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November 5, 2009

Mr. David Kellett
Mayor
City of Bloomfield Hills
45 East Long Lake Road
Bloomfield Hills, MI 48034

Mr. Jay Cravens
City Manager
City of Bloomfield Hills
45 East Long Lake Road
Bloomfield Hills, MI 48034

Ms. Carolyn Lorenz
Treasurer/Finance Director
City of Bloomfield Hills
45 East Long Lake Road
Bloomfield Hills, MI 48034

Dear Mayor Kellett, Mr. Cravens, Ms. Lorenz:

Re: City-Wide Staffing Assessment and Efficiency Review – Final Report

We have completed our review of the City's overall staffing and have prepared this letter to present our findings and recommendations. Our review included analyzing the operations of the three key functions of the City's government, including General Government, Public Safety and Public Works. As part of this project, we were able to review significant documentation provided by the individual Departments, conduct interviews with key personnel and analyze the data to develop the findings and recommendation(s) presented in this report. We wish to thank all the personnel who participated in the project. We found the staff to be candid, thoughtful and concerned for the best interests of the City and their individual departments. Following is a recap of our project approach and relevant findings and recommendations for the City to consider.

Project Approach

1. Conducted Project Initiation Meeting

Plante & Moran met with City leadership to finalize the project work plan and clarify goals, objectives, roles, parameters and expectations. At this initial meeting, we ensured that project responsibilities, scheduling, and reporting procedures were clearly defined. We discussed progress meetings, interview dates, and deliverable due dates at this meeting.

2. Collected Information and Reviewed Documents

Plante & Moran reviewed existing documentation, organizational structure, and additional relevant documentation to gain a comprehensive understanding of the organization. The list below depicts the majority of the information we reviewed.

- Strategic Plan and Mission Statement
- Organizational Vision
- Department functional descriptions
- Organizational Structure
 - Organizational Chart
 - Organizational Components
 - Roles & Responsibilities
 - Job Descriptions, as available
- Workload volume data
- Response time statistics
- Operating policies and procedures
- Scheduling protocol
- Overtime history
- Contractual or other collaborative agreements
- Workflow, Processes
- Tools and technology utilized by organization
- Performance standards and objectives
- City's ISO Rating

3. Conducted Department Interviews

Upon review of the preliminary documentation, Plante & Moran interviewed several department staff which included the Department Manager. These interviews were conducted in both individual and group format, as follows:

- General Government (6)
 - City Manager (1)
 - City Treasurer/Finance Director (1)
 - City Clerk (1)
 - Building Official (1)
 - Staff (2 – individual interviews)
- Public Safety Department (6)
 - Chief (1)
 - Lieutenants (4 – group interview)
 - Sergeants (3 – group interview)
 - Public Safety Officers (6 – group interview)
 - Dispatchers (4 – group interview)
 - Code Enforcement and Fire Marshal, part-time staff members (1 – group interview)
- Public Works Department (3)
 - Foreman (1)

- Mechanic (1)
- Utility Operators (3 – group interview)

We completed 15 interviews to gather the required information. Interview discussions included the following:

- Department mission and history
 - Performance measures
 - Customer / stakeholder feedback
 - Major accomplishments
- Major departmental trends
 - Workload and overtime history
 - Cost/expenditure data
 - Anticipated changes
- Departmental Organization, including:
 - Staffing
 - Skill set
 - Scheduling
- Facilities and Equipment
 - Physical space
 - Major equipment
 - Mileage and replacement schedules
- Pending Business Issues, including:
 - Major current projects/ initiatives
 - Major commitments, current and anticipated
 - Collaboration options
 - Cost reduction opportunities

4. Assessed Staffing Levels and Efficiency Opportunities

Upon completion of the interview process, Plante & Moran performed an analysis of the data collected to determine the adequacy of current staffing levels, and to identify opportunities for increased efficiency and potential cost reduction. We identified various options to consider in moving forward with cost containment and service preservation strategies over the next several years. Upcoming retirements were considered as one mechanism to achieve possible cost reductions.

5. Published Draft Report

Upon completion of our review, Plante & Moran developed this report of observations and findings including our interview results, project findings, and any information relevant to an efficiency review and staffing assessment.

6. Conducted Draft Report Meeting

After the appropriate representatives from the City of Bloomfield Hills reviewed the report, we held two meetings to discuss the findings and make any necessary changes. The meetings were held with the City Commission, City Manager, City Treasurer/Finance Director and other project stakeholders.

7. Published Final Report

Based upon the review of the Draft Report and our discussions in the draft report review meeting(s), we issued this final report, incorporating all revisions, as appropriate.

Findings and Recommendations

CITY-WIDE REVIEW

The City of Bloomfield Hills provides a high level of service to its residents and the community. Plante & Moran conducted an overall assessment of City operations, evaluating areas of potential cost savings and/or increased efficiency. We conducted a comprehensive review of City operations in order to present the following findings and recommendations. We have presented various options for the City to consider in an effort to reduce costs and create additional efficiency in City operations. Following are some general characteristics of the City of Bloomfield Hills and its finances, based upon the information collected during the project.

- Population = 3,658
- Square miles = 5.0
- Staffing level = 42 employees
- 2008 general fund revenues = \$8,950,000
- 2008 general fund expenditures = \$8,920,000
- Projected 2012-2013 general fund revenues = \$7,435,293
- Projected revenue decrease over 5 years = \$1,514,707 (17% reduction)
- Projected 2012-2013 general fund expenditures = \$10,831,159
- Projected expenditure increase over 5 years = \$1,911,159 (21% increase)
- Total projected financial gap in 5 years = \$3,425,866 (38% difference)

The City of Bloomfield Hills is approaching a situation of significant fiscal constraints, as is the case with the majority of other Michigan municipalities due to the current economy and decreasing property values. Times are tough not only for the local government entities, but also for the local residents and businesses within Michigan communities, which makes tax increases a difficult dilemma. To provide some data for comparison, we compiled a chart of comparative community statistics to provide the City with a perspective on how its expenditures compare on a per capita basis. We targeted communities that operate with a public safety department to find similar comparables*. We also included data for the surrounding communities of the City of Birmingham and the Charter Township of Bloomfield. On the following page is our data compilation of SEMCOG population statistics for July 2009 and 2008 audited financial statement information.

*Referred herein after as the comparable communities.

Total General Fund Expenses:

Community	Population	Total Expenses	Per Capita
Beverly Hills (Village)	10,055	\$ 6,917,845	\$ 688.00
Farmington	10,261	\$ 7,814,618	\$ 761.58
Fraser	14,902	\$ 14,194,497	\$ 952.52
Grosse Pointe	5,440	\$ 5,914,849	\$ 1,087.29
Grosse Pointe Farms	9,375	\$ 11,320,008	\$ 1,207.47
Grosse Pointe Shores	2,666	\$ 5,172,197	\$ 1,940.06
Average	8,783	8,555,669	\$ 974.10
Bloomfield Hills	3,658	\$ 6,878,502	\$ 1,880.40
		% Difference:	93%
Birmingham	19,279	\$ 22,386,077	\$ 1,161.16
Bloomfield (Township)	41,007	\$ 35,383,973	\$ 862.88
Average	30,143	\$ 28,885,025	\$ 958.27
Bloomfield Hills	3,658	\$ 6,878,502	\$ 1,880.40
		% Difference:	96%

Note: The figures presented in the table above are based on 2008 Audited Financial Information for each of the communities. We have excluded Debt Service and Capital Outlay from these expenses to provide an apples to apples comparison between communities.

General Fund Expenses by Department:

Community	Population	General Govt	Per Capita	Public Safety	Per Capita	Public Works	Per Capita
Beverly Hills (Village)	10,055	\$ 926,748	\$ 92.17	\$ 4,556,418	\$ 453.15	\$ 893,712	\$ 88.88
Farmington	10,261	\$ 1,709,358	\$ 166.59	\$ 3,011,133	\$ 293.45	\$ 1,086,308	\$ 105.87
Fraser	14,902	\$ 2,803,804	\$ 188.15	\$ 7,919,643	\$ 531.45	\$ 1,367,790	\$ 91.79
Grosse Pointe	5,440	\$ 1,030,038	\$ 189.35	\$ 2,874,303	\$ 528.36	\$ 1,195,442	\$ 219.75
Grosse Pointe Farms	9,375	\$ 1,041,644	\$ 111.11	\$ 4,514,031	\$ 481.50	\$ 1,552,268	\$ 165.58
Grosse Pointe Shores	2,666	\$ 1,757,906	\$ 659.38	\$ 2,308,140	\$ 865.77	\$ 641,310	\$ 240.55
Average	8,783	\$ 1,544,916	\$ 175.90	\$ 4,197,278	\$ 477.88	\$ 1,122,805	\$ 127.84
Bloomfield Hills	3,658	\$ 1,498,220	\$ 409.57	\$ 3,755,099	\$ 1,026.54	\$ 574,328	\$ 157.01
		% Difference:	133%	% Difference:	115%	% Difference:	23%
Birmingham	19,279	\$ 5,429,209	\$ 281.61	\$ 10,965,266	\$ 568.77	\$ 3,514,572	\$ 182.30
Bloomfield (Township)	41,007	\$ 6,198,005	\$ 151.15	\$ 22,451,159	\$ 547.50	\$ 4,050,264	\$ 98.77
Average	30,143	\$ 5,813,607	\$ 192.87	\$ 16,708,213	\$ 554.30	\$ 3,782,418	\$ 125.48
Bloomfield Hills	3,658	\$ 1,498,220	\$ 409.57	\$ 3,755,099	\$ 1,026.54	\$ 574,328	\$ 157.01
		% Difference:	112%	% Difference:	85%	% Difference:	25%

Note 1: Bloomfield Hills General Government Expenditures were adjusted to remove \$731,191 of retiree healthcare expenses, as the City-wide expenses were all recorded in the General Government category.

Note 2: The large difference in per capita general government expenses is primarily attributable to the lower population in Bloomfield Hills, as the general government expenditures reflect 21.7% of total City expenditures, as compared to 18.1% of total City expenditures in our data sample, excluding Birmingham and Bloomfield Township.

Note 3: Public safety expenditures are a slightly higher percentage of the budget in Bloomfield Hills, as they reflect 54.6% of total City expenditures as compared to 49.1% of total City expenditures in our data sample, excluding Birmingham and Bloomfield Township. In addition, public safety is the most significant expense category for the City, consuming over 50% of the City's budget.

Note 4: DPW expenditures per capita appear slightly above the comparables presented above, on average, indicating a fairly competitive cost structure.

From the data presented above, it appears as if the City of Bloomfield Hills spends a significantly larger amount of general fund dollars per capita than the comparable communities on all aspects of its government operations. Key differences are as follows:

- Total expenses per capita (between 93% and 96% higher than sample data)
 - \$1,880.40 (Bloomfield Hills)
 - \$ 974.10 (Average of other comparable communities)
 - \$ 958.27 (Average of Birmingham and Bloomfield Township)
- General government expenses per capita (between 112% and 133% higher than sample data)
 - \$409.57 (Bloomfield Hills)
 - \$175.90 (Average of other comparable communities)
 - \$192.87 (Average of Birmingham and Bloomfield Township)
- Public Safety per capita (between 85% and 115% higher than sample data)
 - \$1,026.54 (Bloomfield Hills)
 - \$ 477.88 (Average of other comparable communities)
 - \$ 554.30 (Average of Birmingham and Bloomfield Township)

- Department of Public Works expenses per capita (between 23% and 25% higher than sample data)
 - \$157.01 (Bloomfield Hills)
 - \$127.84 (Average of other comparable communities)
 - \$125.48 (Average of Birmingham and Bloomfield Township)

For this reason, we believe the request of the City Commission to study its expenses prior to raising taxes is a prudent move to determine the true need for additional City revenues. However, it should be noted that a portion of the difference is likely attributable to Bloomfield Hills being one of the smallest communities in the sample and not being able to enjoy the economies of scale of a larger community. Each functional area will be analyzed independently to determine options for increased efficiency and cost reduction, providing rationale for the recommended considerations.

GENERAL GOVERNMENT

Key Findings:

- Total staffing for the general government operations of the City is six full-time personnel and 1 part-time staff member, as follows:
 - City Manager (1)
 - Treasurer/Finance Director (1)
 - City Clerk (1)
 - Building Official (1)
 - Building Department Clerk (1)
 - Treasury Clerk (1)
 - Code Enforcement (1, part-time)
- The City of Bloomfield Hills provides a high level of service to its residents, providing immediate response to walk-ins, routinely answering numerous phone calls and turning around inspection requests for the Building Department either the same day or next day.
- The City Manager is engaged in the community, representing the needs of the community on a proactive basis.
- Many residents do not know which community they live in, given many surrounding residents have a Bloomfield Hills address, but reside in the Charter Township of Bloomfield. Much time is spent directing these individuals to the Township to resolve their issues and concerns.
- It is difficult for the clerical staff to handle their routine paperwork duties, such as accounts payable, permit processing, etc., at the same time as handling customer service responsibilities (responding to walk-ins and answering the phone).
- The City does not currently have the telephone system software module that supports telephone system data reporting for City staff to consider in staffing the City front office.

- There exists limited documentation and cross training of staff in this area, creating risk to the City if there is staff turnover.
- Building Department fees currently cover the expense of the Building Official, the trade inspectors, the part-time Code Enforcement Officer, 85% of the Building Department Clerk (without benefits), 50% of the Treasury Clerk (without benefits) and 12% of the City Clerk (without benefits.)
- The City is currently evaluating the feasibility of contracting with Bloomfield Township for trade permits and inspections. This proposal is in its initial phases, but is being considered to achieve increased efficiency and cost reduction in this aspect of the City's operations.
- The front office staff are perpetually behind in permit-related processing for the building and trade inspections.

Conclusions and Recommendations:

- Overall, the City is operating with a basic staffing plan of 6 staff to accomplish all of its duties and responsibilities in the area of general government operations.
- When analyzed with the comparable communities it appears as if the City's general operations are higher on a per capita basis, this aspect of the City's operations lacks economies of scale due to its small size. The adjusted expenditures from our comparison table (removing City-wide retiree healthcare expenses), indicate the City of Bloomfield Hills is comparable to other communities on a percentage basis of the budget dedicated to general government operations of 21.7% versus 18.1% in our data sample.
- Also due to its small size, the City needs to create as flexible of a workforce as possible, in order to accomplish the many daily activities as needed for the City. This must be done in the context of maintaining appropriate internal controls for financial purposes. Likely this will require defining some specific duties that are assigned to individuals on a regular basis, to maintain appropriate separation of duties.
- Consider assigning the City Clerk to manage and oversee the front office operations, to ensure they operate as efficiently and effectively as possible. This type of assignment is not uncommon in other local units of government. Do this to foster the development of a "team" environment, one where everyone enjoys assisting others to accomplish the overall objectives of the City.
- As feasible, we recommend that both front office clerks be cross-trained to handle any type of request for the City, in order to create as much efficiency as possible within the front office operations. In addition, we recommend that the City Clerk have keen understanding of the clerical responsibilities of the front office in a supervisory capacity, and act in a working supervisory role, as required.
- For those calls that go to the "operator", evaluate the feasibility of revising the call routing logic of sending calls to the Building Department Clerk first, Treasury Clerk

second and City Clerk third. As possible, program the phone calls to go to the appropriate individual first, second and third, based upon the daily schedule of activities.

- Schedule individuals within the front office to handle customer service vs. paperwork duties during different hours of the day, to allow everyone a chance to perform their paperwork duties without interruptions.
- Pursue outsourcing of the trade permits and inspections with the Township, and if a viable agreement can be reached, consider tracking the remaining workload of the front office staff, to determine if a reduction in personnel is warranted.
- With outsourcing trade permits and inspections, consider eliminating the Building Department Clerk position and instead create a few part-time customer service representative/administrative support positions, to provide support positions aligned to the overall objectives of the City's front office.
- In lieu of outsourcing, evaluate the opportunity to dedicate an administrative support person to the Building Department, to fully support the Department's activities. Retain the same number of front office staff to provide customer service and administrative support to the residents and general public, with considering two part-time personnel versus one full-time resource.
- Consider purchasing the phone system data reporting module, such that the City can evaluate the incoming call volumes and related workload to more appropriately determine staffing levels for customer service and other administrative support duties.
- Create a policy and procedure manual for general government operations, so that all staff are aware of the relevant policies and procedures, and are able to back-up the others in case of absence, vacation, emergencies, etc.

PUBLIC SAFETY

Key Findings:

- The public safety department is staffed in the following manner:
 - Public Safety Director (1)
 - Lieutenants (4) – Detective Lieutenant (1), Shift Lieutenants (3)
 - Sergeants (3) – Shift personnel, assigned to approximately nine 24-hour shifts each month, with the exception of 2 months out of the year, where they are assigned to the police midnight shift. These positions provide additional supervisory coverage during routine shifts, especially when Shift Lieutenants are off.
 - Public Safety Officers (18) – assigned to approximately nine 24-hour shifts each month, with the exception of some PSO's covering the midnight shift for police on a regular basis.
 - Dispatchers (4) – work 8-hour shifts for the Department.

Note: For fire operations, all of these positions are considered working positions.

- The Department operates a three-platoon system, staffed at 7, 6 and 6, respectively, including command staff of one Lieutenant and one Sergeant to provide command coverage for the City in excess of a 24 x 7 basis. Minimum staffing requirements are typically one Lieutenant, one Sergeant and 3 Public Safety Officers (PSOs) to provide coverage with two individuals on patrol and two individuals in the fire station. For Platoon #1, which is staffed with 7 people, one individual is staffed on the midnight shift for police at all times to provide adequate overnight police coverage.
- The Public Safety Department operates primarily on a fire department-based shift schedule, staffing the department on 24-hour shifts. Other public safety departments in Michigan operate on different shift schedules (e.g. 8-hour, 12-hour shifts, etc.), emulating a more police department-based staffing model.
- Public safety officers are trained in both police and fire operations, requiring a significant amount of training each year – 3,971 hours of training were completed by the members of the Department in 2008.
- In order to cover for the existing leave time parameters in the contract (i.e. vacation, personal time, medical leave) and to cover for training, an average of 2-3 positions are unavailable on each shift. The Department's lost time is in line with the national average of approximately 25%, assuming 6 days of medical leave per person each year. Due to the contract parameters of up to 2400 hours of medical leave that can be banked, the department is open to experiencing significant medical lost time, well above an average year, resulting in the need for significant overtime to meet the target minimum staffing levels.
- Overtime expenses have slightly increased over the past several years, from \$372,049 in 2005/2006 to \$457,202 in 2008/2009. This has occurred even with the addition of two Public Safety Officer positions in 2008/2009. The City should look to balance and/or reduce the overtime, while taking into account the legacy costs of additional PSOs in their workforce.
- We believe the minimum staffing levels of 5 personnel is reasonable to provide coverage of the City for both police and fire incidents. However, we believe there may be other staff deployment, shift schedules and/or outsourced arrangements possible for the City to achieve similar coverage of the City on a 24 x 7 basis at lower cost.
- Mandatory MIOSHA standards also require compliance with the 2 in / 2 out rule. This essentially requires 5 men on-scene in order to enter a structure fire for internal firefighting operations. The required assignments are 1 incident commander, 2 firefighters performing internal fire suppression activities and 2 firefighters able to rescue the 2 firefighters inside the building, if necessary (rapid intervention team). This requirement is met upon the arrival of the minimum staffing on-duty to the fire scene.
- National Fire Protection Association (NFPA) 1710 [Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special

Operations to the Public by Career Fire Departments], is the newest standard that impacts the fire service. It is a consensus standard set by firefighters that is reviewed every 4 years for appropriateness. NFPA 1710 is a voluntary standard, not a requirement, for fire departments to follow nationally, and most public safety departments of similar size and type to Bloomfield Hills rarely meet its suggestions. Its guidelines outline 14 firefighters as the recommended staffing level for a full fire alarm assignment. The City requires mutual aid in order to staff this many personnel for a full alarm fire. This staffing level would provide for the following functions to most effectively respond to a full alarm fire:

- Incident command (1)
 - Pump operator (1)
 - Attack line (3 = 2 plus 1 support)
 - Back-up line (3 = 2 plus 1 support)
 - Ventilation (2)
 - Search and rescue (2)
 - Rapid intervention team (2)
- The City's current ISO (Insurance Services Office) rating is a Class 6, based upon the interview with the Public Safety Director. This rating is based on a scale of 1 to 10 (from lowest to highest), where ISO analyzes relevant fire data using a fire suppression rating scale, to assign a public protection classification. In the City's case, your rating is a 6, which is one step below the middle of the ISO rating scale. Improving the City's rating to a 3 or 4 rating should have positive impact on your taxpayers' (both residential and commercial) fire insurance rates.
 - The total annual 2008 Public Safety Department runs/incidents are broken down as follows:
 - Fire = 215 (.60 per day or about one every other day)
 - Medical = 175 (.48 per day or about one every other day)
 - Police = 6,250 (17 per day or .71 per hour)
 - Group A = 149
 - Group B = 196
 - Group C and below = 5,905
 - Detective Bureau = 116 (closed cases)
 - Community Events = 15
 - K-9 Unit = 21 searches
 - The City of Bloomfield Hills provides medical first responder services to the community. The Public Safety Department has a written contract with Star EMS to respond to their medical scenes with a paramedic ambulance within 8 minutes for 90% of their calls. The 8 minutes is measured from the time the call is received in the Star EMS Communications Center. The actual 2008 data indicates an average response time of 8 minutes and 49 seconds for all EMS calls. The City should evaluate its satisfaction with Star EMS response times and consider alternatives for the future, if the average response time is considered too long. For the geographic area of a City the size of Bloomfield Hills, a response time much quicker than 8 minutes and 49 seconds minutes is desirable.

- The City of Bloomfield Hills has an informal agreement with the City of Troy Volunteer Fire Department to provide mutual aid in the case of a fire call that requires additional assistance. The majority of fire calls can be handled by the Bloomfield Hills Public Safety Department, with the exception of a bona-fide, full alarm fire incident. The City of Bloomfield Hills does not have enough personnel on-duty to respond to a full alarm fire on its own. In the event of a large fire emergency within the City, the City of Troy will send Bloomfield Hills additional personnel and equipment to fight the fire together. This is done in exchange for Bloomfield Hills Public Safety personnel serving on some joint, specialized response units to assist the City of Troy with its special operations.
- The Bloomfield Township fire department has one or two stations that are closer to the City of Bloomfield Hills than the City of Troy Volunteer Fire Department. The Bloomfield Township Fire Department is a full-time, full-service Fire Department, providing fire and advanced life support Emergency Medical Services to its residents. In the past, the Township has assisted the City with response to significant fire situations, which was discontinued in 1998 due to the inability to reach a monetary agreement for the mutual aid.
- The current dispatch staffing does not provide for 24 x 7 coverage of dispatch operations (1 position). One dispatcher indicated that he/she has worked 27 extra shifts this year (2009 year-to-date), with 15 situations of him/her being ordered to stay for another shift. Staffing of 5 full-time dispatchers provides for 24 x 7 coverage of dispatch, which would reduce concern of the quality and accuracy of service provided by dispatchers who are operating in a fatigued state.
- The public safety department currently operates with high quality equipment, following a generous replacement schedule. Much of the equipment is needed to provide for fire protection of the City, resulting in an annual capital replacement cost between \$200,000 and \$300,000, which translates to a financial commitment in excess of \$4,000,000 over the next 18 years.
- Due to the low fire run volumes within the City and small geographic area for police coverage, we would expect that public safety equipment would last longer than an average police or fire department.
- There are two command officers eligible to retire in the next few years, and consideration has been given to replacement of those positions in our analysis.
- 2008 public safety expenditures were \$3,760,000. Conservatively dividing department expenses in half for expense distribution between police and fire, we estimate it currently costs the City approximately \$1,880,000 for each service provision, respectively.

Conclusions and Recommendations:

- Per the data for the City of Bloomfield Hills versus the comparable communities, the City spends considerably more per capita on public safety. A significant portion of the City's budget (54.6%) is spent on public safety operations versus the other City

- services. For this reason, we believe public safety expenditures are a possible area for identifying cost reduction options.
- It is difficult for a department the size of the City of Bloomfield Hills to field its own dispatch operation, due to the significant training requirements and turnover related to the demands of the job. The dispatch field is also getting more technically sophisticated and will require dispatchers to be certified in the near future. Currently the City does not have adequate staffing to cover dispatch on a 24 x 7 basis, so the current dispatchers are working a significant amount of overtime. This is concerning due to the importance of dispatch operations for the effective and efficient operation of a public safety department.
 - We recommend evaluating possible outsourcing options for dispatch, to provide the City with similar dispatch service levels at a lower cost structure. Some options to consider are contracting with the County, collaboration/contracting with Bloomfield Township and/or the City of Birmingham, and possibly even collaboration/contracting with other communities, who may be considering this option right now. In light of the current fiscal crisis, many communities are considering collaborative/contract dispatch options for implementation in the near future.
 - Consideration will need to be given to several items in order to accomplish outsourced dispatch operations, including the following:
 - Determination of appropriate lock-up provisions,
 - Coverage for other clerical duties (possibly the City will need to add a clerical position to cover the administrative duties currently handled by dispatch), and
 - Determination of a new policy regarding keeping the station open on a 24 x7 basis. The City can provide a bell for the public to ring to request the Station Lieutenant or Public Safety Officer(s) to open the door, the City can provide a phone outside of the station to be picked up that rings into dispatch for sending a car to City Hall, or the City may wish to require that someone on-duty in the building sit at the front desk on a 24 x 7 basis to cover for public walk-ins.
 - In lieu of outsourcing dispatch, we recommend increased staffing by one dispatcher position to provide adequate 24 x 7 coverage for the Department.
 - Based upon analysis of the data provided by the City and Public Safety Department, we believe the City has enough flexibility in current staffing levels to eliminate two positions. With this change we recommend revision of the current command structure for the future. We recommend that the City eliminate the secondary command structure of three Sergeants for future operations of the department. Upon the promotion of Sergeants to the rank of Lieutenant, the first two Sergeant positions should be eliminated. We do recommend maintaining the third Sergeant position on an interim basis to provide additional coverage for Shift Lieutenant absences and to continue serving as a PSO, as is the case today. At such time that the opportunity exists for the Sergeant to be promoted to the rank of Lieutenant, the City should consider fully phasing out the Sergeant rank and determine if it should convert that position into a Lieutenant or PSO position, based upon actual overtime history and operations within the Department. This action will reduce the total number of

command staff from seven to five (without consideration of the Public Safety Director's position).

These four shift command positions in the interim should provide sufficient coverage for absences, etc. for supervisory staff. Six command positions are not required for eighteen PSO positions, as this creates a 3:1 span of control ratio. By reducing this number to four, the ratio is increased to 4.5:1. A 6:1 ratio of employees per supervisor is a generally accepted guideline for Public Safety Departments. In the event that command coverage is not available on a given day, we recommend the most senior PSO handle supervisory and administrative duties. This should provide PSO staff with additional skill development for advancement to command-level positions in the future. There will likely be an increase in overtime with this scenario, however this minimizes the legacy cost issue for the department in the long run. This situation should be monitored closely to ensure it does not put undue burden on the Department or the City from either an overtime or financial perspective.

- To improve the efficiency and potentially reduce the cost structure of the department as currently designed, we recommend evaluating alternative shift structures to minimize overtime, increase productivity and maximize police deployment on all shifts. We are not aware of any definitive studies that identify which shift structure is optimal for all public safety departments, and individual departments have different actual overtime experience with different shift schedules. The total number of hours of coverage does not change with a revised shift schedule, but staffing and overtime patterns may be revised to be more favorable for the City. This likely would be true during the day and afternoon shifts, when non-shift personnel are available to potentially respond to fire calls on behalf of the department, minimizing the need for the 5-man minimum staffing during those hours. There are also total work-week hour considerations in revising the current shift schedule, as the 24-hour schedule provides for a larger number of coverage hours per week by PSOs due to the nature of 24-hour time off schedule. We believe more in-depth evaluation of alternative shift structures should be completed, potentially resulting in some departmental savings.
- In considering other cost reduction options for the City, we also believe exploration of outsourcing options for both fire and police operations are warranted. We do not have specific conclusions to that effect in this report, however, we believe that the City should consider some lower cost alternatives for providing public safety services to its residents. Based upon the table presented at the beginning of this letter, the City provides public safety services at the highest per capita rate of the comparable communities. Given this is the largest City department, comprised of 54.6% of City costs, it is the operation with the most opportunity for cost reduction.
- We recommend approaching Bloomfield Township for discussions surrounding providing full fire and EMS coverage for the City. The Township currently has capabilities beyond the depth of the City's current department, given the staffing, equipment, close station proximity and advanced life support services offered its residents. In addition to saving City costs through this type of arrangement, service level increases are anticipated with this option, through advanced life support EMS response (i.e. paramedics are first on scene, with the ability to administer drugs to City residents upon arrival), faster response times (Average 4 minutes and 47

- seconds based upon 2007 Bloomfield Township Fire/EMS data versus 8 minutes and 49 seconds based upon 2008 Bloomfield Hills annual report EMS data), and the ability to fight a full alarm fire using existing resources, with reduced response times due to immediate access to full-time fire department resources and closer proximity to the City border. In addition, the Township's current Insurance Services Office (ISO) rating is a 4, as compared to a 6 for the City (estimated), which could save City residents a significant amount in homeowners and commercial fire insurance premium dollars, as an added benefit of outsourced fire operations. Exploration of this option is considered highly desirable for the residents of the community.
- We estimate the City currently pays \$1,880,000 for Fire/EMS services, in order to respond to approximately one daily fire or EMS run. Given the current run volumes, the City is currently spending approximately \$4,796 per fire/EMS run, which does not include the significant capital outlay requirements of the department, estimated at approximately \$300,000 per year for the next six years (for both fire and police). The capital requirements for the fire service far outweigh the capital requirements of running a police department. We also estimate the City currently has over \$2 million invested in fire assets that would not be necessary with a contractual arrangement. The City needs to determine if this cost per run is reasonable, and warrants maintenance of a dedicated fire service.
 - We also recommend evaluating the provision of Oakland County Sheriff services or contracting with a surrounding community for the City's police operations. This type of analyses will provide the City with a point of comparison in determining its desired course of action. We estimate the City currently pays \$1,880,000 for police services. Given the current incident volumes, the City is spending approximately \$300 per incident, which does not include the capital outlay requirements of the department, estimated at approximately \$300,000 per year for the next six years (for both police and fire). The capital investment in the police department would also not be necessary with a contractual arrangement.
 - We recommend the City extend the replacement schedule for police and fire vehicles to preserve capital in the near future. As the public safety department has low fire run volumes and the City is only 5.0 square miles in area, the City should operate on the basis of extended replacement cycles for key public safety equipment. We also recommend that the City implement a standardized replacement schedule, based upon estimated equipment useful lives, to provide consistency in equipment replacement requests.
 - Overall, we believe the number of vehicles is reasonable provided the number of staff within the department. One area to consider for cost reduction is discontinuing the practice of assigning PSOs to specific police vehicles, which may slightly reduce the need for vehicles. The disadvantage of doing this is often argued that officers will not take as good care of a vehicle that is not consistently assigned to them. We believe a change in this policy is not a significant cost driver for the department.

PUBLIC WORKS

Key Findings:

- The public works department (DPW) is staffed in the following manner:
 - Foreman (1)
 - Utility Operators (3)
 - Mechanic (1)
- The public works department handles the majority of summer and winter street maintenance activity for the City, including street sweeping, grading, cold patch, and snow removal. They also handle other City-related maintenance activities, such as repairing catch basins, repairing/replacing street signs, tree trimming, etc. The mechanic handles routine maintenance of vehicles, and determines when vehicles should be taken to an outside repair shop.
- Per the data for the City of Bloomfield Hills versus all comparable communities, the City spends slightly more per capita on public works, including the City of Birmingham and Bloomfield Township. Only 8.3% of the City's budget is spent on public works operations versus the other City services. Based on this data, we believe the department is relatively competitive in terms of its cost structure for the City.
- A portion of the costs of the department are covered by Act 51 dollars, however not all costs are covered by this funding source. The City contributes a portion of general fund revenue to maintain DPW operations.
- There are approximately 33 road miles within the City limits. This is comprised of 9.41 miles of paved major roads, 18.63 miles of paved local roads and 4.95 miles of gravel roads.
- The current labor contract has a provision for the allowance of subcontracting activities in order to meet departmental requirements, provided full-time staffing levels remain constant. The City does this on an as needed basis, to meet operational demands.
- There are considerable capital requirements, above and beyond the operational costs of DPW operations, which add to the cost burden of the City. As outlined in the City's Capital Improvements Program (2010 – 2015), the City anticipates spending approximately \$100,000 per year for the next six years to update existing equipment.
- The City has not filled a prior DPW Superintendent position within the department.
- There exists limited policy and procedure documentation in the DPW Department, creating risk to the City if there is staff turnover.
- There currently are not job descriptions for the DPW Department staff, creating risk to the City related to grievances and other personnel matters.

- There currently is no preventative maintenance program for City vehicles, which is a general best practice for fleet operations.
- The current mechanic is not a certified trade mechanic.

Conclusions and Recommendations:

- Opportunities likely exist to consider the cost competitiveness of current DPW operations. We suggest approaching other surrounding communities (e.g. City of Birmingham and/or Bloomfield Township) regarding a collaborative or contractual arrangement to identify the possibility of the joint provision of DPW services to reduce the City's cost structure.
- In 2008 the City paid \$574,328 to fund the DPW department operations, resulting in a ratio of cost per road mile in the City of \$17,404. As with public safety, the City needs to determine if this cost per road mile is reasonable, and warrants maintenance of a dedicated public works department.
- As feasible, the City should consider selective outsourcing of activities that may be a burden to the City and/or may reduce the overtime and/or capital requirements of operating the department.
- Implement a preventative maintenance program for the City's vehicle fleet as a best practice.
- Create job descriptions for all positions within the DPW Department, to create common expectations and performance requirements for existing staff.
- Create a policy and procedure manual for DPW operations, so that all staff are aware of the relevant policies and procedures, and are able to back-up the others in case of absence, vacation, emergencies, etc.
- Consider requiring a certified mechanic for the provision of these types of services for the City, as desired.
- Consider eliminating the DPW Superintendent position within the department on a permanent basis.

We sincerely appreciated the opportunity to work with you, the Department Heads and City staff. Should you have any questions or require additional information, please do not hesitate to contact either Christine Andrysiak at (248) 223-3330 or me at (248) 223-3328.

Very truly yours,

PLANTE & MORAN, PLLC



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