




## PROGRESS BRIEF

**DATE:** July 10, 2017

**TO:** Tim Leavitt, Mayor  
City Council

**FROM:** Eric J. Holmes, City Manager 

**RE:** **City Manager Progress brief – 2016-17**

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Serving as Vancouver's city manager is the most fulfilling and meaningful work of my career. In the 10 years I have been with the City, the organization has gone from the highs of the bubble of the 2000's, through the lows of the great recession and is now in an exciting period of economic growth and urbanization. I am grateful that I get to spend my days contributing to Vancouver becoming the city it wants to be, and being able to do so with such a talented and dedicated group of colleagues.

It is a very exciting time for the City. With an estimated \$150 million of investment underway or in process on the waterfront and an additional \$150 million proposed or under construction throughout the downtown, the City's central business district is more vibrant than ever. The more than 4,000 multi-family units spread throughout the City – including a range of affordable and market rate - that are under construction or in process are adding choices for our residents and accommodating growth in a more compact urban form. Major industrial development is occurring in the west side industrial areas at the Port and Fruit Valley; the Lower Grand Employment Subarea Area is seeing development of JH Kelley headquarters and the Quad Industrial employment campus. This combined with commercial, retail and hospitality permitting and development at Riverview Gateway and along 192<sup>nd</sup> Avenue - will all contribute to increased vibrancy and opportunity for prosperity for the City. The financial stability of the current biennial budget and a 6 year balanced forecast gives the City a wider range of choices as we navigate our future. The City's progressive investment in key infrastructure – including more complete streets – improves our service and competitiveness for new private development to further expand and diversify our tax base. The commitment to redevelopment in areas outside the downtown signified by strategic acquisition of Tower Mall positions the City to be a source of catalytic influence in an area that has been passed over by traditional market forces. The opening of the first BRT line along the Fourth Plain Corridor better connects the City and supports redevelopment consistent with the City's subarea plan. Finally, the ambitious undertaking of Vancouver Strong holds the promise of a transformative community improvement initiative that could accelerate and reinforce a positive trajectory for the City for decades to come.

While the City does face challenges (some noted herein), the years of strong and consistent leadership by the Council since the recession and ongoing disciplined management leave us well positioned to rise to these challenges on behalf of the community.

This progress brief includes a broad summary of activities and efforts across the entire organization over the last year. It is organized in three primary sections:

- Progress toward Council goals
- Administrative activities (including efforts in response to council feedback from last evaluation period)
- Observations about the future

While it is not practical to capture all activities, efforts and outcomes of the City over the last year, it is my hope this briefing captures a broad range of policy-level outcomes to be useful to the Council as part of the evaluation process.

### **Progress toward [Council Goals](#)**

*Grow a More Vibrant, Safe and Welcoming, and Prosperous City*

In early 2016, the City Council established five goals to be pursued over the year. Over the 2016-17 review period, the organization continues to advance the goals identified by the Council, as follows:

**[Affordable Housing \(prosperous\):](#)** Formulated for the ballot Proposition 1, which passed with healthy margins in November 2017 providing \$42 million in affordable housing funds over the next 7 years. The election results were an affirmation of the issue and an expression of confidence in the City. Revised the residential tax abatement program to focus more on affordable housing. Processing initial round of grant awards under the Affordable housing fund supporting projects that are projected to add 237 units and rehabilitate 31 more. Formalized grant with Vancouver Housing Authority for Skyline project. Revised accessory dwelling unit code to liberalize ADU's in the City (adoption anticipated July 17). We continue to pursue the remaining elements of the [work program](#) for addressing other priority recommendations from the Task force, amendment to development regulations and consideration of inclusionary zoning to improve the inventory of and access to affordable housing in Vancouver.

**[Parks Standards \(vibrant\):](#)** Phases I & II of parks greening is underway. Workshop on the overall work program was presented to Council on [March 28](#) 2016. Review of current levels of service standards completed, including identification of gaps and backlog of deferred maintenance. Community conversation on capital strategy, originally anticipated in Q2 2017, is now anticipated to occur in the context of the Vancouver Strong effort. In addition to this policy effort, phase II of the parks greening initiative is underway as of summer of 2017, and will result in all 28 of the currently irrigated neighborhood parks and existing park system drinking fountains being on track for greening and turf management. Implementation of a new recreation class registration software platform, [Activenet](#), completed Q4 2016, enhancing customer service and operations. Several investments in the City's park system are occurring now or are queued up for 2017, including improvements to 12 neighborhood and community parks in addition to the Waterfront Park project. One of these is a major installation and eventual acquisitions of improvements at a future city-owned park at Columbia Tech Center, which will add a large nature play area playground adjacent to the current concert area. Future development of the site by CTC will include a restroom as well as a permanent stage for concert programming on the east side of Vancouver. Finally, the City is in the final stages of negotiating a contract with the United States Tennis Association to be the City's contract operator of the Vancouver Tennis Center. The

**[Resourcing for VPD \(safe & welcoming\):](#)** Recommendations from the [Community Resource Team](#) were adopted by the city Council in February of this year. The first supplemental budget of 2017 (scheduled for adoption July 17) reflects the initial two years of staffing additions consistent with this

recommendation. Hiring is underway in anticipation of this budget action, and the revised “overhire” policy has increased our capability to timely hire new officers.

In addition to successfully delivering the Police resourcing plan, the city transitions from a contract for police records service with the Clark County Sheriff’s office to an independent, stand-alone police records unit during the second half of 2016. This entailed designing a program and organizational structure, remodeling west precinct to accommodate additional civilian employees, hiring 19 dedicated records employees, establishing systems and training to deliver 24/7 records services to VPD. This was accomplished on time and on budget, and is projected to cost approximately \$160,000 less annually than the contract with CCSO.

**Annexation (safe & welcoming, vibrant, prosperous):** Enacted final annexation of the Van Mall North in Q2 of 2017. Several actions needed for us to perfect the transition into the City. A census of the population in the annexation area is underway to establish an accurate count of residents for the purposes of receiving state shared revenues. Final negotiations underway of the interlocal agreement with the County that lays out the transition of operations to the City for services to the annexation area; expected to be presented to Council for action mid July.

**Complete Streets (safe & welcoming, vibrant, prosperous):** completed community engagement and policy development leading to successful adoption by Council June 19. This action compliments other policies including [Low Impact Development Standards](#), the [West Side Mobility Strategy](#), and the [Evergreen Highway Corridor Management Plan](#).

In addition to these primary goals, there were several notable actions taken by the Council over the review period that were supported by the efforts of the organization. These include:

Council meetings– **41**

Workshops – **67** (not included executive sessions; 17 exec sessions)

Ordinances – **35**

Resolutions – **40** (assuming adoption of 4 on 6/26)

Major Items Presented for Council Action:

- Port Terminal 1 Master Plan Approval (6/19/17)
- Adoption of Complete Streets Policy (6/19/17)
- 6 year TIP adoption (6/16/17)
- Van Mall North Annexation (4/17/17)
- Tower Mall moratorium (6/5/17)
- Joint meeting with Clark County re: homelessness (5/1/17)
- VPD Resourcing package (2/6/17)
- Award of Contract for Waterfront Park Phase 2 Construction (1/9/17)
- 2016 Fall Supplemental Budget (12/16/16)
- Uptown Village Parking Management Plan (12/19/16)
- Updates to the Multifamily Tax Exemption Program (11/21/16)
- Adoption of 2017-2018 Biennial Budget (11/7/16)
- Park Impact Fee Technical Document Update (11/7/16) and Park Capital Facilities Plan Update (2/27/17)

- Award of Construction Contract for Marshall Center Pool Upgrades (10/24/16)
- Adoption of Low Impact Development Code (10/17/16)
- Adoption of Evergreen Corridor Management Strategy (10/17/16)
- Prohibition of Through Truck Traffic on 39<sup>th</sup> Street (9/19/16)
- Columbia Palisades Master Plan (9/19/16)
- Youth Opportunity Pass Interlocal Agreement for pilot program (9/12/16)
- Approval of Impact Fee Deferral Policy for Low-Income Housing (8/15/16)
- Prohibition of Crude Oil Storage/Refinery Facilities (7/18/16)
- Adoption of Westside Mobility Strategy (7/18/16)
- Award of construction contracts for Fire Stations 1 and 2 (7/18/16)
- Multi-Family Housing Tax Exemption Agreements x 8

[Vancouver Strong](#): in February, the City Council endorsed a single but large and comprehensive goal for 2017-18 of developing a comprehensive, sustainable, streamlined resourcing plan for all city services for the next 10 years. Dubbed Vancouver Strong in recognition that the process of developing the solution and the solution itself will make Vancouver stronger as a community and as a city organization. The effort relies on a 9 member executive sponsors council to serve as a central, community based leadership structure as well as a series of concurrent and complimentary community engagement projects focused in greater detail on specific elements or projects noted in the strategic plan.

Two of twelve planned meetings of the executive sponsors council have occurred. The first two meetings have been primarily focused on establishing a strong foundation of shared understanding of where we are and where we want to go, relying on the strategic plan, current budget environment and the fiscal benchmarking work prepared by Paul Lewis that Council saw earlier in the year. Over the next several months, we will engage the Executive Sponsors Council in a systematic and iterative discussion about what our service gaps are (and are forecast to be) and how they can be closed. The group is well engaged and eager to get to the meat of the matter, which is expected to begin at their next meeting with an introduction of revenue tools.

Over the summer and into fall, we will review the five direct service departments with them, current levels of services, efficiency initiatives and a range of potential outcomes reflecting good (baseline service) better (enhanced service levels) and best (optimal levels of service). These discussions, paired with the revenue tools, will form the foundation for a broader community outreach effort in early 2018.

Concurrent with this, there will be four separate but complimentary public engagement efforts:

- A refresh of the [2012 Fire CRT](#) (five years later, and coincident with the 150<sup>th</sup> anniversary VFD) and an update of the standard of cover.
- The update to the Arts, Culture and Heritage plan.
- City Center Redevelopment Authority work on key downtown initiatives, including parking, Business Improvement District (BID) and the prospect of a performing arts center.
- The work of the Parks and Recreation Advisory Commission specific to parks capital and programs.

The outcomes of each of these complimentary efforts will roll up to and be synthesized into a comprehensive package recommendation to council in the spring of 2018.

As noted above, we have established a web page for Vancouver Strong where all meeting agendas, schedules and materials can be found. In addition, we have established a project email, [vancouverstrong@cityofvancouver.us](mailto:vancouverstrong@cityofvancouver.us) as a standard way to solicit information from interested citizens.

Though this will require a tremendous amount of work in the next 10 months, it presents an unparalleled opportunity for improving our city and positioning Vancouver for a more vibrant and prosperous future.

### **Administrative Activities**

There are a variety of activities undertaken by the city manager's office and leadership team that support the Council's vision and direction but are lower profile than the primary goals identified by the Council for the review period. These include addressing feedback given by Council over the last evaluation period, labor relations, recruitment and hiring, ongoing process improvements, completion capital projects, evolution of the organization's culture and implementation of core software systems.

**Labor relations:** the City has successfully negotiated all but two labor contracts, bringing stability in both labor relations and costs predictability. The remaining contracts to be negotiated are with Fire Battalion Chiefs and Deputy Fire Marshalls. Contracts with AFSCME and OPEIU were one-year (through 2017), and negotiation of successor contracts will commence in late Q3 of this year.

**Hiring:** the City has hired a total of 134 new full time employees and 290 temporary employees in the last year.

**Efficiency and effectiveness:** I believe we are turning the corner culturally to reflect continuous improvement as a fundamental way we do business. In the last year, we have certified 38 yellow belts (including the full MLT and VPD command ranks) and 14 green belts in LEAN/Six Sigma. In addition 3 major and a number of minor kaizen events have been completed across the organization (including an overhaul of the Council agenda packet production process). While each of these on their own do not equal lasting change, the collection of small, incremental shifts in how we operate and the growing use of lean practices are positive indicators of cultural change.

In addition to these LEAN efforts, a series of operational assessments have been conducted or are underway at the City.

- Operational assessments: there are a number of assessments identified for the biennium that were intended to improve our processes and practices as well as identify alternate delivery options, all in pursuit of more efficient, effective and sustainable results. Status is:
  - Workers Compensation: program assessment complete; new workers comp specialist position filled and system improvements underway.
  - Municipal Court: operational assessment complete; engaged with Clark County on implementation and monitoring.
  - Procurement: assessment complete; policy changes adopted August 2016 and implementation underway.

- Grounds & Facilities Maintenance: assessment and total cost of ownership study underway.
- Police Records/LERIS: VPD records unit successfully established at year end 2016 increasing service levels of VPD and reducing costs. Preparing for an assessment of alternatives to the RegJIN software system currently used by VPD.
- Equipment Services: assessment complete; implementation of efficiency and effectiveness underway. Full implementation expected to take 12 – 24 months.
- Security Assessment (IT): complete; findings under review and implementation. Creation and hiring of a Chief Security Officer complete; internal security improvements underway, including PCI security compliance and HIPPA compliance.
- Parking: total cost of ownership and assessment of the parking program underway; conversion of metering to pay stations underway concurrent with metering and enforcement of uptown village parking.
- Tennis Center managed competition: RFP issued in December; preferred vendor selected and contract negotiations underway. Target effective date with new operator January 1, 2017.

**Enterprise Resource Planning (ERP) system implementation:** There is a single “backbone” system for the City’s finance, payroll and HR functions. Currently, that is Oracle. After an extensive process to review and select a replacement system (in which Oracle was considered) the City has chosen [Workday](#). While this is definitely a “back of house” project (if done correctly, invisible to Council and the public), it will have significant impacts to the operations of every department and represents a major change management initiative. In the end, the new platform is anticipated to have significantly improved analytical capacity and a more friendly and efficient use interface. Hundreds of city employees will need to be trained in an entirely new way of interacting with a core software platform. The project management team is focused on highly effective change management as well as the effective deployment and go live of the software itself.

**Progress on feedback from last review period:**

Things That Could Be Going Better:	Progress
<ul style="list-style-type: none"> <li>● <u>Permit Process:</u> With the improving economy has come an increased work load on the building and planning staff resulting in slower response and turnaround times.</li> </ul>	<ul style="list-style-type: none"> <li>● In 2016, temporary personnel matters interfered with permit timeliness (retirements, etc.) The first half of 2017 permit timelines have exceeded our internal benchmark (78 days) but been in compliance with code requirement (90 days). The first supplemental of 2017 includes additional staff capacity to address the impending development pipeline as well as provide for succession of projected key person retirements.</li> </ul>
<ul style="list-style-type: none"> <li>● <u>School Impact Fees:</u> The ordinance increasing school impact fees did not get</li> </ul>	<ul style="list-style-type: none"> <li>● Internal operating protocol – applicable to all policy changes, not just impact fee adjustments – adopted and</li> </ul>

<p>incorporated into the City system resulting in new development being undercharged.</p>	<p>implemented to assure error is not repeated.</p>
<ul style="list-style-type: none"> <li>• <u>Staff Presentations:</u> Some staff presentations could be improved with coaching and practice beforehand.</li> </ul>	<ul style="list-style-type: none"> <li>• Instituted internal consultation with Communications team on key presentations; rehearsal mandatory for high profile issues.</li> </ul>
<p><b>Areas To Focus On:</b></p>	<p><b>Progress</b></p>
<ul style="list-style-type: none"> <li>• <u>Stay the course.</u> Continue to maintain the momentum on high priority projects, programs and issues including but not limited to waterfront redevelopment, street maintenance initiative, new fire stations, staff transition planning, CRT, parking, public safety, park maintenance, Westside Mobility, police records transfer, annexation, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Waterfront redevelopment: Waterfront Park under construction (delayed due to high water, but projected to recommence mid summer); first two buildings under construction; four additional buildings in permit review.</li> <li>• Street maintenance initiative: expansion of pavement management and right of way maintenance continuing this year. Second \$20 license tab implementation scheduled for December 2017. <a href="#">2017 Projects can be found here.</a></li> <li>• New fire stations: see update above; on track for Q4 go live.</li> <li>• Police CRT: adoption of police resourcing initiative completed February; 34 commissioned and 71 civilian employees hired June 16 – June 17 bringing commissioned officers to 201. Additional candidates in process.</li> <li>• Parking: transition to pay stations downtown underway; metering of uptown shortly to follow. Enforcement of government district and uptown underway. Developing strategic options to meet long term parking demand in downtown. Total cost of ownership study/operational assessment underway.</li> <li>• Public safety: second year of ambulance contract complete; results exceed state and federal benchmarks. Response times for fire eroded in Q4 2016, with primary cause being dispatch system changes, severe winter weather and aged station locations. Completion of new stations will improve system response. Project Homesafe continued education and outreach campaign to reduce</li> </ul>

	<p>incidence of residential fires in targeted areas of the City.</p> <ul style="list-style-type: none"> <li>• Park maintenance: completed Phase I and II of the re-greening of city parks including restoring irrigation and turf management to 28 neighborhood and community parks.</li> <li>• Westside Mobility: strategy adopted July 2016; implementation underway, including prohibition of trucks on 39<sup>th</sup> Street.</li> <li>• Police records transfer: go live December 31, 2016</li> <li>• Annexation: see above.</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Capacity Building/Transition Planning:</u> Continue to build capacity and plan for staff transitions in the Management Team, the City Manager’s Office and throughout the organization.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff transition planning: overhire policy included with financial policy update adopted in 2017 allowed more flexibility in transition planning. Perfected transition of deputy city manager in May 2017; key leadership positions in public works filled through successful internal succession; major leadership transition underway in Fire at the captain and battalion chief level. Currently exploring succession planning options and dynamics in the context of civil service rules and regulations.</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Staff Presentations:</u> Review staff presentations beforehand especially on high profile issues to insure they are effective both for the Council and the public.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased oversight and review of all presentations; increased frequency direct consultation with Communications team on presentations on key issues (500 consults over last 12 months).</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Community Relations:</u> Develop a plan to enhance relations with Vancouver’s diverse cultural communities.</li> </ul>	<p>This area continues to be one to focus on for me. Points of progress:</p> <ul style="list-style-type: none"> <li>• Initiated a diversity and inclusion initiative at the City; established a diversity advisory network to advise CMO on the same. Initially internally focused, the initiative is intended to serve as a firmer foundation for increased engagement with diverse communities within Vancouver.</li> <li>• Increased mindfulness in recommended task force/CRT composition to better reflect broad cross section of community.</li> <li>• Communications division developing a framework to guide organization-wide outreach and engagement efforts,</li> </ul>



	<p>including strategies and methods to engage hard to reach communities, language translation standards and enhanced interpretation resources.</p>
<ul style="list-style-type: none"> <li>• <b>Service Levels:</b> Continue to pursue a budget which restores levels of service lost as a result of budget cuts during the recession including those in police and parks.</li> </ul>	<ul style="list-style-type: none"> <li>• 2017-18 budget and first supplemental budget of 2017 reflect a range of improved levels of service across multiple service areas, including parks, police and streets.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Communication:</b> Continue to improve public communication using technology, social media, common messaging, identity and branding.</li> </ul>	<p>Multiple efforts:</p> <ul style="list-style-type: none"> <li>• <b>Couve Quickcast (June 2016)</b> – Live social media show covering events, businesses and City services. Averaging more than 1,000 views per episode, this show contributed to a more than 77% increase in COV Facebook following in less than a year.</li> <li>• <b>City Five (Oct. 2016)</b> – Bi-weekly news show to fill the gap in city news coverage. Up to 10,400 viewers per episode; more than 70,000 total views to date.</li> <li>• <b>Vancouver Connects (Dec. 2016)</b> – Monthly external e-newsletter; 6,000 subscribers and highest opens/ click rates of any email newsletter sent out from the City.</li> <li>• <b>Ask Vancouver (May 2017)</b> – Quarterly, live update with the City Manager, including answers to questions from the community. Premiere episode received more than 5,000 views on Facebook &amp; Twitter.</li> <li>• <b>Inside The City (June 2017)</b> – Short videos highlighting City employees and jobs; build brand equity and awareness for Vancouver, recruiting, “humanizes” city staff, inform the public about job functions. VPD Officer Rey Reynolds episode viewed more than 18,000 times and shared by nearly 200 viewers.</li> <li>• <b>Real Vancouver (Coming July 2017)</b> – A monthly, “uniquely Vancouver” 10- minute documentary style series featuring Vancouver people, places, businesses and history; build Vancouver’s brand equity and awareness.</li> </ul>

### **Capital Projects Status**

The City is pursuing nearly \$140 million in capital investments across multiple funds. The status of key projects is highlighted here. **It is notable that with the exception of revenue supported bonds for the renovation of the west barracks all of these projects are being completed without the use of any debt.**

#### **General Capital:**

**VFD Fire Station 1 & 2 Project:** The work on the VFD Replacement Fire Stations 1 & 2 project are progressing as scheduled with current work activities involving site civil, exterior cladding, and mechanical/electrical rough-in. Substantial Completion at both stations is expected by November and after testing by VFD will become operational by the end of the year.

**West Vancouver Barracks Redevelopment Project:** The West Vancouver Barracks Redevelopment Project achieved Substantial Completion at the end of May. The Fort Vancouver National Trust has moved in several tenants and are working with prospective tenants on leasing out the remaining space.

**Marshall Community Center Pool Upgrades Project:** The Marshall Community Center Pool project is expected to complete by early August. The pool will reopen to the public mid to late August.

**Pervious Pavement Replacement Project:** The replacement of pervious concrete with permeable pavers at the Firstenburg Community Center and VPD East Prescient will be completed by mid-July. Both facilities remain open during construction.

**Operations Center Redevelopment Project – Phase 1 Master Planning:** Master planning work on the Operations Center Redevelopment project kicked off last month. Detailed concepts along with their associated designs, estimates, and support information is expected to be completed by the end of the first quarter of 2018.

#### **Street Capital Projects**

A number of street projects are under development this year, including 18<sup>th</sup> Street, SE 1<sup>st</sup> Street, Mill Plain Safety Improvements and pedestrian enhancements. Details and status of the projects can be found [here](#).

#### **Utility Capital Projects**

A range of capital projects in the sewer, water and drainage utilities are underway or being prepared for bid which will improve efficiency, effectiveness and prolong the life of the utility systems.

#### **Awards and Recognitions:**

The City's profile is shifting and appears to be at a tipping point. Vancouver has been noted in a range of media as well as recognized for exceptional work as follows:

- AWC Municipal Excellence Award: Vancouver business assistance program.
- Department of Ecology Outstanding Performance award: Marine Park Wastewater Treatment Plant

- Outstanding Rehabilitation from State Historic Preservation Officer (SHPO): Fort Vancouver Barracks Building 987 Award for
- VDA Game Changer awards: Rebecca Kennedy/Vancouver Downtown Association Economic Vitality
- Washington State Auditor Stewardship Award: Christine Smith – Vancouver’s commitment to the audit process and maintaining strong internal controls while promoting a culture of accountability for public resources.
- ESGR [Above and beyond Award](#)
- [People Magazine Five Super Affordable Cities and Towns](#) - 2017
- [Sunset Magazine Best Main Streets in the West Finalist](#) - 2017
- [Sunset Magazine 20 Best Value Towns in the West](#) - 2017
- [Tree City USA](#) and Growth Award from the Arbor Day Foundation in honor of Vancouver’s commitment to effective urban forest management -2016
- [First place Savvy and two Silver Circle awards](#) from The City-County Communications & Marketing Association ([3CMA](#)) in recognition of outstanding local government achievements in communications and public-sector marketing - 2016
- [The hot new thing in the Portland beer scene? Vancouver](#) - 2016
- Esther Short Park earns a TripAdvisor [Certificate of Excellence](#) - 2016
- [Vancouver, WA is the next beer town you’re not paying attention to](#) – Thrillist.com 2016

### What’s on the horizon

As we lead the City into the future, there are a number of trends, topics or projects that will influence the path we take. Some key areas include:

- **Increasing diversity, income inequality and (relatively) stagnant household prosperity:** while the economy continues a positive trajectory, with both employment and wages up, one of the most challenging issues facing the city is the disconnect between the pace of wage growth and pace of the cost of living, especially housing costs. Layered on top of this is an acceleration toward diversity in the community.

Over the last year I have initiated and slowly advanced an internal effort to improve the City organizations cultural intelligence. Core to the work will be the Diversity Advisory network, a cross section of employees for every department at every level in the organization. Their role will be to advise my office on design and implementation of the program, as well as engage with their peers from their home departments and others across the City as agents of the initiative. The initial focus of this work will be internal to the city organization, with an intent to rely on the increased facility as an organization

to expand the work to boards and commissions, neighborhoods and community organizations. Earlier in the year, I shared with Council the preliminary scope of work negotiated with an outside consulting firm to conduct an assessment of the city organization and training of city employees in diversity and inclusion. Since then, my confidence in the ability of this vendor to meet the City's needs has eroded, and I am engaging with the advisory network to discuss alternatives and next steps.

- **Increasing urbanization:** we have added about 7,500 residents in the last year (about 3,000 from growth and 4,500 from annexation), and if historic trends continue will add between 15,000-18,000 more in the next 6 years. A vast majority of in-migration will be housed in multifamily development. If any significant annexation were to occur, our total population could climb to more than 190,000 by 2020. This is the equivalent of adding the entire population of the City of Camas to Vancouver without the addition of any land, and there are few signs that the growth will slow outside of a catastrophic event. The increasing density changes the way the City lives over time (how neighborhoods change, residents relate to one another, travel around the city, etc.). This change in living happens slowly, but one day we find it at a boil; proactive thought and action to manage expectations and mitigate the impacts of the transition can contribute to a stronger, more cohesive community in the long run.
- **Increasing leadership expectations at the local/metro level:** as our citizens witness ongoing dysfunction at the state and federal level, they are turning to local governance structures for leadership. This dynamic brings to the fore a range of issues that have not historically been squarely in the City's portfolio. In addition, fiscal support from the state or federal government is becoming less and less available and reliable, increasing the need for self-reliance at the local level.
- **Transitioning to a mindset of possibility:** the city's fiscal position and improved budget climate bodes well for our future. It will be a challenge to maintain a balance between healthy fiscal discipline while addressing current level of service deficits (for both direct and indirect services) the service needs of increased demand from population and business growth. There is a scarcity mindset gouged deep into the organization from decades of "structural deficit" – aggravated by the recession – that constrains big thinking.
- **Accelerating Technology:** Data management, transparency, new tech platforms, mobile trends and the role of social media all challenge our traditional approaches and systems, including engagement, regulatory and retention.

I hope this progress brief is useful to the Council in the context of this evaluation cycle. I look forward to the conversation.

Attachments:

- Council Policy - City Manager evaluation
- Final July 16 evaluation document