



**Operations and Efficiency Study
for the
Town of Chapel Hill,
North Carolina**

Final Report
April 2005

MAXIMUS

HELPING GOVERNMENT SERVE THE PEOPLE

TOWN OF CHAPEL HILL, NORTH CAROLINA OPERATIONAL AND EFFICIENCY REVIEW FINAL REPORT

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TOWN OF CHAPEL HILL, NORTH CAROLINA OPERATIONAL AND EFFICIENCY REVIEW FINAL REPORT

April 2005

I. INTRODUCTION

MAXIMUS is pleased to provide this final report on our operational and efficiency review of selected operations of the Town of Chapel Hill, North Carolina. The Town selected MAXIMUS to review various specific elements of Town operations. These included:

- Capital Planning
- Engineering
- Fire EMS first response
- Planning
- Police
- Public Housing property and grounds maintenance
- Public Works, all functions
- Transit, administrative management and fleet management, excluding fleet routing
- Non-tax revenue generation

Project activity included interviewing departmental management and staff and collecting and review budgetary and work volume data. We conducted an industry practices diagnostic, which provided a sense of direction for identifying potential issue areas. We then reviewed the issue areas with the Town to gain concurrence on follow-up review. Subsequently, we have had discussions with Town staff to assure accuracy of the information on which our observations and recommendations are based and to discuss the impact of potential recommendations.

It is important to note, first and foremost, that our impression—supported by the industry practice diagnostic that we conducted—is that the Town of Chapel Hill is a well-performing organization. There are several relevant points to make:

- In conducting an analysis of this nature, we typically find a distribution that a community meets or exceeds the industry practice between 25 and 30% of the time, has a slight discrepancy between 45 and 55% of the time, and has a significant gap between 25 and 30% of the time. Chapel Hill ranks among the high performing communities with the following distribution:

	Number	Percentage
Meets or Exceeds Standard	203	70.0
Slight Gap	57	19.7
Significant Gap	30	10.3
TOTAL	290	100.0

It should be noted that the primary area where the Town was experiencing a significant gap related to its information technology, particularly in the area of land management systems, and on fee recovery. In the preceding issues and recommendations, we have identified these as a subject areas that we believe the Town should address.

- Except where noted in this report, the Town's organization and supervisory structure in the areas that we reviewed is reasonable and appropriate for the staff size and work volume. Over the next several years, the Town will probably need to develop more specific means of interdepartmental coordination; but, currently, the existing work relationships appear to achieve the Town's purposes effectively and efficiently.
- With the exception of Police and Transportation, field operations appear to be staffed either appropriately or somewhat below optimal. The distribution of work duties appears to be sufficient. We note in this report the need to address Police staffing and we indicate that the Town will need to be looking at expansion of its fleet maintenance capabilities. While the scope of this study did not include fire suppression activities, this was raised by the Town's fire chief in our discussions.
- A hallmark of Town government is the focus on customer service; we observed the attitude of prompt responsiveness to citizens at all levels of Town government. While this is highly commendable, it can also result in less effective work efforts when staff are called on for citizen response rather than performing assigned work. Local governments are finding that formal programs of customer relations management can achieve the desired result of maintaining high levels of customer responsiveness by integrating customer relations into planned work activity. This is something that the Town may wish to consider in the future.

This report consists of three sections. This first section provides our introductory comments and observations. In the second section, we present the primary issues which we observed during our analysis and the recommendations for each. In the third section, we provide our industry practice diagnostic, which served as a principal basis for the identification of potential issues for detailed analysis.

II. ISSUES AND RECOMMENDATIONS

This report builds upon the ten primary issues that the MAXIMUS project team identified and then presented to the Town in the March 10, 2005 meeting during the preliminary diagnostic review project phase and discussed in more detail at the Town's Budget Review and Advisory Committee on March 23, 2005. It includes a priority order of importance for the issues as detailed in the table below.

	Short term	Long term
Revenue enhancement	<ul style="list-style-type: none"> • Solid waste charges/ adjusting service delivery for Solid Waste Operations • Identifying full cost in fees for development services/increased indirect cost recovery potential 	
Expense reduction	<ul style="list-style-type: none"> • Coordination across departments • Building and grounds maintenance • Fleet maintenance • Payroll cycle 	
Service quality improvement		<ul style="list-style-type: none"> • Customer service • IS support • Police staffing • Fire response strategies

The table indicates that there are seven issues MAXIMUS believes can generate the most immediate impact in terms of cost savings and/or revenue enhancement. The issues generating the greatest magnitude of either revenue enhancements or cost reductions in the short term are given the highest priority and are discussed in that order in the following narrative.

Where the analysis confirms potential savings or service improvements, this report describes the respective issue in greater detail than the initial issues summary, provides recommendations for improvements, and presents a business case concerning potential cost savings or service improvements.

There are two important changes in this final report from the previous draft reviewed by Town Staff and the Budget Review Advisory Committee. These are as follows:

- **Commercial Solid Waste Collection:** MAXIMUS project staff and Town staff reviewed the information relating to volume and costs regarding commercial waste collection and agreed on data to be used in our analysis. This included some further break-out of services for multi-family residential units, tax exempt entities, and fraternities and sororities. For the sake of convenient labeling, we have grouped those three service categories into one labeled “Reduced Fee.” The revised analysis shows that there is a greater potential savings to be gained, absent any other considerations. However, we have now factored in the probability of some tipping fee increase to offset a loss of waste stream at the Orange County landfill and also services provided by the Town for its own facilities and special events. As a result, our revised estimate is that potential cost savings would be between \$100,000 and \$300,000. We also comment that if, after discussions with Orange County, it would appear that the savings would be at the lower end of the range, then the Town should consider a different option of increasing rates, particularly for the reduced fee category of service.
- **Combined Building Maintenance Management:** Following further review of the options relating to combining the management of building maintenance for the Housing Department and the Public Works Department, we are recommending that the activity be combined under a single manager.

In this report, we identify several positions which we suggest can be either combined or eliminated. We need to emphasize that our analysis is based on a neutral approach to work volume and organizational structure and does not take into consideration the seniority or performance of the person or persons holding the respective positions. Based on our experience with previous studies, we do not expect these recommendations necessarily to result in job loss for incumbents. There are many different ways in which the Town can address implementation of the report’s recommendations, including such options as job transfers, use of attrition, or redefinition of job duties. Additionally, many of the recommendations in this report are predicated on opportunities for service coordination provided by construction of the Town Operations Center.

The table on the following pages summarizes the preliminary revenue and expenditure options identified in this report. Where possible, we attach specific dollar amounts to the recommendations, either identifying revenue enhancements or cost reductions. As appropriate following departmental review, we will revise the estimates to reflect those reviews.

Summary Fiscal Impact of Recommended Actions and Options

Recommendation or Option	Potential revenue impact	Potential expenditure impact
Issue 1: Solid waste charges (4options)		
Option 1: Begin charging multi family apartments as businesses	Maximum increase of \$389,800, although this would likely be less than this amount if multi family units opted for alternative private services.	No apparent impact other than marginal cost increases for added service billings.
Option 2: Charge full cost to commercial customers	Maximum of \$326,000, although this would likely be less than this amount if businesses opted for alternative private services.	No apparent impact
Option 3: Stop providing commercial services while continue service to multi-family businesses	Loss of \$240,800 per year in revenue.	Elimination of \$567,000 in expenses offset by an unknown one-time amount for possible resale of unneeded packers.
Option 4: Stop providing commercial services and services to multi-family business (Recommended Option)	Loss of \$355,000 per year in revenue	Elimination of \$1,071,000 in expenses, if there are no other changes. Assuming requirement to pay for Town services, plus some increase in tipping fees to offset the loss in the waste stream, actual cost reductions are estimated to be between \$455,000 and \$580,000.
Issue 2: Identify full cost of services and adjust fee schedule to recover full amount	Possible increase of \$280,000 in revenue city-wide	One time cost of \$40,000 for the cost study and fee adjustments
Issue 3: Building maintenance	No apparent impact	Reduction of cost of two positions at estimated value of \$141,000 for salary and fringe benefits
Issue 4: Consolidate fleet maintenance in Transit	No apparent impact	Reduction of \$110,000 in current expenses, after adjusting for a general fund contribution to the Transit fund for fleet management services.
Issue 5: Coordination of activities across departments	No apparent impact	No apparent impact
Issue 6: Multiple payroll cycles	No apparent impact	Reduction of about 10 percent of workload in payroll processing

Recommendation or Option	Potential revenue impact	Potential expenditure impact
		and negligible supply costs.
Issue 7: Customer service	No apparent impact	No apparent impact, although the effort to assess in depth current practices would consume staff labor effort.
Issue 8: Information systems strategy	No apparent impact	The process of identifying functional needs and designing overall systems architecture would take consulting and staff time over an extended period. It would also result in a blueprint for a revised applications architecture that would also be costly over time.
Issue 9:	No apparent impact	No apparent impact
Issue 10:	No apparent impact	No apparent impact
Summary	<p>These recommendations will result in an estimated increase in revenues of \$280,000 for the general fund and a net reduction in expenditures (costs less revenues that would be lost) of \$356,000. This would result in a net impact of \$636,000 to the general fund. It should be noted that these are annualized figures. It is expected that savings relating to commercial solid waste would be only partly achieved in the coming year, and savings in fleet management consolidation would occur only after completion of the Operations Center.</p>	

Issue 1: Recovery of Commercial Solid Waste Collection Costs

DESCRIPTION:

The Town's cost recovery level for commercial solid waste collection is approximately one-third of cost. Commercial solid waste collection is an important part of the Town's overall waste management plan, and factored into the Town's landfill agreements. In addition, the Town also provides services to multi-family rental units as if they were residential customers, with some exceptions for large quantity collection.

CONTRIBUTING FACTORS:

- Fee levels are not set to recover the cost of providing the service, thereby causing a General Fund subsidy of the service.
- The treatment of multi-family rental residential units also represents a significant cost impact for the Town.
- The Town provides commercial level service at low or no-cost to various public and not-for-profit entities.

OPERATING AND COST IMPACTS:

- Potential reduction in costs if commercial collections privatized or eliminated.
- Although not completely certain, the Town may retain some landfill payment obligations, even if the commercial service is eliminated.
- Increased revenues if the fee structure is adjusted for full cost recovery.

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE

- Net reduction in costs
- Potential increase revenues to assist in covering the costs

FINDINGS AND ANALYSIS

There are several alternative approaches for the Town to consider as it determines whether to pursue revenue enhancements related to Solid Waste or consider reducing costs and realizing cost savings. The first option of leaving the services "as is" will not yield any savings. The other four other scenarios are presented for consideration:

1. Continue to provide both commercial and residential trash collection and disposal services at current levels
2. Begin charging commercial service rates at residential rental locations (multi family housing)

3. Raise commercial rates sufficiently to at least break even on costs
4. Eliminate in whole or in part commercial services while retaining multi-family rental residential and other discounted services.
5. Eliminate both commercial service and multi-family rental residential and other discounted service

Current Option: Continue to provide both commercial and residential trash collection and disposal services at current levels

- The current operation results in a net annual expense to the Town's general fund of \$3.08 million (total expenses of \$3.43 million annually less \$355 thousand in current annual revenue). That net outlay is likely to increase steadily over time reflecting general operating cost increases.

Option 1: Begin charging commercial service rates at residential rental locations (multi family housing)

- This service includes commercial refuse collection for residential rental locations, tax exempt not-for-profit organizations, and fraternities and sororities.
- Current revenue for this service is approximately \$114,200, against estimated expenses of \$504,000. Action to begin treating residential rentals (multi-family apartments) as businesses subject to commercial trash collection charges would result in an initial increase in revenue of as much as \$389,000 and probably only marginal cost increases related to account billings. Revenues are principally for extra pick-up services and include:
 - \$61,901 from tax exempt organizations
 - \$33,362 from apartments
 - \$16,857 from fraternities and sororities
- There would be no other increase in operating expenses since it would involve a continuation of current services
- If charges were set at a rate sufficient to recover estimated direct costs, it could generate a maximum of approximately \$504,000 in revenue per year (including current revenues) although the actual revenues would likely be less and could continue to decline over time.
 - There is no guarantee that residential customers in apartments would continue to get services from the Town. If alternative private service suppliers offered lower rates, it should be expected that some unknown number would opt for private services.
 - The lost revenue would also result in comparable reductions in costs. However, while the revenue would be lost immediately after a customer decided to opt for

alternative service, the Town would likely continue to incur costs for staff, operations and maintenance, and vehicle amortization for some time.

Option 2: Raise commercial rates sufficiently to at least break even on costs

- The standard annual commercial rate for 1 pick up per week is now \$801. Our rough estimates of only direct costs indicate that this is probably fairly accurate.
- The following table summarizes our estimate of the levels of effort, revenue and expense for three major classes of customer: regular residential; general businesses; and reduced charge services (apartments, tax exempt organizations, and fraternities and sororities). The quantity data in this table are from the Town's 2003-04 fiscal year; expenses are audited figures for FY 03-04, while the revenues are projected for the 2004-05 fiscal year.

	Residential	Commercial	Commercial type account breakdown		Total
			General Business	Reduced Charge	
Total service locations (accounts)	11,000	616	326	290	11,616
Total pickups: general trash	572,000	52,520	39,364	13,156	624,520
Total pickups: yard waste	572,000				572,000
Total pickups/year	1,144,000	52,520	39,364	13,156	1,196,520
Total quantity/tonnage					
- General	8,610	12,580	6,416	6,164	21,190
- Yard waste	4,151	-	-	-	4,151
Total	12,761	12,580	6,416	6,164	25,341
Tonnage per account per year	1.2	20.4	19.61	21.26	2.2
Revenue from fees		\$355,000*	\$240,800	\$114,200	\$355,000
General Fund contribution	\$3,079,114	\$716,000	\$326,000	\$389,800	\$3,795,114
Total expenses	\$2,363,114	\$1,071,000	\$567,000	\$504,000	\$3,434,114
- General	\$1,594,421	\$1,071,000	\$567,000	\$504,000	\$2,665,421
- Yard waste	\$768,693				\$768,693
Cost per ton, general		\$85.14	\$88.37	\$81.76	

	Residential	Commercial	Commercial type account breakdown		Total
			General Business	Reduced Charge	
	\$185.18				\$125.79
Cost per ton, yard waste	\$185.18				\$185.18
Cost per account/per year	\$214.83	\$1,738.64	\$1739.26	\$1,737.93	\$312.19
Fee Revenue per account/per year		\$576.30	\$738.65	\$393.79	
Cost per commercial trash pick up		\$20.39	\$14.04	\$38.31	
Cost per year for once weekly pickup		\$1,060.28	\$730.08	\$1992.12	
Average cost per year per account		\$1,738.63	\$1,739.26	\$1,737.93	
Average fee revenue per year per account		\$576.30	\$738.65	\$393.79	
Average loss per year per commercial acct		\$1,162.33	\$1,000.61	\$1,344.14	
* This revenue figure does not include \$33,000 in yearly revenue from the Town's downtown commercial compactors.					

- Net of the revenue from charges to businesses, the Town's general fund pays the cost of services to residential accounts (\$214.83 per account per year), the businesses (\$1,000 per account per year) and the reduced rate locations (\$1,344.14 per account per year).
- Additional rate increases to businesses sufficient to offset the existing subsidy could be undertaken to raise an additional \$326,000 per year. Such rate increases should probably be focused on accounts getting more than one pick up per week and possibly on customers using smaller containers. The following table shows the current commercial schedule:

Container Size	1x/week	2x/week	3x/week	4x/week	5x/week
2 yd	320	642	960	1,602	2,003
4 yd	480	801	1,105	1,762	2,163
6 yd	641	961	1,266	1,923	2,323
8 yd	801	1,121	1,426	2,083	2,483

- Town staff believe that the current commercial collections operations are functioning at a base level in terms of equipment and four staff. With this level of commitment, current collection quantities are below the base level of collection capacity. Therefore the only variable costs in the present rate model are vehicle operations—fuel, tires, etc—and the tipping fee. The current rate structure is based on this presumption. At the time that quantity began to approach, or exceed, current capacity then labor costs would also become a variable cost component.
- Thus, the Town is incurring costs in excess of revenues in part because of the minimum equipment and staffing levels needed to provide the serviced at all.
- Increasing commercial rates would be problematic in that the revised rates would approximate rates being charged by private haulers; a key difference, however, is that the Town does not provide commercial refuse containers while the private haulers include the containers in their rates.
- An alternative strategy might be to reduce rates in order to attract more customers, thus absorbing the excess capacity. However, since the Town's recent increase in rates had only minimal impact on demand, dropping the rates would probably not have the desired effect of increasing quantity significantly.

Option 3: Eliminate in whole or in part commercial services while retaining multi-family rental residential and other discounted services

- The commercial operation currently appears to generate an annual loss of approximately \$326,000 per year (expenditures less offsetting revenues) for reasons described above. Absent a substantial increase in rates, particularly for customers needing multiple weekly pickups, those losses will continue to be subsidized by the general fund.
- Eliminating the current commercial collection program would not reduce the annual subsidy by this amount. Some expenses would continue for an indefinite period of time. While revenues would disappear immediately, operating expense factors would not unless the Town laid off an equivalent number of solid waste workers as are now working on commercial services and sold off vehicles and retired any debt associated with them; however, since the Town is already operating at a base level of service, the substantial fixed costs would remain.
- Therefore, this does not appear to be a viable cost reduction strategy.

Option 4 (Preferred): Eliminate both commercial services and multi-family rental residential and other discounted services

- Retention of multi-family rental residential and other discounted services would obligate the Town to maintain commercial equipment and some staffing, thus minimizing the overall benefit of eliminating commercial services.
- The effect of eliminating both levels of service would be a loss of \$355,000 in revenues and the elimination of \$1,071,000 in expenses, resulting in a net benefit of \$716,000.

- Eliminating the commercial collection program would not reduce the annual subsidy by this amount. Some expenses would continue for an indefinite period of time. While revenues would disappear immediately, operating expense factors would not unless the Town laid off an equivalent number of solid waste workers as are now working on commercial services and sold off vehicles and retired any debt associated with them.

Additional Considerations Relating to the Discontinuation Option

There are a number of special considerations that will ultimately impact the viability of this recommendation. These are factors that are largely unknown at this time and which will require additional review. Among these are:

- While potential benefits could be as much as \$716,000, it is unlikely that more than half of this amount can actually be achieved.
 - It can reasonably be expected that private haulers with their landfills and/or transfer stations will bypass Orange County in favor of their own facilities, thus reducing the waste stream and tipping fee revenue for the County. It must be assumed that the County will seek to recover some or all of that loss. The Town currently pays \$566,300 to the Orange County landfill for commercial waste tipping fees. If the County's fee adjustment results in the Town continuing to pay this amount for its reduced waste stream, then the maximum benefit for the Town drops to \$149,700. At a 50% recovery of the lost tipping fee, the Town's benefit would be approximately \$283,000.
 - The Town currently uses its commercial refuse staff and equipment for pick-up at Town facilities and special events. The Town staff estimates that regular collection from Town facilities would cost in the neighborhood of \$20,000 to \$25,000 per year from a private hauler. There is no estimate of the cost for special events cleanup. The Town would need either to retain some equipment and use personnel from other duties to conduct this cleanup or would need to contract for the services.
 - Once these considerations are factored into the economic decision, the potential value of discontinuing services is more likely to range from \$100,000 to \$225,000, depending on Orange County's tipping fee adjustments.
- The Town will need to engage in discussions with the County to determine what the County's tipping strategy would be and what that would do to projected savings. If the net savings for service discontinuation is at the lower end of the potential benefit, then the Town may be better served by either establishing/increasing rates for multi-family residential units, tax-exempt entities, and fraternities and sororities and by seeking some additional increase in commercial fees. If it decides to pursue this strategy, then it should set its rates in a manner designed to minimize any future General Fund subsidy, recognize appropriate fixed and variable costs, and structured to encourage a larger commercial waste stream.

- Should the Town decide to eliminate commercial collection, it will need to decide what to do with the existing equipment. Jurisdictions that have reduced or eliminated services with substantial equipment investment have generally pursued one of two strategies. One strategy is to retain the equipment in reserve for a period of a year or eighteen months in case the policy officials decide to reverse the original decision. The second strategy is to sell the equipment and place the proceeds into the community's vehicle replacement fund.

Issue 2: Full Cost of Services and Appropriate Charges to Enterprise Funds and the General Public

DESCRIPTION:

Fees and charges appear to be determined by the individual department in which the costs occur. There were no readily apparent, regularly used labor accounting mechanisms to identify actual costs or any overall allocation of full overhead charges to these rates. It is likely that full costs may not be recovered and/or that some taxpayers are subsidizing services to others. In some cases, no charges are being made for services that incur town costs and are generally recovered by other municipal governments across the country. In addition, the Town is using a simplified methodology to calculate its indirect cost rate. This rate is used to allocate administrative costs in the General Fund to other Town departments and funds. The Town has some potential lost revenue and inequities in charging other funds for these services.

CONTRIBUTING FACTORS:

- No central cost accounting function authoritatively identifies costs or sets fee levels sufficient to recover those costs.
- Although town policies exist regarding cost recovery levels, the Town defines “full cost” more narrowly than industry practices.
- The Town is not always aggressive in identifying costs of services and setting policies to recover an appropriate amount of these costs.
- The Town uses a methodology for calculating indirect costs that may not equitably represent the costs of providing those services to departments.
- The Town uses the OMB Circular A-87 methodology for calculating its indirect cost rate. This simplified single rate excludes certain central service department costs that can be allocated under a full cost allocation plan.

OPERATING AND COST IMPACTS:

- The Town’s current fee recovery policies and practices cause subsidy of identifiable service recipients through the General Fund or incorrect charges to other fee payers.
- Cost subsidies in some areas reduce the level of available funds to conduct other direct public service programs.
- The General Fund is not charging all allowable administrative costs to enterprise fund operations.

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE:

- Increased revenues for the General Fund – both from internal and external sources. Once these fees are adjusted to more closely approximate cost, the Town will have raised its revenue base resulting in this additional revenue accruing every year.
- Greater equity in charges to identifiable service recipients.
- Developing a full cost allocation plan will provide a more comprehensive cost accounting framework for determining the full cost of Town operations. The actual costs are clearly identified because the cost allocation plan determines the complete cost of each administrative service and the appropriate share to be borne by each operating department.
- Better information upon which to design future efforts aimed at improved productivity (i.e., knowing what a service is costing you is an important pre-requisite to doing it more efficiently). A comprehensive user fee study will contain invaluable management information that may be used as the basis for further analysis of certain Town services. The evaluation of productive time and unallocated time will provide the Town insight as to where staff reductions or redeployments might be made or the amount of increased demand for services could be absorbed before additional staff would be needed.

FINDINGS AND ANALYSIS:

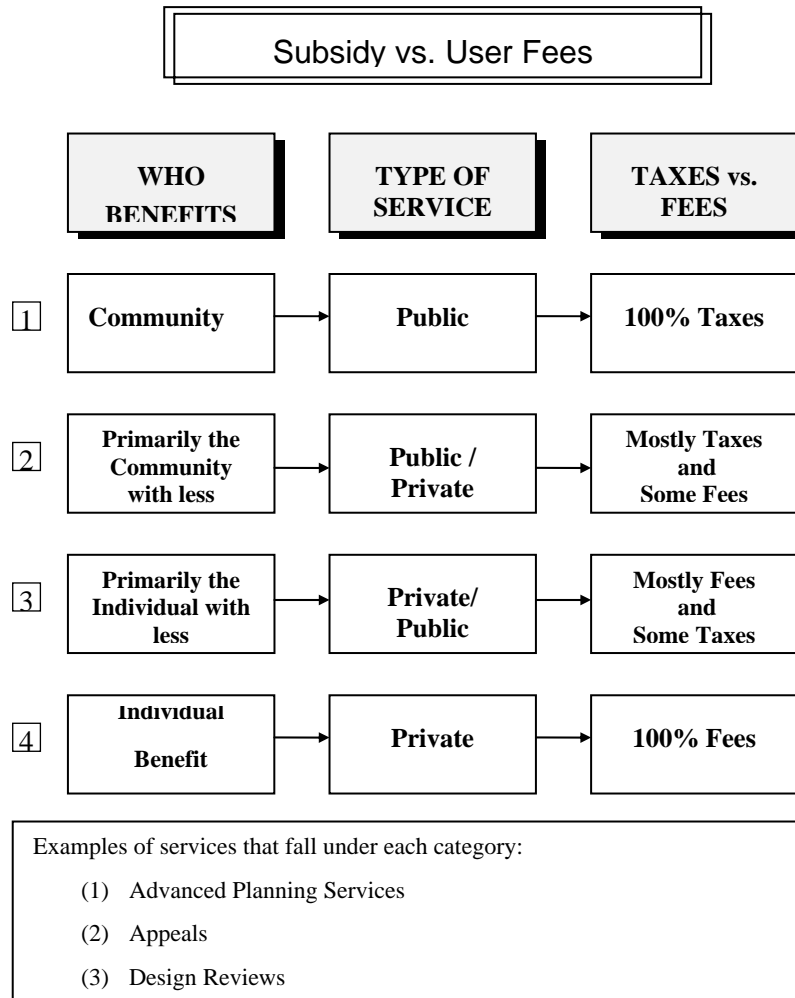
- MAXIMUS conducted an analysis of the Town’s indirect cost allocation plan for FY 2004 and determined that the rate calculated conformed to the OMB Circular A-87 guidelines for simplified rate calculations. However, the Town can realize additional revenue to the General Fund by preparing a “full cost” allocation plan that identifies other central service departments that provide services to the Town’s enterprise funds. Additional revenues to the General Fund are estimated to be at least \$40,000. However, this is only a reallocation of resources. If the Town were to effect this transfer, it would have the impact of reducing available revenues for the contributing funds since it is not likely that the funds would be able to generate revenues sufficient to offset the transfer. For this reason, we do not recommend this transfer at this time.
- MAXIMUS identified the potential to generate additional revenues through fee adjustments. However, a full cost of services analysis will also identify areas that the Town can examine in detail to help determine whether fees should be increased to cover the costs, processes changed to provide the services more efficiently, or programs eliminated because the costs do not justify the benefits of providing the services.
- Although the Town has policies in place to recover “full cost” of services in some areas (Adult recreation leagues, for example), MAXIMUS identified potential for additional revenue as well as the opportunity to identify programs that may be costing the Town significant dollars but serve limited numbers of its citizens. The following table presents a sample of two areas where analysis of the full cost of fees will provide the Town with information to determine service areas where General Fund property tax dollars are subsidizing services provided to individuals.

Town of Chapel Hill, NC			
General Fund Cost/Revenue Analysis Overview			
Development Related Fees			
	<u>Adopted Budget</u> 2004-05	<u>Revised Budget</u> 2001-02	<u>Cost/Revenue Identified</u> <u>(2002 Staff Report)</u>
Projected Expenditures			
Inspections	\$ 760,210	\$ 612,924	\$ 565,222
Planning	\$ 1,071,427	\$ 1,137,437	\$ 551,861
Engineering	\$ 916,312	\$ 990,149	\$ 139,509
Life Safety	\$ 255,760	\$ 235,180	\$ -
Subtotal	\$ 3,003,709	\$ 2,975,690	\$ 1,256,592
Projected Revenues			
Charges for Services	\$ 181,300	\$ 270,800	
Licenses, Permits, Fines	\$ 693,950	\$ 810,000	\$ 1,022,369
Fire Charges for Services	\$ 3,000	\$ 4,000	
	\$ 878,250	\$ 1,084,800	\$ 1,022,369
Difference	\$ 2,125,459	\$ 1,890,890	\$ 234,223
% Recovery	29.24%	36.46%	81.36%
Parks & Recreation Fees			
Projected Expenditures			
Parks & Recreation	\$ 2,318,311	\$ 2,087,870	
Projected Revenues			
Charges for Services	\$ 323,950	\$ 330,898	
Difference	\$ 1,994,361	\$ 1,756,972	
% Recovery	13.97%	15.85%	

MAXIMUS reviewed a staff report prepared using FY 2002 dollars that identified the total revenues generated in the Inspections, Planning, Engineering, and Life Safety cost centers. While the methodology is sound in estimating the cost of services, the Town was actually recovering less than 81% of its full cost of providing development related services since the calculations excluded supplies, contractual services, building use allowance, equipment use allowance, and a fully loaded indirect cost rate.

Although MAXIMUS does not believe that the Town should necessarily recover the full cost of the gap between revenues and expenses identified in the foregoing table (some activities in these departments are clearly non-fee related and should not be recovered through fees), our experience tells us that we typically identify over \$225,000 in subsidies per 10,000 population. Generally, our clients are able to successfully realize revenue increases between 20 to 40 percent of that total subsidy. In Chapel Hill's case, that would yield an estimated \$280,000 (minimally) in additional revenues annually.

- We recommend that the Town conduct a full revenue study, to be completed prior to the adoption of the next budget, so that the Council can adopt a new fee schedule to impact the budget.
- The Town should determine the full cost of services offered by each department for which user fees are currently being charged or could be charged. The full cost should then be compared to current revenues to determine the amount of subsidy (or occasionally, overcharge). With this knowledge the Town can make informed decisions concerning appropriate fee adjustments. However, simply calculating costs is not enough. The Town should understand economic issues, such as elasticity of demand, and use a variety of factors in setting fees. The underlying rationale to charge full cost for user fees is simply this: the Town is providing a distinct service or product to a business or individual who is gaining a monetary, emotional, or recreational benefit. Equity says that others who do not participate in that benefit should not subsidize individuals or businesses. For example, why should a long-term resident living in a central part of the community subsidize the development costs of opening up a new subdivision on the edge of the town?
- In the past, many local governments did not stress subsidy issues since there were alternative tax avenues available to fund government services. This is no longer the case. MAXIMUS recognizes, however, that there are circumstances and programs, which probably justify a General Fund subsidy (e.g., youth, senior, and disadvantaged recreation programs, certain classifications of code enforcement, library services, etc.) With this in mind, MAXIMUS has developed a service/benefiting agent matrix to help place the subsidy issue in proper context. The matrix with typical fee issues is shown in conceptual form in the diagram on the following page:



MAXIMUS believes that understanding and application of the matrix is important in generating acceptance of fee for service cost recovery levels by the Town Council and community/business groups. Through this visual perspective the rationale for cost recovery becomes clear and defensible.

MAXIMUS recommends a methodology for developing fee for service calculations that creates a standard cost model for each current and potential fee. We believe that a service qualifies for the “fee” designation where the activity benefits a specific individual or group, as opposed to the public at large. For example, a development activity clearly fits the definition – whether the beneficiary makes a near-term profit or not – as opposed to police patrol or park land maintenance, which benefits the community as a whole.

Issue 3: Buildings and Grounds Maintenance

DESCRIPTION:

The Town provides building maintenance services in two separate departments: Public Works and Housing. Similar skills are utilized to perform these functions, yet they are managed separately with employees performing the functions in similar job classifications located in two departments.

CONTRIBUTING FACTORS:

- Potential for reduced operating costs of providing building maintenance services
- Separate clientele (Housing Department clients and town departments)
- Separate funding sources – HUD funding for Housing building maintenance staff

OPERATING AND COST IMPACTS:

- Potentially higher than necessary costs for building maintenance services
- Lack of common standards for public area maintenance

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE

- Reduction of costs through unified management and work standards
- Enhance emphasis on customer service
- Enhance project management
- Reduction of permanent staffing
- Improvement in overall conditions of town maintained facilities, including housing units.

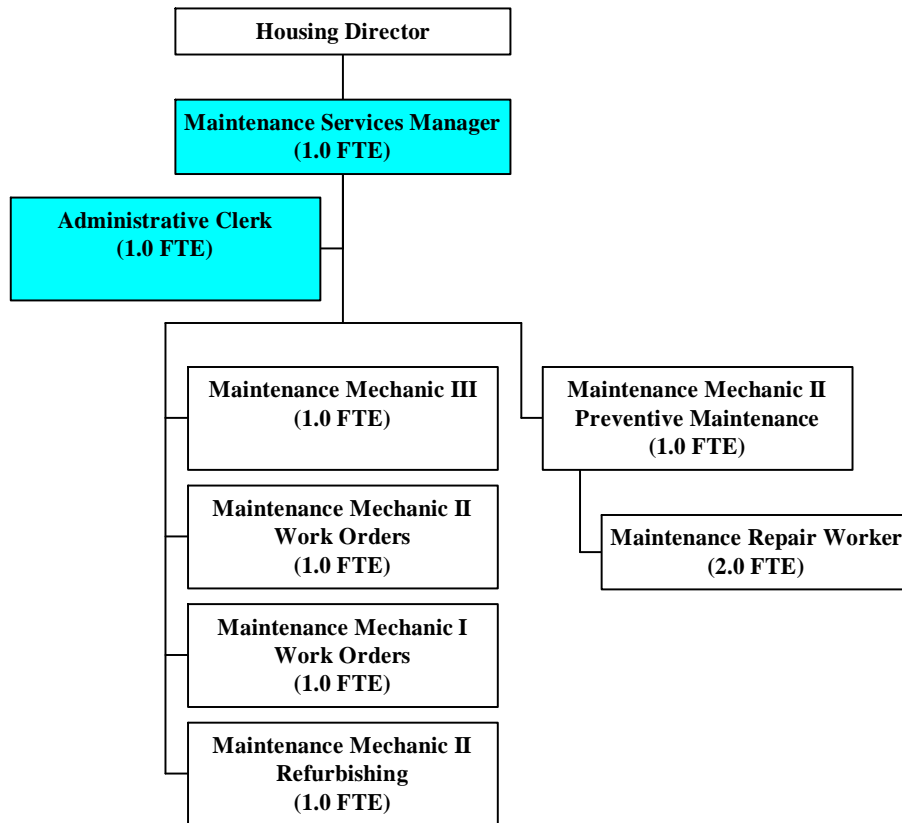
FINDINGS AND ANALYSIS

- Operating as separate organizations, the two building maintenance operations did not exhibit excess capacity in staffing in positions employed to perform direct building maintenance activities.
- Certain functions will need to be carefully maintained (inventory accountability, for example), but consolidating building maintenance management (work order system) software and inventory management software is recommended. The Housing Department is currently in the process of procuring new building maintenance management software. The Town should ensure that the software could be used for a unified building maintenance management system.

- The two departments have several similar, transferable duties in several key management, supervisory, and support positions within building maintenance management operations as evidenced in a comparison of duties and responsibilities between the positions. The following organization charts depict the reporting relationships in each department.

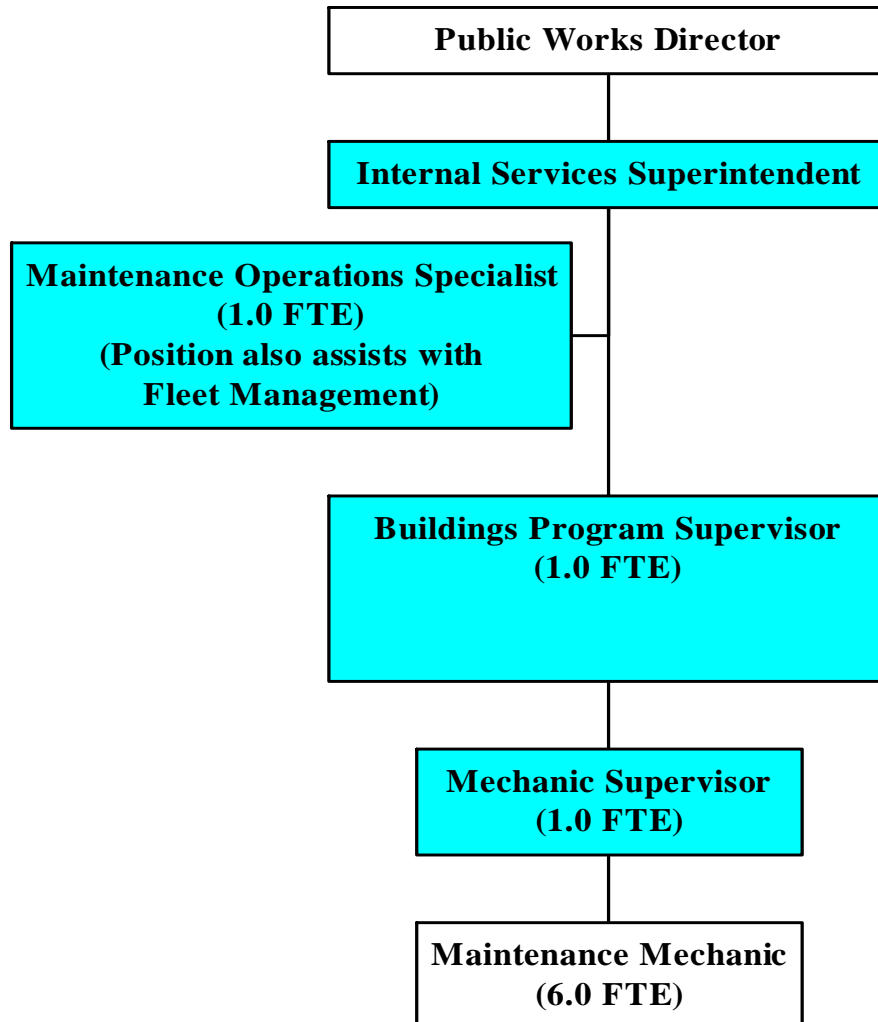
ORGANIZATION CHARTS

Housing - Facilities Maintenance



- The organization chart above identifies that the management position (Maintenance Services Manager) and the administrative support position (Administrative Clerk) have similar duties and responsibilities as the positions identified in the following Public Works Facilities Maintenance work group.

Public Works Internal Services - Buildings



- Several one-on-one (or narrow spans of control) reporting relationships exist in Internal Services. The reporting relationships may result in an even narrower span of control for the Internal Services Superintendent, depending on how Fleet Management is reorganized. The Internal Services Superintendent may supervise the Building Program Supervisor who, in turn, will supervise the Mechanic Supervisor.
- MAXIMUS recommends eliminating the Internal Services Superintendent position in the Public Works Department. This would result in annual salary savings of an estimated \$83,000, including fringe benefit costs. Because this position also supervises public works fleet operations, the elimination of this position is accomplished, in part, through the following recommendation regarding fleet management consolidation.

- HUD requires regular inspections of properties and it conducts tenant surveys to judge the Housing Department's performance against national standards. MAXIMUS' review of the documentation provided by the Housing Department indicates that the maintenance functions of department exceed national standards. Although the department has recently had a vacancy in the Maintenance Services Manager position, the department has met or exceeded HUD performance standards. This would indicate that it might be possible to eliminate either this position or the equivalent position in Public Works.
- A lengthy internet search of Housing Departments, who are departments within municipal governments and not separate authorities, did not indicate an industry practice of combined building maintenance functions for housing units and public buildings. One of the Housing Department's primary functions is to ensure proper repair and maintenance of rental units. More than half of the staff in the Housing Department is devoted to maintaining the 336 housing units. To combine building maintenance for Housing and Public Works would be a significant variation from national norms.
- Consolidation of the building maintenance functions would include elimination of one supervisory position in either the Public Works Department or the Housing Department. The estimated savings for salary and fringe benefits is approximately \$58,000. MAXIMUS recommends maintaining the Internal Service Fund concept, and centralizing all public building maintenance costs in one cost center (utilities, supplies, contractual services), whenever possible. Currently, the Town cannot easily identify the full cost of its building maintenance activities because the maintenance funds are scattered throughout various Town departments.

Issue 4: Fleet Management Operations

DESCRIPTION:

The town maintains two separate management structures and work groups for fleet repair and maintenance: one in Public Works and one in Transit. Although the emphasis of repairs differs between the two operations (maintaining a transit fleet versus a more diverse fleet of all other town vehicles), there is potential for improved efficiency and reduced costs through consolidation of fleet management operations. Sharing of resources and operational processes could potentially improve overall fleet management for the town.

CONTRIBUTING FACTORS:

- Separate management/purchasing/parts/inventory systems
- Separate funding sources for Transit and Public Works
- Separate work order/repair systems

OPERATING AND COST IMPACTS:

- Possible realignment of certain management and operating responsibilities among departments.
- Streamlined management system could reduce costs based on elimination of work duplication

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE

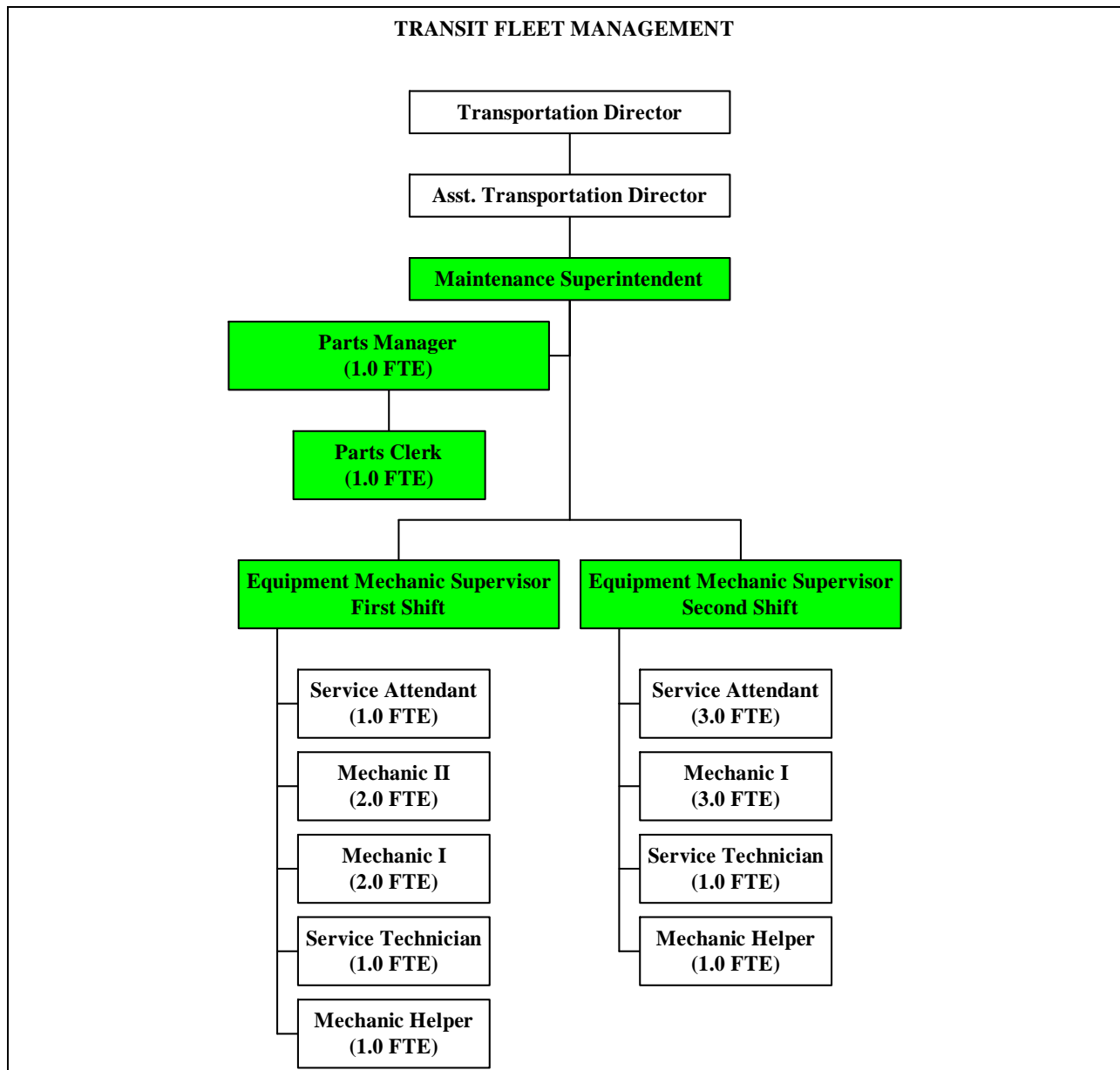
- Improve customer service
- Improve operational processes
- Reduced management costs
- Potential benefits relate primarily to management and customer service opportunities; the Town's current approach to the maintenance facilities themselves is the most appropriate one, given the differences in the fleet equipment and maintenance needs.

FINDINGS AND ANALYSIS

- Operating as separate organizations, the two fleet maintenance operations did not exhibit excess capacity in staffing at the mechanic level and below (positions employed to perform direct work on fleet vehicles).
- Certain functions will need to be carefully maintained (inventory accountability, for example), but consolidating fleet management software and inventory management software is recommended.

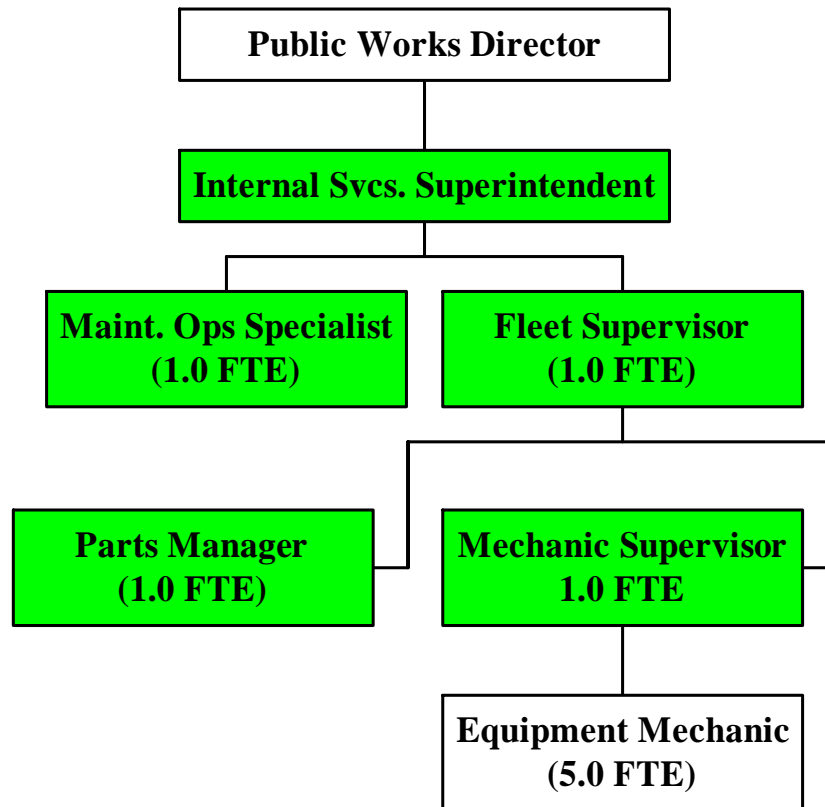
- The two operations have a number of similar, transferable duties in several key management, supervisory, and support positions within the fleet management operations as evidenced in a comparison of duties and responsibilities between the Transit Department and the Public Works Department fleet operations. Positions exhibiting similar duties and responsibilities are highlighted in the following organizational charts by shading the boxes of those positions: Transit fleet maintenance is organized as profiled in the organization chart below, followed by the Public Works fleet maintenance operation:

ORGANIZATION CHARTS



- The shaded positions above represent those with duties that are similar to those contained in the Public Works Department’s fleet maintenance staffing. They are the positions that MAXIMUS analyzed for potential consolidation in a joint Public Works/Transit fleet management program.

PUBLIC WORKS FLEET MANAGEMENT



- The shaded positions above represent those with duties that are similar to those contained in the Transit Department’s fleet maintenance staffing. They are the positions that MAXIMUS analyzed for potential consolidation in a joint Public Works/Transit fleet management program.
- We recommend the consolidation of duties and responsibilities and elimination of the following three positions. It is recommended that the planning for these adjustments occur before the movement of staff to the Town Operations Center and be implemented in conjunction with that move:
 - Eliminate the Fleet Supervisor position in Public Works and the Maintenance Superintendent in Transit. Responsibility for managing the joint fleet operation would be assigned to the current Assistant Transportation Director. To effect this

change, it will be necessary for the Town to provide some additional training in the area of automated fleet management. Also, the general fund would need to subsidize a portion of the cost of public works fleet management to the Transit Fund. The estimated maximum value of elimination of the positions would be \$92,000 plus fringe. Anticipating approximately \$25,000 in general fund contribution, the probable annual savings is estimated at \$67,000

- Consolidate the duties of the two Parts Manager positions into a single position, thereby saving approximately \$43,000 annually in salaries and fringe benefits. This would leave a full time parts clerk in Transportation and a half time parts position in Public Works, supervised by a single Parts Manager.
- It is not common to find local governments with combined transit and non-transit fleets. This is because of three primary factors: state and federal regulations relating to transit operations and subsidies, the frequent use of separate transit authorities, and the maintenance characteristics of large buses.
- The positions included in this recommendation represent management overhead. The Town can effect those changes while retaining actual maintenance duties as separate functions.
- Our observation of the fleet functions in both departments, but particularly in Transportation, is that the fleet maintenance activity is, at best, marginally staffed. While we did not conduct a detailed analysis of maintenance staff requirements, we recommend that the Town consider options for some additional staffing in the near future. This staffing consideration should be in conjunction with further evaluation of the feasibility of instituting a partial weekend shift in Transportation.

Issue 5: Coordination of Effort Across Divisional or Departmental Boundaries

DESCRIPTION:

The town organization is sufficiently small to permit informal coordination of most business processes across the boundaries of individual departments. However, when some processes extend significantly across organizational boundaries or are sufficiently complex, it is often necessary to set up more formal coordinating mechanisms. These more formal types of coordinating mechanisms do not always appear to be in place. In some cases, realignment of responsibilities may be a more workable alternative to ensure efficient and effective ownership of a business process.

CONTRIBUTING FACTORS:

- The relatively small size of the town government has permitted largely informal coordination efforts.
- The increasing complexity of various local government responsibilities increasingly requires more complex coordination across functional department boundaries (e.g., traffic management, development permits, asset control, valuation and maintenance, engineering, storm water management, housing/building maintenance, fleet management, capital investment planning).

OPERATING AND COST IMPACTS:

- Overlap, or inappropriate division, of operating responsibilities among departments and/or divisions within departments may be causing work duplication or addition business process steps.
- Potential for inconsistent operating procedures could cause both staff and customer confusion, resulting in additional work to resolve potential misunderstandings or confusion.

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE:

- Improved coordination of effort and greater customer responsiveness.
- Elimination of duplicative work efforts.
- Rationalization of cross-departmental business process design in support of long-range technology enhancements.

FINDINGS AND ANALYSIS:

Traffic Planning and Management

- There are at least three different stages of the traffic planning and management lifecycle.
 - Higher level traffic planning involving coordination with other jurisdictions is carried out in the planning department,
 - Traffic engineering takes place in the engineering department and
 - Road system maintenance is the responsibility of the public works department.
- This three part division of labor among functional specialists is entirely consistent with how this business process is organized in virtually every other jurisdiction with which we are familiar. Each function is unique, focuses on different aspects of the business process, and requires different skills. Different specialists normally perform all three functions, but the placement of those specialists in operating departments is not always consistent and usually reflects a city's needs for coordination and control.
- At issue is whether the degree of coordination among these sub-processes is sufficient, particularly in terms of whether the product generated by each party is adequate to meet the needs of the others.
- We saw or heard nothing to indicate that the substantive performance of any party was a problem. The concern was with whether more coordination of effort was required.
 - Coordination between planning and engineering does not appear to be a problem.
 - Coordination between traffic planning and street maintenance does appear to be a problem
- Specifically, traffic engineering is responsible for technical studies and for ensuring that certain technical standards are set and maintained in road and traffic control device maintenance. At present, the required maintenance is done by public works. Traffic engineering has a limited information capacity relating to the scheduling of required inspection and maintenance work in public works or of verifying that work was performed to specifications. The Department of Public Works does maintain a signs and signals maintenance log.
- Potential impacts:
 - Potential public safety concerns and greater risk exposure for the Town if known work is not performed promptly and to specifications, and
 - Duplication of effort in engineering checks on whether work has been performed as required.

Possible solutions

- Any solution has to address two concerns: 1) assured prioritization of maintenance work; and 2) efficient inspection and verification that work has been completed to specification.
- Consolidation of Responsibility and Authority Option: Remove the traffic engineering function from the Engineering Department and re-site it as a separate group within the public works department. In this scenario the public works director would then have ultimate

responsibility and authority for ensuring that technical traffic control and maintenance requirements were being met promptly and accurately. Likely operating impacts:

- No additional operating costs.
 - Tighter assurance of coordination of traffic engineering and road maintenance efforts with a likely reduction in inspection work duplication.
 - Reduced Town risk exposure in the event of a death or injury that might result from delayed or inadequate maintenance actions.
 - In making such a change, the Town will need to assure that the traffic engineering role in plan review is not minimized.
- Technology Based Option – Keep current organizational alignment of functions, but install a more sophisticated computerized maintenance management system, permit traffic engineering to enter work orders that have authoritative weight in public works, and set up procedures for public works reporting to traffic engineering according to their specific needs. Likely impacts:
 - A more sophisticated CMMS will be expensive and shouldn't be pursued just for sorting out one operating issue; it has to be explored, designed and installed for a wider range of enterprise concerns and processes.
 - Any attempt to allow authoritative prioritization of work activity in Public Works from outside the chain of command will create the same downstream coordination and control problems currently experienced regardless of how sophisticated the CMMS is that is used to organize maintenance efforts.

Development Permits

- The Town's approach to development permit processing is more or less identical to every other city with degrees of participation by planning staff, engineering, and building inspection staff. Where it differs from some cities is in the degree of coordination and synchronization of effort applied to achieve a seamless service experience for the customer.
- In recent years many other cities have adopted more aggressive approaches to customer service designed not from the point of view of achieving efficiency or effectiveness in individual city departments but from the perspective of the efficiency and effectiveness needs of the customer.
- Some times going under the name of "one stop shopping", the customer (such as a permit applicant) in need of "packets" of integrated, coordinated service from multiple city departments deals with a cross-disciplinary team which works with him or her from project inception through close out.
- A permit applicant in most cities usually must deal with the planning department, fire department, building inspection officials and, sometimes, public works personnel. The difference among cities is in the degree of process coordination and customer outreach that is attempted.

- In older model the customer must often shuttle from one functional group to another – accommodating the established work processes of the government staff -- to complete a process checklist.
- In the newer model, the jurisdiction brings the functional expertise together in one place (the team) and services the full needs of the customer. The Town of Chapel Hill is making an effort to accomplish this, but the lack of an integrated land management system limits the Town's full capability. A land management system would facilitate capabilities such as high levels of customer interactivity and status monitoring, concurrent plans review, and minimize the need for repetitive work.
- Results that are often seen after switching to a highly coordinated team approach:
 - Greater public satisfaction with application processes
 - Reduced applicant time costs through a more systematically controlled process
 - Reduced city application processing time and effort as applications are processed more quickly
 - Often fewer applicant mistakes and re-work requirements due to lack of knowledge or guidance through the application process
 - Higher degrees of automation of application and land use data
- Common characteristics of a more highly coordinated application process:
 - Formal assignment of a cross disciplinary team to work on each application review project, with a single party serving authoritatively as the coordinator of the team's work. This does not necessarily require functional reorganization as long as lateral communication and control processes can be established effectively. Currently, the Town is doing this; however, the primary focal point is the Planning Director, which detracts from the Director's broader Department management responsibilities. The Department should look at devolving that duty to other staff.
 - A single point of contact (usually the project coordinator) for the customer from project inception through close out
 - Formally defined participation roles for all members of the team and pre-established workplans and timetables for executing application reviews for different classes of project
 - Synchronized parallel review processes across functional boundaries to help reduce the time needed for application processing.
 - Effective management and coordination of all permit application data on an integrated system that also services to knit together the efforts of cross-departmental team members (usually a module of or an adjunct to a land management system). Within the next several years, the Town should examine the feasibility of a robust land management system that will allow for better data management, higher levels of customer information, and more integrated planning and development review.

Facility Maintenance

- The recommendation in Issue 3 of this report recommends combining management of the building maintenance functions of the Public Works Department and Housing Department. The Town should use this as the first step in assuring that the Town maintains a thorough inventory of facility maintenance requirements and that the Public Works Department play a prominent role in assuring a regular program of facility maintenance.

Capital Project Planning

- Responsibility for developing the capital improvements plan rests now with the planning department. The planning process currently involves planning, public works and finance as well as other departments as needed.
- The Town appears to perform significant financial and operational planning and review as part of its annual capital planning processes, and the process appears to work appropriately at this time.
- Our review of the Town's Capital Improvement Plan shows that there is a substantial component for facility maintenance, including regular renewal of a facility inventory assessment. This is an often overlooked component of capital planning in many jurisdictions, and the Town is to be complimented for its inclusion.

Issue 6: Multiple Payroll Cycles

DESCRIPTION:

The Town maintains several payroll cycles for different employee and retiree groups. Multiple payroll processes require one full time and one part time (30 hours/week) position to prepare weekly, bi-weekly, and monthly payrolls. The majority of the approximately 800 positions in the system are paid on a bi-weekly basis, but additional effort is required to maintain three separate pay cycles.

CONTRIBUTING FACTORS:

- System has developed over time – in response to perceived need for certain employee groups to be paid weekly
- Monthly payroll maintained for retired police officers
- During the past four months, the town issued 2,580 paychecks and performed 8,762 direct pay deposits. This equates to 77.3 percent of payroll transactions being performed electronically.

OPERATING AND COST IMPACTS:

- Additional cost of payroll processing for town to produce twice as many checks yearly for certain employee groups.

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE

- Reduce staff time commitments through elimination of payroll processing costs

FINDINGS AND RECOMMENDATIONS

- Eliminating weekly payroll will eliminate processing of approximately 250 paychecks for 26 pay periods. This reduction will free up an additional eight hours every other week for the payroll staff, resulting in a ten percent reduction in workload for the year. Staff indicated that they planned to request additional hours for a part-time position to manage this workload. Elimination of weekly payroll for 250 employees would eliminate the need for additional part-time hours. This is a cost avoidance strategy rather than a cost reduction strategy.
- Minimal savings will be realized in payroll supply costs.
- The Town should also consider the option of expanding electronic direct deposit. Employers using direct deposit usually seek to achieve a 95% participation rate, and a trend that is beginning to gain acceptance is mandatory direct deposit. The advantages of this are reduced costs for specialized check stock and improved treasury management.

Issue 7: Customer Service

DESCRIPTION:

While the Town appears to foster a strong culture of citizen participation in general, there is some concern that, from a process perspective, the Town does not have in place a robust system for customer relations management.

CONTRIBUTING FACTORS:

- There is no apparent “one stop shopping” approach systematically in evidence in permit application and building inspection processes.
- Technology does not appear to be in place to encourage rapid processing of information or communication with citizens involved in the development process.
- There are a large number of formal and informal points of contact with citizens and with advisory Boards and Commissions that impact efficient processing of work.
- There are restrictions on how citizens may pay fees and charges.

OPERATING AND COST IMPACTS:

- Streamlining various work processes may speed up workflow and provide more responsiveness to customers but cost reductions are likely to be minimal.
- To some extent, greater attention to customer service is likely to require investment in automated tools to help manage information better.
- Many jurisdictions that have put customer management systems in place have found that better management of, and responsiveness to, customer service calls tends to reduce the number of calls and result in more available work time for staff.
- Interviews in, and information from, several departments indicate that staffing may be driven in some part by the high level of customer responsiveness and citizen involvement.

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE:

- Reduced burden of effort placed on citizens in dealing with town government.
- Improved responsiveness to calls for service; ability to identify complaint patterns and develop improved work strategies as a result

FINDINGS AND ANALYSIS:

- Aggressive attention to customer service has been a major theme in private business and, increasingly, in public organizations in the last decade.

- Over the next several years, the Town should:
 - Review specific customer-intensive activities against the industry standards for good customer service and consider a focused survey of some Town customers to determine attitudes toward doing business with the town.
 - Evaluate workload in high customer volume areas—particularly land development regulation and management functions—to determine potential strategies for maintaining appropriate service levels while reducing the impact on staff requirements.
- An in-depth review of overall customer service approaches typically involves an examination of performance against the following standards:
 1. The city as a whole has established and maintains a clear and consistent position on the importance of customer service.
 - a. Mission statements articulate a clear position on the importance the city places on high quality service to customers.
 - b. Departmental operating plans set out clear goals, objectives and targets for operationalizing customer service objectives
 - c. There are formal processes for collecting and evaluating data on customer service
 2. The city actively seeks out feedback on the concerns and needs of customers.
 - a. The city actively works with customers to define and anticipate their needs and to evaluate performance.
 - b. There are well-publicized mechanisms for securing public feedback on performance (e.g., citizen surveys, customer advisory groups, performance feedback cards, etc.)
 3. The city aggressively emulates the successful customer service techniques of other jurisdictions.
 - a. Mechanisms exist for actively researching best practices and effective customer service techniques
 - b. Specific individuals are assigned responsibility for identifying these opportunities and conveying them to the appropriate officials.
 4. The city supports and encourages workers who show a strong customer service orientation.
 - a. Formal goals and performance evaluations of both individuals and work groups contain elements related to customer service.
 - b. There is consistent evidence that individuals who aggressively pursue high quality customer service are recognized and rewarded
 5. The city and all of its organizational components review performance and redesign work processes, as needed, to support customer service objectives.

- a. The written policies and procedures reflect the organization's concern with customer service
 - b. Work processes are redesigned as needed to take into account service objectives and feedback on customer service performance
 6. The city regularly measures performance on customer service.
 - a. Customer service performance measures are systematically employed
 - b. Customer service results are evaluated regularly and the results of those evaluations used to re-engineer future efforts
 7. Top management actively participates in customer service efforts
 - a. Top managers routinely participate in defining customer service goals
 - b. Top managers have mechanisms in place for getting effective feedback on customer service results
 - c. There is evidence that top managers regularly emphasize customer service results in evaluating their subordinates.
- Our earlier comments were meant to suggest that the Town needs to look at its performance in depth using these standards.

Issue 8: Basic Information System Support

DESCRIPTION:

Most local governments today grapple with the problems of developing and integrating major enterprise applications. Our review indicates that the Town is either working on, or is in need of, action in these areas:

- A customer relations management system.
- An integrated land management system that serves as an authoritative repository of all property based information.
- A GIS that is developing as an enterprise-wide asset and tool.
- Computerized maintenance management systems to track assets, automate maintenance schedules, maintain asset valuation information for GASB-34, support capital investment planning and other purposes, and optimize long-range rehabilitation and replacement planning.
- Internet-based customer communications capabilities for activities such as permits and inspections.
- Labor tracking mechanisms to help support full cost accounting for fees and charges.

CONTRIBUTING FACTORS:

- Technology applications have revolutionized local government in the past two decades. Most local governments face the problem of developing integrated, long-range information systems strategic plans to design and build systems that meet efficiently their long-range goals and objectives.
- Approaching problems and responsibilities solely from a “department” perspective rather than an “enterprise” perspective can hinder effective design and integration of technology tools.

OPERATING AND COST IMPACTS:

- Development or update of an integrated IS strategic plan.
- Medium and long-range design and implementation costs for development of major enterprise-wide systems.

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE:

- Better enterprise-wide service integration and long range cost control.
- Improved service to customers.

FINDINGS AND ANALYSIS:

- The Town should undertake a long-range planning system to identify, and plan for, future technology needs. The plan should be oriented to the use of technology as a tool to respond to, and manage, customer service needs. Important activities include:
 - Determine the status of the Town’s information systems strategic plan and its scope of coverage. This should be done in the context of a Town-wide Strategic Information Systems Plan (SISP) that establishes a three to five year plan for information technology improvements, establishes priorities and identifies funding, and provides a planned staff support structure.
 - Identify specific service and performance needs that technology solutions would address and suggested enhancements of the IS plan to address these needs. In addition to various department specific applications, immediate concerns for cross-departmental coordination include a land management system and a customer relations management system
- This outlines the basic segments of a functional requirements analysis, which is the first step in developing a broader IS data and application architecture for an organization.
- In a sense, this type of work would constitute an initial phase in the development of a technology strategic plan and, like all strategic plans, involves developing some fairly detailed descriptive inventories of “where we are” and more broad definitions of “where we would like to be” at some future date.
- Both of those tasks are quite beyond the scope of this effort and would require specialist services and a considerable staff investment over time – probably a year or more – in developing a comprehensive map of current and long range business information needs, design of an integrated, enterprise-wide architectural plan to meet those needs efficiently, and development of a multi-year plan for implementation.
- As noted in this report, areas of potential immediate value include customer relations management and land management:
 - A robust customer relations management system would enable the Town to receive customer calls for information or service, provide immediate customer feedback, generate field work orders as necessary, capture response information, and provide customer follow-up. An important value of a CRMS is the ability to automate public information as well as track field operations, and provide management reporting on patterns or areas of customer concerns systematically.
 - A land development management system should integrate all of the activities of the Town relating to land regulation, from the point of a raw piece of ground to a finished and occupied structure. The system should be able to process all applications relating to land management, provide the tools for electronic review and action, provide electronic feedback to applicants, and to track and report inspections and staff actions. The advantage of such a system is that it expedites

application processing, reduces time spent by both staff and applicants in the review and question-answer cycles, and tracks inspection activity.

- The Town currently has in place a committee to review its technology needs. This committee should continue to play a significant strategic role in the Town's future technology planning.

Issue 9: Difficulty in Maintaining Authorized Police Strength

DESCRIPTION:

The Chapel Hill Police Department has a persistent difficulty in maintaining its full-authorized sworn strength. Attrition, coupled with recruitment difficulties, results in the department being short approximately ten positions of its authorized level of 112 sworn officers.

CONTRIBUTING FACTORS:

- Significant turnover has reduced the number of available personnel.
- Starting salaries and benefits do not appear to be competitive enough to encourage sufficient numbers of qualified applicants.
- The department has relied on lateral transfers for the last five-six years because it has not had an acceptable training facility.
- The dependence on lateral entries has resulted in an increased difficulty in creating a diverse workforce.
- Because of its diverse population with expectations of a high level of service, policing Chapel Hill well requires employees with high levels of tact and diplomacy, exceptional communications skills as well as high quality traditional police skills.

OPERATING AND COST IMPACTS:

- Pay and benefits issues may be resulting in some turnover of experienced staff to state and federal agencies.
- The vacancies are resulting in increased use of overtime to maintain adequate staffing for both routine operations and special events.
- Excessive overtime may contribute to employee fatigue and some “burn-out.”

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE

- Strive for a more diverse work force.
- Enhance employee retention.
- Reduce overtime costs.
- Reduction of employee stress and improved working conditions through more time away from the job.

ANALYSIS

Over the last five years the Chapel Hill Police Department has hired officers that have already been certified as North Carolina police officers – lateral transfers. The department has some flexibility in bringing laterals in at pay levels higher than starting salary, based on their experience and salary history. There is a great deal of competition for lateral employees in North Carolina, especially among smaller agencies that find it difficult to bear the cost of sponsoring a recruit through an academy. The pool of potential lateral transfers is composed of those who have already decided to become police officers and is overwhelmingly composed of white males. Additionally, because of the self-selected nature of this population, it is difficult to find those who have the characteristics that are necessary to be successful officers in Chapel Hill, i.e., high levels of tact and diplomacy, exceptional communications skills and high quality traditional police skills. Most departments recognize the value of such officers and officers with this skill set usually have advanced through promotion or special assignments within their departments making them less likely to leave.

The CHPD has been unable to recruit pre-service candidates for an in-house academy because its training facility has not met required standards. Work on an acceptable training facility is nearing completion and the department will be able to deliver its own recruit training by the fall of 2005. Consequently, if the department can successfully recruit and select a group of candidates, it will have an opportunity to alleviate its staffing shortages. However, there are several conditions that need to be met for this strategy to succeed.

The department needs to ensure that its starting salary and its benefits package are competitive with other area agencies. Currently the starting salary in Chapel Hill is \$30,755 compared to the North Carolina Highway Patrol at \$32,069, Durham at \$33,030 (after training completion), Cary at \$33,446 and Raleigh at \$31,070. Chapel Hill also lacks an educational incentive that some other department can offer. Although the CHPD requires only a high school diploma or GED for entry level police officers, it should have the ability to reward recruits with higher education levels since more educated officers are likely to be successful in Chapel Hill.

An educational incentive should be extended not only to recruits but also as a retention incentive for existing personnel.

Given the Town's budget constraints, the department should consider using the funding for up to two vacant positions to fund an increase in starting salary and an educational incentive.

The department has been analyzing the psychological profiles of officers that leave the CHPD and comparing them to officers that remain in the department. This information should be used to help select the new hires for the department's fall academy class.

The department should establish a position classification that will allow immediate hire of those that it selects for its next academy. Too often a department will make an offer to a potentially good recruit only to find that because of the time lag from the offer to the start of an academy another department hires them and places them in an academy that starts sooner. By having the

ability to hire candidates immediately and have them work for the department pending the start of training the department will become more aware of each candidate's characteristics and the candidates will get a thorough orientation to the department. The nature of these positions needs to be carefully considered so that the department benefits from the work that is performed and the candidate gets experience that will help them in their training and their work as an officer. These positions will help to forestall losses to other departments that result from a lag between employment offer and the beginning of training.

The department should approach the Town about creating an academy class large enough to compensate for expectations of attrition in the current work force. By "overhiring," based on anticipated retirements and other normal attrition, the department is more likely to be at full strength when its academy class graduates.

To help ensure success through the academy training process, the department should carefully review its training approach. Academy training should assume that the selection process has produced candidates with the characteristics that will make them good Chapel Hill police officers when they complete training. It should not be designed primarily to weed out those who somehow slipped through the selection process and are unsuitable. The training process should be rigorous and designed to place trainees under stress similar to that they will encounter as a police officer but it should expect that each recruit should be able to succeed and not that some will inevitably fail.

The department should assign each recruit a mentor as soon as they are hired. The purpose of this is to provide the recruit with a role model and with someone that can help integrate them into the CHPD, the department's unique policing style, and the police profession.

The department should integrate its field training program and the academy so that trainees experience a seamless process of training. Field training officers should be fully versed in the academy curriculum and should support the policing approaches, techniques and skills taught there. The academy curriculum should include extensive scenarios and simulations which should include field training officers whenever possible.

Issue 10: Fire Department Emergency Medical Response

DESCRIPTION:

The Chapel Hill Fire Department responds to requests for emergency medical service on a first responder basis. Orange County responds with full paramedic services throughout the county. The possibility for redundant service exists. Fire Department EMS first response is based on the Town's desire to have the fastest possible response to EMS calls for service. This is principally a policy level issue.

CONTRIBUTING FACTORS:

- Depending on facility location and travel time, Chapel Hill first responders may have a faster response time to medical emergencies than county units.
- 911-call screening is critical to determining the level of care needed in each situation.

OPERATING AND COST IMPACTS:

- City residents may be paying twice for EMS – for city first responder service and for county paramedic response.
- Town response to EMS calls for service may impact preparedness for fire calls.

POTENTIAL BENEFITS FROM OPERATIONAL CHANGE

- Reduced operating costs from fewer fire equipment runs
- Slightly enhanced preparedness for fire calls.

ANALYSIS

The Chapel Hill Fire Department provides first responder (Basic Life Support) emergency medical services within the Chapel Hill Town limits. Dispatching protocols specify that CHFD First Responder units are to be dispatched to serious or life threatening medical calls only. CHFD units are not normally dispatched to calls in medical facilities (such as nursing homes) that have on duty medical personnel. In FY 2003, the CHFD made 745 first responder medical calls and in FY 2004 1,069 calls were made. Fire apparatus vehicles carry first responder medical equipment and are used to answer calls for emergency medical services.

The Orange County Division of Emergency Medical Services dispatches Initial Response Vehicle Paramedics to all EMS calls, both those originating from unincorporated portions of the county and from the Town of Chapel Hill. These paramedics operate as Advanced Life Support

providers and respond in sedans equipped with all necessary medical supplies and equipment. Transport services are provided by separate ambulance services.

Emergency medical calls in Chapel Hill, determined to be serious or life threatening, will receive a response both from First Responders from the CHFD and from an Orange County Paramedic Unit. The role of the First Responder is to provide care to the patient until relieved by county EMS personnel. Patient care direction is to be deferred to county EMS personnel once they have arrived on the scene with CHFD personnel assisting as requested by the paramedic.

First responder medical services are secondary to the CHFD's fire suppression services. Under specified circumstances the county dispatch center will be notified that due to heavy involvement in fire suppression, the CHFD cannot respond to emergency medical services requests.

Typically the response time for First Responders is lower than for the Paramedic units because the First Responder units respond from the Town's fire stations that are located so as to minimize the response time to fires in each station's coverage area. Paramedic units are not similarly pre-positioned for the most part and roam in a manner similar to police patrol officers. They also have responsibility for countywide response. The county is experimenting with an altered shift schedule that may result in repositioning its paramedic units.

North Carolina law specifies that counties are the Emergency Medical Services authority and are charged with providing EMS service throughout the county. Orange County retains all costs that are recovered as a result of providing emergency medical services even when the CHFD is the first responder. No data is currently available that would indicate what portion of EMS calls in the town require only first responder services and therefore do not require a paramedic response. Current protocols mandate paramedic response to all EMS calls and do not provide for first responders, based on their on-scene medical assessment, to cancel paramedic response. (If the first responders do arrive and determine that a person has canceled the request or has been transported from the scene already, they are able to cancel the paramedic call.)

The primary benefit of the current system to the residents of Chapel Hill is the decreased EMS call response time that results from First Responders being part of fire crews located in fire stations. As long as the level of first responder service does not interfere with fire suppression this system is effective; in the case of Chapel Hill available data indicate that EMS response does not detract from fire suppression duties. Because first responder capabilities are a collateral duty of the town's firefighters, no personnel are dedicated solely to the first responder function. The only cost for first responder service borne by town residents is the cost of first responder certification training and the cost of fuel and depreciation for responding fire apparatus.

III. INDUSTRY PRACTICES REVIEW

As part of the operational scan of the Town's various service activities prior to beginning the process mapping phases of the project, it is desirable to conduct a review of Town operations based on generally accepted industry practices. This activity is a good way of identifying areas that can provide guidance in future recommendations. We approach this task as follows:

We prepare a list of common practices as identified from various sources, but particularly professional and regulatory agencies, practices that have been identified in professional literature as important, and other professionally recognized entities. These practices generally reflect activities that relate to sound local government management. While many well performing organizations may follow the practices in varying degrees, it is not to be expected that any one community will actually have all of those practices in place because there are local variables to be considered. We have grouped them into several basic "business processes" dealing with engineering and public works functions, planning land use, regulating current land use, promoting and controlling development efforts, developing and maintaining public infrastructure, managing land related information, providing strong customer service, and managing the cost of services. These business processes are used to emphasize that these activities take place across organizational boundaries.

MANAGING PUBLIC INFRASTRUCTURE: PLANNING AND DESIGN				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Does the government have a comprehensive facility planning process used to guide major investments?	√			Yes.
2. Does the general or comprehensive plan provide sufficient guidance on the objectives and priorities of public infrastructure development?	√			Yes.
3. Does the organization conduct systematic analyses to determine the need for expansion or rehabilitation of existing infrastructure? Are these fully informed by technical engineering studies and supported by economic cost-benefit assessments?	√			Yes.
4. Are all projects designed using accepted engineering practice by qualified engineers?	√			Yes.
5. Are longer term maintenance requirements factored into all public infrastructure decisions, and are the appropriate automated decision support tools available and in use to ensure minimum lifecycle costs and maximum usefulness for major investments?		√		The Department of Public Works has limited automated decision support tools but does try to include infrastructure maintenance in its planning.

MANAGING PUBLIC INFRASTRUCTURE: PLANNING AND DESIGN				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
6. Are design efforts effectively coordinated with other parties (federal and state agencies, utilities, local citizen groups) prior to initiation of any project?	√			Yes.
7. Are registered engineers, either on staff or contracted, always available to ensure that proper methods and procedures are employed in design efforts?	√			Yes.
8. Do major projects include quality assurance review plans to ensure that work conforms to design specifications? Are records kept of each quality assurance check procedure?	√			The Town does do some quality assurance review, but it is not included on all projects. Quality assurance is emphasized on major projects. The Engineering Dept. also does some quality testing.
9. Does the Town seek to reduce maintenance costs through the use of new technologies such as street surface techniques, computerized management systems, and improved products and materials?	√			Town does bi-annual surface inventory with Institute of Traffic Research and Education (ITRE); annual maintenance program based on the report results. Town using different forms of street covering and sealing, approximately 2 miles linear of street being treated with specialized sealing and 6 miles with traditional overlay. The Department is regularly monitoring means of expanding the sealing program.

MANAGING GROUNDS AND LANDSCAPE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Is there a turf maintenance program established that includes objectives and plans for turf mowing, watering, fertilization, repair and restoration?	√			Yes.
2. Is there an inventory of all public turf areas? Does it include the location, area, type of turf and its condition?	√			Yes.
3. Is the condition of turf areas routinely inspected and evaluated?	√			Yes.
4. Are inspection and evaluation forms completed? Are they used to generate required work orders?	√			Yes.
5. Are there specific maintenance standards for the irrigation systems? Are they maintained according to those standards?	√			Yes.

MAINTAINING STREETS				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Are there coordinating mechanisms and procedures in place for local street maintenance operations and the activities of counties, state government and local planning authorities?	√			The Planning Department appears to take the lead in this area with their transportation planner. The Town traffic engineer also seems to coordinate efforts at the design phase. The Department of Public Works also coordinates street resurfacing/treatment with other agencies.
2. Is there a registered engineer and qualified designer on staff, or is a contract engineer/designer available, to ensure that proper methods and procedures are used on engineering design projects?	√			Yes.
3. In those instances where the major responsibilities for street management belong to a higher level county or the state, does the local jurisdiction properly and effectively work with them to ensure that local needs are properly considered?	√			Traffic engineer does coordinate with state officials.
4. Are there written policies and procedures in place setting forth criteria for street improvements, lighting, on-street parking, pedestrian and bicycle facilities, snow and debris removal, and emergency and hazardous materials routes? Are these projects routinely	√			There are standards for street lighting, bicycle facilities, emergency designations. The Department of Public Works regularly reports event based costs.

MAINTAINING STREETS				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
costed out?				
5. Are the projects in the short- and long-range plans developed based on regular inspections and evaluations of conditions using an approved set of condition assessment criteria?	√			Inspections are done on a regular basis, and the inspections are used for future work planning.
6. Are operation and maintenance practices prescribed in writing and in detail, and are these coordinated with other agencies (e.g., fire, police, EMS, neighboring jurisdictions) as needed?	√			All activities are coordinated with emergency services and affected parties.
7. Are there operations and maintenance procedures and performance measures in place?	√			Performance measures are in place in the Street Maintenance area (ITRE standards are met).
8. Is there a computerized maintenance management system (CMMS) used to support maintenance operations?			√	There does not appear to be a computerized maintenance management system or a pavement management system used. That absence probably leads to some coordination problems between Engineering and Public Works Departments, who must rely on manual means of transmitting work order information and inspecting results. Tracking is done through manual log sheets
9. Are material stockpiles inventoried and usage monitored?	√			DPW tries to maintain only minimal stockpiles since it has a good local

MAINTAINING STREETS				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
				supplier base.
10. Are materials recycled where appropriate?	√			DPW does concrete and asphalt recycling.
11. Is there a written policy in place governing the conditions under which a street cut may be made?	√			DPW has an aggressive, effective street cut policy.
12. Is there a formal inventory of the street and highway network and is it maintained and updated according to a regular schedule?	√			Yes. A formal inventory exists and is updated regularly.
13. Is there a record of all infrastructure maintenance that is undertaken. Is it updated continuously to reflect all maintenance that is done?		√		DPW does a quarterly report on project activity and aggregates an annual report. Data are largely manual rather than automated (except for the street maintenance data, which is automated).
14. Is there a preventive maintenance program in place? Is the maintenance program automated?		√		There is a preventive maintenance program in place, but the program is not automated.

CLEANING STREETS				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Is there a written 'quality of service' statement in place prescribing the target level of street cleaning service for different types of streets and different locations?	√			The Town has standards for downtown, major streets, and residential streets
a. Does it prescribe the method and frequency of cleaning?	√			Yes.
b. Does it prescribe the placement and use restrictions for litter receptacles?	√			Downtown master plan identifies locations; placement is considered on a case basis elsewhere.
c. Does it require periodic public surveys to acquire feedback on satisfaction with cleaning efforts?		√		Monitored on citizen calls
2. Is there a comprehensive and integrated street cleaning plan in place?	√			Yes.
3. Are route design plans developed based on optimal crew size and workload, traffic patterns, street widths, vehicle loads and other equipment needs?	√			The Town's current sweeper capacity does not require this level of planning and analysis.

SOLID WASTE COLLECTION AND MANAGEMENT				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Does the jurisdiction have an approved integrated solid waste management plan?	√			They have a plan, but not certain as to whether it is a formal, written plan approved by council.
2. Does the plan effectively delineate the availability and proposed reliance on different solid waste management practices, such as reliance on private contractors and inter-jurisdictional cooperation?	√			Yes.
3. Does the plan address all aspects of solid waste management, including waste stream reduction, recycling, composting, resource recovery and solid waste disposal?	√			Yes.
4. Is there an official policy statement in place describing how the jurisdiction will work to reduce the volume of the waste stream? Are there separate treatments of household waste and vegetative waste streams?	√			Yes.
5. Are there procedures in place for identifying, monitoring and controlling all generators of solid waste?	√			The Town tracks major classes of generators, particularly residential rentals.

SOLID WASTE COLLECTION AND MANAGEMENT				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
6. Are collection statistics maintained?	√			
a. Do they differentiate between residential and commercial waste generators?	√			Yes.
b. Do they permit evaluation of waste stream volume by other pertinent factors such as area of the jurisdiction, collection route, time of year?	√			Unknown for certain, but we believe that they can do this.
c. Are they sufficient to aid in planning strategies to be followed for waste stream reduction objectives?	√			Yes.
7. Is there a program in place for disposal of hazardous household waste?	√			Yes.
8. Does the jurisdiction have a policy that prescribes additional charges for trash containers in excess of the number allowed in the formal policy?		√		No, since residential trash collection is paid for by the general fund and commercial collection is subsidized by the general fund, not from full, separate charges to trash generators.
9. Are there fixed schedules in place for the time and frequency of collection from all classes of customers and for all types of solid waste?	√			Yes.
10. Are special arrangements made, and are citizens properly notified, of modifications to the schedule for	√			Yes.

SOLID WASTE COLLECTION AND MANAGEMENT				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
holidays, weather events, etc?				
11. Are there viable enforcement mechanisms in place to help ensure compliance with these rules?	√			Yes.
12. Is staff adequately trained on routine and emergency procedures?	√			They are increasingly better trained.

MAINTAINING BUILDINGS				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Are there procedures for monitoring and eliminating building hazards such as radon, building pollutants, freon, asbestos, and the contents of underground storage tanks?		√		Not specifically – there is a cyclic maintenance program with periodic inspections, but they do not inspect for the specific items listed in all cases.
2. Does the public works group assist all other departments in developing short and long range building and space needs assessments, help in scheduling renovation projects, and work to ensure consistency of efforts with the jurisdictions space/building master plan?		√		Yes – related to maintenance No – related to space needs
3. Is there a written building maintenance plan that addresses, for all locations and their equipment and systems, routine, cyclical and planned maintenance?			√	Nothing is available in writing.
4. Is there an accounting mechanism in place for identifying deferred maintenance and for integrating that into future planned maintenance?	√			Yes.
5. Is the plan properly translated into a written maintenance schedule?	√			Yes.
6. Is there a preventive maintenance program in place for building systems? Does it address topics such as scheduling	√			Housing indicates that replacement /maintenance schedules exist for major appliances, roofs, and painting of

MAINTAINING BUILDINGS				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
of parts replacements, cyclical cleaning requirements, and routine inspection and testing of equipment and systems?				exterior surfaces. PW also has a procedure whereby buildings are inspected and project lists developed.
7. Are records kept of the results of preventive maintenance efforts, including information on actions undertaken and the labor/materials expended in that effort?	√			Yes.
8. Does the organization conduct random follow up inspections of maintenance work to ensure compliance with standards and schedules?			√	No
9. Is there a formal major equipment component replacement schedule established to aid in longer term capital investment planning?	√			Capital maintenance is included in the Town's capital improvement plan.
10. Are maintenance work orders recorded on an automated system that assists in future analysis of building/equipment unit operating costs, asset improvement costs, craft requirement costs, and relationship of scheduled maintenance efforts to actual service requests?	√			No. The Director indicated a lack of cost analysis systems for the building maintenance area, in general.
11. Is there a formal facilities inspection plan in place? Are regular inspections conducted to evaluate conditions and identify needed improvements?	√			Yes.

MAINTAINING BUILDINGS				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
12. Does the organization maintain an up to date inventory of all its building and major systems assets? Does this inventory:	√			Yes.
a. Meet all Federal, state and local record keeping requirements (including those for GASB-34 asset valuation needs)?	√			Yes.
b. Detail all major equipment systems in each location?	√			Yes.
c. Specify for buildings and component systems the acquisition date, size, location, construction type, identifying code, functional use, reported condition assessments, acquisition and replacement cost?	√			Yes.
13. Are there written custodial standards established for each facility?	√			Yes. – standards exist in the custodial contract – Fire Department handles their own custodial services.
14. Are there follow up custodial inspection programs in place for all facilities?		√		No – each departmental representative is the contact point for custodial issues – these issues are then forwarded to Public Works.

MAINTAINING EQUIPMENT				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Does the Town regularly monitor its fleet for appropriateness of size, alignment of equipment for work needs, and appropriate replacement scheduling?		√		Yes. – although the PW Director expressed some concern in meetings about the fleet size. Further analysis will still be conducted based upon those comments.
2. Does the organization utilize an equipment management information system (EMIS) to manage information on equipment and parts, record maintenance intervals and results, schedule normal and preventive maintenance, maintain equipment maintenance histories, analyze equipment costs, define replacement cycles? (The EMIS can be manual or automated)	√			Yes.
3. Is equipment inspection and maintenance scheduled in a manner consistent with manufacturers' specifications or based on actual usage rates?	√			Yes.
4. Is preventive maintenance organized in a multi-tier fashion that includes:				2 tier mechanism is used APM – oil change BPM – annual safety inspection

MAINTAINING EQUIPMENT				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
a. Level 1 involving manufacturers' maintenance recommendations and associated safety checks?	√			
b. Level 2 involving all of Level 1 activities plus focused inspections of high wear or rapid deterioration items?			√	
c. Level 3 involving all of the Level 1 and 2 items plus a thorough check and inspection of all remaining components and assemblies?			√	
5. Do all equipment operators have the appropriate training in the use of the equipment?	√			Yes.
6. Are safety and condition reports made a permanent part of the EMIS record?	√			Yes.
7. Are periodic reviews conducted to ascertain whether equipment in use is appropriate for that use and that it is safe?	√			Yes.
8. Is there a procedure in place to report defects in equipment and to ensure that such equipment is removed from the use inventory?	√			Yes.
9. Is there a formal preventive maintenance program in place for all equipment?	√			Yes.

MAINTAINING EQUIPMENT				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
10. Is the planned and preventive maintenance program and statistics associated with it periodically evaluated and the results used to modify the effort to improve efficiency and effectiveness?			√	No. The level of sophistication of the software allows the analysis, but the staff has not taken full advantage of software capabilities.
11. Are units in the inventory identified by an assigned identifying number, description, class, serial number, date of purchase/acquisition, vendor, cost, using department, date of use, expected life, salvage value, and present mileage (where appropriate)?	√			Yes.
12. Is there an inventory system in place for monitoring of all fuels, oil and lubricants?	√			Yes.
13. Is there a parts inventory system in place for tracking use and reconciling deliveries, parts issuance, and on-hand inventories?	√			Yes.
14. Does the parts inventory system identify issued items by vehicle number, requesting party, date of use, cost of item, vendor or supplier number, bin location (when appropriate)?	√			Yes.
15. Can the information in the inventory system provide sufficient information to perform routine turnover analysis?		√		Yes., but software capabilities outstrip the actual uses of the current information system.

MAINTAINING EQUIPMENT				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
16. Is the parts inventory routinely updated and reconciled?	√			Annual inventory conducted
17. Is the replacement cycle sufficiently well defined to permit development of a regular maintenance program?	√			Yes.
18. Are replacement cycles evaluated periodically to determine if the cycles are set appropriately?	√			Yes – cycles have been adjusted from the original MAXIMUS recommendation
19. In acquiring new equipment, does the organization ensure that the RFP specifications match the known usage requirements of the item? Is total lifecycle productivity and cost per unit of production considered in making purchasing decisions?	√			Yes.
20. Is all acquired equipment properly marked with an identifying number, and is this record entered into the appropriate EMIS database/equipment inventory?	√			Yes.

MANAGING TRAFFIC				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Does the government have a written traffic control policy?	√			Yes.
2. Is this policy reflected in a formal policy and procedure manual for traffic control?	√			Yes.
3. Does the manual conform to the guidelines in the Manual on Uniform Traffic Control Devices (MUTCD) and any state or local requirements?	√			Yes., standards are all MUTCD based in Chapel Hill.
4. Is the placement and operation of the actual traffic control devices periodically evaluated to ensure that they continue to meet minimum MUTCD standards?		√		Demand based reviews seemed to be the norm.
5. Is the location of approved traffic control devices determined based on a study carried out by a qualified traffic engineers?	√			Yes.
6. Is there a procedure in place for the periodic inspection of signs (including night testing of reflectivity) to ensure their intended effectiveness?	√			DPW attempts to do section maintenance analysis, including signs and reflectivity. The Department is seeking ways to improve the program. The Dept. has attempts to do annual nighttime review of street lighting and sign reflectivity.
7. Is routine trimming of trees and other vegetation coordinated to ensure that traffic signage objectives are met? Are efforts made to ensure that vegetation on	√			Town has designated right of way crew that conducts regular review, is responsible for removal of vegetation on the public right of way and working with

MANAGING TRAFFIC				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
private property does not impair visibility of signs for motorists or pedestrians?				citizens on private property vegetation that impacts signage.
8. Are there procedures in place for the immediate rectification of any noted signage problems?	√			Yes.
9. Are pavement markings minimally consistent with MUTCD standards? Is the choice of medium (e.g., paint or thermoplastic) based on an analysis of lifecycle cost?	√			Yes.
10. Are there procedures in place for responding to traffic signal failures?	√			Yes. Policy requires one hour response for signal failures after hours.
11. Is there a parking regulation in force in the community?	√			Yes.
12. Is there a policy in place governing street closures that specifies:	√			Yes.
a. When/where a street may be closed?	√			Yes.
b. A procedures for authorizing such a closure including length of closure, permission of special events, emergency vehicle access and continued use by affected residents or businesses?	√			Yes.

PLANNING LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Does the Town have a Comprehensive Plan that was developed according to broadly defined and accepted standards concerning scope of coverage, community participation, analyses of strengths, weaknesses, opportunities, and threats, definition of goals and objectives, analyses of alternatives, targets and timetables, and definitions of responsibilities?	√			Yes.
2. Are elements of the goals and objectives of the Comprehensive Plan clearly found in the tactical and operational plans of the responsible department level officials and Town work groups?	√			Yes.
3. Are there separate and distinct organizational units responsible for long range planning and current planning?	√			Yes.
4. Is there an authoritative review mechanism/process (e.g., often but not always referred to as a planning commission), independent of the long range and current planning staff, with responsibility for reviewing and approving development proposals consistent with the Comprehensive Plan and laws, regulations and ordinances?	√			Yes. The Town uses review processes that involve many different citizen boards and commissions.

PLANNING LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
5. Is the Comprehensive Plan reviewed and updated periodically according to an agreed upon schedule and procedure?	√			The Plan is reviewed and updated annually.
6. Are the performance results for individual department's responsibilities relative to the Comprehensive Plan regularly assessed and reported to the appropriate local authorities?	√			The Town Departments are assigned responsibilities within the Comprehensive Plan and the annual plan review covers this.
7. Are there enabling ordinances, regulations and work rules bearing on land use consistent with the scope and direction of the Comprehensive Plan?	√			Yes.

REGULATING CURRENT LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Does the Town have written rules and regulations governing zoning and inspection activities that are readily understandable and available to staff and citizens?	√			Yes.
2. Are these written rules and regulations available, in multiple languages as appropriate, from a variety of sources such as printed brochures or Town web sites?	√			The content of the rules is documented and made available through various means; at this time, the Town does not regularly use multilingual documents.
<u>Zoning</u>				
3. Is the Town's zoning review process clearly defined and transparent? Do applicants entering the process have clear expectations of what to expect and what is expected of them?	√			Yes.
4. Is there a structured zoning review process, with a target timeframe for completion, that ordinarily includes the following major steps:	√			Yes.
a. Preliminary review	√			Yes.
b. Planning/zoning staff review and, when appropriate, direct discussion	√			Yes.

REGULATING CURRENT LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
with the applicant				
c. Input on the application from other Town departments	√			Yes.
d. Environmental review	√			Yes.
e. Status communication with the applicant	√			Yes.
f. Notice of public hearings when required	√			Yes.
g. Planning Commission hearing	√			Yes.
h. Town Commission hearing and decision	√			Yes.
5. Does the Town have a well organized process of broad scope and focused communication between the zoning officials and the citizen?	√			The Town's review processes have a very intensive element of citizen participation.
a. Is there application and process description related material available through both printed material and internet based information sources?		√		Internet material/information not highly interactive.
b. Is all material found in these sources concise and does it contain easily understandable process descriptions for zoning applications, appeals,		√		Internet material/information not highly interactive.

REGULATING CURRENT LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
zoning changes?				
c. Is the material available in languages commonly used in the community?	√			At this time, Yes.
6. Are applicants apprised at the start of the process of the anticipated schedule for the application, and is he/she updated as needed regarding any changes to that schedule and the reasons for those changes?		√		While applicants are given general information relating to the scheduling of the process, the Town does not provide a specific scheduling calendar.
7. Does the information available to the potential applicant clearly identify any requirements, such as required forms, proof of legal entitlement to seek rezoning, neighbor notification requirements, or provision of map information, that will be required of them?	√			Yes.
8. Are the Town's zoning maps updated in a reasonable amount of time?	√			Yes.
9. Are Town zoning maps and data maintained in a manner that supports asset valuation and depreciation requirements set forth by GASB-34 related to publicly owned land, improvements, rights-of-way and easements?			√	While the Town appears to be GASB-34 compliant, the operating departments are uncertain about the degree to which this information is maintained for GASB-34.

REGULATING CURRENT LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
10. Is each zoning application assigned, upon receipt, to a staff member who serves as a single point of contact with the applicant through to completion of the process?		√		Currently, the Planning Director performs this role rather than the responsibility being assigned to planning and zoning staff.
<u>Inspection and Code Enforcement</u>				
11. Does the Town make information on code requirements readily available to citizens?	√			Printed information is available at the inspection office. However, anyone desiring information apparently has to come to the central office to get it or to call on the phone.
a. Is that information available through written materials, internet sites, and directly through an automated or staffed telephone help line?	√			Internet information is limited and is Not interactive. Departmental observations indicate a high level of walk-in and telephone traffic.
b. Is the information available in the common languages spoken in the community?	√			At this time, Yes.
12. Are inspection and enforcement efforts that occur across organizational boundaries coordinated in such a manner as to reduce inefficiencies, minimize the burden on citizens and businesses, and ensure an integrated parcel- or property-based record of the results?		√		Coordination appears to be largely informal. There were no formal teams set up to carry a project from initial permit application through to inspections.

REGULATING CURRENT LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
13. Is there evidence that permit-driven inspections are scheduled in a way to accommodate the needs and convenience of the citizen in a cross-disciplinary manner?		√		To some extent, but it did not seem to be a priority.
14. Does the Town respond to complaint-driven inspections within pre-defined periods of time?	√			Yes.
15. Are statistics on complaint types and response times maintained and analyzed to help improve performance and to monitor trends?	√			Yes.
16. Does the Town maintains a manual of inspection rules and standards which guide inspection efforts?	√			Yes.
17. Do Town inspectors make use of inspection checklists to record their findings and make copies of those findings available to the party being inspected?		√		Some checklists are used, but it is not certain how frequently this information is shared with applicants.
18. Are Town inspectors continually and appropriately trained?	√			Yes., they appear to be getting increasing amounts and types of training.
19. Are all inspectors performing standard and specialty inspections properly certified by the appropriate authorities?	√			Yes.

REGULATING CURRENT LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
20. Do separate feedback channels, independent of the inspection staff, exist for citizens to provide feedback on perceived issues of fraud, inefficiency, or abuse?	√			These channels include department management and the Town Manager's Office.
21. Does the Town regularly collect and evaluate quantitative information on the frequency, type, location, results, and cost of inspections? Are the results of those evaluations used by Town officials in organizing future efforts?		√		Interviews did not indicate this to be the case.
22. Does the Town continuously collect the appropriate financial and statistical data, in a form and content that meets the needs of normal cost accounting, to permit accurate calculating and monitoring of the cost of inspection actions?			√	No.
23. Does the Town undertake effective civil action (and, when appropriate, criminal action) to ensure that code compliance is viewed as a serious concern within the community?	√			Yes.
24. Do the official work hours for inspection personnel conform with normal hours for contractors and businesses? Can special hours be arranged with advance notice to accommodate contractors' inspection	√			They seem to have done some synchronization.

REGULATING CURRENT LAND USE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
needs?				
25. Does the Town have policies and procedures in place, including when necessary financial penalties, for handling re-inspections?		√		Yes., in some cases.

PROMOTING AND CONTROLLING DEVELOPMENT ACTIVITIES				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
<u>Development permit application process</u>				
1. Do guidelines exist for prioritizing development efforts consistent with the goals and objectives of the Comprehensive Plan?	√			The Comprehensive Plan itself is used as the guideline.
2. Are there written policies and procedures governing the processing of development permit applications?	√			Yes.
3. Are development projects coordinated by an individual serving as the single point of contact for the developer?		√		The contact point is the Planning Director rather than assigned planning staff.
4. Does the standard development application review process have internal timelines which are set, maintained and monitored?	√			The Planning Department attempts to do this.
5. Are routine waivers and exceptions from development regulations decided administratively rather than by Board or Town Council action?		√		The Town has a relatively tight control over what can be approved administratively. The Planning Director appears to have little independent authority in this area.
6. Are there cross-departmental teams assigned to handle permit applications, with one person authoritatively coordinating the work of the team?		√		They do not appear to have such teams, although they do coordinate work across department boundaries in a more or less informal manner. The Planning Director, rather than the planning staff appears to

PROMOTING AND CONTROLLING DEVELOPMENT ACTIVITIES				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
				be the coordinator.
7. Are all records, from inception through close out, maintained electronically in a single data management system or in multiple but fully integrated systems? Are those records stored on that system or systems secure but available to all those with a specific need to work with them during the development project lifecycle?			√	No. Management of paperwork was noted as a large and growing burden.
8. Does the Town have a well-defined set of tools for project-specific communications that generally include pre-application meetings, highly informative web sites, and printed information packets and walk-in opportunities to gain timely, correct project application information.		√		Some of these tools are in place; the absence of a land management system limit the ease of information gathering.
9. Is there is a clearly defined sequential stage application process that includes:	√			Yes.
a. On going informational outreach designed to facilitate the eventual submission of an application?	√			Yes.
b. A pre-application process?	√			Yes.
c. Formal application submittal, review and decision making processes?	√			Yes.

PROMOTING AND CONTROLLING DEVELOPMENT ACTIVITIES				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
d. Post approval implementation processes, including inspections?	√			Yes.
10. Are the formal reviews by the planning commission or equivalent body and final approval by elected Town officials scheduled in a manner consistent with the actual flow of decision making demands:		√		Formal reviews are scheduled, but insufficient information to say whether they are scheduled in a way that reduces the time burden on a waiting applicant. Large number of Review Boards.
11. Does the Town require staged levels of payments, with those stages generally reflecting natural decision making and labor cost aggregation points in the process:	√			The Town requires advance payment in most instances.
12. Does the development permit process make consistent and well integrated use of basic information management tools, including:				
a. Land management systems to manage information on overall land use and structural/inspection histories?			√	Does not appear to be the case at present. They are reportedly working on something that will partially serve this role.
b. GIS for map maintenance and decision support services?			√	There is a GIS but it appears to be largely a proprietary tool of Engineering, not an enterprise tool integrating multiple department work efforts.
c. Labor and cost accounting systems for cost control and			√	No.

PROMOTING AND CONTROLLING DEVELOPMENT ACTIVITIES				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
permit charge determinations?				
d. Internet based tools for extensive interaction with customers?			√	No.
13. Is information on land, improvements and property ownership found in Town data bases easily available, with the proper security restrictions on authorized use and users, across Town department boundaries?	√			Town maintained information meets basic needs; additional property information is available through the County.
14. Are automated information management tools integrated in such a way as to minimize the amount of manual handling that must be done during the project lifecycle?			√	Does not appear relevant given current technology configurations.
<u>Development project inspections</u>				
15. Are inspections carried out within a specified period of time after they are scheduled?	√			Yes.
16. Are expedited and off-hour inspections available at premium charge rates?			√	Interviews did not indicate this to be the case.

DEVELOPING AND MAINTAINING INFRASTRUCTURE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Is there a capital improvements program that is developed and executed according to generally accepted practice for capital investment planning in local government?	√			The Town has an aggressive program for Capital Improvement Planning. All relevant departments are included in the planning process. The CIP is integrated with the City's budget.

MANAGING IMPORTANT LAND INFORMATION				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Does the Town make use of an integrated land management system that effectively and efficiently stores and processes all land related information?			√	No.
2. Is the land management system available, with the proper security restrictions, to all Town officials involved in project activities and does it serve as a fundamental tool in cross-functional integration of business processes?			√	No.
3. Does the organization consistently transfer hard copy records to electronic format for ease of storage and use/access across organizational boundaries?			√	No.

CUSTOMER SERVICE ORIENTATION				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Has the Town as a whole established and does it maintain a clear and consistent position on the importance of customer service?	√			While there is a strong organizational culture for customer service, there does not appear to be any formal customer relations management system in place.
2. Does the Town actively seek feedback on the concerns and needs of customers?	√			Through high levels of citizen involvement.
3. Does the Town support and encourage workers who show a strong customer service orientation?	√			Commitment to be an expectation of employees
4. Does the Town as a whole and each of its organizational components review performance and redesign work processes, as needed, to support customer service objectives?		√		This is not immediately apparent; the Town appears to operate from an assumption of customer service.
5. Does the Town regularly measure performance on customer service?		√		Nothing formal was observed.
6. Is there evidence that top management actively participates in customer service efforts?	√			Yes.

MANAGING COST OF SERVICES				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
1. Is there a formal written policy regarding charges and fees?			√	No.
a. Does the policy state the specific conditions and circumstances under which a jurisdiction will charge more or less than 100 percent of costs?			√	No such policy exists according to interviews conducted by 2 consultants.
2. Does the Town require that the full cost of providing a service should be calculated?		√		Apparently not, since a number of cost areas reviewed have no associated fees. Full cost calculations are typically not considered. Market analysis seems to be the prevalent method for setting fees. The Town has conducted some time based analysis for setting fees in the past.
3. Are charges and fees reviewed and updated periodically to take in to account the impact of inflation, other cost increases, improved productivity, as so on?			√	There does not appear to be a consistent Town-wide approach to updating charges.
4. Is information on charges and fees available to the public, including statements of its policy governing recovery of costs?		√		Limited information.

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
<i>General Management</i>				
1. The Department uses regular meetings to formalize management.	√			Periodic meetings are held including the chief and executive staff.
2. Long range planning is accomplished in the Department.			√	The department does not have a strategic plan.
3. Managers use departmental information to assess operational issues.	√			Crime analysis products are used by managers for operational planning.
4. The Department's missions, goals, and values known throughout the organization.	√			The mission, goals, and values are known throughout the department. Awareness is heightened because they are used as part of the promotional process.
5. The City Manager and City Council receive the information that they need to provide an on-going assessment of the performance of the Police Department.	√			Information is routinely provided to the city manager.
<i>Recruitment and Selection</i>				
6. Agency requires applicants to have a minimum of two years of college.			√	The minimum educational requirement is a high school diploma or a GED.
7. Written recruitment profile targets applicants who reflect community's diversity.	√			The profile includes diversity as an important characteristic.
8. Agency identifies personal characteristics that are desirable in recruits.	√			The department's profile includes key characteristics the department is seeking.
9. Agency has written recruiting plan that includes funding, timetables of key events, and staff allocated to specific tasks. The plan must have measurable objectives.		√		The recruiting plan does not include measurable objectives.
10. Recruiters know how the agency's salary	√			Recruiters are well aware of competing salaries

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
and benefits compare to those of competing agencies and of competing entities in the private sector.				and benefits since they have to work to overcome Chapel Hill's relatively low starting salary.
11. Recruiters work with community leaders to establish leads on desirable applicants.		√		Recruiters work with a wide array of sources of potential candidates but there is no specific work with CH community leasers since the Town has not been a productive source of recruits.
12. Agency has a formal system to track desirable potential applicants.	√			A formal system is used to track desirable applicants.
13. When necessary, the agency offers additional incentives to extremely desirable applicants.	√			The department has requested the ability to provide an educational incentive. The department does have some flexibility in making salary offers to lateral entrants.
14. Agency periodically evaluates the characteristics of its most successful employees and seeks to attract applicants with those characteristics. These characteristics are used as part of the selection process.	√			The department has used studies of its psychological tests to determine the characteristics of the officers that leave and those that stay to try to select those likely to stay.
15. Agency has developed temporary positions in which to place very desirable candidates who need immediate employment and cannot wait for the academy to start.			√	Although the department has no current temporary positions, it is seeking to establish such positions to retain people until its next academy begins.
<i>Training</i>				
16. Recruits are assigned mentors during the academy period.				Since recent new officers have been lateral transfers, this in not applicable.
17. Academy training stresses a community	√			The department has sought new employees that

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
service approach rather than an overly rigid military-style, high-stress approach.				come from such training programs and seeks to confirm a service approach through its psychological testing process. It is designing its in-house academy to stress the community service approach that is vital to successful policing in Chapel Hill.
18. Agency has a formal route by which FTOs provide curriculum feedback.	NA			Because the department has hired only lateral employees recently this standard is not applicable.
19. Recruits, FTOs, and patrol supervisors periodically return to the academy for debriefing of training shortfalls.	NA			Because the department has hired only lateral employees recently this standard is not applicable.
20. Periodic curriculum reviews/modifications incorporate recruit/FTO/ supervisory feedback.	NA			Because the department has hired only lateral employees recently this standard is not applicable. (FTO's are evaluated by their trainees.)
21. Agency considers officer and supervisory input as to in-service training needs when developing curricula.	√			Although the state mandates 24 hours of annual in-service training, the CHPD averages 65 hours per officers. Sources include the career development program, the command team, and input from officers.
22. Annual in-service training includes skills training like defensive tactics and driver's training.	√			Skills training is included as part of the department's in-service offerings.
23. All in-service training is tracked and recorded for each employee.	√			A computer program has been recently acquired to facilitate this process.
24. Tests are developed for in-service training presentations, and each officer must demonstrate a minimum level of		√		About 1/3 of course presentations, especially those on policy changes and high liability issues, are tested.

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
competency.				
25. Training topics include core subject matter that is provided to all officers and individualized topics that are designed for individual workgroups.	√			Topics include both those that are required for all employees but also those for certain groups in part to meet career development goals.
26. Senior officers are afforded the opportunity to attend advanced leadership training programs (e.g., SMIP, Northwestern, SPI, Command College, FBINA).	√			The department has recently acquired slots for senior managers to attend the FBI National Academy. The department also uses North Carolina State University's Administrative Officers Management Program for advanced training.
27. Written training and education plans for promotion and career development are developed for each employee.		√		Training and career development plans are developed through the rank of sergeant.
<i>Performance Appraisal</i>				
28. At the start of each performance rating period, the supervisor and employee meet to determine and set individual goals and objectives for the period.		√		Supervisors and employees do meet at the start of each performance rating period but personal work plans and/or goals and objectives are not set. It was reported that the current rating tool needs to be revised. Supervisors are trained on the rating process. Interim progress reports are part of the process with sign offs by both supervisors and employees.
29. Community feedback is considered when determining appropriate evaluative ratings and identifying new performance criteria.		√		There is no formal role for community feedback but community complaints and commendations are taken into account.
<i>Communication</i>				
30. Agency posts issues and concerns on an intranet site and solicits employee input.			√	The department does not have an intranet site.

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
31. Agency has an employee recognition program that recognizes efforts and accomplishments.	√			The department has an annual recognition ceremony that includes every departmental employee (the Sheriff's Department provides coverage in the city during the ceremony). Most of the awards are tied to the department's values and the mission statement to provide reinforcement.
<i>Citizen Complaints</i>				
32. Any supervisor on duty accepts complaints.	√			Any employee can accept a complaint and then refer it to a supervisor.
33. Complaints are accepted in person, in writing, or over the telephone.	√			Complaints are accepted by all methods.
34. All complaints against employees are accepted.	√			All complaints are accepted.
35. Anonymous complaints are accepted and examined for investigative merit.	√			Anonymous complaints are accepted and considered.
36. Complainants are notified of outcomes in a timely manner.	√			Complainants are notified by personal letter. Also, officers receive a written notification of the outcome of all complaint investigations.
37. Literature explaining the complaint process is made available to the public.	√			Information is also available on the department's web site and includes a form, a description of the general process and telephone numbers for the Chief of Police.
38. An early warning system is established to identify officers who may be at risk.		√		There is no formal early warning process but a quarterly review of all complaints is conducted. The size of the department makes it easier to keep tabs on all employees.
<i>Organizational Structure and Planning</i>				
39. The agency maintains workload data that		√		Patrol is staffed according to an old formula that

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
enables managers to determine the continued need for each organizational component including all specialized units.				does include a consideration of calls for service and the call load but the process is largely informal. There is no systematic measurement of investigative workload. The department's staffing shortages make it difficult to maintain desired special unit staffing.
40. Resources are organized to meet the goals and objectives that are directed toward fulfilling community expectations and accomplishing the agency's overall mission.	√			The CHPD has dedicated resources to a variety of function that meet community expectations, both sworn and civilian. Employees conduct both traditional enforcement operations and operations designed to work closely with the community at large and special needs populations.
41. Authority, commensurate with responsibility and the work to be performed, is granted to each supervisory or managerial position.	√			The department structure and informal operations maintain the appropriate authority and responsibility.
42. The Department fosters constructive informal relationships within the chain(s) of command that facilitate the timely flow of information and a better work environment.	√			The department has daily meetings every weekday with its diverse elements represented to foster communication and information flow to all concerned elements.
43. External stakeholders are included in discussions about organizational changes and the impact those changes are expected to have on service provision.		√		Internal changes are not discussed with stakeholders unless they are expected to have an impact on service delivery. There is wide discussion about changes that have external impacts with lots of face-to-face contact between the chief and stakeholders.
44. Agency has a formal process by which to			√	The department does not have a strategic plan.

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
develop a three- to five-year strategic plan.				
45. The strategic plan considers anticipated workload and population trends, projected personnel needs, capital improvements, and equipment needs.	NA			The department does not have a strategic plan.
46. Goals and objectives for organizational components play a role in supporting or meeting the agency's strategic plan.	NA			The department does not have a strategic plan.
47. Community input, as well as input from other agencies, is used in the goal-setting process.	NA			The department does not have a strategic plan.
48. Key events are plotted on a time line and checked at periodic meetings throughout the year to ensure they are on time.	NA			The department does not have a strategic plan.
49. Scheduling procedures strive to balance workload and employee preferences for equitable scheduling and days off.		√		The chief has convened a committee to exam scheduling options.
50. Civilian employees have replaced officers in as many administrative positions as possible.	√			The department makes extensive use of civilians in administrative positions.
51. Agency announces anticipated vacancies for specialized assignments and uses a selection process to fill those positions.	√			Vacancy announcements and a selection process are integrated with the department's career development program. A rotation process for all special units has been recently implemented.
52. Agency reviews all incidences or events that present significant or unusual risks (e.g., any use of force or pursuit undertaken by an officer, any injury to	√			Documentation on all such events is required by the next working day. Each event is reviewed to determine whether further examination is needed, whether an internal affairs investigation

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
any citizen at the hands of the police).				should be conducted or whether the occurrence was justified and within policy. After action reviews are also conducted on all major special events.
<i>Patrol</i>				
53. Calls for service are dispatched by priority, and less urgent calls are subject to holding.			√	The dispatching function is performed by a consolidated center operated by Orange County. All calls, regardless of priority, are immediately dispatched except for 911 hang-ups. On these, several attempts will be made to call the number to determine if the 911 call was accidental.
54. The agency uses procedures to manage the call workload so that not every call entails an immediate mobile response.	√			Once calls are dispatched, the CHPD will assign some for telephone follow-up such as missing cell phones and gas station drive-offs. Field sergeants will set informal priorities for calls during peak periods.
55. Shifts are structured to overlap so beat officers can communicate about beat conditions.		√		The department uses a 12 hour shift structure but staggers starting times so that there is some overlap.
56. Distribution of personnel considers temporal and geographic consideration.		√		The current schedule requires the same number of people on each shift and each day. Staggered starting times and special units are used to better match personnel to workload.
57. Based on resource allocation data, officers are afforded an appropriate percentage of time for proactive policing		√		Staffing shortages have made it difficult to set objectives for time to be spent on proactive policing. Patrol officers are made aware of problem spots and may do some directed patrol but, for the most part, planned proactive policing is conducted by special units.

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
58. To enhance investigations, patrol officers search for witnesses, collect physical evidence, interview suspects, run computer checks, and follow up leads within the time constraints of the call for service workload.	√			Patrols officers, depending of their level of expertise, experience and available time, may engage in the full scope of investigative activity.
59. A “book” is maintained for each patrol beat that includes information on land use and demographics, activities, problems, resources, and other items of interest about the beat. Beat books are updated and maintained on each shift and passed from shift to shift.		√		No formal “beat books” are maintained but beat problems and resources are discussed at the week day “Morning Meetings” which are attended by representatives of all elements of the police department.
Investigations				
60. New investigators receive formalized training before being assigned to criminal investigation.	√			The department has instituted a rotation system for all special units including investigations. Those selected for investigation positions have been involved in the career development program and have received specialized training through that venue.
61. The Department uses case management and screening process.	√			All crime reports received are reviewed and assessed for solvability. Assignments are made based primarily on this screening process.
62. Performance indicators for Investigations include: <ul style="list-style-type: none"> • Percentage of all reported crimes that receive follow-up investigation • Number of victims receiving some follow-up attention 		√		Although the information for these measures can be made available, the use of them to assess investigations is evolving. Contact with victims is a high priority. Some of the information is available through

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
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<ul style="list-style-type: none"> • Number of suspects contacted/interviewed • Arrest rates for those cases actively worked by investigators • Rate of prosecution for those cases in which an arrest is made 				crime analysis and some is monitored by the court liaison officer.
63. The agency uses automated databases to store criminal information.	√			The department uses OSSI software for this purpose.
64. Investigators are on call to respond to criminal investigations	√			Investigators are called out as needed.
65. The Department analyzes closed cases to improve investigative techniques.		√		Investigators will discuss closed cases informally, but there is no formal system to assess closed cases.
66. The agency reopens old, unsolved cases using different investigators to try to solve those cases.		√		If new information is received, “cold” cases may be reopened, but there is no systematic program to re-examine old, unsolved cases.
<i>Court Appearances</i>				
67. Agency has court liaison monitor/supervisor.	√			Since the CHPD assigned a court liaison officer, estimates are that officer appearances have declined by at least 70% through improved scheduling.
68. Feedback on testimony is solicited from the city/state attorney.	√			Supervisors are required to monitor the court room testimony of their officers.
69. Officers receive entry-level and in-service training in case preparation, court attire, and testimony.	√			Court procedures are reiterated through the department’s orientation process for its lateral entry officers.
70. A checklist with items like photographs, reports, forensic analysis is provided to officers so they can prepare for	√			All felony cases are thoroughly checked for completeness, delivered to the District Attorney and logged in.

POLICE				
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	Meets or Exceeds	Slight Gap	Significant Gap	
prosecution.				
<i>Evidence Control</i>				
71. The evidence/property facility is monitored 24 hours a day.		√		The evidence room is locked but does not have a separate alarm system.
72. Evidence Control is automated with a bar coding or another electronic tracking system.		√		Evidence is tracked through a computer program but is not bar-coded.
73. Controls (e.g., gun and drug burns) are in place to dispose of unnecessary evidence or property.	√			Such items are periodically destroyed.
74. Random audits are conducted by internal investigation division.		√		Audits are conducted by the unit commander.
<i>Community Interaction</i>				
75. Agency produces and distributes a periodic external newsletter or media presentation.		√		The department uses its website as a primary public outlet but also has numerous interactions with its public and the community.
76. Agency maintains a Web site as a joint police-community project.	√			The current web site is in the process of being revised to become more interactive.
77. For those without Internet access, the agency solicits community participation via local print and electronic media.		√		The CHPD has wide ranging interactions with its public with many contact points but does not have a formal process for soliciting input.
78. The chief has a formal advisory group that is broad based and represents diverse community elements.			√	Although there are a wide array of informal contacts there is no formal advisory group.
79. The chief's advisory group is established at the behest of the police department, meets at least monthly, and has some staggered terms of membership so that different viewpoints are heard.	NA			Although there are a wide array of informal contacts there is no formal advisory group.

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
80. Officers from different shifts in a neighborhood attend community meetings regularly.	√			This standard is met primarily through the rotating shift schedule.
81. Supervisors attend neighborhood meetings and update attendees on identified problems.	√			The department has frequent interaction with community groups.
82. Neighborhood groups have access to crime and disorder data from their neighborhoods.	√			The department can provide maps of crime and disorder problems for neighborhood groups.
83. Agency forms partnerships with other agencies to address problems rather than relying only on its own resources.	√			The CHPD has formed extensive community partnerships. It has a crisis unit, provides domestic violence and sexual assault services, Latino victim services, human services and operates a drug intervention program, Project Turn Around.
84. Agency uses citizen volunteers.	√			Some volunteers help with data entry. Student interns will help with special projects.
85. Agency solicits the active involvement of neighborhood residents in identifying neighborhood problems and developing responses.	√			The department involves residents in a variety of problem solving episodes often involving special needs populations.
<i>Addressing Crime and Disorder Problems</i>				
86. Crime and disorder patterns are tracked geographically by “beat”.		√		Informal processes are used to accomplish this, primary through “Morning Meeting” discussions. With improvements to the town’s geofile accurate mapping of such patterns will become possible
87. The department diagnoses and acts to solve ongoing problems.	√			The department’s frequent internal interactions facilitate this process.

POLICE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
88. High level crime and disorder summits are conducted on a regular basis, to examine patterns of crime and coordinate intervention strategies.	√			Such “summits” take place in the context of the “Morning Meetings.”
89. Agency conducts reactive and proactive crime analysis.	√			The department produces crime analysis products to focus operational efforts.
90. Repeat calls (hot spots) are identified.	√			The CHPD’s system get calls for service data from the county communication center every 24 hours. Analysis is restricted only by the time available.
91. Citizen complaints about crime and disorder problems are used to determine and address problems.			√	This is done only informally. Once source of such information, Crimestoppers, is an independent organization.
92. Lookouts, MOs, and noteworthy information from field operations reports are transmitted to patrol officers daily.	√			Such information is transmitted on the daily hotsheets.
93. Diverse units are involved in operational planning and implementation, including patrol, investigators, traffic, and special units.	√			This occurs through the “Morning Meetings” when all elements of the department are present for such planning and implementation.
94. Agency leads the development of inter-agency approaches to anti-crime efforts.	√			The department’s extensive approach to community interactions place it in the lead in most efforts.
95. Solutions to crime, violence, and disorder involve community actions as well as police actions.	√			The department’s approach to involving the Town’s housing communities, the University and its integrated approach to working with special populations demonstrate its work to involve the community.
96. Resources to address crime and disorder	√			The department’s approach to involving the

POLICE				
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problems are wide ranging and include those from the community, the government, and the private sector.				Town's housing communities, the University and its integrated approach to working with special populations demonstrate its work to involve the community.
97. Crime analysis monitors the expected results of anti-crime operations for a predetermined period after operation completion.	√			The results of operations are assessed, frequently as part of the "Morning Meetings."
98. An easily accessed central repository of anti-crime plans, tactics, and results is maintained.			√	No such formal repository exists.
<i>Research and Development</i>				
99. Agency has a full-time research and development function.		√		The planning function is part time since the planner position also has media, crime analysis, and supervisory responsibility.
100. The Research and Development function includes persons with advanced degrees and substantial training in research methods.	√			The current planner has a master degree and extensive training and experience.
101. Agency conducts studies that measure the impact of operations, both short-term and long-term.		√		Such studies are done occasionally but not on a systematic basis.
<i>Use of Technology</i>				
102. There is a master name query into the department's databases so that all contacts with a person are returned.	√			A position has the specific responsibility to maintain the department's master name file.
103. The system is designed for point-of-transaction data entry. The creator of the data can enter data by multiple means.	√			The department used mobile field reporting for most report entry.

POLICE				
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104. The Department monitors the implementation of new technology to determine its success and unanticipated consequences.		√		There is no formal process to accomplish this but the department has open communication and discussion of such issues will occur.

FIRE – EMS FIRST RESPONSE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
<i>General Management</i>				
1. The Department uses regular meetings to formalize management.	√			Weekly meetings include senior executive staff and on-duty battalion commanders
2. Long range planning for emergency medical services is accomplished in the Department.	√			The department has drafted a strategic plan and five year objectives in February 2005.
3. Managers use departmental information to assess operational issues.	√			Managers assess operations based on a variety of measures and make adjustments accordingly.
4. The Department's missions, goals, and values known throughout the organization.	√			The mission, goals, and values are known throughout the organization. They are posted in each working area of the department and many employees have them memorized since they were part of previous promotional processes.
5. The Department's policy and procedure manuals / documents are complete. Major gaps do not exist relating to operational directions.	√			The department has both a Rules and Regulations Manual and a set of Standard Operating Procedures that are continually reviewed and updated as needed.
6. The City Manager and City Council receive the information that they need to provide an on-going assessment of the performance of the Fire Department provision of emergency medical services.	√			Information is conveyed to the City Manager for distribution to the Town Council.
<i>Emergency Medical</i>				
7. Average roll out time (from station to scene)	√			Fire – FY 03 = 3 min 48 sec Fire – FY 04 = 3 min 41 sec EMS – FY 03 = 3 min 21 sec EMS – FY 04 = 3 min 29 sec

FIRE – EMS FIRST RESPONSE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
	Meets or Exceeds	Slight Gap	Significant Gap	
8. Percent of arrivals at emergency scene within 4, 5, 6, 7 minutes, and greater.	√			This information is included as part of the department's annual report to the city council.
9. Number of emergency responses per capita	√			For CY 2004: 2210 fire responses and 1069 EMS responses for population of 51,485 = $3279/51485 = .064$
10. Number of EMS responses per capita	√			For CY 2004: 1069 EMS responses for population of 51,485 = $1069/51485 = .021$
11. Average time till patient stabilized	√			FY 03 = 22 min 33 sec FY 04 = 21 min 23 sec
12. Percent of full cost recovered through fees			√	No fees are recovered for EMS services
13. Percent of incidents upgraded in priority at scene				Data unavailable
14. Percent of incidents downgraded in priority at scene				Data unavailable
<i>Training</i>				
15. The Department's emergency medical services annual training program is programmed and scheduled in advance.	√			A training coordinator position has been recently added to the department and monthly training plans are developed and scheduled. One battalion chief is a certified paramedic trainer.
16. Training is consistent between stations and shifts.	√			Training is consistently delivered across stations and shifts.
17. Quantifiable measures are in place to determine the impact that training has on performance.		√		Although a measurement system is not yet in place, a draft has been development and implementation is expected in July 2005.
18. The training provided is based upon a thorough assessment of skill improvement needs.	√			Training needs assessment has been completed and will be tied to the measurement system described above.

FIRE – EMS FIRST RESPONSE				
Process Consideration	Activity of the Town of Chapel Hill			Comments and Observations
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OBSERVATIONS AND RELATED PLANNING ASSUMPTIONS				
<p>The Chapel Hill Fire Department provides First Responder services (Basic Life Support) within the Town of Chapel Hill for serious or life threatening medical calls only. The provision of First Responder services is secondary to the provision of fire suppression serious. Orange County provides EMS paramedic services (Advance Life Support) for all medical calls for service in the county and in the Town of Chapel Hill and responds to calls even when the CHFD responds as First Responder. Once assigned to a First Responder call, CH fire personnel provide care until relieved by county EMS personnel. The County retains all funds recovered for emergency medical services.</p>				



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