Police Department Training Room
121 SW Adams Street
McMinnville, OR 97128

Special Called City Council Meeting Agenda
McMinnville Strategic Plan Work Session
Stakeholder Charrette
Tuesday, April 3, 2018
9:30 AM

1. CALL TO ORDER

2. WELCOME AND INTRODUCTIONS

3. SITUATIONAL ASSESSMENT

4. DISCUSSION ON STRATEGIC PRIORITIES

5. ADJOURNMENT

BDS
PLANNING & URBAN DESIGN

To: Jeff Towery, City Manager

From: BDS Planning & ECONorthwest

Re: Strategic Plan Draft Priorities Summary

Date: March 21, 2018

Introduction

This memo presents seven draft strategic priorities for the City of McMinnville's Strategic Plan. These priority areas were derived based on several inputs:

1. Five facilitated focus groups (City Staff, the McMinnville Leadership Council, Young Leaders, Latino Professionals, and a broader Latino community group).
2. Two facilitated discussions with the Project Leadership Team (City department directors and community stakeholders) and with the City Council.
3. An online values survey conducted between 1/31/18 and 2/15/18 with more than 1,000 unique community responses.
4. Review and synthesis of existing city data and documents from all departments.
5. An email survey of department directors about the most critical issues for McMinnville.

This memo serves as synthesis and executive summary of the input to date. It does <u>not</u> represent a comprehensive analysis of each of these inputs. The supplemental material that is appended to this memo goes into much greater detail about each of the inputs.

The draft strategic priorities in this memo may be considered issue areas or "buckets" that will ultimately organize the remainder of the City's strategic planning effort. Clarifying the specific goals, actions and metrics that fall under each of the strategic priorities will be the work of the next phase of strategic planning. It will be in the upcoming second and third phases that the City government's role in addressing each of these issue areas will need to be clearly defined.

These draft strategic priorities will be presented and discussed at length by a large group of community stakeholders at a strategic planning charrette on April 3rd.

Each of the draft strategic priorities below is supported by several high-level findings from the engagement and analysis described above.

Draft Strategic Priorities

1. GROWTH & DEVELOPMENT CHARACTER

- In the 2018 Strategic Plan survey, the single most popular opportunity—28% of community members and 48% of city employees—was smart, controlled growth. Encouraging growth in a way that preserved McMinnville's "character" and "feel" was a theme throughout.
- In an open-ended question to surveyed residents about the single most important issue for the City to prioritize in the next five years, infrastructure (including road and sidewalk repairs, building repairs, code enforcement, growth, planning, snow removal) was the most common response category with 18% of the total (The National Citizen Survey Community Livability Report, 2016).
- Several department heads surveyed noted the City's declining resources and time allocated to long-range planning—the comprehensive plan, vision, parks master plan, buildable lands inventory, housing needs assessment, and urban growth boundary amendment are all past due.
- Several focus groups emphasized preserving character. Young Leaders highlighted "originality," while LC noted traits such as "healthy fun, and affordable," and the City Staff mentioned "small town feel."

2. HOUSING OPPORTUNITIES

- All five focus groups agreed tackling housing affordability was a critical opportunity for McMinnville; a desire for "inclusiveness" meant housing options for socio-economically diverse residents and first-time homebuyers alike.
- According to secondary data review, 88% of surveyed McMinnville residents felt that the availability of affordable housing was an issue that the City should prioritize; 46% of residents would be willing to pay additional taxes to increase affordable housing options (The National Citizen Survey Community Livability Report, 2016).
- In the 2018 survey of department heads, three department heads mentioned people experiencing homelessness or other social issues; one noted McMinnville's shift from rural to metropolitan size, issues, and services requirements. Perception of and concern for homelessness was a theme at each of the five focus groups and was mentioned as the third most common fear on the online survey (15%). These points support a common observation in many mid-sized and large cities throughout the Northwest: population growth is positively correlated with people experiencing homelessness and the need for social services.

3. ECONOMIC PROSPERITY

- "Economic vitality" was a common theme for vision in all five focus groups. While for City Staff this included financial soundness and career opportunities for the city government, the other groups mentioned livability and ability to achieve dreams.

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- Leadership Council and City Staff both mentioned the need to diversify business and employment opportunities. Leadership noted industrial attractions, Staff noted commercial development and recreation opportunities, and the Latino Community group emphasized vocational training.
- "Tourism" was the second most common word used when 2018 strategic plan survey respondents were asked about McMinnville's greatest opportunity 19% - Both residents and employees mentioned the need to fully harness the city's unique location, historic downtown, quaint restaurants, shops, and wineries.

4. CITY GOVERNMENT CAPACITY

- Three of five focus groups agreed that it should be the City's mission to be "efficient and effective" in the stewardship of its assets and services.
- Few of the City documents reviewed provide details about problems with departmental operations. There is some evidence that response times for Fire/EMS have decreased. In a survey of department heads, several mentioned staffing as a problem: not enough, and hard to retain given wages. McMinnville is expected to grow and to increase its share of the County's residents over time. (Yamhill County Coordinated Population Forecast 2017-2067). The expectations of a growing and diverse urban population will probably be for more and better services, which will almost certainly mean more staffing.
- Department heads reported significant deferral of internal projects and maintenance of City buildings. There appears to be a disconnect between City employees and the community at large on this issue—on the 2018 community survey, 21% of city employees, but only 3% of community members, feared that growth would outpace city infrastructure and services.
- All five focus groups mentioned Improved City coordination & communication as a key opportunity—this meant better connected services, building partnerships, coordinating regionally, and providing better opportunities for community input (including targeted outreach and bilingual services).
- Department heads noted that the City organization is decentralized. While that gives departments some operational advantages, it also can reduce opportunities from productive and efficient collaboration on citywide issues, and reduce efficiency is centralized support services are unavailable or under-supplied (e.g., facilities and fleet maintenance, human resources, legal).

5. COMMUNITY SAFETY

- Four out of five focus groups identified promoting public safety (and the *perception* of safety) in McMinnville as important to the City's mission.
- The public is generally pleased with the public safety service provided: 86% of surveyed residents rated fire service positively, and 85% rated ambulance/EMS service positively (The National Citizen Survey Community Livability Report, 2016).

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- Nonetheless, 82% percent of surveyed residents felt that improvements to public safety facilities should be a medium or high priority issue that the City should address (The National Citizen Survey Community Livability Report, 2016). The Fire Department has seen increases in call volumes that are affecting its ability to meet the standards of response set by City Council. In 2000, there were only four days out of the calendar year that the department received more than 20 calls. In 2008, there were 100 days where the department received more than 20 calls.
- In their March 2nd, 2018 work session, the City Department Directors and City Council emphasized that "Community Safety" means much more than just Police, Fire, and EMS. They indicated that the City must be prioritizing its disaster preparedness as well as working proactively to mitigate the impact that safety and security concerns have on the delivery of all City services.

6. ENGAGEMENT & INCLUSION

- All five focus groups identified communication and providing equitable access for community input as one of the City's greatest opportunities.
- Despite a vibrant and growing segment of Latino/a residents and workers (over a fifth of the population in total), this group is underrepresented in formal civic discourse. The Latino Community and Professionals focus groups emphasized the need for institutionalized mechanisms of inclusion for this group (e.g. A Latino Chamber or Latino Affairs Council).
- All five focus groups mentioned "diversity" when talking about their vision for McMinnville—inclusivity and a thriving community for all were sentiments shared throughout all groups.
- All five focus groups identified "inclusivity" as a core value for McMinnville.

7. CIVIC LEADERSHIP

- Across all focus groups, Leadership was a theme in priorities/opportunities—City Staff mentioned "regional leadership," Leadership Council mentioned young leaders in government
- Secondary data review suggests that the City has a large number of volunteers involved in service—Is the volunteerism producing civic leadership? Is that civic leadership leading to solutions?
- Three of five focus groups noted McMinnville's history of stable and long-term civic leadership. Several noted that solid leadership of the 1980s through the present is aging, and that the community needs a new generation of civic leaders.
- Partnerships are key—The Young Leaders and Leadership Council both mentioned leveraging partnerships (nonprofits, education, etc.) as a critical opportunity/priority for the City.

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To: Jeff Towery, City Manager
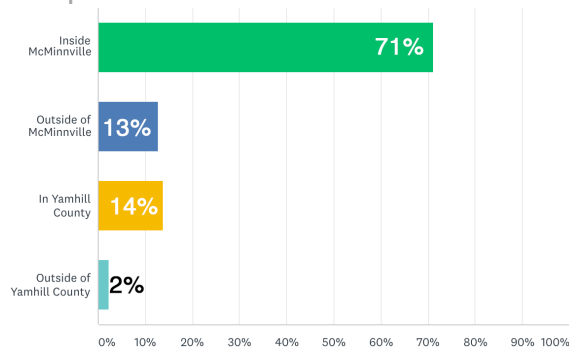
From: BDS Planning & Urban Design

Re: Analysis of Community & Employee Survey
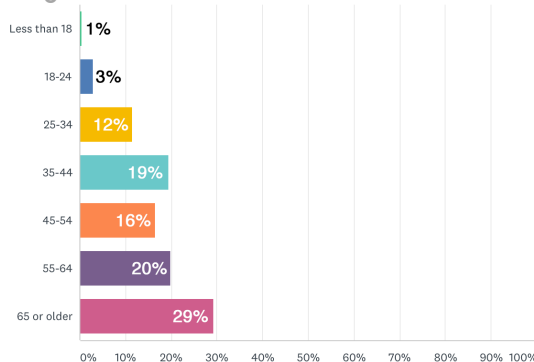
Date: March 21, 2018

Between January 31 and February 15, 2018, the BDS planning team collected survey data from 1,067 city employees and community residents within and around the City of McMinnville. The survey was conducted online and available in both Spanish and English. This memo documents respondent demographics and analyzes the responses received, serving as a window into community values, fears, and opportunities. These responses are not a statistically valid sample and represent community perceptions of the most pressing issues facing McMinnville.
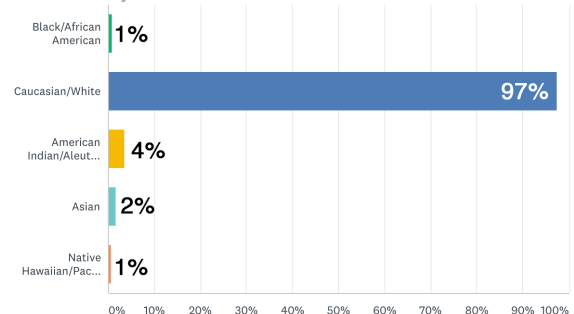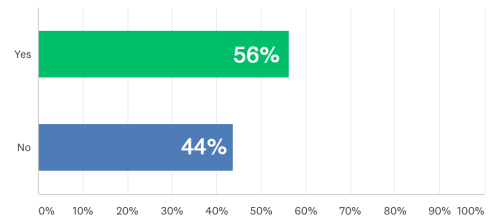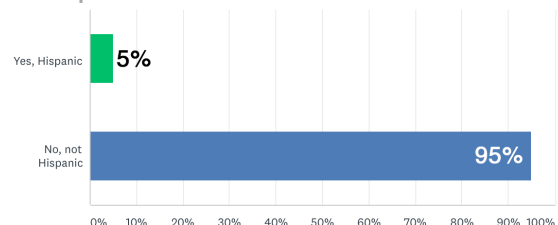
Demographics

Respondent's Live:

Inside McMinnville	71%
Outside of McMinnville	13%
In Yamhill County	14%
Outside of Yamhill County	2%

Age:

Less than 18	1%
18-24	3%
25-34	12%
35-44	19%
45-54	16%
55-64	20%
65 or older	29%

Ethnicity:

Black/African American	1%
Caucasian/White	97%
American Indian/Aleut...	4%
Asian	2%
Native Hawaiian/Pac...	1%

Work in McMinnville:

Yes	56%
No	44%

Hispanic:
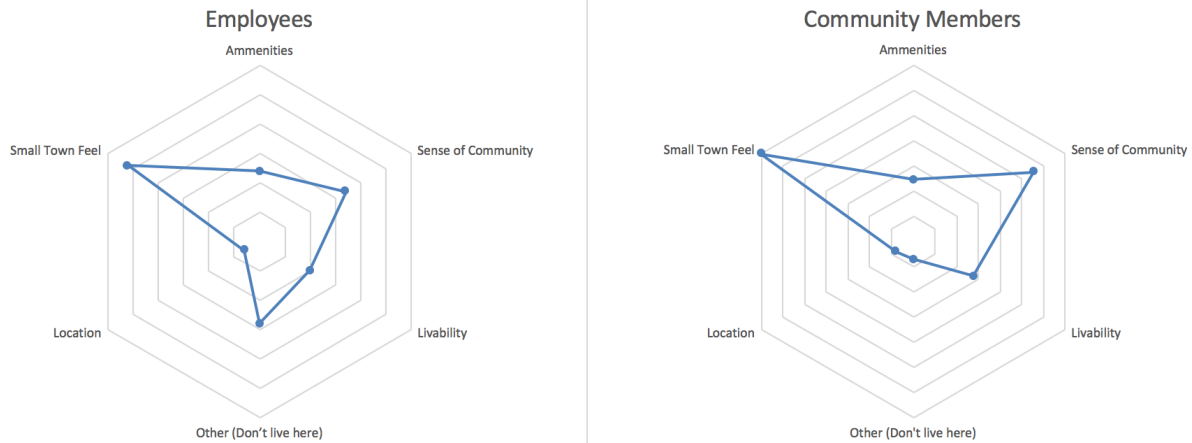
Yes, Hispanic	5%
No, not Hispanic	95%

Values

Survey participants were asked to provide what they personally valued about living in McMinnville. After review, five common themes emerged within community member and employee responses.

Small Town Identity

36% of community members and 32% of city employees agreed that McMinnville's "Small Town Feel" was amongst their highest values. Respondents described the atmosphere and enjoyment associated with small town "charm", "values", and "culture".

Sense of Community

29% of community members and 21% of city employees agreed that McMinnville's "Sense of Community" was amongst their highest values. Residents and employees valued the supportive and "close-knit" environment associated with living in McMinnville. Respondents described McMinnville's family-friendly spirit and community engagement as factors that have created a strong sense of community.

Livability

14% of community members and 12% of city employees valued the ease and quality of life associated with living in McMinnville. Respondents described walkability, solitude, and safety as characteristics that have made McMinnville livable. Others mentioned the availability of parks, open spaces, and the beauty associated with those places.
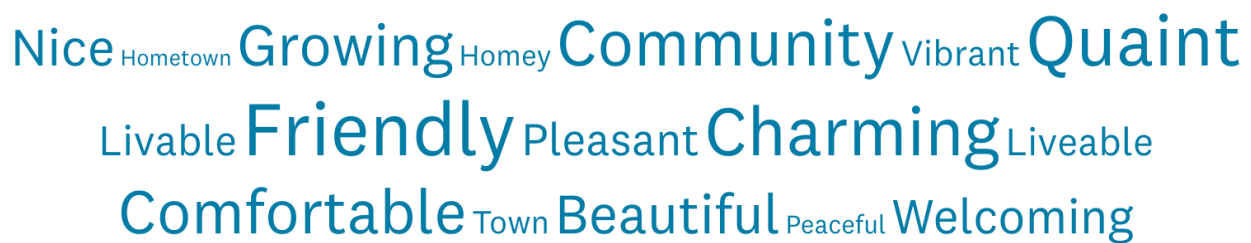
Amenities

13% of community members and 15% of city employees valued the amenities available within McMinnville. Residents and employees described the local restaurants and shops within the historic downtown area as a large community asset. Other respondents mentioned the availability of public facilities including the aquatic center, library, schools, and parks.

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Location

4% of community members and city employees valued McMinnville's proximity to large metropolitan areas and recreational opportunities. Respondents described the City's centralized location and ease of travel to Portland, Salem, and the coast.
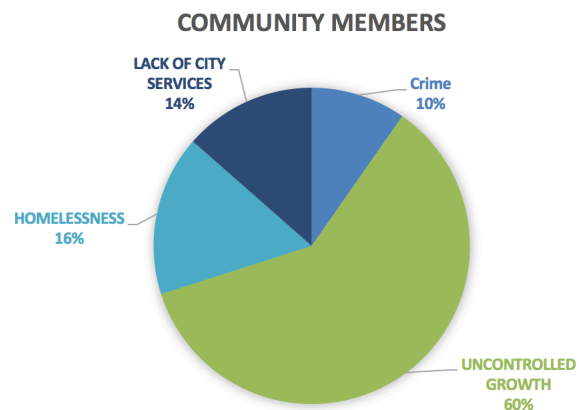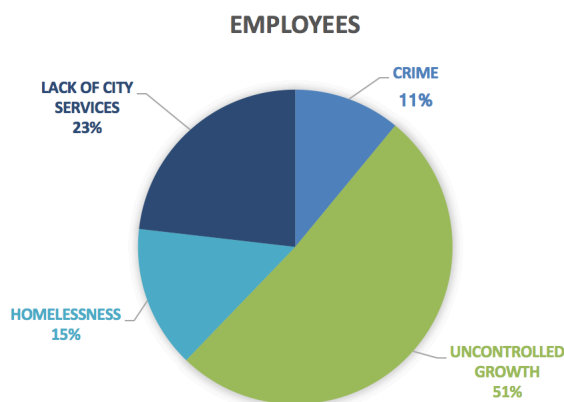
Descriptions

Both residents and employees were asked to describe the City of McMinnville in a single word. The following word cloud highlights common themes amongst respondents. The three words utilized most were "friendly", "quaint", and "charming".

Nice Hometown Growing Homey Community Vibrant Quaint
Livable Friendly Pleasant Charming Liveable
Comfortable Town Beautiful Peaceful Welcoming

Fears

The majority of respondents described four major themes when discussing fears associated with the City of McMinnville. Respondents overwhelmingly cited uncontrolled growth as their largest fear while homelessness, lack of city services, and crime followed.

EMPLOYEES

CRIME 11%
LACK OF CITY SERVICES 23%
HOMELESSNESS 15%
UNCONTROLLED GROWTH 51%

COMMUNITY MEMBERS

LACK OF CITY SERVICES 14%
Crime 10%
HOMELESSNESS 16%
UNCONTROLLED GROWTH 60%

Within these four major themes, nine sub-categories where most prevalent. These categories included:

- Uncontrolled Growth
- Affordability
- Racism / Bigotry
- Loss of Identity
- Crime & Drugs
- Politics
- Traffic
- Homelessness
- Outgrowing Infrastructure & City Services

Uncontrolled Growth

28% of community members and 22% of city employees described unregulated, sprawled and expansive growth as their largest fear. Employees and residents mentioned over-population and the influx of "Big-Box" stores as their largest fears associated with growth.

Loss of Identity

18% of community members and city employees feared the loss of McMinnville's identity. Many respondents described losing the charm and solitude that they currently associate with the city. Residents and employees described transforming into the next "California" or a "Suburb of Portland".
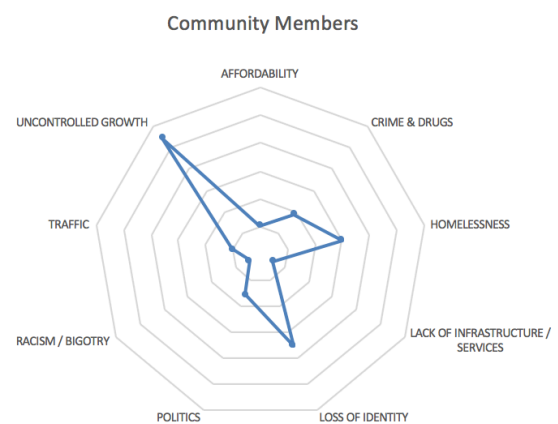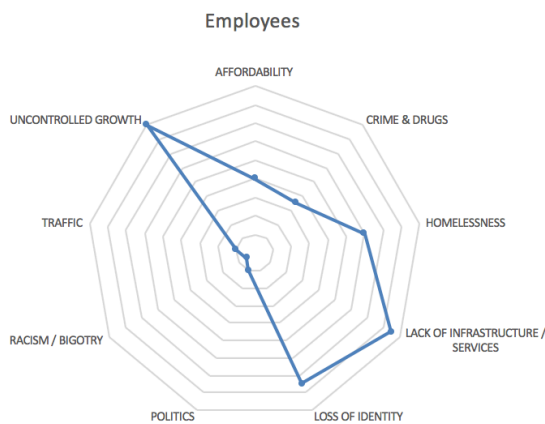
Outgrowing Infrastructure / Services

Only 3% of community members but 21% of city employees feared that growth would outpace city infrastructure and services. Most employees cited the inability to keep up with critical emergency services including fire & police. Others described the fear of losing civil dialogue and social services. Community member responses focused on the fear of outgrowing vehicular infrastructure (roads, parking).

Homelessness

15% of community members and city employees feared that the homeless and transient population would increase. While some respondents focused on the fear of becoming overrun with homelessness, others cited the fear of an immoral or inhumane response to this issue.

Crime & Drugs

10% of community members and 9% of city employees feared crime and drug abuse. Most respondents described general crime as their largest fear, while others cited gangs and drug-use associated with the homeless / transient population.

Politics

8% of community members and 2% of city employees feared the role of city administration and politics in the future of McMinnville. Fears varied from the city leaning heavily in one political direction (liberal vs. conservative), to cronyism and government over-reach.

Affordability

5% of community members and 10% of city employees feared that housing affordability would diminish with McMinnville's growth. Residents and employees described gentrification and tourism driving up housing costs, displacing local businesses and increasing the overall cost of living.

Traffic

5% of community members and 2% of city employees feared that traffic and congestion would overwhelm city streets. Most respondents described the fear of congestion and parking problems associated with population growth.

Racism / Bigotry

2% of community members and 1% of city employees feared that divisiveness, racism and bigotry would continue to increase. Respondents described segregation between Caucasian and Latino residents and a fear of continued racism towards minority groups within the community.

Other fears described by community members included emergency preparedness (specific to the Cascadia Earthquake) and increased poverty.

Opportunities

Community members and employees were asked to look to the future and describe McMinnville's single-most important opportunity. The majority of respondents described opportunities that fell into five major themes which consisted of: business development & smart growth, infrastructure & city services, strategic planning, tourism, and a stronger identity. Residents also mentioned opportunities associated with an increased focus on educational services, programs, and facilities.

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Other less mentioned opportunities included an increase in affordable housing, safety, diversity, and livability.
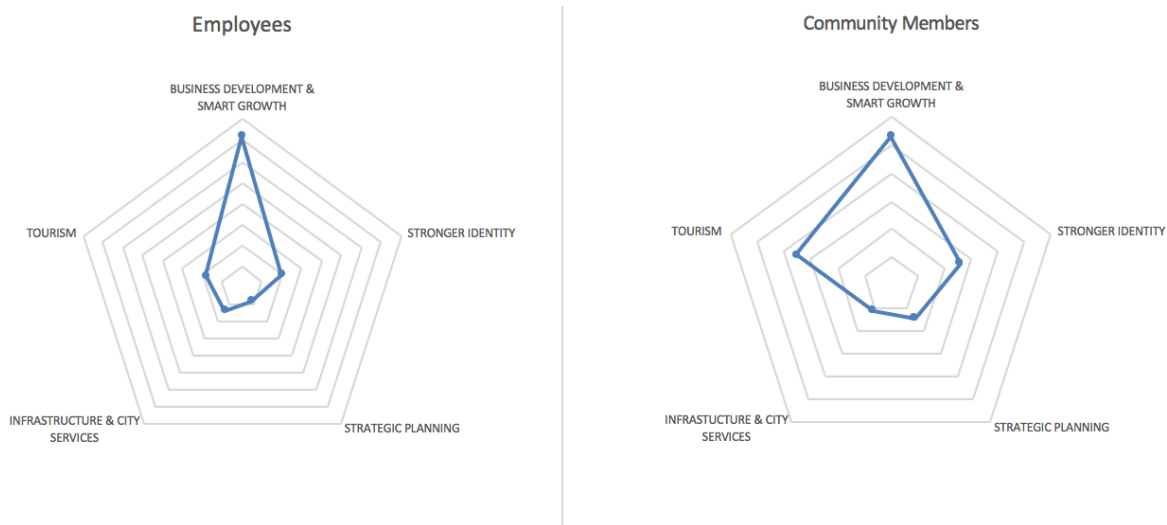
Business Development & Smart Growth
Only 28% of community members but 48% of city employees described smart, controlled growth as the largest opportunity for the City of McMinnville. Although some respondents described the opportunity to stop all growth, most wanted a smart, controlled approach to decrease local business and resident displacement. Some mentioned the opportunity to help local businesses thrive, while others cited the opportunity for more "big-city" amenities (Costco / Walmart).

Tourism
19% of community members and 12% of city employees described tourism as McMinnville's largest opportunity. Both residents and employees mentioned the need to fully harness the city's unique location, historic downtown, quaint restaurants, shops, and wineries.

Strong Identity
14% of community members and 13% of city employees cited a stronger identity as McMinnville's single-most important opportunity. Respondents saw an opportunity for the city to harness and preserve its "small town charm" while allowing for moderate, controlled growth.

Infrastructure & City Services
6% of community members and 9% of city employees described an increase in city services and infrastructure development as McMinnville's largest opportunity. This varied between vehicular street & parking infrastructure, to increasing and developing public spaces, trails, and parks.

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Strategic Planning

8% of community members and 5% of city employees cited the opportunity for city administration and elected officials to utilize an effective strategic planning approach. Similar to respondents that mentioned "smart growth", these community members and employees described the need for an effective strategic planning process to reach a community-wide vision.

Conclusion

Throughout this analysis, it is clear that respondents are very aware, concerned, but also opportunistic about McMinnville's growth potential. Most residents and employees perceive that growth is occurring or imminent, but are most fearful of an uncontrolled approach that could destroy McMinnville's current small-town identity.

Responses throughout this survey highlight the public perception of the need for the City of McMinnville to strategically plan its growth and keep the public informed and active throughout the process.

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McMinnville Strategic Plan Focus Group Summary

*Items with an *indicate validation by the Project Leadership Team.*

	Young Leaders (YL)	Leadership Council (LC)	City Staff (CS)	Latino Community	Latino Professionals	Digested
Vision	▪ Honor Past /Embrace future/ Progress* ▪ Proactive* ▪ Smart ▪ Inclusive ▪ Diverse ▪ Welcoming ▪ Empowering ▪ Livable* ▪ Balance ▪ Stewardship of land ▪ Originality ▪ Character ▪ Dynamic ▪ Linefield ▪ College town ▪ Generationality	▪ Intentional* ▪ Model ▪ Sustainable ▪ Involvement ▪ Children thrive ▪ Everyone thrives ▪ Diverse ▪ Caring ▪ Identity ▪ Healthy ▪ Fun ▪ Affordable ▪ Neighborhoods ▪ Achieve dreams ▪ Access to health	▪ Progressive* ▪ Aligned with citizen values ▪ Community driven ▪ Transparent ▪ Community involvement ▪ Citizen support ▪ Resource stable ▪ Financially sound ▪ Service balanced ▪ Career opportunities ▪ Schools ▪ Diverse ▪ Inclusive ▪ Socially responsible & balanced ▪ Right size, right location ▪ Small town feel ▪ Mid-size (not that small) ▪ Main street ▪ Atmosphere	▪ Bilingual opportunities ▪ Multiculturalism ▪ City of McMinnville Latino Affairs Council ▪ Accessible Mc Television for Latino programming ▪ Latino engagement, youth and educational success ▪ Great education for All ▪ Vocational school access ▪ Bigger Public Library ▪ Wellness ▪ Access to drinking water ▪ Safe ▪ Equity ▪ All are acknowledged ▪ Accepting ▪ Equitable representation ▪ Parity ▪ Welcoming ▪ Central community spaces that are open and welcoming ▪ United ▪ Culturally diverse events ▪ Family-friendly events ▪ The promoter of activities and services	▪ All are valued ▪ All are acknowledged ▪ Accepting ▪ Equitable representation ▪ Welcoming ▪ Central community spaces that are open and welcoming ▪ Parity ▪ United ▪ Wellness ▪ Safe ▪ Culturally diverse events ▪ Family-friendly events ▪ The promoter of events and services	▪ All groups mentioned diversity. Inclusivity, equity and a thriving community for all were sentiments shared throughout all groups. ▪ All groups mentioned community involvement. Latino community specifically mentioned Latino engagement and bilingual opportunities. ▪ Common theme: economic vitality. While City Staff was the only group to note financial soundness and career opportunities, the other groups mentioned livability, ability to achieve dreams, and bilingual opportunities. ▪ YL, Leadership Council, and CS mentioned sustainability (resource stability, stewardship). ▪ Young Leaders, Leadership Council, and City Staff all mentioned character. YL highlighted originality, while LC noted traits such as healthy, fun, and affordable, and the CS mentioned small town feel. Latino Community & Latino Professionals were the only two groups to mention safety. ▪ Latino Community & Latino Professionals mentioned equitable representation, specifically Latino Affairs Council mentioned by Latino Community ▪ Latino Community & Latino Professionals mentioned welcoming central community spaces. ▪ The Young Leaders and City Staff mentioned embracing progress. ▪ Latino Community & Professions mentioned culturally diverse and family-friendly events and services. ▪ Latino Community mentioned great education for all and access to vocational schools.

McMinnville Strategic Plan Focus Group Summary

*Items with an *indicate validation by the Project Leadership Team.*

	Young Leaders	Leadership Council	City Staff	Latino Community	Latino Professionals	Digested
Mission	▪ Partnering with nonprofits ▪ Catalyst* ▪ Connector ▪ Collaborative* ▪ Watch out for health and safety ▪ Dad mode* ▪ Trust—assume good intent ▪ Healthy & smart (growth??) ▪ Accessible & open ▪ Basic services for a growing city* ▪ Bridge diversity & services ▪ Sustain qualities & assets we have	▪ Leverage partnerships (i.e. education) ▪ Responsive ▪ Compassionate* ▪ Best community ▪ Most livable ▪ Stewardship ▪ Efficient & effective ▪ Creative & innovative* ▪ Adaptive & flexible ▪ Proactive ▪ Wisdom ▪ Collective leadership* ▪ Long term	▪ Fiscal stability ▪ Citizen involvement ▪ Educating citizens ▪ Transparent* ▪ Caring & supporting employees ▪ Service oriented* ▪ Embracing change/adaptable ▪ Growing smartly ▪ Efficient & effective* ▪ Plans for future ▪ Safety & perception ▪ Conservation ▪ Trust to roots / honor past	▪ Attentive to the needs of all community members ▪ Equitable services ▪ Attentive and proactive with public feedback ▪ Better communication with the Latino community ▪ All city communications in Spanish, too. ▪ Outreach to community ▪ Bilingual personnel ▪ Multiculturalism ▪ Clarity on all services provided by the city departments ▪ Protect water and electric and sewer services low rates ▪ Transparency and accountability with public funding, taxes ▪ Equal access to financial grants opportunities ▪ Affordable housing ▪ Collaborate across other agencies to serve the community better ▪ Support developing diverse young Latino community leaders ▪ Support access to adult education trade school	▪ Offer equitable services across all social and economic spectrum ▪ Protect affordable housing ▪ Structure programs so they are affordable and accessible (partial scholarships aren't adequate for many families) ▪ Provide affordable, accessible programs for kids and youth ▪ Offer comprehensive services in order to have a prosperous community ▪ Provide adequate public transportation options ▪ Understand the diverse population living in McMinnville ▪ Outreach to community ▪ Act as a connector ▪ Demonstrate fiscal accountability ▪ Collaborate across city departments to better serve the Latino community ▪ Develop diverse community leaders	▪ All five groups mentioned leveraging <u>partnerships and collaboration.</u> ▪ Young Leaders, the Latino Community, and Latino Professionals all mentioned <u>equitable services</u>. ▪ Young Leaders, Leadership Council, and City Staff all mentioned efficient, effective, <u>smart growth.</u> ▪ YL and CS mentioned <u>safety</u> (or perception of safety). ▪ YL and CS noted <u>conservation of current assets</u> and honoring the past. ▪ Latino Community and Latino Professionals mentioned <u>affordable housing.</u> ▪ Latino Community and Professionals mentioned <u>improving City communication with Latino community</u>. ▪ Latino Community and Latino Professionals mentioned developing <u>diverse community leaders.</u> ▪ Leadership Council was the only group to mention <u>collective leadership</u>. ▪ CS was the only group to mention <u>fiscal stability</u> and <u>citizen involvement</u>. ▪ Latino Professionals was the only group to specifically mention <u>adequate public transportation</u>. ▪ Latino Community & Professionals noted <u>fiscal accountability</u>. Latino Community specifically mentioned <u>equal access to grant opportunities</u> and <u>transparent public funding.</u>

McMinnville Strategic Plan Focus Group Summary

Items with an *indicate validation by the Project Leadership Team.

Values	Young Leaders	Leadership Council	City Staff	Latino Community	Latino Professionals	Digested
	▪ Local ▪ Stewardship ▪ Creativity & independence ▪ Self sufficient ▪ Future oriented* ▪ Competition ▪ Courage ▪ For the children ▪ Who we are / belonging ▪ Inclusive* ▪ Compassionate ▪ Livable/neighborly	▪ Deliberation ▪ Civil discourse / civility* ▪ Tradition of community process ▪ Engagement/showing up/involvement* ▪ Inclusive* ▪ People matter ▪ Fiscally responsible* ▪ Maintaining assets ▪ Constancy of purpose ▪ Dedicated to purpose ▪ Forward-thinking* ▪ Small town sensibility	▪ Excellence ▪ Follow through ▪ Commitment ▪ Transparency ▪ Communication (internal & external) ▪ Steward of public interests ▪ Conservation of assets (natural resources, parks, 3rd street) ▪ Valuing employees / retention ▪ Competitive wages ▪ Service over self ▪ Embracing change / facing forward* ▪ True to roots ▪ Family driven ▪ Accountability ▪ Diversity ▪ Inclusive*	▪ Responsive ▪ Respect ▪ Understanding ▪ Professionalism ▪ Efficient and effective ▪ Moral equity ▪ Ethical values ▪ Equity ▪ Diversity ▪ Respect human rights ▪ Welcoming ▪ Inclusion ▪ Public representatives with the capacity to lead with equity and non-partisanship ▪ Peaceful / non-violent ▪ Open to change ▪ Progressiveness ▪ Acknowledge & value all contributions ▪ Expertise in governing ▪ Experts serving the city ▪ Trust ▪ Credibility ▪ Accountability	▪ Responsive ▪ Accountability ▪ Credibility ▪ Trust ▪ Equity ▪ Diversity ▪ Inclusion ▪ Acknowledge & value all contributions ▪ Respect ▪ Welcoming ▪ Understanding ▪ Open to change ▪ Progressiveness	▪ All five groups mentioned <u>inclusivity</u> - and similar values such as compassion, diversity, and welcoming. ▪ YL, Leadership Council, and CS mentioned <u>forward growth</u>, without losing sight of small town sensibility. ▪ CS, Latino Community, and Latino Professionals <u>mentioned embracing change</u>. ▪ CS, Latino Community, and Latino Professionals highlighted <u>accountability</u>. ▪ YL, Leadership Council, and CS mentioned <u>stewardship</u> of resources and assets. ▪ Leadership Council and CS mentioned <u>communication</u>—civil discourse, transparency, and involvement. ▪ Latino Community and Latino Professionals mentioned <u>responsiveness</u>. ▪ Latino Community and Latino Professionals were the only two groups to explicitly mention <u>equity</u>. The Latino Community highlighted equitable public leadership. ▪ Latino Community and Latino Professionals both mentioned <u>progressiveness</u>, <u>trust</u>, and <u>credibility</u>. ▪ CS was the only group to mention <u>competitive wages</u> for employees. ▪ YL was the only group to mention <u>competition</u> and <u>self-sufficiency</u>. ▪ Leadership Council was the only group to mention a dedication to <u>purpose</u>.

McMinnville Strategic Plan Focus Group Summary

*Items with an *indicate validation by the Project Leadership Team.*

	Young Leaders	Leadership Council	City Staff	Latino Community	Latino Professionals	Digested
Priorities/Opportunities	▪ Establish a proper financial channel—stability for future leaps ▪ Take care of basic services & assets ▪ First time home buying ▪ Zoning/housing diversity—needs analysis* ▪ Good planning—good data, where are gaps* ▪ Educational opportunities—include multi-cultural ▪ Communication & messaging—connecting many services ▪ Partnerships to allow City to focus on basics ▪ Diverse voices on committees Base for relationship building	▪ Quality of community ▪ Good place to invest ▪ Industrial attraction, re: utility rates ▪ Knowledge-based economy ▪ Diversifying workforce ▪ Transportation ▪ Update regulatory environment—more creative development tools ▪ Solves UGB issue ▪ Diverse housing options ▪ Invest in neighborhoods ▪ Young leaders in government ▪ Regional coordination	▪ Affordable housing ▪ Tourism/wine ▪ McGuire Reservoir recreation ▪ Take advantage of business growth ▪ Costco ▪ Growth & industry ▪ Improve/protect assets ▪ Mental health services ▪ Regional leadership ▪ Grow city government with community input	▪ Eliminate racist police ▪ Remove racist atmosphere ▪ Information unit for services in Spanish ▪ Improve communication between the city and Latino community members ▪ Bilingual services in city departments ▪ Educational achievement ▪ Schools need to improve ▪ Safety schools ▪ Improve school transportation ▪ Improve transportation options ▪ A clean city ▪ Remove old cars and trash from front yards and streets ▪ Increase police vigilance ▪ Safe communities first ▪ Prioritize on community members needs first ▪ Better and speedy services to community's needs when requested ▪ Constant request for feedback from community members ▪ More town hall meetings with Mayor and City Manager and Department Directors ▪ Eliminate homeless issues ▪ Sport activities ▪ More services for Latino youth ▪ Access to volunteer services for Latinos ▪ Latino Chamber of Commerce ▪ Create a City of McMinnville Latino Council Affairs ▪ A Latino Cultural Center	▪ Connect disconnected families and youth ▪ Fully engage communities: schedule events, programs & services to accommodate working families; consider factors like childcare, translation, meals, etc.; consider cultural influences ▪ Strengthen services for youth – particularly during summer months ▪ Protect/expand affordable housing through zoning decisions ▪ Diversify leadership, including committee membership and staffing ▪ Develop youth leaders ▪ Improve transportation options and address barriers ▪ Integrate language translation throughout ▪ Address income gap by attracting industries/businesses offering competitive wages ▪ Improve communication between city and community members ▪ Offer town hall meetings with Mayor, Council, City Manager and other staff. ▪ Increase transparency of city services	▪ All five groups mentioned coordination & communication. Connect services, build partnerships, coordinate regionally, and provide community input. Latino groups highlighted the need for bilingual communications. ▪ YL, Leadership Council, City Staff, and Latino Professionals mentioned affordable housing. ▪ Planning—YL and Leadership Council agreed on updating development regulations, zoning analysis. ▪ Leadership Council, CS, and Latino Professionals mentioned diversifying business and employment opportunities. LC noted industrial attractions, while CS noted commercial development and recreation opportunities, and LP highlighted attracting businesses that provide competitive wages. ▪ Leadership—CS mentioned regional leadership and Leadership Council and Latino Professionals mentioned young leaders in government, diversifying leadership. ▪ Leadership Council, Latino Community, and Latino Professionals mentioned transportation improvements. ▪ Young Leaders and Latino Community, mentioned education—opportunities, improvements, enhanced safety. ▪ CS mentioned tourism and recreation opportunities, and the Latino Community mentioned sport activities, as well. ▪ Latino Community & Latino Professionals mentioned strengthened services for youth. ▪ Latino Community mentioned increased safety and cleanliness. ▪ Latino Community mentioned elimination of racism. ▪ Latino Community prioritized a Latino Chamber of Commerce, City of McMinnville Latino Council Affairs, and Latino Cultural Center.

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DATE: 2 March 2018
TO: Jeff Towery, City Manager
FROM: Terry Moore
SUBJECT: Summary of Document Review and Implications for McMinnville Strategic Plan

Document Review: Potential Implications for the McMinnville Strategic Plan

The City of McMinnville is developing a strategic plan. It contracted with BDS Planning to assist with the plan's development. The strategic plan requires a situation assessment: what are conditions and forces that will affect quality of life in McMinnville, and what do they suggest about issues (opportunities and challenges) that City government might want to address in its strategic plan?

This memo provides ECONorthwest's opinions about issues that might merit attention in the City's Strategic Plan.[1] It is based on three sources of information:

1. A review of dozens of existing City documents,

2. The experience of ECONorthwest with related issues in other municipalities,

3. A brief email survey of McMinnville department heads

Table of Contents

This document has three sections:

1. **Background** (Section 1)

2. **External Forces Affecting McMinnville** (Section 2) - Observations about how demographic, social, technological, environmental, and policy forces outside of McMinnville's direct control can shape its future, and about the extent to which such forces have created, or are likely to create, issues specific to McMinnville.

3. **Internal Issues for McMinnville** (Section 3) - Observations about typical municipal objectives and issues, and about how they appear to manifest themselves in McMinnville. These observations are in two categories:

    *   The City's decision-making process (Section 3.1, page 11)

    *   The City's performance (Section 3.2, page 15).

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[1] This document is only part of the situation assessment. Other parts of the assessment focus on the opinions of City Council and staff, representatives of local businesses and interest groups, and the general public, gathered via interviews, surveys, and workshops. The intent is that all that information will be background for a City Council discussion and decision about the issues that it is most important to address in the strategic plan.

1 Background

The City of McMinnville is preparing a Strategic Plan. That Plan will identify for the City Council and City staff (1) a few key *issues* that they will work on over the next three to five years, and (2) specific *actions* that they will take to address those issues.

Identifying issues and actions requires some investigation. Many people and organizations have opinions about issues and actions: the City Council, City staff, businesses, interest groups, government agencies, and the general public. Which ones do they believe are most important, and what reasons and evidence do they give in support of those beliefs? Moreover, additional research might reveal new evidence that might influence these opinions.

Thus, a strategic planning process almost always begins with a *Situation Assessment*: where are we now, what decisions and events got us here, and what does that suggest about our potential and likely future? Such assessment will usually uncover *issues* (*challenges* and *opportunities*[2]) and inform the discussion among parties with different perspectives and interests as they work to agree on strategic issues and actions.

Such an assessment may contain information from a variety of sources: prior studies by local or state governments or interest groups; interviews with a city staff, elected officials, and stakeholders; a resident satisfaction survey; a stakeholder charrette; a community open house; or a review of reports and articles on broader and longer-run forces external to a city that will affect its ability to deliver services in the future. The Situation Assessment for McMinnville has all those components.

The City of McMinnville contracted with the consulting team lead by BDS Planning to help prepare the City's Strategic Plan. As part of that team, ECONorthwest was responsible for preparing this *Document Review*. To meet the constraints of budget and schedule, the City and the consulting team agreed that the Situation Assessment would rely primarily on recent existing documents, secondarily on some local interviews and public outreach. It would not include statistically valid surveys or new technical analysis.[3]

This document draws on a review by ECONorthwest of almost 60 documents about McMinnville to provide the opinions of ECONorthwest about what those findings suggest as key issues for McMinnville, and, thus, ones the City might consider for inclusion in the Strategic Plan it is developing. ECONorthwest is not recommending in this document a specific set of

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[2] Some strategic plans call the situation assessment an *environmental scan* and organize that scan around a *SWOT analysis*: *S*trengths and *W*eaknesses (positive and negative conditions internal to and at least partially controllable by the organization doing the plan); and *O*pportunities and *T*hreats (positive and negative conditions *external* to and not controllable by the organization doing the plan). This document combines Strengths and Opportunities under the heading "Opportunities," and Weaknesses and Threats under the heading "Challenges."

[3] The scope of the Assessment is defined in the contract between the City and BDS Planning, and reflects an agreement about how to efficiently get the most relevant information from the budget available. Working within those constraints, ECONorthwest drew on its work for other agencies and jurisdictions (most recently, for the City of Salem) for some of its assessment, especially of external factors like the national economy and state policy.

priorities areas or actions. It is providing a summary assessment to assist the City as it discusses possible priority areas and actions.

2 Observations about External Forces Affecting the City's Ability to Deliver Services

A large number of forces out of the City's control impact its ability to deliver services. Those forces fall into five categories:

- **Social (Demographic)**. The social characteristics of the population served by a city largely determine the type and quantity of products the city provides.

- **Technological**. Technological change may allow or require a city to reshape its service infrastructure to improve the cost or quality of services.

- **Economic.** Fluctuations in city, state, and national economies will impact what services residents need, what residents can afford to pay for those services, and a city's ability to provide those services at that cost.

- **Environmental.** Some environmental issues are local and can be partially controlled; broader issues and state and federal mandates are conditions that a city cannot control, but must respond to.

- **Policy.** The actions of other government entities can affect city service provision directly (e.g., federal or state mandates or funding); local interest groups can sometimes cause policy to shift unexpectedly and rapidly.

This section describes how these forces might affect any city's work (in general), and comments on specific applications in McMinnville.

2.1 Social (Demographic) Forces

City government exists primarily to provide services to residents. Therefore, the number of residents, their characteristics, and their service preferences are among the most important external factors to consider in a strategic plan. Population characteristics that often impact service demand include its size, age, economic status, race, and educational attainment.

The City of McMinnville had an estimated 34,482 residents as of 2017.[4] McMinnville's population is forecasted increase by 4.4%, to 36,006 in 2022 (about 1,500 people).[5]Between 2017 and 2035, McMinnville's population is expected to grow on average by 1.4% annually. This

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[4] U.S. Census Bureau, Census QuickFacts, 2018.

[5] All 2022 demographics come from the following source: Oregon Prospector, Demographics Report: McMinnville, Oregon, Business Oregon, no date, available at:.
http://www.oregonprospector.com/default.aspx?DID=COMMUNITIES_4145000&TB=DEMOGRAPHICS&radius=0&Units=1&SST=OREGON

amount of population growth is about 1/3 of the total population growth expected in Yamhill County.[6]

In the opinion of ECONorthwest, 1.4% is a healthy growth rate for getting economic development without huge sacrifices of livability. On either side—structural stagnation or decline (growth rates at 0% or below), or huge growth that stresses service provision (growth rates of 3% or above)—are more difficult municipal problems.

Some expectations about the composition of that growth:

- **McMinnville will increase its share of Hispanic and Latino residents.** According to the 2010 Census, 20.6% of residents identified as Hispanic or Latino. By 2022, the share of Hispanic and Latino residents is expected to increase to 23%. To engage these residents, the City will need more targeted outreach and engagement activities. These efforts will increase demand for central services.

- **The share of older adults (65 years of age and older) will increase**. According to the 2010 Census, 14.6% of McMinnville residents were 65 years of age or older. By 2022, this demographic will grow to 21.3%. Since 2000, the County has also attracted residents that are middle-aged or retirees, while younger individuals have moved away from the County. McMinnville is expected to continue to follow this countywide trend in the future.[7] The increased share of older adults will mean a change in the City's mix of services and may require adjustments to how those services are funded.

- **The overall labor force will increase with the population, but there are some possible problems**. The increase in the labor force will grow the tax base and help support some of the increased service demands cited above. In 2017, the City had a labor force of 16,502. By 2022, the labor force will grow to 17,502. This is an increase of 6%. The possible problem is that recent historical data (2000 – 2010) show younger people (ages 20 – 35) moving out of the county. This out-migration of young adults is a trend typical of most Oregon counties.

- **The direction for per capita income is uncertain.** Increases in households supported by agricultural and migrant workers, and by students, will decrease per capita and average household incomes. Increases in older adults within the means to relocate for quality of life may increase per capita and average household incomes.

Changing demographics, coupled with a changing economy, create many opportunities and challenges for McMinnville. Handled well, the change can lead to a socially and economically healthy diversification; handle poorly (or ignored) there is ample evidence from other cities of the kinds of problems that can create for community cohesion. Demographic shifts will clearly be a cross-cutting issue in the City's strategic plan: they will be a different lens through which to view other issues like growth, development, facilities, and so on. The conclusion of

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[6] Portland State University Population Research Center, Yamhill County Coordinated Population Forecast, 2017 through 2067. Published June 30, 2017.

[7] Portland State University Population Research Center, Yamhill County Coordinated Population Forecast, 2017 through 2067. Published June 30, 2017.

ECONorthwest is that the City's priorities should reflect the demographic shift, and the City's budget should be changing in the direction of those priorities.[8]

2.2 Technological Forces

The list of potential technological advances that will affect the activities and quality of life of households, and the abilities of businesses and governments to provide services, seems limitless. Which are most important for cities like McMinnville?

Though all services will be affected by technological change, some probably won't see radical change. People will still be living in houses, and those houses will be built on land. That land will need proper entitlements and connections for water, waste water, and electricity. People will still travel to work and play. Outdoor recreation will still require outdoor space.

But the way in which the City delivers those services, and how it monitors that delivery, will (must) become increasingly efficient and sophisticated. The City should expect that providing its employees with more technological capacity and training will be increasingly important. This is a management issue worth some attention.

The main technological affecting cities are related to communication. A recent survey of cities across the U.S. by *Government Technology* [9] identified three major technological trends shaping how cities do their work:

- **Open data.** Municipalities have experimented with making information publicly available *on demand* both on-site and online. But this information has not always been easily accessible: it can still require a trip to a government office or the patience to read non-searchable PDFs. Technological advances in data storage and sharing have allowed municipalities to share information—from government spending, to assessor records, to City Council meeting minutes—online in searchable databases and documents. This trend and its requirements is likely to continue.

- **Statistical programs and data analytics.** Use of statistical and data analysis to improve government performance is not a new concept, but the proliferation of technologies and abilities will increase data-driven performance improvement initiatives. Data-driven policing—programs that rely on crime analysis to determine how to deploy resources—is an example of this trend. More recent is the development of performance evaluation programs that launch and sift through government data sets (e.g., budget expenditure data) to identify trends and possible areas for improvement. Denver and Phoenix both have such programs.

- **Online citizen engagement.** Technology is changing how municipalities engage with residents. Most municipalities now have social media profiles. Some are experimenting with new tools. Avondale, AZ has a mobile app and online forum in which residents can submit ideas and vote on those of their peers. Westminster, CO has an online forum in

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[8] ECO's evaluation did not dig into City programs and budget items aimed at dealing with demographic change. ECO comments only on what it thinks should probably be happening; it may already be happening

[9] Tod Newcombe, "4 Tech Trends Changing How Cities Operate," Governing the States and Localities, December 8, 2014, available at: http://www.governing.com/columns/tech-talk/gov-technology-trends-local-government.html.

which residents can vote on community ideas and get rewards for regular participation (e.g., free passes to a fitness program).

These trends will require some changes in how cities deploy resources. For starters, the digital conversion of data collected by the City (much of which is not electronically available in McMinnville today) will be a foundational undertaking.

In the long-run after this conversion has taken place, the automation of information sharing will reduce demand for administrative staff to fulfill data requests, but will increase demand for information technology / systems staff (IT / IS) to build systems for storing, evaluating and retrieving data. Cities will almost certainly need to increase IT investments, both capital and labor, to take advantage of technological advances.

IT investments should not be only (and perhaps not primarily) in central services. Much of the IT investment in equipment, personnel, and training should be decentralized to departments. As with many other municipal functions, the corner solution is unlikely to be optimal.

Communication technology has also facilitated decentralization of business and labor. It is increasingly possible for businesses and labor to make location choices more based on quality-of-life factors and less based on proximity to ports, a large labor pool, and the agglomeration economies of central cities. For McMinnville, that means its location does not limit its future to that of an agricultural support center and a bedroom community.

The technological advances that are probably most talked about by city employees are those in transportation. The combination of communication technology with smart cars could significantly change how transportation is priced and supplied, and thus significantly change transportation.

But other changes will also have big effects on city performance and budgets. The "internet of things" gets bigger every day. The City has a lot of things: facilities and equipment. Sooner or later, upgrades will be required. The City will face tough decisions as it evaluates the tradeoffs between up-front capital and reduced costs of ongoing maintenance. As just one example, what used to be simple streetscape improvements will require all kinds of electronics and software to monitor and maintain traffic flow, monitor pavement and equipment, and so on.

Regarding McMinnville, the City's Information Technology department prepared a Strategic Plan in 2016. That is a great start. It may be that there are no IT issues that make their way into the citywide Strategic Plan. But it seems likely that whatever priorities end up in the Strategic Plan, they will have IT implications that will require and update of the IT strategic plan, and, potentially, adjustments to budgets (in IT and other departments) for technological updates.

2.3 Economic Forces

Economic conditions impact what services residents need and what cities can do to meet those needs. Employment rates, industry performance, and average wages help signal the strength of a city's economy. Anticipating future economic conditions help a city to supply the services efficiently and effectively.

Forecasting future economic conditions is a challenge. The inability of the majority of mainstream of economists to predict the global financial crash of 2007 demonstrates this point. The most that should be expected are simulations of what the economic picture looks like *if* certain trends play out.

In that context, the outlook for the economy is generally good (as of February 2018; by June…?). Mainstream economic forecasters are not predicting a crash at any specific date in the next 20 years. The Congressional Budget Office (CBO) forecasts that Gross Domestic Product (GDP) and jobs will grow at an average rate of 1.9% per year from 2017 – 2027.[10]

Will Oregon share in that growth? Many of the fundamentals suggest that it will. The Portland region has a diverse economy, anchored by a high-tech sector among the largest in the nation. It also has a high quality of life, which bodes well for the growth of knowledge-based sectors.

Data suggest that McMinnville will share in the State's economic growth. McMinnville's Economic Opportunities Analysis (2013) says that the City:

- Is well situated to have a large labor pool and diversified employment base.

- Has low utility rates and good internet service.

- Has amenity and high quality of life that benefit employees and employers.

- Benefits from having two postsecondary education institutions: Linfield College and Chemeketa Community College.

Increasing diversity and prosperity of a municipal economy are typically good news for a city's fiscal position. McMinnville is now in a relatively strong fiscal position (i.e., relative to many other Oregon cities). But the funding of local government services in Oregon is always a challenge. Some of the typical challenges:

- Property tax limitations, phased in during the 1990s, abruptly reduced the main revenue source for city-provided core services and continue to constrain government revenues. The response among municipalities has been to increase efficiency, cut services, defer maintenance, and shift from tax-based toward fee-based revenues. Anecdotal evidence suggests that McMinnville, like almost all other Oregon cities, has not been able politically to charge the level of system development charges that would pay for full costs of service expansions that new development requires. Thus, there is a real possibility that municipalities are caught in a growth trap: they need new growth for some upfront revenues to pay old obligations, but the long-run stream of revenue from that growth is less than what is needed to pay for all the municipal costs it generates. In the opinion of ECONorthwest that question—does growth pay itself—has been endlessly debated and, if there is an answer it is "It depends on your perspective and methods of analysis."

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[10] Congressional Budget Office, "*The Budget and Economic Outlook: 2017 to 2027,*" Congress of the United States, January 2017, available at: https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/reports/52370-outlook.pdf

- Pension and health care costs for municipal workers are expected to continue to outpace the growth of property taxes and the economy as a whole. McMinnville has a level of cash reserves that put it in a better position than most cities, but these are long-term costs that require sustainable revenues.

Section 3.2.1 of this memorandum notes that the City has strong cash reserves. Section 3.2.2 suggests that the City does not have inflated staffing (just the opposite) that it would need to reduce to meet reduced revenue requirements. Thus, if demographic and economic trends stay positive (sustained, moderate population and economic growth), the City of McMinnville is a relatively good position to deal with the inevitable future fiscal issues.

Finally, the City is now working on an economic development plan. The work in support of strategies of that plan is the logical place to look for candidates for the citywide strategic plan. It would not be incorrect for some strategy, if it is important enough, to be in both strategic plans. This point illustrates a concept important to effect governance: a system of nested strategic plans, with department and division strategic plans consistent with and contributing to the priorities of the citywide plan.

2.4 Environmental Forces

Climate change is a pressing environmental concern. Effects of climate change include increased greenhouse gas emissions, increased average global temperature, more extreme weather events, and a higher sea level. In the Northwest, local impacts can include reduced water supply, erosion, increased risk of wildfire and flooding, and decreased forest cover due to outbreaks of tree diseases and insects.[11]

Local governments are responding to these impacts with policies for energy use, climate action, and resilience. These policies may address a range of facilities and services, depending on a jurisdiction's location, specific issues, and available resources. Examples of common policies:

Development
- Protect the natural environment
- Invest in green jobs
- Add seismic code requirements for new buildings

Public Works
- Reduce energy consumption
- Invest in clean energy
- Invest in public transit and bike/pedestrian infrastructure
- Invest in seismic upgrades to existing infrastructure

Planning and Public Safety
- Develop plans for disaster response (resiliency)

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[11] National Aeronautics and Space Administration, The Consequences of Climate Change, 2017, available at: https://climate.nasa.gov/effects/.

Central Services
- ▪ Invest in an emergency operations center
- ▪ Build monitoring and evaluation systems

The effects on city governments come from two directions. First, the evidence is that there is an increasing risk of natural events like severe storms, flooding, wildfire, and heat waves, all of which could require a municipal response and expenditure. Those expenditures are unpredictable and episodic, but most, at some level, are ultimately inevitable. Second, the risk of those issues is an impetus to voters, public interest groups, and city councils argue for actions (make expenditures) like the ones listed above to reduce those risks. Even for items that have a fast pay-back period (e.g., some energy conservation measures can pay back in 5 – 10 years), there are up-front capital costs that put pressure on municipal budgets.

But public policy has never been good at dealing with high-impact / low-probability events. It requires shifting money from immediate, tangible, and pressing needs (and from the advocates for addressing those needs) to problems that seem distant and theoretical. Scientific evidence abounds regarding the likelihood of a major earthquake in Oregon, [12] and some studies suggest that the recovery time will be months or years, not weeks. But few Oregon cities have state-of-the-practice plans for responding to that event.

Catastrophe can be less grand. Citizens depend critically on clean water, flood control, and electricity: the facilities providing these services could certainly be hardened against all types of malfunction. Again, the difficulty is the high level of uncertainty about what, how big, and when. How much should a city spend, for example, to make things 10% safer (and what does that mean)? Given the large number of possible disruptions, after the best-understood and most common failures are addressed, the likelihood is that the failure that gets you is not one that additional expenditures on prevention would have avoided. That is an argument for expenditures on disaster response (e.g., evacuation plans, central command facilities and procedures) rather than on disaster prevention.

ECONorthwest did not see any McMinnville documents that were aimed at addressing risk assessment issues. That does not mean that some departments (e.g., Fire, Police, Planning, Community Development) are not doing some work on issues that address risk: they almost certainly are. Rather, it suggests that these issues have not risen to a level of public concern that McMinnville has coordinated programs aimed at addressing them. That situation is common for small and mid-sized cities around the country.

2.5 Policy Forces

Policy forces beyond a city's jurisdiction can transform its relationships with other jurisdictions and partners. Federal and state mandates and funding are the most obvious example of such

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[12] http://www.oregon.gov/oem/hazardsprep/Pages/Cascadia-Subduction-Zone.aspx "Scientists are predicting that there is about a 40 percent chance that a megathrust earthquake of 9.0+ magnitude in this fault zone will occur in the next 50 years."

forces. But, trying to predict such mandates is difficult in today's uncertain political environment.

There are several ways the City could respond to this inherent uncertainty:

- **Focus on the long run.** Spend resources on trying to proactively influence (and anticipate) the long-run potential trajectories for federal and state policy. Such efforts are typically part of a scenario planning process. The benefit of long-run scenario planning is that it provides a framework for a city to explore potential futures, evaluate how potential city actions might fare under different futures, select actions that meet short- and long-run objectives (e.g., resilience), and continue to monitor progress.

- **Focus on the short-run.** Monitor federal and state mandates already under discussion and adjust local actions as necessary. The benefit of such an approach is that it is less expensive and speculative than scenario planning.

- **Focus on political forces under the City's control.** Declare the long-run political future essentially unknowable and limit efforts to predict federal and state mandates.

It is not common for a city to have documents whose primary purpose is to address these issues. They are usually addressed *ad hoc* in other city documents (e.g., federal and state mandates and funding regarding wastewater treatment facilities might be addressed in a wastewater master plan). Some large metropolitan areas, however, have formed partnerships to increase their influence with state and federal congressional delegations and agencies by speaking with a common voice for key regional projects.

3 Observations about Typical Municipal Objectives and Issues, and about How They Appear to Manifest Themselves in McMinnville

There are many ways this section could be organized. ECONorthwest had to choose one. The fundamental organization is:

- Section 3.1: Issues related to how a city (McMinnville) makes decisions about what it should be doing (what products and services, in what quantities, at what quality, for what cost it should be delivering to its citizens / customers)

- Section 3.2: Issues related to a city's ability to perform (to effectively and fairly deliver those products and services).

There is an unavoidable overlap between this section and the previous one: they are two different ways of looking at the same thing. In Section 2 the focus is on five categories of forces that are largely external to McMinnville, and on some of the responses of the City to those forces. In Section 3 the focus is on the activities and services of the City and its departments— many of those activities and services could also be covered in Section 2 as responses to external forces.

3.1 Issues related to decision-making

For any group (a city, a business, a sports team, a family) to effectively pursue its purposes, it must be able to describe and agree on those purposes. It has to evaluate what matters, to whom, and how much. In groups as small as families there will be irreconcilable differences based on preferences ("You're are vegetarian; I want meat") and compromises have to be made. The larger the group, the more diverse the preferences and the more difficult the logistics for having a discussion. Cities are very large groups.

In the U.S., cities are governed by elected officials (a city council) in a representative democracy. Ideally, decision-making by elected officials is transparent, based on evidence, and embraces (at least, accommodates) public participation. Also ideally, decision-making generally flows from agreement on vision and principles, to an identification and evaluation of opportunities and challenges, to the selection of a preferred action (a policy decision), usually an investment (build this facility; offer this service) or regulation (prohibit dumping of trash in the lake).

McMinnville utilizes a Council-Manager form of government. Under this form, an elected governing body (the Council) is responsible for legislative functions such as establishing policy, passing local ordinances, voting appropriations, and developing an overall vision, similar to a corporate board of directors. The legislative body appoints a professional manager to oversee the administrative operations, implement its policies, and advise it. The manager position is similar to that of corporate chief executive officer, providing professional management to the board of directors.

This general structure for decision-making gets implemented by many different relationships and procedures: their effectiveness, collectively, determines the effectiveness of the overall decision-making process. Such relationships and procedures include those for council / staff communication; interdepartmental communication; engagement of the public through boards, task forces, outreach, and volunteerism; and procedures for developing strategic priorities.

The specifics of how this idealized decision-making process is implemented vary from city to city. Following are observations by ECONorthwest about the McMinnville's process, based on the documents it reviewed and the surveys of department heads.

3.1.1   Vision, Mission, Values, Goals, Objectives, Principles

ECONorthwest's findings here are mixed. It could documentation for McMinnville's *mission* and *values*[13]and for Council *goals.*[14] But it could find no vision statements. Comments by staff suggest (1) there has been no recent work in McMinnville to develop at a high level a long-run vision of what the community wants to become, and (2) that developing a 1-5 Year strategic plan is difficult without reference to a vision of where the City wants to be in 15 – 20 years. seems to be on solid ground.

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[13] https://www.mcminnvilleoregon.gov/cityadmin/page/citys-mission-and-values

[14] http://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/city_administration/page/406/2017-2018_goals_and_objectives.pdf

The City Council and staff are now engaged in this strategic planning process. that process calls for the development of vision, mission, and values *before* staff, Council, and the public identify, select, and flesh out the plan's strategic actions. Depending on how detailed and difficult that process is, the City may either (1) complete its vision as part of it strategic plan, or (2) identifying a visioning process as a strategic action in the plan.

Several departments have their own strategic plans. As Section 2 noted, McMinnville, if it chooses, is within reach of developing a consistent, nested set of strategic plans—the new Citywide plan will give high-level direction that can help departments in several ways. It can (1) direct City to take actions that address department issues either directly (e.g., by making some departmental need a strategic priority, (2) direct the City to make improvements to administration or central services that benefit all departments (e.g., investments in information services; creation of a facility maintenance or security group), or (3) clarify for departments what they should be doing to support broader City goals. If there is strong support for that concept among Council and staff, that idea could even become an action in the new Citywide strategic plan: e.g., in Year 1, all departments will develop (in some cases, update) strategic plans that support the Citywide plan.

3.1.2   Decision-making process

To state the obvious: a fundamental job of a city's council and staff is to make good decisions about the kinds of services to deliver and how to deliver them. The process by which it makes those decisions can help make the decisions more efficiently. More importantly, it can help make better decisions.

Neither the documents reviewed nor the surveys suggested that the City's decision-making process was in need of an overhaul. The comments that follow are based on the experience of ECONorthwest with other organizations, and are offered for consideration by City Council and staff.

No local governing body will have an explicit policy statement to the effect of "data doesn't matter." Different bodies do, however, have different attitudes about what data matter, how much data and evaluation is appropriate, and how important they are to final decisions. Good and effective decisions lie between the extremes of no data and endless evaluation, and require some process and standards for decision-making (Section 3.1 above). As a practical matter, the effectiveness and inclusiveness of McMinnville's process of governance and delivery of services will be influenced by Council and staff agreements about how and how much data, inventory, performance measurement, and best practices get incorporated in the standards for decision-making.

It is not enough for a city to deliver services efficiently *on average*; it matters how those services *get distributed*. Are all groups, in all neighborhoods, getting a fair share of the benefits of city services. When is it appropriate to treat everyone the same (e.g., water and power rates, library hours)? When is it essential to treat some groups differently (e.g., special programs for youth, elderly, low-income, homeless)? How can we enjoy the benefits of diversity without the problems of divisiveness? As a city becomes larger and more diverse, these issues become more

common and more important. It is not uncommon some version of this issue to become an element of a municipal strategic plan.

Several department heads said that City services provided and City services expected are sometimes misaligned. These inconsistencies strain staff capacity and department resources. Departments must provide services based on core missions, direction from Council, and budget allocations. But, for several reasons, they may sometimes provide additional services requested, expected, or appreciated, that are not reflected in annual budget allocations.

3.1.3 Council / staff relationships and processes

Council and staff change. Priorities and personalities change. What can add some stability in the face of that change are clear processes. At the highest level that means clarity about roles. A council is elected to do something that only it can do: make decision on behalf of citizens on policy issues (e.g., investments, regulations, incentives). Council decides on what is important; council approves a budget that should be consistent with its priorities.

Staff help council with decisions. Staff reports evaluate options for council to deliberate. In that sense, staff is involved with policy. But staff has primary responsibility for implementation and operations: the zoning counter, the library, emergency services—scores of services that McMinnville provides. Here too there is some overlap: council has the obligation to do some oversight of operations to ensure that that city assets (the common wealth) are being properly used and cared for.

A city's documents are unlikely to address these issues unless the council or manager has noted them as problematic and commissioned a study to evaluate the problem and solutions. ECONorthwest did not find any such studies for McMinnville. The more common way for such issues to be identified is through interviews and surveys. In McMinnville, those sources suggested some problems in the relationship between *prior* councils, managers, and department heads,[15] but that the *current* council and manager are working toward new and more productive relationships and procedures. The development of a strategic plan, with all the interviews and evaluation of issues that it entails, and the actions that it might recommend, can be an important avenue for clarifying procedures. Clarity and agreement on procedures (down to the level of what the common template for a staff report should be) is a concrete way to maintain solid relationships.

3.1.4 Interdepartmental coordination

There is little that can be pulled directly from city documents about this topic. The City organizational chart shows a standard hierarchy, with department heads as direct reports to City manager. One could also read the chart to mean every department is connected to every other department, but that is just in theory.

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[15] The experience of ECONorthwest with other cities and organizations are that such problem, at some level, are more the standard than the exception.

The important question is whether procedures are in place to require and encourage department heads to go beyond managing their departments to effectively deliver stipulated facilities and services. Must they also function as members of a leadership team that addresses issues of citywide interest? Addressing issues related to homelessness, for example, requires interdepartmental efforts from Planning (land use and housing policy and production), Fire (emergency services), Police, Parks (if illegal camping or loitering is part of the problem), Library (often a daytime living room, especially in the winter), and more. It requires city staff from some department coordinating with County social services on responding to problems and on creating and evaluating actions to reduce them.

The department head surveys provide ample evidence of a willingness and desire to work across departmental boundaries to address big citywide issues. If that is correct, then the executive branch can facilitate progress with policy and procedures: job descriptions, staffing, scheduling, and more should support the coordination. As a specific example, that would probably mean that annual evaluations of department heads by the city manager would include an evaluation of contributions to citywide projects and objectives.

3.1.5 External communication

City documents support the conclusion that the City is making efforts to get citizens involved in City government.

The City has, for example, used the National Citizen Survey to get a sense about how citizens feel about the livability of McMinnville:

- Overall, City residents surveyed are satisfied with the City and many of the services it provides. Seventy-two percent of surveyed residents rated the quality of services provided by the City of McMinnville favorably (rated excellent or good).[16]

- Surveyed residents were favorable about living in McMinnville. Eighty-eight percent rated the City's quality of life as excellent or good. Eighty-five percent expected to stay in McMinnville for the next five years. The same percentage would recommend McMinnville to someone who inquired.

- Forty-eight percent of surveyed residents had a favorable view of the value of services received for taxes paid. Although lower than other indicators, this rating is in line with the national benchmark.

There are other aspects community outreach and engagement:

- The City has a well-designed, searchable web site the gives citizens access event information, minutes, ordinances, and documents.

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[16] The 2016 Community Livability Report reflects the opinions of 831 residents (a representative sample, 3% margin of error) of the City of McMinnville. This was a representative sample of McMinnville residents, with a margin of error of 3%. Any time surveyed residents are mentioned in this document, it is reference to this 2016 Community Livability Report, unless otherwise noted.

- McMinnville has a very large number of volunteers for a City of its size. The City of McMinnville adopted budget listed 1,369 volunteers for 2017. Most, if not all, volunteers are not full-time volunteers, but it demonstrates the City's large volunteer base for events, departments, and committees. This point ties to staffing issues discussed below.

- The current strategic planning has substantial community outreach, and community engagement seems common on other studies. It looks like the City has a lot of contact with community partner organizations.

In summary, though any city could always do more for citizen engagement, McMinnville seems to have a robust program.

3.1.6   Conclusions

The experience of ECONorthwest is that few cities have an ongoing strategic planning process. Probably a majority of cities have no citywide strategic plan. Many of those cities that once had one used it for a year or two, and now give it only occasional attention if they need to quote vision and mission. The cities that are committing to a new strategic planning process (like McMinnville) are usually doing so because they think it can help them operate in a more coordinated and efficient way. It can.

The point is that it is almost always the case that some aspect of decisionmaking is contributing to a city's decision to pursue a strategic plan. Thus, the experience of ECONorthwest is that cities and other institutions usually end up with one category of strategic priorities being about some aspect of governance and decision-making. That could be true for McMinnville as well.

3.2 Issues related to performance

First (Section 3.1, above), a city decides what is important to citizens, which should lead to decisions about what products and services it should deliver. Then (Section 3.2), a city delivers those products and services to citizens efficiently. This section is about the City of McMinnville's "capacity to perform."

A city's function is, fundamentally, to make decisions about whether and how to deliver a broad range of products and services to its citizens, and then to deliver them. In the language of economics, it has *production functions* to create and deliver those products and services. A relevant question about performance is, How well is the city managing its *factors of production*. Those factors are sometimes referred to as different types of capital, divided into five categories: Financial, Human, Manufactured, Natural, and Social.

Another way to think about and evaluate a city's activities is by type of product and service. Often that evaluation is focused on a particular department. The scope of the analysis for this document, however, does not presume that depth of analysis. Instead, it might group departments together to cover five broad areas of service typical for municipalities:

- **Development** includes economic activity, the land and buildings where that activity occurs, and the houses where those workers and their families live. Citizens typically relate to a city first and most directly through its physical form. While the private sector

creates most of the buildings, cities have important responsibilities for planning, and for entitlements and permitting.

- That development would not be possible without **Public Works,** which include infrastructure, capital construction, and facilities management.

- City residents also desire **Cultural and Recreational Services** (amenities), some of which the public sector provides, like libraries and recreation services.

- For residents to enjoy the benefits of development and cultural and services, they must feel reasonably safe. **Public Safety** services typically include police, ambulance and medical, fire, building permits, and courts.

- All these services require the support of **Central Services** that cover things like policy development and City Council support, strategic planning, budget and finance, information technology, human resources, legal services, records management, facilities and fleet management, and inter-governmental relations.

These different organizations are both about city services. One comes the perspective of inputs (types of capital; factors of production), the other from the perspective of outputs. Both are legitimate and have different advantages.

The observations in this section are organized around the first perspective. For most types of capital there are two considerations for a city: (1) How well is a city managing that type of capital as part of its production function? and (2) How much and how well is a city doing in helping the private sector secure these types of capital?

3.2.1   Financial capital

A city is a big organization. It needs the money to operate. Having revenues sufficient to meet the many needs and desires of citizens is an ongoing struggle for most cities that has become more difficult over time in Oregon. Federal funding has generally decreased (e.g., the large federal block grants); standards, and mandates to comply with those standards from federal and state government, have increased; property tax as a share of revenue has decreased because of state property tax limitations approved by voters.

ECONorthwest did not do an evaluation of the City's budget, but it did look at documents that describe the budget. It saw many things common to other cities (e.g., 50% of the General Fund goes to public safety; the share of McMinnville's revenues from fees has increased over time). Also common will be increasing obligations for pension payments (PERS).

A common problem for Oregon cities as they shift from taxes toward fees is rate setting. Municipal enterprises (e.g., wastewater, water, electricity) are usually in relatively good shape: They have a lot of experience with operational, maintenance, and capital replace costs; they have the ability to set their rates to cover those costs; and the costs are typically within the band of what residents and businesses find common and acceptable. More problematic are certain development fees. The experience of ECONorthwest is that local governments rarely charge what Oregon law and standard business practices would allow them to charge system development (e.g., for streets). And streets—often a city's biggest capital investment—rarely

treated as an enterprise. ECONorthwest did not dig into these issues, but would expect that the funding of the City's infrastructure to support development is not without difficulties.

One difference was relatively large capital reserves (beginning and ending balances). On the one hand, that gives the City flexibility to deal with likely cost increases (e.g., PERS) or unexpected issues. On the other hand, there are comments from both citizens and staff about deferred maintenance, obsolescent facilities, and declining services or service hours. The Council and staff may already be clear about the best level of capital reserves, and how to use any balance that is in excess of that level. If not, this could be an item addressed in the strategic plan.

Regarding how the City does or could help the private sector with financial capital, ECONorthwest did not go to that level of detail in its analysis. It is common for large cities in Oregon (over 100,000) to have various programs to incentive certain types of development (e.g., revolving loan programs; local improvement districts). A typical source of such financial assistance is tax increment financing from urban renewal districts (McMinnville has this).

The responses of the Finance Director to the survey identified several important ways that the financial systems could be made most efficient; at the level that ECONorthwest can evaluate them in this document, they all seem worthy of consideration as part of the standard budget process, or as part of a broader City strategy around improvements in central services. But ECONorthwest's review of documents did not find big financial problems that might require attention in the strategic plan.

3.2.2   People

Employees and volunteers are the City's greatest resource. The City wants that labor to be productive, which means it must be healthy, knowledgeable, skilled, and motivated, and delivering products and service that are a good value relative to its costs (wages and benefits). The City can do several things to encourage that type of labor force.

ECONorthwest did not do any level of evaluation of employee productivity. It can, however, make a few qualitative observations:

- The City does not have a Human Resources department in its organizational chart. It obviously has methods for dealing with benefits, training, and conflicts, but it is now of a size where a more formal structure might be helpful.

- In various City department documents and in department head surveys, staff capacity was identified as a key issue affecting the services that the City provides. The departments of Parks and Recreation, Planning, Community Development, Library, Fire (and probably others) all have documents noting insufficient staffing as a problem. For example:

  - Planning. The department's 2018 Assessment evaluated its staffing at a "Keep the Doors Open" level, with no capacity to dedicate to long-range planning.

  - Fire. The public is generally pleased with the service provided: 86% of surveyed residents rated fire service positively, and 85% rated ambulance/EMS service

positively. For surveyed residents, safety was identified as one of the most important focus areas for the City of McMinnville. Eighty two percent of surveyed residents felt that improvements to public safety facilities should be a medium or high priority issue that the City should address. But the department has seen increases in call volumes that are affecting its ability to meet the standards of response set by City Council. In 2000, there were only four days out of the calendar year that the department received more than 20 calls. In 2008, there were 100 days where the department received more than 20 calls.[17]

- A related point is training. When staff is thin, there is little time or budget for training. Documents and surveys raised this issue several times

- Some department heads noted that competing job opportunities, hours, and salaries made it challenging to find employees with the specialized skillsets required, or led to employee retention problems.

- The City has a lot of volunteers. On the one hand, that is good for several reasons, especially social engagement and cost savings. On the other hand, it may be a symptom of the employee shortage that several departments are reporting. Moreover, if staff is so thin that it cannot adequately monitor and support volunteers, there are risks for quality of services and volunteer satisfaction. ECONorthwest saw nothing in documents or survey results to support that conclusion—we note it as a possibility for the City to consider.

Regarding how the City does or could help the private sector with human capital, the typical public-sector contribution is education and training. But the City is not responsible for either: education is delivered by school districts and state and private institutions of higher education, and work force training programs are typically delivered by community colleges, NGOs, state agencies, or counties. Typical city policies are typically to coordinate with these agencies and to facilitate getting local businesses to use their services. That is probably not an item that makes its way into a strategic plan in McMinnville.

3.2.3   Manufactured capital (plant and equipment; infrastructure)

The City has a lot of physical assets. They are the material goods or fixed assets which contribute to the production process rather than being the final output: tools, machines, and buildings. Other work by ECONorthwest suggests that 20 – 30% of the property value in a city is public (streets, infrastructure, water and light facilities, city buildings, parks, schools, etc.). Among the most important services a city offers are the ones that rely on those assets—cities have an obligation to keep them well maintained and functional for current and changing uses.

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[17] Though commenting here on employment, the Fire Department issues are multifaceted, and include number and location of stations, emergency response standards, equipment, and more. When the department completed a Long-Range Fire Station Location Analysis in 2008, the analysis noted that 95% of all incidents were within 2 miles of the current station, and decreased response times would likely come from increased staff, instead of new fire stations. However, the department has recently expressed a need for new sub-stations, indicating that new development along the outer edges is causing decreases in response time due to distance.

Documents and department head surveys both suggest that the City is deferring maintenance (not following a cost-effective maintenance program) on various types of infrastructure:

- **Streets.** The 2012 Transportation System Needs, Status, and Funding Report notes that street condition is declining, and pavement maintenance needs are increasing. At the time of the report, the pavement condition index of the street system overall was expected to drop from 70 to 63 by 2021, given the current level of funding. This finding was restated in a 2018 Community Development Department strategic planning document: the condition of the City's street assets is declining, and funding maintenance continues to be a problem.

- **Stormwater.** The same document stated that there was no funding for storm system maintenance or upgrades, causing flooding issues during heavy rain.

- **Parks.** The citizen survey reports 86% percent of survey respondents used a city park over in the last year; and 83% of them rated the quality of service favorably. But City documents suggest some problems. According to the FY 2018 Adopted Budget, examples of backlogged parks infrastructure maintenance include: replacing aging piping in water feature, pavement maintenance, system-wide plant bed restoration, turf maintenance, irrigation repairs. Seventy-nine percent of survey respondents felt that improvements to parks and open space should be a medium or high priority for the City to address. Furthermore, the master plan for parks is currently 15 years old. While it is almost fully implemented, completing the plan and recognizing that future planning is needed are on the near term horizon for the City.

- **Library.** Sixty-six percent used the library or its services. Eighty-eight percent of respondents rated the quality of service favorably. But improvements could be made. As of January 2017, the Library was open 45 hours per week. According to the Oregon Library Association Public Library Division Standards, operating at 50 open hours is essential for populations of 25,000 and above (60 is enhanced, and 75 is exemplary). The department, in its Service Comparisons document, stated that to increase open hours additional staffing is required.

Cost-effective asset management starts with an inventory and evaluation of assets, and then becomes a schedule for asset maintenance and replacement (an asset management system and a capital improvements plan). Centralizing at least some of that function is probably more efficient than having each department create its own program.

Beyond its own assets, however, the City is a critical player in ability of the private sector to develop the manufactured capital that allow economic prosperity and livability in Oregon. The primary players here are the City's departments of Planning and Community Development:

- The Planning department's 2018 assessment identified several problems. Strained staff capacity and resources have created a large backlog for long-range planning projects. It will take an estimated $1.7 million to fully catch up. The lack of resources allocated to long-range planning could result in "growth occurring that could be detrimental to the long-term sense of place for McMinnville." Some projects in the backlog are required by either federal or state law. Several long-range planning projects that should be completed. To name a few:

- The Parks Master Plan is 19 years old.

- The City is 15-years past due for a comprehensive plan update and community vision.

- The City is 20-years past due for a buildable lands inventory

- The City is 8-years past due on a Housing Needs Assessment

- The City is 16 years past due on a zoning review and update

- The City never finalized a UGB amendment.

- Zoning review and update: 16 years past due

In the survey of department heads, some other departments shared the concern about the lack of long-range planning.

- The City's Economic Opportunities Analysis, completed in 2013, identified inadequate availability of commercial buildable land in the City in the planning period.

- Only 24%of surveyed residents rated affordable quality housing in the City favorably. Thirty-four percent had a favorable rating of housing options. Both of these ratings were lower than the national benchmark. Eighty-eight percent of respondents felt that addressing the availability of affordable housing should be a high or medium priority for the City. In an open-ended question about the single most important issue for the City to prioritize in the next five years, affordable housing ranked fourth.

3.2.4   Natural capital

Natural capital is the most fundamental of all forms of capital. It is the energy and material is necessary to produce goods and services. It is the fundamental input into manufactured capital and human capital. It includes renewable and nonrenewable resources, and natural systems and processes.

In McMinnville, important local natural capital includes clean water, clean air, soil and climate that supports agriculture (and especially viticulture), and parkland and open space. Buildable land could also be considered natural capital.

From a policy perspective, state and local governments are more likely to deal with natural capital as package of ecosystem services that needs protection and wise use, than as a factor of production. Such protection is most often afforded through land use planning and regulation, public works (water and sewage treatment plants; solid waste collection and disposal), and open space protection and acquisition.

ECONorthwest did not find much that directly addressed natural capital in McMinnville documents or surveys, though it is indirectly addressed by some activities in Planning, Community Development, and Parks. No big problems were identified.

3.2.5   Social capital

Though human capital provides the physical and mental labor that creates interim and final goods and services by combining financial, manufactured, and natural capital. It is more effect

because it draws on social capital: the institutions that help us maintain and develop human capital in partnership with others. Local government plays a big role in providing those social institutions that address public safety, social welfare, physical and mental health, and more.

In the context of this Situation Assessment, social capital can include the efficacy of the institutional arrangements that McMinnville uses to deliver products and services.

The City of McMinnville has transitioned from a small town to a larger city. With this transition comes many changes that larger cities typically face, including increased demand for social services (not directly provided by the City), additional demand for City services, additional maintenance and capacity requirements, additional internal organization needed to coordinate a larger City staff, and many more. While it is sometimes difficult to embrace the changes required internally to meet the evolving requirements of the City and residents, it is important for the sustainability and operation of the City in the long run.

City documents feedback from department heads both note that central services are limited. As a result, departments must take on these tasks internally, and have less time to spend working on the current services they must provide, and on planning strategically for the future service delivery. Some examples:

- **Human Resources**. Noted above in the discussion of human capital. Several department heads identified the lack of Human Resources support and standards as a challenge. Human Resources is currently in the Administration Department in the City Manager's Office. The budget shows 0.7 FTE provided by three employees.

- **Facilities Maintenance.** Many city governments include a facilities maintenance crew at the citywide level. In McMinnville, all facilities maintenance is up to the individual departments to staff and fund. The Community Development Department recognized this in its strategic planning exercise in February 2018. Because the City does not have a comprehensive maintenance program for its buildings, its approach to facilities maintenance is often reactive. If the City implements a more comprehensive approach to facilities maintenance, it can be more proactive, and better plan for future facilities maintenance needs. Other department heads also expressed the difficulty of having decentralized facilities maintenance, and would benefit from a citywide facilities maintenance program.

- **Other.** Department heads made other observations about the City's decentralized organization or central services support:
  - More timely legal support (for example, contract reviews) would be helpful.
  - Code enforcement varies by department.
  - Vehicle maintenance and fleet management varies by department.
  - The City does not have a style guide/branding guide that all departments follow (including standard logo, letterhead, and other templates for communication).

It is not the case that there is some formula that calculates when a decentralized function should be centralized, or vice versa. But what does seem inefficient in any organization, public or

private (or natural, for that matter), is that functions that require knowledge of the whole organization, or that are amenable to economies of scale, get centralized. Central management guides the ship: it sets the course and the standards. Functions that occur at the edges (where the organization delivers goods and services to clients) get decentralized: employees interacting with the customers get authority to make customers happy, consistent with the overall course and standards.

Finally, social capital includes networks and partnerships. Much has been written about public-private partnerships, and they are certainly important and need development and care. But public-public partnerships can be even more productive. Some of the problems that McMinnville want to address in its strategic plan (e.g., housing opportunities; homelessness) will require both.

3.2.6   Other issues related to City services

The organizational structure above (by type of capital) does not provide a good location for a discussion of specific services or departments. The strategic plans that some departments have and the surveys from department heads provide a good overview of issues by department: see those for more information.

At the work session of department heads on March 2, however, there was an extended discussion on community safety, and a conclusion that it should be included as a category of strategic priorities in the new strategic plan. Following are some references to City documents that support this inclusion:

- For surveyed residents, safety was identified as one of the most important focus areas for the City of McMinnville. In an open-ended question about the single most important issue for the City to prioritize in the next five years, it ranked second.

- The FYE 2014 Service Level Changes memorandum noted that Park Safety is a priority among Public Works staff. Through the extensive process of determining service level changes in the division, park safety was prioritized.

- According to the City's 2010 Transportation System Plan, the Plan's theme of "Complete Streets" demonstrates that "safety and convenience of all users of McMinnville's transportation system are accommodated and balanced in all types of transportation and development projects" (1-10).

- In 2017, the City established a Downtown Safety Task Force.

- The City has a funding arrangement with the Downtown Association to have Park rangers located in the Historic Downtown.

- From mid-2016 through 2017, the Police Department increased its staff by six:
  - An additional detective to will help with the report investigation backlog (the number of cases investigated increased 100% over the past four years), and allow the department to take a more proactive approach in managing investigations.
  - An additional detective assigned to the Yamhill County Interagency Narcotics Team to assist with narcotic trafficking cases. According to a Police Department memo, Yamhill county has experienced an increased in opioid possession, addiction, and deaths.

- Two dedicated Traffic Enforcement Officers, as the City has seen a 25% increase in reported traffic crashes from 2012 to 2016.
- An additional Code/Parking Enforcement Officer, as the City is experiencing increased abandoned vehicles and ordinance violations.
- A Community Support Coordinator