



CITY COUNCIL MEETING

AGENDA ITEM

Prepared By: <i>Allie Polsfuss, City Administrator</i>	Meeting Date: <i>February 3, 2026</i>	Item Name: <i>Effective Organizational Management</i>
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OVERVIEW

Based on feedback received through the Council survey and observations during my short time with the City, staff anticipates several organizational and staffing-related issues emerging over the next few years that will have a meaningful impact on the City. While many of these matters will primarily involve the Personnel Committee, staff believes they should remain a priority for the City Council as a whole.

The following items are intended to inform Council and help guide future discussions, planning, and prioritization.

Organizational Structure and Compensation Review

A comprehensive classification and compensation study was completed by DDA and approved by the City in 2018. This study included an organizational review, job classification and titling, position evaluations, market analysis, and development of a pay plan structure aligning these components.

In late 2023, a revised pay plan with associated increases was proposed internally and approved by the City Council. Staff recommends the City consider undertaking a similar comprehensive study within the next two years to ensure the City's pay structure continues to align with organizational needs and market conditions.

There may be a need for changes prior to a full study; any such changes would be brought forward as recommendations from the Personnel Committee. The Council should discuss their thoughts on a compensation analysis using a third-party consultant within the next two years so the Personnel Committee can begin planning appropriately.

Council and Commission Pay

Council compensation has been raised as a potential topic for review on multiple occasions. Under state law, a City Council may not adjust its own compensation during its current term. Any changes would require an ordinance amendment, which would take effect beginning with the next Council term.

Staff recommends that Council discuss whether a review of Council and Planning Commission compensation is a priority. If so, staff will initiate the appropriate process and timeline.

Fire Department

The Fire District serving the City, Pequot Lakes, and surrounding townships was established approximately five years ago. Participation costs are currently allocated based on each jurisdiction's building market value. Additionally, in 2022, the City of Breezy Point serves as the fiscal agent for the District. In 2022, the District agreed to compensate the fiscal agent \$5,000 annually for fiscal agent services; this amount increased to \$8,500 in 2024. The City of Pequot served as the Fiscal Agent until 2024 and the City has been serving since then.

Council may wish to engage in discussion regarding these Fire District arrangements and potential timelines for review. If there is interest in proposing changes, staff would work with the appropriate partners to bring recommendations forward. Council should be aware that any modifications would be largely political in nature, involve multiple jurisdictions, and would likely require time to reach consensus.

Planning and Zoning Position



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Jerry Bohnsack currently serves as the City's part-time, temporary Planning and Zoning Administrator. Based on discussions with Jerry, it is anticipated that 2026 may be his final year with the City.

Given that the hiring market is typically strongest in the spring, staff believes it would be beneficial for the Personnel Committee and Council to begin discussing a permanent solution to this position. Early planning would ideally allow for overlap and training between Jerry and a new hire.

The Personnel Committee expects to begin discussions soon and anticipates bringing a recommendation to Council by spring. This item is informational but intended to ensure Council is aware of upcoming changes that will impact the city.

Succession Planning

Within the next few years, the Police Department will need to address leadership succession planning. While no immediate action is required, staff wants Council to be aware that discussions will likely be necessary within the next year or two to properly budget for a potential retirement and plan for a leadership transition.

Once formal notice is received, the process would begin with discussions at the Personnel Committee level. This item is informational and intended to ensure Council is aware that a leadership transition within Public Safety is anticipated and that staff plans to manage the process proactively to ensure a smooth transition for the City and the department.