



FY 2021 - 2024

STRATEGIC PLAN

MARCH 2021





RAPP CONSULTING GROUP

March 15, 2021

City of Chanhassen
7700 Market Boulevard
P.O. Box 147
Chanhassen, MN 55317

RE: FY 2021-2024 Strategic Plan – City of Chanhassen

Dear Mayor Ryan,

I am pleased to present the 2021-2024 Strategic Plan and Summary Report to the City of Chanhassen. 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 Chanhassen with this important project. You, the City Council, and the senior management displayed clear thinking, dedication and focused effort.

I particularly wish to thank Interim City Manager Heather Johnston and Assistant City Manager Jake Foster for their help and support during the process.

Craig R. Rapp
President



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EXECUTIVE SUMMARY

From January 2021 through March 2021, the City of Chanhassen engaged in a strategic planning process. The process resulted in a strategic plan covering FY 2021-2024.

The plan consists of five **strategic priorities** – the issues of greatest importance to the City of Chanhassen 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, followed by a SWOT analysis. On February 19-20, 2021, the City Council and senior management team held strategic planning sessions. They developed a set of priorities, key outcomes and performance targets, and outlined draft versions of the organization’s vision, mission and values.

Based upon those priorities, the City’s senior management team met on March 9, 2021 to identify a set of strategic initiatives and develop detailed action plans. The strategic priorities, key outcome indicators, performance targets and strategic initiatives are summarized here and on the following page.



The Plan

Five Strategic Priorities

- 1 FINANCIAL SUSTAINABILITY
- 2 ASSET MANAGEMENT
- 3 DEVELOPMENT & REDEVELOPMENT
- 4 OPERATIONAL EXCELLENCE
- 5 COMMUNICATIONS

STRATEGIC PLAN SUMMARY 2021-2024

City of Chanhasen

Strategic Priority	Desired Outcome	Key Outcome Indicator	Target	Strategic Initiatives
Financial Sustainability	Financial stability in all funds	- Fund balances - Fund policies - Approved budget - Service levels	-Fund balance targets, strategy in place 2022 -2024 Fund balance within policy - Core service levels defined by 6/2023 - long-term financial resources aligned with service level by 2024	a) Establish service levels in core operations b) Improve internal control structure c) Adopt financial policies d) Comprehensive 5-year financial plan e) Update financial system f) Departments trained to use financial system
	Financial policies guide decision making	- Financial policies	- Financial policies adopted and used to develop annual budget beginning 2022	
	Financial systems produce timely, accurate and meaningful financial information	- Automated processes - Standards and ad-hoc reports	- Update Springbrook software by July 2021 - Automate all workflows by 12/2023 - Implement on-line budget process by 12/2021 - Select and implement new financial system by 12/2023	
Asset Management	Effective utilization and protection of assets	- Industry standards - Approved policies	- Meet 2022/2023/2024 targeted metrics	a) Comprehensive inventory of assets b) Establish comprehensive capital and asset management and replacement system c) Create integrated maintenance program to support LOS d) Evaluate hiring asset manager
	Ability to pay for critical assets	- Financial balances - Life-cycle costs	- Fund sources & strategies in place for critical assets (\$100k+) by 7/2023	
	Assets adequate to support adopted levels of service	- Level of service standards - Level of service asset inventory	- LOS standards for critical operations adopted by 6/2022 - Minimum asset allocation for critical operations by 6/2023	
Development & Redevelopment	Diversity in new development	- # of units - Sq. ft. - Jobs - Permits	- Avienda development completed by 1/2027 - Lift station #32 completed by 2023 - See development activity of at least three types each year	a) Reconcile ordinances with Comprehensive Plan Goals b) Review downtown vision plan and identify roadblocks c) Inventory vacant or underutilized buildings d) Review "business friendly" policies, approaches e) Evaluate plan for supportive infrastructure for future development
	Redevelopment consistent with our vision	- # of public-private partnerships - Stakeholder feedback	- One CDA project/year - 75% decisions supported by key stakeholder	
	New innovative places and spaces	- # new ideas - # pilot projects	- 2 ideas become real projects by 2024	
Operational Excellence	Satisfied workforce	- Employee survey results	- In 2021, 90% of employees participate in employee survey	a) Establish employee engagement and development program b) Conduct a class and comp study, including implementing related supervisor training for employee evaluations c) Develop customer service standards and practices d) Develop complaint tracking system e) Evaluate and conduct efficiency improvement projects
	A competent workforce	- Training standards - Licenses, certifications	-12% turnover rate (nonretirement) 2021-2024 - Each employee participates in one job-specific training and one professional development training	
	Improved operational effectiveness, including through the use of technology and innovation	- Processing, response, cycle times - Service levels - Complaints - Survey results	- Resident satisfaction with targeted services at/above 75% in 2022 community survey - Demonstrated efficiency improvements: 2 departments by 12/2024	
Communications	Improved understanding of city operations	- Survey results (community)	- Annually, see increase in % of residents indicating knowledge of city operations	a) Establish an external communication plan b) Establish an internal communication plan c) Complete website enhancements d) Develop/deploy community engagement strategy
	Improved internal communication	- Intranet usage stats - Survey results (internal)	- Increase satisfaction with internal communication by 25% between 2021-2024	
	Improved communication with outside organizations	- Partner communication - Survey (partners)	- 80% of survey respondents indicate good communication with City of Chanhasen by 2024	

OUR VISION

Chanhasen is a safe, welcoming community with engaged residents, abundant natural amenities and vibrant businesses, supported by valued services that make this a community for life.

OUR MISSION

Our mission is to serve the public. We do this through the delivery of reliable, cost-effective services designed to provide a safe, sustainable community.



OUR VALUES

INNOVATION

We seek to be innovative, collaborative problem solvers to provide responsive, quality services.

RESPECT

We believe in people and we strive to treat them with dignity in an equitable and inclusive manner.

STEWARDSHIP

We strive to manage transparently the City's financial investments to provide essential services and protect its valuable assets and natural resources.

ENGAGEMENT

We seek to provide opportunities for residents to connect with the community, each other and the natural environment.

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 Chanhassen 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.

1. Where are we now?
2. Where are we going?
3. How will we get there?
4. What will we do?

DEVELOPMENT

IMPLEMENTATION

Where we are

Where we're going

How we'll get there

What we'll do

Scan the environment
-
Conduct internal and external analysis (SWOT)
-
Develop Strategic Profile
-
Identify Strategic Challenges

Define our Mission
-
Articulate Core Values
-
Set a Vision
-
Establish Goals
-
Identify Key Intended Outcomes

Develop Initiatives
-
Define Performance Measures
-
Set Targets and Thresholds
-
Cascade throughout organization

Create Detailed Action Plans
-
Establish Accountability: Who, What, When
-
Identify Success Indicators
-
Provide Resources

Process Initiation - Setting Expectations, Reviewing Current Situation

The strategic planning process began with a meeting of the consultant and the City's senior management team on January 26, 2021. The meeting included a review of strategic planning principles, a discussion of the upcoming planning retreat, an examination of vision, mission and value statements, past strategic planning efforts, and current challenges. The session concluded with a set of recommended principles for the vision, mission and value statements, and a process for conducting the planning retreat.

Setting Direction: Vision, Value Proposition, Mission, and Values

On February 19-20, 2021, the City held a retreat 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

(ex: Wal-Mart, Southwest Airlines)

- Deliver quality, price and ease of purchase that no one else can match!

Product/Service Leadership

(ex: Apple, Google)

- The best product/service...period!

Customer Intimacy

(ex: Nordstrom, Ritz-Carlton)

- The best total solution! (acts as a partner with you)

FOUR CORE CULTURES

Control Culture

(example: Military - command and control)

Strengths: Systematic, clear, conservative

Weaknesses: Inflexible, compliance more important than innovation

Competence Culture

(ex: 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 value proposition, its relationship to organizational culture, and how the City actually operates. It was generally agreed that the City desires to have a customer intimate approach, but that operational excellence has been important and will continue to be important for financial stability. Based upon that understanding, 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
- Environment Scan
- Stakeholder Engagement

SET PRIORITIES, TARGETS

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

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 examined a range of concepts and statements from other cities, spent time reflecting and debating their purpose and their long-term aspirations for the community. A brainstorming process ensued, resulting in the identification of key concepts the group favored for each statement. These were then used by the consultant over the succeeding weeks to create draft statements.

The proposed vision, mission and value statements are listed below.



MISSION STATEMENT

Our mission is to serve the public. We do this through the delivery of reliable, cost-effective services designed to provide a safe, sustainable community.



VISION STATEMENT

Chanhassen is a safe, welcoming community for all generations with engaged residents, abundant natural amenities and vibrant businesses, supported by valued services that make this a great place to call home.



VALUES

INNOVATION

We seek to be innovative, collaborative problem solvers to provide responsive, quality services.

RESPECT

We believe in people and we strive to treat them with dignity in an equitable and inclusive manner.

STEWARDSHIP

We strive to manage transparently the city's financial investments to provide essential services and protect its valuable assets and natural resources.

ENGAGEMENT

We seek to provide opportunities for residents to connect with the community, each other and the natural environment.

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Reviewing the Environment, Setting Strategic Priorities

Following the value proposition, vision, mission and value statement 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

- Good financial stewards (AAA Bond Rating)
- Competent and dedicated employees (motivated)
- Flexible/adaptable/collaborative (open to change)

WEAKNESSES

- Lack of investment (On staff, facilities, infrastructure, technology and services)
- Planning (Financial, strategic, policies)
- Trust (Internal and external)

SWOT Analysis

- Develop/redevelopment focus
- Staff utilization/leverage
- Collaboration (Residents, Stakeholders, neighboring communities)
- Long-term visioning/planning

OPPORTUNITIES

- Lack of trust
- Long-term financial planning - infrastructure - budgets
- COVID has amplified anxiety and awareness to existing issues
- Security of assets

THREATS



a community for life

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)

- Development/Redevelopment
- Staff utilization
- Collaboration
- Long-Term planning/visioning

WEAKNESSES EXACERBATED BY THREATS

(Keep bad things from happening)

- Lack of long-term, integrated financial planning and investment
- Lack of trust (Council-staff, Community-city)
- Poor communication (Silos, internal, to community)
- Inadequate information (Poor processes)

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

- Effective communication (external, two ways)
- Staff utilization and communication
- Building trust
- Clear vision/visioning (big picture)
- Unreasonable expectations - identifying/discussing reality
- Long term consolidated planning
- Defining levels of service (LOS)
- Innovation
- Technology (modernize, utilize - security, support)
- Infrastructure
- Buildings and facilities assets
- Reliable internet
- Economy
- Population Growth
- Climate impacts
- Staffing/workforce
- Development/Redevelopment
- Pace of growth
- Citizen engagement/education (two-way)
- Aging population
- Changing demographics
- Performance reporting/metrics
- Operations

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.

FINANCIAL SUSTAINABILITY

OPERATIONAL EXCELLENCE

ASSET MANAGEMENT

COMMUNICATIONS

DEVELOPMENT & REDEVELOPMENT

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.



Key Outcomes, Indicators, and Targets by Priority

Based upon the definitions, 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 SUSTAINABILITY

- a. **Outcome:** Financial stability in all funds
KOI: Fund balances and fund policies
Target: 2022 - Fund balance targets, strategy in place, 2024 - fund balance with policy
- b. **Outcome:** Financial policies guide decision making
KOI: Financial policies
Target: Financial policies adopted and used to develop 2022+ budget
- c. **Outcome:** Resources adequate to meet service levels in core operations
KOI: Fund balances, approved budget, service levels
Target: Core levels of service defined by 6/2023, Long term financial resources service levels alignment by 2024



ASSET MANAGEMENT

- a. **Outcome:** Effective utilization of assets
KOI: Industry standards, approved policies
Target: Meet 2022/2023/2024 targeted metrics
- b. **Outcome:** Ability to pay for critical assets
KOI: Financial balances, lifestyle costs
Target: Fund sources & strategies in place for critical assets (\$100K+) by 7/2023
- c. **Outcome:** Assets adequate to support adopted levels of service
KOI: Level of service standards, Level of service asset inventory
Target: LOS standards for critical operations adopted by 6/2022, Minimum asset allocation for critical operations by 6/2023

DEVELOPMENT & REDEVELOPMENT

- a. **Outcome:** Diversity in new neighborhood
KOI: # of units, Sq. ft., Jobs, Permits
Target: Avienda development completed by 1/2027, Lift station #32 completed by 2023
- b. **Outcome:** Redevelopment consistent with our vision
KOI: # of public-private partnerships, Stakeholder feedback
Target: One CDA project/year, 75% decisions supported by key stakeholders
- c. **Outcome:** New innovative places and spaces
KOI: # new ideas, # pilot projects
Target: 2 ideas become real projects by 2024

OPERATIONAL EXCELLENCE

- a. **Outcome:** Satisfied workforce
KOI: Employee survey results
Target: By 2024, 70% employees report being satisfied
- b. **Outcome:** A competent workforce
KOI: Training standards, licenses, certifications
Target: 70% of workforce meets standards/certifications, 70% evaluated as exceeding requirements
- c. **Outcome:** Improved operational effectiveness
KOI: Processing response, cycle times, Service levels, Complaints, Survey results
Target: Resident satisfaction with targeted services at/above 75% in 2022 community survey, Demonstrated efficiency improvements: 2 departments by 12/2024

COMMUNICATIONS

- a. **Outcome:** Improved understanding of city operations
KOI: Survey results (community)
Target: 75% of survey respondents indicate good understanding of city operations by 2024
- b. **Outcome:** Improved internal communication
KOI: Intranet usage stats, Survey results (internal)
Target: Increase satisfaction with internal communication by 25% between 2021-2024
- c. **Outcome:** Improved communication with outside organizations
KOI: Partner communication, Survey (partners)
Target: : 75% of survey respondents indicate good communication with City of Chanhasen by 2024

STRATEGIC PLANNING PROCESS

ASSESS CURRENT ENVIRONMENT

- Senior Management Review
- Previous Plan Status
- Vision/Mission/Values
- Environment Scan
- Stakeholder Engagement

SET PRIORITIES, TARGETS

- Strategic Planning Retreat
- Operating Environment
 - Culture, Value Proposition
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- Outcomes, KOI's, Targets

IMPLEMENT THE PLAN

- Implementation Session
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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 Chanhasen 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 March 9, 2021 senior staff met to identify strategic initiatives. Following this session, staff teams worked to develop detailed action plans for each initiative.

Financial Sustainability

- Establish service levels in core operations
- Improve internal control structure
- Adopt financial policies
- Comprehensive 5-year financial plan
- Update financial system
- Departments trained to use financial system

Asset Management

- Comprehensive inventory of assets
- Establish comprehensive capital and asset management and replacement system
- Create integrated maintenance program to support LOS
- Evaluate hiring asset manager

Development & Redevelopment

- Reconcile ordinances with 2040 Comprehensive Plan Goals
- Review downtown vision plan and identify roadblocks
- Inventory vacant or underutilized buildings
- Review “business friendly” policies, approaches
- Evaluate plan for supportive infrastructure for future development

Operational Excellence

- Establish employee engagement and development program
- Conduct a class and comp study
- Develop customer service standards and practices
- Develop complaint tracking system
- Evaluate and conduct efficiency improvement projects

Communications

- Establish an external communication plan
- Establish an internal communication plan
- Complete website enhancements
- Develop/deploy community engagement strategy





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.

MAYOR AND CITY COUNCIL

Elise Ryan, Mayor
Dan Champion, Councilmember
Jerry McDonald, Councilmember
Lucy Rehm, Councilmember
Haley Schubert, Councilmember

SENIOR STAFF

Laurie Hokkanen, City Manager
Heather Johnston, Interim City Manager*
Jake Foster, Assistant City Manager
Kate Aanenson, Community Development Director
Charlie Howley, Public Works Director/City Engineer
Don Johnson, Fire Chief
Lance Pearce, Lieutenant – Carver County Sheriff's Office
Rick Rice, IT Manager
Jerry Ruegemer, Park and Recreation Director
Kelly Strey, Finance Director

*Preliminary and follow-up planning