CITY OF SHAKOPEE
STRATEGIC PLAN REPORT
January 2025

SHAKOPEE

The City of Shakopee Strategic plan was passed in December of 2019 and provided a framework of council direction for city staff in the upcoming years. It was developed from August to November of 2019 as part of a structured and facilitated planning process.

The plan has four strategic priorities – those things council determined to be of most importance in the future. Associated with each of those priorities are desired outcomes, key outcome indicators, performance targets, and strategic initiatives.

The four strategic priorities (Financial Stability, Enhance Community Strengths, Effective Public Services and Communication) have been a part of our journey for the last decade if not longer. Having them set out with clear direction from council provided staff with the ability to move forward knowing that council as a whole supported the effort.

During this process our Vision, Mission and Values were also refined and/or developed.

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*.

Mission: *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, Best for the Community, Accountability, Innovation, Welcoming and Open to Difference, Fair and Consistent, and Fun*.

As with any plan, things can change based upon the circumstance in place. There were two issues that developed or were discovered during the period that merit note.

The first is obviously COVID which had our focus for over a year and a half – trying to just keep the lights on and the city functioning. There was little to no review or movement on the overall objectives during a big portion of that time.

The second was our inability to actually measure some of the targets as there was no system in place to do so. This was essentially 1) an increase in public events, and 2) an increase in public participation in events. Neither we nor the Chamber had the ability to determine those metrics.

Not including the above issues, we had generally the following areas where we did not hit the mark. They include the establishment of a ticket surcharge, the construction/funding of our "Big Idea" projects (Cultural Corridor, Riverbank Stabilization and HUB Innovation Center), an increase in overnight hotel stays (failed mainly due to COVID), the establishment of Service Delivery Standards in 3 departments (we have 1 completed and 2 on-going), and the development of an impact review process.

We have, however, made good progress in all these areas with COVID being directly tied to some of the inability to achieve the objectives.

It should be noted that the effort and success in all four Strategic Priorities are significant and have moved the needle dramatically in some areas. This led to over 75% of all categories being fulfilled – even those that contained very ambitious goals.

STRATEGIC PRIORITY #1 - FINANCIAL STABILITY (55% Achieved)

1) **Outcome - Stable Tax Rate – Achieved**

- **Target** - rate change equal to or lower than implicit price deflator (IPD) annually:

	Tax Rate	IPD	Status
• 2020	34%	34%	Achieved
• 2021	32.1%	34..8%	Achieved
• 2022	32.1%	37.3%	Achieved
• 2023	28.6%	39.5%	Achieved
• 2024	27.4%	40.2%	Achieved

  - **Strategic Initiative**: Long-term Financial Plan – Achieved. Plan completed and has been passed by the Council on an annual basis (in May) of each year since 2023.

1) **Outcome - Diverse Revenue Sources – Partially Achieved**

- **Target** - Increase in non-property tax revenue yearly:

	% of Total Revenues		Status
• 2020	46.6%	(Baseline)	
• 2021	51.7%	(Federal Covid $)	Achieved *
• 2022	45.4%		Not Achieved
• 2023	49.6%		Achieved
• 2024	44.4%		Not Achieved

  * Note: The influx of Federal funds in 2021 due to COVID aid skewed the overall percentages.

  - **Strategic Initiative**: Development of grant decision making process – Although Not Fully Achieved, we continue to take a deeper look in what we apply for, and do not apply for grants that will not advance our goals. We do not chase grants for grants sake, but take into consideration the amount applied for, the time required for the application, the funding likelihood, and the funding impact on the department requesting the grant.

- **Target** – Reduce financial burden of entertainment destinations by 2024. Not Fully Achieved. We renegotiated the SMSC annual contract on two occasions, eventually bringing the funds from $125K to $175k per year. We continue to have conversations with Canterbury and ValleyFair on ticket surcharges.

  - **Strategic Initiative**: Explore methodologies for capturing tourism revenue ("ticket surcharge") Not Fully Achieved. We did not have political support at the statehouse for a mandatory surcharge – even though it is local property taxpayer relief and not a

"tax". However, we have a verbal agreement from the amphitheater managers which we will use to leverage other players for a voluntary agreement as well.

2) **Outcome - Adequate Funding of CIP** – Achieved.

- **Target** – 50 % of high-priority CIP projects funded by 2024. Achieved. We have been able to fund all projects that ultimately move from the CIP to GF Budget through various means including moving budget surplus to capital projects. We have, however, not been able to move several projects noted below due to funding issues. In addition, we are moving forward for supplemental planning for street reconstruction funding/bonding which moves to council review in Jan of 2025.

    - **Strategic Initiative**: Improve 5-year CIP prioritization process – Achieved. Process revamped as part of the 2022 through 2025 budget processes.

STRATEGIC PRIORITY #2 - ENHANCING COMMUNITY STRENGTHS (67% Achieved)

1) **Outcome - Make Big Ideas a Reality** – Not Achieved. Have major projects funded and executed:

- **Target** – Cultural trail completed by 2024 (Not Achieved), Innovation Center (HUB) completed by 2022 (Not Achieved), River Stabilization Phase One completed by 2024 (Not Achieved but will be started in 2025), Gateway/West End started by 2021 (Achieved).

2) **Outcome - Enhance Quality of Employment/jobs – Achieved.**

- **Target** – Average median income increases by 10% by 2024 – Achieved at 18.2%:
    - 2020 Median $72, 561
    - 2021 Median $76,586
    - 2022 Median $82,144
    - 2023 Median $85,779

    - **Strategic Initiative** – Evaluate economic development priorities re: higher wage jobs and refine business promotion and attraction process. Achieved. We analyzed and the council raised the requirement for businesses applying for economic assistance to $28 an hour in 2023.

- **Target** – Average hourly wage to $26 an hour by 2024. Achieved at $41.23 per hour in 2024.

3) **Outcome - Successfully Maximize Entertainment Options for Tourism and Visitors – Not Fully Achieved.**

- **Target** –Increase overnight stays +ADR from 56 (2019 base) and 91 (2019 base) to 60 and 100 by end of 2024. Not Fully Achieved.

- COVID has obvious implications for tourism and the hospitality industry is still struggling to rebound. 2024 has a projected 48 overnight stays (Not Achieved), but a projected ADR of 104 (Achieved).

- **Target** – Increase events by 2024. Unknown but successful with several big events. (Note: this target is hard to measure as neither the city nor the chamber has a way of determining the number of citywide events.)
  - Again, COVID had a big impact on events, with some ending during the pandemic for good. However, Rhythm on the Rails continues to be a big hit and expended its lineup by one week. In addition, the city has sponsored TAP for several years now.

- **Target** – Increase participation in public events by 2024. Unknown. (Note: this target is hard to measure as neither the city nor the chamber can determine participation in public events.)
  - **Strategic Initiative** – Improve culture and tourism marketing. Achieved. Our partner the Chamber has worked over the last few years using cell data to target specific sectors of those likely to visit the city. The Chamber has made a total marketing shift based on actual data.
  - **Strategic Initiative** – Explore collaborative partnerships for tourism and events. Achieved. The Chamber has made significant strides in its efforts with tourism, and the City has actively participated and sponsored with several events (Rhythm on the Rails and TAP).

STRATEGIC PRIORITY #3 – EFFECTIVE PUBLIC SERVICES (75% Achieved)

1) **Outcome - Stable Workforce – Achieved**

- **Target** – A yearly turnover rate of 15% or lower. Achieved. Including regular retirements, the average is 9.9%, and 6.4% with retirees excluded.
  - (Note: The average government turnover rate is 18% each year including retirements. Not including retirements, it is 11%. With a workforce of 157, Shakopee would be average if it had a non-retirement turnover of 17 workers per year.)

- **Target** – 50% of internal candidates selected for supervisory openings (5-year average) Achieved at 60%. 13 of 22 candidates for supervisory openings were selected. These included 7 of 11 supervisors, 5 of 6 Managers and 1 of 5 directors.

  - **Strategic Initiative** – Conduct staffing study. Achieved. We conducted staffing studies in Aug of 2022 and a Fire Department specific study in Feb of 2024.

  - **Strategic Initiative** – Create comprehensive performance management program. Achieved. We instituted a performance management program in early 2021.

2) **Outcome – Effective Infrastructure Planning – Achieved**

- **Target** – Prioritized infrastructure plan and funding philosophy adopted by 2024. Partially Achieved.
    - **Strategic Initiative** – Develop 15-year CIP. Achieved. 15-year CIP has been approved yearly since the 2023 budget process.

3) **Outcome – Adequately Service the Demands of Growth – Not Fully Achieved**

- **Target** – By 2024, determine level of staffing in 3 departments. Achieved. Since 2021, we have incorporated a staffing level review as part of every budget process.
- **Target** – Determine service delivery standards in 3 departments by 2024. Not Fully Achieved. We have done one department (Fire) but are actively working on Public Works and Park and Recreation as part of their accreditation efforts.
    - **Strategic Initiative** – Develop impact review process. Not Achieved.

STRATEGIC PRIORITY #4 – COMMUNICATION (100% Achieved)

1) **Outcome – More Voices Engaged in Decision-Making Process – Achieved**

- **Target –** 10% increase in segments of the community participating in decisions by 2024. Unknown. (Note: there is no database for determining increase in public participation.)
    - **Strategic Initiative** – Develop Strategies to reach underserved populations. Achieved. Added translation to website and upgraded for ADA, have new guides in other languages among other strategies.

2) **Outcome – Increase Community Trust of the City – Achieved**

- **Target –** 5% increase in community trust from 2019 to 2023 (survey results) – Achieved.

  Survey results: *Overall confidence in Shakopee Government*

  2019 47%

  2023 52%
- **Target** – 5% increase in opinion on image from 2019 to 2023 (survey results) – Achieved.

  Survey results: *Positive image of the community*

  2019 48%

  2023 63%

- **Strategic Initiative** – Develop and implement strategic communications plan. Achieved. Plan approved by council in December of 2021
- **Strategic Initiative** – Pursue branding and image efforts consistent w/ vision. Achieved. New branding guidelines were introduced in February of 2023.