

Bloomfield Township

Five-Year Strategic Plan

Final Report



January 27, 2014

Bloomfield Township Issues-Based Strategic Plan **Final Report**

Bloomfield Township, 2009

Bloomfield Township, historically seen as a desirable and stable place to live and to work, was experiencing the nation's economic downturn much the same as was every other community in Michigan.

The auto industry was in crisis and the effects of that rippled throughout the region. Many Bloomfield Township residents were taking pay cuts, losing their jobs or even losing their homes. With real estate values plummeting, the Township's revenue, most of which comes from property taxes, was certain to go into a years-long decline. Experts predicted revenues for public entities would not return to previous levels for decades to come.

Bloomfield Township's budget forecasts were alarming. The administration predicted that by April 1, 2011 there would be a shortfall of at least \$6 million, or about 20% of the Township's annual operating budget. Since almost 80% of expenses are related to personnel and 80% of all Township personnel are in the public safety departments, the only way to balance the budget would be to deeply cut the number of police officers and firefighters/EMS technicians. The forecasts also called for a slow recovery and because taxable values would be capped due to Proposal A, all eliminated positions were to be considered permanent losses. The public safety of Bloomfield Township residents would be seriously threatened.

Bloomfield Township's infrastructure – roads, water, sewer, municipal buildings and motor fleet – was aging. Expectations for technological advancement were a part of society's culture and the Township had to continuously upgrade its staff's technical expertise and equipment. The Township's 26 square miles were almost completely built out, leaving little opportunity for new development. The community's population was aging, with relatively fewer young families. In spite of these challenges residents and business owners, accustomed to top-quality public services, expected public services to continue at the same high level.

There were a few bright spots, however. Because voters had approved a capital improvement bond in 2006, construction was underway for a modernized public works facility, a new senior center and a renovated fire station. Given its continuing history of solid fiscal foresight and management, Bloomfield Township had a healthy reserve fund. Its leadership had already recognized the impending financial crisis and knew it must be addressed in a comprehensive manner. Just as important, Bloomfield Township residents were by and large well-educated and professional people who understood the complexities of the circumstances. They had an unusually high level of trust in their local government and had consistently (although not always) supported millages to maintain public safety and other public services. Additionally, Township employees met and often exceeded standard requirements for their jobs and saw the need to meet the coming challenges.

The Bloomfield Township Board of Trustees recognized that the challenges were exceptionally grave and complex. There would be no simple, painless, or quick fix. To address these challenges, the board charged the leadership staff with developing a five-year plan.

Issues-Based Strategic Plan, 2009 – 2013

The Township Supervisor appointed a team composed of full-time elected officials and all of the department heads. They convened off-site for two days in September, 2008, with a professional facilitator. The group analyzed the strengths, weaknesses, opportunities and threats of Bloomfield Township's municipal government and the community as a whole.

Discussion focused on four clusters of concentration which became the four sections of the plan:

Financial	Infrastructure
Personnel	Community Expectations

The Township Supervisor assigned each department head to one or two of these clusters along with a full-time elected official and a Trustee. Each subgroup was charged with identifying appropriate objectives and a number of strategies to meet them. These were to be carried out over a five-year period.

The subgroups met regularly over a five-month period. By March, 2009, they had drafted a plan that was presented to the Board of Trustees and unanimously adopted.

Over the next 4-1/2 years, the leadership team met quarterly to thoroughly review each area of concentration and report on progress or setbacks. Quicker monthly reviews were also held. The plan was revised each quarter, distributed to the Board of Trustees and posted on the Township website.

Each subsection was formatted as a chart with columns detailing Objectives, Strategies, Action Plans, Time Frame and Comments. There is a summary overview for each subsection. The completed charts and overviews are attached to this report.

Bloomfield Township, 2013

Today, four and a half years from the time of the plan's adoption, Bloomfield Township has emerged from the depth of the recession in a strong position and continues to be one of Michigan's premier places to live and to work.

A number of significant cost-cutting changes were put into place. While Bloomfield Township had already changed its traditional health care plan to a PPO in 1998, a further change was made in 2010 to change it from the PPO to a high-deductible, consumer-driven reimbursement plan that placed a greater obligation on employees. As a result of these changes the Township's total life and health insurance costs for active and retired employees in the fiscal year 2012-2013 were at the same level as they were in fiscal 2005-2006.

The Township had been ahead of its time when in 2005, it discontinued its defined benefit pension plan and replaced it with a defined contribution plan. This proved to be a model for other communities during the recession as they sought ways to reduce their own legacy costs. By 2013, the changes to health and pension plans have assured that the legacy costs traditionally associated with these benefits will be virtually eliminated in the future.

Ongoing intergovernmental collaborations were strengthened. Some jurisdictional consolidations were put into place while others are continually being pursued. Use of technology in all areas of service grew, increasing efficiencies. Some road, water and sewer projects have been undertaken. The staff was downsized by approximately 10%, almost entirely by attrition. Bloomfield Township employees remain among its strengths, having demonstrated the willingness to cross-train, take on additional responsibilities, and continue professional development.

Even as Bloomfield Township's leadership began enacting these cost-cutting measures, they knew they couldn't successfully survive the recession without addressing the severe revenue losses. In November 2009, by a unanimous vote, the Board approved a proposal to go before voters asking for an additional 1.3 operating millage. The 10-year millage would raise \$4.4 million in its first year. Voters approved this revenue restoration in February, 2010.

In April, 2011, Standard & Poor's recognized the Township's fiscal health by giving it an AAA rating and reaffirming that rating in March, 2013. In September, 2013, Moody's Investor Service gave the Township an AAA rating and Standard & Poor's again reaffirmed its AAA rating. These are the highest ratings issued by the firms.

Still, challenges lie ahead. Because Bloomfield Township is completely built out, development – and therefore, property value increases – is limited to the incremental changes that come from improvements rather than new projects. Taxable values have begun to creep up, but they will be capped by Proposal A, meaning it will be at least a decade, if ever, before revenue returns to 2007 levels. Roads and sewer and water lines continue to age. Even the buildings constructed and improved as a part of the capital improvement program, completed in 2010, are beginning to need more maintenance. Additionally, the increased square footage, along with the additional parking lots and safety paths on the civic campus, demand more upkeep. Eighty percent of Township employees belong to unions or other bargaining units and while they have been cooperative throughout the recession, certain constraints will remain in place.

Conclusion

Bloomfield Township continues to be a strong, viable community. Its fund balances are at a level considered adequate for its operating expenditures and its fund equity positions in both the major operating funds and the enterprise fund have increased.

Construction is evident throughout Bloomfield Township; both commercial and residential. A drive up and down Telegraph is enough to convince even the most casual observer that business is improving and Bloomfield Township is the place to be. Homes are showcasing new additions and a multitude of improvements. However, because there is no vacant land remaining for new development, all construction is limited to incremental improvements on existing properties and there will be no opportunity for new growth.

Several water and sewer projects have either been recently completed, are underway, or have been identified for near-future construction. Bloomfield Township does not own its roads, but residents of several neighborhoods either have already established Special Assessment Districts (SADs) or are in the process of establishing them to replace roads that have long outlived their useful life. While these improvements are a positive indicator, the problem of aging infrastructure will remain a concern in Bloomfield Township, just as it is across the state.

Bloomfield Township has kept abreast of technological advancements and incorporates them into everyday services. The staff is continually learning new skills and applying them to everyday tasks.

Through a series of mandatory meetings and educational sessions over the past 4-1/2 years, Bloomfield Township's employees have stayed knowledgeable about the issues the municipality has faced. They accepted responsibility for taking the actions expected of them for the continuity of top-quality services and cost-efficient government. Employees have continued to stretch professionally and have achieved advanced accreditations, certifications, and degrees.

Bloomfield Township's residents remain confident, overall, in their local government and their local government's leadership. Most appreciate the good services they receive. Participation steadily grows in Township sponsored events, whether they are activities at the Senior Center, attendance at the Open House, or simply taking part in the semi-annual Household Hazardous Waste Drop-Off.

While the future will always present challenges and demand the need for diligence, review and improvement, Bloomfield Township is well-positioned to remain a desirable, even prestigious, community.