

**Watertown Park Commission**

March 16, 2022

<b>Agenda Item:</b>	<b>2022-2025 Strategic Plan</b>
<b>Request for Action:</b>	<b>Discuss 2022-2025 Strategic Plan</b>
<b>Employee/Dept.:</b>	<b>Jake Foster, City Administrator</b>

**Background:**

With the start of 2022, staff and City Council began the process for setting the strategic direction of the City of Watertown for the next three (3) years. Staff and City Council began the strategic planning process in early January with an examination of the operating environment, followed by the collection of stakeholder feedback, and completing a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis.

The information from this pre-work was taken into a half-day strategic planning session held with Senior Staff Members and City Council Members on January 22, 2022. In addition to reaffirming the City's vision, mission, and values, staff and Council developed a set of priorities, key outcomes, and performance targets at the strategic planning session.

Staff met in early February to identify a set of strategic initiatives and develop detailed action plans based on the strategic priorities set at the strategic planning session.

The City Administrator presented the final 2022-2025 Strategic Plan to City Council at their February 22, 2022 work session. The final plan was adopted at the March 8, 2022 Regular City Council meeting.

**Attachments:**

One Page Summary Document of the City of Watertown FY 2022-2025 Strategic Priorities and Summary Report

City of Watertown FY 2022-2025 Strategic Priorities and Summary Report



## Strategic Priorities 2022-2025

The City of Watertown adopted three strategic priorities on February 22, 2022 to help guide the City through the next three years. In this process, the Mayor, City Council and Staff worked together to identify Strengths, Weaknesses, Opportunities and Threats (SWOT), the guiding values of the City, and re-affirm the Vision and Mission guiding the City.

### OUR VISION

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### OUR MISSION

The mission of the City of Watertown is to provide high quality public services that address community needs through strategic planning, sound fiscal management, and innovative thinking while preserving our proud history.

### OUR VALUES

- **Excellence and Quality in the Delivery of Services**

-We believe that service to the public is our reason for being and strive to deliver quality services in a highly professional, cost-effective, and efficient manner.

- **Fiscal Responsibility**

-We believe that fiscal responsibility and the prudent stewardship of public funds is essential for citizen confidence in government, and we strive for diverse sources of revenue.

- **Ethics and Integrity**

-We believe that ethics and integrity are the foundation blocks of public trust and confidence and that all meaningful relationships are built on these values.

- **Fairness and Engagement**

-We believe policies and decision-making processes that are applied consistently across all parties is the foundation for fairness.

- **Communication**

-We believe that open, honest, and transparent communication is essential for an informed and engaged citizenry that fosters a collaborative environment for all stakeholders.

- **Professionalism**

-We believe that continuous improvement is the mark of professionalism and are committed to applying this principle to the services we offer and the development of our employees.

- **Visionary Leadership and Planning**

-We believe that the very essence of leadership is to be visionary and to plan for the future.

#### **Small Town Atmosphere**

-We believe that our City's small town atmosphere, vibrant downtown, and unique charm is what attracts people to our community and encourages their participation in our activities.

Associated with each priority is a set of actions, success measures, responsible parties and a timeline for delivery. These strategic priorities can assist in budgeting, financial analysis and forecasting, and policy making. The full report can be read [insert link to City webpage]

## **Strategic Priorities Overview**

### **Priority: Staff Development and Retention**

The Mayor and Council observed that having a friendly staff with a supportive Council helps the City to maintain a strong financial position which allows it to attract development and growth. Additionally, the Mayor and Council expressed concern about the overall retirement trend impacting cities and wanted to ensure that Watertown had policies and practices in place to address that turnover and potential loss of “institutional memory”.

#### ***Examples of Actions that will be pursued for this priority:***

- Skills development
- Cross training
- Team building
- Succession planning
- Staff retention
- Flexible work environment policies

### **Priority: External Economics**

In the use of the SWOT Analysis, the Mayor, Council and Staff observed impending economic factors such as inflation, interest rate increases and other de-stabilizing factors that could impact City finances, and thereby residents of Watertown. As a result, they adopted a priority to address external economic factors that could impact the City’s other priorities and projects.

#### ***Examples of Actions that will be pursued for this priority:***

- More sophisticated financial modeling
- Deeper understanding of “must-haves” vs. “nice to have’s”
- Consideration of Time/Value/Money in decision making
- Consideration of “sharing” opportunities with neighboring communities that allow high service levels with relatively low tax impacts
- Development of strategies for managing inflation.

### **Priority: Development**

The Mayor and Council have a strong interest in focusing on new development and redevelopment to ensure the long-term financial and community health of Watertown. In particular they noted development of several specific parcels, especially those that present ongoing financial constraints for the City, such as the Fremont Property. Additionally, they noted that the City has a strong demand for additional single-family housing, and should focus on infill development. Finally, the Mayor and Council want to deliver two important quality of life projects—the Wastewater Treatment Facility and a new Water Tower—to ensure that growth is well managed and accommodated.

#### ***Examples of Actions that will be pursued for this priority:***

- Individual parcel or property development
- Focus on single-family and commercial development
- Focus on attracting a senior living project to Watertown
- A new Wastewater Treatment facility that is operational by 2024
- A new Water Tower that is operational by 2024



FY 2022-2025  
STRATEGIC PRIORITIES

CITY OF WATERTWON

FEBRUARY 22, 2022



RAPP CONSULTING GROUP

February 22, 2022

RE: FY 2022-2025 Strategic Plan – City of Watertown

Dear Mr. Foster,

I am pleased to present the 2022-2025 Strategic Priorities and Summary Report to the City of Watertown. The plan reflects the organization's priorities, commitment to measurable results and the delivery of quality services.

It has been a pleasure assisting your Council and staff with this important project. The work displayed clear thinking, dedication and focused effort.

I particularly wish to thank Mayor Washburn, Council members Guetzkow, Pawelk, Schuette and Walters, and your staff for their leadership and support during the process.

Yours truly,

Heather Worthington, Worthington Advisors LLC for  
Rapp Consulting Group

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## EXECUTIVE SUMMARY

From early January through mid-February, 2022, the City Council and Staff engaged in a strategic prioritization process. The process resulted in strategic priorities covering FY 2022-2025.

The plan consists of three **strategic priorities**—the issues of greatest importance to the City of Watertown over the next three years. Associated with each priority is a set of **actions, success measures, responsible parties and a timeline for delivery**.

The planning effort began with an examination of the operating environment, followed by collection of stakeholder feedback, and a SWOT analysis. On January 22, 2022, the team held a half-day strategic planning session. They developed a set of priorities, key outcomes and performance targets, and confirmed the organization’s vision, mission and values.

Based upon those priorities, the staff met in early February to identify a set of strategic initiatives and develop detailed action plans. The strategic priorities, actions, measures of success, responsible parties and timeline for delivery are summarized here and on the following page.

## STRATEGIC PRIORITIES

- Staff Development and Retention
- External Economics
- Development

## 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.

Council and staff will accomplish this through a set of strategic actions. Strategic actions are broadly described, but narrowly focused activities that are aligned with the priorities. On January 31, 2022 senior staff met to identify strategic actions. Following this session, staff teams worked to develop detailed action plans for each initiative.

**Strategic Priority: Staff Development and Retention****Outcome: Friendly staff and supportive Council that maintain a strong financial position to attract development and growth**

<b>Actions</b>	<b>Measure of Success</b>	<b>Who's Responsible</b>	<b>Target Date</b>
Create flexible work opportunities	Employees are retained; job satisfaction is high; employee morale is high	CA/Supervisors	2022
Skills development	Staff is more efficient; time management improves; workers are more independent; city will/can experience cost savings.		2022
Cross-training	Staff is able to be more independent; service delivery is maintained despite staff loss or absence. Staff is afforded the opportunity to participate in new learning spaces (i.e. plan review, elections, agenda setting)		2023
General Training	Staff communicates regularly about training required by State and other entities; community understands importance of training on efficient and effective delivery of city services. A culture of problem solving exists.		2022
Team Building	Staff is retained; staff job satisfaction is high; staff works well together.		2022
Lateral movement opportunities	Skills development is prioritized; employees have the opportunity to move across departments; employees are well-rounded and have opportunities to do different work. Employees are engaged in their professional development.		2024
Succession Planning	Vertical promotion is emphasized; lateral movement is valued; staff has tools to provide		2022



	adequate coverage when people leave or retire; staff develops policies to develop novel approaches; staff develops documentation/plans for each position to ensure consistent service delivery. Job descriptions are kept up to date; roles and responsibilities are well understood.		
Retention	Low staff turnover; job satisfaction is high. Staff feel valued.		2023
Understanding value of work environment—“Do I see myself in the work/priorities”?	Staff feels pride in their work; staff input is heard and taken into consideration. Expectations of staff are clearly communicated and understood.		2022
Institutional Memory Retention	Cross-training is emphasized—especially in certain roles (Nancy); staff has a broad based knowledge in several areas; staff participates in documenting their work; management understands their work responsibilities and uses those for effective evaluation.		2023

**Strategic Priority: External Economics**

**Outcome: Inflationary impacts are understood and mitigated**

Actions	Measure of Success	Who's Responsible	Target Date
<p>The City uses more sophisticated modeling to project costs and liabilities                      Planning takes place in 2022                      Implementation takes place in 2023</p>	<p>City uses a combination of internal and external staff resources to provide data/information.                      Staff clearly understands Council's need for additional direction/clarification.                      Market research/commonly available data is utilized effectively.                      CIP is reviewed in light of current market prices/forces                      Staff and Council will workshop this 3x per year</p>	<p>City Administrator</p>	<p>2022/23</p>
<p>There is understanding of "must-haves" vs. "nice to haves"</p>	<p>Continues to be part of the annual budget and prioritization process                      Consider formalizing the "priorities" each year                      Budget is analyzed year over year, and "scrubbed" for savings</p>	<p>CA/Supervisors</p>	<p>Annual/Ongoing</p>
<p>Time/Value/Money considerations are utilized in decision making</p>	<p>City considers pre-paid discounts on commodity needs                      Borrowing is carefully considered in light of other commitments (Water Tower/Treatment Facility)</p>	<p>CA/Supervisors</p>	<p>Annual/Ongoing</p>
<p>Strategies for managing inflation are utilized—i.e. delay, cost, creative solutions, and City maintains equilibrium with inflation</p>	<p>City is not required to increase CIP Budget that was adopted                      City conducts proactive decision making based on market research</p>	<p>CA/Supervisors</p>	<p>Annual/Ongoing</p>
<p>The City looks at "sharing" opportunities that allow it to maintain a</p>	<p>Staff continually examines opportunities to share staff or services</p>	<p>CA/Supervisors</p>	<p>Annual/Ongoing</p>

high level of service with relatively low tax impacts	with surrounding communities Question is asked and addressed in staff reports where Council is asked to authorize a purchase or new service Staff will identify existing partnership arrangements on an annual basis		
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**Strategic Priority: Development**  
**Outcome: City Continues to invest in infrastructure to attract growth**

Actions	Measure of Success	Who's Responsible	Target Date
<p>Fremont Property Development: Parcel near City Hall on Lewis; earlier plans included a Senior Living project. TIF District pays \$94,000/year without offsetting development revenue. City wants something to go there soon.</p>	<p>Development agreement signed            Priority would be senior housing (could be independent or assisted)            Mixed-use development would be preferred            City leverages state funding sources</p>	<ul style="list-style-type: none"> <li>• CA</li> <li>• Planning Consultant</li> <li>• Planning Commission/Council</li> </ul>	<p>2023</p>
<p>Focus on infill projects i.e. Nesvold Farms, Oak Grove, Spring Mill: Single family residential developments; all have unique barriers. Access, financing, entitlements.</p>	<p>Barriers are removed:            Entitlements are completed            Development financing is completed            Projects commence            City leverages state/DEED funding            Staff develops a workplan and prioritizes each site for funding and planning</p>	<ul style="list-style-type: none"> <li>• CA</li> <li>• Planning Consultant</li> <li>• Planning Commission/Council</li> </ul>	<p>2022</p>
<p>Wastewater Treatment Facility project is completed: Project is in bidding currently; MPCA requires facility to be operational by April 2024</p>	<p>Facility is operational by April 2024</p>	<ul style="list-style-type: none"> <li>• Doug Kammerer</li> <li>• Bolton and Menk</li> </ul>	<p>2024</p>
<p>Water Tower project is completed: Council must approve 2022; site planning done in 2022/23/24; city has two potential locations—one city owned, one would require acquisition.</p>	<p>More water capacity for fire suppression, better water pressure in development areas, more reserve capacity.</p>	<ul style="list-style-type: none"> <li>• Doug Kammerer</li> <li>• Bolton and Menk</li> </ul>	<p>2024</p>

<p>Commercial development opportunities are identified and incorporated into work plan:          Large parcel on Co. Rd. 20 for potential reuse;          old clinic site on Hwy. 25. Industrial Park.</p>	<p>Developers Day is restarted          Developers are identified          Development agreements signed          Industrial Park is near capacity          City leverage City EDA/State funds</p>	<ul style="list-style-type: none"> <li>• CA</li> <li>• Planning Consultant</li> </ul>	<p>2024</p>
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# 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 Watertown 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 prioritization process began with a SWOT Analysis, followed by a meeting of the consultant and the City Council and staff on January 22, 2022. The meeting included a review of strategic planning principles, a discussion of organizational value proposition, a review and brainstorming of the vision and mission statements, discussion of the Strengths, Weaknesses, Opportunities and Threats (SWOT) Assessment and strategic priorities. The session concluded with a discussion of significant challenges facing the City, and how to best leverage the opportunities present to achieve the City’s strategic priorities.

# 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
  - Internal SWOT
- Challenges, Priorities
- Outcomes, KOI's, Targets

## Implement the Plan

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

## Reviewing the Environment, Setting Strategic Priorities

Following the culture, value and mission 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

- Staff
- Strong finances
- Supportive Council
- Infrastructure

### WEAKNESSES

- Lack of Housing
- Lack of Commercial/Retail
- Technology/Facilities

### OPPORTUNITIES

- Development
- Land
- Growth



## THREATS

- Business growth
- Inflation
- Staff loss

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)*

- 1) Friendly staff and supportive council along with the strong financial position to attract development and growth
- 2) Continue investing in great streets and parks to attract growth

## WEAKNESSES EXACERBATED BY THREATS

*(Keep bad things from happening)*

- 1) Impact of retirements
- 2) Shortage of housing stock
- 3) Impact of inflation

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

- Staff Development and Retention
- External Economics
- Development

# DEFINING THE PRIORITIES

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

## 1. Priority 1: Staff Development and Retention

- Continue to hire and retain good staff; invest in their professional development.

## 2. Priority 2: External Economics

- Manage the mitigate the impact of inflation, economic cycles and other external factors through the use of good financial management and deeper understanding of opportunities and threats.

## 3. Priority 3: Development

- Focus City efforts on development of more housing and commercial properties to sustain the growth of the City through 2040 and beyond.

## 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 and offered challenges to conventional thinking.

### City Council

Steve Washburn, Mayor

Lindsay Guetzko, Council Member

Adam Pawelk, Council Member

Dan Schuette, Council Member

Michael Walters, Council Member

### Senior Staff

Jake Foster, City Administrator

Lynn Tschudi, Administrative Services Director

Tom Hanson, Fire Chief

Doug Kammerer, Public Utilities Superintendent

Mike Dressel, Public Services Superintendent