AGENDA

Special Meeting of the

CITY COUNCIL
OF THE CITY OF TROY

JANUARY 31, 2011
CONVENING AT 6:00 PM
COUNCIL BOARDROOM

PERMITTED BY RESOLUTION #2011-01-009
REVIEW OF *ICMA REPORT*

Submitted By
The City Manager

NOTICE: Persons with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk at (248) 524-3316 or via e-mail at clerk@troymi.gov at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

500 W. Big Beaver
Troy, MI 48084
(248) 524-3300

The City of Tomorrow... ...Today

TO: The Honorable Mayor and City Council
Troy, Michigan

FROM: John Szerlag, City Manager

SUBJECT: Background Information and Reports

Ladies and Gentlemen:

This booklet provides a summary of the many reports, communications and recommendations that accompany your Agenda. Also included are suggested or requested resolutions and/or ordinances for your consideration and possible amendment and adoption.

Supporting materials transmitted with this Agenda have been prepared by department directors and staff members. I am indebted to them for their efforts to provide insight and professional advice for your consideration.

As always, we are happy to provide such added information as your deliberations may require.

Respectfully submitted,

John Szerlag, City Manager

CITY COUNCIL
SPECIAL STUDY SESSION
AGENDA

January 31, 2011 – 6:00 PM
Council Boardroom
City Hall - 500 West Big Beaver
Troy, Michigan 48084
(248) 524-3317

A. CALL TO ORDER: 1

B. ROLL CALL: 1

C. DISCUSSION ITEMS: 1

C-1 Review of the ICMA Report 1

D. PUBLIC COMMENT: 1

E. ADJOURNMENT 1

A. CALL TO ORDER:

B. ROLL CALL:

(a) Mayor Louise E. Schilling
Robin Beltramini
Wade Fleming
Martin Howrylak
Mayor Pro Tem Mary Kerwin
Maureen McGinnis
Dane Slater

(b) Absent Council Members:

Suggested Resolution
Resolution #2011-01-
Moved by
Seconded by

RESOLVED, That Troy City Council hereby **EXCUSES** the absence of _____at the City Council Special Meeting of Monday, January 31, 2011 due to _____.

Yes:
No:

C. DISCUSSION ITEMS:

C-1 Review of the ICMA Report

D. PUBLIC COMMENT:

In accordance with the Rules of Procedure of the City Council, Article 16 – Members of the Public and Visitors

E. ADJOURNMENT

Respectfully submitted,

John Szerlag, City Manager

PUBLIC COMMENT:

In accordance with the Rules of Procedure of the City Council, Article 16 – Members of the Public and Visitors

Any person not a member of the City Council may address the Council with recognition of the Chair, after clearly stating the nature of his/her inquiry or comment. *City Council requests that if you do have a question or concern, to bring it to the attention of the appropriate department(s) whenever possible. If you feel that the matter has not been resolved satisfactorily, you are encouraged to bring it to the attention of the City Manager, and if still not resolved satisfactorily, to the Mayor and Council.*

- Petitioners shall be given a fifteen (15) minute presentation time that may be extended with the majority consent of City Council.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to five (5) minutes to address any Public Hearing item.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to five minutes to address Postponed, Regular Business or Consent Agenda items or any other item as permitted under the Open Meetings Act during the Public Comment portion of the agenda.
- City Council may waive the requirements of this section by a majority of the City Council members.
- City Council may wish to schedule a Special Meeting for Agenda items that are related to topics where there is significant public input anticipated.
- Through a request of the Chair and a majority vote of City Council, public Comment may be limited when there are fifteen (15) or more people signed up to speak either on a Public Hearing item or for the Public Comment period of the agenda.

C-01

Organizational Restructuring Review Elements 2-8

City of Troy, Michigan

An ICMA Report

Craig Rapp, Thomas Wieczorek, Susan Robinson, James Prosser, Jon Thiel
ICMA Consultants

Joshua Franzel, Phd.
Center for State and Local Government Excellence

Charles Thompson
International Municipal Lawyers Association

ICMA *Leaders at the Core of Better Communities*

About ICMA

ICMA advances professional local government worldwide. Its mission is to create excellence in local governance by developing and advancing professional management of local government. ICMA, the International City/County Management Association, provides member support; publications, data, and information; peer and results-oriented assistance; and training and professional development to more than 9,000 city, town, and county experts and other individuals and organizations throughout the world. The management decisions made by ICMA's members affect 185 million individuals living in thousands of communities, from small villages and towns to large metropolitan areas.

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ICMA

Leaders at the Core of Better Communities

January 26, 2011

Honorable Mayor and City Council
City of Troy
500 W. Big Beaver Rd.
Troy, Michigan 48084

Dear Mayor and City Councilmembers,

The International City-County Management Association (ICMA) is pleased to present this report to the City of Troy in support of the City's on-going effort to address significant financial challenges. This analysis is the first of two conducted by ICMA, the second of which will be an analysis of the City's Police Department, scheduled for delivery in February 2011.

The ICMA consulting team, consisting of local government practitioners Thomas Wieczorek, Susan Robinson, James Prosser, and Jon Thiel, along with Joshua Franzel from the Center for State and Local Government Excellence, and Charles Thompson of the International Municipal Lawyers Association, conducted a detailed examination of the City's current organization and projected budget reduction plan, culminating in a wide range of findings and recommendations presented for your consideration.

ICMA wishes to thank City Manager John Szerlag and the many employees throughout the organization who participated in interviews, prepared analyses and gathered information tirelessly over the past three months. This report would not have been possible without their efforts.

Yours truly,

Craig R. Rapp
Project Manager

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SECTION I:

Organizational Restructuring Review Elements 2-8 City of Troy, Michigan

Section I

Organizational Restructuring Review Elements 2-8 City of Troy, Michigan

Project Purpose and Objectives

The City of Troy has undertaken numerous organizational changes to address a budget crisis resulting from revenues that are projected to steadily decline over the next ten years. Changes to date have included privatization, outsourcing, insourcing, modifications to services and reductions in force. A three-year operating budget has been adopted and a five-year reduction in force plan has been proposed.

Although the City has moved quickly to meet its financial challenges, an independent review of its efforts was deemed necessary for two reasons: (1) to determine how or whether proposed solutions to the budget crisis would affect the sustainability of services at current service levels, and (2) to accelerate the identification and implementation of opportunities for changes in service delivery. ICMA conducted a review of services in the following areas:

1. Fire Department
2. City Manager's Office
3. Finance and Information Technology
4. Human Resources, Purchasing, Clerk, Treasurer and Assessor
5. Law Department
6. Maintenance functions (including Public Works, Parks and Recreation and Building Operations)

In addition to these efforts, a comparative benefits review was also conducted.

Because the City has a five-year plan for balancing the budget long-term, primarily through staff reductions (known as Option 1), ICMA was asked to evaluate the staffing and deployment of resources in each department and provide recommendations on the most efficient and cost effective manner in which to deliver the services, including alternative service delivery methods.

Both revenue and expenditure actions are available to address the budget challenges facing the City of Troy. However, with the exception of alternative service delivery considerations, the scope of this study was limited to an examination of expenditure issues and solutions.

Methodology

ICMA used a multi-faceted approach for its review, which took place over 75 days. This included a detailed review of operations, on-site visits, document reviews and an analysis of comparable jurisdictions from across the country. A detailed description of ICMA's methodology begins on page 17.

In summary, the approach encompassed:

- **A review of core services, functions and City Council-determined priorities.**
- **An evaluation of staffing and service delivery in the core services.**
- **A determination regarding the long-term sustainability of core services and functions in light of proposed budget reductions over a five-year period.**
- **Suggestions for reorganizing and restructuring to improve service delivery and staff deployment.**
- **Recommendations for actions to improve the efficiency and cost effectiveness of core functions.**
- **Analysis and recommendations regarding alternative service delivery methods, such as consolidation, outsourcing and privatization, to maximize use of human and capital resources.**
- Consideration and analysis of the costs and benefits of alternatives reviewed.
- A review of publicly available information on pensions, benefits and salaries to compare with those offered by the City of Troy.

This study was undertaken with the assistance of ICMA's sister organization, the Center for State and

Local Government Excellence (CSLGE), the country's leading source for state and local government workforce, health and pension benefits information.

Given the unique role of the City Attorney in the Charter and the position's reporting relationship to the City Council, ICMA also engaged the assistance of another leading organization, the International Municipal Law Association (IMLA), to conduct the analysis of the law department.

Overall Findings

In general, the City of Troy has responded quickly and effectively to its financial challenges. However, the City's proposal for balancing the budget long-term, known as Option 1, will make it impossible for many services to continue delivery at current service levels. Attempting to maintain current service levels, given levy limitations and projected tax base decline, will create a structural imbalance and performance that consistently falls short of service level expectations.

Addressing this condition will require not only a continued commitment to alternative service delivery, but also a focused and sustained effort to prioritize services and resize and rebalance the organization. This report offers recommended approaches for maximizing current resources and determining appropriate levels of service. In line with that reality, ICMA offers the following general findings to provide context for future decision-making:

Positive Findings

I. The City's efforts to outsource and privatize services such as building inspections and the golf courses mirrors the leading practices found across the nation, and the privatization review process is well designed.

II. The City's actions to address the cost of employee benefits – particularly pensions and post retirement benefits -- place it among local government leaders in managing these costs.

III. The City's cost structure and staffing is comparable, and in some cases below, cities of similar type and size (Appendix E).

IV. The City's salaries and current benefits are comparable to similarly sized Michigan cities; and measures to contain these costs are leading edge practices (Appendix E).

V. Pockets of innovation and entrepreneurial spirit exist within the organization, resulting in an ability to respond nimbly to the current financial crisis.

VI. City employees have responded well to the budget crisis and have contributed innovative solutions for improving efficiency.

Findings Reflecting Concern

I. The 6-year plan proposed to address long-term revenue decline will make a number of key services unsustainable at current service levels (see department reviews beginning page 17).

II. Most departments and functions are at or nearing the limit of their ability to "do more with less" without additional guidance and a formalized plan prioritizing and measuring services and results.

III. The City's prioritized outputs provide general guidance to staff, but do not provide an adequate framework for making the service level choices that will be necessary to effectively address the budget crisis over the next four to five years.

IV. The proposed plan(s) for addressing declining revenues (Options 1 & 2) balances the budget, but the decisions and detailed implications have not been fully acknowledged or embraced by staff (page 14).

V. The City has a three-year budget, but does not have a long-term strategic plan and does not engage in formal business planning and performance measurement, which is necessary for setting clear priorities, allocating limited resources and monitoring service delivery (page 14).

Enterprise-wide Recommendations

This report offers specific actions that the City can take to address the budget crisis. Many of these are focused at the department or functional level. A few are targeted to the entire organization and will be crucial to the ultimate success of actions taken in the departments. These recommendations are summarized below:

1. Restructure and consolidate functions to maximize sustainability and delivery of high priority services (page 14).
   a. Reduce layers and flatten the organization
   b. Combine operations to improve cross-training and support of increased workload, and quick implementation of process improvement
   c. Improve oversight of outsourced and contract services
2. Prioritize services, resize and rebalance the organization in line with the new revenue base (page 15)
   a. Conduct detailed service prioritization building upon department information developed as a part of this report

b. Determine achievable balance between service elimination and cost containment measures–specifically salary and benefit reductions

c. Initiate strategic and business planning–setting clear outcomes, goals and resource allocation process

d. Seek citizen and customer input on service levels

e. Establish performance metrics tied to service delivery outcomes and goals

3. Create a culture of continuous service improvement -build upon alternative service delivery efforts (page 16)

   a. Capitalize on previous efforts–building inspection, engineering, golf courses

   b. Initiate cycles of continuous review (every department included)

   c. Establish competitive contracting as standard operating approach

   d. Designate Service Improvement director to lead effort

   e. Develop performance metrics related to desired outcomes.

4. Initiate a comprehensive process improvement program (page 17)

   a. Identify appropriate process improvement approach (lean, etc.)

   b. Integrate with continuous cycles of improvement

   c. Train all employees on process improvement techniques

Key Department Findings and Recommendations

The budget reductions proposed in Option 1 will have numerous and varied impacts across individual services. As noted, they will result in staffing levels so low in some departments, such as Streets and Drains, Purchasing, Human Resources and City Clerk, that they will be unable to continue providing service at current levels. In other areas, services will be affected but will be sustainable.

The following is a summary of the major findings and recommendations related to the review of various functional areas. They are listed by department and divided into four categories: sustainability, alternative service delivery, reorganization/restructuring and efficiency/effectiveness.

In every case, and in line with the enterprise-wide recommendations above, it is recommended that all departments:

- Undergo a regularly scheduled "competitive review"–a detailed review of service optimization–up to and including competitively bidding the service
- Establish performance metrics to enable comparison with other cities
- Expand and focus service reduction impact analyses in support of Council prioritization efforts
- Train staff in process improvement and competitive contracting techniques
- Conduct regular customer service satisfaction surveys

Summary of Department Findings and Recommendations

Fire Department (page 20)

1. Sustainability

   a. Proposed reductions will affect sustainability. The department is not able to inspect all commercial properties each year; further reductions in staffing will exacerbate this problem.

2. Alternative Service Delivery options

   a. Surrounding cities are all-career departments. It is unlikely they will contract with Troy to provide service due to the challenges of migrating from career to volunteer service.

3. Reorganization/Restructuring

   a. Recommend a three-tier command structure versus the current structure.

   b. Retain assistant chief position to act in place of the fire chief as needed.

4. Efficiency/Effectiveness Measures

   a. All volunteer officers of should be appointed, not elected.

   b. The incentive program for volunteers should be amended to preclude lump sum payouts.

City Manager's Office (page 21)

1. Sustainability

   a. Sustainability is not directly affected by Option 1 reductions; however, redeployment of key staff to address long-term sustainability in other departments is recommended.

2. Alternative service delivery options

a. Evaluate outsourcing Economic Development and Community Affairs – public and private options.

i. Investigate working with other government agencies, possible joint powers.

ii. Review contracting options with marketing, real estate development and/or research firms.

3. Reorganization/restructuring

a. Restructure and redeploy assistant city manager as assistant city manager/director of Finance and Administrative Services.

b. Restructure and redeploy assistant city manager as director of Economic and Community Development.

c. Evaluate need for professional support in City Manager's office following restructuring of Finance and Administrative Services.

City Clerk (page 23)

1. Sustainability

a. Service delivery at current levels is not sustainable if Option 1 reductions are instituted.

2. Alternative service delivery options

a. Evaluate offering/receiving Clerk functions to/from other cities and townships; e.g., election judge training.

3. Reorganization/restructuring

a. Restructure and move the Clerk into Finance and Administrative Services, gaining key support services from the combined department.

b. Identify and create cross-functional collaboration opportunities; e.g., revenue collections, agenda preparation, elections.

c. Evaluate changes in functions that affect clerk duties; e.g., support to numerous boards and commissions.

4. Efficiency/effectiveness measures

a. Determine feasibility of changes in charter or state mandates relating to core functions; e.g., county election control, reporting requirements for reducing workload.

Human Resources (page 24)

1. Sustainability

a. Service delivery at current levels is not sustainable if Option 1 reductions are instituted.

2. Alternative service delivery options

a. Conduct competitive contracting analysis to determine optimal level of in-house and outsourced service delivery.

3. Reorganization/restructuring

a. Restructure and move Human Resources into Finance and Administrative Services, gaining key support services from the combined department.

b. Restructure and move Risk Management into Human Resources to consolidate benefits coordination and provide additional support.

4. Efficiency/effectiveness measures

a. Evaluate multi-year labor agreements -- staff utilization vs. value/risk of long-term contracts.

b. Reflect net expenditure targets in future budget reductions and expand flexibility for positions reduced or eliminated.

Finance and Administration (Accounting, Risk Management, Treasurer, Assessor, Purchasing, Information Technology) (page 25)

Finance and Administration (overall)

1. Sustainability

a. The offices within Finance and Administration will be sustainable after Option 1 reductions, with the exception of the Purchasing Department; however, there are several areas of concern:

i. Adapting to fewer resources will require more consolidation and a need for a "flatter" nimble resource structure. Lines of reporting and department organization will need to be clear, particularly with merged functions.

ii. Proposed reductions will have an impact on "back office" support essential to external customer service.

2. Alternative service delivery options

a. Outsource pension fund investment and administration.

3. Reorganization/restructuring

a. Designate and redeploy the current assistant city manager as ACM/director of Finance and Administrative Services.

b. Restructure by merging Human Resources and City Clerk functions with Finance and Administrative Services to consolidate resources and back office functions.

Risk Management

1. Sustainability

a. Sustainability is not in question; based upon proposed reductions, however, restructuring (as noted) is recommended.

2. Alternative service delivery options

a. Evaluate following concepts for insourcing and outsourcing risk management functions:

i. Provide risk management and safety training to other jurisdictions.

ii. Contract with private provider or another jurisdiction for safety training.

iii. Evaluate option of using existing expertise—e.g., public safety—to provide selected safety training.

3. Reorganization/restructuring

a. Restructure to incorporate Risk Management into Human Resources- both within Finance and Administrative Services.

4. Efficiency/effectiveness measures

a. Consider option of making city's insurance broker "agent of record"; analyze effect on insurance rates and reduction of risk manager's time.

b. Develop plan to reduce number of insurance plans from 30 to three: goal is to reduce administration time.

Accounting and Treasurer

1. Sustainability

a. Sustainability is not in question based upon proposed reductions; however, restructuring (as noted) is recommended.

2. Reorganization/restructuring

a. Evaluate moving some purchasing functions to Accounting Department.

3. Efficiency/effectiveness measures

a. Evaluate effect of staff reductions by closing Treasurer and Assessor offices early or opening late.

b. Consider co-locating Accounting and Purchasing with Treasurer and Assessor offices to provide opportunities for cross-functional support and to improve processing while at the same time retaining internal controls.

c. Conduct financial analysis of adding cash register to Treasurer/ Assessor offices to increase efficiency during busy hours.

d. Evaluate use of credit cards for bill payment with no administrative fees.

e. Increase use of P-cards to pay suppliers, reducing Accounts Payable processing pay.

Assessor

1. Sustainability

a. Sustainability is not in question based upon proposed reductions; however, restructuring is recommended.

2. Alternative service delivery options

a. Offer services (particularly personal property auditing) to other jurisdictions.

b. Conduct financial analysis on hiring part-time/contract auditors to validate revenue generation projections.

3. Efficiency/effectiveness measures

a. Conduct financial analysis of use of hand-held devices for field work, reducing time and improving efficiency.

Purchasing

1. Sustainability

a. Service delivery at current levels is not sustainable if Option 1 reductions are instituted.

2. Alternative service delivery options

a. Offer purchasing services to other jurisdictions allowing the City to retain the current buyer position.

3. Reorganization/restructuring

a. Restructure and move Purchasing into Finance and Administrative Services, thereby providing an opportunity to gain key support services from the combined resources of the new, larger department.

b. Designate Purchasing director as director of Service Improvement.

4. Efficiency/effectiveness measures

a. Consider decentralizing the auction process/change ordinance to address staff reduction.

b. Increase bid threshold to $25,000 to reduce bids managed by department.

Information Technology

1. Sustainability

a. Sustainability is not in question based upon proposed reductions; however, restructuring (as noted) is recommended.

2. Alternative service delivery options

a. Offer IT services to other jurisdictions. Examine potential for providing GIS support to them.

b. Examine the option of interlocal (regional) collaboration.

3. Efficiency/effectiveness measures

a. Consider lease financing of computers and laptops.

Public Works (Administration and Support Services, Refuse and Recycling, Streets and Drains,

Water and Sewer, Fleet Maintenance) (page 29)

Administration and Support Services

1. Sustainability
   a. Sustainability is not in question based upon proposed reductions; however, restructuring (as noted) is recommended.
2. Alternative service delivery options
   a. Administration and Support will continue to be handled by existing staff, including the oversight and support of proposed reorganization and alternative delivery options recommended (below).
3. Reorganization/restructuring
   a. Restructure and transfer parks maintenance and building operations functions to Public Works to improve coordination and efficiency.
4. Efficiency/effectiveness measures
   a. Review contract maintenance specifications for service delivery monitoring (quality and customer service) with penalties for non-compliance or possible bonuses for exceptional performance.
   b. Develop for all assigned assets inventory/condition formal report(s).
   c. Evaluate broad banding (both vertically and horizontally) of maintenance worker positions to allow increased productivity with the same or less personnel (this will require contract negotiation).
   d. Establish annual divisions or "business units" operational reviews to evaluate current performance and plans for the following year(s).
   e. Conduct periodic "business unit" benchmarking with other similar cities and "best-in-class" private sector companies.
   f. Develop a formal Public Works policies and procedures manual, in addition to existing administrative memos, especially as related to standards for maintenance operations.
   g. Continue to focus efforts on all energy savings and "green" efforts to decrease operational costs over the long term.
   h. Continue utilization of City Works GIS infrastructure management system. Explore utilization of hand-held devices for field work.

Streets and Drains

1. Sustainability
   a. Service delivery at current levels is not sustainable if Option 1 reductions are instituted.
2. Alternative service delivery options
   a. Conduct competitive contracting analysis to determine optimal level of in-house and outsourced service delivery.
3. Reorganization/restructuring
   a. Restructure and combine Park Maintenance with Streets and Drains.
   b. Evaluate the creation of a storm sewer utility.
   c. Retain five of ten positions scheduled for elimination-unless service levels are reduced.
4. Efficiency/effectiveness measures
   a. Develop enhanced coordination of efforts with the Park Maintenance Division if transferred to Public Works.
   b. Consider addition of front- or side-mounted wing plows (up to 25 percent increase in productivity) for large trucks and other possible equipment enhancements, to increase plowing efficiency.
   c. Consider the utilization of GPS tracking units on snowplow equipment to assist in maximizing the efficiency of plow routes.
   d. Accelerate the use of florescent induction or LED light change-outs on city-owned streetlights (savings of 50 percent or more electric use per light).

Refuse and Recycling

1. Sustainability
   a. Sustainability is not in question based upon Option 1 reductions.
2. Alternative service delivery options
   a. Continue as an outsourced service with regular cycle of review.
3. Reorganization/restructuring
   a. Complete the internal reorganization as planned.
   b. Train staff in competitive contracting and process improvement.

Water and Sewer

1. Sustainability
   a. Sustainability is not in question based upon proposed reductions.
2. Alternative service delivery options
   a. Consider outsourcing for peak workloads.

b. Evaluate feasibility of offering water and sewer maintenance services to other jurisdictions.

3. Reorganization/restructuring

a. Develop enhanced coordination plan with Park Maintenance and Streets and Drains if Park Maintenance is transferred to Public Works.

Fleet Maintenance

1. Sustainability

a. Sustainability is not in question based upon proposed reductions. Fleet maintenance is a model for insourcing and maximization of alternative service opportunities.

2. Alternative service delivery options

a. Continue to seek insourcing opportunities.

3. Reorganization/restructuring

a. Continued cycles of review for delivery efficiency and effectiveness.

4. Efficiency/effectiveness measures

a. Continue aggressive review of vehicle and equipment utilization for disposal and/or conversion to rental.

Parks and Recreation (Park Maintenance, Recreation) (page 32)

Maintenance

1. Sustainability

a. Service delivery at current levels is not sustainable if Option 1 reductions are instituted.

2. Alternative service delivery options

a. Conduct competitive contracting analysis to determine optimal level of in-house and outsourced service delivery.

3. Reorganization/restructuring

a. Restructure and combine with Streets and Drains.

b. Consider retention of one tree specialist to coordinate in-house and contracted service.

c. Retain one additional maintenance employee beyond Option 1 reductions for inspection, customer service and contract oversight duties.

4. Efficiency/effectiveness measures

a. Complete park system master plan.

b. Develop a formal assets inventory/condition ratings report.

c. Review contracted maintenance specifications for service delivery monitoring (quality and customer service), with penalty and bonus provisions.

d. Develop formal park maintenance policies and procedures, especially related to standards for maintenance operations.

e. Consider energy efficiency initiatives such as fluorescent induction or LED lighting (savings of 50 percent or more per light) where feasible, in coordination with building operations.

Recreation

1. Sustainability

a. Service delivery at current levels is not sustainable if Option 1 reductions are made.

2. Alternative service delivery options

a. Evaluate private and public-private options for delivering programs; conduct financial and policy analysis.

Building Operations (page 34)

1. Sustainability

a. Service delivery at current levels is sustainable if Option 1 reductions are made, but concerns exist.

2. Alternative service delivery options

a. Conduct competitive contracting analysis to determine optimal level of in-house and outsourced service delivery.

3. Reorganization/restructuring

a. Restructure and transfer this function to become a division of Public Works.

4. Efficiency/effectiveness measures

a. Continue and potentially accelerate energy savings initiatives (such as LED lighting conversions) and capital projects.

b. Develop formal building operations policies and procedures, especially related to standards of maintenance.

c. Develop a formal assets inventory/condition report.

Law Department (Page 34)

1. Sustainability

a. Service delivery at current levels is sustainable with Option 1 reductions, but concerns exist.

2. Alternative service delivery options

a. Evaluate private and public-private options for outsourcing, including all or part of the following functions:

   i. Prosecutions
   ii. Eminent domain cases
   iii. Collection cases.

b. Examine the option of interlocal (regional) collaboration.

c. Conduct analysis of outsourcing for peak workloads.

3. Reorganization/restructuring:

   a. Evaluate benefits of transferring some functions from the Clerk to the Law Department

      i. FOIA
      ii. Council Agenda and minutes
      iii. Ordinance and Resolution maintenance, including city code.

Benefits (post retirement health, pension; current salary, benefits) (Appendix E)

1. The city's efforts to manage and contain pension and post-retirement benefit costs reflect leading practice and position the city favorably for the future.
2. The City's pension benefits compare well nationally and to other Michigan jurisdictions.
3. The current salaries paid by the City are comparable to other cities, and recent efforts to manage costs have been more aggressive than efforts by other Michigan cities.
4. Current benefits are comparable to other cities reviewed.

SECTION II:

Enterprise-Wide Findings and Recommendations City of Troy, Michigan

Section II

Organizational Analysis

Enterprise-Wide Findings and Recommendations

The focus of this study is the staffing, operations and sustainability of specific departments and functions. However, it is impossible, if not imprudent, to conduct such a review without seeking a broad, general understanding of the organization. In addition, recommendations on staffing, alternative service delivery and restructuring must be placed in an enterprise-wide context to have meaning and to effectively describe the potential for successful implementation.

The review of the scope of current operations and the projected impact of proposed budget cuts yielded the following:

Findings

I. The 5-year plan proposed to address long-term revenue decline (Option 1) will make a number of key services unsustainable at current service levels.

The plan provides for a balanced budget relying on limited general fund reserves and no other new revenue. However, when it is fully implemented, departments such as Streets and Park Maintenance, Purchasing, City Clerk and Human Resources will not have adequate staffing to deliver service at current levels.

Evidence of unsustainable conditions is revealed in the staffing and resource comparisons developed for the department reviews. The services listed as unsustainable have staffing ratios and related conditions that do not meet standards for those services. Exacerbating this problem is the fact that the current organizational structure limits the staff's ability to adapt to the proposed changes.

The City has a traditional hierarchical structure that is typical of many organizations, and common to most cities. This "command and control" structure concentrates decision-making at the top, uses multiple levels of approval and is focused on ensuring that systems are controlled and in compliance. There is also a great deal of specialization, and dedication of resources to narrowly defined functions.

These situations are evident in Troy. There are a number of existing, free-standing small departments, such as Human Resources and City Clerk, that will shrink, as well as major services such as Public Works, which report through intermediate levels of formal structure.

Although hierarchical organizations achieve results, progressive organizations have increasingly moved toward flatter structures, coupled with grouping of similar functions, to eliminate duplication and provide greater opportunities for teaming, sharing resources and cross training. A flatter structure also enables the organization to increase spans of control and accelerate the speed of decision-making as self-managing teams replace "stove-piped" divisions that have limited resources and vertical, layered decision structures.

II. Most departments and functions are at or nearing the limit of their ability to "do more with less."

Like other Michigan communities dealing with the current financial crisis, the City has taken all of the traditional measures, including staff reductions, to cut costs. In addition, many of the services that cities typically privatize or outsource, such as building inspections and golf course management, have been converted. Most of the remaining departments have instituted new ways of doing business and have simply taken on additional work in order to maintain current services.

All of the current adaptation has been accomplished without benefit of new plans or procedures for coping with fewer resources. Without additional guidance and formalized plans for using resources differently, there will be virtually no chance to meet

the service expectations of the City Council and the community.

III. The City Council's prioritized outcomes and outputs provide general guidance to staff on the relative importance of services provided, but they do not provide enough information or specificity on the level of service to provide.

The Council's highest priority outcomes—enhancing the livability and safety of the community, adding value to properties through maintenance or upgrades of infrastructure, rebuilding for a healthy economy and the high priority outputs, such as maintaining police, fire, water and sewer services—are very general statements. At best, they can be used for broad allocations of resources, or for ranking the importance of one department compared to another. They are not suitable, however, for day-to-day guidance on the levels of acceptable or expected service delivery. In a time of dwindling resources, staff needs this type of specificity in order to make difficult choices and meet customer needs.

Best-in-class organizations, in both the public and the private sectors, have a detailed understanding of the expectations and needs of their customers, and they clearly articulate the means by which the organization will meet those needs. To accomplish this, they continually gather customer information and then establish metrics and accountability systems to monitor performance. This ensures that the staff responsible for delivering service is held accountable for performance, but also provides them the tools to adapt to changes in the environment.

IV. The proposed plan for addressing declining revenues balances the budget, but the decisions and the detailed implications have not been fully acknowledged or embraced by staff.

In addressing the current budget crisis, the City has taken bold, decisive action to balance the budget long term. While these actions may have of necessity been developed quickly by leadership, adapting effectively to the significant impacts of the decisions will require the skill and cooperation of the entire workforce.

Interviews with staff throughout the organization confirmed a general understanding of the long-term budget crisis, as well as management's efforts to educate and engage the employees. It appears however, that employees were not actively engaged in the development of the final solutions. Additionally, there appears to be some disbelief that the crisis will last, or that it will be as severe as forecasted. This lack of engagement and acceptance may create future problems, by inhibiting the innovation, creativity and ownership necessary to meet the challenges ahead with "home-grown" solutions.

V. The City does not have a long-term strategic plan and does not engage in formal business planning and performance measurement, which is necessary for setting clear priorities, allocating limited resources and monitoring service delivery.

The city has a three-year budget that serves as a general expression of service level and priorities. A multi-year financial plan is a leading edge practice, and provides an important tool for managing the City's resources. In addition, some departments have performance objectives and measures. However, use of objectives and measures are not universal, and they tend to be a reflection of year-to-year tracking of activity rather than a mechanism for monitoring the achievement of strategic outcomes or measuring service performance.

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The lack of a clear set of strategic objectives coupled with rigorous business planning leaves the organization without a "road map" to follow. This increases the chance for misunderstanding City Council intent and, by extension, misapplication of limited resources.

A strategic plan establishes a multi-year strategy for assessing the current operating environment and achieving desired outcomes. A business plan converts that multi-year strategy into an action plan and framework for resource allocation.

Recommended Actions

Based upon these findings, it is recommended that the City take the following actions. When coupled with the recommendations listed in the individual department reviews, these actions are intended to maximize the City's ability to maintain current levels of service during the ensuing budget reductions.

I. Restructure and consolidate functions to maximize sustainability and delivery of high priority services.

It is recommended that three primary restructuring actions take place to provide increased sharing of resources, cross-training and reduced levels of management. (Department reviews in the following section provide additional information and support for these recommendations.)

- **Consolidate maintenance functions and restructure Public Works**
  - Merge Park Maintenance with Street Maintenance
  - Merge Building Operations as a division of Public Works
  - Establish a direct reporting relationship between the director of Public Works and the City Manager.

These changes consolidate functions that complement each other and provide enhanced opportunities for sharing equipment, cross training and oversight of contracted services. In addition, it provides a direct reporting relationship between City Manager and the director of one of the largest and highest priority departments.

- **Restructure internal services to provide improved access and opportunities for shared resources.**
  - Consolidate the City Clerk and Human Resources with Finance and Administrative Services. Merge Risk Management with Human Resources.

These functions are currently small departments with single purpose staffing and responsibilities that will become unsustainable under Option 1. Finance and Administrative Services contains complementary functions and support positions that offer the potential to make up for some of the lost capacity. The consolidation of "back room" functions offers the opportunity for cross-functional teams and back-up support.

- **Redeploy the assistant city managers as department directors**
  - Redeploy the assistant city manager/Finance and Administrative Service to a position of full-time oversight of the Finance and Administrative department. The title would remain the same and would retain the responsibility to function as acting city manager when necessary.
  - Make assistant city manager/Economic Development Services the director of Economic and Community Development.

Both assistant city managers have direct oversight responsibilities today in the areas noted above. However, the restructuring of various departments noted in this report will modify their responsibilities and provide an opportunity for more direct engagement of these services. At a time of fewer resources, providing more direct oversight and eliminating a level of reporting will give all areas a better chance to increase capacity. (See Appendix _ for existing and proposed organization charts.)

II. Prioritize services, resize and rebalance the organization in line with the new revenue base

The long-term revenue picture has created a new base for the organization. Over a period of two to three years, the organization will experience increasing stress as it copes with large reductions in staff. In local governments that have successfully dealt with similar long-term structural decline, detailed plans for resizing and rebalancing services have been adopted by the governing board along with the financial measures. The following are the recommended actions that the City should undertake to rebalance the organization:

a. Conduct detailed service prioritization following leading practices, building upon the department information developed for this report.

b. Initiate strategic and business planning, setting clear outcomes, goals and a context for prioritization.

c. Establish performance metrics tied to service priorities, outcomes and goals.

d. Seek citizen and customer input on service levels to validate expectations and establish levels of performance.

The City Council, supported by staff, should establish a more detailed prioritization of services and create service level expectations. This process should begin immediately, using the source data contained in Appendices A and B. In conducting this study, ICMA worked with staff to develop detailed descriptions of core services, including staffing and resource

allocations, and to categorize each service as mandatory, essential or discretionary (Appendix A). In Appendix B, detailed budget impact analyses by function describe the impacts of proposed reductions on service delivery, categorized by short- and long-term effects.

The leading example of service prioritization comes from the seminal book *The Price of Government*, by David Osbourne and Peter Hutchinson, which describes the process of "Budgeting for Outcomes" – linking service prioritization to the budget. More recently, this concept was enhanced and expanded into an approach called "Priority Based Budgeting." This was featured in an April 2010 Government Finance Officers Association (GFOA) publication entitled "Anatomy of a Priority Based Budgeting Process." It is included in Appendix H for reference.

Two of the GFOA authors are currently using this method throughout the country under the title of "Fiscal Health and Wellness." An outline of their process, including sample charts is also included in Appendix H.

As described previously, strategic and business planning provides the framework and action plans for organizational performance. The leading example nationally of strategic and business planning is the City of Coral Springs, Florida. Coral Springs is the only local government in the country to win the prestigious Malcolm Baldrige Quality Award for Performance Excellence. For more than 15 years, Coral Springs has practiced strategic and business planning and has successfully weathered the numerous financial crises that have occurred in Florida. See Appendix H for a link to a description of their process, including all their key documents.

Other notable examples of leading-edge practice in cities of similar size to Troy are Vancouver, WA; Westminster, CO; Sandy Springs, GA; and Carrollton, TX.

The City of Sandy Springs is notable, because it is a "new" city, chartered in 2005 at a population of 80,000. Given the opportunity to start from scratch, the City designed a set of services that are performed largely by private companies. CH2M Hill, the private consulting firm hired to work with the City, developed a set of detailed performance metrics as part of its implementation process, including a dashboard for easy use by Council, staff and the community (se Appendix H).

Vancouver, WA, has a well established and comprehensive approach to business planning linked to strategic objectives and supported by detailed performance metrics. The link in Appendix H provides a detailed description o ftheir process along with examples of their business plans, performance report and strategic plan.

Other examples, including links to business plans, performance measures and reports to citizens are also contained in Appendix H.

III. Create a culture of continuous service improvement—expand current privatization and hybrid efforts.

The City has an enviable track record of outsourcing, insourcing and privatization. The prioritization review process that has been developed is sound and many current staff have experience using it. Based upon this experience, it is recommended that the City take quick and aggressive action:

- **a.** Build on previous efforts–initiate cycles of continuous review (all departments)
- **b.** Establish service optimization and competitive assessments as standard operating approach
- **c.** Designate a director of Service Improvement to lead the effort
- **d.** Train staff in continuous service review and competitive contracting techniques
- **e.** Develop performance metrics related to desired outcomes.

Doing business in a new way has already taken root in the organization. Numerous innovative and entrepreneurial approaches, from Fleet Services' insourcing to the hybrid Engineering Department, are evidence that traditional business models can be modified successfully. In order to take full advantage of this environment, it is recommended that the City commit formally to establishing continuous service improvement and optimization as standard operating procedure.

While this means that every employee will eventually need to understand and adopt this as a way of working, it is important to plan for and lead the cultural shift that will take place. For that reason, it is recommended that a director of Service Improvement be designated from among the current staff. Given past experience, it seems appropriate for the Purchasing director to be that designee.

The goal of this recommendation is to move the orga-

nization from a traditional monopoly perspective to one in which the organization engages in continuous cycles of review. This means that the organization is regularly testing whether an individual service is "competitive." This determination is not exclusively based on competitively bidding the service, but that would be part of the review process. The system demands that each department manager continually evaluate and monitor effectiveness.

As mentioned previously, the City of Sandy Springs has a track record of detailed evaluation of service provision. Examples of their work and links to their products are contained in Appendix H.

Another new city of similar size to Troy—Centennial, CO, also formed within the last ten years—offers some guidance as well. Centennial's service delivery is a mix of public, private and interlocal cooperation, with the majority of services delivered by private companies. Of further interest is the fact that Safe-Built, Troy's building inspection contractor, performs the same functions for Centennial.

Perhaps the most complete example of a community that has embraced this approach is the City of Carrollton, TX. Over the past ten years, Carrollton has systematically moved its organization toward service optimization as a way of doing business. A summary of their ten-year journey that highlights their philosophy and accomplishments is listed in Appendix H.

IV. Initiate a focused and prioritized process improvement program

For most private sector organizations, the key to their profitability is continuously improving core processes and removing wastes like duplication of effort, downtime and non-value added steps . For that reason, process improvement is more common in that sector, particularly in leading edge companies.

According to W. Edwards Deming, the preeminent expert on organizational performance, as much as 93 percent of an organization's problems can be traced to faulty processes. Unfortunately, the lack of a profit motive and a general lack of experience with process improvement have meant that local governments have been slow to embrace this practice.

A number of communities, however, have had success with process improvement and offer the City of Troy an example from which to learn. The earliest adopter of process improvement was the City of Ft. Wayne, IN. Under previous Mayor Graham Richard, a business executive with experience in quality improvement techniques, the City embraced a Lean-Six Sigma approach to service delivery.

By subjecting the organization to continuous, focused process reviews, the City has improved many services, expanded capacity and reduced cost. An example of the results and links to their process is included in Appendix H.

In addition to Ft. Wayne, the cities of Coral Springs, Vancouver, WA, and Carrollton, TX, all engage in continuous focused process improvement as part of their ongoing cycles of review. In simple form, the total quality improvement technique of Plan, Do, Check, Act (PDCA), is a part of best-in-class local government practice.

Because staff capacity will be at a premium as the organization rebalances over the next three years, it is recommended that the City take the following steps:

a. Establish a formal process improvement program
b. Integrate process improvement into continuous cycles of service review and strategic planning
c. Train all employees on process improvement techniques

Department Review and Analysis

The following section contains the summary analysis of departments studied by ICMA and describes the project methodology, along with specific findings and recommendations, listed by department and function.

In every case, in addition to the specific recommendations unique to each department, the following actions have been recommended for all departments in line with the enterprise-wide recommendations above:

- **Establish performance metrics to enable comparison with similar public and private organizations**
- **Expand budget impact analyses in support of Council prioritization efforts**
- **Train staff in process improvement and competitive contracting techniques**
- **Conduct regular customer/citizen surveys**

Methodology

ICMA employed a multi-phase approach to the review of department staffing and operations, as detailed below. The ICMA team developed a methodology to acquire baseline information, which produced a Core Services Analysis Matrix for each department; the team then used the matrices as the basis for interviews with key department staff. (The matrices are provided in Appendix A.) Both the matrices and interviews informed ICMA's understanding of the City's operations and its recommendations.

Process

The ICMA core services data gathering process included the following steps:

1. Identify all departmental functions and activities.

   The matrix provided data from FY2010/11 Budget Functional Organization Chart. Department staff was asked to list all major areas of work accomplished by their department and identify functions performed by each unit.

2. Determine why the function is performed.

   Departments analyzed each function through a variety of lenses. Is it required or mandated by state or federal requirements? Is it required to assure that critical outputs are accomplished? Is it required to assure accountability within the system? Which functions help ensure that the department will provide timely, high quality and least cost services or goods to accomplish the mission?

Staff classified the functions and activities according to six guidelines:

CLASSIFICATION	ACTIVITIES
Mandated (M)	Required by federal or state law or contractual agreement
Essential (E)	Basic function of government (service level determined by City Council)
Discretionary (D)	Service, program or activity established based on City Council direction
Administrative (A)	Department directors and administrative aides
Revenue Supported (RS)	Services completely funded from dedicated revenue sources (i.e., utilities)
Non-Program/Other Adjustments (O)	Services that are not direct; i.e. insurance costs, charges from internal service funds

3. Determine which functions/activities are "core functions" related directly to the City or department mission.

   Departments ranked the identified functions according to whether they are core to the City's operation. A core service was identified as one that should be supported by "core" sustainable revenues. However, a non- or partial core function or service may be highly valued and contribute significantly to quality of life. Core functions or services are directly related to the department's mission or City's Priority Outcomes.

4. Define and quantify each of the activities (indicate what resources (staffing) are required to produce each output).

   Staff identified the approximate human resources (FTEs) required to provide the service or function and estimated the approximate cost of the FTE allocation.

5. Group functions by outputs (what goods or benefits are provided).

   ICMA provided outputs from the FY2010/11 Budget and asked the departments to add or delete as needed. Department staff also indicated the outcomes or the results expected from the service, activity or function.

6. Identify who benefits and how from each function/activity.

   Departments identified who benefits from the activity or service provided.

7. Determine whether the function/activity needs to be done and what the consequence(s) is of no longer performing the function.

   Can the service be eliminated or reduced? Can it be provided in a different way?

8. Determine whether the function/activity could be done better/less expensively by the private sector or another government entity.

   Are there alternate service delivery options? Can it be outsourced to another government or to the private sector?

9. Determine the consequences of no longer providing the service, outsourcing, cutting or reducing it.

   What would be the consequences of providing the service or function differently or of eliminating it? Can the highest priority outcomes be accomplished without performing these activities? If not, can they be performed more efficiently or effectively by other providers (privatized or under contract to another government entity)? Can the core functions be improved? Provided more efficiently? What are the short and long-term effects of no longer providing the service(s)?

The ICMA team visited Troy in October and met with the City Manager, his staff and department management staff, and held two meetings open to all staff. The team asked follow-up questions about the core

services matrix as well as questions about operations and management of each of the areas under study.

Troy staff was also asked to complete a Service Impact Analysis (Appendix B). These analyses yielded a matrix that provided information on the program activities and services proposed for reduction in the Five Year Budget Plan (Option 1). Departments were asked to indicate the FTE reduction as well as the service impacts of the reductions. They were asked to provide a specific description of the actual service level change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1 (e.g., modifying the delivery, reducing hours, eliminating service, adjusting the quality of service). If there was a difference, they were requested to explain both the short-term effects (how they plan to manage over one fiscal year, what changes will be required to make the reduction) and the long-term impacts to customers (how the program or activity will be permanently changed, reduced or eliminated).

The next step was a review and evaluation of Troy's staffing in relation to core services, functions and outputs. The ICMA team, including ICMA's Center for Performance Measurement (CPM) gathered comparison data for cities comparable to Troy both within Michigan and across the country. In addition to Troy, the jurisdictions are: Woodbury, MN; Westminster, CO; Royal Oak, MI; Farmington Hills, MI; Southfield, MI; Sterling Heights, MI; Bloomington, MN; and West Des Moines, IA. Five jurisdictions were chosen because they are Michigan cities comparable to Troy (self-selected). The remaining jurisdictions are from northern (snow) cities with similar selected demographics, including:

- **50-100,000 population**
- **Suburban**
- **Northern climate**
- **High property wealth/capita**
- **High income/capita**
- **AAA bond rating**
- **High/moderately high growth (formerly)**

The ICMA team then investigated opportunities and options for restructuring and elimination, as well as alternative delivery methods for each department studied. Alternative service delivery options included:

- **Outsourcing – including Public-Private Partnership**
- **Privatization**
- **Competitive Contracting (managed competition)**
  - Intergovernmental/interlocal agreements
  - Consolidation of functions with other jurisdictions (collaboration)
  - Contracting for services with other local governments
  - Providing services to other jurisdictions (insourcing)

A description of alternative delivery methods, their advantages and limitations are provided in Appendix G.

An important component of the study is an analysis of the departments to determine whether operations and services can be maintained over time at the level required to meet the City Council's desired outcomes. ICMA has provided an opinion regarding the City's ability to maintain desired service levels functions and Council-ranked priorities with proposed reductions over the five-year projection period. ICMA depended upon its analysis of core services, anticipated impacts of the Option 1 staff reductions, interviews, comparables and professional judgment to develop its opinions on sustainability of these functions.

This analysis was limited, however, by the fact that the service level priorities of the City Council are very general and do not specify acceptable service delivery at a functional level. The lack of specificity necessitated reliance upon interviews, observations, professional judgment and the core service analyses provided. The expressed Council priority outputs as contained in the budget are:

- **Continue police and fire functions**
- **Continue water and sewer service**
- **Develop and implement a six-year capital improvements plan based on the City Council's priorities.**

This list of falls short in specifying budgetary resource allocations or direction regarding what level of service is acceptable.

The ICMA team developed a summary for each department based on review of the Core Services Matrix, interviews, the Service Impact Plan, the

staffing review and options for alternative delivery options.

Department Review

Core Services (Current and Projected)

As indicated above, ICMA developed a matrix to solicit information on current core services. Overall, the ICMA team noted significant variability in the matrix responses. This is due at least in part to the differences between operational and support departments and, in part, to the lack of clarity regarding core services in some areas. Given time and resource constraints, information was accepted as provided. The ICMA team notes that acceptable service levels for each core function is not identified. Based on our review, the team recommends that the Council and staff work together to determine acceptable service levels in each area.

ICMA also requested that department staff complete a Budget Impact Analysis spreadsheet detailing the anticipated effects of the Five Year Budget Plan on their departments. The ICMA team reviewed the two matrices (Appendices A and B) and interviewed relevant staff to analyze each department's current and projected core services.

Sustainability

Determination regarding the sustainability of the City's operations over the five-year planning period is a critical component of this project. ICMA has reviewed and analyzed the specified departments to determine whether operations and services can be maintained over time at the level required to meet the City Council's desired outcomes. The team has also looked at the long-term impact of the current salary and benefit package offered to City employees.

A critical component of the sustainability is a clear understanding of what level(s) of service are acceptable to the community, as reflected in the City Council's desired outcomes and articulated priorities. As noted previously, the "Outputs Ranked for Priority Funding" (p. 15 of the FY2010/11 Adopted Budget) are not sufficient as measures of sustainability. Additionally, the community has not been engaged regarding acceptable service levels. Given the lack of acceptable service levels, ICMA has assumed current service levels to be acceptable and will use them as the basis of our recommendations.

In addition to understanding acceptable service levels, determination of sustainability seeks to answer the question of whether over the long term the budget reduction decisions deplete or permanently damage the City's resources. The resources considered are the health and performance of financial assets, the condition of infrastructure and the long-term productivity and quality of human resources.

The Alternative Service Delivery section below contains recommendations to address the sustainability of these functions through process improvements, restructuring outsourcing and collaboration.

Analysis

Fire Department

A detailed review of the Fire Department was conducted by ICMA's Center for Public Safety Management and is contained in Appendix C. A summary of the report's findings and recommendations follows.

Core Services

The Troy Fire Department provides fire protection, rescue, and hazard mitigation services to the City of Troy. The department is a combination department of 10 sworn and one civilian career employees supporting 180 volunteers from six stations strategically placed throughout the community. Staff are trained in accordance with Michigan guidelines promulgated from the Office of Fire Fighter Training (OFFT) within the Department of Energy, Labor, and Economic Growth. Each station is under the supervision of a volunteer chief who receives day-to-day support from the full-time employees. Prevention and education as well as inspection and plan review is handled by the full-time employees. Plan review is limited to areas affecting the fire department such as sprinkler system and code conformance.

One full-time position has not been filled and the department has proposed to further reduce prevention and education staff to deal with financial constraints.

The three-year budget plan projected reductions in the following areas:

- Pump testing, hose testing, and equipment maintenance resulting in a loss of 0.5 FTE
- Eliminating the juvenile fire setter program resulting in a loss of 1 FTE
- Reducing training to volunteer firefighters resulting in a loss of 0.5 FTE

- **Eliminate support for a fire academy resulting in a loss of 1 FTE**
- **Reducing a support personnel position from 1 FTE to 0.5 FTE**
- **Eliminating the Knox Box and Emergency Contacts update process resulting in loss of 0.5 FTE**
- **Reducing staff by 17 percent in fire prevention for fire inspections and code enforcement resulting in a loss of 1 FTE.**

Sustainability

While the reductions proposed in the three year plan may not affect the department initially, beyond increasing the workload among remaining employees, it will negatively impact the city in the future and may result in increased costs. Studies throughout the United Kingdom and Europe have shown (and been proven by the experiences of Hurricane Katrina) that prevention is the most cost-effective way to provide cost avoidance in the future. Once a fire occurs, the outcome is relatively predictable with loss to property, loss to the environment and potential of injury and loss of life. Even calls for service are relatively predictable in communities like Troy; so much so that predictive models have been created to position units in a mobile mode versus at fixed bases.

Troy Fire Department already utilizes the most efficient deployment methodology with volunteers who do not receive compensation. Were the city to employee each volunteer at an average cost of $75,000, it would be spending an additional $13,500,000 which is in the range found in other cities studied by ICMA. The career members support the volunteers and are critical to the continued success of the department. The prevention and education programs are critical to reducing or eliminating hazards in the future, thereby preventing calls for service and ensuring a high quality of life as well as low insurance costs.

The department is not now able to inspect all of the commercial properties each year; further reductions in staffing will exacerbate this problem and likely increase risks to people and property.

Alternative Service Delivery Options

The Troy Fire Department is already using the least costly alternative staffing model by which service is provided. The surrounding cities are facing substantial reductions in the area of fire department staffing but utilize all-career models. It is unlikely they would deliver service to Troy at a lower price than $0 (in addition to a nominal contribution for a retirement program).

It is also unlikely they will contract with Troy to provide the service because of conflicts that would develop with layoffs of union personnel and replacement with volunteers. The question that cannot be easily answered is if volunteers would even step forward in those communities at the same level enjoyed by Troy.

Reorganization/Restructuring

1. The City should use a three-tier command structure versus the current structure. By limiting the number of Lieutenants and creating additional "Technicians," the city can employ 1.75 under the proposed as to that now existing. This would create a greater bench from which strength could be delivered, particularly to inspections and prevention. It would also create a step process for promotion from volunteer to career that is not as great as that now existing.

   ICMA recommends keeping the Assistant Chief Position to act in place of the Fire Chief who faces considerable demands operating a large, volunteer department in a dynamic community. It also affords the city the opportunity for succession planning.

Efficiency/Effectiveness Measures

1. All Officers of the volunteers should be appointed, not elected. This avoids the possibility of chief officers becoming popularity contestants and instead promotes based on established credentials.
2. The incentive program for volunteers should be amended to preclude lump sum payouts, which have swelled the annual contributions required from the city. The cost of this program is less than what the average fire department pays "volunteers" but by allowing lump sums, the fund requires larger yearly payments to remain solvent.

City Manager's Office

Core Services

The City Manager Office (CMO) provides central management control of City operations, including traditional department oversight, coordination with the City Council, budget management and pension administration. In addition to the previously established CMO functions, the Troy CMO has been restructured to accommodate recent organizational changes; specifically, elimination of the Economic Development and Community Affairs departments. This revised organizational structure focused primarily on retaining core elements of these essential

functions that were affected by budget reductions and had previously been supported by additional administrative resources. The FY2011 Budget saw a reduction of five FTEs and five part-time employees.

Although additional staff reductions are not anticipated in the Five Year Budget Plan (Option 1), decreases in service level can be expected. ICMA noted concerns about the impact of the reductions on service levels in economic development, real estate development and community affairs. ICMA is concerned about the long-term consequences of the recent restructuring of the City Manager's Office.

Sustainability

ICMA is concerned about the sustainability and optimization of services currently provided through the City Manager's Office. With the recent restructuring of the CMO, the consolidation of major operational functions (Finance and Administration and Economic Development) may not be optimal in terms of productivity and efficiency. With limited staff and resources, the functions provided by the assistant city manager/Finance and Administration and the assistant city manager/Economic Development Services would be more effectively deployed in their respective departments.

Current estimates indicate approximately 35 percent office building vacancy and 40 percent industrial vacancy. This vacancy rate is a significant threat to the city tax base. The longer these buildings remain vacant, the more likely property values will decline. Troy is currently positioned to effectively compete for businesses to lease and purchase these vacant properties; however, competition for business development will be intense. Communities that actively engage in business retention, attraction, development and redevelopment are more likely to achieve development goals than those that do not. Maintaining and nurturing relationships with existing businesses and developers to understand and respond to needs and opportunities is critical to future development success. Current staffing levels will not support sustained economic development activity.

Some of Troy's larger commercial developments will likely require redevelopment to restore full use (and tax value). Redevelopment typically requires significantly more effort and support than "greenfield" development due to the higher land basis and costs and need to fit into established infrastructure and development. Current staffing levels do not support significant redevelopment activity.

Community concerns about loss of services and service levels will place more emphasis on providing the City Council high quality information for public policy decisions. Public communication regarding changes to services and service levels will increase demands on CMO staff. Communicating the value and function of government to key stakeholder groups is essential for meaningful public engagement. Staffing levels for this function would typically require at least one full-time position.

Recommendations

Alternative Service Delivery Options

1. Economic Development functions and Community Affairs are potential candidates for outsourcing, with either private or public sector options available.
2. Public sector options for Economic Development functions and Community Affairs would include either working with an existing government agency (state, county or city) or establishing a new joint powers organization. The advantages include the potential for a more regional focus combined with the aggregation of resources to create higher-level marketing tools. However, this advantage would need to be evaluated against the loss of focus on Troy-specific development and potential competition with other member communities. Additionally, some core elements of each of these functions would need to be retained. Those elements would include staff to interact with the contracting organizations and to identify and coordinate key outcomes.
3. Private sector options for outsourcing the Economic Development functions and Community Affairs are not readily available but could be developed. Potential sources include marketing, real estate development and research firms. Conflict of interest and a vendor's understanding of government legal structures and systems would need to be carefully evaluated. Again, there would be a need for staff coordination. This coordination would be similar to that described for public sector outsourcing.

Reorganization/Restructuring

1. Redeploying the assistant city manager/Finance and Administration as the chief financial officer or director of Finance and Administrative Services (retaining the title of assistant city manager/director of Finance and Administrative Services) and the assistant manager/Economic Development Services as the director of Economic and Community Development has the potential to reduce a layer of supervision, make reporting and communication lines more direct and transparent and provide opportunities for further staff reductions through attrition over the long term.

City Clerk's Office

Core Services

Basic mandated Clerk duties proscribed by state law and city charter include record keeping and election management. These duties are wide ranging, critical functions of local government and require accuracy and timeliness. This office has traditionally performed other functions not mandated by charter or statutes. These services are typical to other cities and are generally complimentary but could be eliminated or provided by other departments, other government agencies (county or other cities) or eliminated. These additional services, which have been provided as public convenience and as net revenue generators (incremental expense offset by revenues), include:

- **Maintaining official city records, agenda preparation and distribution, compliance with open meetings, elections, etc. Agenda preparation and distribution, while a subset of records management, is an essential functional element of mandated services.**
- **Convenience services, including management of vital records (birth and death), cemetery records, passport, notary services and licensing. These services are not mandated City functions and could be transferred or eliminated. They are provided on the premise that they are net revenue generators for the City.**

The FY 2010/11 budget reduced staffing by one office assistant I. This position was vacant during the prior fiscal year and the workload impacts had already been accommodated, primarily by improved operational efficiencies. The Five Year Budget Plan (Option 1) includes elimination of two full-time and two part-time employees and furloughs, reflecting a net savings of approximately $175,000 from a budget of $510,433 (about 34 percent).

Sustainability

It appears unlikely that the department will be able to support core functions required by state law and city charter with reductions of two full-time and two part-time employees, primarily because elections require peak staffing of trained employees. There is potential for cross-functional collaboration between departments that will reduce negative impacts of staffing reductions. One example is revenue collection. Reductions in staffing levels may have a negative net revenue impact because of inability to staff some revenue generating activities (passports, licensing). The Clerk indicates that no formal process improvement or processing mapping activities have been undertaken. The Clerk did provide examples of changes to processes and systems to improve efficiencies within this department.

The Clerk reports a high level of cross-training for staff to improve performance on time-sensitive functions (i.e., elections). The core functions of this department are typically not available from private sector markets and therefore are not prime candidates for private sector outsourcing.

Recommendations

Alternative Service Delivery Options

1. Evaluate offering/receiving Clerk functions to/from other cities and townships; e.g., election judge training.

Reorganization/Restructuring

1. Restructure and move the Clerk into Finance and Administrative Services, gaining key support services from the combined department.
2. The City should identify potential cross-functional collaboration to improve efficiencies and customer service levels (examples include revenue collections, agenda preparation and elections).
3. Consideration should be given to changes in function affecting Clerk activities. For example, boards and commissions require Clerk activities in selection, training, open meetings, records, etc. Eliminating non-essential boards or commissions that are no longer core functions would reduce Clerk workload.

Efficiency/Effectiveness Measures

1. Determine the feasibility of pursuing initiatives to change state law and charter mandates related to core functions of this department. Examples include county or state election control and reduced reporting requirements. Customer (internal and external) service feedback systems should be reinforced, including the use of focus groups and customer service cards and systems.
2. Establish performance metrics to enable comparison to other similar departments.
3. Finalize budget impact analysis – review by senior staff and City Council.
4. Train staff in competitive contracting and process improvement.

Human Resources

Core Services

Human Resources fulfills four primary functions,

including employee selection and recruitment, labor contract negotiation and administration, general labor management (compliance with federal and state labor laws) and employee system management (employee records, evaluations, classification and pay plans). The department is responsible for the administration of six labor contracts and approximately 467 employees.

The functions performed by this department reflect baseline functions seen in other public and private sector HR departments. The department is not staffed to provide higher-level training, on-boarding and support functions that frequently exist in other public and private sector HR departments.

The FY 2011 budget reduced staffing levels by one position. This position had been shared between recruitment and labor contract negotiation and administration. Some labor functions performed by this position have been contracted to an outside law firm. Future proposed budget changes include reduction from four to two full-time employees and elimination of one part-time employee.

Sustainability

The proposed budget reductions will eliminate core functions needed for normal HR functions within a collective bargaining environment. Continuing HR services at current levels will not be sustainable. The number of bargaining units directly determines staffing requirements for this department -- that number increased from five to six this past year. Increased interest in the formation of organized labor groups should be anticipated.

Employee benefits management is currently provided by the Finance Department (Risk Management), requiring additional coordination. Current staffing levels appear to be average to low when compared to other similar organizations. Use of outside legal counsel to assist with labor negotiations has replaced staff previously assigned to this task. Additional reductions will eliminate staff support needed to research and document contract preparation and negotiation issues. Reduced employee levels over the long term will decrease the number of recruitments. However, based on the experience of other private and public sector organizations, the number of applicants for open positions will likely increase.

Recommendations

Alternative Service Delivery Options

1. Core HR functions can be outsourced to private or public sector organizations. However, either option would require on-site coordination that would minimize savings based on the current level of services.

Reorganization/Restructuring

1. Restructure and move Human Resources into Finance and Administrative Services, gaining key support services from the combined department.
2. Restructure and move Risk Management into Human Resources to consolidate benefits coordination and provide additional support
3. Evaluate the cost and risks of decentralizing employee recruitment and selection. Decentralizing may reduce some direct HR costs but general oversight to assure compliance with state and federal laws and best practices will still be required.

Efficiency/Effectiveness Measures

1. The city should evaluate potential for multi-year labor agreements. The advantages of reduced staff time devoted to negotiations will have to be weighed against the value and risks of longer-term contracts.
2. Future budget reductions should reflect net expenditure targets and permit flexibility in positions that are reduced or eliminated.
3. Performance metrics for core functions should be prepared and compared with private and public sector organizations.

Finance and Administration (Accounting, Risk Management, Treasurer's Office, Assessor's Office, Purchasing, Information Technology)

Core Services

Generally, the offices and departments constituting Finance and Administration indicate that the services they provide are largely mandated (by state or federal law) or essential, basic functions of government. Although the City Council has not explicitly defined acceptable service levels for these functions, it is fair to say that they are required to maintain the City's operations.

With few exceptions, these offices manage within the constraints of the reductions in the FY2010/11 Budget. They have cross-trained staff, co-located some services and are using technology (especially New World software) to compensate for losses in personnel. They note, however, that their ability to sustain

the current service levels has not been fully tested, such as during tax season or other times of heavy customer demand. They perform only required tasks and functions, not "nice to do" services. There is concern that current service levels cannot be maintained over time, especially given furloughs. These are small offices with little redundancy in terms of position functions. The Assessor indicates that City revenue will be lost due to fewer audits.

Most of the Finance and Administration offices are not slated for additional reductions in the Five Year Budget Plan. The exception is the Purchasing Department, which anticipates the reduction of another professional position, bringing the total department to 1.5 FTEs (the director and a part-time clerical position). With this reduction, there would be a drop in service. The auction function could no longer be maintained centrally and it would take longer to process solicitations, bids and purchases.

ICMA also notes concerns about the organization of the Finance, Accounting and Treasurer's offices. Both the location of Risk Management and the risk manager position functions are areas of concerns as well.

Sustainability

The Council does not include any of the "back office" or support functions in its ranked priorities. However, these operations include a range of processes that are necessary for an organization to function and serve its customers, vendors and employees. Each of these processes represents a cost to the city but also affects the ability of frontline departments to operate and deliver customer service and satisfaction.

The ICMA team identified areas of concern in terms of sustainability in the Finance and Administration Department:

- **With so few employees providing all financial, budgeting, cash management monitoring and procurement functions, it is essential that processes be clear, transparent and efficient.**
- **The staff reductions in all of the "back office" departments (Finance, Clerk and HR) present the risk that these essential support functions will be significantly impaired and therefore not sustainable.**
- **Service levels may be reduced for external customers (residents, vendors) in terms of processing tax and utility collections and payments, invoicing and paying bills.**
- **Essential internal support functions such as financial reporting, monitoring and auditing, purchasing goods and disposing of surplus equipment will likely be diminished as well.**
- **Eventually, the sustainability of the City will be compromised if revenues are foregone and/or mandated financial functions are not executed.**
- **Efforts that eliminate the number of supervisors, increase the amount of work on direct services and/or increase the number of hands-on operational personnel in the "back office" functions will increase the probability of continued sustainability.**

ICMA believes that the risk management function should be restructured to support Human Resources and that the two functions should be located within the larger Finance and Administrative Services Department. ICMA reviewed several different models, including the placement of the risk management function in the Purchasing Department and in the City Attorney's Office. The team concluded that this function should be in the Human Resources department, given HR's need for additional staff and the fact that a significant portion of the risk manager's time is spent on the coordination of employee and retiree health care benefits and insurance and the worker's compensation insurance program. This configuration has the added advantage of providing redundancy for these important functions.

The City's insurance broker is currently the agent of information and could also serve as the agent of record, thus reducing the amount of time the risk manager spends on insurance activities. The City should evaluate the costs of such a change. Additionally, the city is in the process of reducing the number of insurance plans available, which should have a similar effect. Upon review of this restructuring, the City may also choose to move coordination of liability insurance programs to another office, such as Financial Services or the City Attorney's Office.

The Purchasing Department will be reduced to 1.5 FTEs. It is not sustainable at this level unless services are reduced and their workload reorganized. Purchasing activities are required by charter and code, but with fewer buyers and more demand, service to departments will suffer as response times will be longer. The time value of procurement would diminish, as the average number of days from bid request to award would increase from 60 to 75-90 days. Currently, surplus property is auctioned each month (by ordinance) by the Purchasing Office. Without the auctions there will be no viable method

to dispose of surplus property and storage will become an issue for departments. To provide the services proscribed by current state and local code will require additional staff, which may be provided through a number of alternatives suggested below.

The Assessor's Office lost two appraiser positions in the 2010/11 budget. Additional reductions are not expected in the out years of the Option 1 proposal. ICMA found that the assessing functions are sustainable; however, they may be understaffed if the economic downturn results in significantly more appeals and requests for review. Additionally, the city assessor believes that the net impact of the 2010/11 cuts will be the annual loss of $80,000 to $90,000 to the City, with additional losses ($240K - $270K) to all taxing authorities due to their inability to conduct 60 audits (usually conducted by appraisers in the summer months).

The city previously investigated and priced contracting with Oakland County to provide assessing services. They found that it would be significantly more expensive ($21.21 per parcel for Troy Assessor's Office vs. $48.77 for the County's Assessing Office). Additionally, the assessor believes that Oakland County does not have experience in providing assessment services to large entities and did not include the cost of the appeals process and many other items in its bid

The issue of revenues foregone due to fewer personal property audits by the Assessor's Office should be monitored and analyzed. There may be process improvements that could achieve the same number of audits and result in revenue increases to the City and to other jurisdictions dependent on the personal property assessments.

The IT Department will likely be able to sustain current operations and service levels over the five-year planning period; however, ICMA identified options (below) that could increase productivity and/or allow for increased service levels within the projected resource commitment. Based on the ICMA analysis, Troy's IT department operates effectively and has contributed significantly to city-wide process improvement efforts and efficiency enhancements.

Recommendations

Finance and Administration (Overall)

Alternative Service Delivery Options

1. Outsource pension fund investment and administration. The assistant city manager spends approximately 20 percent of his time administering the pension system. The City is reimbursed approximately $25,000 for these services. Although, the assistant will spend less time on this as more employees move to defined contribution plans, outsourcing this function will free his time now so he can perform other CFO functions as recommended above.

Reorganization/Restructuring

1. Designate, and formally acknowledge the current assistant city manager/Finance and Administrative Services as the City's chief financial officer and department head of Finance and Administrative Services. The assistant city manager is currently responsible for budget development, pension administration and investments, and oversees all other finance and administration functions. Moving the assistant manager into a more direct oversight role provides valuable hands-on support to this function, and if the pensions fund investment activities are outsourced, more time will be available for increased involvement.

   This will also enable the assistant city manager/director to evaluate the appropriate levels of supervision and support required in the department. As an initial action, ICMA recommends that the Treasurer be reassigned to report directly to the ACM/director of Finance and Administrative Services. This will enhance internal controls by segregating important financial responsibilities.

2. Investigate restructuring the Finance and Administration and City Clerk functions. This is an area where there are opportunities to provide mutual support of related functions. Additionally, the current service levels provided by certain groups (particularly Purchasing and City Clerk's Office) are not sustainable over the five-year planning period. ICMA recommends restructuring by combining these offices, and evaluating the types and levels of supervision needed, including, if appropriate, the strategic addition of lower level professional positions (accountants, analysts, buyers).

Risk Management

Alternative Service Delivery Options

1. Investigate alternative arrangements to provide risk management services to include the following possibilities:

   a. Provide risk management services and safety training to other jurisdictions.

b. Contract with a private provider or another jurisdiction for safety training.

c. Contract with a private provider to provide safety training two or three times a year.

d. Evaluate the possibility of using existing expertise -- e.g., public safety -- to provide selected safety training.

Reorganization/Restructuring

1. Reorganize to incorporate the risk management functions into Human Resources. With current staffing, HR is not sustainable; if the risk manager position was shifted to the HR Department, the potential exists for that position to provide other HR services.

Efficiency/Effectiveness Measures

1. Investigate making the City's insurance broker the "agent of record"; analyze the effect on insurance rates and reduction of risk manager's time.
2. Develop a plan to reduce the number of insurance plans from 30 to three so they require less time to administer.
3. Use performance metrics to enable comparison to other public and private risk management departments.
4. Conduct regular customer service satisfaction surveys.
5. Finalize budget impact analysis – review by senior staff and City Council.
6. Train staff in competitive contracting and process improvement.

Accounting and Treasurer's Office

Reorganization/Restructuring

1. Evaluate moving some purchasing functions to Accounting.
2. Designate Treasurer as a direct report to the assistant city manager/director of Finance and Administration.

Efficiency/Effectiveness Measures

1. Evaluate closing the Treasurer's Office and Assessing Office early or opening them late to allow staff to do back office functions, and demonstrate the effect of staff reductions. Consider closing City Hall one day per week or twice a month.
2. Consider co-locating the Treasurer's Office and Accounting Office (possibly with the Assessor's Office). This may provide opportunities for reduced clerical positions and improved processing.
3. Investigate purchase of additional cash registers for Treasurer's/Assessor's offices. Conduct financial analysis. There is only one cash register in the Treasurer's Office that all clerical staff have to share. Adding cash registers would increase efficiency during busy times (when tax due dates and board of appeals overlap). However, the Treasurer's Office would be short-staffed to count down multiple drawers and prepare deposits. Staff processes the majority of payments in batches throughout the day at computers available on each clerk's desk.
4. Investigate use of credit cards for bill payment without assessment of administrative fees.
5. To reduce the level of accounts payable processing pay, increase the use of P-Cards to pay suppliers. This would decrease the workload in Accounting but slightly increase it in Purchasing, the office that provides oversight of the transactions each month.
6. Establish performance metrics to enable comparison to other similar departments.
7. Conduct regular customer service satisfaction surveys.
8. Finalize budget impact analysis – review by senior staff and City Council.
9. Train staff in competitive contracting and process improvement.

Office of the Assessor

Sustainability

1. Sustainability is not in question based upon proposed reductions; however, restructuring is recommended.

Alternative Service Delivery Options

1. Offer to provide services (especially personal property auditing services) to other jurisdictions.

Reorganization/Restructuring

1. Conduct financial analysis of hiring part-time/contract auditors – to validate revenue recovery estimates

Efficiency/Effectiveness Measures

1. Investigate purchase and use of hand-held devices for fieldwork. Conduct financial analysis that includes time savings and opportunities to re-program times and resources.
2. Investigate purchase of additional cash registers for Treasurers/Assessing Offices. Conduct financial analysis.
3. Use performance metrics to enable comparison to other similar departments.
4. Conduct regular customer service satisfaction surveys.

5. Finalize budget impact analysis – review by senior staff and City Council.
6. Train staff in competitive contracting and process improvement.

Purchasing Department

Alternative Service Delivery Options

1. Offer to provide purchasing services to other jurisdictions (specifically, Royal Oak). Initiate a process to determine pros and cons and to determine potential target jurisdictions. ICMA recommends considering Fleet Maintenance's insourcing model. Successful insourcing has the potential to maintain or increase capacity; for example, retaining the buyer position.

Reorganization/Restructuring

1. Restructure and move Purchasing into Finance and Administrative Services, thereby providing an opportunity to gain key support services from the combined resources of the new, larger department.
2. Designate the Purchasing director as the director of Service Improvement/Service Optimization. The Purchasing director has shown significant skill in developing and managing competitive contracting for city services, such as the golf course, planning, engineering and building inspections.

Efficiency/Effectiveness Measures

1. Investigate the possibility and consequences of decentralizing the auction process (i.e., require individual departments to manage the process for their own excess supplies). If it is not realistic, recommend that the ordinance be changed, since the Purchasing Department will no longer be able to manage the function without additional staff.
2. Increase the bid threshold to $25,000 to reduce the number of bids managed by the department.
3. Reduce the level of accounts payable processing by increasing the use of P-Cards to pay suppliers. This would decrease the workload in Accounting but slightly increase it in Purchasing, the office that provides oversight of the transactions each month.
4. Establish performance metrics to enable comparison to other public and private purchasing departments.
5. Conduct regular customer service satisfaction surveys.
6. Finalize budget impact analysis – review by senior staff and City Council.
7. Train staff in competitive contracting and process improvement.

Information Technology

Alternative Service Delivery Options

1. Offer to provide IT services to other jurisdictions. Examine the potential for providing GIS support (provide services, such as hosting, support and advanced planning and development); hosting New World and/or supporting and assisting with implementations; and providing services and expertise in the customer service and asset management area. Initiate a process to determine pros and cons and to determine potential target jurisdictions.
2. Investigate collaborative efforts that would be beneficial to Troy IT. Regional collaborative approach exists in other parts of the country (see Appendix). This may provide long-term opportunities for cost reduction and flexibility.
3. Continue to consider possible outsourcing opportunities for specific services as they arise.

Efficiency/Effectiveness Measures

1. Investigate costs and benefits of purchasing hand-held devices for appraisers working in the field.
2. Consider lease financing of computers and laptops to assure regular replacement, payment structure and asset investment.
3. Establish performance metrics to enable comparison to other public and private IT departments.
4. Conduct regular customer service satisfaction surveys.
5. Finalize budget impact analysis – review by senior staff and City Council.
6. Train staff in competitive contracting and process improvement.

Public Works (Administration and Support Services, Refuse and Recycling, Streets and Drains, Water and Sewer and Fleet Maintenance)

Core Services

The Public Works operating divisions are essential and core services. The City Council has specifically identified infrastructure, streets and water as core values. City ordinance and state and federal regulations relate to all and mandate some of these services. However, the City Council has not defined the specific level of acceptable services for these areas (except for street condition evaluation and snow and ice control).

Administration and Support Services has been reduced by a clerk/typist and an administration aide, and the solid waste coordinator and office coordinator positions have been combined and substituted

with an office assistant 1. The Streets and Drains Division has previously lost a storm water utility engineer and five equipment operators. Ten additional equipment operators are scheduled for elimination in the 2011/12 budget; this would result in a 60 percent reduction in staff. At that point, the city will not be able to provide the same level of service in all areas of Streets and Storm Sewer Maintenance.

Refuse and Recycling Services are currently outsourced by a contract with a hauler that was competitively solicited through an organization of cities called the Southeast Oakland County Resource and Recovery Authority (SOCRRA) at very competitive costs and good citizen survey satisfaction ratings. The division has recently reorganized internally, combining the solid waste coordinator and office coordinator positions.

The Water and Sewer and Fleet Maintenance divisions have significantly reduced staffing. This is primarily due to the self-sufficiency of the water and sanitary sewer enterprise funds and the insourcing (with the accompanying revenue) of other governmental agencies' fleet maintenance work to replace the lost in-house work. This division provides essential and mandated water and sanitary sewer services identified as a core value by the City Council. The funding for the services comes from fees and charges at competitive rates. Most of the services provided are routine and ongoing, such as customer complaints, meter repair and lift station maintenance, or a smaller number of emergency services, such as water main breaks or sewer back-ups. These types of services are usually best handled by in-house staff.

The fleet division provides essential vehicle/equipment fleet services to other departments and all other Public Works divisions. The division operates as an internal service, charging users based on actual break-even costs for operations and vehicle/equipment replacement. The division has insourced a significant amount of work to more than replace the reduction of in-house vehicles/equipment and has proven to be competitive in cost comparisons with contracting vendors in the private sector. The division outsources work to vendor partners when it is more effective/efficient to do so.

The Five Year Budget Plan includes the scheduled reduction of all remaining Street and Drains Division personnel, with the exception of the street superintendent. This would essentially reduce maintenance of streets and storm sewers to a bare minimum, emergency-driven operation. The Refuse and Recycling, Water and Sewer and Fleet Maintenance divisions are scheduled to continue with minor reductions, subject to revenue generation; Fleet Maintenance is particularly sensitive to this.

Sustainability

The services provided by Public Works are generally all considered essential to a City's operation, and are core values of the Troy City Council.

The planned reductions appear to leave the Administration and Support Services, Refuse and Recycling, Water and Sewer and Fleet Maintenance divisions sustainable. This is primarily due to the specific revenue streams designated for each area. These divisions can be adjusted in size to match the workload and available revenue, and remain sustainable.

The Streets and Drains Division, however, does not appear to be sustainable at the planned staffing or funding level of the Five Year Budget Plan. More than 50 percent of this division's services are currently outsourced. The full implementation of the Five Year Budget Plan will decrease street and storm sewer maintenance to crisis and reactive levels. These levels will likely cause noncompliance with federal and state storm sewer permit requirements and federal highway sign standards, and start the decline of the street system condition. The ability to properly prepare for planned infrastructure improvements will be non-existent. Significant funding will need to be diverted from capital improvement to maintenance preparation for the projects.

The State of Michigan requires that all public roads be rated for condition. Troy is using a rating system called PASER, which rates roads on a scale from 1 to 10. Currently, 24 percent of Troy's local roads are rated 5 or less (fair to poor). Therefore, 76 percent is rated as good (6 or better). This rating is likely not sustainable, and can be expected to decline if the Three Year Budget (Option 1) is implemented, and would certainly decline with the Five Year Budget Plan.

The City of Troy has maintained a high level of snow and ice control service for many years, which includes assisting the County on its roads. Due to previous personnel reductions and a smaller cost recovery from the County, the previous service level was decreased on December 6, 2010, to a Modified Level of Service. The next scheduled reductions (2011/12 budget year) would require complete turnback of County roads and a likely further service level reduction on City roads. The next scheduled reductions (2013/14 budget year) would likely

require further service reduction below the County level. The use of contractors to replace in-house ability to provide snow and ice control has previously proven to be more costly and, therefore, cannot be counted on to maintain service levels at a lower cost. It would appear that this much lower level of service would not prove to be acceptable, or sustainable, for the transportation mobility and safety that residents, visitors and businesses have come to expect.

Recommendations

Administration and Support Services

Reorganization/Restructuring

1. Restructure with the transfer of the Park Maintenance Division from Parks and Recreation and the Building Operations Department to Public Works. These transfers could improve coordination, and therefore efficiency, of all maintenance efforts and ensure that similar service level philosophies are used. This would take a significant effort of cooperation and commitment to the good of the whole, versus the division or department. The use of an in-house or contract facilitator could be useful in this reorganization process. There can be a synergy with similar-minded (maintenance) personnel working together with common goals.
2. The significant reduction of personnel in Streets and Drains and Park Maintenance would seem to indicate that a combining of these divisions could make sense. Administration and Support Services has indicated they have the capacity to support these transfers administratively.

Efficiency/Effectiveness Measures

1. Review contracted maintenance specifications for service delivery monitoring (quality and customer service) with penalties for non-compliance or possible bonuses for exceptional performance.
2. Develop inventory/condition formal report(s) for all assigned assets.
3. Establish a formal annual division or "business unit" operational review to evaluate current performance and plans for the following year(s).
4. Conduct periodic "business unit" benchmarking with other similar cities and "best-in-class" private sector companies.
5. Establish a formal Public Works policies and procedures manual, in addition to adminstrative memos in place, especially as related to standards for maintenance operations.
6. Evaluate the broad banding (both vertically and horizontally) of maintenance worker positions to allow increased productivity with the same or less personnel (this will require contract negotiation).
7. Promote and participate in external and internal customer surveys for all divisions.
8. Continue to focus efforts on all energy savings and "green" efforts to decrease operational costs over the long term.
9. Continue utilization of City Works GIS infrastructure management system. Explore utilization of hand-held devices for field work.
10. Develop a public information program (for Council, administration, citizens and employees) that outlines the benefits and impacts of all Public Works services, including efficiency metrics and standards.
11. Establish performance metrics to enable comparison to other similar departments.
12. Finalize budget impact analysis – review by senior staff and City Council.
13. Train staff in competitive contracting and process improvement.

Refuse and Recycling Division

Efficiency/Effectiveness Measures

1. Sustainability
   a. Sustainability is not in question based upon proposed reductions.
2. Alternative service delivery options
   a. Continue as an outsourced service with regular cycle of review.
3. Reorganization/restructuring
   a. Complete the internal reorganization as planned.
4. Efficiency/effectiveness measures
   a. Establish performance metrics to enable comparison to other public and private refuse and recycling departments.
   b. Conduct regular customer service satisfaction surveys.
   c. Finalize budget impact analysis – review by senior staff and City Council.
   d. Train staff in competitive contracting and process improvement.
5. Complete the internal reorganization as planned.

Streets and Drains Division

Alternative Service Delivery Options

1. This division provides essential services designated as a core value by the City Council. A significant amount of work is currently outsourced. Planned personnel reductions in the three-year budget will result in more outsourced work. The Five Year Budget Plan eliminates all personnel except the street superintendent, which would result in all work being outsourced, an unsustainable condition.
2. ICMA recommends that the Three Year Budget (Option 1) reductions be modified to keep at least five more equipment operators, and that the Five Year Budget Plan not be executed. If the current plan is implemented, this would result in 18 in-house full-time field personnel, equating to approximately 23 miles of street maintained per employee, which is much higher than average. The City has invested in the employees, facilities and equipment and has the dedication and proven ability to provide quality service with good citizen survey satisfaction ratings. This proposed modification will still require increased contracting and the project manager. A balance of in-house and contractual workers as a check and balance gives the City the flexibility to take back work if necessary and conduct proper oversight. This combination of city staff/contracted method gives a chance to be sustainable over the long term, but with a reduced service level.

Efficiency/Effectiveness Measures

1. Develop enhanced coordination of efforts with the Park Maintenance Division if transferred to Public Works.
2. Consider addition of front- or side-mounted wing plows (up to 25 percent increase in productivity) for large trucks, and other possible equipment enhancements, to increase plowing efficiency.
3. Consider the utilization of GPS tracking units on snowplow equipment to assist in maximizing the efficiency of plow routes.
4. Accelerate the use of florescent induction or LED light change-outs on city-owned streetlights (savings of 50 percent or more electric use per light).
5. Use performance metrics to enable comparison to other similar departments.
6. Budget impact analysis - reviewed by senior staff and City Council.
7. Train staff in competitive contracting and process improvement.

Water and Sewer Division

Alternative Service Delivery Options

1. There could be some opportunity for additional outsourcing of specific tasks during peak workload periods, particularly if staff numbers are frozen or reduced. The in-house ability to provide these services effectively when supplemented with contractual assistance is well established and accepted.
2. Offer to provide water and sewer maintenance services to other jurisdictions as determined by a feasibility process.

Reorganization/Restructuring

1. Consider the enhanced coordination of efforts with the Park Maintenance Division if it is transferred to Public Works.
2. Pursue additional coordination of efforts with the Streets and Drains Division, particularly if the Three Year Budget (Option 1) personnel reductions are implemented.

Efficiency/Effectiveness Measures

1. Consider all or partial transfer of storm sewer related costs to the sanitary sewer fund.
2. Continue aggressive review of vehicle and equipment utilization for disposal and/or conversion to rental.
3. Conduct regular customer satisfaction surveys.
4. Establish performance metrics to enable comparison to other similar departments.
5. Finalize budget impact analysis – review by senior staff and City Council.
6. Train staff in competitive contracting and process improvement.

Fleet Maintenance

Alternative Service Delivery Options

1. Continue to seek insourcing opportunities.

Efficiency/Effectiveness Measures

1. Continue aggressive review of vehicle and equipment utilization for disposal and/or conversion to rental.
2. Conduct regular customer satisfaction surveys.
3. Establish performance metrics to enable comparison to other public and private fleet maintenance departments.
4. Finalize budget impact analysis – review by senior staff and City Council.
5. Train staff in competitive contracting and process improvement.

Parks and Recreation (Park Maintenance)

Core Services

Park and Recreation Department-provided services have been designated as discretionary by the City Council. This is somewhat inconsistent with the City Council-identified core value of infrastructure (parks, forestry and community center). The City Council has not defined the specific level of acceptable services for parks infrastructure or parks-related recreation services. The Community Center has been directed to operate on a services-provided-by-revenue-generated-only basis.

The Park Maintenance Division has previously been reduced by three naturalist aides (PT), assistant naturalist, naturalist, landscape analyst, custodial laborer (PT), three tree specialists, irrigation specialist, leader, field supervisor and 31 seasonal laborers (PT). The 2011/12 budget further plans a reduction of the parks maintenance superintendent, four laborers and 19 seasonal laborers (PT). This would result in a reduction of more than 80 percent of full-time and 100 percent of part-time parks maintenance staff. This staffing level has been partially augmented by contractual services, but it will result in severely reduced service levels in all park and recreation areas. The Five Year Budget Plan further reduces all recreation staffing to services that are 100 percent revenue supported.

Sustainability

The planned reductions of the Three Year Budget (Option 1) will leave very few employees and will severely reduce park maintenance services, making it unsustainable at current service levels. The services will be replaced partially by contractual services. All or nearly all recreation programs will have to be self-supporting. Decisions related to the additional construction of planned park improvements must be made. The city should seriously consider limiting the addition of new infrastructure when the proper maintenance of existing infrastructure is in question.

To maintain emergency response and contracts compliance inspections, it is recommended that a small cadre of staff be retained. This combination of a limited staff and contracted method increases sustainability at a minimal service level.

Recommendations

Alternative Service Delivery Options

1. Conduct competitive contracting analysis to determine optimal level of in-house and outsourced service delivery. Contracting for services has already been implemented. Effective oversight of additional contracting following proposed staff reductions is unlikely, making a decision on determining public-private service balance, as well as level of service to be provided, critical.

Reorganization/Restructuring

1. Restructure with the transfer of this division to Public Works as previously discussed, either as a separate division (preferred if park superintendent is retained) or combined with the Street and Drains Division.
2. Consider retaining at least one tree specialist to act as an in-house resource and inspect contracted tree services.
3. Consider retaining one additional full-time maintenance employee to serve as a contracted maintenance inspector and customer service representative. Contractors need oversight.

Efficiency/Effectiveness Measures

1. Complete park system master plan.
2. Develop a formal assets inventory/condition ratings report.
3. Review contracted maintenance specifications for service delivery monitoring (quality and customer service), with penalty and bonus provisions.
4. Develop formal park maintenance policies and procedures, especially related to standards for maintenance operations.
5. Consider energy efficiency initiatives such as fluorescent induction or LED lighting (savings of 50 percent or more per light) where feasible, in coordination with building operations.
6. Conduct regular customer satisfaction surveys.
7. Establish performance metrics to enable comparison to other similar departments.
8. Finalize budget impact analysis – review by senior staff and City Council.
9. Train staff in competitive contracting and process improvement.

Recreation

Review of the Recreation division was not included within the scope of the study; however, interviews were held with recreation staff, and the Parks and Recreation Department completed the core matrix and budget impact analyses. Based upon that participation, the following brief analysis is offered.

1. Sustainability
   a. Service delivery at current levels is not sustainable if Option 1 reductions are made.
2. Alternative service delivery options
   a. Offer programs at self-sustaining pricing levels exclusively.
   b. Evaluate private and public-private options for delivering programs; conduct financial and policy analysis.
3. Reorganization/restructuring
   a. Restructuring dependent upon ultimate configuration of in-house and contracted/private provision of services.

Efficiency/Effectiveness Measures

1. Establish performance metrics to enable comparison to other similar departments.
2. Conduct regular customer satisfaction surveys.
3. Finalize budget impact analysis – review by senior staff and City Council staff trained in competitive contracting and process improvement.

Building Operations

Core Services

This department provides building operations maintenance for essential and discretionary services as an internal service with charges to building users (all other departments) based on demand. The City Council has not defined the specific level of acceptable services for city building facilities.

Services provided include janitorial services, HVAC maintenance, electrical maintenance, interior and exterior surfaces, roofs, office furniture set-ups and managing/coordinating building remodeling and improvement projects. The department has completed many energy-saving capital projects and other initiatives over the past few years that have resulted in significant energy savings.

This department provides essential building operations maintenance to other departments. The department operates as an internal service (similar to Fleet Maintenance), which charges users based on actual break-even costs for occupied building space, has proven to be competitive in cost comparisons with contracting vendors and other cities.

This department has had previous reductions of a superintendent, building maintenance specialist and office assistant (PT). The 2011/12 budget plans a further reduction of three building maintenance specialists. This would result in more than a 40 percent reduction of staff. This staffing will not allow the same level of service in most areas unless a significant amount of buildings have reduced use or are closed.

Sustainability

The previous and planned personnel reductions appear to leave this department sustainable, but not without concerns. The previous service levels likely will not be maintained but could be adequate for the anticipated reduction in buildings and occupied space.

Recommendations

Alternative Service Delivery Options

1. Conduct competitive contracting analysis to determine optimal level of in-house and outsourced service delivery.

Reorganization/Restructuring

1. Restructure with the transfer of this department to Public Works, as previously discussed, as a separate division.

Efficiency/Effectiveness Measures

1. Continue and potentially accelerate energy saving initiatives (such as LED lighting conversions) and capital projects.
2. Develop formal building operations policies and procedures, especially related to standards of maintenance.
3. Develop a formal assets inventory/condition report.
4. Conduct regular customer satisfaction surveys.
5. Establish performance metrics to enable comparison to other public and private building operations departments.
6. Finalize budget impact analysis – review by senior staff and City Council.
7. Train staff in competitive contracting and process improvement.

Law Department

A detailed review of the Law Department, conducted by the International Municipal Lawyers Association (IMLA), is contained in Appendix D. A summary of the report's findings and recommendations follows.

Core Services

The City Attorney's office provides legal representation and counsel to the City Council and to the administrative departments of the City. Its core services include providing advice and representation to the Council and to each of the departments

and officers of the city; defending the city in suits brought against it; representing the city's interests in actions brought by or against the city in state and federal courts and before administrative tribunals; responding to inquiries by the press and public; recovering monies, fines, charges and debts due the city; drafting and reviewing contracts, laws and other legal instruments to protect the interests of the city; and prosecuting various ordinance violations and misdemeanors.

Sustainability

The City of Troy has recently downsized its law office to 7.0 FTEs. While the City Attorney can maintain certain services at this level, any change in workload will put a strain on its ability to provide the city an optimal level of legal services. Thus, the IMLA is concerned about the sustainability of the current staffing level and believes that some city programs may be underserved.

The City Attorney reduces the City's costs for liability insurance both in terms of costs of defense and in premiums. Furthermore, its success in these cases and its reputation for excellence help protect the City against additional claims. At current staffing, the City Attorney's office will be hard pressed to maintain this level of service should prosecutions continue to rise and if the number of suits against the City increases.

Should redevelopment activity take place as noted in the review of the City Manager's office, the City Attorney's office will be called upon to address more complex legal issues associated with land use issues and policy, both in its representation of the city manager and of the Council. Similarly, as residents react to changes in service delivery or the reduction of services, more legal actions will require additional work in the City Attorney's office. Increased privatization will likely also result in additional demand for legal services as the City enters and manages more contracts and deals with contract disputes and changes. The City could reduce its general fund expense for its legal services by properly attributing some of those expenses to enterprise funds, to the capital budget or to recoveries.

Sustainability

1. Service delivery at current levels is sustainable with Option 1 reductions, but concerns exist.

Alternative service delivery options

1. Evaluate private and public-private options for outsourcing, including all or part of the following functions:
   i. Prosecutions
   ii. Eminent domain cases
   iii. Collection cases.
2. Examine the option of interlocal (regional) collaboration.
3. Conduct analysis of outsourcing for peak workloads.

Reorganization/Restructuring

1. Evaluate benefits of transferring some functions from the Clerk to the Law Department
   i. FOIA
   ii. Council Agenda and minutes
   iii. Ordinance and Resolution maintenance, including city code.

Efficiency/Effectiveness Measures

1. Establish additional performance metrics to enable comparison to other public and private law departments.
2. Conduct regular customer service satisfaction surveys.
3. Train staff in competitive contracting and process improvement.

Comparative Benefits Review (post retirement health, pension; current salary, benefits)

A review of benefits prepared by ICMA and the Center for State and Local Government Excellence is contained in Appendix _. A summary of the report's findings and recommendations follows.

1. The city's efforts to manage and contain pension and post-retirement benefit costs reflect leading practice and position the city favorably for the future
2. The City's pension benefits compare well nationally and to other Michigan jurisdictions.
3. The current salaries paid by the City are comparable to other cities, and recent efforts to manage costs have been more aggressive than efforts by other Michigan cities.
4. Current benefits are comparable to other cities reviewed.

Implementation Plan

Should the City Council decide to implement the recommendations contained within this report, the following is a suggested schedule addressing the major recommendations. The times suggested are starting dates. Most of the recommended changes will take considerable time to complete and require significant effort by numerous stakeholders both in and out of the organization.

Immediately (within six months)

1. Restructure departments
   a. Merge Park Maintenance with Street Maintenance
   b. Move Building Operations into Public Works as a new division
   c. Move Risk Management into Human Resources
   d. Consolidate Human Resources and City Clerk into Finance and Administrative Services
   e. Redeploy assistant city managers as department directors
2. Appoint director of Service Improvement
   a. Create staff team to coordinate and prioritize report recommendations
   b. Prioritize efficiency and effectiveness recommendations-create implementation process
3. Define Council-staff commitment to service prioritization and budgeting
   a. Hold work session(s) to clarify roles and commitment -- based upon report findings and recommendations
   b. Create formal commitment
4. Initiate service prioritization process
   a. Establish schedule and process for Council-staff review of core service and budget impact analyses included with this report
   b. Determine how/whether to process for receiving additional input on priorities and impact from public and employees
   c. Address unsustainable department
   d. Set targets for budget decision-making based upon enhanced service priorities and service level descriptions

Medium term – six months to 2 years

1. Initiate Service Optimization efforts
   a. Create continuous review process
      i. Identify competitive requirements
      ii. Create department list for review
      iii. Set service levels for departments under review
   b. Train staff in competitive contracting
2. Establish process improvement program
   1. Integrate with continuous service process
   2. Determine preferred approach
   3. Appoint internal champion, select internal team to lead effort
   4. Staff training in process improvement
3. Create business and strategic planning and management process
   a. Determine planning cycle – consistent with budget, council election cycle
   b. Assign leadership roles
      a. Determine civic and organizational engagement processes
      b. Determine long-range timeline for full implementation
      c. Coordinate performance measurement process with strategic plan development

APPENDIX A:

City of Troy Core Services by Department

DEPARTMENT OF FINANCE AND ADMINISTRATION

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
ACCOUNTING				
Oversees accounting of all financial transactions	Mandate	Core	1.15	$183,587
Processes payroll and retiree payments	Essential	Core	0.55	$56,734
Processes accounts payable transactions	Essential	Core	1.90	$191,072
Processes accounts receivable transactions for the General Fund	Essential	Core	0.60	$54,374
Assists in audit preparation	Mandate	Core	0.75	–
Processes grant reimbursement request	Discretionary	Partial Core	0.25	$28,247
Senior management team support	Administrative	Partial Core	0.30	$53,623
Reconcile cash and investment transaction	Mandate	Core	0.50	$38,595
TREASURER			**Hours per Year**	
Central collection and detailed receipt of all City revenue from multiple sources	Mandate	Core	2,000	$90,000
Balance, post, prepare and deposit all funds to appropriate accounts	Mandate	Core	1,500	$67,500
Check processing (weekly)	Mandate	Core	800	$36,000
Billing / collection / distribution of tax revenue	Mandate	Core	5,000	$225,000
Water and sewer revenue collection	Essential	Core	2,500	$112,500
Special assessment billings	Essential	Core	30	$1,350
Process incoming mail	Essential	Core	Included above	–
Customer service	Administrative	Partial Core	All day, everyday	–
Departmental policies and procedures	Essential	Core	100	$4,500
Additional activities	Administrative	Partial Core	60	$2,700
RISK MANAGEMENT				
Coordinates the Casualty/Property Insurance Program	Mandate	Core	.5	–
Coordinates the Workers' Compensation Insurance Program	Mandate	Core	.5	–
Coordinates the employee and retiree insurance benefits programs	Essential	Core	.5	–
Coordinates the employee safety programs	Mandate	Core	.5	–
CITY ASSESSOR			**Hours per Year**	
Prepare Annual Property Assessment Roll:	–	Core	–	–
Plan review	Mandate	Core	200	$11,980
Site inspection	Mandate	Core	50	$2,995
Measurement	Mandate	Core	150	$8,985
Sketch	Mandate	Core	900	$53,908
Photo	Mandate	Core	50	$2,995
Data input	Essential	Core	75	$4,492
Sales study (Res and Candl)	Mandate	Core	500	$29,949
ECF's	Mandate	Core	300	$17,969
Description Changes	Mandate	Core	160	$9,584
Personal Property Appraisal:	Mandate	–	–	–
Canvas	Mandate	Core	960	$57,502
Auditing	Mandate	Core	1,296	$77,628
Processing	Mandate	Core	3,000	$179,695
Board of Review (BoR):	Mandate	–	–	–
Notices	Mandate	Core	10	$599
Explanations	Essential	Partial Core	560	$33,543
Appointments	Mandate	Core	360	$21,563
Assessor review	Mandate	Partial Core	320	$19,167
Minutes	Mandate, Essential	Core	960	$57,502
Summary	Essential	Core	40	$2,396
Report	Mandate, Essential	Core	120	$7,188

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
CITY ASSESSOR continued			**Hours per Year**	
MTT Small Claims:	Mandate	–	–	–
Answer Pet's	Mandate	Core	1,600	$95,837
Appraisal	Mandate	Core		
Hearing	Mandate	Core		
Stipulations	Mandate	Core		
MTT Full:	Mandate	–	–	–
Answer Pet's	Mandate	Core	1,000	$59,898
Proof of service	Mandate	Core		
PHS	Mandate	Core		
ValDisc	Mandate	Core		
Appearances	Mandate	Core		
Stipulations	Mandate	Core		
Special Assessments:	Mandate	Core	10	$599
IFT's	Mandate	Core	15	$898
Brownfields	Mandate	Core	15	$898
DDA's	Mandate	Core	15	$898
SmartZone	Mandate	Core	15	$898
PRE's	Mandate	Core	380	$22,761
Rescissions	Mandate	Core	380	$22,761
Conditionals	Mandate	Core	190	$11,381
Deeds	Mandate	Core	380	$22,761
PTA's	Mandate	Core	380	$22,761
Poverty Exemptions:	Mandate	Core	50	$2,995
July Board of Review	Mandate	Core	320	$19,167
December Board of Review	Mandate	Core	320	$19,167
Warrant	Mandate	Core	80	$4,792
Tax Settlement	Mandate	Core	1	$60
LT-1	Mandate	Core	8	$479
TIFA Reports	Mandate	Core	16	$958
Millage Certification	Mandate	Core	16	$958
PURCHASING			**Hours per Year**	
Establish policies/procedures	Mandate	Core	380	$29,716
Auction Services	Mandate	Core	340 / 208 / 104	$37,351
Process all non-construction bid requests for goods and services	Essential, Administrative	Core	340 / 1352	$88,239
Reviews and approves all online purchase orders	Essential, Administrative	Core	340 / 104	$31,330
Reviews and approves all City invoices	Essential, Administrative	Core	340 / 208	$36,073
Performs contract administration of City-wide, non-construction contracts	Essential, Administrative	Core	340 / 208 / 936	$47,576

DEPARTMENT OF INFORMATION TECHNOLOGY

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
ADMINISTRATIVE				
Prepares and administers the department budget	Mandate	Core	0.08	$15,382.35
Keeps abreast of technological changes	Essential	Core	0.125	$16,964.39
Develops short- and long-term plans	Administrative	Core	0.05	$9,613.97
Manages purchases and implementations	Essential	Core	0.15	$28,841.91
Establishes standards and policies	Essential	Core	0.01	$1,922.79
Maintains software and equipment inventory	Mandate	Core	0.01	$1,922.79
Serves as liaison with City departments	Essential	Core	0.1	$19,227.94
Coordinates and evaluates staff development and activities	Essential	Core	0.15	$28,841.91
Develops and implements training programs for City employees	Discretionary	Non-Core	0.005	$961.40
APPLICATIONS SUPPORT				
Performs requirements analysis to determine application software needs	Essential	Core	0.2	$32,211.62
Recommends and implements application software	Essential	Core	0.519	$66,499.98
Provides initial and ongoing training	Essential	Core	0.241	$26,743.13
Functions as frontline support and acts as the liaison between software vendors and end users to resolve issues	Essential	Core	0.905	$94,867.06
Analyzes current business processes and develops improvement strategies utilizing existing software	Essential	Core	0.476	$55,512.72
Develops reports utilizing the specific application tools or via SSRS.	Essential	Core	0.398	$38,040.33
Installs and tests application software upgrades	Essential	Core	0.24	$26,743.13
Conducts custom programming. Includes interfaces, conversions, advanced reporting, scripting and new applications.	Essential	Core	0.575	$65,572.89
Creates and maintains the Intranet and Internet websites from a technical perspective. Site redesign, advanced content updates.	Essential	Core	0.1	$11,403.98
SQL Server Administration, Includes backup and restore strategies, security, performance considerations (Indexing, Query Optimization), Upgrades/Migration to new servers.	Essential	Core	0.3	$34,211.94
CLIENT SUPPORT				
Provides desktop hardware support and maintenance (includes workstations, laptops, printers, scanners, LCD projectors, UPSs)	Essential	Core	1.35	$116,992.37
Provides desktop software support and maintenance	Essential	Core	0.935	$80,612.66
Purchases and installs new /replacement equipment and software. Includes prepping old systems for auction.	Essential	Core	0.06	$5,199.66
Provides support for telecommunication equipment (includes analog, digital and ip deskphones, Blackberry and Smartphones)	Essential	Core	0.3	$25,998.30
Supports certain specialized department specific software.	Essential	Core	0.3	$25,998.30
On call 24/7 365 days and attends all City Council Meetings.	Discretionary	Non-Core	0.03	$2,599.83
INFRASTRUCTURE SUPPORT				
Provides network administration	Mandate	Core		
Deploy, configure, maintain and monitor all active network equipment and communication links	Mandate	Core	0.1	$13,914.33
Deploy, maintain and upgrade all Servers, includes virtual and physical	Mandate	Core	0.15	$20,871.49
Develops and executes backup procedures	Mandate	Core	0.05	$6,957.16
Monitors network traffic to resolve problems and recommend upgrades	Essential	Core	0.1	$13,914.33
Maintains e-mail server and communication gateways	Mandate	Core	0.05	$6,957.16
Documents network configuration	Administrative	Non-Core	0.05	$6,957.16
Oversees network security includes maintaining anti-virus system, web and spam filters, patching all server network operating systems and maintaining WSUS server for desktop updates	Mandate	Core	0.225	$31,307.24
Maintains and supports the City's telecommunication system – Avaya Telephone Switch	Mandate	Core	0.09	$14,648.34
Maintain standard workstation images utilizing UIU and ghost as well as Desktop Authority	Essential	Core	0.1	$13,914.33
Update and distribute standard software packages/drivers	Essential	Core	0.1	$13,914.33

OFFICE OF THE CITY MANAGER

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
BUDGET				
Prepares annual operating budget	Mandate	Core	0.75	$112,000
Monitors, analyzes and evaluates financial trends, including revenues and expenditures	Essential	Core	0.2	$30,000
Develops Capital Improvement Program	Essential	Core	0.15	$22,500
Prepares Comprehensive Annual Financial Report (CAFR)	Mandate	Core	0.2	$30,000
CITY MANAGEMENT				
Provides support and makes recommendations to the City Council	Mandate	Core	0.75	$112,500
Oversees municipal operations	Mandate	Core	0.75	$112,500
Provides fiscal management	Essential	Core	0.2	$30,000
Selects candidates for vacant senior staff positions	Administrative	Core	0.05	$7,500
Recommends strategic planning initiatives	Discretionary	Core	0.5	$75,000
Facilitates Council-community relationships	Discretionary	Partial Core	0.1	$15,000
Conducts management studies	Administrative	Core	0.75	$112,500
Labor negotiations	Discretionary	Non-Core	0.2	$30,000
Develops and sustains a culture of professionalism	Discretionary	Partial Core	0.2	$30,000
ECONOMIC AND COMMUNITY DEVELOPMENT SERVICES				
Directs economic development efforts of the City	Discretionary, Essential	Core	0.2	$30,000
Creates new development tools	Discretionary, Essential	Core	0.2	$30,000
Encourages and supports appropriate sustainable private sector developments	Discretionary, Essential	Core	0.5	$75,000
Coordinates economic development services with other City, county, regional and state economic development agencies and organizations	Discretionary, Essential	Core	0.2	$30,000
Provides professional and clerical staff support for the Brownfield Redevelopment, Local Development Finance Authority, Certified Technology Park (Smart Zone) and Economic Development Corporation.	Discretionary, Essential	Core	0.1	$15,000
Provides external communication initiatives that are key to helping manage the City's reputation and promote City initiatives	Discretionary, Essential	Core	0.5	$75,000
Provides internal communications to the organization	Discretionary, Essential	Core	0.2	$30,000
Facilitates customer service and complaint resolution	Discretionary, Essential	Core	0.45	$67,500
CDBG Administration	Discretionary, Essential	Core	0.2	$30,000
EMPLOYEE RETIREMENT SYSTEM				
Administers the pension plans	Mandate	Core	0.1	$15,000
Prepares meeting agendas	Essential	Core	0.1	$15,000
Manages investment of funds	Essential	Core	0.1	$15,000
DOWNTOWN DEVELOPMENT AUTHORITY				
Administers and manages the entire DDA district, an area of 990 acres along the Big Beaver corridor having an employment base of approximately 40,000 - 50,000. The City Manager functions as DDA director; the Assistant City Manager of Finance functions as treasurer; Assistant City Manager of Services functions as capital projects director.	Mandate	Core	0.2	$30,000

DEPARTMENT OF HUMAN RESOURCES

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
GENERAL				
Recruits full- and part-time staff and summer employees; maintains job hotline and website job openings link	Essential	Core	2	$196,000
Maintains personnel records; develops and administers classification and pay plans (including processing pay rate and job status changes for payroll, conducting job audits, salary and benefit surveys)	Mandate, Essential, Administrative	Core	0.5	$14,900 (part-time clerical support)
Administers performance evaluation program, tuition reimbursement, work-related travel reimbursement, education bonuses and biennial physical exam program; maintains and publishes employee handbooks, rules and regulations, HR-related administrative memorandums	Essential, Administrative	Partial Core	–	–
Assures compliance with labor and employment laws (such as the Family Medical Leave Act, Americans with Disabilities Act and Fair Labor Standard Act), EEOC reporting	Mandate	Core	–	$185,700
Prepares and administers the department budget	Essential	Core	–	–
Provides service and consultation on employee relations and personnel related issues	Administrative	Partial Core	–	–
Provides support services to the Emergency Operations Center	Administrative	Partial Core	–	–
LABOR RELATIONS				
Labor contract negotiations for 6 bargaining units; publishes and maintains collective bargaining agreements	Administrative	Core	2 (+ outside labor counsel)	Reflected above, plus $40,000 for outside labor counsel
Grievance and contract administration (including providing service and consultation to employees/supervisors on contract interpretation, disciplinary procedures, pay administration and personnel record keeping); represents employer in grievance and Act 312 arbitration hearings, Personnel Board and Act 78 Commission meetings, Michigan Employment Relations Commission hearings and Unemployment Compensation Appeals	Administrative	Core	–	–

DEPARTMENT OF BUILDING OPERATIONS

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
GENERAL				
Prepare and administer the department budget; monitor expenditures to assure compliance with the approved document	Essential	Core	2	$196,000
Coordinate staff assignments; provide hands-on technical and problem solving support for all non-routine maintenance requests	Administrative	Core	800 hours or 38%	$64,056.00
Provide 24-hour maintenance to all City-owned buildings	Discretionary	Core	8	$982,000.00
Provide 24-hour custodial service to all City-owned buildings	Discretionary	Core	N/A	$600,000.00
Routinely analyze building needs	Discretionary	Core	120 hours or 6%	$9,608.40
Evaluate and schedule routine preventative maintenance tasks to be completed by support staff	Discretionary	Core	104 hours or 5%	$8,327.28
Acquire material, equipment and supplies	Administrative	Core	104 hours or 5%	$8,327.28
Coordinate projects with outside vendors that require specialized licensing	Discretionary	Core	104 hours or 5%	$8,327.28
Maintain parts inventory	Administrative	Partial Core	40 hours or 2%	$3,202.80
Process and review utility invoices for all City departments	Administrative	Core	52 hours or 3%	$4,163.64
Formulate and develop service procedures	Administrative	Core	40 hours or 2%	$3,202.80
Develop safe work practices	Administrative	Core	40 hours or 2%	$3,202.80
Receives and coordinates deliveries	Administrative	Partial Core	416 hours @ $12.00	$4,992.00
Assist the City Clerk's Office in the administration of all elections for the delivery, set-up and pick-up of election equipment/supplies for 31 precincts	Essential	Core	40 hours or 2%	$30,000.00
Provide energy conservation with building upgrades	Administrative	Core	104 hours or 5%	$8,327.28
Formulates and develops renovation projects to utilize space needs	Administrative	Core	104 hours or 5%	$8,327.28
Analyze equipment for efficiency and longevity	Administrative	Core	104 hours or 5%	$8,327.28
Maintains all interior and exterior surfaces for functional and aesthetic purposes	Discretionary	Core	8	$200,000.00
Assists other departments with office furniture transfers and layouts to help ensure that personnel and equipment are ergonomically situated	Administrative	Non-Core	104 hours or 5%	$8,327.28
Perform construction projects in-house to identify and locate problems through preventive maintenance and repairs	Administrative	Partial Core	52 hours or 3%	$4,163.64
Develop equipment and building specifications	Administrative	Partial Core	104 hours or 5%	$8,327.28
Provides clerical work for department daily task and accounting	Administrative	Core	1	$88,285.00

DEPARTMENT OF PUBLIC WORKS

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
ADMINISTRATIVE				
The purpose is to actively promote the effective and efficient maintenance and redevelopment of the infrastructure of the City of Troy. Create and maintain a professional environment and atmosphere for the citizens, city staff and the business community of Troy. Serves as liaison with other City departments and governmental and non governmental agencies.	Administrative	Core	1	$173,800 wages plus benefits
Strive to effectively and professionally communicate the City Manager's goals to staff. Formulate departmental plans to achieve these goals and objectives in an efficient and timely manner.	Administrative	Core		
Generate an environment through guidance and training whereby we instill leadership qualities throughout each level of the public works staff (108 members).	Administrative	Core		
Develop and convey a comprehensive departmental capital and operation budget and spending plan.	Administrative	Core		
Communicate the department's operations, activities and concerns appropriately to the Assistant City Manager of Services, and staff effectively.	Administrative	Core		
Effectively communicate the department's operations, activities and level of service to citizens and the business community.	Administrative	Core		
Administer daily the budget approval within the financial programs (New World)	Administrative	Core		
Develop and prioritize long- and short-term planning of infrastructure improvements. These efforts include all aspects of the operation, such as manpower needs, advancement of technology in equipment, materials and facilities.	Administrative	Core		

DEPARTMENT OF FLEET MAINTENANCE

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
FLEET ADMINISTRATIVE AND SUPPORT SERVICE				
Prepares specifications and administers the department budget	Essential (Internal service fund)	Core	4.33 + .33 Director PW	$580,187
Coordinates and evaluates staff activities				
Coordinates staff development and training				
Procures materials, equipment and supplies				
Serves as liaison with other governmental units				
Formulates and develops operational programs and priorities				
Maintains computerized fleet maintenance, parts and fuel inventory program				
Recommends creative and efficient procedures and programs in the department's areas of concern				
Coordinates vehicle and equipment auctions				
Administers the DPW facility automated security system and employee access				
Develops and administers safety and training for new and current equipment prior to implementation for heavy seasonal use periods such as winter snow and ice control; turf maintenance; and pavement construction seasons.				
Coordinates DPW building repairs and improvements				
Oversee, maintain and install two-way radios for all public works vehicles and offices				
All data as a performance indicator				
EQUIPMENT OPERATION AND MAINTENANCE				
Provides vehicle/heavy truck/equipment repair services for the City-owned fleet.	Essential	Core	14.5	$1,322,592
Provides 24-hour maintenance on all emergency equipment.				
Operates a main facility and a satellite garage through a 2-shift operation (7:30AM–12:30AM, Monday through Friday).				
Performs welding, fabrication and repairs on various equipment.				
Assists Police Department with investigations of fatal traffic accidents.				
Clears snow from 11 miles of City-owned sidewalks as conditions warrant.				
Assists Public Works divisions with additional personnel when needed.				
Service and lease agreements from surrounding communities/agencies as a revenue stream.				

DEPARTMENT OF STREETS AND DRAINS

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
GENERAL				
Major Road Surface Maintenance	Essential	Core	2.5	$208,000
Local Road Surface Maintenance	Essential	Core	2.4	$199,680
Gravel Road Maintenance	Essential	Core	0.2	$16,640
Major and Local Road Sweeping	Mandate	Core	1	$83,200
County Surface Maintenance	Discretionary	Non-Core	0.02	$1,660
Retention Pond Maintenance	Mandate	Core	1.2 + 5 part-time	$99,840
Open Drain Maintenance	Mandate	Core	.75 + 3 part-time	$62,400
Storm Sewer and Rear Yard Drain Maintenance	Mandate	Core	1 + 1 part-time	$83,200
Local and Major Guard rail Maintenance	Essential	Core	0.08	$6,650
Local Drain Structures and Ditches	Essential, Mandate	Core	1.9	$158,080
Major Drain Structures and Ditches	Essential, Mandate	Core	1.1	$91,520
Local and Major Road side Clean up	Essential	Core	0.14	$11,650
Local and Major Grass and Weed Control	Mandate	Core	.14 + 1 part-time	$11,650
Sidewalk Maintenance	Essential, Mandate	Core	1	$83,200
Street Lighting	Essential	Core	0.15	$12,480
Weed Control	Mandate	Core	1 part-time	$17,000
Local Road Sign Maintenance	Essential, Mandate	Core	1	$83,200
Maintains over 20,000 street name and traffic control signs	Mandate	Core	0.6	$49,900
Applies pavement marking paint and plastic decals to delineate pavement for both pedestrian and vehicular traffic	Essential	Core	0.3	$24,960
Snow and Ice Control - County Roads	Essential	Core	2	$166,400
Snow and Ice Control - Local Roads	Essential	Core	3	$249,600
Snow and Ice Control - Major Roads	Essential	Core	3.5	$291,200
Sidewalk Snow and Ice Control	Essential, Mandate	Core	0.15	$12,480
Animal Control	Essential	Core	0	$10,000
Assists other departments	Essential	Core	0	$7,000
Provides continual emergency assistance to the Police and Fire Departments.	Essential	Core	0	$7,000
Maintains a pavement management system with Engineering to prioritize pavement repairs for Major, Local and Industrial roads	Essential, Mandate	Core	0.35	$36,400
Major Road Slab replacement	Essential	Core	0.2	$20,800
Local Road Slab replacement	Essential	Core	0.4	$33,280
Industrial Road Slab replacement	Essential	Core	0.25	$26,000
Seam and Fracture program	Essential	Core	0.15	$10,400
Parking lot Maintenance program	Essential	Core	0.05	$5,200
Sidewalk Replacement and Inspection Program	Essential, Mandate	Core	0.37	$30,800
Sidewalk Gap Program	Discretionary	Non-Core	0.05	$5,200
Superintendent of Streets and Drains	Administrative	Core	–	In admin. cost
Division Supervisor	Administrative	Core	–	In line items
Project Manager	Administrative	Core	–	In admin. cost
Field Supervisor	Administrative	Core	–	In line items
			Includes 2 full-time employees for budgeted overtime	

DEPARTMENT OF PARKS AND RECREATION

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
ADAPTIVE RECREATION				
Conducts social, recreational, athletic and fitness activities for persons with disabilities	Discretionary (Part Revenue Supported)	Non-Core	1.4	$39,300
Provides programs and special events in partnership with Special Olympics, Oakland County Parks and Recreation, Northwest Therapeutic Recreation, Troy Ability Soccer League, Association for Retarded Citizens and Italian Study Group of Troy	Discretionary (Part Revenue Supported)	Non-Core		
Conducts an adaptive camp for individuals with disabilities	Discretionary (Part Revenue Supported)	Non-Core		
ADMINISTRATION				
Conducts facility planning and development	Essential	Partial Core	5	$750,000
Works on intergovernmental projects	Administrative	Partial Core		
Oversees capital improvement projects	Essential	Core		
Applies for grants	Administrative	Partial Core		
Conducts marketing strategies	Administrative	Non Core		
Coordinates ADA compliance issues	Administrative	Partial Core		
Contract Administration	Administrative	Core		
Supervises staff assignments	Administrative	Core		
Performs park planning and development	Essential	Core		
Prepares and administers the department budget	Administrative	Core		
Administers sponsorship and donations	Administrative	Partial Core		
Administers scholarship and fee waiver for recreation programs and community center membership	Administrative	Core		
Maintains a Facebook page to be used for promotion and marketing	Discretionary	Non Core		
Serves as liaison with MediGo, Boys and Girls Club, Troy Racquet Club, Youth Council, Park Board, Senior Advisory Board, Troy School District	Administrative	Non Core		
Prepares bids and specifications	Essential	Core		
Purchasing tasks	Essential	Core		
Administers, coordinates and develops department master plan	Essential	Core		
Coordinate facility usage for public - shelters, tennis courts, ball diamonds, soccer fields, football field, lacrosse field, pickleball.	Administrative	Core		
RECREATION – ATHLETICS				
Coordinates youth and adult leagues, special events and instructional sports activities throughout the year.	Essential, Discretionary	Partial Core		
Serves as liaison with citizen organizations such as Troy Youth Football, Troy Youth Soccer League and Troy Baseball Boosters.	Administrative	Partial Core		
RECREATION – CAMPS				
Programs 9 weeks of traditional day camps during summer months and during school break weeks	Essential, Discretionary	Partial Core		
Conducts Troy Sports Camps with the school district (23 different camps)	Essential, Discretionary	Partial Core		
Offers a roving recreation camp	Essential, Discretionary	Partial Core		
Conducts dance and performing arts camp	Essential, Discretionary	Partial Core		
Offers various sports camps and non-sports camps/clinics throughout the year.	Essential, Discretionary	Partial Core		
RECREATION – ENRICHMENT PROGRAMS				
Offers youth and adult enrichment programs	Essential, Discretionary	Partial Core		
Coordinates skiing, arts and crafts, music, martial arts, computers, fitness and dance programs	Essential, Discretionary	Partial Core		
Offers a wide variety of fitness classes for all ages.	Essential, Discretionary	Partial Core		
Offers special events for individuals and families	Essential, Discretionary	Partial Core		
RECREATION – PRESCHOOL				
Provides full range preschool activities including a state licensed school	Essential, Discretionary	Partial Core		
Provides a nationally accredited Safety Town program	Essential, Discretionary	Partial Core		

DEPARTMENT OF PARKS AND RECREATION continued

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
COMMUNITY CENTER				
Offers meeting space to community groups.	Discretionary	Partial Core	26	$710,000
Provides community use of gymnasium, pools and fitness areas to community	Essential	Core		
Offers free use of game room and access to teen room to qualified 6-12 grade Troy students and their guests	Discretionary	Non Core		
Provides free wireless internet access throughout the facility	Discretionary	Non Core		
Provides meeting and banquet rooms to the public for events including receptions, showers, business meetings and expos	Essential	Core		
Provides food service options for meetings and banquets through a preferred caterer	Discretionary	Non Core		
Offers personal training and massage therapy service	Discretionary	Non Core		
Provides space for local senior artists to sell their crafts	Discretionary	Non Core		
Community Center also houses functions for seniors, pre-school, and baby-sitting services.	Discretionary	Partial Core		
Provides space for federal senior lunch program	Discretionary	Non Core		
Provides outdoor venues for public - bocce ball, shuffleboard, skate park, walking paths, shelter.	Essential	Core		
PARKS				
Maintains more than 1000 acres of active and passive park land and municipal grounds including parks, medians and all city owned property.	Essential	Core	22	$1,135,000
Plants and maintains right-of-way trees	Essential	Core	5	$155,000
Reviews landscape and tree preservation plans for commercial and residential development	Administrative	Core	.5	$30,000
Administers contracted landscape maintenance of all municipal buildings	Essential	Core	.5	$50,000
Performs special event set-up and sports field preparation	Essential	Core	3.5	$155,000
Serves as a community resource for horticultural/arboricultural concerns	Administrative	Non-Core	.1	$8,000
Plans and develops new/existing park projects	Essential	Core	.1	$8,000
Maintains four municipal cemeteries	Mandate	Core	.8	$22,000
Snow and Ice Control	Essential	Core	1	$95,000
SENIOR CITIZENS PROGRAMS				
Accredited by the National Council on Aging/ National Institute of Senior Centers in 2002	Administrative	Non-Core	1.8	$146,560
Offers social, enrichment, recreational, educational, sports and fitness activities	Essential, Discretionary	Partial Core		
Offers services such as SHARP home repair, tax preparation, food distribution, hospital equipment loan program and emergency cell phones	Essential, Discretionary	Partial Core		
Serves as a resource for senior issues - alternative housing, medicare issues, etc.	Administrative	Partial Core		
Coordinates Medi-Go Plus and Dial-A-Ride transportation services	Essential, Discretionary	Partial Core		
TROY FAMILY AQUATIC CENTER				
Offers a facility that has a zero depth pool, two slides, sand volleyball, sand play area with play equipment, kids water area, sun hill and concession area.	Essential	Core	10.8	$271,000
Offers classes including lifeguarding, water safety instructor, learn to swim, preschool and private swim lessons.	Essential, Discretionary	Partial Core		
Offers birthday and celebration parties.	Discretionary	Non Core		
Offers group rentals and private rentals to residents, businesses and school groups.	Essential, Discretionary	Partial Core		
Offers more than 15 special events during the summer, including a cooperative teen program and dog swim.	Essential, Discretionary	Partial Core		

DEPARTMENT OF WATER AND SEWER

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
SEWER				
Sewer maintenance to include the cleaning of the 400 miles of main sanitary and combination sewer system in the city, the televising of the sewer system, the excavation of problem areas in the system, the metering of flow in the system and the maintenance of 7 sanitary lift stations in the system. The repair and/or replacement of manholes and structures in the system.	Mandate	Core	8.9	$740,480
Sewer administration This activity represents the cost of administering many aspects of the sanitary sewer collection system like short and long term planning, capital improvements,employee training, rate negotiations, supplies and equipment purchases, deployment of work force, supervision of work force, budget preparation, site plan review, emergencies and customer correspondence.	Mandate	Core	multiple administrative wages	$189,622
WATER				
Transmission and Distribution activities include the flushing of the 500 miles of water mains, the turning of 6,738 gate valves, and maintenance of the 11 pressure reducing valves (PRV's) and pits.	Mandate	Core	2.5	$208,000
Service for Contractors: This activity includes the utility staking of our water, sewer,and storm sewer system and the turning off and on of water for contractors.	Essential, Mandate	Core	2.1	$174,720
Testing New Mains: This activity includes the chlorination , flushing and sampling of new water main. It also includes the pressure testing and inspection of joints and tie-ins for final inspection.	Mandate	Core	.5	$41,600
Maintenance of Transmission and Distribution Mains: This activity includes all of the repairs made to the water main breaks, gate wells, valves and restorations (pavement and sod).	Essential	Core	4.3	$357,760
Maintenance of Services: This activity includes the repair and maintenance of the approximately 28,000 service connections in the City (tapping the water main, curb box repair, discontinuing service, and restoration).	Essential	Core	2.5	$208,000
Maintenance of Meters: This activity includes the repair and testing of all size meters in our system, inventory control and customer complaints.	Essential	Core	2.5	$208,000
Maintenance of Hydrants: This activity includes the installation, repair, winterization, painting, color coding, numbering and flow testing of the 5,815 fire hydrants in the City.	Essential	Core	3.1	$257,920
Water Meters and Tap-Ins: This activity is for new construction to include new taps and new meters. It also tracts our new meter replacement program with remote reading devices.	Essential	Core	1.7	$141,440
Meter Reading: To include inside and outside reads, finals,and high / low exception reports.	Essential	Core	.8	$66,560
Water Customer Installation: This activity includes the Cross Connection Program for the City	Mandate	Core	1	$81,655
Water Meter Reading: This account is for administrative costs for preparing water/sewer bills	Essential	Core	Multiple % of FTE	$80,007
Water Accounting: This account is for the work performed in the finance department dedicated to the water/sewer system.	Essential	Core	Multiple % of FTE	$54,275
Water Administration: This activity represents the cost of administering many aspects of the water system like short and long term planning, capital improvements, employee training, rate negotiations, supplies and equipment purchases, deployment of work force, supervision of work force, budget preparation, site plan reviews, emergencies and customer correspondence.	Essential	Core	Multiple % of FTE	$188,480

OFFICE OF THE CITY ATTORNEY

Office and Function	Mandate, Essential, Administrative, Discretionary	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
ADMINISTRATION				
Prepares and administers department budget	A	C	0.02	$3,795
Serves as a liaison with local, federal and state agencies, associations and groups	A	PC	0.02	$3,795
Monitors progress of outside retained counsel	M	C	0.02	$3,795
Serves as a liaison with other City departments	M	C	0.01	$732
Coordinates staff development	A	C	0.01	$1,897
Explores use of available technological advances for increased efficiency	A	C	0.01	$1,525
ADVISING CITY OFFICIALS				
Consults and provides counsel and legal advice and updates for City Council	M	C	0.1	$19,971
Regularly attends meetings of City Council, boards and commissions and management	M	C	0.015	$23,870
Provides legal advice and updates for City boards and commissions	M	C	0.01	$19,800
Provides legal advice and updates for City management, department directors and employees	M	C	0.5	57,750
Monitors compliance with Open Meetings Act and Freedom of Information Act	E	C	0.002	$380
Provides information to the general public, as well as other local, state and federal governmental agencies and municipal government associations	E	PC	0.005	$500
Sponsors Law Day activities	D	PC	0.005	$250
CITY AS PLAINTIFF				
Handles eminent domain cases	M/ RS	C	0.75	$112,000
Initiates invoice collection procedures	M/ RS	C	0.04	$4,600
Pursues nuisance abatement	M	C	0.03	$3,570
Pursues license revocations with Secretary of State	M	C	0.01	$1,190
Prepares administrative search warrants	M	C	0.01	$1,000
Represents City at administrative hearings, including but not limited to environmental law hearings	M	C	0.005	$1,000
DEFENSE OF THE CITY				
Represents the City when its zoning and planning decisions are challenged	M	C	0.25	$34,560
Defends the City, its officials and volunteers when sued for the performance of governmental functions	M	C	0.25	$34,250
Defends the City and its officials in personal injury cases	M	C	0.25	$38,335
Defends City and officials in civil rights matters	M	C	0.5	$63,700
Defends City Assessor's value	M	C	0.005	$500
ORDINANCE PROSECUTIONS				
Processes misdemeanor ordinance violations	M	C	0.4	$33,354
Prosecutes drug and alcohol cases	M	C	1.2	$99,646
Pursues building and zoning ordinance cases	M	C	0.1	$11,510
Handles domestic abuse cases	M	C	0.2	$14,114
Prosecutes shoplifting cases	M	C	0.14	$17,445
Represents the City in traffic matters	M	C	0.3	$29,390
Prosecutes disorderly conduct cases	M	C	0.15	$9,130
Handles assault and battery cases	M	C	0.09	$9,510
Assists with municipal civil infraction matters	M	C	0.05	$5,700
Defends appeals of criminal convictions	M	C	0.07	$4,755
Defends appeals of civil infractions	M	C	0.07	$8,057
OTHER ACTIVITIES				
Negotiates or assists in negotiation of contracts, agreements, bonds and real estate transactions as needed	M	C	0.25	$33,560
Researches, drafts, and reviews all ordinances, policies and legal documents	M	C	0.3	$32,980
Recommends necessary revisions of the City Charter and Code	M	C	0.15	$14,400
Receives citizen complaints, mediates disputes and issues criminal misdemeanor warrants	M	C	0.15	$15,680
Provides training regarding the law and legal procedures for employees and officials	M	C	0.15	$19,870
Prepares numerous agenda items for City Council consideration	M	C	0.1	$18,300
Assists citizens on a daily basis by answering inquiries and providing appropriate referrals when warranted	E	C	0.2	$15,380
Responds to media inquiries	E	C	0.15	$16,721

OFFICE OF THE CITY CLERK

	Function	Mandate, Essential, Administrative, Discretionary, Revenue Supported	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
OTHER ACTIVITIES					
City Code	Codification of amended ordinances, prepare publication notices and certificate, update web page, provide draft ordinance assistance, maintain permanent record of amendments, provide staff and the public with assistance retrieving current and historical code information.	Mandate	Core	1/16	$4,225
City Charter	Coordinate agenda (City Council / Charter Revision Committee) submittals as applicable, assist in the preparation of ballot/charter language, notify the proper county and state officials as applicable.	Mandate	Core	1/40	$4,287
GENERAL OFFICE RESPONSIBILITIES					
Vital Records	Receive, process, and file permanent birth and death records for all events occurring in Troy. Receive, process and file home birth certificates.	M / RS	Core and Partial Core	1/4	$16,741
Cemetery	Coordinate burials/veteran headstone placement in city-maintained cemeteries with funeral homes, families and Parks and Recreation staff.	Mandate	Partial Core	1/32	$2,113
	Coordinate sales/transfers and process deeds of burial sites at Crooks Cemetery; collect fees, including perpetual care fees.	Mandate	Partial Core	1/100	$675
	Provide genealogical information as requested.	Administrative	Non-Core	1/100	$675
	Maintain cemetery database.	Administrative	Non-Core	1/40	$1,690
	Maintain burial certificates for private cemetery (White Chapel Cemetery).	Mandate	Partial Core	1/100	$675
FOIA	Clerk serves as FOIA coordinator. Receive and respond to FOIA requests for distribution to departments as mandated. Calculate fees. Maintain database.	Mandate	Core	1/16	$4,186
Subpoena / Lawsuits	Receive and respond to subpoena/lawsuit filings for distribution to departments as required Calculate fees. Maintain database. Maintain permanent record.	Mandate	Core	1/40	$1,673
Passport Acceptance Agent / Photo Services	Provide passport services for new and renewal applications. Partner with International Express Service for expedited services.	Essential, Revenue Supported	Core	1 minimally, additional (multiple) staff required depending on user demands. Acceptance appears to have a cyclical demand tied to school vacations and holidays	$67,898
Mail Distribution / Receive Packages	Provide mail sorting and package distribution for all city departments.	Administrative	Partial Core	1/32	$2,113
Petitions / Public Improvements	Receive and route as required.	Essential, Administrative	Partial Core	1/1000	$100
LICENSES					
Liquor Licenses	Liquor Licensing Filing and Customer Service.	Mandate, Revenue Supported	Partial Core	1/40	$4,272
Dog License	Point of issuance and license inquiry location.	Essential, Mandate, Revenue Supported	Partial Core	1/16	$4,225
Miscellaneous Licensing	License business / operations / activities as required by Statute, Charter and City Code	Essential, Discretionary, Revenue Supported	Partial Core	1/8	$8,445
Annual Full Disclosure Statements	Prepare and distribute annual statements to designated employees and board / committee members. Follow-up required to assure compliance with City Charter and City Code.	Essential	Partial Core	1/40	$2,995
Vehicle Titles	Receive vehicle titles from Motor Pool, maintain data base log with history, prepare titles for sale/transfer.	Essential, Administrative	Partial Core	1/100	$1,198
Public Hearing Notices	Assist city departments in the preparation of public hearing notices for mailing and publishing as mandated. Forward notices to the newspaper of record. Maintain permanent electronic record of all notices.	Mandate	Partial Core	1/40	$2,995
Notary Services	Provide notary service for city departmental documents at no fee; provide public notary service for a fee.	Administrative	Partial Core (City documents) and NC (Public Notary)	1/40	$1,690

OFFICE OF THE CITY CLERK continued

	Function	Mandate, Essential, Administrative, Discretionary, Revenue Supported	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
LICENSES *continued*					
Plats	Point of service for issuance if final plats and maintenance of final plats.	Mandate	Core	1/1000	$171
Purchasing	Procure general and specialized supplies, and equipment for the Clerk's office, elections and duplication. Obtain quotes as required. Control expenses by examining expenditures and managing inventory regularly.	Administrative	Partial Core	1/40	$1,690
	Process monthly statements for payment.	Administrative	Partial Core	1/40	$1,690
Budget	Prepare and analyze annual budget; monitor expenditures to assure compliance with the approved document.	Administrative	Partial Core	1/20	$5,971
Cashier Services	Accept payment from the public for city services (e.g. notary), licenses (e.g. dogs), vitals and various printed materials (e.g. budget publications, financial summaries, bid specs and informational booklets for bid openings), etc.	Administrative	Partial Core	1/10	$6,760
	Reconcile cash drawer daily.	Administrative	Partial Core	1/16	$4,225
Departmental Support	Provide office coverage to City Manager's office upon request. Assist other city departments.	Discretionary	Non Core	1/80	$845
	Maintain east entrance informational brochure rack and two public notices bulletin board located outside the Clerk's office.	Administrative	Partial Core	1/40	$1,689
Telephone Support	Oversee main telephone line and provide general information to callers and/or direct phone calls to appropriate departments. Set and release night lines.	Administrative	Core	1/4	$16,900
Counter Support	Assist residents with Clerk's office operations and provide general city and community information.	Administrative	A	1/4	$16,900
Traffic Control Orders	Organize, scan and provide information to departments when requested. Permanent record.	AAdministrative	A	1/80	$845
Recognition for Non-Profit Status for Gaming Licenses	Receive request from non-profit organization to submit to City Council. Prepare agenda item; prepare certified resolution and notify applicant of approval.	Mandate	Partial Core	1/80	$1,497
Bid Openings	Receive bid documents, sell specs/plans for applicable bids; attend bid openings as required by the City Charter.	Mandate	Core	1/20	$3,380
Subdivision Applications	Process initial filing and execute final signature. Confirm Mylar information; Clerk signs on behalf of the City certifying all obligations and conditions are satisfied. Maintain official permanent record.	Mandate	A	1/100	$171
DUPLICATION and BUSINESS CENTER					
Provide business service support for all city departments.		Discretionary	Partial Core	1/8	$8,450
ELECTIONS-262					
Administrator for all local, state and federal elections in accordance with federal and state statutes.		Mandate	Core	2 to 6 per year depending upon election cycle	$119,408
Election Inspectors	Receive and manage resumes, applications and appointments for 400+ election inspectors. Provide election training in accordance with state mandates.	Mandate	Core	1/16	$4,186
Administrative Training	Attend state/county educational/training meetings related to the administration and implementation of election procedural and legislative updates.	Mandate	Core	1/80	$5,500
Misc. Administrative Duties	Provide public information regarding ballot petition requirements, recounts, recalls, etc. as requested.	Mandate	Core	1/16	$7,463
Candidate / Proposal Petition Filings	Prepare, receive and file candidate/proposal filings. Collaborate with Charter Revision Committee and City Council to draft ballot language.	Mandate	Core	1/16	$7,463
Voter Information Requests	Prepare requests for voter information from political parties, candidates, organizations, etc.	Mandate	Core	1/16	$4,186
PRE-ELECTION PREPARATION					
Election Commission	Schedule meeting, notice of meeting, prepare agenda and supporting documentation as required. Complete follow-up as needed (e.g. notify county parties of election inspector assignments).	Mandate	Core	1/100	$1,715
Absent Voter (AV)	Coordinate mailing of AV applications for permanent listing of approx. 9,000 voters. Receive applications and process AV ballots in accordance with state mandates.	Mandate	Core	1+	$67,598
Supplies	Inventory and order supplies required to conduct elections. Replenish and reorganize supplies for 31 precincts. Update posting boards (2 each) for 31 precincts.	Mandate	Core	1/40	$1,690

	Function	Mandate, Essential, Administrative, Discretionary, Revenue Supported	Core, Non-Core or Partial Core	Full Time Equivalents (FTEs) Per Year	Annual Cost
PRE-ELECTION PREPARATION *continued*					
Precinct Documents	Prepare poll books, ballot container certificates, transmittal envelopes, signature labels.	Mandate	Core	1/10	$14,560
Ballots	Calculate quantity and place ballot order; proof drafts; prepare test decks.	Mandate	Core	1/10	$14,560
Publication Notices	Publication of 3 statutorily required notices; 1 additional notice required by City Charter for local elections.	Mandate	Core	1/100	$1,198
Precinct/Polling Locations	Notice of election prepared for 18 polling locations to coordinate the delivery, set-up and pick-up of equipment. Regularly evaluate locations compliance with ADA accessibility .standards.	Mandate	Core	1/10	$14,560
Election Equipment	Preliminary testing and preparation of M-100 tabulators for 31 precincts and 18-20 AutoMARK devices for 18 polling locations; maintain 400 poll booths; maintain 200+ ballot containers / supply transfer containers and coordinate certification compliance with Oakland County elections division.	Mandate	Core	Multiple employees for several weeks preceding election	$67,598
Electronic Poll Book (EPB)	Prepare Electronic Poll Book laptops for training and election day for current election.	Mandate	Core	Multiple employees for several weeks preceding election	$14,563
Election Equipment Delivery /Set-up / Pick-up	Receive assistance from 6-8 Building Ops. and DPW staff members for the delivery/set-up/pick-up of election equipment. Two trucks with lift-gates are required and leased from a private rental agency on the Thursday prior to the election through the day after the election.	Mandate	Core	1/40	$2,335
Precinct Security	Clerk meets with Police Dept. staff to discuss potential issues that may arise and coordinate police support on election day.	Mandate	Core	1/1000	$175
ELECTION DAY					
Provide telephone and on-site troubleshooting support for 31 precincts.		Mandate	Core	6+ per event minimally 1 FTE	$119,408
Electronically transmit election results to Oakland County.		Mandate	Core	Incl. Above	$258
Absent Voter Counting Board (AVCB)	Oversee approx. 30 AVCB election inspectors in accordance with federal/state statutes for 31 precincts. Process approximately 5K-15K ballots depending upon election. Process and prepare election results for Oakland County Board of Canvassers.	Mandate	Core	Multiple (6+) FTE 2 to 4 weeks preceding election	$4,607
Receiving Board	Receive and process precinct results for 31 precincts.	Mandate	Core	6+	$3,926
POST-ELECTION WRAP-UP					
Prepare payroll for 200+ election inspectors.		Mandate	Core	1/40	$2,335
Oakland County Board of Canvassers	Collaborate with Oakland County Board of Canvassers in reconciling election results in accordance with federal/state mandates.	Mandate	Core	multiple employees until clear canvass	$4,346
Records Retention	Prepare election records for proper retention in accordance with federal/ state mandates.	Mandate	Core	1/40	$2,335
ELECTION MISCELLANEOUS					
Qualified Voter File (QVF) - Voter Registration	Maintain 57,000 data files. Maintain QVF server, replicates daily. Process daily registrations (e.g. moves, name changes, DOB corrections, cancellations for death, surrender driver license, etc.) Process mail-in voter registrations, follow-up correspondence. Process/certify duplications and record information as federally mandated. Process Federal Post Card Applications. Prepare requests for voter information, utilize local death records to update deceased voters. Initiate cancellation-countdown feature for returned mail; forward cancellation notice to voter and follow-up after every even-year General Election. Maintain electronic files and follow retention guidelines established for voter registration cards. There are currently tens of thousands cancelled voter records categorized and stored off-site.	Mandate	Core	1	$67,598
	Data entry task. Prepare voter master card, voter ID card, voter cancellation, etc. based upon updates electronically received from the Secretary of State QVF inbox.	Mandate	Core	1/16	$4,223
QVF-Street Index	Maintain accuracy of QVF street index as it pertains to each voting district in Troy (e.g. school district, state rep, senator, etc.).	Mandate	Core	1/40	$1,689

APPENDIX B:

Impacts of Proposed Budget Reductions-by Department

DEPARTMENT OF FINANCE AND ADMINISTRATION

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
ACCOUNTING			
complete at this time	Accounts Payable processing	1.5	Accounting will continue to the best of its ability to process vendor payments in a timely basis to avoid late fees. We are already seeing examples where this is not possible.
	General Ledger analysis and reporting	1.5	Reduction of Accountants has led to delays in bank reconciliations and review of accounts for proper postings.
RISK MANAGEMENT			
complete at this time	Mandatory training and reporting	1	Reduction of staff has led to non-compliance in some areas
ASSESSING			
2010-11	Personal Property Audits/ Statement calculations/ canvassing	2	SL: Taxpayers' will be filing incorrect personal property returns. Many returns will either not be cross checked against last year's return, or will be accepted subject to audit. ST: $80,000 - $90,000 loss per year in City Revenue, $240,000 - $270,000 loss to all jurisdictions ST: New businesses may not all be added to roll. Statements will be mailed to businesses that are no longer in Troy. Revenue loss cannot be estimated at this time. LT: Revenue loss will compound as each year passes. ST LT: Increase in July and December Board of Review Appeals to correct Personal Property returns
	Appraisal work drop off		ST: Inaccuracies and missed changes to appraisals ST: Re-inspection program will decrease by 40% or more. LT: Inaccurate Taxable Values will compound a loss in revenue that the City should be receiving. LT: Inaccurate Taxable Values will lead to more appeals, which takes more time for defense, and leaves less time for other work ST: Conversion of property sketches to electronic format will decrease by 40% or more. LT: Less data available electronically will mean more requests for the hard copies on site, increasing clerical workload
2011-12	Personal Property Audits/ Statement calculations/ canvassing		SL: Taxpayers will be filing incorrect personal property returns. Many returns will either not be cross checked against last year's return, or will be accepted subject to audit. ST: $160,000 - $180,000 loss per year in City Revenue, $480,000 - $540,000 loss to all jurisdictions ST: New businesses may not all be added to roll. Statements will be mailed to businesses that are no longer in Troy. Revenue loss cannot be estimated at this time. LT: Revenue loss will compound as each year passes. ST LT: Increase in July and December Board of Review Appeals to correct Personal Property returns
	Appraisal work drop off		ST: Inaccuracies and missed changes to appraisals ST: Re-inspection program will decrease by 40% or more. LT: Inaccurate Taxable Values will compound a loss in revenue that the City should be receiving. LT: Inaccurate Taxable Values will lead to more appeals, which takes more time for defense, and leaves less time for other work ST: Conversion of property sketches to electronic format will decrease by 40% or more. LT: Less data available electronically will mean more requests for the hard copies on site, increasing clerical workload
2012-13	Personal Property Audits/ Statement calculations/ canvassing		SL: Taxpayers will be filing incorrect personal property returns. Many returns will either not be cross checked against last year's return, or will be accepted subject to audit. ST: $240,000 - $270,000 loss per year in City Revenue, $720,000 - $810,000 loss to all jurisdictions ST: New businesses may not all be added to roll. Statements will be mailed to businesses that are no longer in Troy. Revenue loss cannot be estimated at this time. LT: Revenue loss will compound as each year passes. ST LT: Increase in July and December Board of Review Appeals to correct Personal Property returns
	Appraisal work drop off		ST: Inaccuracies and missed changes to appraisals ST: Re-inspection program will decrease by 40% or more. LT: Inaccurate Taxable Values will compound a loss in revenue that the City should be receiving. LT: Inaccurate Taxable Values will lead to more appeals, which takes more time for defense, and leaves less time for other work ST: Conversion of property sketches to electronic format will decrease by 40% or more. LT: Less data available electronically will mean more requests for the hard copies on site, increasing clerical workload

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
ASSESSING *continued*			
2013-14	Personal Property Audits/ Statement calculations/ canvassing	2	SL: Taxpayers' will be filing incorrect personal property returns. Many returns will either not be cross checked against last year's return, or will be accepted subject to audit. ST: $320,000 - $360,000 loss per year in City Revenue, $960,000 - $1,080,000 loss to all jurisdictions ST: New businesses may not all be added to roll. Statements will be mailed to businesses that are no longer in Troy. Revenue loss cannot be estimated at this time. LT: Revenue loss will compound as each year passes. ST LT: Increase in July and December Board of Review Appeals to correct Personal Property returns
	Appraisal work drop off		ST: Inaccuracies and missed changes to appraisals ST: Re-inspection program will decrease by 40% or more. LT: Inaccurate Taxable Values will compound a loss in revenue that the City should be receiving. LT: Inaccurate Taxable Values will lead to more appeals, which takes more time for defense, and leaves less time for other work ST: Conversion of property sketches to electronic format will decrease by 40% or more. LT: Less data available electronically will mean more requests for the hard copies on site, increasing clerical workload
2014-15	Personal Property Audits/ Statement calculations/ canvassing		SL: Taxpayers will be filing incorrect personal property returns. Many returns will either not be cross checked against last year's return, or will be accepted subject to audit. ST: $400,000 - $450,000 loss per year in City Revenue, $1,200,000 - $1,350,000 loss to all jurisdictions ST: New businesses may not all be added to roll. Statements will be mailed to businesses that are no longer in Troy. Revenue loss cannot be estimated at this time. LT: Revenue loss will compound as each year passes. ST LT: Increase in July and December Board of Review Appeals to correct Personal Property returns
	Appraisal work drop off		ST: Inaccuracies and missed changes to appraisals ST: Re-inspection program will decrease by 40% or more. LT: Inaccurate Taxable Values will compound a loss in revenue that the City should be receiving. LT: Inaccurate Taxable Values will lead to more appeals, which takes more time for defense, and leaves less time for other work ST: Conversion of property sketches to electronic format will decrease by 40% or more. LT: Less data available electronically will mean more requests for the hard copies on site, increasing clerical workload
PURCHASING			
2011-12	Purchasing activities are required by Charter and Code ITBs/RFPs/SOQs/RFQs	1	Basic fundamentals of economics out of balance - more demand, less supply; Service level to departments will suffer as response times will be longer - Time value of procurement would diminish, as the average number of days from bid request to award would increase from 60 to 75-90 days LT: Reduce number of departments serviced through consolidation or outsourcing - Change ordinance - Decentralize, which would negatively impact best practices.
	Auctions		No viable method to dispose of surplus property, currently being auctioned each month–storage will become an issue ST: Modify delivery, adjust quality of service LT: Change ordinance
	Financial System Software Testing - Purchasing/ Contracts/AP Processing Modules		Support and testing of financial software would require increased reliance on the IT department
	Document Imaging		Scanning of purchasing files would be eliminated LT: Function could be delivered by others
	Best Practices		Decrease in department efficiencies - a result of being reactive instead of proactive LT: Reduce number of departments serviced through consolidation or outsourcing; Decentralization would only exasperate the situation. No resources available to investigate new initiatives for potential savings opportunities LT: Reduce number of departments serviced through consolidation or outsourcing; Decentralize, which would negatively impact best practices. Employee morale eroded as individual feels underappreciated, inefficient and expected to do more for less LT: Close City Hall one-day a week; reduce number of departments serviced through consolidation or outsourcing; Decentralization, which would impact best practices. Loss of historical knowledge as it relates to contract administrative issues, policies and procedures, New World System financial software setup/support/workarounds/etc LT: Adjust quality of services

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
PURCHASING			
2011-12	Best Practices	1	Employee leave time would be limited at best, increasing the risk of burn-out and other potential health problems LT: Close City Hall one-day a week; Reduce number of departments serviced through consolidation or outsourcing; Decentralize, which would negatively impact best practices.
	Training		Training for new processes and procedures would have to be eliminated LT: Function could be delivered by others
	Emergency Purchases		Emergency purchases will rise requiring City Council action LT: Increase bid threshold to $25K; Reduce number of departments serviced through consolidation or outsourcing; Decentralize, which would negatively impact best practices.
	A/P Processing		In an effort to assist Finance by reducing the amount of A/P processing, more suppliers could be paid via P-Card This would only increase the activity in Purchasing, which provides oversight of the transactions each month.
TREASURER'S OFFICE			
complete at this time	Payment Processing	–	Treasurer's Office will continue to the best of its ability keep customer service primary and all mandated reports, deposits, and distributions current. During busy times, there may be a delay of a day or two in the actual processing of payments; but the payments will be processed as date they were received. City-wide department deposit bags also could be delayed a day or two in final processing in New World. Overall negative impact would be that revenue taken at the Treasurer's Office would be delayed in being deposited at the bank. Need to keep encouraging residents to make water and tax payments to the bank's lockbox and using the water auto debit program.
	Refunds		Depending on volume, refunds of tax overpayments and duplicate payments may be delayed.
	Calls from title companies requesting outstanding balances for water, tax, invoices, special assessments		Calls may become subject to certain hours. Currently, Information Technology is developing an application that would make all of this information available online decreasing the number of calls in the office resulting in increased productivity/efficiency for processing revenue.

FIRE DEPARTMENT

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
FIRE OPERATIONS			
2011-12	Pump Testing/Hose testing/ equipment maintenance	0.5	(SL) Fire hose and fire apparatus pumps are required to be tested annually. While the testing is performed by contractors, part time fire personnel move apparatus to the pump and hose testing sites, verify that equipment is operational after testing and return apparatus to assigned station. (ST/LT)While this testing will still have to performed, the associated labor will have to be performed by career personnel who are assigned other tasks which will decrease productivity in those areas.
2013-14	Juvenile Fire Setter Program	1	(Eliminate) (SL) Impacts Public Safety, Firefighter Safety. We also know that without intervention, juvenile fire setters develop into Arsonists and cost our community additional cost. (LT)The types of fires that juveniles start with are generally small outside objects, but will progress to larger more dangerous fires.
	Training Volunteer Firefighters	0.5	(Reduce Staffing) (SL) Impacts Public Safety and Firefighter Safety. By eliminating 1/2 of a Fire Staff Assistant, the required time we put into setup and gathering of required equipment will be reduced by 25%. This will result in fewer hours of hands on training; increasing the odds of putting firefighters into situations they have no experience in controlling. . (LT) Once this type of legacy knowledge is lost, the safety and efficiency of our entire organization is negatively impacted.
	Developing new Training Programs, based on our changing needs.	1	(Reduce Staffing) (SL) Many hours are spent studying, researching and attending outside training. The art, and equipment used in safe firefighting is constantly changing and improving. (LT) By reducing the time used in this endeavor, we will certainly be increasing the fire risk to not only our citizens and their property, but our Volunteer Firefighters. One of the keys to maintaining our System is to lessen the overall impact to our Volunteers. (Eliminate) These two Fire Academies run for approximately six months with overlapping schedules. (SL) By giving up input and control of content, and delivery of the teaching material, we lose our ability to tailor the final outcome to our Fire Department needs. (LT) This will require our new firefighters to learn our equipment and Standard Operation Procedures over a longer period of time once they graduate. This means they will require more in-house or on the job training, prolonging their training and their probationary periods. With our current level of input, we have seen a drastic improvement in our new firefighters abilities and safety.
	Fire Investigation	–	(Reduce Staffing) (SL) Eliminate one Fire Investigator (25%of current certified investigators). Freeing him to fill in other areas. (LT) By doing this we will be less efficient, with our Fire Investigation Team. This will result in a higher probability of unsolved Arsons, which will endanger citizens; firefighters; increase our decline in tax revenue and blight.

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
FIRE PREVENTION			
2011-12	Fire Prevention Data Management and Clerical Support: Records / Reports / Data / Filing	0.5	Impact: Reduce staff by additional 8% and eliminate data management practices and return to paper filing. SL: Less efficient and timely data entry and retrieval ability. ST: Alter data storage methods. LT: Become less efficient to the firefighters' and the community's needs.
	Fire Alarm: Registration / Notification / Invoicing		Impact: Discontinue fire alarm registration process as mandated by ordinance. SL: Unregistered alarms with loss of revenue to City. ST: Discontinue registration, notification, and invoicing process. LT: Increased false alarm occurrences and loss of revenue. Rescind ordinance requiring fire alarm registration and administration by the fire department.
	FOIA Research		Impact/SL: Delayed response to FOIA requests. ST: Reassign responsibilities among remaining FTE staff as available. LT: Increase in time needed to complete research and copy information.
	Knox Box and Emergency Contacts Updates		Impact: Reduce staff by an additional 8%. Discontinue administering key vault program. SL: Inhibit FD after-hour emergency building access efforts. ST: Gradually have less access to Knox Box equipped buildings after-hours. LT: Use forcible entry to gain access to buildings after-hours causing damage to property. Rescind portion of the ordinance requiring key and contact provision.
2013-14	Fire Inspections / Code Enforcement	1	Impact: Reduce staff by an additional 17%. Reduce amount and type of inspections by additional 20%. Reduce overall fire prevention activities as mandated by Troy City Codes. Likelihood of increase in significant fire occurrence with resulting increase in fire and life loss. SL: Less building inspections to identify fire and life safety hazards proactively. ST: Alter inspection schedule and deny requests for inspections. Eliminate proactive fire prevention efforts altogether. LT: Cease conducting proactive code enforcement and serve solely as a reactionary response force to fires after they've occurred. Rescind numerous ordinances requiring the prevention of fires and explosions in the community.
	Fire Safety Education Programs		Impact: Reduce / eliminate fire safety education efforts. Likelihood of increase in significant fire occurrence with resulting increase in fire and life loss. SL: Conduct less programs to teach public about fire safety. ST: Discontinue program schedule and deny requests for programs. LT: Eliminate fire safety education efforts altogether and deny all requests for programs. Rescind references to fire prevention through education efforts within the community.
	False Alarm Follow-up		Impact: Reduce / eliminate false fire alarm follow-up inspections. Likelihood of increased number of false fire alarm activations placing increased risk to firefighters and motoring public through unnecessary emergency response procedures. SL: Conduct less follow-up inspections to ensure system reliability. ST: Gradual increase in the amount of false alarm activations. LT: Continued increase in false alarm activations with resulting response level from firefighters.
	Fire Protection Deficiency Report Follow-up		Impact: Reduce / eliminate fire protection deficiency report follow-up inspections. Increased risk of system unreliability. SL: Conduct less follow-up inspections to ensure system reliability. ST: Potential increase in related false alarm activations. LT: Less reliable fire protection systems increasing risk of fire spread exposing increased risk to occupants and firefighters.
	Hydrant Flow Tests		Impact: Discontinue conducting hydrant flow tests to determine available water and pressure for firefighting and fire suppression system design. SL: Refer fire protection contractors to water department for hydrant flow testing and assume accurate data collection. ST: Discontinue conducting hydrant flow tests. LT: Lose confidence in water supply and the ability to provide accurate data to contractors and firefighters.
	Department Support		Impact: Dramatically reduce level of support to the volunteer firefighters due to reduced staffing. SL: Reduce ability to accommodate requests for service and any resulting follow-up activities. ST: Adjust workload when possible to accommodate urgent / priority requests. LT: Diminished level of support to department.

DEPARTMENT OF PARKS AND RECREATION

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
RECREATION DIVISION			
2011-12	Fitness Classes		SL - Reduction of Service, ST - More contracts, LT - Fewer offerings to public
2011-12	Adult-Children Arts and Crafts		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Mother-Son, Daddy Daughter Dances		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Floor Hockey		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Flag Football		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Softball Clinic		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Softball Clinic		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Gymnastics		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Indoor Golf		SL - Shift responsibility to Billy Casper Golf Operations, ST LT - Possible increase cost
2011-12	Golf Lessons		SL - Shift responsibility to Billy Casper Golf Operations, ST LT - Possible increase cost
2010-11	MRPA Hoops Challenge		SL - Eliminate Program, ST LT - Reduction of services
2011-12	NFLPunt, Pass and Kick Competition		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Corporate Punt, Pass and Kick		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Hershey Track and Field Competition		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Boo Bash Halloween Event		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Home Alone Babysitting Workshop		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Ice Skating Lessons		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Junior Golf League		SL - Shift responsibility to Billy Casper Golf Operations, ST LT - Possible increase cost
2011-12	Community Garage Sale (Seniors and Children)		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Sanchin-Ryu Karate		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Japanese Shotokan Karate		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Judo and Streetwise Self Defense		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Skate World Indoor Roller Blade Lessons		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Arbor Day Kite Fly	3	SL - Eliminate Program, ST LT - Reduction of services
2009-10	Family Festival		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Girls Empowered - Classes and Camps		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Frozen Noses PJ Party		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Fun with Santa		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Parent-Tot Field Trips		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Musical Adventures		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Oakland County Sports and other travel camps		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Cricket Camp		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Ettiquette Class		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Interior Design Class		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Photography Class		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Warehouse Training		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Wedding Planning		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Wear Prom Dreams Come True		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Girls Lacrosse Clinic		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Rookie Basketball Clinic		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Baseball Clinic		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Magic Class		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Detroit Pistons Basketball Clinic		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Fame Camp		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Pottery Classes		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Roving Recreation		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Safety Town		SL - Eliminate Program, ST LT - Reduction of services

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
RECREATION DIVISION *CONTINUED*			
2011-12	Skateboard Camp	3	SL - Eliminate Program, ST LT - Reduction of services
2011-12	Future Stars Soccer - off site programming		SL - Eliminate Program for off site locations, ST LT - Reduction of services
2011-12	Travel team sports - baseball, softball, soccer		SL - Eliminate Program, ST LT - Reduction of services; field availability
2011-12	World Cup Soccer		SL - Transfer to Troy Youth Soccer League, ST LT - possiblity of reduced offerings and price increase.
2011-12	Adult Softball - Fall Leagues		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Troy Sports Camps		SL - Transfer to Troy School District, ST LT - Reduced service
2011-12	Tee-Ball		SL - Transfer to Troy Baseball Boosters, ST LT - possibility of reduced offerings and price increase.
2011-12	Youth Volleyball		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Adult Sand Volleyball		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Youth Organization Sports Liaison		SL - Transfer to Department Head
2011-12	Adult Basketball		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Spring Break Camps		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Winter Break Camps		SL - Eliminate Program, ST LT - Reduction of services
2011-12	New Year's Eve Celebration		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Mom to Mom Sale		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Adaptive Dinner Club		SL - Eliminate Program, ST LT - Reduction of Services; fewer offerings.
2011-12	Monday Friendship Club		SL - Eliminate Program, ST LT - Reduction of Services; fewer offerings.
2011-12	Adaptive Basketball		SL - Eliminate Program, ST LT - Reduction of Services; fewer offerings.
2011-12	Adaptive Softball		SL - Eliminate Program, ST LT - Reduction of Services; fewer offerings.
2011-12	Ms. Melody Enrichment Class		SL - Eliminate Program, ST LT - Reduction of services

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
COMMUNITY CENTER			
2010-11	Princess Pool Party	4	SL - Eliminate Program, ST LT - Reduction of services
2010-11	Share the Warmth/Jump and Start Your New Years Resolution		SL - Eliminate Program, ST LT - Reduction of services
2010-11	30 Days to Health		SL - Eliminate Program, ST LT - Reduction of services
2010-11	MRPA Walk Michigan		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Massage Therapy		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Swim Lessons - Indoor		SL - Fewer program offerings, ST LT - Service reduction
2011-12	Indoor pool parties		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Kids Night Out		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Dodgeball Tournaments		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Adult-Teen Swim instruction		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Lifeguard Classes		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Community Center Family Nights		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Fitness Boot Camp		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Heart Saver Class		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Cardio Challenge		SL - Eliminate Program, ST LT - Reduction of services

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	FTE Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
SENIOR CITIZENS PROGRAMS			
2010-11	Senior Volunteer Banquet	1	SL - Eliminate Program, ST LT - Reduction of services
2010-11	SMART Ticket sales		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Grandparent-Grandchild Swim		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Belly Dance Class		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Grief Support Group		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Hearing Support Group		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Bocce Ball League		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Shuffleboard League		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Speed Dating		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Sun and Yang Tai Chi		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Wii Bowling		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Plant Exchange		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Mindfulness Medication Group		SL - Eliminate Program, ST LT - Reduction of services
2010-11	Senior Emergency Cell Phone Program		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Pickleball		SL - Reduced offerings, ST LT - Reduction of services
2010-11	Senior Golf Leagues		SL - Transfer to Billy Casper Golf Operations, ST LT - possible increase cost.
2010-11	Senior AARP Defensive Driving Program		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Trips		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Fall Prevention Class		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Art-Paint-Draw classes		SL - Eliminate, ST LT - Reduction of services; fewer offerings.
2011-12	Senior Group / Clubs - Harmonica, quilting, chorus, bridge, woodcarving, painting, needlepoint, etc....		SL - Eliminate, ST LT - Reduction of services; fewer offerings.
2011-12	Senior Exercise programs		SL - Reduce offerings, ST LT - cost to users to increase.
2011-12	Senior SHARP program		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Employee Referrals		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Store		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Hospital Equipment Loan program		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Speaker programs		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Tax assistance		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Gardens		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Open House		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Line Dance		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Zumba		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Craft Show		SL - Eliminate Program, ST LT - Reduction of services
2011-12	Senior Special Events throughout year - Bingo, Flu Shots, Blood Pressure, Food Distribution, etc...		SL - Eliminate Program, ST LT - Reduction of services

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
PARKS DIVISION			
2011-12	Trash removal / receptacles		SL - Contract, ST - Reduction of frequency of service, LT - Diminished appearance of park
2010-11	Restroom Cleaning		SL - Contract, ST - Reduction of frequency of service, LT - Diminished appearance of park
2010-11	Shelter Cleaning		SL - Contract, ST - Reduction of frequency of service, LT - Diminished appearance of park
2011-12	Shelter Repairs		SL - Shift responsibility to Building Operations department, ST LT - response time/service level will be reduced.
2011-12	Restroom Repairs		SL - Shift responsibility to Building Operations department, ST LT - response time/service level will be reduced.
2010-11	Mowing of green spaces		SL - Reduction in acreage mowed, ST LT- Diminished appearance/condition.
2011-12	Park clean up/litter		SL - Contract, ST - Reduction of frequency of service, LT - Diminished appearance of park
2011-12	Park Repairs - Fence, buildings, equipment, tennis courts		SL - Contract, ST LT - Increase in unavailability of facilities and amenities due to increased time to make repairs.
2011-12	Tree work block trimming		SL - Eliminate for minimum of three years, LT - Decline of urban forest condition; catch up on work when funds are available.
2011-12	Insect Disease Control		SL - Eliminate Program, ST LT - Detioration of tree quality, park/public properties; environmental quality
2011-12	New Tree Planting		SL - Eliminate Service, LT - Decline of urban forest.
2011-12	Athletic Field Restoration		SL - Eliminate Program, ST LT - Reduced playing condition; deterioration of fields.
2011-12	Athletic Fields Mowing		SL - Eliminate Program, ST LT - Reduction of field use due to contract requirements.
2011-12	Fertilize/weed control		SL - Eliminate Program, LT - Deterioration of turf quality, aesthetics.
2011-12	Field Preparation - baseball, softball, football, soccer, lacrosse, sand volleyball.		SL - Contract at reduced level, ST LT - Reduction of services; risk of injury; and reduced revenue due to conditions.
2010-11	Mowing small and large areas		SL - Contract at reduced frequency, ST LT - declining turf condition; possibility of increased rodent activity.
2010-11	Plant Maintenance - shrubs and flowers	10	SL - Eliminate Service, ST LT - Reduced park appearance, aesthetics.
2011-12	Graffiti Removal		SL - Reduced response time, ST LT - encourages more graffiti; aesthetically unappealing.
2011-12	Hardscape fences and signs		SL - Contract, ST LT - Service level reduced; increased time for completion.
2011-12	Cemetery headstone repairs		SL - Contract, ST LT - Repairs will take longer; increased cost.
2010-11	Cemetery Records Management		SL - Transfer responsibility to City Clerk's Department.
2011-12	Special Events set-up		SL - Transfer responsibility to Building Operations Department, LT - reduction of service level.
2011-12	Municipal Properties other than city parks - landscape maintenance		SL - Contract at reduced frequency, ST LT - reduced appearance/condition.
2011-12	Hardscape Maintenance		SL - Contract, or transfer responsibility to Streets Department, ST LT - increased cost and response time
2011-12	Undeveloped Parks - Mowing and Trash		SL - Contract at reduced frequency, ST LT - reduced appearance/condition.
2011-12	Irrigation - maintenance		SL - Contract, ST LT - Increased response time; increased cost; reduced appearance/aesthetics
2011-12	Irrigation - Start up		SL - Contract, ST LT - Increased response time; increased cost; reduced appearance/aesthetics
2011-12	Irrigation - Winterization		SL - Contract, ST LT - Increased response time; increased cost; reduced appearance/aesthetics
2011-12	Irrigation - Repair		SL - Contract, ST LT - Increased response time; increased cost, time to repair
2011-12	Irrigation - Inspection		SL - Contract, ST LT - Increased response time; increased cost; reduced appearance/aesthetics
2011-12	Snow Control - Municipal Properties		SL - Combination of staff and contractual, ST LT - increased time to complete
2011-12	Snow Control - Parks		SL - Combination of staff and contractual, ST LT - increased time to complete
2011-12	Parks Garage Maintenance		SL - Transfer responsibility to Building Operations Department, ST LT - reduction of service level; increased time to repair.
2011-12	Equipment Maintenance/Repair		SL - Transfer responsibility to Motor Pool Department, ST LT - increased cost.
2011-12	Showmobile		SL - Eliminate Service, Sell unit, ST LT - reduction of services, availability of unit to public.

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
ADMINISTRATION			
2011-12	Contract Management - DDA, other medians, tree work, property mowing, municipal property, weeds/fertilizer, snow and ice, insect control.		SL - Shift responsibility to Field Supervisor / Department Head, ST LT - reduced time spent on each contract for oversight; and reduced quality of workmanship, response time.
2011-12	Sponsorship Coordination		SL - Shift responsibility to Department Head, ST - less time to promote, LT - fewer sponsorships
2011-12	Marketing of Department programs		SL - Fewer promotional items; shift responsibility to Department Head, ST LT - Less time to devote to marketing
2010-11	Capital Improvements		SL - Reduced Capital improvements, LT - increased long term costs and operational costs.
2011-12	Permits - Shelters, filming, special use, ROW planting, public display.		SL - Shift responsibility to Field Supervisor / Department Head, ST LT - increased time to complete and increased cost due to staff wages.
2011-12	Purchasing - Develop specifications, bids, and analysis		SL - Transfer responsibility to Department Head/Clerical, SH LT - Delayed response to public/applicant.
2011-12	Citizen Action Request Coordination	3	SL - Transfer responsibility to Field Supervisor / Clerical, ST LT - Delayed response time and lack of quality control.
2010-11	Landscape Plan Review		SL - Transferred to Planning Department
2010-11	Ordinance Enforcement		SL - Transferred to Planning Department
2011-12	Budget Preparation		SL - Sole responsibility of Department Head, ST - Less time to devote, potential inaccuracies
2011-12	Supervision of Staff		SL - Reduced, ST - Lack of oversight
2011-12	Public Contact		SL - Reduced, ST LT - Reduced service, interaction with public
2010-11	Hershey Track and Field Competition		Reduction of services
2010-11	Boo Bash Halloween Event		Reduction of services
2011-12	Ice Skating Lessons		Reduction of services
2010-11	Junior Golf League		Shift responsibility to Billy Casper Golf Operations; possible increase cost
2011-12	Sanchin-Ryu Karate		Reduction of services

DEPARTMENT OF BUILDING OPERATIONS

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
BUILDING OPERATIONS			
3	Low Level Work Orders	3	Impact: SL will decrease from an immediate response and be given a lower level priority. This function will be eliminated. ST: Communicate to all departments what functions will no longer be provided by Building Operations. LT: Service level will not be reinstated.
3	Medium Level Work Orders	3	Impact: SL will decrease from an immediate response and be given a lower level priority. Work orders will be prioritized and response time will be delayed for all requests. ST: Provide departments with expected turnaround time as to when completion can be achieved. LT: Service level will not be reinstated.
3	High Level Work Orders	3	Impact: SL will decrease and work orders will be prioritized. Response time will be delayed for all requests. ST: Provide departments with expected turnaround time as to when completion can be achieved. LT: Service level will not be reinstated until staffing levels are returned.
3	24 Hour Emergency Response Time	3	Impact: SL will be delayed for all requests. ST: Provide departments with expected turnaround time . LT: Service level will not be reinstated.
3	Unscheduled Work Requests	3	Impact: SL will be eliminated. ST: Communicate to departments that Building Operations will no longer service requests upon demand. LT: Service level will not be reinstated.
3	Preventative Maintenance	3	Impact: SL will be reduced to as needed. ST: Increased potential for malfunctioning equipment. LT: Can expect costly repairs for all unmaintained equipment..
3	Assisting Other Departments	3	Impact: SL will be eliminated. ST: Communicate to departments that Building Operations will no longer assist them in functions that can be performed within their department LT: Service level will not be reinstated.
3	Infrastructure Maintenance	3	Impact: SL will be reduced to as needed. ST: Increased potential for deterioration of all building structures. LT: Can expect costly repairs, major capital expense and public safety hazards.
3	Proactive Approach	3	Impact: SL will revert to a reactive approach for all building operations. ST: SL's will not be as apparent due to the current conditions of all buildings. LT: Can expect overall noticable deterioration of all city buildings due to neglect.
3	Department Renovation Projects and Equipment Capital Improvements	3	Impact: SL will be eliminated. ST/LT: Immediate impact on all departments under the Option 1 Reduction plan. Outsourcing this function will be costly, ineffecient and impede the proposed consolidation of departments.
3	Election Support	3	Impact: SL will be eliminated. ST/LT: Immediate impact on the administration of elections. Outsourcing this function will be costly, unreliable and inefficient.

DEPARTMENT OF STREETS AND DRAINS

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
STREETS AND DRAINS			
Year 2 of 5-year period 2011-12	Below are the breakdown of the different program activity to be affected	10 total FTE's with the breakdown by program activity listed below	Reduction of 21 field staff to 11. Previously reduced staff from 27 to 21 over 5 year period.
	Major Road Surface Maintenance	1.5	SL=Asphalt and Concrete repairs, Pot hole patching curb repairs and emergency maintenance on 50 center-line miles of roadway will be reduce to pothole patching and emergency pavement collapses. ST=Long term decline in pavement will not be evident the first year LT=Reduced service life of pavement and more costly replacement costs.
	Local Road Surface Maintenance	1.4	SL=Asphalt and Concrete repairs, Pot hole patching curb repairs and emergency maintenance on 260 center-line miles of roadway will be reduced to pothole patching and emergency pavement collapses. ST=Long term decline in pavement condition will not be evident the first year. LT=Reduced service life of pavement and more costly replacement costs.
	Major and Local Road Sweeping	0.5	SL=Sweeping of local streets 4 times a year and Major Roads 6 Times a year that covers 1,700 lane miles of pavement will be reduced to 2 times per year on Local Roads and 3 times per year on Major Roads. ST=The community will have more visible road dirt and debris and be unsightly. LT= The catch basin and storm system will fill up with road dirt debris and allow more pollutants will be allowed to get to local streams and lakes. We can expect that the road debri at times may cause concern for traffic safety and additional sweeping may be required for localized emergency concerns.
	Detention and Retention Pond Maintenance	0.7	SL=Maintain over 130 detention ponds and 8 lift stations by mowing, grate cleaning, debris removal and pump maintenance. Maintain grass mowing at a 3 week interval to comply with property maintenance codes is already contracted out. These activities will be reduced by 60% and the time frame for these activities will be extended to 6 week cleaning and pump maintenance. ST=The sites will look uncared for with more debris. LT= This is well beyond BMP and result in earlier repair and replacement resulting in higher costs.
	Open Drain Maintenance	0.25	SL=Maintain over 80 Miles of open drains and ditches by ditching and tree and debris removal from the drains and grates will be reduced to removing blockages from drains and grate cleaning. ST= There will be no visible affect. LT= More blockages of sediment and vegetation will cause localized flooding.
	Storm Sewer and Rear Yard Drain Maintenance	0.5	SL= Maintain rear yard drain and storm sewer systems for property and sump line drainage with response being extended from days to weeks. ST= Localized areas will be slow to drain. LT= Responses to flooding will prioritized to areas with most severe flooding and other drainage issues will not receive service.
	Major Road Structures and Ditches	0.6	SL=Maintain ditches along major roads as well as the catch basins and storm lines that are blocked or damaged will be reduced by 55%. ST=There will be some local drainage issues with extended response time and minimal maintenance performed. LT= Localized drainage issues and blockages will exist and the time for response will extend from weeks/months to months/years for repair and resolution.
	Snow and Ice Control on County Roads	2	SL=Approximately 45 snow events a season and the City maintains 9 County roads at a priority 1 level of service of 1 truck per road segment (6 linear miles of multilane road). This contract agreement will not be renewed and the county level of service of 1 truck for three road segment at the highest level and 1 truck for all 9 road segment at the lowest level of service will be maintained by the RCOC. STandLT=The funding will not be available for Snow and Ice Control on county roads and maintenance will be returned to RCOC at a lower level of service.
	Snow and Ice Control Major and Local Roads	1	SL=Seasonally the City will use 9,000 Tons of salt for local , major, and industrial roads. Approximately 30 overtime call outs. 5 major snow routes and 2 industrial routes are covered with 1 truck per route for each snow event. In 10 of the events all hills, curves and intersection are salted. The entire city is plowed within 24 hours after the storm ends when more then 4" of snow is received in one storm and these events happen 2-4 times each season. The reduction of service level will include combining two routes to one truck and 24 hour cleanups will extend to 48 to 72 with operations being reduced on overtime and put on straight time only. ST and LT the roads will be snow covered and for an extra day or two after most heavier snow events.
	Local Road Drains Structures and Ditches	1.2	SL=Maintain over 550 miles of underground storm lines and 7,950 basins by vacuuming out over 1,500 basins and jetting blocked storm lines. This maintenance will be reduce by 70%. SL= 500 basin per year will be cleaned and response time to jetting out blocked lines will be extended. LT= BMP will not be maintained and cleaning of basins will be extended from a 5 year cycle to a 15 year cycle. This will cause the city to increase line blockages and release more debris and pollutants to streams and lakes.

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
STREETS AND DRAINS *continued*			
Year 4 of 5-year period 2011-12	Below are the breakdown of the different program activity to be affected	15 total with the breakdown by program activity listed below	The 15 FTE are the remaining 11 field staff, 1 office assistant, 1 project manager, 1 field supervisor, and 1 field supervisor. The only division employee remaining will be the Superintendent of streets and drains.
	Major and local road surface maintenance, sweeping, guardrail, gravel road, retention pond, storm sewer, open drain, sidewalk, street sign, traffic control sign, and pavement markings.	11 field staff and 1 division supervisor	ST and LT= All operation that are currently maintained by BMP will be reduce to local emergency response and a decline in the quality of the infrastructure will follow. Any maintenance will be contracted out will the minimal funding available. Development of fully equipped and qualified snow and ice control will need to be solicited. These types of companies currently do not exist due to the cost and short seasonal use of equipment in the region. Currently hourly rates for a private truck, front plow and driver costs $120/hour and the city comparable cost is less then $80/hour. The City will likely become noncompliant with many mandates including the state storm water permit and Federal Highway Sign standards causing restriction or elimination of state and federal funding.
	Assistance to other departments (Police, Fire), pavement maintenance system, capital projects (major, local and industrial road slab replacement and seam and fracture sealing, sidewalk replacement and inspection program and parking lot maintenance, street light maintenance and weed control contract administration)	3	ST and LT=Assistance to other department will be eliminated and all mutual aid with other agencies will no longer exist. The management of capital projects will be handled by the Superintendent causing minimal oversight of the project and work being completed. Development of annual maintenance programs will be reduced to emergency responses only.

HUMAN RESOURCES DEPARTMENT

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
HUMAN RESOURCES - LABOR RELATIONS			
Overall Reduction: 2 employees (1.5 FTE). (One additional employee resigned mid-year FY 2009-10 and was not replaced; work was absorbed by Director and remaining HR Specialist)	Contract negotiations, review of contract issues, consultation with managers/ supervisors, participate and document negotiation meetings.	0.076	SL: 140 less staff hours to review contract issues, attend and document negotiation and pre-negotiation discussions. Impact: Outsource at higher hourly cost, and/or prolonged negotiations. LT: Increased likelihood of arbitrations (2-3 years to process) and retroactive pay awards.
	Research and surveys for negotiations	0.147	SL: 270 less staff hours to perform research and surveys. Impact: Increased reliance on outsourcing (on a per hour basis cost could be significantly higher).
	Document preparation for negotiations, arbitration	0.136	SL: 250 less staff hours to assist with document/exhibit preparation for negotiations and arbitration. Director could absorb 10% if some personnel program tracking/admin. is decentralized to departments, but remaining work would not get done or be outsourced. [NOTE: Number of grievances have increased during periods of labor unrest. i.e. # Grievance hearings in FY 2008: 2; in FY 2009: 0; in FY 2010: 6; in just last two months of FY 2011: 2]
	Final contract preparation; notifications to employees and supervisors; contract administration (service & consultation on contract interpretation, disciplinary procedures, recordkeeping.	0.084	SL: 155 less staff hours available to assist with final document preparation, notifications to employees/supervisory personnel, service and consultation to employees/supervisors on contract interpretation, disciplinary procedures, personnel recordkeeping. Final document prep would be completed by Secretary on overtime basis. Supplemental service provided to supervisors and employees would not be done.
HR - RECRUITMENT			
	Create job postings, advertise, develop screening mechanisms, evaluate/ sort applications against requirements, schedule/ conduct/score test phases, conduct reference/driving record checks, prepare correspondence to applicants, provide support to hiring for P&R programs.	0.06	SL: 110 less staff hours available to support. Function would be decentralized to hiring departments (who are not familiar with many legal issues involved in hiring and whose staff is already reduced) or outsourced. LT: Potential conflicts with union contracts; loss of control over integrity of process; reduced assurance of compliance with legal requirements; potential for increase in grievances, discrimination complaints filed and legal challenges.
HR - RECRUITMENT			
	Maintain employee and personnel records	0.141	260 fewer staff hours available to assure employee files are kept up-to-date. Impact: work would not get done, despite legal obligation to maintain most records. LT: If performed on overtime basis by Secretary, hourly overtime cost (excluding roll-ups) is 184% higher than part-time wage.
	Research/Develop/Administer pay and classification plans, salary and benefit surveys, job audits	0.054	100 less staff hours available to support. Job audits would be eliminated. Surveys would be eliminated or outsourced.
	Administrative support with reviewing/tracking personnel programs (i.e. biennial physical exams, outside work applications, performance evaluation program, work-related travel, EEOC reporting)	0.065	120 fewer staff hours available. Tracking of department-specific programs could be decentralized, some activities eliminated (performance evaluations, outside work application processing). Eliminating some programs (tuition reimbursement, education bonus, bi-ennial physical exams) would violate collective bargaining agreements, or violate law (EEOC reporting).
	Employee consultations, dispute resolution, professional development	0.065	120 fewer staff hours available. Consultation/dispute resolution previously performed by incumbent would be eliminated, or at best, restricted to a specific schedule based on Director's availability.
	Summer Laborer Program management	0.049	90 fewer staff hours available to manage the hiring process for seasonal employment and so would have to be decentralized to hiring departments. LT: HR is attempting to negotiage more liberal p-t provisions in union contracts; to the extent this is accomplished, increase in staff hours would be needed. Decentralizing would relinquish oversight of legal obligations/restrictions, consistency of hiring practices, and adherence to Seasonal Agreements.

Option 1 Reduction Over 5-Year Period	Program/Activities/Service to be Affected	Full-time Equivalents (FTEs) Reduction	Impact – Provide a description of the actual service level (SL) change that will occur due to the reduction in FTE(s) and/or other resources projected for Option 1. If there is a difference, explain both the short term (ST) and the long term (LT) impacts to customers, e.g. modifying the delivery, reducing hours, eliminating service, adjusting the quality of service.
HR - INTERNAL SUPPORT RELATION			
	Maintenance (updating, programming and support) of HR segment of financial software	0.19	350 less staff hours available to support financial software. Work would not get done; would require increased reliance on IT Dept., or, decentralizing to other departments. Latter option adds layer on their already reduced staff, requires significant training on software, and raises serious security and confidentiality concerns.
	General support with correspondence, completing/ updating reports, processing unemployment claims, imaging/copying	0.15	280 less staff hours to provide general clerical support. Alternative is to pay Secretary on overtime basis to process necessary correspondence and unemployment claims; remainder would not get done.
	Paying invoices, front counter coverage, ordering supplies, phone and mail support	0.3	560 fewer staff hours to provide service. Alternative is to close counter when staff not available, route phones to voicemail; and pay overtime for Secretary to handle mail, order supplies and pay invoices.
TOTAL			
		1.517	

APPENDIX C:

City of Troy Fire Department Report and Analysis

Fire Department

INTRODUCTION

ICMA was retained by the City of Troy, Michigan to conduct a review of the fire department as well as other city operations. This report focuses solely on the fire department operations. The department is all-risk, providing Suppression, Hazardous Materials and Technical Rescue, Fire Prevention and Public Education. The organization has evolved over the years from an all-volunteer service to its present form of a combination fire department. More than 160 volunteers receive support from 10 career administrators. It is a well-organized department with established, well-written and maintained standard operational procedures. These guidelines provide a significant measure of safety to both its emergency responders and the citizens of Troy. It uses strategic management concepts to determine its future direction based upon continued environmental scans - both internal and external - to identify challenges and opportunities. The department consists of a dedicated group of men and women, paid, volunteer and civilian, who contribute to its delivery of exceptional service to the community.

OVERVIEW

The project team conducted an on-site analysis in December 2010. Qualitative interviews were conducted with members of the command staff. An actual fire call was witnessed during the course of the time spent with the staff, which demonstrated the capabilities of the department to respond to emergencies. Ample staff was assembled to handle the structure fire; more than what would be found in most departments. A thorough review of literature was made examining the latest information regarding the subject matter. The study focused on the following key issues:

- Review current performance of fire suppression and related emergency services, with attention to sustainability of the volunteer element.
- Review of career fire service elements that support the volunteer forces and supplement the responses of emergency services. Evaluate the career positions of the Fire Department against job descriptions and national standards.
- Review the number of career personnel and determine whether the Fire Department will be sustainable with fewer career personnel.
- Explore opportunities or options for restructuring.
- Determine advantages and disadvantages of each alternative.
- Analyze costs and benefits of each alternative.
- Evaluate the ability to maintain desired service levels and Council ranked priorities over the five-year projection period.

The Operational report will show tables and figures representing national standards for fire department response times; components of performance measurement systems; and Cardiopulmonary Resuscitation timeline.

OPERATIONS ANALYSIS

Review current performance of fire suppression and related emergency services, with attention to sustainability of the volunteer element.

The City of Troy Fire Department identifies its number one core business as that of suppressing fires. The department mission is "to provide the highest possible level of fire protection, rescue, and hazard mitigation services to the community. This shall be accomplished with a team of professionals, both volunteer and career, by providing fire prevention, public education, emergency operations, and planning."

The department has more than 2,000 commercial businesses that should be regularly inspected but not sufficient resources to perform even annual inspections on each.

Recruitment of volunteers has not been a problem for the City of Troy. Sufficient volunteers are available throughout the day, as demonstrated by turnout records as well as personal observations during the site visit.

What is more critical to the continued success of the department is the ability to conduct prevention activities, including inspections of all business establishments. Because of the sheer volume of businesses in Troy and the small career staff, all businesses are not inspected annually. The Insurance Services Organization (ISO) recommends that all businesses be inspected twice annually; many in Troy have never been inspected.

The risk to the responders can best be demonstrated by the outcome of a fire in Charleston, South Carolina. Businesses were rarely inspected: a sofa sleeper store was able to enclose areas that were not planned for enclosure, lacking sprinkler systems. As a result, a fire in the store quickly engulfed the building, resulting in the death of nine firefighters.

Proposals developed by the Fire Department to help the City deal with financial constraints would further reduce prevention efforts.

Most fire departments in the United States deploy resources using an approach known as "Standards of Response Coverage." The "standard" had its genesis in the United Kingdom prior to World War II. It was developed to help the U.K. survive what many saw approaching – war with Germany. Resources were deployed to handle risks in the country and to survive a predicted battle.

Research continued in the U.K. on how best to deploy resources, which resulted in a white paper and concepts being implemented beginning in 2001. The new approach – Integrated Risk Management Planning or IRMP – required fire departments to focus upon preventing incidents from occurring, since research showed that once a fire or other emergency began, the likely result was loss. By preventing the emergency or minimizing its impact, damage did not occur and the safety of the responder and public was greatly improved.

The data showed that for every $1 spent on prevention, $4 was saved on response and loss. The Department of Homeland Security in

the United States utilized the same approach to quantify response to disasters and found for every $1 spent, the savings was greater than $7. It is a figure that is regularly used by the DHS to encourage prevention and mitigation by communities.

Troy Fire Department is efficient and effective, resulting in a "3" rating by the ISO. Less than 4 percent of communities have a rating equal to Troy. The ISO, the largest rating agency in the United States, establishes risk ratings that serve as a guide to pricing commercial insurance. The ratings may be also used by insurance companies when pricing homeowner's fire loss insurance.

A risk analysis can be developed for the City of Troy from inspections of commercial properties, which focuses upon preventing incidents before they occur and mitigating risk likely to be confronted by responders and occupants in the event of an incident. This risk analysis or assessment process enables the department to determine what assets within the community are at risk and what resources are available or needed to deal with them effectively.

The charts below from the Troy Fire Department demonstrate the degree to which the department tracks performance. These types of records can serve as a basis for further risk management.

A universal tool that allows the entire community to be evaluated in relation to the risk of fire is the Risk, Hazard and Value Evaluation (RHAVE) model, which the Commission on Fire Accreditation International developed as a way to classify individual properties in relation to protecting lives and property.[1] The RHAVE software and documentation is available at no cost from the U.S. Fire Administration.

The risk evaluation process enables a department to establish a fire risk score for every property and to categorize a property as one with low, moderate or high/maximum risk. Once completed, the risk ratings of individual properties can be aggregated to establish a risk level of low, moderate or high/maximum for each geographic area of the community. These ratings are then used to determine the appropriate level of fire suppression resources needed (equipment, personnel and apparatus) for the initial arriving unit, the full alarm assignment and any additional alarm assignments for each level of risk.

FIGURE 1: Performance Times for Response

For dates beginning 1/1/10 12:00:00 AM, ending 12/3/10 12:00:00 AM; Incident types selected for analysis = All; Incident response types selected for analysis = Priority Response only.

Time in Minutes	Alarm to Dispatch	Percent Total	CUMULATIVE Responses	CUMULATIVE Percent	Dispatch to Enroute	Percent Total	CUMULATIVE Responses	CUMULATIVE Percent	Enroute to Arrival	Percent Total	CUMULATIVE Responses	CUMULATIVE Percent
0-1	525	97.40	525	97.40	90	17.21	90	17.21	10	1.92	10	1.92
1-2	8	1.48	533	98.89	119	22.75	209	39.96	49	9.42	59	11.35
2-3	4	0.74	537	99.63	155	29.64	364	69.60	91	17.50	150	28.85
3-4	1	0.19	538	99.81	83	15.87	447	85.47	93	17.88	243	46.73
4-5	0	0.00	538	99.81	37	7.07	484	92.54	86	16.54	329	63.27
5-6	1	0.19	539	100.00	22	4.21	506	96.75	67	12.88	396	76.15
6-7	0	0.00	539	100.00	9	1.72	515	98.47	40	7.69	436	83.85
7-8	0	0.00	539	100.00	5	0.96	520	99.43	37	7.12	473	90.96
8-9	0	0.00	539	100.00	1	0.19	521	99.62	21	4.04	494	95.00
9-10	0	0.00	539	100.00	0	0.00	521	99.62	12	2.31	506	97.31
10+	0	0.00	539	100.00	2	0.38	523	100.00	14	2.69	520	100.00

Time in Minutes	Alarm to Arrival	Percent Total	CUMULATIVE Responses	CUMULATIVE Percent	Dispatch to Arrival	Percent Total	CUMULATIVE Responses	CUMULATIVE Percent
0-1	4	0.74	4	0.74	5	0.93	5	0.93
1-2	4	0.74	8	1.49	5	0.93	10	1.86
2-3	20	3.72	28	5.20	21	3.90	31	5.76
3-4	36	6.69	64	11.90	36	6.69	67	12.45
4-5	66	12.27	130	24.16	67	12.45	134	24.91
5-6	87	16.17	217	40.33	88	16.36	222	41.26
6-7	78	14.50	295	54.83	76	14.13	298	55.39
7-8	72	13.38	367	68.22	72	13.38	370	68.77
8-9	57	10.59	424	78.81	56	10.41	426	79.18
9-10	43	7.99	467	86.80	42	7.81	468	86.99
10+	71	13.20	538	100.00	70	13.01	538	100.00

Average Time Per Incident

PSAP Processing Time (Alarm to Dispatch) Percent less than or equal to 60 seconds: 97.40 Percent less than or equal to 90 seconds: 98.70	0 minutes 4 seconds
Fire Department Turn Out Time (Dispatch to Enroute)	2 minutes 27 seconds
Fire Department Turn Out and Travel Time (Dispatch to Arrival)	6 minutes 55 seconds
Municipal Response Time (Alarm to Arrival)	6 minutes 58 seconds

Review of career fire service elements that support the volunteer forces and supplement emergency services responses. Evaluate the career positions of the Fire Department against job descriptions and national standards.

The TFD operates a combination system fire department, which presents certain challenges not seen in fully paid emergency service organizations.

National Trends in Volunteerism

Emergency medical services in the United States have depended on volunteer support for many years and the importance of volunteers cannot be overstated. Volunteers are of all ages – almost one-half of all men and women are involved in volunteer activities, with the largest number between the ages of 30 and 45. (At the same time, almost a quarter of the population under the age of 30 and over age 65 is involved in volunteer work.) Men and women are represented equally among volunteers, both white collar and blue collar, as well as students and retirees.[2] Troy has taken steps to minimize the demands on volunteers by contracting out not just EMS transport but first responder functions. In most departments that have been studied by ICMA, EMS accounts for 80 to 90 percent of calls for service; in Troy, those calls are handled by contracted service providers.

The key to any successful program is its leadership. Without the commitment of a manager to champion its cause, any program is destined to evaporate into nothing more than an ineffective nuisance – something that gives the appearance of being more trouble, at times, than it's worth.

The management of a volunteer program is no different. It is important that TFD recognize the need for dedicated leadership and management responsibility for its volunteers. Simply assigning a volunteer to fill the management role creates issues of continuity of leadership. Likewise, holding elections to decide leadership can result in potential candidates abdicating difficult decisions in favor of winning votes. ICMA recommends that leadership be decided by competency versus popular election. Such an approach can also assist in creating succession processes to fill career positions in the department by training volunteers with skills that qualify them for future openings. It also provides the City with a pool of applicants from which to draw.

Planning for Future Participation

In order to be competitive in the marketplace of volunteerism, an organization must accept certain realities. Volunteer programs must be planned thoughtfully and managed well if they are to succeed. The combination Fire Department would do well to take lessons from the nonprofit agencies that depend primarily on volunteers in order to sustain their operations. Fire departments must compete with other community organizations to attract the most capable and committed volunteers. According to the U.S. Fire Administration, here are the basic steps for recruiting and selecting volunteers.[3]

- Develop and implement a needs assessment based on the organization's current volunteer staffing, existing vacancies and anticipated need for staffing, including daytime volunteers.
- Identify the skills, knowledge, and abilities needed and any specific certifications required.
- Compile job certifications required.
- Prepare job descriptions based on tasks and responsibilities.
- Develop a plan and timetable for the recruitment of the various types of volunteer personnel and skills needed.
- Develop a system for evaluating potential volunteers that is compatible with applicable civil rights laws. The evaluation system used may be an existing system or a new system developed by the organization; however, the procedures employed in the system must be valid and reliable. Skill or knowledge tests, if appropriate, or open-ended interview forms should be administered. Tests based on the performance of real tasks offer the most reliable information about the relative abilities of candidates for volunteer positions and are more easily shown to be valid if challenged in court.
- Rate or rank order the applicants based on established criteria.
- Select the candidates with the best qualifications.
- Develop a schedule for bringing the selected candidates on board, compatible with current and anticipated needs for volunteers. Schedule follow-up contacts with qualified candidates who have been placed on a waiting list.
- Implement an orientation and training program for new volunteers.
- Assess the progress of new volunteers and make recommendations as to changes needed in performance or training.

As can be seen from the preceding list of tasks associated with a recruitment and selection program, oversight cannot be haphazard. An organization's ability to attract the volunteers needed to assist in its operations will depend largely on its commitment to providing the resources required to achieve its desired goals.

Explore opportunities or options for restructuring; determine advantages and disadvantages of each alternative; analyze costs and benefits of each alternative.

The Troy Fire Department lacks capacity to perform all of the tasks to which it is assigned. Job descriptions are updated and complete; ICMA recommends that additional "fire staff technician" positions be created in lieu of lieutenants. By adding to the area of technician, more personnel can be utilized for inspection and prevention at the same cost.

The following are the current and proposed organizational charts (see Figures 2 and 3).

By reorganizing the department and using technicians, two personnel can be retained for each higher ranking position. ICMA recommends accomplishing the task through attrition, which gives time to train individuals who will fill the positions. It also spreads the costs across multiple budget years.

Another option not evaluated by ICMA would be moving towards a more expensive all-career department. Troy could contract for the service from other adjacent cities. but they utilize all-career full-time employees, which would be much more expensive. Royal Oak is looking at following the Troy model for contracting EMS transport in order to reduce costs.

Troy might contract for service to other communities but would likely face considerable opposition from the unions representing workers in those communities. Whether there exists the same passion for volunteerism in those other communities was not evaluated (and would be difficult to evaluate). Troy's model works for Troy; it may not work for others.

FIGURE 2: Current Troy Organizational Chart

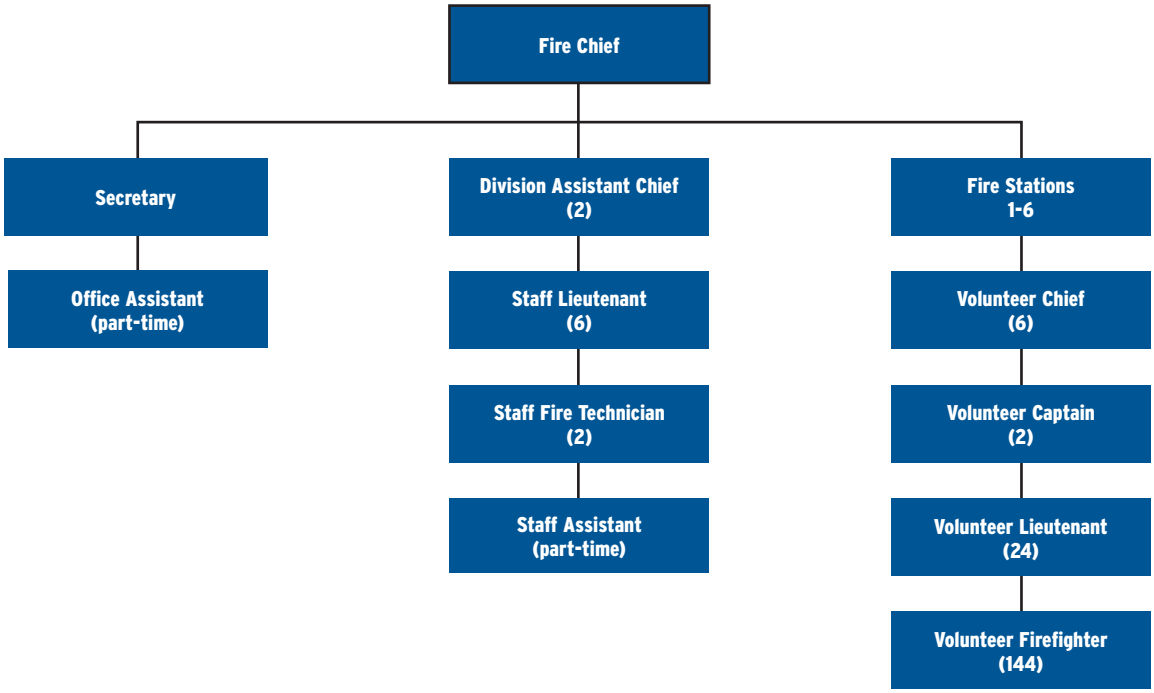
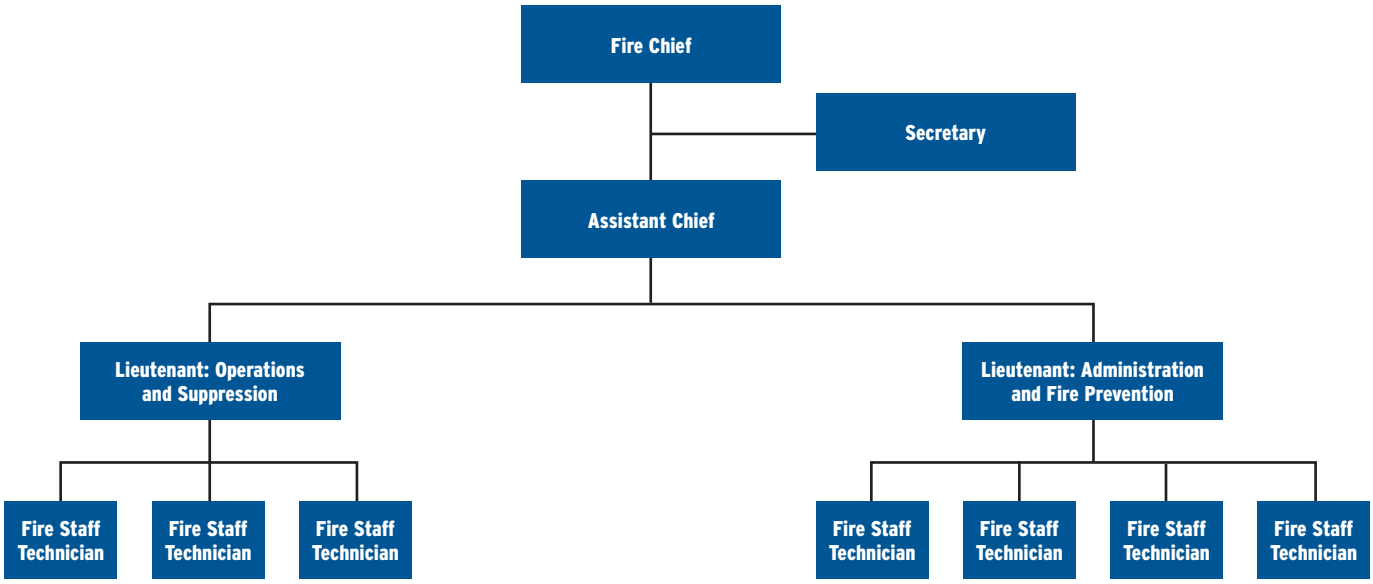


FIGURE 3: Proposed Troy Organizational Chart



Review the number of career personnel and determine whether the Fire Department will be sustainable with fewer career personnel.

ICMA reviewed the number of career personnel and compared both personnel and total department costs to other communities.

Troy is well served by the existing department. There are three types of departments commonly used in the United States for fire protection: all career, combination and volunteer. All career departments use full-time, fully paid personnel to deliver service; combination departments use career, full-time employees supported by paid-on-call; and volunteer departments use paid-on-call or persons who are volunteering their time. The costs for departments follow the former order, with all-career being the most expensive and volunteer being the most inexpensive.

It should be noted that in the following figure, all costs are included for Troy Fire Department (buildings, pension costs, full-time employees and charges by others). The numbers for other communities are drawn from annual budgets but may not be as inclusive as those for Troy. With this caveat, Troy has a high number of personnel to respond to calls for service with a very low cost. (see Figure 4)

FIGURE 4: Comparables

Jurisdiction	Population	Full-time	Volunteer	Budget
Ann Arbor, MI	112,852	88	0	$13,800,000
Westminister, CO	109,353	140	–	$11,168,945
Southfield, MI	78,296	105	15	$14,699,208
Sterling Heights, MI	128,500	102	–	$18,301,770
Troy, MI	**81,490**	**11**	**180**	**$4,238,338**
Bloomington, MN	75,238	–	140	$2,871,561
West Des Moines, IA	56,503	45	45	$6,152,444
Farmington Hill, MI	79,152	44	88	$5,419,426
Royal Oak, MI	60,062	46	0	$9,138,610
East Lansing, ME	45,334	53	0	$6,686,625

ICMA believes that cutting personnel will have a negative impact on the department and on the safety of the community. Establishing performance measures for prevention is difficult; determining what did not burn because of fire department efforts is not yet possible. However, the negative outcome can be seen when inspections and prevention do not occur, such as in "The Station" nightclub fire in Rhode Island, the "Sofa Sleeper" fire in Charleston and events following Hurricane Katrina. The department will continue to respond to calls for service, but preventing incidents or minimizing risk to responders and the public will be negatively affected.

National Standards

Three National Association of Fire Protection Association (NFPA) standards specify time requirements for the delivery of fire and emergency medical services:

- NFPA 1221 – Standard for the Installation, Maintenance, and Use of Emergency Service Communications Systems
- NFPA 1710 – Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments
- NFPA 1720 – Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Volunteer Fire Departments.

NFPA 1710 sets time objectives for career fire departments:

- Turnout time: One minute (60 seconds)
- Fire response time: Four minutes (240 seconds) or less for the arrival of the first arriving engine company at a fire suppression incident and/or eight minutes (480 seconds) or less for the deployment of a full alarm assignment at a fire suppression incident
- First responder or higher emergency medical response time: Four minutes (240 seconds) or less for the arrival of a unit with first responder or higher-level capability at an emergency medical incident.
- Advanced life support response time: Eight minutes (480 seconds) or less for the arrival of an advanced life support unit at an emergency medical incident, where the service is provided by the fire department.

The standard states that the fire department shall establish a performance objective of not less than 90 percent for the achievement of each response time objective. NFPA 1710 does not contain a time objective for dispatch other than requiring that "All communications facilities, equipment, staffing, and operating procedures shall comply with NFPA 1221." For the purposes of NFPA 1710, the following definitions apply:

- Dispatch time: The point of receipt of the emergency alarm at the public safety answering point to where sufficient information is known to the dispatcher and applicable units are notified of the emergency.
- Turnout time: The time that begins when units acknowledge notification of the emergency to the beginning point of response time.
- Response time: The time that begins when units are en route to the emergency incident and ends when units arrive at the scene.

NFPA 1720 contains a time objective for dispatch time by requiring that "All communications facilities, equipment, staffing, and operating procedures shall comply with NFPA 1221, Standard for the Installation, Maintenance and Use of Emergency Services Communications Systems." NFPA 1720 contains no time requirements for turnout time and response time (see Figure 5).

NFPA 1221 requires that 95 percent of alarms shall be answered within fifteen seconds, 99 percent of alarms shall be answered in forty seconds and the dispatch of the emergency response agency shall be completed within sixty seconds 95 percent of the time.

- After receipt of a call for assistance, the fire department will respond with the first unit to that location within three minutes.
- After receipt of a call for assistance, the fire department will respond with a unit to the location, within four minutes, to 90 percent of area served.
- After receipt of a call for a medical emergency, the fire department will respond with an engine company to that location within four minutes and an ambulance with six minutes (see Figure 6).

Standards of Response Cover

Other guidelines for the deployment of emergency resources are the Commission on Fire Accreditation International's standards of response coverage. The components of this resource were identified previously in this report.

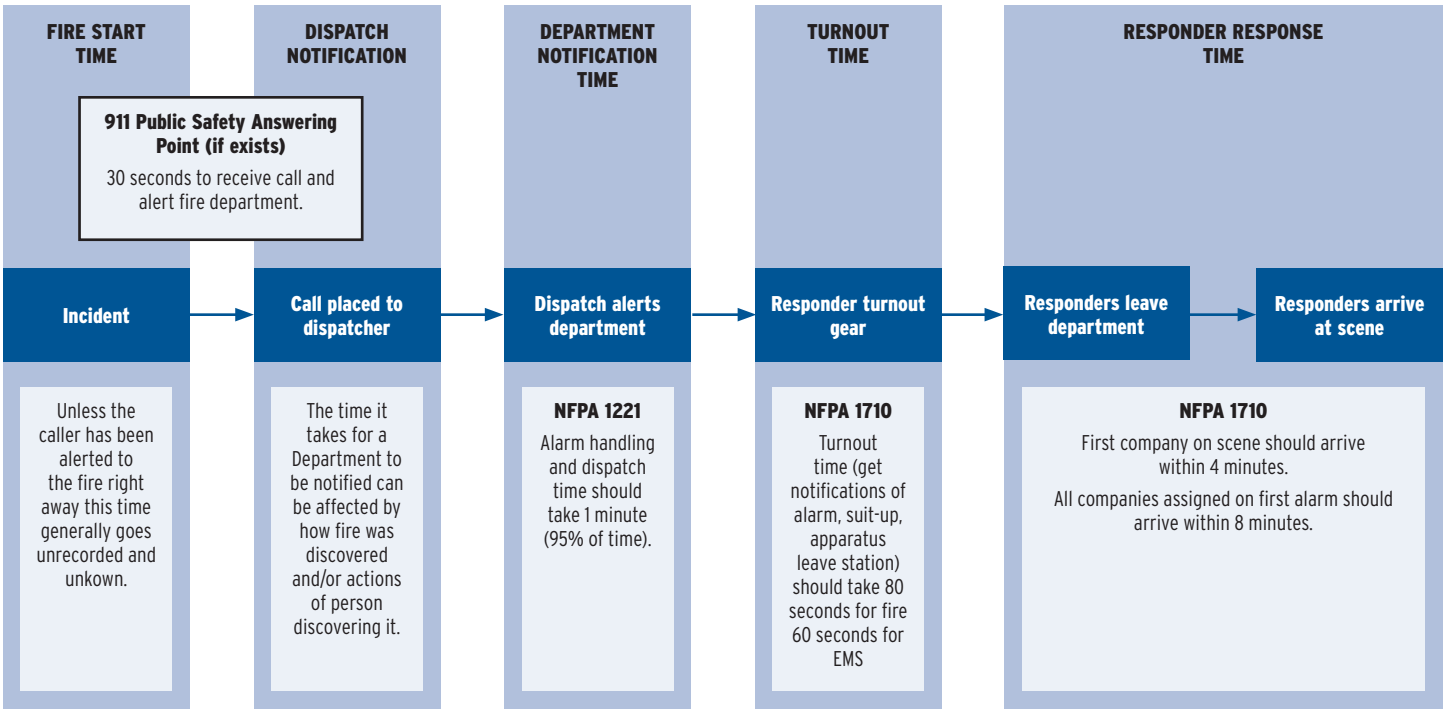
Risk versus Response Time Standards

Some communities may choose to adopt several response time standards for various levels of risks in the community, or they may adopt one single response time standard for all risks. TFD has elected the latter. A risk refers to a location where the response may be made and the characteristics (e.g., fire potential, occupant exposure) at that location. Providing a single response time simplifies the station location study process; however, it does not negate the need to conduct a community hazard analysis and needs assessment.

Organization and Deployment – Increased Fire Potential within Troy

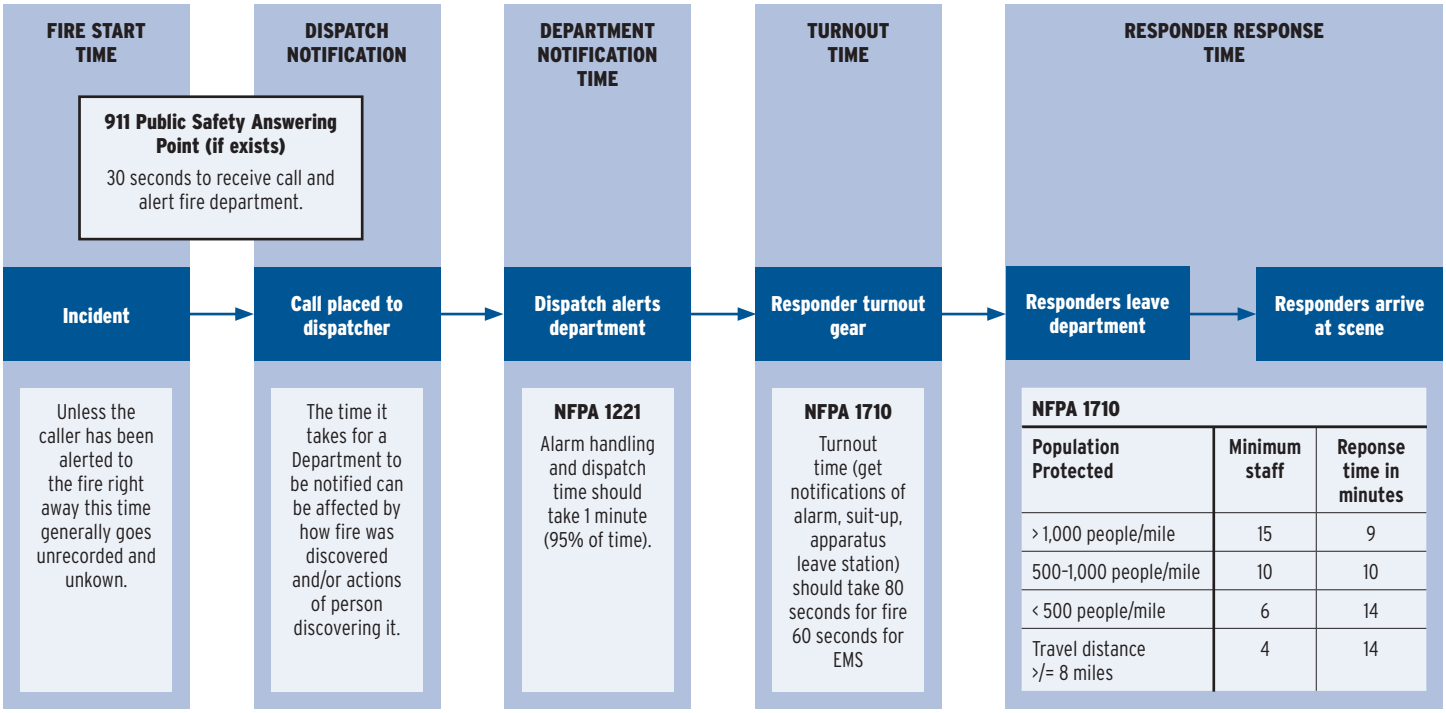
Preparation for potential fire operations prior to actual alarms requires pre-incident planning, staffing assessment, determination of apparatus and equipment needs and training of emergency response personnel. With the construction of a mixed-use occupancy and a high-rise struc-

FIGURE 5: Incident Development and Response Timeline and NFPA 1221 and 1710 Recommendations for Career Firefighters



Source: NFPA 1221 Standard for the Installation, Maintenance, and Use of Emergency Services Communications Systems and NFPA: 1710 Standard for the Organization and Deployment of Fire Suppression Operations, and Special Operations to the Public by Career Fire Departments.

FIGURE 6: Incident Development and Response Timeline and NFPA 1221 and 1720 Recommendations for Volunteer Firefighters



Population Protected	Minimum staff	Reponse time in minutes
> 1,000 people/mile	15	9
500-1,000 people/mile	10	10
< 500 people/mile	6	14
Travel distance >/= 8 miles	4	14

Source: NFPA 1221 Standard for the Installation, Maintenance, and Use of Emergency Services Communications Systems and NFPA: 1720 Standard for the Organization and Deployment off Fire Suppression Operations, and Special Operations to the Public by Volunteer Fire Departments.

ture within Troy, the development of new standard operating procedures and tactics and strategies will be needed.

Pre-incident planning is conducted to allow firefighting personnel to view conditions within a structure or site, evaluate what these conditions are likely to develop into in the event of an emergency and then develop strategies for dealing with potential problems. NFPA 1620, *Recommended Practice for Pre-Incident Planning,* should be reviewed by the department command staff prior to the development of a pre-incident planning program or updating of an existing one. The following provides a summary of the steps involved in the process.[4]

1. Determine the priorities to address – that is, life hazards, firefighter traps and critical infrastructure.
2. Decide what data are needed.
3. Develop a standardized information capture method, preplan form and so forth.
4. Train collectors to gather information.
5. Perform visits and collect data.
6. Develop strategic and tactical plans.
7. Distribute copies to all potential users.
8. Train users on objectives.
9. Review the plan periodically (annually at minimum).
10. Revise as needed, redistribute and retrain.

Making the plan available to those who need it in an emergency is the last step in the pre-incident planning process. Information dissemination can be handled in a number of ways. Currently, the TFD uses both written documentation kept on field units and some limited storage within the CAD system as a means of getting the information to incident commanders. The CAD is by far the most effective tool for retrieving pre-incident planning information.

Of course, the information within the system is only as good as the information that is put into it. Continual updating, at least on an annual basis, is required in order to ensure the safety of responding emergency personnel. The department has worked to develop assessment tools for firefighter ability. These tools should be created and used to evaluate the ability of the department to respond to calls for service. By matching the two, deficiencies can be identified and plans created to deal with them.

Improvements in this area are critical not only to the safety of responding units, but also to reducing response times.

The amount of information that can be amassed about a typical high-rise building can be quite extensive. In many cities where the CAD systems have been developed or expanded, data entry issues have been resolved by requiring the property owners of certain "target hazards," such as high-rise buildings, to provide the information in a standardized electronic format. This can often be accomplished by using a commonly available electronic program that architectural or engineering firms use.[5]

Fire Prevention and Public Education

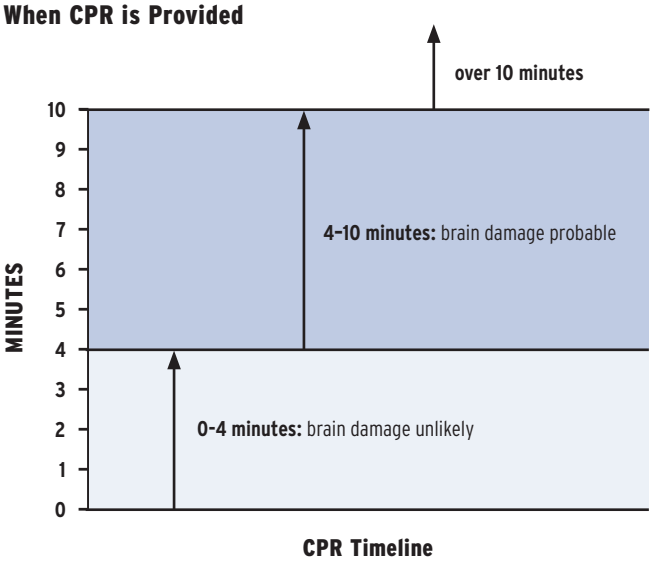
There are a number of critical time factors within a fire department's power to manage within the total reflex time sequence of every emergency. The United Kingdom released *The National Plan in 2004,* replacing earlier standards of coverage documents. The new report found that without prevention and mitigation, a fire department's ability to have an impact on the level of safety for responders and the public would reach a plateau. Using the analysis of risk and looking at what strategic actions can be taken may not only prevent the incident from occurring, but may also minimize the severity when and if the incident ever occurs.

At present, staffing within the TFD fire prevention section is minimal. It appears that the majority of funding is allocated toward the suppression side of the equation, giving little emphasis to the importance of fire prevention and education efforts. This is not unusual among fire department organizations, given the limited resources available. However, if real progress is to be made in controlling the escalating cost of providing fire protection to our communities, adjustments in priorities must take place. Continued channeling of resources to control fire and medical emergencies after the fact is ineffective and highly inefficient. What was mentioned earlier in this report is worth repeating. Without prevention and mitigation, improving the level of safety for responders and the public would reach a plateau.

Public Education

If a person has a heart attack and cardiopulmonary resuscitation (CPR) is not started within four minutes, brain damage is likely to occur. Moreover, the victim's chances of leaving the hospital alive are four times greater than if the victim did not receive CPR until after four minutes (see Figure 7).

FIGURE 7: Outcome for Heart Attack Victims Based on When CPR is Provided



Sixty-one million Americans have cardiovascular disease, resulting in approximately 1 million deaths per year. One-third of these deaths (300,000 – 400,000) are due to cardiac arrest, the sudden and unexpected loss of heart function. In 1999, every police officer in Miami Dade County was issued an AED and trained in its use. The City of Troy, like many other cities across the nation, could benefit from the implementation of a comprehensive Automatic External Defibrillator Program. The operative word here is "comprehensive." In 1990, one of the first studies was initiated to determine the effectiveness of putting AEDs on police cars. At the time the value of fully incorporating their use in the community at large was not considered. Since then, it has become a well-accepted fact that making AEDs accessible in as many public places as possible dramatically increases survival rate for out-of-hospital victims

of sudden cardiac arrest. Public Access Defibrillation (PAD) Programs have been implemented using various funding methods across the United States. Grants at all levels of government are available for start-ups and some offer additional funding for maintenance once programs have been initiated. The business community has also contributed to the effort by not only providing opportunities for AED station placements, but providing financial funding as well.

Training and public awareness play a key role in the success of a PAD program. Fire departments, along with the private ambulance provider for Troy, should assume the lead role in this initiative and aid in the administering the program, utilizing their association with local medical professionals and access to the business community. TFD is limited by the availability of staff. Focusing and adding to the area of prevention could also be done in combination with the Police Department so that a high-impact community outreach program is created. Too often the police deliver a message, fire delivers a message and others make presentations to schools and other groups. Coordinating the message for maximum impact allows a larger target audience to be reached and emphasizes all-hazard prevention planning. There is no reason community service officers cannot be trained in both the police and fire departments to deliver overlap messages and programs. The position could also be civilianized and use retirees from police, fire or the community, which allows public education to be effectively delivered at a very affordable price. The public should have access to CPR and AED training opportunities and police departments must have a strict protocol for the use of AEDs carried in their vehicles. Additionally, and most important to the deployment of AED from police vehicles, is the cultural change within the Police Department that must occur for program success. A full commitment to assume the added role of becoming a medical first responder must take place. Communication Center response protocols must also be changed to achieve improvements in survival outcomes.

Recommendations

- Conduct community risk assessment and hazard analysis based on RHAVE model developed by Commission on Fire Accreditation and International.
- Implement lessons learned from nonprofit organizations in developing strategies to recruit and retain volunteers.
- Reorganize, starting with a three-tier command. There should be a chief, captains and lieutenants (or some similar titles), which would allow for more command at a similar price. It would also provide a transition for firefighters who move from volunteer ranks into the paid command with associated training and testing.
- Chief officers of the volunteers should be appointed, not elected. This avoids popularity contests that dilute management effectiveness.
- Proposed cuts in the future come largely from prevention; research from outside the U.S. that is slowly finding its way into the U.S. Fire Service shows this is the last place that cuts should take place.
- Prevention efforts should be strengthened, using a multi-tier approach. The City should look at charges for inspections, particularly in the area of sprinkler systems, which are mandated by insurance companies and that can be provided as part of a regular program.
- The incentive program for volunteers should be amended to preclude lump sum payouts, which have swelled the annual contributions required from the City. The cost of this program is less than what the average fire department pays "volunteers" but, by allowing lump sums, the fund requires larger yearly payments to remain solvent.
- Develop quantitative performance measures for all program areas that link goals to specific target rates or percentages.

ENDNOTES:

[1] *Managing Fire and Rescue Services, Third Edition,* ICMA, 2002, p. 40.

[2] *Emergency Medical Service Recruitment and Retention Manual,* Federal Emergency Management Agency, U.S. Fire Administration, (no date), pg. 3.

[3] *Emergency Medical Service Recruitment and Retention Manual,* Federal Emergency Management Agency, U.S. Fire Administration, (no date), pg. 8.

[4] *Fire Protection Handbook, 20th Edition,* National Fire Protection Association, 2008, Vol. II, pg. 12-302.

[5] *Fire Protection Handbook, 20th Edition,* National Fire Protection Association, 2008, Vol. II, pg. 12-307.

APPENDIX D:

Law Department Report and Analysis

Office of the City Attorney

INTRODUCTION

The first step in the ICMA analysis identified the core services, functions and activities of each area of study and of the City of Troy. The ICMA team developed a methodology to acquire baseline information (below). Each department completed a Core Services Analysis Matrix; the ICMA team then used the matrices as the basis for interviews with key department staff. (The matrices are provided in Appendix A.) Both the matrices and interviews informed ICMA's understanding of the City's operations and its recommendations

The ICMA team noted significant variability in the matrix responses. This is due at least in part to the differences between operational and support departments and in part to the lack of clarity regarding core services in some areas. Given time and resource constraints we accepted the information as provided. The ICMA team notes that acceptable service levels for each core function are not identified. Based on our review, the team will recommend that the Council and staff work together to determine acceptable service levels in each area.

Process

The ICMA data gathering process included the following steps:

1. **Identify all departmental functions and activities.**
   The matrix provided data from FY2010/11 Budget Functional Organization Chart. Department staff were asked to list all major areas of work accomplished by their department and identify functions performed by each unit.
2. **Determine why the function is performed.**
   Departments analyzed each function through a variety of lenses. Is it required or mandated by state or federal requirements? Is it required to assure that critical outputs are accomplished? Is it required to assure accountability within the system? Which functions help ensure that the department will provide timely, high quality and least costly services or goods to accomplish the mission?

Staff classified the functions and activities according to the following:

Mandated (M)	Required by federal or state law or contractual agreement
Essential (E)	Basic function of government (service level determined by City Council)
Discretionary (D)	Service, program or activity established based on City Council direction
Administrative (A)	Department directors and administrative aides
Revenue Supported (RS)	Services completely funded from dedicated revenue sources (i.e. utilities)
Non-Program/Other Adjustments (O) -	Services that are not direct; i.e. insurance costs, charges from internal service funds

3. **Determine which functions/activities are "core functions" related directly to the City or department mission.**
   Departments ranked the identified functions according to whether they are core to the City's operation, keeping in mind that a core service is one that should be supported by "core" sustainable revenues. A non- or partial core function or service may be highly valued and contribute significantly to quality of life. Core functions or services are directly related to the department's mission or the City's Priority Outcomes. Are they required or mandated by state or federal law? Are they required to assure that critical outputs are accomplished? Are they required to assure accountability within the system? Which ones help ensure that the department provides timely, high quality and least costly services or goods to accomplish your mission?
4. **Define and quantify each of the activities (indicate what resources (staffing) are required to produce each output)**
   Staff identified the approximate staff resources (FTEs) required to provide the service or function and estimated the approximate cost of the FTE allocation.
5. **Group functions by outputs (what goods or benefits are provided)**
   ICMA provided outputs from the FY2010/11 Budget and asked the departments to add or delete as needed. Department staff also indicated the outcomes or the results expected from the service, activity or function.
6. **Identify who benefits and how from each function/activity**
   Departments identified who benefits from the activity or service provided.
7. **Determine whether the function/activity needs to be done and what the consequence(s) is of no longer performing the function**.
   Can the service be eliminated or reduced? Can it be provided in a different way?
8. **Determine whether the function/activity could be done better/less expensively by the private sector or another government entity.**
   Are there alternate service delivery options? Can it be outsourced to another government or to the private sector?
9. **Determine the consequences of no longer providing the service, outsourcing, cutting or reducing it.**
   What would be the consequences of providing the service or function differently or of eliminating it? Can the highest priority outcomes be accomplished without performing these activities? If not, can they be performed more efficiently or effectively by other providers (privatized or under contract to another government entity)? Can the core functions be improved? Provided more efficiently? What are the short- and long-term effects of no longer providing the service(s)?

FINDINGS

IMLA worked with the ICMA team in studying the law department, using the same methodology stated above.

In response to the team's request, the City Attorney prepared a matrix reflecting all of the duties of the City Attorney and categorized them as required. The City Attorney identified 34 functions and activities described as mandated services. In comparing these functions against Charter §3.17 and the City Code (discussed hereafter), IMLA agrees with the City Attorney that current law requires these functions to be performed. Absent some state mandate, however, functions not mandated in the Charter can be modified by the Council through amendment of the City's Code.

The mandated functions and services required by law form the bulk of the work of the City Attorney. As the following table indicates, the mandated duties of the office, as reported, constitute a little over 6.5 FTEs out of the law department's complement of 7.0 FTEs The following table (see Table 1) condenses those functions and activities into six broad categories (Administration, Advice, City as Plaintiff, Defense of the City, Prosecution and Other).

TABLE 1

FUNCTION	TIME IN FTE'S	TIME IN HOURS[1]	COST
Administration	.03	62.4	$4,527
Advice	.625	1300	$121,391
City as Plaintiff	.75	1560	$123,360
City as Defendant	1.255	2610.4	$171,345
Prosecution	2.77	5761.6	$242,611
Other	1.1	2288	$134,790

Mandated, Administrative and Essential Services

As stated, the City Attorney described the functions and services performed by the law office that are mandated, administrative or essential. The City Charter, state law and City Code determine which functions and services are mandated.

In the City of Troy, the City Attorney holds a unique position.[2] The Charter creates seven administrative offices: City Manager, City Attorney, Clerk, Treasurer, Assessor, Police Chief and Fire Chief. The Charter provides that the Council appoint the City Manager and City Attorney to indefinite terms of office, while providing that the City Manager appoint all other administrative officers, whether the office is established by the Charter or by law, subject to confirmation by the Council. Officers appointed by the City Manager must report to the City Manager, take direction from the Manager and, with the consent of the Council, may be discharged by the City Manager; however, the Council appoints the City Attorney and it is from the Council that the City Attorney takes direction while working with the City Manager to help the Manager meet goals and fulfill the duties assigned to the Manager. Thus, unlike other employees of the city, the City Manager does not supervise the City Attorney and the City Attorney's duties are, for the most part, established by law.

The following charts (see Tables 2-6) reflect what the City Attorney concludes are Mandated, Administrative and Essential services. IMLA has reviewed these functions and added a reference to the law that requires the service.

TABLE 2

ADMINISTRATION		
Prepares and administers department budget	A	–
Serves as a liaison with local, federal and state agencies, associations and groups	A	–
Monitors progress of outside retained counsel	M	Code, Ch.3, §1.131
Serves as a liaison with other City departments	M	–
Coordinates staff development	A	–
Explores use of available technological advances for increased efficiency	A	–

TABLE 3

ADVISING CITY OFFICIALS		
Consults and provides counsel and legal advice and updates for City Council	M	Charter §3.17, Code Ch. 3, §1.31
Regularly attends meetings of City Council, boards and commissions and management	M	Charter §3.17, Code Ch. 3, §1.31, Ch. 10, §3.6D
Provides legal advice and updates for City boards and commissions	M	Charter §3.17, Code, §1.31, Ch. 10, §3.6D
Provides legal advice and updates for City management, department directors and employees	M	Charter §3.17, Code, §1.31, Ch. 10, §3.6D
Monitors compliance with Open Meetings Act and Freedom of Information Act	M	Charter §3.17, Code, §1.31
Provides information to the general public, as well as other local, state and federal governmental agencies and municipal government associations	E	–
Sponsors Law Day activities	D	–

TABLE 4

CITY AS PLAINTIFF		
Handles eminent domain cases	M/ RS	Code, Ch.3, §1.131
Initiates invoice collection procedures	M/RS	Code, Ch.3, §1.131
Pursues nuisance abatement	M	Code, Ch.3, §1.131, Ch. 82,§106.3
Pursues license revocations with Secretary of State	M	–
Prepares administrative search warrants	M	Code, Ch. 100, §108
Represents City at administrative hearings, including but not limited to environmental law hearings	M	Code, Ch.3, §1.131, Ch. 100, §108

TABLE 5

DEFENSE OF THE CITY		
Represents the City when its zoning and planning decisions are challenged	M	Code, Ch.3, §1.131
Defends the City, its officials and volunteers when sued for the performance of governmental functions	M	Code, Ch.3, §1.131;Ch. 4, §10; Ch.82 §103.4
Defends the City and its officials in personal injury cases	M	Code, Ch.3, §1.131;Ch. 4, §10; Ch.82 §103.4
Defends the City and its officials in civil rights matters	M	Code, Ch.3, §1.131;Ch. 4, §10; Ch.82 §103.4
Defends City Assessor's value	M	Code, Ch.3, §1.131

TABLE 6

ORDINANCE PROSECUTIONS[3]		
Processes misdemeanor ordinance violations	M	Charter §3.17
Prosecutes drug and alcohol cases	M	Charter §3.17
Pursues building and zoning ordinance cases	M	Charter §3.17
Handles domestic abuse cases	M	Charter §3.17
Prosecutes shoplifting cases	M	Charter §3.17
Represents the City in traffic matters	M	Charter §3.17
Prosecutes disorderly conduct cases	M	Charter §3.17
Handles assault and battery cases	M	Charter §3.17
Assists with municipal civil infraction matters	M	Charter §3.17
Defends appeals of criminal convictions	M	Charter §3.17
Defends appeals of civil infractions	M	Charter §3.17

OTHER ACTIVITIES		
Negotiates or assists in negotiation of contracts, agreements, bonds and real estate transactions as needed	M	Charter §3.17, Code Ch. 4, §1.137
Researches, drafts and reviews all ordinances, policies and legal documents	M	Charter §3.17, Code Ch. 3,§1.31
Recommends necessary revisions of the City Charter and Code	M	Charter §3.17, Code Ch. 3,§1.31
Receives citizen complaints, mediates disputes and issues criminal misdemeanor warrants	M	Code, Ch. 100, §100.04.03
Provides training regarding the law and legal procedures for employees and officials	M	–
Prepares numerous agenda items for City Council consideration	M	Charter §3.17, Code Ch. 3,§1.31
Assists citizens on a daily basis by answering inquiries and providing appropriate referrals when warranted	E	–
Responds to media inquiries	E	–

The City Attorney reports that all of these services are core services. Under the existing law and charter that is true. Administering the law office, advising the clients, defending the City and its officers and employees, suing on behalf of the City, prosecuting ordinance violations and the myriad of functions listed under other, all are part and parcel of the legal representation of the City. Nevertheless, in setting policy the Council can direct the extent to which these functions need to be performed. By changing policy, the Council can affect whether a function or service continues as a core service and the level of services necessary to meet the City's policy goals. For example:

- The Council can weigh whether it is more cost effective to pay higher insurance premiums rather than having the City Attorney defend the City in covered cases.
- The Council can weigh whether it would prefer its police department to charge offenders under State law rather than City ordinance.
- The Council and Manager can weigh the extent to which they wish the laws of the City to be enforced.
- When a suit is filed against the City, the Council can determine not to defend, by settling the claim rather than incurring legal expenses.
- The Council and Manager can reduce the amount of advice they and agencies seek from the City Attorney.

None of these options are without cost and should not be seen as recommendations, as each will be discussed later in this report.

STAFFING

The City of Troy law department employs seven people. The positions include: the City Attorney, two Attorney II positions, an Attorney I, a Legal Assistant, a Legal Assistant II, and a Legal Secretary. The City Attorney has five direct reports and the Legal Assistant II supervises the Legal Assistant. Until recently, the department employed nine people and the budget for the department called for 8.5 FTEs; in FY11 the department reduced the number of people employed to seven and the FTE's to 7.0. Due to its size, the law department rotates attorneys' substantive area and practice area assignments. Doing so promotes the development of the attorneys' skills, relieves the tedium of unattractive assignments and protects the City from loss of talent, knowledge and expertise. To some extent the prosecution function drives the size of the office. Over two and one half of the FTEs are devoted to this function and, with three judges, each having a weekly municipal docket, the office must have sufficient capability to handle the dockets.

IMLA conducted a survey of members during the Spring of 2010 that sought information regarding local government law department budgets, staffing, salary and other pertinent information. Because the survey was self-reported, it was not validated; however, it provides the best possible comparison available. Of the several hundred responding members,[4] we identified approximately 65 communities having a similar size to the comparison cities.[5] The populations of these local governments ranged from 125,000 to 45,000, but the survey does not distinguish between cities that have a prosecutorial function and those that do not.

Staffing for the office compares with the IMLA survey as follows (see Table 7). In an effort to establish measurables to compare with the benchmark communities used for this report, the IMLA considered a number of available measures and suggested others. The following are the measures that Troy has available (see Table 8).

TABLE 7

POSITION	TROY	IMLA SURVEY
Chief Legal Officer	1	0.88
Deputy Attorney		0.52
Managing Attorney		0.15
Non-Lawyer Manager		0.28
Assistant City Attorney		.51
Attorney II	2	0.8
Attorney	1	0.96
Attorney, recent graduate		0.06
Law Clerk		0.55
Budget, accountant, bookkeeper		0.28
Collections manager		0.08
Collections staff		0.03
HR		0.06
Investigator		0.03
IT		0.06
Legal Assistant II	1	0.06
Legal Assistant	1	0.44
Legal Secretary[6]	1	0.78
Total	**7.0**	**7.07**

TABLE 8

MEASURABLE	TROY
Law Department Budget	1,036,260
Billable rate per hour[7]	$83.03
Insurance Expense	325816
Cases handled	6800
Number of insurance defense cases handled	6
Cost of defense[8]	$74,727
Average cost of[9] defense/case	$12,455
Number of civil cases handled or defended (other)	30
Prosecutions (total)	6800
Prosecutions (bench trial)	105[10]
Evidentiary hearings	121[11]
Number of administratove search warrants reviewed	181
Number of ordinances drafted/reviewed	21
Number of contracts drafted/reviewed	138
Number of agendas reviewed	175
Number of meetings attended	92
Number of FOIA matters handled	878

SUSTAINABILITY

IMLA was asked to consider if the effect of downsizing the City Attorney's Office can be sustained over the short term and the long term. As the city downsizes, workload in the law department may decrease over time. In the initial stages of a downsizing, the workload in a city law office tends to increase disproportionately, as the law department will often be faced with reviewing more contracts, dealing with more personnel issues, attending more meetings or handling matters that are no longer handled by others in city government. Thus, the increased demands on the office during the City's efforts to downsize may overwhelm the City Attorney's staff for the short term. If the City chooses to outsource services, the City Attorney must review the structure of the proposal and the contract to ensure that the proposal and contract conform and that the City's goals are met through an enforceable contract. As a community downsizes, generally morale suffers and the City can expect increased tensions between management and labor. These tensions often lead to more personnel issues arising, more workers compensation claims and, often, litigation involving claims of mistreatment. Meetings proliferate as departments and agencies attempt to design a system that will work or to discuss issues associated with a projected change of service delivery. Once downsizing becomes fully operational throughout the City, workload in the law department could decrease, but not necessarily.

Downsizing the police department offers an example of how downsizing other departments can affect the City Attorney. If the city chooses to downsize its police department, crime rates may or may not be affected. Case closure rates may decline, but unless the total number of cases entering the court decline, the City Attorney's workload remains effectively the same. To assume that the City Attorney's prosecutorial workload drops when the City reduces its police force necessarily assumes that crime rates increase and decrease disproportionately with the number of police,[12] or that prosecutions will drop because fewer police will catch fewer criminals. Recently, Oakland, California, announced that its budget woes have forced it to no longer respond to certain calls, including burglary.[13] Decisions such as these may reduce the number of prosecutions, but they also may add work to an office like the City Attorney. In Troy, the City Attorney must review complaints filed by residents and not the police. If people continue to shoplift, to steal, to assault one another or to commit other petty crime, the City Attorney's workload may increase to handle complaints filed by residents seeking justice. A possible solution includes referring residents to the county prosecutor in those cases where the violations are also state crimes.[14] As cities like Oakland cut services to the public, the issue of whether residents need a city or should consider disincorporation arises. Cities are formed to provide certain basic and specific functions to residents different and unique from those provided by a county to its unincorporated areas.[15] Indeed, police services were one of the reasons for cities to incorporate when their county sheriffs were unable to handle the increased demands that more densely populated areas required while they served the county as a whole. If the county can provide the same services as the city, then residents may question the continued viability of maintaining both.

To consider sustainability, IMLA was asked to look at the effects Option 1 would have on the City Attorney's office.

For several years, the City has been downsizing. Faced with what appears to be a continuing decline in revenues and increasing costs,

the City began looking at a six-year plan to further downsize through outsourcing and layoffs as well as reorganization. That process, labeled Option 1, confines the analysis for this report. In other words, can the City sustain the changes suggested in Option 1 and what effect will those changes have on the law department?

The law department plays a small role in Option 1 as compared to some other departments. The City Attorney's Office moved from 8.5 FTEs in FY10 to 7.0 FTEs in FY11. IMLA's analysis confirms that absent changes that will increase the workload in the office, the city can sustain that level of service but is staffed very thin. Any change that increases workload will put a strain on the office's ability to properly serve the City's legal needs.

There are external and internal forces that will likely play a role in whether changes to the City Attorney's workload will increase or decrease over time. Some of these forces reflect the proposed downsizing, some reflect changes in the economy and some represent IMLA's belief that the City needs to increase its legal services to some of its functions and programs.

External forces may require the Council to consider if it can maintain reductions to the law office already implemented and into the future. Analysis of several of the City's special or enterprise funds suggests that some may be underserved by the law department and may need additional attorney resources directed to those areas. For their size, the City's retirement and pension plans spend little if anything on legal services. While that does not necessarily indicate problems, there are significant issues affecting plans today. Recently, the SEC fined five public officials (and is holding them personally liable for those fines) in San Diego for issues associated with the city's pension plan, its unfunded liability and failure to disclose information in bond issues; it fined the state of New Jersey for similar disclosure issues. In 2007, the IRS adopted regulations imposing new restrictions on pension plans that have normal retirement ages that are lower than 62. Those regulations have been delayed but will take effect in the next few years. Similarly, regulators are imposing additional fiduciary responsibilities on plan sponsors and trustees that require advice and counsel. Because these issues exist, one would expect the City to expend money on legal fees,[16] but the budgets do not reflect services in this area. The City should expect that demand for legal services in this area will increase; some issues will likely need outside resources while others may be handled by the City Attorney if properly staffed.

The City's water and sewer budgets do not reflect any appropriation for legal fees. Water and sewer systems generally engage in a business that involves complex issues associated with rates, liability, bond issues and environmental regulation. While a mature system of the size of Troy's may not be expected to require significant legal services, it is difficult to believe that the systems do not require any legal services. For example, cities in Iowa have recently sued the EPA due to its proposals to change how it regulates the treatment and discharge in combined sewer systems following unusual rain events.[17] Aging pipes and conduits in systems need to be replaced[18] and issues such as pin hole leaks[19] or lead in the water[20] due to older fittings all involve the potential for claims and other legal services.

Risk management plays a major role in the City's planning, as each function of government accrues risk and potential liability. The City seems well served by its risk management function. The city operates with a $500,000 self insurance retention and insures to $15 million. To keep its costs low, the City uses the City Attorney's office to represent its self-insured risk. Clearly, Troy benefits from the low cost for insurance that this program enables. If the City reduces its legal staff beyond its ability to represent the City, then Troy will no longer gain the benefit of this aspect of its insurance program. Just as important, the risk manager and city departments use the City Attorney to review contracts. Some of the issues an attorney looks for in a contract include how the contract addresses risk. Some of these issues can be quite complex and are now handled by internal staff. Should the City Attorney be unable to handle these reviews in a timely manner or if they are outsourced, Troy can expect to see changes in productivity reflected by the lost efficiencies of switching from in-house counsel.

As the City Attorney represents the City in appeals of assessments, increased appeals will add to the City Attorney's workload and will become more important to the City as its assessable base declines with the housing market. The City Attorney advises that prosecutorial workload increased during the past calendar year, which she associates with the declining economic conditions and with an ambiguous medical marijuana law. Increases in either area will tax the City Attorney's ability to adequately represent the City in all areas.

Under Option 1, the City chose to outsource or eliminate some of its functions and services to achieve immediate savings. Outsourcing Permitting Services,[21] Planning and Engineering can all have a long-term effect on the City's legal services budget. Each of these functions operates in a litigious area. Insurance protection in these areas only goes so far because the City cannot fully transfer its risk to the contractors. Despite agreements that call for the contractors to indemnify the City for their mistakes, most insurers and their insureds are hesitant to leave the defense of claims strictly to the contractors and their insurers. For that reason, the City's law office needs to be capable of reviewing and participating in the defense of any claim that makes the City a defendant. When it comes to engineering and architect contracts, the standard contracts limit an engineer's liability to the amount of money to be paid the engineer or architect under the contract. While cities can negotiate higher limits of protection, those limits are fairly meaningless unless supported by the engineer's malpractice insurance. When sued, the private contractors may well enjoy all the liability of the government, but without the immunities;[22] thus, their exposure to liability can be substantially more than the City's and beyond the limits of their insurance. As with any litigation involving more than one party, the City risks finger-pointing by the contractors who will be asserting that they only followed the City's direction. Under those circumstances, the City will not be able to rely on risk transfer because the City would have liability if it directed the contractor in a manner that caused harm, and that liability would likely not be covered by the contractor's insurance.

Other aspects of the arrangement similarly do not reduce the City Attorney's workload but may increase it. In the area of building inspection and code enforcement, the City Attorney continues to be responsible for handling cases that the code official refers for enforcement. The same can be said for planning and zoning issues. Each requires legal advice and there can often be cases involving enforcement or challenges to determinations. Questions can arise regarding the terms of the contracts, amendments or renewals, and sometimes questions can arise over the contractor's performance or the lack of performance. Residents who are affected by their interaction with the City's contractors often seek relief or engage attorneys to help them. In either case, the City Attorney will likely be involved.

E-discovery, an evolving area of law, will likely affect Troy and its City Attorney. As the City, like other communities, adopts productivity enhancements using electronically stored information, the City will receive requests for that information either through FOIA or through litigation related discovery. While FOIA requests create issues associated with what records must be disclosed, which redacted and which withheld, litigation related discovery includes each of those issues and more. The cost for providing this discovery can be substantial[23] and the city should be formulating a plan for how to store and recover all of its information if required to do so to reduce those costs. For example, using multiple servers and flash drives require multiple searches; cloud computing poses challenges for recovery; and many different types of equipment can store information that requires retrieval.[24] To the extent the City has not done so already, it will need to equip its law office to be in a position to respond to these requests and will want to have its City Manager, City Attorney and IT Department develop a policy for issuing litigation holds and responding to demands for e-discovery. Seemingly unimportant decisions on how to store information can cost substantial sums if they are made without considering the costs of retrieval.[25]

When compared to the IMLA survey, Troy has a smaller staff than average, although barely. Taking into account that the survey includes cities that do not have a prosecutorial function, Troy's staff size is likely smaller as compared against the average for similarly sized cities that have prosecutorial functions. The City Attorney reports that bench trials through October 31 had increased 32.9 percent from the year before and that the number of motions and hearings had increased by 15.2 percent. These increases challenge the existing staff and signal concern for the future. From the foregoing, IMLA believes service delivery at current levels is sustainable under the Option 1 reductions as implemented, but concerns exist.

GENERAL OVERVIEW

As part of this study the team was asked to compare with certain benchmark cities how Troy provides services. As the cities and their law departments do not report the same measurables, nor do they account in the same manner in their budgets for legal and insurance expenses, this study uses available information (see Tables 9, 10, 11 and 12).

In 2007, *Michigan Lawyer's Weekly* published a survey of median salaries and fees prevalent in the state at the time. Attorneys working for state, city and county governments had a median salary of $91,000. Their counterparts in corporate practice had median salaries of $123,000; attorneys in private practice ranged in median salary from a low of $96,000 to a high of $186,000 based on a variety of factors,

TABLE 9

CITY	LEGAL SERVICES BUDGET	COST OF INSURANCE[26]	INSURANCE DEFENSE CASES HANDLED	CIVIL CASES HANDLED	AGENDA REVIEWED
Troy	**1,036,260[27]**	**325,816**	**6**	**30**	**175**
Ann Arbor	1,811,479	About $478,000	–	–	–
East Lansing	507,810[28]	148,000[29]	–	–	–
Farmington Hills	595,330	764,000[30]	5**	2	50
Livonia	682,879	1,100,000[31]	3	38 + 372[32]	12[33]
Royal Oak	675,630	1,043,304	0	4	72
Southfield	923,010[34]	–	–	–	–
Sterling Heights	712,600	600,139	26	–	Not tracked

**The City Attorney for Farmington Hills reports: Unlike Troy, Farmington Hills is not self-insured. The City's insurance is through the MMRMA, and I handle some of the cases from MMRMA and I handle all of the other civil cases not covered by insurance. The MMRMA cases have an SIR and attorney bills are sent to the MMRMA for those matters. My attorney billings for all other litigation not covered by insurance are sent to the City.

TABLE 10

CITY	ORDINANCES REVIEWED OR DRAFTED	CONTRACTS REVIEWED OR DRAFTED	MEETINGS ATTENDED	FOIA MATTERS
Troy	**21**	**138**	**92**	**878**
Ann Arbor	–	–	–	–
East Lansing	–	–	–	–
Farmington Hills	500hrs***	500hrs***	200hrs***	100hrs***
Livonia	6	255[35]	101	Not tracked
Royal Oak	15	100 (estimate)	50	3
Southfield	–	–	–	–
Sterling Heights	18	Not tracked	28[36]	Not tracked

***The City Attorney for Farmington Hills reports: "We do not keep track of the numbers of ordinances drafted/reviewed, contracts reviewed/drafted, FOIA matters and meetings attended. To come up with these numbers would be extremely difficult and time consuming. We do, however, keep track track of hours and I have very roughly estimated the number of hours attributed to each of these tasks..."

TABLE 11

CITY	REGULARLY SCHEDULED COUNCIL MEETINGS	REPORTED APPELLATE CASES 2009 AND 2010[37]
Troy	**29**	**5**
Ann Arbor	24	4
East Lansing	24	1
Farmington Hills	21	0
Livonia	24	1
Royal Oak	24	3
Southfield	41	0
Sterling Heights	27	3[38]

including the nature of their firm and their years of practice. According to the Bureau of Labor Statistics (BLS), the median[39] salary for lawyers nationally is $113,240, the mean[40] annual wage is $129,020 and for local government attorneys the mean annual wage is $91,040. For Michigan, the BLS reports that the annual median wage for lawyers is $95,210 and the annual mean wage is $113,930. More locally, the BLS reports that for the Warren-Troy-Farmington Hills Michigan Metropolitan Division the median annual wage for lawyers is $97,140 and the mean annual wage is $126,450.[41] Thus, attorneys in the Troy area would be expected to earn more than their counterparts in other areas of Michigan.

The *Lawyer's Weekly* survey showed a median fee of $195 per hour for both transactional and litigation services for attorneys with $150 per hour within the 10th percentile for each. According to the survey, paralegals billed at a median fee of $75. While one might expect fees to go up over time, the current economy may have pushed these fees down somewhat. A new study should be released within the next few months.[42] Currently, the MMRMA pays about $135 an hour for defense. The Michigan Municipal League through its Michigan Municipal League Liability and Property Pool also provides coverage to Michigan municipalities and its cost of defense ranges from $115 per hour for Workers Compensation Defense and about $150 per hour for general liability defense to $175 per hour for appellate work.

Median fees and median salaries provide a guide in determining what a client might expect when hiring an attorney, but they are only a guide. Because the median is an average, the city or any client may be forced to pay more or may negotiate a lower fee. In the practice of law, fees generally reflect an attorney's experience and reputation in the field. And, while no attorney can guarantee a result, clients generally pay higher fees based on higher expectations.

Using the foregoing as a guide, the Council can consider a number of different options regarding its legal representation to ensure that it and its agencies are well represented. Those options involve direct and indirect costs and benefits, which we will discuss.

There are several broad categories of options available to the Council. It can outsource legal services; it can enter into interlocal agreements to either outsource services or recover value from the services it provides; it can implement internal management reform, reorganization or restructuring; and it can eliminate functions.

Outsourcing

There can be no doubt that outsourcing or privatization can be used by a city for virtually every activity, service or program it offers, from management of the city on down. Management companies can provide the necessary services to manage a city just as law firms can provide legal services to the city and private waste hauling companies can handle solid waste services. Whether the city is best served by privatization, even when privatization might be less expensive, offers a difficult question for a city's policy makers. With legal services, the choice corporations and other entities make to bring the service in-house follows an effort to increase efficiency and reduce risk. Dismantling an in-house office runs counter to those goals, but may be justified if the client decreases its need for legal services.

Many communities use outside counsel to fulfill the role of city attorney. Indeed, IMLA has many members who use outside counsel, just as it has members who have full-time local government attorneys. Some of the comparable cities use outside counsel and are well served by their attorneys. Both methods of legal representation provide a city its necessary legal services. This report should not be interpreted to suggest that one form of representation should be favored over another, as each city's policies, goals and need for legal services will be

TABLE 12

CITY	PROSECUTIONS	BENCH TRIALS	EVIDENTIARY HEARINGS	WARRANTS
Troy	**6,800**	**105**	**121**	**181**
Ann Arbor	–	–	–	–
East Lansing	–	–	–	–
Farmington Hills	3,500****	360*****	8	59
Livonia	4,058	unknown	unknown	1123
Royal Oak	5,000 (est)	91	unknown	30
Southfield	–	–	–	–
Sterling Heights	6846	Not tracked	Not tracked	Not tracked

****The City Attorney for Farmington Hills reports: "Prosecution defendants often have more than one charge against them and each charge constitutes a separate case number on the court's docket. Please note, however, that the number of cases I have provided in this column only reflects one case for each defendant, not for each case number/ticket number. If we had included each case number, the total number of cases would have to be at least doubled or possibly more, because most defendants have two, three, four or more charges against them."

*****The City Attorney for Farmington Hills reports: "This number includes both bench and jury trials. We do not have them separated out."

different. Because legal representation often depends on personal relationships, preserving the status quo and the historical knowledge that is available from long-term relationships can often lead to maintaining better legal services than looking for the cheapest method of providing services.

There is no magical number that determines whether a city is too large or too small to be represented by in-house counsel or to be represented by outside counsel. Generally, cities start considering whether to use in-house counsel at a population of 25,000, and, by 75,000, most, but not all, seem to be represented by in-house counsel. The amount spent on legal services provides a sound basis for considering whether a city should use in-house counsel instead of relying on outside counsel. When a city regularly spends about $250,000[43] in legal expenses for outside counsel, the city should consider whether going to in-house counsel might be less expensive. However, that number should not be viewed as a place where a city should change from outside counsel to inside counsel, but rather, it forms the starting point at which due diligence argues for it to begin an evaluation as to whether outside counsel provides the best value to the city.[44]

When looking at its outside legal expenses, a client should consider the nature of the matters that incur the expense. If the matters involve defending lawsuits that are not covered by insurance, a far different calculus applies than if the bulk of the legal expense is primarily work that will likely repeat year after year. If the expenses derive primarily from work regularly performed year after year, then a city should determine if it could hire an in-house attorney to perform most of that work and operate an in-house office for less than the city is paying outside counsel. If the work involves unusual expenses, such as the defense of a very expensive lawsuit or an unusual amount of work, then the city should eliminate those expenses from its calculations and make its determination based on the costs of its normal expenses for legal services. Often these expensive cases may require outside counsel even in cities that have in-house counsel.

Unlike a city that must decide whether its outside legal expense can be sustained as compared to an assumed less expensive option, the City of Troy wishes to consider whether to outsource some or all of its in-house legal services. Current market conditions may make that choice more attractive today as the legal services industry suffers with the rest of the state and the country.[45]

Outsource all the city's legal services

There are advantages and disadvantages to the option of outsourcing all legal services as there are with any other option, including the "no change" option. Some of the advantages may be temporary and erode over time, as may the disadvantages.

One must assume that the City will not outsource its legal services unless a due diligence review informs the Council that doing so will be more cost effective. Thus, cost savings are assumed, at least initially. If the Council were to move in this direction, it should structure an RFP that would protect that price advantage for at least five years by locking in rates for that period or at least ensuring that they escalate only to the extent that the City's budget can afford an escalator; i.e., tie any increase into affordability, not some external factor such as CPI.

In addition to locking in rate protections, the City will need to ensure that the contract fully covers the legal services that it expects to save on by outsourcing. As with any contract, the City risks increased costs due to change orders or inability of the contractor to fulfill the terms of the contract, leaving the city without a viable means to recover its losses.

Generally, if outside counsel is a mid to large multi-faceted firm that concentrates in the area of local government law (including zoning, land use, liquor) and has other members who concentrate in areas as diverse as litigation, environmental law, construction law, pension law and tax law, a city tends to enhance the quality of its legal services, if only due to the expanded knowledge base.[46] There are several firms in Michigan that provide these services, including those that serve the comparable cities. Their ability to bring to bear expertise in a wide variety of practice areas often enables a city to reduce the legal time spent on certain projects or matters. Similarly, a multi-faceted firm offers the advantage of being able to respond to increased work while limiting the cost to the city when work decreases. Thus, outsourcing can provide the benefit of increased efficiencies in handling the peaks and valleys of workload.

A city can be an attractive client for many reasons. The prestige of representing the city has value, but more important, most cities pay their bills on time. A private firm will frequently offer lower rates to a government client because the steady income stream can support its overhead while it makes its profit elsewhere. For this reason, the city may be able to get a very attractive bid for legal services if it chooses to try to outsource legal services.

Some of the advantages to outsourcing other functions do not easily translate to legal services. For example, because a lawyer essentially markets knowledge and time, but under the Rules of Professional Conduct cannot limit the knowledge component of that calculation, a city can set a monetary cap on the services it will receive, but those caps can be difficult to hold. Nevertheless, by outsourcing, the city may see benefits in timeliness and in accommodating a fluctuating demand for services. By outsourcing, the city can gain the benefit of the law firm's malpractice insurance. With in-house counsel, mistakes do not yield recoverable damages whereas, if outside counsel makes a mistake, the city may have a recoverable claim.[47]

But, there are also disadvantages to outsourcing. The greatest disadvantage, and one that must be fully vetted in the Council's due diligence, involves the question of what happens if outsourcing proves to be a bad choice. Dismantling the law department means that the City must rely on outside representation for several years. Because there are few well qualified attorneys who would want to accept a full-time position of City Attorney if the position held no long-term security and because some who would accept the position under those circumstances may not be counted on to be long-term employees, the City cannot jump back and forth between in-house and outside counsel. In other words, a vacillating policy will not earn the trust of those who want predictability when making employment decisions, which can make hiring a full-time city attorney difficult if the city decides to outsource the position and then bring it back inside. Thus, a decision to dismantle the law department and outsource its work cannot be made lightly or with the expectation that if it's not working a year or two later, the City can set it up again.

News accounts from around the country reflect that many cities that have outside counsel, whether as the city attorney or on retainer in special cases, often experience unanticipated expenses.[48] Thus, a contract with outside counsel will need to protect the City against unanticipated expenses that would be covered if in-house counsel were continued. In many areas of the country, cities are spending several

hundred thousand dollars defending public records cases, sign laws or restrictions against adult businesses. The merit of the City's position does not protect it against these costs. IMLA believes the City may find it difficult to enter a contract with a law firm that sets an upside limit on the City's cost, yet includes a requirement that outside counsel handle all matters referred to it regardless of quantity and time. Nevertheless, funding an in-house law office does not set an upside limit on the City's costs either. However, the City has less control in the former and has a better chance to limit its topside expenses with in-house counsel in the latter.

A somewhat indirect disadvantage of using outside counsel comes from its very nature: because the attorney bills for services, important questions are not asked and issues are not raised because agencies and employees fear incurring attorney's fees. Indeed, experience shows that when outside services are moved inside the costs are often increased over a few years as issues that require legal services have been ignored.[49] Bruce Collins, VP and General Counsel for C-Span, writes a regular column for *Inside Counsel* magazine and recently expressed the view that "One of the primary reasons for having and paying for inside counsel is to keep the organization on the legal straight and narrow as efficiently as possible."[50] Even with inside counsel, some departments and agencies can withhold raising legal issues to avoid accountability for problems that might have been avoided. So, inside counsel does not act as a failsafe, but helps to increase the efficiency of the organization.

Similarly, when evaluating the long-term cost to the City of switching from in-house to outside counsel, the City risks losing the benefit of "preventive maintenance." With in-house counsel, an indirect incentive exists to prevent problems from arising by solving them before they cause a loss or embarrassment. While outside counsel owes a duty of loyalty to its client, practicing preventive law can be more difficult. As the City reviews the outside attorneys' bills, the savings may not be as easy to visualize, so preventive legal services may slowly erode and, as they erode, problems will increase and, as they do, fees will increase. Somewhat akin to preventive maintenance of a vehicle – an oil change and a new oil filter every few thousand miles will generally be less expensive than a major engine repair – preventive law can help a city escape major lawsuits or penalties.

Another indirect disadvantage to using outside counsel involves accessibility.[51] With in-house counsel, the attorney's office is usually quite close and attorneys reasonably available;[52] albeit, with outside counsel, after-hour or weekend service may be more accessible. A city attorney's office often fields complaints from residents, acting as a resource to residents and, sometimes, a buffer to protect the Council and staff from irate and difficult people. These are not services that transfer well by contract to outside counsel.

There are some additional hidden costs and challenges. Because the City Attorney and City Manager each directly report to the Council, the City's Charter implements a designed system of checks and balances to ensure the Council is best served by its attorney and its manager. If the legal services are outsourced, the Council and its Charter Commission will need to reevaluate this system. The Council will need to consider how it will manage its outside attorney services. The attorney's bills must be reviewed. If that task is assigned to the City Manager, problems can arise if the Council is discussing with its attorney matters involving the performance of the City Manager and associated employment decisions. Often, the Council will not want bills for those services reviewed by the City Manager. If the City Manager does not review these bills, then the Council must assign one of its members, or a member of its staff to that task. Whether the City Manager handles the task or the Council does, the City should consider engaging a service to audit those bills for accuracy and cost. Bills for legal services can often include charges that the client feels to be excessive, such as spending too much time on a matter or sending too many attorneys or staff to handle a deposition or meeting. The cost associated with this review should be included in a determination of whether to outsource.

The Rules of Professional Conduct for Lawyers guide attorneys in the practice of law and set a high ethical bar on their conduct. These Rules protect the public and clients from various forms of inappropriate conduct, including conflicts of interest. The Rules prohibit an attorney from accepting representation when doing so conflicts with the attorney's self interest, with the interests of those close to the attorney and with the interests of other clients, past or present. Often, this last limitation can prove very problematic. Generally, clients can be given the opportunity to waive the conflict if they are properly informed, but some states limit the extent to which a public body can waive a conflict and there are some conflicts that cannot be waived. There can be times when the conflict develops late in the representation or becomes apparent after the representation begins. Courts and ethics rules in some states demand the attorney cease representation of all clients under these circumstances. Because Michigan law may vary, the Council must be certain that issues of conflicts of interest be addressed carefully in its contract if it outsources its legal services. In doing so, it should be sure that the firm or attorney engaged to perform the services can fully serve the city without having any limiting conflicts now or in the future. To protect against conflict, a city inherently limits the field of available firms. The potential conflicts can affect the city's business in other ways, as a city that hires a firm to be its city attorney expects that firm to act as its spokesperson and representative, but if the firm has a reputation for suing other cities or Troy's business partners, then those relationships can be damaged.[53]

One last issue that can be a disadvantage, but is as yet not fully resolved in the courts, involves the IRS treatment of an outside city attorney. When in-house, the city attorney must be treated by the city as an employee. A person holding the title of "city attorney," a position established by charter or code, falls within §3401(c), of the Internal Revenue Code. That section demands that the city treat a person holding a "public office" as an employee under the tax laws and pay the appropriate withholding and render a W-2.[54] The IRS takes the position that the traditional common law distinctions between employee and independent contractor do not apply.[55] If the city outsources the function, then it must consider if the "city attorney" will be subject to employment taxes that could reduce the benefit of the cost savings.

Outsource a portion of the law office's services and functions

As with a complete outsourcing, this report assumes that the Council has done its due diligence to ensure that the costs of outsourcing reduce the city's costs for legal services. Rather than repeat each of the advantages and disadvantages, this report will draw distinctions, where they exist, between outsourcing all or part of the function.

In determining to outsource a portion of the law office's services, the Council needs to weigh the extent to which the parts are more expensive than the whole; i.e., are there savings that accrue by having a fully functioning law office over one that has been constructed

to handle only a portion of the City's legal work. In evaluating the functions of the Troy City Attorney's office, there appear to be several clearly defined types of duties the office performs: advice and counsel; prosecution; tort and civil rights defense; and other litigation. Outsourcing some of these functions while retaining others offers the Council a choice and a challenge.

Prosecution

Currently, Troy uses 2.77 FTEs to handle prosecutions. This function is fairly discrete and, on the surface, lends itself to outsourcing strictly because it is discrete. Outsourcing prosecution must be evaluated under the context of Michigan law, as there may be laws and court rules that impose obligations and duties on a "city attorney" as prosecutor that may not be delegable.[56] The City could seek bids on this service and weigh whether it can accrue any savings by contracting out. In doing so, the City could ask the current employees to bid on the service and weigh the results against current costs and other bids.

This report assumes that the Council has done its due diligence and that a contract for these services locks in cost savings for a period sufficient to justify making the change, and that any potential conflicts have been resolved. Of the various benefits generally associated with outsourcing a function of government, outsourcing this function yields only one specific benefit and that is cost savings if the Council can obtain bids at prices less than what it now spends. Council is unlikely to see any quality improvement, timeliness is not a factor as cases are docket driven, Council does not seek productivity improvements in this option and outside expertise will unlikely increase productivity. There may be benefits associated with fluctuating demand for services, but those benefits will accrue to the city through the contract's lower cost.

Some of what normally are advantages to outsourcing will likely become disadvantages as work quality may suffer. That is because prosecution involves significant judgment regarding which cases to pursue vigorously and whether a case should be tried; contracting out this service can change the dynamic of city policy on crime. To briefly explain, if the prosecuting attorney in private practice receives the same pay regardless of how much time the attorney spends prosecuting cases, the attorney has an incentive to conclude the prosecutions quickly. If the prosecuting attorney is paid based on time or volume, those variables will likely argue against outsourcing, as the city cannot reasonably impose cost limits. This problem might be dealt with successfully in the contract, but doing so will be quite difficult. To some extent, this is why most elected prosecutors are constitutional officials of a county with an office funded based on the need to prosecute offenders, not its cost benefit to the county. If outsourced, the city can protect itself from these problems by charging the City Attorney with close supervision of the outside representation and the prosecutions. The extent to which the City Attorney supervises this function will necessarily divert the City Attorney from other functions and will likely remove many efficiencies that might otherwise be gained or even cause additional expense.

Assuming the prosecutors perform other duties in the City Attorney's office, the time spent on those functions will be lost to the City and cannot be recovered in a contract for prosecutorial services. Under those circumstances, the City Attorney must either cease to provide some services or seek additional resources to provide them. These costs will necessarily reduce the assumed beneficial cost savings of outsourcing the function.

Tort and legal defense

Defending the city does not provide the same clarity of function that prosecution does. To some extent, defending the city implicates other functions, such as advice and counsel and other litigation. Unlike prosecution, where the prosecutor can simply decide to limit expenses by not prosecuting cases or diverting offenders, the Council, in good conscience, cannot decide not to defend itself against damage claims. This report does not evaluate the city's risk management, but to understand some of the decisions the Council faces, the Council must understand some basic concepts of risk management. They are risk retention, risk transfer, risk minimization and risk avoidance.[57] Troy, like all cities, applies each to its various activities.

In discussing tort and legal defense for this portion of the report, the relevant concepts primarily involve risk retention and risk transfer. The city transfers its risk to the MMRMA insurance risk pool by obtaining insurance. By establishing a deductible or creating a self-insurance retention, the city retains risk to the extent of the deductible or the self-insurance retention. The city can vary its cost of insurance by increasing or decreasing its deductible or its self-insurance retention. Most insurance policies have limits of liability. If the city does not obtain insurance over and above those limits, it retains the risk that a judgment or judgments will exceed those limits. Modifying the limits of insurance affects the cost of insurance. Lastly, some insurance policies cover certain risks and others may cover risks not covered in a standard Commercial General Liability policy. To the extent risks are not covered, then the city retains risk in those areas. There are generally some risks that cannot be insured and those, the city either retains, can try to avoid, minimize or can seek to transfer. Insurance policies can be distinguished by whether they are "claims made" or "occurrence" policies, each carrying different costs and risks for the insured. Many policies provide that the insurer will indemnify, defend and hold harmless the insured for claims covered by the policy. Generally, before making decisions on coverage, limits, policy terms or deductibles, a risk manager will discuss these issues with the City Manager, City Attorney and Council as part of an overall plan.

As part of its risk plan, Troy has chosen to retain responsibility to defend itself. Thus, the City Attorney defends the City in cases that might otherwise be defended under a policy of insurance. According to the City Attorney, the MMRMA generally pays $135 per hour to hire counsel to defend its insureds. Based on information provided by the City Attorney, MMRMA pays on average $36,815 for the defense of a claim.[58] In responding to a request by IMLA, MMRMA enhanced its analysis and reported the following:

> We, subjectively, believe that the City benefits from having inside legal services and that outside legal services would cost more. Our records reflect that, for all MMRMA lawsuits closed in the last three years, we have paid between $20,000 and $25,000 in legal fees on average for lawsuits closed with no payment to the plaintiff (cases that we 'won') and between $35,000 and $50,000 in legal fees for cases where we ultimately made some payment to the plaintiff (cases that we 'lost').

As noted in Table 11, by using the City Attorney's office, the City's average costs for defense are uniformly lower and the hourly rate is less. IMLA believes the Council has two options to consider if it chooses to outsource its defense of tort and other litigation against the City.

TABLE 11

YEAR CASES CLOSED	AVERAGE LEGAL FEE FOR CASES WON	NUMBER OF CASES	AVERAGE LEGAL FEES FOR CASES LOST	NUMBER OF CASES
2010	$21,426	229	$40,843	126
2009	$24,418	241	$35,385	116
2008	$20,389	241	$49,957	100[59]

1. It can seek bids, on a requirements basis, from or negotiate with private firms to perform these services and, when a suit is filed against the City, allow the City Attorney to select from among the firms by choosing one that has the most expertise in the area of law involved in the case or by choosing one using other factors for selection based on the nature of the suit. The Council and City Attorney may find it possible to coax firms into bidding on a cost per case basis as another option.
2. The Council can also decide to transfer the defense of the City to the insurer (MMRMA). MMRMA can price this additional cost into the insurance premium and the Council can evaluate what value it can gain from doing so.

Assuming that the City has conducted its due diligence and that the costs of outsourcing this function warrant doing so, the advantage will be primarily economic. The city can expect to gain increased expertise in some of the cases and may lose expertise in others. The City could expect savings associated with increased efficiencies in dealing with fluctuating demand for services.

As with outsourcing the prosecutorial function, if outsourced to private defense firms, conflicts must be addressed and the City Attorney will need to monitor bills and services and will lose some efficiency as a result. Outsourcing this function by having the insurer provide the defense, should not add additional administrative responsibilities to the City Attorney, although insurance counsel often seek advice and input from the City Attorney in handling a case, so there may be little gain. There are not as many disadvantages to outsourcing this function as with outsourcing prosecution; however, to the extent current staff provides other services, those services will either need to be abandoned or staff retained, thus affecting the calculus of cost. One other possible disadvantage involves the skill set of the staff. The more cases they handle in court the more able the attorneys are to act in court on behalf of the City and the more able the staff is to handle the administrative functions necessary for the attorneys to represent the City in court. By reducing the number of cases the staff handles, the City will likely lose this efficiency. Because not all litigation involves tort defense, retaining skilled litigation counsel can be important to the City.[60]

A city must often defend cases that do not seek damages. These cases are not covered by insurance. For example, the city can be sued over issues associated with the release of information under a FOIA type law. It can be required to defend an ordinance or policy or a decision to grant or deny a license or permit, whether to conduct prayer at the legislative session or implement changes to benefits. Indeed, many local governments spend far more time and money addressing issues such as these than they do in defending claims for damages. While these matters can be outsourced to private counsel, their nature and complexity often affect the expertise necessary for the defense and therefore the rates and cost of defense. Structuring an RFP to seek bids on these types of services in the abstract will be difficult. Thus, the Council may not be able to fully understand the cost that outsourcing this aspect of the City Attorney's functions will be until the first bills come in. At that point, it will be too late to minimize those costs should they exceed the Council's expectations.

Other litigation

There are times when the City engages in litigation as the Plaintiff. Currently, the City Attorney is handling several eminent domain cases and regularly handles collection matters. As with insurance defense, the eminent domain cases can be outsourced and the cost of doing so will be the major advantage or disadvantage. Collection cases are frequently outsourced. Private attorneys or collection firms handling those cases will generally take the cases for a percentage of the recovery at percentages that will likely vary between 25 percent and 40 percent. An effective in-house collections operation can increase the amount collected at a cost substantially less than those percentages if there is sufficient outstanding debt and all of the City's debt collection is concentrated in one office.[61]

In both the eminent domain cases and collection cases, outsourcing can risk creation of negative publicity as each of these types of case involves tactful consideration and treatment of the Defendant. Nevertheless, collection services can be outsourced. Doing so requires the City to evaluate if the change reduces its costs or will increase its collections as compared to what an effectively staffed in-house operation could do.

With eminent domain, in addition to the assumed cost savings, the City could accrue the benefit of eliminating fluctuating workload, assuming the city's capital program will likely not require additional property acquisition in the foreseeable future. Because these matters are in process, the City may lose some efficiency by outsourcing them now. Nevertheless, the Council may consider whether doing so in the future offers a savings by eliminating the need to have a staff capable of handling that number of cases when it is a diminishing caseload.[62]

Advice and counsel

While outsourcing just the advice and counsel function and retaining other functions may be theoretically possible, IMLA does not see this option as having any practical benefit or advantage to the Council. Without doubt, the Council could direct that the City Attorney hire private attorneys to provide advice to the Council, the City Manager and the City's agencies, but any savings will likely be lost in inefficiency. Attorneys offer their expertise and knowledge as their service. As attorneys often disagree over the intent, meaning and purpose of a law as well as how to handle a matter or case, having too many attorneys advising the Council can only lead to battles over advice and policy. While these battles might foster a new spectator sport, they are unlikely to save the Council money.

Interlocal Agreements

Generally, local governments can enter into agreements with other local governments to provide services to their communities. The laws across the United States vary as to how much authority each community has in this regard. Assuming that Michigan allows these types of agreements, the City can agree with another local government to have various services provided for it by the other community. Similarly, Troy could consider offering to provide services to other local governments for a fee if it felt its staffing could absorb additional work to recoup some of its costs. Because the law department is staffed very thin, IMLA does not believe there is slack to use.

Interlocal agreements rarely involve law departments, but more frequently involve police, fire and general governmental services. Each of the functions of the law department can be viewed as options for outsourcing through an interlocal agreement. The analysis of advantages and disadvantages for outsourcing in general will be somewhat the same, although one might assume that the advantages of price might be better and that there could be fewer disadvantages in the prosecution function and the tort, legal defense and other litigation functions. A different form of disadvantage might be the likelihood that with the loss of control of the function, timeliness may decrease if the city is not the primary client, as services will likely first be rendered to the primary jurisdiction.

A modified form of outsourcing this function could be evaluated. For example, Troy may have attorneys with reputations for expertise in certain legal matters and an attorney with a nearby local government may have talents in other areas. An interlocal agreement could be structured to have Troy provide advice and counsel and represent the other community in some fields, with the other community providing aid to Troy in other areas. Unfortunately, this type of agreement does not address the cost of service directly. There can be some savings, but gaining savings will likely require an opportunity to evaluate an agreement or plan, rather than an abstract idea. In short, the concept of reducing Troy's legal expenditures through an interlocal agreement offering mutual aid cannot be evaluated except after a plan has been developed.

Another potential disadvantage to interlocal agreements for legal services involves conflicts between the clients. An attorney must not accept representation of a client when likely conflicts exist and, if conflicts develop after representation begins, an attorney often must terminate representation of all clients infected by the conflict. While conflicts can be waived, the attorney must be certain that the client fully understands the conflict and what may happen as a result. Conflicts can arise in a number of different ways and the Council must feel comfortable that if a conflict develops, the interlocal agreement, despite this disadvantage, provides the City benefits that outweigh the costs.

Internal Management Reform, Reorganization and Restructuring

There are limited options for changing the structure of the law office. Due to the economic collapse of local government budgets, some cities have adopted policies to share administrative staff and duties. While some cities consolidate administrative services and functions in the City Attorney's office, Troy's Charter does not allow this type of consolidation.

Elimination

One consideration we have been asked to consider is elimination. Due to the nature of government, eliminating the function of legal services cannot be viewed as viable. Eliminating some services or functions may be possible.

For example, the Council could determine that it will no longer have its police file city charges where there is a comparable state crime, or it may decide to abandon policing in favor of using the county's sheriff. By doing so, the city transfers responsibility for prosecution to the state and the costs to the county; it also loses the revenue that those prosecutions bring. The Council could identify ordinances it has passed that it believes no longer justify the cost of prosecution and eliminate them. While statistics are difficult to obtain on these prosecutions and lack of these statistics limits IMLA's ability to do a full analysis of this option, one could expect some savings. Those savings, however, may not be justified by the loss in revenue and what may be simply shifting costs from one governmental entity to another, funded by the same taxpayers. The city also loses a measure of control over how crimes in the city are prosecuted. What may seem important to the city may not be as important to a county prosecutor.

The function titled "other litigation" could be eliminated, as theoretically nothing in the law requires the City to collect debts or bring litigation to recover damages except the general admonition that the Council act in the best interest of the City. IMLA believes that discretion dictates that this function cannot be eliminated. As noted previously, there are 26 eminent domain cases in the City Attorney's office. If the project for which these cases are necessary is abandoned, then the cases could be eliminated. As these cases wind down, the Council and the City Attorney must consider if that changing workload justifies changes in the staffing of the office as they amount to about 1 FTE.[63] The two other major functions in the law office – defense of the City and advice and counsel – do not seem likely candidates for elimination in all or part.

The Council can consider another option, one similar to elimination of the function: it could consider disincorporation; i.e., elimination of the city itself. Disincorporation involves significant legal and political considerations. Issues such as dealing with the City's debts and assets are difficult to resolve. Nevertheless, if the City sees that a majority of its residents no longer desire the services that it provides, or that those services can be provided by the County or, through annexation or consolidation, by another city, these options become viable. Consolidation offers the potential for some savings by eliminating duplicate services, as might disincorporation. These issues are beyond the purview of this report. Nevertheless, Council can engage the voters in Troy to determine whether they believe consolidation or disincorporation better serve them than the skeletal structure that may remain as the city downsizes.

CONCLUSION

Based on our review, Troy's City Attorney's office holds an enviable reputation in Michigan for its talent. The City Attorney garners the respect of her peers and holds positions of leadership in various legal organizations. Her staff is likewise well respected. Based on the size of the City and its various operations, the City operates the Attorney's Office at a

barely sustainable level. Outsourcing the legal department brings with it many disadvantages that argue against outsourcing, unless the City can gain a significant cost advantage over the long term while accepting the disadvantages inherent in the change.

- The available data do not support outsourcing the City's legal services at this time.
  - Cost of City Attorney services appear generally lower than the rates for legal services in the community.
  - Cost of City Attorney services are substantially lower than comparable costs for insurance defense.
  - Efficiencies and advantages of in-house services outweigh advantages of outsourcing.
- Decreasing revenues and continued downsizing of the City argue that the City regularly evaluate if reduction in workload and demand for legal services suggest that some or all of the city's legal services should be outsourced using private, public-private options for delivering programs (outsourcing) – conduct financial and policy analysis, including all or part of the function.
  - Prosecutorial function.
    - Evaluation should include whether to transfer this function to county (similar to evaluation of whether to transfer police function to sheriff).
  - Eminent domain cases.
  - Collection cases.
- If the city outsources functions within the law office and reduces staffing, it should consider if maintaining sufficient staff to handle tort defense has costs that continue to be less than insurance.
- Consider outsourcing for peak workloads – conduct financial analysis.
- IMLA recommends that the City reflect the value provided by the City Attorney to various discrete City revenue sources64 by charging those services to recoup the City Attorney's cost to them when appropriate, rather than charging the general fund.

Because the City Attorney's staffing is quite limited, the City will likely find it difficult to enter reciprocal interlocal agreements. Nevertheless, the City Attorney can explore with nearby cities or the county to determine if interlocal agreements can provide Troy a benefit.

- IMLA recommends that the City Attorney discuss with nearby cities and the county various options for interlocal agreements that can benefit Troy.

The following are suggestions to increase and enhance efficiency and effectiveness.

- Establish additional performance metrics to enable comparison to other public and private law departments.
- Conduct regular customer service satisfaction surveys.
- Train staff in competitive contracting and process improvement.

ENDNOTES

[1] Using 2080 hours for 1 FTE.

[2] The City Attorney position is unique in the sense that unlike other department heads who report to the City Manager, the City Attorney reports to the Council. This is not a unique arrangement. In Michigan, the Council appoints the City Attorney in most municipalities. Many cities adopt this structure as a method to impose a framework of checks and balances on both the manager and the attorney.

[3] IMLA understands that in Michigan, Troy is somewhat unique from the comparable cities in that it prosecutes its cases in a county court. This means that the City gets only a portion of the revenues generated as fines from its cases. The cases the City Attorney prosecutes are ordinance violations, but, in some cases, these violations are charges that could be brought as violations of state law. If brought as a violation of state law, the county prosecutor would handle the prosecution; any revenues from fines or forfeitures would be the County's and the city would not be entitled to a share of those revenues.

[4] Although the survey was directed to IMLA members, a few non-members participated in the survey and their responses are included in these results.

[5] There were actually 70 responses for this population range, but five did not include their law department budget in their response, so they were eliminated for purposes of determining this average.

[6] IMLA's study did not ask specifically about legal secretaries, but asked for other. The most frequent answer for "other" was legal secretary. Others included risk managers, administrative assistants, clerical support and receptionists.

[7] Using the city attorney's budget and dividing the budget by 12,480 (6.0 FTE * 2080) produces an hourly rate of $83.03. IMLA used 6.0 FTEs because, if privatized, the City would be billed for paralegal and attorney time and a blended rate is likely to yield a lower rate than calculating different rates for the attorneys and paralegals. In other words, this rate is likely lower than that available on the market. It does not include costs of maintaining the department that may not be included in the budget, such as lease rates or benefits, such as retirement costs. Using 2080 is also debatable as the number does not take into consideration vacation time and administrative time. Using 1600 hours (a reduction of 12 weeks) multiplied by 6.0 FTEs when divided into the budget yields a rate of $107.94. This rate is still appreciably lower than the $135 per hour costs of defense that MMRMA would bill.

[8] The City Attorney calculates that the office spent approximately 900 hours handling these cases in the past year. At a rate of $83.03 times 900 hours, the result is as reflected in the table. At $107.94 per hour the amount is $97,146.

[9] The total cost of defense is divided by the six cases handled by the office resulting in an average per case expense. At $107.94 per hour the average cost of defense per case is $16,191.

[10] This figure is year-to-date for calendar year 2010 to October. For calendar year 2009 for the same period, the number was 79.

[11] This figure is year-to-date for calendar year 2010 to October. For calendar year 2009 for the same period, the number was 105.

[12] Not only is this assumption counterintuitive, it counters the trend in law enforcement; i.e., the more police on the street, the fewer violent crimes.

[13] *USA Today,* "Cutbacks force police to curtail calls for some crimes," August 25, 2010, http://www.usatoday.com/news/nation/2010-08-25-1Anresponsecops25_ST_N.htm (last visited Nov. 21. 2010)

[14] By doing so, the City will lose any revenue attributable to these cases.

[15] The relationship between cities and counties varies from state to state but, in general, a city is formed to provide services to a more densely populated area that the people demand and that the county cannot or will not provide. Generally, counties are considered "top down" political entities and cities "bottom up," to recognize the distinction in how they are formed; i.e., the county by the state and the city by the residents. As counties have urbanized and their authority to act like cities have increased, residents may question whether they need a city any longer. That debate escalates as the city reduces its services.

[16] The city will likely need outside pension counsel to address some of these issues. The City Attorney can help identify areas of risk and legal issues that need further review.

[17] http://ehscenter.bna.com/pic2/ehs.nsf/id/BNAP-87YECT?OpenDocument (last visited December 2, 2010) The suit was recently dismissed.

[18] "'Wall of Water' Traps motorists on Maryland road" http://bit.ly/glvtoF (last visited December 2, 2010).

[19] WSSC Copper Pipe Pinhole Leak Investigation. http://www.wssc.dst.md.us/copperpipe/letters/investigation_fs.pdf (last visited December 2, 2010).

[20] "Lead-contaminated water in DC homes." http://bit.ly/eICOKy (last visited December 2, 2010).

[21] Outsourcing Permitting Services seems to be an excellent decision. IMLA searched for cases involving the company that might reflect increased liability and could find none. By outsourcing this function, the city gains the talent available from the staff of the company that can provide a broader range of expertise than the city might be expected to have available to it through in-house staffing. More significantly, as the city's Zucker report reflected, the city was losing money on permitting services and this change turns that around. IMLA recommends the City consider establishing permitting services as an enterprise fund if it has not already done so and charge back to it various operating services that benefit the fund, such as the City Manager, HR, IT and City Attorney's office.

[22] *Richardson v. McKnight,* 521 U.S. 399, 117 S.Ct. 2100 (U.S.Tenn., 1997). (Supreme Court concludes that a person working in a private jail acts under color of law for purposes of §1983 liability, but cannot avail himself of immunity.)

[23] Costs of processing ESI for e-discovery will vary depending on volume, time constraints, how automated is the review process, what types of files are being analyzed, reviewed, copied and produced, the likelihood that privileged or other sensitive data is intermixed with disclosable data, and hourly charges for in-house staff or outsourced vendor. Imputed costs for software license and maintenance agreements should also be factored in per project-hour. These costs can average $1250/GB (See: Process ESI In-House for < $400 per GB « eDiscoveryHD, http://ediscoveryhd.com/2010/02/10/taking-ediscovery-processing-in-house/ (last visited Dec. 15, 2010) (this is a sales pitch but has some good analysis)). When more expert review becomes warranted, the costs can average $10,000/GB including expert e-discovery consultants. (See: Managing Electronic Documents Under New E-Discovery Rules | Levenfeld Pearlstein, LLC, http://www.lplegal.com/publications/datapoints/managing-electronic-documents-under-new-e-discovery-rules (last visited Dec. 15, 2010). "Even the best lawyer will never be as good as a forensic expert when it comes to obtaining, analyzing and reconstructing electronically stored information. Such expertise does not come cheap (a rule of thumb is $10,000 per gigabyte), but it is now a necessary expense that must be factored into every litigation budget."). One IMLA member reports exceeding $1 million in e-discovery costs alone in a construction dispute.

[24] Some states require that metadata be retained as part of their public records laws and the developing law on discovery requires that metadata be retrieved to adequately respond to a discovery request. Copy machines, cell phones and many other types of equipment store information that must be searched in response to a discovery request.

[25] Litigation holds also present difficult problems for the attorney and IT staff as all records regarding contemplated litigation must be preserved and disclosed as part of discovery. This can include multi-mailbox searches and requires the city to implement procedures to ensure that records are not improperly deleted. What follows is a link to an article discussing the issue. http://bit.ly/g9iIXp (last visited November 30, 2010).

[26] Information regarding insurance for the City of Troy was provided by Richard Cooperrider, Risk Manager. Mr. Cooperrider also provided a thorough and clear description of the City's insurance program and the benefits provided to that program by in-house counsel in the City of Troy law department. Information regarding other cities has been requested from Mike Ellis of MMRMA by IMLA and through the City Manager by ICMA. Mr. Ellis provided detailed information regarding the cost of defense, but was unable to provide the insurance costs for MMRMA members. Insurance costs have been provided by the City Attorneys for the respective cities unless otherwise noted.

[27] Troy's budget includes $45,000 for insurance deductibles and $45,000 for outside counsel.

[28] The East Lansing legal department budget is $507,810 for FY 2010. It is broken down into $440,810 for general retainer work, $20,000 for our labor attorney on a separate retainer and $47,000 for enforcement of the city housing code, which is primarily in district court. Our hourly rates are $116.00 per hour for general retainer work, $105 per hour for district court litigation and $135 per hour for litigation in circuit court and all other courts and tribunals. Pre-trials, motions and evidentiary hearings in district court on police matters when handled by clerks are billed at $66.50 per hour.

[29] The city's gross premium for all coverages is $148,000 per year. The city is self insured up to $50K. The policy includes property, excess commercial auto, excess commercial general liability, excess workers comp. and Eand0 as well as law enforcement liability. The City's Budget indicates that it purchases commercial insurance for its general liability risk.

[30] From the Farmington Hills Budget for General Liability and Contents. Farmington Hills also identifies an expenditure category for "Professional and Contractual" that may include additional legal services as that category is defined to include: "PROFESSIONAL and CONTRACTUAL expenditures relating to services rendered to the City of (sic) external providers of legal services, auditing and architectural services, as well as other private contractors providing telephone service, utilities, insurance and printing."

[31] From City of Livonia Budget for liability insurance.

[32] Livonia's Law Department handled 372 Michigan Tax Tribunal cases and 38 general civil cases.

[33] Livonia's Law Department staff drafts resolutions for all regular Council meetings.

[34] Southfield reports that it expends in the "six figures" for insurance defense and about "$200,000" on legal fees for assessment appeals that come out of the assessor's budget.

[35] Includes all documents reviewed by Law Department attorneys in Livonia.

[36] City Council meetings only.

[37] A Westlaw search for each city in the 6th Circuit, Michigan Court of Appeals and Supreme Court revealed decisions on appeals in different cases in the numbers indicated. If the court considered requests for rehearing or petitions to appeal or for certiorari in the same case the case was only counted once.

[38] One of these was a major case in the 6th Circuit involving the recovery of insurance. It appears to have been handled by outside counsel different from the city attorney.

[39] The salary at which an equal number of salaries exceed as salaries that are below it as reported to BLS.

[40] The average of all lawyer annual wages as reported to the BLS.

[41] A self-employed attorney, without any overhead; i.e., no office, no books, no legal research tools, no expenses and no staff would need to charge about $73.00 per hour for 2000 billable hours to earn this salary and pay 15.3% FICA self insurance taxes.

[42] A recent article in *Florida Today,* "City Attorney Pay Variable," Nov. 21, 2010, references Melbourne City Attorney Paul Gougleman, to say, "the going rate for an outside municipal attorney currently is $175 to $200 an hour, with attorneys in certain specialties like labor law charging $300 to $400 an hour." http://bit.ly/9HQYP0 (last visited Nov. 21, 2010). While the Florida legal services market may not be the same as Michigan's, Florida's economy is similarly depressed and Council will need to consider how long it can expect to benefit from rates below $150 an hour for general municipal law services.

[43] In most communities, a city can set up and establish an in-house law office for less than $250,000 with one full-time attorney and a support person. Generally, the cost to increase in-house staff will not be as high on a per capita basis. Nevertheless, the city will still need to rely on outside counsel for certain matters. Indeed, even the largest cities spend substantial sums on outside counsel services even while they spend substantial sums for their in-house services.

[44] Cities should not make this change lightly as they lose the historical perspective that a longtime relationship provides. If a city decides to bring the work in-house, it can be well served by allowing the transition to take a year or longer and pay extra to have the advantage of its outside counsel's historical perspective.

[45] The Council must take into consideration the extent to which the current economic conditions affect rates that may be quoted in response to an RFP. As the economy improves, the city can expect that legal fees will rise. Unless the city protects itself against a likely increase, any potential savings can be lost quickly.

[46] In Troy's case, the City Attorney is one of fewer than 100 people in the country to have distinguished themselves by becoming an IMLA Fellow. IMLA Fellows include both in-house as well as outside counsel who devote at least 40 percent of their time to a local government law practice. This distinction comes only after a rigorous examination that includes presentation of articles for publication and passing an examination on local government law issues. In addition, the current City Attorney enjoys an outstanding reputation among her peers in Michigan where she is recognized as one of the outstanding municipal lawyers in the state. Indeed, in the course of preparing this report, virtually every person I spoke with gave unsolicited praise to the City Attorney and the law department. Thus, at least in the area of local government law, one cannot easily conclude that the city will improve the quality of its service.

[47] Of course, it may not be able to recover the full value of its loss as it will likely need to hire counsel to pursue the claim.

[48] "Virginia Town Spends $70K To Stop Sex Shop from Opening," http://bit.ly/bDB6J0 (last visited November, 22, 2010); "Legal Fees May Continue Climbing in Mountain Park; Small City Has Already Spent $1.5 Million Fighting Developers," http://www.cbsatlanta.com/news/25597781/detail.html (this article reports that 60% of the city's $800,000 budget for FY 10 is dedicated to legal fees)(last visited November 22, 2010); "City spends $630K to fight Tohono O'odham off-reservation casino" http://64.38.12.138/IndianGaming/2010/022485.asp (last visited November 22, 2010); "Excessive force cases draining Fall River legal department account" http://bit.ly/fSKFgB (last visited November 30, 2010).

[49] Albeit anecdotal, in my experience in almost 30 years as the chief legal officer for local governments, whenever the government brought work in-house, it found that many issues having significant potential liability to the government had not been addressed because the issues had not been raised with outside counsel. These issues included questions that were not asked because of the cost to the agency budget and issues that were concealed. They ranged from arcane tax issues such as income tax liability for employer-provided vehicles to contracts, arrangements or agreements that were "off the books." Over this time, discussions with other chief legal officers from around the country confirm this problem.

[50] Excerpted from the NAFCU Compliance Blog. http://nafcucomplianceblog.typepad.com/nafcu_weblog/2010/12/insert-here-this-and-that.html (last visited Dec. 20, 2010.)

[51] This problem can be solved by locating outside counsel in the government offices.

[52] In the *Florida Today* article referenced above, the article reports that Mr. Gougelman noted that "there are advantages for the city to have a city attorney on staff, based in city hall. Not only can it be cheaper to pay an attorney a set salary, rather than an hourly rate of $150 or more, but the attorney typically is more accessible by being in the same building as other department heads, and more acclimated to the details about a city's operations." The article reports that Gougelman is a full-time city attorney for Melbourne and the part-time city attorney for Melbourne Beach and Indialantic. http://bit.ly/9HQYP0 (last visited Nov. 21, 2010).

[53] There are firms that primarily represent municipal clients to cut down on the likelihood that these conflicts will occur.

[54] As mentioned, this issue has not been fully resolved. The Council will want to discuss with counsel possible ways to avoid this increased cost. One possible solution, if the Charter allows, could be to appoint a firm, not an individual, as City Attorney.

[55] IMLA participated in a successful administrative challenge to this IRS interpretation in an audit that had determined that a city attorney in Henderson, Texas, was an employee based on this provision, but the issue has not been settled and IMLA knows of other cities where the IRS has raised this issue.

[56] Obviously, outside counsel can be used and are used in other jurisdictions. The issue that delegation raises involves §3401(c), of the Internal Revenue Code and whether a person designated "city attorney" or "assistant city attorney" can be an independent contractor under the code, or must be treated as an employee. If the latter, Troy could continue to have responsibility for the employer's portion of the FICA tax, if the IRS position on this matter is ultimately upheld.

[57] A risk manager can give a much better analysis of this topic, but for these purposes, this elementary description can prove helpful.

[58] As another example of determining the cost of defending tort claims, the Sterling Heights budget includes a budget for the defense of claims and estimates that 12 claims will cost it $550,000 in FY11. This is an average of about $45,000 per claim. As with any budget, these are simply projections and the costs may vary as might the number of claims.

[59] Letter from Mike Ellis to IMLA dated January 3, 2011.

[60] Does the preceding argue for using a law firm with broad skills that can be brought to bear when necessary and paying according to the need, and not trying to retain in-house capabilities on a wide variety of skills? That question focuses on whether the city should outsource all legal services. When considering partial outsourcing, the issue changes from whether the city can gain efficiencies by outsourcing all of the legal services to whether it gains efficiencies in outsourcing a part. As part of that analysis, the city can expect to lose efficiency in outsourcing only a part of the service because the office's ability to handle other matters by concentrating on only a few will decline.

[61] In Montgomery County, Maryland, the cost of collection has never exceeded 10 percent since implementation of its in-house debt collection program. Also see: Thompson and Bernstein "Things for Show, Things for Dough and Things to Know: Performance Measures." Presented at IMLA Mid Year Seminar 2001 and available through IMLA.

[62] This work is being funded out of grants and the General Fund receives charge backs for these services. These and other projects that support the capital budget should be funded in the capital budget by transfers from projects in that fund to the General Fund.

[63] On the other hand, the City Attorney reports significant increases in prosecutions, which may implicate the extent to which the City Attorney can downsize and handle the workload.

[64] The city already has several enterprise funds. It can establish others – permitting and other fee driven functions are often set up as enterprise funds. Using other revenue sources can also better reflect the City Attorney's work in collection of fines, costs, debts and other recoveries, work for enterprise funds and the capital fund. Sterling Heights may be a good model for maximizing the city's use of enterprise and other funds.

APPENDIX E:

Comparative Benefits Review

Comparative Benefits Review

PENSION AND POST-RETIREMENT BENEFIT REVIEW

Many localities across the United States are reexamining the retiree benefit packages they offer, having incurred large liabilities for their traditional pension plan, retiree health care benefits or both. Given the changes Troy has made to its retirement benefits over the last 10 years–offering a defined contribution retirement plan and retirement health savings plan–*the City appears to have positioned itself to minimize exposure to higher benefit costs in the future, while continuing to provide mechanisms for employees to save for retirement and closely match the benefit offerings of its peers.*

Retirement Income

- Since at least 2000, all employees[1] hired by Troy were required to participate in a 401(a) defined contribution (DC) retirement savings plan.
- While contribution rates vary somewhat depending on the employee group, overall employee contributions range from 3 to 6 percent of pre-tax pay.
- Employer contributions range from 10 to 13 percent of employee pay.
- Employees are 50 percent vested after three years of employment, 75 percent after four years and 100 percent after five years.
- In addition to the 401(a), all employees have the option of participating in a supplemental 457 DC plan in which they can contribute up to a maximum allowable amount.[2] The employer does not contribute to this plan.

Retiree Medical

- Since at least 2008, individuals hired by Troy in most employee groups were required to participate in a Retirement Health Savings Plan from which funds can be used to cover qualified healthcare expenses in retirement.
- For these plans, the employee contributes 2 percent of his/her pre-tax pay and the employer contributes 4 percent of employee pay.
- Vesting rules are the same as the 401(a) plan.

Generally, for those hired before a set date in 2006,[3] the city pays 4 percent of the cost of retiree medical insurance for each year of credited retirement service (minimum of 10 years of service).

- By default, the insurance coverage is available to the retiree and a spouse (or dependent child) at the time of retirement, but the retiree can upgrade to family coverage if s/he pays the difference between the two plans.

The City of Troy is one of a few Michigan local governments that have taken the lead in finding a workable balance between providing employee benefits and limiting costs:

- As of 2009, 83 percent of Michigan local governments reported offering DB retirement plans while only 27 percent of the governments required new hires to be in a DC plan. By offering a 401(a) plan, **Troy is among this smaller group of governments that provides retirement benefits that limit employer costs while continuing to provide employees a way to save for retirement.**
- As of 2008, 82 percent of Michigan local governments offered retiree health care to employees and 49 percent of the governments included new hires. By shifting to a Retirement Health Savings Plan for new hires, **Troy offers a vehicle that limits employer exposure to increasing costs while continuing to provide employees a way to save for their health needs in retirement.**
- Based upon the actions taken by the City to both limit exposure and provide pension and other post-retirement benefits, it appears that it is well positioned to compete for workers in a marketplace that increasingly limits these benefits.

CURRENT BENEFITS OFFERED BY OTHER ENTITIES IN MICHIGAN

State of Michigan

General state employees[4] hired on or after March 31, 1997, are enrolled in the State of Michigan 401(k) primary retirement plan and are eligible to participate in the 457 DC plan.

Under the 401(k), the state contributes 4 percent of employee pay and matches up to 3 percent of employee pre-tax contributions. The employee is 50 percent vested after two years, 75 percent after 3 years and 100 percent after four years.

Under the supplemental 457 plan, the employee can contribute up to a maximum allowable amount; the employer does not contribute to this plan.[5]

Once vested (after 10 years of service), the state will pay a percentage of health insurance premiums when the employee separates from service. The state covers 30 percent of premiums with 10 years of service; for each additional year of service, the subsidy increases by 3 percent up to a maximum of 90 percent coverage of premiums.[6] All Medicare eligible retirees are required to enroll in Parts A and B to continue to receive state retiree health coverage.

SAE International (Automotive Headquarters based in Troy, MI)

For new hires, the retirement savings vehicle is a 403(b) DC plan. Employees are vested immediately; the employer contributes 6.5 percent of the employee's wages in the prior calendar year and the employee can contribute 1 to 6 percent of salary, which the employer matches 30 percent for the first year, 40 percent after one year, 50 percent after two years, 60 percent after three years, 75 percent after years four through nine and 100 percent after 10 years.[7]

Jackson County, MI

All new hires are covered by a 401(a) DC plan, in which they vest after five years. The employee contribution ranges from a minimum of 3 percent to a maximum of 12 percent, which the employer matches up to 5 percent. There is also an optional 457 DC plan, with no employer contribution, to which employees can contribute up to a maximum allowable amount.

The county also offers a retirement health savings plan for non-union employees[8] with a set employer ($1750/year) and employee ($750/year) contribution, which increases every five years. The employee is vested in the savings plan at three years.

The Value of Retirement Benefits to Current and Future Employees...

- 76 percent of Americans see an employer provided retirement plan as a very important factor when selecting a job
- 64 percent of local governments view retiree health care as very helpful, helpful, or somewhat helpful for recruiting employees. 80% of local governments view retiree health care as very helpful, helpful, or somewhat helpful for retaining employees.

KEY DATA POINTS ON RETIREMENT BENEFITS

Nationally, as of September 2007:

- 82 percent of local government workers had access to a defined benefit (DB) plan, with an almost universal (97 percent) take-up rate
- 24 percent of local government workers had access to a DC plan, with a 65 percent take-up rate.[9]

For Michigan, as of 2009:

- 83 percent of local governments reported offering a defined benefit (DB) retirement plan
- 62 percent offer a DC plan for which 65.7 percent provide an employer contribution
- 27 percent of the local governments require new hires to be in a DC plan.[10]

As of 2008:

- 61 percent of local governments offer retiree health care to employees (31 percent of local governments included new hires)
- In Michigan, 82 percent of local governments offered retiree health care to employees (49 percent included new hires).[11]

Impact of the Recession

In November 2009, local governments from around the country were surveyed on the impact of the recession on their personnel policies, including retirement benefits.[12]

Since the start of the recession, *for new hires:*

- 21 percent had made changes to the retirement plans they offer.
- Of those that made changes, 20 percent increased employee contributions to the retirement plans, 9 percent increased the years required to vest and 5 percent replaced a DB retirement plan with a DC plan.

For current workers:

- 10 percent increased employer contributions to the retirement plan, 15 percent increased the employee contribution and 71 percent made no changes.
- Since the start of the recession, 53 percent of the responding local governments had made changes to their health care offerings for employees and retirees.
- Of the governments that made changes, 69 percent increased employee/retiree contributions, 10 percent decreased employer contributions, 24 percent reduced benefits and 13 percent introduced tiered benefits.

Looking forward, when asked about the continued provision of retiree health care, in 2008:

- 31 percent of local governments indicated that they had or were likely to begin limiting retiree health care subsidies over the next five years.
- 18 percent had terminated or were likely to terminate health care for future retirees over the next five years.
- 7 percent had terminated or were likely to terminate health care for current retirees over the next five years.

SALARY AND CURRENT BENEFIT COMPARISON

In addition to the pension and post-retirement benefits review, ICMA also compared current salaries and benefits paid by the City of Troy with similar jurisdictions. The review was conducted based upon access to data that was publically available, and focused on a set of major job categories and benefits common to Troy and comparison jurisdictions.

By way of background, comparative salary and benefit data for local governments is difficult to obtain, if it is available at all. In addition, compensation studies vary significantly in their focus and methods. The following are common limitations:

- Most data of this type is either compiled for individual jurisdictions as part of a specific compensation study, or as part of an annual study, paid for and offered as a subscription service by a local government association.
- Obtaining access to comparative studies information is generally not possible without the express permission of the parties involved, or by virtue of being a participant, or both.
- When access is granted, it is typical for the owner of the information to permit a review of the information but to prohibit publication of it.
- There is no standard methodology for collecting and reporting salary information across cities, counties and states. Each study is designed to meet the needs of the study owners and participants.
- Pay and compensation systems differ greatly across organizations. Differences in job evaluation and classification systems, range/grade progression approaches, union contracts and market conditions all affect the comparability of survey data.

It is with these limitations that ICMA conducted its review.

The City of Troy provided ICMA with salary and benefit data for all employee classifications. Upon review of the information provided, a determination was made that approximately thirty job classifica-

tions were likely to be common to other local governments and would form the core of the comparison. Once the job classifications were established, an effort was made to secure comparison data from other Michigan cities as well as jurisdictions outside Michigan.

The Michigan Municipal League collects comparative salary data from cites across the state. Data provided was from 2009 - the most recent year with complete information. It should be noted that while the job descriptions for Troy were made available, there were no Job descriptions from the other Michigan cities; therefore, the job titles were assumed to be similar. Caution should be exercised when reviewing the results, however. For example, a Planning director may report to a Community Development director in some cities, while in others, the position reports directly to the City Manager, which could affect comparability.

ICMA compared salary levels in cities with populations from 60,000-125,000 that voluntarily reported to the Municipal League. Eleven cities reported: Sterling Heights, Lansing, Ann Arbor, Livonia, Dearborn, Westland, Farmington Hills, Southfield, Canton, Wyoming, and St. Clair Shores. While the data was fairly complete across job titles, not all positions were reported by every city, for reasons unknown, but likely due to lack of comparable positions. In a few cases, this reduced the sample size to six.

The results of ICMA's review revealed that generally the salaries plaid by the city of Troy were comparabale to those of other similarly situated cities in Michigan.

If a range of +/- 15 percent is used to account for statistical variations in sample size, differences in job descriptions and other caveats noted above, then twenty of the thirty-one positions are generally paid at a rate comparable to that of other cities. Five are within 15-20 percent of the average (higher) and six are at a level more than 20 percent higher than the average.

When comparing the salaries paid by the City of Troy, it is important to recognize that since 2009, no salary range adjustments have been made. In addition, pay reductions have been instituted, along with furloughs. Over the period from October 2008-October 2010 the city reduced its payroll by more than $4,000,000, or 11 percent. During this same period, a few comparable cities surveyed by the city have held wages static; however, many have increased wages from 1 to 3 percent. In addition, the City of Troy long ago eliminated longevity pay, a practice still in place in many jurisdictions (source: City of Troy Wage & Benefits survey-Longevity and Health Insurance). **These efforts will have the effect of moving both salaries and pay ranges into comparability with the averages mentioned above.**

In terms of current benefits, the City of Troy has taken steps over many years to control benefit costs while remaining competitive in the marketplace. In terms of health insurance contributions, the city is at approximately the median of comparable jurisdictions.

Efforts were made to obtain data from other states for comparative purposes. Ohio, Minnesota and Wisconsin were approached. In Wisconsin, the League of Wisconsin Cities does not conduct a salary survey, but cities can participate on a subscription basis and receive comparative information. That information was not available for review. In Ohio, there is a membership-driven organization – The Center for Local Government – that collects salary data, but it includes only a few cities/townships comparable to Troy, primarily in the Cincinnati metropolitan area.

In Minnesota, the League of Minnesota Cities prepares an annual salary and benefits study, primarily in the Minneapolis-St. Paul metropolitan area, as a subscription service. The information was available for review, but not publication. The salary data from Minnesota come with the same caveats listed above, plus three additional: (1) the data include County data along with all cities/counties of over 50,000, including some very large counties and the cities of Minneapolis and St. Paul; (2) the cost of living in the Minneapolis-St. Paul region is 12 percent higher than in the Detroit metropolitan area; and (3) the aggregate data is based on actual salaries, rather than midpoints of "broadbanded" ranges, as in the Michigan data.

Based upon the limitations noted, ICMA found that with respect to salaries, those paid by the City of Troy are comparable to the averages reported in the Minneapolis-St. Paul survey with few exceptions.

In comparing benefit data between the two states, which include both union and non-union employees, the average annual vacation days and sick days in Minnesota cities/counties of similar size are almost identical, but Minnesota cities can accumulate more sick and vacation days to "cash out," either annually and/or when they retire, than in Troy. As for health benefits, family coverage costs paid by similar-sized Minnesota cities/counties range from $701/month to $1,287/month, but Minnesota employees pay much more of the total cost of the premiums – ranging from 10 percent to 35 percent -- than in Troy.

The majority of Minnesota cities/counties do not contribute any dollars toward either deferred compensation plans or retiree health benefit programs.

PUBLIC SECTOR VS. PRIVATE SECTOR COMPENSATION

To provide a broad picture comparing compensation in the public and private sectors nationally, a copy of the study titled "Out of Balance, Comparing Public and Private Sector Compensation Over 20 Years," is included. The study, commissioned by the Center for State and Local Government Excellence and the National Institute on Retirement Security (NIRS), examines the extent to which state and local government compensation in the United States is comparable to compensation in the private sector. The study includes specific comments about Michigan, noting that local government wages (including benefits) for positions of all types have never been higher than private sector wages in the last 25 years (1983 – 2008). In 2008, they were about 12 percent less than in the private sector, but, again, these statistics are prior to the recession.

Other key findings in the report include:

Jobs in the public sector typically require more education than private sector positions. State and local employees are twice as likely to hold a college degree or higher as compared to private sector employees. Only 23 percent of private sector employees have completed college, as compared to about 48 percent in the public sector.

Wages and salaries of state and local employees are lower than those for private sector employees with comparable earnings determinants, such as education and work experience. State workers typically earn 11 percent less and local workers 12 percent less.

During the last 15 years, the pay gap has grown: earnings for state and local workers have generally declined relative to comparable private sector employees.

The pattern of declining relative earnings remains true in most of the large states examined in the study, although there does exist some state level variation.

Benefits make up a slightly larger share of compensation for the state and local sector. But even after accounting for the value of

retirement, healthcare and other benefits, state and local employees earn less than their private sector counterparts. On average, total compensation is 6.8 percent lower for state employees and 7.4 percent lower for local employees than for comparable private sector employees.

Apples-to-apples comparison

"The picture is clear. In an apples-to-apples comparison, state and local government employees receive less compensation than their private sector counterparts," said Keith A. Bender, report co-author and associate professor, Department of Economics at the University of Wisconsin-Milwaukee. "These public sector employees earn less than they would earn if they took their skills to the private sector."

Government jobs require education and skills

"Jobs in state and local governments consist disproportionately of occupations that demand more education and skills," added report co-author John S. Heywood, distinguished professor, Department of Economics at the University of Wisconsin-Milwaukee. "Indeed, accounting for these differences is critical in understanding compensation patterns."

Some jobs are hard to fill - pay may be a factor

The study sheds light on a recent Center survey of government hiring managers. Elizabeth K. Kellar, president and chief executive officer of the Center reported, "Hiring managers told us that despite the economy, they find it difficult to fill vacancies for highly-skilled positions such as engineering, environmental sciences, information technology and healthcare professionals. The compensation gap may have something to do with this."

Even with benefits, government jobs pay less

Beth Almeida, NIRS executive director said, "For a long time, there has been a compensation trade-off in public sector jobs - better benefits come with lower pay as compared with private sector jobs. This study tells us that is still true today." She added, "What's striking is that on a total compensation basis – looking at pay and benefits – employees of state and local government still earn less than their private sector counterparts."

Additional Resources from the Center for State and Local Government Excellence

http://tinyurl.com/troy-project-retiree-health
http://tinyurl.com/troy-project-pensions

ENDNOTES:

1. Alternative retirement income and retiree medical benefit terms are used for Police Command Officers.
2. For more information see: http://www.irs.gov/retirement/article/0,,id=172437,00.html
3. The date in 2006 varies by employee group; for clerical and non-sworn police personnel retiree medical changes affected those hired after 2/18/2008; and will go into effect for police officers on 7/1/2011.
4. Enlisted state police are automatically enrolled, starting after recruit school, in a 401(a) defined benefit plan. For more information see: http://www.michigan.gov/orsmsp . State police retirees share health care costs with the state in a pricing structure outlined by the Civil Service Commission see: http://www.michigan.gov/documents/mdcs/STATE_POLICE_RETIREE_MONTHLY_RATES_243040_7.pdf
5. For more information see: https://stateofmi.ingplans.com/einfo/pdfs/forms/michigan/plans_guide.pdf
6. For more information see: http://www.michigan.gov/documents/orsstatedc/R0749G-InsRatesDC_332231_7.pdf
7. For more information see: http://www.sae.org/careers/jobs/saebenefits.pdf
8. Union members still have access to retiree health insurance, but the terms vary by group.
9. For more information see: http://www.bls.gov/ncs/ebs/sp/ebsm0007.pdf
10. 2009 Statewide Pay and Benefits Survey - Benefits Summary. Michigan Municipal League.
11. For more information see: http://mygfoa.org/gbct/
12. For more information see: http://www.slge.org/vertical/Sites/%7BA260E1DF-5AEE-459D-84C4-876EFE1E4032%7D/uploads/%7BE06940EE-3AFB-4582-845C-BB483D567D0B%7D.PDF

FIGURE 1: CITY OF TROY WAGE & BENEFITS SURVEY: LONGEVITY & HEALTH INSURANCE

	Longevity			Health Insurance[1]			Wage Increase		
	Active	Discontinued	for new as of	Monthly Ee contribution	Monthly Premium Cost	Drug Rider	2008/09	2009/10	2010/11
Ann Arbor	X						3.00%	0.00%	0.00%
Auburn Hills		Never had		$0.00	$1,371	$7/15/30[2]	2.00%	2.25%	
Canton Twp.		X	2009	$0.00	$844	$10/20/30	2.50%	0.00%	
				$84.49	$844	$10/20/30			
Dearborn	X			$327.00	$1,336	$10/20			
						$15/30			
						$15/30/30			
Farmington Hills	X			$55.00	$1,316	$10/40	3.00%	3.00%	0.00%
Lansing	X			$54.64	$1,293	$10/20/40	1.00%	1.00%	
Livonia	X			$40.00	$1,276	$10/20/30	3.00%	2.00%	
Macomb County									
Macomb Twp.		X	2006	$0.00	$1,930	$10/20	3.00%	3.00%	3.00%
Novi		X	1994	$97.00	$1,293	$10/20/40	3.00%	1.00%	
Oakland County							1.00%	-2.50%	
Rochester Hills	X			$354.74	$1,907	$10/40[4]	1.00%	0.00%	
Southfield		X	1982	$0.00	$1,548	$10/20	1.00%	0.00%	
				$77.40	$1,548	$10/20			
Sterling Heights	X			$0.00	$1,359	$ 5/20	3.00%	3.00%	3.00%
Warren	X			DNR	DNR	$ 5/20	2.20%	0.00%	0.00%
AVERAGE				**$83.87**	**$1,374**		**2.21%**	**0.98%**	**1.20%**
Troy		X	1993	$85.00	$1,440	$10/20	1.0 - 2.5%	0.00%	

[1] Family coverage

[2] Auburn Hills PDR becomes 7/20/40 in January 2010; 08/09 increase was 1 - 3%, 09/10 increase was 1.5 - 3% (showing average above)

[3] Employee pays 2% of premium for single coverage, 4% for 2-person and 5% for family

[4] RHills PDR is for PPO & becomes 15/30/60 Jan 1, 2010. HMO PDR currently 10/20 with no change Jan 2010. Ee $354 for PPO1, other plans City pays 100%

APPENDIX F:
Comparable Cities

Comparison Cities

As part of its effort to determine whether services in the City of Troy would be sustainable at reduced staffing levels, ICMA analyzed a variety of data available from cities of comparable size and scope. A summary of the major findings of that inquiry are presented below. A full description of the criteria used to select comparison cities is contained in the methodology section of the report; however, in general, they are cities of similar characteristics both in Michigan and in other "snow belt" states. While this was not the only information used to substantiate ICMA's determinations, it was useful in establishing a context for the recommendations. Additionally, it provides a starting point for further work that the City may choose to undertake moving forward.

The information is divided by service area, and also includes general comparisons between the City of Troy and the selected group. Not all cities are included in every chart, due to a variety of factors ranging from not providing the service to a lack of comparable information. Each chart provides the data collected along with an "ICMA average" when available. The ICMA average reflects the average of all cities reporting to ICMA's Center for Performance Measurement (CPM) on that measure.

The data used was from 2009, the last year of fully audited records. The data was collected from a wide range of sources including CPM's database, public records such as published budgets and financial reports, as well as personal interviews. As with all such comparisons, 100 percent comparability is not guaranteed, and certain judgments were made when information was reported in ways that were not an exact match to the City of Troy.

The cities included in the survey were: Sterling Heights, MI; Ann Arbor, MI; Southfield, MI; Farmington Hills, MI; Royal Oak, MI; Westminster, CO; Bloomington, MN; Woodbury, MN; and West Des Moines, IA.

Following are the results of the comparisons:

FIGURE 1: GENERAL

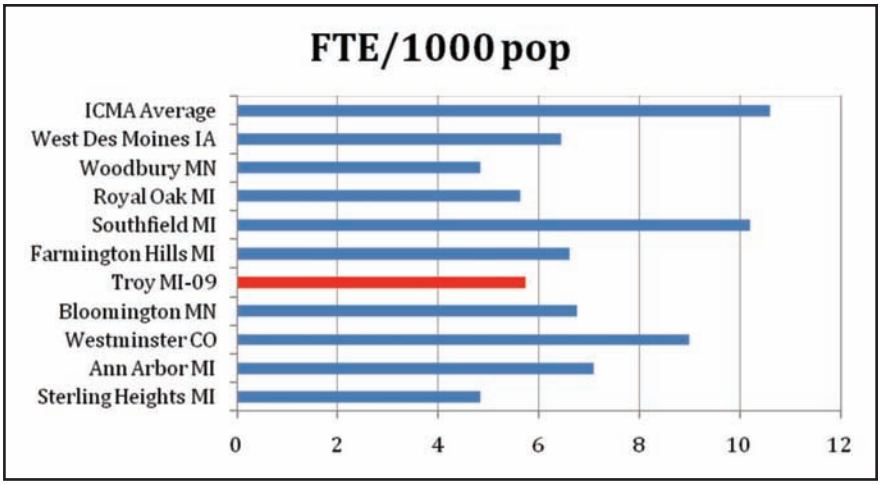


FIGURE 2: MEASURES

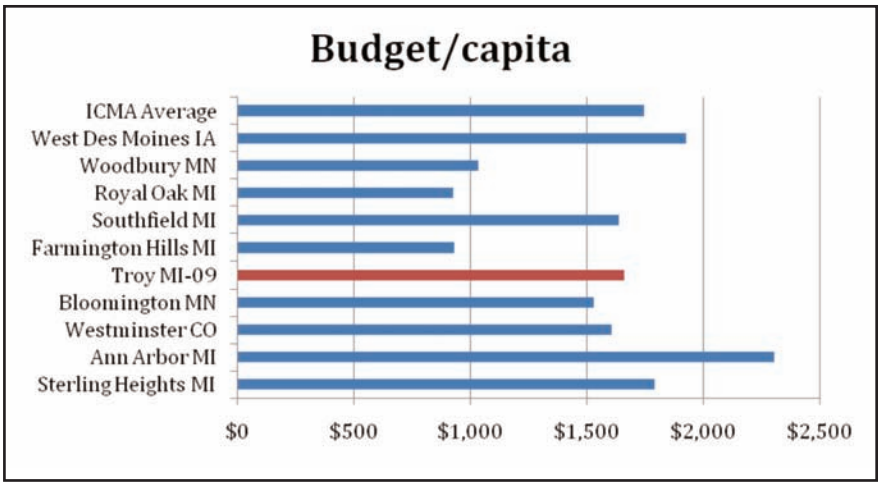


FIGURE 3: MEASURES

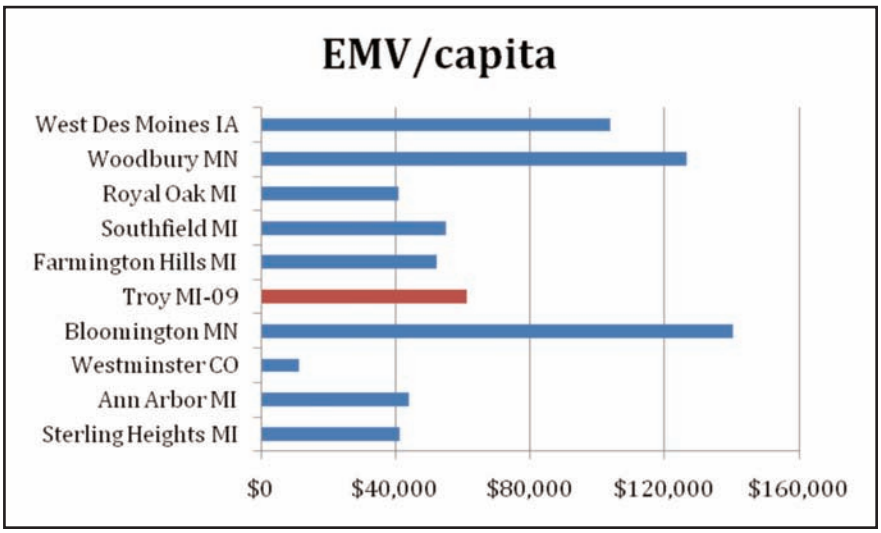


FIGURE 4: MEASURES

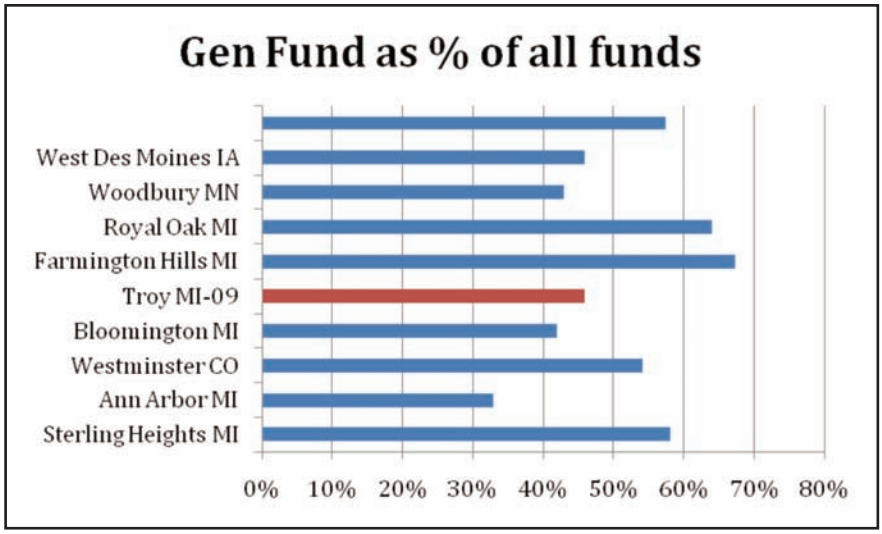


FIGURE 5: MEASURES

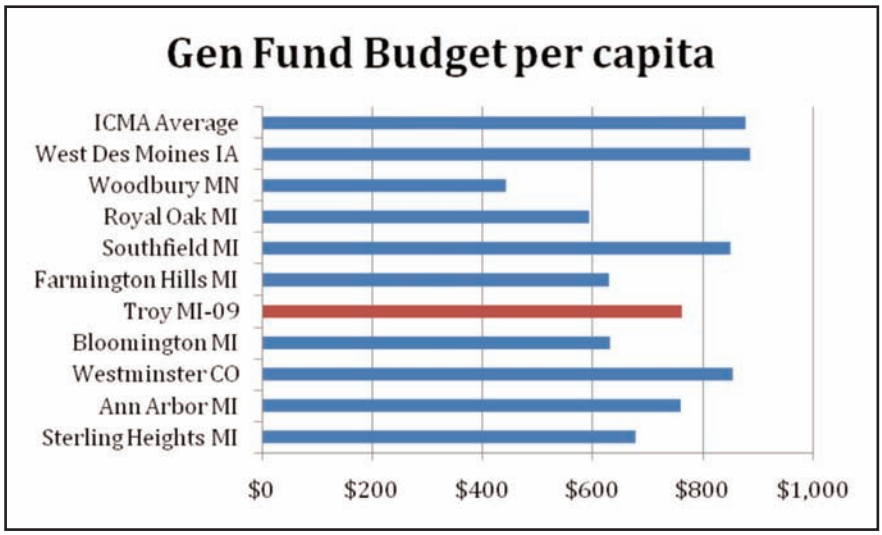


FIGURE 6: RISK MANAGEMENT

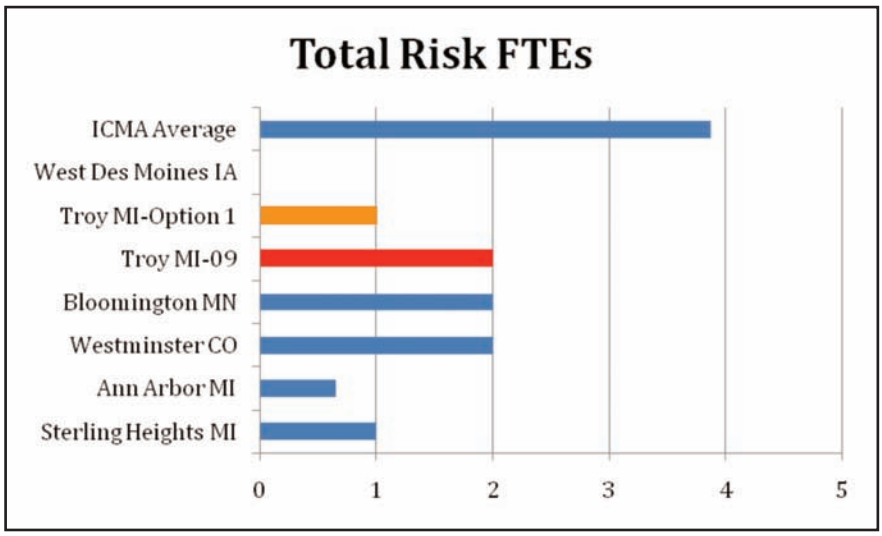


FIGURE 7: PURCHASING

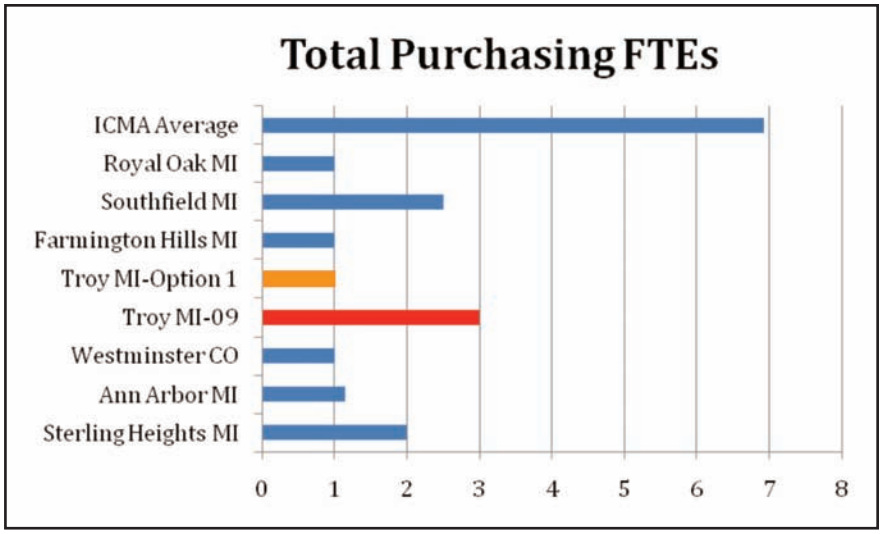


FIGURE 8: PURCHASING

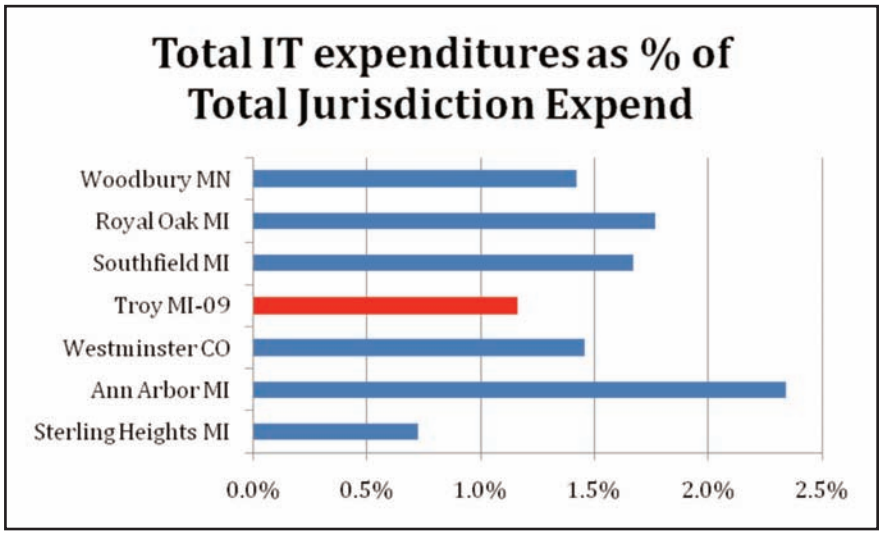


FIGURE 9: PURCHASING

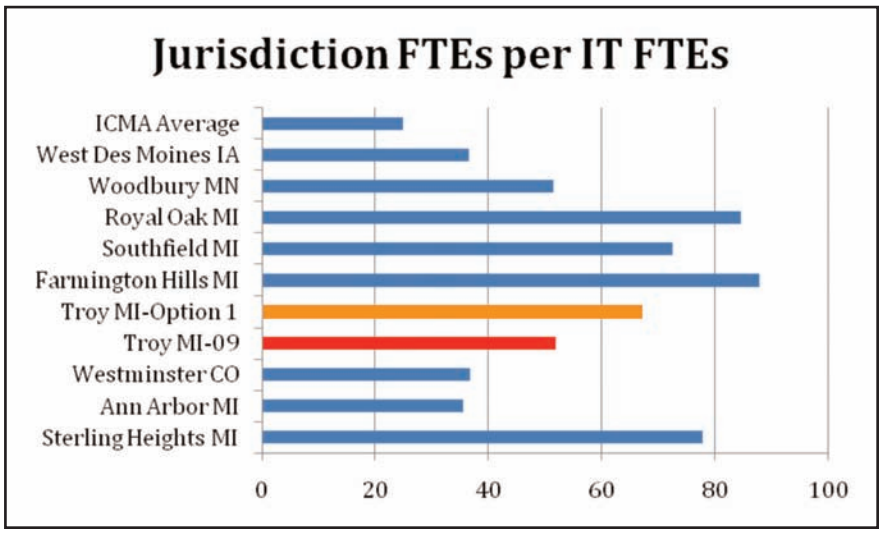


FIGURE 10: HUMAN RESOURCES

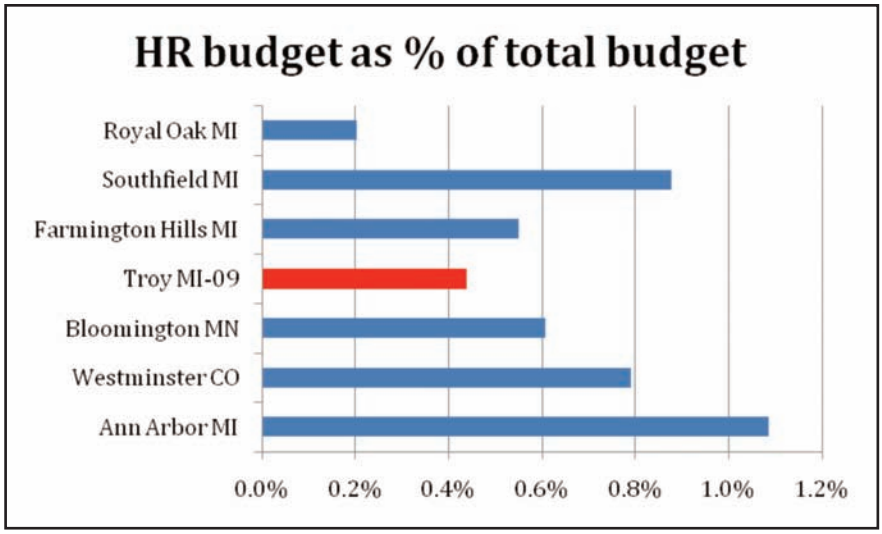


FIGURE 11: HUMAN RESOURCES

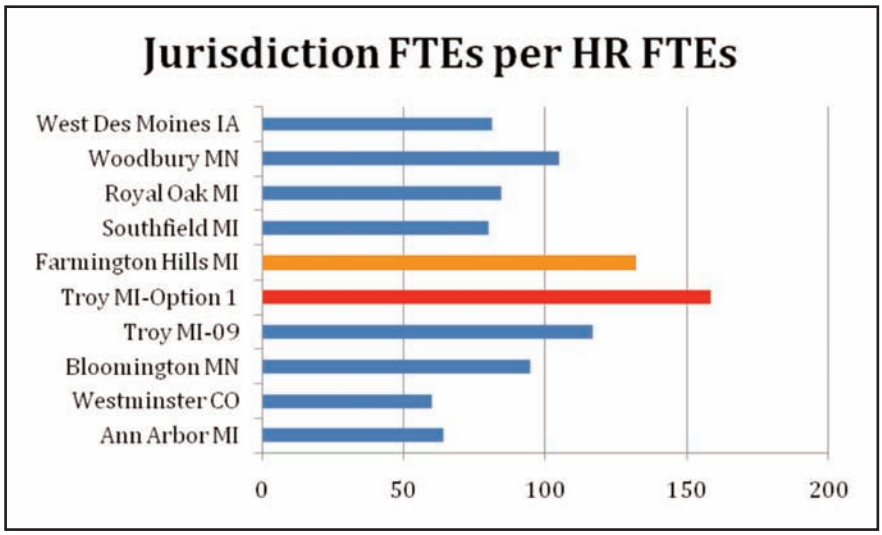


FIGURE 12: PARKS AND RECREATION

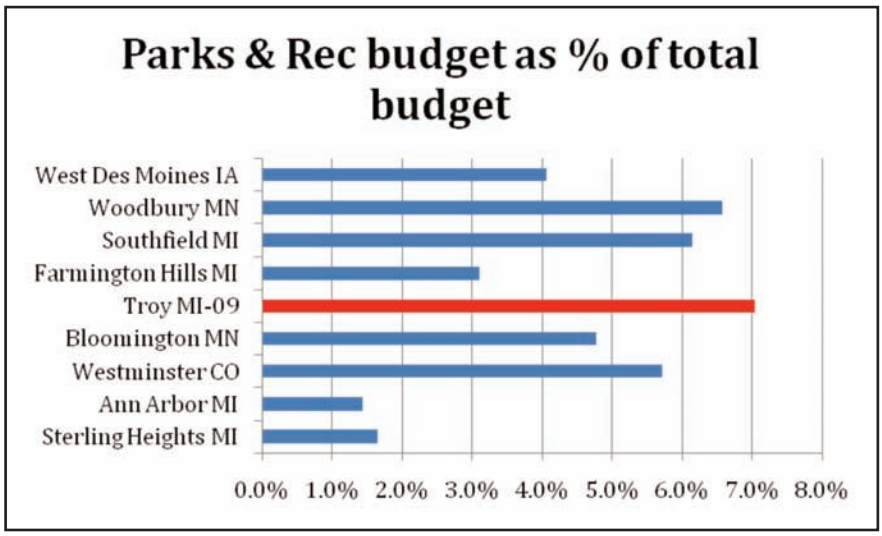


FIGURE 13: PARKS AND RECREATION

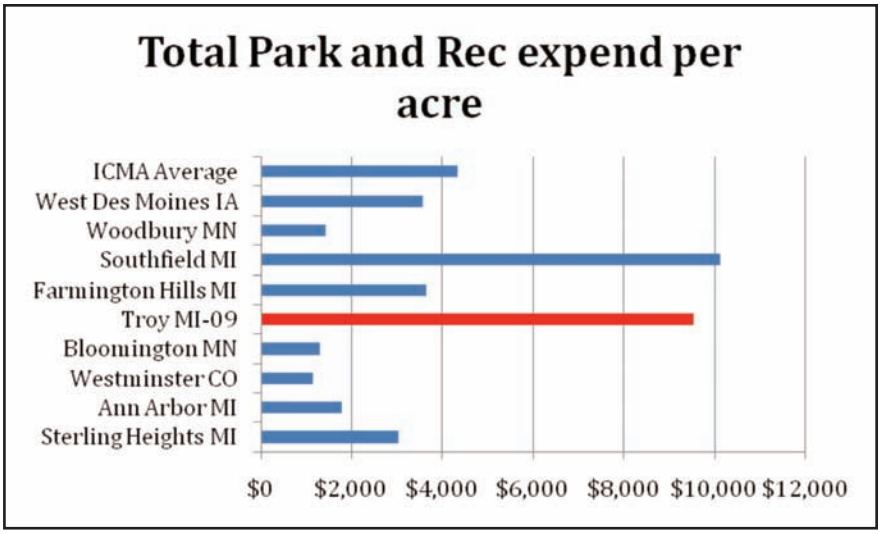


FIGURE 14: PARKS AND RECREATION

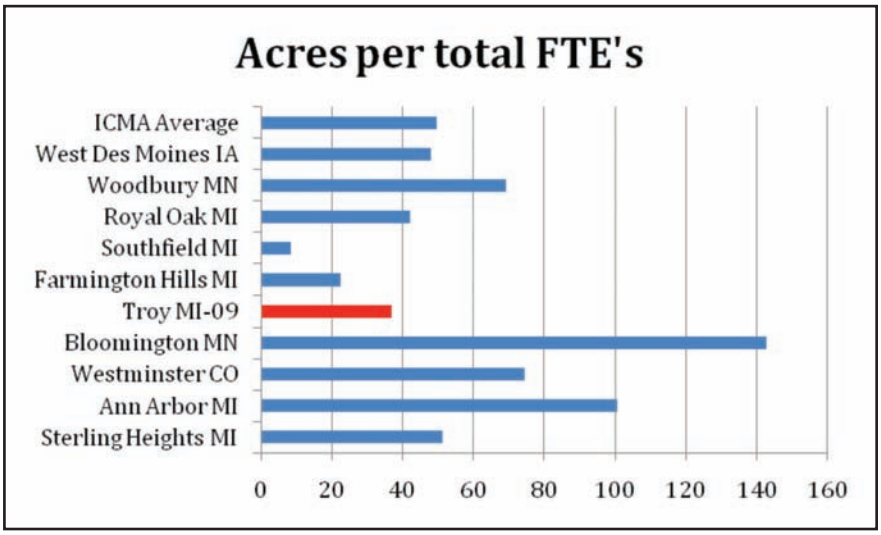


FIGURE 15: FLEET

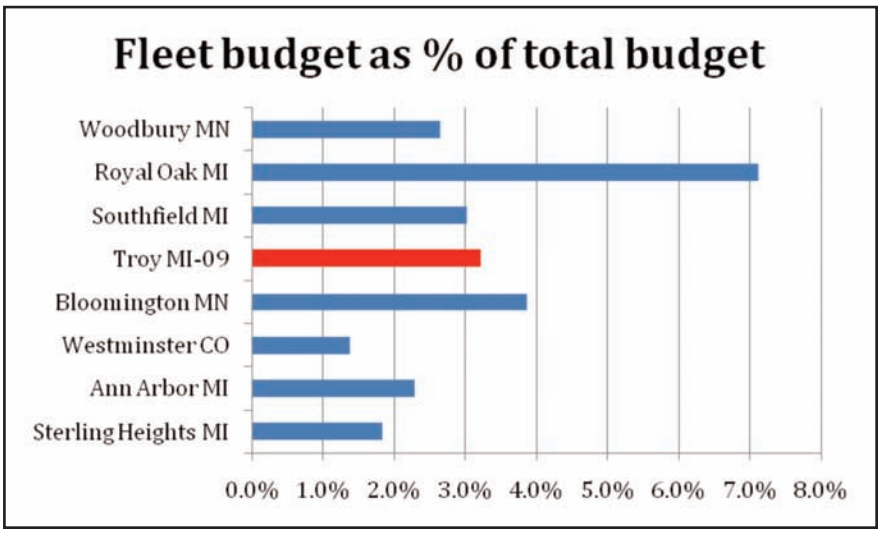


FIGURE 16: FLEET

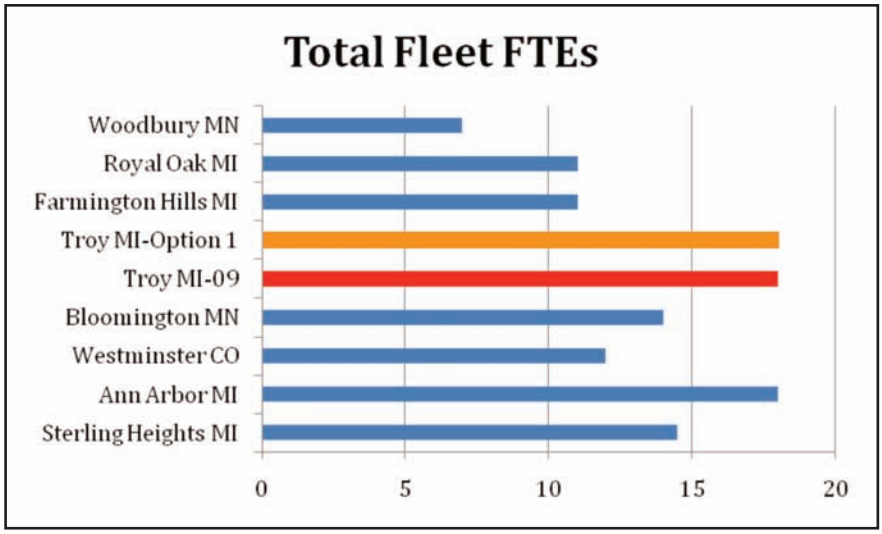


FIGURE 17: STREETS

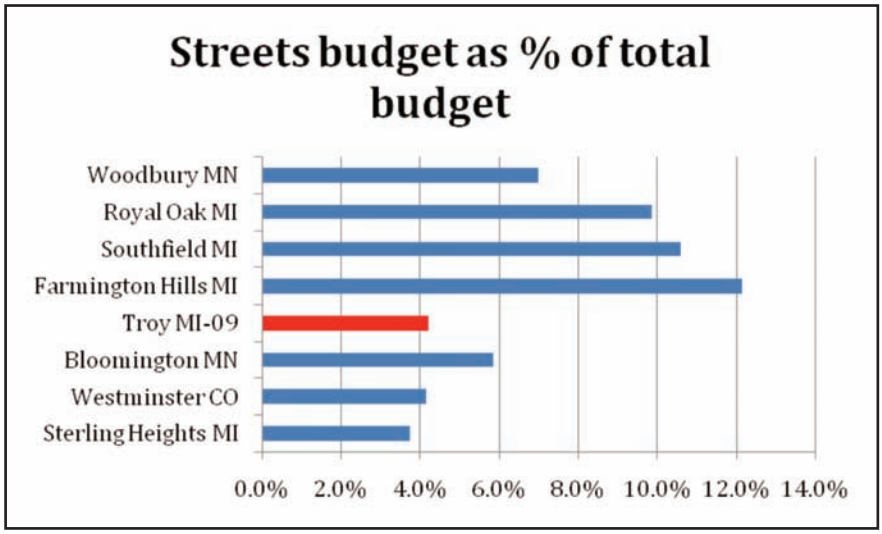


FIGURE 18: STREETS

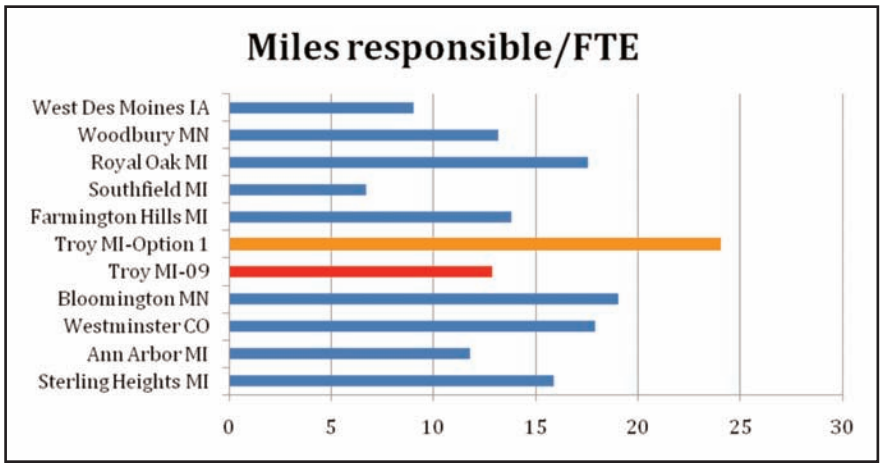


FIGURE 19: ASSESSOR

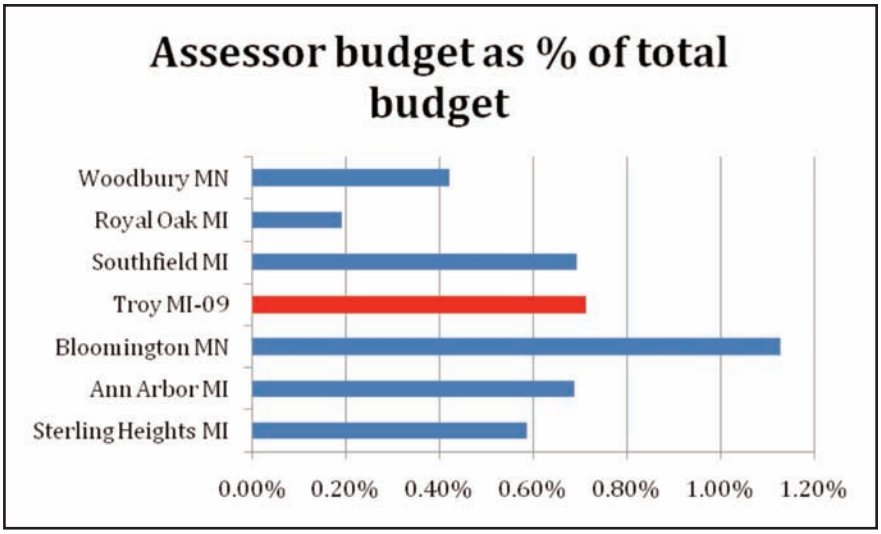


FIGURE 20: ASSESSOR

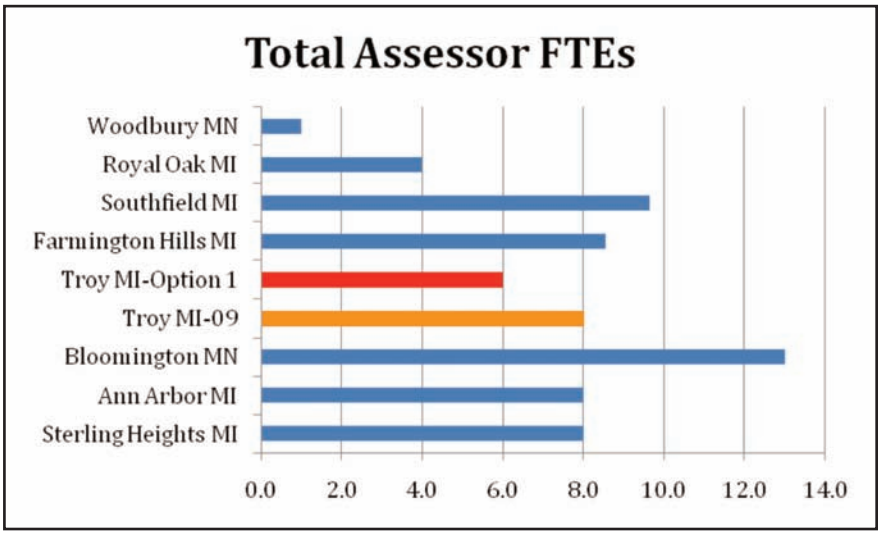


FIGURE 21: FINANCE

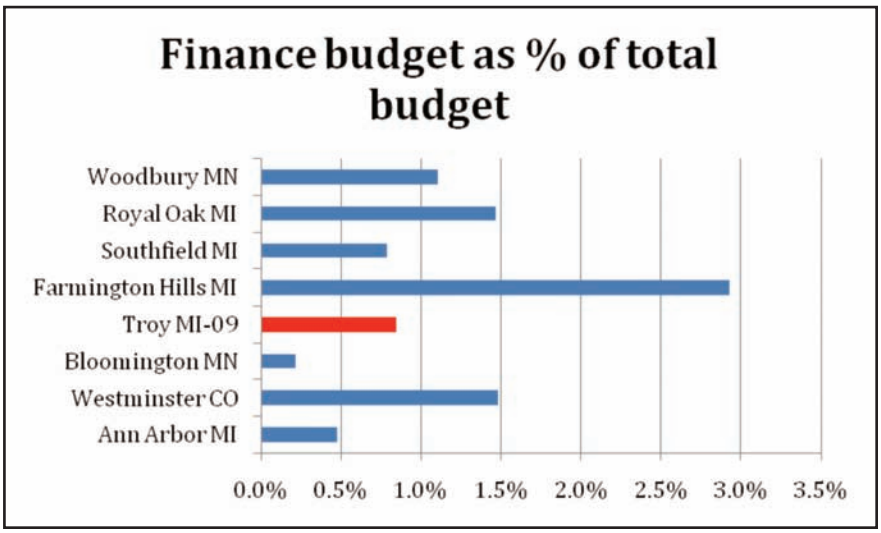


FIGURE 22: FINANCE

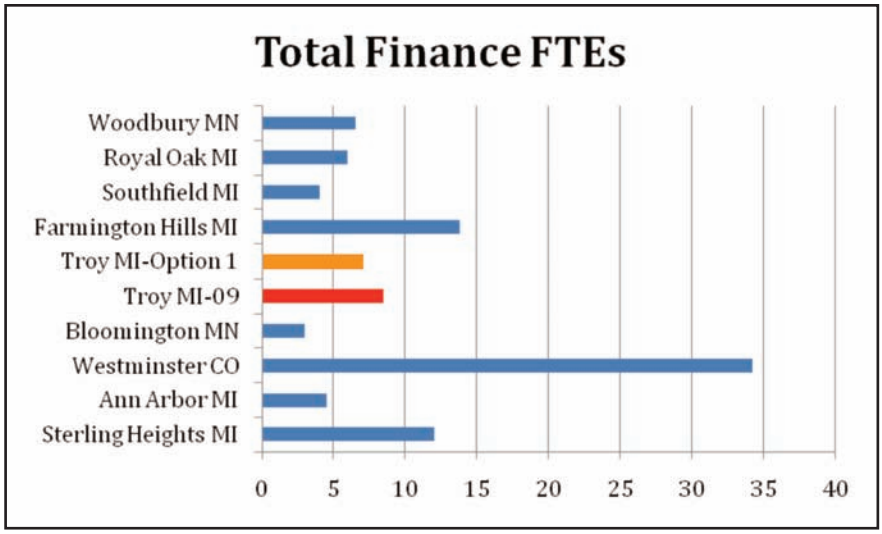


FIGURE 23: TREASURER

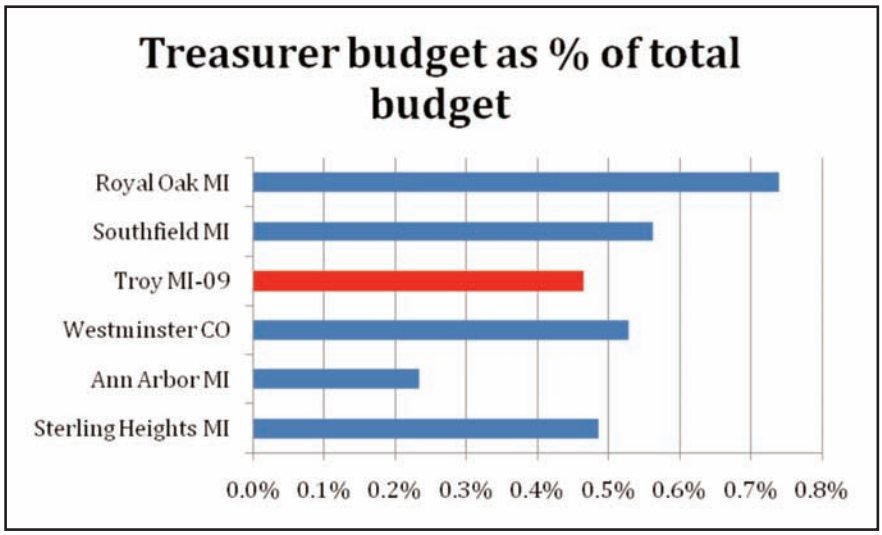


FIGURE 24: TREASURER

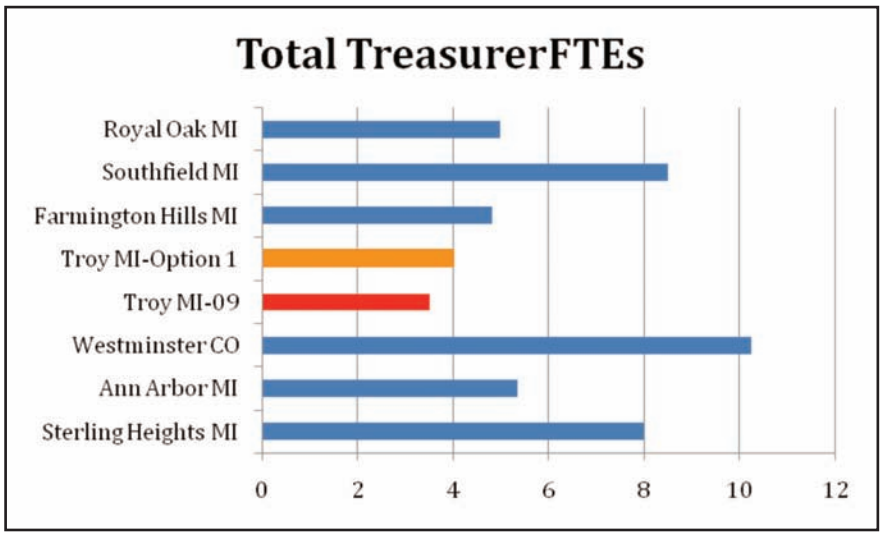


FIGURE 25:
CITY MANAGER

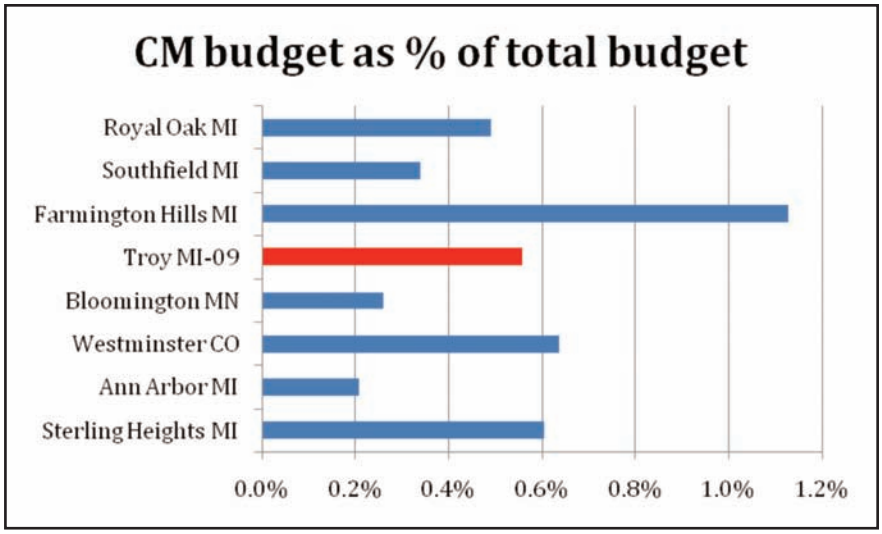


FIGURE 26:
CITY MANAGER

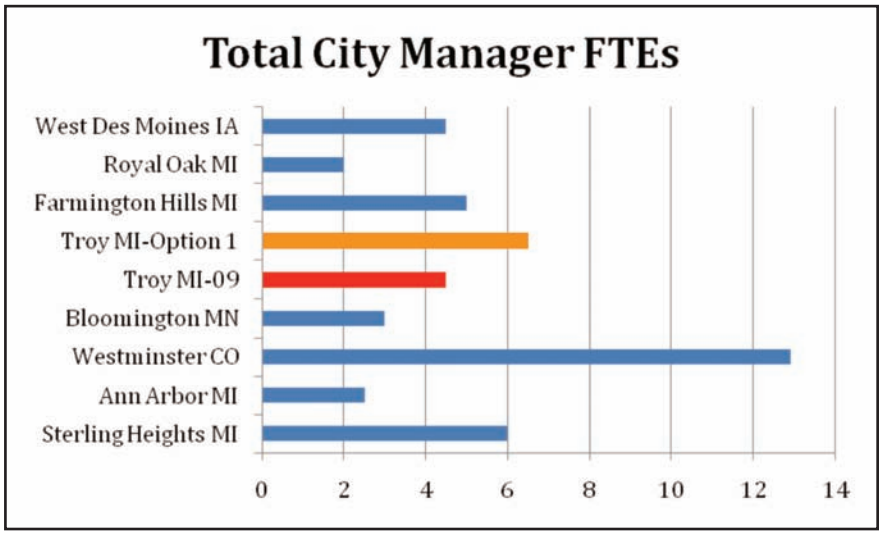


FIGURE 27:
CITY CLERK

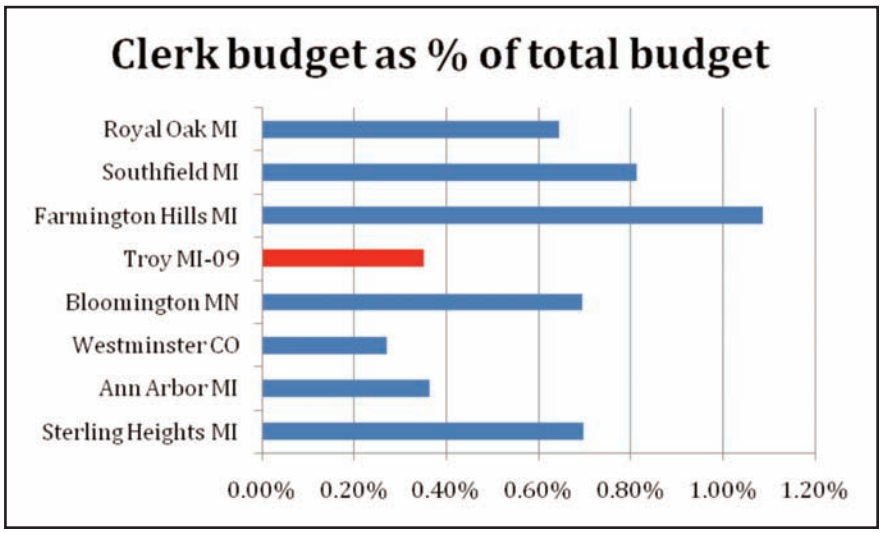


FIGURE 28: CITY CLERK

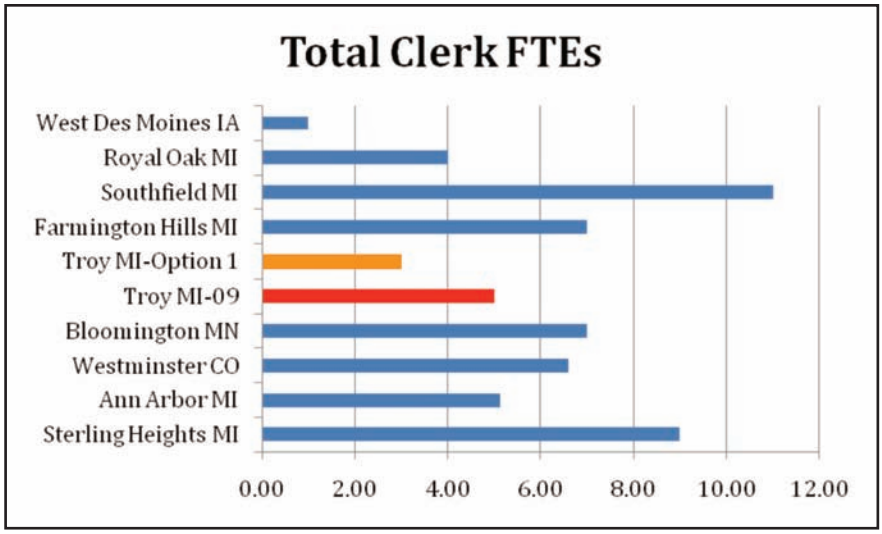
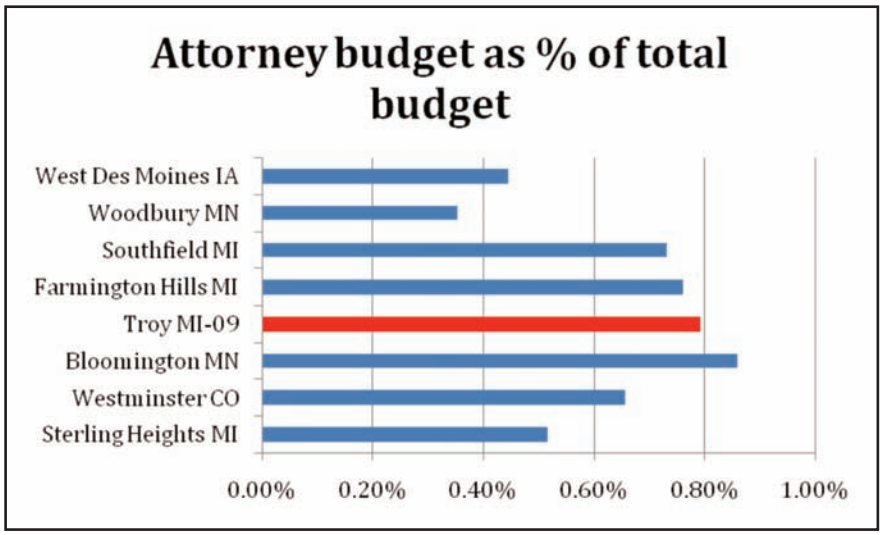


FIGURE 29: CITY ATTORNEY



APPENDIX G:

Alternative Services Delivery Options

Alternative Service Delivery

As a part of this study, ICMA reviewed alternative delivery approaches for each of the services studied. Local government services can be delivered in a variety of ways. Below are the optional methods considered by ICMA. To aid in interpreting ICMA's recommendations and placing them in the proper context, a definition, along with the advantages and disadvantages of each option for various services, is listed below.

PRIVATIZATION

A range of policy options that involves a shift from government-owned and/or government-operated functions or services to private sector control and ownership.

When privatizing, the agency eliminates associated assets and resources (manpower for and funding of the requirement). Since there is no government ownership and control, there is no service contract or fee-for-service agreement.

Advantages

- Cost savings may be realized through competition, economies of scale, reduced labor costs, better technologies, innovations or simply a different way of completing the job.
- Quality improvements related to the competitive process can encourage bidders to offer the best possible service quality to win out over their rivals.
- Timeliness in the delivery of services may result from seeking additional workers during peak service times or providing performance bonuses unavailable to in-house staff.
- Ability to accommodate fluctuating peak demand by obtaining additional help when it is most needed.
- Access to outside expertise on an as-needed basis.

Limitations

- Avoidance of public debt issue
- Public partners limiting private partner creativity due to lack of investment
- High profile projects result in high profile failures
- Potential for ill-defined terms related to
  - Risk sharing
  - Disclosure/reporting
  - Cost allocation
  - Income distribution
  - Liability

Typical Services/Functions

- Fleet management
- Aquatics facilities
- Golf courses
- Zoo operations and maintenance
- Stadium and convention center management
- Library services
- Animal shelter operations and management
- Revenue-generating assets (garages, parking meters, etc.)
- Major public infrastructure assets (roads, water/wastewater systems, airports, etc.).

OUTSOURCING

The local government contracts with a private sector provider to deliver public functions and services.

Managed competition is often used when a local government solicits bids to outsource services. Under managed competition, a public sector agency competes with private sector firms to provide public sector functions or services under a controlled or managed process. This process clearly defines the steps to be taken by government employees in preparing their own approach to performing an activity. The agency's proposal for providing the service, which includes a bid proposal for cost estimation, is useful in competing directly with private sector bids.

Advantages

- Cost savings
- Improved service quality
- Frees resources for other activities
- Improved risk management because of increased ability to control costs by building cost containment provisions into contracts. In addition, contracting may be used to shift major liabilities from the government (i.e., taxpayers) to the contractor, such as budget/revenue shortfalls, construction cost overruns and compliance with federal and state environmental regulations.
- Timeliness
- Accommodating fluctuating peak demand
- Access to outside expertise
- Innovation

Disadvantages

- Avoidance of public debt issue
- Public partners limiting private partner creativity due to lack of investment
- High profile projects result in high profile failures
- Potential for ill-defined terms related to

- Risk sharing
- Disclosure/Reporting
- Cost allocation
- Income distribution
- Liability

Typical Services/Functions

- Accounting, financial and legal services
- Administrative human resource functions (e.g., payroll services, recruitment/hiring, training, benefits administration, records management, etc.)
- Core IT infrastructure and network, Web and data processing
- Risk management (claims processing, loss prevention, etc.)
- Printing and graphic design services
- Road maintenance
- Feet maintenance
- Building/facilities financing, operations and maintenance
- Park operations and maintenance
- Zoo operations and maintenance
- Stadium and convention center management
- Library services
- Mental health services and facilities
- Animal shelter operations and management
- School construction (including financing), maintenance and non-instructional services
- Revenue generating assets (garages, parking meters, etc.)
- Major public infrastructure assets (roads, water/wastewater systems, airports, etc.)

PUBLIC-PRIVATE PARTNERSHIP

A public-private partnership is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility

Although a contractual arrangement, public-private partnerships differ from typical service contracting in that the private sector partner usually makes a substantial cash, at-risk, equity investment in the project and the public sector gains access to new revenue or service delivery capacity without having to pay the private sector partner. Typically, each partner shares in income resulting from the partnership.

Advantages

- Cost savings
- Improved risk management
- Quality improvements
- Timeliness
- Accommodating fluctuating peak demand
- Access to outside expertise
- Innovation

Limitations

- Limited cost savings
- Lack of contract specificity
- Lack of responsiveness to changing citizen demands
- Maintaining high standards of public service delivery among the workforce
- Difficulty monitoring quality due to split responsibilitiesAvoidance of public debt issue
- Public partners limiting private partner creativity due to lack of investment
- High profile projects result in high profile failures
- Potential for ill-defined terms related to
  - Risk sharing
  - Disclosure/reporting
  - Cost allocation
  - Income distribution
  - Liability

Typical Services/Functions

- Economic development
- Transportation
- Parks and recreation
- General government/administration
- Public utilities
- Public works
- Public safety
- Revenue generating assets (garages, parking meters, etc.)
- Major public infrastructure assets (roads, water/wastewater systems, airports, etc.)

INTERLOCAL AGREEMENTS

A common method for local jurisdictions to cooperate is for them to enter into interlocal agreements with one another.

Service contract: Under this arrangement, one unit of local government contracts with another to provide one or more services for a stated amount. The terms of the contract are negotiated and formalized in a written agreement. One city or other entity is the supplier of the service and the other pays for the service. This is the most common method of intergovernmental contracting.

Joint agreement: This method is distinguished from the service contract in that responsibility for the performance of a particular function or the operation and construction of a facility would be shared through the creation of an administrative vehicle to handle service responsibilities; e.g., a board consisting of representatives of each participating governmental unit. The joint agreement may be spelled out through a contract, generally authorized by ordinance, following procedures established in enabling statutes that prescribe the limits of local authority.

Understood contract: Its most common use occurs between two smaller neighboring towns or an isolated town and its county or nearby fire protection district. This usually takes the form of a mutual aid agreement but in this context there is no definite written contract but merely an informal understanding.

Advantages

- Increased efficiency can be attained by establishing optimum size operating units on a function-by-function basis.
- Underutilized and expensive equipment, facilities and manpower can be shared. Seldom used or expensive facilities and equipment and specialized personnel may be better utilized.
- A local government can obtain a service or a product it cannot produce itself or can produce only at a prohibitively high cost.
- Duplication of efforts may be eliminated and overall service efficiency increased.
- A problem affecting several local governments can be solved without changing the basic structure of the local government system.
- Intergovernmental service arrangements can enhance the service capabilities of small local governments by allowing them to provide specialized services to their residents that they may not otherwise be able to afford.
- Intergovernmental service contracts allow local governments to avoid start-up costs of purchasing new equipment or hiring staff to provide a particular service.

Limitations

- Poorly drafted agreements that do not provide adequate definitions of expected service levels and contractor responsibilities can cause friction between participating jurisdictions.
- Smaller jurisdictions contracting for services from a larger jurisdiction may fear loss of control over service delivery. Clearly drawn contract specifications may somewhat reduce this problem.
- It may be difficult to distribute costs and services equitably among participating agencies.
- Retirement, insurance and other overhead costs may be difficult to compute and distribute.
- Personnel dislocations are sometimes involved. This is particularly true if a service that is being contracted out has traditionally been performed by city employees.

Typical Services/Functions

- Police
- Fire
- Street maintenance
- Information technology
- Assessment
- Financial services
- HR services
- Public health
- Human services
- Public works

INTERNAL MANAGEMENT REFORM/ REORGANIZATION/RESTRUCTURING

Changing the way the organization does business to expedite service delivery and enhance change. A departmental reorganization needs to be systematic and should synchronize the business and work processes with the performance of individuals. A successful restructuring will align the efforts of individuals with the expectations for the delivery of core services and eliminate non-value added work.

Advantages

- Maintains core services within the context of constrained services
- Assures high standards of public service delivery among the workforce
- Increased efficiency can be attained by establishing optimum size operating units on a function-by-function basis.

Limitations

- Change for change's sake
- Loss of key staff
- Disruptive

Typical Services/Functions

- All departments

APPENDIX H:

Existing and Proposed Organization Charts

FIGURE 1: Existing Organization

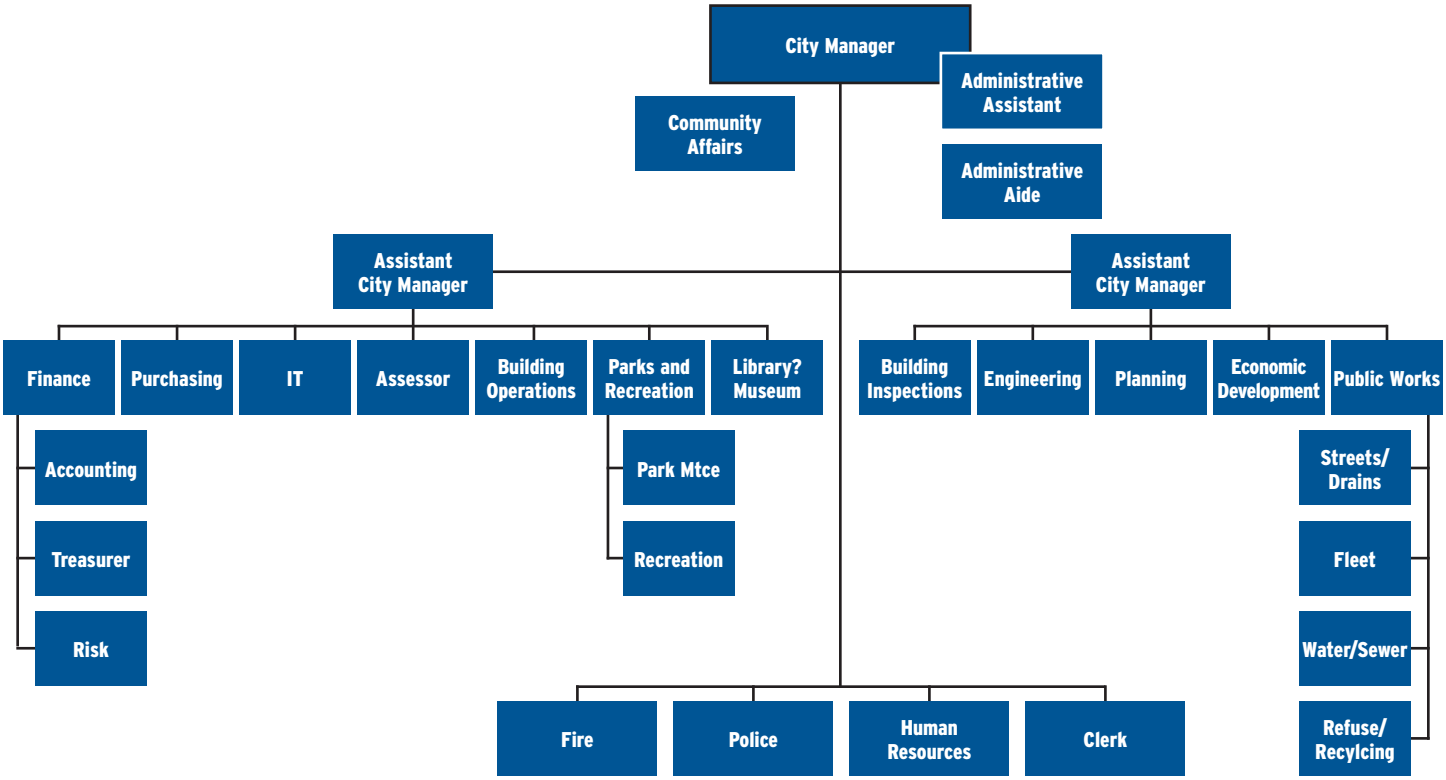
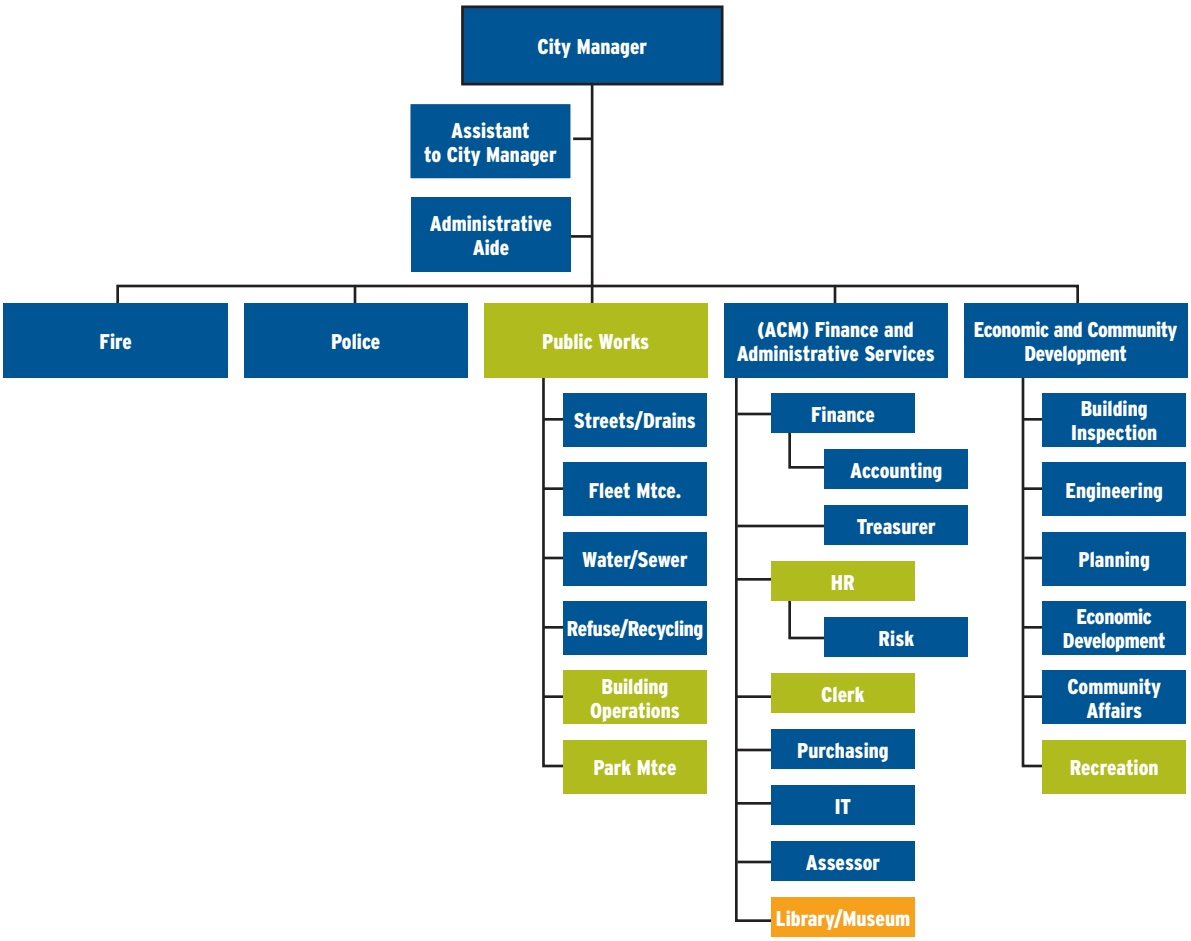


FIGURE 2: Proposed Restructuring



APPENDIX I:
References

References

The following is a list of examples related to the implementation recommendations contained within the report. The examples include specific implementation approaches used by c jurisdictions comparable to Troy related to: business planning, performance metrics, strategic planning, process improvement and managed competition.

1. Government Finance Review—April 2010 - "Anatomy of a Priority Based Budgeting Process": Description of Priority Based Budgeting

   http://gfoaconsulting.org/downloads/GFR-April10-PriorityBasedBudgeting.pdf

   a. Center for Priority Based Budgeting—additional detail on the specifics of the priority setting process from the consultants who developed it. Selected jurisdictions currently using the process include:

      http://www.pbbcenter.org/index.html

      i. City of Walnut Creek, California
      ii. City of Grand Island, Nebraska
      iii. City of Monterey, California
      iv. City of Fairfield California
      v. Pasco County, Florida
      vi. City of Boulder, Colorado
      vii. City of Lakeland, Florida

2. City of Coral Springs, Florida—Only city to win Malcolm Baldrige National Quality Award for Performance Excellence. Link to their strategic and business planning process, which enabled them to effectively address Florida's economic downturn:

   http://www.coralsprings.org/Budget/StrategicPlanningProcess.cfm

3. City of Sandy Springs, Georgia—Newly incorporated city (2005) of 80,000: significant use of outsourcing and privatization. Examples of performance metrics and reporting.

   http://www.sandyspringsga.org/getmedia/e431ac49-9aba-4ee8-b04c-df44419c9028/PerformanceReport-2010-12;;.aspx;.html

4. City of Carrollton, Texas—Suburban Dallas city of 120,000. Transformed organization over ten-year period, focusing on managed competition and process improvement. Link to summary of ten-year changes, video outlining results.

   http://www.cityofcarrollton.com/index.aspx?page=1257

5. City of Westminster, Colorado—Suburban Denver city of 108,000. Long-term use of performance measurement – link to performance report and strategic plan information.

   http://www.ci.westminster.co.us/912.htm

   http://www.ci.westminster.co.us/files/takeacloserlook2009.pdf

6. City of Centennial, Colorado—Suburban Denver city of 100,000—incorporated in 2001. Uses privatization, outsourcing and performance metrics developed by CH2M Hill, the same contractor used in Sandy Springs. SafeBuilt provides building inspection services.

   http://www.centennialcolorado.com/archives/89/Dec10%20Monthly%20Report.pdf

7. City of Vancouver, Washington—Suburban Portland city of 165,000. Outstanding example of integrated business and strategic planning, and performance reporting. Link to overview of management connected to strategy, business planning, continuous improvement (PDCA).

   http://www.cityofvancouver.us/performance.asp?menuid=10462&submenuid=17767

8. LOGIS—metropolitan-wide IT sharing service located in Minneapolis-St. Paul, MN, region (36 cities, one county, two county dispatch centers, one municipal utility, one regional airport commission, three fire departments, one transit agency and one non-profit). Link to services provided:

   http://www.logis.org/

9. Ramsey County (St. Paul, MN) GIS Users Group—County-wide GIS shared effort.

   http://www.ramseygis.org/

10. Lean Enterprise Institute—Link to site for information on Lean Thinking, the leading process improvement approach. Developed for private industry, now being used in leading service and government organizations.

    http://www.lean.org/WhatsLean/Principles.cfm

11. City of Ft. Wayne, Indiana—one of the earliest adopters of Lean-Six Sigma for improving city operations. Link to summary of improvements and cost savings achieved.

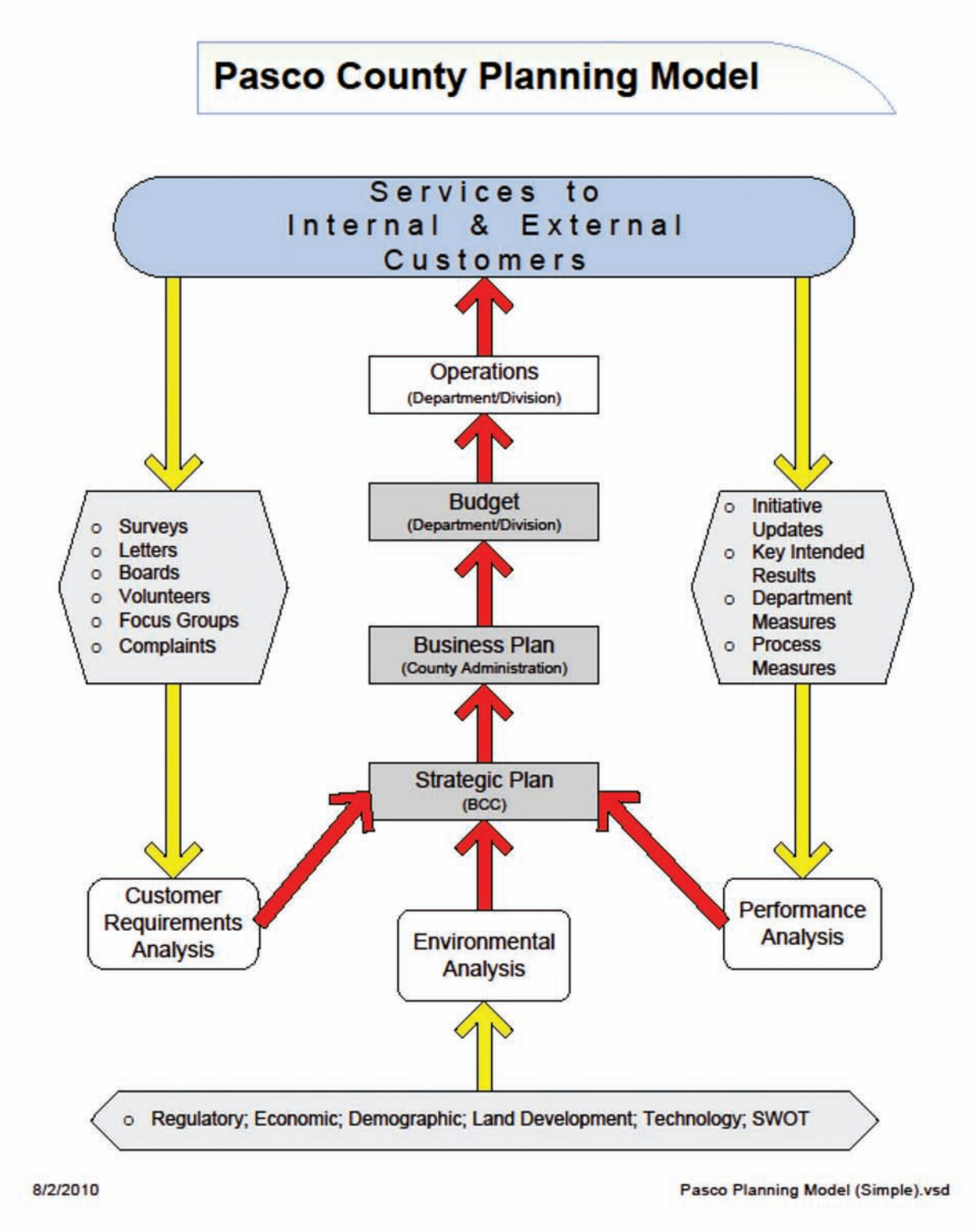
    http://www.tqmnet.com/IssHPG.php

    http://www.cityoffortwayne.org/lean-six-sigma-project-summaries.html

The following pages offer examples of leading practices in:

- Strategic and business planning system - Pasco County FL (page 1)
- Business process improvement results - City of Ft. Wayne, IN (pages 2-5)
- Restructuring/managed competition - City of Carrollton, TX (pages 6-10)
- Performance metrics- service levels - City of Sandy Springs, GA (pages 11-23)

FIGURE 1: Pasco County Planning Model



Results

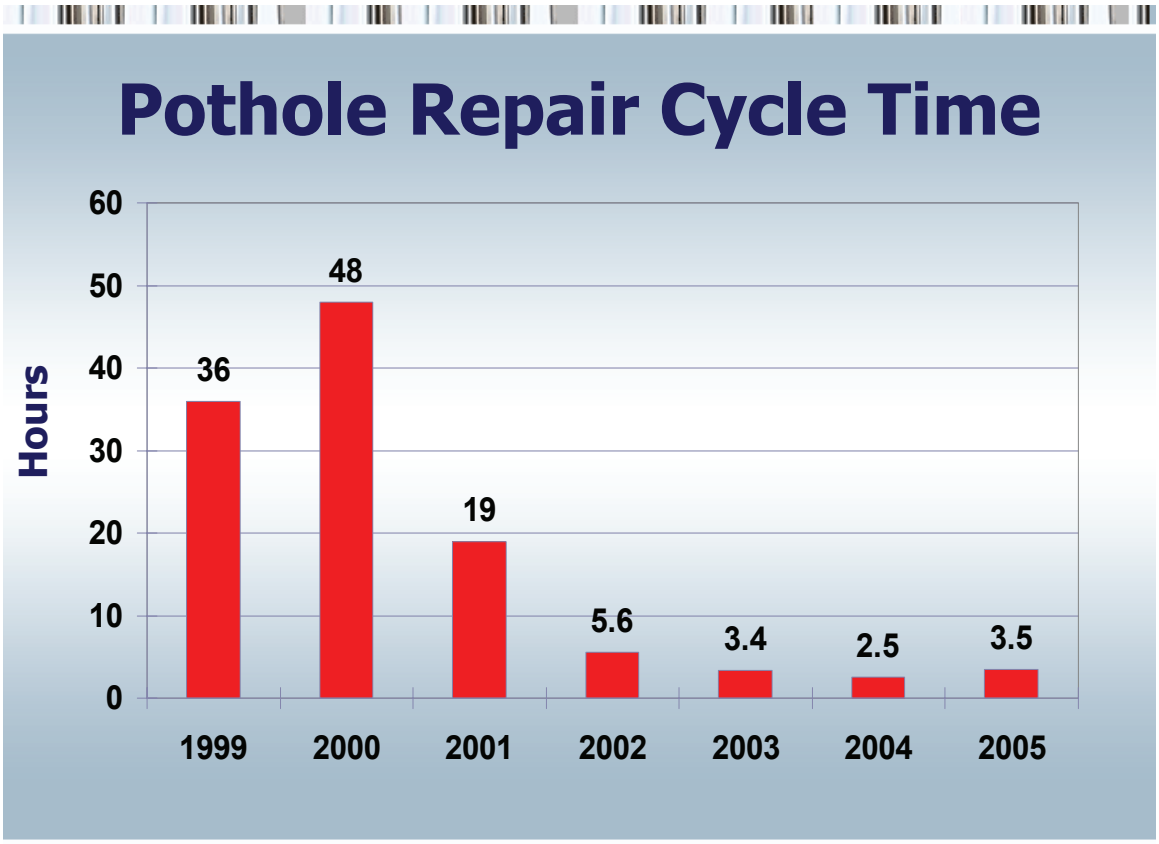
Reduced late trash pickups by 50%

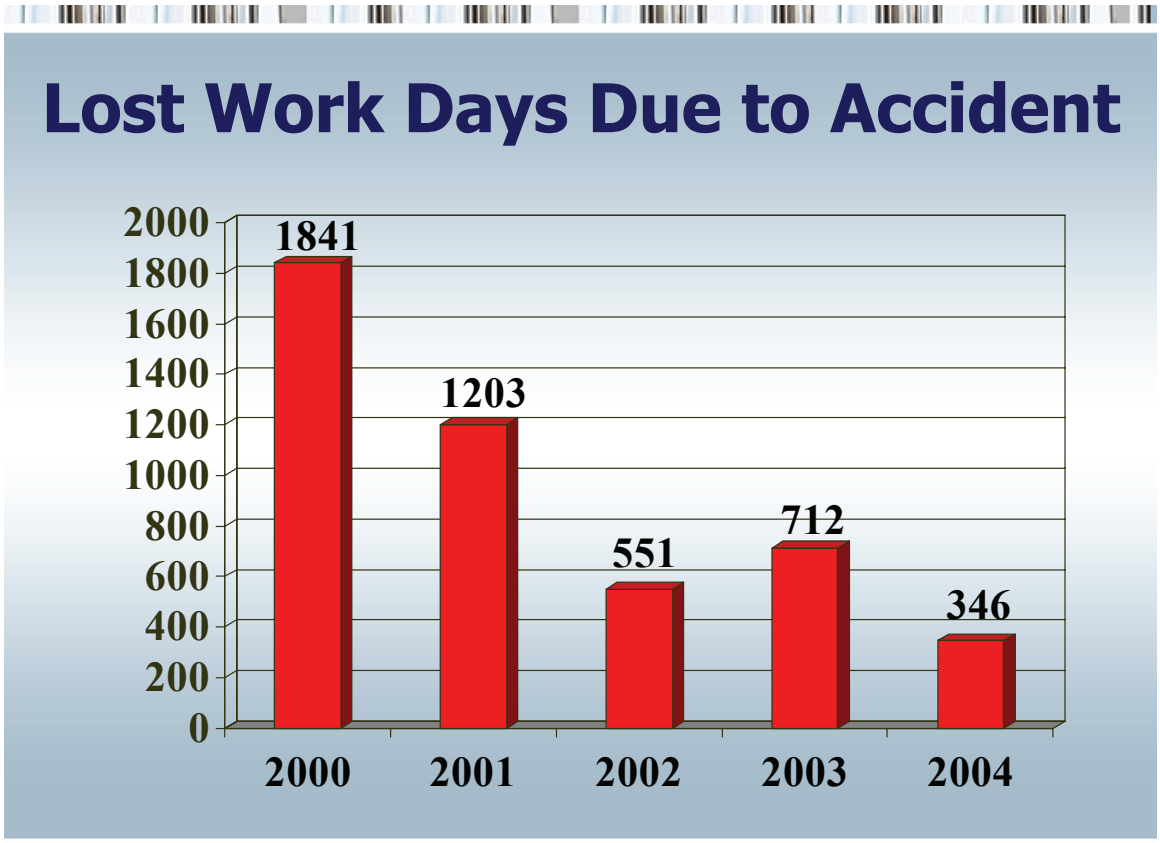
Doubled Miles of Road Repaving

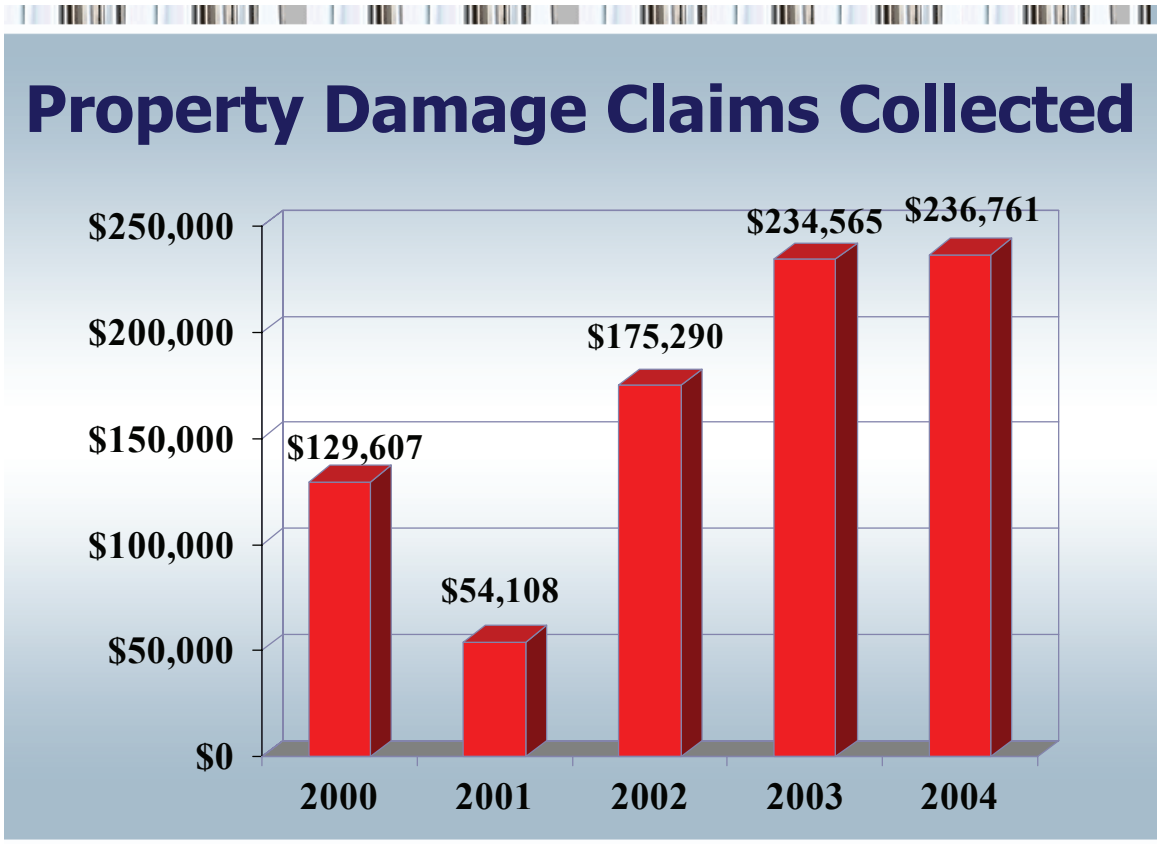
Results

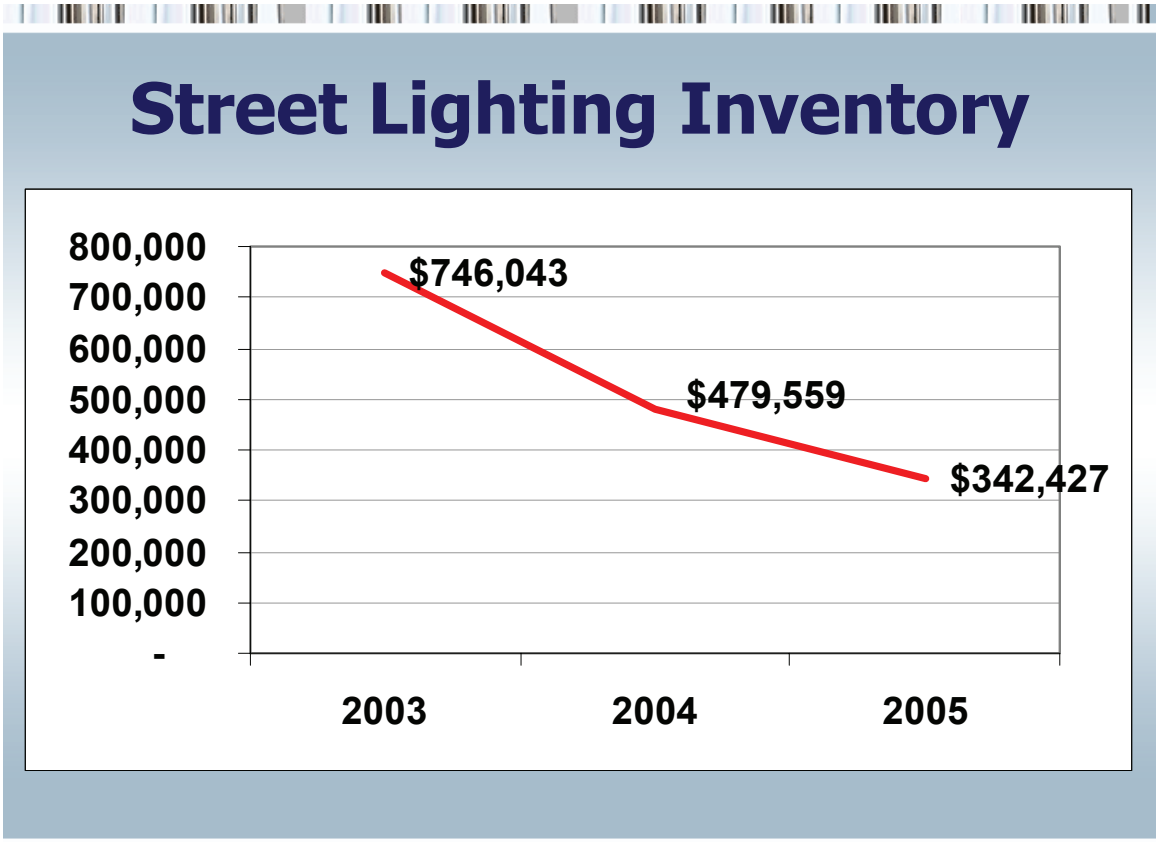
Building Permits – 47 to 12 days

Avoided $1.7 million expenditure at Wastewater Plant


Pothole Repair Cycle Time
Hours
60
50
40
30
20
10
0
36
48
19
5.6
3.4
2.5
3.5
1999
2000
2001
2002
2003
2004
2005


Lost Work Days Due to Accident
2000
1800
1600
1400
1200
1000
800
600
400
200
0
1841
1203
551
712
346
2000
2001
2002
2003
2004


Property Damage Claims Collected
$250,000
$200,000
$150,000
$100,000
$50,000
$0
$129,607
$54,108
$175,290
$234,565
$236,761
2000
2001
2002
2003
2004


Street Lighting Inventory
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
-
$746,043
$479,559
$342,427
2003
2004
2005

Public Works Staffing Levels vs. Miles Maintained
1400
1200
1000
800
600
400
200
0
225
220
215
210
205
200
195
875
911
925
1013
1022
1058
1200
2000
2001
2002
2003
2004
2005
2006
Centerline Miles
PW Staffing Level

2010 Carrollton City Council Retreat

Restructuring & Reorganization

Over the last ten years, many changes have been made to significantly realign the processes and staffing structure of the City. This includes reorganizations, collaborations between departments, personnel reductions to right-size operations and elimination of non-essential services and equipment. These changes in operational strategy have produced on-going savings, resulting in improved efficiency, better coordination of services and alignment with the City Council's strategic goals.

The examples below highlight some of the major position changes that have occurred as a result of the collaborative efforts of the managers and employees of each operation. This is by no means an all inclusive list; simply an illustration of the re-engineering that has occurred at all levels of the organization, from top management, to administrative, to leisure and public safety positions. These changes have allowed us to align our resources more closely with customer needs while maintaining a sustainable approach to service delivery.

Fleet Maintenance

Outsourcing in progress

- Reorganized and restructured (consolidated shops)
- In-sourced auto parts
- Process re-engineering initiatives underway
- Evaluating regional solution to maintenance of Fire apparatus

2001

- Began analyzing and adjusting staffing levels based on employee recommendations (DOS Team)
- Centralized Marketing Services
- Created Budget and Management Analysis Division
- Eliminated one Purchasing and 1 ½ General Services positions [$116,000]
- Consolidated mechanic positions from Parks, Golf and Solid Waste under Fleet Services

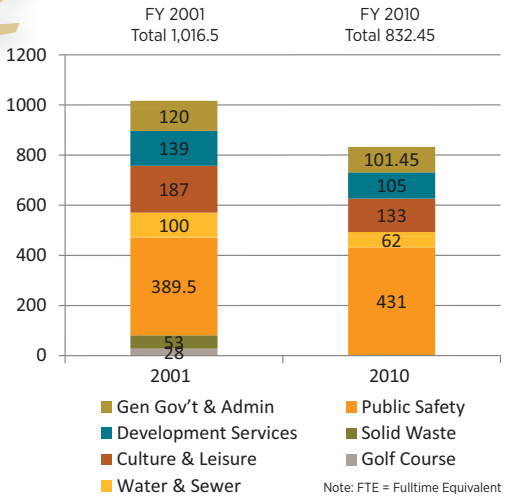
2002

- Implemented hiring freeze and eliminated 53 full-time, 26 part-time positions
- Began business planning and managed competition programs
- Restructured several business units to become more-cost competitive.
- Outsourced Solid Waste Operations; eliminating 46 positions as part of managed competition
- Outsourced Park's custodial services
- Eliminated vacant Executive Secretary position in City Manager's Office
- Consolidated Environmental Services division management duties; eliminating one manager position [$111,000]
- Eliminated paid intern program (code compliance) and two contract employees (one stormwater, one pretreatment) by scaling programs back and redistributing duties in Environmental Services [$75,000]

Other Projects Entering Managed Competition in 2010

- Building Inspection, Planning and TOD
- Risk Management
- PW-Streets & Drainage
- Athletics and Leisure Services

2001-2010 Staffing Comparison



2003

- Consolidated Engineering design and capital projects management
- Consolidated infrastructure services (Public Works, Traffic); eliminated 8 positions
- Shared staff between City Manager, Legal, City Secretary and Finance
- Combined Engineering and Transportation departments; eliminated the Transportation Director position [$100,000]
- Realigned Library staff [$47,000]

2004

- Moved Neighborhood Partnership to Environmental Services
- Created Urban Development Department-realigned Planning & Building Inspection
- Consolidate Health and Neighborhood Services under Environmental Services
- Eliminated Public Works Assistant Director, Traffic Division Manager, Traffic Operations Supervisor [$260,000]
- Streamlined Parks Maintenance through Managed Competition [$120,000 non-recurring and $310,000 recurring]
- Internalized operations of Oak Creek Tennis Center, brought under Parks
- Eliminated 9 positions in Public Works Streets Drainage & Traffic Operations [$389,000 annually]
- Changed pump station operators to one per shift, resulting in reduction of two positions

2005

- Eliminated Division Manager/Environmental Services [$100,000]
- Restructured Parks maintenance staff
- Reduced one meter reader position and realigned meter staff responsibilities
- Reorganized Public Works Utility Fund Division, eliminated 15 positions as part of managed competition
- Reduced 8 Fleet Services positions to reflect reduced workload due to equipment reductions and outsourced operations
- Outsourced golf course management to EAGL; eliminated 17 positions (most offered employment with EAGL)

2006

- Reorganized Fire Department, resulting in several staffing changes and reclassifications
- Re aligned management of development departments–Planning and Building Inspection were combined; eliminated Planning Director [$100,000]
- Added clerks to assist in handling increased Municipal Court workload
- Added three dispatchers and two detention officers
- Increased the average number of Animal Services officers on duty from two to three by moving from 8 hour to 10 hour shift

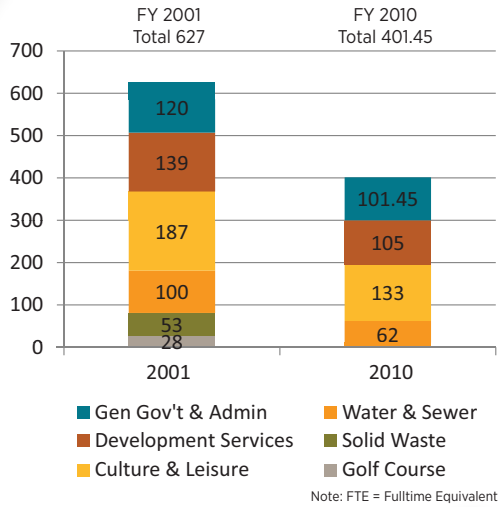
2007

- Eliminated mowing crew leader position when it became vacant; the position was absorbed by an existing crew leader [$50,000]
- Existing administrative staff absorbed duties when Parks' Executive Secretary retired and position was not filled [$50,000]
- Reclassified two Parks' positions that were added as part of the new field construction; one position was eliminated as a result
- Reorganized Library–eliminated Assistant Director and management level staffing [$230,000]
- Downgraded Heavy Equipment Operator to Maintenance Worker II [$6,000 annually]
- Workforce Services reduced staffing from 11 to 7.5 positions [$79,705 annually]

2008

- Reorganized training function into Organizational Development
- Workforce Services combined two positions [$40,104]
- Added two Parks maintenance workers to help with new neighborhood parks and median improvements
- Added two additional code officer positions to further address neighborhood integrity issues
- Transferred arborist position to Development Services

2001-2010 Staffing Comparison
(Excluding Public Safety)



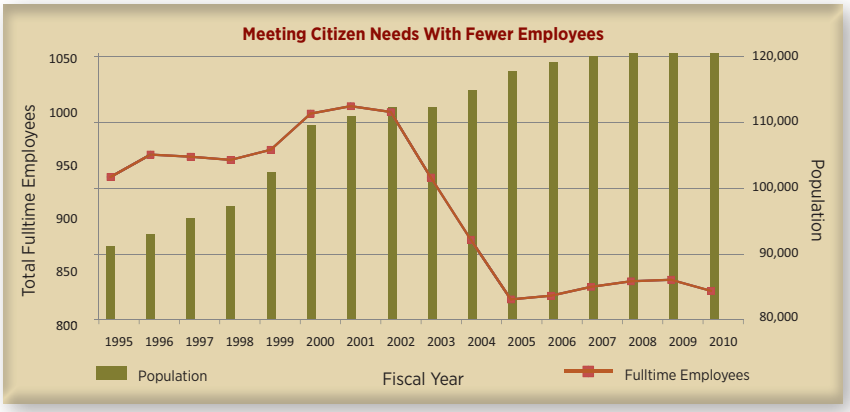
Note: FTE = Fulltime Equivalent

2009

- Eliminated Planning Division Manager position [$100,000]
- Reduced costs by sharing clerical position between Parks and Library 20 hours a week
- Eliminated code enforcement officer (funded but vacant) by not expanding program [$53,000/year]
- All vacant positions frozen except for Police and Fire

2010

- Eliminated the Emergency Management Specialist position [$51,444]
- Eliminated the position of Public Safety Education Specialist [$32,102]
- Downgraded one extra Apparatus Operator position to Fire Fighter position [$5,600]
- Eliminated vacant Marketing Specialist position [$40,000]



2010
Carrollton City Council Retreat

Ten Years of Re-Engineering City Government

Over the last decade, the City of Carrollton has made a dedicated effort to right-size the organization. This document contains a partial list of some of the time and money saving efforts that have been implemented in order to operate as efficiently as possible. Through managed competition, the City has streamlined business processes and saved taxpayers millions of dollars. As we face what will surely be one of the toughest budget years in history, we pledge to continue to identify additional ways to reduce operating costs and create a sustainable business management model for the future.

Benefits of Becoming Competitive

- Transforms the organizational culture
- Empowers employees
- Cost savings = better value for customers
- Reduces waste and inefficiencies
- Increases the sense of urgency
- Improves internal coordination and cooperation
- Improves customer service
- Frees up resources for other priorities

2001

- Started Personnel Resources Review Team (PRRT)
- Began Duplication of Service Review Team (DOS)
- Consolidated Management Analysts
- Eliminated office plant watering and replacement services
- Reduced overtime expenses
- Began automated hand-held ticket writing
- Reduced Museum operating hours
- Upgraded meter reading system and handheld equipment to improve efficiency

2002

- Reduced City staff by 6%
- Restructured or eliminated 20 staff committees
- Conducted essential/non-essential business review
- Initiated managed competition culture change
- Created Neighborhood Infrastructure Program (NOTICE)
- Produced Water Distribution Master Plan and improved efficiency
- Began e-Gov online building permits
- Moved to network printers and removed stand alone (desk) printers
- Reduced holiday and on-call pay costs
- Implemented pothole patching cost reductions and efficiencies
- Streamlined Leisure Services capital projects management
- Centralized special event permits
- Centralized fleet services, vehicles, warehouses, equipment and mechanics
- Eliminated all sand playground surfacing resulting in less maintenance time, improved safety
- Avoided City Hall expansion by moving Parks and Library into shared workspace at H&J Library
- Restructured Library services [$683,035]—reduced Library hours by 24% (31 hours) and decreased purchase of Library materials by 27%
- Reduced uniform budget by 20%
- Moved from T1 to wireless computer network [$240,000 annually]
- Began digital imaging/processing of utility payments
- Rerouted 684 water meters to improve meter reading efficiency
- Implemented Purchasing Card Program for cost efficiency
- Implemented multi-family housing inspection fee [estimated new revenue $182,000/year]
- Restructured food permit and technical services fees [estimated new revenue $160,000/year]
- Restructured Municipal Court Community Service program to reduce costs
- Began referring wildlife (bees, mice, etc.) control calls on private property to private exterminators

Solid Waste Operations

- Competed and outsourced in 2002
- Customers saved $3.7 million over 5 year life of contract
- City sold all equipment and containers
- City received a $1 million net gain from the sale of apartment and commercial accounts and savings on trash collection at City facilities

2003

- Reduced City staff by 7%
- Avoided City Hall expansion costs by developing office space standards
- Coordinated sports leagues administration
- Outsourced Solid Waste services
- Entered radio contract with Dallas County, ACS to repair radios for other municipalities
- Launched Interactive Phone Call-in System for Building Inspection
- Identified sewer stoppage response efficiencies
- Centralized Park maintenance mechanics
- Implemented membership fees at Rosemeade Recreation Center
- Realigned Library staff for additional savings
- Audited technology use and equipment to reduce costs
- Transitioned to online auctions vs. traditional auction method
- Began posting sealed bids online

Traffic Operations

- Declared competitive in 2003
- Anticipated savings of $160,000 over 3-year contract

2004

- Enhanced One-Stop-Shop permit center
- Began Resolution Call Center
- Streamlined practices through Business Policies Task Force
- Signed 5 interlocal agreements for regional radio communication
- Sold sign production and signal maintenance service to other public entities
- Implemented multi-city contract for water tank cleaning and inspections [$7,600]
- Began electronic document imaging to replace manual paper system
- Launched online facility services work order system—went from 4,000+ phone calls per year to 180 phone calls per year

Parks Maintenance

- Declared competitive in 2004
- Anticipated savings of $1.05 million over 3-year contract
- Eliminated 47 pieces of maintenance equipment, 13 trucks and over 30 small pieces of engine equipment

- Consolidated construction inspectors
- Transitioned to new utility bill print/mailing vendor to reduce costs
- Implemented stormwater program among 8 departments [$160,000 savings]

2005

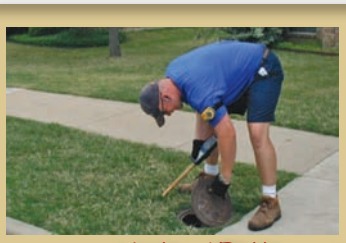
- Identified savings through Facility Services TAC Energy Efficiency Project [$207,270]
- Implemented online utility bill payment
- Cut unprofitable Adult Softball Tournaments
- Transitioned Environmental Services/Code payments to Utility Customer Service
- Reduced daily minimum staffing and overtime in Fire Department
- Reduced costs by reorganizing Fire Battalion Chief structure
- Eliminated 32 pieces of Public Work's equipment
- Brought playground replacement construction in-house
- Centralized irrigation installation for better water management

Water & Sewer Line Maintenance

- Declared competitive in 2005
- Re-engineered operations plan, saved $605,000 per year

2006

- Upgraded self-checkout machines at Library; usage doubled
- Reduced under-utilized Library subscriptions by $15,000
- Provided IT radio services to other jurisdictions in a revenue sharing arrangement with ACS [$90,000 annually; $360,000 savings to date]
- Implemented online hiring practices
- Established Public Employees Benefit Alliance (PEBA) to lower benefit costs
- Collaborated between Utility Customer Service and Fire for automatic upload of EMS runsheets to billing system



Utility Billing & Collections

- Declared competitive in 2004
- Prioritized IT initiatives and developed multi-year funding strategy
- Enhanced performance metrics
- Developed marketing plan to reduce collections costs

2007

- Implemented shared software system with other cities [$200,000 annually; $600,000 savings to date]
- Shifted to mandatory direct deposit for employee payroll
- Initiated process to refurbish ambulances rather than replace [savings $50,000 per unit refurbished]
- Reduced initial apparatus response on certain emergency incidents (i.e., Auto Fire Alarms) from two engine companies down to one engine company
- Reduced EMS training costs by hiring in-house trainer instead of using contractors
- Implemented WebTrac online registrations for leisure programs
- Installed/rain and freeze sensors on median irrigation systems

2008

- Went from monthly to quarterly newsletter format utility bill inserts [$19,000]
- Cut yellow pages phone book advertising [$26,000]
- Reduced underutilized Library databases
- Using VoIP (voice over internet) phone service for remote City facility to reduce costs
- Reduced banking fees by implemented ACH bank deposit and 3rd party online payment processing
- Initiated Fire overtime expenditure restrictions
- Outsourced Public Works pressure grouting operations
- Reduced Public Works overtime through use of flex staffing
- Converted from external headhunters to internal recruitment for management positions
- Eliminated use of Temporary Agencies for seasonal hiring
- Replaced 10 Fleet vehicles with hybrids or other fuel efficient models
- Opened Employee Health Clinic

Accounts Payable

In progress

- Working on simplifying the invoice receipt-to-payment cycle
- Evaluating electronic invoicing and payment solutions

2009

- Combined fall pre-emergent and fertilizer applications resulting in overall cost savings
- Saved contracted expenditures when two additional employees became certified in backflow testing
- Reduced use of contractors for minor electrical repairs
- Started tree farm at Sandy Lake Service Center for future cost savings
- Reduced costs of pool staffing
- Suspended programming at the Elm Fork Nature Center

Workforce Services

- Declared competitive in 2008
- Re-invented HR's role–business partner not rules enforcer
- Aligning HR priorities with departmental business plans
- Reduced operating costs by $158,000 (20% of budget)

- Converted laptops to cheaper desktops
- Installed central irrigation–computer based system for more efficiency
- Reorganized tennis professionals by developing a contract with one head pro
- Eliminated book clubs based on attendance resulting in staff time savings
- Restructured IT administration by shifting some tasks to other departments
- Reduced number of network printers and copiers
- Retrofitted Police vehicle fixtures to fit new cars to avoid buying new
- Provided better quality of firefighter exams at less cost using Health Clinic
- Converted Golf radio system to less expensive service platform
- Re-allocated two underutilized vehicles [$28,000]
- Refurbished Public Work's concrete truck instead of replacing with new [$100,000]
- Implemented after-hours payment option for utility bills to improve customer service

Payroll Accounting

- Declared competitive in 2009
- Simplified and streamlined the payroll process
- Converted to electronic timekeeping; Upgraded to new Kronos V6.1
- Reduced staffing; saved $45,000 per year

- Began UCS billing and collection for Fire administration hazardous waste clean-up
- Implemented Kronos timekeeping software to reduce payroll costs
- Negotiated interlocal agreement with Ft. Worth ISD to increase Purchasing Card cash rebates to City
- Presorted outgoing first class mail to reduce postage expenses
- Eliminated coffee service
- Started pick up of deposits from various City departments during mail delivery
- Implemented single-family rental registration fee
- Implemented food service worker training fee
- Obtained federal stimulus grant funds totaling $1.4 million over three-year period for housing and energy efficiency programs
- Conducted streetlight audit which eliminated 171 luminaries [$28,500]
- Launched U@Work student intern program

Facility Services

- Declared competitive in 2005
- Reduced total operating costs; increased technician productivity
- Automated daily facility system checks and standardized equipment
- Improved parts/supplies inventory management
- In-sourced selected services (overhead door maintenance) to reduce costs
- Outsourced repetitive, high-volume, low-skill tasks (light bulb replacement)

2010

- Eliminated summer camp services–duplication of school services
- In-sourced training efforts through Organizational Development
- Outsourced Fleet Services (in progress)
- Implemented time-saving Library system interface with accounts payable system
- Shared overhead expenses for Health Clinic with QuickTrip convenience stores and added access hours

CH2MHILL

SANDY SPRINGS
GEORGIA

Asset Performance System(APS)

City of Sandy Springs

Performance Metrics Report

(Period: November 01 ~ November 30, 2010)

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1. Department Mission Statements

Administrative Services Mission:

Deliver cost-effective administrative services in a personal, professional, responsive, and innovative manner.

Community Development Mission:

To provide a vision and plan that reflect the values and goals of the Sandy Springs Community and reflect that vision in the administration of all zoning and development matters to ensure the health, safety and general welfare within the community as part of the permitting and enforcement processes.

Public Works Mission:

To deliver cost-effective public works services in a personal, professional, responsive, and innovative manner

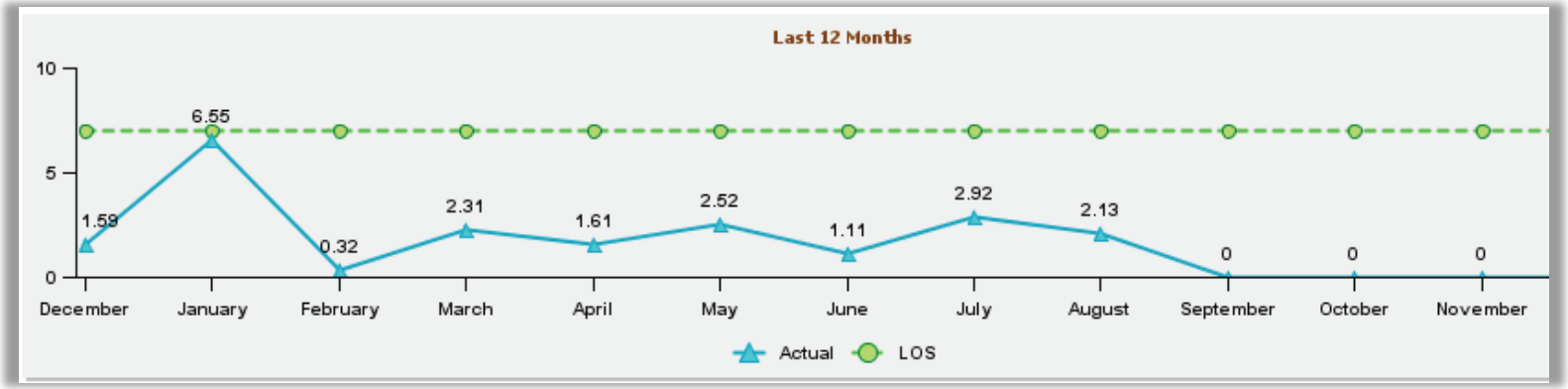
2. Performance Metrics Summary

2.1. Administrative Services (AS)

Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance
	AS_FN_01	Account Payable	95% of vendors paid within 20 business days	20	6.57	BDs	449	98%
	AS_FN_02	Account Payable	Accounts payable invoice check processing (Finance component only) within 10 business days	10	0.01	BDs	385	100%
	AS_FN_03	Account Payable	Invoice approval processing per department - total; 10 business days	10	0	BDs	64	100%
	AS_FN_04	Account Payable	Provide monthly report of financial activity to city within 15 days after each month end	15	13	DOM	1	100%
	AS_PC_01	Purchase Processing	Length of time between time of purchase request to purchase order or procurement card authorization; 7 business days (under $250,000.00)	7	0.5	BDs	16	100%
	AS_PC_02	Purchase Processing	All procurement card transactions allocated with a report to accounting manager by the 10th of each month	10	9	DOM	1	100%
	AS_RV_01	License	New alcohol beverage licenses issued within 30 business days	30		BDs	0	NA
	AS_RV_02	Tax Certification	Occupational tax certificates issued within seven (7) business days of receipt of completed application	7	0	BDs	31	100%
	AS_RV_03	Tax Certification	Number of delinquent occupational tax certificates renewed	20	15	Each	15	100%

2.2. AS: Key Activity (Tax Certification)

Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance	StartDate	EndDate
	AS_RV_02	Tax Certification	Occupational tax certificates issued within seven (7) business days of receipt of completed application	7.00	0.00	BDs	31	100%	11/01/2010	11/30/2010



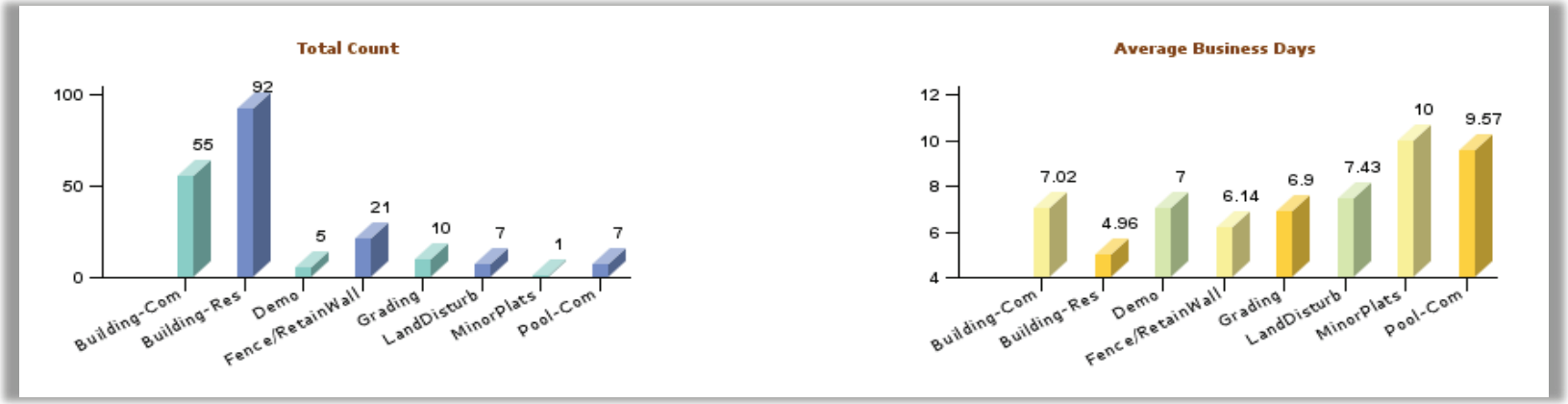
2.3. Community Development (CD)

Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance
	CD_BP_01	Building & Land Development	Complete all plan reviews (per submittal) within 10 business days	10	6.08	BDs	198	97%
	CD_BP_04	Building & Land Development	Total permit application by type		198	Apps	198	
	CD_BP_05	Building & Land Development	Total permits issued by type		190	Apps	190	
	CD_BP_06_01	Building & Land Development	Average review time per reviewer - Building Reviews		2.08	BDs	96	
	CD_BP_06_02	Building & Land Development	Average review time per reviewer - Site Reviews		5.9	BDs	120	
	CD_BP_06_03	Building & Land Development	Average review time per reviewer - Planning and Zoning Reviews		3.41	BDs	32	
	CD_BP_07	Building & Land Development	Complete site inspection within allotted time period		0.98	BDs	42	
	CD_BP_08	Building & Land Development	Complete building inspection within allotted time period		0.1	BDs	935	
	CD_BP_09	Building & Land Development	Total permit certificates by certificate type		30	Cert	30	
	CD_CE_01	Code Enforcement	Respond to initial inspection of potential code violations within 2 business days	2	0.4	BDs	48	100%
	CD_CE_02	Code Enforcement	Total number of code violation cases closed by voluntary compliance or referred to court		43	Cases	43	
	CD_CE_03	Code Enforcement	Average response time from initial inspection to voluntary compliance		26.9	BDs	42	
	CD_CE_04	Code Enforcement	Number of cases per code enforcement officer		28.67	BDs	43	
	CD_PZ_01	Planning & Zoning	Complete all zoning plan reviews within 10 business days	10	3.41	BDs	32	100%
	CD_PZ_02	Planning & Zoning	Complete reviews of Administrative Permits within 10 business days	10	5.78	BDs	32	97%
	CD_PZ_03	Planning & Zoning	Complete all temporary sign permit reviews within 5 business days	5	1	BDs	15	100%
	CD_PZ_04	Planning & Zoning	Complete all permanent sign permit reviews within 5 business days	5	1	BDs	3	100%

- *Inspection requests called in before 12:00pm are scheduled for the next business day; Level of Service allotted time is one (1) business day.*
- *Inspection requests called in after 12:00pm are scheduled for the day after next business day; Level of Service allotted is two (2) business days.*

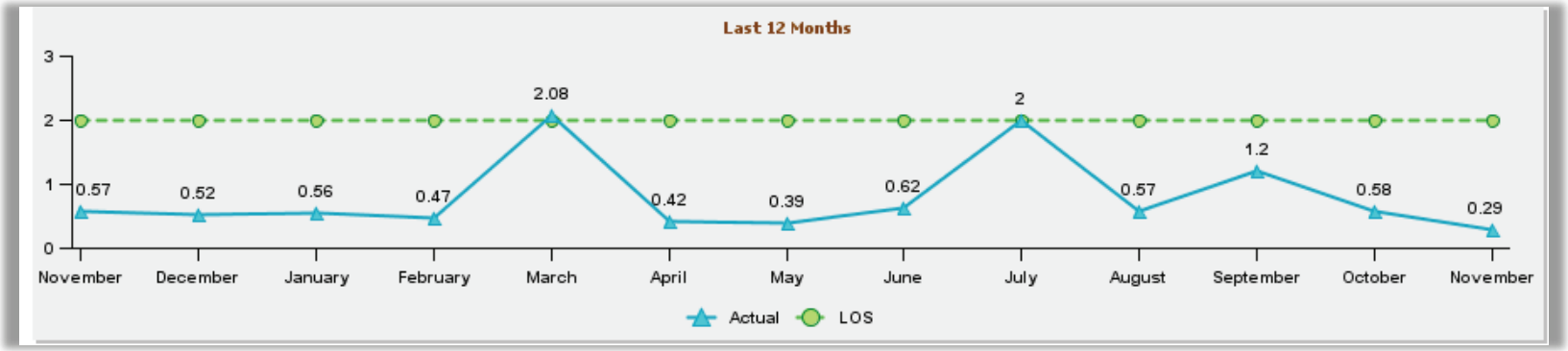
2.4. CD: Plan Review Activity (Building & Land Development)

Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance	StartDate	EndDate
	CD_BP_01	Building & Land Development	Complete all plan reviews (per submittal) within 10 business days	10.00	6.08	BDs	198	97%	11/01/2010	11/30/2010



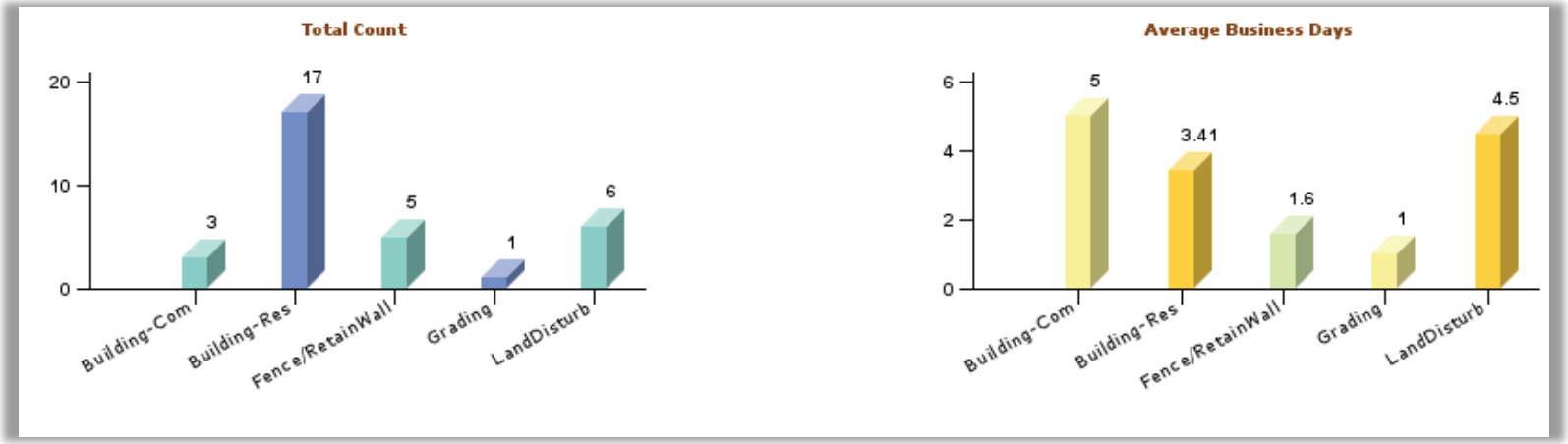
2.5. CD: Key Activity (Code Enforcement)

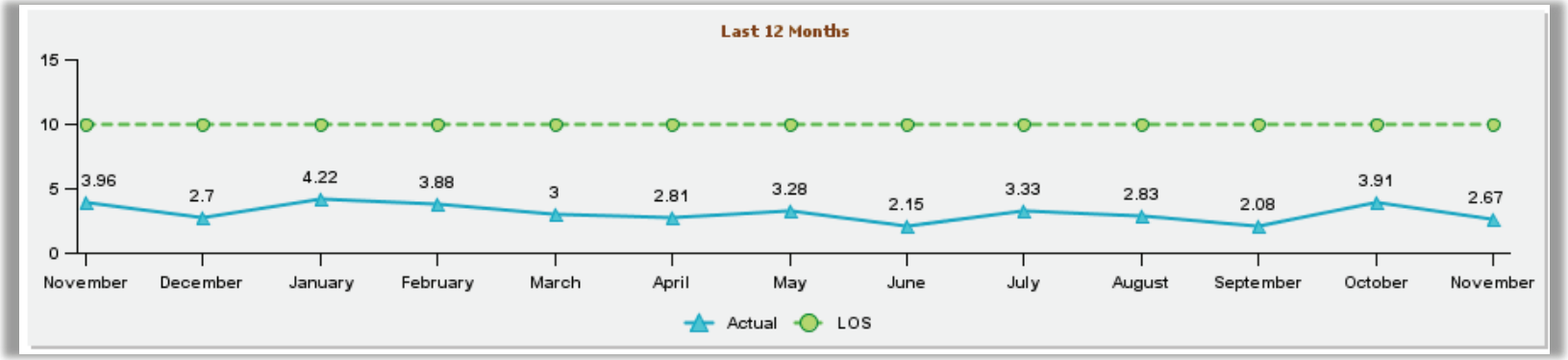
Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance	StartDate	EndDate
	CD_CE_01	Code Enforcement	Respond to initial inspection of potential code violations within 2 business days	2.00	0.40	BDs	48	100%	11/01/2010	11/30/2010



2.6. CD: Key Activity (Planning & Zoning)

Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance	StartDate	EndDate
	CD_PZ_01	Planning & Zoning	Complete all zoning plan reviews within 10 business days	10.00	3.41	BDs	32	100%	11/01/2010	11/30/2010



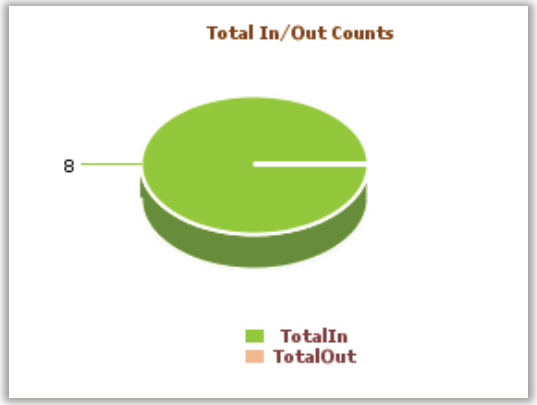


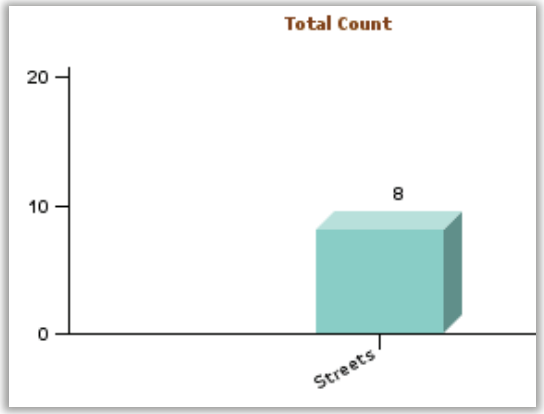
2.7. Public Works (PW)

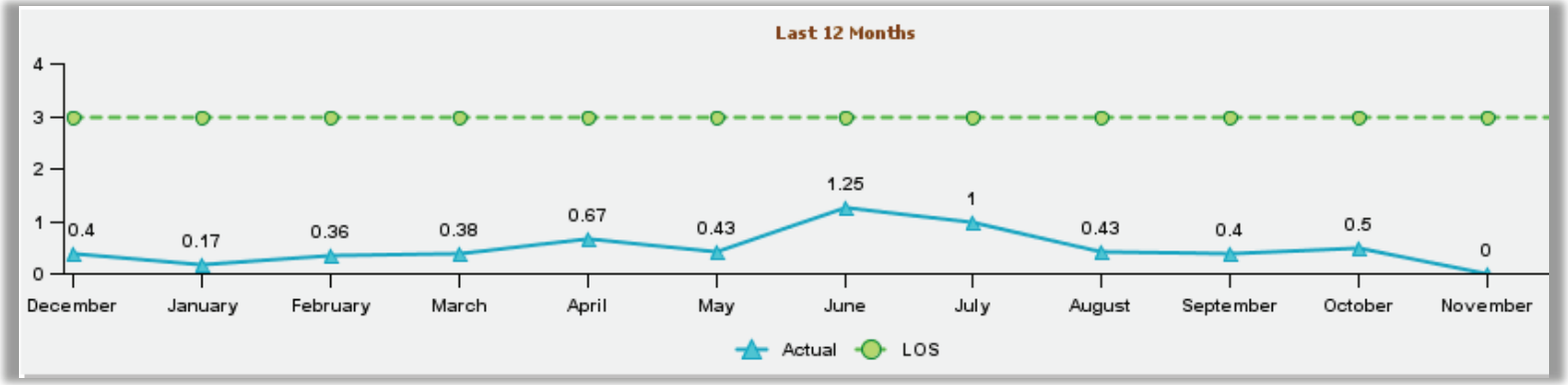
Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance
	PW_FS_01	Priority 1 WO	Complete within 24 hours	24		Hrs	0	NA
	PW_FS_02	Priority 2 WO	Compete within 3 business days	3	0	BDs	8	100%
	PW_FS_03	Priority 3 WO	Complete within 10 business days	10	0.34	BDs	137	99%
	PW_FS_04	Priority 4 WO	Total number of scheduled maintenance (Preventative Maintenance)		11	Each	11	
	PW_FS_05	Right-of-Way Permits	Approve or deny permit within 10 business days of receipt by Public Works for initial review	10	1.5	BDs	6	100%
	PW_TP_01	Development Plan Review	Complete review within 10 business days	10	5	BDs	6	100%
	PW_TP_02	Zoning Plan	Complete review according to Zoning schedule within 10 business days	10		BDs	0	NA
	PW_TS_01	Priority 1 WO	Complete within 24 hours	24	0	Hrs	4	100%
	PW_TS_02	Priority 2 WO	Compete within 3 business days	3	0	BDs	1	100%
	PW_TS_03	Priority 3 WO	Complete within 10 business days	10	1.68	BDs	131	95%
	PW_TS_04	Priority 4 WO	Total scheduled maintenance (Preventative Maintenance)		7	Each	7	

2.8. PW: Key Work Order Activity (Field Services, P2)

Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance	StartDate	EndDate
	PW_FS_02	Priority 2 WO	Compete within 3 business days	3.00	0.00	BDs	8	100%	11/01/2010	11/30/2010

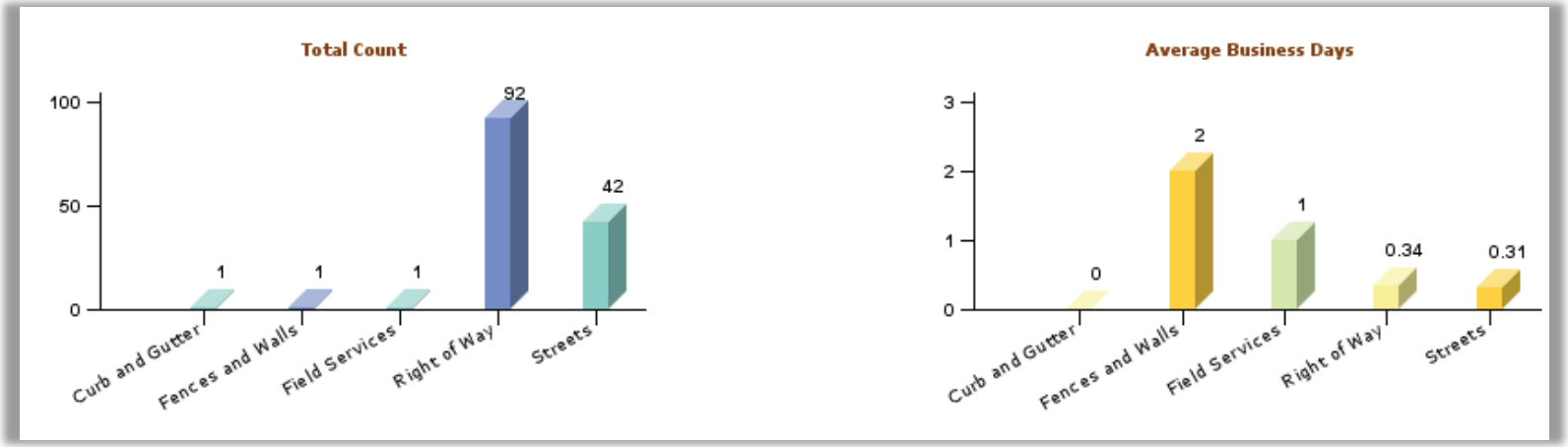






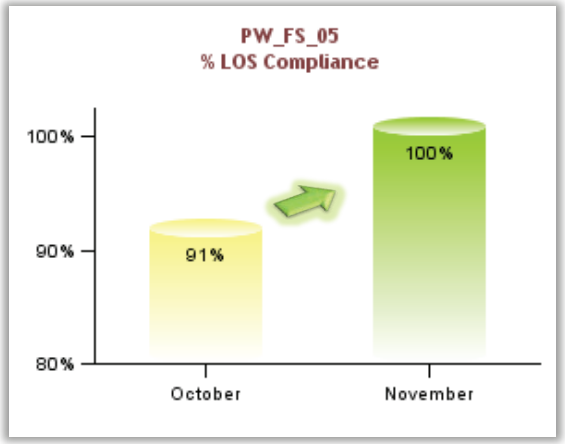
2.9. PW: Key Work Order Activity (Field Services, P3)

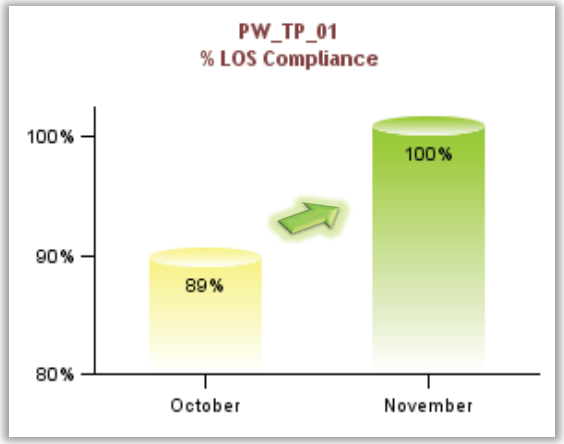
Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance	StartDate	EndDate
	PW_FS_03	Priority 3 WO	Complete within 10 business days	10.00	0.34	BDs	137	99%	11/01/2010	11/30/2010



3. Key Improved Area: Public Works

Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance	StartDate	EndDate
	PW_FS_05	Right-of-Way Permits	Approve or deny permit within 10 business days of receipt by Public Works for initial review	10.00	1.50	BDs	6	100%	11/01/2010	11/30/2010





>= 95%
>= 75%
< 75%

Status	KPI_ID	Category	KPI	Target	Actual	UOM	Total	LOSCompliance	StartDate	EndDate
	PW_TP_01	Development Plan Review	Complete review within 10 business days	10.00	5.00	BDs	6	100%	11/01/2010	11/30/2010

4. GLOSSARY

Acronyms	Definition
AS	Administrative Services
BD	Building and Development
BDs	Business Days excludes weekends City holidays & first day (case initiation day)
BHs	Business Hours (Considers 8am to 5PM EST.) excludes weekends City holidays & first day (case initiation day)
BI	Building Inspection Permits
BP	Building Permits
BSC	Balanced Scorecard: Methodology to ensure balanced delivery of service
CB	Call Back Services (Work Request)
CD	Community Development
CDs	Calendar Days – Count all day including weekends and City holidays
CE	Code Enforcement
DOM	Date of Month
FS	Field Services
HRs	Hours
KPI	Key Performance Indicator
LOS	Level-of-service (LOS) is a measure the quality of services performed compared against the contract deliverables.
Measure	A standard used to evaluate and communicate performance against expected results
MTD	Month to date
P1 (Priority 1)	Work orders must be completed within 0-24hrs. (FS & TS)
P2 (Priority 2)	Work orders must be completed within 24-72 hours.(FS TS Rec & Parks divisions)
P3 (Priority 3)	Work orders must be completed within 7 to 10 business days. (FS TS Rec & Parks divisions)
P4 (Priority 4)	Work requests are preventive maintenance. (FS TS Rec & Parks divisions)
RP	Recreation and Parks
PW	Public Works
PZ	Planning & Zoning
ROW	Right of Way
SSG ID	City of Sandy Springs Identifiers
SW	Stormwater Services
TP	Transportation Planning Services
TS	Traffic Services
UOM	Unit of Measure
WO	Work Orders
WR	Work Requests
	Met LOS [>= 95%]
	LOS [>= 75%]
	LOS [< 75%]
	No Data
	Measure

Priority Categories

Field Services:

Curb and Gutter
- Repair Curb
- Replace Curb
- Raise Curb

Right of Way
- Debris Removal (Large)
- Trimming
- Graffiti Removal
- Litter Removal
- Vegetation Removal for Sight Distance
- High Limb Trimming

Sidewalk
- Repair Sidewalk
- Replace Sidewalk

Streets
- Debris Removal
- Winter Sand/Salt
- Pothole Repair
- Asphalt Patching
- Sink-ins
- Sinkholes
- Tree Roots
- Utility Cuts
- Edge of Pavement Repairs
- Dead Animal Removal
- Winter Sand/Salt

Catch Basin
- Repair Top
- Reset Lid
- Cleaning

Utility Liaison
- Water
- Sewer
- Gas
- Cable TV

Traffic Services:

Sign
- Install/replace/repair/remove sign & post
- Wash Sign
- Trim Vegetation

Signal
- Install/replace/repair/remove signal
- Adjust / Align Signal Head
- Check Signal Controller
- Check Signal Timing
- Inspect and Test Communications
- Inspect/repair Detection System
- Install ADA ramp
- Repair or Replace ATMS PTZ Camera
- Cabinet Maintenance

Traffic Study

Striping
- Restriping

Street Lights
- Light out
- Request for new light
- Damaged poles

Utility Liaison
- Electricity

A priority is determined based on urgency and severity of the category