

City of Ocala 2019 Annual Update



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EXECUTIVE SUMMARY

The City of Ocala conducted a planning session on February 12, 2019 for the purpose of updating the City's Three-Year Plan developed one year ago. Last year was the first time the City planned for a three-year horizon rather than one-year horizon with the intent of enabling the City to adopt a more forward-looking approach and support decision-making that is in the City's best long-term interests. The update is performed for the purpose of confirming that the objectives are still valid and adjusting strategies in response to or anticipation of changes in economic, social, and environmental conditions.

Tactical and financial considerations were also discussed in the context of supporting plan implementation. Sixteen people participated in the facilitated planning process, which was open to the public. Primary participants included the Mayor and City Council and the City Staff's Executive Leadership Team. The meeting was also attended by the President & CEO of the Ocala/Marion County Chamber and Economic Partnership (CEP).

The planning group reaffirmed the ultimate ten-year vision set for the City during the prior year's planning session, noting that it will be helpful if members of the Council and Executive Leadership Team are able to articulate the various elements contained in the vision when representing the City before members of the community or staff, as this will further enhance alignment. This capability can be enhanced by reviewing the vision statement periodically during regular Council and staff meetings.

The City Manager provided a progress update on each of the eleven initiatives identified in the 2018 Plan as key to placing the City on a technically and financially feasible path toward attaining the vision. The Council confirmed that the eleven strategic initiatives shall be carried forward, discussed adjustments to the corresponding strategies, identified one additional strategic initiative for addition to the Plan, and revised the relative priority of initiatives to place greater emphasis on three key social issues. This revision to the priorities was made possible by progress the City had made on its economic initiatives during the first year. The twelve strategic initiatives in their revised order of priority are as follows:

- 1) Reducing the impact of drug abuse, focusing on a method for achieving a leveling off of opioid-related drug abuse cases within the next three years.
- 2) Aligning the City's approach to law enforcement and providing social services so that enforcement actions don't erode the homeless community's trust in the City or negate the City's efforts and ability to assist such persons.
- 3) 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.
- 4) Strengthening the City's economic base so that the City is not overly dependent on any one or two industries and leverages available resources and attributes in a manner that supports sustainable growth.
- 5) Attracting and preparing the workforce by addressing perceived deficiencies in the public-school system, collaborating with higher education institutions to

coordinate educational programs with the needs of the City's businesses, and supporting the continued positive net migration of Millennials to Ocala by facilitating the availability of affordable housing.

- 6) 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.
- 7) Providing residential fiber optic connectivity to targeted neighborhoods, based on the previously-approved ten-year business plan. Continue to grow the system as funding allows.
- 8) 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 and once again contribute to the City's tax base.
- 9) Supporting the development of a convention center within Marion County, which will have a significant and lasting positive economic impact on the City.
- 10) Examining the feasibility of relocating the Midtown Salvation Army facility to better support the redevelopment of Midtown.
- 11) 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.
- 12) 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 and tapping into private funding opportunities.

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 essential to success. These are:

- 1) No passive-aggressive behavior
- 2) Teamwork (alignment)
- 3) Staying on course
- 4) Using a uniform performance evaluation process for appointed officials.
- 5) Distinguishing between strategy and tactics

6) 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 Staff Leadership Team on the morning of February 13, 2019.

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 Update (the Plan) is the product of a significant positive shift in the perspective of Ocala's leadership. The City's transition in 2018 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 interest. 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 reaffirmed their ideal vision for the City as applied to a ten-year horizon. This vision was used to guide development of the three-year plan in 2018, and as the basis for its update. 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, and 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.

To enhance alignment among members of the planning group, the staff, and within the community, it will be beneficial for every member of the planning group to be able to fully articulate the vision when representing the City. This will require reviewing the vision on a regular and frequent basis during routine Council and staff meetings.

To facilitate recall, the vision is rewritten below, organized by its four components.

Purpose

For Ocala to be universally perceived as a great place to live.

Diverse Economic Base

Although Ocala will be globally recognized as the horse capital of the world, it will have a diverse and vibrant economy that is not dependent on any single industry.

Fairness

Ocala will be One City, where residents of all neighborhoods are provided:

- A safe, friendly, attractive, and healthy environment for raising a family
- Many options for earning a good living, and
- Many choices for spending their free time

Quality of Life

Options for spending free time will include:

- Experiencing the arts
- Participating in athletics
- Enjoying open spaces

The residents' quality of life will be enhanced by confidence in the City providing dependable, high-quality infrastructure and services.

STRATEGY

In the 2018 planning session, eleven strategic initiatives were identified to address gaps between existing conditions and the ultimate vision for the City. These strategic initiatives were not expected to fully achieve the ultimate vision within the three-year planning horizon; rather, they were intended to put the City on a sound, technically and economically feasible path toward the achievement of that vision.

The strategic initiatives 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. Nevertheless, many of the actions are interrelated. For example, the social goal of connecting the unemployed with employment opportunities helps to strengthen the City economically and expands the City's available workforce. And, addressing social issues such as homelessness and drug abuse within areas targeted for development helps to encourage investment in those areas.

A separate team comprising an executive level champion, staff from all levels of City leadership, and representatives from external agencies and organizations was formed to address each initiative. These teams achieved considerable progress on each of the eleven initiatives over the past year. The Council affirmed that these eleven initiatives shall continue to be carried forward, along with one additional initiative. The Council also adjusted the relative priority of the initiatives to place greater emphasis on three key social issues. This shift in priorities is made possible by the progress the City has achieved to date on its economic initiatives. Modifications to the approach on various initiatives were also made in response to new information.

Each of the initiatives are described below, incorporating the new information. The order in which the initiatives are presented reflects the change in priorities enabled by progress.

1) Reducing the Impact of Drug Abuse

The most pressing issue with respect to drug abuse is associated with opioids. Opioid abuse is characteristically more complex than conventional drug abuse because it involves atypical drug users whose path to addiction often occurs through the use of legally prescribed medication, not by conscious choice.

Despite the success of the City's amnesty program, which has processed more than 50 people in the past year, and the lives saved by equipping responders with Narcan® opioid overdose kits, the City continues to experience an increase in the number and severity of opioid-related drug abuse cases. While this is typical of what is being experienced throughout the country, the Council has deemed it unacceptable and established an initial goal of stabilizing the situation over the next three years so that the number and severity of cases levels off. While this is an aggressive goal, it is believed to be reasonably achievable.

To achieve this goal, the following tactical actions will be required:

- ✓ The City will continue its amnesty program in an effort to connect users with medical and psychological help rather than simply arresting them and pursue funding to expand this program. The program has been effective where implemented, but the extent of its implementation is currently limited by the availability of funds and treatment facility capacity (it takes approximately \$10,000 to process one person through the program which does not include long-term follow-up). These limitations have precluded the City from broadly advertising the program, which is deemed critical to achieving the goal of stabilizing the rate of drug abuse occurrences. Federal funding related to the opioid crisis is being distributed through state programs. In September of 2018, Governor Scott announced that Florida is receiving \$50 million per year over two years from the Substance Abuse and Mental Health Services Administration for opioid treatment and recovery programs, which will be added to the state's existing budget of \$65 million for this program.¹ However, it's unclear how much or when funding will be available to the City, or what stipulations may be placed on its use, and the City cannot wait indefinitely to address the issue. Thus, although the City will continue to pursue funds under the state administered program, it will not rely solely on this funding source. The City will concurrently take steps to pursue funding through private sector organizations such as Bloomberg Philanthropies, and wealthy individuals who have ties to the area.
- ✓ The Council will continue to overtly support measures that limit the use of opioids at the source. This means implementing protocols to reduce the number, strength, and duration of prescriptions issued by medical practitioners. Recently promulgated federal laws encourage physicians to prescribe the use of non-opioids and impose limits on the dosage and duration of opioid prescriptions. However, anecdotal evidence shared in the planning meeting suggests that much work is yet to be done to counteract the inertia of historical practices related to prescribing such medications whether or not they are needed or requested by the patient. To adequately address this issue, it will be necessary for the City to communicate its level of concern to physicians practicing in Ocala.
- ✓ Educational programs targeted at the general public, including videos, will continue to be developed and broadly distributed by the City. These programs will focus on the harm that opioid abuse causes to families and loved ones.

¹Sunshine State News, "Scott: Florida Awarded More Than \$50 Million to Fight Opioids," 09/26/18, retrieved 02-19-19, <http://www.sunshinestatenews.com/story/scott-florida-awarded-more-50-million-fight-opioid-crisis>.

- ✓ The Team assigned to this initiative, the Council, and Staff will continue to work with other government agencies to identify innovative methods for reducing or eliminating opioid abuse. The Team will continue meeting quarterly to facilitate interdepartmental communication and collaboration.

2) Aligning the City's Approach to Law Enforcement and Social Services

This new initiative involves the Mayor and City Manager convening to develop greater alignment between the City's approach to law enforcement and providing social services. This is necessary so that enforcement actions don't erode the homeless community's trust in the City or negate the City's efforts and ability to assist such persons in obtaining gainful employment or transitioning from living on the street to conventional housing. This will likely entail some procedural relaxation of enforcement related to simple trespass and may necessitate the modification of City ordinances.

3) 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. Others who are homeless need social services that can help them prepare for entry into the workforce. 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. Three tactical actions will be implemented to address these issues:

- ✓ The City has compiled a list of companies that hire ex-felons and explored federal bonding and tax credit programs that can be leveraged to incentivize hiring. The City will continue to work with local businesses to identify employers who are willing to hire persons who have prior felony convictions, consider connecting with existing re-entry programs, and the Council will use its influence to help connect those employers with prior felons who need jobs. To support this effort, the City will document and share stories of where this has been successful and work with local media representatives to promote the positive aspects of this concept.
- ✓ Over the past year the City added a public transportation route to connect persons who lack reliable transportation to areas where they can access employment opportunities and social services, but there are still additional needs to be addressed. The City will explore the feasibility of additional routes and innovative options for transporting persons in need to job interviews, and, once hired, to their places of employment so that they can remain gainfully employed.

4) Strengthening the City's Economic Base

Over the past year, the City has been very successful in drawing additional businesses to the area. The City will continue these efforts to further strengthen its economic base by consciously focusing growth on five industries having the potential for synergistic effects and continuing to leverage the existing and natural attributes of the community. The potential for success will be amplified by three key actions:

- ✓ The City will work in cooperation with the Ocala/Marion County Chamber and Economic Partnership (the CEP) to develop a more quantitative understanding of the economic contribution of industries that comprise the City's economic base. In 2015 the CEP commissioned a study to evaluate the economic impact of the equine industry on the county as a whole. This study examined direct and indirect economic impacts and quantified them at approximately 17 percent of the county's economic base (a \$2.6 billion contribution). To date, other industries have not been studied, but based on employment statistics the Healthcare, Manufacturing, and Logistics industries currently comprise about 21 percent, 8 percent, and on the order of 5 percent of the economic base, respectively.² The City's three-year goal is to achieve an even better-balanced economic base to reduce its dependence on any one or two industries. 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 by focusing growth on the targeted industries.
- ✓ The CEP plays a key role in attracting businesses to the area. The President & CEO of the CEP participated in the planning meeting, confirmed that the CEP's goals are well-aligned with those of the City, and voiced the CEP's support of the City's Plan. The City will continue to work closely with the CEP and keep them advised of developments affecting their mutual interests.
- ✓ 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.

²Kevin Sheilley, President & CEO, Ocala/Marion County Chamber and Economic Partnership, Telecon, 02/22/19.

Two primary and three secondary industries will continue to 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. With the development of the World Equestrian Center (WEC) the City is taking steps to ensure that Ocala International Airport is capable of handling the required types of aircraft, and anticipated volume of air and passenger traffic. The City will continue to strengthen its position as the leader in this industry through its related events such as the Parade of Nations and Breeds and creating an Equine Walk of Fame in the downtown area as sidewalks are replaced. The City will also work toward making the corridors along Routes 27 and 40 leading from the WEC to the Downtown and Midtown areas more

attractive and developed so they entice people engaged in equine events to visit the City.

- The Logistics industry will also continue to 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 is being more closely coordinated 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. This initiative has drawn many ancillary businesses that support the trucking industry to the community and has driven the establishment of new retail businesses and restaurants to support the logistics workforce.

✓ 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. This segment of the economy has been growing substantially with recent significant investment in expansion by all three of the local hospitals and will remain a focus for continued growth.
- 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. These B2B businesses include those that provide financial services, operate call centers, and are suppliers to other businesses.
- 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. Over the next year, the City will search for additional ways to incentivize the revitalization of Silver Springs. Plans are already underway to connect Santos and Greenway trails through downtown Ocala and eventually to Silver Springs.
- The CEP is conducting additional research on specific market sectors. As the results of these studies become available they can be used to refine the City's areas of focus.

5) 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 address perceived deficiencies in the quality of the local public schools and the vocational and higher education needs of the workforce characteristic of the targeted growth industries, the City initiated the formation of a joint task force comprising representatives of the City, County, School Board, and local higher educational institutions. This task force is charged with characterizing emerging educational needs and working with the educational institutions to formulate programs capable of proactively meeting those requirements. There is a continuing need for this input as the composition of the economic base and the needs of local industries evolve. To that end, the joint task force will meet on a regular and indefinite basis until the educational system is believed to be fully aligned with the vision, and periodically thereafter to proactively address the emerging needs.

Ocala is currently experiencing a positive net migration of Millennials at a rate that is twice the national average. This is very important to supporting continued economic growth because it will be instrumental in meeting the workforce needs of existing businesses that are growing, as well as those that relocate to the City. The City's ability to sustain this migration rate will likely depend on the availability of affordable housing (both rentals and to own). It is noted that the term "affordable" housing is often confused with low income or subsidized housing, when it actually means housing that can be reasonably afforded within the budgets of local residents. The misinterpretation of this term often prompts public resistance to affordable housing projects. To counteract this effect, the City will initiate communications designed to correct this public misconception and foster the development of housing options that can be afforded within the financial means of the local workforce. Having sufficient affordable housing is also critical to supporting the One Ocala initiative.

6) Adopting a Proactive Approach to Infrastructure

The City has done a great job of providing reliable infrastructure. It's ability to continue implementing improvements necessary to maintain or enhance the level of service has been limited by the availability of funds. As a result, improvements have been by necessity 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 established a joint City and County Infrastructure Task Force. This group is charged with identifying common infrastructure and quality of life interests, and ways to collectively accomplish more within the constraints of available funding. 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 continue to 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.

- 7) Providing residential fiber optic connectivity to targeted neighborhoods, based on the previously-approved ten-year business plan. Continue to grow the system as funding allows.

The City initially launched a program to provide fiber optic connectivity to areas of the City not served by commercial telecom providers. This is important to elevating the economic status and quality of life within such areas. The initiative has grown, and the City has to date installed approximately 800 miles of fiber backbone. The City has received offers from outside parties to purchase the system, but that would only provide a one-time influx of revenue, whereas continued operation of the system by the City will provide an ongoing source of revenue. Moreover, the fiber optic system has the potential to become a much greater source of revenue if the customer base can be expanded. This will require developing a technically and economically feasible approach to providing last mile connectivity to a larger number of commercial and residential customers. The City has received offers by outside parties to finance the system's expansion, but the City does not want to incur debt for its expansion. As an alternative, the City is having preliminary discussions with an outside party that offered an unsolicited partnership proposal wherein they would provide last mile connectivity with compensation provided through a revenue sharing arrangement. This is likely the preferred approach to expansion, but its viability will hinge on the ability to negotiate favorable terms for the City. If the City is unable to reach favorable terms with this offeror, the City will solicit proposals from other parties willing to participate in a revenue sharing agreement.

- As of the date of the planning meeting, the Team had met two times and has provided the following findings and recommendations: As a reference point, the term "Underserved" is defined by the Federal government as not having access to certain internet speeds
- All "low-income" City neighborhoods currently have access to qualifying internet speeds from other service providers for as low as \$9.95/month
- OFN has limited funding provided by existing and new customers that can be used to support future growth without the use of borrowed funds
- Implementation of the previously-approved ten-year business plan will be continued, which includes pilot testing in four communities
- Pilot testing will be expanded to include two new MDU projects coming to the NE and NW sections of the City
- Network expansion will continue expansion as funding allows.

Development of the WEC and the planned co-location of the convention center at WEC present opportunities to increase the City's fiber optic system revenue. The City will work with WEC and the County to reach an agreement for the City to provide connectivity for these facilities.

8) Foreclosing and Redeveloping Vacant Lots

The City has placed liens on properties where the owner owes the City tax money. To date, 23 properties where the lien amount exceeds the property value have been identified for foreclosure. These properties will be prepared for redevelopment to enhance the value of nearby homes in the affected neighborhoods and return these properties to an economically viable condition, so they once again contribute to the City's tax base. This initiative will be continued and expanded as needed to address economically blighted areas. This includes researching properties that have liens equal to or greater than the value of the property and developing a targeted RFP process that includes community outreach and City guidance regarding affordable housing standards.

9) 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 will 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.

Current information indicates that the preferred site for the new convention center will be to co-locate it with the new WEC. While not within the City limits, this location will still benefit the City because it will drive further development along the corridors on the west side of Ocala and provide even greater leverage for Ocala's attractions advertised at the WEC. Thus, the Council will continue to support and encourage placement of the new convention center at WEC.

10) 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. 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. Efforts to reach an agreement for relocation of the facility have been met with a number of economic and social challenges. To facilitate identification of a solution, mission-planning and feasibility studies are being conducted to identify a suitable approach for best meeting the community's needs.

11) 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 continue to promote the elimination of such terms when discussing initiatives and focus on inclusive approaches that broadly benefit the City's residents.

The City's cultural arts programs and social events have been very instrumental in bringing together diverse groups of the City's residents and promoting the One City concept. Such events can be costly, with benefits difficult to quantify because they are often of an intangible nature. Additionally, event planning and securing the high-profile bookings required for large scale events requires specialized logistical expertise not currently found within the City's current staff. The City will therefore explore options for enhancing the return on investment made in such programs and events, which may include outsourcing event planning to firms that specialize in such matters and have connections that can enhance the booking process. To facilitate an increased emphasis on cultural arts as a means for unifying the City and enabling it to become an economic driver, the creation of a new Cultural Arts Department will be considered, distinctly separate from the Parks and Recreation Department, complete with its own budget. This Department will be charged with aligning its activities with the first of the four themes identified by the Team assigned to champion the broader One City initiative. These themes are:

- Provide high-quality facilities and programming in West Ocala to ensure equal opportunity
- Keep your word
- Provide the mentoring, education, and crime prevention that is essential to the welfare of the next generation
- Provide affordable housing

The latter three of these themes are being addressed in conjunction and coordination with the other initiatives.

12) 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 has

identified potential projects likely to qualify for funding and will continue to invest in the advance development of plans that meet the eligibility requirements. This proactive approach has produced a return on the investment of the City's existing funds and will be a continuing initiative. The Team championing this initiative met five times over the five months prior to the planning meeting and developed a list of projects, sorted by department, that are or shortly will be "shovel-ready." The Team will continue meeting twice annually in January and July to update the project list.

POTENTIAL BARRIERS AND THEIR MITIGATION

Three potential barriers to successful Plan implementation were identified at the 2018 planning meeting, along with a mitigation approach for each, 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 costlier, 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. As identified in the Vision section of this Plan, it will be helpful if each of the Council and Executive Leadership Team members can articulate all the components of the Vision when interfacing with the public.
- ✓ 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 continue to designate a staff person to serve in the role of Community Engagement Coordinator. A key component of this person's responsibility will be to actively promote the Plan and rally community resources to assist in its implementation.

2) Insufficient Funds for Implementation

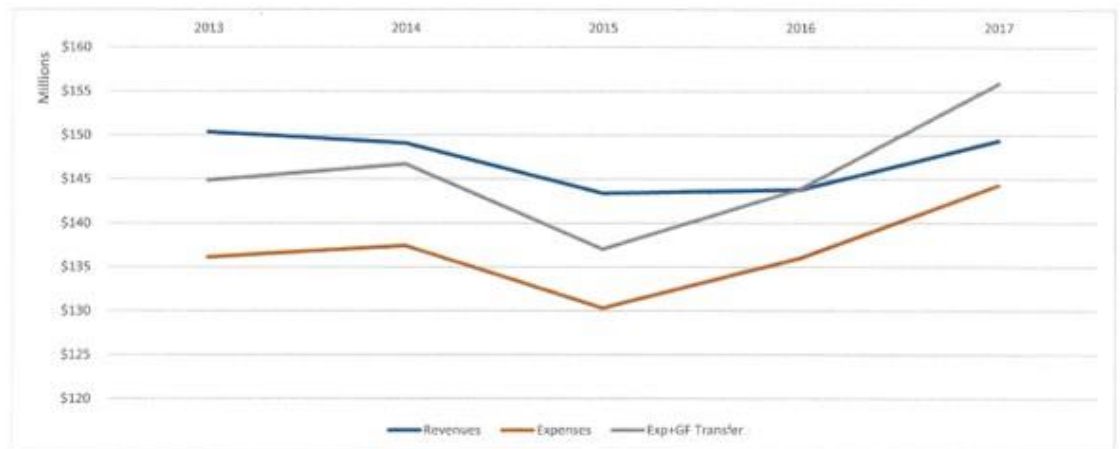
While some of the strategic initiatives identified in this Plan, such as coordinating efforts to improve education by regularly meeting with the County, School Board, and higher educational institutions, can be implemented without significant impacts to the budget, there are components of the Plan, such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

Five possible avenues for addressing resource needs were identified in 2018, and an additional funding source was added in this year's planning meeting. 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. While this was identified as an option in 2018, the current budget was submitted without the need for an increase, and the plan is to keep the millage rate constant as long as possible. Nevertheless, increasing the millage rate remains an option should it be necessary in the future. A primary driver for considering its increase is the fact that it has been necessary to transfer funds from Ocala Electric Utility (OEU) to the General Fund to cover a shortfall in tax revenue. This is not a sustainable approach because, as shown in Exhibit 1, the operating margin between revenue and expenses at OEU has been decreasing over time, and in the past two years the transfer of money from OEU to the General Fund has exceeded the margin, putting OEU at a net loss.

Exhibit 1. History of OEU Revenues and Expenditures

2013-2017					
	2013	2014	2015	2016	2017
Revenues	\$ 150,344,736	\$ 149,081,307	\$ 143,366,578	\$ 143,790,825	\$ 149,362,971
Expenses	\$ 136,134,798	\$ 137,440,682	\$ 130,302,686	\$ 136,025,849	\$ 144,298,448
Exp+GF Transfer	\$ 144,854,544	\$ 146,703,841	\$ 137,021,333	\$ 143,857,476	\$ 155,847,428



- ✓ 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

- ✓ Obtaining funding from private sources, such as Bloomberg Philanthropies or wealthy residents, to support some of the City's social programs (e.g., the amnesty program).

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 view issues from a different perspective and have different priorities. 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 improving cooperation between the City and School Board include segregating issues characterized by divergent perspectives from those where the City and School Board have common goals to encourage a dialogue on the matter of educational quality. The use of an outside facilitator may also be considered. If these efforts to separate issues are unsuccessful, it will likely be necessary to reassess the City's priorities and choose to focus on addressing the issue of greatest importance to the City.
- ✓ The CEP. The City relies on the CEP's resources for supporting economic development. However, this is not likely to be an issue because the CEP's plans are well aligned with those of the City, the CEP has expressed support for the City's Plan, and the President & CEO of the CEP was an active participant at this year's planning meeting.
- ✓ The Staff. If the Staff is not supportive of the Plan it 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.

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 planning meeting by asking participants to suspend judgement and encouraging the open discussion of differing opinions. This enabled the discussion of issues such as the impact of law enforcement on the ability to effectively provide social services to the homeless. Toward the end of the meeting, outcomes were summarized to provide a final opportunity for participants to express concerns. It's believed that each member of the planning group will be sincerely supportive of the Plan in its entirety.
- 2) **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 2. 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 3, 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 2. Illustration of Progress Under Conditions of Poor Alignment

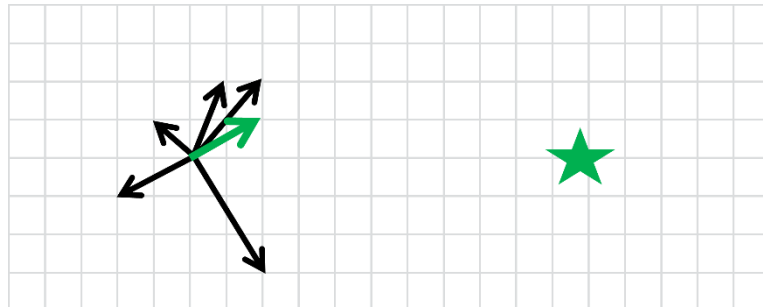
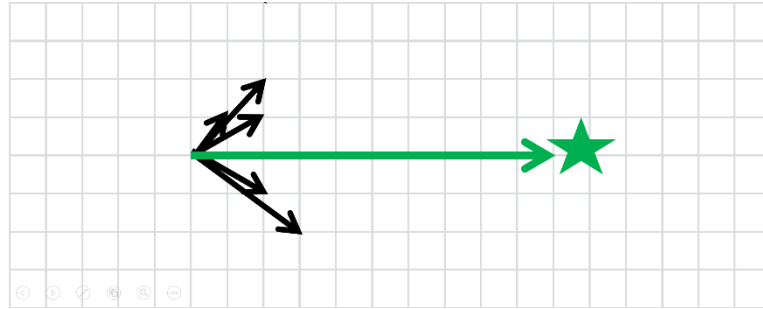
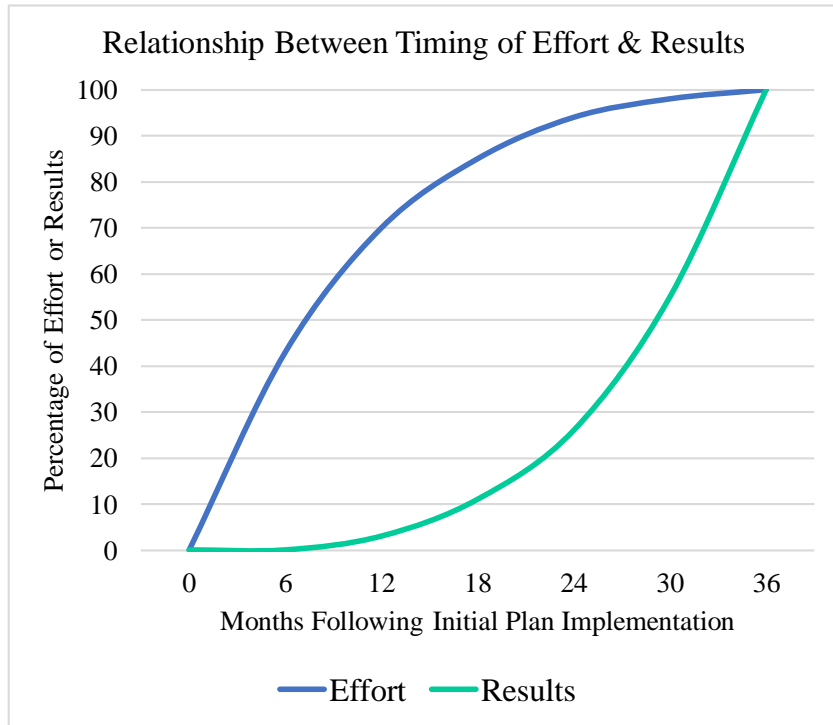


Exhibit 3. Illustration of the Effect of a Modest Improvement in Alignment



- 3) **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, and provide an open forum for discussion, the planning team agreed to meet again during the afternoon of August 27, 2019 to discuss progress and further strengthen alignment.
- 4) **Applying a Uniform Performance Evaluation Process for Appointed Officials.** To enhance alignment a uniform performance evaluation process will be adopted for appointed officials. This will help to keep the team focused on common goals.
- 5) **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 efficiently and effectively toward achievement of the vision.
- 6) **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 4, 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.

Exhibit 4. Illustration of the Importance of Timing Actions



COMMUNICATING THE PLAN

The communication of this updated 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 most important to supporting attainment of the ultimate vision for the City of 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 12, 2019 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 Staff's Executive Leadership Team. The meeting was also attended by the President & CEO of the CEP. 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 Mary Sue Rich
- Council President Pro-Tem Jay Musleh
- Councilman Justin Grabelle
- Councilman Matthew Wardell
- Councilman Brent Malever
- City Manager John Zobler
- Deputy City Manager Sandra Wilson
- Assistant City Manager Bill Kauffman
- Assistant City Manager Ken Whitehead
- Police Chief Greg Graham
- Fire Chief Shane Alexander
- Strategic & Legislative Affairs Administrator Jeannine Robbins
- City Attorney Rob Batsel
- Senior PC/Network Specialist Will Pintos
- City Clerk Angel Jacobs
- President & CEO of Performance Management Group, Inc. Chuck Roberts

The meeting commenced with the facilitator providing guidelines for participation, followed by review and affirmation of the ultimate vision for the City considering a ten-year horizon. City Manager John Zobler then provided a status update on each of the eleven initiatives contained in the Plan developed in 2018 and brought the unsustainable nature of the City's transfer of money from OEU to the General Fund to the planning team's attention. The remaining activities focused on using an open dialogue format to update or develop 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. Toward the end of the meeting outcomes were summarized, the Council voiced their strong appreciation of the staff, and a date was set for reconvening the planning group mid-year.

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