

City of Merrill Strategic Planning Session #8 Outline

Thursday, July 17, 2014

5:30-7:30 p.m.

City of Merrill Council Chambers

I. Review of Council Approved Mission and Vision Statements

“The mission of the City of Merrill government is to provide high quality services in an innovative, consistent, and efficient manner.”

“We, the employees and officials of the City of Merrill, envision superior services while being open, responsible, and transparent to the public”

II. Overview and Review of Strategic Plan Framework

- a. Does it provide at least some of the guidance you need? (e.g. to focus staff; to provide budget development parameters)
- b. Is it relatively straight forward?
- c. Do the metrics make sense? Are there other metrics that should be used?

III. Parking Lot Items

- a. Research Merrill mill rates/property taxes collected over time in comparison to other similar cities (based on population).
- b. Explore possibility of publishing government committee meeting minutes on the city website, on the local cable TV station, etc. (Communicate more widely).
- c. Hold town hall type meetings to help keep people informed and to provide them with more of a voice.
- d. Perhaps do local study that will reveal just how many youth are leaving the area after high school graduation, why they are leaving, and whether they will consider coming back (or actually have come back).
- e. Tie strategic planning to discussions about how city government can help cultivate and mentor community leaders.

Do any of these need to be revisited or integrated into the plan?

IV. Next Steps

- a. Final revisions of framework.
- b. Creation of final strategic plan document.
- c. Formal approval of plan.
- d. Oversight of progress being made.
- e. Internal and external communication of that progress.

V. Adjourn

City of Merrill Strategic Plan Framework

Strategic Issue #1: “How can Merrill city government help grow the city’s tax base?”

The planning group identified the following principles upon which strategies for this issue were developed.

- € Make it easier for people to start or expand a business within the city. Too often, city government regulations are obstacles to business development. City officials/employees need to do a better job of helping potential and current business owners find options that will still allow them to comply with regulations while helping them establish or expand their enterprises. We need to say “yes” much more often than “no.” We need to become business friendly.
- € Find ways to promote job creation and diversity. For this and the principle above, the planning group decided that it will be important to maintain city funding for Lincoln County Economic Development Corporation.
- € Redevelop dilapidated housing sections especially in downtown areas and develop new housing where it makes the most sense. Nearly 65% of the city’s total equalized value is derived from residential property (2012 Wisconsin Department of Revenue). Great strides are currently being made to improve the overall quality of the city housing stock, but much more must be done to ensure that homes for sale are quickly sold and houses throughout every ward are well maintained. Planning group members agreed that it may now be time once again to approach the county to request that it tighten up its foreclosure process (stick to three rather than five year + timeline).
- € Economic development. When we tear down the old, make certain that we replace it with something better (not possible normally with residential development). Becoming even more aggressive on eliminating blight will be key to good economic development. Prioritizing projects based on their potential for a solid return on investment will also be vital.

€ Attract young families to the area by creating jobs and improving the city’s “quality of life” amenities. It was acknowledged that attracting young families will also serve to slow population decline (between 2000 and 2010, the city’s population declined nearly 5%). In theory, attracting young families will also help slow aging population trends.

(Note: Efforts to increase the tax base will be ongoing.)

| Metric(s) | Strategies | Action Steps | Timeline | Responsible Lead Party(ies) |
|--|--|--|--|--|
| <p><i>Grow the city’s tax base by 20% during the five year strategic plan implementation period (Achieve a yearly increase of 3-5% annually)</i></p> <p>(Measure by comparing the previous year’s figure with the current year’s figure; report on actions taken and results; if actions not taken then why)</p> <p><i>Increase the number of jobs in the city by at least 10% (about 500 jobs) by the end of the planning period, with half of those new jobs</i></p> | <p>a. City government takes more of an active role in marketing the city</p> | <ul style="list-style-type: none"> Promote the city and city government by the latter telling stories about existing services, the local educational system, and quality of life amenities (frequently update the city website; partner with the chamber when possible; partner with community entities when possible; use various media to tell the story) | <p>By December 2019 for completing all actions</p> | <ul style="list-style-type: none"> € City Redevelopment Authority (in collaboration with the mayor and city administrator) € Redevelopment Resource Team € Economic development consultants € Lincoln County Economic Development Corporation € Merrill Area Development Corporation € Merrill Area Chamber of Commerce € Centergy and whenever possible Grow North |

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| <p>offering a “family supporting” wage ¹ (Communicate specific actions that city government performed to help create those positions)</p> | | | | |
| | <p>b. Increase developable land by exploring and implementing annexation agreements when feasible</p> | <ul style="list-style-type: none"> • Determine which properties outside city limits have the most potential for economic development • Continually assess and implement those economic development projects that have the greatest potential to grow the tax base – e.g. return on investment (TIF will continue to be an important tool; see below and strategic issue #4) • Plan and Implement infrastructural projects first (i.e. after citizens’ immediate needs are met) that have the potential to help grow tax base because there is an accompanying business/company building on that site² • Apply for grants, etc. (to help supplement economic development) | | |

¹ According to the MIT Living Wage Calculator (<http://livingwage.mit.edu/counties/55069>), the minimum adequate living hourly wage for a family of four in Lincoln County is \$17.61, or approximately \$36,600 per year. According to the American Community Survey (U.S. Census Bureau), there were 4,600 people employed in the city in 2012 (2008-2012 estimates).

² Current criteria for prioritizing infrastructure projects are: 1. Broken/need; 2. Impact if any on tax levy (need to borrow); 3. Is economic development project dependent on need to upgrade infrastructure; 4. What are the developer’s plans?; 5. What is the ROI?

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| | <p>c. Work with/make it easier for existing businesses and corporations to expand their operations (if city government regulations prevent them from doing something, city government must help them find another way that adheres to regulations)</p> | <p>projects)</p> <ul style="list-style-type: none"> • Review existing business ordinances and regulations to determine how restrictive or enabling they are • When possible modify those ordinances or regulations that are not “user friendly” • Create new ordinances or regulations that without violating laws make it easier for businesses to expand or locate in the city • Involve existing industry and business owners to better capitalize on their contacts (attract new businesses, etc.) | | |
| | <p>d. Seek to partner more often with Merrill Area Development Corporation (MADC) on economic development projects that will help strengthen the city’s tax base</p> | <ul style="list-style-type: none"> • City government continues to build strong relationships with MADC board members and leaders • Continue to support and work closely with Lincoln County Economic Development Corporation (under new directorship; closely linked to MADC) | | |
| | <p>e. Explore whether the railroads that go through Merrill have divisions meant to support business development and if so how city government can collaborate with them to better facilitate development projects</p> | <ul style="list-style-type: none"> • Identify each railroad’s appropriate contact person • Make the contacts, asking what services they provide (if any) • Negotiate services if applicable | | |

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| | f. Reduce blighted residential property by 25% based on current (July 2014) numbers | <ul style="list-style-type: none"> • Research and implement best practices from other cities that are or have been successful at reducing residential blight • City government takes the lead with other partners such as the chamber to promote Merrill as a family friendly city • Apply for grants, etc. (to help supplement residential property projects) • Continue to apply for (and hopefully receive) CDBG grants for income eligible home owners wishing to repair homes | | |
| | g. Establish more Tax Incremental Financing (TIF) Development incentives | <ul style="list-style-type: none"> • Prioritize TIF related opportunities based on similar criteria being used to rank potential economic development and redevelopment projects • Recognize and pursue opportunities for city expansion through annexation • Gain a better understanding of funding sources available to help support TIF development projects | | |

Strategic Issue #2: Are there any services Merrill City Government needs to provide that it currently is not? Are there services that city government may not be able to provide any longer or should not be offering?

The planning group stated that ongoing analysis of what kinds of services are being provided and how they are being provided will be an important way to ensure responsible budgeting practices.

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| <p><i>Completed research report indicating what is required by state statute, city ordinances, etc. Report is communicated to and discussed with internal city government stakeholders (mayor, council, city administration, department heads, staff)</i></p> <p><i>Information about what services citizens value and what trends may affect service provision</i></p> <p><i>Ongoing department level analyses and periodic reporting to administration</i></p> | <p>a. Identify which services are mandated and which are not (federal & state statutes; city ordinances, any other written rules/procedures)</p> | <ul style="list-style-type: none"> • Create comprehensive, updated list of services • Review Lincoln County mandated versus un-mandated report compiled by UW-Extension and any other best practices materials (use as possible templates) • Conduct research using state statutes and city ordinances to determine what departments are formally mandated • Determine what services are informally mandated (expected by the public but not mandated by statute or ordinance) • Create and provide overview of reports to all city government decision makers | <p>Complete all action steps during the first year of the plan to inform budget process</p> <p><i>(Note: Will be ongoing; should be done as part of budget analysis every year, however, the amount of research and information gathering will vary).</i></p> | <ul style="list-style-type: none"> € City Administrator € Department heads € Department staff € Mayor € Council (to review and make adjustments as needed) € UW-Extension (research and facilitation) |

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| <p><i>Decisions about what services to provide and at what level are made based on the information gathered</i></p> <p><i>Cost of providing services remains the same or is even a bit less throughout the plan implementation period (If costs are rising, then revenue needs to be generated to cover those costs.)</i></p> | | | | |
| | <p>b. City wide macro analysis of services department by department (include in program descriptions the outcomes that are expected to be derived)³</p> | <ul style="list-style-type: none"> • Each department annually compiles information about the level of services that is needed currently and whether that level will need to increase or can be reduced in the future • Analyze overall picture of service provision in the context of annual budget preparations and also using a needs first then wants approach (see strategies c. and d.) • Explore with other entities (government and non-government) | <p>Conduct annually</p> | |

³ Some elements of Performance Based Budgeting may need to be employed to ensure that the extent to which expected outcomes are achieved can be documented.

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| | | <p>collaborations to provide given services when it makes sense</p> <ul style="list-style-type: none"> • Negotiate and implement those collaborations | | |
| | <p>c. Internal department analyses of current services and what may be needed in the future (department recommendations of what services are needed and will be needed and at what levels)</p> | <ul style="list-style-type: none"> • Each department compiles information about the level of services that are needed currently and whether that level will need to go up or can be reduced in the future • Provide information to city government decision makers on an annual basis as part of the regular budget development process | <p>Conduct annually</p> | |
| | <p>d. Identify services that are recognized priorities indicated by the public (begin with National Citizens Survey results)</p> | <ul style="list-style-type: none"> • Create and implement other tools that indicate citizens' attitudes about services and what services are needed (focus groups; surveys, etc.) | <p>Conduct twice during the plan implementation period (within five years)</p> | |

Strategic Issue #3: What is Merrill City Government’s budget philosophy?

Such a philosophy should be multi-tiered, meaning that it must include plans for contingency savings, borrowing provisions, prioritizing expenditures, guidelines for carrying over funds from one year to the next, etc. Department heads spend down their budgets at the end of the year because what is left over is not transferred into their next year’s budget. In essence, they are penalized for being efficient managers. The budget philosophy should be applied on a consistent basis over time. In part, a clearly stated budget philosophy may have to begin by modifying some existing city budget policies.

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| <p><i>Leveling off of debt payments from year to year at approximately (8.5%) of total city expenditures⁴</i></p> <p><i>Number of inefficiencies in internal services discovered and remedied (service provision) declines from year to year of plan implementation (using same methods of discovery)</i></p> <p><i>Cost of providing services remains the same or is even a bit less throughout the plan</i></p> | <p>a. Level debt structure so that debt payments are relatively equal from year to year (makes budget projections easier)</p> | <ul style="list-style-type: none"> • Obtain bond counseling to help structure debt more equitably over time • Develop plan for future capital/infrastructure needs • Before land is annexed, city government must determine specifically how that land will be developed or re-developed and how much additional revenue may be derived from that new activity | <p>Complete the action steps under strategy a. by the end of 2014</p> | <ul style="list-style-type: none"> € Finance Director € Department heads and Council € Redevelopment Authority € Administration/staff € Council € Administration/staff |

⁴ In 2014, debt service payments are estimated to be about 11.9% of total expenditures. In 2013, it was about 5.3%. In 2012, it was about 6.9%.

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| <p><i>implementation period (If costs are rising, then revenue needs to be generated to cover those costs.)</i></p> <p><i>Evidence that potential partners in service provision and purchasing have been contacted and that arrangements that make sense (i.e. reduce costs for the parties involved, including city government, are implemented</i></p> <p><i>Evidence of substantial increases in revenue of at least 20% as a result of city government led or arranged development projects on annexed land (Note: increase the city's tax base by 20% over the strategic plan implementation period; see strategic issue #1)</i></p> | | | | |

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| | b. Maintain as many services at the highest level possible that the budget allows | <ul style="list-style-type: none"> • Determine and eliminate if present any inefficiencies in the way services are provided • Explore providing services in partnership with other entities (other governments, nonprofit organizations, etc.) • Implement collaborative or partner service provision arrangements when and where it makes sense • Contact other entities to ask how they might be able to partner with city government on bulk purchases and service provision • Negotiate and implement the opportunities that make the most sense) • Develop carry over options for unspent dollars from one fiscal year to the next | Begin immediately; review annually/ongoing | |
| | c. Increase revenue through annexations when feasible | <ul style="list-style-type: none"> • Determine which properties outside city limits have the most potential for economic development • Continually assess and implement those economic development projects that | Ongoing; when opportunities are created or present themselves | |

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| | | <p>have the greatest potential to grow the tax base – e.g. return on investment (TIF will continue to be an important tool; see strategic issue #4)</p> <ul style="list-style-type: none"> • Plan and Implement infrastructural projects first (i.e. after citizens’ immediate needs are met) that have the potential to help grow tax base because there is an accompanying business/company building on that site • Apply for grants, etc. (to help supplement economic development projects) | | |
| | <p>d. Reduce duplication of internal services (the services that maintain city government itself)</p> | <ul style="list-style-type: none"> • Ongoing evaluation of internal workflows to determine if steps of getting things done are duplicated (change workflows if that is the case) • Working with department heads, remove duplication when feasible | <p>Ongoing</p> | |

Strategic Issue #4: How does Merrill city government create and implement strategic economic development and redevelopment?

Part of addressing this strategic issue will be creating and then ranking a list of projects based on a number of criteria. The city needs to continue its work to become even more nimble when economic development opportunities that perhaps were unforeseen arise.

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| <p><i>Growth in tax base by 20% over the five year plan implementation period</i></p> <p><i>Growth in the number of new jobs by 10% by the end of the plan implementation period</i></p> | <p>a. Continue to prioritize possible projects based on potential ROI (tax base increase), need for additional or repaired infrastructure and ability to pay for that (will developer pay?), ability to afford/finance the development project aside from infrastructure expenses, the likelihood of finding a developer, and potential for spin off economic development or redevelopment</p> | <ul style="list-style-type: none"> • Create and use a rating sheet that allows for a systematic cost/benefit analysis of potential economic development and redevelopment projects • Build relationships with local developers and find more ways to help them become more qualified to take on local development and redevelopment projects | <p>Ongoing: Looking for and implementing economic development and re-development opportunities never ends</p> | <ul style="list-style-type: none"> • Redevelopment Authority • Finance department • City administrator • Mayor • Council • Department heads (for advertising) • City employees (for advertising) • Developers |
| | <p>b. Engage in more active promotion of the city and its potential (to attract developers, jobs and residents)</p> | <ul style="list-style-type: none"> • Continue to upgrade and maintain the city website (promotion of city) • Identify who specifically will engage in the promotional work | <p>Begin by the end of the first year of the implementation period. Ongoing</p> | |

| Metric(s) | Strategies | Action Steps | Timeline | Responsible Lead Party (ies) |
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| | | <ul style="list-style-type: none"> • Seek opportunities to collaborate with other entities (e.g. Merrill Area Chamber) on promotions that have the potential of attracting businesses and developers to the city • Create and implement a list of additional actions that the city is or is not currently undertaking • Establish and implement a schedule of regular public relations activities (e.g. radio appearance every two weeks; newspaper article every two weeks) | | |
| | <p>c. City government should develop its own “advertising” about what it is doing to attract economic development and improve quality of life</p> | <ul style="list-style-type: none"> • Research and implement when it makes sense ways other cities are going about doing this (best practices) • Ask local stakeholders experienced in advertising how city government can and should play a more active role in developing promotional materials for this purpose • Develop and install at least two attractive welcome signs, one coming off of Highway 51/39, coming into the city | <p>First year of plan implementation; Ongoing</p> | |

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| | | <ul style="list-style-type: none"> • Become a more active organizer and sponsor (with partners) of events or activities that showcase Merrill (work even more closely with media to promote the events, etc.) | | |
| | <p>d. Establish more Tax Incremental Financing (TIF) Development incentives</p> | <ul style="list-style-type: none"> • Prioritize TIF related opportunities based on similar criteria being used to rank potential economic development and redevelopment projects • Recognize and pursue opportunities for city expansion through annexation • Gain a better understanding through research of potential funding sources to help support TIF development projects | <p>Focus initial efforts in second and third year of plan implementation. Ongoing thereafter.</p> | |