

SHELBY CHARTER TOWNSHIP



EVALUATION OF THE DEPARTMENT OF PUBLIC WORKS AND THE DEPARTMENT OF PARKS, RECREATION AND MAINTENANCE

MUNICIPAL CONSULTING SERVICES LLC

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June 23, 2010

Honorable Board of Trustees
Shelby Charter Township
52700 Van Dyke
Shelby Township, MI 48316

Dear Board Members:

We have completed the Evaluation of the Department of Public Works and the Department of Parks, Recreation and Maintenance. This review has included an evaluation of operational and procedural practices, budgetary and staffing issues, service levels and the full scope of responsibilities and activities performed through these two key operating departments. This final report contains the findings and conclusions resulting from this analysis and recommendations for improvement.

In reviewing the recommended actions contained in this report, we ask that you remain cognizant of the following:

- Our recommendations pertaining to staffing include some that are envisioned for immediate implementation and others that are longer-term and should ideally be achieved through attrition – not elimination of an incumbent's position.
- In some cases our recommended actions may conflict with current contractual language or precedent. In these cases it will be necessary to negotiate, or somehow modify the recommended change.

We appreciate the cooperation extended to us by employees of both departments, particularly interim Parks and Recreation Director Joe Youngblood, Director of Public Works Ted Schoenherr and Assistant Director Dave Miller. In each case we found employees to be cooperative, candid and willing to offer suggestions for improving operations.

We have sincerely enjoyed this opportunity to work with Shelby Charter Township. If you have questions concerning this report, please do not hesitate to contact me at 734.904.4632.

Very truly yours,



Mark W. Nottley, Principal
Municipal Consulting Services LLC

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Table of Contents

<u>Section</u>	<u>Page</u>
I. Executive Summary	I-1
II. Department of Public Works: Findings and Conclusions	II-1
III. Department of Public Works: Recommendations for Improvement	III-1
IV. Department of Parks, Recreation and Maintenance: Findings and Conclusions	IV-1
V. Department of Parks, Recreation and Maintenance: Recommendations for Improvement	V-1

Appendices

Appendix A:
Shelby Charter Township Department of Public Works Sample Time Reporting System

Appendix B:
Shelby Charter Township Department of Parks, Recreation and Maintenance Sample Time Reporting System

SECTION I

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

OVERVIEW

Shelby Charter Township, like most communities in Michigan is facing unprecedented fiscal challenges. Decreases in taxable valuation, state revenue sharing cuts and reductions in investment income and other sources coupled with rising employee costs is rapidly creating a fiscal imbalance. In this situation it is critical that the Township find more productive means of providing municipal services to its residents.

In response to this challenge, the Township has begun a process of systematically evaluating each of its operating departments. The first of these studies focused on the Fire Department and identified significant cost savings. The present study, presented in this report, has focused on two major operating departments, including:

- The Department of Public Works (DPW) which is responsible for the water distribution system, sewage conveyance system and utility billing and accounting.
- The Parks, Recreation and Maintenance Department (PRM) which has responsibility for recreation and athletic programming, senior services, and building, grounds and parks maintenance.

OBJECTIVES OF THE STUDY

At present, both departments have empty positions – nine in the two departments combined. In the past, it is likely that these vacancies would be filled as a matter-of-course. However, in the current fiscal climate, it is essential that every opportunity to reduce employee and operating costs be carefully scrutinized. For this reason, the evaluation of staffing levels in each of the two target departments has been a major focus and objective of the study – both immediate and longer-term. Other cost saving opportunities have also been targeted as have methods for improving output and/or accountability.

Summarily, our objective has been to examine virtually all aspects of operations in the two departments for the purpose of:

- Determining appropriate staffing for administration, supervision, field and clerical operations;
- Identifying and implementing opportunities for improving the utilization and/or coordination of personnel;

- Identifying and suggesting methods for improving accountability through improved records management;
- Specifying and correcting any procedural redundancies that are impeding productivity;
- Identifying potential changes to automated technology, equipment or other key variables, and quantifying the relative cost advantage of improved approaches;
- Determining the relative service and cost advantages of in-house vs. contracted services in areas where a potential competitive situation exists;
- Instituting “best practices” in the field of recreation programming, parks maintenance and utility and public works operations;
- And ultimately, creating a “road map” that can serve as a long-range operational plan for each department.

SCOPE OF THE REVIEW

The evaluations of the Department of Public Works and the Department of Parks, Recreation and Maintenance have been conducted over a four month period. To assure a thorough evaluation of operations we have completed the following scope of review:

- Statistical, operating and budgetary information has been requested, received and reviewed;
- Interviews of personnel have been performed including multiple interviews of many administrative and supervisory personnel;
- Site inspections have been performed including facilities, parks and the general service area;
- Several members of the Board of Trustees and several department heads that interact with the two departments have been interviewed;
- Representatives of some neighboring communities and potential contractors have been interviewed regarding service outsourcing or cooperative arrangements;
- Separate benchmark surveys of other public works departments and parks and recreation departments have been conducted;
- Equipment has been visually inspected and maintenance practices evaluated;

- Expert sources have been consulted regarding particular operational issues.

CONCLUSIONS AND RECOMMENDATIONS

Based on the above scope of review we have developed specific findings, conclusions and recommendations. To facilitate review, the report is organized as follows:

- Section II: Department of Public Works: Findings and Conclusions
- Section III: Department of Public Works: Recommendations for Improvement
- Section IV: Department of Parks, Recreation and Maintenance: Findings and Conclusions
- Section V: Department of Parks, Recreation and Maintenance: Recommendations For Improvement
- Appendices: Applying to both departments, listed in order of reference.

Major findings and recommendations contained in the body of the report can be summarized as follows:

1. BOTH DEPARTMENTS LACK INFORMATION REGARDING WORK OUTPUT. THE DEVELOPMENT OF THIS INFORMATION SHOULD BE A PRIORITY FOR THE TWO DIRECTORS GOING FORWARD.

At present there is virtually no information available regarding work accomplishment or cost. To rectify the situation we have made specific recommendations regarding the areas of data and records management that need to be developed. We have developed rudimentary data collection systems for each department that should be used to track employee and work crew output. These are included in Appendices A and B.

2. IN REGARD TO DPW, WE HAVE RECOMMENDED THAT FOUR VACANT POSITIONS BE ELIMINATED AND ONE POSITION BE RESTRUCTURED. THESE CHANGES SHOULD BE EFFECTIVE IMMEDIATELY.

We have recommended that four vacant positions in DPW not be filled. The cost savings to the Township are estimated at \$213,121 in wages and benefits per annum. We have also recommended that the Secretary I position be restructured to assume the meter reading duties of one vacant/eliminated position.

3. WE HAVE ALSO RECOMMENDED THAT TWO DPW POSITIONS BE ELIMINATED THROUGH ATTRITION.

We have concluded that the workload of one Account Processor I is inadequate for a full-time position and that the position should be eliminated through attrition. The incumbent should be transferred to another clerical position within the Township government or into another DPW clerical position as one or the other becomes available.

We have also concluded that management staffing should be reduced by one position. We are recommending that the Maintenance Supervisor position be eliminated through attrition and reorganization as the management team retires and leaves the employ of the Township. The new management team should operate with three rather than four top management positions. Cost savings associated with the eventual elimination of these two positions is estimated to be \$150,164.

4. FOR DPW, WE ARE ALSO SUGGESTING A RANGE OF OPERATIONAL UPGRADES.

In addition to the above recommendations, we have recommended that DPW upgrade specific operating practices. These include:

- Data management systems including activity reporting, work orders and asset inventories
- Succession planning
- Preventive maintenance programming
- Geographic Information Systems capability
- Capital budgeting
- Bill printing technology
- Cross connection inspections
- Use of part-time and seasonal employees.

5. IN REGARD TO PRM, WE HAVE RECOMMENDED THAT THE ASSISTANT DIRECTOR BE PROMOTED TO DIRECTOR OF PARKS, RECREATION AND MAINTENANCE.

We have found the Assistant Director to be capable with the necessary management and technical skills to effectively lead PRM. For this reason, we are recommending his promotion to the position of Director.

6. FOR PRM, THE ASSISTANT DIRECTOR AND ADMINISTRATIVE ASSISTANT POSITIONS SHOULD BE ELIMINATED AND A NEW BUSINESS MANAGER POSITION CREATED.

We have recommended that the Assistant Director position be eliminated and replaced by a new Business Manager position. The new position should be staffed by the current Administrative Assistant. Following her promotion, the Administrative Assistant position should be eliminated. Cost savings from this position elimination would be \$80,556 per annum. An additional action that will be required for this transition is the modification of the River Bends Coordinator's duties and a change in job title to River Bends/Special Projects Coordinator.

7. FOR PRM, WE HAVE RECOMMENDED THE ELIMINATION OF THREE VACANT MAINTENANCE WORKER POSITIONS.

We have concluded that PRM should eliminate three vacant maintenance worker positions at a cost savings of \$166,016 per annum. To fill the void, we have recommended that two positions currently at River Bends be transferred to the Facilities Group. Other recommendations are also included to increase worker output to support this change.

8. FOR PRM, WE HAVE RECOMMENDED THE ELIMINATION OF A VACANT CLERK/TYPIST POSITION

We have concluded that a vacant Clerk/Typist position can be eliminated with related duties assumed by the remaining clerical staff. It is also recommended that the option of a recreational intern be investigated and pursued by the Director as a means of addressing excess clerical workload. Cost savings associated with the elimination of the position would be \$43,770 per annum.

9. FOR PRM, WE HAVE RECOMMENDED THE ELIMINATION OF FULL-TIME BUS DRIVERS FOR SENIOR SERVICES. THIS SHOULD BE A FUTURE ACTION THAT DOES NOT AFFECT CURRENT EMPLOYEES.

We have also recommended that two full-time Bus Driver positions be eliminated after the retirement or voluntary separation of the two incumbents. Current employees appear productive in a well-functioning transportation system. However, many bus services operate with part-time staff and Shelby Township could as well. Cost savings from this change would be \$53,602 per annum.

10. FOR PRM, WE ARE ALSO SUGGESTING A RANGE OF OPERATIONAL UPGRADES.

In addition to the above recommendations, we have recommended that DPW upgrade specific operating practices. These include:

- Data management systems including activity reporting, and work orders
- A community survey
- Improved coordination with DDA for service offerings
- Safety upgrades in field operations
- Review of custodial contracts
- Additional use of part-time and seasonal employees.
- New methods for snow plowing and related charges-for-service.

In summary, our recommendations for both departments exceed an estimated \$700,000 in potential current and future cost savings as well as numerous suggestions for operational or service upgrade.

* * * * *

In the following section, we present our findings pertaining to the Department of Public Works.

SECTION II

DEPARTMENT OF PUBLIC WORKS: FINDINGS AND CONCLUSIONS

SECTION II

DEPARTMENT OF PUBLIC WORKS: FINDINGS AND CONCLUSIONS

In this section of the report, we summarize the findings and conclusions resulting from our review of Shelby Charter Township’s Department of Public Works (DPW). To facilitate review this information is organized in a number of subsections as follows:

- A. Overview of DPW operations*
- B. The administrative/management component of DPW*
- C. Clerical/administrative operations*
- D. Field operations*
- E. In-house/outsourced analysis for key areas.*

Each area is discussed separately below.

A. Overview of DPW Operations

Shelby Charter Township’s DPW is primarily responsible for operation and maintenance of the utility system, including water distribution and sewage conveyance. As seen in the following Exhibit 1, it is among the largest township-based utility systems in Michigan, if measured by number of utility accounts.

Exhibit 1
Survey of Public Works Operations in Charter Townships
Water & Sewer Demographic Comparison

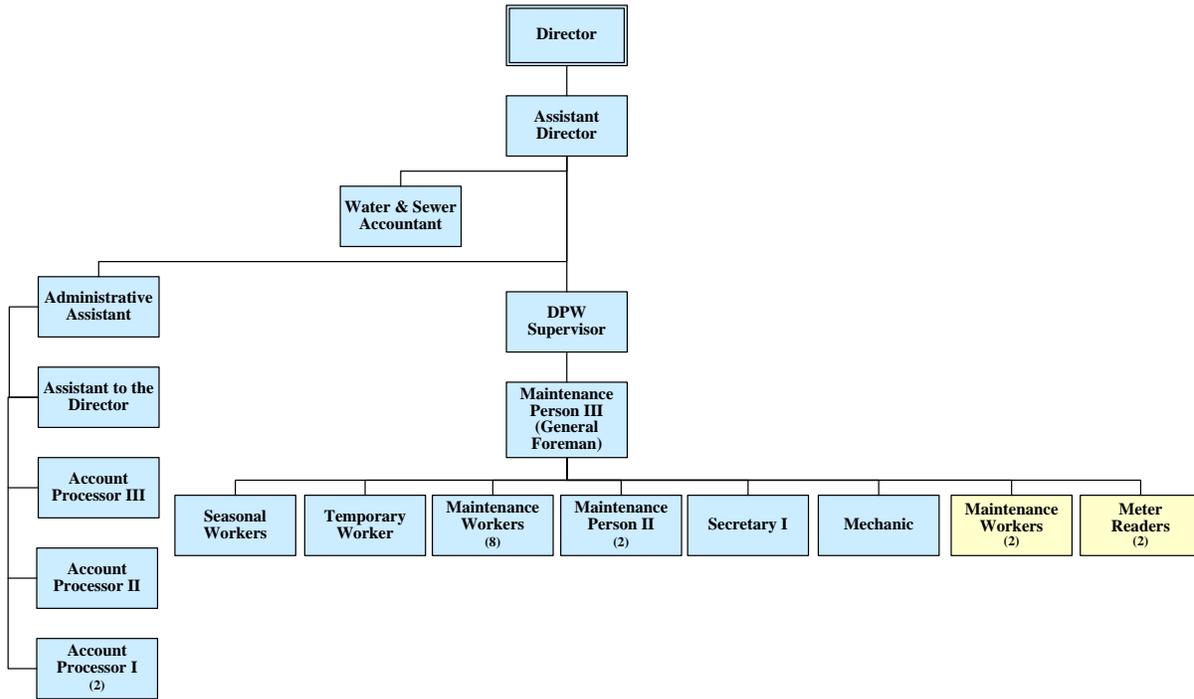
Municipality	Approximate Utility Accounts		
	Residential	Commercial and Industrial	Total
Shelby Charter Township	24,087	1,330	25,417
Bloomfield Charter Township	16,000	400	16,400
Canton Charter Township	22,000	1,800	23,800
Macomb Charter Township	23,727	776	24,503
Redford Charter Township	19,500	1,500	21,000
Saginaw Charter Township	13,849	695	14,544
Waterford Charter Township	22,818	1,720	24,538
West Bloomfield Charter Township	16,866	710	17,576
AVERAGE OF OTHERS	19,251	1,086	20,337

Source: survey of listed public works departments

In regard to workload, DPW is responsible for wholesale water purchase, development and maintenance of the water distribution system, purchase of sewage capacity and maintenance of the conveyance system, utility billing and collections, regulatory reporting and other tasks

associated with asset, workload and financial management. To accomplish this workload, DPW is organized and staffed as follows:

Exhibit 2
Shelby Charter Township Department of Public Works
Current Organization



Note: Four current vacant positions are indicated in yellow.

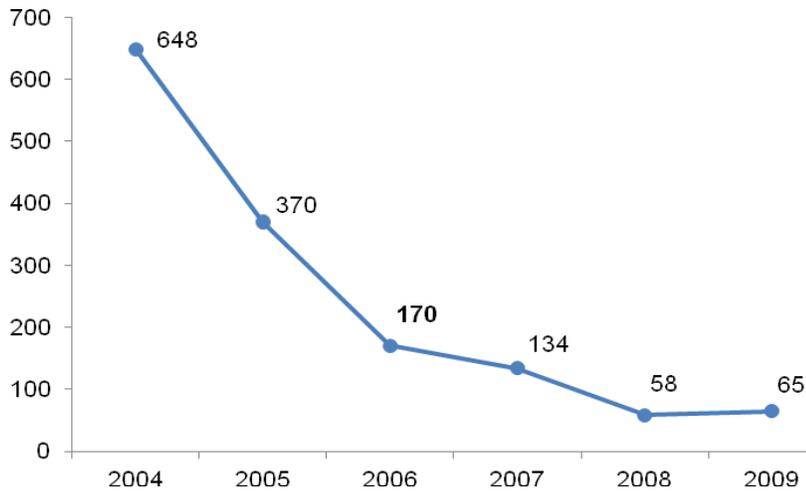
As noted above (highlighted in yellow), DPW currently has four vacant positions. One of these four slots is being filled by a temporary employee – consequently staffing is down three positions from 2009 budgetary levels. The issue of staffing will be revisited throughout the findings and conclusions.

In regard to an overview of DPW operations, key findings include the following:

1. DPW WORKLOAD HAS DECLINED WITH THE ECONOMIC DOWNTURN.

Shelby Charter Township has experienced rapid growth since the 1970s reaching an estimated 2009 population of 71,277. Throughout this period the utility infrastructure expanded significantly to meet the needs of a growing customer base. However, as seen in the following Exhibit 3, this growth trend has declined markedly over the past five years as community growth has been negatively impacted by the collapse of the housing market.

Exhibit 3
Shelby Charter Township Department of Public Works
Historic New Service Hook-ups



Source: Shelby Charter Township Department of Public Works

During the long period of growth, DPW workload was closely linked to construction management and developmental needs. From administration to field crews, employee work activities were focused on system expansion, new account development and service initiation. With a much reduced rate of growth, DPW does not, at present, experience this level of service and workload demand.

In light of the lesser workload, the Township has understandably questioned the need to fill four vacant positions. In response, the Director of Public Works cites the need for staffing to perform preventive maintenance on the water and sewer system. The Director notes that a less than ideal level of preventive maintenance has been performed in the past due to the heavy developmental workload. With much of the infrastructure reaching a critical stage of aging, preventive maintenance could be a key to extending the life of the system.

While we concur with the logic of the Director's position, there is little detail available regarding what could or could not be accomplished with the current workforce or what value would be added by filling the vacant positions in DPW. Essentially, DPW operates with minimal workload data regarding what has been accomplished and is unable to provide much in the way of management information. This issue is examined in the following finding.

2. DPW HAS VERY LIMITED INFORMATION REGARDING WORK OUTPUT. SERVICE AND MAINTENANCE PLANNING IS ALSO SOMEWHAT UNFOCUSED.

Public works operations have traditionally been laggards in the implementation of new technology. However, the development and refinement of Geographic Information

Systems (GIS) and activity-based databases is changing the landscape rapidly. As seen in the following Exhibit 4, many of the townships surveyed for this study have automated key features of workload planning and tracking.

Exhibit 4
Survey of Public Works Operations in Charter Townships
Comparison of Automated Capabilities

Municipality	Do You Have Software Programs for Any of the Following:					
	Work Order Processing	Work Activity Reporting (by individual worker)	Asset Inventories	Preventive Maintenance	Vehicle Maintenance	GIS Mapping
Shelby Charter Township	No	No	Limited	Limited	Limited	No
Bloomfield Charter Township	Yes	Yes	Yes	Yes	Yes	Yes
Canton Charter Township	Yes	No	Yes	Yes	Yes	Yes
Macomb Charter Township	No	Yes	Yes	Yes	Yes	No
Redford Charter Township	No	No	Yes	No	No	Yes
Saginaw Charter Township	Yes	Yes	Yes	Yes	Yes	Yes
Waterford Charter Township	Yes	Yes	Yes	Yes	Yes	Yes
West Bloomfield Charter Township	Yes	No	No	No	No	Yes

Source: survey of listed public works departments

In contrast, Shelby Charter Township’s DPW has experienced very limited upgrade to automated systems for field operations. More specifically, DPW’s status in the areas listed in Exhibit 4 is as follows:

- Work Order Processing: DPW uses Microsoft Outlook to convey service requests from the office to the field. Ideally, a database software program would be used that could provide work order status at any point-in-time, including:
 - Date and nature of request
 - Status of request
 - Backlog of outstanding work orders
 - Useful service notes.

Management notes that New World, the Township’s software provider for financial systems may be introducing a utility-based work order application soon. This or another available package should be an active consideration. A program of this type would be helpful from both management and customer service perspectives and provide an accurate to-the-minute accounting of the status of workload requests.

- Work Activity Reporting: DPW has virtually no documentation regarding work assignments, work output or outstanding workload. Lacking this information,

DPW cannot accurately quantify what has been accomplished – or measure the impact of adding or subtracting to/from the workforce. Ideally the following information should be available via some level of automated reporting:

- Percentage of man-hours devoted to specific activities
 - Information regarding individual worker assignments and usage
 - Data that would allow for the comparison of in-house service cost as opposed to outsourcing cost
 - Expenses associated with particular activity areas or geographic areas.
- *Asset Inventories and Preventive Maintenance:* The DPW Supervisor maintains some automated spreadsheets pertaining to work performed on infrastructure assets such as hydrants and valves. This is useful but should be expanded to include all asset categories with the following data fields:
 - Type of asset
 - Location
 - Dimensions or brand
 - Date of last service
 - Condition
 - Suggested maintenance timetable.
 - *Geographic Information System:* A functioning GIS provides automated mapping that can be used for problem identification, targeting and preventive maintenance scheduling and documentation. With GIS, field workers typically carry hand-held devices to identify coordinates for the target work.

DPW does not have a functioning GIS. Some assets, including hydrants and gate valves have been mapped but there is no functioning system or use of this data. In the absence of this tool, much time is expended on mapping issues. With GIS, workers could simply load coordinates for assigned work, avoiding the need to reference paper maps, return to the office for map information or phone in requests to the department's Secretary I. Mapping would also be more accurate with more precise coordinates replacing the sometimes dated and inaccurate paper maps currently in use.

In summary, DPW employs field technology at a very minimal level. The Director notes that there has been limited support in the past for expending the dollars necessary to systematically accomplish these upgrades – particularly GIS.

If this is true, there needs to be awareness at the Board level of the benefits to be derived from GIS and other workload-based applications. However, there also needs to be a more systematic and planned approach to automated upgrade within DPW. GIS, as an example, could have followed a slow and steady progression with modest advances toward ultimate development. Related to this, particular individuals could have been targeted for ongoing professional development. And liaison could have been established with

neighboring communities, such as Sterling Heights, that have functioning systems – possibly to explore shared resources. Similarly, preventive maintenance plans and related databases could have been developed in anticipation of system aging.

What is important for the future is that this type of planning commence immediately. The development of automated tools will facilitate this process and provide much needed management information at both the department and Board/policy levels.

B. The Administrative/Management Component of DPW

As seen in the previous Exhibit 2 (page II-2), DPW’s administrative/management component includes the following positions:

- Director
- Assistant Director
- DPW Supervisor
- General Foreman
- Water and Sewer Accountant.

Key findings regarding the administrative/management group include the following:

1. THE MANAGEMENT GROUP HAS LONG TENURE AND GOOD PROFESSIONAL CREDENTIALS. SUCCESSION PLANNING WILL BE INCREASINGLY IMPORTANT, INCLUDING THE DIRECTOR’S POSITION.

The DPW Director and Assistant Director have long tenure, and as such, have played key roles in the development of the utility system in Shelby Township. More broadly, the top four administrative/supervisory positions in DPW (i.e. Director, Assistant Director, DPW Supervisor and General Foreman) have more than 100 years combined experience with the department. In addition to the institutional knowledge possessed by these incumbents, three hold S-1 Water Distribution Certification – the highest level that can be obtained. The State of Michigan requires Shelby Township to have only one individual certified at S-1, consequently the diligence of these individuals in obtaining certification can be seen as a value-added outcome to the Township. The S-1 Certification requires comprehensive knowledge of water distribution system development and maintenance as well as ongoing professional development to retain S-1 status.

In conversations with management, it was noted that these individuals as well as others in key positions could be considering retirement in, or near, 2015. While this is not a given for any particular incumbent, it appears to be a distinct possibility based on ages and service longevity. If a mass exodus was to occur without sufficient succession planning, it could place the Township in a difficult position.

In regard to succession planning, there does not appear to be a well-conceived plan in place. The Director notes that he and the Assistant Director have identified likely candidates for organizational progression but this appears to be very informal.

In fairness, succession planning can be difficult to document and formalize as conditions and personnel are in constant flux. However, it can be accomplished through career planning and targeted professional development. For DPW this should include:

- Identification of the skills and professional training that will be needed – these may be more expansive than what is possessed by the current incumbents.
- Identification of top performing personnel with career ambitions.
- Development of career progression plans for the above individuals with professional development plans and related educational opportunities tied to skills that will be needed.
- Identification of optional approaches for filling staffing needs through outside recruitment.

In regard to the latter point, another factor that the Township may wish to consider is the benefit of having an individual with engineering background (education and/or experience) in either the Director or Assistant Director positions. While this would shift the career ladder to outside recruitment, it may provide cost-benefit to the Township by allowing for:

- In-house professional engineer oversight of contract engineers and related bidding, contract award and construction management.
- Potential reduction in engineering costs through in-house assumption of some less-complex design duties.
- Facilitation of GIS development, the development of automated maintenance management systems and improved methods of reporting – areas in which most professional engineers are generally comfortable.

As seen in Exhibit 5, it is fairly common for the larger Michigan townships to have an engineer on staff – sometimes in the director's position. A similar arrangement could be beneficial for Shelby Township and should be considered within the succession planning process discussed above.

Exhibit 5
Survey of Public Works Operations in Charter Townships
In-House Engineer Comparison

Municipality	Do You Have an In-house Engineer?	Used for Design?	Used for Site Plan Approval?	Actively Involved in GIS Development/Use?	Contract Engineering Oversight?
Shelby Charter Township	No	-	-	-	-
Bloomfield Charter Township	Yes	No	Yes	No	Yes
Canton Charter Township	Yes	Yes	Yes	Yes	Yes
Macomb Charter Township	No	-	-	-	-
Redford Charter Township	No	-	-	-	-
Saginaw Charter Township	No	-	-	-	-
Waterford Charter Township	Yes	No	Yes	Yes	Yes
West Bloomfield Charter Township	Yes	Yes	Yes	No	Yes

Source: survey of listed public works departments

2. MANAGEMENT STAFFING APPEARS TO BE EXCESSIVE IN RELATION TO WORKFORCE SIZE.

As discussed above, DPW has five positions that can be classified as management or supervisory. DPW has a total of 23 full-time employees (including all clericals). This equates to one supervisor for every 4.6 full-time positions – or one in every 5.7 positions if the Water and Sewer Accountant is not considered supervisory. (Note: DPW also has one temporary employee and four seasonals.)

This level of supervisory personnel appears to result from the division of responsibilities between the positions. Examples include the following:

- We were unable to distinguish between, and clearly quantify, the duties of the Director and Assistant Director. The Assistant Director appears to be doing many of the administrative and regulatory reporting and cost-benefit research tasks often performed by a Director.
- Budget development and rate analysis are largely performed by the Water and Sewer Accountant. These tasks are typically performed by directors and assistant directors with enterprise fund accounting located in the finance department.
- The DPW Supervisor’s position appears to be strictly administrative in directing the work activities of a fully competent General Foreman. Under another division of responsibilities, the DPW Supervisor’s position may not be necessary – operational planning duties would be performed by an assistant director with day-to-day workload scheduling fully assigned to the general foreman.

In summary, the management structure of DPW evolved with its own unique assignment of duties during a different, busier era. Going forward, it could potentially be structured

in a more cost-efficient manner, with one less position. Conceptually, it could be structured with duties as follows (or something similar):

- *Director*: Regulatory reporting, engineering and construction management, capital and operating budgets.
- *Assistant Director*: Operational management, development of management reporting systems and GIS, and development and administration of preventive maintenance and asset management programs.
- *Water and Sewer Accountant*: Could be located in either DPW or Finance, depending on the preference of the next Finance Director. Duties related to New World software transition currently make the position logistically valuable to DPW, a factor that should be considered if any changes are imminent. At present, there is no other individual that could assume this responsibility – another deficiency that could be addressed following retirements within the clerical/administrative group (discussed in the following subsection).
- *DPW Supervisor and General Foreman*: Under the above division of duties, the Maintenance Supervisor position could be eliminated with the General Foreman reporting directly to the Assistant Director.

Simply put, it is our opinion that one management position could be eliminated in the field operation. Essentially, the management task is to direct approximately 14-15 full-time equivalent field workers (working through two crew leaders) and oversee contracts for residential taps and more serious main/system repairs. The General Foreman position, as currently structured appears able to perform this task with the records management and oversight duties of the DPW Supervisor shifting to the Assistant Director.

The above structure and duties as described would require a major restructuring of all of the management/supervisory positions, including the infusion of new skills and possibly outside recruitment of a new Director and/or Assistant Director. In this sense it should be considered within the context of transition planning. With many key individuals likely to leave in 2015 or thereabouts, the Township may have a five-year window to conceptualize a new management structure. As noted above, it is our opinion that this structure could be staffed in a more streamlined and efficient manner.

C. Clerical/Administrative Operations

As seen in the previous Exhibit 2, (page II-2) DPW's clerical/administrative operations are staffed by seven employees. From an overview perspective, these employees provide administrative support for management and maintain all customer accounts, including new account set-up, bill preparation, receipting of incoming monies and various facets of customer service and accounts maintenance.

DPW recently converted from an AS-400 mainframe platform to a New World application that is also used by the Township for general ledger accounting. The DPW Accountant has played a key role in the New World conversion and continues to have responsibility for upgrades and general oversight of the system. Understandably, employees are still learning the nuances of the New World system and incrementally gaining operating efficiency from its use.

From a general perspective, clerical operations appear to run smoothly. Many employees are of high seniority and, in turn, appear experienced in, and committed to, the principles of customer service. However, with the slowdown in new development in the Township, duties have changed for some positions and workload is not as heavy. Key findings include the following:

1. DPW IS OVERSTAFFED WITH CLERICAL PERSONNEL. THIS IS LARGELY A RESULT OF THE ECONOMIC SLOWDOWN.

As discussed, DPW was expansion-oriented prior to the economic slowdown. With the loss of new development, most clerical positions have experienced some decrease in work volume. Additionally, the conversion to New World software has lessened the workload of at least one position in a fashion that can be documented. These factors can be illustrated by a brief discussion of each position. To avoid redundancy it should be noted that all incumbents have some level of phone and desk responsibility, working as a team to provide direct customer service.

- Assistant to the Director: This position provides clerical support to the Director, including typing and dictation. In this sense, the position resembles a traditional secretary position, albeit with other duties. Related to this, the position is also responsible for:
 - Department payroll preparation
 - Solid waste liaison to the public and contractor
 - Easement acquisition (workload has decreased)
 - Special assessment petitions (workload has decreased).

In regard to workload, the position appears busy and productive. However, at such time that the Township appoints a new Director; it is likely that the “secretarial” duties of the position will decline. Simply put, most administrators no longer require this level of secretarial support.

In the future, following the retirement of the incumbent, the position should be structured as a supervisory position over other clerical employees – similar to the arrangement in the Department of Parks, Recreation and Maintenance.

- Administrative Assistant to the Assistant Director: This position has responsibility for processing regulatory documents, accounts payable and receivable, cross connection program records management, tracking of complaints, maintenance and repair, cash drawer and deposits and other duties. The position appears busy and productive.

- *Account Processor III:* This position is responsible for maintenance of the billing system and bill preparation. The position appears busy and productive.
- *Account Processor II:* This position is responsible for all final reads, account closing and bill adjustments. The workload has likely increased due to foreclosures, abandonments, etc. The duties of the position are important and time-consuming, but there may also be some ability to absorb additional work. Management is best positioned to make this determination and determine additional assignments for the incumbent, if warranted.
- *Account Processor I (New Accounts):* This position is responsible for computing fees for new construction, building new accounts and following the accounts through construction and payment processing. The position also serves as back-up for payroll and final reads. Unfortunately, through no fault of the incumbent, workload has decreased significantly as a result of the slowdown in new construction. Positional duties, at present, in our opinion, do not support a full-time assignment. It is a position that should be eliminated through attrition at such time that a vacancy exists in another position – thus providing an opportunity for the reassignment of the incumbent.
- *Secretary I:* This position provides administrative support for the field operation, including typing, keeping maintenance logs, processing mailings for meter repair and other duties. The position also calls in MISS DIG requests and looks up mapping and physical location information for the field crews.

With the slowdown in new development, the workload of the position has also slowed. In response, the position has been assigned to assist the general office staff and perform front desk tasks for one-half the workday. Through no fault of the incumbent, workload is inadequate to warrant a full-time position. We have outlined an approach to restructure this position in the recommendations section (Section III) of the report. This restructuring will focus on adding meter reading responsibility to the position.

- *Account Processor I (Receipts):* This position processes payments received by mail and drop-off boxes as well as mobile home park payments – and handles payment exceptions that are not easily identified.

The position was likely busier in the past, but with the conversion to the New World software system, DPW has begun to use a barcode process for entry of receipted payments. As seen in the following Exhibit 6, this has reduced the amount of time required for payment processing significantly (Note: analysis and estimates provided by DPW).

DPW cites the conversion to the barcode system as a justification to retain in-house receipting as opposed to an outsourced “lock box” system in which a

financial institution would handle this duty. But it must also be noted that if the receipting duty remains in-house, the full-time Account Processor I does not have a full workload. This is the crux of the comparison contained in Exhibit 6 as indicated in the red highlighted areas.

Exhibit 6	
Shelby Charter Township Department of Public Works	
Impact of New World Bar Code System	
<u>Estimated Staff Required to Process Incoming Utility Payments Prior to New World Conversion</u>	
➤ Estimated hours per month to process utility payments	187
➤ Estimated annual staff hours required	2,244
➤ Full-time equivalent staff required to complete needed task*	1.38
<u>Estimated Staff Required to Process Incoming Utility Payments After Implementation of Bar Code System</u>	
➤ Estimated hours per month to process utility payments	56
➤ Estimated annual staff hours required	672
➤ Full-time equivalent staff required to complete needed task*	.41
*Assume 217 days actually worked per year per staff member due to holidays, vacation and assumed use of six sick days.	
Source: Analysis obtained from Department of Public Works	

Summarily, it would appear that two clerical positions of the current seven have workloads that do not support a full-time assignment, including the Account Processor I (New Accounts) and Secretary I. Ideally the former position will be eliminated through attrition and the latter position will be restructured to add responsibility for meter reading.

The above position descriptions are brief and all of the incumbents will likely make the point that they have other duties not listed. We are aware of, and have noted these duties. However, it is our opinion that some positions have workload capacity and could absorb the duties of the two positions listed above if those positions were eliminated through attrition and restructured.

As an example, the Account Processor I (New Accounts) is also responsible for on-line payments. This duty could be assumed by the Account Processor I (Receipts), who, as seen in Exhibit 6, has a lighter workload as a result of automation. The clerical duties of the Secretary I could be performed by other clericals on request (such as pulling a

location card for a work crew – or the crew could pull the card before leaving for a job). The clerical duties of the job could also be shifted to field supervisory personnel. Essentially, there are numerous ways to restructure and provide services with a lesser clerical staffing level.

DPW will likely make the case that all positions are essential. However, there can be little argument that the decrease in community growth has resulted in a loss of workload for some positions. In turn, staffing levels should be adjusted for circumstances.

2. WRITTEN PROCEDURES SHOULD BE DEVELOPED FOR ALL CLERIAL POSITIONS.

Written procedures provide a step-by-step description of the tasks required to complete a particular service or transactional process. Ideally, these are developed for all major duties performed by each position in an administrative or financial operation. The procedures can then be used for training a new hire or assuring that duties are performed properly by a replacement person in the event of absence.

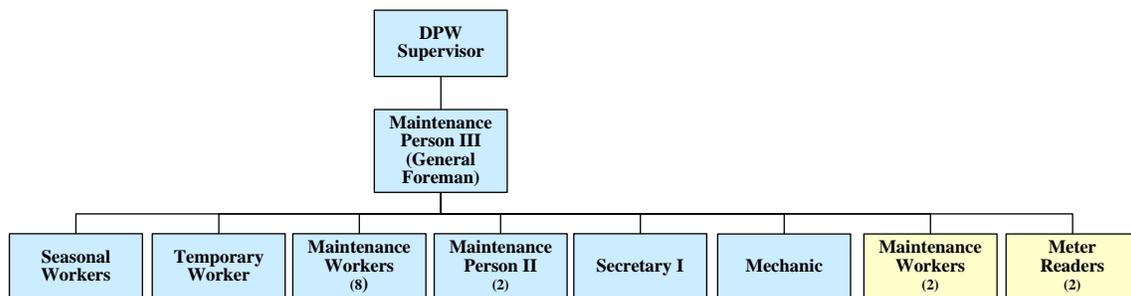
With the conversion to the New World system, many of DPW’s procedures have changed. Currently, there is a void in documentation that must be rectified. This effort should be coordinated by the Water and Sewer Accountant. It is a tedious task, but it should not be delayed. With a lesser workload for staff more generally, this is the ideal time to begin drafting the procedural documentation.

Secondly, back-up duties should be clearly defined – particularly if staffing levels are reduced. Some positions reportedly do not have assigned back-up at this time. All positions should have this assurance, supported by the written procedures noted above.

D. Field Operations

The maintenance/field operation of DPW is illustrated in the following Exhibit 7.

**Exhibit 7
Shelby Charter Township Department of Public Works
Current Organization of Field Operations**



Note: Four current vacant positions are indicated in yellow.

As seen in Exhibit 7, field operations are administered by the DPW Supervisor. Day-to-day work scheduling and field supervision is performed by the Maintenance Person III (General Foreman). In turn, two Maintenance Person II incumbents function as crew leaders. One crew leader is more involved in cross connection inspections and the other in safety programming and excavation. Both lead work crews that are assigned from work lists maintained by the two supervisors.

The scope of work includes emergency and routine repairs to the water system ranging from water mains to water meters. New installations comprised a significant portion of workload in the past, but this workload has now diminished. Preventive maintenance is now a primary focus as discussed in the following findings.

1. DPW CITES THE NEED FOR STAFFING INCREASES TO COMPLETE PREVENTIVE MAINTENANCE TASKS. HOWEVER, THERE IS NO DOCUMENTATION TO QUANTIFY THIS NEED AND OTHER OPTIONS SHOULD BE INVESTIGATED.

As previously discussed, the slowdown in new development has affected DPW workload. In regard to fieldwork, the DPW Director acknowledges this slowdown but feels that vacant positions should be filled and assigned to preventive maintenance. He notes that preventive maintenance to the water and sewer systems was deferred in prior years, due to the heavy workload associated with new development.

While hydrant maintenance has remained current (half is performed by the Fire Department), other areas have not, including:

- Gate valve exercise and replacement
- Sanitary sewer inspection and jetting
- Meter change-out and upgrade.

As seen in Exhibit 8, many of the surveyed utility operations are much more pro-active in addressing these needs.

Exhibit 8
Survey of Public Works Operations in Charter Townships
Preventative Maintenance Program Comparison

Municipality	Are There Consistent Preventative Maintenance Programs in Place for the Following?		
	System Flushing	Gate Valves	Hydrants and Stoop Boxes
Shelby Charter Township	No	No	Yes
Bloomfield Charter Township	No	No	Yes
Canton Charter Township	Yes	Yes	Yes
Macomb Charter Township	Yes	No	Yes
Meridian Charter Township	Yes	Yes	Yes
Redford Charter Township	No	No	No
Saginaw Charter Township	Yes	Yes	Yes
Waterford Charter Township	Yes	Yes	Yes
West Bloomfield Charter Township	Yes	Yes	Yes

Source: survey of listed public works departments

As also seen above, preventive maintenance is a concern for most utility systems. However, for Shelby Township DPW, it is not clear what resources are actually needed for preventive maintenance and how output will be tracked. The request is simply to fill the vacant positions.

Further, in regard to the preventive maintenance tasks listed above, there are some qualifiers that should be considered for DPW. Specifically:

- The exercise of gate valves could be problematic. Older valves that have not received prior attention may be rusted and/or inoperable. Exercise may simply cause ruptures or other system failures. In some cases it may be preferable to “leave well enough alone”.
- Sanitary sewers would ideally be inspected and cleaned yearly – or at minimum on a three-year schedule. Problem areas (identified through records) should be prioritized. This is a service that is performed by many subcontractors in a very competitive market. Simply “staffing up” to manage the workload may not be the most cost-effective option. However, to our knowledge, other options have not been considered and quantified.
- Meter change-out has apparently been accomplished as workload allows. 3,500 older model residential meters were replaced in the past but apparently many older-style meters remain in the system (Note: a meter inventory is not available). The current objective is to change-out the commercial meter inventory.

Again, other options are available for meter change-out. Some municipalities have temporary workforces to complete this task after a training program – a cost-

effective solution that can be accomplished at lower wage that does not add permanent employee costs.

More than anything, what is lacking, and needed, is a conceptual plan of what DPW is trying to accomplish with meters. This issue is further discussed later in the report.

Summarily, lacking documentation regarding the cost-benefit of adding positions for preventive maintenance, DPW is not well positioned to make a case to fill empty positions – particularly in a time of fiscal austerity. What is needed is analysis of available options, and an explanation of the scope and timing of what is to be accomplished. The Board and Supervisor would then have the information necessary to make informed decisions.

2. THE TOWNSHIP WOULD BE BEST SERVED BY HOLDING FULL-TIME STAFFING FOR FIELD OPERATIONS AT CURRENT LEVELS. PART-TIME AND SEASONAL WORKERS ARE AN OPTION TO STAFF-UP FOR PEAK WORK PERIODS OR PARTICULAR TASKS.

As discussed, it is not possible to determine what is being, or can be, accomplished with the current workforce. Without workload data, we cannot establish the level of output, or substantiate the DPW Director’s request for additional staff. However, we are aware of several factors that should be considered in the discussion of whether to fill four empty positions. Specifically:

- During the period of community growth, DPW reportedly (and understandably) had an average of two maintenance workers assigned to construction inspection on a regular and continuing basis. There is currently little need for this assignment, consequently two of the vacant positions should not be missed.
- The Mechanic has been assigned to crew work. It is not clear precisely how many hours the incumbent is assigned in the field but it appears to average at least one-half of the work week.

Summarily, it would appear that roughly 2.5 of the four vacant positions are accounted for as a result of circumstances or reassignment. As mentioned a temporary employee is also filling one Meter Reader position. In this situation, the Township’s best course of action is to maintain field staffing at current levels until workload data reporting is improved and any increases in staffing can be justified. To bridge the gap, DPW might consider more innovative methods for using available staff and staffing options. Specifically:

- DPW employs seasonal workers to paint fire hydrants. Other municipalities use seasonals much more broadly for laborer tasks. DPW could follow a similar course, as well as increase the number of seasonals used. This would provide “stepped-up” staffing during the busier warm-weather months for tasks such as

property restorations from previous work performed, minor equipment maintenance and facility clean-up and meter reading tasks.

- It may also be conceivable that DPW could hire part-time workers. The labor contract contains part-time language that has thus far not been used for DPW field employees. Ideally, it should be used (or modified for use) to hire part-time maintenance workers and meter readers. In regard to the latter, three employees currently read meters. The estimated full-time equivalent input is 2.16 employees per year. This task could be assigned partially or completely to a part-time work force. Ideally, the labor contract would also be modified to provide a lesser level of benefits to part-time employees (currently full benefits are provided) or allow for a shorter duration of employment than year-round.
- Lastly, existing employees could be used more creatively. Most notably, the Secretary I, a position with an inadequate workload (as previously discussed), could be reassigned to meter reading work to replace the temporary employee. While the union may initially resist, it would be preferable to the elimination of an incumbent employee. This issue is discussed in the recommendations section.

The use of seasonal or part-time employees is a growing practice in both the public and private sectors, particularly for operations that have seasonal workload fluctuations such as DPW. As seen in Exhibit 9, it is also common practice among a number of the public works departments surveyed for this study.

Exhibit 9
Survey of Public Works Operations in Charter Townships
Part-time Employee Comparison

Municipality	Number of Permanent Part-time Staff	Number of Seasonal Part-time Staff
Shelby Charter Township	0	4
Bloomfield Charter Township	8	14
Canton Charter Township	1	2
Macomb Charter Township	0	0
Meridian Charter Township	3	6
Redford Charter Township	0	4
Saginaw Charter Township	4	15
Waterford Charter Township	1	5
West Bloomfield Charter Township	0	0
AVERAGE OF OTHERS	2.1	5.8

Source: survey of listed public works departments

3. CERTIFICATION LEVELS ARE HIGH AMONG FIELD PERSONNEL, INDICATING A PROFESSIONAL WORKFORCE. A MINIMUM LEVEL COULD BE REQUIRED FOR ALL WORKERS.

As mentioned, three management employees currently hold S-1 state certification in water distribution – the highest level of certification. In total, DPW employees hold the following certifications.

- S-1: 3 employees
- S-2: 3 employees
- S-3: 3 employees
- S-4: 3 employees

By way of explanation, an S-4 certification provides basic knowledge of the fundamentals of water quality, safety and distribution methods. Each higher number of certification addresses more complex issues in these and other areas.

The number of advanced certifications achieved by DPW personnel is impressive and indicates a professional approach to the practices employed for water distribution. One additional upgrade that could be beneficial would be to require all utility workers to achieve S-4 certification, possibly within two years of hire. This would assure a uniform level of basic knowledge for all workers.

As seen in Exhibit 10, this is a practice among several of the surveyed utilities. However, it should also be noted that many utilities pay annual certification premiums, a benefit not currently provided by Shelby Township.

Exhibit 10
Survey of Public Works Operations in Charter Townships
Water Worker Certified as S-4 or Above Comparison

Municipality	Are Water Workers Required to be Certified as S-4 or Above?
Shelby Charter Township	No
Bloomfield Charter Township	Yes
Canton Charter Township	No
Macomb Charter Township	Yes
Meridian Charter Township	No
Redford Charter Township	No
Saginaw Charter Township	No
Waterford Charter Township	Yes
West Bloomfield Charter Township	Yes

Source: survey of listed public works departments

4. DPW HAS NO CAPITAL BUDGET AND EQUIPMENT IS AGED.

DPW utilizes a variety of light and heavy equipment to perform utility-related duties. In regard to rolling stock, DPW has a total of 25 automobiles, trucks, pick-ups and other specialized apparatus.

In an operation of this size, it would be typical to have a capital budget to guide equipment planning, depreciation and replacement. However, DPW does not maintain a capital budget.

In regard to equipment replacement, the Director notes that major equipment purchases are difficult to authorize and capital budgeting for replacement serves no purpose. Consequently, the Department operates with many older equipment pieces. Related to this, the average age of the 25 vehicles noted above is 10.8 years. In the current situation it is likely that some vehicles have reached obsolescence. The result could be increased repair and fuel costs as well as performance and safety issues for some vehicles.

Ideally, the Department would develop a rational replacement schedule similar to the Fire Department. A case could then be made for consistent vehicle replacement practices.

E. In-house/Outsource Analysis for Key Areas

As mentioned in the previous pages, there are a number of outsource options that are available to DPW. Three warrant special attention. They include:

- Bill printing
- Meter reading – radio read technology
- Cross-connection inspections.

Each is discussed separately below:

1. OUTSOURCING OF BILL PRINTING MAY PROVIDE COST-BENEFIT. BUT CONVERSION TO A NEW PRESSURE SEAL SYSTEM MAY PROVIDE THE BEST VALUE.

DPW has proposed an upgrade to the utility bill printing technology that has been estimated to reduce long-term costs. By way of explanation, DPW currently uses an “aqua seal” system for bill printing that would be replaced by a more efficient “pressure seal” system. The ten-year cost savings resulting from this conversion is estimated by DPW to be \$28,000. DPW also compared the cost of conversion to an option in which bill printing and mailing would be outsourced and concluded that the new in-house pressure seal system would still be lower in cost by \$10,000 over the ten-year period.

After review of DPW’s analysis, we concluded that it is basically sound, with one exception. The analysis did not allow for any increase in employee costs over the ten-year period. We then proceeded to revise the cost estimated with an assumed 5% annual increase in total wages and benefits. The results of the revised analysis are illustrated in Exhibit 11.

Exhibit 11
Shelby Charter Township Department of Public Works
Options for Bill Printing

<u>Option</u>	<u>5 Year Cost</u>	<u>10 Year Cost</u>
Current Aqua Seal System*	\$106,339	\$208,678
Proposed Pressure Seal System*	\$96,250	\$179,999
Outsourced Bill Printing	\$91,688	\$183,376

*Employee costs increased at 5% per annum – all other costs held constant, consistent with Department of Public Works analysis

Source: Initial analysis performed by Department of Public Works

As seen in Exhibit 11, the recommended pressure seal system appears to be a better value than outsourcing the service by approximately \$3,400. More impressively, the pressure seal system appears to be much more efficient than the other in-house option – the current aqua seal system (approximately \$28,700). In considering the above, it must be noted that this is a very rudimentary comparison of cost options. Moreover, ten-year cost comparisons are often less than reliable due to the number of cost factors that could impact the end result. However, if the Township is to retain this activity in-house, the changeover to a new system would appear, on the surface, to be a cost-beneficial alternative.

As seen in Exhibit 12, several of the townships surveyed for this study do outsource bill preparation and mailing. Most perform this activity in-house, either through the Public Works’ or Treasurer’s offices.

Exhibit 12
Survey of Public Works Operations in Charter Townships
Billing Payment Options Comparison

Municipality	3rd Party Lock Box Service for Payments	On-line Bill Payment Option	Automatic Bill Payment (ACH) Option	Print and Mail Bills
Shelby Charter Township	No	Yes	Yes	No
Bloomfield Charter Township	Yes	Yes	Yes	Yes
Canton Charter Township	Yes	Yes	No	No
Macomb Charter Township	No	No	No	No
Redford Charter Township	No	Yes	Yes	No
Saginaw Charter Township	No	No	Yes	No
Waterford Charter Township	Yes	Yes	Yes	Yes
West Bloomfield Charter Township	Yes	Yes	Yes	Yes

Source: survey of listed public works departments

As seen in Exhibit 12, some also use a lock box system for receipting incoming utility payments. This issue has been discussed in the preceding pages with the conclusion that DPW's current bar code system is more efficient, and thus justifies continuation of in-house processing of mailed and on-line payments. If for some reason this proves not to be the case, the lock box system option should be revisited.

**2. OUTSOURCING OF METER READING IS NOT A VIABLE OPTION.
CONVERSION TO A RADIO-READ SYSTEM MAY ALSO BE COST
PROHIBITIVE.**

At present, DPW uses a touch pad system of meter reading. With this system, the meter readers must visit every property – working in a quarterly read and bill system. In regard to meter reading, there are several options that municipalities employ. They include:

- Contracting with the electric utility to perform the reads. This option is used by only a limited number of communities due to cost as well as scheduling challenges. Consumers Energy, which services Shelby Township, does contract with some municipalities but has reportedly decided to cease offering contracts. Thus, a utility contract for meter reading may not a viable option for Shelby Township.
- A second option involves converting to a more sophisticated meter reading system. The most advanced of these systems accomplishes the task through radio read. Resultantly, much of the meter reading work force can be eliminated as well as office staff time associated with meter loading, data uploading and other tasks.

Unfortunately radio-read technology is extremely expensive, entailing a significant, initial cost investment. In a moderate-sized utility like Shelby Township, the number of years required to reach a break-even point is significant – as illustrated in the following Exhibit 13. Essentially Shelby Township may not see full return on this investment for a period of 16 years or longer.

Exhibit 13
Shelby Charter Township Department of Public Works
Overview Analysis of Remote Read Option

In-House Read – Cost Estimate: 16 Years

1. Employees required for monthly read	2.16
2. Initial annual cost to read meters	\$121,657
3. Cost to read meters – 16 years	<u>\$2,878,099</u>

Remote Meter – Cost Estimate

4. Initial cost estimate to convert to remote read	<u>\$2,874,870</u>
5. Amortized at 3% over 16 years – annual cost	\$228,871

Assumptions

1. Based on administration’s estimate of three people reading 12-14 days per month and assumed 217 day work year after off-time.
2. Assume \$56,323 in initial per position compensation and 5% annual increase in employee costs.

This is not to say that conversion could not proceed at an incremental rate – possibly beginning with commercial meters or a target area of the Township. Southfield, Sterling Heights and the Southeastern Oakland County Water Authority are all investigating the benefits of conversion and could be good reference sources. As seen in Exhibit 14, several of the surveyed utilities have also embraced radio-read technology.

Exhibit 14
Survey of Public Works Operations in Charter Townships
Comparison of Meter Reading Technology

Municipality	Hand-held Device/Individual Read	Remote/Drive by Device	Radio-Read
Shelby Township	95%	5%	-
Bloomfield Charter Township*	15%	85%	
Canton Charter Township	10%	-	90%
Macomb Charter Township	-	100%	-
Redford Charter Township	100%	-	-
Saginaw Charter Township	100%	-	-
Waterford Charter Township	50%	22%	28%
West Bloomfield Charter Township	-	100%	-

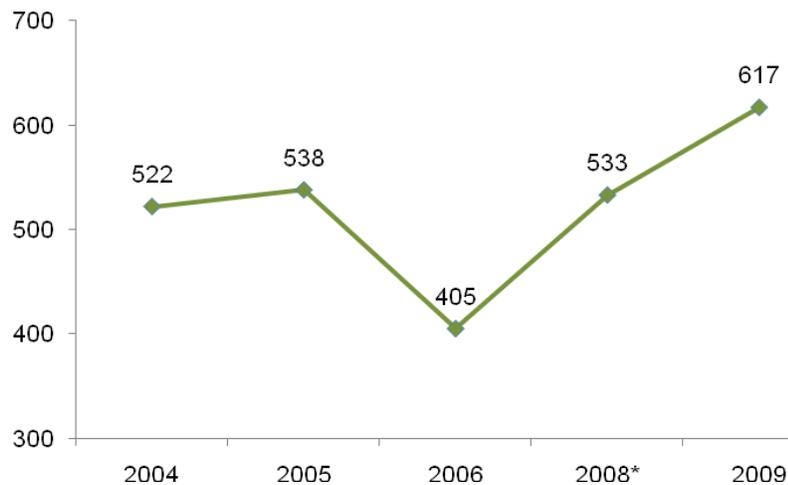
Source: survey of listed public works departments

3. CROSS CONNECTION INSPECTIONS COULD BE OUTSOURCED. HOWEVER, IN-HOUSE PROVISION MAY BE MORE COST-EFFECTIVE UNDER THE RIGHT CONDITIONS.

A cross connection is a real, or potential connection, between water system piping and a contamination source. Under certain conditions, a cross connection can allow tainted water to flow backward through piping and contaminate drinking water.

In regard to protection, Shelby Charter Township (and other water systems) provide cross connection inspections of commercial establishments. As seen in Exhibit 15, DPW performed over 600 inspections in 2009.

Exhibit 15
Shelby Charter Township Department of Public Works
Annual Cross Connection Inspections Performed



* 2007 total not available

Source: Shelby Charter Township Department of Public Works

Inspection work is primarily performed by one crew leader and assigned maintenance workers. A large number of 2010 inspections were reportedly performed from January – March; a time of relatively light workload for DPW. Records for the program are maintained by the Administrative Assistant to the Assistant Director.

We have inquired as to the contractual cost of outsourcing this service and received a bid of roughly \$50,000 per year from a leading service provider to inspect all 1,330 commercial and industrial customers initially and maintain all aspects of the program going forward.

At this cost level, in-house service is a good value – primarily because a large portion of the work can be performed during a slow workload period (i.e. winter). However, other factors also warrant consideration. Specifically, the quality of inspections is undoubtedly higher with the outsourced service since certified inspectors are used and the scope of

inspections, records management and compliance reporting is much more comprehensive. Moreover, no DPW employees are certified as Cross Connection Control Officers – a deficiency that could, and should be, remedied through workshop training. These programs are provided both in-state and nationally. (Note: Some DPW employees have apparently attended some in-state seminars – a positive step in this direction.)

In regard to the above, comparative cost is only one consideration. To better assess the situation, DPW could have the contract firm review additional information on current inspection activities and explain how their services may differ. This is an area of public health, and as such, warrants this type of analysis.

SECTION III

DEPARTMENT OF PUBLIC WORKS: RECOMMENDATIONS FOR IMPROVEMENT

SECTION III

DEPARTMENT OF PUBLIC WORKS: RECOMMENDATIONS FOR IMPROVEMENT

In this section of the report we present our recommendations for improvement. Consistent with our findings and conclusions, the recommendations focus on the following areas:

- Realizing staff reductions where appropriate
- Upgrading management information and decision criteria
- Providing cost-beneficial options to current methods of operation
- Specifying outsourcing options that the Township may wish to consider
- Improving preventive maintenance practices
- Improving the cost effectiveness of services more generally.

Specific recommendations include the following:

1. RECOMMENDATIONS REGARDING MANAGEMENT INFORMATION UPGRADES SHOULD BE PRIORITIZED BY THE DIRECTOR.

The conclusions and recommendations in this report often focus on the need to develop meaningful and reliable management information. Lacking solid information regarding “who is doing what” the Township is not able to accurately determine resource needs, the impact of staff reductions, or the cost-benefit of operational alternatives, such as outsourcing of services. Essentially, management information is required for effective decision making.

To accomplish the recommended improvements, it will be necessary for the Director to see this as an operational necessity that must be accomplished as quickly as possible. Toward this end, the Director should carefully review the contents of this report and prepare an implementation plan and timetable for the development of an activity-based reporting system, asset inventories, improvements to the work order system and other recommended system upgrades contained in the following pages. The accomplishment of these upgrades should form the basis for the Director’s annual performance review.

2. THE FOUR VACANT FIELD POSITIONS SHOULD BE ELIMINATED.

At present there are four vacant positions, including:

- Two Maintenance Worker positions
- Two Meter Reader positions.

As discussed in the findings, there are numerous reasons not to fill these positions, including a lessened workload and insufficient data regarding how the replacement workers would be used. For these reasons we are recommending that the four positions be eliminated. It should also be mentioned that one Meter Reader position is currently staffed by a temporary employee, who should be terminated when his assignment ends. Cost savings associated with permanent elimination of the four positions is estimated to be \$213,121 per annum (at entry level wages and benefits).

3. ONE CLERICAL POSITION SHOULD BE ELIMINATED THROUGH ATTRITION. A SECOND SHOULD BE RESTRUCTURED TO INCLUDE METER READING RESPONSIBILITY.

As discussed in the findings, the slowdown in workload experienced by DPW has affected most clerical positions. Most notably the following positions have seen a marked decrease in workload:

- Account Processor I (New Accounts)
- Secretary I (Field Operations).

In regard to the Account Processor I, we are suggesting that the position be eliminated through attrition. Related to this, the incumbent could be transferred to another open clerical position somewhere within the Township government or assume another DPW clerical position as an opening occurs. Simply put, it is our opinion that front-desk staffing in the DPW workforce should be reduced from the current level of six to five full-time employees. When the Account Processor I position is eliminated through attrition, the duties of the position should be absorbed by other clerical personnel – particularly the remaining Account Processor I and Account Processor II.

In regard to the Secretary I, it is recommended that the incumbent be shifted to meter reading duties, possibly with another title and a different scope of duties. The incumbent has a good working knowledge of the utility system and could assume primary responsibility for coordination of the meter reading program, perform reads and rereads, conduct cross connection inspections and perform other field duties – while possibly retaining the limited clerical duties associated with field operations. DPW should take the lead in defining the precise duties of the new position and presenting this outline to Human Resources for discussion with the union. The union should be reminded that the restructuring of the position is the Township’s attempt to retain a valuable employee whose current job assignment simply does not support a full-time position.

Summarily, we are recommending that both incumbents be reassigned to other positions within the Township government with current positions eliminated through attrition or modified through restructuring. Estimated cost savings would be \$55,814 per annum; the current wage and benefit cost of the Account Processor I position.

It should again be mentioned that DPW must approach this downsizing with the intent of accomplishing the outcome. There will undoubtedly be denial that it is not a workable

model. Related to this issue, at present there is no active supervision of the clerical group. This is a shortcoming that tends to foster excessive staffing in any organization.

As mentioned, an anticipated wave of retirements in DPW will provide an opportunity to identify and fill operating needs in a cost effective manner. Chief among these should be an Administrative Assistant position that actually exerts supervisory control over office staff (similar to the arrangement in the Department of Parks, Recreation and Maintenance). The recruitment of the appropriate individual should be an important step in redefining the clerical operation into a more streamlined and accountable unit.

4. A NEW ACTIVITY-BASED REPORTING SYSTEM SHOULD BE DESIGNED AND IMPLEMENTED.

As discussed, an activity-based reporting system would provide valuable feedback regarding the use and deployment of DPW staff and resources. Lacking this information, there is no basis for determining the costs associated with, or output of DPW – individually or collectively.

We have outlined a system for activity-based reporting in Appendix A of this report. Essentially, it would involve implementing a time reporting system with locational and service codes. Immediate implementation of this system is highly recommended. Key actions should include:

- The code system should be further refined cooperatively by the Director, Assistant Director and DPW Supervisor.
- All field workers, including supervisory personnel, should fill out a daily slip indicating where, and what work was performed (see Appendix A form).
- Clerical staff or the DPW Supervisor should enter all submitted information into an Excel or Access database on a daily basis.
- The Director should then determine the format and content of management reports to be generated.

This is a very rudimentary system intended to “get the ball rolling”. Custom software programs (such as Cititech) are readily available and could be considered later as DPW becomes comfortable with activity-based reporting. For the present, the system outlined in Appendix A will upgrade management information significantly, including summary information regarding:

- Number of hours spent on various tasks
- Data regarding the assignment of each individual employee
- A clear indication of how resources were expended in different geographic areas

- Hours (and cost) consumed by different work functions – data that can be used to compare the relative cost and value of outsourcing as well as areas in need of additional resources.

5. OTHER DATA MANAGEMENT SYSTEMS SHOULD ALSO BE UPGRADED, INCLUDING AN AUTOMATED WORK ORDER SYSTEM, ASSET INVENTORIES AND GIS.

As mentioned, DPW is currently conveying service/work requests via Microsoft Outlook – there is no automated work order software. Software of this type would allow a complete accounting of all service requests, including current status. This would be a valuable tool for both internal coordination and customer service. Related to this, software options should be investigated and reported to the Board with a recommendation for upgrade.

In regard to asset inventories, some of this information is currently documented by the DPW Supervisor. This data should be expanded to include all asset classes in a format similar to the following:

- Type of asset
- Location
- Dimensions or brand
- Date of last service
- Suggested maintenance timetable.

Lastly, the Township should begin to actively develop a working GIS system. As a first step in this process, the Township should retain a GIS consulting firm to audit and report on current conditions. This study should focus on:

- Evaluation of current conditions
- Documentation of what has been accomplished to date
- Detailed summation of what needs to be done from this point forward.

A fee of \$7,500 is likely for this service, based on the fee level paid by the City of Sterling Heights for a similar study several years ago. The firm used in that case was GISI.

6. A SUCCESSION PLAN SHOULD BE DEVELOPED AND ONE MANAGEMENT POSITION SHOULD BE ELIMINATED IN THE FUTURE.

As discussed, DPW may see numerous retirements in and around 2015, including a number of incumbents in key positions. Our analysis has concluded that DPW, properly organized, should be able to function adequately with one fewer management position. The pending changeover in personnel would be the ideal time to plan for this staff reduction.

To prepare for the transition, DPW needs to begin a process of succession planning similar to the approach outlined in the findings. To get the process moving, DPW may need professional assistance.

The logical starting point for outside assistance is the Human Resources Department. Decisions can then be made regarding the level of in-house support that can be provided or if consulting assistance is needed.

Regarding outcomes we would recommend that the following be explicit objectives to guide the succession plan.

- Profiling the skills and attributes desired in the next Director and Assistant Director, including:
 - Technical background and GIS experience
 - Engineering degree or background
 - The structure for a search process.
- As discussed in the findings, identifying career paths for current employees with demonstrated talent and initiative.
- Modifying the Administrative Assistant's job duties to include responsibilities for supervising clerical staff.
- Structuring the above into a working model, with the understanding that DPW will function with one less management position.

Regarding the last point, DPW should be administratively structured to function without the DPW Supervisor position. A vacancy in any of the four management positions should initiate the elimination of this position. As discussed, there are, in our opinion, too many layers of supervision in DPW. Three management/supervisory personnel should be sufficient for a workforce of this size if duties are properly distributed among the three. Cost savings would be \$94,350 per annum from the future elimination of the DPW Supervisor position.

7. THE DIRECTOR SHOULD DEVELOP AN OVERALL PLAN AND STRATEGY FOR PREVENTIVE MAINTENANCE.

As discussed, there are issues and options pertaining to preventive maintenance. Related to this, the Director should document a plan for accomplishing preventive maintenance, including:

- A description of each area of maintenance activity, including current conditions, pitfalls and estimated resources needed to accomplish a defined maintenance frequency.

- Identification of areas that could be outsourced, including solicitation of bids and related in-house/outsource analysis.
- A conceptual plan for meter changeover as well as meter reading technology upgrade (as warranted).

A plan of this type would focus issues into a workable plan. Policymakers would then have information for decision-making regarding resource allocation for this important activity.

8. A CAPITAL BUDGET FOR EQUIPMENT SHOULD ALSO BE DEVELOPED.

Similar to the above, a capital budget for rolling stock and major equipment pieces should be developed. The Director should work with the Finance Department to determine budget parameters and coordination with other capital budget processes. The plan should be updated annually and referenced in the annual budgetary request.

9. THE BOARD SHOULD AUTHORIZE THE PURCHASE OF MATERIALS NECESSARY FOR CONVERSION TO A NEW BILL PRINTING TECHNOLOGY.

With an estimated ten-year savings of \$28,700, the pressure seal bill printing technology recommended by DPW appears to be a cost-beneficial change. For this reason it is recommended that the Board authorize the needed expenditures.

10. ADDITIONAL CROSS CONNECTION TRAINING SHOULD BE OBTAINED IF THIS ACTIVITY IS TO BE PERFORMED IN-HOUSE. ADDITIONAL INFORMATION ON THE OUTSOURCE SERVICE OPTION SHOULD ALSO BE SOLICITED.

As discussed, it would be beneficial to have at least one employee certified as a Cross Connection Control Officer if the service is to be provided in-house. There are a number of organizations that provide this training – with in-state options undoubtedly less costly.

DPW should also solicit information regarding the outsourcing of this important service. Most notably, how service scope and quality may differ with outsourced service. A leading service provider in this field is Hydro Designs. They have indicated a willingness to perform the preliminary work necessary to provide this information.

11. DPW SHOULD CONSIDER THE HIRE OF PART-TIME WORKERS AND GREATER NUMBERS OF SEASONALS.

With a greater workload in summer, year-round staffing should be minimized in DPW. One method of accomplishing this would be to increase the number of seasonal workers and expand duties beyond hydrant painting.

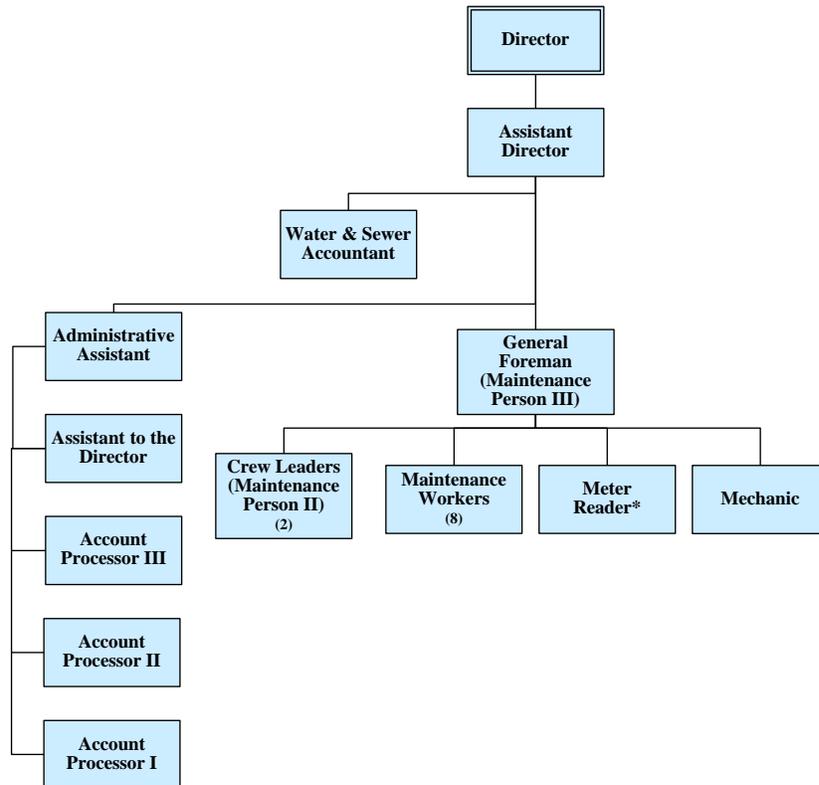
Similarly, the labor agreement allows the hire of part-time workers. These workers could be used year-round for duties such as meter reading; this would be a more attractive option if a reduction in benefit coverage for part-time workers could be negotiated. As mentioned, a temporary workforce may also be a viable solution for mass meter changeover.

Rather than simply request full-time workers, DPW may be better served by changing the composition of its labor force to one that is more flexible and cost-effective. This is the trend in most organizations and could be an effective cost containment strategy.

* * * * *

Our recommended future organization for the Department of Public Works is summarized in the following Exhibit 16. It incorporates organizational/positional changes that are recommended for immediate implementation as well as longer-range recommendations for eliminating several positions through attrition.

Exhibit 16
Shelby Charter Township Department of Public Works
Recommended Organization



*Current Secretary I could potentially assume this position rather than eliminating the Secretary I position.

SECTION IV

DEPARTMENT OF PARKS, RECREATION AND MAINTENANCE: FINDINGS AND CONCLUSIONS

SECTION IV

DEPARTMENT OF PARKS, RECREATION AND MAINTENANCE: FINDINGS AND CONCLUSIONS

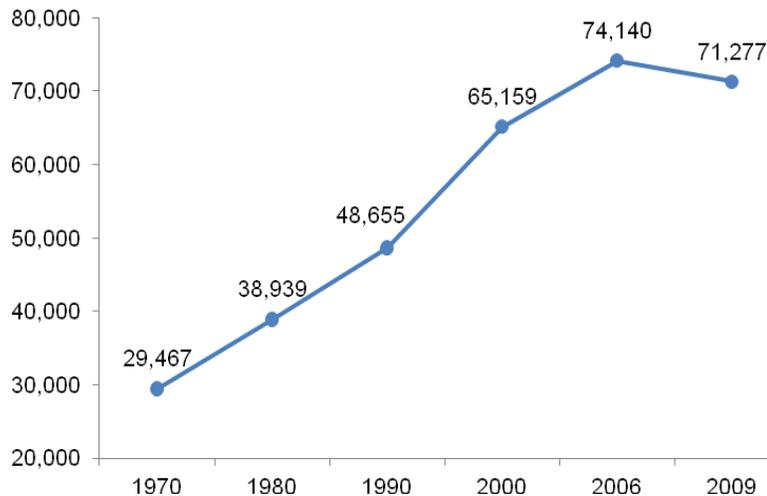
In this section of the report, we summarize the findings and conclusions resulting from our review of Shelby Township's Department of Parks, Recreation and Maintenance (PRM). To facilitate review this information is organized in a number of subsections as follows:

- A. Overview of PRM operations*
- B. The administrative/management component of PRM*
- C. Recreation programming and office operations*
- D. Maintenance operations*
- E. Senior services.*

A. Overview of PRM Operations

As seen in the following Exhibit 17, Shelby Charter Township has experienced significant population growth over the prior four decades.

Exhibit 17
Shelby Charter Township
Historic Population



Source: U.S. Census Bureau and Sperling's Best Places

As the community has grown, civic leaders have had the foresight to secure and develop parkland and leisure amenities. Related to this, the Township now contains the following:

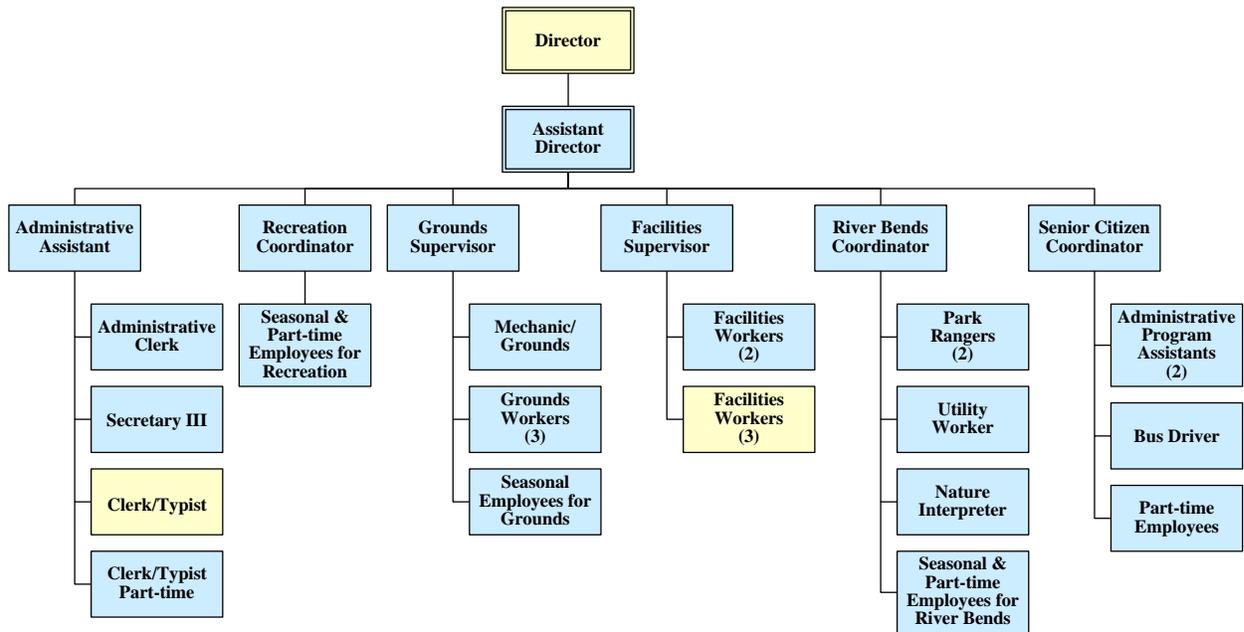
- Twelve parks ranging in acreage from 14 to 960 acres, including the River Bends Park – a natural area rich in history and tradition.

- A trail system and nature center with extensive programming and community participation.
- 56 sports fields for soccer, baseball and softball.
- A wide scope of enrichment and sports programming related to the above and other areas of interest.

Essentially, the Township has successfully integrated parks and recreation into the social fabric of the community – an outcome that enhances quality of life and the desirability of Shelby Township as a place to live and visit.

In regard to parks and recreation services, the Township has elected to consolidate the various programming and maintenance activities into one department that also has responsibility for upkeep of the Township’s buildings. To accomplish this workload, the Department of Parks, Recreation and Maintenance utilizes the following organization and staffing.

Exhibit 18
Shelby Charter Township Department of Parks, Recreation and Maintenance
Current Organization



Note: Vacant positions indicated in yellow.

As seen above, PRM currently has five vacant positions (highlighted in yellow), including the Director. In light of the fiscal challenges facing the Township, these vacant positions, and staffing more generally, will receive particular attention in this report.

In regard to an overview of PRM operations, key findings include the following:

1. **FOLLOWING THE RETIREMENT OF THE DIRECTOR, PRM MUST TRANSITION TO A NEW MANAGEMENT TEAM.**

PRM recently lost its Director through retirement. This individual had been a fixture in parks and recreation for Shelby Township for many years and had enjoyed many successes in developing the parks system and events, activities and programs. Based on our limited experience with the former Director, we concluded that he was both an effective manager and strong advocate for the department. In this sense, his retirement will undoubtedly create a void.

Fortunately, the Director had anticipated his retirement and given some forethought to succession planning. Younger senior-level administrative personnel, including the Assistant Director and Administrative Assistant, appear to have been properly mentored and given opportunities for career growth. As a result, the department appears to have been left in capable hands.

No two management approaches are identical, and with the retirement of the Director, new management approaches will undoubtedly be tested and refined. The challenge facing the management team will be to fashion an approach that recognizes current fiscal limitations and provides the best value with limited and/or declining resources. Related to this, a major objective of this report is to articulate the organizational design that will facilitate the accomplishment of this objective.

2. **SIMILAR TO DPW, THE EVALUATION OF PRM IS LIMITED BY A LACK OF ACTIVITY DATA. TECHNOLOGY UPGRADE AND IMPROVED REPORTING SYSTEMS SHOULD BE MAJOR OBJECTIVES OF THE NEW MANAGEMENT TEAM.**

PRM operates like a private business offering many fee-based services. In this sense it is essential that program registrations, facility reservations and event schedules be maintained in an accurate and accessible fashion. Related to this, PRM acquired RecTrac software in the recent past to maintain these databases.

The conversion to this software program has been successful. Customers can now register on-line and RecTrac features have been implemented for all major scheduling activities. As seen in the following Exhibit 19, a comparison of RecTrac use among large parks and recreation departments, PRM is using RecTrac's three major modules more extensively than most surveyed users.

Exhibit 19
Survey of Parks and Recreation Operations
RecTrac Software Comparison

Municipality	Do You Use RecTrac Software?	If Yes, Which Modules Do You Use?			Do You Also Have MainTrac or Another Automated Program for Work Order and Workload Tracking?
		Activity Registrations	Facility Reservations	League Scheduling	
Shelby Charter Township	Yes	Yes	Yes	Yes	Yes - but not using
Canton Charter Township	No	-	-	-	Yes
City of Novi	No	-	-	-	No
City of Sterling Heights	No	Yes	Yes	No	No
City of Troy	Yes	Yes	Yes	No	No
Clinton Charter Township	Yes	Yes	Yes	No	No
Macomb Charter Township	Yes	Yes	Yes	No	Yes
Waterford Charter Township	Yes	Yes	Yes	No	No
West Bloomfield Township	Yes	Yes	Yes	Yes	No

Source: survey of listed parks and recreation departments

In essence, PRM has adapted to the RecTrac program rather seamlessly. Moreover, the new management team is relatively computer-literate. This bodes well for the future since much remains to be done to upgrade management information systems. More specifically, the following areas require attention:

- Work Order Processing: Similar to DPW, PRM uses Microsoft Outlook to convey and track service requests from the office to the field. The Administrative Assistant maintains records related to work orders, but only those to be billed to another operating fund. Further, PRM has a “five minute rule” for building repairs. If a repair can be accomplished in five minutes or less, there is no work order recorded.

Ideally, all work would be documented on work orders, using a specialized database software program. In this situation, management would have an accurate and complete record of what has been accomplished and what work is outstanding. Work order status could be readily accessed at any point-in-time, including information pertaining to:

- Date and nature of request
- Status of request
- Backlog of outstanding work orders
- Work to be billed to other funds and running account data
- Useful service notes.

A similar software package has been recommended for DPW. Ideally, one package could be purchased for use by both departments.

- *Work Activity Reporting:* Prior to fall 2009, PRM had virtually no documentation regarding work assignments, work output or outstanding workload. At that time, a consultant performing a cost allocation study suggested and designed a daily time/activity reporting form. PRM adopted the suggested system for a period of months but has now ceased to use it. Similarly, the Department purchased an activity-reporting software program (i.e. MainTrac) but has decided that the program is not amenable to PRM's operations.

In labor-intensive operations like parks and building maintenance, meaningful activity data is a critical element for management decision-making. As previously discussed, this should include:

- Percentage of man-hours devoted to specific activities
- Information regarding individual worker assignments and usage
- Data that would allow for the comparison of in-house service cost as opposed to outsourcing cost
- Resources expended for particular activities or geographic areas.

Currently none of this information is available. Lacking data of this type it is impossible to determine ideal staffing levels or the relative cost-benefit of shifting resources or introducing new operating methods.

Summarily, the current status of activity reporting is not adequate to support informed decision making at either the department or Board level. For this reason, we strongly suggest that implementation of data collection methods be prioritized. This issue is further discussed in the recommendations section of the report.

B. The Administrative/Management Component of PRM

The administrative/management component of PRM is illustrated in Exhibit 18 (page IV-2). In summary, it includes the following positions:

- Director (currently vacant)
- Assistant Director: current interim Director
- Administrative Assistant: serves as office manager
- Grounds Supervisor: oversees parks maintenance
- Facility Supervisor: oversees building maintenance
- River Bends Coordinator: oversees River Bends staff and the Nature Center
- Senior Citizen Coordinator: oversees Senior Center operations (discussed in a separate subsection).

As with DPW, the ratio of supervisors to full-time workers is high. However, there are several qualifiers to consider. Specifically:

- PRM has a significant number of part-time and seasonal employees that must be coordinated and supervised.
- There are more specialty areas requiring particular focus or expertise.

Despite the above, it is our opinion that supervisory responsibilities could be consolidated into one fewer position. This and other management issues are discussed in the following findings.

1. THE ASSISTANT DIRECTOR APPEARS QUALIFIED TO ASSUME THE DIRECTOR POSITION. A WINDOW ALSO EXISTS TO RESTRUCTURE AND ELIMINATE A MANAGEMENT-LEVEL POSITION.

The Assistant Director, a recreation professional, has been with PRM for more than fifteen years. On several occasions in the past he has assumed overall responsibility for the department in the extended absence of the Director. With the retirement of the Director, the Assistant Director has been functioning as interim Director.

As Assistant Director, the incumbent has been responsible for administration of recreation programming, staff management, budget development, information technology upgrade, committee work and other duties that have prepared him for assumption of the Director's position. Having observed, and worked with the Assistant Director during this study, we concur that the incumbent would be a good choice to assume the Director's position.

Should this occur, the department would have a vacancy in the Assistant Director position. Rather than simply filling this position, PRM could consider alternative methods for performing associated duties and, in the process eliminate a management-level position.

One viable option could involve the Administrative Assistant. As noted, this position functions as office manager and supervises clerical staff. In this capacity, the position is responsible for directing or performing registrations, publications, facilities rentals, payroll, budget oversight, accounts payable and receivable, data management and development and maintenance of records systems. Importantly, the position also serves as "point person" for the entire operation – coordinating and directing activities and communications.

Related to the above, some parks and recreation departments operate with a business manager in the number two position. Broadly speaking, this is an acknowledgement that the "business side" of operations should not be overlooked. Rather than being overly staffed with recreation professionals less focused on financial matters, these departments feature a high-level position with more business-orientation.

In regard to PRM, this model could work very well. As discussed above, the Administrative Assistant, an incumbent with a business degree, is currently focused on most business and administrative processes. Moreover, the position is the point person

for coordination of virtually all field and programming operations. In this sense, the incumbent could be an ideal second-in-command – maintaining most current duties while assuming a more managerial posture in the organizational hierarchy.

Related to this, PRM could replace the vacant Assistant Director position with a new Business Manager, and in the process, eliminate the Administrative Assistant position. More specifically, this would require the following actions:

- Upgrade the current Administrative Assistant position to Business Manager – possibly to grade 27-29, the same grade level, or slightly lower than the Assistant Director position.
- Structure the Business Manager position to include:
 - Continued responsibility for direct supervision of office staff as well as oversight of Senior Services and recreation programming
 - Continued responsibility for duties pertaining to records management and coordination (possibly with increased delegation of some duties)
 - Additional duty assignments to include budget development (with the Director), grant research and writing and development of cost-benefit analyses (all discussed below)
 - Assumption of second-in-command rank in the organization.

In the above scenario, the position of Administrative Assistant would no longer be required. Estimated annual cost savings would be \$80,556 per annum.

To accomplish this change, an additional necessity would be to re-assign some liaison duties currently performed by the Assistant Director. This issue is discussed in the following findings.

2. THE RIVER BENDS COORDINATOR’S DUTIES COULD BE RESTRUCTURED TO BETTER UTILIZE THE TALENTS OF THE INCUMBENT AND SUPPORT THE NEW DIRECTOR.

At present, the River Bends Coordinator oversees a staff comprised of three full-time maintenance workers, a full-time naturalist stationed at the Burgess-Shadbush Nature Center and numerous part-time, seasonal or volunteer staff engaged in River Bends maintenance or Nature Center activities.

In regard to the full-time maintenance workers, two are titled Park Rangers with responsibility for open/closing the park, facilities clean-up and repair and monitoring park activities. A third employee is classified as a Utility Worker. This employee performs semi-skilled custodial and maintenance tasks.

The assignment of maintenance staff under the River Bends Coordinator may not be the best allocation of these resources. Specifically:

- Grass cutting and many building maintenance tasks at River Bends are initiated and performed by crews under the supervision of the Grounds Supervisor and/or Facilities Supervisor. Both operations are in need of additional staffing. Related, it would appear that more control and efficiency could be gained by moving the two Park Rangers to the Facilities Group – to be used to assist in grass cutting, building maintenance and other tasks; while working in a more centralized and accountable system.
- River Bends does require seven-day input for open/close and custodial maintenance. Moreover, the Nature Center requires ongoing custodial and minor maintenance. In regard to the former, the River Bends Coordinator could continue to oversee seasonal staff engaged in these activities. In regard to the latter, the Utility Worker could remain at River Bends under the River Bends Coordinator's supervision.

Under this scenario, the River Bends Coordinator would retain responsibility for oversight of River Bends more generally, as well as the Nature Center. In regard to the center, the Coordinator is active in supporting and participating in programming as well as overall supervision of the facility – an area where the incumbent appears very comfortable.

Under our suggested reorganization, the Coordinator would retain these duties and assume other duties previously performed by the Assistant Director. Together with duties assumed by the new Business Manager (as discussed above) this would make the elimination of the Assistant Director position a feasible proposition. The duties that the Coordinator would absorb are relatively time-consuming for the Assistant Director and would dovetail nicely with the enthusiastic and gregarious nature of the incumbent. Most would deal with public relations or committee work, including (possibly) the following:

- Serve as contact person for parks issues (issues resolution, more serious complaints)
- Serve as project manager for large projects (such as trail system upgrade) – reviewing proposals and overseeing the project
- Function as liaison to the Eagle Scout and Boy Scout programs
- Assume responsibility for representing the Township for trails programs (county-wide and Macomb/Orchard), Mountain Bikers Association and other groups
- Continue participation in River Bends/Nature Center programs and management.

Essentially, this would be a redefinition of the current position. A title change would also be in order, possibly River Bends/Special Projects Coordinator or something similar.

3. GROUNDS AND FACILITIES MAINTENANCE OPERATIONS APPEAR TO BE WELL-ORGANIZED AND EFFECTIVELY MANAGED.

As previously discussed, PRM does not have data regarding work output. Lacking this information our conclusions regarding the effectiveness of service delivery are based on our observations and past experience with similar operations. Within this context, our findings and conclusions include the following:

- The grounds and facilities operations appear to be generally well managed. The scope of work is wide, encompassing mowing and landscaping, snow removal, vehicle repair, HVAC and other skilled trades work, building maintenance, room set-ups, special events and a host of other activities. The work crews sometimes work interchangeably and the supervisors appear to be committed to getting the most out of the work force. Both are high in seniority and succession planning is a concern. The interim Director recognizes this and has begun to address the issue through targeted professional training of subordinate personnel.
- The Facilities Supervisor holds a degree in climate control technology and a State of Michigan Mechanical License. As a result, he is equipped to perform many boiler maintenance tasks and repairs, other heating, cooling and plumbing installations, and other skilled work. The cost savings to the Township from having this in-house expertise are significant. Honeywell, as an example, charges a minimum of \$180 per hour for service calls and retail cost for parts for heating/cooling repairs and service. The Facilities Supervisor rarely needs this type of outside assistance.

In summary, grounds and facilities maintenance appears to be well supervised and generally cost-effective. However, the lack of workload data qualifies this conclusion. For example, the scope of mowing operations is very large, exceeding 200 acres. There may well be areas in this inventory that could be more effectively maintained by a contractor. However, without workload data it is impossible to isolate these areas and accurately compare costs. Similar examples can be seen throughout the scope of work activities.

4. GREATER FOCUS ON PROGRAM BUDGETING MAY BE BENEFICIAL, AS WELL AS A MORE FOCUSED APPROACH TO GRANT IDENTIFICATION.

In many communities, recreation expenditures are closely scrutinized to assure full cost recovery. The definition of “full” can vary from direct program costs to some level of administrative allocation. But in any event, revenues and costs are compared to determine where fee adjustments are required. PRM does not do this type of analysis. In this sense, fee levels and adjustments do not appear to be derived from a rigorous justification process.

In regard to current status, Exhibit 20 illustrates the results of a very rudimentary reconciliation of revenues and expenditures broken down by primary categories of expenditures. The numbers are taken from the FY 2009-10 Township budget.

Exhibit 20
Department of Parks, Recreation and Maintenance
Estimation of Revenues vs. Expenditures for Select Areas: FY 2009-10

Category	Revenue	Expenses	Net Revenue
Recreation Programs	\$338,597	\$241,848	\$96,749
Park Maintenance/Operations	\$12,600	\$2,799,276	(\$2,786,676)
Nature Center	\$109,440	\$117,454	(\$8,014)
Heritage Gardens	\$7,500	\$2,106	\$5,394
Hope Chapel	\$20,100	\$6,711	\$13,389
Senior Services	\$184,714	\$511,622	(\$326,908)
Capital Outlay		\$1,100	(\$1,100)
General Fund Contribution	\$3,007,166		\$3,007,166
Total Operating Budget	\$3,680,117	\$3,680,117	

Source: Shelby Charter Township FY 2009-10 budget

As seen in Exhibit 20, many primary areas of activity actually have positive net revenue if considered in a vacuum (i.e. no maintenance or general cost allocation). Others such as the Nature Center and Senior Services do not. This very simplistic budget analysis would indicate that fees in these two areas (at minimum) should be scrutinized – if greater cost recovery is an objective.

Whether it is or not, analysis of this type is the starting point to evaluating the cost-benefit of services and programming. Ideally, this type of analysis would be performed at a more in-depth level detailing specific program offerings. Moreover, the results of the Township’s cost allocation plan could be used to more accurately define the true cost of doing business as well as acceptable revenue/expenditure spreads. This would be a good exercise for the new Business Manager and Director as they work to define service priorities in an environment where hard choices may need to be made.

Similarly, the Business Manager could focus energy on a more consistent approach to grant writing. While State of Michigan grants are not as prevalent as in the past for operations, some opportunities still remain for land acquisitions and capital improvement. Also, many targeted grants are still available. As an example, Blue Cross/Blue Shield and CVS both have playground grants that are currently available.

As seen in Exhibit 21, some communities tend to fare better than others in the quest for grant money.

Exhibit 21
Survey of Parks and Recreation Operations
Approximate Value of Grants Received Comparison

Municipality	What is the Approximate Value of Grants Received for Parks and Recreation in the Last Three Years?
Shelby Charter Township	\$700,000
Canton Charter Township	Not reported
City of Novi	\$27,000
City of Sterling Heights	\$4,000
City of Troy	Not reported
Clinton Charter Township	\$4,500
Macomb Charter Township	\$0
Waterford Charter Township	\$100,000
West Bloomfield Township	\$2,845,353

Source: survey of listed parks and recreation departments

As shown in the exhibit, Shelby Charter Township has received a \$700,000 grant in the recent past for energy upgrades. Reportedly, the Administrative Assistant played a key role in securing this grant. Should this individual assume the Business Manager role, grant research and application should become a more routine process with a more concerted effort to identify and secure additional grant funding

C. Recreation Programming and Office Operations

Recreation programming is fairly extensive in Shelby Township and includes the following:

- Operation of little league, basketball, soccer, flag football and T-ball programs for children with nearly 3,000 participants in the 2009-10 fiscal year
- Various enrichment programming spanning a full gamut of adult interests
- Coordination of various markets and sales events, such as Mom 2 Mom sale and the Shelby Flea Market – as well as Hope Chapel rentals
- Extensive Nature Center and outdoor programming targeted to all age groups
- A host of special and one-time activities and events.

In regard to the above, both recreation and senior programs are shared with residents of the City of Utica. As seen in Exhibit 22, Shelby Charter Township is more progressive than most of the surveyed entities in having this type of shared-service arrangement.

Exhibit 22
Survey of Parks and Recreation Operations
Shared and Cooperative Services

Municipality	Do You Have Shared Services Agreements for Recreation or Maintenance Services with Any Other Communities?	If Yes, Please Explain
Shelby Charter Township	Yes	Senior services, recreational programming
Canton Charter Township	No	-
City of Novi	Yes	Senior services, recreational programming
City of Sterling Heights	Yes	Participate in cooperative recreation programs with other communities
City of Troy	No	-
Clinton Charter Township	No	-
Macomb Charter Township	No	-
Waterford Charter Township	No	-
West Bloomfield Township	No	-

Source: survey of listed parks and recreation departments

Key findings regarding recreation programming and office operations include the following:

1. RECREATION PROGRAMMING IS WELL CONCEIVED. ADDITIONAL COMMUNITY INPUT MAY BE HELPFUL TO FURTHER ESTABLISH PROGRAM PRIORITIES, UNMET NEEDS AND SATISFACTION LEVELS.

Development and administration of recreation programming is a shared responsibility for PRM. The interim Director has historically been heavily involved in program development. Ongoing administration is a shared duty beginning with the Recreation Coordinator and moving downward through the administrative ranks. Each administrative employee has some responsibility for direct programming as well as the clerical duties required to maintain both customer services and the transactional records required for department operations. The process appears to be well conceived – utilizing each employee in multiple tasks.

Similarly, the Nature Center has structured its operations to maximize program offerings and community involvement. Operating with significant levels of volunteer and part-time input, the Nature Center and associated programming also appears well conceived.

Viewed in its totality, the recreation programming aspect of PRM is obviously successful and a valuable aspect of the community’s quality-of-life. However, recreation services and preferences are fluid and ever-changing. In this sense, PRM must make every effort to be pro-active in identifying the community’s recreational preferences and translating these preferences into service offerings. Three approaches that might prove helpful include the following:

- Maintaining strong communication channels with the Parks and Recreation Committee as a means of articulating common theme and direction. Related to this, the interim Director cites the strengthening of this bond as a primary administrative objective going forward.
- Conducting a community survey to determine program preferences and satisfaction levels. This can be a valuable process that does not have to be costly. Many communities use education institutions to perform this task. The public administration programs at area colleges such as Oakland University or Wayne State University would be a logical starting point to explore cost options. Private consultants are also readily available. Private consultant costs might range from \$7,000-\$20,000 depending on the complexity of the survey instrument.
- Aligning program activities with the Downtown Development Authority (DDA). DDA apparently hosts some activities such as a movie night at the former Packard Testing Grounds. In many communities, DDA contracts with parks and recreation to stage events of this type. To the extent that DDA can generate donations to fund such events – a cooperative arrangement would be a logical approach that should be pursued.

2. OFFICE OPERATIONS APPEAR WELL MANAGED. A VACANT CLERK/TYPIST POSITION SHOULD BE ELIMINATED.

As mentioned, PRM's office operations are a critical component of recreation programming. Related to this, the office staff is responsible for virtually all program registrations, facility reservations, information requests and related records management systems. Further, each employee has some responsibility for actual program development and administration. In addition to the above, the three current office workers have specific responsibilities that can be generally summarized as follows:

- Secretary III: Responsible for graphics and publications. Also performs background checks for seasonal and part-time employees, baseball rosters and chapel and garden reservations and activities.
- Administrative Clerk: Responsible for accounts payable processing, payroll back-up, special events administration, little league registrations and liaison to Shelby Manor.
- Clerk/Typist (part-time): Responsible for reception, RecTrac balancing, assorted data entries and general support.

There is also a vacant Clerk/Typist position previously held by the Senior Citizen Coordinator. The primary (position-specific) duties of the position included little league registration and chapel and garden reservations and activities. As discussed above, these duties have been absorbed by others.

It is our conclusion that PRM can operation without this position. Specifically:

- The implementation of on-line registration has reduced walk-in and phone traffic considerably. The result is a lessened workload for the office staff more generally.
- The position has now been empty for some months. PRM has entered its busy season and appears to be managing existing workload.
- If PRM requires additional administrative input, there may be more cost-effective solutions. Many recreation departments employ seasonal interns from college programs. The interim Director has expressed an intention to investigate this cost saving alternative. The use of an intern would provide a resource for overload work and allow PRM to staff up for seasonal needs.

Lastly, of the three positions, the duties of the part-time Clerk/Typist appear to be the least defined. It is difficult to determine if workload capacity exists, however, the incumbent did have responsibility for the daily input of field worker activity data – a process that has been suspended. We will be making recommendations for a new activity-based reporting system. The clerical responsibility for daily workload input would logically fall to the part-time Clerk/Typist and/or an intern position.

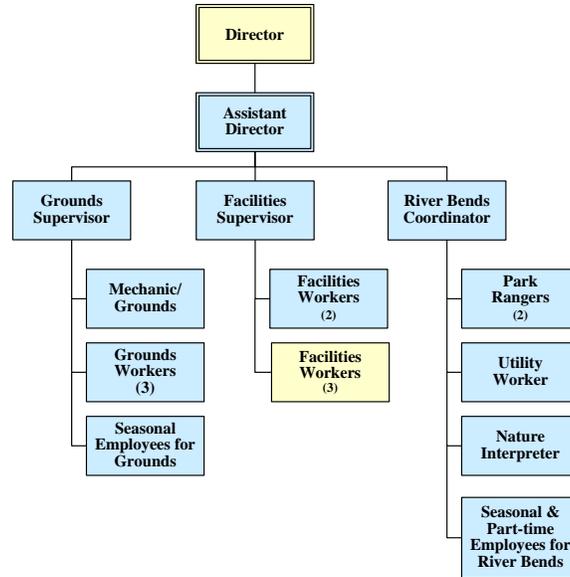
D. Maintenance Operations

As discussed, maintenance operations within PRM are divided between three groups and respective supervisors, including:

- Grounds
- Facilities
- River Bends.

The staffing and organization of these three work groups is illustrated in Exhibit 23.

Exhibit 23
Shelby Charter Township Department of Parks, Recreation and Maintenance
Current Organization of Field Operations



Note: Vacant positions indicated in yellow

As seen in Exhibit 23, three positions within the facilities group are currently vacant. These three positions, as well as other operational issues, are discussed in the following findings and conclusions.

1. THE THREE EMPTY MAINTENANCE WORKER POSITIONS SHOULD NOT BE FILLED. RATHER, ORGANIZATIONAL ALIGNMENT SHOULD BE CHANGED AND OTHER UPGRADES IMPLEMENTED.

As previously discussed in Subsection B, we have concluded that the River Bends group should undergo substantial change. More specifically:

- The duties of the River Bends Coordinator should be altered, to include additional responsibility for special projects, committee work and related administrative matters. This reassignment, along with the creation of a new Business Manager position, would position PRM to eliminate the Assistant Director position (replaced by the Business Manager) and the Administrative Assistant position.
- The two Rangers (i.e. maintenance workers) currently under the River Bends Coordinator should be reassigned to the Facilities Group. In their new capacity the two maintenance workers should perform building maintenance tasks or be assigned to landscaping duties as warranted by operational need. The results would be a more centralized and accountable maintenance operation.
- Tasks pertaining to River Bends would be performed by the larger, merged operation. The Utility Worker would remain at River Bends for custodial and

light maintenance duties. Seasonal employees would assume greater responsibility for open/close, pavilion and rest area maintenance and general clean-up.

Under this scenario two of the three vacant positions in the Facilities Group are replenished. In regard to the remaining empty position, there are other actions that could be taken to make-up for lost hours. Specifically:

- Currently, PRM employees go to each municipal building and unlock the doors each morning. They also check for burned out bulbs or other problems. The boiler motors are also checked on a daily basis. Regarding the doors, it would be more efficient if each building had a designated person working within that building to unlock the entrances each day. Department heads could rotate this duty or assign it to someone else. The time spent on door opening/closing is significant. A perusal of the daily time slips submitted for the week of October 31, 2009 (the example week of employee time reporting given to our project team) indicate that three PRM employees spent a total of 23 hours opening and closing buildings that week. This is over ½ a person for that sample week— a costly approach to open and close buildings that are occupied daily.

Burned out bulbs could be dealt with by a weekly inspection and supplemented by reports from the people whose offices are in the building. Having an employee walking through each building on a daily basis and changing one bulb at a time is simply extravagant. Similarly, there is no need to check the boiler motors on a daily basis. Weekly should be sufficient. There is an HVAC monitoring system at the Parks and Recreation Building which is examined daily and would indicate if there were problems.

- The Maintenance Worker assigned to the afternoon shift (i.e. 4pm-12:30am) appears lightly supervised, with a less than demanding workload, including deliveries, intermittent set-ups at the Senior Center, gate locking at River Bends and custodial and maintenance tasks as assigned.

In regard to deliveries, the employee reportedly is responsible to make deliveries for the Clerk's Office and run errands for the Police Department. It would seem that with police cars constantly moving throughout the Township, the Police Department could handle the above tasks and possibly occasional gate closings.

In regard to workload more generally, there should be definitive daily assignments given to the employee that are of a similar degree of difficulty to those performed by day-time workers. Again, this is a situation where workload reporting becomes important as a measurement tool.

Summarily, modification to current techniques could help to minimize the loss of one position. Considered in conjunction with the transfer of two current River Bends

employees, the Facilities Group should be able to function adequately without filling the three vacant positions.

2. SOME INTERNAL PROCEDURES RELATED TO SAFETY, CERTIFICATIONS AND PROCEDURES SHOULD BE UPGRADED.

In reviewing field operations we have also noted several areas in which current work procedures should ideally be upgraded. More specifically:

- Under OSHA'S Right-to-Know program, Material Safety Data Sheets (MSDS) must be kept on file for all chemical products used by the department. At present there does not appear to be one person in charge of updating the MSDS book kept in the office. An individual should be assigned this responsibility. Whenever a new product is purchased, the purchaser should provide the MSDS to the responsible party for distribution to necessary locations.

Related to the last point, one location for MSDS documentation is not sufficient. These records are required to be in all locations wherever chemicals are used. It is possible that a spill or injury accident could occur off-site or when the office is closed. The department needs to be prepared for this potentiality.

- There is no one routinely checking the fire extinguishers in the vehicles. This should be corrected. Not only is it necessary to assure that each vehicle has a properly charged, properly rated extinguisher but routine checks will discourage fire extinguishers from being misplaced or misappropriated. A simple mishap can turn into a serious event if an extinguisher is not readily available when needed. A record of these checks should be maintained as well.
- The employee currently functioning as the Mechanic is not State Certified as a Mechanic and in turn does not meet the criteria specified in the job description. Reportedly, all work requiring certification is performed by the Grounds Supervisor – a Certified Mechanic. In the larger scheme of things this is a waste of valuable supervisory time. If an individual is to function as Mechanic, he/she should be required to obtain certification.
- In a conclusion that concerns both DPW and PRM, the two departments clear snow and ice from roads for Macomb County when requested. However, there are no figures available for the miles of road being plowed. This should be documented to determine factually if the amount of service is increasing, decreasing or remaining constant. It was also noted that the Township charges only the cost of workers and equipment for this service. There should at least be a minimal service charge added to these costs to provide for clerical and other associated expenses.

- On the same subject of snow removal it was stated that when clearing Township lots PRM removes the snow and DPW follows behind and salts the lots. This is an obvious duplication of effort. PRM should explore the feasibility of purchasing a slide-in salt spreader for either a pick-up truck or one of the smaller dumps. This would allow PRM maintenance workers to spread the salt as they plow, eliminating the need for DPW to follow up. It would also provide better traction for plowing with the additional weight in the truck. These units are available with either a self contained (motorized) propulsion system, or a system which runs off the truck hydraulics. Either system is easily installed and removed when it is no longer required – provided the truck has the proper hydraulics.

3. PRM SHOULD EMPLOY MORE PART-TIME AND SEASONAL EMPLOYEES FOR MAINTENANCE WORK.

PRM workload is much greater in warm weather. To its credit, the department uses seasonal personnel effectively both at River Bends and for general landscaping and maintenance activities. This worker option is very cost effective – seasonal employees carry no legacy costs and can be sent home in cases of bad weather or light workload. Presuming a reliable labor pool, maximizing the use of seasonal workers can be very cost-beneficial. Maximizing the use of seasonal employees should be a department priority going forward.

Similarly, if the Department had some part-time employees among its maintenance crew, winter staffing could be further minimized. As discussed in the DPW section of this report, the labor contract does allow the hire of part-time employees for year-round employment. This is not a totally cost-effective option since the contract requires that part-time employees receive the full benefit package pro-rated. However, it would still be a cost-effective alternative to current conditions.

4. OUTSOURCING SOME FUNCTIONS OR ACTIVITIES COULD BE A FUTURE OPTION. HOWEVER, IMPROVED INFORMATION WILL BE REQUIRED TO EVALUATE RELATIVE COSTS.

At present, PRM does not have the management information necessary to compare in-house vs. potential contractor cost for most activities. As discussed earlier, the contracting of work would not necessarily have to entail a complete maintenance activity. In grass cutting for example, there may be certain areas where equipment and maintenance costs are excessive in comparison to costs that would be incurred through contract work. At present, there is no way to cost this distinction.

As seen in Exhibit 24, most of the surveyed parks and recreation departments, like PRM, perform the bulk of the workload with in-house resources.

Exhibit 24
Survey of Parks and Recreation Operations
In-House Tasks Comparison

What Percent of the Following Tasks Are Performed By In-House Employees?								
Municipality	Grass Cutting	Tree Removal	Tree Trimming	Vehicle Maintenance	HVAC Maintenance	Building Maintenance/ Repair	Custodial	Snow/ Sidewalk Plowing
Shelby Township	100%	5%	25%	95%	100%	95%	0%	100%
Canton Charter Township	80%	70%	90%	90%	75%	75%	95%	100%
City of Novi	All parks/building maintenance performed by DPW							
City of Sterling Heights	All parks/building maintenance performed by DPW or facilities division							
City of Troy	60%	100%	100%	DPS	0%	10%	10%	95%
Clinton Charter Township	100%	100%	100%	100%	100%	80%	100%	100%
Macomb Charter Township	0%	50%	0%	0%	20%	100%	0%	0%
Waterford Charter Township	100%	20%	80%	20%	0%	65%	100%	100%
West Bloomfield Township	50%	40%	90%	90%	50%	95%	100%	100%
AVERAGE OF OTHERS	65%	63%	77%	60%	41%	71%	68%	83%

Source: survey of listed parks and recreation departments

One exception to the above for Shelby Charter Township is custodial services. This work area is totally contracted and currently split between two companies. The larger contract, administered by PRM, covers all Township buildings with the exception of the Public Works facility. This facility is serviced by a separate company at a cost of roughly \$13,000 per year.

In evaluating outsource options the custodial contracts may be a good starting point. For example, one of the two companies may be able to service the entire Township at a reduced cost. It is an option that should be evaluated.

E. Senior Services

The Shelby Township Senior Center provides a full range of senior programming, including various games and tournaments, social events, exercise, luncheons and dinners, field trips and health checks. In 2009, 1,615 seniors were registered at the center.

The Senior Center also provides bus service – an on-demand transportation system operating between 8:30am-5:30pm, Monday-Friday. The buses and related maintenance are provided by Suburban Mobility Authority for Regional Transportation (SMART). The Township is

responsible for operating costs including the personnel required to drive and dispatch the vehicles. In 2009, the SMART buses transported 15,952 passengers.

As seen in the previous Exhibit 18 (page IV-2) Senior Services is staffed by a combination of full and part-time employees. Full-time office employees, including the Senior Citizen Coordinator and Administrative Program Assistant, are primarily involved in program development, administration and direct customer service. Other part-time staff perform a wide assortment of duties in support of ongoing activities, such as newsletter preparation, reception, party planning and facility set-up.

From an overall perspective Senior Services appears to be providing valuable services to a key, and sometimes vulnerable segment of the population. More specific conclusions regarding the operation include the following:

1. THE SENIOR CITIZEN COORDINATOR APPEARS WELL-SUITED TO THE POSITION. THE INCUMBENT'S EXPERIENCE IN RECREATION PROGRAMMING COULD BE A VALUE-ADDED FEATURE.

The Senior Citizen Coordinator only recently assumed the position. Prior to this, the incumbent held the position of Clerk/Typist in the office operation of PRM.

The Coordinator appears to be enthusiastically embracing her new position. In her former position in the Recreation Office, the incumbent worked with PRM's automated applications. This technical knowledge is now being applied to Senior Services, as evidenced by the implementation of an electronic newsletter as well as the use of the RecTrac software for senior programming registrations and reservations.

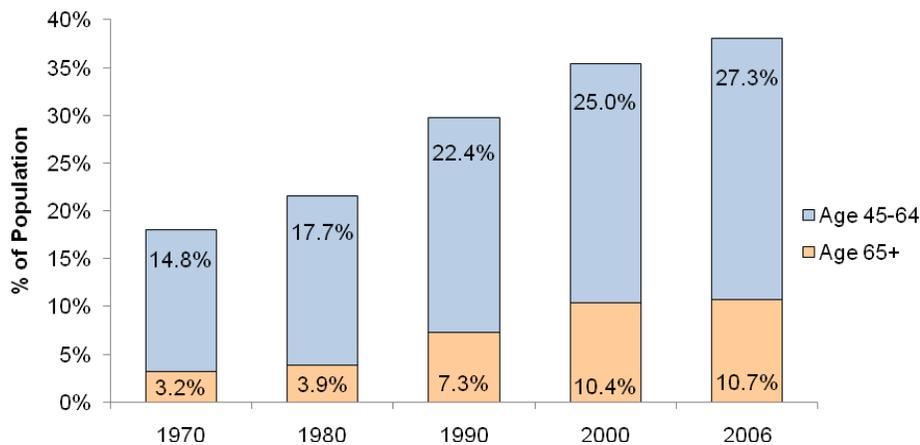
From a larger perspective, the incumbent's experience in recreation services could yield ongoing benefit. By way of explanation, Senior Services are often viewed as separate from recreation programming in parks and recreation operations. In this situation, a Senior Center can become isolated and separate from the larger organization. The result can be program redundancies between the two programs as well as a general lack of coordination and shared-resources.

With a solid orientation in parks and recreation administration, the new Senior Citizen Coordinator could help to bridge this gap. As an example, the Senior Center has space that could be used for recreational programs or facility rental. In regard to facility rental, the Senior Center dinner/event room seats more than one hundred and could be rented on weekends for receptions and parties. Additional programming could also be staged in the facility that would serve different (or combined) demographics. Summarily, it would be beneficial if the Senior Citizen Coordinator could champion a broader use of the building including a wider scope of program offerings. The latter issue is discussed in the following paragraphs.

2. A MORE EXPANSIVE DEFINITION OF “SENIOR” CITIZEN COULD BENEFIT THE COMMUNITY.

Senior Services in Shelby Township markets and designs its services for a more elderly population, following the traditional “senior center” model. However, as seen in Exhibit 25, the percentage of middle-aged adults has increased dramatically in Shelby Charter Township.

Exhibit 25
Shelby Charter Township
Historic Percentage of Population - 45 Years and Above



Source: U.S. Census Bureau

The percentage of middle-aged residents will likely continue to increase. In fact, as the baby boomers enter their senior years, a new definition of “senior” is emerging. This is particularly apparent in upscale communities like Shelby Township where exercise, nutrition patterns and mindset lend themselves to a more expansive view of senior status and activities. While it is still very important to maintain the “traditional” senior programs, Senior Services could better serve the community if it was to broaden its view of “seniors” to assure that the entire demographic group is afforded appropriate leisure services and activities.

This can best be accomplished by the ongoing integration of recreation and senior programming. Under an integrated program, needs assessments could be undertaken with programs designed to attract and satisfy the full spectrum of users. As importantly, service redundancies between recreation and senior programming could be eliminated and/or avoided.

As mentioned, the Senior Citizen Coordinator is well positioned to spearhead the effort to bridge this gap. Initial actions could include the following:

- As mentioned, community surveys to determine the recreational preferences of this emerging senior group.

- The introduction of some new service offerings at the Senior Center that signal a widening of program scope. As an example, health/wellness programming advertised for the entire adult population.

3. THE BUS SERVICE SHOULD BE FULLY STAFFED BY PART-TIME BUS DRIVERS.

PRM’S organization chart (Exhibit 18) indicates that there is one full-time bus driver. In actuality there are two – one full-time worker classified as Administrative Program Assistant is actually a second bus driver. Summarily, the senior bus service currently operates with two full-time bus drivers and six others that are part-time. There is also a part-time bus dispatcher, a position that was vacant at the time of our field visits.

Many entities with bus service, such as school districts, operate with all part-time bus drivers. As seen in Exhibit 26, a number of the parks and recreation departments surveyed for this study also employ a part-time model.

**Exhibit 26
Survey of Parks and Recreation Operations
Senior Bus Service Comparison**

Municipality	Do you Have Senior Bus Service?	How Many Seniors Were Transported in 2009	Bus Drivers: Full-time or Part-Time:	
			Number of Full-Time	Have Part-Time?
Shelby Charter Township	Yes	17,573	2	Yes
Canton Charter Township	Yes	17,209	Contracted	
City of Novi	Yes	11,000	0	Yes
City of Sterling Heights	Yes	25,000	1	Yes
Clinton Charter Township	Yes	Not reported	0	Yes
Macomb Charter Township	Yes	Not reported	0	Yes
West Bloomfield Township	Yes	Not reported	2	Yes
AVERAGE OF OTHERS	-	17,736	1	-

Source: Survey respondents that have senior bus service

In Shelby Township, the part-time bus-driver model should also be a future objective. As current employees separate from the Township, the full-time positions should not be refilled. The annual cost savings from this change can be summarized as follows:

- Current annual compensation for full-time two employees: \$107,926
- Cost to replace with part-time employees (same number of hours): \$54,324
- ESTIMATED ANNUAL COST SAVING: \$53,602

SECTION V

DEPARTMENT OF PARKS, RECREATION AND MAINTENANCE: RECOMMENDATIONS FOR IMPROVEMENT

SECTION V

DEPARTMENT OF PARKS, RECREATION AND MAINTENANCE: RECOMMENDATIONS FOR IMPROVEMENT

In this section of the report, we present our recommendations for improvement. Consistent with our findings and conclusions, the recommendations focus on the following areas:

- The development of a new management team
- Upgrading management information and decision criteria
- Realizing short and longer-term staff reductions where appropriate
- Providing cost-beneficial options to current methods of operation
- Planning for future recreation and senior programming
- Improving the cost-effectiveness of services more generally.

Specific recommendations include the following:

1. THE INTERIM DIRECTOR SHOULD BE PROMOTED TO DIRECTOR OF PARKS, RECREATION AND MAINTENANCE.

As discussed in the findings, the Assistant Director/interim Director appears well qualified to assume the position of Director. The incumbent has assumed the role of temporary/interim Director in the past and has successfully led the Department. The incumbent has been properly mentored by the former Director and possesses the skills to continue technological upgrades and maintain and expand a very successful parks and recreation operation. For these reasons, it is our recommendation that the Supervisor and Board support the promotion of the incumbent to the position of Director of Parks, Recreation and Maintenance.

2. THE ASSISTANT DIRECTOR AND ADMINISTRATIVE ASSISTANT POSITIONS SHOULD BE ELIMINATED. A NEW BUSINESS MANAGER POSITION SHOULD BE CREATED AND STAFFED BY THE CURRENT ADMINISTRATIVE ASSISTANT.

As discussed in the findings, it is our conclusion that top management in PRM can be restructured with one less position. This will require the following actions:

- Eliminate the Assistant Director position following the promotion of the incumbent to Director
- Create a new Business Manager position that will effectively be the “number two” position in the organizational hierarchy
- Promote the current Administrative Assistant to the new Business Manager position. The Director of Parks, Recreation and Maintenance, in consultation

with Human Resources, should recommend a grade for the position between grades 27-29 – similar to positions of comparable value

- The current Administrative Assistant position should be eliminated.

The above is recommended as a means of providing the most cost-effective approach to parks and recreation management. The new Business Manager will retain many of her current duties, delegate some and assume new duties related to financial management and grant writing. Other current duties of the defunct Assistant Director position will be transferred to the River Bends Coordinator – discussed in the following recommendation.

The cost savings associated with the above changes is estimated at \$80,556 per annum and can be immediately implemented.

3. THE RIVER BENDS COORDINATOR SHOULD ASSUME NEW DUTIES AND BE RE-TITLED RIVER BENDS/SPECIAL PROJECTS COORDINATOR.

Consistent with our findings and conclusions we are recommending a major restructuring of duties for the River Bends Coordinator. These include the following:

- The River Bends Coordinator should relinquish supervisory control over two Ranger positions. These positions should report to the Facilities Supervisor (further discussed in a following recommendation).
- The Coordinator should continue to oversee River Bends and the Nature Center and participate in related programming.
- The Coordinator should assume a number of duties now performed by the Assistant Director, including:
 - Contact person for park issues
 - Project manager and coordinator for larger projects, such as trail upgrade
 - Liaison to scout programs
 - Department representative to various committees.
- The River Bends Coordinator should be retitled River Bends/Special Projects Coordinator.

The changes recommended above should be implemented immediately.

4. RECOMMENDATIONS REGARDING MANAGEMENT INFORMATION UPGRADES SHOULD BE PRIORITIZED BY THE NEW DIRECTOR.

The conclusions and recommendations in this report often focus on the need to develop meaningful and reliable management information. Lacking solid information regarding “who is doing what” the Township is not able to accurately determine resource needs, the

impact of staff reductions, or the cost-benefit of operational alternatives, such as outsourcing of services. Essentially, management information is required for effective decision making.

To accomplish the recommended improvements, it will be necessary for the Director to see this as an operational necessity that must be accomplished as quickly as possible. Toward this end, the Director should carefully review the contents of this report and prepare an implementation plan and timetable for the development of an activity-based reporting system and improvements to the work order system. As outlined in the following recommendations, the accomplishment of these upgrades should be an important factor under consideration in the Director's annual performance review.

5. THREE VACANT MAINTENANCE WORKER POSITIONS SHOULD BE ELIMINATED. CONCURRENTLY ACTIONS SHOULD BE TAKEN TO MITIGATE THE LOSS OF THESE POSITIONS.

As discussed, there are currently three vacant maintenance positions in PRM. It is our recommendation that the positions be eliminated. Concurrently, maintenance operations should be reconfigured to address the staffing shortage in the Facilities Group that will result from the loss of these positions. Changes that are recommended include the following:

- Two Rangers currently stationed at River Bends should be transferred to the Facilities Group. These workers should be used for building maintenance or in the Grounds Group as dictated by need.
- Duties and workload should be increased for the maintenance worker assigned to the afternoon shift.
- The open/close and building check procedures should be modified so less time is consumed in these tasks. Options are outline in Section IV of the report.

The elimination of the three maintenance positions will result in a cost savings of \$166,016 per annum if estimated from the entry-level salary and benefits for a PRM Maintenance Person I. The changes noted above can be implemented immediately.

6. A VACANT CLERK/TYPIST POSITION SHOULD BE ELIMINATED. AN INTERN SHOULD BE CONSIDERED FOR FUTURE OVERFLOW WORK.

As discussed, there is currently a vacant Clerk/Typist position resulting from the promotion of the past incumbent to Senior Citizen Coordinator. Duties specific to the position, including little league, chapel and garden appear to have been successfully absorbed by other clerical employees. For this reason, we are recommending that the vacant position be eliminated. If estimated from the entry-level salary and benefits for a Clerk/Typist, annual cost savings can be estimated at \$43,770.

In regard to the above, it is also our recommendation that an intern program be implemented. The Director should be charged with responsibility for determining what options might be available for the future and working out the details for initiating an intern program.

7. A NEW ACTIVITY-BASED REPORTING SYSTEM SHOULD BE DESIGNED AND IMPLEMENTED.

As discussed, an activity-based reporting system would provide valuable feedback regarding the use and deployment of PRM staff and resources. Lacking this information, there is no basis for determining the costs associated with, or output of PRM – individually or collectively.

Similar to a DPW recommendation in this report, we have outlined a system for activity-based reporting for PRM in Appendix B of this report. Essentially, it would involve implementing a time reporting system with locational and service codes. Immediate implementation of this system is highly recommended. Key actions should include:

- The code system should be further refined cooperatively by the Director, Business Manager and three field supervisors.
- All field workers, including supervisory personnel, should fill out a daily slip indicating where, and what work was performed (see Appendix B form).
- The part-time Clerk/Typist should enter all submitted information into an Excel or Access database on a daily basis.
- The Director should then determine the format and content of management reports to be generated.

This is a very rudimentary system intended to “get the ball rolling”. Custom software programs are readily available and could be considered later as PRM becomes comfortable with activity-based reporting. For the present, the system outlined in Appendix B will upgrade management information significantly, including summary information regarding:

- Number of hours spent on various tasks
- Data regarding the assignment of each individual employee
- A clear indication of how resources were expended in different park and building locations
- Hours (and costs) consumed by different work functions – data that can be used to compare the relative cost and value of outsourcing as well as areas in need of additional resources.

8. AN AUTOMATED WORK ORDER PROGRAM SHOULD BE RESEARCHED FOR PURCHASE – POSSIBLY IN CONJUNCTION WITH DPW.

As mentioned, both DPW and PRM are currently conveying service/work requests via Microsoft Outlook – there is no automated work order software. Software of this type would allow a complete accounting of all service requests, including current status of each work order.

Regarding the above, it is recommended that PRM research available applications to develop a recommendation for software purchase. Ideally, this will be done cooperatively with DPW – it is conceivable that one software package could service both departments.

9. A COMMUNITY SURVEY SHOULD BE CONDUCTED TO DETERMINE RECREATIONAL AND SENIOR SERVICES PREFERENCES. IMPROVED COORDINATION WITH DDA AND THE PARKS AND RECREATION COMMITTEE SHOULD ALSO BE PRIORITIES.

As discussed in the findings, a community survey could provide valuable feedback regarding resident preferences for recreation services. Similarly, as discussed, it would be advantageous for Senior Services to think more expansively about its target population and service offerings. As “baby boomers” age, the definition of senior programming should be a continuing topic.

Many progressive parks and recreation operations conduct periodic community surveys. Similarly, it is recommended that PRM research options for contracting for a statistically-valid survey process. As mentioned, area universities often provide this service and may be a cost-effective alternative. Options should be researched with a recommended approach presented to the Township Board.

Similarly, the new Director should work closely with the Parks and Recreation Committee to elicit input regarding the direction of recreation programming. In regard to any leisure programming initiated by the DDA, these offerings should be administered and presented by PRM to assure service coordination and avoidance of duplication.

10. TWO FULL-TIME BUS DRIVER POSITIONS SHOULD BE ELIMINATED.

As discussed, many bus services operate without full-time drivers. At present, PRM has two full-time personnel. At such time that these individuals leave their current jobs, either through retirement or other voluntary separation, the positions should be eliminated. As an alternative, PRM should use part-time drivers to fill the necessary hours.

This is not a recommendation for immediate action – it is envisioned that the change would come through attrition. Estimated cost savings resulting from conversion to a part-time system is \$53,602 per year.

11. SEVERAL OPERATIONAL PRACTICES PERTAINING TO SAFETY AND PROCEDURES SHOULD BE UPGRADED.

There are several safety practices that we feel should be upgraded. They include the following, as detailed in Section IV:

- MSDS sheets should be better managed and made available at primary work locations
- Fire extinguishers in the vehicles should be checked on a consistent basis
- The employee functioning as Mechanic should be encouraged to upgrade skills and obtain Mechanic Certification.
- New methods of snow removal, records management and service costing should be implemented that impact both PRM and DPW.

12. THE CUSTODIAL CONTRACTS SHOULD BE EVALUATED TO DETERMINE IF COSTS CAN BE REDUCED.

As discussed, PRM currently maintains the custodial contract for cleaning of Township buildings – with the exception of the DPW facility which has its own service provider. The annual cost of the larger contract is roughly \$62,000. The annual cost of the DPW service was approximately \$13,000 in 2009.

We were unable to ascertain why there are two separate contracts. We are recommending that PRM solicit bids from both service providers to determine if some economy-of-scale can be realized with a single contract.

13. PRM SHOULD HIRE PART-TIME WORKERS AND CONTINUE TO EMPLOY SEASONAL WORKERS EFFECTIVELY.

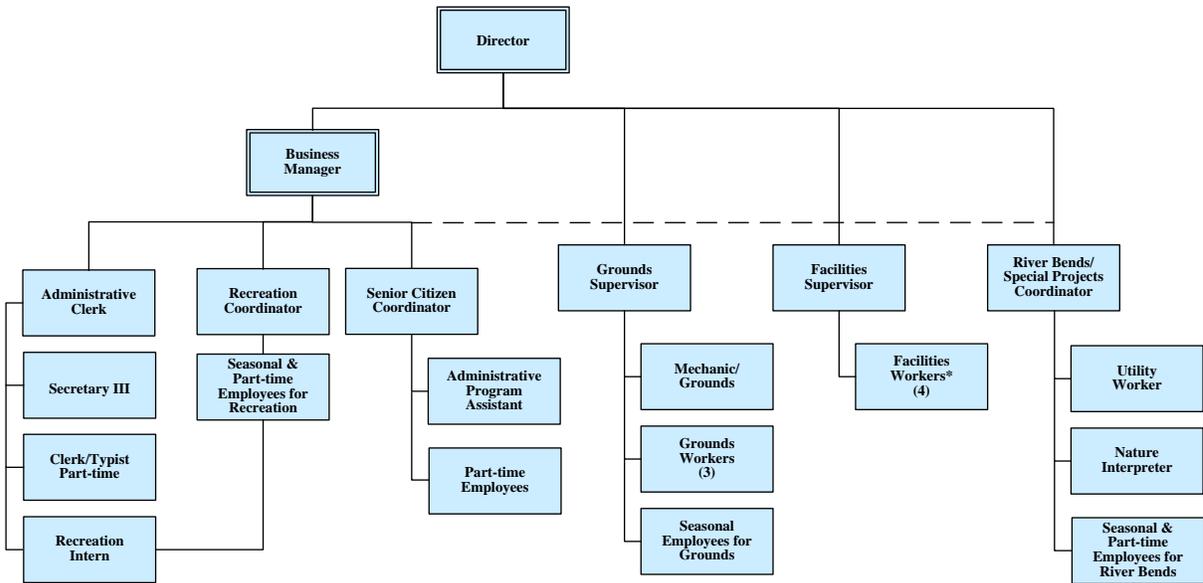
PRM's staffing needs are much greater in warm weather. In this situation, year-round staffing should be minimized. PRM currently uses seasonal workers effectively and requests for additional seasonal workers should be supported if PRM can justify the hire.

The labor agreement also allows the hire of part-time workers on a year-round basis. As current full-time workers retire or other-wise separate from the Township's employ, thought should be given to adding part-time workers to the workforce. With part-time staff, there is some flexibility in hours and in the future, less liberal employee benefit provisions could possibly be negotiated.

* * * * *

Our recommended future organization for the Department of Parks, Recreation and Maintenance is summarized in the following Exhibit 27. It incorporates organizational/positional changes that are recommended for immediate implementation as well as longer-range recommendations for eliminating several positions through attrition.

Exhibit 27 Shelby Charter Township Department of Parks, Recreation and Maintenance Recommended Organization



* Workers may also be used in grounds maintenance activities

Note: Incorporates all recommendations for immediate change as well as longer-range staff reductions ideally achieved through attrition.

APPENDIX A
SHELBY CHARTER TOWNSHIP
DEPARTMENT OF PUBLIC WORKS
SAMPLE TIME REPORTING SYSTEM

**APPENDIX A
SHELBY CHARTER TOWNSHIP DEPARTMENT OF PUBLIC WORKS
SAMPLE TIME REPORTING SYSTEM**

**DAILY TIME RECORDS
FUNCTION CODES**

<u>Meters</u>		<u>Water Quality</u>		<u>Sanitary Sewer System</u>	
Check Zero Use	WM01	Cross Connection Control	WQ01	Vactor/Jet Sewer-Prevent	SS01
Final Read	WM02	Water Quality Complaints	WQ02	Vactor/Jet Sewer-Emergency	SS02
Monthly	WM03	Water Samples	WQ03	Repair Manholes	SS03
Read	WM04	Flow Hydrants/Dead Ends	WQ04	Repair Sewer Lines	SS04
Install New Meter	WM05	Water Quality-OTHER	WQ05	Inspect Trouble Spots	SS05
Repair Wire	WM06			Inspect/Video Sewer Lines	SS06
Repair Meter	WM07	<u>Services</u>		Maintain Vactor	SS07
Bench Test Meters	WM08	Turn Water Off/On	WS01	Maintain Dump Well	SS08
Test/Repair Hydrant Meters	WM09	Schedule/Assist Water Taps	WS02	Inspect Lift Stations	SS09
Inventory/Order Meters	WM10	Restoration	WS03	Maintain Lift Stations/Pumps	SS10
Fall out/Spring in Meters	WM11	Service Line Repair	WS04	Clean Wet Well	SS11
Set up Appointments	WM12	Repair/Replace Curb Box	WS05	Sanitary Sewer-OTHER	SS12
High Bill Complaints	WM13	Disconnect Utilities	WS06		
Meter Change Out	WM14	Services-OTHER	WS07	<u>Other</u>	
Meters-OTHER	WM15			Maintain Vehicles/Equip	MI01
		<u>Construction</u>		Inventory/Order	MI02
<u>Hydrants</u>		Sewer Connection Inspection	CC01	Maintain Garage/Offices	MI03
Winterize Hydrants	WH01	Sump Inspection	CC02	Pick Up Supplies	MI04
Inspect Hydrants	WH02	Water Connection Inspection	CC03	GIS/GPS	MI05
Repair/Adjust Hydrants	WH03	Final Inspections	CC04	Administration	MI06
Replace/Install Hydrants	WH04	Re-inspections	CC05		
D-Box Repair/Adjust	WH05	Fire Line Flush	CC06	<u>Non-Work Activity</u>	
Weed Control-Hydrants	WH06	Complaints-Construction	CC07	Training-Safety	NW01
Paint/Stripe Hydrants	WH07	Disconnect Inspection	CC08	Training-Seminar	NW02
Restoration-Hydrants	WH08	Construction Inspect/Meeting	CC09	Training-CDL	NW03
Hydrants-OTHER	WH09	Assist Contractor	CC10	Medical Clinic	NW04
		Miss Dig Staking/Location	CC11	Union Activity	NW05
		Flow Test Hydrants	CC12	Sick Leave-(partial)	NW06
<u>Distribution System</u>		Construction-OTHER	CC13	Personal (Partial)	NW07
Water Main Shut Down	WD01			Misc (make note)	NW08
Main Break Repair	WD02				
Check Pressures	WD03			<u>Special Services</u>	
Gate Well Repair	WD04			Determine what fits	SP01
Gate Valve Repair	WD05			in this category and	SP02
Gate Valve/Well Inspection	WD06			assign codes	SP03
PRV Inspect & Maintain	WD07				SP04
PRV Repairs	WD08				SP05
Restoration-Water System	WD09				
Booster Pump Inspection	WD10				
Booster Pump Repair/Replace	WD11				

APPENDIX A
SHELBY CHARTER TOWNSHIP DEPARTMENT OF PUBLIC WORKS
SAMPLE TIME REPORTING SYSTEM

DAILY TIME RECORDS
LOCATION CODES

<u>Major Roads</u>		<u>Local Roads (cont'd)</u>	
19 Mile Rd	M0001	Cannon Creek	L0308
20 Mile Rd	M0002	Crawford	L0309
21 Mile Rd	M0003	Embassy	L0310
22 Mile Rd	M0004	Ester	L0311
23 Mile Rd	M0005	Excaliber	L0312
24 Mile Rd	M0006	Fairmont	L0313
25 Mile Rd	M0007	Family Circle	L0314
26 Mile Rd	M0008	Francis	L0315
Auburn Rd	M0009	Hagen	L0101
Dequindre Rd	M00010	Hidden Creek	L0316
Hall Road	M00011	Irvin	L0317
Hamlin Rd	M00012	Kara Lane	L0318
Hayes Rd	M00013	Lordona Lane	L0201
Jewell Rd	M00014	Melio	L0319
Mound Rd	M00015	Omni	L0320
Ryan Rd	M00016	Palace Ct	L0321
Schoenherr Rd	M00017	Pavilion Ct	L0322
Shelby Rd	M00018	Pearson East	L0323
Utica Rd	M00019	Pearson North	L0324
Van Dyke Ave	M00020	Porter	L0325
		R. J. Duncan	L0202
		River Stone	L0203
		Roseway	L0326
		St. Regis	L0327
		Theo	L0204
		Whitney	L0328
		Whitney Ct.	L0329
		Willow Creek	L0330
		Wilshire	L0331
<u>Local Roads</u>			
Angela	L0301		
Bellford	L0302		
Belman	L0303		
Belmont	L0304		
Bethanne	L0305		
Bluff Creek	L0306		
Caesars	L0307		

APPENDIX B
SHELBY CHARTER TOWNSHIP DEPARTMENT OF
PARKS, RECREATION AND MAINTENANCE
SAMPLE TIME REPORTING SYSTEM

APPENDIX B
SHELBY CHARTER TOWNSHIP DEPARTMENT OF PARKS, RECREATION AND MAINTENANCE
SAMPLE TIME REPORTING SYSTEM

DAILY TIME RECORDS
FUNCTION CODES

<u>BUILDINGS</u>		<u>PARKS AND GROUNDS (CONT'D)</u>	
Custodial Regular	BLC1	Line Athletic Field Chalk	GAF3
Custodial Emergency	BLC2	Maintain Baseball Infield	GAF4
Custodial Strip & Wax	BLC3	Maintain Athletic Field Fencing	GAF5
Room Set Up/Tear Down	BLC4	Maintain Athletic Field Equipment	GAF6
Plumbing Maintenance	BLP	Maintain Perennials	GPB1
Electrical Maintenance	BLE	Plant Or Remove Annuals	GPB2
Training (Describe)	BLT	Planting Bed Maintenance	GPB3
Other (Describe)	BLM	Tree Planting	GTR1
HVAC Maintenance	BLHV	Tree Pruning (routine)	GTR2
Carpentry Repair	BLCA1	Tree Pruning (emergency)	GTR3
Carpentry Remodel	BLCA2	Tree Fertilizing	GTR4
Carpentry Construction	BLCA3	Tree Removal (scheduled)	GTR5
Snow Removal Sidewalks	BLSR1	Tree Removal (emergency)	GTR6
Snow Removal Parking Lots	BLSR2	Other (describe)	GM1
Contractor Oversight	BLCO		
Deliver Supplies	BLD1	<u>VEHICLES</u>	
Deliver Communications	BLD2	Washing and Cleaning	VM1
		Routine Tune-Up	VM2
		Routine Maintenance	VM3
		Emergency Repair	VM4
		Seasonal Prep	VM5
		<u>SNOW REMOVAL COUNTY</u>	
		Plow Roads	CR1
		Salt or Sand Roads	CR2
		Plow And Salt Roads	CR3

APPENDIX B
SHELBY CHARTER TOWNSHIP DEPARTMENT OF PARKS, RECREATION AND MAINTENANCE
SAMPLE TIME REPORTING SYSTEM

DAILY TIME RECORDS
LOCATION CODES

<u>BUILDINGS</u>		<u>PARKS AND GROUND AREAS</u> <u>(CONT'D)</u>	
Municipal Bldg	BMB1	Lombardo Park Ball Field 2	GBBF4
Community Center	BPB1	Lombardo Park Ball Field 3	GBBF5
Nature Center	BPB2	Lombardo Park Ball Field 4	GBBF6
Lombardo Park Pavilion	BPB3	Whispering Woods Ball Field 1	GBBF7
Mae Stecker Park Pavilion	BPB4	Woodall Park Ball Field 1	GBBF8
Woodall Park Pavilion	BPB5	Woodall Park Ball Field 2	GBBF9
Ford Field Pavilion	BPB6	Woodall Park Ball Field 3	GBBF10
Whispering Woods Pavilion	BPB7	Woodall Park Ball Field 4	GBBF11
River Bends Park Bittersweet	BPB8	Woodall Park Ball Field 5	GBBF12
River Bends Park Hickory Grove	BPB9	Woodall Park Ball Field 6	GBBF13
River Bends Park Mapleview	BPB10	Woodall Park Ball Field 7	GBBF14
Andrews Schoolhouse	BPB11	Woodall Park Ball Field 8	GBBF15
Hope Chapel	BPB12	Ford Field Ball Field 1	GBBF16
PRM Building	BPB13	Ford Field Ball Field 2	GBBF17
Lions Football Field Pavilion	BPB14	Ford Field Ball Field 3	GBBF18
Fire Station 1	BFS1	Ford Field Ball Field 4	GBBF19
Fire Station 2	BFS2	Ford Field Ball Field 5	GBBF20
Fire Station 3	BFS3	Lions Football Field 1	GFF1
Fire Station 4	BFS4	Lions Football Field 2	GFF2
		Whispering Woods Soccer Field 1	GSF1
		Whispering Woods Soccer Field 2	GSF2
		Whispering Woods Soccer Field 3	GSF3
		Whispering Woods Soccer Field 4	GSF4
		Whispering Woods Soccer Field 5	GSF5
		Whispering Woods Soccer Field 6	GSF6
		Whispering Woods Soccer Field 7	GSF7
		Whispering Woods Soccer Field 8	GSF8
		Lions Soccer Field 1	GSF9
		Lions Soccer Field 2	GSF10
		Fire Station 1	GFS1
		Fire Station 2	GFS2
		Fire Station 3	GFS3
		Fire Station 4	GFS4
PARKS AND GROUND AREAS			
River Bends 22 Mile Rd	G1		
River Bends Ryan Road	G2		
Municipal Grounds	G4		
Community Center Grounds	G5		
Patriot Field	G6		
Holland Ponds	G7		
Curtis Cemetery	G8		
Ewell Cemetery	G9		
DPW Grounds	G10		
Mae Stecker Park Ball Field 1	GBBF1		
Mae Stecker Park Ball Field 2	GBBF2		
Lombardo Park Ball Field 1	GBBF3		