

MCMA Winter Workshop
January 21, 2010



**Why Innovation Matters More than Ever:
Exploring Partnerships and Organizational Renewal**

Presentation by Karen Thoreson, President of the Alliance for Innovation

The 2008 financial crisis and its aftermath have resulted in local governments having to review how they do business and reinvent service delivery models. There is evidence that local government leaders have pursued a number of different goals with a variety of strategies and tactics. In general, the cutbacks have forced either proactive or reactive changes. Proactive efforts have aimed to create longer-term effectiveness, efficiency, and stability. The result is a positive difference for the organization compared to conditions that existed before the fiscal crises began or that would have resulted from arbitrary actions.

During the 2010 MCMA Winter Workshop, the Alliance lead a session broken into the 3 components:

1. Navigating the Fiscal Crisis
2. Innovative Organizations and Characteristics: What's Working?
3. Small Group Work; What's Working for You?
Focused on Organizational Renewal and Partnerships

Navigating the Fiscal Crisis Resources

Visit the Alliance for Innovation online to find the *Navigating the Fiscal Crisis* white paper and the elected officials' version of the white paper; prepared by the Alliance and Arizona State University for ICMA.

- [.transformgov.org](http://transformgov.org)
- Click on *Fiscal Crisis Wiki*

Innovative Organizations and Characteristics: What's Working

During the session we looked at examples of local government innovations in the areas of Reassess Community Priorities; Re-engineer Organization; Fix Structural Deficits (personnel); Advance Technological Solutions; Increase Revenues; Partnerships; and Management Flexibility and Transparency.

Provided at the end of this document are a few case studies that were mentioned:

Re-engineer Organization

- Oakland Park, FL

Advance Technological Solutions

- Winter Park, FL

Fix Structural Deficits

- Dublin, OH

Increase Revenues

- Hickory, NC

All of the case studies discussed are available to Alliance Members in the Alliance's Knowledge Center. .transformgov.org

Small Group Work: What's Working for You?

During the afternoon we established small groups and asked you to 1) identify what your organization was doing to re-engineer its work, and 2) discuss what you were doing to create new, effective partnerships. Groups started by identifying what was working for them in those two areas, what needed improvement, and what actions held promise for future improvement. The national local government examples helped to set the stage and provided exposure to the idea that transformation can happen with relatively little expenditures of new funds.

As a group, we identified the actions your organization was taking as one of the following:

- Prevailing Practice. A prevailing practice is well established with proven effectiveness. There is a high level of adoption.
- Leading Practices. A leading practice is a practice that is desirable, with varied adoption, and still being developed and improved. May be uniquely suited for specific jurisdictions.
- Cutting Edge Practice. A cutting edge (emerging) practice is experimental, considered by some as desirable, low adoption.

Below are the notes from the small group work during the afternoon session. The ideas and strategies have been loosely placed into smaller categories; however, the categories are not exclusive and items could potentially fall into one of more of the smaller groups.

Re-engineering the Organization

What's Working

Staffing

Expanding Job Descriptions.

Evaluating and restructuring how emergency services such as police and fire are scheduled; examples include rescheduling police and going to 8, 24hr shifts for EMS, policy changes for "hours worked."

Combining Public Works Divisions. (*Prevailing*)

Analyzing work schedules against utilization demands. (*Leading and Cutting Edge*)

Combine technology services with engineering.

Centralized purchasing by placing in a new division/position.

Delegated Fire Marshall Position to crews. (*Leading*)

Financial / Operational

Staffing Analysis / Budget Analysis.

Budget focus on need over wants.

Focus on in-house service delivery versus contracting. (*Leading*)

Evaluating Water Rate Structures. (*Prevailing*)

Evaluating services for privatization; ex solid waste.
Centralizing Various Services; example includes custodial/building maintenance.
Contracting various services; examples include park and street maintenance, and snow removal.
(Prevailing)
Fuel Management. *(Prevailing)*
Going Green and Working Green.
Cost-benefit on landfill; now hauling to larger landfills. *(Prevailing)*

Development / Permitting Process

Development Process Review *(Leading)*
Revamping Codes *(Prevailing)*

Technology

Decentralized website maintenance; example includes departments providing own updates *(Leading)*
Mobile data terminals and electronic ticketing *(Prevailing)*
Citizen self-service using on-line technology *(Prevailing)*
Automated Payroll *(Prevailing)*
Integrating technology in public input process
Automated Meter Reading; including cross-training meter readers and better technology. *(Prevailing)*
Enhance communications; i.e. website, PIO. *(Prevailing)*

Needs Improvement

Management and Leadership

Communicating new government; new way of doing business is not temporary.
Educating elected officials so that they understand the current reality.
Common vision between staff and elected officials.
Common risk taking perspectives.
Communicating a consistent message (internal and external).
Communicating at all levels (internal and external).
Defined Expectations
Strategies dealing with employee resistance
Celebrate successes
Courage

Financial / Operational

Going Green and Working Green; need to develop standards and consistency for all.
Document Retention and Organizing Archives
Transitioning to paperless and still within the law.
Economic development and planning processes; make less complicated.
Crisis planning, implementation, and communication.

Holds Promise

Financial / Operational

Reallocation and rethinking of delivering resources and services.
Sharing Services
Collaborative Purchasing
Benchmarking

Management and Leadership

Explore opportunities to discuss government and personal responsibility- building a “social contract.”
(*Cutting Edge*)

Engaging all levels of staff in process improvement and innovation; looking at ways to approach work differently to gain efficiency/effectiveness.

Utilize all resources (community and organizational) that are currently underutilized. (*Leading*)
Communication.

Technology

Technology and social networking.

Evaluating permitting process and using technology for on-line processing.

Youth movement particularly in technology and social media.

GIS systems that help internal and external customers. (*Prevailing*)

Use of social media to connect and educate citizens. (*Leading*)

Staffing

Right-sizing Organization

Partnerships

What's Working?

Community Partners/Organizations/Stakeholders

Regional stormwater solutions between developers and institutions. (*Prevailing*)

Regional Economic Development Efforts including public/private partnerships. (*Prevailing*)

Joint recreation with school district and chamber.

Purchasing Consortium

Community branding effort.

Recycled Paper Consortium (*Leading*)

Fuel Center (*Leading*)

Facility reuse and operations (*Prevailing*)

Economic Development Partnerships

Partnering with local businesses; example is working with local restaurant on food inventory and ordering (*Cutting Edge*)

Recognizing and identifying partners that have talents/resources that lend themselves to collaboration; examples are school districts, colleges, grant writers, community foundations. (*Cutting Edge*)

Working with community organizations; examples of issue is substance abuse.

Partnerships with neighborhoods.

Regionalism / Intergovernmental Partnerships

Revenue Sharing; example includes sharing sales tax revenue. (*Cutting Edge*)

Relationship with City/County; partnerships include water quality testing, joint use of recreational facilities. (*Leading*)

Regional partnership in homeland security. (*Prevailing*)

Lobbying Efforts; pooling resources. (*Prevailing*)

Contract with County for plan review, inspections, and property tax collections. (*Prevailing/Leading*)

Police and Fire Dispatching in St. Louis County; benefits include better technology and eliminates redundancy of services. (*Prevailing*)

Joint Dispatch

Insurance Pools (*Prevailing*)

Shared supplies and collaborative purchasing (city and county)
Working with school districts to share school resource officers (*Prevailing*)
City/County GIS
Radio Communication (*Prevailing*)

Needs Improvement

Management and Leadership

Asking Hard Questions

Trust

Educating elected officials and community on current realities and keeping a consistent message.

City/county relationship

City/state relationship

Engaging Community Stakeholders

Employing the “team” concept internally.

Community Partners/Organizations/Stakeholders

Cooperation with Special Districts; examples include working with schools in areas such as Human Resources, purchasing and facilities management.

Youth and student education; teaming up and working with community’s youth.

Regionalism / Intergovernmental Partnerships

Regional Healthcare Efforts

Regional Transportation Efforts

Stormwater Management

Community Emergency Management; building community resiliency in the event of tornados, storms, floods.

Recognition of joint benefit.

Holds Promise

Management and Leadership

Exploring regional solutions to community challenges.

Looking at different models of revenue sharing and collecting.

Developing partnerships with schools; discover ways to help with city/county government and service delivery.

Community Partners/Organizations/Stakeholders

Joint facilities management and or consolidation. (*Leading*)

Regionalism / Intergovernmental Partnerships

Developing new partnerships in areas such as trash collection, Fire/EMS, emergency communications, and IT sharing.

Plan Review Pools

City of Oakland Park Fire Rescue Department Adaptive Response Program

City of Oakland Park, Florida

Fire Rescue Chief Donald P. Widing

Presentation Team Members: City Manager John Stunson
Fire Rescue Chief Donald P. Widing
Others not known at this time

2100 NW Street

Oakland Park, Florida 33309

954-630-4547

Fax: 954-497-4107

[@oaklandparkfl.](mailto:info@oaklandparkfl.com)

City of Oakland Park Fire Rescue Department Adaptive Response Program

Synopsis

The City of Oakland Park's Fire Rescue Department's "ADAPTIVE RESPONSE PROGRAM" is a program designed to utilize the minimum number of personnel from a given fire station by selecting the appropriate type of response vehicle for a specific emergency. Three Firefighter/Paramedics are assigned to a fire station with one Advanced Life Support EMS truck and one Advanced Life Support Fire Engine. Upon dispatch, the Station Officer determines (ADAPTS) the appropriate unit to respond to the emergency. If multiple response units are required, the only unit that responds in an "emergency response mode" is the first due unit, while subsequent units respond consistent with normal traffic unless or until the severity of the emergency is confirmed by the first arriving unit. This On-The-Quiet response minimizes the community risk associated with unnecessary accidents and reduces fuel and maintenance expense.

This program was implemented May 29, 2007 and continues to reduce overtime and staffing costs. Before the program, the Fire-Rescue Department's daily staffing minimum was 16 personnel assigned to the three City fire stations, responding to calls from one or more of the stations as needed. Daily staffing at each station varies, depending vacation and sick leave.

The City has three fire stations, #9, #87 and #20. This program was implemented from Fire Station 20 due to the unique and coincidental alignment of overlapping response zones. When operating in the adaptive response mode, the personnel at Station 20 responded either on the Engine or on the Rescue dispatched from another station. Response units from other City fire stations were positioned to respond into the Fire Station 20 service area when needed. Limiting the program to this fire station due to its location allowed adaptive response to be used with limited effect on service delivery throughout the City.

City of Oakland Park Fire Rescue Department Adaptive Response Program

The adaptive response program fluctuates daily staffing levels at Station 20, with a minimum of three personnel to five personnel, reducing the department's minimum daily Citywide staffing by two personnel to 14. This results in a total of 14-16 personnel responding as needed from one or more of the stations.

Through the utilization of adaptive response, six vacant positions in the Fire-Rescue Department were not filled in FY07/08 resulting in a cost savings of over \$550,000. In addition, during the first full year of Fire Rescue operating in the adaptive response mode 64% of the time, 362 shifts of overtime (8,688 hours) were prevented resulting in cost savings of over \$280,000. The savings on fuel due to the On-The- Quiet (referred to as such due to the equipment responding at normal speeds until the incident's needs have been assessed by the first responder) is still being monitored.

There is no doubt that this program is a win-win situation which may be beneficial to most communities.

City of Oakland Park Fire Rescue Department Adaptive Response Program

Components of the Presentation

Innovation/Creativity

Economic restraints caused by falling revenues coupled with public mandated tax reform revealed an impending threat to the Fire Rescue Department's core mission of providing pre-hospital emergency medical services, fire prevention and fire suppression control. The Fire Rescue Department utilized a collaborative labor/management process which engaged the internal (Department) stakeholders to avoid layoffs of employees. At the same time, a commitment to provide an acceptable level of customer service was determined with the application of nationally recognized emergency response time and safety standards. Realizing that traditional staffing and emergency response unit applications could not continue without a reduction in firefighter/paramedic workforce or increase in emergency response times created the need for out of the box thinking.

Utilizing existing technologies, primarily GIS mapping and computer assisted performance data, emergency service response zones were redefined. No outside consultant was used, however, the Chief of Fire Rescue applied his experiences as a team leader and peer evaluator for the Commission on Fire Accreditation International (CFAI). Fire Rescue Department core competencies and performance indicators from the CFAI Fire and Emergency Self-Assessment program were shared with City staff and Fire Rescue Department members to determine the applicable performance standards for this initiative.

The Fire Rescue Department employed an "On-The-Quiet Response System", to selectively dispatch the appropriate type of emergency response unit combined with the appropriate number of personnel.

City of Oakland Park Fire Rescue Department Adaptive Response Program

Citizen Outcomes

Fire Rescue standards are determined by the National Fire Protection Association (NFPA), Commission on Fire Accreditation International (CFAI). The City, using the NFPA, CFAI and Emergency Self-Assessment Program standards as well as the City's Performance Excellence Initiative Sterling criteria, was able to identify key resident/customer requirements, needs and changing expectations and address them by routinely attending homeowner association meetings and reviewing the department's customer satisfaction surveys. The implementation of the program reflected the City's conscious effort to maintain a high level of service while minimizing costs. The following were addressed:

- Calls for Service – residents/customers expect the Fire Rescue Department to respond to fire and emergency medical services calls within an acceptable time.
- Appropriate Staffing levels – residents/customers expect the Fire Rescue Department to provide an appropriate level of staffing to calls for service.
- Reduction of costs (overtime) – residents/customers expect the Fire Rescue Department to minimize cost increases and reduce cost where appropriate. In addition, as part of the City's ongoing "green" effort, there was a savings in fuel and emissions as a result of the On-the-Quiet response of many of its vehicles.

The program provided for an improved incident reporting quality control program which allows Staff to provide residents/customers' accurate data regarding time of call, time of dispatch and time of arrival. This information is now readily accessible and is provided routinely as part of the Fire Rescue Departments Performance Measure Management System.

The health of the community was improved as the Fire Rescue Department was able to meet or exceed performance standard expectations. For example, over

City of Oakland Park Fire Rescue Department Adaptive Response Program

the City's last fiscal year, the Department was able to meet the following standards:

- "Fire suppression resources shall be deployed to provide for the arrival of an engine company within a four-minute response time and/or the initial full alarm assignment within an eight-minute response time to 90% of incidents.

- "EMS for providing Advanced Life Support (ALS) shall be deployed to provide for the arrival of an ALS company with an eight-minute response time to 90% of incidents."

Applicable Results and Real World Advice

Since all governments are being tasked to maintain levels of service with declining revenues, the City of Oakland Park's Fire Rescue Adaptive Response Program is certainly something which can be applied to other jurisdictions. The Fire-Rescue Department adopted these performance measures and initiated a number of operational efficiency programs to minimize the effect adaptive response would have on operational performance. These efforts included:

- Reconfiguration of response zones to maximize utilization of available resources.
- An improved incident reporting quality control program to ensure accurate reporting of response time data.
- Encouraged personnel to reduce "turnout time", the time from dispatch to station departure, through educational/motivational meetings.

The Adaptive Response Program has resulted in significant cost savings. From the permanent reduction in staffing with no lay-offs to the significant savings in

City of Oakland Park Fire Rescue Department Adaptive Response Program

overtime and a continual monitoring of fuel savings, this program has been an unequivocal success, especially at a time when local governments must become more efficient and effective. The primary factors of the success of this program has to be the foresight of those who proposed it, (Fire Rescue Chief Widing), those who bought into it, (Commission, City Manager, residents and firefighters), and those who make it work (firefighters).

Ambulance Safety Initiative (ASI)

Winter Park, FL (25,000)

Paramedics are known for their life saving skills, however often they are put at risk as their ambulances hurtle across communities to reach an accident victim, or race to a medical facility with a patient in tow. During the 1990's more than 300 fatal ambulance accidents occurred in the United States, most of which involved emergency medical service (EMS) personnel who were unrestrained in the vehicle. The dilemma of rendering care to their passenger, while using radios and accessing medical equipment made it physically impossible to use standard lap-type seat belts. Add to that hesitancy by the fire-fighter and paramedics themselves to use any sort of restraint for fear that it would not allow them to perform their jobs properly, and the conundrum was clear.

Lt. Andrew Isaacs of the Winter Park Fire Department (WPFDF), being told that there was no design for a safety restraint on the market that could accommodate paramedic needs, set about studying and designing such a device. In 2004, he began an assessment of a restraint system that would be needed for all EMS personnel to travel safely while performing the basic ergonomics of emergency medical care. He thoroughly researched the continuum of patient care from vehicle markings to equipment accessibility. The five point restraint system was arrived at because it offered greatest security for the riders, while remaining user-friendly and not cumbersome.

The city of Winter Park funds all activities of the fire-rescue department and its Vehicle Replacement Fund (VRF) serves as the internal leasing function for its vehicles. Once specifications were drafted, new vehicles with the ASI units were advertised for competitive bid, following the city's purchasing procedures and state law. Two manufacturers responded and agreed to change their ambulance design (there are currently five manufacturers producing similarly designed units). Within two years of the project's conceptualization, a contract had been signed to produce the units meeting all specifications.

The single most important achievement of the ASI is the increased level of safety for EMS personnel. The attention WPFDF paid to both safety and usability has resulted in what the industry calls "America's safest ambulance". The three measures used to evaluate success include personal compliance (now at 90%), reduction in worker's compensation (injuries from related travel dropped to 0%) and reduction in motor vehicle crashes (revised vehicle markings, lighting and equipment location has seen 100% compliance).

The ASI units designed by and produced for the WPFDF are not only a first for the United States, but address the unique work of paramedics during transport. WPFDF's pioneering work is now considered the standard for the industry nationwide.

Contact name: Randy Knight

Contact Organization: City of Winter Park

Email: city.manager@cityofwinterpark.org

Website: www.CityofWinterpark.org

Healthy by Choice
Moving from Cost Containment to Behavior Change in Employee Health Management Strategy

Jurisdiction: City of Dublin, Ohio

Project Leader: David Harding
Director of Human Resources

Presentation Team: Michele Hoyle, Budget Manager
Mary Kay Ruwette, Human Resources Manager
Tracey Uhl, Recreation Services Administrator

Street Address: 5200 Emerald Parkway
Dublin, Ohio 43017

Telephone No.: 614-410-4400

Fax No.: 614-410-4490

E-mail address: [@dublin.oh.](mailto:hoylem@dublin.oh) (Michele Hoyle)

Synopsis of Initiative

Like all employers who provide medical benefits to employees and families of employees, the City of Dublin was aware that the double-digit increases in the cost of providing those benefits could not be sustained indefinitely. Dublin is a municipality with a traditional benefits program in which employees have enjoyed a historically rich medical plan. Now, the City was faced with the possibility of reducing benefits or shifting costs to the employee, neither of which were desirable options.

To make sure that the City thoroughly explored its options, a cross-functional team representing many City work units and including the City's labor unions was formed to become benefits "experts" and to provide alternatives and ideas as to how the City could stem the trend. The outcome of this group's work was a wellness initiative that was fully integrated into the employee benefits program, implemented beginning in 2006.

We determined through review of our program that the "consequence of doing nothing" would result in an increase in claims costs from 2005-2008 of nearly 47% over three years. Through the comprehensive health management efforts that have become "Healthy by Choice," we have been able to maintain a more modest rate of increase of closer to 5.5% per year.

The initial step was vendor management. We are a self-funded entity, using third-party administrators to process and adjudicate claims. Before looking at plan design, we wanted to make sure that we were receiving the best values available in the market place. After requesting proposals and making some vendor changes, we turned to plan design.

Our original wellness efforts were focused on reducing the rate of the growth in the costs of our benefits program. As we learned more about the area of health management, though, we realized that the long-term key to managing the costs of providing health care to employees and families was to reduce the preventable risks in our population. We used the health risk appraisal developed by the University of Michigan, Health Management Research Center to determine where we have manageable risks, and more importantly, to provide information and assistance to our employees as to their risks and how they could take an active role in controlling their health risks. Based on the theory that cost follows risk, we believed that engaging employees in managing individual risks would in turn control the City's costs.

We established a powerful incentive – waiving employee contributions if both the employee and covered spouse participated in the program. The University of Michigan, using claims, attendance and HRA data supplied by the City, was able to provide us with correlation between our expenditures on health care and our risk data. Through this analysis, we were able to establish a strong link between keeping employees low-risk and the resulting reduction in claims costs to the City's program: While high-risk employees cost the City over \$5,600 in 2006, low-risk employees cost about \$2,500, or less than half of the high-risk group. Using health coaching and offering other City programs targeted toward our highest risks, we were able to increase our low-risk employees by 7% to over 72% of our covered adult population. At the same time, our high risk group declined from about 11% to less than 7% of our population. In 2006 cost terms, each person that moved from high

to moderate risk reduced claims costs by nearly \$2,200, while each person that moved from moderate to low risk reduced claims costs by \$700.

Our future plans include continued use of the University of Michigan health risk appraisal and annual comparative data. We will use these results to modify or improve program offerings based on our organization's compiled annual risk factor results. We will also use these results to validate our program. We would like to lend more focus to programs that support employees who need disease management assistance. Our health coaching vendor will identify individuals for disease management through the health coaching process and will refer employees to their disease management intake department. We will also be reviewing our administrative policy to make sure it is consistent with the strategic initiatives of the plan. For example, one initiative requires all tobacco users to participate in a tobacco cessation program in preparation for the city going tobacco free in 2010. Existing administrative policy needs to be amended to reflect this policy change so that supervisors can have the written policy they need to reinforce the behavior. Another initiative is to decrease the stigma associated with seeking mental health assistance. To support this initiative, we are suggesting plan changes that would cover a mental illness the same way that other physical health issues are covered.

At first, Healthy by Choice was offered only to the 52% of our employees who were not represented by a union. Over the course of the past 4 years, we successfully have negotiated Healthy by Choice into two of our labor agreements, and hope to do so for 2009 in our remaining labor agreement. Given the success we have seen with the group of employees that have been part of the program, we are optimistic that this program will continue to reap benefits over the long term for the City both in terms of lower health care costs and happier, more productive employees.

Innovation/Creativity

How did you encourage creativity in order to generate solutions?

We involved a cross functional group of employees, all of whom were stakeholders in the program, and left nothing as off limits for this group's review and discussion. After educating these employees, we allowed open brainstorming, both in identifying the issues, and in suggesting solutions and ideas as to how the City could maintain a rich benefits program that could be financially sustainable over time.

How did your program /concept stretch or improve the boundaries of ordinary government operations?

We have created a holistic health management program that prioritizes health behavior change over health care cost containment by closely linking wellness and benefits in a municipal government environment. Rather than shift costs to employees, we developed a strategy that shifted responsibility and accountability to employees, educating and empowering them to be good stewards of their health and of the City's health benefits program.

Our main incentives for program participation are a 100% waiver of an employee's health care premium contribution and a free recreation center membership. Other incentives can be purchased through "healthy bucks" that are earned by participation in voluntary wellness programs. Bucks are redeemed for existing recreation center programs and services that are already being provided to the public. Since our "bucks" do not have a dollar to dollar monetary value, employees can use them and receive rewards tax free. We have employed several creative program initiatives to reach our employees and their families.

We also have integrated health coaching into our model, requiring all employees and covered spouses to contact a health coach to review the health risk appraisal, and then have worked with our health coaching vendor to educate coaches about our fitness and wellness programs, so that coaches could refer employee to appropriate existing programs instead of providers that we do not know or for whom the employees might have to pay a higher fee.

Were new technologies necessary and what methods and/or applications did you incorporate?

Development of a centralized website with both benefit plan and programming information was key in branding our efforts and showing our employees how benefits and wellness behaviors are inseparably linked. We utilize web based programs that families can participate in from their home on their own schedule.

Was an outside consultant used? If yes, indicate the level of involvement and identify the firm.

In the early stages of the project, we used the Segal Company to assist us in current state assessment, and vendor management. After that, we felt that a more comprehensive approach to health management strategy was appropriate; we engaged Cuyahoga Community College and the Oswald

City of Dublin
Healthy by Choice

Company to assist us with development and ongoing evaluation of the strategy as well as return-on-investment analysis.

Citizen outcomes

What customer needs and expectations were identified and fulfilled?

In this case, the customers were City employees, with the expectation that a rich benefits program would be maintained for them and their families. Through a behavior change approach that includes powerful incentives, employees become active participants in meeting their own expectations.

For our citizens, this program ensures that resources are not diverted into funding a program that is not sustainable and is the best value for public dollars.

How did your initiative improve access to your government?

Our data showed that just engaging employees alone would not have the necessary impact on our plan costs; in fact, prior to initiating Healthy by Choice, we were surprised to learn that employees' spouses actually cost our plan more than did our employees. Our strategies have included making sure programs were available either on line or during non-working hours so that spouses and families could have access to the services they needed to engage in improving their health.

How has the healthy of your community improved as a result?

Dublin City Council has established a goal of encouraging healthy lifestyles and providing opportunities for residents to engage in recreational activities. Many Dublin employees are residents, and set an example for other residents through participation in Healthy by Choice and the resulting improvements to their personal health. Employees also participate alongside residents in programming at the Dublin Community Recreation Center (DCRC), using the free membership that is one of the incentives of the program and earning "HBC Bucks" to "purchase" other programs, classes and services provided by the DCRC. The health risks of Dublin employees mirror those of the population as a whole; the programming that is successful for the employee population will provide opportunities within the City's recreation services programming and the DCRC; for example, citizens who were made aware of a pilot weight management program have already inquired as to the possibility of a similar program for members of the DCRC.

Applicable Results and Real World Advice:

What are the applications you could share that would be of value to another local government?

Dublin staff involved and engaged many stakeholders in the early stages of development of this program, including employees across City work units and Dublin City Council. Everyone agreed from the outset that "doing nothing" was not an option, and that all employees had a stake in making the changes necessary for the long run.

Reaching out to spouses and family members also is critical to the success of the program. Ongoing communication through multiple vehicles, including the dedicated website, informational meetings, direct mail communications, etc. were used to keep all interested parties informed and engaged in the process.

What are the results/outcomes?

Our results and outcomes have taken two distinct forms: decrease in employee and spouse health risk, and reduced growth in claims costs.

If performance measures were used, please describe those results.

We measured our performance many ways, but two specific tools reflect the success of our program. We did a survey of employee attitudes and perceptions in 2006, and resurveyed in 2008. Our results indicate better understanding of how the employee's behavior affects the benefits program, and shows that employees feel more control of their health care costs. We also have some mixed results, however; with some employees feeling less control of their out of pocket costs – which may reflect overall concerns with the increasing costs in the market, and less support of healthy behaviors by some parts of the City organization.

Another measure in use is return on investment analysis, which evaluates the total cost of health. This study was done in 2006, projecting the “cost of doing nothing” and the potential return on investment of the programs that were proposed at the time. In 2008, that study was updated, indicating better results, and a reduction in the total cost of health projection for the years that are in both study time frames.

Operation

NO VACANCY

City of Hickory North Carolina

**Mike Bennett
Assistant to the City Manager**

**76 North Center Street
PO Box 398 (28603)
Hickory, NC 28601
(828) 323- 7471 phone
(828) 323- 7550 fax
mbennett@ci.hickory.nc.us**



**Application for the 2009 Robert J. Havlick
and Thomas H. Muehlenbeck Awards**

Application Summary

Operation No Vacancy is an economic development initiative to proactively attract reinvestment in distressed commercial and industrial corridors in Hickory, NC. An innovative vacant building inventory tool and grant program provide the means to encourage new and existing businesses to locate in vacant and under-utilized buildings within six target redevelopment zones of the City referred to as the Commercial Revitalization Area.

Jurisdiction, History, Need

The City of Hickory has a population of 40,000 and is located within an hour of Asheville, Charlotte, Winston-Salem and the Blue Ridge Parkway. The hub of a 350,000 metropolitan area known nationally for its furniture manufacturing industry, Hickory hosts a daytime population of more than 100,000 people. Since the year 2000, Hickory has experienced a major shift in its economy. From 2000-2007 the Hickory MSA lost over 29,000 manufacturing jobs. In 2000, manufacturing jobs made over 42 percent of jobs in the region. Currently, 31 percent of jobs are in manufacturing.

In 2007, a management intern was tasked with developing an inventory of all vacant commercial and industrial buildings in Hickory. After reviewing a memo and map which outlined the vacant building inventory, City Council initiated *Operation No Vacancy* at its annual retreat in February 2008. During an open comment session entitled, "Look to the Future" one council member focused the discussion on concern for the more than 1,000,000 square feet of available space in vacant buildings that clutter the landscape and provide a reminder of Hickory's changing economy. Alderwoman Sally Fox suggested staff develop a grant program, streamline the permitting process for redevelopment and provide incentives for major employers to retain employees or expand their business and to "think out of the box" to address this problem.

Importance, Impacts, Benefits

Operation No Vacancy identified the need for the City to do a better job of educating the public about the process for redeveloping vacant buildings. This led to the creation of a document that outlines implications of changes in use or occupancy classification when occupying an existing building. This allows citizens and developers to look more critically at some of the issues that may arise when adaptively reusing a vacant building. Staff has also made improvements that effectively unify the City's redevelopment programs. By creating one eligibility map for all of the City's redevelopment programs, staff is able to simplify the process for citizens by making it easier to explain whether or not a property is located in the redevelopment area. While the different programs have different target audiences, simplifying the eligibility area made it easier to market the redevelopment programs. Staff also created brochures, marketing materials, improved the website and made presentations to local realtor and builder groups.

A common barrier to the redevelopment of vacant commercial buildings is the lack of available information. In Hickory, most commercial realtors do not readily share information about other realtor's listings as they do in the residential sector. Before the vacant building inventory was completed, staff had to make numerous phone calls to commercial realtors to fulfill economic development requests for business owners looking to locate in an existing building. The inventory has greatly improved staff response time to these requests. Small business owners also have the ability to search the list themselves to find buildings which meet their needs. The vacant building inventory tool also serves as free advertising for vacant commercial and industrial buildings within Hickory. The inventory has been well received by commercial realtors.

Mapping the vacant buildings from the inventory into a layer of the City's GIS has helped staff identify corridors in need of redevelopment and enhanced staff ability to create realistic plans for corridor redevelopment. Identifying these corridors led staff to conduct a comprehensive reassessment of existing redevelopment programs and develop new programs that would be more attractive to those who were considering redevelopment of a vacant building. In addition, citizens benefit from improved quality of life, aesthetics, increased property values and improved transportation within the redevelopment of corridors they live, work, recreate or travel. Designating the Commercial Revitalization Area ensures that the City's redevelopment dollars are targeted to the areas where need is great and the dollars will have the most impact.

Operation No Vacancy positively impacts the health of the Hickory community by encouraging and enabling the reduction of sprawl, utilizing existing infrastructure, revitalizing old industrial and rail corridors, preserving historic mill structures and proactively addressing the major, abrupt shift in the City's economy.

Answers to Questions

Who has benefited from the innovation?

- Citizens of Hickory
- City of Hickory staff/departments
- Commercial realtors
- Developers and contractors
- Vacant building owners
- Entrepreneurs and investors
- Hickory Landmark Society
- Catawba County (Tax Assessor and County Building Services)
- Owners of adjacent properties and surrounding neighborhoods

How was the innovation initiated and implemented?

In response to the 2008 City Council Retreat, staff formed a committee including representatives from the City Manager's Office, Planning, Fire, Community and Economic Development, Public Services, Police Department, Catawba County Building Services, a Commercial Real Estate Representative and a Citizen Representative. The committee's major work tasks focused on (1) enhancing a vacant building inventory tool developed in 2007, (2) designating a commercial revitalization area, (3) creating a vacant building revitalization grant program, (4) unifying existing redevelopment programs (5) receiving and considering applications for vacant building grant funds for redevelopment projects and (6) reaching out to community stakeholders.

Vacant Building Inventory. The Fire Department historically tracked which buildings were vacant within the City for fire prevention purposes. However, this list only tracked the building's address and whether or not it was vacant. The intern worked to enhance this listing by including additional property information including building square footage, ceiling heights, zoning information, photos, realtor information, historic designation, etc. (See Exhibits A, B and C.) This additional information gives developers, site selectors, preservation groups and other interested parties the information necessary to see which buildings fit their needs. Property listings in PDF form are currently available on the City website.

In addition, the inventory is available as a layer on the City's GIS site, which is also available online. This allows users to access a wealth of additional information such as the location of the floodplain, infrastructure locations,

topographical information and aerial photography. The GIS site has a query function which allows users to search for buildings that meet specific criteria.

Commercial Revitalization Area. GIS software allowed staff to plot all vacant structures on a map. (See Exhibit D.) The Redevelopment Committee identified clusters of vacant buildings, which led to the designation of six targeted redevelopment zones. Redevelopment plans will be developed for each of the six areas. The West Hickory/Green Park zone was chosen as a pilot project for the program. The plan proposes sidewalk, bus shelter and curb and gutter improvements that have been identified as a priority in the City's Sidewalk Master Plan and in the West Hickory/Westmont Neighborhood Plan. Funds were budgeted in the FY 2008 – 2009 Fiscal Year Budget to complete this work as the City's capital contribution to the West Hickory community that must live with the impact of numerous vacant buildings on the landscape. The proximity of these six areas to each other led to the creation of a unified Commercial Revitalization Area. The committee is working to unify all of the areas that qualify for the City's redevelopment programs into one map. This will help target program impacts to the area of greatest need and make eligibility requirements easier to understand.

Vacant Building Revitalization Grant Program. This grant is one of the core programs of *Operation No Vacancy*. The grant is intended to encourage the reuse of existing buildings that have been identified by City staff as vacant or under-utilized within the designated Commercial Revitalization Area. This grant program is designed to help owners of vacant and under-utilized property make improvements that will result in the occupancy and reuse of the buildings. The program offers matching funds of up to \$25,000 for projects that renovate vacant or under-utilized buildings in the commercial revitalization area. Funds can be used for exterior improvements, demolition of substandard buildings and interior improvements necessary to protect the structural integrity of buildings. Brownfield sites are given priority. The Redevelopment Committee reviews the grant applications. City Council has set aside approximately \$250,000 for these grants, which would provide approximately 10 grants per year. At the time of this writing, Council has considered two redevelopment projects that will take advantage of the grant in this fiscal year. More applications are being considered.

Existing Redevelopment Programs. Another important aspect of *Operation No Vacancy* is marketing and improving the City's current redevelopment programs. The City already offered a number of programs that encouraged redevelopment including landscape incentive grants, façade improvement grants and tax incentives for projects in a commercial revitalization area. One of the goals of *Operation No Vacancy* is to unify each of these programs under one eligibility map. This not only helps target program impacts, but it also makes it easier for citizens to understand the programs for which a particular property is eligible. Staff has developed brochures and other promotional materials to use for targeted mailings, presentations and distribution to potential stakeholders. Improved web content also helps promote the City's redevelopment programs.

Hickory's revised Economic Development Assistance Guidelines now promote the reuse of vacant industrial buildings as a result of the success of *Operation No Vacancy*. The guidelines, revised in June of 2008, now provide an additional year or an additional year of property tax grant incentives back to the company which must meet the threshold of \$1,500,000 in new investment and a minimum of 20 jobs. As an example, a company that invests \$5,000,000 and adds 20 new jobs would normally receive a 3-year/65 percent grant in property taxes owed to the City. If the company utilizes a vacant building on the inventory list, the incentive could be increased to 4 years and 70 percent upon approval by City Council. In this scenario the increased incentive generated by an additional year and an additional 10 percent property tax grant takes the grant from a total of \$48,750 over a 3 year period to \$70,000 over a 4 year period—an increase of \$21, 250 for selecting a vacant building.

The program also works in conjunction with Hickory's Brownfield and Community Development Block Grant (CDBG) programs. For example, the City's Brownfield grant will be used to pay for environmental assessments on vacant and under-utilized buildings, while CDBG funds can be used for sidewalk and other infrastructure investment. CDBG funds are also used for a first-time homebuyers program and a housing rehab loan program. This helps strengthen many of the residential neighborhoods adjacent to the commercial and industrial corridors where a number of the

vacant buildings are located. Staff has compiled information about these programs and applicable state and federal programs as a resource to citizens, realtors and developers.

Stakeholder Outreach. As an ongoing process, the committee works with stakeholders to improve the process for occupying existing buildings and solicit feedback on potential programs. Staff has worked with Catawba County's building inspection department to develop a training program on the NC Rehabilitation Building Code and a document which explains some of the issues that people may come across when trying to occupy existing buildings. These tools are presented in a workshop for builders, engineers, architects and contractors co-hosted by the City and the County. The committee has consulted with local real estate professionals to gain perspective on potential needs of clients to more easily access information, and this resulted in improvements to the vacant building inventory. The committee makes presentations to City Council and Neighborhood Associations to get feedback on how the initiative can assist property owners. The committee has also partnered with a local historic preservation organization, Hickory Landmarks Society, to help develop resources about programs available for historic properties. The group continually works with local professionals to gain additional information about sites and get input about potential redevelopment strategies.

What risks were associated with planning and developing the innovation?

- Lack of intergovernmental cooperation
- Lack of staff focus and dedication to the mission
- No fiscal support from City Council
- A cumbersome permitting process for redevelopment
- An unsustainable inventory of information

What was the environment in which the innovation was created and sustained?

- Mutual collaboration between multiple City departments, county government and community stakeholders.
- Innovation and creativity were encouraged in more than one way. First, it was a directive of council to "think outside of the box" to create a means to fill vacant commercial buildings. With this directive came the ability to utilize resources and provide incentives. Second, the makeup of the committee enabled divisions, sectors and jurisdictions to cross typical boundaries and share information toward a common purpose. As simple as it may sound, this enabled staff to develop an innovative tool by collecting, reformatting and improving existing information into a useful means to achieve a common goal.
- Staff enthusiasm for the goal of facilitating efforts to fill vacant buildings.
- Funding support from City Council for the Vacant Building Grant Program.

What were execution costs and savings?

- \$250,000 set aside to kick-off the grant program; all other expenses were normal man hours of existing employees.
- Using in-house resources to conduct the inventory of vacant buildings has saved the City over \$15,000 during the inventory process for its Brownfield program. This will allow the City to perform more environmental site assessments than previously anticipated.

What lessons were learned that could be shared with other local governments?

Applications the *Operation No Vacancy* team can share that would be of value to other local governments include:

- Demonstrating how to utilize common information collected by local governments and develop an innovative tool for marketing and redeveloping vacant commercial buildings.
- Demonstrating how to effectively use and maintain the vacant building inventory tool.
- Sharing guidelines and templates of the applicable grant programs used.
- Providing examples of success and also lessons learned in both the preparation and implementation processes.
- Having the ability to target the problem with an annual plan of work and not get too fragmented with ideas.
- Providing the opportunity to Alliance members to inquire of team members from a variety of divisions and the private sector regarding the process and results.

Results and outcomes of the project include:

- A streamlined and simplified process that makes it easier to market vacant commercial and industrial buildings.
- Improved partnerships with other jurisdictions, the private sector and citizens to educate applicable stakeholders on redevelopment opportunities and benefits.
- Increased interest from potential developers and potentially expanding companies in redeveloping vacant commercial buildings.
- A grant program that not only assists to fill vacant buildings, but encourages and assists the revitalization of distressed areas.
- Using in-house resources to conduct the inventory of vacant buildings has saved the City over \$15,000 during the inventory process for its Brownfield program. This will allow the City to perform more environmental site assessments than previously anticipated.
- A successful program that unifies staff of many divisions, elected officials, citizens and private investors to revitalize distressed areas of the city and jointly fulfill the needs of each group.
- Three recent projects have committed to occupy over 375,000 square feet of manufacturing and office space in vacant buildings.
- The City will invest approximately \$300,000 in the current and upcoming fiscal years for sidewalk projects within the Commercial Revitalization Area and designated in the West Hickory Action Plan.

Which department and/or individuals championed the innovation?

- Alderman Sally Fox for enthusiastically bringing this idea to life at the 2008 City Council Retreat.
- City Manager's Office in collaboration with Planning, Public Services, Fire, Police and County Building Inspections.
- Planner Dave Leonetti for his work as the management intern who designed the vacant building inventory and who provides staff support to the Redevelopment Committee.

Exhibits

Exhibit A: Web Platform to Market *Operation No Vacancy* Tools and Programs

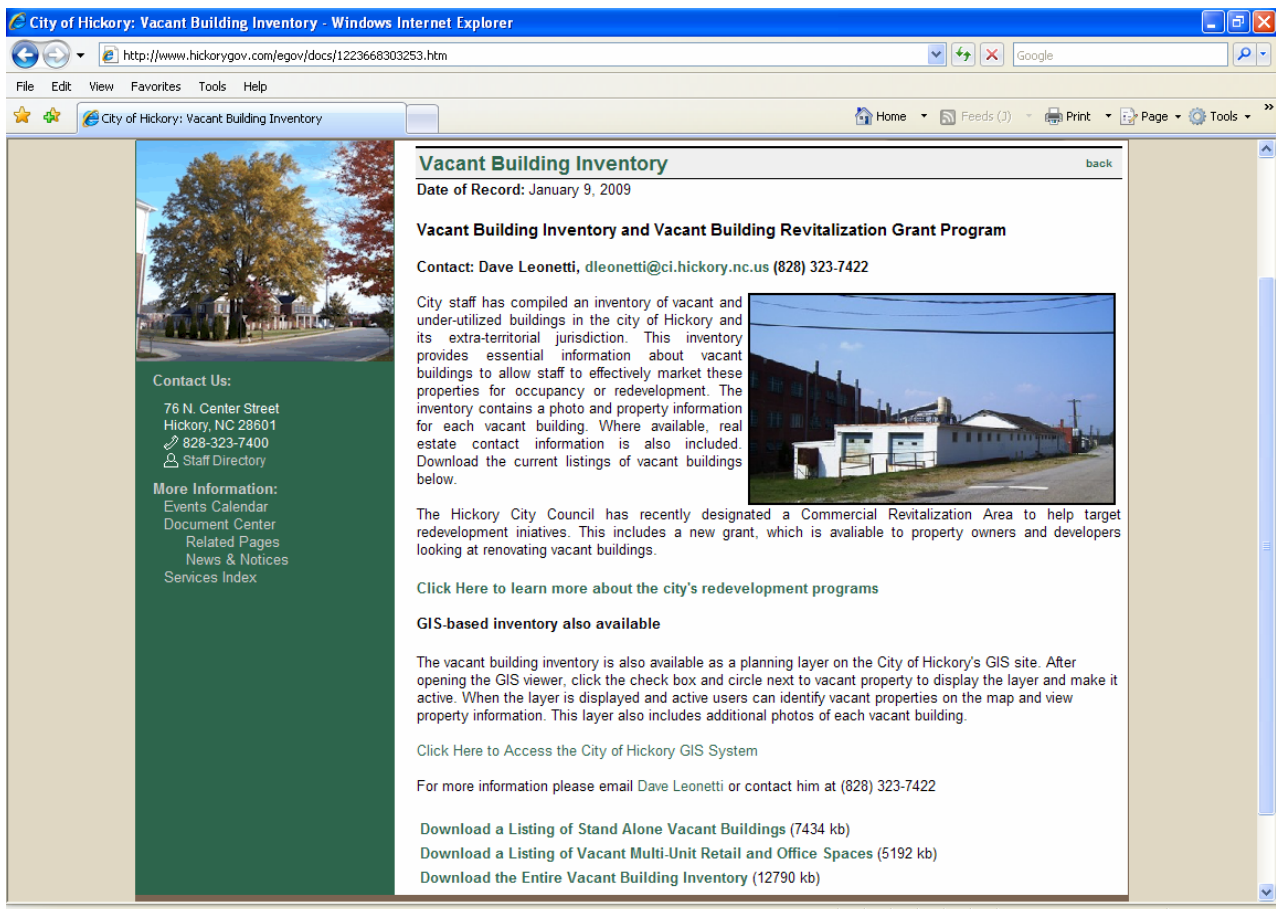


Exhibit B: Vacant Building Inventory Listing Screen Shot

http://www.hickorygov.com/planning/documents/VacantBuildingsListing.pdf - Windows Internet Explorer

http://www.hickorygov.com/planning/documents/VacantBuildingsListing.pdf



File Edit Go To Favorites Help

http://www.hickorygov.com/planning/documents/Vac...

Home Feeds (0) Print Page Tools

22 / 71 116%

Find

| Section | | NW | | GIS PIN | Building Type: Manufacturing/Industrial | | | | |
|--|---------------------------|---------------------------|--------------------|---------------------------------------|--|---------------------------|-------------------|-----------------------|--|
| 1020 MAIN AV | | NW | | 370205192773 | Building Type: Manufacturing/Industrial | | | | |
| Status | Multi-Unit | Suspect Brownfield | Sq. Footage | Lot Acreage | Min Ceiling Height | Max Ceiling Height | Year Built | Exterior Walls | |
| Under-utilized | N | Y | 20510 | 0.66 | 8 | 10 | 1890 | Brick/Stucco | |
| Land Valuation | Building Valuation | Total Valuation | Zoning | City Limits | | | | | |
| \$17,300 | \$97,100 | \$114,400 | C-5 | Y | | | | | |
| Real Estate Broker: Owner | | | | Contact Number: (828) 327-4890 | | | | | |
| Notes: Piedmont Wagon Building | | | | | | | | | |
|  | | | | | | | | | |
| 1030 Main Av | | NW | | 370205190704 | Building Type: Warehouse | | | | |
| Status | Multi-Unit | Suspect Brownfield | Sq. Footage | Lot Acreage | Min Ceiling Height | Max Ceiling Height | Year Built | Exterior Walls | |
| Vacant | N | Y | 20000 | 0.52 | 15 | 15 | 1965 | Brick/Stucco | |
| Land Valuation | Building Valuation | Total Valuation | Zoning | City Limits | | | | | |
| \$27,200 | \$160,900 | \$188,100 | I-2 | Y | | | | | |
| Real Estate Broker: Rent | | | | Contact Number: (828) 324-0665 | | | | | |
| Notes: | | | | | | | | | |
|  | | | | | | | | | |
| 1040 Main Av | | NW | | 370205099734 | Building Type: Warehouse | | | | |
| Status | Multi-Unit | Suspect Brownfield | Sq. Footage | Lot Acreage | Min Ceiling Height | Max Ceiling Height | Year Built | Exterior Walls | |

Done

Unknown Zone

Exhibit C: GIS Based Vacant Building Inventory Screen Shot

The screenshot shows a web browser window displaying a GIS application. The browser title is "City of Hickory - Windows Internet Explorer" and the address bar shows "http://maps.wpcog.org/hickorygis/viewer.htm". The application header reads "City of Hickory, North Carolina Geographic Information System Internet Map Server City of Hickory".

The main map area displays a street grid with several purple star markers indicating vacant buildings. A scale bar at the bottom of the map indicates 1,250 Feet. Below the map is a data table with the following columns: Rec, PII, Section, Physical Address, Name, Multi-Unit, Comments, Brownfield, Square Footage, Acreage, Ceiling Height, Exterior Wall, and Yes/No.

| Rec | PII | Section | Physical Address | Name | Multi-Unit | Comments | Brownfield | Square Footage | Acreage | Ceiling Height | Exterior Wall | Yes/No |
|-----|--------------|---------|-------------------|-----------------|------------|--------------------------------------|------------|----------------|---------|----------------|----------------|--------|
| 1 | 279316936989 | NW | 808 OLD LENOIR RD | VACANT BUILDING | No | | Yes | 1918 | 0.1 | 12 | Concrete Block | 195 |
| 2 | 279316929713 | NW | 561 11TH ST | VACANT BUILDING | No | | Yes | 16404 | 0.36 | 12 | Concrete Block | 194 |
| 3 | 370317022249 | NW | 1079 3RD AV DR | VACANT BUILDING | No | Parcel Address is 1097 3rd Ave Dr NW | Yes | 3008 | 1.44 | 10 | Brick/Stucco | 194 |

Map created by Hickory GIS 9/10/2008

At the bottom of the screen, there is a search form with fields for PIN, OWNER, and ADDRESS. A status bar at the very bottom indicates "Downloading picture http://maps.wpcog.org/output/HickorySDE_cogis3126380482.JPG..." and "Internet 100%".

Exhibit D: Commercial Revitalization Map Plotting Vacant Buildings Screen Shot

