

CITY OF OCALA FY 19 THREE-YEAR PLAN



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EXECUTIVE SUMMARY

The City of Ocala conducted a planning session on February 8, 2018, for the purpose of defining the City's strategic approach for the next three years. For the first time, the City planned for a three-year period rather than one year. The purpose of this change is to enable the City to adopt a more forward-looking approach and support decision-making that is in the City's best long-term interests. Tactical and financial considerations were also discussed in the context of supporting plan implementation. Eighteen people participated in the facilitated planning process, which was open to the public. Primary participants included the Mayor and City Council, and the City's Executive Leadership Team. Representatives of Marion County and the College of Central Florida were also present.

The planning group characterized their ultimate vision for the City over a ten-year horizon, then proceeded to identify strategic actions necessary over the next three years to put the City on a technically and financially feasible path toward attaining that vision. Eleven strategic actions were identified as necessary to address gaps between current conditions and the desired vision while maintaining a focus on the triple-bottom line of sustainability, which involves balancing attention to economic, social, and environmental issues. The eleven actions are as follows:

- 1) Strengthening the City's economic base so that the City is not overly dependent on any one or two industries and leveraging available resources and attributes in a manner that supports growth.
- 2) Attracting and preparing the workforce by addressing perceived deficiencies in the public school system and collaborating with higher education institutions to coordinate educational programs with the needs of the City's businesses.
- 3) Adopting a proactive approach to infrastructure that will enable the City to maintain a high level of service for its residents as the City grows, and reduce adverse economic, social, and environmental impacts of severe weather events.
- 4) Providing fiber optic connectivity to underserved areas to assist in elevating the economic viability and standard of living in those areas.
- 5) Foreclosing on vacant properties where the owner owes the City money so those lots can be redeveloped to improve economic conditions of the subject areas.
- 6) Supporting the development of a convention center within Marion County, which will have a significant and lasting positive economic impact on the City.
- 7) Connecting unemployed persons with employment opportunities by helping those who have felony criminal records and/or lack reliable transportation to find jobs and remain gainfully employed.
- 8) Relocating the Midtown Salvation Army facility to better support the redevelopment of Midtown by providing financial assistance or other incentives to the Salvation Army.
- 9) Reducing the severity of the adverse impacts of drug abuse with a multi-faceted program that connects users with medical and psychological help, educates the

community about the issue, mitigates the source of the problem, and leverages knowledge and experience of other municipalities and government agencies.

- 10) Creating the concept of One City by eliminating the use of divisive terms such as “West Ocala” when discussing initiatives, and focusing on inclusive approaches that broadly benefit the City’s residents.
- 11) Capitalizing on additional funding sources available only to municipalities who have projects ready to implement by making an investment in the advance development of projects likely to meet eligibility requirements.

Three potential barriers to successful implementation were identified, along with strategies for their mitigation. These potential barriers were:

- 1) Potential lack of community support
- 2) Insufficient funds for implementation
- 3) Key participants not supporting the Plan

The planning group also identified five Critical Success Factors (CSFs), which are behaviors believed to be essential to facilitate success. These are:

- 1) No passive-aggressive behavior
- 2) Staying on course
- 3) Teamwork (alignment)
- 4) Distinguishing between strategy and tactics
- 5) Timing (not procrastinating)

The Council expressed their complete confidence in the City’s Staff. This message, along with a summary of the planning session results, were presented to the City’s Senior Leadership Team on the morning of February 9, 2018.

The communication of this plan to all City staff, key stakeholders, influential community leaders, and the general public will be essential to its successful execution.

INTRODUCTION

This Three-Year Plan (the Plan) is the product of a significant positive shift in the perspective of Ocala's leadership. This transition from the historical practice of one-year planning to a more forward-looking approach of planning three years ahead supports decision-making that is in the City's best long-term interests. It reduces the City's dependence on past accomplishments, and enables the City to focus its human and financial resources on actions that will make Ocala an even greater place in the future.

This Plan will also improve the City's sustainability because it recognizes and addresses the interdependence of economic, social, and environmental issues, and the realities of funding limitations. Investments the City makes now to strengthen its economic base, resolve social issues, and improve its environmental status will give the City greater strength and resilience in the face of whatever challenges the future holds.

VISION

The Council characterized their ideal vision for the City over a ten-year horizon to guide the development of a three-year plan that would support its ultimate attainment. That vision is described as follows:

Ocala will be universally perceived as a great place to live. It will be globally recognized as the horse capital of the world, yet have a diverse and vibrant economy that is not dependent on any single industry. Ocala will be One City, where residents of all neighborhoods are provided a safe, friendly, attractive, a healthy environment for raising a family, have many options for earning a good living, and have many choices for spending their free time, such as experiencing the arts, participating in athletics, and enjoying the open spaces. The residents' quality of life will be enhanced by confidence in the City providing dependable, high-quality infrastructure and services.

STRATEGY

Eleven strategic actions were identified to address gaps between current conditions and the ultimate vision for the City. These strategic actions are not expected to fully achieve the ultimate vision within the three-year planning horizon; rather, they are intended to put the City on a sound, technically and economically feasible path toward the achievement of that vision.

The strategic actions were developed in the context of supporting the triple bottom line of sustainability, which requires balanced attention to economic, social, and environmental matters. From the perspective of feasibility, economics must generally be addressed first, as a strong economic base provides the resources required to adequately address social and environmental issues.

1) Strengthening the City's Economic Base

The City will strengthen its economic base by consciously focusing growth on five industries that have the potential for synergistic effects and leverage the existing and natural attributes of the community. The potential for success will be amplified by three key actions:

- ✓ The quantitative economic contribution of industries that currently comprise the City's economic base is presently unknown. This will first be determined, and then quantitative three-year goals will be established for rebalancing the composition to reduce dependence on any one or two industries. Note that the contribution of one industry will not be increased at the expense of another industry; rather the composition will be rebalanced as the overall economic base expands. This will be accomplished by focusing growth on the targeted industries.
- ✓ The Ocala/Marion County Chamber & Economic Partnership (CEP) plays a key role in attracting businesses to the area. The strength of the CEP will be leveraged by more actively providing specific direction to the CEP regarding the City's plans.
- ✓ The City Council will leverage its influence to help the CEP identify and attract new businesses within the targeted industries, and focus its limited time and resources on strategic matters, such as the development of feasible incentive packages.

Two primary and three secondary industries will be targeted, as described below. The secondary targets are designated as such because they will grow in support of the primary targets.

- ✓ Primary Targets.
 - The Equestrian industry will continue to be targeted as a primary contributor to the City's economic base in order to leverage Ocala's existing reputation, business elements, and facilities. Efforts to expand this industry will include achieving definitive global recognition of Ocala as the horse capital of the world.

- The Logistics industry will also be targeted as a primary contributor to the City's economic base in order to leverage the City's central Florida location and proximity to transportation infrastructure. While this has been the subject of a prior initiative, it will be coordinated more strongly with the CEP. The Council will play a larger role in attracting such businesses to the City, and the City will investigate the potential to attract air cargo traffic to the Ocala airport to tap into this time sensitive, high dollar value, low volume component of the logistics industry.
- ✓ Secondary Targets.
 - As the economic base expands and the population of Ocala ages, the demand for quality Health Care Services will increase. This targeted industry provides jobs that span a wide income range, helping to diversify employment opportunities within the City.
 - Business-to-Business (B2B) Back Office services will also be targeted because these services will be needed to support the two primary target industries, and the Health Care Services industry.
 - Ocala's natural resources, such as the Ocala National Forest and Silver Springs, and man-made attractions, such as the bike trails, will be leveraged to promote a stronger identity for Ocala as an Eco-Tourism destination. This will be particularly synergistic with the Equestrian industry, which draws people to the City from all over the world.

2) Attracting and Preparing the Workforce

To attract targeted businesses to the City, it will be necessary to provide a high quality public education system for the children of employees relocating to the area, and a suitably educated and trained local labor pool capable of supporting the needs of the targeted industries.

To support and improve the quality of our local schools and the vocational and higher education needs of the workforce characteristic of the targeted growth industries, the City will initiate the formation of a joint task force comprising representatives of the City, the County, the School Board, and local higher educational institutions. It's anticipated that this task force will meet on a regular and indefinite basis, until the educational system is believed to be capable of supporting the vision, and periodically thereafter, to proactively address additional emerging needs.

3) Adopting a Proactive Approach to Infrastructure

The City has done a great job of providing reliable infrastructure, but its ability to implement improvements necessary to maintain or enhance the level of service has been limited by the availability of funds. As a result, improvements are typically performed in a reactive manner wherein funds that are available are allocated to the most significant issues, leaving other issues unaddressed. The City's ability to provide a more resilient electric grid and shorten the time required to restore service following severe storms is also restricted by the limited funds available for undergrounding. Service interruptions associated with

extreme weather events jeopardize the health and safety of residents and reduce the City's revenue due to interruptions of normal commerce. As the City grows, infrastructure needs will increase faster than available funding, which will place the City in a progressively more reactive mode and likely cause a decrease in the quality of service and facilities. To shift the City to a proactive posture, it will be necessary to implement a two-prong approach.

- ✓ The City will initiate the formation of a joint City and County Infrastructure Task Force. This group will be charged with identifying common infrastructure and quality of life interests, and ways to collectively accomplish more within the constraints of available funding. It's envisioned that this Task Force will meet regularly and indefinitely.
- ✓ The City Council will consider options for increasing the funding available for infrastructure projects. To facilitate this, the Council has asked the City Manager to identify the level of funding required to shift the City's posture to a proactive mode. The Council will then evaluate options for generating the needed funds, including exploration of fund reallocation within the City's budget, utilizing matching fund programs, and considering targeted and/or general tax increases. The City expressed a desire to resolve the funding issue early in the three-year plan.

4) Providing Fiber Optic Connectivity to Underserved Areas

Commercial telecom providers do not service all areas of the City because it's not economical for them to do so. This condition is detrimental to the ability of such areas to improve their economic position, so the City launched a program to provide connectivity to those areas. The importance of this program as a means for elevating the economic status and quality of life within these areas was confirmed in the planning meeting, and the Council provided their support for its continuation.

5) Foreclosing and Redeveloping Vacant Lots

The City has placed liens on a number of vacant lots owned by persons who have accrued fines related to code enforcement violations. These vacant lots produce no revenue for the City in their current condition and suppress the value of homes in the area. To improve economic conditions of these areas, the City will foreclose on these properties and then redevelop them.

6) Supporting the Development of a Convention Center

The development of a convention center in Marion County will have a significant positive economic impact on the City in three ways:

- ✓ It will create an influx of money from other economic regions that would drive additional growth for the City's hotels, restaurants, retail establishments, and other businesses. This will, in turn, stimulate additional spending by residents within the City.
- ✓ It will increase the City's visibility as a favorable location for businesses.

- ✓ It will introduce a large number of people from outside the area to the City's attributes as a destination for recreational travel, having a lasting positive impact on the City's Eco-Tourism status.

Because Ocala is centrally located within Marion County, and the County is of moderate size, the convention center would not need to be located within the City limits to have a positive impact. Thus, the Council will support and encourage the development of a convention center within the County and remain flexible regarding its exact location.

7) Connecting the Unemployed With Employment Opportunities

City residents who have a felony conviction on their record often have difficulty finding employers who are willing to hire them, increasing the likelihood that they will remain unemployed. Additionally, many unemployed people don't have reliable transportation, making it difficult for them to travel to where work opportunities are located, and to reliably travel to their place of employment when they do secure a job. Investing in the resolution of these issues will increase the City's employment rate and generate revenue that can be used to resolve additional issues. The City will use a two-prong approach to connect the unemployed with employment opportunities, as follows:

- ✓ The City will identify employers who are willing to hire persons who have prior felony convictions, and the Council will use its influence to help connect those employers with prior felons who need jobs.
- ✓ The City will explore additional innovative options for transporting persons who lack reliable transportation to job interviews, and, once hired, to their places of employment so that they can remain gainfully employed.

8) Relocation of the Midtown Salvation Army Facility

Progress on the City's initiative to redevelop Midtown has been slowed by the presence of the Salvation Army facility and its associated impact on the local environment. The Salvation Army would like to relocate its facility, but needs financial assistance to do so. Relocation of this facility is in the City's best interest because it would have a long-term net positive impact on the City's finances. Thus, the Council will explore options for providing financial assistance or other incentives to facilitate the relocation of this facility.

9) Reducing the Impact of Drug Abuse

The City is experiencing an alarming increase in the number and severity of drug abuse cases. The number of overdoses and deaths resulting from drug use in January 2018 is nearly equal to that of the entire year for 2017. Combating opioid abuse is a highly complex issue because it involves atypical drug users who often become addicted as a result using legally prescribed drugs, not by conscious choice. While there is no clear solution to this issue, the City will implement a four-prong approach to reducing its severity, as follows:

- ✓ Continuing to focus on connecting users with medical and psychological help rather than simply arresting them.
- ✓ Developing an educational video for broad distribution that focuses on the harm that opioid abuse causes to families and loved ones.
- ✓ Providing overt Council support of measures that limit the use of opioids at the source, which means implementing protocols to reduce the number, strength, and duration of prescriptions issued by medical practitioners.
- ✓ Continuing to work at both the Council and Staff levels with other government agencies to identify methods for reducing or eliminating the problem.

10) Creating One City

It's perceived that efforts to enhance the standard of living throughout all areas of the City have been hampered by the unintentional but habitual use of divisive terms, such as "West Ocala." Such terms create psychological barriers and behaviors that result in actual adverse effects that are detrimental to affected residents and consume additional resources for resolution. To mitigate this issue, the Council and Staff will promote the elimination of such terms when discussing initiatives, and focus on inclusive approaches that broadly benefit the City's residents.

11) Capitalizing on Additional Funding Opportunities

The City has an excellent track record of obtaining financial support from sources such as conventional grants. However, it's believed that the City could access additional funds through programs that require the applicant to have plans already developed and ready to implement. To capitalize on this opportunity, the City will identify potential projects likely to qualify for funding, and invest in the advance development of plans that meet the eligibility requirements. This proactive approach will produce a return on the investment of the City's existing funds.

POTENTIAL BARRIERS AND THEIR MITIGATION

Three potential barriers to successful Plan implementation were identified, and a mitigation approach for each was developed, as follows:

1) Potential Lack of Community Support

Should residents of the City not support the Plan, this would make its implementation more difficult and costly, and could preclude success. A proactive approach comprising three components was devised for addressing this potential barrier:

- ✓ The City will develop and implement a communication plan designed to rally and sustain community support for strategic actions required to attain the vision for Ocala. This will involve regular and frequent communication of Plan elements at public meetings to emphasize their benefits and importance to the community, and overt support of these elements by Council and Staff as a routine part of the community culture.
- ✓ The City will identify key stakeholders and influential community leaders; initiate additional communications with them concerning the Plan; and identify ways that they can become involved in its implementation. This will give them a vested interest in its success, and encourage them to overtly support the Plan when interacting with other City residents.
- ✓ The City will designate a staff person to serve in the role of Community Engagement Liaison. Actively promoting the Plan and rallying community resources to assist in its implementation will be a key component of this person's responsibility.

2) Insufficient Funds for Implementation

While some of the strategic initiatives identified in this Plan, such as coordinating efforts to improve education by regularly meeting with the County, School Board, and higher educational institutions, can be implemented without significant impacts to the budget, there are components of the Plan, such as improving the City's infrastructure, that will require a meaningful increase in funding.

Five possible avenues for addressing resource needs have been identified. These, along with other ideas that can be generated, will each be explored and the Staff will make recommendations to the Council for their consideration. The options identified to date are:

- ✓ Increasing the millage rate
- ✓ Obtaining corporate support (on a sustaining basis or for specific events or initiatives)
- ✓ Volunteerism
- ✓ Staying committed to the Plan (so that available funds are not spent on other items)
- ✓ Tapping into the equine industry's wealthy clientele

3) Key Participants Not Supporting the Plan

If parties whose direct participation is key to Plan implementation are unwilling to support it, this could adversely impact results. Three primary areas were identified where this could occur:

- ✓ The School Board. The City and School Board are currently engaged in a dispute regarding stormwater issues. This may influence the School Board's willingness to meet and collaborate with the City for the purpose of

addressing the quality of our educational system. Strategies for mitigating the situation include segregating the two issues in communications with the School Board, leveraging the influence of the County and higher education institutions to encourage a dialogue on the matter of educational quality, and using an outside facilitator. If these are unsuccessful, it will likely be necessary to assess the relative priority of the two issues and refocus efforts accordingly.

- ✓ The CEP. The City relies on the CEP's resources for supporting economic development. A key element of the City's strategy is to provide more focused direction to the CEP regarding target industries for development; however, the CEP may have a different perspective or feel there are competing needs elsewhere in the County. For these reasons, the City will request the County's overt support of this Plan in conjunction with communicating the City's specific needs to the CEP.
- ✓ The Staff. If the Staff were not supportive of the Plan this could impede its implementation. Measures to enhance the Staff's support of the Plan include:
 - Delegating to them the responsibility for developing the tactics necessary to achieve the strategic goals. This demonstrates that their input and expertise are valued and gives them a vested interest in its success.
 - Communicating the Plan effectively to enhance the Staff's receptivity to its characteristic strategies, comprehension of their role in its implementation, and alignment with its direction. This has already begun by providing a briefing of planning outcomes to the Leadership Team on the morning following the planning session, but will need to continue with communication of the Plan to all City employees.
 - Reviewing elements of the Plan during regular meetings, which will emphasize its importance and help make its support a part of the City's culture.

It should be noted that three representatives of Marion County were present during the planning meeting and expressed support for the Plan.

CRITICAL SUCCESS FACTORS

Critical Success Factors (CSFs) are those behaviors essential to successful Plan implementation. Five CSFs were identified as important for achieving the City's vision.

- 1) No Passive-Aggressive Behavior. Passive-aggressive behavior is indirect resistance, and avoidance of the direct confrontation of issues required for their resolution. To reduce the potential for passive-aggressive behavior, a safe environment for open expression of ideas was created during the meeting by asking participants to suspend judgement and encouraging the open discussion of differing opinions. Additionally, at the conclusion of the meeting the group was specifically asked if there were any dissenting views with respect to the planning meeting results. Participants were given the opportunity to express their opinions, and affirmed that they felt they could support the approach that was developed. To raise awareness of the potential for passive-aggressive behavior, its damaging

effects were discussed. It's believed that each member of the planning group will be sincerely supportive of the Plan in its entirety.

- 2) **Staying on Course.** Our environment is constantly changing, presenting many opportunities to pursue courses of action different than those articulated in this Plan. However, staying on course is critical to having sufficient resources to achieve the vision. To help the City remain on course, strategies contained in the Plan will be mentioned and reinforced during routine Council and Staff meetings.
- 3) **Teamwork.** Well-aligned teams are capable of achieving more with fewer resources than teams that lack clear direction and unity of purpose. This concept is illustrated by the vector addition diagram presented as Exhibit 1. In this two-dimensional diagram, the black arrows represent the efforts of individual participants, with the length representing the magnitude and the arrowhead indicating the direction. The green arrow is the mathematical sum of the magnitude and direction of individual efforts. As shown in this diagram, if there is poor alignment, progress toward achieving the goal, represented by the green star, is small and not in the intended direction. The importance of alignment is shown in Exhibit 2, where even a modest improvement produces a tremendous increase in progress toward the goal while applying the same level of individual and cumulative effort. Reinforcement of the plan during routine Council and Staff meetings will help the team to achieve and sustain good alignment.

Exhibit 1. Illustration of Progress Under Conditions of Poor Alignment

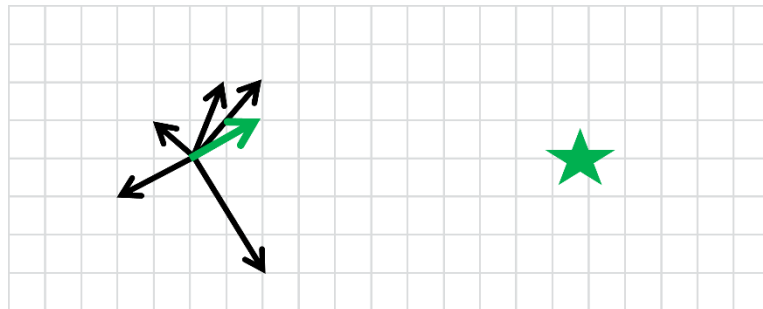
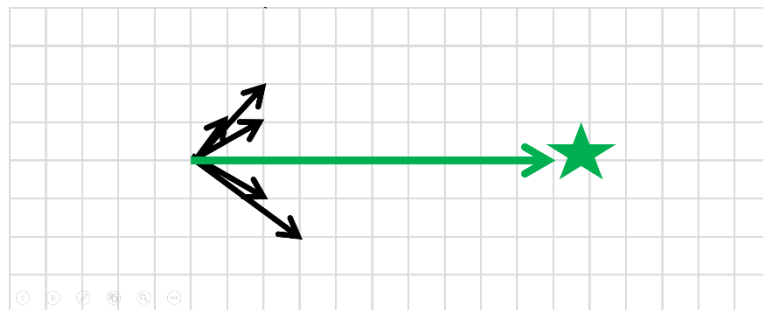


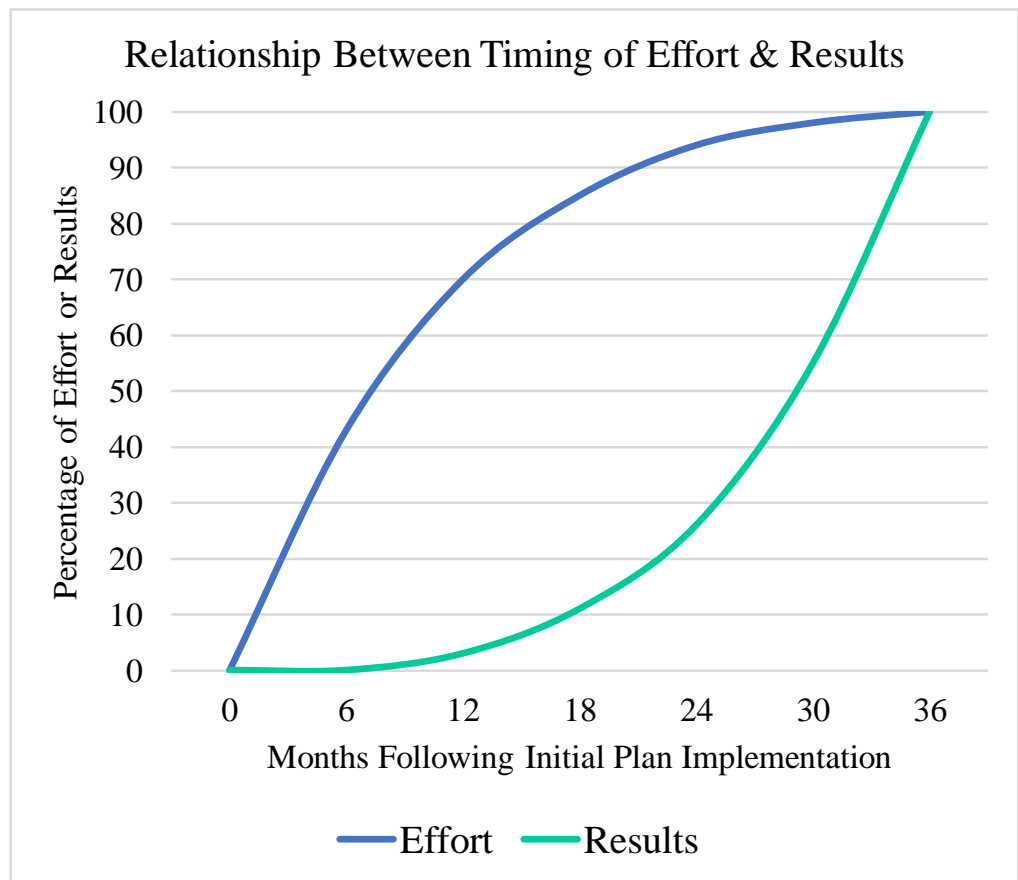
Exhibit 2. Illustration of the Effect of a Modest Improvement in Alignment



- 4) **Distinguishing Between Strategy and Tactics.** Attention to both strategy and tactics is important to achieving the vision, but they must be addressed differently. Strategy is best addressed by the Council, where their decision-making authority is required and the power of their influence can be instrumental in obtaining the support of stakeholders. Tactics are best addressed by the Staff, who have the front-line responsibility for implementing measures to achieve the strategic goals.

The Staff must keep the Council advised of its tactical approach, and is accountable to the Council for performance. If the Council were to become too involved in tactics, its members would not likely have the time and resources to address the City's strategic needs. During the planning meeting, the Council expressed complete confidence in the Staff's capabilities, which will enable the Council and Staff to work together very efficiently and effectively toward achievement of the vision.

- 5) Timing. Using a three-year planning horizon instead of a one-year horizon enables the Council to make strategic decisions that are in the best long-term interest of the City. This includes making decisions to incur costs now that will produce a return in later years. However, the timing of actions is critical with a three-year planning horizon, and initiatives cannot be deferred because longer-term strategies often require an early investment of time. A good example is the initiative to attract targeted industries to the City. As illustrated in Exhibit 3, the long lead time associated with this initiative means that the required effort will be largest during the first year, yet the result will likely be the smallest that year. By the end of the third year, this situation will be reversed.



COMMUNICATING THE PLAN

The communication of this plan to all City employees, key stakeholders, influential community leaders, related organizations (such as the County and CEP), and the general public will be essential to its successful execution. Such communication should involve presentations by the Mayor, City Council members, and City Manager; be initiated early; display their unity on the subject; and be frequently reinforced. This will emphasize the importance of this Plan to the employees and community, and help to keep City Staff, community resources, and residents focused on the actions identified in this Plan, which are those believed to be most important to supporting attainment of the ultimate vision for Ocala. Even modest improvements in community alignment will result in much greater progress toward the City's goals.

METHODOLOGY

This Plan is the result of input generated during a one-day meeting conducted on February 8, 2018, at the R&L Carriers/iGlobal Logistics Center Executive Boardroom located at 315 NE 14th Street in Ocala, FL. Primary participants included the Ocala Mayor and City Council members, and members of the City's Executive Leadership Team. Three representatives of Marion County attended, as well as a representative of the College of Central Florida. The meeting was open to the public in compliance with Florida's Sunshine Law, and recorded. The meeting was facilitated by Performance Management Group, Inc.

Following is a list of attendees:

- Mayor Kent Guinn
- Council President Matthew Wardell
- Council President Pro-Tem Mary Sue Rich
- Councilman Justin Grabelle
- Councilman Brent Malever
- Councilman Jay Musleh
- City Manager John Zobler
- Deputy City Manager Sandra Wilson
- Assistant City Manager Bill Kauffman
- Assistant City Manager Ken Whitehead
- Police Chief Greg Graham
- Strategic Business Administrator Jeannine Robbins
- City Clerk Angel Jacobs
- Marion County Commissioner Michelle Stone
- Marion County Director of Human Resources Amanda Tart
- Marion County Director of Parks & Recreation Jim Couillard
- College of Central Florida VP of Institutional Effectiveness & College Relations Jillian Ramsammy
- President & CEO of Performance Management Group, Inc. Chuck Roberts

The meeting commenced with the facilitator providing guidelines for participation, followed by characterization of the ultimate vision for the City considering a ten-year horizon. Subsequent activities then focused on strategies to support a three-year plan that would place the City on a technically and economically feasible path toward attaining the longer-term vision.

An open dialogue format was used while addressing topics that included strategies, establishing quantitative strategic goals, segregation of strategy and tactics, financial requirements and how they might be met, potential barriers to success and their mitigation, Critical Success Factors, communication strategies, and the message of support that the Council would like delivered to the City's Senior Leadership Team during their briefing the following morning.

This document was drafted by the facilitator following the meeting, and reviewed by the Council and Executive Leadership Team prior to finalization.