Purpose

“…to bring together municipal service providers from all over the state and produce meaningful and relevant performance measures for the purpose of benchmarking.”

– MLGBC Charter
If organizations want to improve program effectiveness and efficiency, they need to manage performance, and to do so, they have to measure it.

Measures chosen need to be meaningful and linked to a desired goal, result or benchmark.

The MLGBC assists Michigan’s local governments in learning from their peers and implement best practices that enhance service delivery.
“It’s a real challenge addressing your local government’s fiscal issues without comparable operational data such as provided by MLGBC. Their performance metrics readily show the gaps and in turn the opportunities for efficiencies and improvements leading to balanced budgets.”

Dave Boerger, Director of Fiscal Consulting Services, Southeast Michigan Council of Governments
Manage Performance

• The City of Warren used performance measurement techniques to dramatically improve the efficiency of their water department. Actions included better sludge grinder function via process control to eliminate storage tank de-ragging saving $100,000 annually and more precise level sensing in blending tanks that eliminated overflow problems saving $30,000 per year.
Manage Performance

• The City of Madison Heights uses the benchmarking data to support labor negotiations by learning from other MLGBC members about potential contractual enhancements and having access to information from comparable communities, which helped them make their case for changing contractual terms.
Manage Performance

• The City of Birmingham finds that the process of collecting and analyzing the performance indicator data is the most beneficial aspect of being a MLGBC member. This gets the department personnel engaged and energized to improve on the indicator to the benefit of the city and its citizens. The data also helps city officials ask the right questions to the right people.
Manage Performance

• Meridian Township’s fire department has optimized its staffing levels by utilizing the comparable benchmark data and thus meeting peak time emergency service needs as well as reducing overtime expenses.
Goals

• Information Strategy
  – Ease in data collection
  – Accuracy and reliability
  – Annual report

• Financial
  – Minimize costs of membership
  – Capitalize on outside funding opportunities
Goals

- **Marketing and Networking**
  - Host annual conference
  - Maintain strategic marketing plan
  - Promote benchmarking at citizen-friendly level
  - Diversify and increase membership
  - Facilitate learning process among members
Participants

• 34 members:
  – 21 cities
  – 4 townships
  – 6 counties
  – 3 road commissions

• Population of participants range from 1,700 to 120,000
Organizational Plan

Michigan State University

Service Area Committees

Executive Board

Conference Planning Committee

Local Government Organizations

slg.anr.msu.edu
Executive Board Model

• In charge of,
  – Decision making
  – Recruiting
  – Approving data and revising final report
  – Ensuring service area committees are meeting member needs
  – Assess member needs and demands and take action as necessary

• 11 local government members
• Ex-officio members on board as approved by voting members
Service Areas

- Assessing and Equalization
- Clerk, Register of Deeds, & Elections
- Code Enforcement & Building Inspections
- Emergency Dispatch
- Fire and EMS
- Fleet Maintenance
- Human Resources
- Info Technology
- Library Services
- Parks maintenance
- Police & Sheriff
- Refuse/Recycling/Yard Waste Collections
- Road Maintenance
- Water/Sewer Treatment & Distribution
Service Area Committees

Members…

• Are experts or practitioners
• Meet to
  – review draft benchmark report
  – Network with peers about best practices

• Benchmarks are from ICMA and other resources provided by MSU
Fiscal Year 2008 Benchmarking Survey: Data is due by Friday, January 30

<table>
<thead>
<tr>
<th>Username:</th>
<th>Guest:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What is your process for creating lease rates?</td>
</tr>
<tr>
<td>2</td>
<td>Are you employees unionized?</td>
</tr>
<tr>
<td>3</td>
<td>Total in-house tech labor personnel (FTE)</td>
</tr>
<tr>
<td>4</td>
<td>Average employee cost per hour</td>
</tr>
</tbody>
</table>

Please describe
An FTE is equal to the number of total annual employee hours divided by 2080 hours.
Average hourly wage of all employees
Benchmarks

• Police
  – Police budget as a % total jurisdiction
  – Average caseload per officer
  – Cost per officer
  – Training per officer
  – Part 1 cases cleared as a percent of total part 1 cases

• Road Maintenance
  – Total cost per road mile for routine maintenance (in house versus contracted)
  – Ratio of budgeted project expenditures to actual project expenditures for reconstruction projects
  – Total man hours of snow removal per lane mile
  – % of ice/snow related accidents per year (or per VMT)

slg.anr.msu.edu
Benchmarks

• Water and Sewer Treatment and Distribution
  – Cost per million gallons of treated water
  – Chemical costs per million gallons
  – Cost per dry tons of waste
  – Number of sewer backups per customer
  – Number of water main breaks per mile of water main by main type

• Fleet Maintenance
  – Total cost per gallon of fuel by fuel type
  – Fleet size per FTE
  – Average open work order time
  – Cost per job by vehicle/equipment type
1. Service area committees determined performance measures for benchmarks

2. Specified data is collected by local governments and returned to MSU

3. MSU turns data into performance measures and benchmarks each local government

4. Local government’s receive their measures and benchmarks

5. Learning from peers who perform services more efficiently

slg.anr.msu.edu
“THE BENCHMARKING CONSORTIUM GIVES US THE FACTS WE NEED TO IMPLEMENT A TRANSFORMATION OF PROCESSES THAT IS NEEDED TO SERVE OUR CONSTITUENTS BETTER.”

Michael “Bud” Norman,
County Administrator/Controller, Branch County
Obstacles

• Time
  – Smaller governments with less staff
  – Delays caused data collection to coincide with some budget cycles

• Privacy of Data
  – MSU owns data
  – Current members have access to it
  – MSU staff verifies data prior to distribution
Making the Most of Benchmarking

We are benchmarking, now what?

Learn
- Formalize learning from better performing governments
- Assist with labor negotiations

Grow
- Recognize need for and find opportunities to cooperate
- Track organizational objectives and budget priorities

Share
- Offer feedback and encouragement for employees
- Share with public via media or annual report

slg.anr.msu.edu
“The Benchmarking Consortium has encouraged the City of Petoskey to start thinking about the delivery of services quantitatively, and has allowed us to easily compare our services with communities across Michigan. This has led us to ask critical questions about the efficiency of the services we deliver – questions that we would not have asked had we not participated in the Benchmarking Consortium.”

Dan Ralley, City Manager, City of Petoskey
Endorsements & Partnerships

• Citizens Research Council
• County Road Association of Michigan
• Michigan Association of Counties
• Michigan Municipal League
• Michigan Township Association
• Michigan State University
• Southeast Michigan Council of Governments
Contact

MSU State and Local Government Program

http://slg.anr.msu.edu/

Mary Schulz, M.S.
Program Director
MLGBC
Michigan State University
517.355.2160
schulzm2@msu.edu