



## MEMORANDUM

**To:** MCWD Board

**From:** Becky Christopher

**Date:** September 19, 2016

**Re:** September 22, 2016 Planning and Policy Committee Meeting

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### Purpose:

To outline and inform the strategic planning discussion scheduled for the September 22, 2016 Planning and Policy Committee Meeting (PPC).

### Background:

At the August 25, 2016 Planning and Policy Committee (PPC) Meeting staff summarized, by department, the emerging themes from the issue identification phase of the strategic planning process currently underway. A package of material was distributed at this meeting and delivered electronically after the meeting. That package included:

- Facilitator group recommendations for organizational evaluation
- Chronology of the strategic planning process
- Resolution adopting the strategic planning framework
- MCWD vision, mission, goals, and guiding principles
- Executive summaries of program evaluations

During the August 25, 2016, PPC discussion, identified organizational issues were divided into the following categories:

1. **Program Purpose/Direction** – determining the fundamental purpose for a program and its general policy orientation.
2. **Coordination/Program-Linkage** – exploring how programs support and complement each other, and opportunities to improve cross-departmental communication and collaboration.
3. **Operational** – analyzing issues of resource allocation and needs, departmental structure, staffing, and efficiencies.

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At the September 8, 2016 PPC Meeting, the Committee and attending Managers revisited and concurred with the identified issues, and reviewed a process and schedule for advancing through Committee discussion towards Board decision making.

A draft document outlining how the organization would advance into *Phase II – Analysis and Decision Making*, was circulated amongst all staff following the September 8 PPC meeting, and is attached. This document and the process it outlines will remain a living document and will be periodically updated as amendments to the iterative process are made.

### **September 22, 2016 PPC Meeting**

Consistent with the process and timeline outlined at the September 8, 2016 PPC meeting, and in the attached documents, the organization will begin policy level discussions regarding **program purpose** for programs where program purpose was not flagged through the internal issue identification phase. These programs include:

- Permitting
- Operations and Support Services

At the September 22, 2016, PPC meeting, the purpose of each of these programs will be reviewed and discussed between department staff, the Planning Department and the Committee.

These discussions will be facilitated through the use of the following general discussion guide:

1. Strategic planning background
2. Review the strategic organizational framework
3. Review program specific historical context for Permitting and Operations
4. Frame and discuss questions related to program purpose:
  - a. What is the program's purpose?
  - b. How does the program serve the organization's mission?
    - i. What does this mean?
  - c. What is the target audience/stakeholder?
  - d. How does the program support, complement, or require support from other programs to achieve the mission?

At the September 22, 2016 meeting regarding the **program purpose** of Permitting and Operations & Support Services, the PPC is not expected to formulate a recommendation to the Board of Managers. As outlined, given the iterative nature of the process and the need to think strategically across the organization, program purpose and program linkages will be evaluated and discussed first before being woven together into an organizational discussion and a package of recommendations. Then operational discussions will commence. Similarly, the PPC is not expected to engage in deep discussion on operational details and considerations at this juncture.

If you have any questions in advance of the meeting, please contact Becky Christopher at 952-641-4512 or [bchristopher@minnehahacreek.org](mailto:bchristopher@minnehahacreek.org).

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## Strategic Planning Process

### Phase II – Analysis and Decision Making

#### Purpose:

To outline a plan (process, schedule and decision making framework) for the organization's analysis of issues identified during Phase I, and the decision making required in Phase II.

#### Introduction:

This memorandum summarizes the strategic planning process to date, including the development of a revised vision, mission, goals and guiding principles and the most recent phase of *issue* identification. It also outlines a plan for analyzing these issues and making decisions.

At the August 25, 2016 Planning and Policy Committee (PPC) meeting the organizational issues identified internally by staff were summarized departmentally. These issues were divided into the following categories:

1. **Program Purpose / Direction** – determining the fundamental purpose for the program and its general policy orientation.
2. **Coordination** – exploring how programs support and complement each other and ways to improve cross-departmental communication and collaboration.
3. **Operational** – analyzing issues related to resource allocation, departmental structure, staffing, operational efficiencies, and resource needs.

As outlined at the August 25, 2016 PPC meeting, while issues were identified on a departmental basis, issue analysis and decision making should occur at an organizational-systems level. Decisions regarding one program's purpose cannot be considered in isolation. Effort must be taken to understand the desired relationship between programs, and how they might be optimally aligned to achieve the MCWD mission. Similar attention must be paid to the order in which issues are addressed. Decisions regarding program purpose and desired levels of program alignment/coordination must be made first, as they directly inform the distribution of resources across and within programs.

This memo, to be summarized and discussed at the September 8, 2016 PPC, recommends a planned approach to analyzing the identified issues, moving vertically from program purpose policy questions to operational considerations of departmental structure, staffing, financial planning, technology investments, etc.; and moving from individual programs to organizational alignment.

**Background:**

Following a rich history of organizational self-assessment, and consistent with its culture of continuous improvement, on October 8, 2015, the Minnehaha Creek Watershed District (MCWD) Board of Managers established a strategic planning framework and process to evaluate and align programs for increased effectiveness, and to prioritize District resources towards a common mission and goals.

The process proposed four areas of examination:

1. Organizational Strategy
  - a. MCWD vision, mission, goals, and guiding principles
2. Program Strategy
  - a. Program purpose, strategies and tactical initiatives
3. Program Operations
  - a. Programmatic resource allocation to strategies and tactical initiatives to achieve program purpose
4. Organizational Operations
  - a. Organizational resource allocation to programs aligned to achieve the MCWD mission

In January 2016, the MCWD Board of Managers examined and addressed #1 by adopting a revised vision, mission, goals and guiding principles for the organization. This laid a foundation to accomplish the subsequent steps and goals of the process, measured against the organization's mission and goals, including:

1. Defining organizational priorities
2. Defining the purpose and role of each program to improve focus and effectiveness
3. Developing measures of program success
4. Aligning programs to collectively accomplish a clear mission
5. Optimizing resource allocation across and within programs to achieve the mission
6. Establishing a repeatable process and tool to evaluate new initiatives

Organizational Priority Framework:

At the July 14, 2016 PPC meeting, and again at the August 25, 2016 PPC meeting, foundational assumptions regarding organizational priorities, measured against the mission, were discussed – #1 above. These assumptions included:

- MCWD's mission focus is protecting and improving the landscape to produce measurable benefit in water quality, water quantity, and ecological integrity, in ways that support thriving communities

- Protecting and improving the landscape is achieved by direct MCWD action, and by the MCWD influencing others to act.
  - Direct action to protect and improve the landscape is achieved by MCWD integrating land-water plans and policy, and by MCWD acquiring land and developing capital improvements that protect and improve land and water.
  - Influencing others to act is achieved by MCWD educating and communicating with target audiences, by regulating activities that threaten water quality, quantity and ecological integrity, and by providing financial or policy incentives that support action by others to protect and improve the watershed.
- Therefore, programs and initiatives that produce direct action or influence others to action most closely contribute to the MCWD mission, and are therefore organizational priorities.
- Other organizational initiatives are necessary to provide support to programs that most closely contribute to the MCWD mission. These include efforts to maintain capital improvements, collect watershed data to diagnose issues, organizational operations, and organizational planning.
- All District initiatives should work in concert to best support mission objectives.
- Support initiatives should prioritize and efficiently implement activities that most directly assist and augment efforts of programs most closely contributing to the MCWD mission.
- Through strategic planning the organization must define program purposes against the MCWD mission, align programs to best work together to accomplish the MCWD mission, and prioritize and allocate resources (money, staff, technology investment) between direct MCWD action and MCWD influence (laterally); and Mission priority initiatives and supportive initiatives (vertically)

**Recommended Process for Phase II – Issue Analysis and Decision Making:**

As outline in the adopted process, the organization’s strategic planning is moving from:

1. ~~Organizational Strategic – mission~~
2. Program Strategic – program purpose
3. Program Operations – resource allocation
4. Organizational Operations – resource allocation

Moving through these levels, from program purpose to operations, a baseline level of analysis will be provided across all areas of the District. This baseline will require every program to have a purpose clearly defined and approved, and to evaluate resource allocation across program initiatives (tactics).

While a consistent baseline of analysis and decision making will provided for each program at a purpose to operational level, the issue identification phase of the process (focus groups and anonymous surveys) serves to explicitly flag specific policy and operational issues as priorities requiring closer attention.

This process allowed issues to be raised from all areas and levels of the organization, absent of hierarchy and departmental divisions. This level of organizational participation in issue identification, idea generation and problem solving was a core tenet of the cultural document developed by the Staff Collaboration Group, delivered to the Board in 2014.

As such, in addition to the baseline of analysis across all programs, these themes serve as a valuable guide in focusing Board and staff time on issues that warrant particular organizational attention and must be addressed through the process.

The following outlines a process for moving towards decisions on both the baseline analysis and specific issue analysis, moving from program purpose, into program alignment, and finally into operational considerations.

### General Process Guidelines

Issues identified through focus groups and anonymous surveys in Phase I of the strategic planning process will be addressed on an organizational basis, through an open, transparent and inclusive process that utilizes cross-departmental teams to analyze issues, assemble alternatives, confront tradeoffs, and position options for Board decision.

The cross departmental teams will analyze program purpose and program relationships first for presentation to the PPC, who will consider options and make recommendations to the Board of Managers for final decision.

Issues at this level will be analyzed using Bardach's Eightfold Path for Policy Analysis:

1. Define the problem
2. Assemble evidence
3. Construct alternatives
4. Select criteria to evaluate alternatives
5. Project the outcomes of alternatives
6. Confront the trade-offs
7. Decide
8. Communicate

After program purpose and program relationships are clearly defined, the process can move into operational considerations.

The following roles have been identified and discussed by staff:

- Planning Department – accountable to the Board in the development and execution of the process, in coordination with the staff facilitation group and Management Team.
- Staff Facilitator Group – representatives from each program will work closely with the Planning Department to develop and facilitate the process.

- Management Team and Administrator – will review process recommendations and provide guidance to the Facilitator Group.
- Cross Departmental Teams – will work with departments, facilitators and the Planning Department to conduct analysis and frame options and recommendations for PPC consideration.
- PPC – will consider analysis presented by staff and formulate recommendations to the Board of Managers.
- Board of Managers – will receive recommendations from PPC with briefings from staff and consider final and formal action on program purpose, program relationships and operational considerations.

### Step 1 – Defining Program Purpose

Program purpose will be defined first. As outlined previously, all programs will be required to answer the baseline questions, including:

- What is the purpose of the program?
- How does the program purpose fulfill the mission of the MCWD?
- How does the program purpose complement/support/require support from other programs?

In addition to the baseline evaluation of program purpose, more specific program purpose issues and questions were raised through the focus groups and anonymous surveys. Priority will be placed on addressing these specific issues through the process:

- Cost Share - Need for clarity and Board decision on program purpose and goals

**Problem statement** – The program aims to do too much with limited resources (community engagement, green infrastructure, homeowner projects), making prioritization of grant dollars and staff time difficult. Clarity is needed around program purpose and where resources should be focused.

#### **Questions:**

- Where should the program be focused in order to best serve the mission and complement other District programs?
- What types of audiences and opportunities should the grants target?
- Should grant opportunities be evaluated primarily on the basis of water resource benefit or education/community engagement? Can it do both effectively?
- How should the program interact with the Education Department and its Cynthia Krieg grant program? How should it interact with Planning and Permitting? Is there a need to reallocate duties and/or resources across these programs?

- Research and Monitoring - Need for clarity on how the department establishes priority tasks in relation to the needs of the overall organization (Data needs, Research, E-grade)

**Problem statement** – The program aims to do too much with limited resources. Clarity is needed around program purpose and where resources should be focused.

**Questions:**

- Where should the program be focused in order to best serve the mission and support other District programs?
- What is the purpose(s) of our various monitoring activities (e.g. issue identification, diagnostics, education/communication, trend analysis, effectiveness monitoring, etc.), and how should these be prioritized?
- How can the program be optimized to inform implementation?

- Aquatic Invasive Species (AIS) - Need to define the organization’s role in AIS and improve focus and clarity

**Problem statement** – There is a lack of clarity around the organization’s role in AIS.

**Questions:**

- What is the appropriate role(s) for the District in AIS (e.g. monitoring, education, prevention, management, research, etc.)?
- How does the program serve the mission?
- How is our role complemented/supported by other organizations?
- How should the program’s activities be prioritized relative to other District initiatives?

- Educations and Communications – Focus and align activities with District mission of improving the landscape

**Problem statement** – The program aims to do too much with limited resources. Clarity is needed around target audiences and issues and where resources should be focused.

**Questions:**

- How does the program complement and support other District programming to serve the mission?
- What audiences and issues should the program focus on, and how should these be prioritized?
- Where should the program focus its resources to reach its audiences about key issues?
- How can the program most effectively implement its activities across the knowledge-skills-action spectrum to reach the end goal of behavior change?



- Planning – Determine program’s role in organizational planning (e.g. budget, strategic planning, evaluation and reporting)

**Problem statement** – Need to define the department’s role in organizational planning (e.g. budget, strategic planning, evaluation and reporting)

**Questions:**

- Is there a value in having a person/group lead these organizational planning efforts?
- Who is the appropriate person/group to lead these efforts (Planning, Administrator, Operations, other)?
- How should staff be engaged in these processes?
- What is the decision making framework?

Step 2 – Program Alignment and Coordination

Once program purposes and departmental relationships are clearly defined, in terms of how programs complement/support/require support from other programs, strategies to increase program coordination can be developed and prioritized. This can be addressed using the same cross departmental teams and decision making framework as outlined in Step 1 – Defining Program Purpose.

As outlined previously, all programs will be required to answer the baseline questions, including:

- How does the program complement/support/require support from other programs?
- Are there ways to improve the coordination of these efforts?
- Are there ways to improve communication across programs, relative to identified linkages?

In addition to this baseline evaluation, more specific alignment and coordination issues and questions were raised through the focus groups and anonymous surveys. Priority will be placed on addressing these specific issues through the process:

- Planning and PMLM
  - Increase collaboration with all staff on District initiatives
  - Increase coordination and communication with other departments
- Ops and SS
  - Need for increased coordination & communication in decisions affecting staff
  - Need to centralize more HR policies
- Education and Communications
  - Need to improve coordination with other District programs
- Permitting
  - Coordination with internal and external partners should be improved and Permitting should message the District mission through its unique communication channels

- Organization-wide
  - Need to define programs' roles in the two-track approach, how we remain responsive

### Step 3 – Operationalizing

After decisions are made regarding program purpose and program alignment/coordination, a complementary level of analysis and decision making will be required at an operational level. This part of the process will generally follow the model outline above, whereby baseline analysis is completed, while a deeper analysis of identified issues is conducted.

As outlined previously, all programs will be required to answer the baseline questions, including:

- Is the distribution of resources appropriate with respect to program/organizational purpose and priorities?
- Are there non-essential activities that could be cut or scaled back?
- Are there high priority activities that are under-resourced in terms of staff, funding, or technology?
- Are there ways to improve program efficiency (e.g. changes to procedures, policy, department/organizational structure, etc.)?

In addition to this baseline evaluation, more specific operational issues and questions were raised through the focus groups and anonymous surveys. Priority will be placed on addressing these specific issues through the process:

- Cost Share:
  - Prioritize grant dollars to best fulfill program purpose
  - Need to find efficiencies for homeowner grant process (if continued)
- Permitting:
  - Rule administration needs to be more time and resource efficient
  - Prioritize program activities on impact to the watershed
- R&M:
  - Explore opportunities to improve efficiency of the District's anchor monitoring
  - Need for increased efficiency within department structure – linked with prioritization and new initiatives (Director role, Management structure, New staff proposal)
- Ops/SS:
  - Need for increased efficiency within department structure, potentially through consolidation of staff & vendors
- Planning/PMLM:
  - Improve the use of technology such as GIS
- Organization-wide:

- Define and address organization-wide data management needs

For sake of simplicity at this early juncture, the operational level of analysis and decision making can generally be divided into four areas of consideration:

1. Procedural Efficiencies
2. Financial Planning
3. Technology Planning
4. Human Resources Planning

#### Procedural Efficiencies:

Procedural efficiencies are opportunities to modify procedures, priorities or policies that will generate increased efficiency and output without changes in staffing, finance or technology. For example, certain regulations in the Permitting Department might be simplified and streamlined to reduce the operational overhead necessary to administer permits for single family homes. These issues will be analyzed by cross departmental teams and presented to the PPC for consideration as part of the process.

#### Financial Planning

As part of the strategic planning process, the MCWD must develop a complementary strategic financial plan that allocates ad valorem levy and outside funds across the organization to accomplish the strategic objectives identified by the Board of Managers.

The organization has already invested time in developing components of a strategic financial plan. The budgeting process has been clarified and placed on a quarterly cycle that begins by forecasting future budget-levy levels and making priority decisions early in the process, before working into workplan level details. A Task Force of the Board has been established to develop a strategic approach to securing outside funds to complement the District's ad valorem levy. Debt programs are being analyzed with Hennepin and Carver County to manage annual spikes in the District's capital improvement levy.

Moving forward, staff will meet with the Board in the fourth quarter of 2016 to begin identifying a full suite of financial policy questions that will complement the work to date, resulting in a 5 year financial plan to accomplish the strategic organizational objectives identified through this process by the Board of Managers. Areas to address may include:

- The distribution of budget resources across program initiatives, measured against the mission and organizational priorities.
- 3-5 year capital improvement plans/costs and program plans/costs and revenue sources
- The utility of debt to complement the ad valorem levy for capital improvements
- The tracking and use of year-end-savings or carryover
- Etc.

## Technology Planning

Technology is a critical component of organizational effectiveness in this day and age. To be successful MCWD must deploy the “right” technological resources where they are needed most in order to augment program’s contribution towards the mission and goals of the organization.

A multi-departmental team, led by the Operations Director, will identify all specific technology needs and evaluate the benefits and the costs of options, which can then be developed into a prioritized plan for implementation corresponding to Board decisions at a program level.

For example, the organization may benefit from increased document management, permitting databases, asset management software, remote capabilities for field inspections, geographic information systems, website updates, etc. These will be analyzed and prioritized into a plan that best achieves the priority objectives of the organization, which can be invested in over time.

## Human Resources Planning:

Strategic human resources planning is essential in ensuring the “right” people with the right skills are positioned in the right place at the right time, to accomplish organizational priorities. A team of staff representing the Collaboration Group will be working with the Management Team, Administrator and the Salary Task Force to develop a strategic human resources plan that best achieves the organization’s strategic objectives. This work will be supplemented by a human resources consultant.

This work may include:

- Assessing the current human resource capacities of the organization, in the forms of a knowledge, skills and abilities inventory
- Forecasting human resources needs to accomplish the strategic organizational objectives
  - Identifying what jobs will be needed in the future to achieve the goals?
  - What new skills will be required?
  - Do present employees have the required skills?
    - Can they be trained or need to be recruited?
  - Are employees currently in positions that use their strengths?
  - Are departments effectively structured?
  - Are current HR management practices adequate for future needs?
- Developing a plan that addresses the answers to these questions.
  - Restructuring strategies
  - Training and development strategies
  - Recruitment and retention strategies
  - Outsourcing strategies
  - Collaboration strategies

## Step 4 – Evaluation:

Finally, through the program evaluation process, staff were asked to project the outcomes of what their programs will achieve and define metrics that will be used to measure progress and success. Defining these metrics will be important to support ongoing evaluation and continuous improvement as well as for

reporting to the Board, BWSR, and District constituents. Defining these outcomes and metrics across District programs can be addressed using the same cross departmental teams and decision making framework as outlined in Step 1 – Defining Program Purpose.

As outlined previously, all programs will be required to answer the baseline questions, including:

- How will the program measure progress/success?
- What will it take to track these metrics?

In addition to this baseline evaluation, more specific alignment and coordination issues and questions were raised through the focus groups and anonymous surveys. Priority will be placed on addressing these specific issues through the process:

- Planning/PMLM - Improve the process for measuring and documenting outcomes and success of projects
- AIS – How do we define/measure success for the AIS program?
- Education/Cost Share – How do we measure progress and success of education efforts?

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