



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 8, 2014

FROM: PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: RESOLUTION NO. _____ – 2014 STRATEGIC PLAN

SUMMARY:

The Port of Los Angeles (Port) 2014 Strategic Plan (2014 Plan) is an update to the 2012-2017 Strategic Plan (2012 Plan). The 2014 Plan tightens the actionable focus of the City of Los Angeles Harbor Department (Harbor Department) with a Mission Statement, reorganizes the number of Objectives from seven to four, and reprioritizes previous initiatives and actions, many of which were completed. Approval of the 2014 Plan does not obligate the Harbor Department to any specific development project or financial expenditure. The 2014 Plan would be used as a policy document to align the allocation of resources with strategic priorities.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the Port of Los Angeles 2014 Strategic Plan to replace the previous 2012 Plan; and
2. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – At the July 16, 2014, Special Meeting of the Board, staff gave a presentation on the 2012 Plan, originally approved on April 18, 2012. The Board provided staff with direction to update the plan, consistent with the plan's provision that it be assessed annually to ensure relevance prior to the start of the annual budget process. An update was opportune since a majority of the actions identified in the 2012 Plan were completed. Additionally, an updated plan would reflect the policy direction of Mayor Garcetti's recent Board appointments and the Harbor Department's new Executive Director in response to changing conditions in a dynamic and competitive port industry environment.

SUBJECT: 2014 STRATEGIC PLAN

The 2014 Plan – A team consisting of senior management and select division heads engaged in a strategic planning process to update the 2012 Plan. The team held a kick-off meeting on July 23, 2014. Workshops with each of the five Harbor Department Bureaus were also held to receive input and feedback on proposed changes. On September 4, 2014, the Executive Director provided the Board with a presentation on the primary elements of the team's recommended plan. Board feedback was generally positive and was incorporated into the plan or addressed in other staff efforts.

The proposed 2014 Plan (Transmittal 1) is not a major departure from the 2012 Plan but instead streamlines and tightens its scope. The 2012 Plan's long-term aspirational vision was retained: *We are America's Port® - the nation's #1 container port and the global model for sustainability, security, and social responsibility.* A mission statement, which would be the actionable focus of the organization, was added: *We provide value to our customers by providing superior infrastructure and promoting efficient operations that grow our port as North America's preferred gateway.* The seven Strategic Objectives in the 2012 Plan were reorganized and prioritized into four new Objectives, focusing on: (1) infrastructure, (2) supply chain efficiency, (3) financial strength, and (4) stakeholder relations. Under each Objective, new or revised Initiatives and Metrics were developed.

Board Action – The 2014 Plan does not obligate the Harbor Department to undertake any specific development or construction project. The 2014 Plan would align the various activities of the Port and the allocation of resources with policy direction. Should the Board approve the 2014 Plan, it would be utilized in the Fiscal Year 2015/2016 budget process. Consistent with the 2012 Plan, the 2014 Plan would be assessed on an annual basis.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the 2014 Strategic Plan which is an update to the 2012-2017 Strategic Plan. The 2014 Strategic Plan does not obligate the Harbor Department to undertake any specific development or construction project. Any specific projects or activities outlined in the plan would be subject to environmental review under the California Environmental Quality Act (CEQA). As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will not have direct employment effect.

DATE: OCTOBER 8, 2014

PAGE 3 OF 3

SUBJECT: 2014 STRATEGIC PLAN

FINANCIAL IMPACT:

Implementation of the proposed Strategic Plan will be in conformance with the Board adopted Financial Policies, which seeks to balance prudently the Port's core business requirements and strategic objectives with its financial resources. This action does not authorize funding for various strategic priorities. Any funding will be requested to be budgeted as part of the annual budget adoption process, which is subject to Board approval.

CITY ATTORNEY:

The Office of the City Attorney has reviewed the 2014 Plan and has identified no legal issues at this time.

TRANSMITTAL:

1. Port of Los Angeles 2014 Strategic Plan

FIS Approval: MS (initials)
CA Approval: MS (initials)



MICHAEL KEENAN
Assistant Director of
Planning & Economic Development



DAVID L. MATHEWSON
Interim Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

Author: M. Cham