



MAYOR AND COUNCIL

City Office Building
Box 755
Willmar, Minnesota 56201
320-235-4913
FAX 320-235-4917

OPTION C

Introduction

Earlier this year, I solicited members of the community, roughly eight in all, to serve as an ad hoc advisory group to me, in my capacity as Mayor of the City of Willmar. This group represents a variety of interests and backgrounds, whose expertise includes business and industry, government, finance, and organizational development. My goal in assembling this group has been to develop ideas and strategies that might advance a more cost-efficient, streamlined approach to governing the city and providing public services. As we all know, institutions generally, and bureaucracies in particular, are risk-averse and loathe to embrace change; however, change we must. Our economy requires it; our physical environment needs it; and our social structure is stuck in neutral without it. That I was elected with a plurality in every ward told me that the taxpayers demanded it. Admittedly, it's been a stressful and, oftentimes, divisive process. The fact is, though, change is not easy, but I'm not looking for easy. I'm looking for effective government.

I want to thank the advisors that have, and continue to give of their time, expertise, and guidance, with no other purpose than to serve their community. We are all in their debt.

What follows here is our first, but not our last, position paper on advancing principles for cost-effective and efficient government in Willmar. This process, as well as this white paper, have received my full participation and endorsement.

Background

Let us begin with the three stated study objectives of the recently-completed Willmar Organizational Study:

- 1) (Filling) vacant positions;
- 2) Future structure of the organization; and
- 3) Organization work climate.

Secondly, let us accept the study's finding that city residents give the City "high marks overall for service delivery".

Finally, let's establish parameters....boundaries....for any changes to the structure of Willmar's public services organization going forward, in both philosophy and implementation. Those parameters have previously been set forth in covenants....agreements....to which the City of Willmar signed on several

years ago. One is called "Redesign Minnesota." The other is the "Minnesota Accountable Government Innovation and Collaborative Act," also known as the "MAGIC Plan."

Without turning this into a political science lecture, both programs support the view that it is high time to explore new concepts of governing the County and local levels that result in more efficient government, economizing on government spending through:

- a) Downsizing public sector employment;
- b) Outsourcing work that can be performed at a lower cost elsewhere;
- c) Adopting procedures that result in improved efficiency; and
- d) Finding areas of cooperation among units of government where collaboration creates cost-savings for all those involved....which, ultimately, of course, means the taxpayers.

Now, no one is saying that this will be painless. It is not surprising that some government employees feel the ground shifting beneath their feet, and they are nervous about it. And the reality is, city government is required to conduct its business in an open and transparent environment so, unlike the private sector, city employees are privy to nearly any and all discussions concerning their fates and futures; from staff meetings, City Council meetings, from the local newspaper. It's a by-product of our State's Open Meetings law.

The Brimeyer-Fursman study and its recommendations would lead our City into a direction that is very contrary, the polar opposite, to the redesign and streamlining of local government to which the City of Willmar and Kandiyohi County signed on through Redesign Minnesota and the MAGIC Act. The study's recommendations are "old school"; more layers of bureaucracy, more expense to the taxpayers, with questionable benefits, if any at all. In short, greater burdens to us all, with no returns.

The study misses three important economic, demographic, and social shifts here in Willmar:

- i) It does not acknowledge the brutal reality that our city, like the rest of America, is crawling out of the most severe and crippling economic crisis since the Great Depression;
- ii) It fails to accommodate the fact that the most affluent middle class American has ever produced, the so-called "baby boomers", are beginning the great demographic shift, from tax PAYERS to tax CONSUMERS; and
- iii) Our city continues to be caught up in an identity crisis, most clearly exemplified by the Downtown neighborhood, and we as a city cannot continue to avoid that conversation.

The study's recommendations for the implementation of Options A and B are unrealistic and unsustainable. What's worse, no justification has been offered as to how these options would improve or expand the quality or delivery of public services to the taxpayer. The case for benefit has not been made.

All expense.....no discernible benefits. That is simply unacceptable.

The Alternative: Option C

Phase I – Human Resource Management: Coordinate and Consolidate

It should not be surprising to know that over 80% of the operating budget for the City of Willmar consists of labor costs. The City employs 100 staff. Additionally, the Municipal Utility Commission employs 58. Yet, neither entity utilizes a dedicated, professional Human Resources management group.

The City of Willmar and Kandiyohi County already have examples of collaboration and cooperation which provide opportunities for sharing expenses to benefit the taxpayers. For instance, the County sheriff's department and the Willmar police department share overhead through the Law Enforcement complex. Likewise, the County and City have merged their economic development programs into a single Economic Development Commission.

I propose the development of a single Human Resource management department that services the City of Willmar, the Municipal Utilities Commission, and Kandiyohi County. The benefits of such collaboration are:

- a modern, professional HR function for City and MUC employees;
- an opportunity to reduce the workload of the City Administrator, and thereby eliminate the need for the addition of the proposed External Services director, at considerable savings to the taxpayers;
- the opportunity to systematize the inevitable process of attrition resulting from an aging public workforce;
- the development of in-house recruitment capability for identifying and attracting new candidates for senior management openings;
- the overall encouragement of consolidating public services on a regional level as a way to spread costs and thereby reduce expenses to our tax base.

I believe that, unlike Options A/B, which would likely cost city taxpayers in the neighborhood of \$200,000 annually, a consolidated Human Resource management program, shared by the three entities of the City of Willmar, MUC, and Kandiyohi County could, rather than costing our city taxpayers \$200,000, could produce a tax savings to city and county taxpayers of approximately \$400,000.

What is being proposed here is, quite simply, to take a page out of the playbook currently in use by American business and industry. In the face of shrinking revenues, the private sector has responded by consolidating businesses and reducing overhead. Our proposal utilizes a similar strategy. The tax base has been shrinking, while the demand for public services is growing; this is a trend that shows no sign of letting up any time soon....

To respond by growing government is simply wrong – headed and unsustainable.

Frank Yanish, Mayor of Willmar