



Workforce Optimization & Comparative Benchmarking

September 10, 2026
Budget Committee

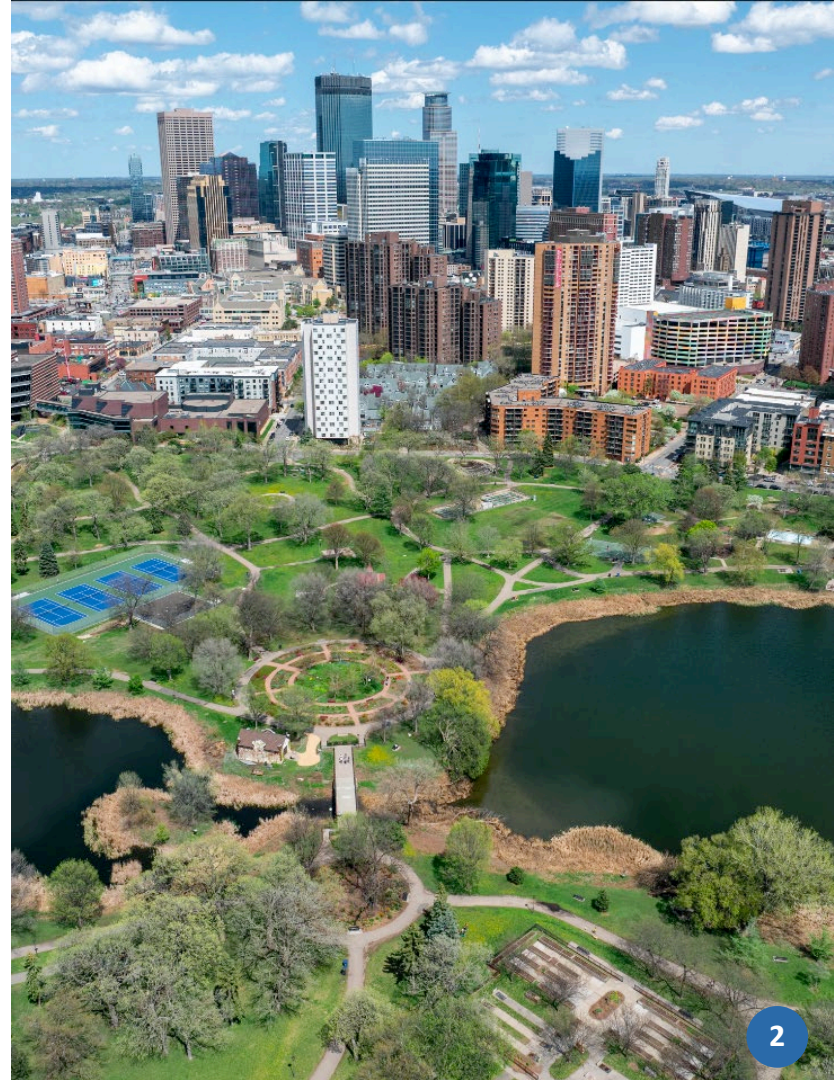
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People who are deaf or hard of hearing can use a relay service to call 311 at 612-673-3000.

Background

- November 2025—Contracted with **65th North Group**
 - Operational, efficiency, and internal control studies
 - Executive municipal leadership
 - President, Dave Ross, PhD, CFE, CICA, ICMA-CM

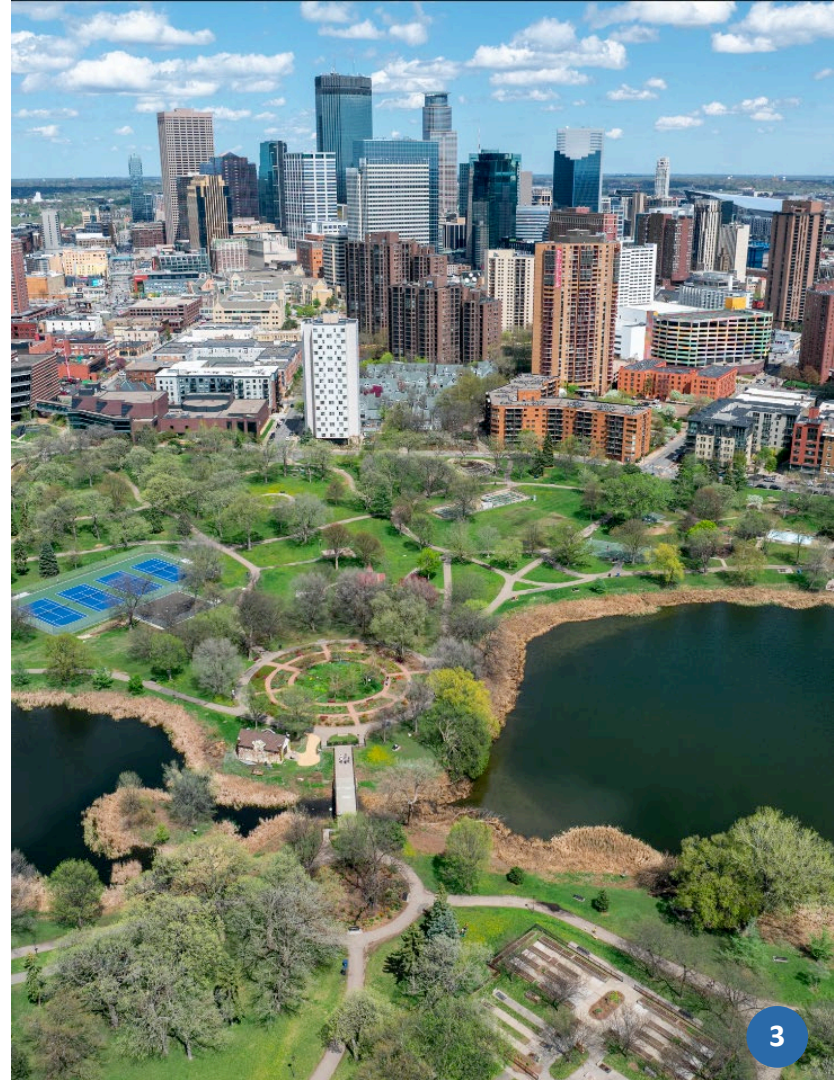
Contracted to:

1. Collect and review City workforce and financial data
 - Department staffing levels
 - Personnel expenditures
 - Department operating budgets
2. Compile and compare against selected benchmark cities
3. Conduct a workforce optimization assessment
4. Develop a final report for City leadership consideration



Objective

- “Provide a data-driven foundation for informed workforce planning, budgeting and organizational decision making.”
- To compare the City’s workforce data with that of five other cities to provide Minneapolis leaders and decisionmakers with information to support strategic and operational planning.
- What this study was...
 - An advisory review facilitated by the Office of City Auditor and led by a consultant with significant municipal fiscal research experience
 - A starting place for future studies, operational considerations, and budget planning
- What this study was not...
 - An assurance audit with traditional audit recommendations needing immediate corrective action





Scope & Methodology

- City Departments and other operational structures
 - Authorized staffing
 - Expenditures
 - Other organizational considerations
- Selected benchmark cities:
 - St. Paul
 - Portland
 - Baltimore
 - Colorado Springs
 - Tulsa



Themes & Limitations Identified

1. Organizational structure is a driver of differences.
2. “Apples to apples” comparisons limited by governance & service models.
3. Minneapolis demonstrates a more complex service environment than raw population figures alone suggest.
4. Non-personnel spending across comparison cities and even departments affects comparisons.
5. Per capita comparisons reflect differences in services provided, local fiscal philosophy, labor market conditions, and organizational structures.
6. Specialized boards, authorities, and County vs. City responsibilities also affect comparability.



Observations & Recommendations

- **Keynote:**
 - The data compiled in this study leads us to recommendations for further study, contemplation, or consideration by executive and elected leaders
- Recommendations are based on:
 - A comparative analysis of workforce compliment in benchmark cities
 - Observations of workforce compliment in Minneapolis





	Observation	Recommendation
1	Alignment of REIB functions within HR may allow leveraging of compatible efforts and economies of scale.	Consider transitioning the REIB department into a division within the Human Resources department.
2	The City's assessment function aligns with County government functions.	Consider transitioning the property assessment function from the City of Minneapolis to the County level.
3	Some of the City's public health function aligns with County and State responsibilities.	Consider evaluating the City's public health functions to determine whether certain services could be more effectively delivered at the county level and to assess potential areas of duplication with county-provided services.



	Observation	Recommendation
4	The Minneapolis Building Commission is a model in need of review. Many municipalities' building and facilities functions are managed directly within the City government, typically under departments such as public works, facilities management, or administrative services. These structures allow for more direct oversight and integration with broader city planning, budgeting, and capital improvement.	Consider further evaluating the governance structure of the Minneapolis Building Commission, including the potential benefits and trade-offs of alternative models, and whether to pursue legislative changes or other arrangements to better align the function with City priorities.
5	While audit and some internal controls functions are in place, a proactive, enterprise-wide assessment specifically focused on identifying fraud risks, control gaps, and areas of heightened vulnerability has not been formally conducted.	Consider conducting a comprehensive fraud risk vulnerability study as part of the City's contemplated enterprise risk management development.
6	Opportunities exist for improved cross-departmental alignment by conscientiously breaking down silos to identify and minimize overlapping efforts, fragmented service delivery, and oversight functions.	Consider conducting a more comprehensive evaluation of departmental roles and responsibilities at the mission level to identify opportunities to improve alignment, consolidation, or clarification of functions across departments.



	Observation	Recommendation
7	MPD's Crime Lab service delivery model, while supporting more direct access, coordination, and timeliness, may benefit from further partnership with County, State, or third-party providers.	Consider evaluating the current crime lab service delivery model, including the potential use of County, State, or third-party providers for some or all forensic services.
8	While the Parks Police Department serves a distinct and important role focused on park safety and community engagement, its separate structure results in a parallel law enforcement function within the broader public safety system.	Consider evaluating the potential benefits and trade-offs of consolidating the Parks Police Department within the City's primary police department.
9	Elected Officials: Full-Time Status and Staffing Support (See also: <u>Guidehouse's City of Minneapolis Comparable Jurisdictions Research: City Council and Legislative Department Findings</u>)	Consider evaluating the full-time status of City Council positions, the number of council aides assigned to individual council members, and the potential for a shared pool of council aides rather than assigning staff exclusively to individual council members.



	Observation	Recommendation
10	Public Works operates a dedicated call center for solid waste services, separate from the City's centralized 311 system.	Consider evaluating the feasibility of consolidating solid waste customer service functions within the City's 311 system.
11	The City's Behavioral Crisis Response Team is managed within the Fire Department but operates through a contracted service model, limiting the City's visibility into staffing composition, response protocols, operational decision-making, and personnel qualifications. Concerns exist about service consistency. While the program reflects the City's commitment to alternative crisis response, the current governance model appears to provide less direct control than is typical for a critical, public-facing emergency response function.	Consider evaluating the current governance and service delivery model. Consider potential benefits and trade-offs of transitioning to an in-house model or strengthening oversight of the existing contracted model.



City Response:

MEMORANDUM

To: Robert Timmerman, City Auditor, Office of City Auditor

From: Margaret Anderson Kelliher, City Operations Officer, Office of Public Service
Todd Barnette, Commissioner of Community Safety, Office of Community Safety

Subject: Workforce Optimization and Comparative Benchmarking Study

Date: April 17, 2026

Thank you for the opportunity to comment on the Workforce Optimization and Comparative Benchmarking Study. We also appreciate the kind words from 65th North Group about the professionalism, responsiveness, and cooperation of city staff throughout the process.

As City leaders, we are committed to ensuring that the City of Minneapolis enterprise continues to evolve and improve, because progress is not only an expectation -- it is part of our culture.

Comparative benchmarking helps surface opportunities we may not see from within the organization and provides a wider context for understanding how we can strengthen our operations. The insights from this study will offer a useful foundation for ongoing conversations about what comes next.

We also note that the work City employees do in service to Minneapolis communities is both essential and deeply valued, and our workforce must remain at the center of any conversations about the potential for future organizational change.

Finally, we want to underscore that the types of changes contemplated in the study are complex. They require thoughtful consideration, partnership with staff and labor stakeholders, coordination with our intergovernmental partners, and careful sequencing to ensure we move forward in ways that are well planned and sustainable.

We look forward to engaging collaboratively as we assess the recommendations and chart a responsible path ahead.



Questions