

2021 Update on 2020-2024 Strategic Plan

Summary

The City Council adopted this strategic plan in February of 2020. In March of 2020 we were surprised with changes that no one could have foreseen and that have likely changed the world forever. The early part of the year your staff spent a lot of time thinking about how to manage the problems of the day. Strategic thinking and activities were set by the wayside because changes were coming so fast and furious that we never knew from one day to the next what would be happening.

Through that first couple of months – the staff at the city did an amazing job keeping the day to day operations of the city moving smoothly. Police and fire still responded to emergencies, public works crews still kept our infrastructure maintained and all of the city departments remained productive.

As the changes slowed we were able to spend more time thinking strategically, and it seems apparent because if you look at this four-year plan, you can see that we are already well on our way. By most measures probably further than the 25% you might expect.

This report is a testament to the grit of city staff, to keep moving forward strategically even in the face of an unknown foe and while being exposed to constant changes.

Vision, Mission and Values

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.

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.

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



SHAKOPEE

Priority: Financial Stability

According to the approved 2020-2024 Strategic Plan, financial stability means:

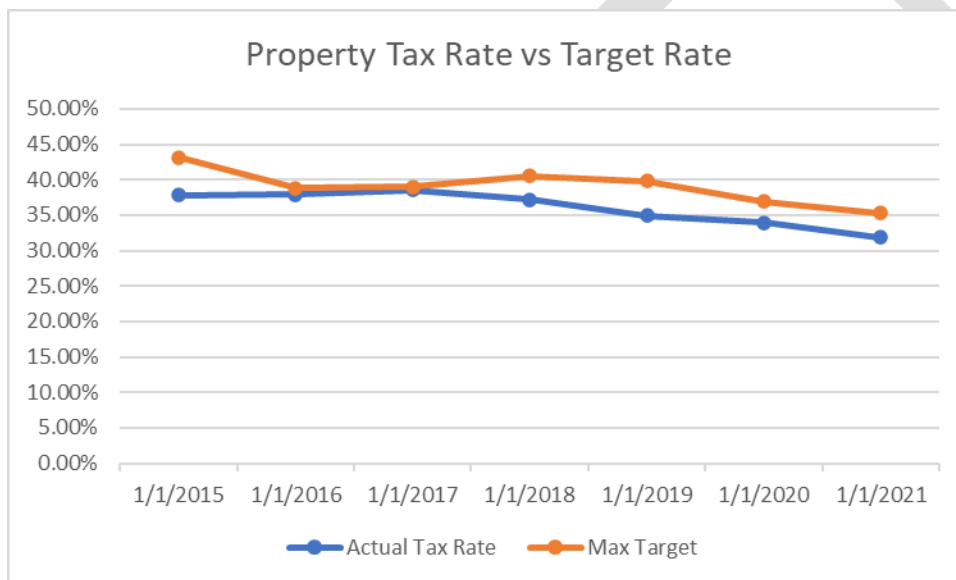
- Growing tax base
- Stable or lower tax rate
- Funded long-term plans
- Adequate fund balance
- Growing non-tax revenue

OUTCOMES

Stable Tax Rate

KOI: Tax Rate

Target: Annual Tax Rate equal to/lower than implicit price deflator



Discussion: This measure gives an indication as to whether the price of city services is going up in comparison to other services and goods. When the city's tax rate changes at a rate at or below the value of the implicit price deflator – it is likely that the cost of city services is not rising at the pace of inflation. It is important to be aware, that tax rate is also dependent up on the value of properties in the community. In the event property values change (up or down) this indicator may not be as accurate.

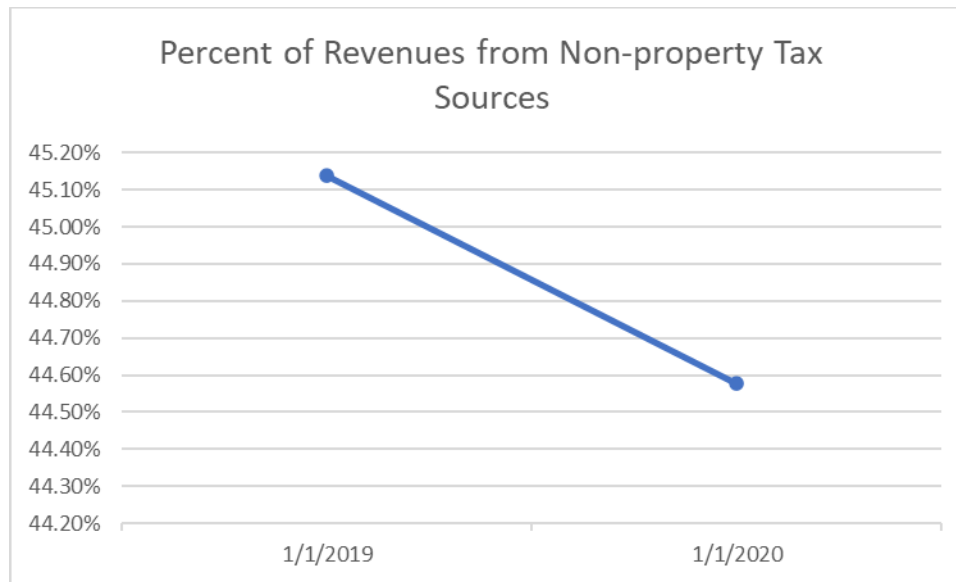
As you can see from the chart above, the city's tax rate has changed at a rate at or below the rate of the implicit price deflator since 2015.

Diverse Revenue Sources

KOI: Non-property Tax Revenue

Target: Increase year over year – Decreased from 45.14% in 2019 to 44.58% in 2020.

COMMUNITY PRIDE SINCE 1857



Discussion: Revenue from non-property tax sources decreased primarily because of COVID. Grants from the state offset what could have been a very dramatic decrease.

Target: Reduce financial burden to general property tax of entertainment destinations – **Research and analysis has been conducted; no changes have been made.**

Discussion: Due to COVID, 2020 was not a good year to initiate discussions on offsetting the burden of entertainment destinations. However also due to COVID, we were able to gather data to potentially quantify the actual financial burden of these destinations. More analysis and discussion will continue as COVID restrictions ease, and the economic landscape improves.

Adequate funding of Capital Improvement Plans

KOI: Long-term Plan Budgets

Target: High priority CIP projects funded – **22/23 projects identified as a Priority level 1 in for 2021 are funded with a stable source.**

Discussion: Improvements made in the capital improvement planning process allowed for a quick analysis of 2021 projects. Because of the success of the initiative to clearly prioritize, it is easy to see that those projects and purchases that support safety or help us to meet legal requirements have a funding source and are likely to be completed on time.

INITIATIVES

Develop a long-term financial plan

Status: **On track, In-progress**

Discussion: Efforts have been taken to develop long term financial projections. This initiative is expected to take some time and is contingent upon completion of other initiatives.

Improve 5-year CIP prioritization process

Status: **Complete**

Discussion: The process to complete the CIP in 2020 was improved to include greater collaboration, and a standardized method to prioritize projects. In review of the CIP for 2021-2025 you may notice that the prioritization attached to each project is aligned with the idea that some projects are “have to do” (projects categorized as a priority level 1), some projects are “smart to do” (projects categorized as a priority level 2) and some are “want to do” (projects categorized as a priority level 3).

Explore methodologies for capturing tourism revenue

Status: Not started

Discussion: This initiative was set aside due to COVID. While conversations are slowly ongoing, this does not appear to be the time from an economic perspective to implement the results of such a study. As the economy recovers, we expect this initiative to get started.

Develop a grant decision making process

Status: Not started, recommended to hold

Discussion: After further discussion and consideration, currently it seems as though we are able to complete nearly all grant applications we identify as potential awards. When we feel as though we have a need and the odds of receiving a grant are decent, we are not lacking for staff resources to apply. For this reason, staff is recommending to pause this initiative until we reach a point where staff resources for grant applications and management are getting stretched to a greater degree.

Priority: Enhancing Community Strengths

According to the approved 2020-2024 Strategic Plan, enhancing community strengths means:

- Riverfront
- Development/redevelopment
- Canterbury
- Entertainment venue support
- Big ideas
- Plan implementation
- Innovation
- Protecting environment
- Downtown & history
- Embracing diversity
- Parks planning
- High wage jobs

OUTCOMES

Make Big Ideas a Reality

KOI: Funded and Executed Plans

Target: Cultural Gateway – On Track, in progress - Approximately 30% complete planning phase, 0% funding secured (but options have been identified)



Discussion: A partnership has been solidified with SMSC, Scott County, DNR and Three Rivers Park District. The 106 Group was hired to do an interpretive report and concept and funded using a grant from the state. Their report is due during summer 2021. There are plans to promote the historic nature of the riverfront area and recreational opportunities. Communications plans on this topic will be executed beginning in approximately April 2021.

Target: Innovation Center – **On track, in progress** – Concept plans and feasibility study 100% complete, 0% funding secured.

Discussion: Staff will be building the program so that there is a constituency for the facility. Building partnerships with local corporations, educational institutions, non-profits and other governmental organization. The goal is to build a “virtual” incubator so that it is clear there are potential users. This will help the project look better on grant applications.

Target: River utilization Phase 1 – **On track, in progress** – Concept plans 20% complete, approximately 60% funding secured.

Discussion: The city purchased the Sweeny marina in 2019, and plans are currently in progress. 106 Group has been contracted and has completed the archeological survey on the site, and has nominated the property for the National Registry of Historic Places. Confluence will be working on a conceptual site plan in Spring 2021. Staff has identified a strong potential grant source for rehabbing the building, applications are due mid-2021.

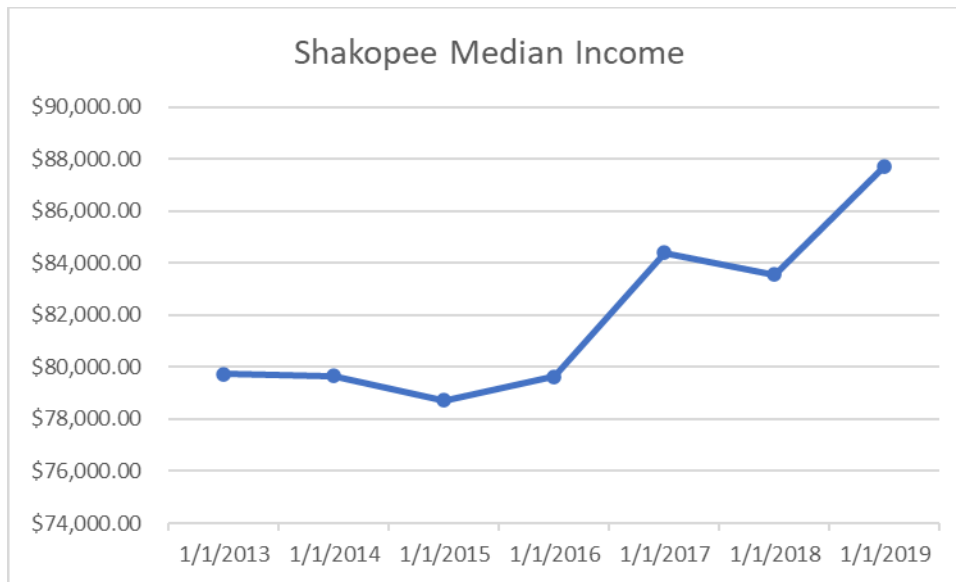
Target: Gateways/West End – **On track, in progress** – Plans 100% complete, funding sources not yet identified.

Discussion: Staff has identified two gateways, one on east end and west end. Council has reviewed concept signage. It is anticipated that Council will be asked to approve gateways and funding before mid-2021.

Enhance Quality of Employment and Jobs

KOI: Median Wage

Target: Increase by 10% by 2024 – On track, **but decrease expected in 2020 and maybe 2021 due to COVID**



Discussion:

Shakopee's median income has outpaced inflation since at least 2015. Median income is a good indicator that employees who live in Shakopee are able to find quality employment. Growth in the median household income indicates increased buying power. This data is up to 2019. 2020 data should be available within the next couple of months. It is expected that due to COVID there will be a decrease in the median income.

Council approved a change to the business subsidy policy increasing minimum wages for subsidies to \$24. Staff is working on conceptual ideas to bring additional high-quality employers to the area as well as new restaurants and other establishments. In alignment with the branding and image initiative, we are working to make Shakopee stand out as separate, distinct and better than other cities in the Twin Cities metro area.

Successfully Maximize Entertainment Options for Tourism and Visitors

KOI: Increased Holding Power

Target: Increase # of overnight stays & ADR

Discussion: Due to COVID, this KOI has been paused.

Target: Increase events

Discussion: Due to COVID, this KOI has been paused.

Target: Increase participation in public events

Discussion: Due to COVID, this KOI has been paused.

INITIATIVES

Develop and Execute Long Term Plans

Status: On track, In-progress



Discussion: The four big ideas that were identified in the strategic plan are in progress and are on track. The innovation center suffered a setback after identified grant funds were not received. However the remainder of the projects have seen significant progress on the planning phase, and possibilities for funding have been identified.

Evaluate Economic Development Policies Regarding Higher Wage Jobs

Status: On track, In-progress

Discussion: Council approved changes in the business subsidy policy increasing the minimum wage for subsidized projects. Staff believes now that that economic development can be more effectively advanced by working concisely to improve our image and promote our brand.

Refine Business Promotion and Attraction Process

Status: On track, In-progress

Discussion: Staff attended a workshop at the University of Minnesota and has developed a draft business promotion and retention policy and process. COVID has made executing the plan and reviewing its effectiveness somewhat difficult. Staff will continue to work on refining and expects to present to Council after restrictions are lifted and we are able to refine the policy.

Improve Culture and Tourism Marketing

Status: On track, In-progress

Discussion: 106 Group has designed some story boards to be used to develop videos to promote the cultural heritage of the riverfront sites. With the improvements and planning related to the cultural trail there will be additional opportunities to improve marketing around cultural amenities.

Explore Collaborative Partnerships for Tourism and Events

Status: Not started

Discussion: Due to COVID there hasn't been a lot of movement on this initiative. Most potential partners are unsure of what the landscape looks like post COVID. As COVID begins to ease it is possible that more collaborative partnerships will become apparent and can be executed.

Priority: Effective Public Services

According to the approved 2020-2024 Strategic Plan, effective public services means:

- Infrastructure management
- Customer service
- Staff development
- Adequate staffing
- Public safety leadership
- Policies and procedures
- Process improvement
- Deliverables
- Business planning

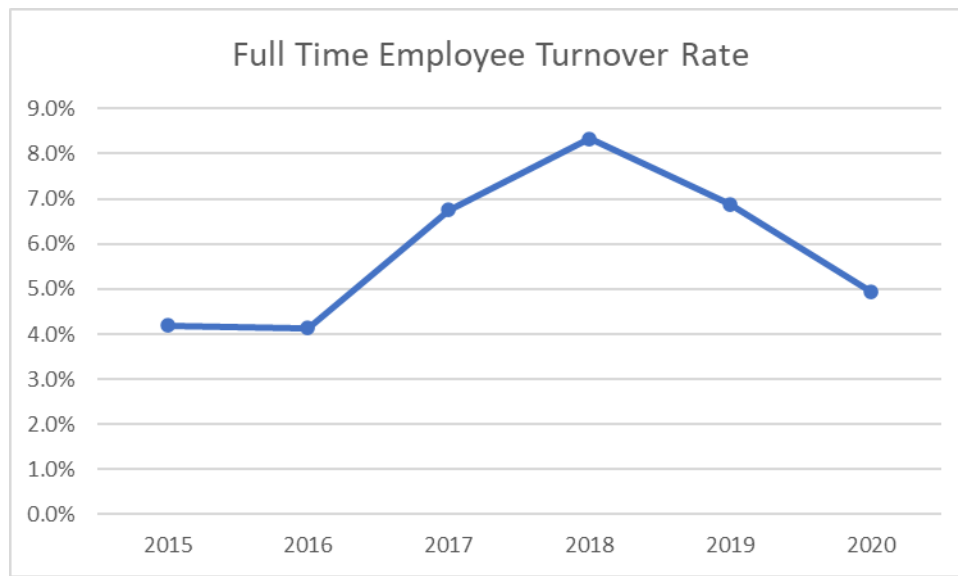
- IT data protection

OUTCOMES

Stable Workforce

KOI: Turnover rate; Internal hiring rate

Target: Turnover rate below 6% - **2020 Turnover Rate was 5%**



Discussion: Turnover rate includes all employees leaving full time positions for all reasons, including retirement. The turnover rate in 2020 was probably held lower to a degree because of COVID. There were an average number of retirements in 2020, but fewer departures for other reasons.

Target: 50% or more of supervisory positions filled by internal applicants – in 2019 and 2020 there were 5 supervisory positions opened due to retirement or resignation. **80% were filled by internal applicants.**

Discussion: Being able to promote staff to leadership positions is a hallmark of an organization that does a good job developing talent and creating opportunity for them to thrive. In the past two years 80% the city's open supervisory positions were filled by internal applicants.

Effective Infrastructure Planning

KOI: Plans in place

Target: Prioritized infrastructure plan – **In progress, substantially complete**

Discussion: Between the near completion of the 15 year CIP and the improvements in the capital improvement planning process, the CIP and the funding plan it contains projects are clearly identified by priority level, and funding streams are identified for the highest priority projects. Small improvements will continue to be made through the capital improvement planning process, but this target has been substantially completed.

Target: Funding philosophy adopted – **Not started**



Discussion: The city already has several policies that guide funding for major projects. Those policies have been gathered and it is anticipated they will be reviewed in 2021.

Adequately Service the Demands of Growth

KOI: Studies completed, and staffing guidelines established

Target: Staffing studies completed in at least 3 departments by 2024 – **Not started**, anticipated started in 2021.

Discussion: Initial conversations about how to approach this staffing study have been held. In general, the idea is to identify what impacts growth in Shakopee will have on staffing requirements for departments. This target is dependent upon completion of service delivery standards, and informs the long term financial plan.

Target: Service delivery standards adopted for at least 3 departments by 2024 – **Started, on track**, anticipated partial delivery in 2021.

Discussion: Data gathering and research has begun on development of service delivery standards. The idea behind this target is to develop a plan that establishes strategic performance measures for each department and major function of the city (for example, the

INITIATIVES

Develop a 15 year CIP

Status: **On track, In-progress**

Discussion: A 15 year CIP has been prepared. It includes streets, sanitary sewer, storm sewer and building projections for the coming 15 years. The intention of this document is for planning purposes. The council will still be requested to pass a 5 year CIP as per the usual practice. The 15 year CIP will be used for context and long term planning. It will be presented to council in the near future in the context of long term infrastructure planning discussion.

Create Comprehensive Performance Management Program

Status: **On track, In-progress**

Discussion: Approximately 75% of city staff are now using a performance management tool call Neogov Perform. It is a software tool that ensures we are able to effectively evaluate and manage the performance of staff. All staff will be using Perform by the end of 2021.

Conduct a Staffing Study

Status: **Not started**

Discussion: Anticipated start in 2021

Develop Service Level Standards

Status: **Started, on track**

Discussion: Initial data gathering and research has begun. Anticipating further discussion in 2021.

Develop Impact Review Process

Status: **Not started**

Discussion: This initiative is to build a framework to evaluate new development and to evaluate the impacts of that development on demand for city services. This will give the city a better idea of what each development brings in terms of tax capacity, and make it possible to compare that against the additional demand for service in an attempt to align, as closely as possible, a developments revenue generation capacity with the increased demand it creates. This will be one of the last initiatives started under this strategic plan because there are several other initiatives that have to be completed before it begins.

Priority: Communication

According to the approved 2020-2024 Strategic Plan, communication means:

- Internal
- Collaboration with partners
- Community engagement
- Transparency
- Diversity and equity
- Branding

OUTCOMES

More Voices Engaged in the Decision Making Process

KOI: Number of participants, Diversity of Participants

Target: Increase participation across all segments of the community – 644 unique engagements in 2020

Year	In person engagement	Survey engagement	Online Comments Engagement
2020	125	519	
2021 (ongoing)	0	194	130

Discussion: The city has made great strides in increasing participation in park planning, in particular. Even during COVID we have been able to improve engagement. Measuring engagement is difficult so staff is still working on methods to accurately track how many people we are reaching, how many we are engaging and making sure we reach underserved populations. This target is tied to the strategic communications plan, and will only improve as we move forward.

Increase Community Trust of the City

KOI: Survey results - Percent responding excellent or good to "generally acting in the best interest of the community"

Target: Increased percentage responding excellent or good – minus 3%

Year	Percent Reporting Excellent or Good
2017	54%
2019	51%

Discussion: Between 2017 and 2019 the percentage of people reporting “Excellent” or “Good” to the community survey question “Is the city generally acting in the best interest of the community” decreased by 3%. This decrease is within the margin of error so statistically it remains the same. The community survey is being completed again in the first half of 2021 and the Council will be updated with results.

A Positive Image of the City/Community

KOI: Survey results – Percent responding excellent or good to “overall image or reputation of Shakopee”

Target: Increased percentage responding excellent or good – **Minus 8%**

Year	Percent Reporting Excellent or Good
2017	56%
2019	48%

Discussion: Between 2017 and 2019 the percentage of people reporting “Excellent” or “Good” to the community survey question “what is the overall image or reputation of Shakopee” decreased by 8%. This is outside the margin of error so it is likely that in that time period people’s perception of the city decreased somewhat. We are aware of issues that happened in that time frame that are outside of the control of the city, but we should be aware of what we can do to improve. The community survey is being completed again in the first half of 2021 and the Council will be updated with results.

INITIATIVES

Pursue Branding and Image Efforts Consistent with Vision

Status: **Completed**

Discussion: The city council approved a branding plan in 2020. The branding plan will now be used to inform development and implementation of the strategic communications plan.

Develop and Implement Strategic Communications Plan

Status: **On track, In-progress**

Discussion: Since council approval of the branding and image plan, staff has been working on development of a strategic communications plan. We expect that the council receives a presentation on the strategic communications plan no later than mid-2021.

Develop Strategies to Reach Underserved Populations

Status: **On track, In-progress**

Discussion: There are strategies being developed within the strategic communications plan to ensure that we are reaching underserved populations with our messaging. The equity team is considering means to make connections with the community to ensure that we are reaching everyone as well. COVID has set back some plans, as we believe that meeting people in person is the best way to establish a rapport, which hasn’t been possible.