

Shakopee Government Overview

2 May 2023



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Vision

Shakopee is a place where people want to be!

A distinctive river town, with a multitude of businesses, cultural and recreational opportunities in a safe, welcoming and attractive environment for residents and visitors.



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Mission Statement

Our mission is to deliver high quality services essential to maintaining a safe and sustainable community. We commit to doing this cost-effectively, with integrity and transparency.



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Our Values

- Integrity
- Best for the community not individual interests
- Accountability
- Innovation
- Welcoming and Open to Difference
- Fair and Consistent
- Fun!



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City Government

- Statutory City under Chapter 412 of the MN Statutes
 - 2nd Class City
- Weak Mayor - Council Plan (w/ City Administrator)
 - Modified by City Code to “City Manager Light”
 - Supervise all city employees
 - Hire/Fire (w/ few exceptions)
 - Budgetary Responsibility
 - Maker of rules, regulations and procedures
 - \$25k purchasing power



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City Government

- Mayor and Council - 4-year terms
- City Administrator
 - Appointed by Council
 - Works for the Body (City Council as a whole)
 - Count to 3
 - I am not here to “make you happy”
 - Facilitate decisions by the body as a whole
 - Different councilmembers have different priorities – can’t cater to one
 - I am here to “make you look good”



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City Government

- City Council is legislative branch of city government
 - Board of Directors w/ CEO (Administrator)
 - Primary focus is on Policy not Day-to-Day Operations
- Council acts as a whole
 - No individual authority to set policy or direct any actions
 - Authority over budget, audit, disbursements, approve contracts
 - Supervise the City Administrator
 - Serve as liaison to boards and committees



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Elected Officials

- Don Borut, former ED of NLC
 - *“Running for public office at the local level is an irrational and unnatural act. You permit yourself to be scrutinized more than an amoeba under a microscope, for below market pay, so that citizens can call you day and night. And for what? The right to make decisions that will tick off half the folks in town.”*



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- *“So why do you do it? Basically, to make a difference in your community and improve the quality of life for your citizens...”*



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Role of the Individual Councilmember

(Handbook for MN Cities –League of MN Cities)

- Why Important?
 - City officials can be held personally liable for failing to act or taking unauthorized action on the part of the city
- Duties are to be performed – almost without exception – by the Council as a whole
 - “Most important single responsibility” is participation at council meetings
 - In an individual capacity Councilmembers have no administrative authority
 - A councilmember cannot give orders to or otherwise supervise city employees



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Role of Council as a Whole

- Powers are to generally
 - Supervise City Administrator
 - Formulate Policy
 - Exercise City statutory powers
- Should devote time to
 - Basic Policy
 - Act as liaison between City and its Residents



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Major Areas of Council Authority and Responsibility

- Certifying election results
- Setting rules governing its proceedings
- Exercising city powers granted by law
- Legislating (enacting ordinances)
- Directing enforcement of city ordinances
- Appointing the city administrator
- Levying taxes and approving budgets
- Appointing members to boards/commissions
- Conducting city intergovernmental affairs (JPAs, appt to other govt)
- Protecting welfare of residents
- Transacting city business (purchasing, bidding, licensing and contracting)



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2015 Springsted report on City Organization

- City Administrator should focus on
 - City Council Relationships
 - Organizational Priorities and Strategies
 - External Collaborations and Community Relations
 - Problem solving, Coaching, Advising, guiding Training and not day to day operations at the departmental level



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No Park Ranger Management



- City Administrator is not a Park Ranger
- Not here to help you get out of the woods
- Creates a culture of micro-management by default and sucks leadership into day-to-day decisions
- Creates an environment where employees stop trying to solve problems
- Least effective way to achieve results and does not establish training or mentoring



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2015 Reorganization – Shift with Growth

- More independence and responsibility to DH giving them ownership of their organizations
- Remove City Administrator and Assistant City Administrator from responsibilities of day-to-day Project Management
- *“How much involvement do you want your city administrator to have in the day-to-day running of city government? If you have competent department heads and staff, that individual doesn’t have to be involved in the day-to-day grind. They can step up and do other things you may want in that position.” – David Unmacht (2015)*



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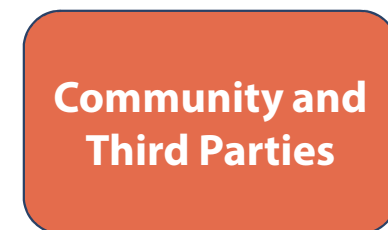
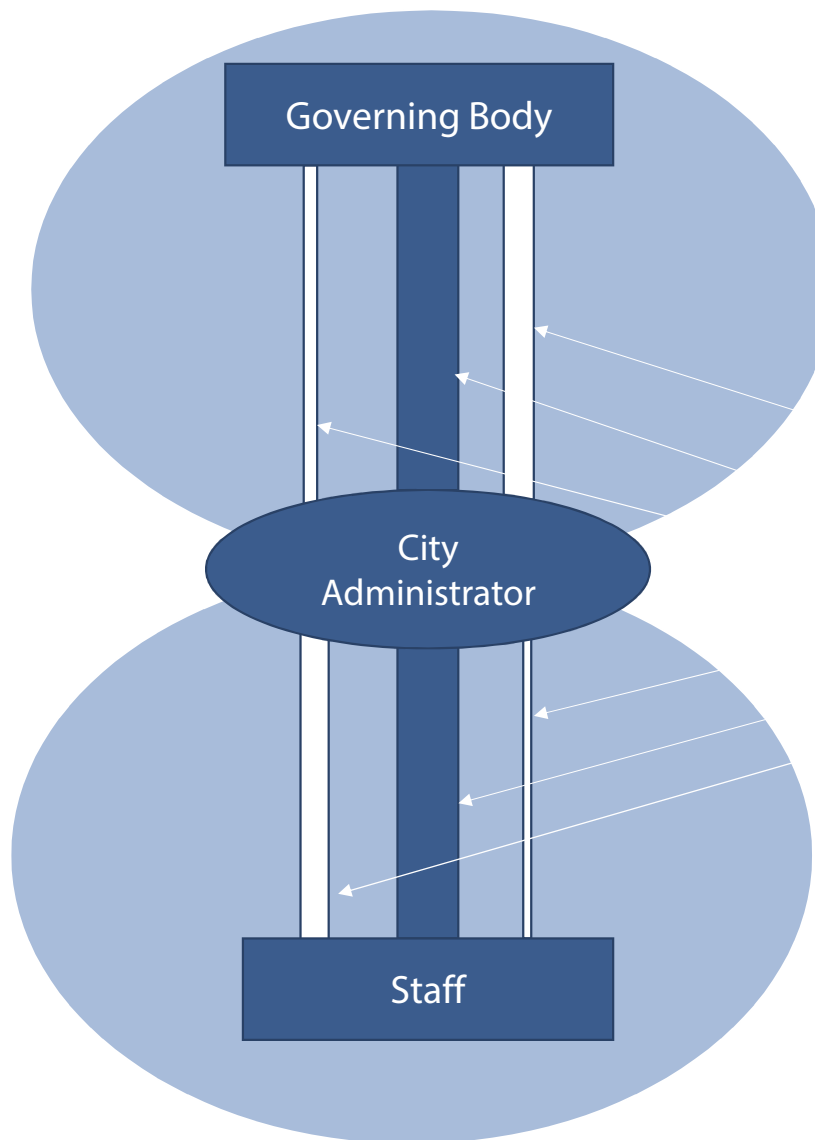
Duties of the City Administrator

(City Code Sect. 32.15)

- CAO of the city "... responsible to the Council for the proper administration of all affairs of the City."
- Supervises the administration of all departments, offices and divisions
- Screens and selects/recommends for employment, suspends, recommends for termination
- Develops and issues all administrative rules, regulations and procedures
- Submits the annual budget
- Attends and participates in Council meetings
- Enforces all laws and city code provisions
- Purchases or contracts for previously budget items < \$25k
- Recommends actions to improve health, safety/welfare of community or administration improvement
- Accepts resignations – except DH, police captains or sergeants
- Hires, Promotes, Appoints for positions previously budgeted - except above positions and mid-point pay
- Other duties as directed by Council



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What does Shakopee City Government do?

- What we do not do
 - Schools – Independent School District
 - Power/Water – Shakopee Public Utilities (SPU)
 - Social Services – Scott County and non-profits
 - Affordable Housing – Scott County and non-profits
- What we do (simplified)
 - Fix roads, put out fires, provide recreational opportunities, plan for and facilitate economic growth, and put bad guys in jail



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City Council Strategic Objectives

- 2020-2024 Strategic Plan
 - Financial Stability
 - Enhanced Community Strengths
 - Effective Public Services
 - Communication



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Administration Long Range Goals

Transparency and Accountability

Multi-year process with structural changes (including budget) implemented each year

- Establish true transparency
 - Residents should be able to understand what we give them in the budget
- Ensure budgets reflect how we spend tax dollars
 - Project/Program focus
- Speak in a language people understand – be open with what we are doing... (NOT lawyer speak)
- Provide Excellent Customer Service



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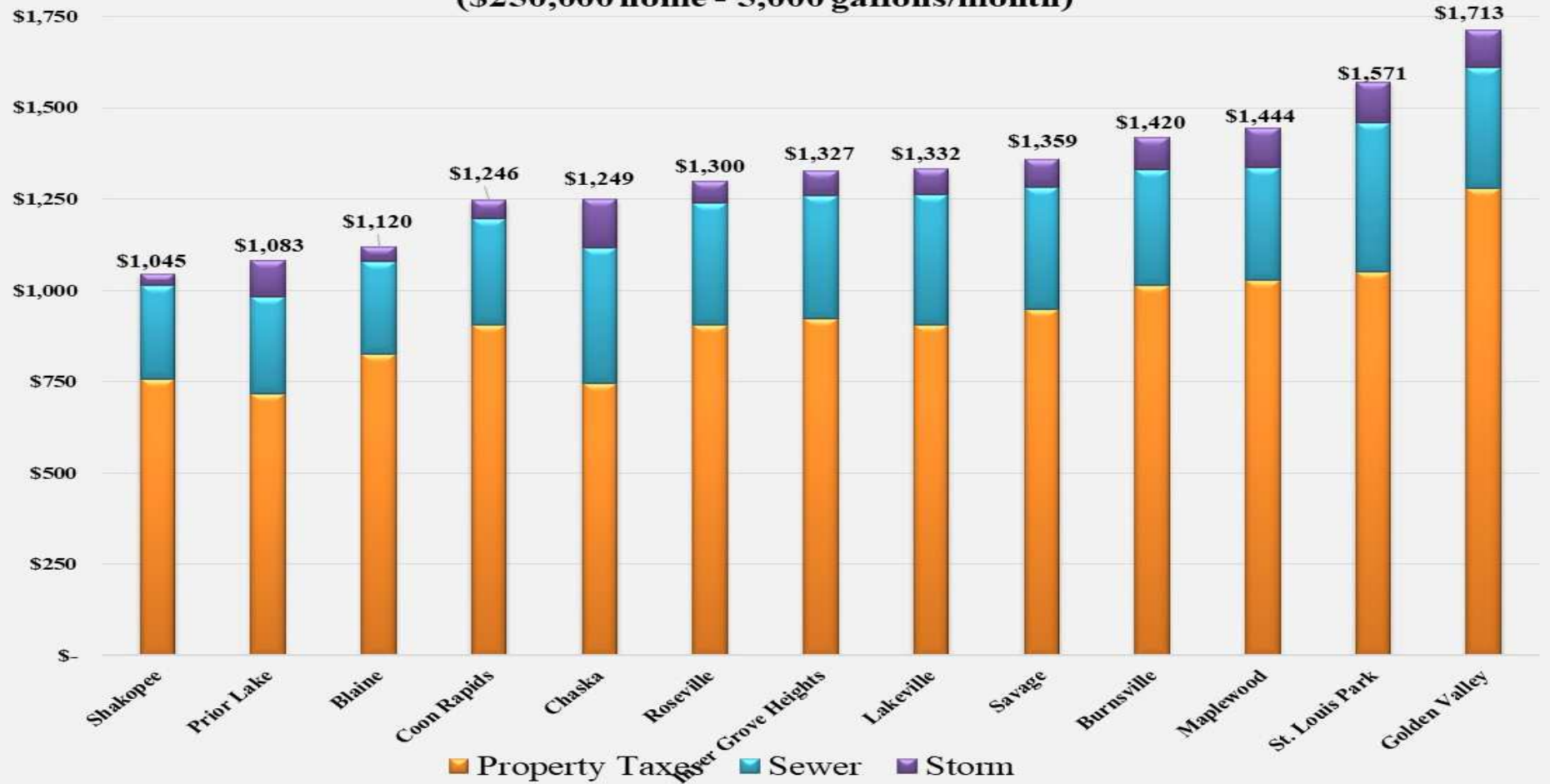
City Council Financial Goals

- Low Taxes – Continues to be one of the lowest taxed communities in the Twin Cities Metro
 - Of the 60 MN cities over 20k population, we have the 8th lowest tax rate
 - 4 of those receive Fiscal Disparities (we lose over \$6M) and/or Local Gov't Aid (get \$0)
 - State average tax rate is 45.00%. Our 2023 is 28.585. Will continue to fall in 2024.
- Increase Tax Capacity
 - 2023 Taxable Market Value increased \$625M (8.7%)
 - 2022 Taxable Market Value increase of \$1.2 billion (19.4%)
- Stable Tax Rate
 - Trend of tax rates continues to fall



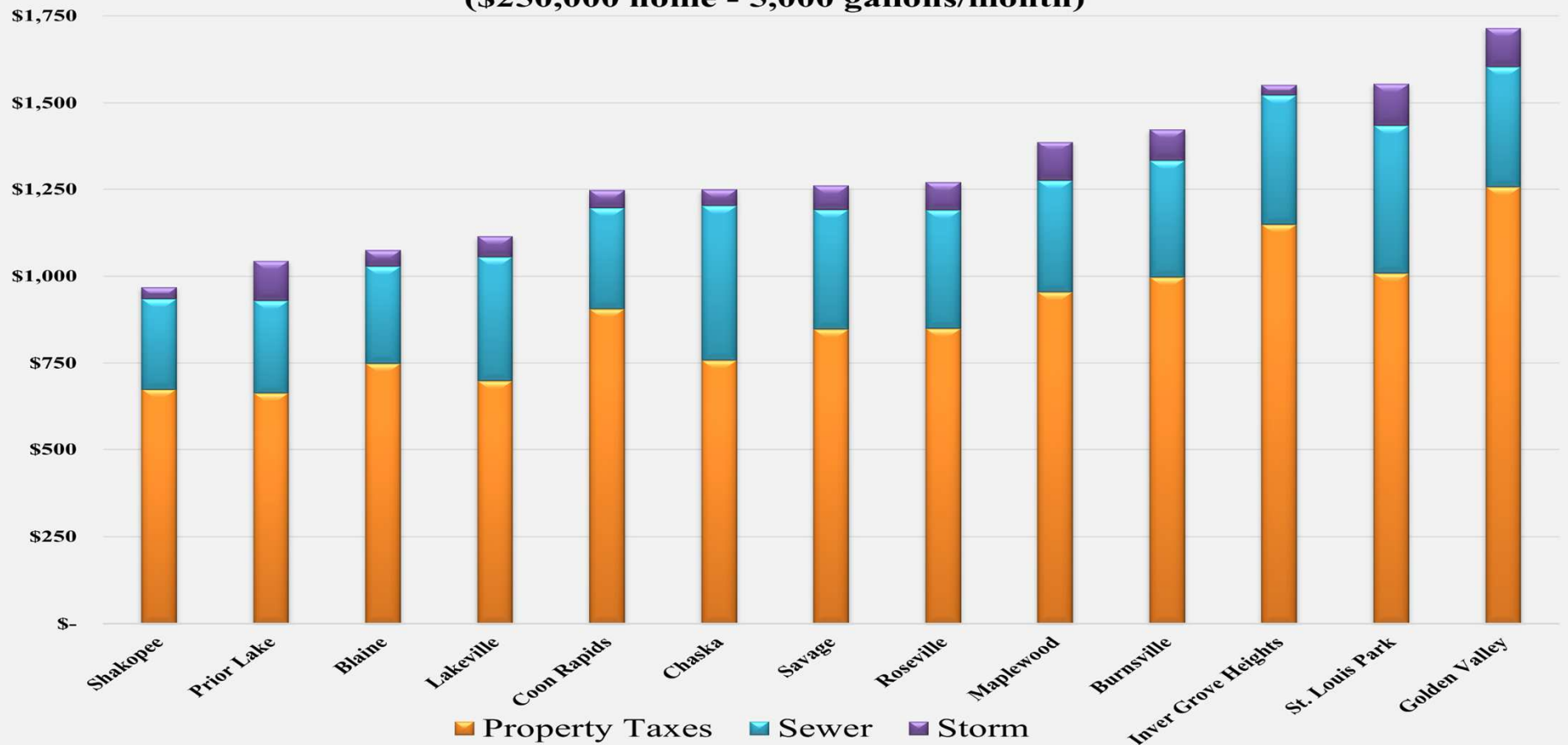
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2022 Annual Cost of Services for Comparable & Surrounding Cities (\$250,000 home - 5,000 gallons/month)



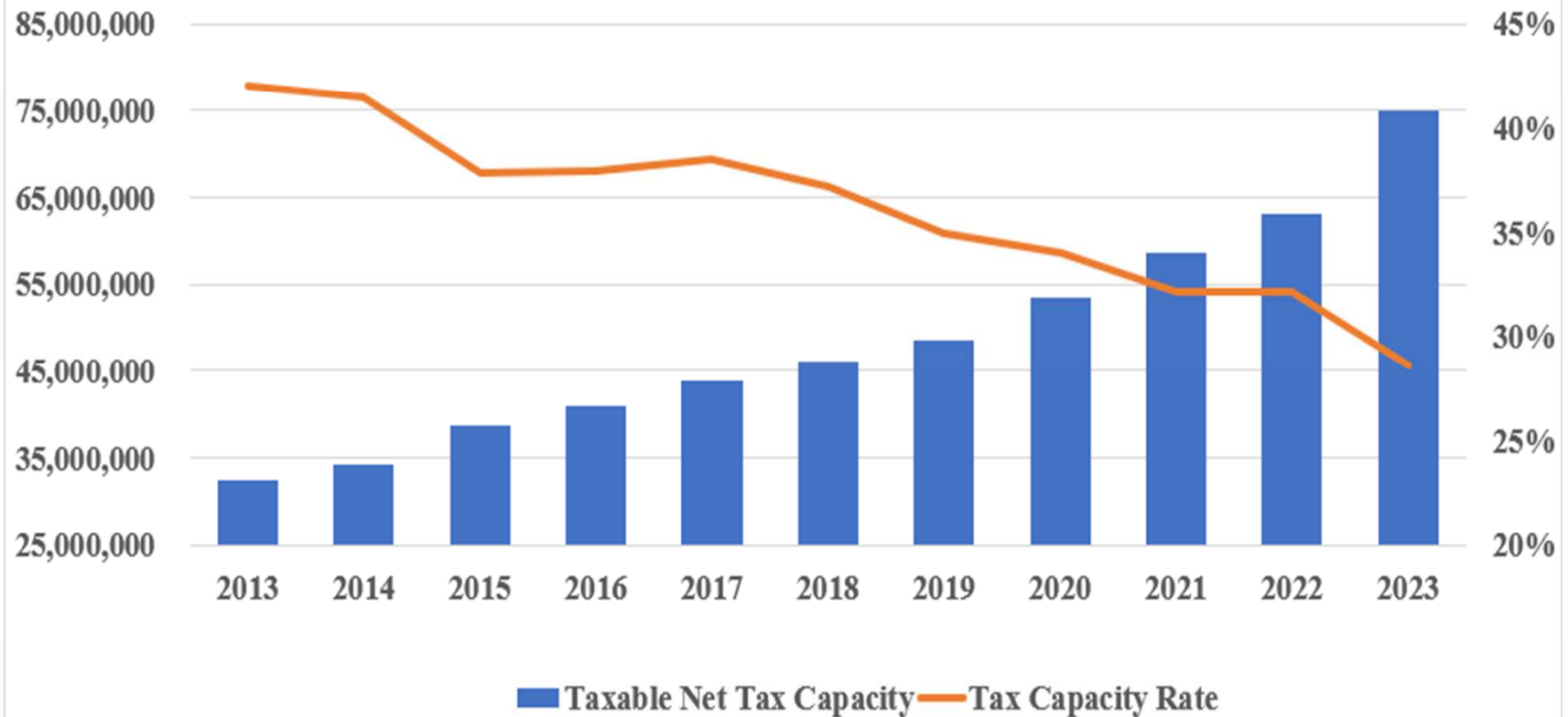
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Tax Capacity & Tax Rate Comparison



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The role of Growth

- Growth keeps taxes low
 - as the pie grows your piece is less expensive
- However, there is little a city can actually do to encourage growth other than some individual redevelopment projects
 - Private landowners can often do what they want with the property
 - Low-income housing on former KC Hall parking lot
 - “Why can’t the city get an (Italian) restaurant?!”
 - Zoning changes are city’s biggest influence



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City Projects:

Old City Hall Site Deco Apartments

- 83 Units
- Market Rate
- Studio, 1 bedroom and 2 bedroom
- Retail and parking on the first level
- 5 story building
- Underground and ground level parking



Southwest Corner



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City Projects:

Shakopee Flats River-Front Apartments

- 126 Units
- Market Rate
- Overlooking the Minnesota River bend
- 1 bedroom and 2 bedroom
- Bistro Restaurant - Mallards
- 5 story building
- Underground parking



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City Projects: The Amphitheater

- 19,000 Seats
- \$35 to \$50 Million Project
- Outdoor with Roof over portion
- Luxury Boxes
- Anchors Entertainment District
- Centerpiece of the \$450 Million Canterbury Commons



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Tax Increment Financing (TIF)

- Sets aside a portion of future taxes
 - Increase in taxes generated by new development
- Dedicates those funds to pay costs related to development
 - Infrastructure costs in Shakopee
- Taxes still paid – not an abatement
- In-depth TIF review on 6 June 2023



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Use of TIF in Shakopee

- TIF is a state animal – each state has different uses (abuses)
- MN is very restrictive – Shakopee even more so
 - Infrastructure focused
 - As opposed to taxpayers paying for roads, use the Tax Increment to fund.
 - No direct impact to individual taxpayers.
 - Taxes do not go up due to a TIF – actually the opposite in many cases
 - 4th Ave reconstruction (“Amazon” TIF) – taxpayers would have had to pay for the reconstruction (which was due in a few years) if the TIF hadn’t funded it. That is a real tax savings for property taxpayers.



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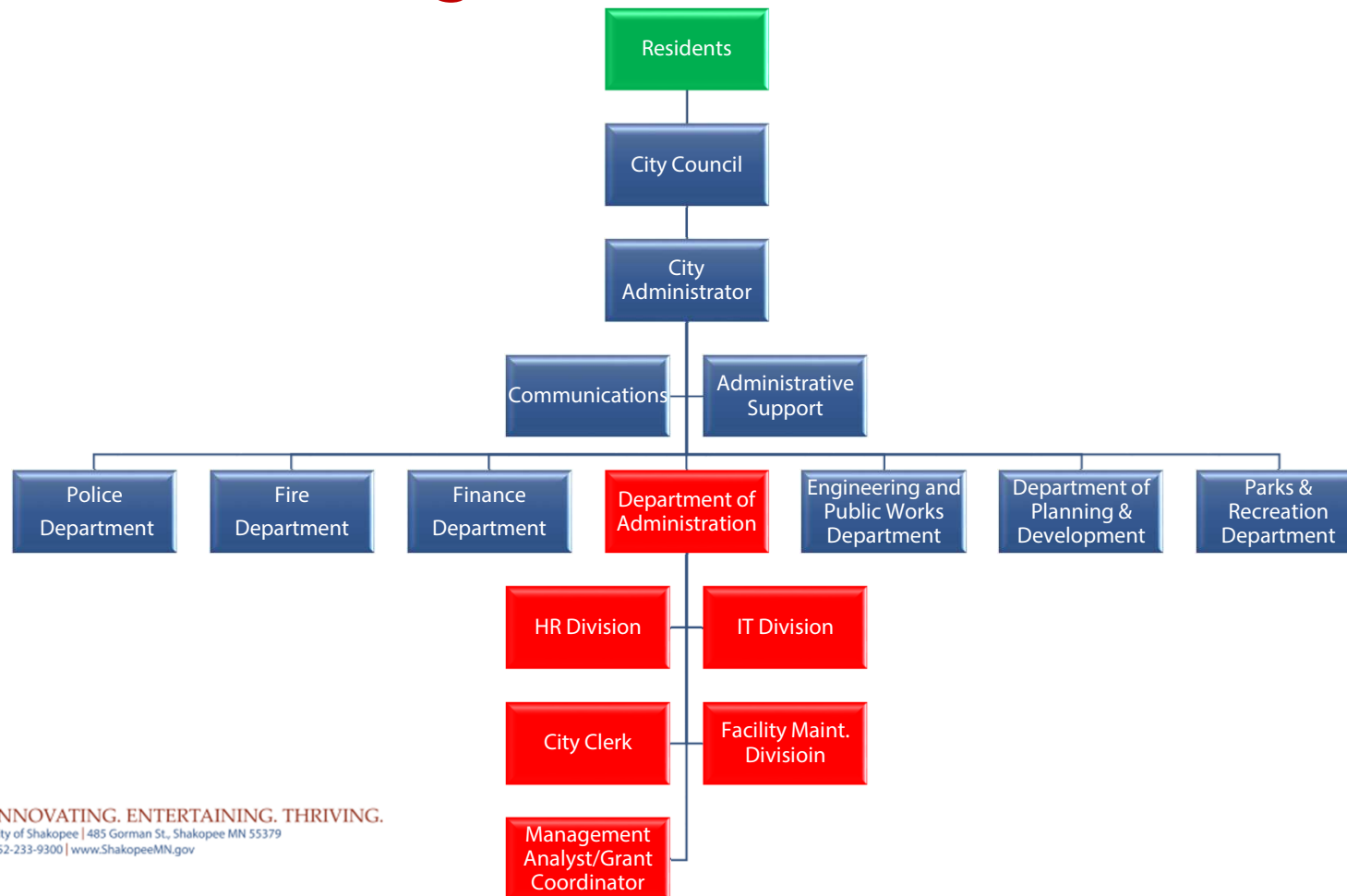
Shakopee – An Award-Winning City

- 2022 National Latino Peace Officers Association Officer of the Year
- International City/County Management Association (ICMA) 2022 Voice of the People Award – Transformation in Safety
- #30 in Money Magazines “*Best Places to Live*” for 2020
- International Assoc of Chiefs of Police Community Policing Award for 2020 (also won in 2015)
- 1 of 5 cities designated a “*City of Excellence*” By the League of MN Cities in 2020
- American Planning Assoc’s MN Best Comp Plans “*Envision Shakopee*” 2019
- American Society of Landscape Architects – Merit Award for Planning and Design for the Parks Trails & Recreation Master Plan 2019
- MN Dept of Employment and Econ Dev (DEED) – 2 of 12 major awards in 3-year period
- MN Planner of the Year for 2018
- MN Engineer of the Year for 2017



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City of Shakopee Customer Service Delivery Model Organizational Chart



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City Departments/Staff

- Department of Administration
 - HR, IT, Facilities, City Clerk, Com, Admin (20)
- Finance (4)
- Fire (8 + 46 part-time)
- Parks & Recreation (21)
- Planning & Development (15)
- Police (63 +2 flex officer positions)
- Engineering (11)
- Public Works (30 + 25 seasonal)
- 172 full-time staff
- 197 part-time and seasonal staff



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Award Winning Comprehensive Plan

“The Big Ideas”

- Create a Fresh Impression
- Rediscover the River
- Enhance Economic Clusters
- Diversify Housing Options
- Revitalize First Ave
- Knit the Community Together
- Connect People to Nature
- Foster Civic Life in Civic Spaces
- Position for the New Economy
- Spark the Startup Culture
- Support Regional Transportation
- Celebrate Big Fun!



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Ultimate Question...

- Why can't government be more like business?



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Reason is...

- We are not a business!
 - We don't seek profit but deliver *Public Value*
 - Because we take \$ through taxes as opposed to a voluntary transaction, we have a higher moral responsibility
 - Take only what we need
 - Use it effectively and efficiently
 - Be transparent oh how we use it
 - Have programs we know will “lose” \$ but deliver excellent *Public Value*



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However...

- We **can** and **must** learn from business
 - Efficiency
 - Innovation
 - Business process/process improvement



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Next Question...

How does someone navigate government bureaucracy?



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The ultimate answer is...

- Demand *excellent customer service* from your government
- Hold it *accountable*



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