

Aitkin County Board of Commissioners  
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 12-12-12

Via: Patrick Wussow, County Administrator

From: Patrick Wussow, County Administrator

Title of Item:

Discuss Kandiyohi County Organizational Review

Requested Meeting Date: 12-18-12 Estimated Presentation Time: \_\_\_\_\_

Presenter: Patrick Wussow, County Administrator

**Type of Action Requested** (check all that apply)

- For info only, no action requested
- For discussion only with possible future action
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute \_\_\_\_\_
- Approve under Consent Agenda
- Adopt Ordinance Revision
- Approve/adopt proposal by resolution (attach draft resolution)
- Other (please list) \_\_\_\_\_

**Fiscal Impact** (check all that apply)

- Is this item in the current approved budget? Yes \_\_\_\_\_ No \_\_\_\_\_ (attach explanation)
- What type of expenditure is this?  Operating  Capital  Other (attach explanation)
- Revenue line account # that funds this item is: \_\_\_\_\_
- Expenditure line account # for this item is: \_\_\_\_\_

**Staffing Impact** (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected.  Yes  No
- Applicable job description(s) may require revision.  Yes  No
- Item may impact a bargaining unit agreement or county work policy.  Yes  No
- Item may change the department's authorized staffing level.  Yes  No



**Supporting Attachment(s)**

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) Kandiyohi County Organizational Review Phase One Final Report

**Provide (1) copy of supporting documentation NO LATER THAN Wednesday at Noon to make the Board's agenda for the following Tuesday. (If your packet contains colored copies, please provide (4) paper copies of supporting documentation as we do not have a color printer or copier.) Items WILL NOT be placed on the Board agenda unless complete documentation is provided for the Board packets.**

# AITKIN COUNTY ADMINISTRATION

**Aitkin County Courthouse**  
217 Second Street N.W. Room 130  
Aitkin, MN 56431  
218-927-7276  
Fax: 218-927-7374

**TO: Aitkin County Board of Commissioners**

**FROM: Patrick Wussow, Aitkin County Administrator**

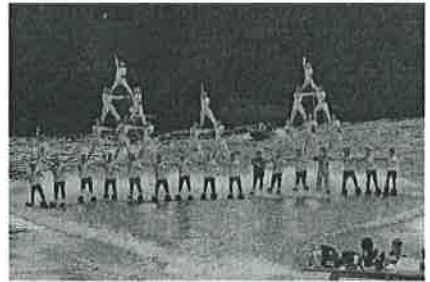
**RE: Open Discussion Relating to Organization Alternatives**

**DATE: December 13, 2012**

At a recent County Board meeting staff was asked to provide additional information about a report that Kandiyohi County recently commissioned with a consulting firm, relating to improving efficiencies within their County. Because the consultant's reports are on-line, staff is sharing one of the two reports for Kandiyohi. The second report relates to combination of the Health and Human Services which was done close to fifteen years ago in Aitkin County, so that report is not included.

Based upon the Board's discussion, additional information can be gathered for possible next steps.

Please review and contact me if you have questions.



Review

## Phase One Final Report

Kandiyohi County, Minnesota

Organizational Review

June 12, 2012

## Table of Contents

### LETTER OF TRANSMITTAL

1	EXECUTIVE SUMMARY .....	1
2	PERSPECTIVE ON COUNTY GOVERNMENT .....	2
3	THE STUDY PROCESS .....	3
4	FINDINGS OF THE EMPLOYEE SURVEY .....	4
5	COMMUNITY MEMBER INPUT .....	6
6	WORKPLACE CULTURE .....	7
	Strengths.....	7
	Issues/Challenges .....	8
7	RECOMMENDATION: ONE OFFICE – MERGED CULTURE – EXEMPLARY SERVICE .....	10
	Kandiyohi County Philosophy .....	10
	The Business Case.....	11
	Process and Steps.....	13
	COUNTY COMPARISONS .....	APPENDIX I
	INTERVIEW QUESTIONS .....	APPENDIX II
	COUNTY OFFICE BUILDING SIGN .....	APPENDIX III
	ORGANIZATIONAL STRUCTURE .....	APPENDIX IV
	THE BUSINESS CASE FOR CHANGE.....	APPENDIX V
	CUSTOMER – CITIZEN IMPACT: THE BOTTOM LINE .....	APPENDIX VI

### ***Mission Statement***

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.



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## LETTER OF TRANSMITTAL

Mr. Larry Kleindl  
County Administrator  
Kandiyohi County  
2200 23rd Street NE Suite 2020  
Willmar, MN 56201


Re: Organizational Assessment – Phase One

Dear Mr. Kleindl:

I am pleased to submit the Phase One Organizational Assessment of the Kandiyohi County Study. It has been my pleasure to work with you, members of the County Board, staff and community on this important project. Involvement and participation of a broad cross section of individuals has ensured a comprehensive process, a detailed understanding of the departments and a practical and useful guide for future planning and decision-making.

The information contained within this report is designed to provide an objective assessment on the offices of Auditor-Treasurer, Recorder, and Assessor. Highlights include an analysis of the existing workplace culture, organizational structure, workflow and working relationships. The findings reflect that organizational changes – when introduced into these departments – will result in improvements to the efficiency, effectiveness and customer service. It is our hope and belief that this work will provide you with a strong foundation to move forward.

I wish to thank you and Lynn Travaglio for your assistance in coordinating and assisting in the logistics and details. The time and involvement from all of participants was greatly appreciated. Their individual support and assistance was instrumental in the ability to complete the study. Thank you very much for this opportunity and I am excited about moving forward to Phase Two of the Organizational Assessment.

Sincerely,  
  
David J. Unmacht  
Springsted Incorporated

sml

## 1. Executive Summary

Kandiyohi County retained Springsted to conduct an organizational review of the offices of County Auditor-Treasurer, County Recorder and County Assessor. Each of these offices is located with the County Office Building (400 Benson Avenue SW) in Willmar. As a result of their co-location the Office of Planning and Zoning and the function of the License Bureau are also affected and potentially impacted but their specific operations were not the primary focus of the study and analysis.

The purpose of the study was to review the existing organizational structure of these offices, to identify the strengths, issues and challenges within the offices, to assess the workplace culture, to identify potential operating efficiencies and to provide a road map and guide for follow-up and action. In addition, and consistent with the Kandiyohi County culture, employee input was a critical component of the process. To that end, the staff was involved in the process in the following manner:

- Over 30 individuals were interviewed
- Individual follow-up phone conversations and email communication
- On-line confidential staff survey
- Findings presentation to the Department Heads on May 7

The contributions of staff were instrumental in providing valuable input into the study questions and the ultimate findings of the analysis. The willingness of the employees to offer candid insight, ideas and opinions helped to frame and shape the recommendations.

The Offices of Auditor-Treasurer, Recorder and Assessor conduct and perform statutory functions pursuant to Minnesota law. Within county government in Minnesota, these offices are rich in tradition and cultural history – often unique to each county. Today, with the onset of technology, fiscal constraints, customer service expectations and efforts to be more efficient, the organization and structure of these three offices within Minnesota counties is a *hodge-podge* of delivery systems and models. The 2011 Information Brief from the Minnesota House of Representatives outlines the many varied forms of organization and consolidations that have occurred over the years. The fact that Kandiyohi County is studying the foundation (structure, process, culture, etc.) of these three offices is consistent with precedence and practice in other counties.

The contents of this report provide the County Board, elected department heads and county staff with ideas and suggestions on how to improve their coordination, communication and customer service. The ideas are clear, the plan moving forward is reasonable and within the realm of possibility. The challenge for Kandiyohi County leaders, especially in the short term without any likely change in the underlying structure of the offices, is to set aside history and past practices to collectively move forward within a new era of cooperation. The ability to take the next steps will require an open-mind, a willingness to take risks, a motivation to improve and a new commitment to enhancing customer service.

## 2. Perspective on County Government

County governments across the country, but especially in Minnesota, are addressing a multitude of complex simultaneous challenges including identifying efficient and effective delivery systems, meeting citizen expectations, and sustaining and maintaining mandated programs and services. This scenario is under the backdrop of an uncertain and unstable financial picture. Although there is reason for optimism as state and national economic indicators are pointing upward, these present trends will not impact or influence county decision-makers for the short term. For the past few years, budget cuts and reductions have been occurring; very little relief is in sight and there are no expectations that the state or federal government can provide reliable and long term financial support.

Counties cannot continue to perform operations and business practices in the traditional methods. Local governments of all shapes and sizes, throughout the state and country, are asking tough questions and delving into issues and business practices that have previously never been raised or seriously considered. Raising these questions and probing into historical business practices is not easy nor does it result in quick changes. What Kandiyohi County is doing today is not any different from what other governments are doing across the region, state and nation. In fact the Association of Minnesota Counties (AMC) through the **Minnesota Redesign** is encouraging and challenging counties to “find better ways to provide many services for all Minnesotans through bold local leadership; increased collaboration; improved process efficiencies; and structural changes to the status quo.”

Kandiyohi County government is experiencing the same impacts and trends that are shaping public policy and public services today across all counties. These trends directly impact the policy work of the County Board, the leadership of county administration and the ability of the staff to perform their important day to day functions. This author has experience in these trends both as a local government manager and in the consulting practice with counties of all sizes. These characteristics include the following seven factors:

- Flat and declining levels of staff
- Flat and declining budgets and resources
- Increase in the demand for services
- Continuous organizational change
- Strive for efficient and effective delivery systems
- Higher employee stress levels
- Evolving citizen expectations

The business of local government has changed. Kandiyohi County is not unique or distinct in this phenomenon. Successful organizations will recognize these variables, manage accordingly and strive to introduce change processes and creative ideas to counter-balance the effects.

### 3. The Study Process

The process used for Phase One of the Organizational Review included these nine (9) steps:

- 35 personal interviews
  - The most number of interviews the author has included in any study of this kind.
  - A copy of the initial staff interview questions can be found in Appendix II.
- On-line confidential staff survey
- Seven community member interviews
- Extensive review of existing Kandiyohi County documents and handouts
  - Organizational charts, budget information, presentations, etc.
- Documents, reference material and related information
  - Information Brief, Minnesota House Research Department (2011)
  - Consolidation of Local Governments Report, Office of the Legislative Auditor (2012)
  - County Government Structure, Association of Minnesota Counties (2008)
  - Minnesota Redesign, Association of Minnesota Counties (2012)
- Informal discussions with professional peers and colleagues
- Presentation to Department Heads on May 7
  - Input, feedback and ideas were sought on the Findings
- Survey and comparison of budgets and full-time equivalent (FTEs) for Becker, Beltrami, Benton, Carver, Clay, Mower, Otter Tail and Polk Counties was conducted. The data was compiled in 2009 and 2012. Not every county responded in total; the information is presented as collected. The results can be found in Appendix I.
- Presentation of the *Working Draft* of the Phase One Report to the County Board on May 22.

Each of these steps was an important component of the overall process. Collectively they formed and shaped the findings, conclusions, and recommendations. The process followed acceptable business standards; in fact where desired (individual interviews and community member input) the process was expanded to be more thorough and comprehensive.



## 4. Findings of the Employee Survey





A confidential on-line survey was used to give staff the opportunity to provide input and share ideas in a manner which protected their privacy. The purpose of the survey was to ask a series of questions related to the core objectives of the study. The following eight (8) questions were asked in the survey:

- The level of cooperation and coordination between departments within Kandiyohi County is: Very Good; Good; Fair; Poor?
- What is one example of where you would increase the working relationship and coordination between departments?
- The County is undergoing an organizational review within the Assessor, Auditor-Treasurer and Recorder's Offices. What is the number one organizational priority that should be addressed as part of this study?
- List the top three strengths of Kandiyohi County.
- List the top three areas where you believe Kandiyohi County can improve.
- What ideas do you have to improve the efficiency and effectiveness of your department to save time and money?
- Based on the layout of the offices, space within the building, and optimal customer service, what ideas or suggestions do you have for the physical design of the offices?
- How long have you worked for the County? 0-5; 6-10; 11-15; 16-20; Over 20 years.

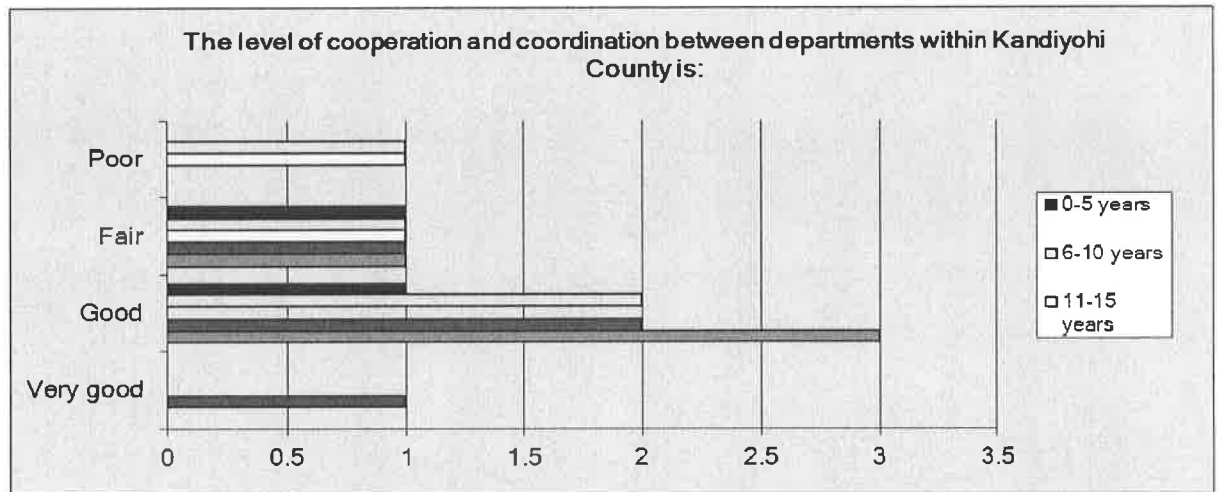
Approximately 25 staff members were included in the survey with a response rate of 64%. This is an acceptable and reasonable participation rate based on historical comparisons. A summary of the survey findings is below.

- 16 total respondents
- A generally proportional response rate based on the years of service.
- 56% of respondents think the cooperation and coordination within the County is very good or good. This result is a lower percentage than what is desired.

The following table shows the general breakdown from respondents.

<b>The level of cooperation and coordination between departments within Kandiyohi County is:</b>			
		<b>Response Percent</b>	<b>Response Count</b>
Very good		6.3%	1
Good		50.0%	8
Fair		31.3%	5
Poor		12.5%	2
<b>answered question</b>			<b>16</b>
<b>skipped question</b>			<b>0</b>

The following table shows the breakdown from respondents by length of employment.



Based on an analysis of the survey results and an aggregation of all the comments and responses to the questions, the following cultural and structural ideas emerged. These represent excellent opportunities to increase efficiency, enhance effectiveness and deliver better customer service, both within the county workplace and externally with the clients and citizens.

- Prominent **cultural** themes and priorities identified in the employee survey:
  - Increase communication between the offices
  - Strengthen interdepartmental relationships
  - Improve coordination of work between departments and employees
  - Conduct staff meetings (within and between departments)
  - Be willing to share information more readily
  - Educate employees on what other staff members do
  - Enhance consistency in work rules and office policies
- Prominent **structural** themes and priorities identified in the employee survey:
  - Finish e-recording; electronic transactions need to be a high priority
  - Create generalist roles -- employees cross-trained to support and help others (within and between departments)
  - Preference to retain the same organizational structure
  - Relocate Recorder's Office to the first floor

## 5. Community Member Input

The staff input into the questions under study was extensive. As the information was being collected and analyzed, and after consulting with the County Administrator, it was decided that obtaining input from a sample of community members would be a good step. The intention was to augment internal information with external feedback from individuals that are *customers and clientele* of the three offices. A series of names was provided and a contact was made requesting an interview. The individuals were assured of confidentiality and a total of seven phone interviews were conducted. The actual number of contacts was not a large sample size as such the information is relevant and important, but it was not used as a primary source of finding or conclusion, but a supportive source of reflection, data and observation.

The community members represented a cross-section of businesses that interact and conduct business with the Auditor-Treasurer, Recorder and Assessor's offices. They included real estate, banking, small commercial businesses and individuals that are involved in various aspects of land use and development. The diverse representation of the interviewees produced three distinct outcomes: 1) a clear difference of opinion on the three offices; 2) a perspective that when asked produced a response that was mainly focused on customer service; and 3) opinions shared were based on individual relationships with the staff in the offices that they work with the most.

A summary of the comments from the interviews include the following. In order to assure the confidentiality, the summaries are edited accordingly, without influencing or modifying the original intent of the comment. The comments are aggregated to reflect the diversity of opinions received from the interviewees. A review below will support the conclusion that the input is mixed and across the spectrum of opinion.

- The staff is friendly, professional, knowledgeable and helpful. I do not have any suggestions or ideas for changes to the offices. The staff is made up of good people; they are technically oriented. They are doing the best they can with what they have.
- The expectations I have are not met; subsequently, I have taken my business elsewhere. This is unfortunate, but unless changes are made I don't intend to return.
- It makes sense to have a one-stop shop combining the offices for better customer service. The service received between the offices is clearly different. Making the offices appointed based on qualifications is a good move.
- It is important to improve the communication with the customer. I wish there would be more flexibility in decisions; sometimes I do not understand why an action takes place like it does.

## 6. Workplace Culture

The following is a summary of insights and analysis into the culture within the County offices. As a point of reference, these are presented as observational and are not designed to be value-based (meaning no intention is made to define them as good or bad; the reader can make that determination on their own). When identifying strengths and issues/challenges it is not practical or possible to validate and substantiate the reliability of each point; however, we look for consistent patterns and themes. Individual or single comments are generally not included or represented below. It is also fair to point out that not everyone will agree with every point listed, but for the most part, these strengths and issues/challenges are indicative of the workplace culture within the offices of Auditor-Treasurer, Recorder and Assessor within Kandiyohi County.

### Strengths

The following strengths were identified by employees (and some community members) during the interviews. These characteristics represent positive attributes of the staff and workplace. Generally people like to come to work; are experienced and dependable, work hard, are committed and passionate about the jobs they perform. The routine of the business is well-established and individuals know their role and function. Overall the staff gets along fine and the work gets done.

- Customer service
- Technical knowledge
- Experience and tenure
- Knowledgeable
- Informal culture
- Good job(s)
- Work space

The strengths identified within these offices are consistent with trends happening in the marketplace. Especially over the past five years, as there has been a reduction in employee turnover and retirements across public sector organizations. The experience, knowledge, and tenure of employees has been on the rise. On the whole, employees recognize that county government provides a solid, reliable and dependable job. Based on results from the interviews, compensation and benefits, although not a universal incentive, are generally competitive in the greater Willmar community. More individual energy and *angst* is lost over internal compensation equity than external comparability. Although county government has gone through a period of uncertainty and retrenchment, in Kandiyohi County, this has not dramatically changed the nature of the culture of the offices. Change that has occurred has been more gradual and reactive to a situational occurrence as opposed to a greater county-wide mandate.

## Issues/Challenges

Each department has its own specific issues and challenges, but in total, it is fair to conclude that the issues/challenges are shared between departments. There may be more of a distinction within one office than another, but overall the items within this list transcend business lines and functions. Within Kandiyohi County there is uneasiness about the future including the influences of the economy, the distinction and differences that exist between the three offices, and the long term uncertainty about the *elected and appointed* status of the two department head positions. The following eight (8) issues/challenges stood out from the interviews and assessment. These items are followed by brief summary comments. They are not listed in any particular order of priority or importance.

- **Spinning Wheels.** This cultural depiction is best represented by these statements: “We are so busy and overwhelmed.” “It is the way we have always done it.” “I put out fires everyday.” The day-to-day stresses are consistent with what is routinely found in other counties. The general sense in the offices is that the employees *process in and process out* with a limited (or no) ability to get ahead. One interviewee referred to this as *presentism*. The description of this term went on to suggest that employees do not leave, “but have checked out and are here for the payday only.” This is a fairly strong statement and more than likely not universally applied to all staff.
- **Supervision.** There is a need to strengthen the role of the supervisor. This is an organizational issue with a clear need to strengthen the human resources function. Priority areas include: job descriptions, pay and class system, performance reviews, and training and development. No job descriptions are available for the County Recorder and Auditor-Treasurer positions. It is advisable to update job descriptions to focus on core competencies and management expectations including leadership, communication, collaboration, working together, etc. Expand and develop the role of the supervisor to include training and development in leading, organizing, managing, and motivating employees. The staff survey reflected opinions regarding the needs in several of these areas. Within a small office environment the supervisor skill differences are distinct and everyone knows it (they just don’t talk about it openly).
- **Morale.** Improving morale is a priority. The distinctions between offices are evident from the interviews. There is no quick fix to improve and enhance morale. By and large people like to work for the County; they like their job and their co-workers. Turnover is low, in fact rare. Staff, however, is looking for more direction and action – quite possibly even results – from top county officials. Morale is a function of many variables; having different and distinct cultures in adjacent offices within the same building is not conducive to consistent and coordinated morale.
- **Structure.** The culture is defined by strong and independent departments – *silos*. This culture is common and often found in organizations that have long established business lines, traditions and working relationships. Inequitable application of policies is one result of this structure. For example small distinctions and differences in the departments were a predominant theme in the staff survey and interviews. Departments fundamentally do their own thing and do not focus on interdepartmental business as a matter of priority and policy. One respondent noted that the system was created for the separation of duties and not for customer service. An awareness of the problem is clear from this supervisor comment, “The ultimate goal is to broaden knowledge of the staff within the office and not have job descriptions with boundaries if you will.”

- **Culture.** There are five primary offices and five cultures sharing a common space within the building (Auditor-Treasurer, Recorder, Assessor, License Bureau and Planning and Zoning). There is a business need and a staff desire to enhance interdepartmental synergies and connectivity. A common theme was, “Right now we all know who everyone is but I do not believe we know what everyone does.” More than one respondent remarked about the perceptions between the physical space referring to the office floors as “above” and “below.” Leaders must think in terms of overall system and service and not in terms of a single department operation. More staff meetings within the building to share information is offered as a positive step forward by many respondents.
- **Competition.** The offices are naturally competitive (resources, time, attention, service, etc.) without recognizing or thinking about it. Testimony suggests that the three *small* departments produce a “me” complex; points of view come from the standpoint of “mine” or “them”. One example includes this comment, “That is the way I want to run things in *my* office.” Another example is in the discussion over where the Real Estate Technician resides. A disagreement over her office space and reporting relationship exists. In reality, it should not matter which department she is in or who she reports too.
- **Communication.** The communication within the departments is more *within* as opposed to *between* departments. Even this is not consistent as there are no expectations on the type, level and extent of communicating information up and down the department. The staff survey reflected a strong desire to *learn more* about what is going on in the other departments and in the County as a whole. External communication can improve with improvements to the website (on-line applications, fact sheets, articles of interest).
- **Roles.** The County Board and County Administration is included in this section as a reflection of how different each is perceived by the offices. This is an issue/challenge because there is not a consistency in thought. Both the County Board and County Administrator have an opportunity to recognize this point and work to create a new understanding of their role, relationships, and expectations. This is not an inconsistent finding; it appears in other counties; but an openness and desire to move forward with a vision and collective effort exists within Kandiyohi County.

## 7. Recommendation: One Office – Merged Culture – Exemplary Service

Establish a vision to consolidate the offices of the Auditor-Treasurer, Assessor and Recorder. Implementation of the vision will result in one office, a merged culture with exemplary service. The timing of the implementation of this vision is a function of the coordination and ultimate appointment of the two elected offices. For purposes of the study the vision is not an immediate objective, but a mid-to-long term goal. However, based on the results of the study, efficiencies, workplace enhancements and customer service improvements can and should begin now without the need to wait for structural changes.

The recommendation is supported by the following eight factors: 1) data analysis; 2) staff interviews; 3) staff survey; 4) workplace strengths and issues/challenges; 5) community member input; 6) effective business practices; 7) customer service enhancements and 8) employee professional development opportunities. Collectively these eight factors provide solid support for the long term vision.

Experience shows that it is simply impractical to plan and deliver present and future services within the existing business models. Resources are simply not available, every day stresses are constant and the result is that system change and redesign is a healthy, natural and progressive step. The recommendation will position Kandiyohi County not only for the next five years, but for the next 25 years. In an April 12, 2012 speech to the Willmar Chamber of Commerce, County Administrator Larry Kleindl noted, “Flexibility is critical as the county looks forward to planning the county’s business in the coming years. With the Auditor-Treasurer’s retirement, the structure we define going forward is, most likely, the organizational structure that will be used for the next twenty to thirty years. We can’t look at what we did yesterday or what we do today. We need to look to the future.” In practical terms, the future is optimally defined by phased in change through a logical, orderly process that is understood by the staff thus ensuring the long term viability and success of the vision. In simple terms, Kandiyohi County has a great opportunity to seize the moment and methodically and deliberately introduce system change to improve its outcomes and performance.

### Kandiyohi County Philosophy

One of the most distinctive conclusions from the analysis was how consistent all Kandiyohi County officials are in their philosophical values and beliefs. This alone suggests that the underlying capacity to make change is clearly present. The philosophy is best represented by the following two conclusions and reflections.

- *The leadership within the County* wants the most efficient and effective service delivery model. County Board members, elected department heads and public administrators are committed to delivering the *best* customer service possible. Although the system works today, it is neither the most efficient, effective nor does it provide the best customer service possible. The Jim Collins classic and highly successful book, “Good to Great” comes to mind. The County provides *good* service, but you have the foundation and fundamentals in place to set an example to strive to provide *great* service.

- *The leadership within the County* seeks to improve the workplace culture, consistent with employee expectations by 1) improving team work; 2) enhancing interdepartmental cooperation; 3) strengthening employee communication both between and within the departments; and 4) increasing employee morale. These actions are universal and are not a function of position or structure. Each department singularly seeks to advance itself in these areas; imagine what, collectively, can be accomplished by working toward the same goals. Improvements and gains can be made – relatively seamlessly – if the desire and expectations are present.

## The Business Case

In addition to the underlying philosophy the rationale for the vision must be strong. After all, there is historical precedence and well established practices that have been in place for a long time. *Change should not be made for change sake.* That is clearly not the case in this study. The analysis provides the following 12 points to support the recommendation. These are not provided in any particular order of importance or priority. Individually they are relevant and sufficient; collectively they offer a strong case for the County Board's consideration. Each point is followed by a brief series of ideas and supportive comments.

- **The offices represent the retail arm of county government.** Centralizing and coordinating *like* services is a common objective in organizational design; the land related services should be redesigned without the need for citizens and customers to travel up and down the stairs to transact their business. The retail experience should be organized and designed not from three separate departments but from one full service business model concept. Customers do not care which department serves them as long as it is done timely, efficiently and successfully. This represents a significant paradigm shift, but is a fundamental premise in moving forward.
- **Evolution in the historical need for checks and balances.** When the offices were created many years ago business was done manually and more slowly. Appropriate checks and balances were put in place to separate functions to ensure fiscal and personal accountability. As previously mentioned, with the onset of technology, financial constraints, citizen expectations and the rapidly changing business of county government, the need for the traditional checks and balances is not the same anymore. The Minnesota Legislature recognizes this point as do countless other counties who have or will be examining the same questions that are before Kandiyohi County.
- **The offices are co-located within the same building and are comparable in size.** There is a total of 24 staff in the four offices, including the License Bureau with a salary cost of \$1,180,030. Each office has a department head; two offices have a Chief Deputy position. The number of staff and salary budgets are comparable; although each office has a distinct function(s), they are similar enough to easily enhance coordination and cooperation, as well as consolidation at the appropriate time. There is no one department that is significantly larger or more important than the other; which by organizational redesign standards is often a red-flag.
- **The work of the offices are transaction based.** Improving processes and transactions require deliberate discussion and action. Business solutions are derived from either (or both) an influx in staff and money and/or a redesigned process. Additional staff resources are not likely and an influx of new revenue is limited. System design is a logical avenue to strengthen the assets within the offices and reduce or minimize the



issues and challenges. One example is in technology. The completion of the e-recording system must be a top priority as it impacts all departments. Everyone agrees that efficiencies will be gained with sharing information electronically. Furthermore, the development of an information technology plan and strategy that is based on the needs of the overall system as opposed to the role of each department is a good idea.

- **An Interim Auditor-Treasurer is in place.** With the retirement of the Auditor-Treasurer a new era within the building and offices is beginning. The previous Auditor-Treasurer's experience, persona and reputation were significant and a large influence within the culture of the overall building. Retirements are an opportune time to introduce new ideas and system change. Some of this will come naturally from the Interim Auditor-Treasurer; some of it can be introduced and initiated from the vision and direction of the County Board. There is a window of opportunity as the Interim Auditor-Treasurer was appointed by the County Board to fill the vacant seat through the end of the present term (December 2014).
- **The offices need to be more strategic.** Presently the culture and workplace environment is day-to-day. Business is conducted and transactions occur routinely, but without the benefit of an organized, comprehensive and strategic direction. This direction cannot be accomplished within the current structure; it will require the cooperation and coordination of all the offices. The County Board's vision will lay the groundwork for this partnership and important direction.
- **Experience of other counties can serve as a guide or road map.** Other counties have already combined offices or have evaluated the possibility to do the same. A summary from a document received from Yellow Medicine County noted, "We are operating under an outdated service model (1800s) that was established by the State as a one size fits all model." Yellow Medicine County, like many other Minnesota counties recognize that these offices are required to work closely with land management, property records and the property tax system. All of these functions are interwoven and conducive to a system perspective (as compared to a department function.) It is advisable for Kandiyohi County officials to meet with and tour other counties.
- **The County will gain more efficient use of existing space and enhance customer service.** Examining the possibility of relocating the County Recorder to the first floor is a positive step. Rethinking the fundamental relationships between the three offices can enhance customer service. For example, consideration should be given to having one designated customer counter where all walk-in customers can begin their business transactions. Work which requires more specialized training or is more time consuming can be handled by assigned personnel. Under the present structure, and consistent with a future model, creating a generalist role would give staff the opportunity to expand their skill sets, learn new tasks and provide much needed relief and support to work loads.
- **The County will save money with a consolidated structure.** Organizational redesign is an investment in the future of the public's business as conducted by these three offices. The art of redesigning business processes does not always produce or lend itself to immediate cost savings. Like any research and development model – it takes money to save money. In the long term a consolidated office can produce cost savings. Staffing is one example – the need for new staff will decrease as the skills of the present staff grow and expand; and the reorganization of the departments will result in the re-creation of roles and jobs.

- **The employees will accept system change – it takes time and patience.** Business as usual is not acceptable; this author honestly believes the staff knows that. However, change is difficult. From the survey results, the county staff are seeking some change. The offices have undergone significant change recently, in particular with the retirement of the long time Auditor-Treasurer. Experience shows that staff can and do adjust to change as long as leaders are honest, open-minded and patient with the process. One simple change, which transcends departments, is cross-training; staff within the offices can be trained to support the staff in the other offices as needed.
- **The County has a real opportunity to exceed the expectations of the community.** Kandiyohi County parallels their county brethren with rich traditions, historical practices and traditional business models. This is a once in a career opportunity for County officials – without the impetus of structure change – to take a major step forward; this will require prudent decision-making, careful and deliberate discussions and a willingness to look to the future and not to focus on the needs of the present.
- **Other opportunities within the County are present.** The County has opportunities beyond these offices. In fact, this study also includes a review of the Family Services, Public Health and Corrections Departments. The work in this area has already begun. Presently the **finance functions** are decentralized with finance staff spread out in the departments. As part of the system change discussions, now is an opportune time to consider a Chief Financial Officer or Finance Director role. An integrated, centralized finance operation represents best practices (improved coordination, internal controls and financial management). One clear indicator of the need to open this discussion is the importance of providing “back-up” to the existing staff resources that are located within the departments. A second and significant opportunity is in the possibility to consider a **division structure** throughout the county; a review of the organizational chart offers a look inside the total picture of the County. Finally, although no action is pending, there is a record of previous discussions on **merging the city and county assessing** departments. Direction in this service model may influence and impact the vision for the three offices.

A copy of three handouts that were presented to the County Board at the May 22 meeting can be found in Appendix III, IV and V. Appendix III is a photograph of the entry sign in the County Office Building. Appendix IV includes three different organizational structures, and Appendix V is a one page outline summarizing the “Business Case for Change.”

## Process and Steps

Proceeding with the long term vision and immediate improvements is not without difficulty. Inherent challenges do exist including two of the offices are led by elected officials. There are established relationships and cultures, no clear vision or direction (yet); and an uncertainty about individual roles and expectations. From the analysis and staff input the employees understand the idea of working together and can even conceptualize the merging of the offices; however, they are uncertain of its practicality. Employees have a genuine desire to be part of a successful team. Intrinsically employees will gravitate toward a positive future; one that involves them and includes them in both strategy and execution.

One question that requires consideration and deliberation is how do you motivate or incentivize the elected departments to participate? Two prevailing thoughts are offered for consideration. First, there is an intrinsic belief that the articulated philosophy and the desired objectives parallel

their personal beliefs; in fact the customer service objectives are consistent with what the department heads articulate and pursue today. Secondly, what follows then is the question of how to move ahead. Answering that question may provide a road map for success or a route to a dead-end. For purposes of this analysis we believe Kandiyohi County officials will work through these issues and partner together for the future of the County. Is there really any other option?

The recommendation on the vision and long term structure is a function of four critical points of process.

- The County Board’s intent to make the two offices appointed.
- The timing of when this action can occur.
- The need to implement an organizational change strategy.
- The importance of a phased approach.

Given that the four factors that influence timing are fluid and subject to discussion, it is difficult to prepare an exact timeframe for moving forward. However, there are clear steps that can and should take place after the completion of the study. All county officials are instrumental in the next steps, the County Board, County Administration, the Department Heads and the employees. The following considerations and actions are recommended:

#### ***County Board Considerations***

- Discuss and adopt the Final Report.
- Establish the long term vision for the offices.
- Identify a long term structure for the offices.
- Provide resources as needed to move the process forward.
- Identify performance expectations and set goals for the staff.

#### ***County Administration Considerations***

- Develop the strategies and action steps to implement the vision and structure.
- Prepare an organizational change model tied to the timing of the appointment process.
- Seek employee input and ideas to achieve ownership and buy-in.
- Be accessible and available; provide leadership, guidance and support.
- Be open-minded to ideas, suggestions and input from staff.
- Leverage and support IT resources as needed.
- Identify human resource issues and needs that will arise.
- Conduct a space analysis to evaluate spatial options and possibilities.
- Monitor and support the leadership transition of the Interim Auditor-Treasurer.
- Monitor performance expectations of the staff.

### ***Department Head Considerations***

- Understand that traditional relationships and historical paradigms are changing.
- Commit to engage in process to introduce system improvements.
- Form and participate in an inter-departmental work team.
- Identify cultural and structural improvements.
- Create interdepartmental staff teams to offer ideas and options.
- Form a technology team; working with IT on system integration.
- Identify resources and barriers to your success.
- Report results and findings to the County Board and Administration.
- Promote social engagements and get to know opportunities for the staff

### ***Employee Considerations***

- Be engaged and involved in the change process.
- Bring an open mind and willingness to share ideas and concerns.
- Realize that change is a long process and not without difficulty.
- Find time to volunteer for assignments, committees or other ways to contribute.
- Take personal initiative to effect positive change.
- Recognize the value of the experience for personal and professional growth.

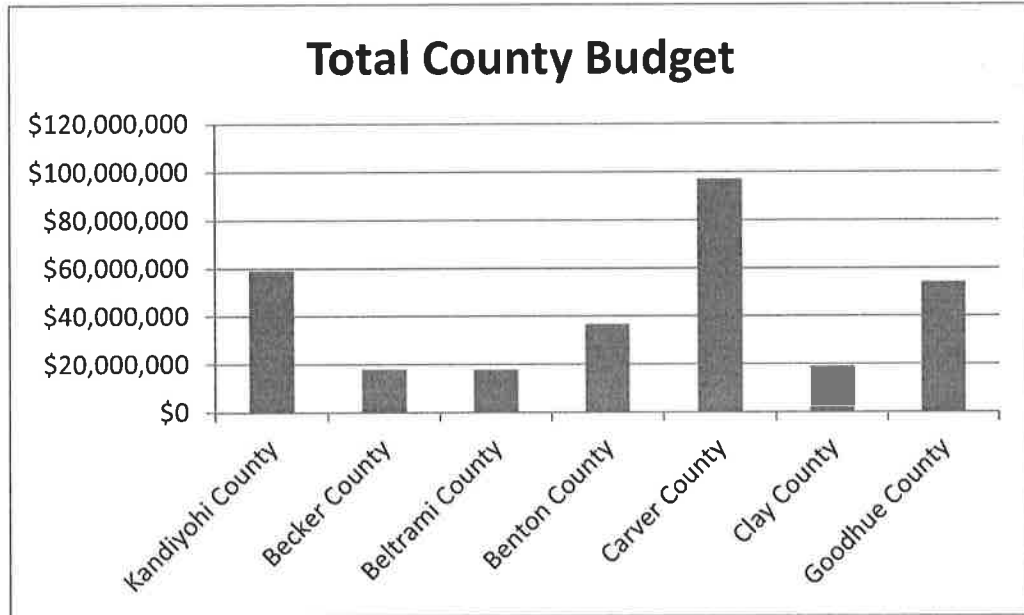
The timing of these actions is a function of interest and priority. Upon reflection it may be a good idea to organize a work session with the County Board, County Administrator, Human Resources Director and Department Heads to *kick-off* the formal discussions and to identify the next steps. Getting on the same page, establishing clear expectations, identifying timelines and showing support for the process is an excellent beginning point. Another question to pose is would the overall work of the Departments be strengthened with an individual designated as the project lead or coordinator? Is there someone within the County that is trusted and respected by everyone who can serve in this role?

In the end what is the purpose of this study and recommendation? Simply put, it is about the citizen and customer. The ultimate benefit of improvements to the County's culture and structure is the public and the services that are provided. This point should be front and center in all considerations and discussions. The County has a talented staff with great potential. How you tap your creative skills to take advantage of opportunities will go a long way toward helping you realize your philosophy, reach your vision and achieve your objectives. A copy of a handout to the County Board on May 22 which outlines the "Bottom Line" for customer and citizen impact can be found in Appendix VI.

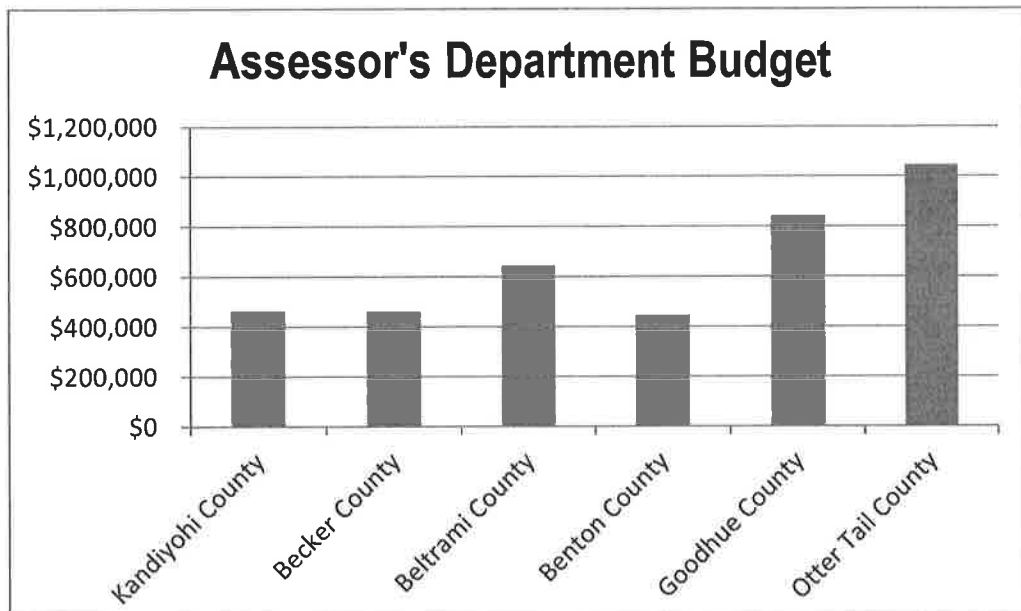
**APPENDIX I**  
**County Comparisons**

## County Comparisons

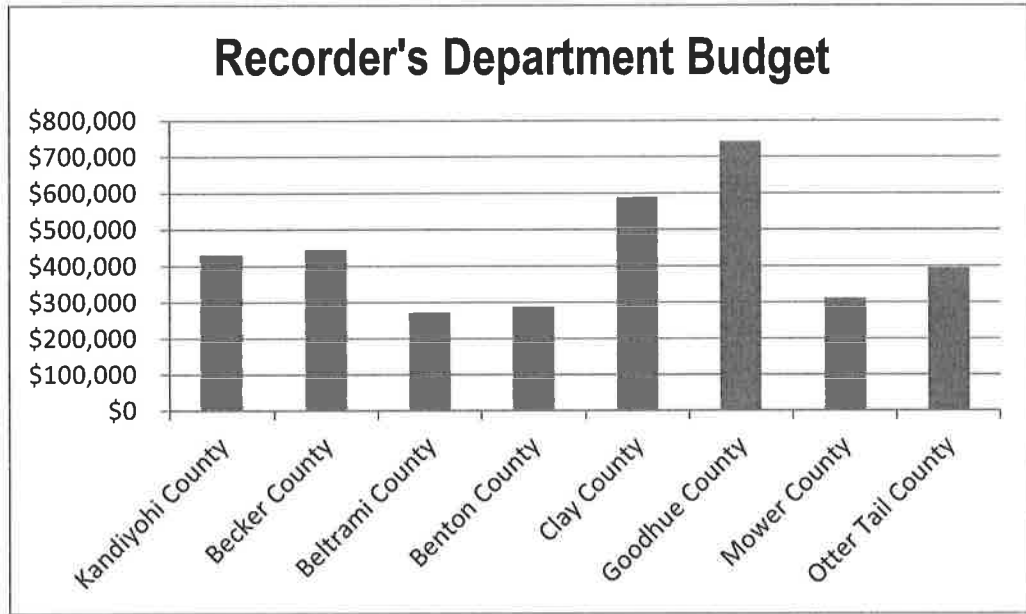
Total budget for participating counties is shown in the table below.



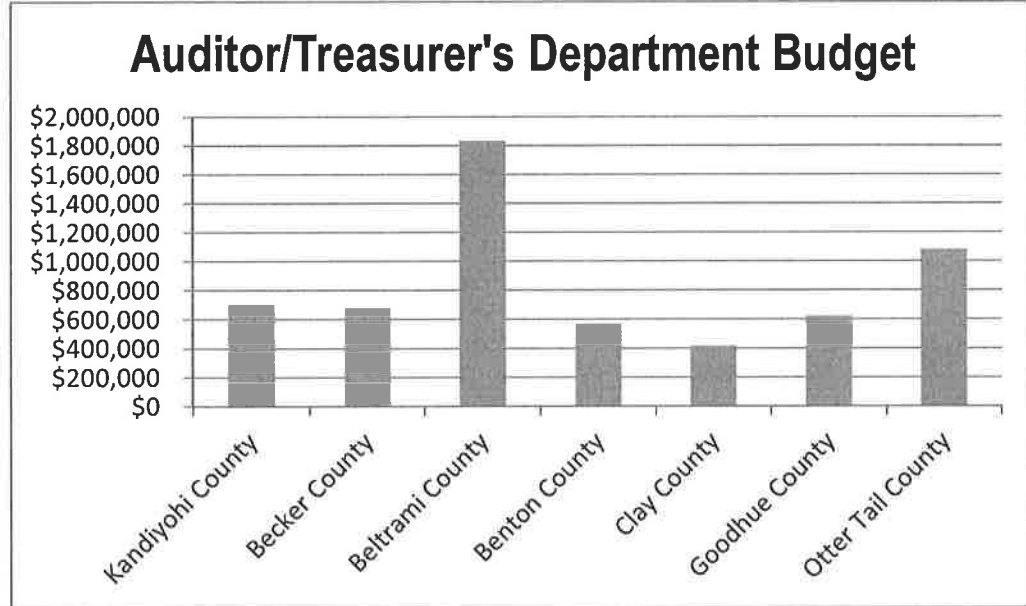
Total budget for the Assessor's Department for participating counties is shown in the table below.



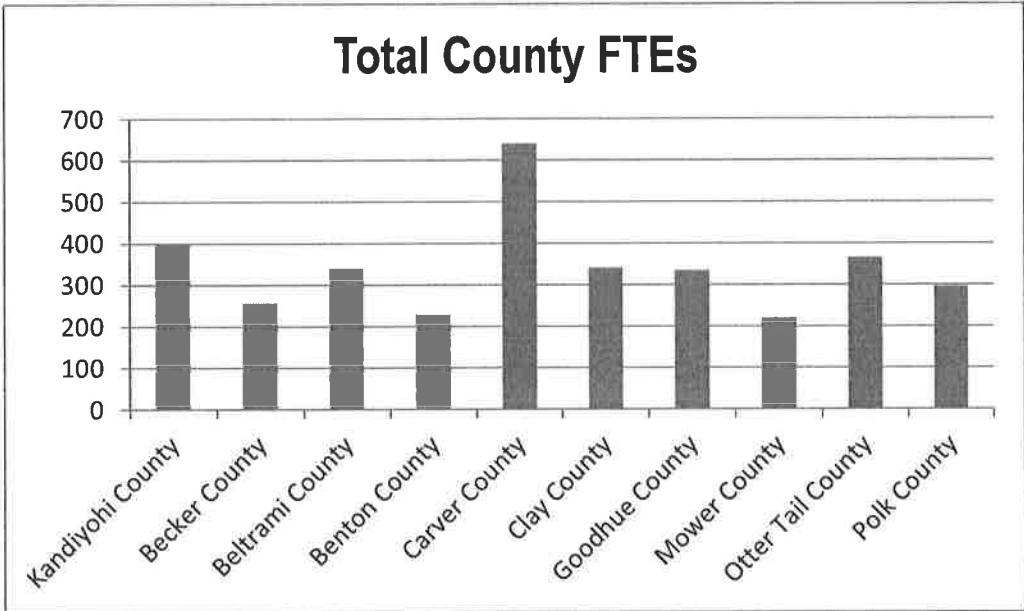
Total budget for the Recorder's Department for participating counties is shown in the table below.



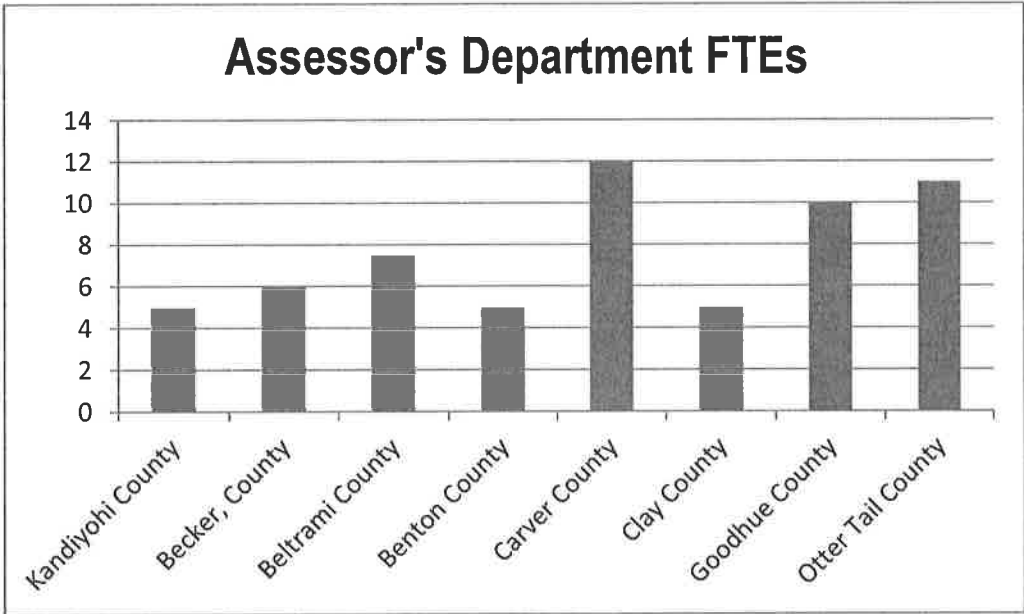
Total budget for the Auditor/Treasurer's Department for participating counties is shown in the table below.



Total FTEs in participating counties is shown in the table below.

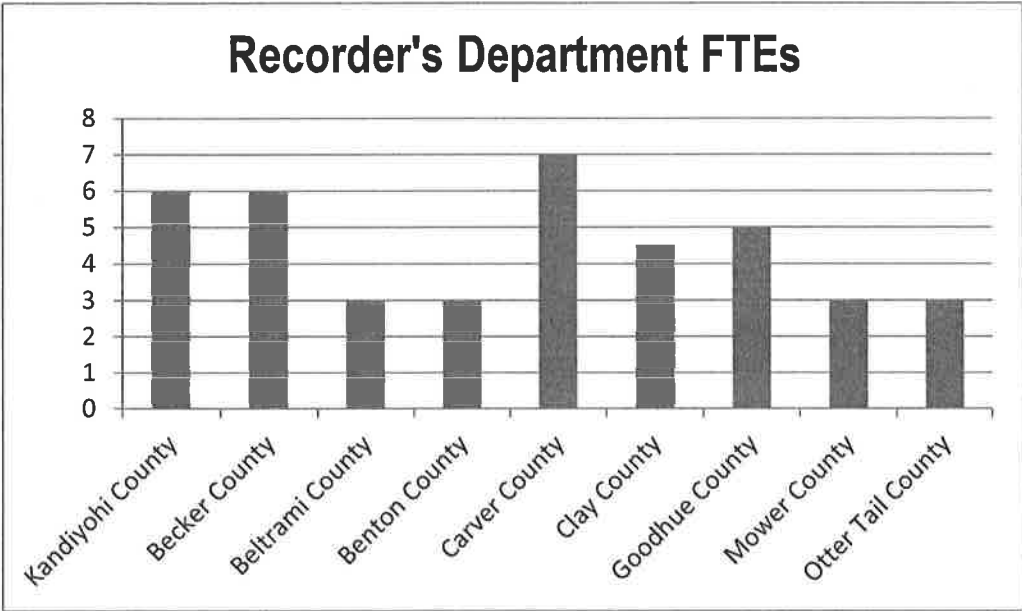


Total FTEs in the Assessor's Department of participating counties is shown in the table below.

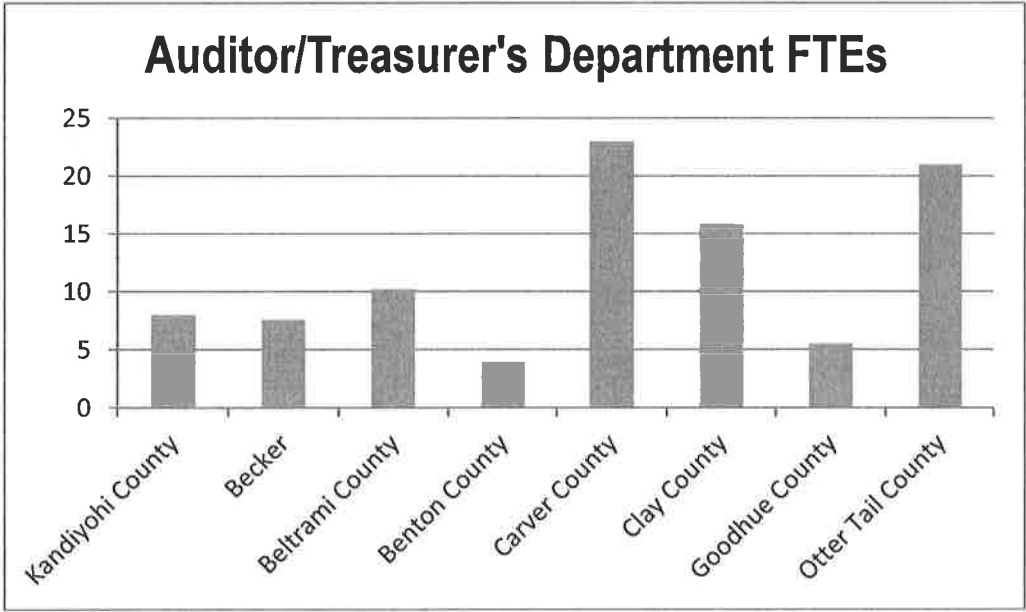




Total FTEs in the Recorder's Department of participating counties is shown in the table below.



Total FTEs in the Auditor/Treasurer's Department of participating counties is shown in the table below.



**APPENDIX II**  
**Interview Questions**

**Kandiyohi County**

**March 8, 2012**

**List of questions**

- Describe your position and responsibilities.
- Define the culture within (the County) and within your department.
- What are the top organizational needs within the County?
- Describe the working relationship you have with other departments; how can it improve?
- What are the strengths that you see within the County and your department?
- What are the top issues and challenges you face?
- What are the professional best practices that you would like to be doing?
- What tools do you need that you don't have to do the job?
- Are there other counties that you know that are doing things differently (or better)?

**APPENDIX III**  
**County Office Building Sign**

LICENSE BUREAU ↑

AUDITOR / TREASURER ↑

ASSESSOR ↗

← EXTENSION

BASEMENT

ENVIRONMENTAL SERVICES

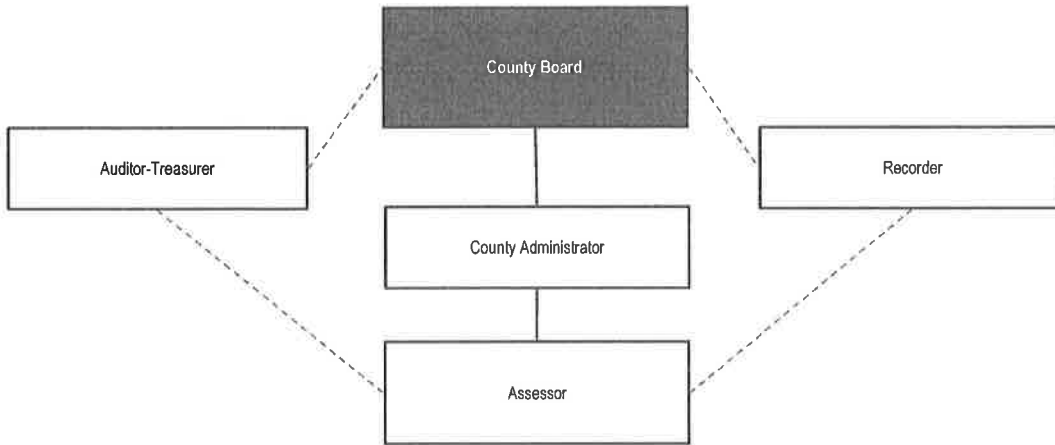
RECORDER

VITAL STATISTICS

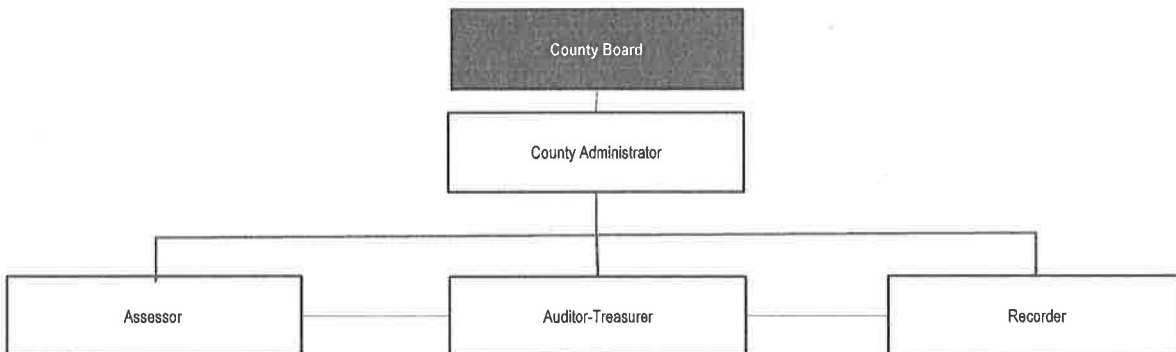
2000  
PROPERTY TAXES  
RECORDS MANAGEMENT

**APPENDIX IV**  
**Organizational Structure**

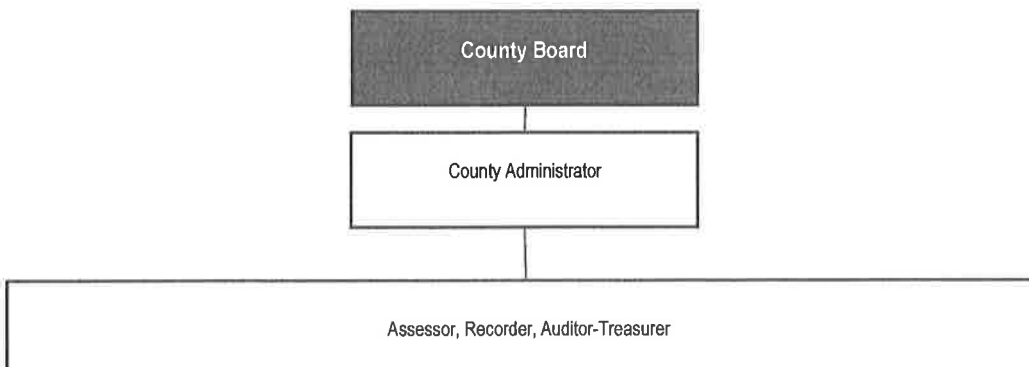
**PRESENT CONCEPT**



**WORKING CONCEPT**



**FUTURE CONCEPT**



**APPENDIX V**  
**The Business Case for Change**



**Kandiyohi County**  
**Organizational Review**  
*The Business Case for Change*  
**County Board Presentation**  
**May 22, 2012**

- **Similar value systems and philosophies**
- **Importance of addressing the cultural issues**
- Redesign your retail business
- Do similar things -- transaction based functions
- Historical precedence is altered (checks and balances)
- Co-located and comparable in size
- Physical space – opportunity
- Staff turnover (at the top: Interim Auditor-Treasurer role)
- Need for joint planning and strategy
- Not *reinventing the wheel*
- Potential to save money
- Employee desire and motivation
- Leadership challenge (pride factor)
- Other County needs

**APPENDIX VI**  
**Customer – Citizen Impact: The Bottom Line**

**Kandiyohi County**  
**Organizational Review**  
*Customer – Citizen Impact: The Bottom Line*  
**County Board Presentation**  
**May 22, 2012**

- Leadership – *Good to Great*
- Clear lines of accountability
- Coordination of effort
  - Less focus on department; more on customer
- Consistent service across departments
- Better signage
- Better trained staff
- More effective use of space (see it)
- Saving money
- Responsiveness
- Setting a County-wide example