Resource Management Associates

City of Breezy Point, Minnesota

CITY OF BREEZY POINT
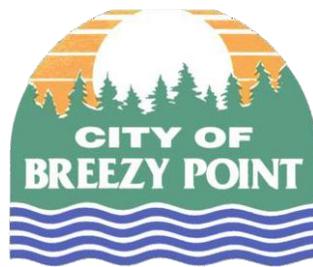
Organizational Assessment: Executive Summary

December 31, 2023

Resource Management Associates

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David Chanski
City Administrator/Clerk
City of Breezy Point
8319 County Road 11
Breezy Point, MN 56472

Dear Mr. Chanski:

Resource Management Associates ("RMA") is pleased to present this ***Organizational Assessment*** to the City of Breezy Point (the "City").

We wish to thank the City Council, the many employees of the City and others who have contributed significantly to developing the ***Organizational Assessment***. The diligent effort of all of these parties has enriched this work product.

Thank you for the opportunity to have been of service to the City of Breezy Point.

Sincerely,

Charles D. Hale

Charles D. Hale
President

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Executive Summary

The Breezy Point City Council decided to discuss the idea of conducting a staffing and services study, subsequently described as the ***Organizational Assessment***, at its workshop meeting on August 15, 2023, as a corollary to its discussion of the new position of Planning & Zoning Administrator.

The City Council's interest in the ***Organizational Assessment*** was a response in large part to the extraordinary growth in development and population which had begun in the decade between 2000 and 2010. Data from the U.S. Bureau of the Census showed growth in the decade from 2000 to 2010 of 139.6 per cent, and from 2010 to 2020 of 9.7% percent as Table 1 presents.

Table 1
Change in Population

Year	Population	% Change
1990	432	----
2000	979	126.6%
2010	2,346	139.6%
2020	2,574	9.7%
2023[1]	2,813	9.29%

[1]https://worldpopulationreview.com/us-cities/breezy-point-mn-population

As the last two rows in Table 1 show, this relatively high rate of growth continues to the present day. Just in the last three years from 2020 to 2023, Breezy Point has seen growth in population of 9.29 percent, almost equaling the total growth for the preceding decade of 9.7 per cent. To put this in perspective, many municipalities of various complexions across the United States see growth of approximately 10 per cent in a decade, not just three years. One can only speculate about the growth in Breezy Point's population which may continue through the current decade to 2030. Extrapolating the growth in population of 9.29 per cent over three years or an average of 3.10 per year to the full decade to 2030 produces an estimated growth of 31.0 per cent or a 2030 population of 3,372, an increase of 798.

The suggestion has also been made that a relatively significant number of residents of Breezy Point are not legally domiciled here, instead holding legal residence in Florida or other places. This, then, would result in an undercount of Breezy Point's population. Moreover, as a vacation and resort community, Breezy Point estimates that its total population including non-permanent residents peaks around 10,000 on weekends in Summer and 14,000 on the Fourth of July weekend, also increasing demand for the City's services.

The City Council and City Administrator recognized that Breezy Point needed to be thinking about the impact of this growth on the City, especially as this might affect decisions about services, staffing and the City's organization. Indeed, this concern had led the City Council in the last two years to add a seventh police officer, an Assistant City Administrator, and Planning & Zoning Administrator.

The City Council looked at these facts and decided to undertake this ***Organizational Assessment*** in order to have an independent, fully objective, comprehensive view of these issues. As Breezy Point stated at Page 3 of its Request for Proposals for Organizational Assessment (the " RFP"), issued August 26, 2023, the purpose of the ***Organizational Assessment*** was:

> ...to conduct an assessment on the organization to identify the City's immediate and future human capital needs. Such an assessment should include but not be limited to:

> - Analysis of current staffing levels
> - Analysis of current service provisions
> - Analysis of future projects' impact on staffing levels and service provisions
> - Recommendations for immediate and future staffing needs
> - Recommendations for reorganization
> - Recommendations for service delivery improvements

Breezy Point received five proposals for the ***Organizational Assessment*** by the due date of September 15, 2023 and the City Council voted at its monthly meeting on October 2, 2023 to follow the staff's recommendation and award this contract to Resource Management Associates, Inc. of Tinley Park, Illinois ("RMA"). RMA was selected as a result of an open, competitive national procurement.

While staffing, delivery of services and reorganization were the core issues of the ***Organizational Assessment*** as the RFP had stated, other aspects of the City were addressed to the extent that they had a direct impact on the core issues. This was limited to a small number of elements:

- Human resources ("HR"), managed by the City.
- Information technology ("IT") in its many forms, focusing primarily on the various systems, applications and vendors serving Breezy Point.
- Funding, including operating and capital budgets.
- Facilities, addressing the working environment of the staff at City Hall and other work sites.
- Geographic characteristics of the City.
- The nature of physical development in the City.
- Demographic characteristics of the City.

It is important to make certain observations about the organization and scope of this ***Organizational Assessment***.

- It understands the fundamental importance of *scale* as the driving factor in addressing the issues in the ***Organizational Assessment***. Breezy Point is not just a small city: it is a very small city with a population of less than 3,000 in 11.72 square miles with total authorized staffing of 18 full-time and two part-time personnel.

- It recognizes the City as part of an intergovernmental system, for example sharing fire services with Pequot Lake and being affected today or potentially by decisions of Crow Wing County, the State of Minnesota or the U.S. Government.

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- It recognizes the City as providing a wide range of services from law enforcement and the fire service to public information, financial management, growth and human resources.

- It appreciates the professionalism of the City's staff and the dedication of its elected and appointed leaders and volunteers.

- It knows that the current configuration of services at the City impacts fundamentally how this *Organizational Assessment* addresses its charge from the City Council.

- It applies wherever possible the widely recognized principle of ***best practice***. This looks at how various aspects of the City, from selection of its personnel and implementation of standard operating procedures to its deployment of information technology, compares with national standards and the state of the art among comparable municipalities in the United States. This insight draws on the consultant's decades of experience in hundreds of engagements with local governments in the Midwest and across the United States.

- It applies the concept of ***strategic positioning***. This means that the City, through the City Council, should be taking actions now which establish the foundation for efficiency and effectiveness in staffing and the delivery of services which is needed for the City to function both in the short and longer terms as a high-performance organization. Strategic positioning for the City also considers changes which may occur in its environment such as the impact of growth in Breezy Point and its environs, changes in technology, or other statutory, regulatory or judicial factors. Strategic positioning is often characterized as "buying smart, not cheap."

This *Organizational Assessment* followed a careful, systematic approach in addressing the full scope of work of this engagement. Key tasks here included:

- Conducting a Project Organizational Conference on Thursday, October 5, 2023, with the City Administrator and Assistant City Administrator. This meeting lasted about one hour and a half and was held to establish a common understanding of the specifics of the project plan and assure that all parties had clear agreement on the conduct of the project.

- Reviewing various documents. The ***external resources*** here included among others: (1) the Minnesota City and Town Accounting and Financial Reporting Standards issued by the State of Minnesota Office of the State Auditor; and (2) Chapter 3, The Statutory City, from the League of Minnesota Cities' Handbook for Minnesota Cities. ***Internal resources*** ranged from: (1) the last several years of budgets, audits and management letters; (2) materials prepared by and for City departments such as the Police Department's 2022 Annual Report and Public Works' Road Rating Report from 2020; (3) agendas, packets and minutes of the City Council; (4) position descriptions for all titles in the City; and (5) contracts and annual-support agreements with vendors of IT and communications systems.

- Interviewing a total of 29 individuals on a confidential basis. This included the Mayor and all members of the City Council, every full-time employee of the City, and several contractors. These interviews were critical to providing the particular perspective of these individuals and formed a significant part of the informational foundation for this ***Organizational Assessment.*** Many subsequent communications took place to address various aspects of this ***Organizational Assessment*** in greater detail.

- Observing the City's operations, mainly in connection with interviews of staff. This was important in providing a view of what actually transpires in the work the City performs in its delivery of services, including the quality of the staff's work, the level of teamwork and issues in related areas such as information systems and communications.

- Addressing best practice. This looked to national standards and how leading, comparable municipalities address issues related to the scope of the ***Organizational Assessment***.

- Conducting a midpoint update with the City's staff on November 15, 2023 to provide a view of how the ***Organizational Assessment*** was evolving. The consultant presented a preliminary view of major findings and recommendations, and solicited feedback from the staff.

- Having the City's review panel review the draft of the ***Organizational Assessment***, focusing on the findings and recommendations and soliciting the staff's input and comment for incorporation into the final product by December 1, 2023. The draft of the ***Organizational Assessment*** had been provided 11 days earlier on November 20, 2023 in order to give the staff ample time to review the draft.

- Revising the ***Organizational Assessment*** as a result of the staff's review and preparing it in final form.

This process resulted in full and frank discussion. All aspects of this ***Organizational Assessment*** have been reviewed and discussed thoroughly with the participants. As well, each of these tasks contributed significantly to the development of the ***Organizational Assessment.***

Most important, all of the participants in the ***Organizational Assessment*** have shown exceptional interest in this effort. Their seriousness and dedication will be as critical as any other factors in having the City be as successful as possible in making decisions about the scope of the ***Organizational Assessment***.

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KEY FINDINGS AND RECOMMENDATIONS OF THE
ORGANIZATIONAL ASSESSMENT.

The paragraphs which follow in this Executive Summary present key findings and recommendations of this *Organizational Assessment*.

1. Breezy Point's relatively high rate of growth envelops the consideration of almost every aspect of this *Organizational Assessment*.

2. Breezy Point delivers almost all of its services at a high level of quality. The only exception to this has been customer service related to Planning & Zoning, mainly because of the part-time staffing of this function. The advent of the new, full-time Planning and Zoning Administrator as of January 1, 2024 should cure this situation.

3. This *Organizational Assessment* recommends no new full-time positions.

4. The only change in staffing which this *Organizational Assessment* recommends is the urgent need, prior to Summer of 2024, to provide more appropriate Police presence during weekends in Summer when Breezy Point's population balloons, more than tripling from less than 3,000 to approximately 10,000 on weekends and a peak of roughly 14,000 over the Fourth of July weekend.

5. This *Organizational Assessment* recommends no change in the organization of Breezy Point's City government.

6. All members of the City Council express substantial satisfaction with the quality of support received from the City's staff.

7. The City Council needs to resolve the future of the City Hall.

8. Breezy Point needs urgently to procure and implement a new Enterprise Resource Planning ("ERP") computer system, addressing the City's core financial and other functional requirements. The new ERP should have major benefit to departments throughout the City.

9. The City should revise its chart of accounts and implement purchase-order-based encumbrance accounting as part of the implementation of the new ERP system.

10. The Public Works garage has reached its operational limit and needs to be replaced as a Priority I project.

11. The City will need to develop a fiscal strategy in connection with the implementation of this *Organizational Assessment*'s recommendations, taking into consideration (1) the City's budgetary calendar and (2) Minnesota state law.

12. The City Council should adopt a policy to fund annual road work as a percentage of the General Fund's operating budget.

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13. The City Administrator should proceed with the development of a comprehensive, City-wide Capital Improvement Program ("CIP") during 2024.

14. Breezy Point should construct a safe entryway at the Police Department for persons fleeing violence or the threat of violence. This recognizes that there is no staff in the reception area 15 hours a day from 4:30 P.M. to 7:30 A.M.

15. The City Council should keep more robust minutes of its meetings, including for example discussion involving different points of view or split votes.

16. Breezy Point ought to be holding staff meetings (1) every Tuesday morning before Council meetings in order to have the agenda and packet ready for distribution on Wednesday and (2) immediately after each Council meeting in order to manage follow-up to each meeting.

17. The City Administrator should report on the status of implementation of the recommendations of this *Organizational Assessment* monthly to the City Council.

18. The Planning and Zoning Administrator should report on their activities to the City Council monthly for the first year of their tenure.

19. The City should revise its Personnel Policy.

20. The City Administrator should retain all direct reports.

21. The Pequot Lakes Fire District ought to review the useful lifetime of the 2003 Peterbilt fire engine which is stationed in Breezy Point. This critical apparatus is presenting ongoing issues of maintenance, taking it out of service for approximately two weeks at a time and, thus, impeding fire service in Breezy Point.

22. The Fire District is currently short 7 of 30 firefighter positions and should enhance its recruiting efforts.

23. Breezy Point should fund the membership of the staff in professional associations. This is an important way or the City to improve its operations and save money.

24. The Assistant City Administrator should lead the City's efforts related to information technology ("IT").

25. The staff-based Review Panel organized for this *Organizational Assessment* should continue to function as Breezy Point' s user-group for IT.

26. The City should continue to use the services of On Systems for technical support in IT.

27. Breezy Point should develop a strategy for procuring and implementing a software application for Customer Relationship Management ("CRM"). This product can help significantly in (1) enhancing communication between residents and the City and (2) providing information regarding the City's delivery of services and residents' satisfaction.

28. The City, mainly though the Review Panel, should identify "low hanging fruit"--those items among the *Organizational Assessment*'s recommendations which can be implemented relatively quickly and inexpensively.

Table 8, Summary of Recommendations by Priority, appears on the next two pages. The City of Breezy Point Organizational Chart then follows.

Table 8
Summary of Recommendations by Priority

Line	Section	Recommendation	Cost
1		*** PRIORITY I ***	
2	15.B.1	Resolve City Hall decision.	X
3	11.B.1	Procure and implement new ERP.	X
4	5.B.2	Revise chart of accounts.	X
5	5.B.3	Implement purchase-order-based encumbrance accounting.	
6	7.B.2	Police Summer staffing.	X
7	6.B.3	New Public Works garage.	X
8	7.B.3	Police station safe entryway.	X
9	6.B.4	% $ commitment for roadway funding.	X
10	5.B.5	Implement Capital Improvement Program ("CIP").	
11	10.B.3	Revise Personnel Policy.	
12	4.B.10	Robust City Council minutes.	
13	4.B.3	Implement weekly staff meetings around Council meetings.	
14	4.B.6	Citty Administrator retain all direct reports.	
15	4.B.7	Continue use of League of Minnesota Cities ("LMC") resources.	
16	4.B.8	City Administrator reach out to business community.	
17	5.B.6	Raise $$$ limits: Council approval of budgeted purchases.	
18	6.B.8	Public Works small equipment.	X
19	7.B.8	Police two monitors.	X
20	8.B.2	Evaluate useful lifetime of 2003 Peterbilt fire engine.	X
21	8.B.3	Active recruitment of additional call firefighters.	X
22	8.B.5	Fire Chief office equipment.	X
23	9.B.5	Planning & Zoning Administrator monthly report to Council.	
24	10.B.4	Staff participation in professional associations.	X
25	11.B.2	Consultant for ERP procurement and implementation.	X
26	11.B.3	Assistant City Administrator as IT lead.	

Line	Section	Recommendation	Cost
27	11.B.4	Review Panel continues as IT user-group.	
28	11.B.5	Continue services of On Systems.	X
29	11.B.7	Evaluate Microsoft 365 Government.	X
30	11.B.9	Provide third-party software to employees and agencies.	X
31	11.B.10	Determine strategy for Citizen Relationship Management ("CRM").	X
32	11.B.11	All forms on City's web site in fillable pdf.	
33	11.B.12	Color laser printers for City Administrator and Asst. City Admin.	X
34	14.B.1	No need for any reorganization.	
35	14.B.2	Review organization in 5 years.	X
36	17.B.3	City Council evaluate recommendations with staff.	
37	17.B.4, 8	City Administrator as project manager: monthly report to Council.	
38	17.B.5	Fiscal strategy for implementation: State law, budget calendar.	
39	17.B.6	Identify low hanging fruit.	X
40	17.B.7	Staff members to lead individual implementations.	
41		*** PRIORITY II ***	
42	4.B.9	Publish City annual report.	X
43	5.B.4	Improve filing and organization of financial records.	X
44	6.B.6	Public Works specialized software.	X
45	6.B.10	Sewer system interim improvements.	X
46	9.B.3	Review State and County property information.	X
47	9.B.4	Review IT for Planning & Zoning.	X
48	11.B.6	Evaluate third-party software products.	X
49	11.B.8	Evaluate end-user skills with Microsoft 365.	X
50	12.B.2	Evaluate need for additional Police or Public Works staff.	X
51	12.B.3	Consider adding part-time employees.	X
52	12.B.4	Consider contracting.	X
53	12.B.5	Consider interlocal cooperation.	X

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City of Breezy Point Organizational Chart 2023

- City Electorate
  - City Council
    - Boards & commissions
    - City Attorney
    - City Administrator
      - Chief of Police
        - Police Sergeant
          - Administrative Assistant
          - Police Officers (5)
      - Building Official
      - P & Z Administrator
        - Finance Specialist
        - Deputy Clerk/Office Manager
      - Assistant City Administrator
        - Public Works Supervisor
          - Assistant Public Works Supervisor
            - Public Works Workers (3)