

To: **Mayor and City Council**
From: **Ryan Schroeder, City Manager**
Date: **March 22, 2021**

Strategic Planning Report, March 6, 2021

BACKGROUND INFORMATION:

Every other year, the West St. Paul City Council holds a day long Strategic Planning meeting to revisit its current direction for reaffirmation or change of its Strategic Initiatives for the next two-year period. In preparation for this meeting, the Council typically hosts Town Hall or neighborhood meetings to receive public comment and input. The City has, historically, provided a survey tool during these Town Halls. However, in 2021, the Town Halls hosted on February 11, 24, and 27 were held virtually, due to the COVID-19 pandemic. With the virtual meeting format, the same interactive survey tool used in past years was not possible. However, this circumstance allowed for an expansion of the survey. It also allowed for the survey tool to be offered in both English and Spanish languages. In total, 303 surveys were completed online or on paper, of which 13 were completed in the Spanish language format. Survey results were provided to the City Council prior to the March 6 Strategic Planning meeting and this data informed the Council discussion.

The Strategic Planning meeting was held at Dakota Lodge at Thompson County Park. The meeting ran from 9:00 a.m. until 2:40 p.m. Councilmembers in attendance were: Mayor Napier, Councilmembers Berry, Eastman, Eng-Sarne, Gulley, and Justen. Councilmember Vitelli had an excused absence.

Staff members present were: City Manager Schroeder, Police Chief Sturgeon, Parks & Public Works Director/City Engineer Beckwith, Finance Director Stark, Human Resources Director Gieseke, Assistant Parks & Recreation Director Schletty, Community Development Director Hartshorn, Marketing & Communications Manager Nowicki, City Clerk Buecksler, and South Metro Fire Chief Juelfs.

The meeting was facilitated by: Dr. Craig Waldron, The Waldron Company.

LOCAL GOVERNMENT TRENDS:

Dr. Waldron provided a synopsis of recent trends he has been seeing within the local government sector as follows:

- Aging infrastructure challenges, some communities do not cut tax rate with Tax Increment Financing (TIF) retirement to allow for reallocation of resources
- Housing, how to maintain existing housing stock as it ages, also a supply issue
- Diversity and inclusion, social equity
- Pressure to provide more services while public also concerned about taxes, the mistake we make in government we talk about taxes as a separate issue rather than where taxes are going; need to connect the two

- Getting difficult to recruit talented staff
- What is post COVID environment going to look like, will traffic be less with more virtual meetings?
- Constant discussion on the environment and sustainability, carbon footprint
- Communications, how best to outreach to public and lesser served communities
- Policing with respect to recruitment and inclusivity, plus it's just been a tough time for Police Departments; what do we expect from Police Departments, is it too much
- Cities becoming more involved in planning and strategizing where to go and how to get there

City Council signaled general agreement with the trends as reported and also that these same trends appeared aligned with identified Initiatives for Council discussion.

RECENT WEST ST. PAUL ACCOMPLISHMENTS:

Dr. Waldron requested that Council members offer their opinions regarding West St. Paul recent accomplishments, of which they are most proud, or those which were most notable. These were reported as follows:

Mayor Napier

In 2012, Robert Street was failing and businesses were failing, parks needed repair and Signal Hills/Kmart was failing. Streets were being maintained but not gaining ground. Parks are now doing well, plans in place for more improvements, streets doing well, sales tax is allowing us to do road construction on the pace we need. Have had record development in our city the last two years, lots of big projects currently under construction. Housing market tops in the metro. Also proud of financial plan we have in place to create tax stability down the road. Proud of Emerald Ash Borer and Inflow & Infiltration (I&I) plans, both ahead of the curve.

Councilmember Berry

What Dave said; never thought I'd be proud of sewer improvements! Development on Robert Street will create more opportunities. Excited about inclusion being talked about. Can't think of any mistakes. Both Chiefs made huge strides and creative improvements (PAR360).

Councilmember Eng-Sarne

Proud of what this group has done; during pandemic we managed efficiently. Housing development, tunnel, trails and sidewalks, made it through emergencies, Skate Against Hate, proud of communications, meeting productions, etc. Proud of Police Department and Fire Department and mental health initiatives. Had to reinvent how to do elections. New playground at Marthaler. Funding for lift stations. This team was really adaptable this year.

Councilmember Gulley

Excited about a lot of things that Council has worked on for decades that we can push forward. I think Robert Street looks great even though there are differing feelings about this in the community. Smith Avenue has lots of opportunity. Sidewalk plan, Bus Rapid Transit (BRT), parks, lots on the horizon, excited about engaging community. Engagement and volunteerism really at high levels, incredible opportunity. Excitement about public art and Art Park. Emerald Ash Borer and saving trees that are in good shape.

Councilmember Justen

Coming in, I thought Met Council demands for additional housing units was undoable but we have actually accomplished it in just a couple of years. The housing ties into all the other stuff of restaurants, etc. Sidewalk assessment change in 2020 makes it infinitely easier to put sidewalks in. Made a strategic move that removed a major obstacle to advance sidewalks and trails. Incredibly good working

relationship with our State Representatives. Also we've improved our financials that has allowed us to build on initiatives we wouldn't otherwise be able to do.

Councilmember Eastman

Everything you hear about important topics nationally, we are having those same conversations here. Engagement; hope for the day to be able to have full Council Chambers with people applauding new businesses etc. Dan Nowicki is a marketing God and people are jealous of Town Square TV. Partnerships, diversity of our neighborhood, adding over 1000 apartment units and two thirds is affordable. There will be good things and some challenges with that. Demographic and economic indicators, we have most rental population of any city in Dakota County, have more groups homes and senior housing. Want to give shout-out to Police and Fire, especially in the area of mental health. Environmental movements, I&I, storm water, parks, carbon pricing resolution, work that's happened at Dakota County Thompson Park. Passing of conversion therapy ban. Green Step City process. Great relationship with County leaders. Financial excellence; have a strong foundation going forward. Transparency.

COUNCIL DISCUSSION OF CRITICAL ISSUES:

Dr. Waldron requested Council discussion of Critical Issues facing West St. Paul. This topic elicited a great deal of free flowing back and forth conversation. However, Council offerings are again disseminated below by Councilmember:

Councilmember Eastman

Floyd issue pointed out that we have a much more diverse area than people traditionally understand. Had a sign issue that caused disruption. There is concern in diverse community about whether they are safe and welcome here. Both BIPOC and LGBTQ community. Safety issues. Especially as we are building new apartment buildings, we are going to have rapid growth in pockets and we need to anticipate what the impacts will be. Also need to be welcoming to new residents. We have so much opportunity. The good thing about campaigning is that I visited a lot of people including renters and got to see challenges of housing safety. Some apartments are awesome and some I felt sorry for people who lived there. Multi-lingual is growing. Lost the Southwest Review newspaper so we have lost a communication avenue. Have been having a lot of community food giveaways, great way to meet community members. Good way to see the struggles folks are going through. Will there be an increase in evictions? People dealing with distance learning, job loss. Develop a strategy or policy of understanding best practices of diversity, inclusivity and racial equity. Companies have done this for years, but everyone has to do this. There are equity components of environmental work. Maybe we bring in folks such as the Sherriff to an OCWS to talk about this or Ruth Richardson. The national conversation on diversity is happening locally and we need to get better at it. I hope when we are done with COVID we get back to community events and meeting with people in person.

Councilmember Justen

There is a low level significant anxiety about the Chauvin trial. We had some opportunistic criminal activity last time. The Police Department did an incredible job last time, but we need to prepare ourselves both citizenry and businesses. We are in a strange spot where we are located in Dakota County; we are much more diverse than 90% of Dakota County. We are more urban than suburban. We should not be looking to Dakota County on leadership on diversity issues, should be looking to St. Paul and similar communities. New residents see West St. Paul as living in an extension of St. Paul, while longer term residents see West St. Paul as sleeper and we need to get the two sides together.

Councilmember Gulley

Response/communication strategy. What messaging are we going to convey, what are the predictable outcomes that we can see? Elephant in the room is that this room is 100% white, and I brought up how

to get creative about diversity and a Councilmember railed on me personally and that created anxiety for me. We are a diverse city in lots of different ways, income, race, etc. Have an incredible opportunity with engagement desire within the community. Can use that as a building block. Don't see it as a challenge but as an incredible opportunity to become the city that we represent, on all levels. We are not doing anything wrong, but we have an opportunity to be leaders in the metro area. I have relationships with two Universities that can be useful in recruitment. Why couldn't Cities collaborate on hiring a recruiter to hire diversity? Is more useful to compare us to Richfield and other first ring suburbs than Dakota County cities.

Councilmember Eng-Sarne

Our residents have conflicting beliefs on diversity and who we are. Some are excited about development and density and others want a sleepy town.

Councilmember Berry

The folks coming into West St. Paul don't know where the line is between West St. Paul and St. Paul. The people yelling profanities at my yard are not young people. Could change job requirements so that diverse candidates qualify for positions. We need to meet people where they are.

Mayor Napier

If I had a magic wand, I'd get rid of social media. It has given us lots of headaches. People active on social media are not necessarily the voice of the entire community. I would love to wave a magic wand that all outbursts should be solution-oriented instead of gripe sessions which are damaging. Would like to somehow tackle social media to make it a positive influence. I hear a totally different story when I meet with people face-to-face instead of on social media.

VARIOUS:

Discussion about team, personalities, and OCWS sitting around a round table rather than on cable. Was more fluid than at present. Council found connections under the former format. Or meet periodically just to develop relationships, not talking about city business.

Trying to codify planning issues. Some Committee Members feel like their recommendations are not being fully embraced. Need to reinforce that Committee Members are respected. Joint work session with various committees and commissions.

Want to talk about creating new committees. Diversity/Inclusion, Human Rights, Public Arts. Maybe a subcommittee or work group, maybe have a way of accepting work of the community group. What is most crucial need, what are the priorities?

Police Chief Inclusion work group.

Where do we get money to support committee initiatives? Need to be able to facilitate the committee doing something. Maybe committee or group has a shorter life span.

Naturally occurring affordable housing. Will older housing go downhill with all of the newer units? The Metro Area Median Income (AMI) is quite a bit higher than West St. Paul AMI. We have resident renters paying over 60% of Gross Income. Naturally Occurring Affordable Housing (NOAH) sounds like a good thing but sometimes the apartment buildings maintenance is not at expected levels. We don't have a good handle on amount of housing insecurity. How do we dig into getting into our rental community more?

STRATEGIC INITIATIVES:

Council worked from Staff proposed 2021 Initiatives with the following comments:

- Need an initiative about attracting higher quality or different businesses.
- Branding: keep as an initiative maybe have the bubble be communication and marketing not branding; how do we make sure we are communicating with lots of different people? What do we want to convey about our city? Mayor Napier hears a lot from people about how West St. Paul is proximate to everything. What is our story? Create a hierarchy of messages. How do we communicate our story?
- Debt Plan: we strive for excellence in our fiduciary responsibility.
- Continues investment in infrastructure and facilities. More than words that suggest we are starting something.
- Diversity: point should be about engagement; is it operation and also welcoming everybody, how to bring all populations into the fold. Expand outreach, how to build a foundation and culture in our city to be the best. Strengthen, take action, emphasize outreach focus more on engagement.
- Environmental Committee should be included in the Parks area. Councilmember Berry would like a separate Environmental bubble. Need a maintenance plan for buildings.
- Economic Development maintaining relationships with businesses.
- Accessibility as a social justice aspect? As part of inclusiveness? Accessibility and equity, equitable access. Things like inclusiveness as it relates to accessibility.
- Maintain quality of housing stock.
- Parks - build on our strong park system and plan for improvements.
- Recreation - include partnerships with Dodge Nature Center, school district and others. In issues and opportunities, recreational opportunities can be community events and Police and Fire. Absence of West St. Paul Days. Dodge and Garlough great partnership.
- Public Safety. Build relationships and trust with our public safety team, need more understanding from community of what we are doing. Preserving our high quality public safety services continually supporting our public safety efforts, focus on positive mental health programs. Continue to build community awareness of public safety programs and community outreach.
- On Economic Development, recognize survey of diversity of business opportunities. Also need to address Walmart. Need to talk to specific businesses that are desirable. List of restaurants or businesses in newsletter or marketing of some sort.

IDENTIFIED OPPORTUNITIES TOWARD INITIATIVE ACCOMPLISHMENT:

Strengths: High quality staff, haven't had a lot of turnover, starting from a good foundation. Previous progress. What we are largely talking about is changing perception rather than reality. Have an engaged community. A lot of passion, enthusiasm for community, Council, Staff, Commissions, public. Well positioned financially to bring in new leadership with clear expectation. Have a functionally aligned Council. Operating in many areas with extreme excellence. Need to continue to message what we do. Current Council is willing to get out into the community, accessible, transparency. Representative Rich Hansen and Senator Matt Klein mentioned, as well.

IDENTIFIED OBSTACLES TOWARD INITIATIVE ACCOMPLISHMENT:

Don't have unlimited funds. COVID. Inaccurate perceptions. Loss of local newspaper, social media, and zoning contradicts understanding of land use vision. Increase of political polarization across the country, isolation due to COVID, aging infrastructure. General mistrust of government. Understanding our roles as elected officials and staying united to accomplish goals. Restriction of informal interactions for Councilmembers. New City Manager. Access for public to stay informed.

Comment: Can we mail surveys to all people in the future?

NEXT STEPS:

1. Consensus to forward an amendment of financial policies regarding reallocation of debt levy savings toward infrastructure and facilities in addition to levy savings.
2. Consensus to direct Staff to propose 2021/22 Strategic Initiatives as discussed.
3. Consensus to schedule a refresher of identified Initiatives and planning toward accomplishment once the new City Manager has been with the City two or three months or perhaps in July/August 2021.

PROPOSED DRAFT 2021/2022 INITIATIVES FOLLOWS:

Existing Initiative Area: **Inclusivity and Accessibility**

Proposed 2021 Initiative: Ensure engagement of and accessibility for entire community is woven into all aspects of the operation

Existing Initiative Area: **Branding**

Proposed 2021 Initiative: Expand communication methods reinforcing our brand to all constituencies

Existing Initiative Area: **Infrastructure and Facilities**

Proposed 2021 Initiative: Expand Debt Retirement Strategy allocating future savings toward infrastructure and facilities long term funding targets

Existing Initiative Area: **Parks**

Proposed 2021 Initiative: Build on our strong environment/park system and implement maintenance and redevelopment plan within the ten year CIP

Existing Initiative Area: **Recreation**

Proposed 2021 Initiative: Leverage strong external and internal partnerships to provide recreational opportunities for all ages and abilities

Existing Initiative Area: **Economic Development**

Proposed 2021 Initiative: Continue to build retail/restaurant diversification and business relationships

Existing Initiative Area: **Housing**

Proposed 2021 Initiative: Maintain our quality housing stock

Existing Initiative Area: **Public Safety** (new)

Proposed 2021 Initiative: Continue to build awareness of, and trust in, our high quality public safety programs with focus on community building

Existing Initiative Area: **Fiscal Issues**

Proposed 2021 Initiative: Maintain focus on, and compliance with, adopted fiscal policy

ALIGNMENT OF 2021/2022 STRATEGIC INITIATIVES WITH THOSE OF PAST YEARS:

2015/16 Initiatives	2017/18 Initiatives	2019/20 Initiatives	2021/22 Initiatives
	Rebranding / Creating Our Story	Branding and Identity	Expand Communication Methods Reinforcing Our Brand to all Constituencies
Infrastructure and Community Facilities	Ensuring Roadway Infrastructure PCI Ratings are Maintained or Improved Structure a Plan and Strategy for Repair Reconstruction or Expansion of the City Hall Building as Part of a Larger Facilities Maintenance Strategy	Invest in Infrastructure and Public Facilities	Expand Debt Retirement Strategy Allocating Future Savings Toward Infrastructure and Facilities Long Term Funding Targets
	Address Park Maintenance Standards Monumentation and Commitment to the Bide/Ped Plan	Increase Maintenance of Parks and Plan for Improvements Improve Accessibility Regarding Walking Biking Wheel Chairs, Bus Routes	Build on Our Strong Environment/Park System and Implement Maintenance and Redevelopment Plan Within the Ten Year CIP
	Explore Recreation Programming Opportunities and Partnerships Including Naming Rights and Foundation Funding	Provide Recreational Opportunities for All Ages	Leverage Strong External and Internal Partnerships to Provide Recreational Opportunities for All Ages and Abilities
Economic and Community Vitality Connected and Thriving Neighborhoods	Aggressively Pursue Robert Street and Other Redevelopment Opportunities	Improve Housing Stock Through New Housing Plan Create Active Plan to Address Vacant or Blighted Properties	Maintain Our Quality Housing Stock Continue to Build Retail/Restaurant Diversification and Business Relationships
Innovative and Governance Excellence	Broadly Focus on Sustainability, Partnerships and Collaboratives	Actively Pursue All Resources to Facilitate Council Initiatives in Recognition of Current Fiscal Constraints	Maintain Focus on, and Compliance with, Adopted Fiscal Policy
		Identify Opportunities to Bolster Diversity and Inclusion Outreach	Ensure Engagement of and Accessibility for Entire Community is Woven Into All Aspects of the Operation
Safe and Vibrant Community			Continue to Build Awareness of, and Trust in, Our High Quality Public Safety Programs with Focus on Community Building

CLOSING COMMENTS FROM DR. WALDRON:

As one who has worked in the Metropolitan area for decades, I remember when West St. Paul was a place for a City Manager to avoid, based on the political situation. This is clearly not the case today, as West St. Paul has become a very desirable place for a City Manager to seek the position.

It is clearly obvious that the Council wants to work together for the benefit of the whole community. West St. Paul has been extremely well managed, however, it will now face the challenge of bringing in a new City Manager.

The Council is very willing to address the difficult issues head-on. The discussion of the Town hall issue in a clear and open fashion was quite positive, as was the Mayor's intent to aggressively follow up on the issue.

The Council made a very important, significant policy decision in deciding to utilize the additional cash flow from the retirement of debt to meet future needs. This is an extremely positive development. With the utilization of the sales tax and the reallocated debt retirement cash flow for critical needs, as well as a very positive geographic location for the City in the metro area, the future looks extremely positive for West St. Paul.

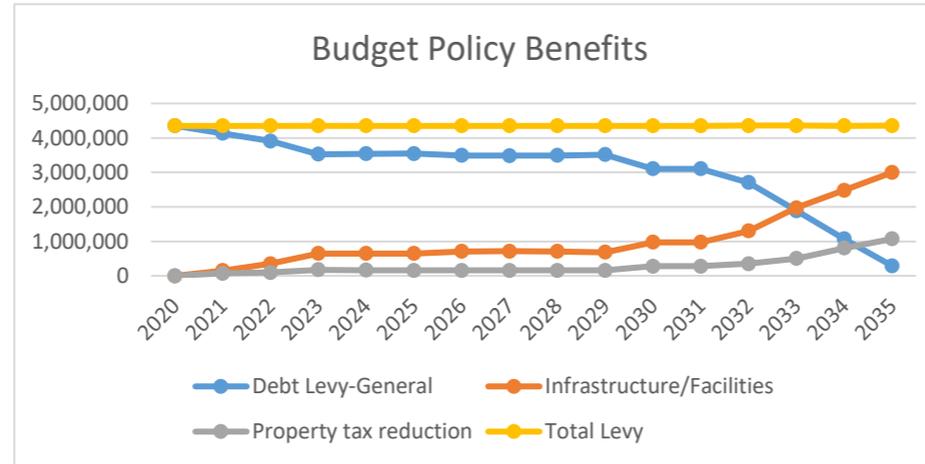
City of West St. Paul
 Cash Balances Projected to 2028 updated 10.28.20
 Cash Minus Total Debt

	2012	2013	2014	2015	2016	2017	Final 2018	Final 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
Cash	21,124,573	20,892,944	26,384,741	13,772,052	13,662,855	17,591,827	22,956,881	28,611,020	33,118,907	32,462,235	28,694,270	29,558,625	31,337,857	32,220,187	31,142,000	34,728,404	36,630,733
Debt	-27,875,000	-27,235,000	-35,185,000	-33,755,000	-40,040,000	-47,470,000	-54,160,000	-57,215,000	-53,005,000	-50,385,000	-50,155,000	-46,685,000	-43,530,000	-40,245,000	-36,840,000	-33,515,000	-30,115,000
Net	-6,750,427	-6,342,056	-8,800,259	-19,982,948	-26,377,145	-29,878,173	-31,203,119	-28,603,980	-19,886,093	-17,922,765	-21,460,730	-17,126,375	-12,192,143	-8,024,813	-5,698,000	1,213,404	6,515,733
Prior																	
Net Projected	-6,750,427	-6,342,056	-8,800,259	-19,982,948	-26,377,145	-29,878,173	-31,203,119	-28,558,980	-25,252,539	-25,055,580	-22,106,480	-21,789,480	-17,736,069	-13,437,069	-8,986,569	-4,309,141	444,912

Note: Cash includes restricted funds

Issue-Sewer								6,455,000		2,000,000	3,400,000						
Payment								(3,445,000)	(3,965,000)	(3,540,000)	(3,630,000)	(3,470,000)	(3,155,000)	(3,285,000)	(3,405,000)	(3,325,000)	(3,400,000)
Early Redemption-2010A/Golf Course									(245,000)	(1,080,000.00)							
Total Change in Outstanding Debt								3,010,000	(4,210,000)	(2,620,000)	(230,000)	(3,470,000)	(3,155,000)	(3,285,000)	(3,405,000)	(3,325,000)	(3,400,000)
Dome and Street Project	Street Project	Robert St. Harmon Park	Street Project & Refinancing Old Debt	Robert St. and Sewer	Robert St. and Sewer	Robert St. and Street Project	Sewer and Street Project	Golf Course	Lift Station 1 and Lift Station 4 Forcemain 2	Lift Station 4 Forcemain 3, 4, 6							

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	21-35 Sum
Debt Levy-General	4,354,162	4,131,165	3,908,167	3,526,125	3,541,369	3,546,401	3,493,883	3,484,089	3,493,128	3,514,138	3,103,317	3,103,155	2,705,928	1,885,056	1,072,556	286,654	44,795,131
Infrastructure/Facilities	0	150,000	350,000	650,000	650,000	650,000	705,000	714,000	705,000	685,000	975,000	975,000	1,300,000	1,970,000	2,480,000	3,000,000	15,959,000
Property tax reduction	0	70,000	95,000	175,000	160,000	155,000	155,000	155,000	155,000	155,000	275,000	275,000	350,000	500,000	800,000	1,070,000	4,545,000
Total Levy	4,354,162	4,351,165	4,353,167	4,351,125	4,351,369	4,351,401	4,353,883	4,353,089	4,353,128	4,354,138	4,353,317	4,353,155	4,355,928	4,355,056	4,352,556	4,356,654	65,299,131



Infrastructure and Facilities Funding Gap

Capital Funding Availability to meet Infrastructure and Facilities Goals

Year	Projected Available Funds	15 year Resulting Allocation	\$4,375,000 Current Infrastructure/Bldg Funding Additional From Debt Savings:					Total	Reduction in Debt Levy
			Buildings	Local Streets	Local Streets or Alleys	Pipe Lining	Sidewalks		
2022	\$350,000	\$4,725,000	\$23,000	\$230,000	\$24,000	\$50,000	\$23,000	\$350,000	\$95,000
2023	\$650,000	\$5,025,000	\$44,000	\$425,000	\$47,000	\$90,000	\$44,000	\$650,000	\$175,000
2024	\$650,000	\$5,025,000	\$44,000	\$425,000	\$46,000	\$90,000	\$44,000	\$650,000	\$160,000
2025	\$650,000	\$5,025,000	\$44,000	\$425,000	\$46,000	\$90,000	\$44,000	\$650,000	\$155,000
2026	\$705,000	\$5,080,000	\$47,000	\$464,000	\$51,000	\$96,000	\$47,000	\$705,000	\$155,000
2027	\$714,000	\$5,089,000	\$47,000	\$470,000	\$51,000	\$99,000	\$47,000	\$714,000	\$155,000
2028	\$705,000	\$5,080,000	\$47,000	\$464,000	\$51,000	\$96,000	\$47,000	\$705,000	\$155,000
2029	\$685,000	\$5,040,000	\$45,000	\$451,000	\$49,000	\$95,000	\$45,000	\$685,000	\$155,000
2030	\$975,000	\$5,350,000	\$64,000	\$642,000	\$70,000	\$135,000	\$64,000	\$975,000	\$275,000
2031	\$975,000	\$5,350,000	\$64,000	\$642,000	\$70,000	\$135,000	\$64,000	\$975,000	\$275,000
2032	\$1,300,000	\$5,675,000	\$95,000	\$931,000	\$105,000	\$74,000	\$95,000	\$1,300,000	\$350,000
2033	\$1,970,000	\$6,345,000	\$86,000	\$1,550,000	\$178,000	\$0	\$156,000	\$1,970,000	\$500,000
2034	\$2,480,000	\$6,855,000	\$0	\$2,200,000	\$37,000	\$0	\$243,000	\$2,480,000	\$800,000
2035	\$3,000,000	\$7,375,000	\$0	\$2,727,000	\$0	\$0	\$273,000	\$3,000,000	\$1,070,000
2036	\$3,000,000	\$7,375,000	\$0	2,727,000	\$0	\$0	\$273,000	\$3,000,000	\$1,070,000
	\$18,809,000	\$84,414,000	\$650,000	14,773,000	\$825,000	\$1,050,000	\$1,509,000	\$18,809,000	\$5,545,000

10 year current funding:	\$43,750,000
10 year current funding goal	\$51,350,000
10 year Projected funding	\$50,789,000
Gap	(\$561,000)
15 year current funding	\$65,625,000
15 year current funding goal	\$77,025,000
15 year Projected funding	\$84,414,000