



RAPP CONSULTING GROUP

December 2019

RE: FY 2020-2024 Strategic Plan – City of Shakopee

Dear Mayor Mars,

I am pleased to present the 2020-2024 Strategic Plan and Summary Report to the City of Shakopee. The plan reflects the organization's priorities, commitment to measurable results and the delivery of quality services.

It has been a pleasure assisting the City of Shakopee with this important project. The City Council and senior management team displayed clear thinking, dedication and focused effort.

I particularly wish to thank City Administrator Bill Reynolds and Assistant City Administrator Nate Burkett for their help and support during the process.

Yours truly,

Craig R. Rapp
President

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EXECUTIVE SUMMARY

From August through November 2019, the City of Shakopee engaged in a strategic planning process. The process resulted in a strategic plan covering 2020-2024.

The plan consists of four **strategic priorities**—the issues of greatest importance to the City over the next three years. Associated with each priority is a set of **desired outcomes**, **key outcome indicators**, and **performance targets**, describing expected results and how the results will be measured. The plan also includes **strategic initiatives** that will be undertaken to achieve the targeted outcomes.

The planning effort began with an examination of the operating environment via an environmental scan, and a SWOT analysis. On September 25th and 30th, 2019, the City Council and senior management team held strategic planning sessions. They drafted the organization's vision, mission and values to guide their work. They then developed a set of priorities, key outcomes and performance targets.

Based upon those priorities, the senior management team met on October 25th, 2019 to identify a set of strategic initiatives and begin development of detailed action plans. The strategic priorities, key outcome indicators, performance targets and strategic initiatives are summarized here and on the following page.

STRATEGIC PRIORITIES

Financial Stability

Enhancing Community Strengths

Effective Public Services

Communication

STRATEGIC PLAN SUMMARY 2020-2024

CITY OF SHAKOPEE

STRATEGIC PRIORITY	DESIRED OUTCOME	KEY OUTCOME INDICATOR (KOI)	TARGET	STRATEGIC INITIATIVES
FINANCIAL STABILITY	Stable tax rate	-Tax rate	-Annual rate change equal to/lower than implicit price deflator	a) Develop a long-term financial plan
	Diverse revenue sources	-Non-property tax revenue	- __% increase in non-property tax revenue yearly -Reduce financial burden of entertainment destinations by _\$ by 2024	b) Develop a grant decision-making process c) Improve 5-yr. CIP prioritization process d) Explore methodologies for capturing tourism revenue
	Adequate funding of CIP	-Long-term plan budgets	- __% of high-priority CIP projects funded by __	
ENHANCING COMMUNITY STRENGTHS	Make big ideas a reality	-Funded and executed projects	-Cultural trail completed by __ -Innovation center completed by __ -River utilization Phase I completed by __ -Gateways/west end start by 2021	a) Develop & execute long-term plans b) Evaluate economic development policies re: higher wage jobs
	Enhance quality of employment & jobs	-Average wage -Median income	-Avg. median income increased by 10% from __ to __ -Avg. hourly wage \$26/hr. by __	c) Refine business promotion & attraction process d) Improve culture & tourism marketing
	Successfully maximize entertainment options for tourism & visitors	-Increased holding power	-Increase # of overnight stays + ADR from __ to __ by __ -Increase events from __ to __ by __ -Increase participation in public events from __ to __ by __	e) Explore collaborative partnerships for tourism & events
EFFECTIVE PUBLIC SERVICES	Stable workforce	-Turnover rate -Internal hiring rate	-Yearly turnover rate __% or lower - __% of internal candidates selected for supervisory openings (5 yr. avg.)	a) Develop 15 yr. CIP b) Conduct staffing study c) Develop service level standards
	Effective infrastructure planning	-Plans in place	-Prioritized infrastructure plan and funding philosophy adopted by __	d) Develop impact review process
	Adequately service the demands of growth	-Study results -Staffing ratios	-Determine level of staffing needed in 3 departments by 2024 -Determine the service delivery standards in 3 departments by __	e) Create comprehensive performance management program
COMMUNICATION	More voices engaged in decision-making process	- # of participants - Diversity of participants	- __increase in segments of the community participating in decisions by __	a) Develop & implement strategic communication plan b) Develop strategies to reach underserved populations
	Increase community trust of the City	-Survey results re: trust	- __% increase in community trust from 2020 to 2024	c) Pursue branding and image efforts consistent w/ vision
	A positive image of the City/community	-Survey results re: image	__% increase in positive opinion of community's image from 2020-2024	

OUR VISION

Shakopee is a place where people want to be! A distinctive river town, with a multitude of business, cultural and recreational opportunities in a safe, welcoming and attractive environment for residents and visitors.

OUR MISSION

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

OUR VALUES

Integrity

We say what we mean, and we do what we say

Best for the Community

We work on behalf of community interests, not individual interests

Accountability

We are committed to achieving results, and accountability for our actions

Innovation

We strive to creatively improve our services and our community

Welcoming, Open to Difference

We are receptive, we listen, and we are open to the differences of others

Fair and Consistent

We are fair, consistent, and respectful in our service to the public

Fun

We enjoy what we do, and we have fun doing it

STRATEGIC PLANNING PROCESS

Strategic planning is a process that helps leaders examine the current state of the organization, determine a desired future state, establish priorities, and define a set of actions to achieve specific outcomes. The process followed by the City of Shakopee was designed to answer four key questions: (1) Where are we now? (2) Where are we going? (3) How will we get there? (4) What will we do? The process is divided into a development phase and an implementation phase. The full process is depicted below.



Initiating the Process –Setting Expectations, Reviewing Current Situation

The strategic planning process began with a meeting of the senior management team and the consultant on August 13th, 2019. The meeting included an overview of strategic planning principles, previous planning efforts, and guidance for preparing an environmental scan. In addition, the team examined the City's current vision statement, discussed organizational value proposition, and how to address the lack of a mission statement and organizational values.

The group debated the merits of various organizational value propositions, and brainstormed concepts for mission and values statements. They established a timeline and assignments for the preparation of the environmental scan, and developed ideas for presenting the vision, mission and values discussion to the City Council at the strategic planning retreat in August.

SETTING DIRECTION: VISION, VALUE PROPOSITION, MISSION, VALUES

On October 25th and 30th, 2019 the City Council and senior staff held strategic planning sessions to develop the strategic plan. As they addressed the question of “Where are we now?” the group was challenged to define the current organizational culture and its value proposition—understanding that an organization’s culture, and the value proposition it puts forth provide the foundation for the way in which services are delivered and strategic direction is set. The three value propositions and core cultures are summarized as follows:

Three Value Propositions

Operational Excellence (example: Wal-Mart, Southwest Airlines)

- They adjust to us

Product/Service Leadership (example: Apple, Google)

- They ‘ooh and ‘ah’ over our products/services

Customer Intimacy (example: Nordstrom, Ritz-Carlton)

- We get to know them and solve their problems/satisfy their needs

Four Core Cultures

Control Culture (example: Military - command and control)

- Strengths: Systematic, clear, conservative
- Weaknesses: Inflexible, compliance more important than innovation

Competence Culture (example: Research Lab – best and brightest)

- Strengths: Results oriented, efficient, systematic
- Weaknesses: Values can be ignored, human element missing, over planning

Collaboration Culture (example: Family-teams)

- Strengths: Manages diversity well, versatile, talented
- Weaknesses: Decisions take longer, group think, short-term oriented

Cultivation Culture (example: Non-profit/religious group-mission/values)

- Strengths: Creative, socially responsible, consensus oriented
- Weaknesses: Lacks focus, judgmental, lack of control

The group engaged in an extended discussion regarding the value proposition and its relationship to the culture. It was generally agreed that customer intimacy reflects much of the current approach and that in a small town that is inevitable. Operational excellence has been important and will continue to be important for operational stability. A number of members indicated that they felt that innovation/service leadership was something they also demonstrated. Based upon the discussion, operational excellence was determined to be the primary value proposition, with customer intimacy as a secondary focus.

STRATEGIC PLANNING PROCESS

Assess Current Environment

- Senior Management Review
- Previous Plan status
- Vision/Mission/Values
- Environmental Scan
- Stakeholder engagement
- SWOT Analysis

Set Priorities, Targets

- Strategic Planning Retreat
- Operating Environment
 - Culture, Value Proposition
 - Vision/Mission/Values
 - Internal SWOT
- Challenges, Priorities
- Outcomes, KPI's, Targets
- SWOT Analysis

Implement the Plan

- Implementation Session
 - Strategic Initiatives
 - Action Plans
- Refine details
- Final Review, Approval

The group then directed their attention to their mission, vision and values statements. They agreed that they needed to develop a vision statement, beyond the general work done in conjunction with the comprehensive plan. They spent time debating their purpose and long-term aspirations for the community. They examined statements from other communities. A brainstorming process ensued, resulting in the identification of key concepts the group favored for the vision. These were then used by the consultant over the succeeding weeks to create a statement which is listed on the following page.

The group then turned its attention to their mission and organizational values. Similar to the process used for the vision statement, the group reviewed sample statements, discussed their beliefs, considered the decision regarding value proposition and organizational culture, and identified concepts that reflected their consensus. These were used by the consultant to draft a mission statement and a list of values. The mission and value statements are listed below.

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

Vision Statement

Shakopee is a place where people want to be! A distinctive river town, with a multitude of business, cultural and recreational opportunities in a safe, welcoming and attractive environment for residents and visitors.

Values

Integrity

We say what we mean, and we do what we say

Best for the Community

We work on behalf of community interests, not individual interests

Accountability

We are committed to achieving results, and are accountable for our actions

Innovation

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Welcoming, Open to Difference

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Fair and Consistent

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REVIEWING THE ENVIRONMENT, SETTING STRATEGIC PRIORITIES

Following the vision, mission and values discussion, the leadership team continued the process of assessing the operating environment. This was done via a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis--a process that examines the organization's internal strengths and weaknesses, as well as the opportunities and threats in the external environment. To facilitate this, a SWOT questionnaire was distributed to the City Council and senior staff in advance of the planning session. Using the SWOT data, a small group review process revealed the most frequently mentioned characteristics in each area.

STRENGTHS

- Fiscal stability, growth oriented, customer-service oriented, leadership and staff, downtown riverfront

WEAKNESSES

- Staffing, communication, budget, relationships, prioritization, lack of vision/direction, planning (goals/strategic), diversity, inconsistent policies and procedures

OPPORTUNITIES

- Engaging and collaborating with partners (SMSC, businesses, diverse population), continued growth and development, staff investment, embracing our history, riverfront and downtown, leveraging existing plans and resources

THREATS

- Council stability, staff stability, community division/perception, external relationships, unknown economic future, implementation of plans, impacts of taxation, infrastructure concerns, broad public safety

The group used this information to identify those opportunities that would be helped the most by the organization's inherent strengths and which external threats were most likely to exacerbate their weaknesses.

STRENGTHS LEVERAGING OPPORTUNITIES

(Make good things happen)

- Continued growth and development
- Invest in staff: training/education, add staff as necessary, competitive pay, technology
- Implement/embrace big ideas
- Comp Plan & Parks Plan
 - Downtown
 - Riverfront
 - Gateways
- Engage and expand collaboration with our partners

WEAKNESSES EXACERBATED BY THREATS

(Keep bad things from happening)

- Staff instability
- Lack of internal and external communication
- Fiscal uncertainty
- External relationships
- Lack of planning & follow-through
- Council stability
- Lack of diversity

Following this exercise, the group examined the results, and engaged in additional brainstorming to identify the strategic issues and challenges facing the organization:

STRATEGIC ISSUES/CHALLENGES

- Redevelopment
- Growth and development
- Staff development
- Downtown development
- Riverfront
- Gateways
- Partner collaboration
- Staff instability
- Communication--internal and external
- Fiscal uncertainty/stability
- External relationships
- Planning and follow-through
- Council stability
- Diversity

Based upon the challenges and issues identified, a facilitated discussion ensued to determine the highest priorities for the strategic planning period. The following priorities emerged as the most important over the next three years:

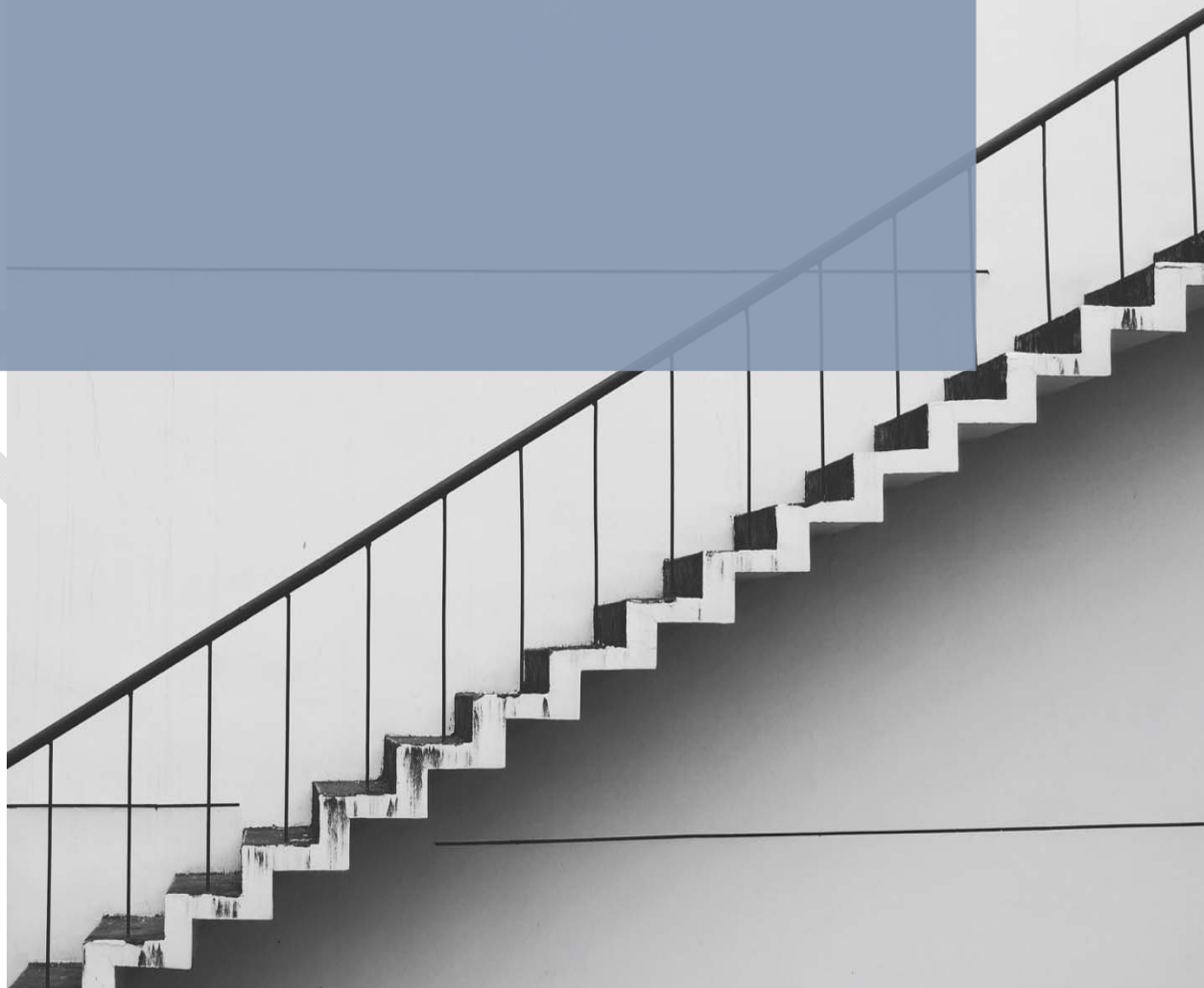
STRATEGIC PRIORITIES

Financial Stability

Enhanced Community Strengths

Effective Public Services

Communication



DEFINING THE PRIORITIES

To clarify the meaning of each priority, the group identified key concepts which were used at the retreat to create guidance, and ultimately will be used to create definitions.

1. Financial Stability

- Growing tax base, stable or lower tax rate, funded long-term plans, adequate fund balance, growing non-tax revenue

2. Enhancing Community Strengths

- Riverfront, development/redevelopment, Canterbury, entertainment venue support, big ideas, plan implementation, innovation, protecting environment, downtown & history, embracing diversity, parks planning, high wage jobs

3. Effective Public Services

- Infrastructure management, customer service, staff development, adequate staffing, public safety leadership, policies and procedures, process improvement, deliverables, business planning, IT data protection

4. Communication

- Internal, collaboration with partners, community engagement, transparency, diversity and equity, branding

KEY OUTCOMES, INDICATORS, AND TARGETS BY PRIORITY:

With concepts/definitions in place, the group determined the most important outcomes to be achieved for each priority, defined Key Outcome Indicators (KOI's), and developed Performance Targets. KOI's define progress toward desired outcomes. Performance Targets define successful outcomes, expressed in measurable terms.

The alignment created between priorities, outcomes and targets is important, not only for clarity, but also for maintaining a disciplined focus on the desired results.

Financial Stability

- Outcome:** Stable tax rate; **KOI:** Tax rate; **Target:** Annual rate change equal to/lower than implicit price deflator
- Outcome:** Diverse revenue sources; **KOI:** Non-property tax revenue; **Target:** ___% increase in non-property tax revenue yearly; Reduce financial burden of entertainment destinations by ___\$ by ___
- Outcome:** Adequate funding of CIP; **KOI:** Long-term plan budgets; **Target:** ___% of high-priority CIP projects funded by _(date)_

Enhanced Community Strengths

- a. **Outcome:** Make big ideas a reality; **KOI:** Funded and executed plans; **Target:** Cultural trail completed by __; Innovation center completed by __; River utilization Phase I by 2024; Gateways/west end started by 2021
- b. **Outcome:** Enhance quality of employment and jobs; **KOI:** Average wage; Median wage; **Target:** Average median income increased by 10% from __ to __
- c. **Outcome:** Successfully maximize entertainment options for tourism and visitors; **KOI:** Increased holding power; **Target:** Increase # of overnight stays & ADR from __ to __ by __; Increase events from __ to __ by __; Increase participation in public events from __ to __ by __

Effective Public Services

- a. **Outcome:** Stable workforce; **KOI:** Turnover rate; Internal hiring rate; **Target:** Yearly turnover rate __% or lower; __% of internal candidates selected for supervisory openings (5 yr. avg.)
- b. **Outcome:** Effective infrastructure planning; **KOI:** Plans in place; **Target:** Prioritized infrastructure plan and funding philosophy adopted by __
- c. **Outcome:** Adequately service the demands of growth; **KOI:** Study results; Staffing ratios; **Target:** Determine level of staffing needed in 3 departments by 2024; Determine the service delivery standards in 3 departments by 2024

Communication

- a. **Outcome:** More voices engaged in decision-making process; **KOI:** _#_ of participants; Diversity of participants; **Target:** __ increase in segments of the community participating in decisions by __;
- b. **Outcome:** Increase community trust of the City; **KOI:** Survey results--trust; **Target:** __% increase in community trust from 2020-2024
- c. **Outcome:** A positive image of the city/community; **KOI:** Survey results--image; **Target:** __% increase in positive opinion regarding image from 2020-2024

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IMPLEMENTING THE VISION: DEVELOPING STRATEGIC INITIATIVES AND ACTION PLANS

To successfully address the strategic priorities and achieve the intended outcomes expressed in the performance targets, it is necessary to have a focused set of actions, including detailed implementation steps to guide organizational effort.

The City of Shakopee will accomplish this through a set of strategic initiatives. Strategic initiatives are broadly described, but narrowly focused activities that are aligned with the priorities and targeted to the achievement of outcomes expressed in the Targets. On October 25, 2019, senior staff and the consultant met to identify strategic initiatives. Following this session, staff teams worked to develop detailed action plans for each initiative.

Financial Stability

- a. Develop a long-term financial plan
- b. Develop a grant decision-making process
- c. Improve 5-yr. CIP prioritization process
- d. Explore methodologies for capturing tourism revenue

Enhanced Community Strengths

- a. Develop and execute long-term plans
- b. Evaluate economic development policies regarding higher wage jobs
- c. Refine business promotion and attraction process
- d. Improve culture and tourism marketing
- e. Explore collaborative partnerships for tourism and events

Effective Public Services

- a. Develop a 15 yr. CIP
- b. Conduct a staffing study
- c. Develop service level standards
- d. Develop impact review process
- e. Create comprehensive performance management program

Communication

- a. Develop and implement strategic communications plan
- b. Develop strategies to reach underserved populations
- c. Pursue branding and image efforts consistent with vision

STRATEGIC PLANNING PARTICIPANTS

The strategic plan was developed with the hard work and dedication of many individuals. The City Council led the way, taking time out their schedules to commit to long-term thinking. They defined a direction and a set of outcomes that are important to the citizens, businesses and stakeholders with whom they partner and serve.

The City 's senior staff supported the City Council offered challenges to conventional thinking.

City Council

William Mars, *Mayor*

Jody Brennan, *Councilmember*

Angelica Contreras, *Councilmember*

Matt Lehman, *Councilmember*

Jay Whiting, *Councilmember*

Senior Staff

Bill Reynolds, *City Administrator*

Nathan Burkett, *Assistant City Administrator*

Lori Hensen, *City Clerk*

Steve Lillehaug, *Public Works Director/City Engineer*

Jeff Tate, *Police Chief*

Rick Coleman, *Fire Chief*

Michael Kerski, *Director of Planning and Development*

Darin Nelson, *Finance Director*

Jay Tobin, *Parks and Recreation Director*

Dave Kriesel, *Building Official*

Andy Hutson, *IT Director*

Alissa Frey, *HR Manager*

Kristin Doran, *Communications Coordinator*

Joy Sutton, *Grants and Special Projects Coordinator*

APPENDIX I

SWOT Analysis