction to priority setting
- Establish priorities for FY 2024-25
- Wrap-up and next steps

Objectives

- Discuss Council governance and leadership
- Review accomplishments, challenges, and financial outlook
- Seek consensus on 2024-25 Strategic Priorities
- Strengthen teamwork

Participants

City Council



Mayor
Schelly Sustarsic
District 4



Mayor Pro Tem
Lisa Landau
District 3



Councilmember
Joe Kalmick
District 1



Councilmember
Thomas Moore
District 2



Councilmember
Nathan Steele
District 5

Executive Staff

- City Manager Jill Ingram
- City Attorney Nick Ghirelli
- Assistant City Manager Patrick Gallegos
- City Clerk Gloria Harper
- Finance Director/City Treasurer Barbara Arenado
- Community Development Director Alexa Smittle
- Public Works Director Iris Lee
- Police Chief, Michael Henderson
- Marine Safety Chief Joe Bailey
- Orange County Division Chief Craig Covey

Workshop Preparation

In preparation for the workshop, Carol and Steve conducted individual interviews with Councilmembers, met with the executive staff, prepared a workshop agenda and slide deck, and reviewed the workshop plan with the City Manager.

Opening Comments

The workshop began with a call to order by Mayor Schelly Sustarsic, who then invited public comment. Following comments from the public, City Manager Jill Ingram welcomed everyone to the workshop and offered some opening comments about why the workshop was important, and what she hoped the group would gain from the day's discussions. Then Jill turned the session over to the facilitators, who reviewed the workshop agenda, objectives, and ground rules for a successful priority-setting session.

Bike Rack

Carol explained that items that were brought up but would not be discussed today would be added to a bike rack, for future attention. The items that were added to the bike rack are listed below.

- Sharing more information about the budget
- Budget training for Councilmembers to more fully understand the budget process
- Define who we are and what our central purpose is
- Communication is still key
- Discuss municipal finance crisis
- Loss of cordiality between Councilmembers, respect opinions differing from own
- Cannot just look to supporters



Icebreaker Exercise

Carol led the group in an icebreaker exercise. The purpose of this activity was to kick off the workshop informally and to learn more about each other. Each Councilmember and the City Manager were asked to answer questions about themselves and their service to Seal Beach. Carol also asked what legacy they would like to leave the community. A summary of the legacies that the participants would like to leave is below.

- Monthly newsletter; trying to keep people in the community apprised of what's going on
- Leave district better off than when I first started
- Make the community better; BMX skatepark

- I cared about and had respect for people; worked very hard
- I was here on Council and made the world a bit better
- Continue to keep the organization stable, supported by the best professional staff team, retain talent, do the work on behalf of the community; people are our strongest asset

The icebreaker exercise revealed a unity of purpose. All Councilmembers mentioned residents and the importance of making the community better. There was also an overarching theme of wanting more communication.

Good Governance

Following the icebreaker exercise, the group engaged in a discussion about good governance, roles, and leadership. The purpose of the discussion was to share perspectives and ideas for effectively serving as a team, and to set the foundation for a productive and fulfilling year. It served as a short refresher on roles, providing leadership for the community, and good governance practices.

Carol provided an overview of the roles and responsibilities of the Council, City Manager, and City staff. She emphasized the importance of mutual respect and having everyone working towards the same goals. The group reviewed the City's Civility Principles, which are listed below.

1. Treat everyone courteously;
2. Listen to others respectfully;
3. Exercise self-control;
4. Give open-minded consideration to all viewpoints;
5. Focus on the issues and avoid personalizing debate; and,
6. Embrace respectful disagreement and dissent as democratic rights, inherent components of an inclusive public process, and tools for forging sound decisions.

Carol asked the Council why they adopted the principles, and whether they thought that they were being followed. The following comments were offered:

- There is no civility in general these days.
- These are helpful for our residents to know during public comments.

Councilmembers were asked to take a moment to grade themselves on how well they follow the Civility Principles. Of the five Councilmembers, four gave a grade of B and one gave a grade of C.

Norms

The Councilmembers then turned their attention to their adopted norms, which are shown on the slide below.

The slide is titled "Seal Beach Council Norms" and contains a list of 10 norms. The norms are:

- 1) Maintain a **citywide perspective**, while being mindful of our districts.
- 2) Move **from I to we**, and from campaigning to governing.
- 3) Work together as a body, **modeling teamwork and civility** for our community.
- 4) Assume **good intent**.
- 5) Utilize **long range plans** to provide big picture context that is realistic and achievable.
- 6) Stay **focused** on the topic at hand. Ensure each member of Council has an **opportunity to speak**
- 7) Share information and **avoid surprises**.
- 8) Keep **confidential** things confidential.
- 9) Respect the **Council/Manager form of government** and the roles of each party.
- 10) Communicate concerns about staff to the City Manager; **do not criticize staff** in public.

The slide also features a "bakertilly" logo in the bottom left corner and the Seal of the City of Seal Beach in the bottom right corner.

Carol explained that the norms are great, as long as the group lives by them. She asked how Councilmembers hold themselves and each other accountable. The City Manager asked for suggestions about how City leadership could be mindful of these norms on a regular basis. Carol suggested adding the Civility Principles and Council Norms to meeting agendas, the City's website, newsletters, press releases, and social media.

Leadership

The next segment of the workshop focused on leadership. Carol explained that a big component of leadership is trust, and that once Council makes a decision, they have to trust City staff to implement it. She also explained that being one of five Councilmembers can be challenging, since everyone is different and has their own perspective. She emphasized the need to find common ground because leadership can be hard.

Carol presented a hypothetical situation where a City Council had to decide between a) cutting \$1 million from the annual budget (equating to the Parks and Recreation Department), or b) allowing a car dealership into the City on the north side of the Pacific Coast Highway (PCH). She set the scene by suggesting the Council Chamber was full of angry residents who do not want the car dealership, and no one spoke up in favor of the car dealership or cared about possibly losing the Parks and Recreation Department. Carol asked each Councilmember to share which option they would choose.

All five Councilmembers reported that they would choose to allow the car dealership. Even though everyone in the room seemed upset about the car dealership, Council agreed that is important to think about the broader community. Carol reiterated that Council cannot make everyone happy, and some resident will always disagree with them. This was presented as one of the costs of leadership.



Myth Busters

Following a brief stretch break, the City Manager and her executive staff presented some assumptions and counterpoints to some Seal Beach mythology. The myths that were addressed are summarized in Table 1 below.

Table 1. Seal Beach Mythology

Myth	Summary of Myth Discussion
Change is bad	<ul style="list-style-type: none"> • City Manager highlighted Ask City Hall, and Public Records • We need residents and businesses to be engaged • Communication is the tool for dealing with change and explaining and discussing difficult issues
Small-town character makes us thrive	<ul style="list-style-type: none"> • What is small-town character? <ul style="list-style-type: none"> ○ Things change but we can prioritize what makes us special ○ For example, there is “no call too small” for the Police Department ○ How do we maintain the things that we love as things change? ○ For example, if population increases from 25,000 to 27,000
Infrastructure is not glamorous and investment can wait	<ul style="list-style-type: none"> • Quality of life is expensive and requires discipline • Infrastructure is critical to human health and safety
The City is not transparent	<ul style="list-style-type: none"> • We have multiple social media accounts, website, meeting agendas and staff reports, recorded meetings, press releases, newsletters • We are always seeking to improve
Measure BB solved it	<ul style="list-style-type: none"> • Some issues that are out of our control deeply affect the budget (e.g., inflation, increased labor costs, more regulations/compliance)

Myth	Summary of Myth Discussion
The City is broke	<ul style="list-style-type: none"> • The budget is always going to be a struggle • The City is not broke; revenue is increasing, but expenditures continue to outpace revenues • It's Council policy to adopt a balanced budget
There are too many/overpaid employees	<ul style="list-style-type: none"> • Every comparison with other agencies was well beyond what City of Seal Beach has for salaries and benefits (without contracts included it is 48%, with contracts included it is 63%) • Compared to other cities, we're actually falling behind in pay and benefits • There is a compaction issue; minimum wage in California is more than Step 1
Staff is unqualified	<ul style="list-style-type: none"> • Staff is a tool for managing change • We need to use those tools and skill sets
The City hires too many consultants	<ul style="list-style-type: none"> • Consultants are manpower and technical expertise (it can solve a lot of issues in an efficient manner) • Consultants offer a way to get work done efficiently and effectively in the budget parameters provided to us by Council
Consultants mean staff is not involved	<ul style="list-style-type: none"> • Consultants need to be placed on the right path, managed, and their work product vetted and edited • It is still a collaborative effort



Accomplishments and Challenges

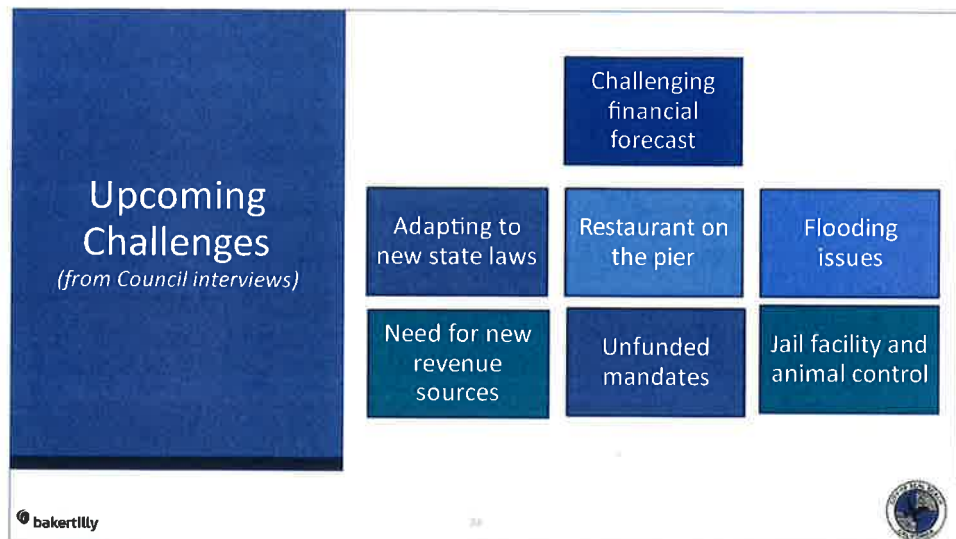
Steve shared some recent accomplishments and upcoming challenges that were mentioned during the individual Council interviews. The slides that were presented are shown below.

Recent Accomplishments

(from Council interviews)

- **Project completion**
 - New phone system
 - Settled parklets
 - Revamped pickleball and tennis courts
- **Community engagement and relations**
 - Return to normalcy post-COVID; return of events, reopening of restaurants
 - More transparency and public input
 - Residents can be heard before approving consent calendar
 - Opening of new businesses
- **Financial management**
 - Allocation and use of second half of ARPA funding for valuable projects (e.g., West-End Pump Stations)
 - Awareness and addressing of financial challenges, including rising overhead costs and the need to balance the budget
- **Collaboration**
 - Recognition of cohesive Councilmembers who can agree to disagree
 - Positive relationship with Chamber of Commerce
 - Good working relationship with City Manager
- **Infrastructure improvements**
 - Implementation of West-End Pump Station Storm Management Upgrades



Carol asked if any challenges were missing from the list. Councilmembers offered that the community pool and upgrading the City’s information technology infrastructure should be added to the list.

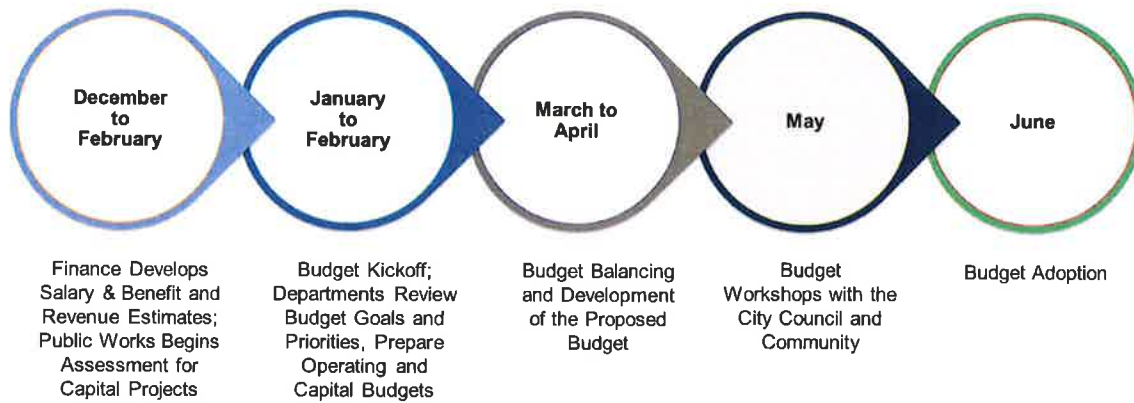
There was some discussion about the budget and a desire for a deeper understanding of what it means, beyond it just being a number. Councilmembers suggested more graphics to make the budget easier for the community to understand, and possibly a State of the City event at the community center. Councilmembers also expressed a need for more time to process the budget.

Financial Outlook

Finance Director Barbara Arenado presented an overview of the City’s financial outlook, including historical general fund revenues and expenditures and a five-year forecast. She explained that revenue is projected to grow at 2.3% but that expenditures are outpacing them at 4.7% growth.

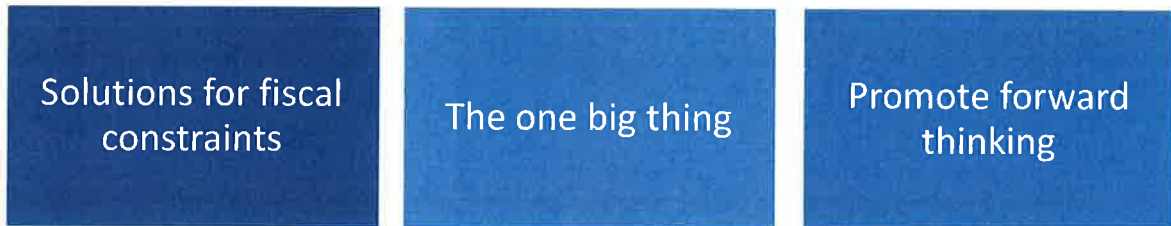
The Finance Director presented an overview of the budget process, which is summarized in Figure 1 below.

Figure 1. Annual Budget Process



Setting the Context for Priorities

Steve set the context for priority setting, by reminding Council that the majority of staff time is taken up by the day-to-day and routine work of providing service to the community. He presented Stephen Covey’s “Big Rocks” and reviewed how management’s time is spent. Steve presented Council’s overarching comments about priorities that were shared during the interviews, as shown below.



Priorities for FY 2024-25

Following a break for lunch, Steve led the group through the priority-setting segment of the workshop. Workshop participants reviewed and discussed a list of Council- and staff-identified projects that were provided in a handout. The list of projects, and a summary of their associated benefits, challenges, and costs, is provided in Table 2 below.

Table 2. Project Summary

Category	Item	Benefits	Challenges	(Revenue)/ Costs
Finance	Sales tax measure	New Revenue Opportunities	Public vote/ perception/ pushback	(\$3,000,000)
	Oil tax measure	New Revenue Opportunities	Public vote/political action	(\$100,000)
	Subtotal Finance Category			(\$3,100,000)
Public Safety	Lifeguard Headquarters	Critical public safety facility	Cost	\$13,500,000
	License Plate Reader System Upgrade	Necessary for effective public safety, parking enforcement	Cost	\$325,000
	Subtotal Public Safety Category			\$13,825,000
Environment	CDS storm drain debris capture in Old Town/Bridgeport	State Trash Amendment regulatory compliance, and stormwater conveyance operational enhancement	Cost	\$710,000
	Subtotal Environment Category			\$710,000
Parks and Recreation	Pool-make a decision	Community amenity, water safety	Cost/location	\$18,500,000
	Gas line and heater at McGaugh Pool	Extend life of existing pool	Cost	\$200,000
	Update park amenities and facilities	Community amenities; buildings necessary for classes, activities, rentals	Cost - Up to \$10,000,000	\$10,000,000
	Subtotal Parks and Recreation Category			\$28,700,000
Maintenance	Repave 8th/10th Parking Lots with ADA upgrades	Rehabilitate deteriorating parking lots, and required ADA barrier removals	Cost	\$800,000
	Bridgeport alleys	Necessary alley pavement rehabilitation where restricted roadway funds cannot be used	Cost	\$1,500,000
	Subtotal Maintenance Category			\$2,300,000
Community Amenity	Restaurant on the pier	Addition to beach amenity, potential revenue source	Cost and management	\$3,025,000
	Update Main Street Specific Plan	Modernize an old plan, community engagement	Politically challenging	\$500,000
	Subtotal Quality of Life Category			\$3,525,000

Category	Item	Benefits	Challenges	(Revenue)/ Costs
High Performing Organization	IT Master Plan	Critical to maintain service delivery; update systems, maintain equipment, etc. Includes mobile dispatch terminals, body worn cameras, GIS, software	Cost	\$ 75,000
	Review and assess staffing resources (study)	Identify critical needs	Cost - Assessment \$60,000 and Class & Comp \$50,000	\$110,000
	Talent management/succession planning (study)	Employee retention and skill development	Cost	\$50,000
	Additional staffing to meet the needs of the City Council/community	Four employees (budget discussion)	Cost per year	\$785,000
	Subtotal High Performing Organization Category			

After the group reviewed each project as a potential priority, Councilmembers participated in a dot voting exercise. Each Councilmember was given six dots and asked to place their dots on their respective highest priority items, but only place one dot on each. Priority ranking was determined by the items that received the most dots. The projects that received five votes and emerged as the Council’s top priorities are listed in order by the number of votes they received. A summary of the priority discussion and the dot voting is presented in Table 3 below. Priorities are listed in order by the number of votes they received.

Table 3. Priority Discussion and Dot Voting

Priority	Summary of Discussion	Votes
Lifeguard Headquarters	<ul style="list-style-type: none"> As we are sitting here, the cost is escalating. Started around \$9 million, now it is \$13.5 million 	5
License Plate Reader System Upgrade	<ul style="list-style-type: none"> Technology needs to be replaced; digitized parking program began about five years ago, which is the shelf life of IT 	5
Repave 8th/10th Parking Lots with ADA upgrades	<ul style="list-style-type: none"> Rehabilitate deteriorating parking lots, and required ADA barrier removals 	5
IT Master Plan	<ul style="list-style-type: none"> Critical to maintain service delivery; update systems, maintain equipment, etc. Includes mobile dispatch terminals, body-worn cameras, GIS, software 	5
Oil tax measure	<ul style="list-style-type: none"> Are you interested in having staff pursue an oil tax measure? 	5
Sales tax measure	<ul style="list-style-type: none"> Are you interested in having staff pursue a sales tax measure? Anticipate approximately \$3 million per year 	4
Pool-make a decision	<ul style="list-style-type: none"> Community amenity, water safety 	4
Gas line and heater at McGaugh Pool	<ul style="list-style-type: none"> Extend life of existing pool 	4

Priority	Summary of Discussion	Votes
Update park amenities and facilities	<ul style="list-style-type: none"> • Master plan for parks • Amenities and parks make life better • Preventative maintenance is better than emergency overhaul 	1
Bridgeport alleys	<ul style="list-style-type: none"> • Alleys don't qualify for restrictive street funds • Similar to 8th and 10th Street parking lots 	1
CDS storm drain debris capture in Old Town/Bridgeport	<ul style="list-style-type: none"> • State Trash Amendment regulatory compliance, and stormwater conveyance operational enhancement 	0
Restaurant on the pier	<ul style="list-style-type: none"> • Addition to beach amenity, potential revenue source 	0
Update Main Street Specific Plan	<ul style="list-style-type: none"> • Modernize an old plan, community engagement 	0
Review and assess staffing resources (study)	<ul style="list-style-type: none"> • Employee retention and skill development 	0
Talent management/succession planning (study)	<ul style="list-style-type: none"> • Lack of institutional knowledge hurts an organization • Results in delays in projects and services to residents or businesses • Our product is quality of life • The most recruitments I have seen 	0
Additional staffing to meet the needs of the City Council/community	<ul style="list-style-type: none"> • Four employees (budget discussion) 	0

Wrap-Up and Next Steps

To wrap up, Carol summarized key agreements and commitments from the day. She encouraged regular reporting and updates to Council and the community about progress that is made on the priorities. During the progress reports, Carol identified that if there are new initiatives or priorities, current items should be postponed to allow staff the time to work on any new initiatives. She also emphasized the importance of allowing staff enough time to get things done. She explained that Baker Tilly would prepare this summary report.

Closing Comments

To conclude the workshop, each Councilmember and the City Manager offered a key takeaway from the day's discussions. The City Manager thanked everyone again for attending the workshop, and shared that staff are ready, willing, and able to tackle the work it will take to accomplish the priorities and reiterated that staff and Council are here for the same reasons.