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CITY OF WILLMAR ORGANIZATION REVIEW PRELIMINARY REPORT

The following is a preliminary report on an organizational review of City operations in Willmar. A full report will follow.

Study Objectives

The firm was engaged to complete an organizational review of the City of Willmar operations and to provide information necessary for the City staff and City Council to make decisions on the future of the organization. The City is at a crossroads in setting service expectations, staffing levels, and overall direction of the community. Some of the concerns prompting the need for the study included:

- *Vacant positions:* As people were leaving, the City was reconsidering the need for the positions and began holding the positions open indefinitely.
- *Future structure of the organization:* City leaders are considering outsourcing several services to private companies or to other government organizations.
- *Organization work climate:* Concerns were being expressed about the impact of decisions and comments on the overall psyche of the organization.

Approach and Scope of Work

The organization assessment scope included a broad range of areas, structures, and dynamics to study. The areas of review included:

- Review existing organization structure and identify any gaps and/or duplication of services, as well as efficiencies to be gained
- Propose options for a new organizational structure and recommendations on staffing levels, workload and span of control
- Assess the workplace culture including involving employee feedback
- Observe and identify opportunities for intergovernmental cooperation
- Develop a succession review based on length of service of employees with the intent to identify a development of a succession plan for the future
- Make recommendations on the current business practices and processes in place.
- Assess the City's customer service with the intent of soliciting feedback from a range of community partners
- Assistance with implementation of the approved plan (helping to increase capacity in key stakeholders)

Assessment Process

The assessment involved using a variety of approaches as outlined here

- Interviews Internal: Staff (45) and elected officials (9) were interviewed one-on-one or in small groups. The one-on-one interviews averaged a little more than an hour. Interviews with small groups lasted approximately 90 minutes. *All interviews were conducted with the assumption that the data specifics were to be held in confidence.*
- Interviews External: One-on-one interviews (12) were conducted with citizens and members of the business community. There were also three group meetings involving 25 people representing the following communities:
 - Business
 - Somali
 - Hispanic

Assessment process continued...

- Group feedback: Feedback was provided to check the accuracy of observations and to elicit comments from preliminary findings. Feedback sessions were conducted with the WTP personnel, Public Works personnel, Elected Officials, and various focus groups.
- Group design: Focus groups were formed once data were analyzed to assist with the design of the “ideal” structure to deliver the best service possible in the most effective manner. This practice as outlined in the contract has been research tested and verified to have the best chance of success when change is implemented. The co-creation process is a vital part of having a healthy, engaged workforce.
- Survey: An online survey instrument was used to gather data across the organization. 76 people filled out the survey. The survey data are being used in various parts of the report. Additionally, a complete addendum report on the survey is also included.
- Job descriptions: Numerous job descriptions were reviewed and analyzed. This included all of the department heads.
- Review of Charter: The Charter was reviewed to ensure understanding of background, duties, and limitations of personnel.

Large Scale Overview and Culture

Organizational Strengths

- *Committed council*
The council may be divided; however, the commitment to the Citizens of Willmar was expressed by all. The elected individuals have all made a significant time commitment to the community with the reward being the satisfaction of serving the community. Several council members have served the community in various ways and want what’s best for the Citizens of Willmar.
- *Dedicated Staff*
The City is fortunate to have a number of long-tenured, very committed workers who are dedicated to providing quality work. Their commitment to the City during good times and bad has been consistent.
- *Areas of exceptional cooperation*
There are a number of areas where the coordination of work between departments is strong and serves the public well. The WWTP personnel and Public Works personnel are especially well coordinated. Engineering has also worked well with these divisions but is now in limbo and the coordination is suffering.

Organizational Concerns

Staff across the organization is feeling a significant amount of stress, confusion, and anxiety related to their work. The interviews with the employees, management and council, as well as the survey results revealed that there is no clarity around overall organizational values, vision, or strategic direction. *Individual departments* believe that their values are clear and adhered to, however there is an overwhelming perception that the organization as a whole does not have a clearly defined set of values. This contributes to a culture of mistrust, silos, and entitlement, often described by the interview participants as a “broken culture.”

Factors Contributing to the sense of “Broken Culture”

- *No long-term vision or strategy for the future of the City or organization*
The overwhelming majority of employees indicate the lack of long-term vision and strategy is creating confusion and produces disjointed efforts contributing to an overall lower organizational performance. Most of the community members and elected officials agree that there is no unified vision, or directional goals or objectives guiding the City at this time.
- *Employee discomfort with leadership*
Employees sense they are under constant scrutiny and feel attacked. The leadership is perceived as dysfunctional, by various employees and the community participants. The absence of council decorum is perceived as undermining the organization’s capacity and good will, which destroys the trust and belief in leadership’s good intentions.
- *Employees want to feel valued from elected officials*
Employees in individual and group settings expressed their worth was constantly being attacked or questioned. Comments coming from the council at meetings have been *interpreted* by employees to mean they have ‘little value’ compared to private sector workers. The cumulative effects of the comments have led many to feel unappreciated, shamed, worthless, hurt and angry. A long-standing, unresolved union contract is also impacting the environment in this area.
- *Low employee morale*
A majority of employees expressed that the morale is very low even though their commitment to the City, their fellow workers, and their jobs remains high. Long-tenured employees who have committed their working lives to the City sense there is no or little hope for the future. The statement ‘this study will do nothing to change things as the council will not accept it’ was a common comment or theme. Most employees are fearful and reluctant to offer suggestions to innovate or improve operations as they anticipate being mocked or ridiculed for their suggestions. Others simply view trying to change things as a waste of time.
- *Undermining of management authority*
The council is viewed by a majority of staff as interfering with the role of the City Administrator.

- *Negative impression on customers*
The community expressed concerns with the perceived direction the organization is taking. Inefficiencies in decision making are leading to losses in productivity and organizational performance, costing the tax payers in dollars and service.
- *Disconnect between the Administrator and Elected Officials*
The relationship between the Mayor and the Administrator is doing great harm to the organization and reputation of the City. The rift is obvious to *all* the community members we spoke with and most of the staff. There is also a trust gap with some of the council members and the Administrator. A negatively worded email to the Administrator from the Chamber concerning certain elected officials exacerbated the already existing trust problem between those elected officials and the Administrator. This broken bond places all recommendations made by the Administrator and staff in doubt as to the authenticity of both intent and accuracy of the items presented. This doubt has led to project slowdowns, inefficiency, and compounds morale problems.

Consequences of Current Working Environment

There are several consequences of the broken culture prevalent at the City. Some are outlined below.

- *Suboptimal employee productivity*
Low morale, confusion, and burnout are widespread creating anxiety in the workforce. Employee productivity depends greatly on their sense of belonging, and ability to contribute in a positive way.
- *Disengaged employees*
Employees are losing a sense of togetherness; the common culture disappeared with the numerous changes at the top of the organization. The organization is perceived to be siloed and in some cases there is passive aggressive behavior.
- *Increased talent turnover*
Employees are looking for jobs elsewhere. The most talented and productive employees with the brightest careers ahead of them are the ones who are most capable of leaving and are the hardest to replace.
- *Recruiting problems*
Highly sought, talented professionals will not be applying for those jobs that are going to be vacant with the upcoming retirements if the environment is not inviting.
- *Limited capacity for change*
Many processes and structures are due for review and update, especially where technology can be utilized. The fear of job loss and insufficient training for new technology suggests that the employees are reluctant to introduce new technologies and processes that require upfront investment. Employees feel it is safer to do their jobs rather than try something innovative that might fail. When they have something to suggest, there is a fear that their motives will be questioned.

- *Negative impact on services and value to citizens*
The net result of all the consequences is that processes have slowed and therefore the cost of providing a unit of service has increased. Cost increases and service declines are visible in delayed decisions, delayed hiring, and long debates that are not always centered on topic.

External view of the City

There is a pervasive concern about the future of the City coming from the community at large based on the community members we spoke with. *Every* individual and group we spoke with viewed the council as having a strained relationship. There is disagreement as to why the situation exists and ‘who started it’, but everyone agrees that it is hurting the community.

The Somali and Hispanic community members are feeling more isolated and unappreciated. Comments made during council meetings have been taken hard by fellow citizens who feel they are contributing significantly to the economic well-being of the City. Few council members have aired remarks, but the perceived silence of others is also a point of concern.

When asked for the Vision, or Direction the City is charting, all citizens concur that it doesn’t exist but is desperately needed and this council has the ability to do it.

The City receives high marks overall for service delivery; however, there are areas where the City staff should concentrate on repairing its reputation with businesses and developers especially. In some cases the City is seen as heavy handed and not open to ideas.

Recommendations on Culture and Large Scale Change

The cultural assessment is only useful if it is in the context of change. Identifying the changes that are desired in the culture upfront is crucial to the success of the organizational realignment. Culture is almost entirely dependent on the leaders of the organization. A few significant steps are recommended for the organization to take to get the organization operating at a higher capacity.

Recommendations to be shared at the meeting after the council has an opportunity to make suggestions.

External Services

For the purposes of this report, external services are defined as services consistently delivered by city employees to most of the population of the community. The services include Public Works, Waste Water Treatment, Police, Fire, Engineering and Planning.

Current State

- *Police*

The Police Department did not receive a lot of attention during this study. The reporting structure and mission of the group is clear and does not need to be adjusted. Some internal teamwork may be needed as revealed in the survey.

- *Fire*

The Fire Department also has a reporting structure and mission that is clear and focused. The Chief is new to the department and will need some time to fully evaluate the current state and make any changes he sees as necessary.

- *Public works*

Public Works is currently functioning as a team and is well organized, and focused. The group is fairly seasoned with the workforce experienced and able to self-direct. The recent announcement of the superintendent leaving in the summer has left the group concerned about the future alignment and relationship between Public Works and Engineering. The department is concerned about outsourcing decisions when they are not involved in the conversation.

The team is also concerned that any data or argument provided that demonstrates their ability to do a job better than outsourcing will be considered self-serving and suspicious. In instances like these, they are in a lose-lose scenario where if they demonstrate they are the best option to provide services their motives are questioned, and if they don't speak up they are 'disengaged' and forfeit positions.

- *Waste Water Treatment Plant*

The Waste Water Treatment staff is a well-connected and dedicated team. They are still in the process of getting the 'bugs' out of the new treatment plant. The team is completely cross-trained with workers taking on different roles throughout the year. Certain team members are also called upon to do electrical work throughout the City which has saved the City considerable time and money throughout the years.

- *Engineering*

The Engineering Department is struggling. There is no sense of mission or future, which is to be expected given the uncertain alignment of the department. The current system of staff reporting to consultant supervisors is confusing and lacks continuity of values and mission. The remaining staff is dedicated and professional. They can be counted on to respond well under a rebuilt department. The City has spent close to \$245,000 on consulting engineering services in the seven month period between September 2012 and April 2013 to substitute for an in-house engineer.

- *Planning*
The Planning Department personnel have morphed into a variety of roles left vacant by recent departures of other staff. The staff has taken on their new roles with vigor, but the workload will leave the essential planning roles under-attended.

Restructuring Scenarios for External Services

A large group meeting involving the personnel from Planning, Public Works, Waste Water Treatment and Engineering was held to evaluate scenarios and co-create an optimal working model for external services. *An additional service that may be added to this sector is assessing, as their most significant contact is with property owners.* Most of design in Option A is from the co-created model.

Option A: Create External Services Director

Reports to: City Administrator

Reporting to External Services Director

1. Planning and Development
2. Public Works
3. Facilities Maintenance Superintendent
4. City Engineer
5. Waste Water Treatment
6. *Community Education Coordinator *Contracted with school and also reports to Administrator

Discussion

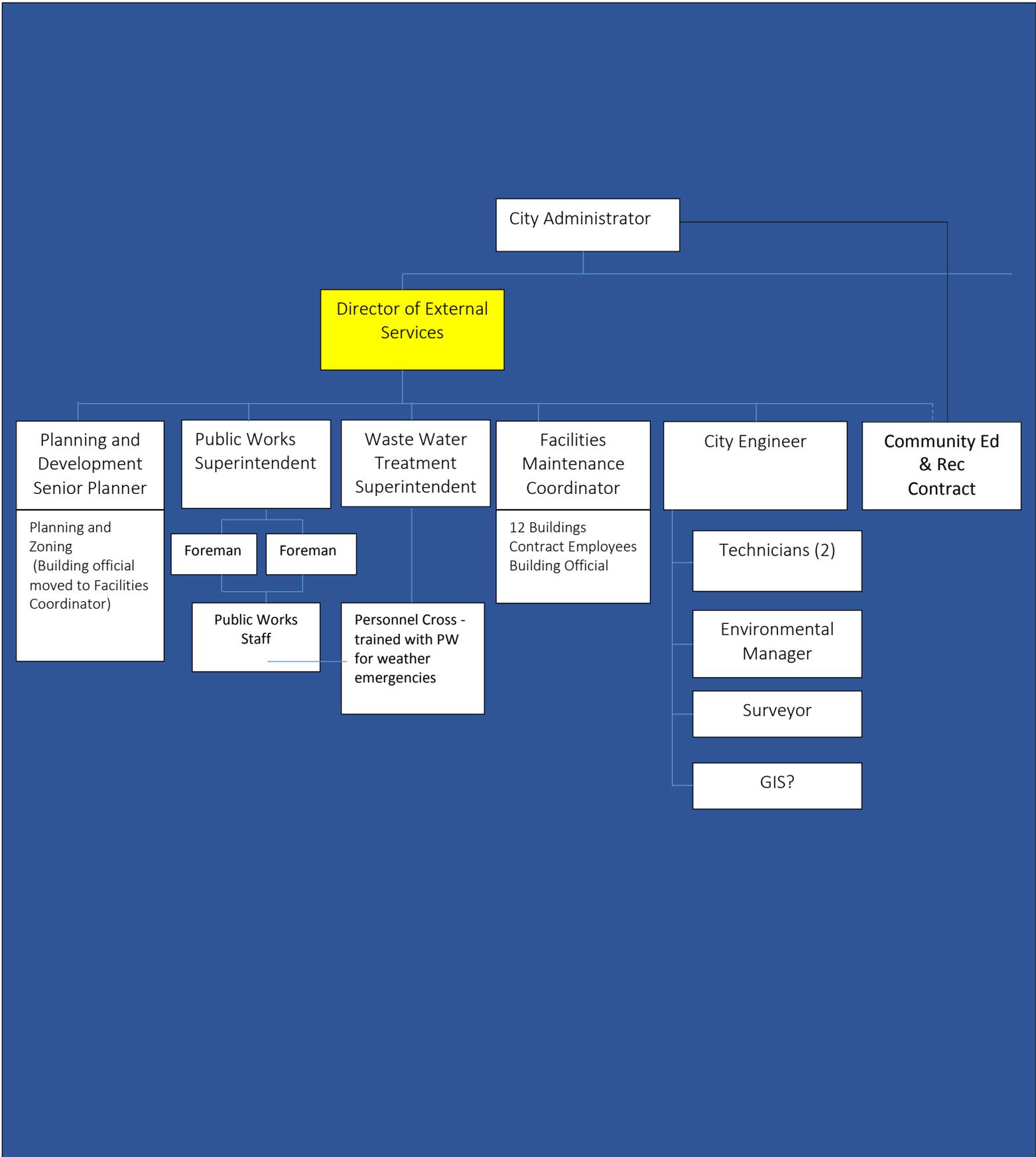
The external services grouping have a number of interdependent relationships happening on a daily basis. Their missions should be in alignment and they would benefit by working as a cohesive group even more than they are now. Some of the suggestions include shrinking areas and expanding others. I recommend highly that all shrinkage occur through attrition or reassignment, otherwise the impact on employee moral will be devastating.

Staffing

- *Form and Hire External Services Director*
This position would be outside of a bargaining unit and would report directly to the City Administrator. The position would require significant experience in community development and supervision with a background in engineering, community development, or city management.
- *Hire Engineer*
Option A allows the engineer to spend more time directly on design and coordination of projects. The engineer hired would have a more narrow focus that would allow them to take on more projects and contract out less work. The engineer would be able to have more time for staff development and direction and supervision of external work.

- *Complete staffing of Engineering Department*
The Engineering Department will be fully functional with the restored compliment of technicians and surveying. A complete complement of staff will be able to handle requests and assist the Public Works personnel in a timely fashion.
- *Senior Planner*
There would no longer be a need for this to be a director level position. There are also other alignment possibilities by shifting more Economic Development responsibilities to the EDC. The EDC could also assume some responsibility for Airport duties in place of the planner. This would eliminate the need for 2 planners.
- *Airport functions reassigned away from planning*
Under option A, the planning department could operate with one senior planner provided Airport functions were assigned elsewhere. One option (discussed with EDC Chair) would assign some of the duties to the EDC as they can market the value of the Airport as an economic development tool.
- *Create Facilities Maintenance Supervisor*
No one is currently coordinating the maintenance and upkeep of the City's 12 major facilities. There are enough facilities in the City to warrant a designated person to coordinate staffing and/or contracts, scheduling of routine maintenance, CIP development, scheduling of major repairs (roofs, HVAC, etc.), and assisting with insurance. I recommend looking at the Public Works personnel for a promotion to this position. I would also recommend that the person not be replaced; however they would remain available if needed for weather emergencies.
- *Review Contracting Options*
Contracting for services such as street sweeping by an outside contractor has not been fully vetted. As personnel retire, some specialty services that the private sector can do should be reviewed. The process of reviewing the options must be fully outlined with expectations and scope clearly defined. It is inevitable that research outcomes will vary significantly depending on the assumptions made. Whatever the decision on outsourcing, I strongly recommend that individuals or units impacted be fully involved and their jobs held until a vacancy occurs.
- *Coordination and cross-training needed*
Reducing the Public Works personnel will require other personnel to help during weather related emergencies. I recommend that WWTP personnel be cross-trained in snow plowing and handling of summer storm related duties involving heavy equipment. The close ties the two units currently share should make this a fairly comfortable new role. Another option is to reduce the performance expectations of the crew as they perform.

Option A: Organization Structure for External Services



Option B Public Works Director/City Engineer

Reports to: City Administrator

Reporting to Public Works Director

Public Works Superintendent

Reporting to Public Works Superintendent

Building maintenance foreman

WWTP Superintendent

Engineering Staff

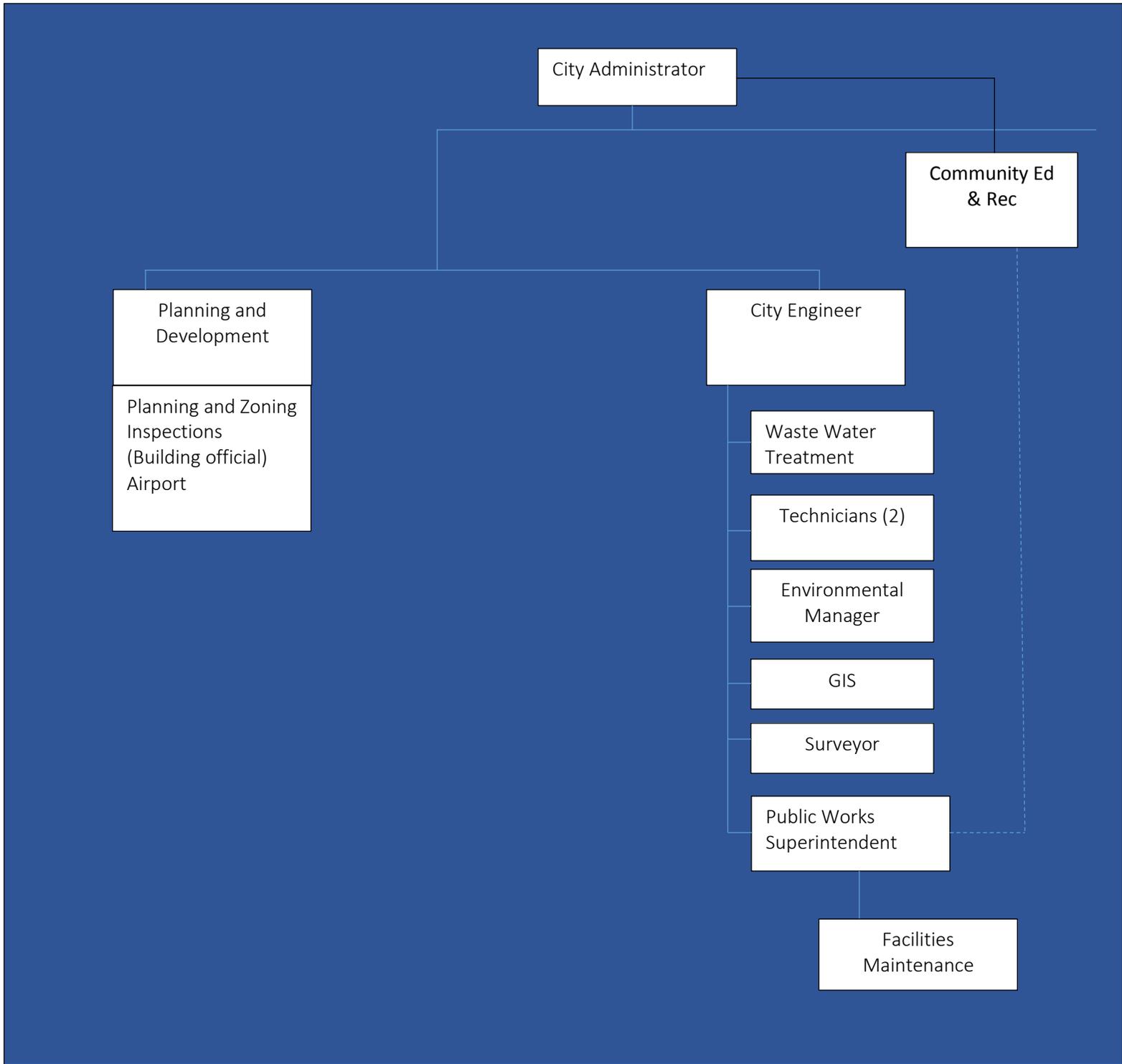
Discussion

The external services groupings would essential stay the same. A Public Works Director would take on the responsibility of coordinating the Engineering Staff, supervising the Public Works Superintendent and WWTP Superintendent and overseeing consulting contracts. I do not recommend this alignment as it would not allow the Director much time to do engineering work. The only way a significant amount of engineering could be done, would be for the City to add another civil engineer to concentrate on that alone.

Staffing

- *Hire Public Works Director*
This position would be part of a bargaining unit and would report directly to the City Administrator. The position would require significant experience in Public Works and Engineering.
- *Hire Engineer*
Option B will work if the City also hires an engineer to spend more time directly on design and coordination of projects. The engineer hired would have a more narrow focus that would allow them to take on more projects and contract out less work. The engineer would be able to have more time for staff development and direction and leave the supervision of external work to the Public Works Director.
- *Complete staffing of Engineering Department*
The Engineering Department will be fully functional with the restored compliment of technicians and surveying.
- The rest of Option A would also apply.

Option B: Organization Structure for External Services



Part II of Report

1. Feedback and realignment form first meeting (revisions)
2. Underutilized County Services
3. City Internal Services Review and Alignment
4. Succession Planning and Knowledge Transfer Strategy
5. Assessing
6. Human Resource Management
7. Research References