# A Performance Audit of Duplin County Government

FINAL REPORT

Evergreen Solutions, LLC

November 16, 2009

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EXECUTIVE SUMMARY

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In July 2009, the County of Duplin, North Carolina, began the process of conducting a comprehensive performance audit of County departments and services.   Evergreen Solutions was retained by the Duplin Board of County Commissioners to conduct this performance audit. The project was intended to focus on the organizational, operational, and financial efficiency and effectiveness of the County operations.

Duplin County has approximately 53,600 residents, and is a growing residential and commercial community that is realizing the challenges of effective administration and management while operating in a fiscally responsible manner.

METHODOLOGY

Evergreen Solutions methodology for conducting the audit was broken out into two distinct phases – Phase I (diagnostic review) and Phase II (in-depth analysis and reporting). The two phases included the following components:

Phase I

- reviewing existing reports and data sources;

- conducting a diagnostic assessment, including interviews with County leaders, County Commission members, and department heads;

- conducting a public hearing; and

- establishing a Web site for input.

Phase II

- conducting analyses with comparison counties;
- visiting Duplin County facilities;
- conducting a second public hearing;
- conducting the formal on-site review with a team of eight Evergreen consultants; and
- preparing the draft and final reports.

Review of Existing Reports and Data Sources

Initially, Evergreen consultants collected existing reports and data sources that provided us with recent information related to the various administrative functions and operations we would review in the County. Examples include, but are not limited to the following:

- policies and administrative procedures;
- organizational charts;

- program and compliance reports;
- strategic and departmental plans;
- annual performance reports;
- independent financial audits;
- annual budget and expenditure reports;
- job descriptions;
- salary schedules; and
- employee handbook.

Data were analyzed from each of these sources, and the information was used as a starting point for collecting additional data during our on-site visit.

Diagnostic Review

The diagnostic review of Duplin County was conducted during the week of July 29, 2009. Two Evergreen consultants interviewed Commissioners members, County leaders, department heads, employees, and community leaders concerning the management and operations of Duplin County.

In-Depth Review

In the in-depth review, a team of eight consultants conducted the formal on-site review of Duplin County's operations during the week of August 24, 2009. As part of our on-site review, we examined the following systems and operations:

- Administrative and Organizational Leadership
- Financial Management and Purchasing
- Human Resources
- Technology
- Public Safety (Fire, Police, EMS)
- Health
- Social Services
- Solid Waste and Water
- Tax

It is important to note that the areas reviewed in the in-depth audit were based on the diagnostic review, which sought to determine which Duplin County departments were the most in need of an in-depth review.

Prior to conducting the on-site review, each team member was provided with an extensive set of information about Duplin County operations. During the on-site work, team members conducted a detailed review of the structure and operations in their assigned functional areas.

COMPARISON COUNTIES

For the purpose of any comparative analysis, Evergreen Solutions developed, with the assistance and approval of the Duplin County Manager, a group of four counties that possessed similar demographic characteristics to Duplin County. Preliminary analysis examined these peer counties to determine points of comparison, best practices, and operational needs for Duplin County.

The North Carolina counties chosen for this peer analyses were:

- Bladen County
- Columbus County
- Lenoir County
- Sampson County

Additional analyses were completed using adjacent counties as well.

OVERVIEW OF THE REPORT

The final report for this study consists of the following 12 chapters:

- Chapter 1.0:   Introduction
- Chapter 2.0:   County Administration and Leadership
- Chapter 3.0:   Financial Management
- Chapter 4.0:   Personnel and Human Resource Management
- Chapter 5.0:   Technology Department
- Chapter 6.0:   Health Department
- Chapter 7.0:   Social Services Department
- Chapter 8.0:   Public Safety
- Chapter 9.0:   Public Works Departments
- Chapter 10.0: Tax Administration
- Chapter 11.0: Other County Departments/Issues
- Chapter 12.0: Fiscal Impact Summary

MAJOR RECOMMENDATIONS

In this section we highlight major recommendations for each operational area. A total of 156 recommendations were made, but only the most significant ones are highlighted in this executive summary. It is important for the Board of County Commissioners and the County Manager to keep in mind that all recommendations can not be implemented immediately; some will take months and years to implement.

County Administration and Leadership

A well-defined governance structure, management, and planning process provide the foundation for effective and efficient delivery of services. The Board of County Commissioners and County Manager should function as a leadership team to meet citizen needs. Effective leadership means that there is a clear delineation between setting goals, objectives, and policies for operations and implementing an effective management structure to accomplish those goals and objectives in a strategic manner.

The most significant recommendations in this chapter include the following:

- Prepare an employment agreement for the Duplin County Manager.

- Develop a comprehensive performance evaluation tool for the Duplin County Manager.

- Re-establish the Management Team, with members to be appointed by the County Manager, and hold Management Team meetings once per week.

- Become actively involved with the North Carolina City/County Management Association (NCCCMA).

- Become actively involved with the Duplin County Municipal Association through ensuring that the Chairperson and County Manager attend and participate in all Duplin County Municipal Association meetings and functions.

- Create and implement a form for use with each agenda item which requires action by the Duplin County Board of County Commissioners.

- Develop and implement a formal County Commissioner orientation and training program at the local level.

- Prepare an employment agreement for the Duplin County Attorney.

- Develop a comprehensive Board policy manual with up-to-date and comprehensive policies.

- Develop a comprehensive five-year Strategic Plan for Duplin County Government.

Financial Management

Sound county financial management involves the effective use of limited resources to support services. Counties must maximize resources available and must account for use of these resources accurately to local taxpayers, and state and federal governments. Effective purchasing programs provide counties with quality materials, supplies, services and equipment in a timely manner at the lowest price. Proper accounting must reduce the risk of lost assets and ensure their

appropriate use. The county must provide the Board of Commissioners and administrators with timely, accurate, and useful reports concerning its financial condition.

Financial managers collect, analyze, and provide financial information for decision makers. Successful financial operations require qualified personnel with an adequate separation of duties, as well as an accounting system that provides timely, useful, and accurate information to support operating decisions. Comprehensive policies and procedures that ensure proper management of financial resources are important.

Primary recommendations in this chapter include the following:

- Develop summary financial reports for the Board of County Commissioners that are easily understood; review and receive input from Board members, and train Board members on how to interpret the information.

- Develop an indirect cost allocation and allocate costs to Enterprise Funds.

- Enhance the County's budget book to make it more understandable, informative, and easier to use.

- Develop a County Board policy that establishes a minimum General Fund balance, expectations to be used as a guide during budget development, and prepare monthly reports for the Board on fund balance.

- Develop a purchasing policy for Duplin County that establishes formal board direction and penalties for violating the policy.

- Develop a Purchasing Procedures Manual for Finance Office staff and user departments that provides easily understood direction when performing purchasing duties.

- Obtain accident data and develop a process to analyze accidents and training directed at reducing reoccurring accidents.

- Develop a Board Policy to help ensure the protection of the County's investment in its fixed assets.

Personnel and Human Resources Management

Managing a local government agency is a labor-intensive undertaking; personnel costs typically consume the largest portion of the average county budget. Consequently, successful and effective local governments place a major emphasis on human resources management. The employees of any local government are its most valuable asset. They possess distinctive institutional knowledge and experience that can be difficult and costly to replace should they depart. The recruitment, selection, orientation, training, salary, and benefits provided to the workforce contribute greatly to the effectiveness of the agency.

The most significant recommendations in this chapter include the following:

- Reclassify the position of Human Resources Supervisor to Human Resources Director and the Human Resources Clerk to Human Resources Specialist to reflect the technical and professional aspects of human resource management.

- Construct an online customer satisfaction survey and administer the survey on an annual basis.

- Update personnel policies immediately.

- Develop written internal practices, procedures, and workflow processes in the Human Resource Department.

- Develop a Board policy and standard operating procedure on personnel records that ensures security of access, confidentiality of contents, legal compliance, and a process for purging personnel records.

- Purchase a scanner and implement a scanning process for Duplin County personnel records.

- Implement a recruitment and retention plan focused on improvement.

- Develop an Employee Handbook with explanations of and references to relevant policy and procedural information for employees.

- Review, revise, and create job descriptions that accurately reflect Duplin County job duties and requirements with consistent and legally defensible content and formatting.

- Review and revise Duplin County practices for application of overtime pay and compensatory time accumulation according to Duplin County policy and FLSA legal requirements.

- Refine the performance evaluation instrument, and implement a true performance management system that has established goals and objectives for improving and documenting employee performance.

- Develop a more comprehensive program for new employees in Duplin County.

Technology

Two decades ago, technology was viewed as a nice-to-have addition to local governments and private businesses. Now, however, technology has evolved into a fundamental component of nearly every organization providing services in the public and private sector. Technology drives analysis and evaluation of efficiency, and allows leaders to make data-driven decisions that positively impact citizens and employees alike. Rarely can a county become as effective and

efficient as the potential of its employees would allow without most of its processes being automated and bringing technology to the forefront of the organization.

Ideally, technology is one area of a county government that supports all personnel in a positive manner, allowing employees to conduct business in a way that maximizes resource utility. Organizing technology resources to effectively achieve this outcome can be challenging, but is necessary for operational success. Not only does it require the necessary staffing level, but also the necessary skills, tools, and leadership.

Major recommendations in technology include the following:

- Restructure the IT Department into two primary branches—Programming and Maintenance, and Support and Administration.

- Hire a full-time Computer Support Technician who would report to the Systems Administrator.

- Eliminate the relationship with Kirk Software and assign the Programmer/Analyst the responsibility of learning the DBC system to take over for Kirk Software.

- Prepare a comprehensive Technology Plan for Duplin County.

- Prepare a comprehensive disaster recovery plan.

- Develop a Technology Procedures Manual.

- Develop a technology training expectation for Duplin County staff.

- Develop a Preventative Maintenance Checklist for Duplin County.

- Expand the computer inventory to include equipment serial numbers and the position to which each piece of equipment is assigned.

Health Department

The North Carolina General Assembly defines, by statute in Section 130A-1.1, the mission and essential services of public health in North Carolina. This section of the law includes the purpose and direction of public health in the State to ensure that North Carolina citizens have access to health services.

The Duplin County Health Department (DCHD), with 53 employees, is tasked with providing these services for the roughly 54,000 residents of Duplin County. In general, we found this department to be well-managed and functioning at a high level. While the General Assembly has defined essential services for public health, each North Carolina county is responsible for defining and providing the specific needs to its residents. Organization, staffing, and services provided vary among counties throughout the State, but all support the core functions of public health:

The major recommendations for the Health Department include the following:

- Maintain the existing authorized staffing level and fill vacant positions, while continuing to monitor workload, services, county health needs and trends, and the adoption of technology.

- Develop an Inter-department Task Force to address service to the increasing number of non-English speaking residents.

- Partner with the contracted grant writer to expand DCHD grant submission efforts.

- Further investigate the link between DCHD primary care services and emergency room visits, and discuss partnership options with the local hospital that can decrease the cost of primary care absorbed by Duplin County (in-kind or direct financial support).

- Develop an operational strategic plan for the Health Department that ties vision, day-to-day operations, performance measures, and community needs together, and is in line with the Duplin County Strategic Plan.

- Implement an effective performance measurement system in the Health Department.

- Move relevant human resource functions to the County Human Resources Department, including new employee orientation, general employee policies and procedures, and coordination with OSP on public health employee peculiar issues.

- Transition software support to the County Information Technology (IT) Department.

Social Services Department

The Duplin County Department of Social Services (DCDSS), with 117 employees, is tasked with providing social services for the residents of Duplin County. While the General Assembly has defined essential services for public health, the definition of social services is more nebulous.

The demographics of Duplin County have changed in the past 19 years. These changes have an effect on public service agencies, including social services through increases in workload, changes in services, and potentially, a change in the overall direction of the department. As the population of Duplin County increases, particularly the Hispanic population and large numbers of medically uninsured, more residents seek aid from the County through its Social Services Department.

The most significant recommendations in this chapter include the following:

- Reorganize the Social Service Department.

- Move County administrative functions (building maintenance, technology, and human resources) to the central office, including:

> ➤ Building Maintenance III to Facilities Maintenance
> ➤ Computer Support Personnel to Information Technology
> ➤ Reclassify the Administrative Officer II position to a Business Officer or similar title.
> ➤ Eliminate the Housekeeper and the Computer Systems Administrator.

- Employ more productive and positive management techniques through Management Team training, engagement, and accountability.

- Communicate regularly, openly, and respectfully with employees in the Department of Social Services.

- Implement a workflow analysis review of DCDSS operations.

- Implement an effective performance measurement system.

Public Safety

Of all services provided to citizens by local government, public safety has the most diverse, complex, and mission critical assignment. Public safety agencies—such as E-911/ECC, emergency medical services (EMS), law enforcement, and fire departments—must operate 24 hours a day, seven days a week, 365 days a year. Additionally, public safety operations occur in all environmental conditions such as weather (i.e., summer heat to winter blizzard), geographical (i.e., rural, interstate, urban, etc.), and lighting (i.e., pitch black night to daytime). Since there is an equal opportunity for virtually all types of incidents to occur any time of day or night, E-911/ECC, EMS, law enforcement, and fire department resources must be on constant alert, trained, prepared, and ready to immediately respond to any event in a professional manner.

While the role of public safety is similar in all cities and counties across the United States, every community establishes their own unique level of desired performance and standard of care that E-911/ECC, EMS, law enforcement, and fire department resources must accomplish. For example, a specified response time to a life-threatening event by public safety resources may be acceptable in some communities and the same exact time measurement may not be acceptable in other communities. Because public safety operations are unique to every community, successful public safety operations cannot occur without community involvement.

There are many factors that are significant to public safety operations in Duplin County Government, including geographical size of the County, widely dispersed segments of residential population, county rate of growth, service population (i.e., Interstate traffic), and risk potential (i.e., hazardous chemical event). These factors, and others, demand that the County establishes a minimum standard of care which becomes the foundational requirements for public safety resources in Duplin County. This standard of care and any other recognized performance metrics will directly impact the County's planning discussions to ensure the E-911/ECC, EMS, law enforcement, and fire department resources have the appropriate infrastructure, equipment, personnel, and training to successfully accomplish the established minimum standard of care objectives.

Primary recommendations in public safety include the following:

- Develop a Public Safety Strategic Plan.

- Develop a Performance Measurement and Accountability Program.

- Implement professional project management protocols.

- Implement a formal procurement and cost benefit analysis process to be used prior to major purchases.

- Develop and immediately implement new rules, policies, and procedures for the E-911/ Emergency Communications throughout Duplin County.

- Implement a new Call taker/Dispatcher configuration.

- Complete an objective workload analysis for Quick Response Vehicles (QRV) and System Status Management (SSM) programs.

- Implement staging, move-up, and closest available unit protocols for EMS.

- Develop a multi-strategy plan to resolve jail capacity and staffing issues.

- Implement emergency management training for relevant stakeholders.

- Improve the fire inspection and pre-fire planning process.

- Determine a formula for VFD revenue distribution in Duplin County, including the sales tax proposal, and implement new VFD rules and procedures to enhance overall countywide fire service capabilities.

Public Works Departments

Managing public works and utilities functions has never been more challenging. Today's managers and elected officials are required to continuously implement new methods to reduce ongoing operating costs and improve overall customer service. At the same time, they must seek additional funding sources to replace aging infrastructures, and implement the expansions and technological improvements necessary to maintain efficient customer service and regulatory compliance. Managers must also anticipate needs and regulations that have not yet been formulated.

Public managers are increasingly challenged to effectively utilize economic concepts to develop a practical cost management approach. This is critical to a county's service effectiveness and financial positioning. On a broad scale, effective public service management helps an organization optimize operating efficiency, reduce operating costs, extend equipment life, and establish a framework for continuous improvement.

The pressures of open market competition are also a reality. Public-centered functions are often required to compete with domestic and foreign privatization forces for cost-effective operations and qualified personnel, and also with other municipalities for available funding sources and business growth opportunities. The key to meeting these challenges is adopting time-proven, quality cost-effective, and realistic business practices to better serve the public.

The major recommendations in this chapter include the following:

- Create a strategic plan for water and waste management that address each department's goals for the next five years.

- Conduct a cost allocation study to properly document direct and indirect costs associated with the solid waste and water enterprise funds.

- Implement a metric tracking system that captures outcome data for all major solid waste functions, and report on metrics annually to the County Manager.

- Conduct a solid waste fee study to determine the appropriate rates for households and businesses.

- Develop and implement a customer feedback system for solid waste and water to evaluate the nature and quality of its services on a regular basis.

- Involve the garage function in departmental vehicle purchasing and maintenance decisions to ensure that cost of ownership is factored into purchasing decisions.

- Involve the garage function in outside repairs before purchasing services.

- Seek federal grant funds or public-private partnerships to purchase smart meters for the remainder of Duplin County customers.

- Implement an electronic work order management system in the Water Department.

Tax Administration

Property taxes in North Carolina are considered "ad valorem," a Latin term meaning "according to value". Thus, the tax burden assessed to each property owner is based upon the "true value" or "market value" of his or her property. "Market value" is further defined as "the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used". This is commonly referred to as an "arms length transaction."

The primary tasks of a Tax Department of each of North Carolina's 100 counties are to determine the market value of all taxable property located within the county, then bill each property owner utilizing the tax rate set each year by each Board of County Commissioners.

Primary recommendations for the Tax Administration include the following:

- Maintain the existing staffing level for the short term (until 2012-13), and then reduce staffing by one Tax Assistant.

- Initiate a process to formulate a comprehensive procedures manual to include each business process in the Duplin County Tax Department.

- Initiate a viable and workable process to ensure that tax bills are mailed each year as early as possible after July 1st and no later than July 15th.

- Contract with a banking institution that offers a payment processing service (lockbox) to allow additional staff time be spent in working delinquent accounts.

- Develop and implement a customer satisfaction survey to solicit comments and suggestions from the public, assisting the Tax Department in measuring the level of customer service it provides and in making improvements where necessary.

- Invest in an integrated Computer Assisted Mass Appraisal system (CAMA) and Billing and Collection System that will enhance the efficiency, effectiveness, and quality of the operation of the Duplin County Tax Department.

- Re-visit business processes to help alleviate the burden of all incoming calls being handled by staff actively assisting customers at the counter.

Other County Departments/Issues

As we conducted this performance audit, single issues in other departments (in addition to those included in the first 10 chapters) emerged during our on-site work. Evergreen consultants believe these issues should be addressed as well.

Primary recommendations in this chapter include the following:

- Reduce the Building Inspections Office by one inspector.

- Ensure that the agreement, which Duplin County signs with the firm to manage the Events Center, is a performance-based contract, and that the County Manager or his designee holds the identified firm accountable for all performance measures as clearly stated in the contract.

- Ensure that the Events Center Fund reaches breakeven status no later than the 2011-12 fiscal year, with significant progress in 2010-11.

- Establish an energy conservation practice to reduce utility costs in Duplin County Government buildings.

- Conduct an Energy Audit of Duplin County Government.

- Create a five-year Capital Improvement Plan for Duplin County Government, routinely revise it every year, use it as the official facilities planning guide, perform major updates to this Plan every five years, and measure progress against the Plan.

- Conduct a 20-year strategic facilities master plan study.

FISCAL IMPACT

Based on the analyses of data obtained from interviews, surveys, community input, Duplin County Government documents, and first-hand observations in the Duplin County Government, the Evergreen Team developed 156 recommendations in this report.

Exhibit 1 shows the total costs and savings for all study recommendations that have fiscal impacts. As can be seen, the total gross savings is about $6.5 million over five years with a net savings of $6.1 million.

The five-year costs and savings are shown in 2010 dollars. It is important to keep in mind that the identified savings and costs are incremental. Also, it is important to keep in mind that not all the cost savings are in the General Fund; some will include Enterprise funds.

Exhibit 1
Summary of Annual Costs and Savings

Savings/Costs	Years					Total 5-Year (Costs) or Savings	One-Time (Costs)
	2010-11	2011-12	2012-13	2013-14	2014-15		
Total Savings	$695,668	$1,421,168	$1,454,008	$1,454,008	$1,454,008	$6,478,860	
Total Costs	($60,400)	($58,700)	($58,700)	($58,700)	($58,700)	($295,200)	
Total Net Savings	$635,268	$1,362,468	$1,395,308	$1,395,308	$1,395,308	$6,183,660	($101,400)
Total Five-Year Net Savings Minus One-Time (Costs)							$6,082,260

CHAPTER 1:
INTRODUCTION

1.0 INTRODUCTION

In July 2009, the County of Duplin, North Carolina, began the process of conducting a comprehensive performance audit of County departments and services. The project was intended to focus on the organizational, operational, and financial efficiency and effectiveness of the County operations. Evergreen Solutions was retained by the Duplin Board of County Commissioners to conduct this performance audit.

Duplin County has approximately 53,600 residents and is a growing residential and commercial community that is realizing the challenges of effective administration and management while operating in a fiscally responsible manner.

1.1   *METHODOLOGY*

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- conducting a public hearing; and

- establishing a Web site for input.

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- visiting Duplin County facilities;
- conducting a second public hearing;
- conducting the formal on-site review with a team of eight Evergreen consultants; and
- preparing the draft and final reports.

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- employee handbook.

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In-Depth Review

In the in-depth review, a team of eight consultants conducted the formal on-site review of Duplin County's operations during the week of August 24, 2009. As part of our on-site review, we examined the following systems and operations:

- Administrative and Organizational Leadership
- Financial Management and Purchasing
- Human Resources
- Technology
- Public Safety (Fire, Police, EMS)
- Health
- Social Services
- Solid Waste and Water
- Tax

It is important to note that the areas reviewed in the in-depth audit were based on the diagnostic review, which sought to determine which Duplin County departments were the most in need of an in-depth review.

Prior to conducting the on-site review, each team member was provided with an extensive set of information about Duplin County operations. During the on-site work, team members conducted a detailed review of the structure and operations in their assigned functional areas.

1.2   COMPARISON COUNTIES

For the purpose of any comparative analysis, Evergreen Solutions developed, with the assistance and approval of the Duplin County Manager, a group of four counties that possessed similar demographic characteristics to Duplin County. Preliminary analysis examined these peer counties to determine points of comparison, best practices, and operational needs for Duplin County.

The North Carolina counties chosen for this peer analyses were:

- Bladen County
- Columbus County
- Lenoir County
- Sampson County

A comparison of county population and the number of county employees is shown in **Exhibit 1-1**.

Exhibit 1-1
County Residents per County Employee Ratio
with Study Comparison Peers: 2008

Counties	County Population	County Employees	Residents per Employee
Duplin County	**53,133**	**541**	**98.21**
Bladen County	32,495	331	98.17
Columbus County	54,472	860	63.34
Lenoir County	57,641	423	136.27
Sampson County	64,519	579	111.43
With Duplin in Average	**52,452**	**547**	**101.48**
Without Duplin in Average	**52,282**	**548**	**102.30**

This exhibit came from a survey done by the UNC School of Government in Fall 2008 and information from http://www.nctreasurer.com/lgc/units/unitlistjs.htm.

NOTE: For each of the exhibits in this report that provide County employee information, it is important to note that the UNC School of Government told Evergreen staff that when they collect this number from each county, they do not ask for information on whether it includes full-time, full-time equivalent (FTE), or both full-time and part-time employees. They leave it to the discretion of the human resources employees filling out the survey in each county. Thus, the validity of the data may be questionable.

During the review of the draft report, Evergreen was asked to broaden this analysis and have the benchmark comparison with all counties adjacent to Duplin. These results are shown in **Exhibit 1-2**.

Exhibit 1-2
County Residents per County Employee Ratio
with Counties Adjacent to Duplin: 2008

Counties	County Population	County Employees	Residents per Employee
Duplin County	**53,133**	**541**	**98.21**
Jones County	10,313	111	92.91
Lenoir County	57,641	423	136.27
Onslow County	169,236	985	171.81
Pender County	50,436	336	150.11
Sampson County	64,519	579	111.43
Wayne County	115,191	1010	114.05
With Duplin in Average	**74,353**	**569**	**124.97**
Without Duplin in Average	**77,889**	**574**	**129.43**

This exhibit came from a survey done by the UNC School of Government in Fall 2008 and information from
http://www.nctreasurer.com/lgc/units/unitlistjs.htm

Exhibit 1-3 excludes those adjacent counties in which the population size is either too large or too small.

Exhibit 1-3
County Residents per County Employee Ratio
with Study Comparison Peers and those Adjacent Counties with
Similar Population Size: 2008

Counties	County Population	County Employees	Residents per Employee
Duplin County	**53,133**	**541**	**98.21**
Bladen County	32,495	331	98.17
Columbus County	54,472	860	63.34
Lenoir County	57,641	423	136.27
Pender County*	50,436	336	150.11
Sampson County	64,519	579	111.43
With Duplin in Average	**52,116**	**512**	**109.59**
Without Duplin in Average	**51,913**	**506**	**111.86**

This exhibit came from a survey done by the UNC School of Government in Fall 2008 and information from
http://www.nctreasurer.com/lgc/units/unitlistjs.htm
*Pender County was not included in Evergreen's original comparison because of its costal location, different tax base,
and higher growth rate.

The results of these benchmark comparisons are used in several analyses in the chapters in this report. When making comparisons among counties, it is important to recognize variables such as outsourced operations which are not included in the employee count. For example, in health, Sampson County contracts maternal health and prenatal services, while in social services, Sampson contracts out inhome services, adult daycare, and legal services for child welfare, child support, and adult welfare. Sampson County would not have employees to staff these services and thus their number of county employees would be less.

1.3 *OVERVIEW OF THE REPORT*

The final report for this study consists of the following 11 chapters:

- Chapter 1.0: Introduction
- Chapter 2.0: County Administration and Leadership
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CHAPTER 2:
COUNTY ADMINISTRATION AND LEADERSHIP

2.0 COUNTY ADMINISTRATION AND LEADERSHIP

A well-defined governance structure, management, and planning process provide the foundation for effective and efficient delivery of services. The Board of County Commissioners and County Manager should function as a leadership team to meet citizen needs. Effective leadership means that there is a clear delineation between setting goals, objectives, and policies for operations and implementing an effective management structure to accomplish those goals and objectives in a strategic manner.

Many public organizations pursue success – very few actually achieve it. The mantra of performance measurement is a common theme throughout virtually all major local government organizations in the United States. Local governments, at the dawn of the 21st Century, find themselves in the throes of a functional transformation that is impelling many local officials to adopt new ways to manage. The demographic migrations of the 1990s have altered the national landscape, creating new urban pockets throughout the country. Even where committees remain rural, officials face increasing demands on their resources from local residents and from other tiers of government.

Perhaps even more fundamental than the impact of demographics is the action of state governments to expand local functions. For example, the traditional short list of local functions for small to mid-sized county operations – public safety, public works, public health, education, and general government – has been lengthened considerably to include functions more typical of larger jurisdictions (culture and recreation, economic development, environmental protection, and human services). Furthermore, the proliferation of programs from Washington, DC to the states has not stopped in the state capitals; many state governments pass the burden of program administration to municipal and county governments.

For progressive counties and cities, the trends have resulted in increased performance, customer satisfaction, and resource optimization; the challenge for the rest has been to adapt to the changing environment.

This chapter evaluates the effectiveness and efficiency of Duplin County's management and organizational leadership in the following areas:

2.1   County Management
2.2   Organizational Structure
2.3   Legal Services
2.4   Policies and Procedures
2.5   Strategic Planning

2.1   COUNTY MANAGEMENT

According to the UNC Chapel Hill School of Government in a publication entitled "Leading and Covering in Council-Manager Counties and Cities (2007, UNC):

North Carolina's law authorizing the council-manager form of government, like those of most states, drew on the provisions contained in the National Municipal League's (now the National Civic League) Model City Charter. Consequently, the specifications of the powers and duties of the county manager found in North Carolina's General Statutes (G.S. 153A-82) are fairly typical of those found nationwide and, with no exception, are consistent with the general elements of the council-manager plan:

Section 82. Powers and duties of manager. The manager is the chief administrator of county government. He is responsible to the board of commissioners for the administration of all departments of county government under the board's general control and has the following powers and duties:

*   (1) He shall appoint with the approval of the board of commissioners and suspend or remove all county officers, employees, and agents except those who are elected by the people or whose appointment is otherwise provided for by law. The board may by resolution permit the manager to appoint officers, employees, and agent without first securing the board's approval. The manager shall make his appointments, suspensions, and removals in accordance with any general personnel rules, regulations, policies, or ordinances that the board may adopt.*

*   Unlike the City Manager in North Carolina, the County Manager does not have automatic statutory authority to hire, fire, and discipline all employees not otherwise appointed by the council. The county manager performs these duties only with the approval of the board, unless the commissioners take positive action to grant the county manager the power to do so without the approval. County managers must exercise whatever authority of appointment and removal they have in accordance with personnel rules and regulations adopted by the board of commissioners.*

*   (2) He shall direct and supervise the administration of all county offices, departments, boards, commissions and agencies under the general control of the board of commissioners, subject to the general direction and control of the board.*

The Duplin County Manager, Mike Aldridge, has been at the helm since August 2006—for about three years.

FINDING

The Duplin County Manager does not have an employee agreement nor contract with the Duplin County Board of County Commissioners. This is a highly unusual situation.

In the state of North Carolina, county managers are not allowed to have employment contracts because state law specifies that city and county managers will serve at the pleasure of the board. However, it is common for managers to have employment agreements for a specified number of

years. This document describes the benefits and sets specific termination terms, such as how many months severance pay and any other items. The North Carolina Association of County Commissioners recommends that managers be employed under those terms which should make termination an orderly process.

To assist the Duplin County Board of County Commissioners in developing a comprehensive employee agreement for its County Manager, Evergreen provides an outline of the agreement that ICMA uses as a model. The outline is included in **Exhibit 2-1.** The complete model agreement can be found at *www.icma.org*.

Exhibit 2-2 follows with a model employment agreement prepared by the North Carolina Association of County Commissioners (NCACC).

Exhibit 2-1
ICMA Employment Agreement Outline

Introduction	
Section 1:	Term
Section 2:	Duties and Authority
Section 3:	Compensation
Section 4:	Health, Disability and Life Insurance Benefits
Section 5:	Vacation, Sick, and Military Leave
Section 6:	Automobile
Section 7:	Retirement
Section 8:	General Business Expenses
Section 9:	Termination
Section 10:	Severance
Section 11:	Resignation
Section 12:	Performance Evaluation
Section 13:	Hours of Work
Section 14:	Outside Activities
Section 15:	Moving and Relocation Expenses
Section 16:	Home Sale and Purchase Expenses
Section 17:	Indemnification
Section 18:	Bonding
Section 19:	Other Terms and Conditions of Employment
Section 20:	Notices
Section 21:	General Provisions

Source: International City/County Management Association (ICMA), 2009.

Exhibit 2-2
NCACC Sample Employment Agreement for a
County Manager

XXXXXXXXX COUNTY
EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this the xxth day of xx xxx, xxxx, by and between the County of Xxxxxxxxxx, a political subdivision of the State of North Carolina, hereinafter called "Employer," as party of the first part, and xxxxxxxx name xxxxxxxx, hereinafter called "Employee," as party of the second part, both of whom understand as follows:

WITNESSETH:

WHEREAS, Employer desires to employ the services of said xxxxxxxxx name xxxxxxxxxxx as County Manager of the County of Xxxxxxxxxx, as provided by NCGS 153A-81; and

WHEREAS, it is the desire of the governing board, hereinafter called "Board or Board of County Commissioners," to provide certain benefits, to establish certain conditions of employment, and to set working conditions of said Employee; and

WHEREAS, Employee desires to accept employment as County Manager of said County; and

WHEREAS, The parties acknowledge that Employee is a member of the International City/County Management Association (ICMA) and that Employee is subject to the ICMA Code of Ethics;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1: Duties
Employer hereby agrees to employ said xxxxx name xxxxx as County Manager of said Employer to perform the functions and duties specified in said NCGS 153A-82 and to perform other legally permissible and proper duties and functions as the Board shall from time to time assign. Employee shall have the exclusive right to hire and fire employees, except those specified by state statute to be appointed by the Board of Commissioners.

Section 2: Term
A. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Board to terminate the services of Employee at any time, subject only to the provisions set forth in Section 4 of this agreement.

B. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, subject only to the provision set forth in Section 5 of this agreement.

C. Employee agrees to remain in the exclusive employ of Employer until July 1, xxxx, and neither to accept other employment nor to become employed by any other employer until said termination date, unless said termination date is affected as hereinafter provided.

D. In the event written notice is not given by either party to this agreement to the other 90 days prior to the termination date as hereinabove provided, this agreement shall be extended on the same terms and conditions as herein provided, all for an additional period of two years. Said agreement shall continue thereafter for two-year periods unless either party hereto gives 90 days written notice to the other party that the party does not wish to extend this agreement for an additional two-year term.

Section 3: Suspension
Employer may suspend the Employee with full pay and benefits at any time during the term of this agreement, but only if:
A majority of the Board votes to suspend Employee for just cause provided, however, that Employee shall have been given written notice setting forth any charges at least 10 days prior by the Board members bringing such charges.

Section 4: Termination and Severance Pay
Board reserves right to terminate employee without cause at any time provided, however:

A. In the Event Employee is terminated by the Board before expiration of the aforesaid term of employment and during such time that Employee is willing and able to perform his duties under this agreement, then in that event Employer agrees to pay Employee a lump sum cash payment equal to six months aggregate salary, benefits, and deferred compensation. Employee shall also be compensated for all earned vacation, and other accrued benefits to date.
In the event Employee is terminated for cause or for conviction, then, in that event, Employer shall have no obligation to pay the aggregate severance sum designated in the above paragraph.

B. In the event Employer at any time during the term of this agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all employees of Employer, or in the event Employer refuses, following written notice, to comply with any other provision benefiting Employee herein, or the Employee resigns, whether at the request of the Board that he resign, then in that event Employee may, at his option, be deemed to be "terminated" at the date of such reduction or such refusal to comply within the meaning and context of the herein severance pay provision.

Exhibit 2-2 (Continued)
NCACC Sample Employment Agreement for a
County Manager

Section 5: Resignation
　　　　In the event Employee voluntarily resigns his position with Employer before expiration of the aforesaid term of his employment, then Employee shall give Employer two months notice in advance, unless the parties agree otherwise.

Section 6: Disability
　　　　If Employee is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued sick leave, Employer shall have the option to terminate this agreement, subject to the severance pay requirements of Section 4, paragraph A.

Section 7: Salary
　　　　Employer agrees to pay Employee for his services rendered pursuant hereto an annual base salary of $xxxxxxxxx, payable in installments at the same time as other management employees of the Employer are paid.
　　　　In addition, Employer agrees to increase said base salary and/or benefits of Employee in such amounts or rates as other employees, on the basis of a salary review of said Employee made at the same time as similar consideration is given other employees generally.

Section 8: Performance Evaluation
　　　　A. The Board shall review and evaluate the performance of the Employee at least once annually. Said review and evaluation shall be in accordance with specific criteria developed jointly by Employer and Employee. Further, the Chairman of the Board shall provide the Employee with a summary written statement of the findings of the Board and provide an adequate opportunity for the Employee to discuss his evaluation with the Board.

　　　　B. Annually, the Board and Employee shall define such goals and performance objectives that they determine necessary for the proper operation of Xxxxxxxxxx County and in the attainment of the Board's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. They shall generally be attainable with the time limitations as specified and the annual operating and capital budgets and appropriations provided.

　　　　C. In effecting the provisions of this Section, the Board and the Employee mutually agree to abide by the provisions of applicable law.

Section 9: Hours of Work
　　　　It is recognized that Employee must devote a great deal of time outside the normal office hours to business of the Employer, and to that end Employee will be allowed to take reasonable time off as he shall deem appropriate during said normal office hours. Such time off shall not interfere with the normal operation of the Office of the County Manager.

Section 10: Outside Activities
　　　　Employee shall not spend more than 10 hours per week in teaching, consulting or other non-Employer-connected business without the prior approval of the Board.

Section 11: Automobile
　　　　Employer shall pay $xxx.xx per month for in-county travel expenses. Any travel outside of the county shall be reimbursed at the prevailing IRS travel allowance rate or county rate whichever is higher.

Section 12: Vacation, Holidays and Sick Leave
　　　　Employee shall accrue, and have credits to his personal account, vacation, holidays, sick leave and other related benefits at the same rate as other general employee of Employer. Employee shall transfer all accumulated sick leave earned by previous employment.

Section 13: Disability, Health, and Life Insurance
　　　　A. During the term of employment, Employer agrees to put into force and to make required premium payments for Employee for insurance policies for accident, sickness, disability income benefits, major medical, dental, and dependent's coverage group insurance equal to that which is provide all other employees of Employer. Employer shall put into force and make required premium payments for employee for insurance policies for life insurance in an amount of no less than $xxxxxxxxxxx.

　　　　B. If the Employee is employed by Xxxxxxxxxx County at the time of Employee's retirement with full benefits, and if Employee is qualified for and covered by Xxxxxxxxxx County's group medical plan at that time, Employee may remain covered by Xxxxxxxxxx County's group health coverage and Xxxxxxxxxx County shall play the premiums for such coverage, but only until Employee is eligible in some manner to qualify for Medicare insurance.

Section 14: Retirement
　　　　A. Employer agrees to pay retirement contributions to the North Carolina Local Governmental Employees' Retirement System at the same percentage as provided to other employees.

　　　　B. Employer agrees to execute all necessary agreements provided by xxxxxxxx Retirement Plan and, in addition to the base salary paid by the Employer to Employee, Employer agrees to pay into the xxxxxxxx Retirement Plan on Employee's behalf an amount being the greater of:

Exhibit 2-2 (Continued)
NCACC Sample Employment Agreement for a
County Manager

(a) Five percent of Employee's base salary, or:
(b) The same amount paid by the Employer into special retirement system for the Sheriff of Xxxxxxxxxx County, or:
(c) The same amount paid by the Employer into special retirement system for the Register of Deeds of Xxxxxxxxxx County.

Such amount shall be divided into installments and payments shall be paid each pay period. Ownership shall transfer to employee upon Employee's resignation or termination.
The parties shall fully disclose to each other the financial impact of any amendment to the terms of Employee's retirement benefit.

Section 15: Dues and Subscriptions
Employer agrees to budget for and pay for professional dues and subscriptions of Employee necessary for his continuation and full participation in national, regional, state, and local associations and organizations necessary and desirable for his continued professional participation, growth, and advancement, and for the good of the Employer.

Section 16: Professional Development
A. Employer hereby agrees to budget for and pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official functions for Employer.

B. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for his professional development and for the good of the Employer.

Section 17: Indemnification
In addition to that required under state and local law, Employer shall defend, save harmless, and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as County Manager. Employer will compromise and settle any such claim or suit and pay the mount of any settlement or judgment rendered thereon.

Section 18: Bonding
Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 19: Other Terms and Conditions of Employment
A. The Board, in consultation with the Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this agreement or any other law.

B. All provision of the laws, rules and regulations of the Employer relating to vacation and sick leave, retirement and pension system contributions, holidays, and other benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee as they would to other employees of Employer, in addition to said benefits enumerated specifically for the benefit of Employee except as herein provided.

C. Employee shall be entitled to receive the same vacation and sick leave benefits as are accorded department heads, including provisions governing accrual and payment therefore on termination of employment.

Section 20: General Provisions
A. The text herein shall constitute the entire agreement between the parties.

B. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.

C. This agreement shall become effective commencing July 1, xxxxx.

D. If any provision, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

IN WITNESS WHEREOF, the County of Xxxxxxxxxx has caused this agreement to be signed and executed in its behalf by its Chairman, and duly attested by its Clerk, and the Employee has signed and executed this agreement, both in duplicate.

XXXXXXXXXX COUNTY   **EMPLOYEE**

BY:_____   _____
                              Chairman   xxxxxxxxx name xxxxx
ATTEST:

CLERK:_____

Source: North Carolina Association of County Commissioners (NCACC), 2009.

RECOMMENDATION

Recommendation 2-1:

Prepare an employment agreement for the Duplin County Manager.

The Duplin Board of County Commissioners should promptly enter into an employee agreement with its County Manager. Such a practice is recommended by both ICMA and NCACC, and has not been practiced in Duplin County. The Duplin County attorney should be included in drafting the agreement, and the Board of County Commissioners and County Manager should review and provide input into the draft agreement prior it its finalization.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

As stated in the sample contract developed by the North Carolina Association of County Commissioners (NCACC) with regard to performance evaluation:

Section 8: Performance Evaluation

A. The Board shall review and evaluate the performance of the Employee at least once annually. Said review and evaluation shall be in accordance with specific criteria developed jointly by Employer and Employee. Further, the Chairman of the Board shall provide the Employee with a summary written statement of the findings of the Board and provide an adequate opportunity for the Employee to discuss his evaluation with the Board.

B. Annually, the Board and Employee shall define such goals and performance objectives that they determine necessary for the proper operation Xxxxxx County and in the attainment of the Board's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing. They shall generally be attainable with the time limitations as specified and the annual operating and capital budgets and appropriations provided.

C. In effecting the provisions of this Section, the Board and the Employee mutually agree to abide by the provisions of applicable law.

Although the Duplin County Manager has been evaluated annually, the form used is not based on mutually agreeable goals and objectives as recommended by NCACC. Rather a standard form, similar to the one developed for other employees in Duplin County, is used to assess the Duplin County Manager.

Exhibit 2-3 shows the current evaluation form for the County Manager. As can be seen, the tool is very subjective and does not define each evaluation area. For example, under "Cooperation," questions such as the following are unanswered:

Exhibit 2-3
Duplin County Manager
Performance Evaluation Form

	Exceeds Expectations	Meets Expectations	Needs Improvement	Unsatisfactory	Rating
1. Knowledge of Work	4	3	2	1	
Comments:					
2. Quality of Work	4	3	2	1	
Comments:					
3. Quantity of Work	4	3	2	1	
Comments:					
4. Dependability	4	3	2	1	
Comments:					
5. Attendance	4	3	2	1	
Comments:					
6. Initiative and Enthusiasm	4	3	2	1	
Comments:					
7. Judgment	4	3	2	1	
Comments:					
8. Cooperation	4	3	2	1	
Comments:					
9.Relationship With Others	4	3	2	1	
Comments:					
10. Coordination of Work	4	3	2	1	
Comments:					
11. Safety and Housekeeping	4	3	2	1	
Comments:					
12. Planning	4	3	2	1	
Comments:					
13.Organizing	4	3	2	1	
Comments:					
14. Staffing	4	3	2	1	
Comments:					
15. Leading	4	3	2	1	
Comments:					
16. Controlling	4	3	2	1	
Comments:					
17. Delegating	4	3	2	1	
Comments:					
18. Decision Making	4	3	2	1	
Comments:					
19. Creativity	4	3	2	1	
Comments:					
20. Human Relations	4	3	2	1	
Comments:					
21. Policy Information	4	3	2	1	
Comments:					
22. Policy Formulation	4	3	2	1	
Comments:					
TOTAL AVERAGE					

Signatures:

Source: County Manager's Office, 2009.

- Cooperation with who? (the County Commissioner, individual departments, etc.)?
- What constitutes a 4 ,3, 2, or 1 rating score?

These questions are left to each Commissioner's interpretation, and can result in an incomplete and perhaps unfair evaluation.

Exhibit 2-4 provides an example of an evaluation form which is much more objective and could be utilized by Board of County Commissioners in its evaluation of the Duplin County Manager. As the exhibit illustrates, in this example, the County Manager is evaluated on nine separate performance criteria:

1. Is effective as the County's Chief Executive Officer.

2. Proposes and institutes a process for long-range planning that engages the Board and community in positioning the County for success in future years.

3. Oversees the day-to-day operations and delegates both authority and responsibility to key personnel.

4. Develops, implements, and maintains the mission and vision of the County.

5. Works with department heads to improve the overall quality of operational programs.

6. Creates a positive image for the County both internally and externally.

7. Effectively resolves problems such that they do not develop into major conflicts.

8. Is respectful and responsive in dealing with the Board of County Commissioners and individual Commission members.

9. Keeps the County Commission informed about County operations and programs.

For each of the performance criteria, individual Commissioner members evaluate the County Manager and rate him/her on a four-point defined scale, rating each element as unsatisfactory, basic, proficient, or distinguished. For each performance rating, an accompanying rating definition is provided as a guide. In addition, a comment section can be provided for each evaluation area.

RECOMMENDATION

Recommendation 2-2:

Develop a comprehensive performance evaluation tool for the Duplin County Manager.

During the development of the employee agreement, the Duplin Board of County Commissioners and County Manager should develop goals and measurable performance objectives with established priorities. An evaluation tool should be developed by the Board of County Commissioners based on these goals and measurable objectives. Each year, the County Manager should be evaluated and held accountable using a quantifiable evaluation instrument.

Exhibit 2-4
Example Performance Evaluation Instrument for a County Manager

Area 1: Is effective as the County Commissioner's Chief Executive Officer.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
County Manager's operational advice to the County Commissioners is unreliable, not grounded in practice or research. Leadership is ineffective.	County Manager's operational advice to the County Commissioners is sporadic and at times inconsistent. Leadership is sufficient to assure the operation, but does not lead to growth and refinement for the County.	County Manager's operational advice to the County Commissioners is consistent and of high quality. Advice is based upon sound rationale and provides the County with the direction necessary to enhance the quality of its programs.	Advice is of the nature that the County's programs are recognized and respected as models of high quality governmental practice. Recognition extends beyond the confines of the County.
Area 2: Proposes and institutes a process for long-range planning that engages the County Commissioners and community in positioning the County for success in future years.			
Little evidence of planning exists. What planning does take place is sporadic in nature.	Minimal planning is demonstrated. While basic operations continue to function, it is evident that a clear concise plan would improve the entire organization.	Planning is clearly evident. The plan guides and informs the actions of the County. Involvement of others is evident in the planning process and provides for the effective and efficient operations of the County.	A well-designed and articulated planning process is in place. Broad-based input by constituents is evident. The quality of the plan promotes the vision of the County to the extent goals and objectives are met and exceeded.
Area 3: Oversees the day-to-day operations and delegates both authority and responsibility to key personnel.			
The day-to-day operations are fraught with problems. Responsibility and authority is not delegated effectively.	Day-to-day operations run at an acceptable level. Frequent problems and difficulties are noted. Personnel are generally unsure of their task and responsibility.	The County operations run smoothly. Organization is evident; people in charge are proactive and are given appropriate support in carrying out their duties.	The County operations are effective and efficient. Problems are seldom noticed and when they occur are dealt with in an efficient manner. People are empowered to make decisions and take full responsibility. Efficiencies result in measurable savings to the County. Action is quick and not impeded by layers of bureaucracy.
Area 4: Develops, implements, and maintains the mission and vision of the County			
No mission or vision is evident. The County seems to have no clear direction.	A mission statement is evident. The County sporadically aligns itself with the mission. There is evidence of a vision and direction, but is not always clear.	The County is clearly moving toward the realization of its mission. The County Manager demonstrates leadership and insights in the pursuit of the mission.	The mission is evident to all constituents. The County Manager provides a vision for the County that leads to higher levels of performance and achievement. The County is on the cutting edge of change and is becoming recognized as a leader in municipal circles.
Area 5: Works with department heads to improve the overall quality of operational programs.			
There is little evidence of collaboration with department heads. The County Manager is unaware and uninvolved with operational programs.	There is some evidence of involvement with department heads, but it is sporadic. The County Manager provides adequate supervision of operation programs.	The County Manager is actively involved with department heads, visiting departments, discussing operational programs and providing effective leadership and feedback to department heads	The County Manager provides insightful, knowledgeable and productive leadership to department heads such that clear and consistent growth is seen in operational programs. The County Manager has a strong knowledge of County governance and utilizes this knowledge in supporting department heads.

Exhibit 2-4 (Continued)
Example Performance Evaluation Instrument for a County Manager

Area 6: Creates a positive image for the County both internally and externally.			
Morale is low. The County is seen as one that is stagnating and not improving	The County is seen as holding its own. Programs aren't improving, but neither are they declining. Morale is not seen as a positive factor.	The County's image is positive. Programs are improving. There is a sense of pride in County accomplishments. The community is proud of its County and so is the staff.	The County is seen as a regional model of excellence. Patrons are proud of their County and its reputation extends beyond the confines of the County. Morale is high. There is a sense of efficacy that pervades the County.

Area 7: Effectively resolves problems such that they do not develop into major conflicts.			
Problems are commonplace. Anger and hostility are a common outcome of these problems	While problems are resolved, they often are dealt with by the Board of County Commissioners. Problems are sporadically taken care of at the source of origin.	Problems seldom reach the level of the Board of County Commissioners. Problems are consistently handled at the source and are resolved in a way that promotes cooperation and satisfaction. County Commision meetings are given over to the business of the County, and not burdened by quarrelsome problems.	The County is seen as a place where things work. There is a sense of confidence and trust that situations will always be resolved in a fair and equitable manner. Disputes and grievances are rare occurrences. People throughout the organization are empowered to solve problems. The County Manager is skilled at finding workable solutions for difficult problems.

Area 8: Is respectful and responsive in dealing with Board of County Commissioners and individual County Commissioners members.			
Is defensive to criticism. Rejects suggestions for improvements. Fails to respond to directives, return calls or act upon requests	Is sporadic in responding to requests. Gives minimal attention to concerns that are raised. Does not seek ways improve in any consistent manner.	Is open to suggestions for improvement. Listens carefully to suggestions, responds quickly to concerns. Demonstrates a respect for the Board of County Commissioners and understands and supports the County Commissioners collectively and individually.	Encourages input from all sources. Listens to constituents and acts on their input. Clearly understands the leadership of the Board of County Commissioners and responds in a prompt and enthusiastic manner to their wishes. Is supportive of the County Commissioners as individuals and respects the important role County Commmssioners plays in leading a County.

Area 9: Keeps the County Commissioners informed about County operations and programs			
Does not share information. Surprises Board of County Commissioners with information that is important for the operation of the County.	Shares information of a limited basis. Often withholds information that could be helpful to the county.	Information is shared in a timely manner. Personal, as well as written information, clear and easy to understand. Communication is given in manner such that the Board of County Commissioners never surprised or has insufficient data to make decisions.	All data and information is shared in a free flowing and continual manner. The Board of County Commissioners has information, data and background on all issues readily available for its use. The County Mnaager effectively anticipates the needs of the Board of County Commissioners and has the necessary information ready for them.

Source: Created by Evergreen Solutions, 2009.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

In addition to the County Manager, Duplin County does not have a performance measurement system in place for other senior managers, including department heads.   It is becoming more and more common for units of local government to institute performance measurement systems.

According to the Municipal Research and Service Center of Washington (www.mrsc.org – 2005):

> *The use of performance measures in local government is being driven by increased citizen demands for government accountability, greater interest on the part of local legislators in performance related information to assist in program evaluation and resource allocation decisions, and the efforts of various organizations and professional associations to make governments more results-oriented.*
>
> *Performance measurement allows policy makers, managers, and citizens to evaluate the quality and effectiveness of government services. Performance measures include inputs (resources used), outputs (program activities), efficiency measures (ratio of inputs to outputs), and outcomes (the actual results of programs and services). Many performance measurement systems are limited to measuring program inputs and outputs. Ideally, however, performance measurement efforts will also generate information about program results and outcomes.*

In North Carolina, numerous resources are available to assist local governments with the development of performance measurement systems. The UNC School of Government coordinates the North Carolina Local Government Performance Measurement Project and has several facility members on staff that are recognized nationally as performance measurement experts. The International City/County Management Association also provides numerous resources through its Center for Performance Measurement.

RECOMMENDATION

Recommendation 2-3:

Develop and implement a performance measurement system for the management team in Duplin County.

Duplin County should begin the process of developing a performance measurement system. Numerous local governments in North Carolina have implemented such systems with great success. The County Manager and Management Team should take the lead in the development of such a system with input from citizens, the Board of County Commissioners, department

heads, and employees. UNC School of Government facility can assist Duplin County in this process.

Once the process is implemented successfully for managers, Duplin County should consider implementing a performance measurement system for all employees.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Upon being appointed as County Manager in August 2006, the current Duplin County Manager established a Management Team. For a short period of time, the Management Team met on a monthly basis. However, due to lack of buy-in from senior County staff, Management Team meetings and functions ceased. Currently, Duplin County has a Management Team in name only.

The Management Team concept is widely accepted as a solid management approach by both the private and public sectors. The basic concept behind the Management Team concept is grounded upon the realization that rarely does the senior executive of an organization have the complete skill set and available time to effectively and efficiently manage the entire operations of a dynamic organization. Therefore, a Management Team, consisting of key organizational leaders and senior management, is put in place to assist the senior executive with the decision-making process and implementation of strategic initiatives. Furthermore, a Management Team can greatly enhance the communication between departments within organizations. Many local governments effectively use management teams to assist town, city, and county managers with the management and administration of their organizations.

RECOMMENDATION

Recommendation 2-4:

Re-establish the Management Team, with members to be appointed by the County Manager, and hold Management Team meetings once per week.

The County Manager should re-evaluate the composition of the Management Team and select six to eight organizational leaders and senior staff to serve as members. Meetings of the Management Team should focus on specific short- and long-term issues facing Duplin County, and should last no longer than one hour. The County Manager should establish specific goals and agendas for each meeting in order to keep meetings on track, and minutes should be recorded. Furthermore, the County Manager should ensure consistent, ongoing communication with the Management Team and follow-up on actions taken by the Management Team.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Duplin County Manager is not active in the North Carolina City/County Management Association (NCCCMA).

North Carolina has long been recognized for its tradition of using and promoting professional local government management. In turn, NCCCMA has for many years promoted the profession of local government management in the State. NCCCMA membership is open to local government managers. The Association provides training, hosts conferences and workshops, and provides direct support to the state's county and municipal managers.

Participation in the Association's various events allows members to interface with each other, share ideas, discuss best practices, and consider innovations that will enhance the operations of their respective jurisdictions. NCCCMA also enforces a code of ethics that guides the behavior and actions of the state's county and municipal managers. The Association has the authority to discipline members found to be in violation of the code of ethics.

RECOMMENDATION

Recommendation 2-5:

Become actively involved with the North Carolina City/County Management Association (NCCCMA).

The Duplin County Manager should become active in NCCCMA. This action will greatly enhance the County Manager's exposure to best management practices which, in turn, could lead to substantial improvements and cost savings for Duplin County. The NCCCMA will also provide a professional base of support for the County Manager to assist with difficult issues facing the County as a whole and the County Manager on an individual level.

FISCAL IMPACT

This recommendation can be implemented through allocated resources to pay for travel, subsistence, and registration costs for the NCCCMA's Winter Manager Seminar and Summer Conference—estimated to total $2,000 per year.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Participate in NCCCMA	($2,000)	($2,000)	($2,000)	($2,000)	($2,000)

FINDING

There is very little coordination and cooperation between the County and other units of local government in Duplin County. The County Manager rarely meets with the town managers and administrators to discuss common challenges facing the respective local governments. This has resulted in an atmosphere in which Duplin County often makes decisions and institutes policies in isolation.

Contrary to this approach, municipalities within the County are active in the Duplin County Municipal Association. The Duplin County Municipal Association is comprised of the mayors and town managers/administrators of all Duplin County's municipalities. This organization meets once per month and discusses issues facing the respective governments individually and as a whole. The Association allows for a forum to share ideas and facilitates the coordination of efforts.

The County Manager has very little direct, formal or informal contact with the town managers/administrators within the County. Interaction between the County Manager and the town managers/administrators is key to building relationships that will allow for the coordination of services, cooperation on major undertakings, and, in the end, cost savings through the pooling of resources.

RECOMMENDATIONS

Recommendation 2-6:

Become actively involved with the Duplin County Municipal Association through ensuring that the Chairperson and County Manager attend and participate in all Duplin County Municipal Association meetings and functions.

Through its involvement with the Duplin County Municipal Association, Duplin County will be able to better coordinate efforts with the other units of local government.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Recommendation 2-7:

Coordinate the scheduling of monthly meetings with the County's town managers/ administrators.

Such meetings will allow for the County Manager and town managers/administrators to share ideas, coordinate efforts, and examine costs savings through consolidation of services. These meetings should be scheduled the same day and time of each month and be very informal in nature, possibly over lunch. Once the initial meeting is held, the task of hosting the meetings can be shared by each jurisdiction.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

As part of the performance audit, Evergreen consultants conducted an analysis of background materials provided to Board members for selected regular Board meetings. This analysis showed that, while at times materials were comprehensive, many times the items do not provide the

Board with sufficient information to make informed decisions. One example of this void in information for Commissioners was the request for a contract grants writer in September 2009. Especially lacking was information on the financial impact of requested action, such as a cost benefit analysis specific to why the Commission should take a particular action.

Exhibit 2-5 provides a cover page which could be used by the County Manager and department heads for each action agenda item. Such a tool could be used for senior staff to communicate effectively with the Board on each agenda item, providing an overview of background information. The cover page would provide detail on each staff recommendation for Board action, an explanation for the item, financial impact, support documentation, and the employee submitting the request. An additional item included on the form is a reference to the major strategic planning initiative which the agenda item addresses (see **Section 2.5**).

RECOMMENDATION

Recommendation 2-8:

Create and implement a form for use with each agenda item which requires action by the Duplin County Board of County Commissioners.

The Board of County Commissioners should request that the County Manager develop an agenda item cover page (similar to the one shown in **Exhibit 2-5**). The purpose of this form would be to convey important information, including the financial impact, of each agenda item requiring Board action. This form should not take the place of background materials on the agenda item; rather, the tool would supplement the materials sent to the Board prior to a Commission meeting.

FISCAL IMPACT

This recommendation can be implemented with existing sources.

FINDING

Duplin County does not have a comprehensive orientation package nor training for new County Commissioners.

Interviews with numerous individuals indicated that, while training opportunities are encouraged by the County and provided by the UNC School of Government, Board members are left on their own to identify and obtain training. When a new Board member is elected, the County Manager provides the individual with some information, including the budget. Yet, there is no formal mentoring program, nor is there a planned initiative to train new Commissioner members on proper procedures, policies, roles, or responsibilities as a Commissioner.

RECOMMENDATION

Recommendation 2-9:

Develop and implement a formal County Commissioner orientation and training program at the local level.

Exhibit 2-5
Example Agenda Request Form

Meeting Date	Agenda Item Number
Tile:	
Requested Action:	
Summary Explanation and Background:	
Priority Goal (Linked to Strategic Plan):	
Financial Impact:	
Exhibits (List):	

Board Action:	Source of Additional Information
(official records office only)	_____ _____ **Name** **Phone**

Office of the County Manager _____

Department Head (if applicable) _____

Approved in Open Board Meeting On: _____

By: _____ **Board Chairperson**

Source: Created by Evergreen Solutions, LLC, 2009.

In order to ensure continuity of service, it is critical that new Commissioners receive proper training and information on their roles, responsibilities, and opportunities in serving the local community. At minimum, a full-day orientation program with the County Manager, CFO, and selected Department Heads should be planned.

The UNC School of Government, in partnership with the NC League of Municipalities and the NC Association of County Commissioners, has implemented the Local Elected Leaders Academy. Through this continuing education program, municipal and county elected officials can gain the knowledge and skills they need to lead and govern their communities in the 21st Century (http://www.sog.unc.edu/programs/lela/).

The courses offered for elected officials include:

- Building Your Governing Team

- Essentials of County Government

- Essentials of Economic Development

- Essentials of Municipal Government

- Ethical Issues in Local Government

- Leading Your County Governing Board

- Leading Your Municipal Governing Board

- Manager Evaluation and Board Assessment

- Managing Conflict: Strategies for Elected Officials

- Regional LeaderShop: Local Finance: Making Sense of it All

- Resolving Public Disputes I: Situation Assessment and Negotiation Skills

- Resolving Public Disputes II: Collaboration and Tools for Handling Contentious Stakeholder Groups

- Resolving Public Disputes III: Managing High Emotion and Contention in Public Hearings

- Rules of Procedure Workshop

- Strategic Planning and Capital Budgeting for Local Governing Boards

While most Duplin Commissioners have attended one or a few of these workshops, there has not been a concerted effort. And, these courses have not been broadly attended by Duplin Commissioners. Those who have attended, as well as commissioners in other counties, have found these courses invaluable.

Nonetheless, the state-level training cannot replace orientation and training at the local level.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

There is currently no conflict of interest policy nor form for Commissioner members to complete upon being elected to Board of County Commissioners.

Duplin Commission members are not required to disclose any specific business interests that may come before the Commission for policy decisions, and are not specifically required to remove themselves from decisions in which they may have a financial interest.

Many other counties have a policy relating to conflict of interest. An excerpt of one follows:

> *The use of public office for private gain is prohibited. The Board of County Commissioners shall implement this prohibition by ordinance, the terms of which shall include, but not be limited to: acting in an official capacity on matters in which the official has a private financial interest clearly separate from that of the general public; the acceptance of gifts and other things of value; acting in a private capacity on matters dealt with as a public official; the use of confidential information; and appearances by County Officials before other county agencies on behalf of private interests.*

RECOMMENDATION

Recommendation 2-10:

Develop a comprehensive disclosure and conflict of interest form to include in new County Commissioner member orientation packets.

Once a policy is developed and approved, the Board of County Commissioners should also reinforce the provision individually with each Commissioner member.

Each and every Commission member should be required to provide information on any business interests that they may have, and also provide notification of any family members or associates that may come before the Board of County Commissioner for specific business that would have a financial impact on the Commission member.

This information should be collected by the County Manager and be readily available to ensure that Commission members remove themselves when a policy decision needs to be made that could potentially have a fiscal impact on a Commission member's business interests or family.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The County must improve its warehousing of important historical records, including minutes.

The storage of critical historical records, such has minutes, is lacking and in need of significant improvement. Currently, Duplin County maintains hard copies of its minutes in the 2nd floor of the County Manager Office Building. This area is not fire proof.

RECOMMENDATION

Recommendation 2-11:

Properly warehouse and archive Board minutes.

Without a properly catalogued, maintained, and protected record of historical documents, Duplin County could easily find itself in a dire predicament. Should minutes and other files be destroyed, stolen, or misplaced, there would be no remedy. Files requiring historical records should be kept in fire proof vaults or storage cabinets.

Duplin County has investigated electronic data warehousing of historical documents for preservation purposes. In June 2009, the County received a quote for microfilming minutes from 1983 to current.

FISCAL IMPACT

The cost to microfilm minutes could be $4,400; with an approximately cost of $200 for annual minutes each year.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Microfilm Board Minutes	($4,400)	($200)	($200)	($200)	($200)

FINDING

The County Manager prepares a monthly Duplin County Employee newsletter called *Mosaic*. This newsletter is sent electronically to all employees. Each month, the County Manager prepares a message to all employees; individual departments are featured; and congratulations, birthdays, and condolences are included.

COMMENDATION

The County Manager is commended for the monthly employee newsletter which provides a regular vehicle of communication to all Duplin County employees.

FINDING

Best practices indicate that periodic assessment of employees and client groups is essential to ensure that an organization operates in a continuous improvement mode. Information gleaned from these assessments can help the agency make necessary adjustments in order to ensure there is continuous improvement. How employees feel about their jobs, their peers, and county and

department-level management can affect their individual productivity and the ability of the agency to achieve its objectives.

An important part of an organization's growth is its ability to monitor the organizational climate to ensure that it maintains focus on continuous improvement. Many businesses and organizations routinely survey their employees to obtain important input and feedback that helps shape future goals and strategies. Indeed, this is a critical characteristic of a highly effective organization.

Duplin County does not routinely administer an organizational climate survey to its employees. This employee information would help management determine the extent of issues or concerns related to the organization within the internal community. Without this employee information, management relies primarily on an informal network to ascertain issues or concerns.

Mosaic provides an excellent vehicle to assess employee climate and serves as a vehicle for two-way communication to provide employee concerns.

RECOMMENDATION

Recommendation 2-12:

Expand the purpose of the monthly newsletter and use it to administer an organizational climate survey to all employees on a regular basis.

Without a formal process, managers usually rely on their instincts or the willingness of employees to communicate with them. Most employees, however, are hesitant to communicate anything but positive information to their supervisors. An organizational climate survey taps into the perceptions and realities of various groups. The survey should be administered to ensure anonymity of its respondents. The survey should be done periodically and at least every two years to detect any trends and changes in employee perceptions. The results of the survey should be analyzed by individual departments.

FISCAL IMPACT

This recommendation can be implemented with existing resources. A variety of surveys are available through professional associations. Some employee time will be required.

2.2   *ORGANIZATIONAL STRUCTURE*

Successful municipal management starts with an effective organizational structure— a structure that reinforces the overall strategic direction of the county and allows specific leaders to concentrate on the most valuable aspects of their role. Conversely, an ineffective organizational structure can hamper a local government's ability to address the needs of its citizens, plan for future growth and resource needs, and implement valuable and necessary strategic initiatives.

Organizational structure is often viewed merely as a chart in a document or, in some cases, as an obscure academic discipline only examined by management professors and graduate students.

However, the structure of an organization is one of the primary keys to ensuring effectiveness and efficiency. If the proper organizational structure is not in place, an organization will fail to meet its basic goals and will, in the long run, take on many dysfunctional attributes. This has been proven time and time again in both the private and public sectors.

In North Carolina, there are no specific legal requirements placed upon county governments in terms of organizational structure. The closest that North Carolina General Statutes come to mandating an organizational structure in county government is through North Carolina General Statutes 153A-76 and 153A-81. North Carolina General Statute 153A-76 gives boards of county commissioners very broad authority over the organization of county government. North Carolina General Statute 153A-81 allows boards of county commissioners to employ a county manager to oversee the day-to-day operations of county government. However, state law is silent on the specific internal organization of county government. Of the 100 counties in North Carolina, there are probably 100 different organizational structures for county government.

Duplin County operates under the county manager form of government, meaning that the Board of County Commissioners has chosen to appoint a County Manager to oversee the day-to-day operations of county government. As with most North Carolina counties, the Duplin County Board of Commissioners has delegated issues related to the organizational structure of the County to the County Manager. This is based on the premise that, since the County Manager is responsible for carrying out the operations of Duplin County Government, he should be given the authority to design the organization in a manner that will allow for the most effective and efficient delivery of services, and is responsive to the needs of the County Government and citizens.

The current organizational structure of Duplin County is provided on the following page in **Exhibit 2-6.**

FINDING

The County Manager's Office is one of the leanest seen by Evergreen consultants. Upon assuming office August 2006, the County Manager deleted two positions— the position of assistant (or deputy) County Manager as well as one of the planner positions—saving Duplin County more than $100,000.

COMMENDATION

The Duplin County Manager is commended for his lean organizational structure in the County Manager's Office.

FINDING

As can be seen in **Exhibit 2-6**, Duplin County's organizational chart reflects that all Duplin County departments/operations report directly to both the County Manager and the Assistant County Manager/Finance Officer. Furthermore, the chart reflects that the elected positions of Sheriff and Register of Deeds and the appointed positions of Social Services Director, Public Health Director, and Elections Director report also report directly to the County Manager.

Exhibit 2-6
Duplin County Organizational Structure

```
                    ┌─────────────────────────┐
                    │  Citizens of Duplin County │
                    └─────────────────────────┘
                                 │
       ┌─────────────────────────┼─────────────────────────┐
┌──────────────┐        ┌──────────────┐          ┌──────────────┐
│ Register of  │────────│   County     │──────────│   Sheriff    │
│    Deeds     │        │ Commissioners│          │              │
└──────────────┘        └──────────────┘          └──────────────┘
                                 │                        │
                                 │                ┌──────────────┐
                                 │                │ Jail & Sheriff│
                                 │                │   Deputies   │
                                 │                └──────────────┘
       ┌─────────────────────────┼─────────────────────────┐
┌──────────────┐        ┌──────────────┐          ┌──────────────┐
│   Attorney   │────────│County Manager│──────────│Finance Officer│
│              │        │ & Personnel  │          │Assistant Mgr │
│              │        │  Director    │          │Purchasing Agent│
└──────────────┘        └──────────────┘          └──────────────┘
```

- Aging & Nutrition
- Airport
- Animal Control
- Board of Elections
- Building Inspections
- Cabin Lake
- Communications (E-911)
- Cooperative Extension
- County Manager's Office
- Cowan Museum
- Economic Development
- Emergency Medical Services
- Environmental Health
- Finance
- Health Department
- Housekeeping
- Information Technology (IT)
- Library
- Maintenance
- Planning
- Register of Deeds Office
- Sheriff's Department & Jail
- Social Services
- Soil & Water Conservation
- Solid Waste / Garage
- Tax
- Transportation
- Veteran's Services
- Water Department

Source: Duplin County Manager's Office, 2009.

The reporting relationships reflected on the organizational chart are not accurate. Currently, all County department heads report directly to the County Manager, not both the County Manager and Assistant County Manager/Finance Officer. Elected officials and certain appointed officials do not report directly to the County Manager. Although the relationships between these positions and the County Manager are extremely important, it should be noted that there is not a direct reporting relationship.

RECOMMENDATION

Recommendation 2-13:

Develop an organizational chart that accurately reflects the organizational structure and reporting relationships within Duplin County Government.

The County Manager and senior staff should develop a new organizational chart that truly reflects the structure of Duplin County Government. **Exhibit 2-7** provides an example from Catawba County, North Carolina, of how such a chart may better reflect the County Government. However, the County Manager and senior staff should tailor the chart to reflect the true structural nature of Duplin County.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Department heads and employees are not clear as to the management/supervisory role of the Assistant County Manager/Finance Officer.

Based on interviews with County department heads and employees, it is obvious that the management/supervisory role assigned to the Assistant County Manager/Finance Officer is unclear. Department heads do not report directly to the Assistant County Manager/Finance Officer. However, department heads, as necessary, bring non-fiscal, management issues to the Assistant County Manager/Finance Officer. To further these beliefs and actions, the County's organization chart reflects that department heads report to both the County Manager and Assistant County Manager/Finance Officer. This creates confusion in terms of the lines of authority and reporting relationships. Furthermore, considering the size of Duplin County, the Assistant County Manager/Finance Officer's time should be consumed with the management of Duplin County's finance functions.

RECOMMENDATION

Recommendation 2-14:

Clarify the management/supervisory role of the Assistant County Manager/Finance Officer and change the title of the position to Assistant County Manager for Finance.

Exhibit 2-7
Sample Organizational Chart
Catawba County Government

Catawba County Organizational Structure

Citizens of Catawba County

Board of Commissioners

Register of Deeds

Sheriff

Boards of Education

Schools' Administration

Special Committees

Hospital Board of Trustees

Catawba Memorial Hospital

Catawba Valley Community College

CVCC Board of Trustees

County Manager

Budget

Cooperative Extension

N.C. State University

Board of Elections

Elections

Emergency Services
-Animal Control/Shelter
-Emergency Management
-EMS
-Veterans' Services
-Fire Districts
-Rescue Squads

Finance
-Accounts Payable/Receivable
-Buildings & Grounds
-Fleet Maintenance
-Payroll
-Billing
-Purchasing

Legal

Library Board of Trustees

Library

Mental Health

Mental Health Board

Personnel

Planning
-Parks
-Planning & Zoning

Planning Board
Board of Adjustment

Public Health Board

Public Health

Social Services

Social Services Board

Board of Equalization & Review

Tax
-Assessor
-Collector

Technology
-Information Technology Center
-Geographic Information System
-911 Communications Center

Utilities & Engineering
-Building Services
-Erosion Control
-Permit Center
-Plan Review
-Solid Waste
-Water & Sewer

Source: Catawba County Government, September 2009.

The County Manager should clearly define to department heads the management/supervisory role of the Assistant County Manager/Finance Officer. It should be made clear that the Assistant County Manager/Finance Officer is primarily responsible for overseeing the County's financial operations and has no supervisory responsibilities over department heads on a daily basis. Furthermore, the Assistant County Manager/Finance Officer's job title should be changed to Assistant County Manager for Finance to more accurately reflect the job responsibilities associated with the position.

In the County Manager's absence, it should be clearly communicated that the Assistant County Manager for Finance is in charge.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The clerical operations that support the overall management and administrative functions of the County are not centralized under a single supervisor. Based on interviews with staff working in the county's central office, it is clear that there are many clerical duties and responsibilities shared by clerical employees supervised by various supervisors. Clerical employees seem to be adequately cross-trained. However, the lack of a single supervisor to oversee these employees and their job duties create inefficiencies in work coordination and work assignments.

RECOMMENDATION

Recommendation 2-15:

Reorganize central office clerical staff to report directly to the County Manager's Administrative Assistant.

The County Manager should implement this recommendation as an effort to increase the efficiency and effectiveness of the clerical operations and, just as important, for a single reporting structure that enhances cross-training and coordination.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The County Manager serves as the Human Resources Director.

It was noted in interviews with various department heads and employees that the County Manager spends a significant amount of time on human resource-related issues. Furthermore, it was noted, due to constraints on the County Manager's time, that many human resource-related

issues do not receive adequate attention. Duplin County does have a Human Resources Coordinator, but this position is not at the department head level, and mainly deals with lower level human resource issues.

RECOMMENDATION

Recommendation 2-16:

Reclassify the Human Resources Coordinator position to Human Resources Director.

The County should take this action to allow for an adjustment of the County Manager's workload and to allow for an emphasis to be placed on long-term human resources planning.

FISCAL IMPACT

This fiscal impact of this recommendation is anticipated at less than $10,000.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Reclassify HR Coordinator to Director	($5,000)	($5,000)	($5,000)	($5,000)	($5,000)

Recommendation 2-13 through **2-16** result in a revised organizational structure shown in **Exhibit 2-8.**

2.3   *LEGAL SERVICES*

North Carolina General Statute 153A-114 mandates that every board of county commissioners appoint a county attorney to serve at its pleasure. County attorneys serve as the primary legal advisors for boards of commissioners, and help to ensure that all county activities and operations are carried out in a legal manner. County attorneys also provide legal advice and recommendations to boards of commissioners, county managers, and department heads. In most cases, communication between county attorneys and these county officials are protected by the attorney-client privilege.

Several options exist for counties to secure legal representation. Many counties in North Carolina contract for legal/county attorney services. In these counties, the county attorneys are usually independent lawyers or are members of law firms and work for their counties on an hourly basis or through a retainer agreement. Other counties have permanent, full-time legal representation. In these counties, county attorneys are full-time, salaried county employees working for and reporting to the boards of the county commissioners. It is becoming more and more common for North Carolina counties to have full-time legal representation on staff. This is a reflection of the complex bureaucratic and legal environment in which counties must now operate.

Exhibit 2-8
Proposed Duplin County Organizational Structure
for Duplin County Government

```
┌──────────────────┐   ┌──────────────────┐   ┌──────────────────┐
│ Register of Deeds │───│     County       │───│     Sheriff      │
│                  │   │  Commissioners   │   │                  │
└──────────────────┘   └──────────────────┘   └──────────────────┘
                                                        │
                                               ┌──────────────────┐
                                               │  Jail & Sheriff  │
                                               │     Deputies     │
                                               └──────────────────┘

        ┌──────────┐   ┌──────────────┐   ┌──────────────────────┐
        │ Attorney │───│County Manager│───│  Assistant County    │
        │          │   │              │   │  Manager for Finance │
        └──────────┘   └──────────────┘   │   Purchasing Agent   │
                              │            └──────────────────────┘
```

- Aging & Nutrition
- Airport
- Animal Control
- Board of Elections
- Building Inspections
- Cabin Lake
- Communications (E-911)
- Cooperative Extension
- County Manager's Office
- Cowan Museum
- Economic Development
- Emergency Medical Services
- Environmental Health
- Finance
- Health Department
- Human Resources
- Housekeeping
- Information Technology (IT)
- Library
- Maintenance
- Planning
- Register of Deeds Office
- Sheriff's Department & Jail
- Social Services
- Soil & Water Conservation
- Solid Waste / Garage
- Tax
- Transportation
- Veteran's Services
- Water Department

Source: Created by Evergreen Solutions, LLC, 2009.

Although North Carolina General Statutes do not list a set of specific responsibilities for county attorneys, there are some generally accepted duties assigned to county attorneys. These duties include:

- attending meetings of the board of county commissioners;

- routine consultation with county commissioners, the county manager, and department heads;

- drafting ordinances and resolutions;

- preparing standard legal documents; and

- preparing legal advertisements.

It is becoming very common for county attorneys to work with legal issues surrounding the provision of human services through departments of social services and public health. In fact, many county attorneys spend the majority of their time on these human services issues. It should also be noted that it is very common for counties with full-time county attorneys to contract with outside lawyers or law firms for specific legal services—law suites, human service issues, and economic development—just to name a few.

Duplin County has a full-time, salaried County Attorney. The full-time position of County Attorney was established four years ago when the current attorney was appointed as the first full-time County Attorney. The County Attorney is housed in the Department of Social Services Building and her salary is split between local county funds and state social services dollars. The County Attorney has a full-time secretary on staff.

Most of the County Attorney's work load is related to the operations of the Department of Social Services—child support, child protective services, guardianship issues, and competency questions. The County Attorney also represents all County agencies, attends all meetings of the Board of County Commissioners, provides legal advice to County Commissioners and employees, and consults with the County Manager. The County Attorney is a member of the Duplin County Bar Association and the North Carolina Association of County Attorneys.

Duplin County also contracts with outside legal counsel for specific services. Records indicate that, during the past two years, the County has contracted with five different outside attorneys/law firms. **Exhibit 2-9** provides a listing of outside legal expenses for Duplin County during the past two fiscal years and the type of service provided by the outside counsel. Expense data were provided by the Duplin County Legal Office.

As reflected in **Exhibit 2-9**, Duplin County spent a total of $250,381 in outside legal expenses for the combined two-year period. Of this amount, $120,162.10 can be associated directly with the expenditure of local County funds ($15,916.67 to Sanford Holshouser for economic development services and $104,245.43 to the Yarborough Law Firm for services related to mediation with the School Board). The remaining expenditures were either fully or partially reimbursed by federal funds (the FEMA grant expense) or state social services funds (social services appeals and child support enforcement/child protective services).

Exhibit 2-9
History of Outside Legal Expenditures in
Duplin County
2007-08 and 2008-09 Fiscal Years

Firm/Attorney	Service	2007-08	2008-09	TOTAL
Elizabeth Myrick Boone	Social Services Appeals	$0.00	$3,600	**$3,600**
Robin Rhodes	Child Support Enforcement; Child Protective Services	$2,018.00	$2,906.25	**$4,924.25**
Sanford Holshouser	Economic Development	$15,916.67	$0.00	**$15,916.67**
Smith & Blizzard	FEMA Hazard Mitigation Grant Program	$121,694.49	$0.00	**$121,694.49**
The Yarborough Law Firm	School Board Mediation	$5,826.00	$98,419.43	**$104,245.43**
	TOTAL	**$145,455.16**	**$104,925.68**	**$250,380.84**

Source: Duplin County Legal Office, July 2009.

FINDING

Although the majority of Duplin County's expenses for outside legal services are reimbursed by either the state or federal governments, it is necessary that the expenditure of these funds be closely monitored. Based on a review of contracts for outside legal services for social services—related issues, it appears there is no oversight from the Board of County Commissioners nor County Manager in terms of the drafting and execution of these contracts. Furthermore, there appears to be no specific method for reporting to the Board of County Commissioners on the amount of funds being spent on outside legal counsel.

RECOMMENDATION

Recommendation 2-17:

Review and approve all contracts for outside legal services prior to execution.

The County Attorney should report on a monthly basis to the Board of County Commissioners the amount of funds spent on outside legal counsel.

The County Manager should implement an administrative process through which he will review and approve all contracts for outside legal services prior to the contracts being executed. Furthermore, all such contracts should require the signature of the County Manager and County Attorney. The County Attorney should also put in place a process for reporting monthly expenses for outside legal services to the Board of County Commissioners.

FINDING

The Duplin County Attorney does not have an employment agreement nor contract with the Duplin County Board of County Commissioners.

In the state of North Carolina, it is questionable if county attorneys are allowed to have employment contracts because state law specifies that county attorneys serve at the pleasure of

the board. However, it would be permissible for county attorneys to have employment agreements for a specified number of years. Such an agreement would describe the benefits for the county attorney and set specific termination terms, such as how many months severance pay and any other items much like the recommended agreement with the County Manager. Although a model agreement is not recommended by any governmental or professional organizations, it would be appropriate to model an agreement after the model agreement proposed by the International City/County Management Association for local government managers. An outline of this agreement is included as **Exhibit 2-1**.

RECOMMENDATION

Recommendation 2-18:

Prepare an employment agreement for the Duplin County Attorney.

The Duplin Board of County Commissioners should promptly enter into an employment agreement with its County Attorney. The Board of County Commissioners, County Manager, and County Attorney should review and provide input into the draft agreement prior it its finalization.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

As with the County Manager, the Board of County Commissioners should have a process in place to fairly and effectively evaluate the performance of the County Attorney. Although the Board of County Commissioners performs an annual evaluation of the County Attorney, the process is based on the use of standardized evaluation forms used for all other County employees. A performance evaluation process, as recommended for the County Manager in **Recommendation 2-2** of this report, could also be put in place for the County Attorney.

RECOMMENDATION

Recommendation 2-19:

Develop a comprehensive performance evaluation tool for the Duplin County Attorney.

During the development of an employment agreement with the County Attorney, the Duplin County Board of Commissioners, and the County Attorney should develop goals and measurable performance objectives with established priorities. An evaluation tool should be developed by the Board of County Commissioners based on these goals and measurable objectives. Each year, the County Attorney should be evaluated and held accountable using the agreed upon quantifiable evaluation instrument.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Due to the state's billing and reimbursement requirements for the Department of Social Services, it is required that the County Attorney account for all hours associated with social services-related functions. However, the County Attorney does not keep track of time associated with other functions of Duplin County Government.

In order to allow for a better understanding of legal costs for specific county operations and activities, the County Attorney needs to keep a tracking system of the time spent on specific issues and with individual departments, much like is common practice with private lawyers and law firms. This would allow the County Attorney to clearly see where resources are being spent and, more importantly, allow the Board of County Commissioners and the County Manager to make sure that legal resources are being directed in areas of strategic importance. Furthermore, the process would help identify if certain Duplin County operations and departments are using an inappropriate amount of legal resources.

RECOMMENDATION

Recommendation 2-20:

Direct the County Attorney to keep account of all work hours by County Department and/or operation.

The County Attorney should develop a tracking system for monitoring the time spent on each County Department and/or operation. Such a system should be modeled after the type of time tracking systems used by private attorneys and law firms.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The County Attorney's Office is currently in the Department of Social Services building. This arrangement gives many people, County employees and citizens alike, the impression that the County Attorney works solely as legal counsel for the Department of Social Services. Furthermore, because of her office location, the County Attorney can, at times, be isolated from the legislative and management arm of Duplin County. This situation can also create an environment where the Department of Social Services is using the time of the County Attorney more frequently than is necessary.

RECOMMENDATION

Recommendation 2-21:

Find appropriate office space for the County Attorney in Duplin County's central administrative office building.

The County Attorney's Office should be moved to Duplin County central administrative office building. This move will allow the County Attorney to take a more active role in the day-to-day legislative and management activities of Duplin County and will help to prevent too many legal resources being spent on mundane activities associated with the Department of Social Services.

When making this recommendation, Evergreen consultants realize that space in the central office is tight and a space analysis study might be needed. For example, it may be more important to have the attorney in the central office than to house the IT function there.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

2.4   *POLICIES AND PROCEDURES*

The most progressive and effective local governments are those that not only have the vision to plan for their needs ahead of time, but which also clearly have a present-day perspective on their activities. This is done first and foremost through diligent adherence to documented policies, procedures, and regulations governing activities. Governing bodies set policies that guide the organization. Having a clear set of policies—that are current and integrated or cross-referenced to current laws, rules, and regulations and available to every staff member—is important to the overall organization of the county.   Policies help the county protect itself against potential lawsuits and penalties from employees violating laws, rules, or regulations.

There is no substitute for well and up-to-date written policies. Policies promote stability and:

- maintain continuity and consistency;
- lend legitimacy to board actions;
- provide guidance for the County Manager;
- allow the board and administration to operate in a more efficient manner; and
- provide the basis for a legal record.

Well-written and organized procedures guide employees in carrying out the county's policies in its various organizational units. Properly written procedures:

- implement and assure compliance with governing body policies as well as document the intent of those policies;

- protect the institutional knowledge of an organization, so that as experienced employees leave, new employees have the benefit of the others' years of experience;

- provide new employees with training; and

- offer a tool for evaluating employees based on their adherence to countywide and departmental procedures.

Administrative procedures should be formally documented, with each administrator being held responsible for creating and maintaining understandable procedures that are cross-referenced to county policies.

FINDING

Duplin County does not have a Comprehensive Policy Manual and lacks common policies found in other counties. Moreover, most policies that exist are outdated (especially in the areas of personnel), and have not been revised. The lack of policies and administrative procedures in many operational areas is a reoccurring theme throughout this report.

Examples of policies that have been revised and revision dates are included below:

- Meal Reimbursement Policy - 12/15/08
- Vehicle Policy - 5/21/07
- Vehicle Use Policy - 12/15/08
- Uniform/Work Clothes Policy - 12/15/08
- Worker Status Policy (Employee or Independent Contractor) - 12/15/08
- Alcohol and Drug-Free Workplace Policy - 11/5/07
- Theft Prevention Program - 10/20/08
- Portable Communication Device Policy - 12/15/08
- Reduction in Force (RIF) Policy - 4/6/09

The above policies are the only updated ones provided to Evergreen consultants. Most personnel policies are clearly out-of-date (except for the RIF policy), and in several areas (such as Technology) board-approved policies do not exist.

Orange County (NC) Government has a comprehensive policy directory. **Exhibit 2-10** provides the outline of this document. This policy directory, or those developed by other North Carolina countries, could be used by Duplin County to accomplish this recommendation.

RECOMMENDATION

Recommendation 2-22:

Develop a comprehensive Board policy manual with up-to-date and comprehensive policies.

Exhibit 2-10
Orange County, North Carolina, Policy Directory
Table of Contents

Overview
  Subject Index
  Policy and Procedure Development

Section 1 – General Government and Administration
  1.0 Guidelines for presenting at BOCC meeting
  2.0 Southern Human Services Building Podium Usage Policy and Request form
  3.0 Procedure for Boards to Post Agendas and Minutes to the Web
  4.0 Policy Agenda Schedule, Agenda Item Abstract Form
  5.0 Tobacco Use Policy
  6.0 Food Service Policy
  7.0 Policy Toward a Sustainable Community
  8.0 Commissioner Requests for Information

Section 2 – Hazardous Weather Operations
  1.0 Hazardous Weather Plan

Section 3 – Financial Services

  Budget
  1.0 Submitting a line item transfer or Budget Amendments
  2.0 Debt Management Policy
  3.0 Capital Funding Policy
  4.0 Policy on Planning and Funding School Capital Projects

  Purchasing and Central Services
  5.0 Purchasing Manual
  6.0 Fixed Asset Policy
  7.0 Procedure for Voicemail
  8.0 Orange County's Minority Business Enterprise (MBE) Policy

  Financial Services
  8.0 Travel Policy and Pro Diem Rates
  9.0 Travel Authorization Form
 10.0 Travel Expense Form
 11.0 Temporary Employee Request Form
 12.0 Temporary Employee timesheet

Section 4 – Vehicles, Facilities and Equipment
  1.0 Vehicle Use Policy
  2.0 Energy Conservation Policy
  3.0 Vehicle Fuel Conservation Policy
  4.0 Water Conservation Policy
  5.0 Facility Use Policy
  6.0 Public Works Work Order Form
  7.0 Security of County Buildings
  8.0 Cultural and Archaeological Resources Policy for Orange County Construction

Section 5 – Safety and Risk Management
  1.0 Post Accident Requirements
  2.0 Accident Report Form
  3.0 Violence Incident Report Form
  4.0 Legal Defense of County Employees and Officers

Section 6- Public Awareness and Media Relations
  1.0 Press Release Request Form
  2.0 Strategic Communications Plan
  3.0 Orange County Ethics and Conduct for Public Servants Policy
  4.0 Orange County Government Limited English Proficiency (LEP) Policy
  5.0 Non-Discrimination Policy for Agencies Receiving County Funds

Exhibit 2-10 (Continued)
Orange County, North Carolina, Policy Directory
Table of Contents

Section 7– Information Technology
  1.0 Appropriate Use Policy (IT.AUP.01)
  2.0 Network Backup Policy (IT.NBP.01)
  3.0 Network Password Policy (IT.NPP.01)
  5.0 Email Policy (IT.EP.01)
  6.0 New Employee IT Policy (IT.NE.01)
  7.0 Equipment Relocation Policy (IT.ERP.01)
  8.0 Departing Employee Policy (IT.DE.01)
  9.0 Computer Allocation Policy (IT.LP.01)

Section 8 – Personnel
  1.0 Orange County Personnel Ordinance

  Article I - The Personnel Organization Page
  1.0 Purpose
  2.0 Organizations Affected
  3.0 Adoption Of Rules And Regulations
  4.0 Definitions
  5.0 Merit Principle
  6.0 Organization - County Board Of Commissioners
  7.0 Organization - County Manager
  8.0 Personnel Function
  9.0 Personnel Records

  Article II - Recruitment And Employment
  1.0 Equal Employment Opportunity/Affirmative Action Policy
  2.0 Sexual Harassment Policy
  3.0 Recruitment And Selection
  4.0 Limitation Of Employment Of Relatives
  5.0 Appointments
  6.0 Probationary Period
  7.0 Continuous County Service
  8.0 Reinstatement
    Employment Resources

  Article III - Conditions Of Employment
  Overtime Compensation Rules and Regulation
  1.0 The Work Week
  2.0 Attendance Record
  3.0 Overtime And The Time-Off Plan
  4.0 Leave Without Pay
  5.0 Outside/Dual Employment And Solicitations
  6.0 Political Activity
  7.0 Gifts And Gratuities
  8.0 Safety, Conduct And Performance
  9.0 Workplace Violence Prevention
 10.0 Drug Free Workplace
 11.0 Drug And Alcohol Testing
  A.1 Appendix A
  A.2 Appendix B

  Article IV - Employee Benefits
  Worker's Compensation Rules and Regulations
  1.0 Worker's Compensation Leave
  2.0 Social Security
  3.0 Administrative Leave
  4.0 Holidays And Holiday Pay
  5.0 Vacation Leave

Exhibit 2-10 (Continued)
Orange County, North Carolina, Policy Directory
Table of Contents

Exhibit 2-10 (Continued)
Orange County, North Carolina, Policy Directory
Table of Contents

Article IX - Separation and Disciplinary Action
1.0 Purpose
2.0 Policy
3.0 Procedure
4.0 Disciplinary Action
5.0 (Hold For Later Issue)
6.0 Employee Appeal Of Disciplinary Action
7.0 Exit Interview
A.1 Appendix 1 Required Disciplinary Action Process
A.2 Appendix 2 Guides For Work Performance And Personal Conduct

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Source: http://server1.co.orange.nc.us/manager/index.asp

All policies should be adopted by the Board of County Commissioners.

Clear, comprehensive, and up-to-date policies should provide a framework for the Board of County Commissioners and County Manager decisions. Generally, a policy manual necessitates a complete comprehensive review at least every five to 10 years.

FISCAL IMPACT

This recommendation can be implemented with existing resources, but will require staff time.

FINDING

Once a Policy Manual has been developed, it should be available as an electronic document on the County's Web site. Currently, only policies which have been revised recently are on Duplin County's Web site.

RECOMMENDATION

Recommendation 2-23:

Develop the policy manual as an electronic document, and make it available to County staff on the Web site.

The implementation of this recommendation will serve as a catalyst to creating a culture of accountability within Duplin County. County staff should be thoroughly knowledgeable of all policies, procedures, and regulations which affect their duties and responsibilities. This can only be accomplished when they are exposed to the policies and procedures on a regular basis.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

For the few policies that do exist, required or recommended standard operating procedures (SOPs) developed as a result of the Board policy are not identified in Board policy, nor is there a general index where such procedures are referenced (e.g., the operational procedures developed by the Finance Office). It is not possible to link from policy to administrative procedure in any area by using a coded system, nor is it possible to link from procedure to policy.

No cross referencing is evident to connect policies with their required procedures, nor to identify for practitioners the policies which undergird different standard operating procedures.

RECOMMENDATION

Recommendation 2-24:

Create comprehensive set of standard operating procedures (SOPs) or administrative procedures after Board policies have been completely updated, and place these procedures online.

Department heads should be responsible for developing SOPs for their units and operations.

Each procedure should be carefully cross-referenced to Board policy. A procedure should be:

- based upon Board policy;
- communicated clearly to administrators and staff; and
- reviewed annually.

The evaluation of each department manager should include a component on the development and implementation of procedures in his/her area of responsibility.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

2.5   *STRATEGIC PLANNING*

At its core, the most critical component to organizational success in the 21st Century is effective strategic planning. Simply defined, strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people.

New approaches to management in the public sector are imperative as governments grow in the new millennium. Market dynamics have created challenges for public organizations, with the emergence of the global economy, advances in technology, increased societal demands, and the need to provide more social services with fewer resources. In addition, a widespread desire for increased organizational scrutiny has increased the pressure for change, given more accessible globalized information systems and heightened media attention critical of government inefficiencies in service delivery. Response mechanisms have emerged within the private market

to meet these recent challenges, but government organizations have been slower to respond. This is understandable, given fiscal constraints and the bureaucratic process axiomatic to governments. However, a new approach, which incorporates modern strategic planning and management tools, is necessary for the public sector to achieve improved performance and overall service quality.

The guiding principles in any strategic planning process, whether in the public or private sector, are about understanding what changes are needed, how to implement and manage these changes, and how to create a roadmap for sustaining improvements that lead to better performance. The difficulty in strategic planning is the challenge of laying a foundation for success in the future while meeting today's challenges.

The primary tools available to organizations – for understanding, implementing, delivering and managing services and change – are outlined in **Exhibit 2-11**.

The diagram presented is a brief overview of a common public sector strategic management model (with the addition of change management tools) used in the strategic planning process. This exhibit provides a dynamic method—not just a planning model—for evaluating the success of public sector organizations in meeting customer demands in the new public management.

Exhibit 2-11
Overview of Strategic Planning Process

- External Assessment
- Internal Assessment
- Market Assessment

Review Performance and Renew Process

- Information Gathering
- Identify Critical Issues

Vision

Mission

Development of Strategic Goals

Formulation of Strategies for Each Goal

Operational Plan Based on Strategic Plan

Must Include Annual Objectives

Must Incorporate Change Management
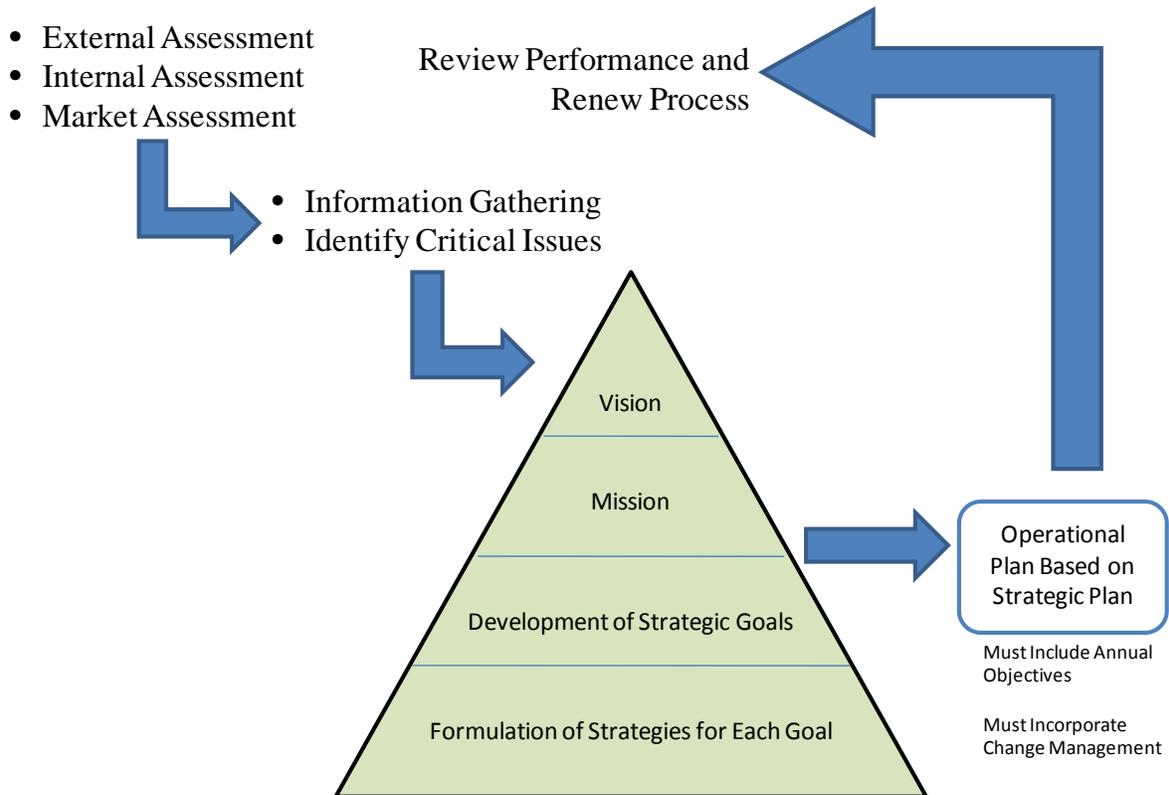
Source: Created by Evergreen Solutions from Bryson, John M., Strategic Planning for Public and Nonprofit Organizations

The application of this model helps to identify the components for success and the capabilities of an organization in its strategic planning. As illustrated, the first step is information gathering, which identifies key market, industry, and internal organizational trends and opportunities that will impact the organization ("market", in the public sector contexts, refers to all relevant stakeholders). The organization's ability to respond to these critical strategic issues and challenges is manifest in their vision and the mission statement describing what they do, with/for whom they do it, their distinctive competence, and why they do it. The strategic goals and specific strategies for achieving these goals should be formulated in an operational plan that also addresses change management issues. From this point, a review of this process and performance should be ongoing.

FINDING

Duplin County does not have a five-year countywide strategic plan that ties together all departments, administrative units, and leadership, which is linked to the budget process for the Board and County Management. Consequently, decisions are often made by the Board of County Commissioners based on insufficient or incomplete information, or on who can "shout the loudest." Without a comprehensive multi-year plan, departments are put into a competitive atmosphere – they are forced to compete with their own counterparts for the scarce resources available. For example, the Sheriff is forced to compete with the EMS and Communication, as opposed to the Board and departments collectively collaborating to identify priorities of Duplin County and the most effective utilization of resources over a five-year period.

Duplin County has undertaken strategic planning three times in the past 15 years (1994, 2002, and 2007). In general, each of these plans identified worthwhile goals, but lacked realistic measureable strategies for implementation. The most recent planning effort in 2007 solicited input from business leaders and had some participation by the elected officials. Yet, the plan is not used to guide daily operations, in fact, one Commissioner was not aware that a strategic plan existed although its goals are displayed on the wall of the Commission Room (see **Exhibit 2-12**). Clearly, there was no evidence of buy-in to the plan at the Commission and Department Head levels.

The 2002 strategic planning process and plan development were much more extensive than the 2007 effort because of a grant from the North Carolina Rural Center. The 2002 plan built on the 1994 plan.

The 2002 Strategic Plan summary states:

> *Through the combined efforts of state agencies, non-profit funding sources and community leaders, a renewed vision of Duplin County's future has been defined. This Strategic Plan outlines 16 numbers of specific, obtainable strategies that will have a positive impact on the county's citizens and economy. It is our sincere hope that this plan will be a useful tool in fulfilling our mission of "building Duplin County into a unified community with a diversified economic base providing a good quality of life to all those who would be its citizens."*

Exhibit 2-12
Duplin County Strategic Plan
2007-2012

Vision

Increased effectiveness of public service delivery by County Government.

Core Values

    Integrity: Honesty, self-respect and ethics in interacting with all citizens.

    Responsibility: Capability to follow through on ambitious goals.

    Security: Freedom and independence to pursue goals for the common good.

Short-Term Goals

    Education: Provide for high quality education system.
                     Promote sales tax referendum.

    Infrastructure: Protect and expand investments in infrastructure.
                         Water and Sewer to NC 11 Bypass – Kenansville.
                         Sewer Study.
                         Expand online service – inspection applications.

    Economic Development: Promote and develop Duplin County products and services.
                                     Public/private development partnerships.
                                     Emphasis on retail expansion.

    Healthcare: Support preventive treatment and wellness.
                    Wellness programs and facilities.

Source: http://www.duplincountync.com/economicDevelopmentStrategies/goalsObjectives.html.

The implementation strategy for the 2002 plan recognizes that a strategic plan is only as good as its implementation plan. The Strategic Plan Steering Committee recommended the following implementation strategy, however, implementation never occurred.

Propose that the Duplin County Commissioners create a Vision 21 Committee, charged with carrying out the recommendations put forth in the 2002 Strategic Plan. The membership of the Vision 21 Committee should be made up of two members from each of the task forces – one, the chair of the task force, and the second an interested member from the task force. The remaining members of each task force shall serve as resource committees to the Commission. The membership appointments shall be for two years.

It is proposed that the Committee meet quarterly. In anticipation that the Committee's work may result in budgetary considerations, the Committee will make an annual report to the County Commissioners on January 21st of each year.

After analyzing the three strategic planning initiatives, Evergreen concludes that, while these three initiatives are noteworthy, each was plagued with major pitfalls, including:

- most goals and objectives have not been implemented;

- each plan was not linked to the County's budget;

- each plan stopped at the county-level and failed to generate similar goals and objectives in individual departments; and

- the County Commissioners assumed no ownership over each plan and, in many cases, were not involved in plan development.

RECOMMENDATION

Recommendation 2-25:

Develop a comprehensive five-year Strategic Plan for Duplin County Government.

Duplin County's lack of a comprehensive strategic plan is at the core of the majority of issues facing the County. The lack of resources affecting some departments, staffing priorities, and organizational mission, all relate back to a vacuum created by the lack of a truly comprehensive strategic plan.

Initiating the planning process correctly is both critical and challenging. A helpful resource to initiate the process is the book *Balanced Measures for Strategic Planning: A Public Sector Handbook,* by Kathleen Monahan. It might be advisable to first bring the key stakeholders together (County Commissioners, County leaders, department heads) and have them all read the publication, to ensure that everyone is working from the same perspective.

The strategic plan should have both a macro-level approach (countywide) while incorporating micro-level subcomponents (department level). At the department level, specific staffing models are critical to ensure that each department is properly equipped to carry out the objectives set forth. The key to success is in establishing the plan, as well as the process itself, as a living and dynamic initiative through which implementation can be clearly demonstrated.

FISCAL IMPACT

This recommendation can be implemented within existing resources; however, staff time will be needed. It is critical that the Board of County Commissioners participates as well.

CHAPTER 3:
FINANCIAL MANAGEMENT

3.0   FINANCIAL MANAGEMENT

Sound county financial management involves the effective use of limited resources to support services. Counties must maximize resources available and must account for use of these resources accurately to local taxpayers, and state and federal governments. Effective purchasing programs provide counties with quality materials, supplies, services and equipment in a timely manner at the lowest price. Proper accounting must reduce the risk of lost assets and ensure their appropriate use. The county must provide the Board of Commissioners and administrators with timely, accurate, and useful reports concerning its financial condition.

Financial managers collect, analyze, and provide financial information for decision makers. Successful financial operations require qualified personnel with an adequate separation of duties, as well as an accounting system that provides timely, useful, and accurate information to support operating decisions. Comprehensive policies and procedures that ensure proper management of financial resources are important.

This chapter reviews the financial management, budgeting, purchasing, asset and risk functions of the Duplin County Government (the County). The review is organized around the four sections listed below:

3.1	Organization and Financial Management
3.2	Budgeting
3.3	Purchasing
3.4	Risk and Asset Management

Duplin County selected four neighboring counties as peer counties for comparison purposes for this performance audit: Bladen, Columbus, Lenior, and Sampson Counties. **Exhibit 3-1** presents a comparison of revenues by source for Duplin County and the peer counties. As shown in the exhibit, Duplin funds 37 percent of costs for the County from property taxes—higher than any peer county. Duplin also utilizes the highest sales tax to fund operations at 15 percent compared to the average of 12 percent.

Exhibit 3-1
Percentage of Total Revenues by Source
June 30, 2008

County	Property Taxes	Other Taxes	Sales Tax	Sales and Services	Intergovernmental	Debt Proceeds	Miscellaneous
Duplin County	**37%**	**2%**	**15%**	**19%**	**23%**	**0%**	**4%**
Bladen County	26%	2%	9%	44%	13%	2%	4%
Columbus County	33%	3%	13%	11%	31%	3%	6%
Lenoir County	26%	2%	11%	6%	14%	37%	4%
Sampson County	32%	1%	13%	11%	17%	21%	5%
Average	**31%**	**2%**	**12%**	**18%**	**20%**	**13%**	**5%**

Source: Created by Evergreen Solutions with data from http://www.nctreasurer.com/lgc/units/unitlistjs.htm: June 2008.

Exhibit 3-2 compares Duplin County's percentage of total expenditures by function to peer counties. Two peer counties spend less on education than Duplin County and two peer counties spend more. However, Duplin's percentage for education is ten percentage points less than the average. Duplin's percent spent on general government of 11 percent is the highest compared to other peer counties.

Exhibit 3-2
Percentage of Total Expenditures by Function
June 30, 2008

County	Education	Debt Service	Human Services	General Government	Public Safety	Other
Duplin County	**16%**	**7%**	**27%**	**11%**	**20%**	**19%**
Bladen County	10%	6%	54%	7%	14%	9%
Columbus County	13%	6%	36%	8%	15%	22%
Lenoir County	46%	3%	21%	8%	13%	9%
Sampson County	47%	7%	19%	9%	12%	6%
Average	**26%**	**6%**	**31%**	**9%**	**15%**	**13%**

Source: Created by Evergreen Solutions with data from http://www.nctreasurer.com/lgc/units/unitlistjs.htm: June 2008.

Bladen County is the only peer county that has a higher percentage of expenditures for salaries and wages than Duplin, as shown in **Exhibit 3-3,** and is eight percentage points higher than the average. Duplin's percentage of expenditures for other operating of 37 percent is almost equal to the average of 35 percent.

Exhibit 3-3
Percentage of Total Expenditures by Object
June 30, 2008

County	Salaries & Wages	Capital Outlay	Other Operating	Public School Capital	Public School Current	Other
Duplin County	**35%**	**6%**	**37%**	**3%**	**11%**	**8%**
Bladen County	38%	3%	43%	1%	8%	7%
Columbus County	24%	7%	47%	2%	9%	11%
Lenoir County	21%	5%	20%	34%	10%	10%
Sampson County	15%	6%	27%	39%	6%	7%
Average	**27%**	**5%**	**35%**	**16%**	**9%**	**9%**

Source: Created by Evergreen Solutions with data from http://www.nctreasurer.com/lgc/units/unitlistjs.htm: June 2008.

Exhibit 3-4 presents a comparison of Duplin County's tax rate to peer counties. Duplin's tax rate of $0.79 was the second lowest among peer counties. Only Bladen had a lower tax rate.

Duplin's expenditures per county resident is lowest among peer counties as shown in **Exhibit 3-5**. For each resident in the County, Duplin spends $885 which is $182 less per resident than the peer average and $385 per resident less than Sampson which has the highest expenditure per resident.

Exhibit 3-4
Tax Rates for Duplin and Peer Counties
June 30, 2008

Counties	Tax Rate
Duplin County	**$0.7900**
Bladen County	$0.7400
Columbus County	$0.8150
Lenoir County	$0.8400
Sampson County	$0.8450

Source: Created by Evergreen Solutions with data from
http://www.nctreasurer.com/lgc/units/unitlistjs.htm: June 2008.

Exhibit 3-5
Budget Expenditures per County Resident: 2007-2008
June 30, 2008

Counties	Residents	Budgeted Expenditures*	Budget Expenditures Per Resident
Duplin County	**53,640**	**$47,480,801**	**$885**
Bladen County	30,800	$37,747,700	$1,226
Columbus County	55,000	$53,936,008	$981
Lenoir County	58,172	$56,514,013	$971
Sampson County	61,768	$78,461,595	$1,270
Average	**51,876**	**$54,828,023**	**$1,067**

Source: Created by Evergreen Solutions with data from http://www.nctreasurer.com/lgc/units/unitlistjs.htm:
June 2008.

3.1   *ORGANIZATION AND FINANCIAL MANAGEMENT*

A county's financial management operations include the functions of collection, disbursement and accounting for local, state and federal funds. An effective fiscal operation implements detailed policies and internal controls to process the County's daily business transactions efficiently while providing accurate, complete and timely information to county management and the Board of County Commissioners. Payroll is a major part of any county, since it normally represents the bulk of the expenses.

FINDING

The majority of Duplin County's financial operations are under the direction of the Finance Officer, who reports directly to the County Manager. The Finance Officer is responsible for the functions associated with accounting, reporting, accounts payable, payroll, fixed assets, and purchasing, but does not oversee the budgeting functions. In addition to being assigned financial management responsibilities, the Finance Officer also serves as the County's Assistant County Manager. The County Manager is the County's Budget Officer and is also responsible for most risk functions, including insurance and safety. The County Manager performs those functions with the assistance of an administrative assistant.

The Finance Officer has 24 years of experience with Duplin County. She is well respected by department heads and, through her leadership, has ensured that the Finance Office prepares accurate financial reports to the Board of Commissioners, and state and federal agencies. The staff of the Finance Office also are experienced and, during the review, demonstrated that they are very conscientious and strive for efficiencies and customer satisfaction. Although the responsibilities for managing the County's financial resources has and continues to increase, the Finance Office has not increased staff since 1992, when a part-time position was increased to a full-time position.

The Finance Officer has a staff of six who assist in carrying out the responsibilities of the office. The six staff members include:

- a Deputy Finance Officer;
- a Deputy Purchasing Agent;
- an Accountant/Internal Auditor;
- an Accounts Payable Specialist;
- an Accounting/Payroll Clerk; and
- a Mail Clerk/Receptionist.

The Deputy Finance Officer and the Deputy Purchasing Agent report directly to the Finance Officer. The Accountant/Internal Auditor, the Accounts Payable Specialist and Accounting/Payroll Clerk report to the Deputy Finance Officer while the Mail Clerk/Receptionist reports to the Deputy Purchasing Agent.

The employees of the Finance Office have been crossed trained to perform duties assigned to other employees in the office. In addition, the Finance Officer has prepared a matrix showing the cross-training and the employees responsible to fill-in when the employee assigned the primary duty of carrying out a function is absent from work. **Exhibit 3-6** shows the matrix.

COMMENDATION

The Duplin County Finance Office is commended for providing effective and efficient leadership, and for providing cross training to Finance Office employees to help ensure critical functions are continued uninterrupted when key employees are absent from work.

FINDING

The Finance Office developed and uses a daily process to help ensure the County receives maximum interest earnings on idle cash balances. Each day, the Accounts Payable Specialist checks the cash in the General Fund's operating account and calculates the needs for the next day based on deposits made and payments made. Any cash not needed for the next day is moved to investments in the North Carolina Management Trust. By analyzing cash needs on a daily basis, and moving any unneeded cash to accounts that earn interest, the County captures interest earnings that would otherwise not be realized if the daily process had not been developed and followed.

Exhibit 3-6
Cross-Training Matrix
2009-10

Employee	Duties	Backup Employee
Deputy Finance Officer	Taxes, balance investments, debt payments, moth enc closeout, debt setoff, assist outside auditors, insurance claims, development of accounting programs, grants, telephone/cell phones	Accountant/Internal Auditor Finance Office
Deputy Purchasing Agent	Purchasing, inventory (capital outlay & equipment, furniture and vehicles), sales, gasoline	Deputy Finance Officer Finance Officer
Accountant/Internal Auditor	Internal audit of all departments, sales tax, assist outside auditor, balances reports with general ledger, beer & wine license, 1099s, balance taxes, month end closeout.	Deputy Finance Officer Finance Officer
Accounts Payable Specialist	Invoices weekly, receipts, invest idle monies, road and federal excise tax, jury lists, instant checks, accounts payable checks	Deputy Finance Officer Accountant/Internal Auditor Deputy Purchasing Agent Finance Officer
Mail Clerk/Receptionist	Mail pickup, meters out-going county mail, receptionist, stuffs Accounts Payable and payroll checks, helps with account payable vendor folders, typing ,receipts incoming monies/mail log	Deputy Purchasing Agent Accountant/Internal Auditor, Finance Officer
Account/Payroll Clerk	Payroll, payroll reports, bank statement reconciliation, check off weekly checks, invent statement reconciliation, file vendor checks, make new folders	Deputy Finance Officer Accountant/Internal Auditor Finance Officer

Source: Duplin County Finance Office, August 2009.

COMMENDATION

Duplin County is commended for its daily cash investment process that ensues that the maximum amount of cash is kept in interest-bearing investment accounts, and that Duplin County receives the maximum interest earnings possible.

FINDING

The Finance Office conducts a number of monthly audits and reviews to ensure financial data are accurate. Departments use a variety of financial data produced by the Finance Office to prepare state and federal reports in order to receive funding. Departments also maintain detailed financial information within their departments that is used to operate their programs. In order to receive maximum funding from state and federal sources, and ensure the accuracy of financial data (such as accounts receivables maintained in departments), monthly audits and reviews are conducted by the Accountant/Internal Auditor.

Audits and reviews performed by the Accountant/Internal Auditor are presented in **Exhibit 3-7.**

Exhibit 3-7
Duplin County
Monthly Audits And Reviews
2009-10

Program/Activity	Audit/Review
Attorney Trust	Reports to General ledger
Health/Dental	Reconcile supporting data to General ledger
Aging	Reconcile supporting data to General ledger
Register of Deeds – Automation, Enhancement and Preservation	Calculation of fees
Fire Inspection	Reconcile accounts/receivables and verify cash receipts
Day Care	Reconcile account balance to General ledger
Aid To Families with Dependent Children	Reconcile General ledger accounts to state reports
Federally Seized Assets	Audit expenditures to ensure appropriateness
Foster Care	Balance Genial Ledger accounts to state reports
Title XIX (Medicaid) Transactions	Verify accuracy of reimbursement report to the state
Medicaid Refund	Verify accuracy state report and make entry to General ledger
Canteen-OASIS	Verify commissions received is accurate
Airport	Verify accuracy of monthly receipts
Solid Waste	Verify accuracy of accounts receivables and balance cash receipts
Cabin Lake	Verify accuracy of accounts receivables and balance cash receipts
Accounts Receivable – WIC	Verify accuracy of billing and payment documents
Accounts Receivable – Fuel	Verify accuracy of billing and payment documents
Accounts Receivable – South Wing	Verify accuracy of billing and payment documents
Title IV-D	Reconcile accuracy of 1571 reimbursement report
Executions	Reconcile detailed amounts to general ledger
State Concealed Handguns	Reconcile detailed accounts receivables to general ledger
Register of Deeds – Draw Account	Reconcile detailed transactions to general ledger
Salaries	Verify accuracy of 941 and 1099 reports
Jail Reimbursements	Verify accuracy of detailed accounts

Source: Monthly audit statements, Finance Office, August 2009.

COMMENDATION

Duplin County is commended for its monthly audit and review processes that help ensure accuracy of financial data.

FINDING

Duplin County aggressively developed and implemented procedures to realize benefits provided by the North Carolina Set-Off Program that was initiated by the North Carolina Legislature. The North Carolina Set-Off Program allows local governments to recover certain outstanding debts by submitting automated reports to the North Carolina Department of Revenue. The program allows local governments to submit information to the State Department of Revenue pertaining to North Carolina residents that have an outstanding debt to the local government. Based on the information submitted by the local government, the State Department of Revenue reduces any refund of state income taxes or lottery winnings due to those residents and submits the recovered funds to the local governments.

The Finance Office aggressively implemented and has consistently completed the required reporting requirements to the State. Since its inception, Duplin County has received over $953,000 through the program that otherwise might not have been received.

COMMENDATION

Duplin County is commended for aggressively implementing and operating the North Carolina Debt Set-Off Program that has recovered over $953,000 in outstanding debt owed to Duplin County.

FINDING

The Board of County Commissioners receive a limited amount of budget and financial data to enable them to carryout their responsibilities associated with overseeing the County's financial and related resources. The only report included in monthly packets to the Board of County Commissioners is a one-page summary of General Fund budgeted expenditures and revenues. However, it is not included every month. Also, for some months starting in February or March of each year, a report entitled "Projection of Revenue and Expense Entries thru Audit" is provided. Reports are approved on the consent agenda without a formal presentation or discussion of the data.

According to interviews with County staff, the reports have been the same for a number of years. Staff further stated that they seldom receive questions about the information contained in the reports. Commissioners stated the reports provide little information to help them understand the County's financial resources.

Although revenue and expenditure budgets are prepared for about 27 departments and other operations, the General Fund Summary Report presents information in a high-level summary without any information on individual departments. The General Fund Summary Report received most months includes a section that shows budgeted revenue data and one that shows budgeted expenditure data. Columns across the top of each section use basically the same headings. The revenue section does have a column that shows percent received for revenues while the expenditure section shows percent expended or obligated for expenditures.

Exhibit 3-8 shows the format for the revenue section of the report.

Exhibit 3-9 shows the format for the expenditure section of the report.

The Projection of Revenue and Expense Entries Thru Audit Report, prepared by the Finance Office usually starting in February or March each year, presents calculated estimates for revenues and expenditures that are expected for the total year. The calculations to produce the report use expenditures made and revenues received for the year at the time the report is prepared, plus estimates for the remainder of the year. The report is intended to provide Commissioners and the County Manager with an indication of where Duplin County will end the year for budgeted expenditures and revenues. The report then uses the estimated revenues and expenditures and other financial data to project what the General Fund balance will be at the end of the year. During the budget development process, an additional calculation is made to project the fund balance for the next budget year that takes into consideration the impact of appropriating a portion of the fund balance to finance the next year's budget.

Exhibit 3-8
Duplin County
General Fund Revenue Summary
2009-10

Revenue Summary	Budget	Debit	Credit	PO	A/P	Encumbered	Unencumbered	% Received	% Remaining
Ad Valorem Taxes	$	$	$	$	$	$	$	%	%
Department Revenue	$	$	$	$	$	$	$	%	%
Federal Revenue	$	$	$	$	$	$	$	%	%
Fund Balance – Restricted	$	$	$	$	$	$	$	%	%
Grant	$	$	$	$	$	$	$	%	%
Motor Vehicle Taxes	$	$	$	$	$	$	$	%	%
Other Revenue	$	$	$	$	$	$	$	%	%
Department Revenue – Restricted	$	$	$	$	$	$	$	%	%
State Revenue	$	$	$	$	$	$	$	%	%
Sales Tax Revenue	$	$	$	$	$	$	$	%	%
Fund Balance	$	$	$	$	$	$	$	%	%
TOTAL	$	$	$	$	$	$	$	%	%

Source: Duplin County Board of County Commissioners, Meeting Packet Reports.

Exhibit 3-9
Duplin County
General Fund Revenue Summary
2009-10

Revenue Summary	Budget	Debit	Credit	PO	A/P	Encumbered	Unencumbered	% Received	% Remaining
Expenditures	$	$	$	$	$	$	$	%	%
Cultural and Recreational	$	$	$	$	$	$	$	%	%
Education	$	$	$	$	$	$	$	%	%
Environmental Protection	$	$	$	$	$	$	$	%	%
General Government	$	$	$	$	$	$	$	%	%
Human Services	$	$	$	$	$	$	$	%	%
Economic and Physical Development	$	$	$	$	$	$	$	%	%
Other	$	$	$	$	$	$	$	%	%
Public Safety	$	$	$	$	$	$	$	%	%
Grant	$	$	$	$	$	$	$	%	%
Hospital	$	$	$	$	$	$	$	%	%
TOTAL									

Source: Duplin County Board of County Commissioners, Meeting Packet Reports.

The budget work sessions are the only time that the Board is provided a report for all funds that shows:

- prior year actual;
- current year adjusted budget;
- current year original budget;
- actual to date current year;
- estimate through year end for year;

- requested next year; and
- recommended next year.

Excluding the issue with column titles discussed above, the financial data presented in the General Fund Summary Report and the Projection of Revenue and Expense Entries Thru Audit Report were found to be very accurate. Projecting future revenues and expenditures is difficult and calculating the impact to the General Fund balance is very challenging. The difficulty increases as longer range projections are made.

Financial information submitted to the Board lacks explanation that is needed for informed decision making. Most Board members interviewed stated that they had difficulty understanding financial reports, received very little useful information from them, and had not received training on how to interpret information in the reports.

Exhibit 3-10 provides a general description of basic governing board reports.

Exhibit 3-10
Examples of Basic County Governing Board Reports
2009-10

Sample Contents And Frequency (Monthly Or Quarterly)	
Sample Contents	**Frequency**
Comparison of budgeted to actual revenue by fund and expenditures by department and related variance. Budgeted amounts should show beginning budget amounts and adjustments that are made during the year.	Monthly
Notes explaining significant variances (5 percent or more) in the budgeted categories.	Monthly
Revenue and expenditure data showing columns for current and prior year actual amounts for similar period.	Monthly
Bar graphs and pie charts depicting comparative revenue and expenditure information.	Monthly
Summary of monthly grant activities, including number and dollar value of grants submitted, number and dollar value of grants awarded, and the ratio of grants awarded to grants submitted - all compared to prior years.	Quarterly
Summary reports for enterprise funds showing simplified balance sheets and operating statements.	Quarterly
Status of the General Fund balance and the impact current and future actions will have.	Monthly
Summary of investments and earnings.	Quarterly

Source: Created by Evergreen Solutions, 2009.

Many governmental entities use a format similar to that shown in **Exhibit 3-11** for providing budget information to the Board of County Commissioners. The format is used both when reporting revenues and expenditures by object for the entire fund and also by individual departments. Most times the financial management system can automatically produce the reports with little time needed by staff.

For management reports to be useful, they must be formatted in a way that the data are easily understood, consistently accurate, and the users are trained sufficiently to enable them to interpret the data. Executive-level reports need not be extensive, but should provide basic summary-level financial and program-related information in an easy to understand format to enable efficient decision making by the Board.

**Exhibit 3-11
Example of a Budget Document
2009-10**

	Current Year				Previous Year	
Description	Estimated/ Budgeted	Current Month Received/ Expended	Year to Date Received/ Expended	Remaining Balance	Current Month Received/ Expended	Year to Date Received/ Expended
Revenues:						
XXXXXX	$0,000	$0,000	$0,000	$0,000	$0,000	$0,000
XXXXXX	$0,000	$0,000	$0,000	$0,000	$0,000	$0,000
XXXXXX	$0,000	$0,000	$0,000	$0,000	$0,000	$0,000
XXXXXX	$0,000	$0,000	$0,000	$0,000	$0,000	$0,000
Total Revenue	**$0,000**	**$0,000**	**$0,000**	**$0,000**	**$0,000**	**$0,000**
Expenditures						
XXXXXX	$0,000	$0,000	$0,000	$0,000	$0,000	$0,000
XXXXXX	$0,000	$0,000	$0,000	$0,000	$0,000	$0,000
XXXXXX	$0,000	$0,000	$0,000	$0,000	$0,000	$0,000
XXXXXX	$0,000	$0,000	$0,000	$0,000	$0,000	$0,000
Total Expenditures	**$0,000**	**$0,000**	**$0,000**	**$0,000**	**$0,000**	**$0,000**

*Duplin County
General Fund Budget Status Report
Month Ended xx,xx,xx*

Source: Evergreen Solutions, 2009.

Board-level reports that are most useful are initially developed and formatted by the Finance Office, presented and explained to Board members, and then revised as needed based on suggestions from Board members. Many times it takes a number of attempts before reports are finalized.

RECOMMENDATION

Recommendation 3-1:

Develop summary financial reports for the Board of County Commissioners that are easily understood; review and receive input from Board members, and train Board members on how to interpret the information.

Summary reports that present the County's budget data in a more user-friendly manner should make it much easier for members of the Board of County Commissioners and the public to understand how Duplin County is expanding its funds and the status of its financial resources. Providing training to Board members on how to interpret information in the reports should enable them to better carryout their responsibilities associated with overseeing the County's financial and related resources.

FISCAL IMPACT

This recommendation can be implemented with existing resources, and will require programming time to produce additional reports.

FINDING

The Finance Office does not have a standard process nor format for reconciliation of cash and investment accounts. Reconciliations are not required to be reviewed nor approved by someone other than the one completing the reconciliation.

At the end of June 30, 2009, Duplin County had over $25 million in cash and investments. Thorough and complete reconciliations of cash and investment accounts are necessary to ensure that errors or irregularities are detected immediately and corrections made timely. Reconciliations also help ensure financial data included in Duplin County records and reports are accurate.

The Accounting/Payroll Clerk is assigned the responsibility to reconcile the County's operating account and other accounts maintained at the First Bank of Kenansville. The bank reconciliation performed by the Accountant/Payroll Clerk for the primary operating account (where payments for operating expenditures are made and revenues deposited) is closely similar to a formal reconciliation process.

A form is completed that shows the balance on the bank statement and then adjustments are made for items that are not shown in the general ledger account to arrive at the general ledger balance. Although the reconciliation performed certainly identifies items that must be added to or subtracted from the bank balance to agree with the general ledger balance, it does not arrive at an adjusted balance and the reconciliation does not have:

- the name of the account;
- the name of the institution where the account is located;
- indications whether identified adjustments or corrections have been made;
- the name of the person performing the reconciliation;
- the date the reconciliation is complete;
- the name of the person reviewing/approving the reconciliation; or
- date approved.

The two other statements from the First Bank of Kenansville (payroll account and the Duplin Investment Money Market Account) are not reconciled, but are visually reviewed. Finance Office staff believe that an actual reconciliation is not needed since the two accounts have very limited activity during a month, and a visual review is sufficient to identify any discrepancies.

The Deputy Finance Officer maintains the investment accounts with the North Carolina Management Trust and monitors the accounts and the general ledger balances to help ensure they are kept in balance, but a formal reconciliation is not performed. A review of the statements from the North Carolina Management Trust indicted that the statements are reviewed. It was also noted that the Accountant/Payroll Clerk uses hard copies of deposits and other transactions to manually list transactions for the subsequent month on the current month's statement for each investment account. There are about 15 investment accounts, and some accounts have 40 or so transactions per month. The value of handwriting the transactions of the statements instead of using transactions in the general ledger is of questionable value and time consuming.

Finance Office employees performing reconciliation duties certainly understand their assignments, and the processes used do provide for a form of verification of cash and investment balances even if just a visual review of the bank or investment statement. Although a review of statements and the reconciliations that are performed revealed no instances where errors or irregularities were not identified for an extended period of time, there is no assurance that, without a formal reconciliation process, errors or irregularities will occur and go undetected for an extended period of time.

RECOMMENDATION

Recommendation 3-2:

Develop a formal reconciliation process for cash and investment accounts that requires an approval by the Finance Officer, and determine the value of manually listing transactions on statements from the North Carolina Management Trust.

Balances and transactions in checking and investment accounts should be reconciled monthly. Transactions and balances shown in statements from banking and investment institutions should be compared to balances and transactions in general ledger accounts, and any differences should be reconciled. A formal reconciliation process uses a standard format that starts with the balance shown in general ledger and also the one shown on the statement from the financial institution. Outstanding items and other adjustments are added or deducted from each to arrive at an adjusted balance for each. The adjusted balance for each has to be the same.

Reconciliations should be completed during the month following the month being reconciled and any adjustments or corrections needed to either the institution's account or the County's General Ledger be made before the end of the month. Reconciliations should not be considered complete until all adjustments and corrections made. Reconciliation forms should show:

- the name of the account;
- the institution where it is located;
- the month being reconciled;
- the name of the person performing the reconciliation;
- the date the reconciliation is complete;
- the name of the person reviewing/approving the reconviction; and
- date approved.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

County department staff that are required to perform financial-related functions associated with purchasing, payroll, time, and other financial related processes are not provided written guidelines. However, training is performed for new department heads and training is routinely

offered by the Finance Office. During the training, department heads are provided some written information for purchasing and other finance-related items, but not in a user friendly manual.

Departments must follow specific processes and complete a variety of financial-related documents accurately and timely. The variety of processes must be completed in order to help ensure employees are paid timely and accurately, materials and services are ordered and received when needed, vendors are paid timely and accurately, and other activities are performed (such as those relating to accidents, travel, and workers' compensation).

Processes related to financial activities are many times difficult for staff who do not perform those functions on a continuous basis and who are also required to perform a variety of other duties. An easily understood reference manual for financial duties and processes greatly reduces errors, and reduces the amount of time required by Finance Office staff to repeatedly explain processes.

RECOMMENDATION

Recommendation 3-3:

Compile a user manual for department staff describing processes required to be completed for financial-related functions.

Useful manuals not only provide detailed steps on how to complete a particular form, but also include policies (such as delegated purchasing and the associated penalties for not following the policies). Manuals should also be made available on the County's Web site and training sessions should be routinely offered where processes covered in the manual are discussed and questions answered. Manuals should be continually updated to be more useful and informative.

FISCAL IMPACT

This recommendation can be implemented with existing resources and will require some staff time to complete.

FINDING

Duplin County does not charge indirect administrative and support costs to its enterprise funds. The General Fund pays for administrative and support costs.

Indirect costs represent the expenses of doing business that are not readily identified with a particular program or department (such as accounting and personnel). Since it is very difficult and time consuming to track specific work performed by administrative and support functions when they occur, indirect cost allocations are used to distribute the costs. An indirect cost allocation is a simple mechanism for determining fairly and conveniently what proportions of administration costs each program or department should bear.

By not allocating indirect administrative and support costs to its enterprise funds, the County understates the full costs of operating the departments. Since the General Fund has been used to

pay for these costs, General Fund expenditures have been overstated, and fewer funds have been available for general County operations.

In many other counties, the allocation of indirect cost is based on salaries of the departments that receive services from support and administrative departments as they compare to total salaries. The rates (percentages) are then applied to the total cost of the support and administrative departments. Formal allocations take into consideration and make adjustments for items—such as the cost of Information Technology—that may not be appropriated to be allocated based solely on salaries or attorneys that support just single or select departments.

Using amounts for the County's 2009-10 budget, a simple allocation of the total costs for the support and administration departments based just on the percentage of salaries would result in allocating approximately $64,837 to enterprise funds as shown in **Exhibit 3-12**.

Exhibit 3-12
Duplin County
Informal Allocation Of Support and Administration Costs
2009-10

Departments	Salaries	Salaries as % of Total Salaries	Allocated Support and Administration Costs Based on % of Salaries
Support and Administration Department			
County Manager			$171,297
Attorney			$163,650
Finance			$121,124
Personnel			$120,282
Information Technology			$313,522
Total Support and Administration Cost			**$889,875**
Enterprise Funds			
Water Administration	$408,876	2.26%	$20,076
Airport	$122,446	0.68%	$6,012
Solid Waste	$789,180	4.36%	3$8,749
Totals	**$1,320,502**	**7.30%**	**$64,837**

Source: Evergreen Calculations based on 2009-2010 budget information. August 2009.

The appropriate amount of indirect administrative and support costs to be allocated to departments cannot be determined without a formal indirect cost calculation. When indirect administrative and support costs are allocated to departments and programs not funded by the General Fund, additional funds are made available to the General Fund.

RECOMMENDATION

Recommendation 3-4:

Develop an indirect cost allocation and allocate costs to Enterprise Funds.

Developing a cost allocation that identifies each enterprise fund's share of indirect support and administrative costs will enable Duplin County to more accurately report cost data and show the true cost of running the enterprise fund. Charging the allocated costs to each enterprise fund will increase the funds available in the General Fund for county operations.   Currently enterprise funds have sufficient funds to pay for their indirect cost; however, in the future, rates may have to be increased to pay their share of indirect costs to the General Fund.

FISCAL IMPACT

The fiscal impact of this recommendation would result in an estimated $59,000 being added to the General Fund each year and available for general county purposes. The estimate is based on the allocation show in **Exhibit 3-12**. The allocated amount for the Airport is not included since it receives funds from the General Fund and an allocation from it back to the General Fund would just require additional funds to be received from the General Fund making the allocation a wash ($64,837 - $6,012 = $58,825).   However, in the future, when the Airport is profitable (see **Section 11.1**), this could be allocated as well.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Develop an Indirect Cost Rate and Allocate Costs	$59,000	$59,000	$59,000	$59,000	$59,000

FINDING

Duplin County's vendor payment process does not always ensure purchase orders have been issued before a payment is made.

Before a payment is made to a vendor, the proper procedure is to match the invoice received from the vendor to the purchase order where items were ordered. The process also requires a check to ensure that a Duplin County employee has indicated the items included on the invoice have been received. By requiring a purchase order to be attached, or a reference made on the invoice showing an open purchase order if the items were acquired using an open purchase order, helps ensure that all purchases have followed applicable procedures.

An open purchase order is a purchase order issued to a particular vendor for an estimated amount of routine and regularly purchased items that allow a department to go to the particular vendor and purchase items as needed without individual requests to purchase. When invoices are received for items purchased using an open purchase order, the open purchase order number is needed so that the Accounts Payable Specialist can verify that the items on the invoice are covered by the open purchase order.

A review of a number of Duplin County payments by Evergreen consultants found that the procedure requiring a purchase order to be attached or a reference made to the open purchase order is not always followed. Consequently, there is no assurance that all payments made to vendors are only for items that have been purchased using accepted procedures. Examples include invoices from Chambers Towing for $250 and City Electric Supply for electrical supplies for $21.14—neither had a purchase order attached nor a reference to an open purchase

order. Although the invoice provided to the Evergreen Review Team did not reference a purchase order, a subsequent review by Finance Office staff found that an open purchase order did exist.

RECOMMENDATION

Recommendation 3-5:

Require that established procedures for purchase order payments are followed when processing payments to vendors.

The Finance Office should require that established procedures are strictly followed. A purchase order should be attached to an invoice, or reference an open purchase order. These procedures will help ensure that payments are not made unless applicable purchasing procedures have been followed.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Duplin County Finance Office has an Operating Procedures manual containing numerous written directions for staff; however, this manual lacks a number of procedures for critical functions. The procedures manual is maintained in the office of the Finance Officer and is available to all staff to use.

Written procedures serve various functions. They:

- provide written notice to all employees of an organization's expectations and practices;
- give direction in the correct way of processing transactions;
- serve as reference material; and
- provide a training tool for new employees.

Written procedures also provide a source of continuity and a basis for uniformity. Without a comprehensive procedures manual (with clear, written, and current procedures), Duplin County's internal control structure is weaker because practices, controls, guidelines and processes may not be applied consistently, correctly, and uniformly. Documented procedures and effective training methods provide the foundation for a successfully operated department. Reviewing the procedures manual provides a good opportunity to analyze the effectiveness of current procedures, and determine what, if any, modifications may be necessary. The manual also provides a good training and guidance tool for new Finance Department employees when staff turnover occurs.

The Finance Officer is a very knowledgeable professional, and she understands the value of written procedure. The Finance Office has attempted to complete a procedures manual for staff to use. The manual currently contains a total of 28 procedures which are titled:

- Deposit Procedure
- Cash Receiving Procedure
- Procedure for Investing Idle Funds
- Assigning a Vendor Number
- Purpose of a Purchase Order System
- Purpose of the Accounts Payable System
- Check Writing Procedures
- Voiding Checks
- Check Re-Issuance Policy
- Procedures for Creating New Jury Master File
- Duplin County Finance Menu
- Procedures for Accounts Receivable
- Returned Check Procedures
- Ordering Gas or Diesel Fuel
- Carpool # 15 (Finance Master Menu)
- Debt Setoff Procedures
- Procedures to Set Up Employee Files For EMS and Tax
- Online Banking Procedures
- Direct Deposit Procedures
- Water Debt Upload Procedures
- Insurance Settlement Payments
- Asset Inventory
- Duplin County Garage Policy
- Central Inventory
- Gas (Fuel Master) Procedures and Monthly Report Journal Entry
- Diesel Fuel Procedures and Monthly Report and Journal Entry
- Mail Clerk/Receptionist Daily Duties
- Secondary Market Disclosure Procedures.

The Finance Office also has various guidelines pertaining to purchasing and other processes; however, they are not included or referenced in the Finance Office Procedures Manual.

The Finance Office Procedures Manual contains procedures that provide direction to staff on how to appropriately perform a variety of duties, but a number of procedures for critical functions have not been completed and included in the manual.   Some of the critical functions that are not covered in the Finance Office Procedures Manual include:

- budget amendments;
- payroll processes;
- purchasing;
- audit processes;
- credit card transaction; and
- bank reconciliations.

RECOMMENDATION

Recommendation 3-6:

Document all critical functions that must be performed by Finance Office staff, and prepare procedures for those that are not included in the Finance Office Procedures Manual.

A comprehensive Finance Office Procedures Manual is needed to assist staff in completing their duties and helps ensure that the processes are being performed in a manner approved by management. When staff perform their duties without the benefit of up-to-date written procedures, they could fail to perform those functions in a manner that complies with office processes due to being uninformed or misinformed of what the appropriate process actually is.

FISCAL IMPACT

This recommendation can be implemented with existing resources, but will require some staff time to complete.

FINDING

Financial reports for Duplin County's Enterprise Funds are not prepared during the year. The only financial report that is available to Commissioners, the County Manager, and department heads (other than routine budget reports that show data for enterprise operations), is the annual audit report, which is prepared a few months after the end of the fiscal year. Although department heads and managers have electronic access to the financial system, which can provide information on assets, liabilities, budgets, revenues and expenditures, it is very difficult for non-accountants to interpret the information and prepare useable reports.

As stated previously, enterprise funds are funds created for specific operations of a governmental entity that provide services to customers outside of the entity on a fee basis. Accounting for the financial activity for these entities is similar to a business-type activity. Reports normally include a statement of net assets showing the value of assets, liabilities and net assets, as well as a statement of revenues, expenses, and changes in net assets.

The Airport Commission Fund, Solid Waste Fund, Water Fund District B, Water Fund District D, Water Fund District E, Water Fund District F, and Water Fund District G are classified as major funds in the County Audit Report, and are shown separately in financial statements while the County Water Fund, Alberton Water Fund, and Transportation Fund are classified as non-major and are combined in the statements.

As of June 30, 2008, the combined net assets for all enterprise funds was $43,091,078. A summary of the net assets are shown in **Exhibit 3-13**. The major water funds are combined.

Exhibit 3-13
Duplin County
Summary of Net Assets for Enterprise Funds
June 30, 2008

Net Assets	Airport Commission Fund	Solid Waste Fund	Major Water Funds	Nonmajor Funds	Total
Invested in capital assets, net of related debt	$9,115,199	$3,610,242	$17,409,215	$6,788,982	$36,923,638
Restricted	$56,018		$207,321		$263,339
Unrestricted	$359,678	$2,832,860	$1,481,319	$1,230,244	$5,904,101
TOTAL	**$9,530,895**	**$6,443,102**	**$19,097,855**	**$8,019,226**	**$43,091,078**

Source: Duplin Financial Statements, June 30, 2008.

RECOMMENDATION

Recommendation 3-7:

Prepare quarterly financial reports for Duplin County Enterprise Funds.

A governmental entity's ability to effectively manage enterprise funds is dependent upon receiving regular financial reports showing balances and results of operations. Just like a business, enterprise managers need financial data that make available the status of accounts (such as cash, accounts receivables, and accounts payables) reported in a statement of assets and the amounts of revenues, expenditures and whether the entity is incurring an income or loss for the reporting period.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County does not have expertise in locating and writing grant applications, and does not contract with grant writers or otherwise aggressively pursue grant opportunities for additional funding. The County also lacks a formal policy that provides direction as to when grant applications require Finance Office or Board approval.

At the time of the on-site visit, the Evergreen Review Team was informed that there are no staff assigned the responsibility for identifying grant opportunities and writing grant applications. Each department basically is left to there one imitative and means to obtain grants. The Review Team was also informed that departments are often discouraged in attempting to secure grants when Duplin County would be required to provide matching funds.

Exhibit 3-14 shows the revenues Duplin County received in grants during 2005-06, 2006-07, and 2007-08.

Exhibit 3-14
Grant Revenue
2005-06 through 2007-08

	Revenues		
Grant	**2005-06**	**2006-07**	**2007-08**
Housing Assistance	$33		
Department of Justice	$11,311	$28,876	$26,084
CDBG		$31,951	$119,567
Community Development Block	$410,988	$148,400	$423,160
HMPG		$0	$123,909
CDBGSSH		$503	
Golden Leaf Turkey Farmer	$160,000	$0	$0
Totals	**$684,732**	**$209,730**	**$692,750**

Source: Duplin County's Financial Statement June 30, 2006, 2007, and 2008.

Grant writers research and apply for competitive state and federal grants as well as grants from private foundations and businesses. Grant writers network with local business and community members to determine what kind of local grants might be available to counties as well as investigate and pursue state and federal programs. When contracting with a grant writer, counties normally establish a performance measure for the grant writer, so that they bring in more grant dollars than those currently being received, and in excess of their salary.

In September 2009, the Board of County Commissioners approved a contract for a grant writer to develop specified grants.

RECOMMENDATION

Recommendation 3-8:

Monitor the new contract with the Grants Writer to increase grant funding, and consider expanding this contract should the Grant Writer achieve financial goals.

Contracting with a Grants Writer should enable the County to obtain the services necessary to research and apply for federal, state, and private foundation grants. This should increase the amount of revenues received by Duplin County from those sources. By establishing a performance measure, the County will ensure that the contract is cost effective (see **Exhibit 6-14** in **Chapter 6** for duties of the grant writer).

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County staff reported that the County's financial management system performs well and meets most of the needs of its users. However, it was developed many years ago and continues to be modified, is not window-driven, and is dependent on limited staff that have the knowledge to keep the system operational.

Duplin County's financial management system operates using a software package that was developed with in-house programmers. This in-house-developed software uses DBC language for which there are very few information technology staff that have the expertise to maintain the software. The software operates on a Linux-operating system.

A number of processes in the Finance Office need to be improved (such as automating the purchase request process, cash reconciliations, budget development, and annual report preparation), but the inflexibility of the in-house developed software and operating system makes it difficult and costly to make changes or improvements. Obtaining information from the system is limited without Information Technology staff involvement as was evident during the review when expenditure data were requested for specific types of expenditures.

When an entity's Information Technology Department decides a new system is necessary and begins to identify the functional requirements, it is imperative that Finance Office staff are included from the beginning. Since financial data are relied upon by most County departments when fulfilling their daily responsibilities (and are also impacted by processes such as payroll, purchasing, cash receipts, and budgeting), insufficient involvement by Finance Office representation on design teams almost always results in an inefficient and ineffective financial management system.

RECOMMENDATION

Recommendation 3-9:

Require involvement of the Finance Officer or a designee when Duplin County upgrades its information technology system to ensure the financial management needs of Duplin County are met.

Involving the Finance Officer in the early stages of identifying the functional requirements of an upgraded information technology system will not only take advantage of the knowledge and expertise of the Finance Officer, but will help ensure that the needs of the Finance Office are met. This action should also ensure that the interface needed between the Finance Office and other Duplin County departments are adequately addressed.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

3.2   *BUDGET*

A county's budget is one of the most important documents a county prepares because it identifies the funding for programs and how they are to be financed. A budget forms legal restrictions on what amounts of money a county may spend on designated purposes during a given fiscal year. Effective budgeting provides a county with a solid financial foundation. Costs must be reported accurately and controlled effectively. A county's budget is most effective when it is useful to

county staff, board members, and the community at-large in understanding the county's fiscal focus.

The normal budget process in North Carolina usually begins in the winter when the Duplin County Manager sends each department a letter with instructions on how to submit budget requests for their departments. The County Manager then compiles the requests and presents them to the Duplin County Board of County Commissioners. The Board reviews the requests and examines what the projected revenues are for the coming year. If there is not enough revenues to fully fund all the proposals, the Board can decide to either raise property taxes to generate the additional revenue or to make adjustments to the budget requests reducing the need for additional taxes.

After the Board modifies the budget and sets the property tax rate, it must hold a public hearing to give citizens a chance to speak. North Carolina state law requires that each Board of County Commissioners adopt a balanced budget by June 30th of each year. For a budget to be balanced, projected revenues plus an appropriation from the County's fund balance must equal the total expenditure budgets.

FINDING

Duplin County publishes a detailed budget calendar. Developing and publishing a budget calendar helps ensure the County's budget is completed on schedule, and the participants in the development of the budget have a reference for when their input is required so they can effectively schedule time to complete their required tasks. A publicized calendar also provides information to the general public as to when their input can be provided.

Exhibit 3-15 presents Duplin County's budget calendar for the 2009-10 budget.

COMMENDATION

Duplin County is commended for establishing a very detailed budget calendar that helps ensure that the County's budget is developed in an orderly manner and is approved by the statutory deadline.

FINDING

Duplin County's annual budget document provides a great amount of detailed financial data. However, the document has little comparative and narrative information. Only the executive summary, approved budget summary, and budget ordinance are published on the County's Web site.

The Duplin County budget document is published after the County Commissioners approval is obtained, and the document contains about 250 pages of information. The document is hard to follow in that the Table of Contents is located after the executive summary, approved budget summary, and budget ordinance, and it is alphabetical instead of sequential by page number. After the Table of Contents, there are about 200 pages of information presenting budget year expenditures, revenues, and a listing of authorized positions by department.

Exhibit 3-15
Duplin County Budget
Calendar of Events for 2009-10

Date	Action
February 2, 2009	Board meeting – budget calendar presented
February 3, 2009	Personnel submits evaluation sheets to County Manager
February 5, 2009	County Manager submits personnel evaluations to Department Heads
February 24, 2009	Department Heads to return annual personnel evaluation sheets by 5:00 PM to Manager's office
March 2	Board meeting
March 6, 2009	Finance Office submits expenditure and salary sheets to County Manager
March 9,2009	County Manager submits expenditure sheets to department heads and outside agencies with instructions
March 16	Board meeting –night meeting
April 2, 2009	Department Head meeting – Department Heads return completed budget request sheets to Manager's Office (Administrative Assistant) by 9:00 AM. At the time you submit your budget the Administrative Assistant will schedule your meeting time with the budget committee. (Request sheets must include revenues and expenditures)
April 6, 2009	Seventy-five percent property value figures due from Tax Administrator (earlier if possible)
April 6	Board meeting
April 8, 2009	Employee Appreciation Luncheon
April 9, 2009	Budget Committee completes revenue projections
April 13, 2009	Information from Finance Office Ready for Budget Committee
April 15, 2009	Agenda prep
April 16, 2009	2:00 PM to 5:00 PM Department Heads present budgets request to Budget Committee
April 17, 2009	8:30 AM to 12:00 PM Department Heads present budget requests to Budget Committee
April 20, 2009	Board meeting
April 21, 2009	2:00 PM to 5:00 PM Department Heads present budget request to Budget Committee
April 22, 2009	9:00 AM to 12:00 PM Department Heads present budget request to Budget Committee
April 23, 2009	2:00 PM to 5:00 PM Department Heads present budget requests to Budget Committee
April 27, 28, 30 May 1	Budget Committee balances budget
May 4, 2009	Board meeting – proposed budget given to Commissioners and public hearing scheduled. County Manager runs notice of public hearing in Duplin Times May 14, May 21 and May 28
May 7, 2009	Department Head meeting – County Manager shares proposed budget with department heads and outside agencies. Any department head wishing to address the Budget Committee's proposal with the Board of County Commissioners will need to contact County Manager's office by noon on May 13, 2009 to schedule a time on M<ay 19, 2009 agenda
May 12, 2009	Agenda deadline to request appeal
May 13, 2009	Agenda prep
May 15, 2009	Ninety-five percent property value figures due from Tax Administrator
May 16, 2009	Calculate revenue neutral tax rate
May 18, 2009	Board meeting – appeals by department heads or outside agencies
May 20, 2009	Commissioners work session on budget – 9 to 12 and 1:30 to 4:30
May 21, 2009	Commissioners work session on budget – 9 to 12 and 1:30 to 4:30
May 22, 2009	Commissioners work session on budget – 9 to 12 and 1:30 to 4:30 – if needed
May 27, 2009	Agenda prep
June 1, 2009	Board meeting – Public Hearing on proposed 2009-09 budget – 6 PM to 8 PM at Co-Op Extension (confirmed)
June 10, 2009	Agenda prep
June 15, 2009	Board meeting – Budget Adoption night meeting at Co Op Extension 6:00 PM (confirmed)

Source: Duplin County County Manager's office, August 2009.

The majority of the budget (over 70 percent of about 200 pages) presents only numbers for budget year expenditure, revenue, and staffing information for departments. The 200 or so pages are produced directly from the financial system and basically show listings of expenditures and revenues by account number. Some pages, such as the one for Bioterrorism, lists 16 objects of expense although only the one for professional services has a budgeted amount—the other 15 objects show zero amounts.

Duplin County's budget document provides a tremendous amount of detail which is needed to compile and support budgeted dollar amounts and FTE counts; however, it is very difficult to obtain an understanding of the County's total resources available, how they are going to be expended, or how the amounts compare to previous years.

A budget document can and should be more than just a financial plan.   A budget document has three major purposes. This document serves as a:

- communications device;
- policy document; and
- financial plan.

Items not included in Duplin County's budget book that makes it difficult to obtain an understanding of the County's total budget include:

- no narrative to explain the numbers;

- no graphs or charts;

- no data for comparison purposes, except for the budget summary that shows the previous year's budget amounts, but no prior year actual expenditures;

- no history of data such as revenues collected or tax rates;

- little summarized data to show total revenues for all funds or the total expenditures by objects of expense such as total salaries;

- projections for future years; and

- percentage increase or decrease between the budget year and previous year.

Lenoir County's 2009-10 budget is published on its Web site and is an extremely informative and well-organized document, containing many charts, graphs and narrative to explain the numbers. The document contains about 250 pages of very useful information. The information uses customized formats that are easy to understand, and include:

- organizational charts for the county and each department;

- a well-organized Table of Contents;

- budget message with summary and highlights;

- budget policy and strategies to obtain goals;

- many charts and graphs not only show revenue and expenditure data, but also department operational items, such as workload statistics;

- discussion of fund balances and 13-year history of general fund balance;

- history of major revenues;

- narrative providing information on each department;

- comparison of most revenues, expenditures and department budgets that shows 2007-08 actual, 2008-09 original budgets, 2008-09 adjusted budgets, and adopted amounts for 2009-10;

- five-year projection of revenues;

- five-year projection of general fund balance and impact on the county's goal of maintaining a 20 percent unencumbered balance; and

- a discussion of county funds and what they are used for.

Exhibit 3-**16** presents an example of a schedule in Lenior County's budget that shows workload statistics and **Exhibit 3**-**17** presents an example of a department budget that shows comparative amounts for previous years.

Exhibit 3-16
Example of Workload Statistics

Board of Elections	Workload Statistics Calendar Year			
	2005	**2006**	**2007**	**2008**
Total Registered Voters	36,108	36,255	35,277	38,050
Voters Added	1,461	1,261	1,697	5,065
Voters' Name, Address, Party Change	1,866	1,185	1,411	4,787
Voters Removed: Legal Reasons	1,088	1,107	2,658	2,229
Duplicate Applications	66	78	90	333
Declination Applications	1	357	5,051	3,289

Source: Lenoir County Budget Document, 2009-10, as published on county's Web site.

RECOMMENDATION

Recommendation 3-10:

Enhance the County's budget book to make it more understandable, informative, and easier to use.

Exhibit 3-17
Example of Department Comparative Summary Budget

Expenditure	2007-08 Actual	Original 2008-09 Budget	Revised 2008-09 Budget	Adopted 2009-10
Salaries	$135,843	$190,874	$191,874	$192,135
Benefits	$40,512	$53,753	$53,753	$53,977
Operating	$15,209	$23,520	$22,520	$19,500
Capital Outlay	$0	$0	$0	$0
Total	**$191,564**	**$268,147**	**$268,147**	**$265,612**

Source: Lenoir County Budget Document, 2009-10, as published on county's Web site.

Improving the County's budget book by including narrative to explain the numbers and schedules that show comparisons for previous years, and charts and graphs, will make the document easier to understand and provide more information to the Board of County Commissioners and public. Narrative to explain the numbers will enable the general public to more easily understand what is behind the numbers and how the public's money is being managed.

Comparative schedules for revenues, expenditures and fund balances will also enable the Board and public to easily view trends of what funds were received in previous years and how they were expended. Moreover, schedules that project future revenues, expenditures and balances will help the Board to see where current trends are leading and how current decisions will impact the future.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County's General Fund balance has decreased in the last few years, and the County does not have a fund balance policy to guide the County in maintaining a healthy balance. Duplin County's projected general fund balance of $6,983,703 for the year ended June 30, 2010 is a 47.1 percent reduction from June 30, 2006. If the projected balance materializes, this means that the County has used over 50 percent of its savings account to fund the County budget during the last four years.

The Local Government Budget and Fiscal Act of North Carolina includes a formula that counties and cities must use to calculate the maximum fund balance that is available at the end of one fiscal year for appropriation in the next budget. The formula provides that fund balance appropriated in a budget shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next proceeding the budget year. The amount calculated with the formula is the fund balance that is legally available for the next year's budget.

Although there is not a requirement establishing the amount of fund balance a county must maintain, the Department of State Treasurer for North Carolina for the last several years has provided consistent guidelines. In a letter dated May 9, 2009, the Department of State Treasurer states that "the minimum level of fund balance available for appropriation that should be on hand to enable the unit to meet current obligations and to prevent the unit from experiencing cash flow difficulties is eight percent of the prior year's expenditures."

The letter further states that "in addition to the eight percent needed to prevent cash flow difficulties, units also maintain fund balance available for appropriation in the General Fund in case unforeseen needs or opportunities should arise. There is not an established minimum amount that should be unreserved for these purposes; officials of the unit should make that determination."

Duplin's General Fund balance as of June 30, 2008—as compared to the General Fund balances in peer counties—is shown in **Exhibit 3-18**. As can be seen, two peer counties had a larger balance and two had a smaller balance. Duplin's balance as a percentage of General Fund expenditures of 23.4 percent is just slightly above the peer average of about 24 percent.

Exhibit 3-18
Comparison of Duplin and Peer Counties General Fund Balance
Year End June 30, 2008

County	Fund Balance Available	Fund Balance Available as Percent of General Fund Expenditures
Duplin	**$11,607,071**	**23.42%**
Columbus	$8,472,963	14.79%
Bladen	$8,782,949	23.21%
Lenoir	$17,708,779	31.51%
Sampson	$15,615,224	26.28%
Peer Average	**$12,644,979**	**23.95%**

Source: State of North Carolina, Department of State Treasurer, fiscal year ended June 30, 2009.

In the past four fiscal years, Duplin County's General Fund balance has decreased from $13,196,262 on June 30, 2006 to a projected fund balance of $6,983,703 on June 30, 2010—a decrease of $6,212,559.

Exhibit 3-19 presents the County's General Fund balance from 2005-06 through 2009-10; 2008-09 and 2009-10 fund balances are projected using the criteria that all budgeted amounts will be expended.

Developing and implementing a General Fund balance policy enables the governmental entity to better manage its General Fund resources. In addition, monthly reports, such as the format shown in **Exhibit 3-20**, enable the Board to monitor the General Fund balance during the year as estimated revenues and expenditures that are used to develop the budget are actually realized.

Many government entities establish a General Fund balance policy that contains a goal for attaining and maintaining a specific unreserved fund balance and guidelines for how to implement the policy. Lenoir County, a peer county, has a fund balance policy of 20 percent that it monitors and publishes the status of in each year's budget.

Exhibit 3-19
Duplin County's General Fund Balance
2005-06 through 2009-10

Year Ended June 30	General Fund Balance	Amount		Percentage of Prior Year Expenditures	
		Percentage Decrease from Previous Year	Cumulative Decrease from 2005-06	Percentage Decrease from Previous Year	Cumulative Decrease from 2005-06
2005-06	$13,196,262	N/A	N/A	N/A	N/A
2006-07	$11,856,227	($1,340,035)	($1,340,035)	(10.15%)	(10.15%)
2007-08	$11,607,071	($249,156)	($1,589,191)	(2.10%)	(12.04%)
2008-09	$8,315,669	($3,291,402)	($4,880,593)	(28.36%)	(36.98%)
2009-10	$6,983,703	($1,331,966)	($6,212,559	(16.02%)	(47.08%)

Source: Duplin County's annual financial statements for 2005-06 – 2007-08 and budget documents for 2008-2009 and 2009-10.

Exhibit 3-20
Sample Fund Balance
Monthly Report

Duplin County General Fund Balance Monthly Report For the Month Ended xx-xx-xx			
Description	Year to Date Totals	Estimated for the Remainder of the Year	Estimated Yearly Totals Totals
Beginning Fund Balance			**$0,000**
Revenues:			
Local Sources	$0,000	$0,000	$0,000
Intermediate Sources	$0,000	$0,000	$0,000
State Sources	$0,000	$0,000	$0,000
Federal Sources	$0,000	$0,000	$0,000
Total Revenue	**$0,000**	**$0,000**	**$0,000**
Expenditures			
Salaries	$0,000	$0,000	$0,000
Benefits	$0,000	$0,000	$0,000
Purchased Professional and Technical	$0,000	$0,000	$0,000
Purchased Property Services	$0,000	$0,000	$0,000
Other Purchased Services	$0,000	$0,000	$0,000
Supplies & Materials	$0,000	$0,000	$0,000
Property	$0,000	$0,000	$0,000
Other	$0,000	$0,000	$0,000
Total Expenditures	**$0,000**	**$0,000**	**$0,000**
Projected Ending Fund Balance	**$0,000**	**$0,000**	**$0,000**

Source: Created by Evergreen Solutions, August 2009.

The Governmental Finance Officers Association (GFOA) recommends that government entities establish a fund balance policy setting forth the fund balance to be maintained that is based on unique characteristics and needs of the government entity. The GFOA generally recommends the

minimum unreserved balance to be no less than two months of regular General Fund operating expenditures.

As an example, Wayne County, North Carolina's fund balance policy states:

- *Fund balance available for appropriation at the close of each fiscal year shall be no less than 14 percent of General Fund expenditures, plus an additional 1 percent for each percent that debt service to General Fund expenditures exceeds 8 percent.*

- *In recognition of the incremental costs of capital improvements and their future maintenance and replacement costs, the County will establish a Capital Improvements Reserve Fund. To the extent that debt service and capital outlay are less than 12 percent of County General Fund expenditures, Wayne County will appropriate the difference into the Capital Reserve Fund. Additionally, General Fund balances in excess of the target level shall be transferred into the Capital Reserve Fund. This Fund will be initially established at some minimum level based upon a further evaluation of the future capital improvement needs.*

- *Any time Fund Balance available for appropriation falls below the targeted amount, the County will include in its next annual budget an amount of not less than 0.5 percent of total General Fund expenditures as a contingency appropriation.*

RECOMMENDATION

Recommendation 3-11:

Develop a County Board policy that establishes a minimum General Fund balance, expectations to be used as a guide during budget development, and prepare monthly reports for the Board on fund balance.

The development and adherence to a General Fund balance policy should help ensure Duplin County's fund balance will not continue to decrease to a critical level. It will provide guidance during the development of the County's budget.

The policy should help establish goals concerning the optimum fund balance and direction on how to maintain the desired level.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

3.3   *PURCHASING*

An effective purchasing program provides counties with quality materials, supplies, services, and equipment in a timely manner at the lowest price. Purchasing includes those activities associated with the acquisition of supplies, materials, services and equipment.

Although purchasing organization structures may vary, similar functions are provided, such as the following:

- approves purchase orders and service contracts, including competitive procurement specifications and tabulations;

- assists in the development and modification of purchasing policies and procedures and is responsible for their implementation;

- resolves purchasing problems;

- establishes and monitors good working relations with vendors;

- ensures that county staff is aware of relevant purchasing statutes, regulations, and board policies through formal or informal training programs; and

- stays current on purchasing statutes, regulations and practices by attending various purchasing-related courses, seminars or workshops, and by reading current purchasing periodicals and books.

Purchasing policies and procedures are essential if a county is to comply with all laws and ensure the purchase of goods and services is conducted in an efficient and timely manner. Policies should clearly state purchasing authority, what methods are required for each type of purchase, provisions for conflicts of interest, and penalties for violating purchasing laws and policies. Purchasing procedures implement Board policies by documenting the steps that user departments and purchasing staff must take when they procure goods or services.

Duplin County's purchasing function is under the direction of the Deputy Purchasing Agent. The Deputy Purchasing Agent reports to the Finance Director and performs the purchasing functions for Duplin County without any Purchasing staff.

FINDING

Duplin County does not have a detailed purchasing policy that documents the guidelines for the County's purchasing activity. A detailed Board purchasing policy establishes the standard guidelines for a county's purchasing activity. Purchasing policies help ensure a county complies with state laws and local board requirements, while performing purchasing functions in an efficient and timely manner. Polices should clearly establish purchasing authority, what methods are required for each type of purchase, and provisions for conflicts of interest and penalties for violating purchasing laws and policies.

A purchasing policy, such as the one shown in **Exhibit 3-21,** can help ensure a county receives the best value for the price.

Exhibit 3-21
Sample Purchasing Policy

A purchasing procedure has been prepared for the use of all employees of Xxxx County in making requests for purchase of supplies, equipment, and services, and is incorporated as a part of the county's policy manual. The procedure to be followed in purchasing materials, services, and equipment by or for the Xxxx County is summarized as follows:

1. Purchasing and distribution will be under the supervision of the county manager.

2. Delegation of purchasing authority and processes are as follows:

   - $499 or less - department heads to request purchase from best vendor considering price, quality and availability,

   - $500 - $1,499 – department heads to request three telephone quotes unless sole source or emergency,

   - $1,500 - $30,000 – purchasing agent or by department head and approved by purchasing agent prior to purchase,

   - $30,000 - $90,000 - Informal three written quotes unless sole source purchase by purchasing agent, and

   - $25,000 or more - Official bid/quote by purchasing agent

3. It is the responsibility of the department heads to follow specific instructions in securing services or materials.

4. Requisitions delivered to the purchasing office must be left for further processing. A minimum of one day is needed for processing. Requisitions must be checked for budget allocation and balances before the purchase order will be authorized by the purchasing office.

5. Payment claims must be properly filled out, coded, and signed by the purchasing officer. Purchases shall be submitted for payment no later than the close of one month after the purchase.

6. Violations of purchasing activity will be monitored by the purchasing agent and reported to the finance director and county manager for appropriate action.

Source: Created by Evergreen Solutions, August 2009.

RECOMMENDATION

Recommendation 3-12:

Develop a purchasing policy for Duplin County that establishes formal board direction and penalties for violating the policy.

A detailed purchasing policy, adopted by the Board of County Commissioners, will establish the standard guidelines for Duplin County's purchasing activity. The policy will help ensure that Duplin County staff are conducting purchasing activities in manner that follows Board intention. A formal policy will make Duplin County staff feel more at ease when performing purchasing functions because they will know the Board's intent.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County has not developed easily understood procedures for Finance Office and County staff to use in performing purchasing-related duties. Purchasing procedures implement policies by documenting the steps to be taken by user departments and purchasing staff when goods or services are procured. Procedures are also used to train new staff.

Duplin County does have a packet of documents that is used by Finance Office staff when providing training to new department heads. Although the packet of documents contains a variety of information pertaining to purchasing, it is not organized in any particular fashion and does not contain an index or page numbers. Moreover, it is difficult to locate individual documents and to understand what the documents pertain to.

The packet includes instructions for completing a request to purchase form. The instructions provides good guidance to departments on what expenditure codes to use, and what information is needed each of the fields on the form. The instructions also have a statement that states "If department wants to contact the vendor to place the order, please note on the request to purchase – department will place order with vendor or insert on new request to purchase a place for departments to check – department will place order – request purchasing to place order".

Apparently this statement is not easily understood because a number of departments indicated to the Evergreen Team that many times orders are not placed due to not knowing who is to place the order. Also, a number of departments indicated that materials or supplies have not been delivered, delayed, or lost because of the confusion of where they are to be delivered.

RECOMMENDATION

Recommendation 3-13:

Develop a Purchasing Procedures Manual for Finance Office staff and user departments that provides easily understood direction when performing purchasing duties.

A written purchasing manual should document the procedures that must be followed to comply with the County's purchasing policy. Procedures help ensure consistent purchasing practices, provide a reference tool for user training, and reduce frustrations and inefficiencies in the purchasing process.

FISCAL IMPACT

This recommendation can be implemented with existing resources, but staff time will be need to create the manual.

FINDING

Duplin County has a very centralized purchasing system where all purchases are required to come through the Deputy Purchasing Agent in the Finance Office before a purchase is initiated. This process makes obtaining many low cost items untimely and inefficient. Duplin County has not delegated purchasing authority to any staff other than to the Finance Director, who serves as the Purchasing Agent, and to the Deputy Purchasing Agent.

The purchasing process requires all departments needing materials and services, regardless of the amount, to prepare a request to purchase which is sent to the Deputy Purchasing Agent. Once the Deputy Purchasing Agent receives the request to purchase, a determination is made as to whether the needed items are available in the supply inventory or whether the requested items must be secured through a purchase. Once the request to purchase has been approved, the Deputy Purchasing Agent will either initiate the purchase with a vendor or a purchase order will be prepared and approved, and sent back to the requesting department to complete the purchase with the selected vendor.

The request to purchase is a three-part form that is manually completed by departments needing materials or services. Departments are to provide the following information on the form:

- Department Name

- Date

- Vendor Name if department has obtained quotes – insert name of vendor selected and attach quotes obtained to request to purchases – if department wants purchasing to obtain quotes – leave blank.

- Quantity

- Product Description – to include size, color, must be compatible with XXX, sample attached, anything pertinent to item to ensure item purchased is what department wants – assume purchasing and potential vendors know nothing about what you want.

- Price per Item

- Amount per Product

- Total amount

- Account Code

- Amount per code

- Department Head

- Budget Amended, if necessary

- Justification, if necessary

The department keeps one copy of the Request to Purchase form and two copies are sent to the Finance Office. Once approved by the Deputy Purchasing Agent, one copy goes back to the requesting department and the Deputy Purchasing Agent keeps a copy. The Deputy Purchasing Agent uses the information from an approved request to purchase to determine how the requested items are to be purchased. Once it has been determined from which vendor the items are to purchased, the Deputy Purchasing Agent keys information into the computer system which initiates a purchase order.

A purchase order is a four-part paper form containing purchasing and accounting information including:

- vendor number, name and address;
- accounting information;
- date;
- delivery information;
- request to purchase number;
- shipping information;
- description and price of items ordered; and
- Finance Officer and Purchasing Assistant signatures.

The four-part Purchase Order is distributed as follows:

- **White** copy goes to the vendor;

- **Yellow** copy is kept in the Finance Office;

- **Pink Copy** is sent to the department that made the order, if that department will receive the order directly. If Purchasing is to receive the order, the pink copy is kept in Purchasing; and

- **Gold Copy** is kept in an outstanding purchase order file until the order is complete and is then discarded.

However, a few open purchase orders have been prepared for selected departments to assist them in obtaining routine small dollar purchases, mainly building maintenance supplies and materials. Open purchase orders are issued to a number of local vendors where materials and supplies are frequently purchased. These open purchase orders allow departments to purchase small dollar items from the selected vendors without having to complete the entire purchase order process. Individual invoices are received for each purchase and a payment processed for each.

Centralizing purchasing authority designated solely to the Deputy Purchasing Agent certainly provides a considerable amount of control over purchasing activity, and may in some instances provide a lower cost for items. However, the savings from lower costs are in most cases more than offset by the inconvenience of delays and the amount of administrative time that it takes to process all purchase requests through the Finance Office. Interviews with departments that are required to have the Deputy Purchasing Agent purchase all items indicated a general

dissatisfaction with process. There were a number of references provided where it took weeks to get needed supplies that are readily available from local vendors, and instances where staff had to go with the Deputy Purchasing Agent to local vendors to obtain needed items.

Some governmental entices have delegated limited purchasing authority to department heads to make purchases. This streamlined process improves the timeliness of purchases, and reduces the amount of administrative time it takes to complete individual requests for purchases and purchase orders. Along with the delegation to purchase are guidelines that require bid-quote forms to be attached to invoices that show the required process was followed before making the purchase. An example of a sample delegation of purchasing authority is shown in **Exhibit 3-22**.

Exhibit 3-22
Example of Delegated Purchasing Authority

Purchase	Threshold Action	Authorized to Make Purchase
$499 or less	Request purchase from best vendor considering price, quality and availability.	Department Heads
$500 - $1,499	Three telephone quotes unless sole source or emergency.	Department Heads
$1,500 - $30,000	Informal three written quotes unless a sole source purchase.	Deputy Purchasing Agent or by Department Head and approved by Deputy Purchasing Agent prior to purchase.
$30,000 - $90,000	Informal three written quotes unless sole source purchase	Deputy Purchasing Agent
$90,000 or more	Official bid/quote.	Deputy Purchasing Agent

Source: Developed by Evergreen Solutions, August 2009.

RECOMMENDATION

Recommendation 3-14:

Delegate purchasing authority to department heads for routinely purchased items to increase efficiency and timeliness of receiving needed items.

Revising the County's purchasing process to allow departments to complete lower cost purchasing transactions, without first coming through the Finance Office, should enable departments to obtain items more timely, and reduce the administrative time that is required to prepare request for purchases. This will not only reduce the burden on the departments, but will also provide the Deputy Purchasing Agent more time to spend on high dollar purchases and provide more training to departments. The Deputy Purchasing Agent will also have additional time to perform post payment audits of delegated purchasing activity to help ensure that all purchasing procedures are strictly being followed, including proper documentation attached to invoices.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

3.4   RISK AND ASSET MANAGEMENT

Risk management includes the identification, analysis, and reduction of risk through insurance and safety programs to protect the county's assets and employees. Workers' compensation is intended to protect county employees in case of work-related accidents or injuries. Property and casualty insurance protects the county from liabilities arising from property damage, bodily injury and other situations in which the county may be at risk. A group health plan ensures that the county's employees are protected from catastrophic illness and financial ruin by spreading the risk of serious illness across the pool of employees.

An effective fixed asset management system accounts for county property accurately and safeguards it against theft and obsolescence. Planning and control of fixed asset transactions is crucial to the long-range financial plan of the county. Fixed-asset records should designate who is responsible for the custody and maintenance of individual items and assist the county in estimating future requirements. Counties generally acquire fixed assets through a well-defined authorization procedure. An appropriate fixed asset system also provides data for financial reports and ensures adequate insurance coverage.

The most important reasons for keeping and maintaining accurate accounting records of fixed assets are:

- furnishing taxpayers with information about their investments in the county for operations;

- providing the basis for adequate insurance coverage;

- allowing the county to assess the need for repair, maintenance or replacement of assets;

- establishing a system of accountability for custody of individual items;

- determining future budgeting requirements; and

- Identifying lost or stolen items so that insurance claims can be filed, additional controls instituted and accounting records adjusted to reflect the losses.

The County Manager serves as Duplin County's Risk Manager. The County self insures its employee health program, and provides insurance for liability and property damage through insurance policies. Duplin County also provides workers' compensation through a third-party administrator. The County expends over $500,000 a year in premiums for insurance as shown in **Exhibit 3-23**.

The Deputy Purchasing Agent, who reports to the Finance Officer, has the responsibility for managing fixed assets for Duplin County. The Deputy Purchasing Agent has been managing the County's investment in fixed assets using limited written guidance.

Exhibit 3-23
Insurance Premiums
2008-09

Insurance	Premium Amount
Commercial Property	$71,522
Commercial Inland Marine	$8,554
Commercial Crime	$2,743
Commercial General Liability	$45,936
Commercial Auto	$138,404
Law Enforcement Liability	$61,262
Public Official Liability	$49,360
Commercial Excess Liability	$49,117
Building and contents	$71,522
Medical Professional Liability	$3,772
Total	**$502,192**

Source: Duplin County Financial Records, August 2009.

The County maintains two systems for fixed assets—one accounts for vehicles and the other for all other fixed assets. The practice in Duplin County is to add and maintain information for items costing over $200. Two expenditure codes are used to identity assets purchased:

- Expenditure Code 265 is for expendable capital which is for items costing between $200 and $2,499.99; and

- Expenditure Code 510 is for capital items costing $2,500 and over which are depreciated for the County's annual report.

FINDING

Duplin County implemented programs and practices that have reduced workers' compensation costs. Although the County's payroll costs have increased from $16,547,700 for 2006-07 to $18,168,951 for 2008-09—an increase of 9.8 percent, workers' compensation costs have decreased from $711,412 for 2006-07 to $594,204 for 2008-09—a decrease of 16.5 percent.

Exhibit 3-24 presents the County's payroll costs and workers' compensations costs for years 2006-07 through 2009-10.

Exhibit 3-24
Payroll Costs Compared to Workers' Compensation Costs
2006-07 to 2008-09

Year	Payroll		Cost	
	Amount	Percentage Increase (Decrease) From 2006-07	Amount	Percentage Increase (Decrease) From 2006-07
2006-07	$16,547,700	N/A	$711,412	N/A
2007-08	$17,470,840	5.58%	$685,872	(3.59%)
2008-09	$18,168,951	9.80%	$594,204	(-16.48%)

Source: Duplin County's Risk Management Records, August 2009.

The County Manager established a Duplin County Safety Committee that meets every month to discuss safety issues and developed strategies to make county facilities and operations safer. The Safety Committee is composed of a cross-section of county staff including the County Manager, Personnel staff, Safety Officer from Emergency Medical Services, Safety Trainers from the Sheriff's Department, Solid Waste representative, Emergency Medical Director, Water Director, Assistant Transportation Director, Social Services maintenance staff, Finance Officer, and the Nurse for the Health Department.

The County Manager requested the Occupational Safety and Health Administration (OSHA) to perform a free safety evaluation of all county facilities which was completed during 2006-07 and 2007-08. The report issued by OSHA identified safety concerns which the county used as a guide to eliminate situations that were unsafe. The County also conducts safety reviews of all buildings at least annually. Duplin County's Transitional Duty Policy is in effect and helps ensure that an injured/ill employee is returned to a productive position as soon as medically possible.

COMMENDATION

Duplin County is commended for implementing programs and practices that have reduced workers' compensation costs while salary costs have increased.

FINDING

Although Duplin County has had success in reducing workers' compensation costs, it does not track and analyze injury claims to determine where and why accidents are occurring or what situations exist that result in reoccurring injuries. Without an analysis to determine where and why accidents are happening, Duplin County is unable to structure safety training specifically directed at reducing the accidents and injuries.

Some reports are received from the County's third-party administrator, but the County does not receive reports that track where accidents are happening in order to determine where additional training may be needed to reduce future accidents. The third-party administrator does recommend general safety training on a quarterly basis.

In a report dated July 29, 2009, the Initiative/Strategy for increasing employee-safety awareness through ongoing safety training stated: "Continue to provide ongoing required and needed employee safety training. Recommended training consists of but is not limited to: the prevention of slips, trips and falls, blood borne pathogens, proper lifting, office safety, and workforce violence."

A process to analyze accidents provides a county with information that enables it to develop safety training specifically related to reducing a specific danger and reduce the number of accidents. The specific training reduces injuries to employees and most times reduces associated workers' compensation claims.

RECOMMENDATION

Recommendation 3-15:

Obtain accident data and develop a process to analyze accidents and training directed at reducing reoccurring accidents.

Obtaining accident data should enable Duplin County to have information necessary to determine where repeated accidents are occurring, and enable training to be focused primarily on those areas. While training is being provided throughout Duplin County, it is not being coordinated with accident data that will enable more effective training to be conducted to address repeated types of accidents. Accident data should also provide information by department to assist in reducing the causes of accidents to staff.

FISCAL IMPACT

It is estimated that this recommendation will reduce accidents by five percent and also reduce the cost of workers' compensation costs by the same five percent. Duplin County's workers' compensation cost for 2008-09 was $594,204. A five percent reduction in those costs will save the county about $29,710 a year ($594,204 2008-09 workers' compensation costs x 5 percent = $29,710).

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Reduce Reoccurring Accidents	$29,710	$29,710	$29,710	$29,710	$29,710

FINDING

Duplin County does not have formal polices to adequately protect its investment in fixed assets. There are no requirements for annual physical inventories to be conducted, approvals before items can be deleted from the asset inventory, guidelines that require reimbursement for items lost due to negligence, or for a police report or employee affidavit for lost or stolen items. Duplin County does have a policy that provides some direction on the disposal of fixed assets.

At June 30, 2008, the County had over $108 million invested in fixed assets. **Exhibit 3-25** shows a summary of the county's investment in fixed assets at June 30, 2008.

Although Duplin County does not have a specific requirement for a physical inventory to be conducted annually, the Deputy Purchasing Agent does periodically initiate a physical inventory. The last one was about two years ago. When conducting a physical inventory, the Deputy Purchasing Agent sends listings of fixed assets to departments. The departments indicate which items they locate, which ones they can not locate, and items they have but are not on the inventory listing. The practice is for items that cannot be found to be deleted from the inventory listing without any approvals being obtained. Duplin County was unable to readily provide the number of items and amounts that were deleted from the inventory during previous inventories.

Exhibit 3-25
Duplin County Capital Assets
June 30, 2008

Description	Governmental Activities	Business-type Activities	Total
Land	$2,457,836	$837,600	$3,295,436
Buildings improvements	$24,742,281	$53,883,766	$78,626,047
Airport		$10,425,457	$10,425,457
Equipment	$5,829,624	$4,097,749	$9,927,373
Vehicles	$4,047,905	$1,811,960	$5,859,865
Subtotal	$37,077,646	$71,056,532	$108,134,178
Less Accumulated Depreciation	$12,137,186	$14,977,302	$27,114,488
TOTAL	**$24,940,460**	**$56,079,230**	**$81,019,690**

Source: Duplin County's Annual Financial Report, June 30, 2008.

Fixed asset policies normally address many issues that pertain to an entity's investment in fixed assets. Policies include guidelines for all fixed assets and regularly address:

- who is responsible for accounting for the county's investment in fixed assets and the system that is to be used for the accounting;

- responsibility and accountability for the property and equipment owned;

- requiring annual physical inventories and approvals that must be obtained before items can be deleted from asset records;

- capitalization thresholds for property, equipment, land and infrastructure;

- depreciation methods, salvage value and a schedule of estimated useful lives;

- determining capitalized improvements versus maintenance expenses;

- reporting junked, stolen or missing property and what approvals are required to delete from the inventory;

- receiving donated property; and

- transferring assets between departments.

To protect its investment in fixed assets, counties must track their assets and have policies that provide direction on how the assets are to be managed. As items are acquired they are immediately added to the listing and when the county disposes of an item through normal processes they are taken off the list. When an item can not be found, the situation is examined, and proper approvals required before the item can be taken from the asset inventory.

RECOMMENDATION

Recommendation 3-16:

Develop a Board Policy to help ensure the protection of the County's investment in its fixed assets.

A fixed asset policy will help ensure that Duplin County's investment in fixed assets is being managed as desired by the Board of County Commissioners and will protect the investment by assigning accountability and holding department heads responsible for the proper care and protection of the assets. The policy will also help ensue that items are not deleted from the fixed asset listing without proper approval.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County's practice is to add items costing $200 or more to its fixed asset inventory. In addition, items valued at $2,500 or more are classified as capital items, and capitalized and depreciated for annual report purposes.

Each item placed on the inventory listing is assigned a unique identification number. An inventory tag with the identification number is physically placed on each item on the inventory list. Most asset items are received by the Deputy Purchasing Agent who places the inventory tag on the item and adds the item to the fixed asset listing.

The inventory list contains over 9,000 items. For each item, the inventory listing shows applicable information including:

- department where the items is located;
- tag number;
- inventory type;
- manufacture;
- serial number;
- vendor;
- description;
- purchase date;
- purchase cost;
- comments; and
- Insurance.

As a result of the $200 low cost at which items are recorded as assets, County employees in the Finance Office and departments spend valuable time tracking items of limited value. Some items

of limited value (and which normally are not subject to being misplaced or lost included on the 9,000 plus inventory list) include numerous:

- chairs valued at $214 to $368;
- filing cabinets valued at $299;
- bookcases valued at $200;
- workstations valued at $302;
- folding tables valued at $205; and
- keyboard trays valued at $228.

Taking additional time to add these items to the inventory, placing inventory tags on each item, and tracking and inventorying these items for many years is not cost effective and of limited value in safeguarding them. Over time, it is conceivable that the cost to add a low cost item to the inventory and keep track of it for many years could exceed its original cost.

Also, identifying items with the low value of $2,500 or more as capital items adds questionable value to annual reports. It takes time for County staff to manage the deprecation amounts of such items, and probably adds some costs to the preparation of the annual audit performed by the external auditors that prepare the report.

When fixed asset capitalization thresholds are at a reasonably high level, the time and effort involved in tracking low-dollar value items is kept to a minimum. When the dollar values for fixed assets are raised, employees have more time to better track the higher dollar value inventory, including more physical inventory audits of departments that can be conducted with much less effort than when having to spend time locating the many low cost items.

Many entities periodically reassess their limits for adding items to inventory systems and for identifying items as capital items for reporting purposes. After deciding the dollar value for which items are to be added to an inventory listings, entities normally identify other items that must be added which cost less than the threshold, but are easily misplaced or stolen. Such items normally include guns, cameras, telephones, radios and other items that are portable and assigned to individual employees.

RECOMMENDATION

Recommendation 3-17:

Increase the dollar value at which items are recorded as fixed assets from $200 to $1,000, and for capital items from $2,500 to $5,000.

Increasing the amounts at which Duplin County adds items to the inventory list and capitalized items should reduce the time and effort involved in tracking so many low-dollar value items. The implementation of this recommendation will enable the Finance Office and departments more time to track the higher dollar value inventory and take more physical inventories.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

CHAPTER 4:
PERSONNEL AND HUMAN RESOURCES MANAGEMENT

4.0 PERSONNEL AND HUMAN RESOURCES MANAGEMENT

Managing a local government agency is a labor-intensive undertaking; personnel costs typically consume the largest portion of the average county budget. Consequently, successful and effective local governments place a major emphasis on human resources management. The employees of any local government are its most valuable asset. They possess distinctive institutional knowledge and experience that can be difficult and costly to replace should they depart. The recruitment, selection, orientation, training, salary, and benefits provided to the workforce contribute greatly to the effectiveness of the agency.

Effective human resources management begins with the organization and direction of the human resources function. Ultimately, the human resources operation is a customer service effort— staff must deal with applicants, current employees, and employees who have left the organization. In order to be able to deliver the proper level of support and assistance, the department must be organized and staffed appropriately, and have the right composition of job responsibilities. Employees must know that if they have a question on a particular issue that is critical to their job, that the right person will be handling the issue for them. Staff of the organization must feel confident in the abilities of the Human Resources Department to address all of the personnel-related issues and challenges that are common in a municipal government.

Within the scope of human resources management, there are a number of responsibilities—including staffing analysis, recruiting, hiring, salary and benefits administration, and performance evaluation. Effective personnel management requires compliance with equal employment opportunity statutes and other applicable federal and state laws. As part of human resources management, it is important to establish fair and workable policies, procedures, and training programs that are important for recruiting and retaining competent staff.

A well-organized Human Resources Department can help county leaders meet the needs of employees and the data needs of the administration. By assigning clear responsibilities to staff in the department, the county can effectively and efficiently deliver necessary services to ensure the sound management of the human resources function.

Chapter 4 reviews the Human Resources Department and human resources management of Duplin County Government. The chapter includes the following seven sections:

      4.1   Organization and Management
      4.2   Policies and Procedures
      4.3   Human Resources Records
      4.4   Recruitment, Hiring, and Retention
      4.5   Compensation and Classification
      4.6   Performance Assessment
      4.7   Professional Development

4.1   ORGANIZATION AND MANAGEMENT

The effectiveness of personnel services delivered to employees is significantly influenced by the manner in which a human resources department is organized and managed. The organizational structure of a human resources department should be driven by the functions that it performs, and these functions should be periodically reviewed to ensure that the needs of the organization are being effectively served.

FINDING

In Duplin County, the role of administering the personnel policies defaults to the County Manager. Historically, this responsibility has consumed less than one fourth of the County Manager's time.

Exhibit 4-1 illustrates the organizational structure of the Human Resource Department.

Exhibit 4-1
Organizational Structure of the Human Resources Department
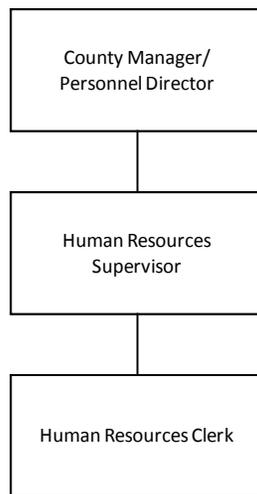
Source: Duplin County Government, August 2009.

In **Chapter 2**, Evergreen Solutions recommended the reclassification of the Human Resources Supervisor to Human Resources Director. The current organizational structure has the County Manager serving in the dual role of County Manager and Director of the County's Personnel Policies. Although this arrangement has served Duplin County effectively from the days when the organization employed a much smaller number of employees, Duplin County has grown to the point where the issues and opportunities surrounding the human resources functions have grown beyond the current organizational structure.

By creating a position of Human Resources Director, Duplin County would benefit by:

- creating a champion for personnel that could assist in developing a consistent vision and mission for human resources, as well as working with diverse stakeholders to ensure that goals are realized;

- focusing attention more equally on compliance and employee advocacy;

- granting more importance to human resources in Duplin County as a whole by having a senior management position in the area that would possess more strategic and less tactical responsibilities; and

- creating a much needed office for personnel-related decision making, allowing the County Manager to focus on the strategic direction of Duplin County as a whole.

RECOMMENDATION

Recommendation 4-1:

Reclassify the position of Human Resources Supervisor to Human Resources Director (see Recommendation 2-16).

The Duplin County could best ensure that its administrative and personnel needs are being addressed by having a Human Resources Director managing these functions.

A sample classification description containing the essential functions of this position and the recommended requirements are displayed in **Exhibit 4-2.**

FISCAL IMPACT

The fiscal impact for this recommendation is included in **Chapter 2 (Recommendation 2-16)**.

FINDING

The demands of the Human Resources Department of Duplin County cannot be met by a traditional "Human Resources Clerk." This clerk's job classification and the typical responsibilities included for a clerk do not recognize duties requiring specialized human resources knowledge. An analysis of the class description and expected requirements of this position make it clear that it is an inadequate match for the human resources needs of the County, and will not attract the level of expertise that the County must have.

RECOMMENDATION

Recommendation 4-2:

Reclassify the Human Resources Clerk to Human Resources Specialist to reflect the technical and professional aspects of human resource management.

In an agency the size of Duplin County, with its two-person Human Resources Department, administrative, operational, clerical, and compliance related duties are performed by all department employees. This requires a level of competence, knowledge, skills and abilities to be possessed by its employees that would expect to exceed those of a typical human resources clerk.

Exhibit 4-2
Sample Human Resources Director
Classification Description

<u>**General Statement of Job**</u>

Under the administrative direction of the County Manager, this position is responsible for overseeing, directing, and administering human resource activities, programs, and processes so as to ensure compliance with state and federal laws, meet organizational goals and objectives, and promote employee satisfaction, well-being, and quality of work life.

<u>**Specific Duties and Responsibilities**</u>

<u>**Essential Functions:**</u>

Reviews and recommends revisions to human resource policies; oversees implementation and uniform application of human resource policies and procedures.

Consults with managers and supervisors regarding interpretation of policy, performance, and disciplinary issues.

Consults with managers and supervisors regarding a wide variety of employment related legal issues, i.e., FMLA, ADA, EEO, Workers' Compensation, and administers all employee benefits plans (pension, health, life insurance, disabilities, etc.).

Drafts required correspondence to personnel and monitors activities consistent with Federal and State mandated regulations.

Assists in the development of new policies and procedures.

Oversees employee disciplinary procedures in consultation with line management; recommends suspension/dismissal as appropriate.

Represents the County at State Department of Labor and Employment Security Claims appeal hearings.

Serves as agency liaison with employee benefit vendors, Workers' Compensation carriers, and related; reviews proposals for renewals and revisions of existing coverages.

Responds to Writs of Garnishment, IRS tax levies, Child Support Enforcement Orders, and related; effects necessary agency and employee liaison as required.

Functions as employee advocate with regard to workplace issues and concerns; meets with individual employees to hear grievances, and explain District policy, management role, and prerogatives.

Prepares and administers department budget; reviews/revises as appropriate.

Responds to outside agency, applicant, and public requests for information.

Supervises the activities of department personnel; provides general supervision and administrative support to the County's records management function.

Serves as member of the County's Senior Management Team.

Coordinates the County's Drug Free Workplace Program.

Coordinates the County's Employee Assistance Program.

Develops and implements department goals and objectives.

Maintains knowledge of Medicaid prepaid health contracts.

Ensures compliance with Abuse Registry and FDLE criminal history background checks for all employees.

The list of essential functions, as outlined herein, is intended to be representative of the tasks performed within this classification. It is not necessarily descriptive of any one position in the class. The omission of an essential function does not preclude management from assigning duties not listed herein if such functions are a logical assignment to the position.

<u>**Position Qualifications**</u>

<u>**Education:**</u>

Bachelor's degree required, Master's desired, in personnel administration or related field

<u>**Experience:**</u>

Ten (10) years progressively responsible experience in a field of personnel administration, five (5) of which shall be acquired in a manger/director capacity for a public or healthcare organization

<u>**Certification:**</u>

SPHR or PHR Certification preferred

Source: Created by Evergreen Solutions, 2009.

The required knowledge, skills, and abilities already used by the Human Resources Clerk place it at a higher level than the classification would indicate. Thus, upgrading this position to match the present expectations and needs of Duplin County is the best course of action to ensure that the County is able to recruit and retain skilled personnel in this position to serve its internal and external customers.

A sample classification description for a Human Resources Specialist is displayed **in Exhibit 4-3.**

FISCAL IMPACT

A 10 percent increase is estimated for this reclassification.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Reclassify the Human Resources Clerk to Human Resources Specialist	($3,500)	($3,500)	($3,500)	($3,500)	($3,500)

FINDING

As stated in **Chapter 2**, even though Duplin County has developed a strategic plan, little evidence of its implementation was seen. The Human Resources Department does not have a clearly defined set of goals, action plans, or performance targets focused on its strategic mission, core functions, customer service, and results; yet the Department must perform a wide variety of employment, employee service, and county-related functions that support the operational and workforce needs of Duplin County.

A strategically-focused plan is required in order to integrate and align all departmental functions. A departmental mission statement, implemented according to clearly defined goals and objectives, provides functional focus for its leaders and staff. In addition, it communicates the department's priorities and service commitments to its customers and stakeholders that enhance accountability.

A sample human resources strategic mission, vision, goal, and objective statements aligned according to a continuous improvement model are provided in **Exhibit 4-4**.

RECOMMENDATION

Recommendation 4-3:

Develop a mission and vision statement, and performance goals for the Human Resources Department.

The adoption of a mission statement, with corresponding goals, objectives, action plans, targets, timelines and results can provide enhanced functional alignment, improved staff performance, help prioritize workflow, and provide guidelines for improved service delivery.

**Exhibit 4-3
Sample Human Resources Specialist
Classification Description**

<u>**General Statement of Job**</u>

This position participates in the full range of human resource programs, ensuring compliance with County policies and Federal/state employment guidelines. Supports employees and management in all aspects of Human Resources. Administers policies and procedures relating to several functional areas and activities of Human Resources for the County. This includes: FMLA, Worker's Compensation, Tuition Reimbursement, processing performance appraisals, all personnel changes in database, orientation training, maintenance of licensure/certification records, and providing backup to the Benefits and Recruitment functions. This position may at times be project-oriented. Performs other duties as assigned.

<u>**Specific Duties and Responsibilities**</u>

<u>**Essential Functions:**</u>

Performs human resource professional level functions requiring independent judgment, discretion, and policy interpretation.

Performs project work in support of Human Resource Department.

Serves as the point of contact for supervisors and employees in Human Resource related areas.

Conducts new employee orientation.

Assists in providing employees with pertinent HR-related information.

Develops and maintains filing, logs, and other tracking mechanisms in order to process and maintain human resource information systems. Performs Internet and other research as needed.

Maintains all performance evaluation logs and develops tickler systems in order to ensure managers complete evaluations accurately and timely.

Processes employee payroll change notices and maintains highly accurate personnel records, both in the computer database and hard copy.

Maintains Human Resource files, employee files, and all records in accordance with retention requirements.

Maintains process for all leave of absences. Ensures that the County policy and state/Federal regulations are followed. Ensures the proper documentation and tracking of FMLA's.

Maintains HRIS system and employee files in order to ensure accuracy at all times.

Responds to internal and external requests regarding the verification of employment and records for employees at the County.

Answers incoming telephone calls and refers calls to proper individuals, demonstrating outstanding customer service skills at all times.

Facilitates excellent communication between employees and management.

Assists in performing research for the purpose of designing new/modified plans/programs applicable to the County's classification and/or compensation or benefits system.

Processes tuition reimbursement for employees. Ensures policy is followed and instructs employees on the proper procedures to request reimbursement. Ensures accuracy and completeness of all requests.

Develops spreadsheets and other human resource reports.

Drafts a wide variety of routine correspondence and memoranda.

Develops and makes recommendations to streamline administrative processes and procedures.

Ensures wages and salaries are administered in accordance with established parameters and practices.

Serves as liaison to Payroll on personnel/payroll matters.

Coordinates and maintains all workers compensation programs.

The list of essential functions, as outlined herein, is intended to be representative of the tasks performed within this classification. It is not necessarily descriptive of any one position in the class. The omission of an essential function does not preclude management from assigning duties not listed herein if such functions are a logical assignment to the position.

<u>**Position Qualifications**</u>

<u>**Education:**</u>

Bachelor's degree from an accredited college or university with a major in Business Administration, Human Resource Management, Psychology, or related field

Master's Degree in same preferred

<u>**Experience:**</u>

Two (2) years related experience, or any equivalent combination of training and experience. Knowledge of local, federal and state employment, civil rights and labor laws, rules and regulations

Experience in government and/or healthcare preferred

<u>**Certification:**</u>

PHR or SPHR Certification preferred

Source: Created by Evergreen Solutions, 2009.

Exhibit 4-4
Sample Mission, Vision, and Goals
for an Human Resources Department

Human Resources Departmental Vision and Mission Statement

The Human Resources Department will be a strategic quality leader for the County. The Human Resources Department will recruit, employ, induct, train, evaluate, and retain a high quality workforce to support the County, enabling employees to achieve their maximum potential and meet operational and advocacy needs of the workforce.

Performance Improvement Goals

- The processes for recruitment and staffing for all jobs will be completed on a timely basis.

- All departmental policies, rules and procedures will be written and communicated.

- Job descriptions will be revised and updated to reflect current assignments.

- A classification and compensation study will be conducted to ensure internal equity.

- Employment processes will be revised to improve support for principals and supervisors.

- Payroll and benefits information updates will be communicated to employees annually.

- Employee records will be purged according to all legal requirements and a formal process for check-out, confidentiality and security will be implemented.

Source: Created by Evergreen Solutions, 2009.

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

FINDING

The Human Resources Department lacks appropriate accountability measures. In order to accurately document performance improvements, it is important that key performance indicators (KPIs) be identified to monitor results. Regular monitoring of performance towards the accomplishment of written goals and objectives is essential for accountability.

In order to facilitate this process, the Human Resources Director should produce a monthly or quarterly monitoring report of results and accomplishments. Department functions or goal areas, the key measures by which results can be determined, and the results should be provided in these reports. Reporting can include a variety of data such as objective and subjective results, progress and status of projects, as well as customer survey results.

Exhibit 4-5 provides an outline for reporting of primary areas of responsibility in the form of key performance indicators (KPI).

RECOMMENDATION

Recommendation 4-4:

Develop key performance indicators, monitor goal and objective key performance results on a monthly or quarterly basis, and provide an annual report of accomplishments for the Human Resources Department.

Exhibit 4-5
Example of Key Performance Indicators

Core Function: Processing of Applications
KPI: # applications processed and candidates notified within 5 days of receipt
Status/Results this month: 75% completed per the KPI standard

Core Function: Processing of employee status changes (PAF forms)
KPI: # status changes completed within 1 day of receipt of request
Status/Results this month: 35% completed by the KPI standard

Core Function: Qualified candidate lists
KPI: Lists provided within 10 days from date of receipt of request for candidates to fill vacancy
Status/Results this month: 15% completed by the KPI standard

Source: Created by Evergreen Solutions, 2009.

Goals, objectives, and performance results should be reported on a monthly or quarterly basis. An annual report should be used to determine the accomplishments and performance of the Human Resources Department, and to guide the revision or reestablishment of goals and objectives for future years. The specific details of creating the outline of this report for Duplin County should be the purview of the Human Resources Director.

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

FINDING

The Human Resources Department does not conduct regular satisfaction surveys of Duplin County employees.

Customer satisfaction is an important goal for any internal service provider. For Duplin County's Human Resources Department, its customers are Duplin County employees. A key component in measuring the Human Resources Department's success should be the overall satisfaction of the department's customers in the key areas of service provision. At present, the Human Resources Department does not collect these data.

RECOMMENDATION

Recommendation 4-5:

Construct an online customer satisfaction survey and administer the survey on an annual basis.

A number of companies offer free online survey creation and data analysis. Depending on the provider selected, some even include email list management tools and real-time dashboards that report results and trends on a real time basis.

After the Human Resources Department administers the survey and collects the results, the initial results should serve as a customer satisfaction baseline. Future survey results can be measured against the baseline, and potential trends in customer satisfaction should be highlighted.

Exhibit 4-6 displays a sample screenshot of a simple yet thorough survey of customer satisfaction conducted by a Human Resources Department.

FISCAL IMPACT

This recommendation can be accomplished with existing resources.

4.2   *PERSONNEL POLICIES AND PROCEDURES*

Clearly written personnel policies and procedures are necessary to administer a county government. Policies provide direction, while procedures provide guidelines for implementation. Written policies and procedures should be used to ensure consistency of processes and to provide for supervision by the County Manager and the Board of County Commissioners.

FINDING

The Duplin County Manager, with a Personnel Committee, is currently in the process of reviewing and updating Duplin County's personnel policies to submit to the Board of County Commissioners for adoption. Prior to this, Duplin County's policies have not been universally revised in more than ten years. As currently written, these personnel policies do not provide sufficient reference or guidance for employees, supervisors, or other stakeholders. Personnel policies should provide notice to employees and stakeholders regarding workplace requirements and behaviors which are expected in the best interests of employees, supervisors, and the local community.

Additionally, the Human Resources Department does not have a process in place for the regular review, revision, and updating of personnel policies and procedures. Personnel policies need to be reviewed on an annual basis to determine that they are up-to-date with changes in legal requirements, revisions in operating procedures, and changing initiatives.

In reviewing the existing personnel policies and interviewing both the County Attorney and the County Manager, it was revealed that the personnel policies have been in the process of cumulative review and revision for over a year. As was stated in **Chapter 2**, the Reduction in Force (RIF) Policy is the only personnel policy that has been updated to date and adopted by the Board. Evergreen Solutions was provided a working copy of the personnel policies in revision for review.

The County possesses personnel policies including statements and regulations dealing with most of the typically expected aspects of employment and human resources operations for a local government. The present personnel policies, while generally complete in their content, are out of date and have not been updated in many years.

Exhibit 4-6
Sample HR Customer Satisfaction Survey

QUALITY OF SERVICE

How satisfied are you with the quality of each of these services?

	N/A	1 (Least Satisfied)	2	3	4	5 (Most Satisfied)
Recruitment (Finding qualified personnel for job openings)	⊙	⊙	⊙	⊙	⊙	⊙
Selection (Choosing the proper candidate to fill job openings)	⊙	⊙	⊙	⊙	⊙	⊙
Retention (Retaining key employees)	⊙	⊙	⊙	⊙	⊙	⊙
Communication (Providing relevant information to employees in a timely manner)	⊙	⊙	⊙	⊙	⊙	⊙
Classification (Placing employees in the proper titles and pay grades)	⊙	⊙	⊙	⊙	⊙	⊙
Compensation (Ensuring employees are paid properly for their skills, talents, and contributions)	⊙	⊙	⊙	⊙	⊙	⊙
Employee Recognition (Acknowledgment of employee contributions and service)	⊙	⊙	⊙	⊙	⊙	⊙
Training (Making employees more productive through training activities)	⊙	⊙	⊙	⊙	⊙	⊙
Professional Development (Assisting employees obtain career goals through training and counseling)	⊙	⊙	⊙	⊙	⊙	⊙
Counseling (Helping employees with work-related and personal issues so that they can focus on work)	⊙	⊙	⊙	⊙	⊙	⊙
Career Planning (Assisting employees set professional goals)	⊙	⊙	⊙	⊙	⊙	⊙
Succession Planning (Preparing for planned turnover)	⊙	⊙	⊙	⊙	⊙	⊙
Performance Management (Assisting with employee evaluations)	⊙	⊙	⊙	⊙	⊙	⊙
Positive Work Environment (Keeping work conditions enjoyable and removing structural problems)	⊙	⊙	⊙	⊙	⊙	⊙
EEO (Keeping the workplace free from discriminatory practices and environment)	⊙	⊙	⊙	⊙	⊙	⊙
Attendance/Leave (Accurately recording employee leave)	⊙	⊙	⊙	⊙	⊙	⊙
Payroll and Benefit Processing (Ensuring employees receive compensation and benefits in a timely and accurate manner)	⊙	⊙	⊙	⊙	⊙	⊙
Other: (Please Specify)	⊙	⊙	⊙	⊙	⊙	⊙

GENERAL INTERACTIONS WITH HR STAFF

How satisfied are you with your interaction with Agency's HR staff?

	N/A	1 (Least Satisfied)	2	3	4	5 (Most Satisfied)
Handling confidential matters	⊙	⊙	⊙	⊙	⊙	⊙
Quality of advice from employees	⊙	⊙	⊙	⊙	⊙	⊙
Responsiveness to requests	⊙	⊙	⊙	⊙	⊙	⊙
Reliability of follow through to requests	⊙	⊙	⊙	⊙	⊙	⊙
Overall Professionalism	⊙	⊙	⊙	⊙	⊙	⊙
Ability to anticipate needs and prepare for the future	⊙	⊙	⊙	⊙	⊙	⊙
Ease of process use	⊙	⊙	⊙	⊙	⊙	⊙
Quantity of information available	⊙	⊙	⊙	⊙	⊙	⊙
Effective use of technology	⊙	⊙	⊙	⊙	⊙	⊙
Quality of information available	⊙	⊙	⊙	⊙	⊙	⊙
Knowledge of my work area's business and work issues	⊙	⊙	⊙	⊙	⊙	⊙
Customer responsiveness	⊙	⊙	⊙	⊙	⊙	⊙

Source: Created by Evergreen Solutions, 2009.

Duplin County personnel policies contain 11 articles addressing the following areas:

I.   Organization of Personnel System
II.   Classification Plan
III.   The Pay Plan
IV.   Recruitment and Employment
V.   Conditions of Employment
VI.   Leaves of Absence
VII.   Separation, Disciplinary Action and Reinstatement
VIII. Grievance Procedure and Adverse Action Appeal
IX.   Employee Benefits
X.   Personnel Records and Reports
XI.   Implementation of Policy

These articles contain multiple sections and each of them contain some aspect of which is currently under revision. There are no glaring gaps in personnel policies where new policies need to be written, but the existing policies warrant immediate revision.

The working copy that was provided to Evergreen Solutions showed that nearly every personnel policy (except one) is currently under revision. The policies are being evaluated by the County Attorney as well as the County Manager, and many of them sit in a partially completed state.

RECOMMENDATION

Recommendation 4-6:

Update personnel policies immediately.

Personnel policies must be reviewed on a regular basis by the Human Resources Director in conjunction with the County Attorney, County Manager, and Board of County Commissioners to ensure they are in compliance with both new and revised federal and state laws as well as changes in the needs and requirements of Duplin County.

According to the working copy of the personnel policies provided to Evergreen Solutions, some of the policy revisions are complete. Rather than allowing the County to continue with an outdated Personnel Policy Manual, it is recommended that any policies for which the review and revision process is complete, be adopted by the Board rather than waiting for the entire document to be complete.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Human Resources Department does not have personnel procedures. These procedures form the basis for staff guidance in the implementation of Board-approved polices.

Written standard operating procedures document the actions required to perform major departmental tasks. A desk reference or online Web reference manual would help maintain departmental consistency of operations, and promote staff teamwork and cross training. This practice helps institutionalize processes and can be used as a training guide for new employees.

RECOMMENDATION

Recommendation 4-7:

Develop written internal practices, procedures, and workflow processes in the Human Resource Department.

These documents should be organized by topic and include all the required steps to complete routinely performed work processes and tasks. They should be reviewed on a regular basis with staff to ensure practices are followed on a consistent basis. They should be used as a basic training guide for new employees of the Human Resources Department and as a tool for cross-training staff.

Consideration should be given to inclusion of these personnel procedures into a manual as shown in **Exhibit 4-7.**

Exhibit 4-7
Personnel Services Procedures Manual
Example Outline

Departmental procedures and requirements for completion of the following workflow processes should be written and reviewed with staff on a continuing basis. These procedures and practices should be the basis for training new employees and for the cross-functional succession planning of leadership and staff.

1) Recruitment of employees.

2) Employment applications, communications, and processing.

3) Qualified candidate requirement verifications and communications.

4) Candidate interview and selection.

5) New hire paperwork, payroll, and benefits enrollment.

6) Personnel file development and contents.

7) Employee transfer and reassignment.

8) Payroll updates and processing.

9) Benefits, employee communications, and management.

10) Civil service requirements and processes.

11 Salary and compensation administration and management.

12) Board report requirements and development.

13) Employee leave and absence processing and management.

14) Board policy and procedure implementation.

15) Termination and retirement communications and processing.

16) Human Resources Department requirements and processes.

Source: Created by Evergreen Solutions, 2009.

Exhibit 4-8 provides a sample of a process workflow that was derived via a conversation with a representative of the Human Resources Department. The workflow pictured is representative of the hiring process in Duplin County and serves as an example of what can be accomplished with relative ease given the appropriate time and attention. It should be noted that the County is currently under a hiring freeze for all departments except Sheriff, Communications, Health, and EMS. All other vacancies must be approved by the Board of County Commissioners prior to advertising.

Exhibit 4-8
Sample Hiring Process Workflow
for Duplin County Government
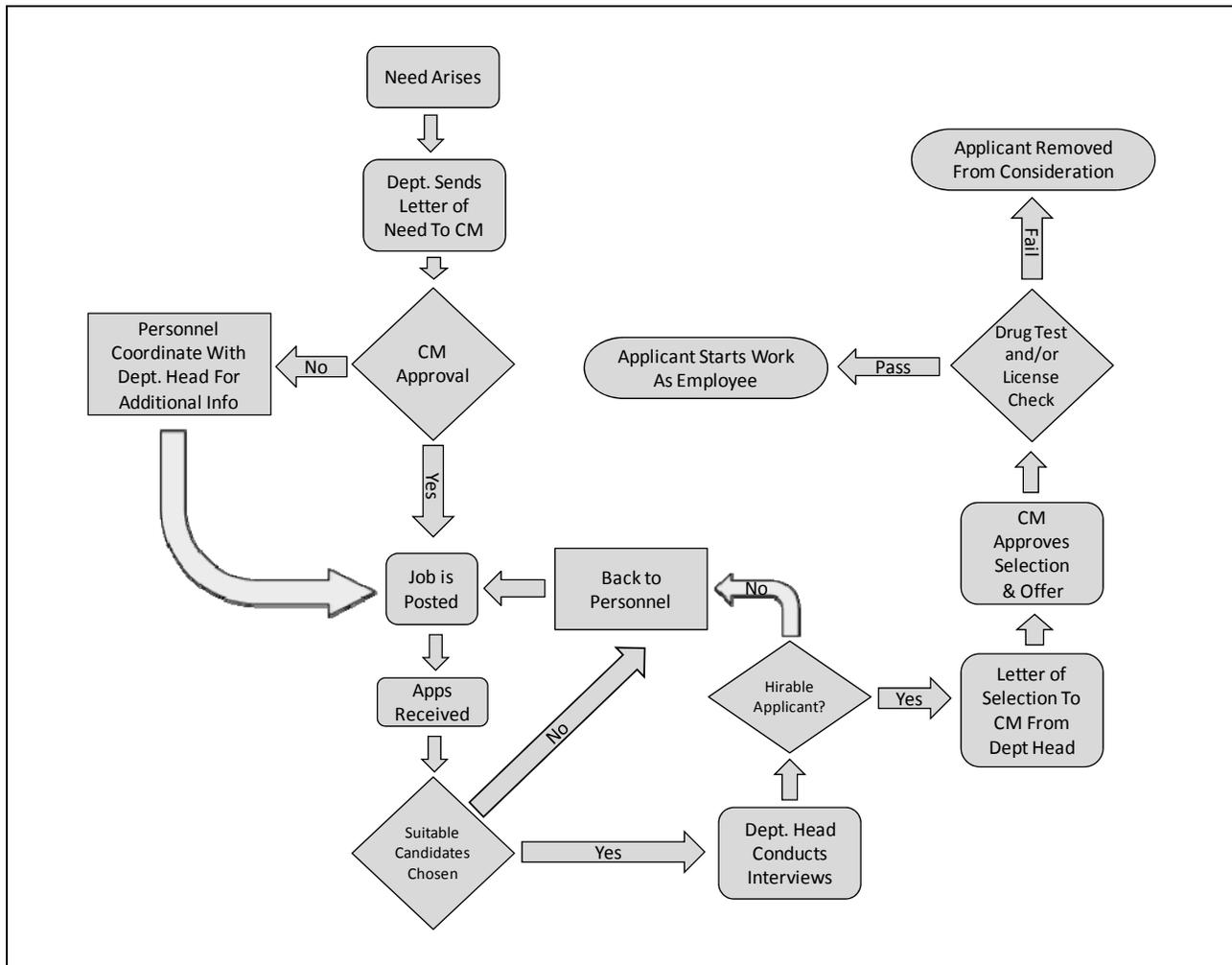
Source: Created by Evergreen Solutions, 2009.

FISCAL IMPACT

This recommendation can be implemented with existing resources and should have no additional cost requirements, other than staff time to develop.

4.3   HUMAN RESOURCES RECORDS

The maintenance of complete, well-organized, and accurate personnel records is one of the most important assignments of a Human Resources Department. Personnel records contain confidential and historically valuable information on all employees. These records must be maintained in a secure environment that is accessible only to authorized staff. Personnel files are used on a daily basis by staff to provide job and salary verifications, produce personnel reports, develop required compliance documents, and maintain accurate data on the county's workforce.

FINDING

Duplin County does not have well-established processes and procedures for maintaining, purging, and securing confidential personnel files. Personnel files for current employees are maintained in the office of the Human Resources Supervisor. Overflow or non-active personnel files are maintained in a separate filing cabinet on the second floor of the County office building.

Personnel files contain applications for employment, background checks, employment references, and other pre-employment information. Also contained are required licenses or certificates, staff development, and training related documentation. Post-employment employee information—containing evaluation instruments, status change letters, salary and payroll records, and changes in work location or job assignment— are included as well.

Moreover, personnel files contain confidential employee medical information (including medical diagnoses, doctor statements, medical history, and related documents). It is critical that these personnel records be secured.

RECOMMENDATION

Recommendation 4-8:

Develop a Board policy and standard operating procedure on personnel records that ensures security of access, confidentiality of contents, legal compliance, and a process for purging personnel records.

Federal and state laws dictate the legal requirements for maintenance of personnel files. The adoption of a policy and related procedure for legal adherence, as well for timely document retrieval, should act to guide staff in appropriate enforcement and utilization.

Medical files are required by federal law to be maintained in a confidential medical file that is separate from the personnel file. Currently, only one set of files exists, and personnel records are kept in the same location and file folder as medical information.

Exhibit 4-9 contains a sample policy which the Human Resources Department can use, in conjunction with the County Manager and County Attorney, to develop a specific policy for Duplin County.

Exhibit 4-9
Sample Policy on Employee Records

Employee personnel files contain personal, sensitive and confidential information as well documentation of their term and status of employment with the County. Employee personnel files are to be maintained in a secure environment and accessible only to authorized personnel.

Information contained in employee personnel files should be retained according to applicable records retention statutes and purged of non-required documents on an annual basis. Files should be maintained in an electronic format and back-up files should be stored in a remote location to prevent loss due to fire, water or other hazard.

Source: Created by Evergreen Solutions, 2009.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County does not scan personnel records and keep electronic copies. Personnel records are critical documents. They contain the history of all personnel-related activities and serve as a critical line of defense against potential complaints and possible litigation. Given the importance of personnel records, the fragile nature of paper documents, and the reduced cost of electronic scanning devices, it is increasingly common for human resources departments to implement programs to scan personnel documents and maintain electronic filing systems. Electronic files can be kept both on-site (for desk-top access) and off-site (to serve as a critical back-up in the event of fire or other natural disaster).

RECOMMENDATIONS

Recommendation 4-9:

Purchase a scanner and implement a scanning process for Duplin County personnel records.

Scanning machines have become increasingly common, and as they have become more popular within the market, the price has come down accordingly. Scanners come with a variety of features and prices range from $250 to $1,500. After a scanner is purchased, the Human Resources Department should designate the Human Resources Clerk to scan new personnel records first and then work toward scanning the records of all employees.

FISCAL IMPACT

A practical, high-volume scanner and software should cost approximately $500. Scanning can be completed by current staff.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Purchase a Scanner in Human Resources	($500)	$0	$0	$0	$0

Recommendation 4-10:

Until personnel files can be maintained electronically, implement a plan to keep personnel files locked in a secure room accessible only to designated staff.

A mandatory check-out system that holds persons with file access clearance accountable for security should be implemented.

Limiting access by only authorized persons, along with incorporation of a checkout log for removal of files, is essential for the security and confidentiality of personnel files. The Human Resources Department has a checkout system, but it is currently not followed consistently. Productivity of staff can be improved as a result of files being easily located and returned to the file location.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

4.4   RECRUITMENT, HIRING, AND RETENTION

Perhaps the most critical functions performed by a human resources department are the recruitment, employment, support, and retention of a stable high quality workforce that can support a local government in meeting its increasingly complex challenges. The ultimate success of a local government in meeting its goals and objectives is dependent upon the workforce being able to implement initiatives and accomplish results.

The recruitment and retention of a high quality workforce requires a commitment by all departments and supervisors in a joint partnership with a human resources department to initiate workplace satisfaction and employee support programs designed to retain employees.

An effective recruitment process, over time, will improve the quality of candidates hired and lead to longer tenure, thus reducing turnover. Turnover is proven to have an associated cost. A number of online tools and resources exist that can assist in the calculation of the precise cost of turnover, but a widely cited number is that turnover costs approximately 30 percent of the departed incumbent's annual salary. With this reality facing Duplin County, reducing turnover by implementing more effective recruitment practices can be very beneficial.

FINDING

Duplin County presently has no plan for the recruitment or retention of qualified employees. The benefits of a well-defined recruitment and retention plan include increases in efficiency and the recruitment of a more qualified workforce that is prone to retain employees of Duplin County longer.

RECOMMENDATION

Recommendation 4-11:

Implement a recruitment and retention plan focused on improvement.

Strategies designed to improve the quality of hired employees will undoubtedly benefit the County over time. In addition, recruitment plans can have an overall positive impact on diversity within an organization. Anecdotal evidence suggests that pay levels are a primary reason why employees are departing from DSS, the Sheriff's Office, and EMS. To be effective, a successful retention plan should address these concerns.

After these determinations are made using accurate data, the County should develop recruitment plans designed to improve the hiring process and result in better retention of employees. Strategies designed to improve the quality of hired employees will undoubtedly benefit the County over time. In addition, recruitment plans can have an overall positive impact on diversity within an organization. Sample elements of a recruitment plan are displayed below in **Exhibit 4-10**.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County currently has data regarding the turnover and retention rates of employees. However, the system which holds these data is unable to produce an accurate or meaningful report of turnover statistics. In prior years, if a turnover report were requested, manual calculations were done and presented in a PowerPoint report by human resources staff. At one point, human resources staff requested that IT program a report query function to automatically generate a turnover report automatically. Such a report was presented to Evergreen Solutions as a component of this audit; however, it was found to contain calculation errors in the output of turnover rates. For example, according to this report, thus far in 2009, EMS has experienced 87 percent turnover.

Based on these reports on the available data, it cannot be concluded if the County has acceptable or unacceptable levels of turnover.

Based on the outcome of the newly developed report, priorities can be set for improving retention in departments that may be suffering from unnecessarily high turnover. According to the Federal Bureau of Labor Statistics, the latest available average turnover rate, nationally, is 3.3 percent. This can serve as an initial point of comparison to determine whether or not Duplin County is suffering higher than tolerable turnover rates in any of its departments or service areas.

RECOMMENDATION

Recommendation 4-12:

Work with IT to develop a reliable reporting mechanism for generating accurate turnover reports.

**Exhibit 4-10
Sample Elements of a
Recruitment Plan**

- Timeline that includes fixed dates for advertising, receiving applications, performing reference and/or background checks, interviews (first and second round), offer of employment, confirmation letter, and start date.

- List of potential staff who will work on a focused campaign.

- Survey of public relations/marketing materials — and ideas for revision if necessary.

- Budget.

- Number of member positions.

- Target number of applications.

- Standardized application form.

- Comprehensive member descriptions that include position title, location and program summary, description of typical service activities, duties and responsibilities, and member benefits.

- Support network strategy for members.

- Role of staff in relation to members and volunteers.

- Orientation and training plan.

- Accessibility and inclusion issues related to people with disabilities and cultural diversity.

- Assessment of physical space and resources.

Source: Created by Evergreen Solutions, 2009.

Data from existing exit surveys are keyed into the DBS software for HR and in the report that was provided; each separated employee was listed with their department, job classification, separation date and reason for leaving. These data should be sufficient from which to produce a reliable report using internal programming resources in the IT department. The HR Department needs to determine exactly what format the data are desired in and allow the IT Department to produce the appropriate calculations and queries to produce an accurate report.

FISCAL IMPACT

This recommendation can be implemented with existing resources**.**

FINDING

Duplin County collects exit surveys from departing employees with the exception of those that are terminated. Exit interviews/surveys are already being completed by employees who leave Duplin County and these forms are sent to department heads. However, they are not being analyzed in any meaningful way by the Human Resources Department to find areas of improvement or dissatisfaction that can be addressed or to identify areas worthy of concern.

Moreover, the County Manager previously received copies of all exit surveys, but this practice has ceased and now they only go to the department heads of the departing employees. Duplin County does not effectively evaluate the results of any exit surveys collected from personnel who leave Duplin County Government.

RECOMMENDATION

Recommendation 4-13:

Analyze results of exit interviews to identify potential areas of improvement.

Exit interviews can provide valuable information regarding the reasons people leave. Workplace satisfaction and retention initiatives focused on the creation of a stable, highly-skilled workforce could help reduce the turnover rate and enhance the efficiency of the work environment.

Exit survey data can also serve as an integral component for workforce planning that focuses on improving the quality of the workforce. This information can be used to make data-driven decisions about changes to benefits packages, compensation plans, organizational structure, and the strategic delivery of training and professional development activities.

The exit survey used by Duplin County is provided in **Exhibit 4-11**. Generally speaking, it is very complete and could be used to provide valuable information to supervisors in Duplin County.

FISCAL IMPACT

This recommendation can be implemented with existing resources**.**

FINDING

Duplin County does not have a comprehensive employee handbook. Handbooks are important sources of information that help employees understand County expectations as well as rules and regulations that govern their employment. Handbooks also provide insight regarding County policies and procedures that impact day-to-day operations and the working environment. An employee handbook should include references to applicable regulatory language for relevant jobs and provide general information on most employee-related issues, services, and requirements.

RECOMMENDATION

Recommendation 4-14:

Develop an Employee Handbook with explanations of and references to relevant policy and procedural information for employees.

A well-written Employee Handbook should be produced in both paper and online formats and contain clarifying information that can assist employees in both understanding requirements and acting according to Duplin County expectations.

The recommended Handbook should contain information with references to applicable policies and procedures explaining services provided, where to find related information, and how to access or comply with each. New employees need to know the roles of each department or office as well as the contact information for seeking additional information or assistance.

Exhibit 4-11
Duplin County Exit Survey

<u>**EXIT INTERVIEW**</u>

NAME _____   SOCIAL SECURITY NO. _____

POSITION HELD _____   DEPARTMENT _____

DATE HIRED _____   LAST DAY WORKED _____

1. REASON FOR TERMINATION OF EMPLOYMENT:

        _____ Retirement   _____ Discharged
        _____ To accept other employment   _____ Expiration of appointmen
        _____ Laid off   _____ Military Service
        _____ Health   _____ Return to school
        _____ Moved   _____ Other _____

    COMMENTS:

2. (a) How do you feel about the job you are leaving?

   (b) What part of the job was most satisfying ?

   (c) What part did you like least ?

3. Were you given information on policies and procedures when hired?

4. Do you feel you received adequate on-the-job training for the position you held?

5. Was your workload usually: _____ too much _____ to little _____ fluctuated _____ just right

6. How did you feel about your pay? _____

7. Do you feel you had adequate opportunity for advancement? _____
    If no, -- why? _____

8. If you could come back to work here, would you work for the same supervisor? _____
    Comment: _____

9. Do you have any recommendations for improving employment conditions or employee efficiency?

10. Have you gained any valuable experiences from your employment in Duplin County? _____

    Comment: _____

11. Do you already have another job? _____ If so, is this job with _____ Private Industry?
    _____ Federal or State? _____ Self employed? _____ Other? _____

12. Do you have any additional comments?

_____   _____
        SIGNATURE OF INTERVIEWEE   SIGNATURE OF INTERVIEWER
_____   _____
            DATE   DATE

Source: Duplin County Human Resources Department, 2009.

Employees should be informed of all job and work-related expectations and requirements with appropriate references on how to access additional information from responsible officials or departments. A sample Table of Contents for an example Employee Handbook is shown in **Exhibit 4-12**.

Duplin County possesses a comprehensive collection of personnel policies that, once updated as discussed in **Section 4.2** of this chapter, can serve as the foundation for a comprehensive Employee Handbook.

FISCAL IMPACT

This recommendation can be implemented with existing resources, and will require staff time.

FINDING

In organizational development, succession planning is the process of identifying and preparing suitable employees through mentoring, training and job rotation, and to replace key personnel (such as a department director within an organization as their terms expire). From the risk management aspect, provisions are made in case no suitable internal candidates are available to replace the loss of any key person. For example, it is not unusual for a private sector firm to ensure the key person so that funds are available if she or he dies, and these funds can be used by the business to cope with the problems before a suitable replacement is found or developed. Although such a practice is not common in the public sector, the idea of succession planning is a common practice in county and other municipal governments around the country.

Succession planning involves having senior executives periodically review their top executives and those in lower-level positions to determine potential candidates for each senior position. This is important because it often takes years of grooming to develop effective senior managers.

A careful plan of action ensures the least possible disruptions to the person's responsibilities, and therefore the organization's effectiveness. An effective succession plan clearly identifies the factors to be taken into account and the process to be followed in relation to retaining or replacing key persons.

Duplin County does not have a succession plan in place for any of its key leadership. In order to ensure minimal disruption to the daily operations of County departments, a succession plan can be developed.

RECOMMENDATION

Recommendation 4-15:

Develop a succession plan to ensure management and leadership continuity of Duplin County's business operations.

By addressing the future leadership issue now and developing a formal succession plan, Duplin County will ensure steady progress and implementation of its strategic goal. Ideally, this process will result in a seamless transition of leadership for key leadership roles.

Exhibit 4-12
Sample Employee Handbook
Table of Contents

SECTION 1 – INTRODUCTION

1.0 Welcome Message from the County Manager
- **Our Mission**
- **Equal Employment Opportunity Policy and Affirmative Action Plan**
- **Employment-At-Will**
- **Sexual Harassment**
- **Safety**
    o   Safety Rules
    o   Hazardous Wastes
    o   Reporting Injuries and Accidents
- **Drug Free Workplace**
    o   Prohibitions
    o   Drug Awareness Program
    o   Disciplinary Actions

SECTION 2 - EMPLOYMENT

2.0 Personnel Administration
- **HR Personnel Records**
    o   Contents of Personnel Files
    o   Employee Information
    o   Employee's Request for Review of Personnel Records
    o   Management Review of Personnel Files
- **Service**
    o   Employee Categories
    o   Job Posting Procedures
    o   Employment of Relatives
    o   Employment of Minors
    o   Promotions
    o   Separation of Employment
    o   Work force Reductions
    o   Probationary Period
    o   Extra Income
- **Process Improvement**
    o   Employee-Management Forums
    o   Employee Suggestion Program

SECTION 3 - COMPENSATION & BENEFITS
- **Payroll Information**
    o   Time Records
    o   Pay Periods
    o   Salary Compensation for Partial Pay Period
    o   Pay Rate Schedule / Hourly Paid Employees
    o   Payroll Deductions
    o   Overtime
    o   Payroll Errors
    o   Garnishment of Employee Wages
    o   Authorized Check Pickup
    o   Pay at Time of Separation
- **Attendance & Leave**
    o   Medical Leave Policy
    o   Sick Leave Credit Limit
    o   Sick Leave Policy / Usage
    o   Medical, Dental and Optical Appointments
    o   Exhaustion of Accumulated Sick Leave
    o   Pallbearer, Funeral, Emergency Leave
    o   Civic Leave or Jury Duty

Exhibit 4-12 (Continued)
Sample Employee Handbook
Table of Contents

- o   Voting
- o   Military Leave
- o   Maternity Leave
- o   Parental Leave
- o   Leave of Absence
- **Transportation & Travel**
  - o   Company Owned Vehicles
  - o   Personal Vehicles
  - o   Living Expense Allowance
  - o   Other Travel Expenses
  - o   Expense Records
  - o   Travel Advances
  - o   Expense Reimbursement / Third Party
  - o   Expense Policies / Violations
  - o   Company Credit Cards
- **Insurance**
  - o   Hospitalization and Medical Insurance
  - o   Continuation of Group Health Insurance (COBRA)
  - o   Life Insurance
  - o   Long Term Disability Insurance
  - o   Social Security
  - o   Workers' Compensation
  - o   Unemployment Compensation

SECTION 4 - EMPLOYEE RESPONSIBILITIES
- **Work Schedules**
  - o   Working Hours
  - o   Salary Employees
  - o   Hourly Employees
  - o   Clean Work-Place
- **Legal & Ethical Conduct**
  - o   Ethical Standards
  - o   Conflicts of Interest
  - o   Personal Conduct
  - o   Confidentiality
- **Misconduct**
  - o   Serious Misconduct
  - o   Very Serious Misconduct
  - o   Inexcusable Misconduct
  - o   Misconduct Investigations
- **Appearance & Belongings**
  - o   Personal Appearance
  - o   Business Attire
  - o   Casual Attire
  - o   Inappropriate Attire
  - o   Personal Belongings
  - o   Alcohol and Drugs
  - o   Medication
  - o   Smoking Policy
- **Equipment & Facilities**
  - o   Parking
  - o   Telephone Use
  - o   Motor Vehicle and Workplace Equipment Operation
  - o   Safety Equipment
  - o   Company Tools
  - o   Waste Prevention
  - o   Solicitation and/or Distribution
  - o   Security
  - o   Bulletin Board

Source: Created by Evergreen Solutions, 2009.

Exhibit 4-13 illustrates the elements of a successful succession plan. This exhibit can be used as the foundation of Duplin County's own planning effort.

**Exhibit 4-13
Elements of a Sample Succession Plan**

- Statement of commitment to prepare for inevitable leadership change.

- Statement of commitment to assess leadership needs before beginning a search.

- Plan to appoint interim leadership to ensure smooth operations and compliance with contractual obligations.

- Outline of succession procedures, including:

  – internal management succession to the interim position;
  – time frame for making the interim appointment;
  – time frame for appointing a board transition committee; and
  – roles of the transition committee (e.g., communication with stakeholders, identifying a transition management consultant, conducting an organizational assessment and designing the search plan).

Source: http://www.transitionguides.com, 2009.

Exhibit 4-14 provides sample procedures for succession planning.   This exhibit is written to emphasize the importance of such planning and provide an organization with guidance through the interim filling and eventual permanent placement of new employees.

FISCAL IMPACT

This recommendation can be implemented at no cost to Duplin County.

4.5   COMPENSATION AND CLASSIFICATION

A well-organized plan for classification and compensation is essential for a county government to maintain a stable high quality workforce. Classification systems and compensation schedules must be regularly monitored to maintain their internal fairness and consistency, while at the same time be competitive with the external marketplace.

FINDING

The Human Resources Department is responsible for the development of class descriptions, salary schedules, and pay grade assignments for all departments in Duplin County Government. In order to attract, reward, and retain a high quality workforce, Duplin County must provide competitive salaries and benefits that are administered in a fair and equitable manner. A regular review of job duties and corresponding salary rates are critical to the maintenance of a cost effective, yet market sensitive compensation plan.

In May 2008, *Springsted* submitted a final report of findings and recommendations representing the culmination of a comprehensive Classification and Compensation Study for the Duplin County Government. In this report, *Springsted* consultants point out that market data at the time suggested that recruitment and retention challenges being faced by Duplin County are likely the result of its compensation levels being below those of the relative regional market environment.

Exhibit 4-14
Sample Succession Plan Procedures

Procedures for Succession:

For a temporary change in executive leadership (i.e., illness or leave of absence) refer to the organization's Personnel Guidebook. In the event the County Manager (CM) of the [ORGANIZATION], is no longer able to serve in this position (i.e., leaves the position permanently), the county commissioners shall do the following:

1. Within 5 business days appoint an interim CM according to the following line of succession:

    a. chief operating officer (COO) of [ORGANIZATION]

    b. senior vice president of the parent affiliate of the [ORGANIZATION]

    c. external consultant (with experience as an interim executive director)

2. Within 15 business days appoint an executive transition committee, in the event that a permanent change in leadership is required. This committee shall be comprised of at least one member of the executive team and two members of the county commissioners. It shall be the responsibility of this committee to implement the following preliminary transition plan:

    a. Communicate with key stakeholders regarding actions taken by the board in naming an interim successor, appointing a transition committee, and implementing the succession policy. The organization shall maintain a current list of key stakeholders who must be contacted, such as lenders and investors of the [ORGANIZATION], foundations, government agencies, and other.

    b. Consider the need for consulting assistance (i.e., transition management or executive search consultant) based on the circumstances of the transition.

    c. Review the organization's business plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next permanent leader.

    d. Establish a time frame and plan for the recruitment and selection process.

    e. Refer to the CM Hiring Policy and Procedures in the Personnel Guidebook for additional procedures.

The commissioners should use similar procedures in case of an executive transition that simultaneously involves the county manager and other key management. In such instance, the board may also consider temporarily subcontracting some of the organizational functions from trained consultant or other organizations.

Source: http://www.transitionguides.com, 2009.

Sixteen (16) public entities were invited to participate in the survey and are listed below:

- Bladen County, NC
- Jones County, NC
- Lenoir County, NC
- Onslow County, NC
- Pender County, NC
- Sampson County, NC
- Wayne County, NC
- City of Clinton, NC

- City of Goldsboro, NC
- City of Jacksonville, NC
- City of Kinston, NC
- Town of Kenansville, NC
- Town of Mount Olive, NC
- Town of Warsaw, NC
- Duplin County Schools
- ONW ASSA

At the time of the 2008 study, turnover was calculated at approximately 12 percent annually which is higher than the purported typical annual turnover rate of between five and ten percent.

Appendix B of the *Springsted* report summarizes the findings of the salary survey. The appendix shows that the average Duplin County classification is 7.9 percent below market at the minimum, 5.4 percent below market at the midpoint, and 3.8 percent below market at the maximum.

In addition to the external equity issues portrayed in the findings of the salary survey, the study also spent a considerable amount of time dealing with internal equity, salary, and tenure compression among employees, peers, and supervisors.

Recommendations associated with a compensation and classification study have the two-pronged goal of addressing both of these situations—internal equity as well as external equity. In the case of this study, two solution options were brought before the Board of County Commissioners.

- **Option 1** - which included a plan to place employees either at the minimum of their proposed pay grade or at the next appropriate pay step. This implementation option would have cost Duplin County approximately $559,577.

- **Option 2** - would have placed each employee at the exact step of his/her new grade as they are in their current grade. This implementation represents full parity of pay placement and would have cost approximately $925,865.

These options represent a classification plan that takes proactive steps to address compression and external equity issues.

Duplin County elected not to implement the findings of this study at the time of its submission; however, two months later, the Commission approved a full step increase (four percent) which resulted in an approximate cost to the County of $730,213. This salary increase was accompanied by related increases in social security tax and retirement contributions; thus, the total cost of the salary increase reached over $1,000,000. Viewing the situation in hindsight, it is appears that the choice to not address the recommendations in the *Springsted* report was questionable. Implementing even the less expensive option presented in the report would have addressed internal equity, raised pay for 570 employees, and would have cost Duplin County approximately $440,000 less.

One additional consequence of this otherwise generous action on the part of the Board of County Commissioners is the continuation of the inequitable internal relationships that were identified in the revised pay plan and slotting matrix in Appendix D of the *Springsted* report.

COMMENDATION

Duplin County is commended for the completion of a compensation and classification study.

RECOMMENDATION

Recommendation 4-16:

Implement the pay plan structure designed in the previous study without adjustments to individual compensation.

While this recommendation will not realize the vision of the consultants who designed the program, the structural strength of a plan that is designed using a job valuation methodology is undeniable. Prior to taking further action to increase salaries unilaterally, the Board of County Commissioners should make salary adjustments as recommended by *Springsted*. Assigning employees to new pay grades may lead to some individual salaries being below the proposed minimum of that new grade. It would not be recommended to address these salaries in the current fiscal year; however, a phased approach could see the appropriate adjustments made over a three-to five-year period.

Implementing the pay plan structure in the first year will identify any employees who might be below the proposed minimum of the pay plan. This recommendation is meant to serve as a signal to the employees that the Board of County Commissioners wishes to improve employee morale in the context of the study. One of the primary motivations for initiating the study was to address morale among the workforce and, for this reason, it should be reconsidered.

Updating the results of the compensation and classification study and reapplying the methodology to the current environment, should allow the County to better structure itself for future growth and improvement of its recruitment and retention statistics.

FISCAL IMPACT

The implication of this recommendation will need to be reassessed internally from a fiscal perspective.

FINDING

The Human Resources Department is principally responsible for the maintenance of all aspects of the compensation and classification plan.

A strong compensation and classification system fails to meet an organization's needs if it does not have strong administrative support. Maintenance is the hidden need and cost of most systems. Duplin County possesses an experienced executive leadership team that is able to meet most standards set by similar-sized organizations. However, Duplin County currently has no established administrative practices to maintain competitive and equitable compensation and classification structures.

The employment market for any organization is fluid and constantly changing, and Duplin County is not unique in this regard. Duplin County must make every effort to keep pace with local growth in terms of employee salaries. In order to ensure the County maintains its level of market competitiveness, the Human Resources staff should work with the County Manager to select a small sample of classifications, particularly those with recruitment or retention problems, and conduct an annual survey of peer organizations to determine the relative values of these classifications. Duplin County could contact market peers directly or access readily available secondary resources to make determinations about market competitiveness and recommend appropriate adjustments.

While annual surveys of identified classifications can provide a general idea of Duplin County's market competitiveness, the County should consider completing a comprehensive compensation and classification study every five years to ensure internal and external equity.

In order to maintain market competitiveness between comprehensive compensation and classification studies, and to preserve the integrity of a newly created pay plan, the County must continue adjusting its pay plan on an annual basis. By gathering consumer price index (CPI) values for cost of living adjustments, and combining that information with a sample of local peers and their annual adjustments, Duplin County will remain as competitive as it seeks to be.

Human Resources staff should contact an identified peer group each year and request information regarding the distance each peer's pay plan is being increased. By determining the average percent increase of peer pay plans, Duplin County can ensure its pay plan is increasing at the same relative speed as its peers, thus prolonging its competitive position vis-à-vis the market.

RECOMMENDATION

Recommendation 4-17:

Create a formal plan and schedule for regular review and maintenance of the Compensation and Classification Plan for Duplin County.

Annual processes for updating the compensation plan may include small targeted telephone surveys of compensation trends in the surrounding area and the regular commissioning of comprehensive studies every three to five years to address Duplin County as a whole.

Regarding classification updates, the County can adopt a rotating schedule of review to continuously update the description of duties and qualifications of the County's many job classifications.

FISCAL IMPACT

This recommendation can be implemented at no cost to Duplin County, but will require minimum staff time.

FINDING

Job class descriptions are developed and disseminated through the Human Resources Department for all classified jobs. Duplin County job descriptions, aligned with class descriptions, exist in multiple formats and versions. Some of these appear to have been updated using a consistent format, while others include additional formatting sections that are difficult to read because they appear to have been converted from other file types (such as PDF files). Also, some of the older descriptions include percentage of time figures for essential job functions, while others do not.

Fair Labor Standards Act (FLSA) status for overtime eligibility, as well as corresponding salary pay grade assignments, are not included on the classification descriptions that were provided to the Evergreen Team.

RECOMMENDATION

Recommendation 4-18:

Review, revise, and create job descriptions that accurately reflect Duplin County job duties and requirements with consistent and legally defensible content and formatting.

New and revised job descriptions should include requirements of the Equal Employment Opportunity Commission, Fair Labor Standards Act, and the Americans with Disabilities Act along with other legally defensible requirements.

A recommended sample of categories to include in job descriptions is provided in **Exhibit 4-15.**

FISCAL IMPACT

The implementation of this recommendation can be accomplished with existing resources, and will require staff time.

FINDING

Overtime compensation rules for employees is governed according to guidelines provided by the United States Department of Labor (USDOL) for determination of employee exempt versus non-exempt status as outlined in the Fair Labor Standards Act (FLSA). This act was first passed in the 1930s and amended in 2005.

The intent of this law is to ensure that employers provide overtime pay at time and one half to all employees who are non-exempt from its provisions. Subsequent to the 2005 amendments, the USDOL provided updated guidelines for employers to follow in making the decision regarding overtime status of employees according to job duties and descriptions.

The Human Resources Department is responsible for the dissemination of applicable exempt versus non-exempt status for County employees. According to interview statements, however, Duplin County may have a number of employees who are not eligible to be paid overtime due to exempt status who—according to their job descriptions, duties, and the USDOL guidelines— should be assigned non-exempt status and be eligible for overtime pay.

According to leadership and employee groups alike, a common practice throughout Duplin County is to not observe FLSA by not paying eligible employees the time and a half overtime pay mandated by the USDOL; instead, they are being given compensation time.

RECOMMENDATION

Recommendation 4-19:

Review and revise Duplin County practices for application of overtime pay and compensatory time accumulation according to Duplin County policy and FLSA legal requirements.

Exhibit 4-15
Example Components of a Comprehensive Job Description

Classification Title:

Department:

Pay Grade/Step:

Reports to:

FLSA Status:

Prepared/Revised Date:

Approved By:

Approved Date:

General Statement of Job:

Essential Duties and Responsibilities: *(Other duties may be assigned)*

Supervisory Responsibilities:

Qualifications:

       Education and/or Experience
       Language Skills
       Mathematical Skills
       Reasoning Ability
       Certificates, Licenses, Registrations
       Physical Demands
       Work Environment

Terms of Employment:

Evaluation Criteria:

EEO Statement:

Source: Created by Evergreen Solutions, 2009.

The use of compensatory time in Duplin County should be more tightly controlled, and supervisors should be held accountable for consistent compliance with both County policy and federal FLSA rules and regulations. Duplin County Personnel Policy Article III, Section 10 addresses how compensatory time is accrued and utilized. This is among the policies that have not been updated; however, reports indicate that this policy is not being adhered to as it is currently stated.

Accurate records should be maintained that include advanced authorization as well as individual accumulations. In addition, FLSA rules require that accumulated compensatory time be paid out as overtime compensation if the employee is not allowed the opportunity to use the accumulated time. This is normally done by the end of each fiscal year with some provision for carryover of a limited amount of compensatory time.

FISCAL IMPACT

The appropriate payment of overtime to employees who are eligible will have an associated payroll cost. The widespread nature of the feedback regarding this issue makes predicting cost difficult, if not impossible. Additionally, not adhering to federal guidelines represents a

significant potential cost associated with the fines levied for violations. Civil penalties for violations of FLSA can reach $1,000 per instance per employee, and if the infraction was done knowingly, then the penalty can be more severe. Operating outside the limits of the FLSA can come with serious financial consequences.

4.6   *PERFORMANCE ASSESSMENT*

Employee performance assessment is an essential component of a well-managed organization. Regular feedback on work performance in both an informal as well as a formal basis helps employees better understand and work towards meeting expectations. Employees should be held accountable for meeting performance expectations while leaders and supervisors should be held accountable for performing their duties as well as monitoring the performance of subordinates and conducting effective performance evaluations.

The provision of regular performance assessments provides direction and guidance for quality performance. Performance assessments can be an effective tool for setting expectations, monitoring performance, identifying training needs, and developing performance improvement plans.

FINDING

Annual performance assessments are conducted using a countywide form that is dated January 1993. The form uses 14 performance criteria or competencies that are each scored on a five-point scale with each number representing a specific level of performance of the individual competencies. For example, the competency covering Safety states the following:

> **Safety: Complies with safety guidelines; works cautiously to prevent injuries; maintains awareness of environment and reports potential dangerous situations promptly.**
>
> 1.   *Is generally careless; involved in frequent accidents or frequently injured.*
>
> 2.   *Needs frequent reminders to stay aware and exercise caution.*
>
> 3.   *Works cautiously in order to prevent accidents and injuries.*
>
> 4.   *Works cautiously; reports potential problems to supervisor.*
>
> 5.   *Exceptionally careful in all aspects of job duties; makes careful observations to locate and correct dangerous situations.*

Duplin County has done a good job of specifically defining each level of performance for the competencies it has put on its form; however, the competencies selected do not examine performance at a level which would be applicable at the classification or job-level. Some competencies address departmental policies and even ones that could imply job-level performance; however, there is no real opportunity to comment or provide specific examples or evidence of performance above or below the expected levels.

In addition, many individuals who were interviewed indicated relative dissatisfaction with the process of performance evaluations in general. Many employees stated that, even though they are regularly evaluated, that the process itself was not meaningful and ineffective in many cases.

The employees, in this case, were sharing insightful feedback on what the evaluation process should be by pointing out what it is not accomplishing. The goal of an effective performance evaluation process is to accomplish three things.

- First, it should identify areas of improvement for employees.

- Second, an evaluation should allow individual employees to recognize how their own performance links to the overall success of the department and entire agency; and

- Third, the evaluation and assessment process should provide valuable tools to use in the management of employees.

Often times, the feedback received from supervisors portrays a situation where a problematic employee, who the department desires to terminate, has received outstanding performance ratings with no documentation of poor results or below standard performance. This presents an untenable situation where terminated employees who may be low performers may sue for wrongful termination, and the organization possesses no proof of poor performance.

RECOMMENDATION

Recommendation 4-20:

Refine the performance evaluation instrument, and implement a true performance management system that has established goals and objectives for improving and documenting employee performance.

The results of annual performance assessments should provide a measure for leadership accountability, and for the identification of staff development and training needs for the Duplin County workforce. In order to establish and reinforce employee performance expectation, an annual evaluation of work performance is essential. Supervisors have a responsibility to communicate expectations and to monitor the performance of employees under their supervision. Employees need guidance and feedback on their performance in order to maintain and improve output and overall performance.

In addition, performance assessments should provide the basis for the assessment of professional development and workforce training needs. Training and professional development programs should target major workforce performance issues and needs in order to enable the accomplishment of County goals and objectives. During interviews with both County leaders and staff, it was consistently conveyed that the evaluation of the performance process and the training related to performance issues were a significant concern in Duplin County that must be addressed.

A sample Performance Evaluation form that can be customized to apply to each department and job classification is provided in **Exhibit 4-16**.

Exhibit 4-16
Sample Outline of a Performance
Evaluation Form

I.　Employee Demographic Information

　　a.　Employee Name and Employee ID Number

　　b.　Classification Title

　　c.　Name of Supervisor

　　d.　Name of Department

II.　Definition of Performance Levels

　　a.　Define each available score or measure such as:

　　　　i.　Exceeds Expectations

　　　　ii.　Meets Expectations

　　　　iii.　Needs Further Development

　　　　iv.　Improvement Required

　　b.　Specify whether whole or partial points are allowed.

III.　Countywide Competencies

　　a.　Outline the basic performance competencies or requirements of every employee of the County and allow for them to be scored.

　　b.　Each competency or the section as a whole should have required supervisor comments to defend the scores.

IV.　Department-Wide Competencies

　　a.　Outline the basic performance competencies or requirements of the department where the employee works and allow for them to be scored

　　b.　Each competency or the section as a whole should have required supervisor comments to defend the scores.

V.　Classification-Specific Competencies

　　a.　Outline the tasks and activities of each job classification as derived from the classification description for them to be scored.

　　b.　Each competency or the section as a whole should have required supervisor comments to defend the scores.

VI.　Goals

　　a.　Section for setting new goals.

　　b.　Section for scoring goals set in the previous year.

VII.　Employee and supervisor provide final comments and signature section.

　　a.　Include a statement that clarifies that the employee signing the form is not necessarily agreeing with its contents, just that it was completed and that he/she is aware of it.

　　b.　Include a section for next-level supervisor/department head approval and comment, if necessary

Source: Created by Evergreen Solutions, 2009.

In addition to the material shown in the exhibit, sections could be added to address performance competencies at the department specific level, as well as the classification specific level. Beyond evaluation of performance competencies, sections should be added to allow for regular and mandatory goal setting.

FISCAL IMPACT

The implementation of this recommendation can be accomplished with existing resources.

FINDING

Supervisors and managers, especially newer ones, are not provided training on performance assessment strategies and requirements. The lack of comprehensive training can result in inconsistent assessments of employees. Training is required in order to ensure fair and consistent implementation of performance assessment procedures and requirements by supervisors.

RECOMMENDATION

Recommendation 4-21:

Develop and implement an employee performance assessment training program for managers and other supervisors.

Duplin County leaders and other supervisors who conduct performance assessments with subordinate employees should be required to complete this training. An annual update of requirements should be provided to ensure consistency and reliability of assessments for all classifications of employees.

Performance management training for supervisors should include information on the following topics:

- refresher of the definitions of performance levels and point values;
- review of the evaluation instrument;
- information on goal setting for employees;
- common scoring errors and tendencies;
- methods for avoiding these errors; and
- common sense guidelines for providing performance feedback to employees.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Under the current performance management system, employees are not rewarded in any way for their high performance. An effective performance management program will identify areas of improvement for employees, identify opportunities for advancement, and, in most cases,

motivate employees to improve their performance. The motivational aspects of any plan are often the most overlooked or neglected. Asking employees to invest more of themselves into their work with no incentive may work in the short term, but it will tend to have a negative impact on retention and quality of work in the long term.

Anecdotal evidence and feedback from managers suggest that a pay for performance or similar incentive plan will motivate and reward excellence. A well-designed and properly-funded system will accomplish these goals; however, it needs to be determined whether or not the employees will embrace it.

RECOMMENDATION

Recommendation 4-22:

Survey employees and managers to determine whether or not the Duplin County workforce will be receptive to a pay for performance plan.

An employee survey designed to address receptiveness to pay for performance plans can also include general questions relating to employee morale and satisfaction. This will accomplish the goal of assessing readiness for pay for performance as well as getting a baseline gauge on employee satisfaction.

Often times, employee comments and responses to satisfaction surveys can generate innovative ways to address employee concerns at very affordable costs.

FISCAL IMPACT

This recommendation can be implemented with existing resources. There are many free, online survey companies such as Survey Monkey or QuestionPro that can house the survey and provide basic data analysis tools as well. Some staff time will be necessary in setting up the survey and formatting the results.

4.7   *PROFESSIONAL DEVELOPMENT*

One of the most critical aspects of a highly-performing organization is the continued training and development of its leadership and workforce. In order for any local government to accomplish its goals and objectives, an ongoing training and professional development program must be available.

Effective and professional development programs require extensive commitments in terms of employee time and budget. Therefore, these programs must be operated in an efficient, timely, and cost-effective manner. Focused training and development can be of significant value in the provision of increased workforce productivity, improved employee morale, and enhanced knowledge and expertise.

FINDING

Duplin County has assembled a detailed and informative new hire packet that includes information on benefits availability and options, retirement planning, emergency contact regarding Duplin County operations in the event of emergencies, the employee newsletter, and other pertinent data.

COMMENDATION

Duplin County is commended for assembling a very comprehensive welcome packet of information for new hires.

FINDING

According to individuals interviewed, the orientation process for new employees takes approximately 30-45 minutes to complete. The orientation is not comprehensive with regard to County policies other than those which employees are made to sign acknowledgment notices for (Sexual Harassment and Alcohol and Drug Free Workplace).

The Human Resources Department has not made an effort to reach out to newly hired employees after they start work to perform any sort of quality calls or check-ins. This leads to employees turning to each other or their supervisors to answer questions related to human resources issues and inaccurate responses might be received.

RECOMMENDATION

Recommendation 4-23:

Develop a more comprehensive program for new employees in Duplin County.

New employees, who are made to feel welcome and comfortable by being provided all the information they need to make a smooth transition into the new job, should be able to perform well and display a higher level of job satisfaction.

High levels of job satisfaction should result in enhanced individual performance and, consequently, high levels of employee retention. Employees who understand what is expected of them, and are provided adequate assistance and information, are more likely to perform well and remain in their jobs.

During interviews conducted by Evergreen Solutions, it was reported that new employees are provided basic information regarding policies and procedures as well as benefits and salary information. The provision of only compliance information does not help promote a welcoming and engaging climate that enhances job satisfaction.

FISCAL IMPACT

This recommendation can be implemented with existing resources; some staff time is necessary.

FINDING

Professional development is a necessary component for building a more effective and efficient workforce. Successful professional development programs lead to greater employee productivity and satisfaction, and provide the county with better trained employees.

Professional development plans represent a long-term commitment on the part of management and the employee to a program of training and other activities that will assist the employee in obtaining the skills and knowledge needed to perform current duties and will also prepare the individual for advancement. The continuing need for a viable staff development program is evidenced by staff turnover, new mandates, changing business processes, and new technology. A successful program might include formal training through classroom courses, self-study, on-the-job training, mentoring, and attending workshops, seminars, conferences, etc. At each stage of an employee's career, the appropriate mix of developmental resources might be different.

Planning a professional development program requires collaboration between the supervisor or department head and the employee. Successful endeavors generally include the following steps:

- assessment of the employee's immediate needs for his or her current responsibilities;

- identification of potential resources to meet the needs identified;

- development of a continuing plan to utilize these resources; and

- periodically evaluating the employee's skills and knowledge, and expanding them to new areas for career advancement.

Professional development in Duplin County is decentralized. Many Duplin County departments do an adequate job of offering employees the opportunity and resources to perform their responsibilities knowledgeably and effectively. Each department budgets funds to ensure that continuing education required of certain positions to maintain certifications occurs as mandated. Within budgetary restrictions, applicable staff members are allowed to attend meetings, workshops, and conferences to enhance job skills and network with peers.

The Human Resources Department, however, does not possess a structured professional development plan that would help ensure that its two employees are given the opportunity to "be the best they can be" in their current roles and to grow in their careers. A stronger emphasis on job-related training would go a long way toward building a better equipped workforce in the Human Resources Department.

RECOMMENDATION

Recommendation 4-24:

Develop a career development plan for each human resources employee.

Relatively simple but effective plans can be developed using the steps outlined above. Activities that are completed should be documented and kept in each employee's personnel file. The

implementation of this recommendation is especially critical as the two human resources positions are reclassified.

FISCAL IMPACT

The Human Resources Department's budget has funds allocated for professional development.

CHAPTER 5:
TECHNOLOGY

5.0 TECHNOLOGY

Two decades ago, technology was viewed as a nice-to-have addition to local governments and private businesses. Now, however, technology has evolved into a fundamental component of nearly every organization providing services in the public and private sector. Technology drives analysis and evaluation of efficiency, and allows leaders to make data-driven decisions that positively impact citizens and employees alike. Rarely can a county become as effective and efficient as the potential of its employees would allow without most of its processes being automated and bringing technology to the forefront of the organization.

This chapter reviews staffing, organization, systems, and policies related to administration and implementation of technology resources within Duplin County. **Chapter 5** has five major sections:

> 5.1   Organization and Staffing
> 5.2   Technology Planning and Management
> 5.3   Professional Development
> 5.4   Systems and Operations
> 5.5   Web Site

5.1   ORGANIZATION AND STAFFING

Ideally, technology is one area of a county government that supports all administrative and instructional personnel in a positive manner, allowing employees to conduct business in a way that maximizes resource utility. Organizing technology resources to effectively achieve this outcome can be challenging, but is necessary for operational success. Not only does it require the necessary staffing level, but also the necessary skills, tools, and leadership.

FINDING

The current organizational structure for supporting technology in Duplin County is shown in **Exhibit 5-1**. As can be seen, the IT Director reports directly to the County Manager, and all IT systems and programming staff report directly to the IT Director.

Some of the issues of the current organizational structure of Information Technology (IT) include:

- it is very flat and there is no buffer between the director and staff;
- a structure comprised of many combined roles; and
- titles that imply leadership responsibility, but are peers according to the structure.

According to leaders and staff members of the department, as well as other departments around the County, for years the IT Department within the Duplin County has been viewed as a maintenance function primarily and not recognized for its role as an important business process.

Exhibit 5-1
IT Department
Organizational Structure
2008-09 Fiscal Year

```
                        ┌─────────────────────┐
                        │   County Manager    │
                        └──────────┬──────────┘
                                   │
                        ┌──────────┴──────────┐
                        │     IT Director     │
                        └──────────┬──────────┘
                                   │
        ┌──────────────┬───────────┴───────────┬──────────────┐
┌───────────────┐ ┌───────────────┐ ┌──────────────┐ ┌───────────────┐
│    Senior     │ │  Application  │ │              │ │   Computer    │
│Programmer/Sys │ │Programmer/Sys │ │   Systems    │ │Support/Training│
│    System     │ │    System     │ │Administrator │ │  Coordinator  │
│    Analyst    │ │    Analyst    │ │              │ │               │
└───────────────┘ └───────────────┘ └──────────────┘ └───────────────┘
```
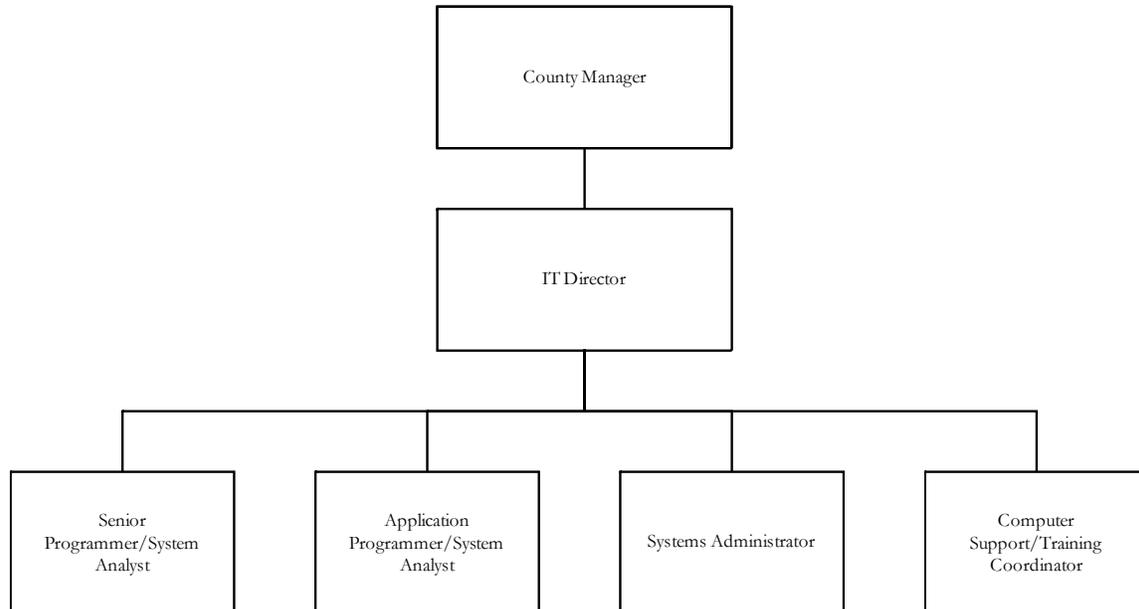
Source: Duplin County Manager, 2009.

The IT Department could better ensure that its administrative and operational technology needs are being addressed by having a refined organizational structure that is divided into operational areas. By dividing the IT Department into two branches with additional supervision, Duplin County would benefit from:

- filtering help requests that normally go to the IT Director through intermediary levels of supervision, in theory, freeing the Director to perform more of the strategic and planning aspects of his position;

- creating a more formal chain of command that will add accountability to the process of providing IT services;

- allowing the Director to focus on his overall responsibility for much needed technological improvements; and

- providing a much needed resource to work with central office functions as well as the County's needs and areas for improvement.

In interviews with the IT Department, as well as staff from other departments, repeated concerns arose over the lack of a person assigned to drive the use of technology in Duplin County. The current Director focuses much of his time on project management and maintenance issues that are commonly assigned to lower-level technicians in most organizations. Although this is necessary given the lack of resources and skills, as well as the overabundance of needs in the

system, the current organizational structure will nearly ensure that the current issues are not successfully resolved in the future.

**RECOMMENDATION**

Recommendation 5-1:

Restructure the IT Department into two primary branches—Programming and Maintenance, and Support and Administration.

The revised structure clearly defines the primary areas of focus of the staff.

One question asked of employees during the diagnostic phase of this study was; "If you could add staffing in the Duplin County Government to improve effectiveness in any operational area where would you do so?" The most noted area of staffing need was in the IT Department. One possibility of why staffing appears to be in such short supply is that this department possesses many qualified employees, but their individual efforts may not be receiving the management and coordination they require to meet their fullest potential. A refined organizational structure can serve to focus efforts and make people more aware of their primary responsibilities.

The proposed organizational chart is displayed in **Exhibit 5-2.**

Exhibit 5-2
Proposed Organizational Chart of Existing Positions
in the IT Department
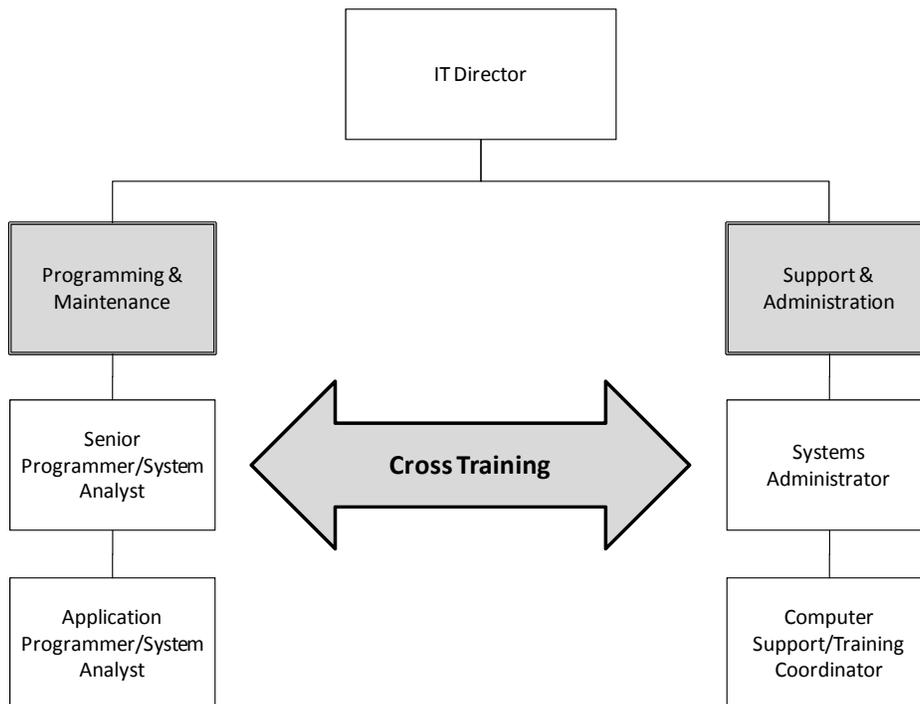
Source: Created by Evergreen Solutions, 2009.

Evergreen Solutions recognizes that in an environment as condensed as the Duplin County, cross training and internal support are essential. These positions still comprise a unified team, yet the revised structure provides more leadership opportunities.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County currently employs two employees in the line dedicated to technical support in the Support and Administration Unit. They have subdivided areas of focus ranging from servicing library branches and providing individual desktop support.

In determining whether these staffing levels are sufficient, comparing them to municipal staffing standards is helpful. Several organizations maintain staffing rubrics. One that is easy to understand is the International City/County Management Association (ICMA). The ICMA is an organization that focuses on improving the quality of service and management effectiveness for municipal organizations. The ICMA Survey gathers statistical information for government entities of all sizes, and reports these data in groupings according to population size. Data are collected from organizations where populations fall under 100,000 people. Duplin County falls comfortably in the middle of this demographic group.

According to the 2006 ICMA Survey, the mean number of workstations for governments in Duplin County's size group is 358. According to a systems inventory provided by the IT Department, Duplin County maintains 406 desktops and 89 laptops, along with 19 servers. This represents a total of 495 personal machines or workstations and 19 servers. This effectively puts Duplin County in a position of having 38 percent more workstations than the peer county average.

The 2006 ICMA Survey provided in **Exhibit 5-3** also shows the number of central IT full-time employees for organizations this size. The mean number of full-time central IT staff is 8.5. This is significantly higher than Duplin County and its five full-time employees.

Exhibit 5-3
ICMA Technology Staffing and Budget Data

	Technician Staffing		
Index Area	**Work Stations**	**Central IT FTE**	**Ratio of Work Stations to FTE**
County of Duplin	**495**	**5**	**99:1**
Mean of Organizations Less Than 100,000 Population	358	8.5	42.1:1
Median of Organizations Less Than 100,000 Population	303	7.1	42.6:1

Source: ICMA Comparative Performance Measurement, 2006.

Current IT employees in Duplin County hold a variety of roles and work well as a team. However, the span of knowledge necessary to perform these roles, coupled with the lack of formal training for information technology staff, hampers the development of a strong, consistent level of performance.

Additionally, Duplin County has no established classification for Network Administrator. This classification was removed from the IT Department and the duties were absorbed by the Director. From a network infrastructure standpoint, this is a significant workload that includes eight DSL lines, an T1 line, and five wireless networks. There are 21 switches and eight routers with individual firewall configurations. There are two email filters align with an email server and three DNS servers. There are also VPN connections to be managed for seven remote locations.

In order for the Director to focus on strategic activities and the future direction of the Department, these network administration duties need to be assigned to a different employee.

RECOMMENDATION

Recommendation 5-2:

Hire a full-time Network Administrator/Computer Support Technician who would report to the Department Director.

If Duplin County is going to improve its level of IT service to the various departments with regard to hardware service and maintenance, a position needs to be added. Moreover, this employee should have the time and resources necessary to provide high-quality customer service. If technical support is provided by internal staff, then the person would contribute to those services. Adding a this position will improve the staffing ratio from 99:1 to 82.5:1.

This addition will also remove the burden of network administration from the IT Director and allow him to focus on the more mission-critical aspects of executive leadership and less on the day-to-day operational tasks.

The IT Department has been doing a great deal with a limited staff for years. Individuals interviewed believe that the addition of a single full-time employee will have a great impact on service.

FISCAL IMPACT

Evergreen estimates that adding the Computer Support Technician will require $45,500 per year, including benefits ($35,000 in salary x 30 percent).

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Add IT Technician	($45,500)	($45,500)	($45,500)	($45,500)	($45,500)

Exhibit 5-4 shows the proposed roles for IT staff. This exhibit includes the duties of the proposed Computer Support Technician.

Exhibit 5-4
Proposed Staffing and Responsibilities for
Technology Positions in Duplin County

Position	Responsibilities
IT Director	• Coordinate the development and implementation of short- and long-range technology plans. • Champion information technology with major County stakeholders. • Assist departments to develop and implement plans to address technology needs, including evaluation of hardware, software and management relating to attendance, grade reporting, scheduling, demographic data and financial information. • Manage, direct and assign priorities and personnel to major projects to ensure attainment of organization and department goals and objectives. • Coordinate the development and implementation of an effective data network. • Develop and implement a disaster recovery plan that includes all key County data. • Oversee the day-to-day operations of the IT staff and coordinate resource allocation. • Manage internal and external information technology projects. • Oversee the installation, maintenance and repair of all computer hardware and software. • Develop and implement a customer satisfaction program to improve service provision. • Supervise the technical continuing education efforts of the County.
Senior Programmer/ System Analyst	• Oversee the operations of the major County systems. • Provide training and assistance to users of the major County systems. • Track and document business needs of the major County system users. • Provide support to the Director of Technology on major projects and initiatives.
Application Programmer/System Analyst	• Provide support on major County systems. • Support facilities WAN and LAN efforts. • Maintain County secondary systems. • Create custom code for minor improvements to the current systems. • Assume primary responsibility for programming and maintenance of DBC Platform.
Systems Administrator	• Respond to service requests from the central office and libraries. • Maintain County secondary systems. • Produce reports as requested by customers. • Support the WAN and LAN. • Provide technical support to users of current systems.
Computer Support/Training Coordinator	• Respond to service requests from the central office, departments and libraries. • Troubleshoot and repair hardware, software, and network equipment. • Install new equipment. • Rehabilitate used equipment for redeployment. • Facilitate training opportunities for IT and other County staff.
Network Administrator/Computer Support Technician (**new position**)	• Respond to service requests from the central office, departments and libraries. • Troubleshoot and repair hardware, software, and network equipment. • Manage the structure and operations of all Duplin County networking equipment including DSL lines, T1 lines, Wireless networks, switches, routers and firewalls. • Manage email servers, DNS servers, and VPN connections • Coordinate with departments, updates to the Duplin County Website. • Install new equipment. • Rehabilitate used equipment for redeployment.

Source: Created by Evergreen Solutions, 2009.

FINDING

Duplin County currently uses an older UNIX based Business Platform called DBC. DBC operates similarly to AS400-based systems which rely heavily on custom programming and development of specific modules to achieve basic governmental business processes (such as payroll, purchasing, accounts payable and receivable, and utility billing). Through interviews with members of the IT team within Duplin County, and employees of other County departments dealing with technology, there appears to exist a number of off-the-shelf products that present more powerful and dynamic levels of control over these business processes.

Duplin County presently maintains an outsourcing relationship with Kirk Software Inc. to maintain the DBC Business Platform software. During data collection, a copy of a typical monthly invoice was collected showing a bill for $13,120 for programming services and driving distance paid to the Programmer. All indications are that this is a regular recurring payment made monthly for more than 20 years. The approximate annualized cost at the current rate is $157,441.

Evergreen Solutions was told that the effective operation of the County's business systems hinges on the continual maintenance of the DBC Business Platform by this single individual. This is an extremely disadvantageous position for Duplin County to be in for a number of reasons:

- First, if anything were to happen to this individual or if they became disgruntled and ended the relationship without warning, Duplin County would be incapable of maintaining the system effectively.

- Second, the number of customized on/off application modules cobbled onto the DBC Business Platform is enough to keep a dedicated programmer busy 40 hours a week for the past 20 years. That pattern is not realistically poised to end any time soon; thus full-time support for the DBC system is necessary.

- Third, in addition to their normal duties, the Senior Programmer and the Programmer/Analyst are attempting to learn the role of the Kirk Software programmer in maintaining the DBC Platform. They were observed sitting with the representative from Kirk Software; however, also maintain full schedules of other IT-related tasks (such as system maintenance, Web site updates, break-fix repairs and general desktop support).

Ten years of service at approximately $150,000 per year amounts to $1.5 million. For an investment of that size or smaller, Duplin County could have adopted a more modern product provided by Software as a Service (SaaS) vendor that included ongoing support and product updates.

Regardless of what the County determines to be appropriate with regard to future software purchasing, the present DBC platform should be kept up to date. DBC is running systems for the Health Department, Water Department, Finance Department, Landfill, and Tax Office. Keeping the DBC platform up to date is essential. The software as a service concept is an attractive

option that many organizations are using to improve access to advanced technology on an as-needed basis. SaaS allows the benefits of commercially licensed use without the associated complexity and potential high initial cost of equipping every device with expensive applications.

The relationship between the County and Kirk Software, Inc. is not bound by any existing contract. The County Attorney was asked to draft a contract which established the parameters by which services would be delivered by Kirk Software, Inc., and to set time frame limitations on services. The proposed contract was to have gone into effect January 1, 2009 and expire in June 30, 2009. The contract describes that services will be performed for the same cost currently being paid—$65 per hour for the project work and 46 cents per mile for commuting. Under the proposed terms of the contract, Kirk Software Inc., was assigned a set of responsibilities which are enumerated below:

1. Convert Unix Programs to Linux System and to train County IT staff on how to convert Unix Programs to Linux Systems for a maximum of 250 total billable hours between January 1 and June 30, 2009.

2. Closeout tax revaluation, update the values, and train County IT staff to closeout tax revaluation and update the values for a maximum of 160 billable hours between January 1 and June 30, 2009.

3. Perform maintenance on the current County Tax Department System and train County IT staff to perform maintenance on current County Tax Department System for a maximum of 40 billable hours between January 1 and June 30, 2009.

4. Perform maintenance on the County Health Department Patient Management System and train County IT staff to perform maintenance on County Health Department Patient Management System for a maximum of 160 billable hours between January 1 and June 30, 2009.

5. Perform program updates for the County Finance Payroll System and Ledger, and train County IT staff to perform program updates for the County Finance Payroll System and Ledger for a maximum of 160 billable hours between January 1 and June 30, 2009.

6. In the event that Kirk Software is unable to perform any services under this contract and requires additional assistance from an outside vendor, Kirk Software is responsible for reimbursing the outside vendor for services rendered (not Duplin County).

In essence, the contract appears to recognize that Duplin County needs to eliminate this significant expense and prepare its own IT staff to overtake these responsibilities, not only from a cost savings perspective, but also when one considers the importance of being able to more independently do business without relying heavily on an outsider. Evergreen Solutions recognizes that these services have been provided by a single individual for over 20 years, but the inordinately high expense of these services must be addressed.

When the terms of this contract were presented to Kirk Software, Inc., they rejected the contract and it was never put into place. Had the terms of the contract been enforced, the services of Kirk Software, Inc. would have been terminated June 30th. Since June 30th, the County has been through two complete monthly billing cycles for Kirk Software, costing the County approximately $26,240.

While the IT Department has discussed terminating this contract, no plans have been made.

RECOMMENDATIONS

Recommendation 5-3:

Eliminate the relationship with Kirk Software.

In order for Duplin County to take control of its technology, while preparing for future technological investment, eliminating this costly relationship is essential. Duplin County is completely reliant on one individual and her company to maintain day-to-day operations.

This situation is untenable from a continuation of business perspective. If at any time, the programmer decided to, she could leave the County with no expert support for their systems. The outside programmer is very skilled, but possessing those skills puts her in a position of power over the County. Duplin County needs to gain its independence from this relationship and take control of its own day-to-day programming needs. Doing so will ensure its long-term success as well as be of significant financial impact.

FISCAL IMPACT

At $157,441 per year ($13,120 x 12 months = $157,441), this contract will cost the County approximately $787,205 over the next five years. The annual savings of this recommendation will be more than sufficient to pay for the previously proposed Computer Support Technician.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Eliminate Kirk Software Contract	$157,441	$157,441	$157,441	$157,441	$157,441

Recommendation 5-4:

Prioritize the responsibilities of the Senior Programmer/Analyst to accelerate the timeline for taking over the DBC programming duties.

The continued reliance on Kirk Software is likely the result of in-house personnel not being able to focus fully on the task of learning the DBC software. Had Duplin County been able to dedicate a staff member to this task in January, the previously proposed contract to eliminate the present reliance on this costly service could have been executed.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

5.2   TECHNOLOGY PLANNING AND MANAGEMENT

Successful technology planning is the foundation for successful technology implementation and development. Technology is not simply a stand-alone program; it is a long-term ongoing effort that affects every aspect of County operations. The technology planning process is complicated. There are many factors to consider, including internal and external service delivery, legislated data reporting, funding, training, and staffing for support and maintenance.

On average, technology plans should cover between three and five years. By analyzing current trends in system demographics and available technology, planners can predict what the needs of the system will be and what technology will be available to fill those needs. Technology, however, is the fastest changing segment of our society, so frequent updates and revisions of any technology plan are required.

FINDING

Duplin County does not have a committee that focuses on the technology needs of the County as a whole. There is very little in the way of sharing technology initiatives across departments that might benefit from innovation. For example, the Department of Social Services developed an application in Microsoft Access to track who was signed in and out of the building. This department eliminated time wasted signing in and out with switchboard operators as well as coworkers, and employees can now open this server-based application and view who is in the office, who is out of the office, and when they are due back.

RECOMMENDATION

Recommendation 5-5:

Create a Technology Planning Committee comprised of leaders from across Duplin County to assess future IT needs.

A Technology Planning Committee should play a role in shaping the future direction of IT in Duplin County. They will be enabled to share information and exchange ideas. In the absence of direct input from all service areas and departments in the County, it is not unreasonable to expect that a key consideration may be missed. The sharing of ideas, insights, and relevant technical information regarding changing regulatory requirements, process automation, and other strategic improvements would be slower to develop and take shape if the committee did not exist.

The Committee should be comprised of individuals from several County departments. Department employees are continually in contact with new technology specific to the types of work being done in different parts of the County. They attend seminars and conferences, and can share unique input into the committee to identify the specific needs and goals of the various departments. In the long term, these technology improvements will result in efficiency cost savings.

An additional benefit of the Technology Planning Committee is that it will generate accountability and force the County's leadership into regular dialogue regarding possible advancements in technology as well as sharing of ideas. Many departments have developed

simple, useful automated solutions to save time or reduce the manual nature of some processes. A forum such as a Technology Planning Committee will provide an opportunity for solutions to be shared throughout Duplin County.

Given the age of the DBC Software Platform and the degree to which it is reliant on custom programming, the first task of this Committee should be to assess the future of the DBC system and its potential replacement.

The Technology Planning Committee should formulate a formal charge or mission statement and publish it to all departments to facilitate input from across the County. **Exhibit 5-5** shows a sample charge, and can serve as a source of inspiration for Duplin County.

Exhibit 5-5
Technology Planning Committee
Sample Charge

The purpose of the Technology Planning Committee is to provide a technology plan consisting of policies and guidelines for the use of technology in operational and administrative tasks at the County of Duplin. The development of a planning document should take place within the context of countywide goals and objectives.

The committee focuses on technological priorities, policies, and strategies. It does not focus on the immediate needs of individuals or programs. It provides a forum for:

- assessing the technology needs of leadership, staff, and citizens;

- discussing technological problems and priorities;

- developing technology training goals and execution of training plans; and

- identifying the level of technology resources needed to achieve Duplin County's strategic and administrative objectives.

Source: Created by Evergreen Solutions, 2009.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County does not have a master Technology Plan. A Technology Plan will clearly state the County's technology goals, lay out hardware and software purchasing and upgrade timelines, as well as describe training plans and methods for defining success.

The technology goals segment of a Technology Plan will allow the County to assess the overall status of its technology assets, identify areas of weakness, and plan for improvements. One area where this was cited is in the connectivity of the offices at the Water Department. A great deal of duplication of efforts occurs in dealing with data generated by the Water Department because of a lack of network access at that site. A number of creative solutions may exist to address this weakness which a plan could address.

Another integral part of any Technology Plan is a schedule and policies for the purchasing and upgrading of systems and software. Right now, each department assigns its own priorities for technology updates and upgrades. Centralizing this function and putting the County on a unified technology replacement cycle may identify areas of unnecessary expense and save Duplin County money over time.

A unified Technology Plan will also address training curricula, training plans for employees, and should detail how best these training opportunities can be delivered to County staff. A more knowledgeable and technology savvy workforce can and will improve the quality and quantity of work being completed.

RECOMMENDATION

Recommendation 5-6:

Prepare a comprehensive Technology Plan for Duplin County.

A comprehensive Technology Plan would allow for reliable prediction of future IT needs and allow for more effective budget planning of IT expenses. The previously recommended Countywide Technology Planning Committee (**Recommendation 5-5**) should have as its first goal to create this Technology Plan.

There are many schools of thought regarding what comprises an effective Technology Plan; a sample table of contents for a Technology Plan is displayed in **Exhibit 5-6.**

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County does not have a comprehensive disaster recovery plan. A disaster recovery plan will enable systems to continue functioning with limited disruption in their day-to-day operations. County staff stated that they have no formal written response plan for use in the event of an emergency, and store all backup information on-site.

RECOMMENDATION

Recommendation 5-7:

Prepare a comprehensive disaster recovery plan.

The essential elements of a disaster recovery plan include a disaster recovery team; a list of persons to contact after a disaster; and an assessment of critical County functions, essential office equipment, and staffing needed immediately to recover from a disaster. A disaster recovery plan must include contingency and backup plans for information technology. **Exhibit 5-7** lists the components of a sample Disaster Recovery Plan**.**

Exhibit 5-6
Sample Technology Plan
Table of Contents

A. Introduction
B. About Organization
C. Project Goals
D. Methodology
E. Executive Summary
F. Statement of Needs
G. Recommendation Summary
    - Recommendation 1
    - Recommendation 2
    - Recommendation 3
    - Recommendation 4

H. Budget Summary
I. Dependencies and Project Sequencing
J. Summary
K. IT Management
    a. Roles and Responsibilities
    b. Job Descriptions
    c. Policies
    d. Procedures
    e. User Account Management
    f. Annual Technology Budgeting
    g. Training & Documentation
    h. Staff Skills Inventory

L. Site Logistics
    a. Summary
    b. Workstation Inventory
    c. Network Configuration
    d. Server Configuration
    e. Network Services
    f. Printers
    g. Backups
    h. Security Risk Assessment

M. Internet Services
    a. Domain Registration
    b. Email Hosting
    c. Web site / Domain Hosting

N. Software Applications
    a. IS Applications
    b. Communications / Graphics

O. Technology Use Policies
P. Organizing Your Software
Q. Training & Documentation
R. IT Management Team Organization
S. Establishment of IT Roles
T. Maintaining the Technology Inventory
U. Naming Network Resources

Source: Created by Evergreen Solutions, 2009.

Exhibit 5-7
Summary of Key Disaster Recovery Plan Elements

Step	Details
Build the disaster recovery team	• Select a disaster recovery team that includes key policymakers, building management, end-users, key outside contractors, and technical staff.
Obtain and/or approximate key information	• Develop an exhaustive list of critical activities performed within the agency. • Develop an estimate of the minimum space and equipment necessary for restoring essential operations. • Develop a timeframe for starting initial operations after a security incident. • Develop a list of key personnel and their responsibilities.
Perform and/or delegate key duties	• Develop an inventory of all assets including data, software, hardware, documentation and supplies. • Set up a reciprocal agreement with comparable organizations to share each other's equipment or lease backup equipment to allow the district to operate critical functions in the event of a disaster. • Make plans to procure hardware, software and other equipment as necessary to ensure that critical operations are resumed as soon as possible. • Establish procedures for obtaining off-site backup records. • Locate support resources that might be needed (e.g., equipment repair, trucking, and cleaning companies). • Arrange with vendors to provide priority delivery for emergency orders. • Identify data recovery specialists and establish emergency agreements.
Specify details within the plan	• Identify individual roles and responsibilities by name and job title so that everyone knows exactly what needs to be done. • Define actions to be taken in advance of an occurrence or undesirable event. • Define actions to be taken at the onset of an undesirable event to limit damage, loss, and compromised data integrity. • Identify actions to be taken to restore critical functions. • Define actions to be taken to reestablish normal operations.
Test the plan	• Test the plan frequently and completely. • Analyze the results to improve the plan and identify further needs.
Deal with damage appropriately	• If a disaster actually occurs, document all costs and videotape the damage. • Be prepared to overcome downtime on your own; insurance settlements can take time to resolve.
Consider other significant issues.	• Do not make a plan unnecessarily complicated. • Make one individual responsible for maintaining the plan, but have it structured so that others are authorized and prepared to implement it if needed. • Update the plan regularly and whenever changes are made to your system.

Source: Adapted from the Technology and Security Task Force, National Forum on Education Statistics, "Safeguarding your Technology," November 18, 1998.

A comprehensive disaster recovery plan would help Duplin County recover its technology operations quickly should a disaster occur. A review of disaster recovery plans used by other North Carolina Counties could expedite the planning process.

FISCAL IMPACT

The development of the plan itself can be accomplished using existing resources. Once the plan is developed and implemented, it will have some associated costs to go along with hardware, off-site storage services, staff time for testing, etc. However, until such a plan is fully developed, implementation cost cannot be realistically estimated.

FINDING

Duplin County currently has no unified Technology Procedures Manual for the IT Department. Regularly occurring tasks are undertaken by specific staff at specific times, but there is no underlying policy document that outlines the County's policy for how these procedures are to be done to ensure consistency or accountability.

Additionally, new hires have no document they can consult to establish how certain activities are conducted. Procedures do exist, and Evergreen Solutions was provided with a CD containing procedure documents from across the County dealing with topics such as email instructions, newspaper announcements, and yearly file conversions in the Tax Office, among other procedures. It is good that these procedures exist, however they could and should be pulled together and expanded.

RECOMMENDATION

Recommendation 5-8:

Develop a Technology Procedures Manual.

As a minimum, technology procedures should be documented and distributed electronically for the following areas:

- software installation and license maintenance;
- equipment connectivity;
- equipment maintenance, repair, and replacement;
- virus prevention, spyware, and firewall software (basic security);
- backup requirements;
- disaster recovery activities and storage requirements;
- technical support transactions and expectations; and
- customization, reporting, and system procedures.

The creation of a Technology Procedures Manual should be managed within the IT Department and each team member should contribute based on his/her area of responsibility. The draft document should be circulated to all IT Department staff for feedback and then to other users. The document should then be finalized and made available in an electronic format.

Kern County, California has a well constructed, easy to understand procedures manual for all County operations, one chapter of which is dedicated to Information Technology. The outline of IT procedures is provided in **Exhibit 5-8**.

Exhibit 5-8
Sample Outline of an IT Procedures Manual

INFORMATION TECHNOLOGY SERVICES PROCEDURES MANUAL

TABLE OF CONTENTS

I.	Section Page
II.	General Statement
III.	Information Technology Services Division Responsibilities
IV.	Technology Advisory Committee Functions
V.	Request for Information Technology Services
VI.	Request Prioritization and Approval
VII.	Project Scheduling
VIII.	Charges for Services
IX.	Software Licensing and Use Policy
X.	Internet Usage Policy and Access Procedure
XI.	Electronic Communications Usage Policy
XII.	Remote Access to Computer Network Security Policy
XIII.	Technology Standards Policy
XIV.	Information Security Policies

Source: Kern County, CA, 2009.

FISCAL IMPACT

This recommendation can be implemented with existing resources, but will take some staff time to develop.

FINDING

Duplin County uses a custom developed Microsoft Access help ticket tracking program to keep a record of incoming help requests. This system collects basic data that could be utilized to assess performance of the hardware and software technical support issues that filter through the system.

The County's IT Department is not currently extrapolating performance metric data from its help desk system or other programs to improve performance or efficiency. The IT Director indicated

that data do exist within the system that could be reported in greater detail to improve the operational management of the human resources within the IT Department and improve process effectiveness.

COMMENDATION

The IT Department is commended for creating a Help Desk Tracking Program using internal resources at no direct cost to Duplin County.

RECOMMENDATION

Recommendation 5-9:

Use the existing data from the Help Desk Tracking Program to develop basic performance metrics for tracking quality of IT service delivery.

Tracking these performance metrics will often lead to improvements in service delivery and identify opportunities for efficiency gains that can lighten the workload for IT staff.

In addition, the IT Director should track outcome metrics related to the proposed Technology Plan, and be prepared to report these outcomes to the Technology Planning Committee. Given the number of contingent activities, it would be beneficial to monitor the impact of various action steps.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Duplin County utilizes two unique GIS programs and databases. Control over the primary GIS program is held within the Tax Office.   In addition, the County currently contracts with an outside firm, GTG out of Goldsboro, to manage the GIS database for Public Safety/911. Data collected and processed by this powerful software could be utilized by nearly every department in Duplin County to evaluate and improve service delivery in many ways. With the present system being housed within the Tax Office, this potential benefit is not being realized. In the same way, GIS data are not effectively being shared between the two disparate GIS systems because they are housed within different departments. Unification of these systems may lead to the conclusion that the two are unnecessarily redundant.

In addition to these findings present in IT, additional relevant information pertaining to GIS can be found in **Chapter 8** of this report dealing with **Public Safety**, and **Chapter 10** on **Tax Administration**.

RECOMMENDATION

Recommendation 5-10:

Coordinate all digital mapping activities through the GIS Coordinator currently positioned in the Tax Office.

This recommendation represents an operational change to two departments within Duplin County. Adjusting to this change will take time; however, based on feedback from those operating the GIS system at the Tax Office and research of other municipal IT and GIS functions; this change represents a shift toward a more forward-thinking model of digital map management.

This recommendation and change in GIS strategy could lend itself to an eventual restructuring of the IT Department to encompass this facility as a component if the countywide technology functions. This change and restructuring are not a component of this recommendation; however, we are recommending that the GIS Coordinator remain housed in the Tax Office for the time being.

The GIS Coordinator should have direct oversight as to how all County-owned GIS systems are used. Great gains in efficiency can be made by consolidating these efforts. This recommendation will address the silo effect noted in the Geographic Information System section of the Public Safety Chapter.

FISCAL IMPACT

Evergreen believes that this change can be made using existing resources. One possible outcome of this consolidation of efforts is the elimination of the existing contract with GTG. The current contract totals $6,513.80 for maintenance of the Computer Aided Dispatch (CAD) software in accordance with an established contract. This fee fluctuates, but an average of $6,000 per year for this service is a fair estimate based on available data.

Additionally, $1,500 is paid twice per year to plot new roads and add them into the CAD system. The potential exists to replicate these services internally through the consolidation of efforts noted in this recommendation, and if this is done, would result in a cost savings of approximately $9,000 per year. Should the County decide to take responsibility of the centerline maintenance, a small amount of GPS equipment will need to be purchased in the first year of this change, deducting approximately $500 from the total savings.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Consolidate GIS Efforts and Eliminate GTG Contract	$8,500	$9,000	$9,000	$9,000	$9,000

FINDING

GIS data are currently only being used in two departments; those which house their individual systems. GIS data have the potential of impacting service delivery in multiple departments across the entire County. Duplin County formerly maintained a GIS Steering Committee comprised of leaders from all areas.

According to interviewed staff and leaders, Duplin County is not utilizing the full capabilities of the GIS systems they own.

RECOMMENDATION

Recommendation 5-11:

Incorporate the duties of the GIS Steering Committee into the Technology Planning Committee.

As one component of the Technology Planning Committee under the umbrella of the IT Department, incorporating the GIS Planning function will allow the Technology Planning Committee to coordinate digital mapping activities and coordinate with other departments how best to use the existing digital mapping technology to improve service. The IT Director as well as the GIS Coordinator should serve on this committee

The first primary goal of the Technology Planning Committee related to GIS operations should be to assess whether or not parallel GIS systems are necessary, efficient, or could be consolidated given existing hardware and personnel.

FISCAL IMPACT

This recommendation can be implemented with existing resources. The long-term outcome of this recommendation is likely an increase in efficiency and saving money in the form of staff time.

5.3   *PROFESSIONAL DEVELOPMENT*

Training in the use of technology is the most critical factor in determining whether that technology is used effectively or even used at all. Administrative and technical staff must be able to use effectively the technology available to them. Training must be ongoing; the technology environment is continuously evolving, and departments must keep pace with the evolution.

FINDING

Technology training receives very little focus in Duplin County. Each department establishes training budgets for employees independently of the IT Department and other departments. Experience shows that one of the first areas where budgets are curtailed in tough economic times is training and continuing education; technology training is no exception.

The benefits of a well-trained technology staff include:

- improved productivity, effectiveness and efficiency of service by helping employees develop and better utilize their talents, skills and potential;

- knowledge, skills and abilities so that staff become better qualified to perform the duties of their present jobs and advance to more responsible positions;

- enhanced managers and supervisors capabilities at organizing and developing effective management systems for the accomplishment of the organization's goals and objectives; and

- heightened employee satisfaction and reduced personnel turnover.

Off-site training can be very expensive and time consuming. However, in some cases, it is necessary. Other sources of training are available and should be used in a consistent manner. The Web is a source of free or more cost effective training. Technology vendors, for instance, routinely offer free training materials about their products, ranging from publications to DVDs to Webinars.

Higher education organizations are often open to partnering relationships with local businesses and government to facilitate training. Pursuing these types of opportunities can provide low cost or free training to employees.

Duplin County currently maintains a few computer training courses on CD that employees have access to, but no countywide database exists and no formal training delivery plan exists.

RECOMMENDATION

Recommendation 5-12:

Develop a technology training expectation for Duplin County staff.

Duplin County staff would benefit considerably from additional training. Developing more explicit and rigorous expectations for technological expertise to further automate operations should ensure that all employees are maximizing their resources, being challenged, and providing the highest quality of service possible.

A structured, competency-based plan should be developed for County staff. The plan should include each level in the organization and training opportunities that support professional development. Clear milestones should be established to guide each employee over his/her career in Duplin County. Web-based training opportunities should be identified and tied directly into the competency plan. Duplin County should focus on free training opportunities. One basic area to start in might be office productivity software training to equip employees utilizing spreadsheet, database, or word processing software as is found in the Microsoft Office suite of programs to take advantage of their powerful options.

FISCAL IMPACT

Focusing on free training opportunities will result in these training expectations and opportunities being leveraged at no direct cost to Duplin County.

5.4   SYSTEMS AND OPERATIONS

Often times, small changes to existing systems or policies can greatly improve efficiency of operations in the area of Technology. Duplin County has fallen into a pattern of not fully utilizing its available technology resources.

FINDING

Duplin County has no formal written plan for IT system maintenance or upkeep. During interviews with members of the staff assigned IT related tasks at the Department of Social Services, it was shared that they have developed such plans and use them regularly to lengthen the lifespan and prevent breakdowns of computer systems.   A checklist such as the one shown in **Exhibit 5-9** should be developed for use throughout Duplin County.

RECOMMENDATION

Recommendation 5-13:

Develop a Preventative Maintenance Checklist for Duplin County.

Preventative maintenance is often free or nearly free and can dramatically increase the lifespan of computer systems. The Department of Social Services, recognizing the impact of preventative maintenance, has developed a checklist for their systems to be maintained annually. This checklist is displayed in **Exhibit 5-9** for reference.

The list is not all encompassing, but it includes both hardware maintenance as well as software maintenance. Hardware maintenance preserves the length of service of the internal components of a machine, while software maintenance activities can preserve the speed of the computer.

The checklist is used by DSS personnel to ensure that all preventive measures are taken for each system being maintained by the Department of Social Services. This type of procedure can and should be implemented across the entire County.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Exhibit 5-9
Preventative Maintenance Checklist
Developed by the Department of Social Services

Blow Out Keyboard
Blow Out Back Of CPU Unit; Fan
Blow Out Printer
Clean Print Heads With Alcohol
Clean Monitor Screens And Glare Covers
Empty Downloads Folder
Empty Cookies Folder
Empty History Folder
Delete Downloaded And Non County Owned Programs
Empty Recycle Bin
Follow Steps To Free Memory (See Attached)
Install New Edition Norton Antivirus Software
Run Antivirus Software
Install Ad-Aware Software
Run Ad-Aware Software
Remind Workers To Delete Files That They No Longer Use
Remind Workers That Downloads Will Affect The Performance Of The Machine.
Have Worker Sign Computer Use & Terms Agreement

Source: Duplin County Department of Social Services, 2009.

FINDING

The IT Department maintains an inventory of hardware by departments for desktops, laptops, servers, and printers. Nonetheless, the inventory does not include essential details such as who they are assigned to or equipment serial numbers. This detailed information would allow the County to better maintain a record of warranty expiration, purchase dates, and replacement schedules.

RECOMMENDATION

Recommendation 5-14:

Expand the computer inventory to include equipment serial numbers and the position to which each piece of equipment is assigned.

A detailed inventory can serve as a powerful loss prevention tool. In the same way as police departments maintain property control over the tools in the department (such as batons, ammunition, bullet proof vests, etc.), a pro-active IT Department should maintain similar levels of control over IT assets. Security threats and breaches account for millions of dollars of loss in

secure information, hardware, and software every year. Appropriate inventory controls and policies can prevent much of this loss.

FISCAL IMPACT

The technology inventory can be expanded at no direct cost to Duplin County.

5.5   *WEB SITE*

The advent of the Internet and its ability to disseminate vital information easily and freely, along with the wider availability of high-speed access, have elevated the importance of local government Web sites to new levels. Government Web sites typically contain personal contact information for government officials, department details, outlines of services, community calendars, board meeting minutes, agendas, schedules as well as other details of municipal business. An effective Web site can add a new dimension of customer service and citizen contact to the offerings of a local government.

FINDING

Duplin County maintains an active Web presence at http://www.duplincountync.com. The Web site is well organized, contains an extensive amount of relevant County information including Economic Development Commission information and current events.

COMMENDATION

Duplin County is commended for the foresight to implement a clear and professional Web site.

FINDING

The Duplin County Web site was found to have certain information that is out of date. For example, the article pertaining to the Duplin Events Center which is linked from the main page cites it as being scheduled for completion in the latter part of 2005. It is unclear if this is a typographical error or if the data is truly four years out of date. The Web site for the Events Center is maintained under a separate domain name (http://www.duplineventscenter.com/) but still under the span of control of Duplin County.

RECOMMENDATION

Recommendation 5-15:

Proof read the current Web page for errors and update on a regular basis to ensure accurate and timely information is being published and maintained.

A professionally designed Web page, like the one maintained by Duplin County, can quickly lose favor if it contains information that the citizens cannot count on for accuracy. As citizens

find inaccurate details on the County's Web page, they will become less trusting of the Web site in general and not return, thus limiting the reach and scope of the County's Web presence.

The Senior Programmer/Analyst is primarily responsible for updating the Web site. With that individual being made primarily responsible for DBC programming. However, these Website updating responsibilities should shift to the recommended Network Administrator/Computer Support Technician.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

CHAPTER 6:
HEALTH DEPARTMENT

6.0 HEALTH DEPARTMENT

The North Carolina General Assembly defines, by statute in Section 130A-1.1, the mission and essential services of public health in North Carolina. This section of the law includes the purpose and direction of public health in the State to ensure that North Carolina citizens have access to health services. The statute states:

Mission and essential services.

(a) The General Assembly recognizes that unified purpose and direction of the public health system is necessary to ensure that all citizens in the State have equal access to essential public health services. The General Assembly declares that the mission of the public health system is to promote and contribute to the highest level of health possible for the people of North Carolina by:

(1) Preventing health risks and disease;

(2) Identifying and reducing health risks in the community;

(3) Detecting, investigating, and preventing the spread of disease;

(4) Promoting healthy lifestyles;

(5) Promoting a safe and healthful environment;

(6) Promoting the availability and accessibility of quality health care services through the private sector; and

(7) Providing quality health care services when not otherwise available.

(b) As used in this section, the term "essential public health services" means those services that the State shall ensure because they are essential to promoting and contributing to the highest level of health possible for the citizens of North Carolina. The Departments of Environment and Natural Resources and Health and Human Services shall attempt to ensure within the resources available to them that the following essential public health services are available and accessible to all citizens of the State, and shall account for the financing of these services:

(1) Health Support:

a. Assessment of health status, health needs, and environmental risks to health;

b Patient and community education;

c. Public health laboratory;

d. Registration of vital events;

(2) Environmental Health:

   a. *Lodging and institutional sanitation;*
   b. *On-site domestic sewage disposal;*
   c. *Water and food safety and sanitation; and*

(3) Personal Health:

   a. *Child health;*
   b. *Chronic disease control;*
   c   *Communicable disease control;*
   d. *Dental public health;*
   e. *Family planning;*
   f. *Health promotion and risk reduction; and*
   g. *Maternal health.*

The Commission for Public Health shall determine specific services to be provided under each of the essential public health services categories listed above.

(c)   The General Assembly recognizes that there are health-related services currently provided by State and local government and the private sector that are important to maintaining a healthy social and ecological environment but that are not included on the list of essential public health services required under this section. Omission of these services from the list of essential public health services shall not be construed as an intent to prohibit or decrease their availability. Rather, such omission means only that the omitted services may be more appropriately assured by government agencies or private entities other than the public health system.

The Duplin County Health Department (DCHD), with 53 employees, is tasked with providing these services for the roughly 54,000 residents of Duplin County. While the General Assembly has defined essential services for public health, each North Carolina county is responsible for defining and providing the specific needs to its residents. Organization, staffing, and services provided vary among counties throughout the State, but all support the core functions of public health:

-   assessment;
-   policy development; and
-   assurance.

Demographics

The demographics of Duplin County have changed in the past 19 years. These changes have an effect on public service organizations, including public health, through increases in workload, changes in services, and, potentially, a change in the overall direction of the department. As shown in **Exhibit 6-1**, Duplin County has seen as increase in population of just over 10,000 people between the 1990 census and 2000 census. Between the 2000 census and the estimated 2008 census, the increase in population is roughly 5,000 or 1,000 additional residents per year.

Exhibit 6-1
Duplin County Census Data
1990 – 2013

					Percent Change	
Category	**1990 Census**	**2000 Census**	**2008 Estimate**	**2013 Projection**	**1990 to 2000**	**2008 to 2013**
Total Population	39,994	49,063	54,013	57,020	22.7%	5.6%
Population Density (Pop/Sq Mi)	48.9	59.9	66.0	69.6	22.7%	5.6%
Total Households	14,925	18,267	19,039	19,500	22.4%	2.4%

Source: DemographicsNow.com.

With a current census estimate of 53,640, the increase in population has slowed slightly compared to projections.

In recent years, the race/ethnic composition of Duplin County has changed. **Exhibit 6-2** shows an increase in the Hispanic population from 1990 census to the 2008 estimate.

Exhibit 6-2
Duplin County Race/Ethnic Composition
1990 – 2013

									% Change	
Ethnicity	**1990 Census**	**%**	**2000 Census**	**%**	**2008 Estimate**	**%**	**2013 Projection**	**%**	**1990 to 2000**	**2008 to 2013**
White	25,926	64.8%	28,785	58.7%	31,267	57.9%	32,906	57.7%	11.0%	5.2%
Black	13,259	33.2%	14,198	28.9%	15,495	28.7%	16,284	28.6%	7.1%	5.1%
American Indian or Alaska Native	104	0.3%	113	0.2%	116	0.2%	118	0.2%	8.7%	1.7%
Asian or Pacific Islander	47	0.1%	111	0.2%	139	0.3%	165	0.3%	136.2%	18.7%
Some Other Race	658	1.7%	5,334	10.9%	6,375	11.8%	6,905	12.1%	710.6%	8.3%
Two or More Races			522	1.1%	621	1.2%	642	1.1%		3.4%
Hispanic Ethnicity	1,015	2.5%	7,426	15.1%	11,598	21.5%	14,204	24.9%	631.6%	22.5%
Not Hispanic or Latino	38,980	97.5%	41,637	84.9%	42,415	78.5%	42,816	75.1%	6.8%	0.9%

Source: DemographicsNow.com.

In 1990, the Hispanic composition of Duplin County was 2.5 percent (1,015 residents) and by 2000, the Hispanic population had increased to 15.1 percent (11,598 residents). The 2008 projection was 21.5 percent and the 2013 projection is 24.9 percent. This change not only affects the health needs of the community, but also places a demand on employee communication and language skills.

The percentage of employment in Duplin County can also have a tremendous effect on the degree to which residents utilize the public health services provided. **Exhibit 6-3** shows the increase in unemployed Duplin County residents from 1990 to 2000, and the projection of unemployment increasing from 2000 to 2013.

Exhibit 6-3
Duplin County Employment Data
1990 - 2013

										Percent Change	
Category	1990 Census	%	2000 Census	%	2008 Estimate	%	2013 Projection	%		1990 to 2000	2008 to 2013
In Labor Force	19,260	62.7%	23,425	62.2%	25,898	62.1%	27,721	62.0%		21.6%	7.0%
Employed	18,291	95.0%	21,643	92.4%	23,850	92.1%	25,517	92.1%		18.3%	7.0%
Unemployed	853	**4.4%**	1,724	**7.4%**	1,986	**7.7%**	2,133	**7.7%**		102.1%	7.4%
In Armed Forces	122	0.4%	58	0.3%	62	0.2%	71	0.3%		-52.5%	14.5%
Not In Labor Force	11,464	37.3%	14,223	37.8%	15,813	37.9%	17,027	38.1%		24.1%	7.7%

Source: DemographicsNow.com

In 1990, 4.4 percent of Duplin County residents were unemployed. By 2000, the number of unemployed increased to 7.4 percent, and 2008 and 2013 projections indicate a slight increase of unemployment from 2000; however 2008 showed an actual unemployment rate of 5.9 percent down from the 2000 census, and also a decrease from the 2008 projection. An increase in unemployment typically results in an increase in the utilization of public health services as more residents lose access to affordable health care.

Of particular concern to DCHD is the number of medically uninsured residents of Duplin County. **Exhibit 6-4** shows the number and percent of uninsured residents in Duplin County, peer counties, and two reference counties—Wake and Tyrrell.

As shown, in Duplin County, 31.4 percent of residents ages 18-64 are uninsured which ranks 99 out of 100 in North Carolina counties regarding medically insured residents. For ages 0-64, 26.9 percent of Duplin County residents are uninsured; again, ranking 99 out of 100 in North Carolina counties. Only one county in North Carolina has higher rates of uninsured among residents 0-64 years of age—Tyrrell County. Peer counties are included for comparison purposes as is Wake County which has the lowest percentage of uninsured residents, in all age groups shown, in North Carolina and thus ranks 1 of 100 regarding residents who are insured.

The demographic changes of Duplin County must be taken into account as the history of public health is examined and the future in the Duplin County is determined. Particularly, as the "healthcare provider of last resort" the significant percentage of medically uninsured residents has a tremendous impact on DCHD.

Exhibit 6-4
Number and Percent of Uninsured in
Duplin County and Peer Counties

County	Ages 0-17			Ages 18-64			Ages 0-64		
	Number	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank
Wake	16,878	9.10%	1	75,788	15.80%	1	92,666	13.90%	1
Lenior	1,790	12.20%	49	8,194	23.40%	64	9,984	20.10%	57
Bladen	1,116	13.70%	93	4,727	23.30%	62	5,843	20.50%	66
Columbus	1,847	13.50%	88	8,475	25.60%	83	10,322	22.00%	83
Sampson	2,455	15.20%	97	11,221	29.20%	96	13,676	25.10%	97
Duplin	2,215	16.30%	100	9,940	31.40%	99	12,155	26.90%	99
Tyrrell	126	15.50%	99	863	32.30%	100	989	28.30%	100

Source: "County-level Estimates of the Number of Uninsured in North Carolina – 2004 Update" written by Mark Holmes and Tom Ricketts, Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill

This chapter reviews the Health Department and is organized around the four sections listed below:

6.1   Organization and Staffing
6.2   Budget
6.3   Management and Performance
6.4   Technology

6.1   ORGANIZATION AND STAFFING

The effectiveness of public health services delivered to a county is significantly influenced by the organizational structure and staffing of its health department. The organizational structure is, to some extent, driven by North Carolina statutes regarding the county board of health, the health director, and the mandated services and programs the health department offers.

FINDING

While some departments within Duplin County report directly to a County Manager, by Chapter 130A Public Health Law of North Carolina Section 35, the County Board of Health "shall be the policy-making, rule-making and adjudicatory body for a County Health Department." The Board consists of 11 members who are appointed by the Board of County Commissioners and includes one County Commissioner. The Board has the "responsibility to protect and promote the public health. The Board shall have the authority to adopt rules necessary for that purpose." In addition, the Board, after consultation with the Board of County Commissioners, appoints the local health director. The local heath director is the administrative head of the department and is responsible for the compliance, enforcement, and administration of county health programs.

Exhibit 6-5 shows an organizational chart of the Duplin County Health Department (DCHD). The general functions and numbers of personnel within those functions are also shown.

Exhibit 6-5
Duplin County Health Department
Organizational Structure
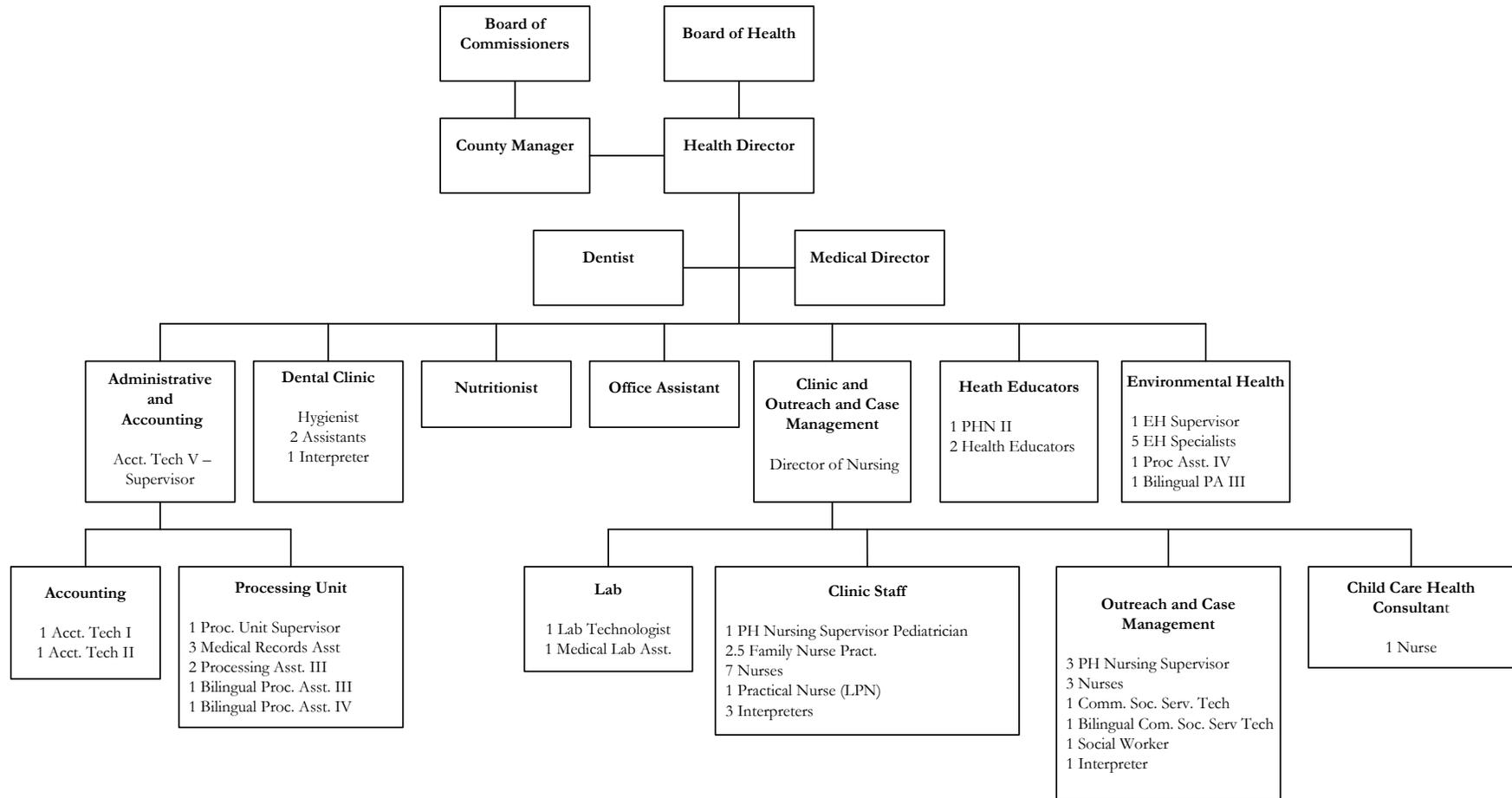
Source: Duplin County Health Department, 2009.

Evergreen consultants believe that the Health Department is appropriately organized. A review of North Carolina statutes as well as organizational charts of peer counties (Sampson, Lenoir, Columbus, and Bladen) show that DCHD meets state statutes and is organized similarly to other county health departments.

As discussed earlier, North Carolina statutes outline the essential public health services that must be provided by counties. As a result, public health departments are organized functionally around these services. This is the case with DCHD. The differences in organizational structure reflect the extent to which a service is provided and whether or not that service is outsourced.

For instance, all peer counties, including DCHD, have an Environmental Health function with a supervisor and Environmental Health specialists. However, other peer counties have the Women, Infant, and Children (WIC) Program, but DCHD does not. And, conversely, DCHD has a fiscally self-sufficient dental clinic, but peer counties do not.

RECOMMENDATION

Recommendation 6-1:

Maintain the existing organizational structure.

The underlying organizational concept is the same among peer county health departments and DCHD. County health departments are organized by function with a supervisor and staff. DCHD follows this pattern, and the functions by which they are divided are logical and serve their mission well.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

While ratios that consider county resident per county employee figures are a quick reference for decision makers to utilize in determining whether additional staffing analyses should be completed, these ratios cannot be used to determine whether a health department is understaffed or overstaffed. When reviewing resident per staff ratios for Duplin County and peer counties (Sampson, Lenoir, Columbus, and Bladen), it is important to understand that health needs and services differ among counties.

Exhibit 6-6 shows the county resident per county employee ratio for Duplin County and peer counties.

The Health Department has the appropriate number of positions, but is currently understaffed since not all budgeted positions are filled. While DCHD shows 53 (52 full-time equivalents and 1 part time) employees and a ratio of 1,012 residents per employee, it is currently authorized 57 employees which would put the resident per employee ratio at 941 slightly ahead of the average of 894 residents per health department employee.

Given the significant fiscal variations that can and do exist between county health programs, DCHD is generally more conservative than peers in its staffing.

Exhibit 6-6
Residents per Health Department Employee
Duplin County Department of Health and Peer County Comparisons

Duplin and Peer Counties	County Residents*	Health Department	
		Number of Employees**	Residents per Health Dept Employee
Sampson County	61,768	43	1436
Duplin County	53,640	53	1012
Lenoir County	58,172	58	1003
Columbus County	55,000	71	774
Bladen County	30,800	65	474
Average	**51,876**	**58**	**894**

Source: Created by Evergreen with data found at UNC School of Government:
http://www.sog.unc.edu/pubs/electronicversions/csalindex.htm: Data collected January 2009
**Data obtained from the Peer Survey

While all counties must provide "essential public health services," some contract out these services while others provide them with county employees. The management of programs can be vastly different among counties. Programs in some counties are fiscally self-sufficient, as is the case with the Mobile Pediatric Dental Clinic in DCHD. Also, different counties request and receive grant funds targeting specific county health concerns that cover a portion, if not all, of the employee salaries. For example, DCHD has four positions entirely funded by grants and five positions that are partially grant funded. In addition, DCHD is providing county employee services through the Health Department, such as the County Employee Wellness Program, which is an overall cost savings for the County, but adds to the Health Department workload.

RECOMMENDATION

Recommendation 6-2:

Maintain the existing authorized staffing level and fill vacant positions, while continuing to monitor workload, services, county health needs and trends, and the adoption of technology.

DCHD is authorized 57 employees and this puts the department at 941 residents per employee which is slightly ahead of the peer county average of 894 residents per employee. As emphasized previously, different counties have different public health needs so resident to employee ratios are only the starting point. DCHD receives grant funds for all or part of eight staff member salaries, and DCHD operates a fiscally self-sufficient dental lab. These two examples illustrate that additional staff members do not necessarily add financial burden to the County. In addition, DCHD operates the County Employee Wellness Program and is the initial workers' compensation site for Duplin County. Both of these programs are an overall cost savings for the County and this type of benefit cannot be calculated into a resident to employee ratio.

FISCAL IMPACT

This recommendation can be implemented with existing resources once these positions are budgeted.

FINDING

Previously shown, **Exhibit 6-2** illustrates an increase in the Hispanic population in Duplin County over the past 18 years. **Exhibit 6-7** specifically addresses the percentage of Hispanic visits to DCHD by program in the past five years.

Exhibit 6-7
Percentage of Hispanic Visits By Program
2004-05 and 2008-09

Program	Total Visits	Number of Hispanic Visits	Percent Hispanic
Primary Care			
2004-05	3,932	1,042	27%
2008-09	5,829	2,452	42%
Child Health			
2004-05	5,422	3,008	55%
2008-09	2,444	1,128	46%
Family Planning			
2004-05	1,459	657	45%
2008-09	2,044	1,016	50%
Immunizations			
2004-05	3,998	602	15%
2008-09	2,934	673	23%
Maternal Health			
2004-05	3,334	1,541	46%
2008-09	3,362	2,164	64%
STD/CD			
2004-05	646	145	22%
2008-09	899	165	18%
Tuberculosis			
2004-05	586	242	41%
2008-09	450	251	56%

Source: Duplin County Health Department, 2009.

Of the seven programs identified in the exhibit, five had an increase in Hispanic clients from 2004-05 to 2008-09. While there is not a one-to-one correlation regarding Hispanic client visits and interpreter services required, it does indicate that the likelihood an interpreter will be needed has increased in the past five years. As an example of the language issue DCHD faces, in June 2009 there were 151 maternal health patients—124 were non-English speaking. The inability to effectively communicate with patients adds additional burden to public health employees and reduces the efficiency and effectiveness with which employees can provide service. During focus groups, employees voiced concern about the increasing number of non-English speaking clients and stated that they feel additional interpreters are needed.

DCHD (and other public service agencies within the County) face an increase in the number of non-English speaking clients/patients. While non-English speaking demographics have been outlined in this chapter regarding public health, this is an issue for all departments that offer services to Duplin County residents.

RECOMMENDATION

Recommendation 6-3:

Develop an Inter-department Task Force to address service to the increasing number of non-English speaking residents.

Duplin County has seen an increase in the Hispanic population since 1990. A percentage of this population does not speak English. Several County departments—such as Health, Social Services, and Public Safety—have direct contact with the Hispanic community. It is vital that County employees are able to effectively communicate. Duplin County should be able to gain efficiencies by collectively addressing the issue.

The Task Force should address projections on the number of interpreters needed, which services require interpreters, peak times when the service is needed, ways in which resources can be shared throughout the County, educational resources for employees to communicate with non-English speaking residents, and educational resources for non-English speaking residents to communicate with employees.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

6.2   *BUDGET*

DCHD receives funds from four different sources: state and grant funds, Medicaid billing, fees, and County funds. **Exhibit 6-8** shows the budget for DCHD over the past five fiscal years.

Exhibit 6-8
DCHD Actual Budget
2004 through 2009

Fiscal Year	State/Grant	Medicaid	Fees	County	Carry Forward	Total Budget
2004-05	$928,965.26	$1,001,679.85	$505,523.57	$527,649.21	$120,745.78	$3,084,563.67
Percentage of Budget	30%	32%	16%	17%	4%	100%
2005-06	$802,349.75	$1,007,047.92	$532,619.45	$485,648.80	$88,902.89	$2,916,568.81
Percentage of Budget	28%	35%	18%	17%	3%	100%
2006-07	$742,509.28	$836,244.36	$500,902.84	$729,436.23	$94,291.96	$2,903,384.67
Percentage of Budget	26%	29%	17%	25%	3%	100%
2007-08	$803,290.81	$916,359.59	$571,495.13	$789,421.88	$0.00	$3,080,567.41
Percentage of Budget	26%	30%	19%	26%	0%	100%
2008-09	$855,729.26	$807,893.40	$455,266.90	$1,023,305.11	$0.00	$3,142,194.67
Percentage of Budget	27%	26%	14%	33%	0%	100%

Source: Duplin County Health Department, 2009.

FINDING

The Health Department has maintained a relatively stable total budget over the past five fiscal years. DCHD has seen a decrease in the percentage of total budget from the other three funding sources. The percentage of the budget contributed by the County has increased from 17 percent in 2004-05 to 33 percent in 2008-09. However, the 2004-05 and 2005-06 data are not entirely representative of the historical budget picture. In those years, "reserve" funds were used to offset County budget contributions. DCHD had accumulated a sizeable reserve fund that was used in those years.

In comparison, **Exhibit 6-9** shows that, in 2001-02, the County contributed 27 percent of the DCHD budget which is more representative the County's financial contribution to DCHD.

Exhibit 6-9
DCHD Actual Budget (Unaudited Figures)
2001-02

Fiscal Year	State/Grant	Medicaid	Fees	County	Total Budget
2001-02	$862,766.45	$804,494.97	$393,186.87	$765,312.08	$2,825,760.37
Percentage of Budget	30.53%	28.47%	13.91%	27.08%	

Source: Duplin County Health Department, 2009.

In 2002-03, the County contributed 31 percent to DCHD's budget. Therefore, while exact analysis of budgetary effects on Duplin County during the last five fiscal years is difficult, it is still apparent that the funding from the other three funding sources has decreased.

In the past five fiscal years, DCHD has expanded service to residents and County employees. Primary care, the mobile dental clinic, and a nutritionist have been either expanded or added as a service. The County Employee Wellness Program and the initial site for workers' compensation have been added as services to Duplin County and County employees.

COMMENDATION

The Duplin Health Department is commended for keeping the total public health budget stable while expanding service.

FINDING

The Health Department has pursued and received grant funds. Even though a full-time grant writer is not employed by the County, DCHD employees have looked for and written grants to bring additional services to the County. Grants received by DCHD include:

- Cape Fear Memorial Grant – Chronic Disease
- Duplin General Hospital – Chronic Disease
- LICC Mini Grant
- Maternity Outreach Coordination – Taking Care of Baby
- Public Health Foundation – Diabetes
- March of Dimes – Centering Pregnancy

- Smart Start
- Health and Wellness Trust Fund
- Targeted Infant Mortality
- Maternity Care Coordination – Non-Medicaid

Grant-funded services benefit County residents at little or no cost to Duplin County. For example, the Centering Pregnancy Model with grant funds from the March of Dimes is a service offered by DCHD that has been very successful. The program started in January 2001 and DCHD was only the second county health department in North Carolina to offer this model. DCHD has maintained this service since, and in the past year, other county health departments have begun applying for grant funds to follow suit.

Care, education, and community are the foundation of the program, and feedback from participants has been positive. In addition to patient benefit, the structure of the model reduces redundancy in service delivered and has reduced the number of missed appointments. Overall staff satisfaction has improved.

When asked during focus groups what employees were most proud of in the past three years, numerous employees commented on the additional services gained through the use of grants.

COMMENDATION

The Health Department is commended for pursuing grant funds to increase staff and provide additional health-related services to County residents at little or no additional cost to Duplin County.

FINDING

Exhibits 6-10 through **6-12** show the downward trend of funding of the total budget by the three funding sources other than the County.

In addition to the budgetary scrutiny that other County agencies are subjected to DCHD, because it receives government funds, is required to report monthly expenses to the State of North Carolina for all programs. Employee salaries are billed to programs according to how they breakdown their time on their time sheet. Salary and benefits are reported based on the time annotated on employee time sheets. Six administrative positions are budgeted against "General" at the beginning of the year, but are pro-rated to programs based on time documented by the staff. This monthly reporting function is handled through the Administrative and Accounting Section.

The result of the downward trend in revenue from the State, Medicaid, and fees is that Duplin County is required to contribute a larger percentage to DCHD's budget than it has in past years. To further exacerbate the situation, demands on public health services are increasing and will likely to continue to rise.

Exhibit 6-13 shows the upward trend of the County's contribution to the total DCHD budget.

Exhibit 6-10
State/Grant Funds of Total DCHD Budget
2004 through 2009
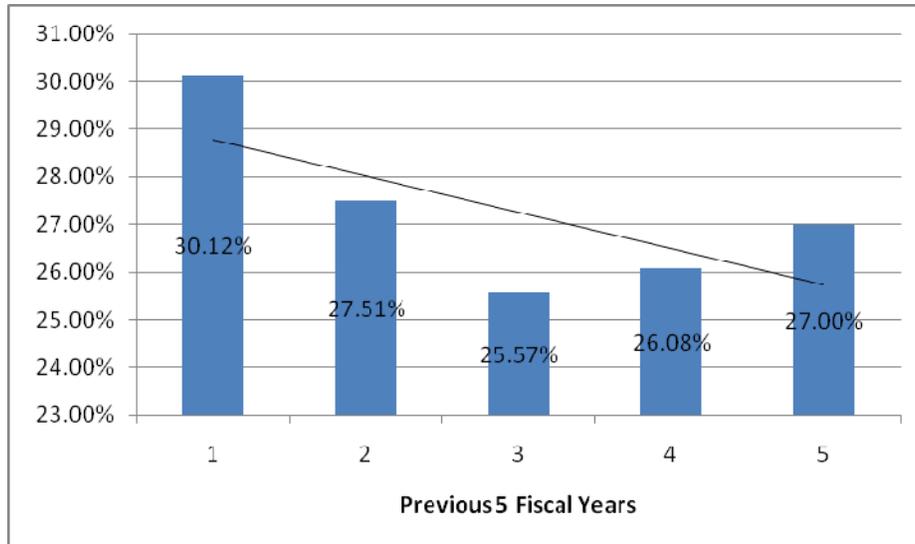
` *Source: Duplin County Health Department, 2009.*

Exhibit 6-11
Medicaid Billing of Total DCHD Budget
2004 through 2009
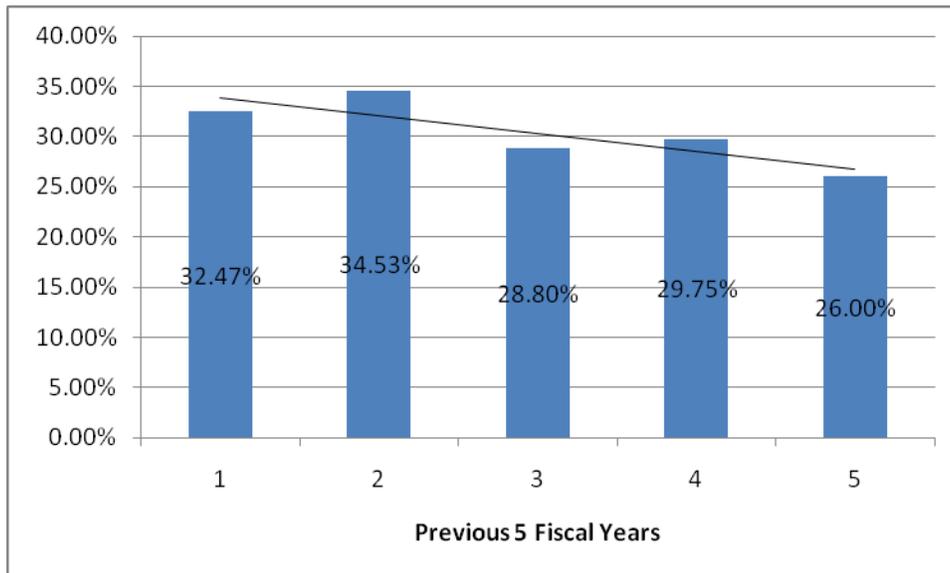
*Source: Duplin County Health Department, 2009.*

Exhibit 6-12
Fees of Total DCHD Budget
2004 through 2009
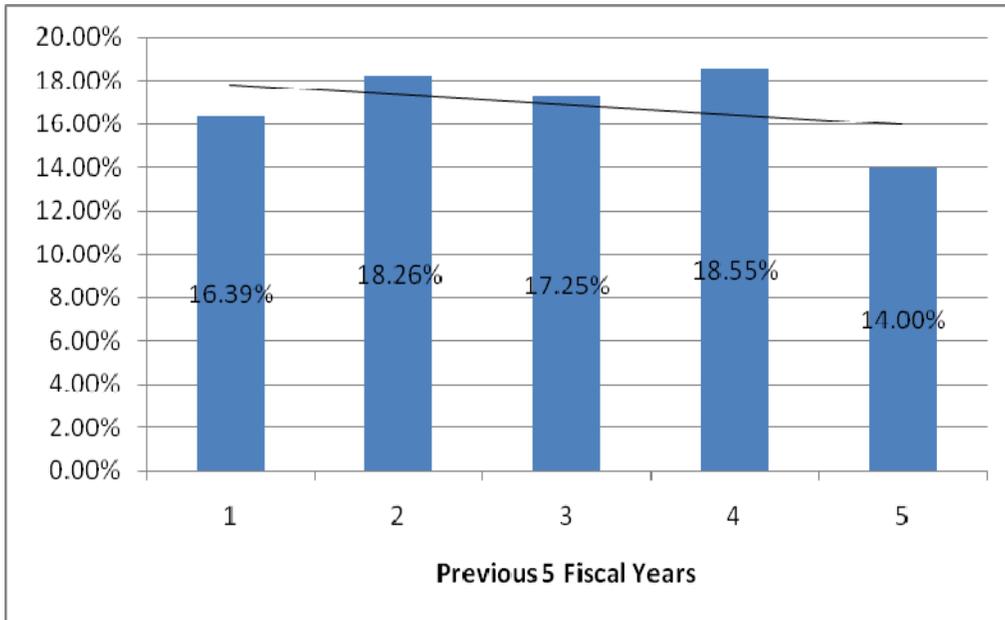
Source: Duplin County Health Department, 2009.

Exhibit 6-13
County Contribution of Total DCHD Budget
2004 through 2009
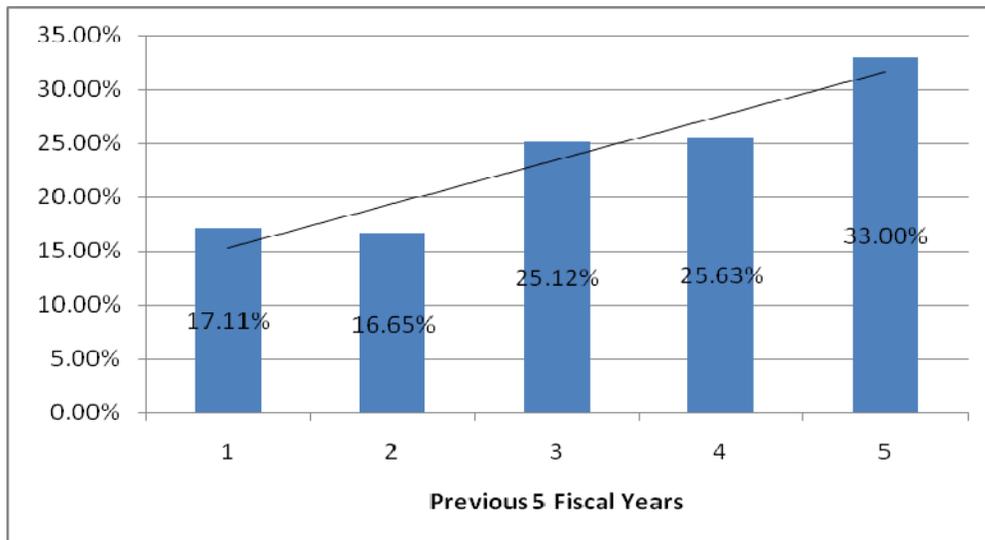
Source: Duplin County Health Department, 2009.

With a continual decrease in funding from the State, Medicaid, and fees, it is imperative that DCHD find additional revenue sources. The Health Department does not have an individual dedicated to finding grant opportunities and writing grant applications, and therefore, loses opportunities to bring additional funds into the department.

RECOMMENDATION

Recommendation 6-4:

Partner with the contracted grant writer to expand DCHD grant submission efforts.

The federal government, state government and non-profit organizations offer grant funds for various programs and services. While DCHD has sought out and obtained grant funds, the County is losing opportunities to bring in additional revenue by not aggressively pursuing grants. Workload and cost benefit do not warrant a position solely in DCHD, but one individual supporting all the departments would be beneficial. This was also an area that employees commented on during focus groups and some felt the addition of a grant writer would be beneficial.

Exhibit 6-14 shows the responsibilities of the County's grant writer, currently under contract.

Exhibit 6-14
Responsibilities of Duplin County's Grant Writer

The Grant Writer will:

1. Through interviews and other means, gather information that will easily allow him/her to grasp the concept of a project or program for which funding is sought as defined by the person responsible for carrying it out.

2. Acquire and maintain sound knowledge and understanding of the organization, and use that knowledge and understanding to better comprehend all projects and programs for which grants will be sought and to recommend the seeking of grants.

3. Research grant-making organizations and analyze them to identify likely funding sources for specific projects and programs.

4. Compile, write, and edit all grant applications exhibiting strong expository writing skills and a high-level command of grammar and spelling.

5. Review the budget of a project or program for which funding is sought and make recommendations to better present it to grant-making organizations.

6. Develop individual grant proposals in accordance with each grant-making organization's preferences and follow exactly each grant-making organization's guidelines.

7. Keep in contact with grant-making organizations during their review of a submitted grant application in order to be able to supply additional supportive material.

8. Manage the process of supplying progress reports when required by a grant-making organization that has funded a project or program.0

Source: Duplin County Manager's Office, 2009.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Health Department has provided a fiscally self-sufficient dental program to Duplin County children.

Through grant funds and a strong business plan, DCHD operates a Mobile Pediatric Dental Clinic at no cost to Duplin County. The clinic has an independently contracted dentist whose pay is based on a rate plus revenue sharing. This is more cost effective than hiring a dentist as a County employee. The clinic has one hygienist, two dentists, and an interpreter. The interpreter assists the main building when the dental clinic is closed.

The mobile dental clinic was specifically identified to Evergreen consultants during DCHD focus groups as an added service that employees considered to be a positive and they were proud of the clinic.

COMMENDATION

The Health Department is commended for providing a Mobile Pediatric Dental Clinic at no cost to Duplin County.

FINDING

The highest County expenditures can be found in Environmental Health, Primary Care, and County Employee Wellness Programs. **Exhibit 6-15** shows the cost of these programs to the County. Primary Care expenses were shown under Child Health and Adult Health in 2004-05 and 2005-06. Changes in both programs resulted in the movement of expenses into the Primary Care category and therefore Primary Care does not have five years of historical data. The Duplin County Employee Wellness Program is a new program and does not have historical data.

Exhibit 6-16 shows the upward trend in cost to Duplin County of its largest cost program, Environmental Health. As can be seen, Duplin County contributes roughly 79 percent of the Environmental Health budget, with only 21 percent coming from the State and fees. Most of the other DCHD public health programs receive a higher percentage of revenue from other sources.

In many other states, the Environmental Health Programs are able to charge fees for most of their services and in many cases are close to self-sustaining. However, in North Carolina, the county health departments are not allowed to charge fees for some services (i.e. restaurant and lodging inspections). This, in turn, reduces revenue opportunities. Any financial change to the Environmental Health Program is felt, directly, by the county budget.

Environmental Health saw an increase in expenses over the two-year period, 2006-07 and 2007-08; 2007-08 and 2008-09 were relatively stable. As the population of Duplin County increases and the number of restaurants and food service facilities grow, these services will continue to be in demand. Particularly food and lodging inspections and compliance as well as on-site sewage state funding exist for Environmental Health programs; therefore, the brunt of the financial support for these services will come from the County. As a note, Environmental Health fees were increased in 2008-09.

Exhibit 6-15
Top Four Cost Programs in Duplin County
2004 through 2009

Program Environmental Health	State/Grant	Medicaid	Fees	County	Total Expenses
2004-05	5,000.00	-	75,780.00	**247,346.10**	328,126.10
2005-06	5,500.00	-	100,590.00	**227,921.46**	334,011.46
2006-07	6,000.00	-	99,946.25	**262,924.60**	368,870.85
2007-08	5,500.00		99,463.44	**304,192.77**	409,156.21
2008-09	6,000.00		78,495.00	**308,646.51**	393,141.51
Primary Care					
2004-05		Expenses were shown under other line items			
2005-06		Expenses were shown under other line items			
2006-07	-	36,009.69	143,539.00	**124,923.06**	304,471.75
2007-08	-	96,262.75	176,300.25	**113,566.80**	386,129.80
2008-09		124,333.41	172,347.92	**253,731.99**	550,413.32
County Wellness					
2004-05				Program did not exist	
2005-06				Program did not exist	
2006-07				Program did not exist	
2007-08				Program did not exist	
2008-09	48,000.00		3,977.46	**127,202.13**	179,179.59
Communicable Disease					
2004-05	4,940.00	4,218.71	1,248.54	**66,951.07**	77,358.32
2005-06	4,940.00	10,701.23	2,483.04	**63,496.52**	81,620.79
2006-07	4,940.00	9,979.37	3,446.61	**59,369.50**	77,735.48
2007-08	4,940.00	27,653.97	10,274.50	**81,083.58**	123,952.05
2008-09	4,940.00	22,774.49	9,059.60	**84,436.31**	121,210.40

Source: Duplin County Health Department, 2009.

Exhibit 6-16
Environmental Health Cost to the County
2004 through 2009
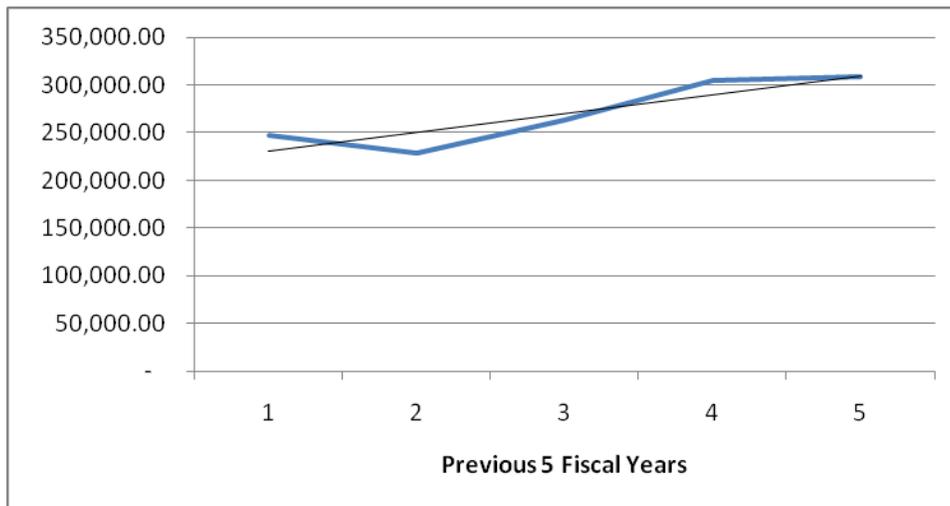
Source: Duplin County Health Department, 2009.

RECOMMENDATION

Recommendation 6-5:

Support statewide efforts to change North Carolina statutes that give counties more flexibility to charge fees for Environmental Health service to residents.

North Carolina statute prohibits counties from charging a fee for restaurant and lodging inspections. Therefore, a greater percentage of the Environmental Health Program budget is absorbed by counties. There have been efforts over the years by counties and Boards of Health to change North Carolina statute regarding restaurant and lodging fees, but these efforts have not been successful.

Restaurant and lodging inspections are part of the "cost of doing business" for companies. Therefore, County funds should not be used to provide this as a free service. Environmental Health programs in many other states are authorized to charge a fee for the services that are provided. As a result, many of these programs are close to being self-sufficient. The financial burden is distributed among businesses and county residents who are utilizing the service.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The budget line item for Primary Care was added in 2006-07. Previously, revenue/expenses for functions currently under this program fell within Child Health and Adult Health. Changes in both of these programs resulted in the Primary Care category.   The 2008-09 fiscal year was the first full year these changes were reflected, particularly the movement of child health treatments under Primary Care, which contributed to the significant increase between 2007-08 and 2008-09. In addition, DCHD saw an increase in 2008-09 in the number of clients who were seen for chronic disease management. While this is an increased expense, it is more cost effective to prevent complications to chronic disease (particularly diabetes) than to treat these diseases that have progressed.

Exhibit 6-17 shows the upward trend in cost to Duplin County of its second largest cost program—Primary Care.

DCHD is the healthcare provider "of last resort" and absorbs the cost of providing this service to the uninsured, underinsured, and working poor of Duplin County.   Duplin County has a high percentage of uninsured residents 0-65 years of age (26.9 percent) as shown previously in **Exhibit 6-4**. A sliding-fee-schedule is used and some fees are charged for services. However, DCHD often sees patients for primary care who were unable to receive care from local providers or the hospital. The County is absorbing the cost associated with these visits.

Exhibit 6-17
Primary Care Cost to the County
2006 through 2009
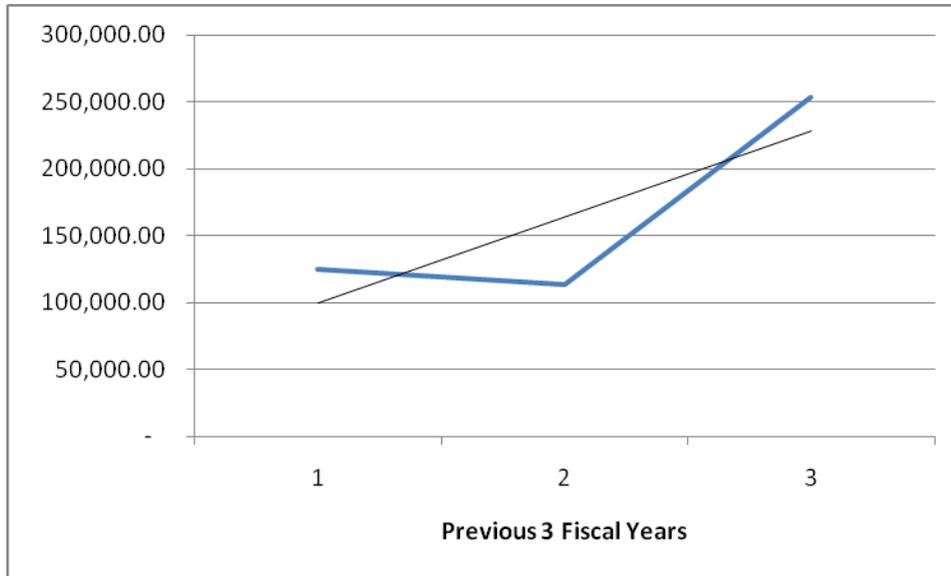
Source: Duplin County Health Department, 2009.

Community Care Plan of Eastern Carolina provides a Practice Profile as part of the Community Care Peer Review Summary. Over the period of September 2007 to December 2008, DCHD had a slightly higher primary care physician per member, per month cost than its peer group health departments; however, it had lower numbers of emergency room primary care visits. Keeping primary care visits out of the emergency room decreases bad debt to hospitals and does not tie up emergency room personnel on non-emergency cases. Hospitals may be willing to participate financially either through in-kind services or direct costs supplement if the County can provide a business case that shows overall emergency room savings gained by DCHD services.

RECOMMENDATION

Recommendation 6-6:

Further investigate the link between DCHD primary care services and emergency room visits, and discuss partnership options with the local hospital that can decrease the cost of primary care absorbed by Duplin County (in-kind or direct financial support).

DCHD provides services that enable residents to manage chronic disease and services that allows residents to have access to affordable primary care. It is more cost effective to manage chronic disease than to treat these diseases once they have progressed. For example, Duplin County has a significant problem with diabetes. The emphasis that DCHD places on diabetes management slows the progression of the disease in residents, thus reducing the need for advanced medical care that is provided by the local hospital. Many patients do not have access to affordable medical care and, therefore, if the local hospital treats them, the possibility for bad debt or reduced payment can increase.

Since DCHD is the "provider of last resort," Duplin County, the inclusion of primary care as a service reduces the non-emergency visits these patients will make to the local hospital emergency room. They can now be seen by a primary care provider. Non-emergency visits to the emergency room impact the local hospital financially (no health insurance) and impacts workload.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

DCHD is aggressive in pursuing opportunities to reduce Duplin County expenses.

DCHD operates the County Employee Wellness Program, including the care of County employees in the Primary Care clinic and lab. DCHD administers these services without billing County insurance which keeps the direct cost to Duplin County down, and also provides these services at an overall lower rate than outside providers, again, keeping the direct cost to Duplin County down.

For example, in 2008-09, if DCHD had billed the County's health insurance for wellness visits, it would have billed $105,910.85. And, in addition, had DCHD sent County employee lab work to LabCorp, the cost to Duplin County would have been $42,087 instead of the $6,418.90 that DCHD charged.

Now, DCHD is the initial workers' compensation site for employees for which Duplin County is not billed. The addition of this program has resulted in financial benefits to the County, but has also added additional workload to the Health Department.

Exhibit 6-18 shows the services that DCHD provides to County employees.

Exhibit 6-18
County Employee Wellness Program Services

Services Offered
Health Risk Assessment
Treatment Visits
Preventative Care
Chronic Disease Management
Tobacco Cessation
Lab Services
Counseling
Diabetic Classes
Registered Dietician
Lunch and Learn
Breast Feeding Friendly Workplace
Duplin Walks Program
Durable Medical Equipment

Source: Duplin County Health Department, County
Employee Wellness Program brochure, 2009.

Not only does DCHD look for ways to save the County money regarding employees, but also looks at operating services that Duplin County is responsible for outside of "essential public health services". For example, when the County was reviewing jail health, the Health Department submitted a competitive proposal to provide health care to the jail population at a cheaper rate. While this proposal was not selected, it is another example of which DCHD thoroughly investigates health opportunities to reduce costs to Duplin County.

In fact, during initial interviews with Duplin County department heads, many commented very positively on the County Employee Wellness Program.

COMMENDATION

The Health Department is commended for pursuing opportunities to bring services in-house in order to reduce Duplin County costs, particularly the County Employee Wellness Program.

6.3   *MANAGEMENT AND PERFORMANCE*

Organizations that utilize good management techniques maximize manpower and budget, and continually move forward. It is not enough for an organization to have good employees who are committed to their jobs. Good employees must have good leaders. The leadership sets the tone of the organization through policy as well as their own actions, ensures employees have the resources needed, and does what it takes to give employees the sense that what they do is important and that they are valued as a member of the organization. In addition, good leaders ensure that the organization fiscally operates in a manner that allows the organization to not only sustain its efforts, but is able to move forward. Leadership ensures that the product or service provided is of quality and value.

Characteristics observed in well-managed organizations include:

- commitment to the mission;
- good business processes;
- fiscal awareness and responsibility;
- continuous improvement;
- sense of teamwork;
- engaged workforce;
- transparency; and
- open communication.

FINDING

DCHD is a well-managed agency. The first indication came from focus group discussions. Employees were engaged, vocal, and committed to public health. Many comments centered on the improvements the Health Department had made in recent years and how those improvements better served the public health needs of the community. All the groups felt that their suggestions and ideas were welcome, heard, and investigated. Employee gave constructive feedback on

resources they needed, such as more interpreters and computer support. Overall, the attitude of the focus groups was positive and engaged, and employees felt that the Department was continually moving forward.

Discussions with the Health Director were similar. The Health Department is committed to providing the highest level of public health service to the County while financially operating as a business. This level of attention to maximizing finances is not often seen in government. Decisions regarding service are made after a thorough review of the financial impact. Analyses are conducted to determine the most efficient and cost effective way to provide service. The Director and Management Team are acutely aware of the financial situation of the organization at any time as well as the history of financial decisions. The financial focus of the DCHD is further validated by the stability of the Department's budget. The overall budget has remained relatively the same in the past five fiscal years, even though DCHD has added service including the Mobile Dental Clinic and the County Employee Wellness Program.

DCHD is currently engaged in best practices that other County departments should employ. The most important of these is workflow analysis which is discussed in further detail in this chapter.

COMMENDATION

The Duplin County Health Department has strong leadership and is a well-managed department.

FINDING

DCHD has undertaken several initiatives in the past years to increase both efficiency and effectiveness. In December 2007, consultants from the State Division of Public Health conducted a workflow analysis on the clinic using the Model for Improvement developed by Associates in Process Improvement - Plan, Do, Study, Act.

Exhibit 6-19 shows the Model for Improvement.

After implementation of work flow changes, "no show" rates decreased drastically from 50 percent in March 2008 to 25 percent in February 2009. Since then, the Health Department has utilized this model several times on such projects as:

- Child Health Quality Improvement;
- Asthma Quality Improvement;
- Diabetes Case Management;
- the use of buzzers to move clients through the clinic; and
- the pre-order lab system.

One of the results seen from these improvement initiatives is patient cycle time. North Carolina Child Health Learning Collaborative data show that DCHD cycle times for patients have decreased from 118 minutes in March 2008 to 56 minutes in February 2009.

Exhibit 6-19
Model for Improvement
Developed by Associates in Process Improvement

Source: Associates in Process Improvement, http://www.apiweb.org/services.htm
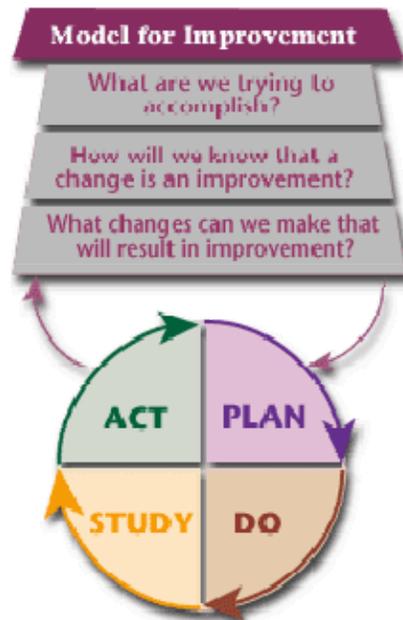
During DCHD focus groups, when asked about things employees were proud of and if they were a mechanism in place for employees to be heard, a significant number of participants commented on the workflow analysis initiatives the Department of Health had undertaken. Focus group discussions showed that employees support these efforts, are involved in the process, and feel as though their opinions and suggestions are heard and acted upon.

COMMENDATION

The Health Department is commended for using a process improvement method to analyze services offered and for increasing efficiency of operations.

FINDING

Duplin County does not have a formal strategic planning process for the operational vision of the Health Department.

The State of North Carolina requires the completion of a Community Health Assessment (CHA) every four years. While not a department strategic plan, the CHA provides feedback to DCHD on public perception regarding public health needs and services. This document is used to determine, to some degree, issues that the department should address as well as services and programs it should offer. The last CHA completed was in 2008 for 2009-2011.

The Health Department continues to move forward, look for opportunities to improve, seek opportunities to provide more services to residents to address Duplin County health needs, and maximize day-to-day operations. As previously stated, many excellent practices are in place and DCHD managers are in collaboration with current activities as well as future direction.

The Management Team consists of the Health Director, Environmental Health Supervisor, Nursing Director, Accounting and Management Support Supervisor, Nutritionist, Health Educator, Clinic Supervisor, Clerical Supervisor, and the Care Coordination Supervisor. This group meets weekly to discuss performance measures, budget, and relevant issues. Nonetheless, there does not appear to be a formal process that pulls all the initiatives together to ensure that the activities are all in line with the Department's direction. Most of this is done intuitively through the experience and expertise of the Health Director and Management Team.

To maximize efforts, DCHD should select a strategic planning process that the Management Team can work through to formalize the Health Department's long-term vision, short-term and long-term objectives and goals, and subsequent performance measures. A departmental strategic plan should formalize the operation while maintaining flexibility to adapt to changing community health needs and economic demands. The resulting document will give DCHD decision makers a litmus test to ensure services and programs are in line with the vision, and a departmental strategic plan will produce operational performance measures that, when reviewed, can provide an accurate picture of the efficiency and effectiveness of the operation.

A strategic plan will tie all the initiatives together and should make it easier and faster for the DCHD Management Team to recognize and respond to operational issues and changes while maintaining the Health Department's long-term vision.

RECOMMENDATION

Recommendation 6-7:

Develop an operational strategic plan for the Health Department that ties vision, day-to-day operations, performance measures, and community needs together, and is in line with the Duplin County Strategic Plan, as addressed in Section 2.5 of Chapter 2.

There are numerous benefits gained from strategic planning. The Health Department continually seeks to improve and maximize day-to-day operations. Many excellent practices are in place and DCHD management are in tune with current happenings as well as future direction. In addition, employees feel as though their feedback and suggestions are heard and acted upon. A formal planning document will pull all these good practices together and can be utilized regardless of the personnel in place. A departmental strategic plan should assist in the management team's ability to recognize and respond to operational issues and changes while maintaining the Department's long-term vision.

The strategic plan should include an information technology section; much of the feedback and suggestions received during DCHD focus groups centered on technology. Most often heard comments included electronic medical records (which is likely to be part of the state's system), better wireless access in the building, palm pilots with access to Hippocrates, laptop connectivity for employees in the field, and an automated time and attendance program. DCHD should also have a plan in place to replace and add computers, printers, copiers, and faxes. Currently, the

Department of Health includes computers and programs in grant proposals and has been fortunate to receive these grants.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Performance measures are an integral part of ensuring efficiency and effectiveness. DCHD collects data in a variety of ways including workload data and patient surveys on all its programs and services. These data are compiled and reviewed monthly by the Department's Management Team. Moreover, the Management Team ties data to the budget and makes decisions accordingly.

The performance measures process used could be fine-tuned to make it easier for all Management Team personnel, as well as general employees, to gauge DCHD performance and institutionalize the practice thereby preventing it from being person dependent—meaning regardless of who the management team members are the practice continues. The performance measure process should be formalized. A standard set of data with target points should be reviewed on a planned and continuous basis by the Management Team, and other employee groups as appropriate to determine if the Health Department is meeting, exceeding, or under-performing expectations.

There are several types of performance measurement systems that can be utilized by DCHD to formalize performance measures and connect them to a departmental strategic plan. These systems include the Balanced Scorecard Approach, the "critical few" set of measures, and performance dashboards. The Balanced Scorecard Approach was made popular by Kaplan/Norton in the early 1990s and emphasizes a review based on four business perspectives: financial, customer, internal business growth, and learning and growth. The "critical few" performance measures reduces the measures that decision makers monitor to a few that reflect the health of the organization. There must be a balance between financial and non-financial measures as well as a balance between internal and external customers. And, performance dashboards are a collection of roll-up measures meaning that a larger group of measures feed into the measure shown on the dashboard. More information on these three approaches and many more can be found on the Internet, in books, and through contracted facilitators.

RECOMMENDATION

Recommendation 6-8:

Implement an effective performance measurement system in the Health Department.

Implementing a performance management system is beneficial to the organization particularly when done in conjunction with strategic planning and workflow analysis. Performance measures focus management efforts on the key processes that determine organizational success. Measures give decision makers a continuous idea of the "health of the organization" and can give early warning signs when an organization is off course.

DCHD is already using performance measures, but a formal process tied to its strategic plan could be more beneficial. Formalizing this process will also ensure the initiative continues independent of the individuals on the Management Team—a positive influence for succession planning.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The Health Department performs human resource functions that should be moved to the County's Human Resource Department.

DCHD performs a number of human resources management functions for department employees, including new employee orientation, coordination with the North Carolina Office of State Personnel (OSP), and policies regarding employee behavior.

The relationship between County Health Department employees, who provide human services and OSP, is not simple as stated in the following.

> ### 25 NCAC 01I .1701 APPLICABILITY
>
> *State law (N.C.G.S. Chapter 126, "The State Personnel Act") provides for the establishment of a system of personnel administration applicable to certain local employees paid entirely or in part from federal funds. Local governing boards are authorized by G.S. 126 to establish personnel systems which will fully comply with the applicable federal standards and then may remove such employees from the state system to their own system.*

DCHD employees are subject to the State Personnel Act. OSP has authority over:

- classification;

- minimum qualification standards;

- guidelines for vacancy posting and selection;

- policies regarding appointment, selection, promotion, demotion, reassignment, and separation;

- basic rules regarding compensation, however, within those local governments "may establish and administer compensation plans which provide a level of pay based upon financial ability, fiscal policy, and local prevailing rates;" and

- disciplinary action including suspension, dismissal, and appeals.

While there are some peculiarities in public health regarding personnel management and the connection of public health employees to OSP, many of the human resource functions currently

performed by the Department can and should be moved to the County's Human Resources Department.

RECOMMENDATION

Recommendation 6-9:

Move relevant human resource functions to the County Human Resources Department, including new employee orientation, general employee policies and procedures, and coordination with OSP on public health employee peculiar issues.

The Duplin County Human Resources Department has employees with the skills and training specific to the human resources profession. These individuals should be used in that role, and DCHD employees should be free to focus on the support functions specific to the department. While there are some peculiarities regarding personnel management and the connection to OSP, many of the human resource functions currently performed by the Health Department can and should be moved to the Human Resources Department in the County office. It is not cost effective for each department in the Duplin County to operate some degree of a human resources function. These should be centralized with human resources professionals.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

6.4   *TECHNOLOGY*

The utilization of technology can increase the efficiency of operations for any agency, and DCHD has made gains in this area. Technology changes rapidly and organizations are usually behind due to the cost of continual upgrades. However, the Health Department has computer hardware and software in place for employees to accomplish their duties.

FINDING

The State of North Carolina Department of Health and Human Services is developing a comprehensive Health Information System that advertises a number of functions that will be beneficial to DCHD, including electronic records and case management. Unfortunately, full implementation of the State's system is a moving target and may be many months or years out.

Currently, DCHD uses a number of software programs to streamline processes. These programs include:

- accounts receivable;

- registration;

- appointments;

- reception;

- all labs;

- electronic billing for insurance;

- program to track referrals;

- pre-ordered labs;

- urine results downloaded from the lab system so that the results do not have to be manually entered by staff;

- reports are generated through the system; and

- Medicaid billing.

Of the above programs, all but one were developed and are maintained by one individual contracted by Duplin County. These programs appear to meet employee needs, but some additional programs are needed, including electronic medical records and case management software. However, with the potential state system coming online in the future, significant investment in additional software may not be cost effective.

RECOMMENDATION

Recommendation 6-10:

Transition software support to the County Information Technology (IT) Department.

While the current software programs provide the level of support DCHD requires, the dependence on one individual leaves the Health Department vulnerable. In the event the individual no longer provides service, the department could suffer significant setbacks regarding registration, appointments, billing, and department operation overall (also see **Recommendations 5-2** and **5-3** in **Chapter 5**).

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

DCHD does not effectively utilize its Web site.   A Web site is an excellent opportunity for cost effective information flow. Many organizations build their Web site into the operation. For instance, educational materials, meeting times, locations, services offered, contact information, upcoming events, articles and white papers, and latest news are common resources found on Web sites. However, technology is progressing to the point that DCHD could also utilize a Web site for more robust operations such as appointments.

Exhibit 6-20 is a screen shot of the DCHD Web page found as part of the County's Web site. The Department of Health does have several links off the home page that provide more information on individual DCHD services and programs.

RECOMMENDATION

Recommendation 6-11:

Define the role of Health Department's Web site in departmental operations, and develop a plan with the County IT Department that allows for timely and cost-effective updates.

Well-organized and planned Web sites are an excellent opportunity for cost effective information flow. DCHD should build its Web site around departmental operations. Information on the site should be based on client, community, and employee needs, and should be consistent with the department strategic plan.

The Health Department should consider adding educational materials, public health links, reports, white papers, frequently asked questions, schedules of educational events, and information on additional services offered such as Employee Wellness and the Dental Unit. There is a Dental Unit tab, but the page is the home page. Once a viewer goes to other pages, there is no obvious link back to the Department of Health's home page. Additionally, the home page should have some information on what is currently happening within the Health Department, including health notices, alerts, and other activities and operations.

The Web site provides a cost-effective opportunity to share, with community members, valuable public health information and educational tools as well as using more robust operations that could increase Health Department efficiency.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Exhibit 6-20
Screenshot of DCHD Web Page

Source: http://www.duplincountync.com/governmentOffices/healthServices.html

CHAPTER 7:
SOCIAL SERVICES DEPARTMENT

7.0 SOCIAL SERVICES DEPARTMENT

The Duplin County Department of Social Services (DCDSS), with 117 employees, is tasked with providing social services for the residents of Duplin County. While the General Assembly has defined essential services for public health as presented in **Chapter 6**, the definition of social services is more nebulous.

North Carolina Statute outlines programs of public assistance:

§ 108A-25. Creation of programs.

(a) The following programs of public assistance are established, and shall be administered by the county department of social services or the Department of Health and Human Services under federal regulations or under rules adopted by the Social Services Commission and under the supervision of the Department of Human Resources:

(1) Repealed by S.L. 1997-443, s. 12.3, effective August 28, 1997.
(2) State-county special assistance for adults.
(3) Food and Nutrition Services.
(4) Foster care and adoption assistance payments.
(5) Low income energy assistance program.

(b) The program of medical assistance is established as a program of public assistance and shall be administered by the county departments of social services under rules adopted by the Department of Health and Human Services.

(b1) The Work First Program is established as a program of public assistance and shall be supervised and administered as provided in Part 2 of this Article.

(c) The Department of Health and Human Services may accept all grants-in-aid for programs of public assistance which may be available to the State by the federal government. The provisions of this Article shall be liberally construed in order that the State and its citizens may benefit fully from the federal grants-in-aid.

(d) Each Community Care network organization designated by the Department of Health and Human Services as responsible for coordinating the health care of individuals eligible for medical assistance in a county is hereby deemed to be a public agency that is a local unit of government for the sole and limited purpose of all grants-in-aid, public assistance grant programs, and other funding programs.

Each county is responsible for administering these programs through a local Board of Social Services. North Carolina has a Social Services Commission (North Carolina Statute, **§ 143B-153**) which:

……..has the authority to establish rules for public assistance with the exception of medical assistance; placement and supervision of delinquent children and payment of necessary costs of foster home care for needy and homeless children; payment of State funds to private child-placing agencies and residential child care facilities for care and services provided to children in the custody or placement responsibility of a county department of social services;

social services programs established by federal legislation; implementation of portions of Title XX of the Social Security Act; inspection and licensing of maternity homes; inspection and operation of jails and local confinement facilities; and rules required by the federal government for social services grants-in-aid.

As described in **Chapter 6**, the demographics of Duplin County have changed in the past 19 years. These changes have an effect on public service agencies, including social services through increases in workload, changes in services, and potentially, a change in the overall direction of the department. As the population of Duplin County increases, particularly the Hispanic population and large numbers of medically uninsured, more residents seek aid from the County.

This chapter reviews the Duplin County Department of Social Services (DCDSS), and is organized around the following four sections:

> 7.1   Organization and Staffing
> 7.2   Management and Performance
> 7.3   Budget
> 7.4   Technology

7.1   *ORGANIZATION AND STAFFING*

The effectiveness of social services delivered within a county is significantly influenced by the organizational structure and staffing of the county agency which oversees the social services program. The organizational structure is also, to some extent, driven by North Carolina statutes regarding the NC Social Service Commission, County Board of Social Service, the Social Services Director, and services and programs offered by DCDSS.

FINDING

While some departments within Duplin County report directly to the County Manager, by Chapter 108A Social Services Section 1, each county has a Board of Social Services as defined below.

> *108A-1. Creation.*
>
> *Every county shall have a board of social services or a consolidated human services board created pursuant to G.S. 153A-77(b) which shall establish county policies for the programs established by this Chapter in conformity with the rules and regulations of the Social Services Commission and under the supervision of the Department of Health and Human Services. Provided, however, county policies for the program of medical assistance shall be established in conformity with the rules and regulations of the Department of Health and Human Services.*

The Board of Social Services is composed of either three or five members appointed by the County Board of Commissioners. The three-member board is composed of one County Commissioner appointee and one State Social Services Board appointee. These two members appoint the third member. The Board is charged with the following:

§ 108A-9. Duties and responsibilities.

The county board of social services shall have the following duties and responsibilities:

(1) To select the county director of social services according to the merit system rules of the State Personnel Commission;

(2) To advise county and municipal authorities in developing policies and plans to improve the social conditions of the community;

(3) To consult with the director of social services about problems relating to his office, and to assist him in planning budgets for the county department of social services;

(4) To transmit or present the budgets of the county department of social services for public assistance, social services, and administration to the board of county commissioners;

(5) To have such other duties and responsibilities as the General Assembly, the Department of Health and Human Services or the Social Services Commission or the board of county commissioners may assign to it.

Exhibit 7-1 provides an organizational chart of DCDSS showing general functions, numbers of personnel, and services offered.

DCDSS has a local Board of Social Services that is responsible for policy making and is the body to whom the Director of Social Services reports. DCDSS has four upper-level management areas or sections, including:

- Income Maintenance is responsible for Adult Medicaid, Child and Family Medicaid, Food and Nutritional Services, Placement, WorkFirst, Child Support, CRISIS, Child Daycare, and Program Integrity.

- Administrative Support has accounting, clerical, switchboard, human resources, foreign language support, and housekeeping.

- Computer Systems Administration is responsible for computer systems support and the accounting reporting to the State.

- Program Services has adult protective services, adult day care, child protective services, and foster care and adoption.

The DCDSS organizational structure is similar to peer counties (Sampson, Lenoir, Columbus, and Bladen); however, each county has some differences. For instance, Sampson County separates clerical and accounting, as well as separates child support from income maintenance. Lenoir County separates child support and food and nutritional services from income maintenance, and also separates adult and family services from other social worker programs.

Exhibit 7-1
Duplin County Department of Social Services
Organizational Structure

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┌──────────────┐   ┌──────────────┐
│  Board of    │   │  Board of    │
│Commissioners │   │Social Services│
└──────┬───────┘   └──────┬───────┘
       │                  │
┌──────┴───────┐   ┌──────┴───────┐
│County Manager│───│Social Services│
│              │   │   Director   │
└──────────────┘   └──────┬───────┘
```

Building Maintenance	Income Maintenance	Administrative Support	Computer Systems Administration	Program Services
1 Technician	1 Administrator 70 Personnel Services: Adult Medicaid Children and Family Medicaid Food Stamps Placement WorkFirst Child Support CRISIS Child Daycare Program Integrity	1 Administrator 15 Personnel Services: Accounting Clerical Switchboard Human Resources Foreign Language Housekeeping	1 Supervisor 1 Personnel Services: Computer Support State Accounting	1 Program Manager 25 Personnel Services: Adult Protective Services Adult Day Care Child Protective Services Foster Care/Adoption

Source: Duplin County Department of Social Services, 2009.

Columbus County includes WorkFirst under the social worker programs. The social services departments referenced are organized functionally; however, different counties group functions differently under-upper level managers. DCDSS has four upper level managers not including the Director. The management team consists of:

- Social Services Director;
- Income Maintenance Administrator;
- Administrative Officer;
- Computer Systems Administrator; and
- Program Manager.

Sampson County has six upper-level managers (not including the Director); Lenoir County has six (not including the Director); and, Columbus County has four (not including the Director).

RECOMMENDATION

Recommendation 7-1:

Separate Food and Nutrition and Child Support from Income Maintenance, and establish each as a stand-alone operation.

DCDSS has 70 employees reporting to the Income Maintenance Administrator and 25 employees reporting to the Program Services Manager. The current structure places too large a burden and span of authority and control on the Income Maintenance Administrator.

Most peer counties do not have as large a group of functions as DCDSS. As an example, Lenoir County's largest section has 32 employees and has more evenly distributed span of control among the management team. Child support is a prime candidate to move to a stand-alone function as is food and nutritional services. The additional level of management between these functions and the Director is not warranted. This would increase the size of the management team and provide a greater variety of input into overall departmental decisions.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

DCDSS is more decentralized than some of the peer counties and is more decentralized than is typically seen in local government. The Department of Social Services has a building maintenance position, two information technology personnel, and an individual who spends a large portion of time on human resources. All of these services are provided by the County and no other County agency has this type of arrangement.

DCDSS has a Building Maintenance III position. The County, overall, has eight facilities personnel assigned to maintain all County facilities. DCDSS has one assigned to maintain one building. This is not an effective utilization of one full-time equivalent. In addition, there is a

duplication of resources including tools. Also, opportunities for training and peer discussions do not exist within DCDSS for the individual assigned to the Building Maintenance III position.

DCDSS has two personnel (with 1.75 of their time allocated to computer support – one position has .25 dedicated to management support). The County, overall, has five to support the remaining 463 county employees, giving DCDSS almost a two to one advantage over other departments. This is not an effective utilization of the two computer support positions.

The lead information technology person within the County should have supervisory responsibility for computer personnel. While one of these positions may spend a majority of time with DCDSS, supervisory responsibility should reside in County technology. The advantages include the ability to prioritize County needs, utilize all computer personnel appropriately, ensure standardization of information technology practices within all departments, and provide standardized training to all computer personnel.

DCDSS performs human resource functions that can be moved to the County's Human Resource Department. DCDSS performs a number of human resources management functions for the department's employees including new employee orientation, coordination with the North Carolina Office of State Personnel (OSP), and policies regarding employee behavior. The Administrative Support has done an excellent job of putting together an employee Welcome Package as well as a Services Handbook. While this department-specific information will still be required, DCDSS should only need to supplement the human resources function.

The relationship between County social service employees and OSP is not simple, but can be handled by human resources professionals at the County office. The DCDSS personnel state/county relationship is similar to that of DCHD personnel as described in **Chapter 6**.

While there are some peculiarities in social services regarding personnel management and the employees connection to OSP, many of the human resource functions currently performed by the Department of Social Services can and should be moved to the Human Resources Office. During employee focus groups and interviews, some employees voiced concerns over the department's hiring practices and felt that the process was not fair. Also, some employees felt that they were not allowed to go to the County's Human Resources Office. Moving human resource functions to the County should eliminate employee perceptions of unfairness.

The Administrative Officer II job description is heavily personnel-oriented. Peer counties do not have such a position. It would be appropriate to change the role of this position to focus on the financial aspects of the organization. DCDSS has significant financial and accounting reports due to the State each month. These reports determine the administrative reimbursement the County receives and are crucial to the fiscal operation of the organization.

During interviews, it was stated that the Computer System Technician spends approximately 25 percent of her time inputting data into the State timesheet/accounting program, Form 1571. The Computer Systems Administrator also spends a significant amount of time on time/accounting data for the state. This function should reside to the Administrative Support Section and not be handled by computer personnel. The position currently listed as Administrative Officer II should be reclassified and the emphasis placed on administering the financial aspects of the organization as well as financial coordination with the County Financial Office.

RECOMMENDATION

Recommendation 7-2:

Move County administrative functions (building maintenance, technology, and human resources) to the central office, including:

- **Building Maintenance III to Facilities Maintenance**
- **Computer Support Personnel to Information Technology**
- **Reclassify the Administrative Officer II position to a Business Officer or similar title.**

There is a larger degree of decentralization found in DCDSS than is typically found in local government. While there are financial advantages to reporting the time that these individuals dedicate to DCDSS, the slight financial advantages outweigh the benefits, and these positions can still report the support time to DCDSS while assigned to a different department. Reassigning positions to more appropriate departments within the County will ensure better utilization of full time equivalents, reduce resources needed, ensure standardization of operations, and provide employees with more training opportunities and peer resources.

Exhibit 7-2 shows Evergreen's recommended organizational structure for the Department of Social Services in Duplin County.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

While ratios that incorporate county resident per county employee figures are a quick reference for decision makers to utilize in determining whether additional staffing analyses should be completed, these ratios cannot be solely used to determine whether a department is understaffed or overstaffed.

Exhibit 7-3 shows the county resident per county employee ratio for Duplin County and peer counties.

It appears that DCDSS has the appropriate total number of positions as compared to peer organizations. Caseload data in **Exhibit 7-4** further validates that direct service employees—such as social workers, income maintenance personnel and placement personnel—are carrying large caseloads, and those with state guidelines are above the recommended caseloads.

However, as stated above, resident to employee ratios are only a starting point. Upon closer review, DCDSS has a Housekeeper, but also pays for contracted janitorial services. The Housekeeper is responsible for emptying the trash; cleaning and wiping the refrigerators, stove, ovens and countertops in the lounges; dusting walls and horizontal surfaces; sweeping the outside entry way; and empting ashtrays. While the Housekeeper and janitorial contracts are responsible for different tasks, the tasks assigned to the Housekeeper could be included in the janitorial contract.

Exhibit 7-2
Proposed Organizational Structure for the
Duplin County Department of Social Services

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┌──────────────┐
│  Board of    │
│Commissioners │
└──────┬───────┘                    ┌──────────────┐
       │                            │  Board of    │
┌──────┴───────┐                    │Social Services│
│County Manager│                    └──────┬───────┘
└──────────────┘                    ┌──────┴───────┐
         ·······················    │Social Services│
                                    │  Director    │
                                    └──────┬───────┘
```

Income Maintenance	Food and Nutritional Services	Child Support	Program Services	Administrative Support
1 Administrator 48 Personnel	1 Supervisor 10 Personnel	1 Supervisor 10 Personnel	1 Program Manager 25 Personnel	1 Administrator 14 Personnel
Services: Adult Medicaid Children and Family Medicaid Placement WorkFirst CRISIS Child Daycare Program Integrity			Services: Adult Protective Services Adult Day Care Child Protective Services Foster Care/Adoption	Services: Accounting Clerical Switchboard Foreign Language

Source: Created by Evergreen Solutions, 2009.

Exhibit 7-3
Residents per DCDSS Employee
DCDSS and Peer County Comparison

County	County Residents*	Department of Social Services	
		Number of Employees**	Residents per DSS Employee
Lenoir County	58,172	117	497
Sampson County	61,768	127	486
Duplin County	53,640	117	458
Columbus County	55,000	141	390
Bladen County	30,800	92	335
Average	**51,876**	**119**	**433**

Source: Created by Evergreen with data found at UNC School of Government:
http://www.sog.unc.edu/pubs/electronicversions/csalindex.htm: Data collected January 2009.
***Data obtained from Evergreen's Peer Survey (of filled positions)*

Exhibit 7-4
Duplin County Department of Social Services Caseload Data

Program	Section	Supervisors	Staff	Caseload per Worker	State Guideline for Caseload per Worker (if applicable)
Adult Medicaid Intake	Income Maintenance	1	4	29	N/A
Adult Medicaid Ongoing	Income Maintenance	1	4	576	N/A
Family and Child Ongoing - Medicaid	Income Maintenance	2	10	555	N/A
Family and Child Intake - Medicaid	Income Maintenance	1	6	66	N/A
Food and Nutrition Services	Income Maintenance	1	10	435	N/A
Placement	Income Maintenance	1	4	70	N/A
Workfirst	Income Maintenance	1	4	359	N/A
Child Support	Income Maintenance	1	10	434	325
CRISIS	Income Maintenance	1	0	2944	N/A
Daycare	Income Maintenance	1	3	250	N/A
Program Integrity	Income Maintenance	1	3	32	N/A
Child Services	Child and Adult Services	1	5	13	10
Child Protective Services	Child and Adult Services	1	7	12.5	10
Adult Services	Child and Adult Services	1	3	12.5	10
Adult Protective Services	Child and Adult Services	1	6	25	10

Source: Duplin County Department of Social Services, 2009.

Recommendation 7-2 recommends the reclassification of the Administrative Officer II to Business Officer and movement of the Form 1571 workload to the Administrative Support Section. During interviews, both computer personnel stated they spend approximately 25 percent of their time on this accounting function. Given this, and the recommendation to move the computer support functions under County technology to better utilize positions, one position can perform the true technology functions needed in DCDSS now listed in the job descriptions of the two positions.

RECOMMENDATION

Recommendation 7-3:

Eliminate the Housekeeper and the Computer Systems Administrator.

DCDSS has a Janitorial Contract for $28, 875 ($17,902.50 federal funds and $10, 972.50 in County funds). This contract includes cleaning services to the Kenansville facility. The contractor cleans the blinds and baseboards once per week and also vacuums all carpets, cleans bathrooms, cleans and mops the portico, cleans and mops all ceramic floors, cleans and mops the stairs, and cleans the elevator three times per week. In addition, the ceramic and tile floors are waxed and maintained quarterly, and steam cleans the carpets once per year. The tasks assigned to the Housekeeper including emptying trash and dusting should be assigned to individual employees for their areas.

Currently, DCDSS is not utilizing the two computer support positions in accordance with the job descriptions. One position job description states 100 percent dedication to computer support but the position spends approximately 25 percent of the time on accounting and data entry type work. The other position has 25 percent of time in the job description devoted to management, managing only one employee. Given **Recommendations 7-2**, moving accounting functions out of computer support and moving computer support to the County, one technology position currently residing in DCDSS can be eliminated.

FISCAL IMPACT

Total salary and fringe benefits for the Housekeeper is $30,426. This is reported under the Indirect Cost Plan with approximately 62 percent federal reimbursement (federal portion is $l8,864 and County portion is $11,562). And the total salary and fringe benefits for the Computer Systems Administrator is approximately $48,776 (federal portion is approximately $30,241 and the County portion is approximately $18,535). Below the savings is shown for the General Fund only.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Delete Housekeeper	$11,562	$11,562	$11,562	$11,562	$11,562
Delete Computer Systems Administrator	$18,535	$18,535	$18,535	$18,535	$18,535

FINDING

Exhibit 6-2 in **Chapter 6** shows an increase in the Hispanic population in Duplin County over the past 18 years. While there is not a one-to-one correlation regarding the increase in the Hispanic population and the need for interpreter services, it does indicate that the likelihood an interpreter will be needed has increased in the past five years.

Focus group results indicate that employees feel that the DCDSS does not have enough interpreters or Hispanic speaking personnel to assist. DCDSS has the added burden of providing translation services in the field.

Several of the services provided require personnel to make home visits. The nature of some of these visits could lead to an escalation of the interaction by the client. Accurate and thoughtful communication is imperative and, as such, interpreters in these situations are very important.

Exhibit 7-5 shows the Interpreter Workload over the past five fiscal years.

Exhibit 7-5
Interpreter Workload

Interpreter Workload	2004-05	2005-06	2006-07	2007-08	2008-09
Total Interpreter Actions	12,671	13,920	13,774	17,802	19,068

Source: Duplin County Department of Social Services, 2009.

DCDSS is in a similar situation as DCHD as shown in **Recommendation 6-3**. **Exhibit 7-5** shows that there has clearly been an increase in the demand for interpreter services in the past five fiscal years. The inability to effectively communicate with clients increases the burden on employees and reduces the efficiency and effectiveness with which employees can provide service.

DCDSS (and other public service agencies within the County) face an increase in the number of non-English speaking clients/patients.

RECOMMENDATION

Recommendation 7-4:

Develop an Inter-department Task Force to address service to the increasing number of non-English speaking residents.

Duplin County has seen an increase in the Hispanic population since 1990. A percentage of this population does not speak English. Several County departments such as Social Services, Health and Public Safety, have direct contact with the Hispanic community. It is vital that County employees are able to effectively communicate. Duplin County should be able to gain efficiencies by developing a plan aimed at addressing the issue.

As stated in **Chapter 6**, the Task Force should address projections on the number of interpreters needed, which includes assessing services requiring interpreters, peak times when service is needed, ways in which resources can be shared throughout the County, educational resources for employees to communicate with non-English speaking residents, and educational resources for non-English speaking residents to communicate with employees.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

7.2   *MANAGEMENT AND PERFORMANCE*

Organizations that use good management techniques maximize manpower and budget, and continually move forward. It is not enough for an organization to have good employees who are committed to their jobs. Good employees must have good leaders. The leadership sets the tone of the organization through policy as well as their own actions, ensures employees have the resources needed, and does what it takes to give employees the sense that what they do is important and that they are valued as a member of the organization. In addition, good leaders

ensure that the organization fiscally operates in a manner that allows the agency to not only sustain its efforts, but is able to move forward. Leadership ensures that the products or services provided are of quality and value.

Characteristics observed in well-managed agencies include:

- commitment to the mission;
- good business processes;
- fiscal awareness and responsibility;
- continuous improvement;
- sense of teamwork;
- engaged workforce;
- transparency; and
- open communication.

FINDING

As described in **Recommendation 7-1**, the DCDSS Management Team currently consists of the:

- Social Services Director;
- Income Maintenance Administrator;
- Administrative Officer;
- Computer Systems Administrator; and
- Program Manager.

Under the guidance of the Director, the Management Team is the leadership of the organization and should ensure the employment of good management and leadership techniques. Focus group discussions and interviews indicated that DCDSS needs significant improvement in this area. While on a positive note, all employees are committed to the overall mission of providing social services to the residents of Duplin County, other good management techniques are lacking. Each section/function appears to operate independently. A business environment does not exist that emphasizes maximizing resources and continuous improvement. Business processes within DCDSS appear to be disjointed, and the fundamental environment of striving for best practices in business processes is lacking. Each function appears to operate independently and methods to reduce redundancy are not employed on a regular basis. Evergreen received such feedback continuously during focus groups and interviews. There are pockets of good business practices, such as the human resource orientation process, but no efforts have been made to ensure all practices within the Department of Social Services are solid business practices.

In conjunction with the apparent absence of a good business practices environment, no ongoing continuous improvement efforts exist. Focus groups and interviews found no evidence that the Management Team employs any repetitive practices aimed at the continual improvement of DCPSS operations. The question was presented during focus groups of what Department accomplishments employees were most proud of in the past three years and, unfortunately, employees did not give many examples. This further indicates that continuous improvement and forward progress are areas in which DCDSS can improve upon.

DCDSS is required to do a large amount of reporting to the State regarding the financial operation of the Department. This is a crucial task and requires not only meticulous involvement at the Department level, but also a good relationship with County Finance personnel. DCDSS does a good job in handling this financial task; however, the wealth of data collected during this process each month is not used to make decisions on the forward progress of the Department. DCDSS meets its reporting requirements, but does not go further to aggressively analyze the data collected each month, particularly workload and financials, to make adjustments to the short-term and/or long-term operation of the Department.

The Management Team should be acutely aware of how the workload not only ties to the financial reporting to the State, but how the workload ties to the overall financial operation of the Department. There should be more emphasis placed on bringing in additional revenue as well as investigating areas in which cost savings can be realized. A greater degree of financial analysis should be done by the Management Team in order to make decisions regarding operational improvements.

Finally, though, the most pressing issue is a perceived division between management and employees in the Department. Reponses given by employees during focus groups and interviews indicate that a sense of teamwork, an engaged workforce, transparency, and open communication are lacking within DCDSS.

Within individual functions, there appears to be cohesiveness between employees; however, between functions and between some functions and the management team, these key management traits are missing. A number of employees indicated that their suggestions were not solicited nor responded to when given, and that communication with management was lacking, or when it was present, can be volatile and unproductive. Some felt that members of the Management Team did not lead by example. And, that generally speaking, the operation of DCDSS overall is lacking in transparency. It is important to note that employee concerns were not substantiated by other means; however, the fact that this level of negative perception exists among a larger than normal percentage of employees concerning the management of the organization is an issue that must be addressed immediately.

Communication was cited often and is addressed in more detail in the following section.

RECOMMENDATION

Recommendation 7-5:

Employ more productive and positive management techniques through Management Team training, engagement, and accountability.

Good management is paramount to a successful organization. An organization can exist and perform under the burden of management challenges; however, to grow as an organization, and to realize efficiencies, good management techniques must be in place. Leadership ties the pieces of the organization together into an effective unit through policy, actions, and engagement. The results of leadership's actions bind the employees together as a cohesive unit, engage employees to contribute to the overall success of the organization, encourage employees to grow professionally, and ensure an environment of transparency and open communication.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Recommendation 7-5 addresses overall management concerns; however, the significance of the communication issue is a major concern adversely affecting management of the agency. Focus group and interview results indicate a lack of regular, open, and respectful communication between management team members and employees.

There appears to be a significant lack of communication which in turn creates a division between the Management Team and employees. Evergreen's on-site review revealed that employees generally do not feel heard, feel that their opinions do not count, and some feel that they will be harassed or verbally attacked for providing input into this study. This management/employee division became very apparent during one focus group. Typical focus group discussions were taking 30-45 minutes. One focus group with mid-level supervisors was completed in 10 minutes with little to no discussion. As a result, individual interviews were held with this group. During the interviews, numerous employees commented that they did not feel comfortable talking during the focus group since a member of the Management Team was present. In fact, several employees were concerned about talking to the consultants in general and feared retribution.

During these interviews, employees gave specific examples of negative interactions with Management Team members, such as critical and aggressive behavior to an employee in front of other employees, and specific examples of Management Team members not leading by example. There is a perception that the Management Team is not engaged in the business operation of the Department of Social Services and is not diligently working to improve the operation or move the Department forward.

This level of discord between the Management Team and employees, and the perception of the role of the Management Team as authoritarian, is extremely detrimental to the agency and should be addressed immediately.

RECOMMENDATION

Recommendation 7-6:

Communicate regularly, openly, and respectfully with employees in the Department of Social Services.

The lack of communication between management and employees in the Department of Social Services, as well as employee perceptions regarding open feedback and communication, are negatively affecting the operation of the agency. Providing social services to the community is stressful enough without adding internal strife and perceived lack of management support to employees.

DCDSS has a tremendous number of opportunities to improve operations, but will not be able to gain any efficiencies if regular, open, and respectful communication between the Management Team and employees does not exist.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

DCDSS does not have a formal strategic planning process for the operational mission and vision of the department. Such a process would need to be linked to the countywide strategic plan discussed in **Chapter 2.5.** Focus group results indicate that employees overall do not feel empowered or heard. In fact, few employees participate in department meetings, feel there is a process in place to make suggestions or even have access to department policies.

Similar to DCHD, DCDSS must meld the goals and objectives that would exist in a countywide strategic plan to the social service program needs found in the community. The Department will have additional goals and objectives based on an assessment of services needed and those lacking in Duplin County.

RECOMMENDATION

Recommendation 7-7:

Develop an operational strategic plan that ties the social services needs of Duplin County to the County's strategic plan as recommended in Section 2.5 of Chapter 2.

While employees are committed to the programs and understand the need for social services in Duplin County, there is a lack of unification to an overall DCDSS mission. Goals and objectives do not exist outside of those mandated by the state or federal government, nor is there a mechanism that ties the social services needs of the community to the operation of the Department.

Additionally, many programs duplicate functions which means Duplin County resources are not being utilized effectively. Employees are committed to their programs, but lack an overall commitment to the Department. Progress is not measured, nor are any continuous improvement initiatives undertaken. All of these issues could be transformed into increases in productivity and efficiency if the Management Team engages in a detailed strategic planning process and consistently seeks the input and participation of employees.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Most programs and operations within the Department of Social Services are paper-intensive, and many programs serve the same clientele. In addition, some programs go above and beyond what the state and federal government require the County to do in an effort to help clients get benefits. While commendable, it adds additional workload to the Department. For example, employees are getting bank statements for clients instead of the client doing it themselves. These illustrations point to the need for workflow analysis initiatives.

At this time, very few initiatives have been undertaken by the Department. Two examples were provided:

- group reviews for Medicaid and Food Stamps; and
- changes in workflow by Social Workers to improve their productivity.

While this is to be commended, two instances with no systematic approach to either does not go far enough. All tasks within the Department should be reviewed using a recognized workflow or business process reengineering analysis tool. This is crucial for a more efficient and effective Department of Social Services.

There are numerous examples of workflow analysis and business process reengineering tools including LEAN Six Sigma shown in **Exhibit 7-6**, and Plan, Do, Study, Act Model which the Health Department uses and is shown in **Exhibit 7-7**. Focus group and interview results indicate that employees feel overworked and sometimes disjointed. While focusing on customer service is, again, commendable, the Department does not allow employees any time during which clients are not served. Therefore, employees do not have time set aside to get paperwork completed. Coupling this with the number of phone calls they receive and must take each day, employees are under constant pressure to keep up. Some counties set aside specific hours during the day or week where the Department's doors are closed to the public and employees can devote time to paperwork and follow-up. Also, comments made during outreach suggest that employees are moved to other programs during peak times, which is a good overall practice, but does not appear to be based on workload data nor does there appear to be a researched and logical plan by which this is done.

RECOMMENDATION

Recommendation 7-8:

Implement a workflow analysis review of DCDSS operations.

The Department of Social Services has a tremendous amount of paperwork and complicated processes for clients to navigate. In some instances, tasks are duplicated. Some of this duplication is required by state and federal guidelines; however, in other instances, duplication is built in to the DCDSS environment. A thorough review of all processes by management with input and feedback by employees should be undertaken immediately to eliminate duplication, waste, time consuming tasks with no benefit, as well as to identify opportunities to redesign processes that allow employees to provide services faster and more efficiently. Particularly, reviews should look at additional workload employees are undertaking to benefit clients that are the responsibility of the client. These tasks should be moved back to the client immediately. Interviews found that some program personnel feel that they spend as much as 25 percent of their time doing work that the potential client should be doing.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Exhibit 7-6
Example of a Business Improvement Tool
LEAN Six Sigma Basic Explanation

Lean Six Sigma is a business improvement methodology which combines (as the name implies) tools from both Lean Manufacturing and Six Sigma. Lean manufacturing focuses on speed and traditional Six Sigma focuses on quality. By combining the two, the result is better quality faster.

To successfully implement Lean Six Sigma, four key elements must be addressed:

1. **Delight** the customer by delivering higher quality service in less time.
2. **Improve processes** by eliminating defects (anything that is unacceptable to the customer) and focuses on how work flows through the processes.
3. Use **teamwork** and share ideas with each so problems are solved.
4. Base all decisions on **data and facts.**
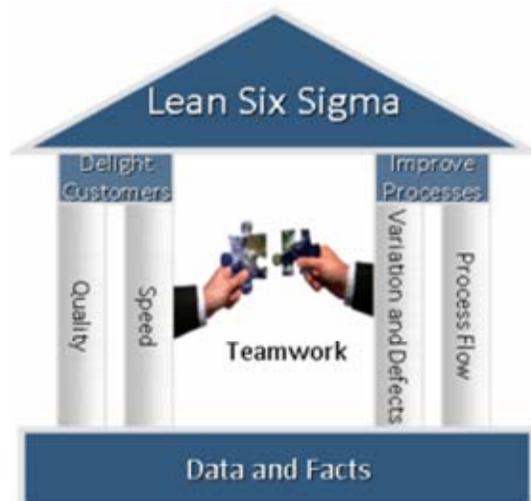
Lean Six Sigma uses a modern problem-solving method called DMAIC which stands for Define-Measure-Analyze-Improve-Control. DMAIC has proven itself to be one of the most effective problem-solving methods ever used because teams use data to:

- confirm the nature and extent of the problem;
- identify true causes of problems;
- find solutions that evidence shows are linked to the causes; and
- establish procedures for maintaining the solutions even after the project is done.

Source: http://www.navyenterprise.navy.mil/knowledge/tools/sixsigma.aspx

Exhibit 7-7
Example of a Workflow Analysis Tool
Plan, Do, Study, Act
Model for Improvement

Source: Associates in Process Improvement, http://www.apiweb.org/services.htm.
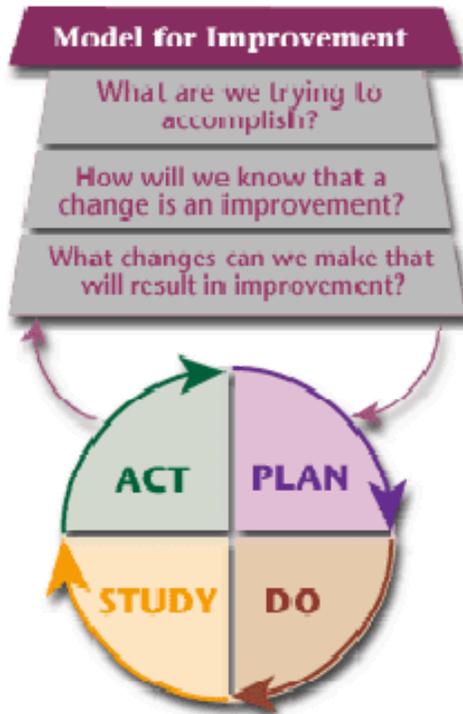
FINDING

Strategic planning, workflow analysis, and performance measurement are solid management techniques that go hand-in-hand. DCDSS operates a large number of independent functions and manages a budget from three different funding sources with different rules and guidelines for program accounting and reporting. The activities the agency undertakes are complex. It is imperative that the Management Team have a tool in place to monitor the overall health of the department.

There are several types of performance measurement systems that can be utilized by DCDSS, including the Balanced Scorecard Approach, the "critical few" set of measures, and performance dashboards. The Balanced Scorecard Approach was made popular by Kaplan/Norton in the early 1990s and emphasizes a review based on four business perspectives:

- financial;
- customer;
- internal business growth; and
- learning and growth.

The "critical few" performance measures reduce the measures that decision makers monitor to a few that reflect the health of the organization. There must be a balance between financial and non-financial measures as well as a balance between internal and external customers.

Finally, performance dashboards are a collection of roll-up measures meaning that a larger group of measures feed into the measure shown on the dashboard. **Exhibit 7-8** shows an example dashboard.

Exhibit 7-8
Example of a Performance Measurement System
Performance Dashboard
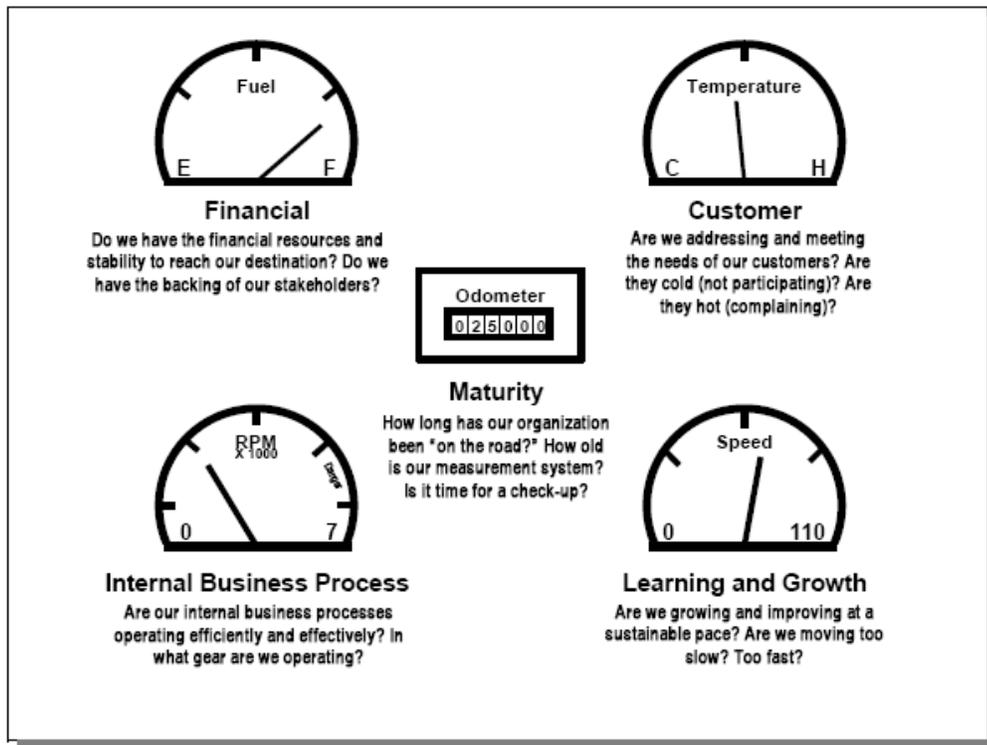
Source: http://www.orau.gov/pbm/pbmhandbook/Volume%202.pdf.

More information on these three approaches and many more can be found on the Internet, in books, and through contracted facilitators.

Currently, DCDSS collects a tremendous amount of information. Unfortunately, this information is only reported as necessary. No recurring efforts are made to review relevant data, tie these data to continuous improvement efforts, or make other efforts to tie the budget to the data that are collected.

As an example, if the Department is collecting workload data by function (such as Adult Medicaid, Food Stamps, etc.), there should be a corresponding budget that shows how the function is performing. These data should be reviewed monthly by the Management Team, and corrections in workflow and expenditures should be made accordingly.

RECOMMENDATION

Recommendation 7-9:

Implement an effective performance measurement system.

Implementing a performance management system is beneficial to the organization, particularly when done in conjunction with strategic planning and workflow analysis. Performance measures focus management efforts on the key processes that determine organizational success. Measures give decision makers a continuous idea of the health of the organization and can give early warning signs when an organization is off course. In addition, measures can increase internal communication and buy-in from employees. As Mark Graham Brown states "improvement is impossible without measurement".

Implementing an effective performance measurement system and basing decisions on these indicators increase both productivity and efficiency. The Balanced Scorecard Approach may be a good choice given the need for the Department of Social Services to increase its attention to the "business" of social services.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

7.3   *BUDGET*

DCDSS receives federal and state funds to support the social services programs provided to the County. Different programs require different percentages of County contribution. Generally speaking, social service employee salaries are 62 percent federally-funded and 38 percent county-funded.   Some programs receive 66 percent in federal funding, others 100 percent in federal funding, and some others receive 50 percent in federal funding.

FINDING

Exhibit 7-9 shows the administrative budget for DCDSS over the past five fiscal years.

Exhibit 7-9
DCDSS Actual Administrative Budget
2004-05 through 2008-09

Fiscal Year	Total	Federal	State	County
2008-09	$6,831,621.46	$3,820,774.84	$271,836.56	$2,739,010.06
Percentage		55.93%	3.98%	40.09%
2007-08	$6,315,427.88	$3,437,894.33	$242,955.28	$2,534,578.27
Percentage		54.43%	3.85%	41.72%
2006-07	$6,147,294.02	$3,382,736.09	$254,387.47	$2,510,170.46
Percentage		55.03%	4.14%	40.83%
2005-06	$6,006,261.25	$3,273,295.72	$242,793.25	$2,490,172.28
Percentage		54.50%	40.40%	41.46%
2004-05	$5,818,267.91	$3,158,811.11	$254,045.09	$2,405,411.71
Percentage		54.29%	43.70%	41.34%

Source: Duplin County Social Services Department, 2009.

As can be seen, the total administrative budget over the past five years has increased from $5,818,267.91 in 2004-05 to $6,831,621.46 in 2008-09. The County's portion has increased from $2,405,411.71 in 2004-05 to $2,739,010.06 in 2008-09; however, the percentage that Duplin County contributes to the total budget has decreased slightly from 41.3 percent to 40.1 percent.

COMMENDATION

The Social Services Department is commended for a slight decrease in the percentage of total administrative budget that Duplin County contributes from 41.3 percent in 2004-05 to 40.1 percent in 2008-09.

FINDING

The State of North Carolina requires the submission of the Form 1571 monthly for DCDSS to receive reimbursement for federal- and state-funded activities. This form is vital to the fiscal operations of the Department. The document shows the time each employee spends on programs as well as includes indirect costs to the agency. If DCDSS is able to work with finance and balance the general ledger by the 7th working day of the month, the Department can then fax a preliminary cost certification to the State Controller's Office. The State, in turn, makes an interim payment to the County for a portion of the funded costs. The County receives funds 15 days early which makes them available for County use.

Rarely has the Department of Social Services not been able to take the steps necessary to submit a preliminary cost certification and, as such, brings money into Duplin County earlier.

COMMENDATION

The Duplin County Department of Social Services is commended for aggressively pursuing the preliminary cost certification and getting federal and state funds to Duplin County 15 days early.

FINDING

Exhibit 7-9 shows that the total administrative budget for DCDSS has increased over the past five fiscal years. The budget figures shown in this section are administrative costs only. This budget information does not show the overall costs of providing social services to Duplin County. Program costs have not been included. For the purposes of efficiency, administrative costs are those that the Department can control and the area in which gains could be found.

Exhibit 7-10 through **Exhibit 7-19** illustrate the workload for each function over the same time period.

Exhibit 7-10 shows an increase in Child Support actions from 575 to 748 with a slight decrease in open case and individuals in the program. The total amount collected has increased by approximately $70,000.

Exhibit 7-10
DCDSS Child Support Workload
2004-05 through 2008-09

Child Support Workload	2004	2005	2006	2007	2008
Actions	575	702	723	774	748
Open Cases	3,772	3,706	3,690	3,735	3,707
Individuals	10,681	10,336	10,317	10,277	9,892
Collections	$419,458.40	$434,267.14	$457,921.05	$469,830.13	$491,280.20

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-11 shows a slight increase in the number of children in day care and decreases in both day care arrangements and Work First activities.

Exhibit 7-11
DCDSS Child Day Care Workload
2004-05 through 2008-09

Day Care Workload	2004	2005	2006	2007	2008
Children in Day Care	736	769	690	789	764
Day Care Arrangements	93	87	88	92	87
Work First Activities	150	111	152	128	120

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-12 shows a slight increase in the number of child protection reports. Children in custody have decreased and those in foster care of increased. The section has seen a slight increase in supporting actions.

Exhibit 7-12
DCDSS Children's Services Workload
2004-05 through 2008-09

Children's Services	2004	2005	2006	2007	2008
CPS Reports	33	29	31	33	37
Children in Custody	21	7	9	9	10
Foster Children	15	15	19	21	24
All Other Actions	33	36	30	37	41

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-13 shows a decrease in request for assistance from 2004 to 2005; however, a steady increase is seen from 2005 to 2008.

Exhibit 7-13
DCDSS CRISIS Workload
2004-05 through 2008-09

CRISIS	2004	2005	2006	2007	2008
Caseload	2,625	362	379	750	1,068
Total to Recipients	$95,408.56	$68,522.38	$67,730.14	$114,070.34	$197,368.91

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-14 shows a decrease in actions taken by the Fraud/Program Integrity Office, but this office has recouped more total dollars in fraudulent claims/payments.

Exhibit 7-14
DCDSS Program Integrity Workload
2004-05 through 2008-09

Program Integrity	2004	2005	2006	2007	2008
Actions	2,625	2,669	2,472	2,963	1,401
Contacts	4,657	4,498	5,584	3,974	2,415
Collections	$95,408.56	$96,291.28	$93,285.54	$145,586.85	$111,592.57

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-15 shows a significant increase in the number of cases and individuals requesting food stamps from 2004 to 2008.

Exhibit 7-15
DCDSS Food Stamps Workload
2004-05 through 2008-09

Food Stamps Workload	2004	2005	2006	2007	2008
Applications Taken	212	245	216	247	282
Applications Completed	195	229	196	221	255
Ongoing Actions	327	351	343	339	400
Changes	574	799	620	634	657
Cases	2,135	2,699	2,482	2,515	2,740
Individuals	4,822	5,492	5,426	5,366	5,979

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-16 shows, overall, very little change in the Adult Medicaid workload over the past five fiscal years.

Exhibit 7-16
DCDSS Adult Medicaid Workload
2004-05 through 2008-09

Adult Medicaid Workload	2004	2005	2006	2007	2008
Applications Taken	89	93	85	86	89
Applications Completed	97	95	93	82	90
Inquiries	14	16	15	15	18
Ongoing Actions	5,20	565	478	448	447
Cases/Individuals	1,714	1,783	1,825	1,831	1,837

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-17 identifies a substantial increase in both cases and individuals requesting Children's and Family Medicaid. In 2006, DCDSS moved two positions from other functions (one from management and the other from Work First) into Children's and Family Medicaid.

Exhibit 7-17
DCDSS Children's and Family Medicaid Workload
2004-05 through 2008-09

Children's and Family Medicaid Workload	2004	2005	2006	2007	2008
Applications Taken	297	322	332	331	313
Applications Completed	285	310	325	302	335
Inquiries	12	14	16	19	18
NC Health Choice	43	49	40	34	36
Ongoing Actions	923	882	818	849	895
Cases	4,214	4,562	4,994	5,369	5,409
Individuals	6,313	6,843	7,491	7,807	8,154

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-18 shows a decrease in the Work First workload in all but one category in the past five fiscal years.

Exhibit 7-18
DCDSS Work First Workload
2004-05 through 2008-09

Work First Workload	2004	2005	2006	2007	2008
Applications Taken	40	39	35	31	34
Applications Completed	40	39	35	28	33
Inquiries	34	43	31	26	34
Ongoing Actions	236	182	146	126	128
Cases	227	213	199	278	164
Individuals	591	532	501	424	410
Transitional Cases	169	115	111	96	102
Transitional Individuals	407	280	278	241	255

Source: Duplin County Department of Social Services, 2009.

Exhibit 7-19 shows a decrease in the Adult Services workload over the past five fiscal years. The category "all other services" was added in 2008 to quantify other actions employees perform.

Exhibit 7-19
DCDSS Adult Services Workload
2004-05 through 2008-09

Adult Services Workload	2004	2005	2006	2007	2008
Reports	10	8	7	6	5
Personal Care	76	73	72	79	59
Adult Foster Activity	30	27	27	33	28
Chore Recipients	3	3	3	3	1
All Other Services					166

Source: Duplin County Department of Social Services, 2009.

As shown in the above exhibits, overall, two of DCDSS functions, Food Stamps and Child and Family Medicaid, have experienced a significant increase in services provided over the past five fiscal years. Two functions, Child Day Care, and Children's Services, have seen a slight increase in the same time period. Four functions, Child Support, CRISIS, Program Integrity, and Adult Services, have seen a decrease while Adult Medicaid has remained about the same.

Exhibit 7-20 shows the budget for the two highest cost programs to Duplin County. Medicaid Assistance Administration and Food Stamps have seen a roughly $300,000 increase in the last five fiscal years on the part of the County. As stated previously, both of these programs had a significant increase in demand from residents. Therefore, an increase in budget for both is expected. However, changes to the Medicaid Program, particularly the takeover of the County burden by the State, will result in a decrease in Duplin County costs to the program. This will not be a true one-to-one savings, however, as a portion of sales tax revenue Duplin County received will go away.

Exhibit 7-20
Budget for the Two Highest Cost Programs to the County
2004-05 through 2008-09

Program	2004-05	2005-06	2006-07	2007-08	2008-09
Medicaid Assistance Administration	$713,275.67	$793,597.93	$811,648.82	$857,703.43	$912,314.23
Food Stamps	$385,799.78	$408,283.99	$436,832.60	$452,735.45	$499,144.44

Source: Duplin County Department of Social Services, 2009.

Given the current economic situation, it is likely that Duplin County will continue to experience a demand for both Medicaid and Food Stamps. Other than bringing more jobs and opportunities to Duplin County and transitioning these individuals to the workforce and a living wage, DCDSS will need to find additional revenue streams to offset costs or add services.

Federal and state grants are an option. Focus group results show that employees feel that Duplin County does not have enough community resources to help residents – parenting classes, homeless services, drug testing, and counseling. While pursuing these services outright are cost prohibitive, federal and state grants could give DCDSS the ability to add services and employees with little or no cost to Duplin County. Grants are also available to expand employee skills. Focus group participants stated that social workers working for the Board of Education were able to get a grant to learn basic Spanish.

DCDSS does not have an individual dedicated to finding grant opportunities and writing grant applications, and therefore, loses opportunities to bring additional funds into the department. As the economic situation both nationally and locally adds stress to citizens, demands for social services will continue to increase particularly in the areas of Medicaid and Food Stamps. North Carolina statute as well as federal regulations determine the percentage of expense the County is required to contribute. Therefore, to reduce costs, DCDSS should look at opportunities to bring grant funds into the Department. Workload and cost benefit do not warrant a position solely in DCDSS, but one individual supporting all County departments would be beneficial.

RECOMMENDATION

Recommendation 7-10:

Partner with the County's grant writer to expand grant submission efforts.

The federal government, state government and non-profit organizations offer grant funds for various programs and services. Opportunities may exist for DCDSS to obtain grant funds to expand services with little to no cost to the County or to offset current service costs (see **Recommendation 6-4** in **Chapter 6)**.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

7.4   *TECHNOLOGY*

The utilization of technology can increase efficiency of operations for any agency. Technology changes rapidly and organizations are usually behind due to the cost of continual upgrades. The State of North Carolina is currently developing a comprehensive case management program, NC FAST that should include a large number of functions that will be beneficial to the delivery of programs. Unfortunately, full implementation is not expected until 2014.

FINDING

DCDSS has had two employees in the Computer Systems Section. These employees were responsible for the upkeep and maintenance of hardware as well as the upkeep, development, and maintenance of DCPSS software programs. Technological advances are made frequently that can increase an organization's efficiency and effectiveness; however, these advances can be cost prohibitive especially for public sector agencies.

The computer personnel have done a good job of developing software programs for employees to utilize including the sign-in and sign-out program, reception, Medicaid transportation, daycare reconciliation, Medicaid applications, overpayment, daycare, fraud case tracking, and fraud letters/mailing. Several employees commented on how much the sign-in and sign-out program has been beneficial to them. Employees also commented on the addition of Instant Messenger. This has helped many communicate more effectively within the Department. Also mentioned by employees as helpful has been the automation of some of the forms used by employees. This has significantly contributed to employee efficiency.

COMMENDATION

DCDSS computer personnel have developed some in-house computer programs, as well as sought out additional programs and automation tools that have increased the efficiency of Department employees.

FINDING

DCDSS has developed computer programs and automated forms to help increase employee efficiency. These initiatives have been beneficial, but as technology advances, programs become out of date. As previously stated, most focus group participants commented on how much they liked the sign-in and sign-out program, but some recognized that the program should be updated.

Some forms have been automated, but interviews with employees indicate that not all forms are automated or that when forms are changed, it is difficult to get these updates automated.

There does not appear to be any document management initiatives underway. A walk through the DCDSS building reveals large numbers of boxes to the point that some employees do not have room in their offices. Granted, the Department has issues of federal- and state-mandated confidentiality and mandated storage procedures, but other departments with similar issues such as the Health Department are undertaking document management initiatives.

Focus groups held during the diagnostic phase of the Evergreen's performance audit revealed numerous comments by employees regarding technology and technology support. Commonly heard comments included:

- more computerized forms;
- better software packages;
- same software on all the computers;
- computerizing the green sheet/time accounting form;
- updated sign in/sign out program;
- the ability to fax from the computer;
- improved technology for dictation; and
- laptops and connectivity while in the field.

By far the most often heard comment regarding technology had to do with the lack of voicemail. Employees are required to stop what they are doing and answer the phone even if they are with a client. The switchboard takes the call, calls the employee, and if the employee does not answer, pages the employee. This continues several times until the employee picks up the call. This constant interruption makes it difficult for employees to devote attention to clients or complete tasks. Switchboard personnel are taking considerably more time per call as well.

DCDSS does have a hardware replacement plan by which 25 percent of their computers are replaced each year. This keeps their computer hardware current. One of the unintended consequences, however, is that the computers are running different software programs.

RECOMMENDATION

Recommendation 7-11:

Work with the County computer support personnel to address the most pressing technology concern, including voicemail and document management, and develop a plan to significantly move DCDSS forward in their utilization of technology

DCDSS should work with County IT personnel to utilize technology more effectively including an information technology section in the strategic plan. The Department is behind in document management and the use of voicemail. These two issues should be addressed immediately. County computer personnel should have a role in workflow analysis and should participate in these efforts in such a way as to develop programs or redesign processes that allow employees to

complete tasks faster and more efficiently including document management, hardware and software to be used in the field, and voicemail for the building.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

DCDSS does not effectively utilize its Web site.

A Web site is an excellent opportunity for cost effective information flow. Many agencies build their Web site into the operation. For instance, educational materials, meeting times, locations, services offered, contact information, upcoming events, articles and white papers, frequently asked questions, and latest news are common resources found on Web sites and these same things could be added to the DCDSS Web site. The current site does list services, but expanded contact information, educational materials, and forms could be easily added to increase the effectiveness of the site.

Exhibit 7-21 provides a screen shot of the DCDSS web page which is part of the Duplin County Web site. There are no links or any other resources for visitors to utilize.

RECOMMENDATION

Recommendation 7-12:

Define the role of the DCDSS Web site in departmental operations, and develop a plan with the County IT Department that allows for timely and cost-effective updates.

Well-organized and planned Web sites are an excellent opportunity for cost effective information flow. DCDSS should build their Web site into Department operations. Information on the site should be based on client, community, and employee needs and should be consistent with the department strategic plan. While many of DCDSS potential clients are unlikely to have access to computers and the Internet as well as the technological savvy to utilize advanced functions, information and resources may be helpful to the community as a whole. The role of the Web site for DCDSS must be based on input from current clients, community members, and employees to ensure it is effective.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

Exhibit 7-21
Screen Shot of DCDSS Web Page

CHAPTER 8:
PUBLIC SAFETY

8.0 PUBLIC SAFETY

Of all services provided to citizens by local government, public safety has the most diverse, complex, and mission critical assignment. Public safety agencies—such as E-911/ECC, emergency medical services (EMS), law enforcement, and fire departments—must operate 24 hours a day, seven days a week, 365 days a year. Additionally, public safety operations occur in all environmental conditions such as weather (i.e., summer heat to winter blizzard), geographical (i.e., rural, interstate, urban, etc.), and lighting (i.e., pitch black night to daytime). Since there is an equal opportunity for virtually all types of incidents to occur any time of day or night, E-911/ECC, EMS, law enforcement, and fire department resources must be on constant alert, trained, prepared, and ready to immediately respond to any event in a professional manner.

Public safety assignments range from life critical emergency operations tasks that ensure the safety of a community. Life critical examples include:

- E-911 call center;
- life threatening medical emergencies;
- crimes in progress by armed suspects;
- house fire with occupants inside; and
- traffic crash with injuries.

Community safety assignments include:

- follow-up investigation of crimes committed;
- fire code inspection;
- pre-fire planning;
- traffic enforcement;
- community policing initiatives; and
- crime prevention.

Public safety is not free. To successfully complete public safety operations, there is a requirement for an infrastructure, equipment, personnel, and training. The objective is to achieve a response and readiness balance between the minimum requirements to complete day-to-day operations and the less frequent but high-risk incidents that require advanced personnel, training, and equipment (i.e., mass casualty incident, SWAT operation for an armed barricaded suspect, search warrant for a methamphetamine lab, hazardous materials spill on a roadway, commercial building structure fire, etc.).

While the role of public safety is similar in all cities and counties across the United States, every community establishes their own unique level of desired performance and standard of care that E-911/ECC, EMS, law enforcement, and fire department resources must accomplish. For example, a specified response time to a life-threatening event by public safety resources may be acceptable in some communities and the same exact time measurement may not be acceptable in other communities. Because public safety operations are unique to every community, successful public safety operations cannot occur without community involvement.

Public safety requirements are always evolving due to internal and external factors (such as federal, state and local legislation, political issues; advancements in science, technology and medicine; funding issues; and community growth). For example, domestic security was not a major influence on public safety strategic plans or the development of fiscal year budgets in a pre-September 11, 2001 world. Now, public safety departments must have a homeland security plan, understand the threat environment, be prepared to prevent and disrupt a terrorist attack, be prepared to work with fellow public safety agencies in a cooperative manner, and always be on alert to respond to and recover from a domestic security related incident.

There are many factors that are significant to public safety operations in Duplin County Government, including geographical size of the County, widely dispersed segments of residential population, county rate of growth, service population (i.e., Interstate traffic), and risk potential (i.e., hazardous chemical event). These factors, and others, demand that the County establishes a minimum standard of care which becomes the foundational requirements for public safety resources in Duplin County. This standard of care and any other recognized performance metrics will directly impact the County's planning discussions to ensure the E-911/ECC, EMS, law enforcement, and fire department resources have the appropriate infrastructure, equipment, personnel, and training to successfully accomplish the established minimum standard of care objectives.

This chapter reviews the following Duplin County Government public safety agencies:

- E-911/ECC/Emergency Communications Center
- Emergency Medical Services
- Sheriff's Office
- Emergency Management
- Volunteer Fire Departments

Eleven major sections are included:

8.1   Public Safety Strategic Planning
8.2   Public Safety Technology and Information Management
8.3   Operations Management
8.4   Performance Measurement and Accountability
8.5   Project Management Protocols
8.6   Public Safety Procurement Process
8.7   E-911/Emergency Communications Center Governance
8.8   Emergency Medical Services
8.9   Sheriff's Office
8.10   Emergency Management
8.11   Fire Department Operations

All public safety personnel in Duplin County exhibited professionalism, enthusiasm, pride and care regarding their public safety assignment. Duplin County Government and the citizens of Duplin County can be proud to know their public safety employees have a strong desire to provide an outstanding level of service and quality work products. Duplin County public safety

personnel are commended for the "adapt, overcome, and improvise" attitude to provide professional public safety services to the citizens of Duplin County.

Additionally, Duplin County public safety management demonstrated the neverending attempt to balance immediate operational needs on a 24/7/365 basis with intermediate objectives and long-term plans.

The criteria Evergreen consultants used for our analysis are the same that any community would have for making similar recommendations, including:

- maintain or improve service to citizens;
- enhance efficiency and control of operations;
- improve multi-agency cooperation and response;
- increase first responder safety;
- identify risks; and
- include best practices.

8.1   *PUBLIC SAFETY STRATEGIC PLANNING*

There is abundant research that demonstrates the tangible benefit for public safety agencies to have a strategic plan. As stated in the book *Fire Department Strategic Planning – Creating Future Excellence* by Mark Wallace:

> *Strategic planning strives to create a vision near the beginning of its process to map out the qualitative shift in direction that the organization needs to create the vision of its ideal future. It's a process to establish priorities, i.e., what must we do today to move the organization closer to the ideal future described as our vision...It provides a reference point for evaluating the progress of the department in pursuing its mission.*

Strategic planning has a direct positive impact on budget planning, operational planning, long-range planning and the establishment of priorities, goals and objectives. Strategic planning starts with an objective assessment of current strengths, weaknesses, opportunities and threats (SWOT) analysis and ends with innovative thinking and action plans to accomplish the vision of the department.

As previously mentioned, there are many factors that have a significant impact on Duplin County Government public safety, including:

- large geographical size of the county – 816 square miles;

- wide dispersion of the residential population in ten municipalities and rural areas;

- increased transient service population traveling through Duplin County on state roadways and Interstate 40;

- increased risk potential for chemical and hazardous materials incidents;

- significant transient work population; and

- other factors.

Diverse factors, such as those listed above, demonstrate that a public safety strategic plan is mandatory to maintain a professional level of service to the community. Current and future (anticipated) factors unique to Duplin County should be incorporated into the planning, priority, and operational decision processes occurring today.

Communities establish the level of service required from public safety agencies. While basic levels of service can be defined, each community establishes its own standard. For example, a law enforcement response time of 30 minutes for a non-emergency call for service may be acceptable in some communities while other communities would evaluate that time delay as completely unacceptable. The same is true for public safety response to life threatening medical emergencies. Many communities establish the well-documented "six-minutes rule" for life-threatening medical emergencies as the measurement to gauge public safety performance.

Strategic planning incorporates the needs and desires of the community into operational planning. Strategic planning leads to the implementation of efficient and effective processes by all personnel, not just management. Personnel are encouraged to question the status quo and develop ideas that may improve services and reduce costs.

Strategic planning also forces public safety departments to make data-driven decisions versus an opinion not based on fact. As stated in the U.S. Department of Justice – Community-Oriented Policing Services (COPS) study, *Good to Great Policing: Application of Business Management Principles in the Public Sector*:

> *It is not enough for data to be readily available. Managers need to be intimately familiar with the data and involved in the analysis and assessment. Data should 'belong' to no one group in the organization...The power of problem-oriented policing begins with data that are used to identify a problem and ends with data that are used to determine whether the strategy designed to address the problem has been effective.*

FINDING

There is no strategic plan for the public safety departments in Duplin County Government. The departments essentially operate in their own silo, and there is no unified plan for public safety goals and objectives.

A strategic plan would identify like areas (such as infrastructure, equipment, vehicles, training, etc.) that both operational and financial benefits could be gained as a result of partnerships, sharing or resources; improved purchasing power from economies of scale; and other areas. For example, both EMS and the Sheriff's Office operate 24/7 throughout the entire county. EMS has eight established locations geographically dispersed in Duplin County for their medical units, equipment and personnel. Currently, Sheriff's Office employees travel to and from the Sheriff's Office Headquarters for many activities, including the beginning and ending of their shift (Roll Call) and to obtain supplies. Operational (i.e., time saving) and financial (i.e., reduced gas consumption) benefits may be gained by allowing the Sheriff's Office employees to utilize some

EMS locations to complete paperwork assignments, obtain supplies, and attend Roll Call electronically via the Internet. These changes could be addressed via a strategic planning process.

Duplin County Government public safety departments would be able to demonstrate a positive Return on Investment for completing a strategic planning process. A detailed analysis in the following areas are issues that directly impact public safety decisions:

- Human Resources – Recruitment, retention, salary, benefits and succession planning;

- Workload – Current activity and anticipated activity;

- Allocation and deployment of personnel;

- Facility Infrastructure – Current situation and anticipated requirements;

- Operational and Support Services - Current situation, anticipated requirements and specialized services;

- Vehicles/Apparatus – Current situation, replacement schedule, and anticipated requirements;

- Equipment - Current situation, replacement schedule, and anticipated requirements; and

- Training – Current assessment, minimum mandatory annual requirements, and specialized training needs.

RECOMMENDATION

Recommendation 8-1:

Develop a Public Safety Strategic Plan.

Duplin County public safety programs require strategic planning to achieve long-term success. Public safety should focus on the core four activities of a strategic management process:

- review and define the public safety organizational mission;
- set long-range goals and objectives for public safety;
- analyze and formulate strategies for public safety agencies to reach objectives; and
- implement strategies through both public safety and external projects.

As demonstrated in the above fourth activity, strategy is implemented through projects. Every public safety project should have a clear connection to the overall Duplin County public safety strategy. It is the responsibility of public safety management to ensure that all funds requested for projects contribute to the overall public safety mission.

As defined in the book *Strategic Management* by Peirce and Robinson, "strategic management is defined as a set of decisions to achieve a company's objectives." Nine critical tasks or decisions for Duplin County public safety programs are:

1. Public safety should formulate their core mission, including broad statements about their purpose, philosophy, and goals.

2. Public safety should complete an analysis that reflects all of public safety's internal conditions and capabilities.

3. Public safety should assess their external environment, including both the competitive (i.e., competition for recruitment and retention) and the general contextual factors.

4. Public safety should analyze their options by matching available resources with the external environment.

5. Public safety should identify the most desirable options by evaluating each option in light of the Duplin County Public Safety's overall mission.

6. Public safety should then select a set of long-term objectives and grand strategies that will achieve the most desirable options.

7. Develop annual public safety objectives and short-term strategies that are compatible with the selected set of long-term objectives and grand strategies.

8. Implement the public safety strategic choices by means of budgeted resource allocation in which the matching of tasks, people, structures, technologies, and reward systems is emphasized.

9. Evaluate the success of the public safety strategic process as an input for future decision making.

The importance of a strategic plan is without debate. A strategic plan provides a detailed roadmap for an organization to achieve its desired goals. Without a strategic plan, there is no roadmap and the organization's final destination (i.e., goals and objectives) is without clarity, understanding and cooperation.

Numerous professional public safety and government organizations such as the National Fire Academy (NFA), National Sheriff's Association, International Association of Chiefs of Police (IACP), state institutions, and other entities offer strategic planning courses. The facilitation of strategic planning sessions can also be outsourced to expert organizations.

FISCAL IMPACT

This recommendation can be implemented within existing resources, and will require staff time.

8.2   *PUBLIC SAFETY TECHNOLOGY AND INFORMATION MANAGEMENT*

The implementation of various technologies and computer applications is an absolute requirement to ensure public safety agencies operate at maximum operational efficiency and effectiveness. The primary goal of technology employed in the public safety arena is

Information Management. A proper Information Management process ensures all personnel have access to accurate information in a timely manner, and 24-hours a day so they can take the appropriate action. Operational management research demonstrates that organizations that implement data-driven processes and decisions have improved efficiency and effectiveness.

Accurate data appropriately applied have tangible benefits that can be measured to demonstrate a return on investment. Using the appropriate technologies and business processes, performance metrics can be developed for all public safety departments. These performance metrics provide an accurate gauge on the success and/or failure of public safety initiatives and programs. Performance metrics, the core of performance-based budgeting, requires that the appropriate technologies be employed to accurately capture, assimilate, analyze and produce important statistical information.

There is no section or assignment in public safety that cannot be evaluated for operational improvements. Operational improvements can range from decreasing the response time to life-threatening emergencies to the appropriate allocation and deployment of personnel and equipment to saving valuable employee time during administrative processes such as report writing. As well as providing improvements to internal operations, appropriate information management processes have a tangible benefit to external customers—the citizens of Duplin County—by providing enhanced public safety services and a quality work product.

Full-Time Employee (FTE) hours of public safety personnel are a valuable commodity. A projected and actual Return on Investment (ROI) can be obtained from appropriately employed technologies and applications. An ROI can be measured as time saved for a specific position and a dollar value calculated using the median FTE per hour wage. Savings of FTE hours can demonstrate the cost efficiency of specific initiatives, the ROI for a specific technology investment, or the improved service to the public by utilizing personnel at maximum capacity (see **Section 8.3**, **Maximum Practical Capacity Planning).**

A Public Safety Technology Plan is a requirement in the development of appropriate information management processes for public safety departments. The design of a Public Safety Technology Plan starts with a systems approach, viewing all public safety as a single entity.

FINDING

Duplin County Government public safety personnel use the currently employed technology applications as best as possible. The procurement of the current applications did not employ a Public Safety Technology Plan nor systems approach. Decisions to purchase the current technology for the departments were made as funding or opportunities became available. The current applications provide some limited benefits to the departments. However, it is clear that some decisions over the past many years were made in isolation and not as a component of an overall plan. Significant improvement in public safety technologies employed is necessary in Duplin County. Some of the current applications employed are disparate systems, require redundant data entry processes, and are inadequate to provide public safety and Duplin County Government management personnel with the information required to operate at maximum efficiency and effectiveness.

In the subsections that follow, an overview of each of the current technologies present within the Duplin County Government's public safety infrastructure is provided.

Public Safety Computer Aided Dispatch

The Duplin County E-911/ECC/Emergency Communications Center (ECC) has sole dispatching responsibility for all county, city and volunteer public safety departments in Duplin County. The ECC employs a "home grown" Computer Aided Dispatch (CAD) system that was originally created in 1999 and has been operational since 2000. The CAD is maintained by the Emergency Services Director, County IT, and a private contractor as required. A CAD system is essentially "command central" for all public safety activity.

When appropriately designed and implemented, the CAD system can provide accurate objective information public safety workload including:

- month of year, day of week and time of day;
- type of event/activity;
- location of event/activity;
- personnel involved in event/activity;
- time duration (i.e. response time, time on scene, etc.); and
- other factors.

As can be seen in **Exhibits 8-1** and **8-2**, Computer Aided Dispatch (CAD) data were requested to analyze the workload of the public safety departments. The type of data requested is required for appropriate operations management. Interviews determined that there were serious limitations to the CAD application. For various reasons including CAD design and public safety protocols, we were unable to obtain the required information to make solid factual conclusions.

The need for actionable, accurate, and timely information is a significant issue for all public safety personnel. Everyone from public safety executives to their line personnel should have access to relevant CAD data on a 24/7 basis to make educated decisions.

As with many technologies, CAD system functionality and features have improved and/or been enhanced at an exponential rate since 1999. The Duplin County CAD system is without many basic types of modern CAD functionality and features that could improve public safety services if employed.

The Communications Director expended significant amounts of time querying the CAD system and printing various types of reports. Considerable time and energy were focused on analyzing the reports. Unfortunately, for reasons such as no uniform public safety CAD system protocols, inconsistent enforcement of existing CAD system protocols and severe limitations of the CAD system, most of the CAD data could not be considered credible and therefore not reliable for accurate conclusions. In fact, none of the public safety departments use CAD data to make important decisions, and for the most part, CAD data were viewed as having nominal value without time-consuming, in-depth analysis.

Exhibit 8-1
Duplin County Government
EMS/Fire Department CAD Workload Data Requested

EMS/Fire CAD/RMS Data	Workload Activity
EMS Only CFS	EMS CFS total FD 2007 - YTD EMS CFS Activity - Total number by Nature of Call Total number EMS CFS Activity - Time of Day Total number EMS CFS Activity - Day of Week Total number EMS CFS Activity - DOW and TOD combined CFS by Nature of call Priority Status (Emergency to Non-Emergency
EMS Incident Location	EMS FD District Breakdown CFS Activity - Total number by Nature of Call EMS FD District Breakdown - Total number CFS Activity - Time of Day EMS FD District Breakdown - Total number CFS Activity - Day of Week EMS Total number CFS Activity - DOW and TOD combined EMS FD District Breakdown - CFS by Nature of call Priority Status (Emergency to Non-Emergency)
EMS Response Time FD	EMS CFS Activity - Total FD Response time by Priority EMS CFS Activity - Total FD Response time by Nature of call EMS CFS Activity - Total FD Response time by Time of Day EMS CFS Activity - Total FD Response time by Day of Week EMS CFS Activity - Total FD Response time by Time of Day and Day of Week combined
EMS Response Time by Fire Station	EMS FS Breakdown CFS Activity - Response time by Priority EMS FS Breakdown CFS Activity - Total FS Response time by Nature of call EMS FS Breakdown CFS Activity - Total FS Response time by Time of Day EMS FS Breakdown CFS Activity - Total FS Response time by Day of Week EMS FS Breakdown CFS Activity - Total FS Response time by Time of Day and Day of Week combined
Response Time by FD District Location	EMS FD District Breakdown CFS Activity - Response time by Priority EMS FD District Breakdown CFS Activity - Total Response time by Nature of call EMS FD District Breakdown CFS Activity - Total Response time by Time of Day EMS FD District Breakdown CFS Activity - Total Response time by Day of Week EMS FS Breakdown CFS Activity - Total Response time by Time of Day and Day of Week combined
Length of EMS CFS	EMS CFS Activity - Time out of Service by Nature EMS CFS Activity - Time out of Service by Fire Station EMS CFS Activity - Time out of Service by FD District
EMS Walk-In	Total FD Walk-In CFS Total Walk-in by Fire District Total time out of service for Walk-in for FD Total time out of service for Walk-in by District
Fire Department	Note: EMS Only Category Below Calls for Service (CFS) total FD 2007 - YTD CFS Activity - Total number by Nature of Call

Exhibit 8-1 (Continued)
Duplin County Government
EMS/Fire Department CAD Workload Data Requested

	Total number CFS Activity - Time of Day
	Total number CFS Activity - Day of Week
	Total number CFS Activity - DOW and TOD combined
	CFS by Nature of call Priority Status (Emergency to Non-Emergency
CFS by Fire Station (FS)	FS Breakdown - CFS total FD 2007 - YTD
	FS Breakdown - CFS Activity by Nature of Call
	FS Breakdown - Total number CFS Activity - Time of Day
	FS Breakdown - Total number CFS Activity - Day of Week Total
	FS Breakdown - Total number CFS Activity - DOW and TOD combined
	FS Breakdown - CFS by Priority Status (Emergency to Non-Emergency
Location of Incident	Calls for Service (CFS) total FD 2007 - YTD by FD District
	FD District Breakdown CFS Activity - Total number by Nature of Call
	FD District Breakdown - Total number CFS Activity - Time of Day
	FD District Breakdown - Total number CFS Activity - Day of Week
	Total number CFS Activity - DOW and TOD combined
	FD District Breakdown - CFS by Nature of call Priority Status (Emergency to Non-Emergency
Response Time FD	CFS Activity - Total FD Response time by Priority
	CFS Activity - Total FD Response time by Nature of call
	CFS Activity - Total FD Response time by Time of Day
	CFS Activity - Total FD Response time by Day of Week
	CFS Activity - Total FD Response time by Time of Day and Day of Week combined
	Range of Response times for Code 3 CFS
	Range by count in 30 second intervals of Response time for Code 3 CFS - Fastest to longest
Response Time by Fire Station	FS Breakdown CFS Activity - Response time by Priority
	FS Breakdown CFS Activity - Total FS Response time by Nature of call
	FS Breakdown CFS Activity - Total FS Response time by Time of Day
	FS Breakdown CFS Activity - Total FS Response time by Day of Week
	FS Breakdown CFS Activity - Total FS Response time by Time of Day and Day of Week combined
Response Time by FD District/Location	FD District Breakdown CFS Activity - Response time by Priority
	FD District Breakdown CFS Activity - Total Response time by Nature of call
	FD District Breakdown CFS Activity - Total Response time by Time of Day
	FD District Breakdown CFS Activity - Total Response time by Day of Week
	FS Breakdown CFS Activity - Total Response time by Time of Day and Day of Week combined
	Median data (as compared to an average) for CFS activity if it is available
Median Data Time Duration of CFS	CFS Activity - Time out of Service by Nature
	CFS Activity - Time out of Service by Fire Station
	CFS Activity - Time out of Service by FD District
Specialty Apparatus Workload	As applicable
Fire Inspections	As applicable
Arson Investigation	As applicable
Training	As applicable

Source: Created by Evergreen Solutions, 2009.

Exhibit 8-2
Duplin County Government
Sheriff's Office CAD Workload Data Requested

Law Enforcement	Workload Activity
Sheriff's Department	Calls for Service (CFS) total District/Zone 2007 – YTD CFS Activity - Total number by Nature of Call Total number CFS Activity - Time of Day Total number CFS Activity - Day of Week Total number CFS Activity - DOW and TOD combined CFS by Nature of call Priority Status (Emergency to Non-Emergency
CFS by District/Zone	By District/Zone (Geographical boundary) CFS total District/Zone 2007 - YTD CFS Activity by Nature of Call Total number CFS Activity - Time of Day Total number CFS Activity - Day of Week Total Total number CFS Activity - DOW and TOD combined CFS by Priority Status (Emergency to Non-Emergency)
Location of Incident	Calls for Service (CFS) total District/Zone 2007 - YTD by District/Zone District District/Zone District Breakdown CFS Activity - Total number by Nature of Call District/Zone District Breakdown - Total number CFS Activity - Time of Day ((TOD) District/Zone District Breakdown - Total number CFS Activity - Day of Week Total number CFS Activity - DOW and TOD combined District/Zone District Breakdown - CFS by Nature of call Priority Status (Emergency to Non-Emergency
Response Time District/Zone	CFS Activity - Total District/Zone Response time by Priority CFS Activity - Total District/Zone Response time by Nature of call CFS Activity - Total District/Zone Response time by Time of Day CFS Activity - Total District/Zone Response time by Day of Week CFS Activity - Total District/Zone Response time by Time of Day and Day of Week combined Range of Response times for Code 3 CFS Range by count in 30 second intervals of Response time for Code 3 CFS - Fastest to longest
Response Time by District/Zone District/Location	District/Zone District Breakdown CFS Activity - Response time by Priority District/Zone District Breakdown CFS Activity - Total Response time by Nature of call District/Zone District Breakdown CFS Activity - Total Response time by Time of Day District/Zone District Breakdown CFS Activity - Total Response time by Day of Week Breakdown CFS Activity - Total Response time by Time of Day and Day of Week combined Median data (as compared to an average) for CFS activity if it is available
Median Data Time Duration of CFS	CFS Activity - Time out of Service by Nature CFS Activity - Time out of Service by Fire Station CFS Activity - Time out of Service by District/Zone District
Specialty Unit Workload	CFS Breakdown of specialty equipment, personnel and apparatus
Criminal Investigations	As applicable
Narcotics Investigations	As applicable
K-9	As applicable
Special Response	As applicable
Bailiff Unit	As applicable
Warrant Service	As applicable

Source: Created by Evergreen Solutions, 2009.

Geographic Information System (GIS)

The ECC employs a third-party product "CAD Mapper" to complete very basic CAD mapping functionality. As with the CAD system, the CAD Mapper application is severely limited and without mission critical functionality and features that could benefit Duplin County public safety in Duplin County.

Interviews revealed that the Geographic Information System (GIS) mapping application is approximately 90 percent accurate for roadways in Duplin County. While Duplin County Government employs GIS personnel, data for the CAD Mapper is outsourced to Geographic Technical Group by the Emergency Services Division. This outsourcing is completed as required when "enough new roads" have been created to update the mapping application. This is a significant problem as CAD GIS/map data should be as close to 100 percent accurate as possible for the following reasons:

- During life threatening emergency 911 calls, it is imperative that the location of the 911 caller be immediately mapped to determine the precise location of the incident. Automatic Number Identification (ANI) and Automatic Location Identification (ALI) data is supplied via the Emergency Service Number (ESN) of the telephone being used to make the 911 call. FCC Phase I and Phase II regulations mandate cellular providers also send ANI data and geographic location information usually in the form of longitude and latitude.

- Having the precise location of the incident improves the deployment of public safety resources (i.e., closest unit dispatching, establishment of a perimeter, etc.).

Additionally, interviews determined that both the Sheriff's Office and EMS do not have the capability to map their workload and activity. As will be discussed throughout this report concerning the utilization of actuate data to make good decisions, public safety's inability to leverage the mapping of data is detrimental to both administrative and operational decisions.

It was also learned that some public safety personnel rely on paper maps to locate streets and addresses. Manual paper processes are normally never timely, difficult to manage the vast amount of paper, cost inefficient as paper maps are constantly being generated, and are inefficient (i.e., slow) to use in the field in low light conditions.

The most efficient and effective method of providing accurate mapping information to public safety personnel is through GIS data on Mobile Data Computers. Protocols should be established that ensure public safety GIS data are in synchronization with approved plans from Growth Management, Planning Department, Utilities, and Code Enforcement.

GIS/ATM has the absolute ability to enhance the quality of service provided by public safety and improve operational efficiency and effectiveness. Additionally, GIS/mapping functionality and features—combined with improved public safety protocols—can provide a tangible benefit to all the public safety agencies and the citizens of Duplin County.

Interviews with public safety personnel revealed numerous areas for improvement regarding Geographic Information System (GIS) applications. While there is nominal GIS/mapping

capability, public safety departments in Duplin County have not incorporated this technology into their daily business practices.

A list of the problems associated with GIS/mapping application and processes includes:

- There are no formal inter-local GIS agreement that establishes governance, technical standards, communication, processes, responsibility, etc. of Duplin County Government entities that can provide GIS data.

- Numerous silos exist in the management of GIS at the county, public safety and municipal government levels.

- While the Duplin County IT Department is responsible for GIS, the E-911/ECC/Emergency Communications Center has its own GIS staff and has to outsource GIS work to a third party.

- Following the lack of single ownership, there is no position (person) or entity specifically assigned responsibility to identify GIS related errors (i.e., incorrect street address).

- Currently, there is no mechanism that ensures the GIS/mapping applications are immediately updated with all new streets and addresses upon formal approval by the various local government entities.

- No formal plan was developed regarding what GIS information would be collected and maintained and how GIS/mapping applications would be incorporated into daily business practices by public safety agencies.

- There is no formal public safety work group assigned to design mapping layers.

- Not all public safety agency personnel understand the benefits of incorporating a mapping into their business processes.

Duplin County Government, public safety employees, and the citizens of Duplin County will realize significant tangible benefits through implementing a GIS master plan starting with a GIS inter-local agreement. This GIS Master Plan needs to be a primary focus of the GIS Steering Committee recommended in **Chapter 5**.

As documented by other agencies, the benefits include:

- the development of a common base map;
- promote sharing of GIS and other resources;
- reduce redundancy of data collection and creation;
- provide a mechanism to maintain the base map and other data layers;
- encourage enterprise information management solutions; and
- enhance decision making for public officials.

The GIS/mapping system has the capability to become a mission critical application for public safety agencies in Duplin County. A GIS/mapping system has the capability to capture local

subject matter expertise into a single quick reference database. This is especially beneficial for an entity (such as the E-911/ECC/Emergency Communications Center) which supports numerous public safety agencies and jurisdictions. Each jurisdiction can provide pertinent local information thus creating a GIS/mapping system in which all public safety personnel have local subject matter expert information available 24/7.

There is no limit to the number of datasets and mapping layers public safety can employ. Some examples include:

- jurisdiction boundaries;
- law enforcement districts, zone, and beats;
- high activity areas (i.e., hot spots);
- EMS districts (Station Areas);
- Volunteer Fire Department districts;
- fire Hydrants;
- hazardous material locations;
- neighborhood subdivisions;
- schools and colleges;
- buildings;
- parks;
- trails;
- airport;
- railroad;
- electric substations;
- potable water pumps;
- gas valves;
- electric lines;
- emergency shelters;
- Red Cross shelters;
- flood zones and hydrography; and
- aerial photography.

Finally, because of the technical issues and limitations of the applications, the Sheriff's Office does not map criminal and workload activity to identify methods of operations, trends and patterns and other intelligence that can positively impact the apprehension of criminals or the prevention of crimes.

Sheriff's Office Records Management System

The Sheriff's Office uses Southern Software Records Management System (RMS) as do the other law enforcement agencies in Duplin County. All Duplin County agencies using RMS are suppose to have "peer-to-peer" information sharing and query capability. At the time of this report, we were unable to confirm the "peer-to-peer" process was working as designed, and being effectively used by law enforcement personnel.

The Sheriff's Office currently uses some of the RMS modules, such as the Property and Evidence and the Incident Report module. The Sheriff's Office has a significantly limited number of RMS subject matter experts.

The Sheriff's Office employs the RMS only at the department's headquarters. Therefore, all RMS activity must be completed at this location. The Sheriff's Office personnel currently complete incident reports in the following manner:

- personnel complete a manual report in the field;

- the manual report is hand delivered to the Sheriff's Office headquarters;

- a lieutenant reviews and approves the manual report;

- the approved report is delivered to Records Management; and

- the Records Technician completes data entry of the manual report information into the RMS.

The Sheriff's Office loses valuable FTE time completing this redundant action.

RECOMMENDATION

Recommendation 8-2:

Develop, in conjunction with an overall Public Safety Strategic Plan, a Public Safety Technology Plan.

Public Safety in Duplin County has significant technology problems and issues as outlined above. The public safety and information technology departments must create a Public Safety Technology Plan. The goal of the project would be to identify all technologies and applications required by public safety personnel to maximize operational efficiency and effectiveness. Using a systems approach, specific objectives should be identified that can have a measurable positive impact on public safety services.

Examples of specific objectives include:

- Improve information management.

- Improve operations management.

- Improve the quality of E-911/ECC, EMS, law enforcement and fire department work products.

- Improve internal and external customer satisfaction.

- Improve internal and external operational and administrative communication.

- Improve safety for public safety personnel and citizens.

- Measure the effectiveness of strategies and tactics in a timely manner.

- Analyze the deployment of personnel and resources.

- Enhance employee productivity.

- Eliminate redundant and repetitive action.

- Reduce operational risks.

- Reduce and/or eliminate administrative time.

The development of a Public Safety Technology Master Plan requires subject matter expertise for E-911/ECC, EMS, law enforcement and fire department business processes, and public safety Information Technology systems. Evergreen's on-site assessment revealed that public safety departments in Duplin County have professional subject matter experts that can identify business process improvements.

Primary applications that should be examined include:

- Computer-Aided Dispatch (CAD) designed for E-911/ECC, EMS, law enforcement, and fire departments;

- automatic CAD integrated queries that connect to internal and external databases for queries such as stolen vehicle tag, vehicle tags related to a Be On The Lookout (BOLO), address history and safety/hazard warnings specific to an address or location name;

- Geographical Information System (GIS) capable of mapping all geofile validated information from any of the system applications;

- Automatic Vehicle Location (AVL) system integrated with the CAD application for closest unit dispatching;

- Mobile Data Computer (MDC) laptops for required public safety vehicles;

- Network applications that allow MDCs to connect to databases via Local Area Network (LAN), Wireless Local Area Network (802.11), Radio Frequency (800/700 MHz) or Cellular bandwidth;

- Law Enforcement Records Management System (LRMS) with applicable modules for NIBRS/UCR, Incident Reports, Traffic Crash Reports, Case Management, Property and Evidence and Crime Analysis;

- EMS/Fire Records Management System (FRMS) with applicable modules for Emergency Medical Services, EMS billing, Incident Reports, Training, Inventory/Supplies and Scheduling;

- Report Generator applications that provide user friendly statistical, graphical and mapping reports from all primary applications; and

- Electronic Document Management System (EDMS) to image, archive and retrieve documents.

A Technology Master Plan should also identify infrastructure requirements including:

- location of a secure Computer Operations Room that will house all application servers;

- redundant servers for mission critical applications;

- data backup system and off-site storage process;

- employment of an Uninterrupted Power Supply (UPS) for primary applications and backup generator system; and

- fire suppression system that will not damage equipment in the Computer Operations Room.

Finally, the Technology Master Plan for Public Safety should identify staffing and cost requirements related to the implementation of the Technology Master Plan. Appropriate staffing is required to ensure the system operates as designed. No system should be purchased without appropriate staffing.

A projected and actual Return on Investment (ROI) can be obtained from appropriately employed technologies and applications. An ROI can be measured as time saved for a specific position and a dollar value calculated using the median FTE per hour wage. Savings of staff hours can demonstrate the cost efficiency of specific initiatives, the ROI for a specific technology investment, or the improved service to the public by utilizing personnel at maximum capacity (see **Section 8.3, Maximum Practical Capacity Planning**).

Examples of potential technology project costs include:

- Computer Operations Room configuration;
- Initial hardware purchase;
- Initial application purchase;
- Installation and configuration cost;
- Training costs;
- Recurring cost – wireless network;
- Recurring cost – annual maintenance fee;
- Warranty costs of hardware;
- Replacement and repair costs;
- Hardware and software upgrade costs; and
- Life expectancy of hardware and software – refresh costs.

No technologies should be purchased until a Technology Plan has been developed. An objective audit and assessment of current applications are required. Where applicable, currently utilized applications should be leveraged for maximum benefit.

To ensure maximum cost efficiency, the final plan should include an operational task list and projected schedule to completion. The project plan should identify any immediate business requirements that may require expenditures that are disparate from the long-term project objectives. Funding should not be expended on technologies that are not a component of the Technology Plan unless the procurement is demonstrated via a cost benefit analysis to be the correct decision. For example, a time constraint may be a justification to expend funding on a current application if the long-term solution may not be operational for an unacceptable period of time.

It should be noted that all public safety executives and personnel interviewed by Evergreen expressed a strong desire and great enthusiasm to leverage technology for their departments.

FISCAL IMPACT

This recommendation can be implemented within existing resources, but will require focused staff time.

8.3   *OPERATIONS MANAGEMENT*

The efficient and effective allocation and deployment of public safety personnel and equipment have a direct impact on cost of operations. Maximum utilization of resources can reduce operational costs while improving public safety services to the community. As articulated in **Section 8.2, Public Safety Technology and Information Management,** accurate and timely data are required to effectively manage public safety personnel and resources.

As defined in the book *Operations Management for Competitive Advantage*; "capacity" is defined as "the ability to hold, receive, store, or accommodate." For business purposes, capacity is "viewed as the amount of output that a system is capable of achieving over a specific period of time." In a service setting such as public safety, it is the number of customers that can be handled in a specific time period.

Capacity planning can be divided into three time periods:

- Long range – Greater than one year
- Intermediate range – Monthly to one year
- Short range – Immediate, daily and weekly

Capacity, as in "the amount of resource inputs available relative to output requirements over a particular time period" does not make a distinction between efficient and inefficient use of capacity. Obtaining a maximum output at the greatest efficiency and effectiveness possible is the objective of "maximum practical capacity" planning.

An important measure is the "capacity utilization rate, which reveals how close a firm is to its best operating point (e.g., design capacity)." Capacity flexibility is having the "ability to rapidly increase or decrease production levels, or to shift production capacity quickly from one product or service to another." Flexibility is achieved through a flexible organizational structure, processes, and workers, as well as through strategies that use the capacity of the entire organization and/or other organizations.

Service capacity is specifically time and location dependant and it is subject to more volatile demand fluctuations, which has a direct impact on service quality. Planning capacity levels for services must consider the day-to-day relationship between service utilization and service quality.

Strategic capacity planning involves an investment decision that must match resource capabilities to a short-, intermediate-, and long-term forecast. A requirement of strategic capacity planning is to ensure all business processes are examined to ensure maximum utilization of personnel. Any need or request for additional staffing must be directly related to each public safety department's ability to demonstrate current staffing levels do not meet service level requirements, even while operating at maximum efficiency and effectiveness.

Examples of a Maximum Practical Capacity objective include:

- improve customer satisfaction at a reduced cost;
- improve quality of Duplin County Government public safety services;
- maximize effectiveness of current staffing;
- effective utilization of all public safety personnel;
- ensure citywide coverage as best possible;
- reduce response times to calls for service;
- establish guidelines for held calls for service;
- reduce number and time of held calls for service; and
- improve public safety productivity.

FINDING

The public safety departments in Duplin County have implemented partial and informal components of a maximum practical capacity plan. Yet, no formal maximum practical capacity plan analysis has been conducted. While data mining is not optimum, some relevant data are available to provide public safety personnel with actionable information that could improve their operational decision-making processes.

RECOMMENDATION

Recommendation 8-3:

Develop a Maximum Practical Capacity Plan for Duplin County public safety departments.

Maximum Practical Capacity Planning starts with understanding all aspects of workload data as previously articulated. Accurate analysis of workload data can provide management direction for the appropriate allocation and deployment of personnel and equipment.

For example, for law enforcement operations, patrol schedules can be supplemented for high-activity time periods (i.e., 9:00 p.m. to 12:00 a.m.) and reduced during non-peak periods (i.e., 3:00 a.m. to 6:00 a.m.). The same is true for day of week and other identified trend patterns. A more specific geographic assignment of personnel than a district may reduce response times and improve officer safety (i.e., back-up deputy arrives faster).

As with police operations, EMS operations could realize improved response times and services delivered through System Status Management (SSM).   SSM is precisely allocating limited resources based on accurate data to meet a fluctuating demand. Research has demonstrated that public safety services can be improved at a reduced cost through the analysis of cyclical patterns of volume, type of activity, and geographic demands matched with a time element.

Fire response times have a direct impact on the Insurance Service Office (ISO) rating for a community. Additionally, in life threatening medical emergencies, the arrival of Basic Life Support (BLS) or Advanced Life Support (ALS) personnel in five minutes or less saves lives. Unlike police units, fire and Emergency Medical Service (EMS) vehicles frequently require an "out of chute time." This is the time required for EMS personnel and fire fighters to gear-up, load into an apparatus/vehicle, and leave the EMS/fire station.

The EMS Director stated that there is no formal policy for the EMS Department's "out of chute time," but a new policy of 60-seconds during waking hours and 120-seconds during sleeping hours is about to be implemented. That stated, the EMS Department does not have a formal metric testing process to determine compliance with the direction of the new policy.

If workload analysis determines that there is an 80 percent chance an ambulance will be dispatched on a Friday night from 10:00 p.m. to 12:00 a.m. in a specific geographic area, SSM operations would demand the ambulance staff be operational (i.e., dressed in gear and vehicle activated) and assigned near that area to reduce the response time of a call for service.

FISCAL IMPACT

This recommendation can be implemented within existing resources, but will require focused staff time.

8.4   *PERFORMANCE MEASUREMENT AND ACCOUNTABILITY*

Performance measurement and accountability have a direct relationship with the first three sections of this report.

A performance measurement and accountability program ensures departments as a whole and individual personnel are operating as designed and desired. Key measurements are analyzed on a regular basis to evaluate, monitor and report on overall public safety performance and major lines of business. Measurement data are used by management to enhance and adjust operations as required.

FINDING

As previously noted, the public safety departments in Duplin County do not maintain a set of measures to assess operational performance, evaluate client and citizen satisfaction, and promote organizational learning and growth. Assigned metrics to these and other areas identified by Duplin County and public safety management will provide accurate and objective data regarding the efficiency and effectiveness of public safety operations.

The following are examples of major actions for implementing the proposed solution to monitor, measure, evaluate and improve public safety performance. Duplin County public safety departments need to establish a formal performance accountability, measurement and improvement program with the following components:

- develop a 'Dashboard' of key performance indicators (KPIs) for public safety departments, functional, and individual levels;

- introduce the application of real-time results through active supervision of these functions and of the workforce;

- develop a formal program of quality control practices and assurance standards for evaluating both operational and supporting administrative functions;

- conduct ongoing analysis and reporting of performance outcomes and levels, to include quarterly and retrospective reviews (the development and production of weekly, monthly, and annual status reports summarizing the updated status of key performance indicators, staffing patterns, operational and training accomplishments);

- develop formal linkages for feeding lessons learned into the design and revision of new hire preparatory training and ongoing learning programs; and

- develop a well-defined process that can be consistently applied for recognizing effective and correcting suboptimal performance (complaint tracking log, Internet customer satisfaction survey, etc.).

RECOMMENDATION

Recommendation 8-4:

Develop a Performance Measurement and Accountability Program.

Possible obstacles or barriers to implementation of this recommendation may be that the introduction of a well-defined program for holding employees, supervisors and leadership accountable for performance may be perceived as an attempt to provide negative feedback to the workforce. This perception can be mitigated by building a program where all public safety employees are held accountable, not line staff exclusively. If the program focuses on 'what counts' and is not perceived to be trivial, buy-in is more likely across the workforce. Employees need to be informed as to how their dedicated work contributes to the success of the organization.

A summary of action steps include:

- build the dashboard of KPIs;

- develop performance reporting;

- define process for sharing performance feedback;

- implement a Quality Assurance and Quality Control Program (i.e., identify best practices); and

- initiate active supervision.

FISCAL IMPACT

This recommendation can be implemented within existing resources, but will require focused staff time.

8.5   *PROJECT MANAGEMENT PROTOCOLS*

The use of personnel and funding to complete various projects is a normal component of public safety operations. However, the successful implementation of projects requires that professional project management protocols be followed. This action includes clearly defining the goals and objectives of the project; identifying and objectively evaluating the pros and cons of the project; due diligence regarding cost benefit analysis and cost justification research; objective assessment and impact of existing projects; availability of knowledgeable personnel to complete the project; political, operational and environmental conditions; and establishing performance metrics to determine if the project was a success or failure. To not follow professional project management protocols can result in an unnecessary waste of FTE time and funding.

FINDING

While the public safety departments have had honest intentions to enhance their work product and services via projects, there appears to be a significant deficit in following project management protocols and industry best practices. This has had a negative impact on current operations, assignments, personnel, and funding.

There are no project plans for the following three examples:

1. **Code Red Notification System** – Duplin County Government purchased an outstanding emergency notification and reverse 911 system. However, there are no policies, procedures and business processes concerning the support and operation of this system. Numerous problems were identified in the management and operation of Code Red. A committee needs to be formed involving all stakeholders of the Code Red system to develop a countywide operational plan, policies, procedures, as well as training curricula.

2. **Emergency Medical Dispatching (EMD)** – EMD is a process in which E-911 call takers provide pre-arrival instructions to persons calling 911 concerning a life threatening medical emergency. EMD protocols are nationally accepted standards created to save lives. The cost impact is that EMD protocols require EMD certified dispatchers to stay on the telephone line with citizens who have called 911 with a medical emergency until public safety resources have arrived at the incident location.

   EMD protocols are often a time consuming process that essentially dedicates a call taker to only the EMS/EMD activity for a period of time. The dispatcher is unable to answer

additional 911 calls for help, respond to public safety radio traffic, or direct fire resources during the EMD event. While it is appropriate for the Emergency Services Division to research EMD, it is clear an executive decision was made that the E-911/Emergency Communications Center (ECC) was going to implement EMD without the development of a project plan. Subsequently, Duplin County Government funded the Communications Director and two shift supervisors to attend an out-of-county EMD certification course.

However, our analysis revealed that, given the tremendous priority and non-priority workload of the Communications Center, the configuration of personnel acting as both call taker and radio dispatcher, separate and inconsistent public safety business processes, combined with the number of on-duty personnel; it does not appear that EMD could be successfully implemented as stated in our interviews with Emergency Service personnel. It is our recommendation that no further funds be expended on EMD until an objective project plan and analysis are completed.

3. **New E-911/Emergency Communications Center** – A new Communications Center is being constructed at the Emergency Services building. At the same time, the County's Position Lifeline 100 E-911 system is being upgraded. Both tasks alone are significant and, in this case, there is a plan to implement both moves at the same time. There is no project plan for this operation which carries serious risk, since the E-911/Emergency Communications Center is the sole communications center for all county, city. and volunteer public safety departments.

   Our interviews revealed that public safety stakeholders had not been in involved in the planning nor in a decision-making process concerning key dates in the operation. Additionally, some important milestone dates appear to be selected in an arbitrary manner, and not through the identification of dependencies, tasks, schedules and personnel availability.

RECOMMENDATION

Recommendation 8-5:

Implement professional project management protocols.

The major reason for this recommendation is to rectify the poor management decisions that have been made as noted in the three examples cited above in the finding.

Duplin County Government may obtain assistance from numerous professional public safety and government organizations—such as the Project Management Institute (PMI), National Fire Academy (NFA), National Sheriff's Association, International Association of Chiefs of Police (IACP), state institutions and other entities.

FISCAL IMPACT

This recommendation can be implemented within existing resources, but will require focused staff time.

8.6   PUBLIC SAFETY PROCUREMENT PROCESS

Best business practices mandate a cost benefit analysis and formal procurement process for major expenditures, such as infrastructure, personnel, vehicles and equipment. Objective research in the form of a cost benefit analysis, cost justification, and Return on Investment demonstrate the positive and negative impacts of the requested purchase.

Formal policies and procedures are required in the procurement process to eliminate bias and subjectivity. Professional business practices attempt to remove human nature from the purchasing equation. For example, an advocate of a specific purchase request may not advertise all potential costs and risks associated with the project. Bringing attention to unforeseen costs and potential causes for failure may seem counterintuitive to an advocate of a purchase request, yet it is imperative that the total costs and risks must be known by all decision makers involved in the process.

Formal processes also identify total recurring costs of a purchase (i.e., mandatory annual maintenance, impacts of costs such as staffing time required to implement the project, specialized training needed for staff, external expertise required, equipment, and related costs).

Major expenditures should demonstrate the Return on Investment (ROI) for the expenditure in the form of performance metrics. All public safety work activity and services provided are measurable. An ROI includes an objective estimation of how the purchase and/or project will improve the organization in a precise manner. Policies and procedures should be developed that will ensure the identified areas for improvement are accurately measured and will be used to demonstrate the success or failure of the project if approved.

FINDING

A review of documentation provided and interviews with personnel revealed that there is no formal cost benefit analysis and procurement policy in place to ensure objective expenditure decisions.

Two examples will be used for this report—the purchase of EMS apparatus and the Sheriff's Office patrol vehicles. The objective of these examples is not to support or oppose the decision made. The objective of using these two examples is to provide clarity on best business practices concerning a major expenditure or decision to not expend funds.

Public Safety Vehicle Purchasing Process

EMS is currently resolving problems associated with the purchase of specific types of ambulances. While the ambulances were purchased by previous EMS management, it appears no formal policy exists concerning this type of procurement to ensure due diligence is completed. For example, a high-level view of formal objective documentation for a purchase of this magnitude would include:

- Needs Assessment – Clearly defined objectives the purchase of a ambulance will accomplish. As defined in the Fire Chief's Handbook (sixth edition) by Fire Engineering:

- *What will be the primary function of the new vehicle?*

- *What other functions will the apparatus need to function?*

- *What physical characteristics or restrictions are critical for the new vehicle?*

- *What features are preferred but are not necessarily required for the new vehicle?*

- *How many persons will the apparatus normally need to carry and how many persons will it need to carry as a maximum?*

- *Are there special operating conditions that the vehicle must meet?*

- *Are there special requirements for carrying equipment or powering equipment?*

- *What is the project activity level of the vehicle?*

- *What persons will be operating the apparatus?*

- *How much funding is available for the purchase of the apparatus?*

- Workload analysis – Precise examples of calls for service the ambulance would be used in a primary or secondary capacity:

  - historical workload analysis related to the Needs Assessment; and

  - projected workload of the ambulance utilizing historical workload analysis in addition to future growth and risk implications.

- Performance metrics – Metrics that will be used to demonstrate the ambulance is meeting the desired objectives. The metrics should use historical data plus new processes as applicable to accurately measure the effectiveness of an ambulance into the EMS Department's inventory.

- Collaboration assessment – Identify number, type and capacity of ambulances used by the surrounding EMS departments and the utilization of mutual aid agreements and/or shared costs. Document if the area has an adequate number of ambulances compared to workload and response time.

- Proposed policies and procedures to utilize an ambulance – Identify how the ambulance will be implemented by the Duplin County Government EMS Department along with changes in current processes that will be required because of the inclusion of this type of apparatus.

- National Fire Protection Association (NFPA) 1901 Standard for Automotive EMS/Fire Apparatus requirements – Minimum Specification Requirements.

- Estimated total costs of a ambulance:

  –   cost of ambulance, delivery and configuration;

  –   cost of equipment required for a ambulance if not included in the purchase cost;

  –   estimated annual cost to operate a ambulance (i.e., fuel, maintenance);

  –   cost and FTE hour impact on city fleet department for training and equipment required to make a ambulance operational and for annual maintenance;

  –   annual maintenance fee to ambulance vendor;

  –   estimated time ambulance will be out of service annually for maintenance;

  –   estimated life-cycle of a ambulance; and

  –   insurance cost.

- Location costs – Identify EMS station (strategic location based on anticipated workload) an ambulance would respond from.

- Associated costs:

  –   minimum number of EMS Full-Time Employee (FTE) staff required to operate the apparatus;

  –   minimum number of Full Time Employee (FTE) staff required to ensure the apparatus is operational on a 24/7 basis;

  –   estimated minimum training time (FTE hours) required to ensure proficiency of EMS department personnel who will operate the apparatus;

  –   FTE reclassification – Identify any FTE positions that may require reclassification (i.e., increase in salary) due to specialized training; and

  –   redundancy and succession plan to ensure if an individual FTE leaves the EMS department, the operation of the apparatus is maintained.

- Implications of the new apparatus (if any).

- Risk Assessment – Identify all risks and impacts associated with this project.

- Project schedule – Project manager, project task list and project schedule to full implementation.

- Procurement process – Formal protocols are followed.

Some of the same protocols apply to the purchase of law enforcement vehicles. During our interviews, we learned of a discussion concerning the decision of the Sheriff's Office to purchase Dodge Chargers versus Ford Crown Victoria vehicles. The Sheriff's Office personnel believed

the Dodge Chargers were better suited for their work environment while some comments were made by fleet personnel that the Chargers were more expensive to maintain. The Sheriff's Office could produce no cost benefit analysis documentation concerning the decision to purchase Dodge Chargers. Additionally, it was learned that fleet personnel were not involved in the decision-making process (also see **Section 9.3** in **Chapter 9**).

RECOMMENDATION

Recommendation 8-6:

Implement a formal procurement and cost benefit analysis process to be used prior to major purchases.

It is the responsibility of government officials to ensure that taxpayers dollars are expended as efficiently and effectively as possible. As the steward of tax generated revenue, it is mandatory that government officials ensure that the best business practices are employed to obtain the highest Return on Investment and value for funds expended.

Formal procurement and cost benefit analysis policies and procedures should ensure Duplin County Government personnel abide by the established guidelines. The expenditure of funds should be a clean and transparent process with all facts known to personnel in the decision-making process. The removal of bias, subjectivity, and emotion from the procurement process leads to improved decisions. The Duplin County Government and its citizens will benefit from business decisions based on objective, accurate, and relevant information.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

8.7 *E-911/EMERGENCY COMMUNICATIONS CENTER GOVERNANCE*

The Duplin County E-911/Emergency Communications Center (ECC) is the primary public safety answering point (PSAP) and dispatches all EMS, law enforcement, and fire services for Duplin County. The ECC is responsible for monitoring and responding to a wide spectrum of inputs, including:

- E-911and alarm system telephone lines;
- administrative telephone lines;
- five mission critical public safety radio channels; and
- walk in traffic.

A Public Safety Dispatch Center should be considered a "life critical" operation, which requires a higher standard than a mission critical operation. Public safety dispatch center personnel are responsible for ensuring E-911 telephone calls for help from citizens are answered immediately, and the correct action is taken. Additionally, dispatchers are also the lifeline for all public safety personnel who communicate with the ECC via the 800 MHz VIPER and VHF radio systems. A

public safety communications center requires well-developed, clear, concise, and professional business processes to operate at maximum efficiency and effectiveness.

FINDING

An examination of the Dispatch Center, the variety of tasks assigned to Dispatch Center personnel, Dispatch Center staffing levels, and analysis of the workload identified a severe problem that requires immediate attention and resolution. The Dispatch Center has clearly become a central facility for a host of activities that are not related to the dispatching of public safety personnel. The intent of these assignments was an attempt to maximize available resources. Utilizing resources at optimum capacity should always be a primary objective unless the optimization may reduce the quality of the work product for life and mission critical operations.

Numerous examples were provided that demonstrate cross-purposes that can have a severe negative impact on public safety operations. A high-level overview for what Dispatcher Center personnel are responsible includes:

- E-911 EMS, law enforcement, and fire emergency telephone calls;

- public safety radio activity;

- Sheriff's Office and various county departments administrative telephone number service; and

- database queries and entries.

The E-911/Emergency Communications Center requires a redesign of operations, prioritized assignments, and the implementation of new policy and procedures prior to identifying any staffing deficiencies or surplus.

Nationwide, it is a common occurrence for public safety agencies to have difficulty maintaining reliable Dispatch Centers. Staffing levels of a paradigm that may be involved is the perception that public safety dispatchers are not skilled employees, but are an entry-level position. To be clear, public safety dispatchers require a great deal of operational and technological skills to successfully complete their assignment. Not answering a 911 medical emergency telephone call, mishandling a 911 emergency call, or missing EMS, law enforcement or fire radio traffic for help can have grave consequences. Agencies have improved salaries and benefits to recruit applicants and implemented a variety of programs to retain dispatch employees.

Documentation demonstrated that 12 public safety dispatchers have resigned from employment from 2007 to date. There are multiple negative cost impacts in being unable to retain trained proficient employees:

- the original Return on Investment for training the employee is lost, institutional knowledge gained from working in the Dispatch Center is lost;

- an increase in monetary cost to operate the Dispatch Center if overtime is required to supplement the vacant position;

- a decrease in Dispatch Center employee morale due to the strain of the added workload; and

- the new cost of advertising, hiring and training a new Dispatch Center employee.

It was clear through our observations, analysis of data and interviews of personnel that there is no single entity governing the multi-agency Communications Center. The lack of governance has resulted in a host of mission critical problems including:

- multiple disparate and inconsistent business processes practiced by the individual public safety departments;

- everchanging rules, protocols and instructions by individual public safety departments that have a direct negative impact on the ability of the Communications Center to perform in an efficient and effective manner;

- individual public safety departments making decisions in silos without Communications Center input that negatively impact Communications Center operations;

- complete lack of stability concerning various types of Communications Center operations;

- diverse perspectives by individual public safety agencies concerning their authority over Communications Center operations and personnel; and

- chaotic work environment not conducive to employee recruitment, retention, and well being.

The number, type and degree of problems associated with this issue are voluminous. It should be noted that this problem includes mission, as well as life-critical areas (such as radio system operations and CAD system protocols). The problem is of such magnitude that Communications Center staff should be commended for maintaining some operational effectiveness in a sea of chaos.

Evergreen's analysis also revealed there is a tremendous diverse workload assigned to the Communications Center. Clearly, the Communications Center is the "go to" section to complete administrative, telephone, and after-hours tasks. Many of these assignments have a negative impact on the ability of the Communications Center to complete its primary mission.

RECOMMENDATIONS

Recommendation 8-7:

Develop and immediately implement new rules, policies, and procedures for the E-911/ Emergency Communications throughout Duplin County.

Since the E-911/Emergency Communications Center (ECC) operates as a consolidated Emergency Communications Center (ECC), a Management Oversight Committee (MOC) comprised of executives representing all Duplin County public safety departments should be

formed to immediately develop new rules, policies, and procedures that would affect all public safety agencies.

Because the Emergency Communications Center is a life critical operation, it is our recommendation that the development of an MOC begin immediately. The MOC should establish:

- Primary goals, objectives, assignments and task of the ECC. For example:

    – E-911 operation;

    – radio communication with Public Safety on primary and secondary radio channels and talk groups;

    – non-emergency telephone operation; and

    – Walk-in traffic.

- Governance rules for the ECC to ensure workload creep does not occur (i.e., individual agencies placing a new demand on the ECC without MOC approval).

- Performance metrics to evaluate ECC operations

    – E-911 calls (Workload – Period of year, day of week, time of day); and
    – radio traffic workload.

These actions will establish the basic workload for ECC personnel to perform.

FISCAL IMPACT

This recommendation can be implemented within existing resources, but will require focused staff time.

Recommendation 8-8:

Implement a new Call taker/Dispatcher configuration.

To configure the ECC to operate at maximum efficiency and effectiveness, the MOC must first implement the primary goals, objectives, roles, responsibilities assignments, and tasks of the E-911/ECC. A measurement of its current workload will not provide data for an accurate assessment as the current input/output of the Communications Center operations is not organized, efficient, and in many cases, chaotic.

Post implementation and upon satisfactory proficiency with the new operation protocols, and input/output measurements will determine the options for configuration. Of specific importance is to identify if a separate Call taker and Dispatcher configuration can be implemented during peak workload periods.

As research by the Association of Public Safety Communications Officials (APCO) demonstrates, a Call taker – Dispatcher model provides a more effective Communications Center work product where it can be applied. This methodology will also reveal the pros and cons of transitioning to an Emergency Medical Dispatch (EMD) model.

As previously articulated, a minimum standard of care for Dispatch Center operations should be designed and implemented. Analysis should include prioritization of activities:

- Life Critical – 911 calls, Emergency Medical Dispatching (if implemented), law enforcement and fire radio traffic.

- Mission critical – Administrative telephone line, law enforcement queries, adjustment of EMS/fire resources.

- Administrative – After-hours support services, etc.

Minimum staffing requirements can be estimated through the calculation of historical workload activity and the assignments mandated as necessary to complete. Each assignment will have an impact on the staffing level required to successfully complete Dispatch Center operations. Once an accurate historical workload picture is developed, anticipated future workload should be included in the calculation for short-, intermediate-, and long-term planning. A back-up plan should be developed, including the additional cross training of personnel that may be required to temporarily work in a dispatch position to ensure the designated minimum staffing level is always maintained. For example, as a temporary solution, non-dispatch center personnel may be able to answer the administrative telephone lines while dispatchers focus on life critical operations.

Analysis may also determine cost efficient non-public safety solutions of handling after-hours services. For example, the transfer of the Sheriff's Office telephone calls into the Communications Center causes an extreme workload on Communications Center staff because the Sheriff's Office (and other county departments) do not employ voice mail on their telephone systems. A cost benefit analysis examining all factors concerning this issue should be completed.

An area-wide analysis of public safety dispatch center salaries, benefits, incentive programs (if applicable), training, and retention periods should be conducted. Previous to a long-term solution being developed and implemented, temporary solutions (such as overhiring dispatch center positions) should be discussed. A staffing analysis will also identify positive and negative aspects of the current processes to attract, hire, train and retain dispatch employees.

FISCAL IMPACT

A Dispatch Center minimum staffing analysis initiative will determine whether additional staff is required or costs need to be incurred depending upon the policy decisions made concerning Dispatcher Center assignments. Fiscal impacts could be additional overtime for dispatch and non-dispatch personnel, over hiring staff, increase in salary and benefits, and increase in the number of dispatch center FTE positions.

Recommendation 8-9:

Develop and implement new policies and procedures to operate and manage the radio system.

The MOC should establish a project team to identify all issues related to the public safety radio systems. The project team would be responsible for reviewing and making recommendation concerning:

- Radio system coverage (i.e., dead spot problem locations)
- Radio system operations – Policy, procedures, protocols and training
- Radio system maintenance – Regularly scheduled maintenance and reporting of problems
- 800 MHz Plan – Requirements (if applicable) to bring the Volunteer Fire Departments and all city law enforcement onto the VIPER system

In public safety, the radio system is the most important type of equipment and technology used to protect the safety of citizens; save lives; prevent property damage; maintain order; deploy EMS, law enforcement, and fire resources; and ensure the safety of police and fire personnel. An adequate radio system is a mandatory requirement to ensure public safety personnel can properly communicate during all events from emergency situations to non-emergency operational activities.

An abundance of research has been conducted and published mandating effective and interoperable radio communications systems for federal, state and local public safety organizations. After action reports of September 11, 2001 and other tragic events demonstrate the catastrophic consequences if public safety personnel cannot adequately communicate via a radio system. Interoperable radio communications is an integral component of the National Incident Management System (NIMS).

Our interviews revealed there is controversy concerning the migration of Duplin County EMS and the Sheriff's Office away from the VHF radio system to the VIPER 800 MHz radio system. While the cause of the controversy is beyond the scope of this project, the end result is a lack of radio system interoperability, non-effective and inconsistent business processes, instances of poor and missed communication, and other problems.

The radio system is the core tool by which public safety personnel communicate with each other and the Communications Center. Therefore, the design, implementation, operations and management of the radio system should be a top priority for public safety executives.

Interviews and documentation with public safety personnel revealed a serious problem with the 800 MHz VIPER radio system. Various personnel had strong documentation concerning four specific problem areas:

- **Lack of Ownership** – It was unclear who had specific ownership and was responsible for the effective operations of the VIPER radio system.

- **Geographic Dead Spots** – Public safety personnel are unable to transmit or receive with their portable and/or mobile radios in identified areas in Duplin County.

- **Inability to Communicate/Busy Signals** – It is a common occurrence for public safety personnel to be unable to transmit or receive due to radio activity by surrounding public safety agencies that overload the 800 MHz radio system.

- **Inconsistent Radio Operations** – Individual public safety departments operate on the VIPER radio system in a diverse and non-effective manner.

The potential life-threatening seriousness of this issue cannot be over emphasized and requires immediate attention.

FISCAL IMPACT

There is no fiscal impact to improvements in operational effectiveness, business processes and protocols. A fiscal impact to the known geographic radio system dead spots cannot be determined at this time as the cause and solution (if any) to the problem is unknown. Intricacies of the VIPER contract also make cost estimations impossible.

8.8   *EMERGENCY MEDICAL SERVICES*

Duplin County Emergency Medical Services (EMS) is comprised of 69 full-time employees (FTE) and 43 part-time positions. The FTE positions are:

- Administration (2);
- Billing (3);
- Shift Supervisors (4);
- EMT/Paramedics (60); and
- Part-time personnel supplement FTE staff.

Duplin EMS provides coverage for Duplin County's 816 square miles by staffing eight ambulances at separate geographic locations. Each ambulance is operated by a two-person EMT/Paramedic Team who works a 24-hour (off 48-hour) schedule. EMS shift supervisors and administrative staff provide additional response capability via their Quick Response Vehicles (QRV). Additionally, emergency medical services in Duplin County are supplemented by some of the 20 Volunteer Fire Departments depending upon the type of call for service.

EMS ambulances are deployed at the following station locations:

1. Warsaw
2. Wallace
3. Chiquapin
4. Faison
5. Beaulaville
6. Pleasant Grove
7. Rose Hill
8. Kenansville

The Kenansville unit is not online from 7:00 p.m. to 7:00 a.m.

As previously documented, various issues from lack of protocols and procedures to deficiencies in the technology currently employed prevent a thorough objective and accurate assessment of EMS workload statistics. That said, EMS staff did provide some statistical and anecdotal information that was used in the analysis for this report.

For 2008, EMS responded to approximately 8,000 calls for service (CFS). The CFS distribution by Medical Unit (ambulance) from greatest to least is provided in the following order:

- Warsaw
- Wallace
- Rose Hill
- Kenansville
- Beaulaville
- Faison
- Chiquapin
- Pleasant Grove

The CFS distribution workload by Medical Unit clearly shows Station 1 (Warsaw) and Station 2 (Wallace) as the most active locations with Station 7 (Rose Hill) a close third. Station 5 (Beaulaville), Station 8 (Kenansville), Station 4 (Faison) and Station 3 Chiquapin) comprise the middle CFS distribution that order. Station 6 (Pleasant Grove) is by far the least active Medical Unit.

The statistical information provided indicated that Medical Units transport patients to hospitals in the 30 percent to 40 percent range. Duplin EMS uses 11 hospitals in the Duplin County area.

Our analysis followed the National Highway Traffic Safety Administration (NHTSA) recommended process for EMS system evaluation. NHTSA is one of the federal government primary agencies that has EMS oversight. The NHTSA identifies 10 essential components:

- regulation and policy;
- resource management;
- human resources and training;
- transportation;
- facilities;
- communications;
- public information and education;
- medical direction;
- trauma systems; and
- evaluation.

The appropriate implementation of Emergency Medical Services is not only important to the community, but it is also a complex assignment. More than law enforcement and fire services, EMS has an integral role in a wide spectrum of services delivered to the community.

As stated in the National Academies' *Emergency Medical Services: At the Crossroad (Committee on the Future of Emergency Care in the United States Health System):*

> *EMS operates at the intersection of health care, public health, and public safety and therefore has overlapping responsibilities...*

Exhibit 8-3 shows Duplin County and peer counties for EMS Services with comparisons to employee equivalents.

Exhibit 8-3
Residents per Emergency Medical Services EMS Full-Time Employee
Duplin County and Peer County Comparisons

Duplin and Peer Counties	County Residents	Emergency Medical Services	
		Number of Employees	Residents per EMS FTE
Sampson County	61,768	31	1992.5
Duplin County	53,640	66	812.7
Lenoir County	58,172	40	1454.3
Columbus County*	55,000	0	N/A
Bladen County	30,800	36	855.6
Average	**51,876**	**173**	**1181.4**

Source: Created by Evergreen with data provided by each county EMS agency for paramedic, intermediate and EMT FTE positions
Note: EMS departments vary on the type of emergency and non-emergency services they provide.
*Columbus County contracts out all EMS services.

8.8.1   *EMS Allocation and Deployment Of Resources*

One of the most important metrics concerning life threatening medical emergencies is response time. In 2003, *USA Today* completed an 18-month study of EMS in the United States. The research and subsequent article, "*Six Minutes to Live or Die – The price of just a few seconds lost: People Die*," clearly demonstrates the need for fast medical attention. Unfortunately, there are no national standards for EMS response times. As previously stated, each community establishes its own unique standard and objectives.

For situations such as a cardiac arrest or a victim that is not breathing, research shows six minutes as the critical time period in which cardiopulmonary resuscitation (CPR) and other medical actions should be taken. As stated in the *USA Today* article regarding cardiac arrest patients:

> *New research from the Mayo Clinic shows that this type of patient, one whose heart has short-circuited and has been thrown into chaotic condition known as ventricular fibrillation, has six minutes to live. A shock within that time usually will restore the heart's rhythm. Even if the victim goes an additional minute without a normal heartbeat, he can still survive if paramedics restore his breathing and administer key drugs, such as adrenaline.*

FINDING

Research demonstrates public safety departments could realize improved response times and services delivered through System Status Management (SSM). SSM is precisely allocating limited resources based on accurate data to meet a fluctuating demand. Research has demonstrated that public safety services can be improved at a reduced cost through the analysis of cyclical patterns of volume, type of activity, and geographic demands matched with a time element. Some personnel may be resistant to SSM protocols as the procedure may stage an ambulance away from the medical unit's housing (i.e., apartment, office, etc.) for a period of time. While medical unit housing should be located in key geographical areas, the location of the housing will not always be the best strategic and tactical location for EMS resources to be staged. Duplin EMS does not employ any SSM protocols.

Interviews and documentation provided demonstrate that the current assignment of ambulances is not entirely based on EMS workload and response time data. It is clear that non-performance based factors are involved in the number and distribution of EMS ambulances including political influence.

Rural communities with a large geographical area to cover (such as Duplin County) require a team approach and strategy to improve response times. Clearly, it would be cost prohibitive and virtually impossible to stage an ambulance within a six-minute range of all areas of Duplin County.

The goal is to create an environment in which there are numerous ways in which CPR and basic first aid procedures can be introduced to a patient as fast as possible. For example:

- community campaign to train citizens in CPR;

- private business and government employee campaign to learn CPR;

- campaign to acquire Automated External Defibrillator (AED) devices in:

    – strategically located buildings and key locations
    – law enforcement, fire department and other government vehicles
    – private businesses and vehicles;

- Volunteer Fire Department and Rescue Squads; and

- public utilization of a quick and effective E-911 network and public safety communications.

The community strategy still requires a fast professional EMS response to provide Advanced Life Support (ALS) treatment.

As previously stated, the lack of time management protocols and deficiency in response time and workload data prohibit accurate conclusions regarding the allocation and deployment of EMS personnel. Currently, there are no protocols for areas such as:

- out of chute time – The amount of time it takes an ambulance to be enroute to the scene once notified by the Communications Center of a call for service;

- precise protocols for which of the 11 regional hospitals to use (Note: There are specific protocols for four types of medical emergencies);

- the amount of time EMS personnel spend in an emergency department upon delivery of a patient; and

- the amount of time it takes EMS personnel to travel back to their assigned location.

That said, the necessary information required to make objective data-driven decisions is obtainable by Duplin EMS.

Interviews and documentation revealed a discussion and high-level proposal concerning the introduction of singularly staffed Quick Response Vehicles (QRV). A QRV program assigns a single paramedic to key areas of the County. The objective of a QRV program is to provide increased countywide coverage by dividing a two-person single ambulance team (current ambulance configuration) into two separate vehicles (QRVs). While the information provided was high-level at best, our analysis absolutely agrees with the concept that Duplin County could possibly obtain many benefits from the implementation of a well-developed QRV Program.

Some of the possible benefits of a QRV Program are:

- improved countywide EMS/ALS coverage;
- improved EMS/ALS response time to life-threatening medical emergencies;
- decrease in total FTE staff required for different time frames; and
- decrease in vehicle costs, fuel and maintenance.

Transport ambulances and two-person teams are still required and an important part of the EMS formula. The objective is to find the appropriate balance between ambulances and QRVs. While a precise statistic could not be obtained for the aforementioned reasons, it appears that Duplin EMS transports a patient on approximately 60 to 65 percent of all calls for service. Of this number, it is estimated that 60 percent of the patients transported are brought to Duplin General Hospital. These statistics shows that it is possible for a single QRV (one FTE versus two FTEs) to manage a significant percentage (i.e., non-transport) of EMS calls for service.

It should be noted that many QRV programs are focused on potential for workload in a geographic area depending upon the period of year (i.e., winter, spring, summer and fall), day of week; and time of day; 24-hour schedules may not be conducive to a QRV program. Therefore, staff assigned to a QRV may be required to work an uncommon schedule (such as four ten-hour shifts or five eight-hour shifts).

RECOMMENDATION

Recommendation 8-10:

Complete an objective workload analysis for Quick Response Vehicles (QRV) and System Status Management (SSM) programs.

Time management protocols and performance metrics such as the following should be implemented to obtain the appropriate data for QRV and SSM analysis:

- E-911/Dispatch center: time of call receipt and dispatch;
- enroute (Turn out - wheels rolling time);
- response time to scene;
- response time to the patient;
- scene time;
- transport time;
- back-in-service time;
- dispatch center delays;
- response time delays;
- scene time delays;
- transport time delays;
- turn-around time delays; and
- frequency of Emergency Department off-load delays.

All areas that consume time should be examined. For example, the lack of a protocol concerning the resupply of ambulances has a direct impact on EMS time management and unit response time. All EMS units must be restocked at Med Station 8 in Kenansville. This methodology requires an extensive amount of EMS unit travel and may have a negative impact on coverage and response times. Interviews revealed the decision to store equipment in a single location was a result of inventory loss when equipment was stored at each Med Station. Inventory management protocols and enforcement can be implemented to prevent unnecessary travel when applicable.

Finally, it should be noted that the North Carolina EMS Office has an outstanding array of data analysis tool kits available online. The system includes comparison reports with like jurisdictions by population, geography and workload. While Duplin EMS submits data to this statewide database, they were unable to provide any statistical reports at the time of this report.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

8.8.2   *EMS Apparatus*

A critical factor directly related to the allocation and deployment of EMS personnel is the geographical assignment of on-duty EMS apparatus. Public safety managers must constantly evaluate information regarding the geographical deployment of resources. This includes:

- current workload
  - type of activity
  - expected duration of activity for each resource;

- location of workload;
- coverage gaps created by current workload;
- anticipated workload (historical data and experience); and
- resources available.

In essence, Duplin County is a large chess board and EMS managers must move their resources around the chess board to provide adequate coverage as the information dictates.

FINDING

Duplin EMS essentially uses the same assignment configuration no matter what period of year, day of week and time of day. (Note: Med Unit 8, Kenansville, is operational from 7:00 a.m. to 7:00 p.m.). Duplin County EMS has no formal protocols nor instruction regarding the move-up and staging of EMS resources. Interviews determined each shift supervisor essentially operates in a different manner. This inconsistency in EMS resource management is contrary to the effective and efficient utilization of EMS resources.

Additionally, several situations were observed in which the decision to not move-up, stage or utilize EMS resources had potentially dangerous consequences. Analysis of CAD data revealed some critical workloads periods in which the re-assignment of EMS resources was not completed.

The "staging" of public safety resources identifies a specific location that public safety resources will be stationed at for a period of time to respond to a clearly defined geographic region. The objective is to provide appropriate coverage while also balancing expected workload demand. As resources are assigned calls for service, EMS management must transition or "move up" available resources to strategic geographic locations in an effort to maintain the coverage balance.

In one case, an ambulance that was staged at a high school football game (not actively working a call for service) did not respond to a life-threatening medical emergency even though it was clearly the closest available EMS unit. Interviews revealed differing opinions regarding the assignment of closest available units. Using this example, simultaneous orders should have assigned the high school football game unit (closest available EMS resource) to the life-threatening medical emergency, and another EMS unit to replace the responding EMS unit at the high school football stadium.

RECOMMENDATION

Recommendation 8-11:

Implement staging, move-up, and closest available unit protocols for EMS.

Using historical workload data and collective experience develop and implement new policies and procedures to more effectively utilize EMS resources. As stated throughout the report, a focus is required on operational efficiency and effectiveness as this will have a direct positive impact on fiscal responsibility, work products, and services delivered (i.e., appropriate utilization of resources, improved response times, improved EMS coverage, etc.). The use of public safety

resources is a dynamic process. Utilizing EMS Department policies and procedures, EMS managers should allocate and deploy their personnel as required (i.e. period of year, day of week, time of day, current workload, anticipated workload, etc.).

FISCAL IMPACT

This recommendation can be implemented within existing resources, but will require focused staff time.

8.8.3   *Medical Policies and Procedures*

To save lives, EMS personnel must have excellent knowledge, skills, and abilities to perform precise medical procedures. Medical knowledge, science and technology are constantly evolving at an exponential rate. EMS personnel must constantly train to maintain certain skills and learn new life-saving procedures.

FINDING

Interviews and documentation provided demonstrated that Duplin County's Emergency Medical Services (EMS) has an outstanding medical training program, and EMS personnel are comfortable with their knowledge, skills and abilities. Without exception, all EMS personnel interviewed praised the training they received and the Duplin EMS Medical Director.

COMMENDATION

Emergency Medical Services (EMS) in Duplin County is commended for its excellent attention to medical protocols, proficiency, and training program.

8.8.4   *Operational Policies and Procedures*

Exactly the same as medical protocols and training, EMS personnel must have operational policies, procedures and training to operate in a professional and effective manner.   Operational policies and procedures provide clear direction and guidelines regarding how EMS personnel will conduct all business processes. Operational policies and procedures ensure the EMS division is functioning as designed (i.e., providing quality services) and that the actions by all EMS personnel are consistent with EMS division directives. Finally, operational policies and procedures provide a foundation for which employees can be accurately and objectively evaluated and held accountable.

FINDING

Interviews and documentation provided demonstrate that Duplin EMS is in a transitional state regarding operational policies, procedures, and training. While some new policies and procedures are currently being developed or near implementation, there are some key areas that require immediate attention. Four examples are provided below:

- **Emergency Response Mode** – Interviews revealed that Duplin EMS ambulances travel in emergency mode (lights and siren) to all calls for service except a Fire Department standby. Traveling in emergency mode to non-life threatening medical emergencies is contrary to the national standard and EMS industry best practices. Emergency mode operation is reserved for life-threatening medical emergencies due to the increased risks and costs associated with operating a vehicle outside the normal rules of the road. Risks and costs include increased risk of injury to citizens and EMS personnel as a result of a traffic crash, increased liability of local government agency via litigation if a crash occurs, increased liability of EMS personnel, and increased "wear and tear" on ambulance and fuel costs.

  North Carolina Statute 20-145 states:

  The speed limitations set forth in this Article shall not apply to vehicles when operated with due regard to safety…public and private ambulances and rescue squad emergency services vehicles when traveling in emergencies…This exemption shall not, however protect the driver of any such vehicle from the consequence of a reckless disregard of the safety of others.

- **Supply and Inventory Management** – There is no protocol that mandates the precise number of inventory supplies that should be on each ambulance. Personnel staffing the ambulances have different perspectives concerning inventory therefore some ambulances may be overstocked which is not an efficient and effective utilization of equipment.

- **Medical Helicopter Operations** – There is no clear policy concerning the utilization of an emergency medical helicopter. Interviews revealed differing opinions among E-911/Communications Center, EMS and law enforcement personnel.

- **Medical Lift Assist** – Interviews with the local Volunteer Fire Department chiefs demonstrated there was significant controversy and confusion concerning EMS lift assist policy and procedures. While EMS does have a written policy, it is clear that the implementation of the policy is less than successful, and requires immediate attention.

RECOMMENDATION

Recommendation 8-12:

Implement operational procedures.

Operational procedures ensure all personnel are performing at maximum efficiency and effectiveness. It is imperative that EMS staff are working as a team and implementing procedures uniformly. Collaboration among all relevant stakeholders is required to develop appropriate protocols. Policies, procedures and training curricula developed in isolation (i.e., silos) will not have a net positive impact on EMS services. Additionally, personnel must be trained concerning new protocols to ensure there is no confusion. As previously stated, EMS personnel demonstrated that this area was in various stages of progress.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

8.9   *SHERIFF'S OFFICE AND JAIL*

The Duplin County Sheriff's Office is comprised of three divisions:

1. Investigations – Captain

    a. Criminal – 1 Lieutenant and 7 Detectives
    b. Narcotics – 1 Lieutenant and 5 Detectives

2. Uniform – Captain

    a. Uniform Patrol – 1 Lieutenant, 4 sergeants and 16 deputies

        i. Gang – 2 Detectives
        ii. Training – 1 Deputy

    b. DICE –1 lieutenant and 4 deputies
    c. Civil – 1 Lieutenant, 1 Sergeant and 5 Deputies
    d. SRO – 1 Lieutenant, 2 Sergeants and 7 Deputies

3. Jail – Captain

    a. Jail – 1 Lieutenant, 1 Sergeant and 14 Jailors
    b. Bailiff – 1 Lieutenant, 1 Sergeant and 5 Deputies

The Sheriff's Office divides the county into four zones for Uniform Patrol operations. Additionally, the Sheriff's Office is contracted for law enforcement services by the cities of Faison and Calypso. Uniform Patrol personnel work 12-hour shifts.

The Sheriff Office's CAD incidents demonstrate a slight decline from 2007 (32,970) to 2008 (30,263). However, as previously mentioned, the lack of protocols and deficiencies with the CAD system prevent any conclusions from being made from these statistics. It is completely possible that if uniform protocols were implemented and adhered to, the Sheriff's Office could have had an increase in total CAD incident activity.

As with most law enforcement agencies nationwide, the Sheriff's Office in Duplin County has endured moderate increases and decreases over the past five years in Uniform Crime Report categories (**Exhibit 8-4**). While the murder rate has significantly increased, the cause of the increase is beyond the scope of this report.

Exhibit 8-4
Duplin County Sheriff's Office
Uniform Crime Report

	2004	2005	2006	2007	2008
Murder	1	2	3	2	9
Rape	6	3	3	7	8
Robbery	13	8	16	21	15
Aggravated Assault	117	98	115	107	88
Burglary	514	465	452	507	573
Larceny	406	258	363	944	539
Motor Vehicle Theft	67	86	79	124	119

Source: Duplin County Sheriff's Office, 2009.

Exhibit 8-5 shows the Duplin County and peer county comparisons for the Sheriff's Office.

Exhibit 8-5
Residents per Sheriff's Office Sworn Full-Time Employee
Duplin County Sheriff's Office and Peer County Comparisons

Duplin and Peer Counties	County Residents	Sheriff's Office	
		Number of Employees	Residents per Sheriff's Office Sworn FTE
Sampson County	61,768	74	834.7
Duplin County	53,640	69	777.4
Lenoir County	58,172	54	1077.3
Columbus County	55,000	58	948.3
Bladen County	30,800	43	716.3
Average	**51,876**	**59.6**	**870.4**

Source: Created by Evergreen with data provided by the North Carolina Sheriff's Education and Training Standards Commission
Note: Sheriff's Offices vary on the type of emergency and non-emergency services they provide.

8.9.1   *DCSO Allocation and Deployment of Resources*

Essentially, the same operational strategies and tactics concerning the allocation of deployment of resources apply to EMS, law enforcement and fire services. This section will not repeat information provided in **Section 8.8.1, EMS Allocation and Deployment of Resources**.

As previously articulated, each community establishes its own public safety standard. Rarely can an apple-to-apple comparison be made of law enforcement agencies since each community standards can vary widely. For example, one jurisdiction may have a strong emphasis and assignment of personnel on traffic enforcement and DUI apprehension while another jurisdiction assigns only nominal staff to traffic enforcement and has a strong focus on School Resource, DARE, and crime prevention programs.

The previously mentioned deficiencies with protocols and data collection in Duplin County make any objective analysis and formal conclusions concerning the Sheriff's Office distribution of personnel extremely difficult.

FINDING

As with EMS, the Sheriff's Office essentially uses the same configuration and assignment of patrol personnel regardless of the period of year (i.e. winter, spring, summer and fall), day of week, and time of day. The same recommendations concerning the appropriate allocation and deployment of personnel and resources for EMS also apply to the Sheriff's Office. Public safety operations are dynamic and the appropriate utilization of personnel to meet both the expected and real-time demand cannot be over emphasized. Additionally, the Sheriff's Office does not employ any time management protocols or performance metrics. The same is true for the Investigations Division. There are no performance metrics that demonstrate personnel are operating at maximum efficiency and achieving the desired goals and objectives.

The public safety community, especially law enforcement, is slowly transitioning from a random patrol methodology to incorporating specific patrol plans to ensure personnel are in the right place at the right time with the right information to take the right action. Research shows little if any benefit from random patrols. This is more evident when the random patrol methodology is examined using a Return on Investment (ROI) model. The business question is: Does the organization receive an ROI from the cost of the FTE (deputy), vehicle (total costs including fuel and maintenance) and the costs of other infrastructure items when the deputy is just randomly driving around?

Clearly the Sheriff's Office workload on a Sunday morning is different than a Friday evening. As with EMS, many factors should be evaluated concerning the deployment of personnel.

RECOMMENDATION

Recommendation 8-13:

Implement time management and performance metric protocols.

Examples for the Uniform Patrol Division are similar to EMS response time metrics:

- Response time to scene

  – Distance traveled

- Amount of time calls for service are holding

  – Type of call for service
  – Number of calls for service
  – Location of holding calls for service

- Current workload
- Available resources
- Calls for service that require a back-up unit

  – Number of back-up personnel on scene/call for service
  – Time of back-up personnel on scene/call for service

It should be noted that an initial assessment of CAD data appears to present a case that a patrol shift of four to five deputies plus one sergeant is understaffed. In the past, the Sheriff's Office has deployed other personnel on key shifts to supplement patrol staffing. It is recommended that the Sheriff's Office reevaluate this methodology for peak workload time periods.

Time management and performance metric examples for investigations include:

- assigned workload;
- solvability factors of assigned cases;
- identified trends, patterns and methods of operation;
- time to complete an assigned case (by crime type category);
- arrests;
- stolen property recovered; and
- contraband seizures.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

8.9.2   *Operational Effectiveness*

As stated in **Section 8.3, Operations Management**, public safety must identify and resolve repeat calls for service that place an undue burden on operations. An example is a residence or business that has a disproportionate number of false alarm calls for service.

FINDING

The Sheriff's Office does not research and resolve frequent activity by location. In 2008, the Sheriff's Office responded to 1,390 burglar alarms plus other types of alarm calls for service. It should also be noted that Duplin County Government does not have a false alarm ordinance which can also have a positive influence in reducing the number of false alarms through the issuance of fines.

Law enforcement must be dispatched to all E-911 hang-ups unless it can be verified by the Communications Center that the calling person is not at risk of being harmed. In 2008, the Sheriff's Office responded to 1,166 E-911 hang-up calls for service. Information determined that E-911 hang-ups have been a constant problem in Duplin County due to the area codes being 919 and 910. The Sheriff's Office has employed no strategies to reduce the number of E-911 hang-ups.

RECOMMENDATION

Recommendation 8-14:

Implement processes to reduce repeat offenders.

The Sheriff's Office should examine workload data to identify and resolve frequent use activity. Analysis should include:

- Identify types of calls for service that may be preventable (i.e., commercial and residential alarms, E-911 hang-up, etc.) and implement programs to reduce the number of these calls for service.

- Identify locations that require constant attention from the Sheriff's Office, and develop a strategy to solve the problem of that location. For example, increased enforcement of criminal, civil and regulatory laws; implement crime prevention strategies, etc.

- Identify persons who create a constant demand on the Sheriff's Office, and develop a strategy to reduce their workload on the agency. For example, apprehension and incarceration, drug addiction and/or mental health counseling, job placement and/or training, etc.).

- Types of criminal investigations that require a follow-up investigation (i.e., clear solvability factors, identified method of operation) versus cases that have no solvability factors and/or leads.

- Department and regional communication and planning concerning career criminals and subjects who cause an increased workload demand on the Sheriff's Office.

FISCAL IMPACT

This recommendation can be implemented within existing resources, but will require some staff time.

8.9.3   *Operational Policies and Procedures*

As previously defined, personnel must have operational policies, procedures and training to operate in a professional and effective manner.

FINDING

Interviews and documentation provided demonstrated that the Sheriff's Office requires improvement for some operational policies, procedures, and training. Three examples are provided:

1. **Cross agency policies and procedures** – The Sheriff's Office should be cognizant of any policies and procedures that may impact another agency. For example, the Sheriff's Office frequently changes ID numbers. The changing of ID numbers has a direct negative impact on the Communications Center which has to update numerous systems. Additionally, because the Sheriff's Office does not employ a permanent unique number for each employee, the changing of ID numbers causes the various systems to be unreliable for any search by employee since numerous employees could have had the same ID number.

2. **Emergency mode operations** – As with EMS, the Sheriff's Office does not have a clear policy concerning the utilization of emergency lights and siren. (Refer to **Section 8.8.4).** Traveling in emergency mode to non-life threatening emergencies is contrary to the national standard and law enforcement industry best practices. North Carolina Statute 20-145 also applies to law enforcement agencies.

3. **DCI System Entry** – The Sheriff's Office trained and certified personnel to enter data (i.e., stolen property, wanted persons) into the DCI system during normal business hours. However, an informal Sheriff's Office custom has evolved into this office using E-911/Communications Center personnel to complete this task. This places an undue work burden on the E-911/Communications Center.

RECOMMENDATION

Recommendation 8-15:

Enhance applicable policies and procedures while also being cognizant of cross-agency impact.

As stated for EMS, a focus is required on operational efficiency and effectiveness as this will have a direct positive impact on fiscal responsibility, work products, and services delivered (i.e., appropriate utilization of resources, improved response times, improved the Sheriff's Office coverage, etc.). The utilization of public safety resources is a dynamic process. Using the Sheriff's Department policies and procedures, the Sheriff's Office managers should allocate and deploy their personnel as required (i.e. period of year, day of week, time of day, current workload, anticipated workload, etc.).

Additionally, the Sheriff's Office should include all relevant internal and external stakeholders during the policy and procedure development process to ensure other county and municipal agencies are not negatively impacted by an office protocol without their cooperation, collaboration, and agreement.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

8.9.4   *Recruitment and Retention*

It is without debate that a law enforcement organization can operate more efficiently (i.e., reduced cost) and effectively (i.e., institutional knowledge) when it recruits quality applicants and retains trained employees. The Sheriff's Office provided high-level documentation that the office lost 13 positions from November 2006 to April 2008 (18 months) due to deficient salaries. An additional nine positions from May 2008 to March 2009 were lost to "other employment."

Recruitment and retention issues are a nationwide problem for virtually all public safety agencies. There is a vast amount of research concerning this issue. For example, one 2006 study

published in *Public Personnel management (Volume 35, No 2), "The Loss of Talent: Why Law Enforcement Officers Resign*" states the following:

> *Police agencies often have a vexing problem with the recruitment and retention of qualified personnel. Human resource management is complex and one of the most difficult aspects of leadership and management in the law enforcement community. It seems that many excellent officers are hired, trained, and subsequently become effective members of the department only to have them resign in favor of other employment. It would be worthwhile for policing agencies to analyze the reasons good staff members resign and then consider local policy or operational changes that may enhance departmental retention.*

To be clear, there is no easy solution to this problem. And while all public safety agencies may suffer from the same signs and symptoms, solutions should be focused on the unique circumstances of each individual agency to have a chance for success.

While salaries and benefits play a key role in solving the recruitment and retention problem, research demonstrates that money is only one of many factors that affect a decision to resign from and agency. As stated in the above article:

> *…This survey examined motivation from the perspective of the equity, expectancy, and job design theories of motivation. The analysis revealed that there were indicators of perceptions of unfair treatment and inadequate reward…*Personnel who went to new positions *anticipated improvements in these factors and for task significance and skill variety…The analysis reveals that there are specific organizational and leadership actions that law enforcement leaders can take to reduce turnover.*

The subject of recruitment and retention should not be minimized. A critical issues study group from the *Major Chief's Association* published a report, *Meeting Law Enforcement's Responsibilities, Solving the Serious Issues of Today*, in which the following statement was made:

> *Recruiting and retaining professionals' compatible for law enforcement duty is quite possibly the most difficult task facing law enforcement today.*

FINDING

Previous to our research, no formal staffing analysis was completed by the Sheriff's Office concerning the precise reasons the office personnel resigned from the agency. Information obtained for this report is anecdotal from the Sheriff's Office. The significant number of personnel leaving the Sheriff's Office demonstrates there is a recruitment and retention issue that requires attention.

Exhibit 8-6 provides a comparison with four counties, and shows the Duplin County Sheriff's Office as having lowest starting salary at $26,270. As previously stated, while monetary compensation is an important factor for recruiting and retaining good personnel, research shows there are many other factors that must also be considered.

Exhibit 8-6
Deputy Sheriff Compensation Comparisons*

Counties	Current Pay Range			% Difference from Average		
	Min	Max	Actual	Min	Max	Actual
Duplin County*	**$32,023**	**$50,498**	**$43,099**	**-22.70%**	**-26.51%**	**-20.04%**
Bladen County	$42,183	$53,433	$53,433	6.85%	-19.56%	N/A
Columbus County	$40,908	$83,712	$45,375	3.95%	23.69%	-14.02%
Lenoir County**	$36,892	$65,100	$60,452	-6.51%	1.87%	14.42%
Sampson County	$44,460	$66,672	$56,328	11.62%	4.18%	8.15%
Average	**$39,293**	**$63,883**	**$51,737**	**-1.36%**	**-3.26%**	**-2.87%**

Source: UNC School of Government, Fall 2008 http://www.sog.unc.edu/pubs/electronicversions/csalindex.htm
*Highest position with available data is Captain
** Highest position with available data is Major

It is important to note that other factors leading to employee resignations are not known in Duplin County.

As revealed by a survey of comparable agencies, many factors impact an employee's decision to resign and relocate. No single factor or pattern could be identified. Factors include:

- salary;
- benefits – health, retirement, family;
- job status and satisfaction;
- opportunity for growth, training, transfer and promotion;
- feeling of importance and ability to "make a difference;"
- organization's culture and environment;
- equitable treatment;
- professional expectations;
- location factors:

  - Cost of living
  - Housing
  - Education
  - Opportunities for employment – family
  - Quality of life
  - Entertainment, recreation and sports;

- generational attitude and expectations – baby boomer, x, y, millennium; and
- other factors.

RECOMMENDATION

Recommendation 8-16:

Implement new recruitment and retention strategies specific to the Sheriff's Office.

It is clear this should be considered a high priority issue for resolution of which there should be multiple strategies employed. While improvement in salary and benefits may have a role in the

overall strategy, a single focus on increases in salary and benefits will not solve the recruitment and retention problem. The Sheriff's Office must ensure that the personnel they wish to recruit and retain are a match with their department's culture and environment in addition to the community's culture and environment.

Factors to consider include:

- opportunity for organizational growth;

- opportunity for training, education, and knowledge(i.e., comprehensive professional enhancement system);

- equitable treatment;

- ability to make autonomous decisions (i.e., problem solving);

- excellent department morale;

- expectation to be treated as a professional and perform a meaningful role in the organization; and

- benefits of the Duplin County community.

Additionally, instead of viewing adjacent agencies as competitors, the Sheriff's Office should partner with the adjacent law enforcement agencies and the statewide network to develop a regional perspective and objective analysis concerning recruitment and retention.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

8.9.4   *Jail Capacity and Staffing*

The Duplin County Jail has a limited capacity to house inmates in a secure manner and ensure all correctional staff are safe.

FINDING

Documentation from the North Carolina Department of Health and Human Services, Jail and Detention Section, shows the following information:

On June 19, 2008 the Jails and Detention Section completed the semi-annual inspection of the Duplin County Jail. Upon completing the inspection, it became very apparent to this section that the Duplin County Jail was struggling to maintain the minimum requirements that are required to be in compliance according to State Law…In the case of the Duplin County Jail it appears that many of the deficiencies that were noted in the inspection were directly related to a staffing pattern that cannot meet the day-to-day needs of the jail.

The Jail and Detention Section imposed a 115-inmate maximum capacity for the Duplin County Jail. Inmates over the 115 maximum capacity are transported to and housed at nearby county jail facilities for $50 per day per inmate. In 2009 alone, Duplin County Government has paid the Pamlico County Detention Facility $22,800 and the Sampson County Detention Facility $312,679.

Statistical information of daily jail population demonstrates the there will be consistent peak and valley periods when the Duplin County Jail is below or exceeds the 115 maximum capacity number, and must export inmates to other county jails. Clearly, this is a high priority for Duplin County Government, and a strategy is required to resolve this issue.

RECOMMENDATION

Recommendation 8-17:

Develop a multi-strategy plan to resolve jail capacity and staffing issues.

Examples of the multi-strategy approach being recommended by Evergreen include the following:

Criminal Justice Coordinating Council (CJCC) – Unfortunately, the pre-trial disposition of inmates as a group often becomes a political issue versus what is best for the community and the individual. Nationwide, government officials and elected politicians shy away from jail diversion, education, and rehabilitation programs as they do not want to appear soft on crime. In reality, the cost of securely housing inmates is a community issue as it is completely funded with tax revenue. The Department of Justice research shows building more federal and state prisons and county jails is not and cannot be the single solution to a growing inmate population problem.

The implementation of a Criminal Justice Coordinating Council brings all stakeholders of the criminal justice system, church, civic and community leaders together to develop a plan for resolving inmate population issues. Members can include:

- Sheriff
- Municipal chiefs of police
- Criminal justice system judge(s)
- District Attorney
- Public Defender and/or defense attorney
- Representatives of local government
- Community, civic and church leaders

House Arrest and Diversion Programs – The Sheriff's Office is commended for already employing a Deferred Prosecution Program and an Alternative Monitoring Program (AMP). In fact, the pilot project for the AMP program has already proved successful, creating a net savings of $9,989 at the time the AMP progress report was completed.

The AMP program has defined which offenses are recommended and not recommended for electronic monitoring:

- **Cases Recommended** – Child Support, Worthless Checks, Shoplifting, Misdemeanor Larceny, Possession of Drug Paraphernalia, Non-Violent Offenses, Traffic Offenses without injuries, Non-Violent Felonies, and Property Crimes.

- **Cases Not Recommended** – Murder, Assault resulting in injuries, Violation of Protective Order (Domestic), Robbery, Kidnapping, Serious Felony, Sexual Offenses, Drug Trafficking, Driving While Impaired.

In addition to the recommended and not recommended cases, additional "parameter considerations" are employed. There has been no audit to determine what percentage of total cases for the AMP program have been implemented and not implemented. In fact, the progress report illustrates that no child support cases have been deferred to the AMP program. A CJCC can examine the existing Deferred Prosecution and Alternative Monitoring Programs and make recommendations for possible expansion.

Work Release Program – The Sheriff's Office currently employs a modified Work Release Program with limited staff. There are numerous studies nationwide that demonstrate the value to the community and inmates for Work Release Programs. As with the above diversion programs, the CJCC could provide recommendations for the expansion of the existing Work Release Program.

New Jail Facility – The Sheriff's Office provided documentation and information concerning the need for a new jail facility, including a "Jail Population Forecast" report completed in October 2008 by Brennan Architects, LLC. While the report contains excellent data, it is our recommendation that a plan be developed by a CJCC prior to forecasting inmate population as the implementation of diversion programs will skew current inmate population trends and patterns.

Additionally, the recommendation of the October report is based on expanding the current Sheriff's Office facility. It appears this option, which was necessary to evaluate, maintains all jail and courthouse business processes currently in operation today. It is our recommendation that all options be examined—including the location of a new jail facility at another location and the introduction of new business processes (i.e., inmate appearance before a magistrate via audio/video technology when applicable). This recommendation requires an objective cost benefit analysis of all options emphasizing the pros and cons of each option.

FISCAL IMPACT

This recommendation can be implemented within existing resources, but will require focused staff time.

8.10   *EMERGENCY MANAGEMENT*

Emergency Management in Duplin County provides many important services including:

- Emergency Management
- Fire Inspection – Code Enforcement

- Fire Marshall - Arson Investigation

Emergency Management ensures that all federal, state, county and municipal resources are used in a cohesive manner toward unified goals and objectives.

FINDING

Emergency Management personnel stated that they were National Incident Management System (NIMS) compliant, and were in the process of providing NIMS training and certification to additional City and County staff.

While Duplin County has an emergency management plan, many public safety and local government officials do not understand the plan and their roles and responsibilities.

RECOMMENDATION

Recommendation 8-18:

Implement emergency management training for relevant stakeholders.

The most useful tool for emergency management training is a tabletop exercise in which all relevant stakeholders participate. The objective is to walk through an emergency situation in a step-by-step NIMS process identifying potential issues concerning all aspects of an emergency event. The exercise should employ a training methodology versus a testing methodology. The goal is to educate personnel concerning NIMS processes, improve communication, make decisions via a unified command, etc. Situations that have a real-life potential for Duplin County should be selected (e.g., hurricane evacuation, flooding, chemical spill, etc.).

Regularly-scheduled emergency management meetings and exercises should be completed with all Duplin County public safety and local government entities.

FISCAL IMPACT

Duplin County Emergency Management has certified NIMS trainers. This recommendation can be implemented within existing resources.

FINDING

The Fire Marshall's Office operates as a component of the Emergency Management Division. Fire Marshall personnel complete multiple assignments including:

- Duplin County code related fire inspections;

- Duplin County ISO evaluation;

- liaison to Duplin County Volunteer Fire Departments;

- Duplin County Arson investigation;

- Duplin County Emergency Management;

- on call for relevant incidents from fire/arson investigation, hazardous materials incidents to hurricane preparedness and response; and

- county and community training.

Interviews determined that the current fire inspection code is not comprehensive, and is of nominal value. Fire Marshall personnel were in the process of researching existing fire inspection codes to make recommendations to improve the current code.

In addition, the fire inspection information is not transitioned to pre-fire plans.

RECOMMENDATION

Recommendation 8-19:

Improve the fire inspection and pre-fire planning process.

As previously stated, the fire inspection code is currently in the process of being updated. Additionally, Evergreen recommends that Emergency Management work with the VFD chiefs to develop a system in which fire inspection information can be transitioned to pre-fire plans for utilization by the VFDs. For example:

- Identify critical areas that require pre-fire planning, including:

  - mission critical government structures;
  - commercial buildings;
  - multiple resident buildings;
  - chemical storage locations; and
  - historic buildings.

- Establish a priority order to complete pre-fire plans.

- Establish a common format for all VFDs to use concerning pre-fire plans.

- Train and assign VFD and other relevant personnel to complete pre-fire plans, both basic plan information and recommended strategies and tactics for various types of incidents.

- Establish a manual and electronic version of pre-fire plans to ensure each fire district jurisdiction had immediate access to the information.

- Develop and implement a policy in which pre-fire plans are evaluated for updating at specific periods of time and/or if other events and milestones occur.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

8.11 *VOLUNTEER FIRE DEPARTMENTS (VFD)*

Fire Department services are critical to the protection of life and property, and also have a direct impact on insurance premiums via a fire jurisdictions ISO rating. The fact that Duplin County has 20 separate Volunteer Fire Departments (VFD) demonstrates an outstanding commitment to the community by its citizens.

FINDING

The 20 VFDs receive funding from Duplin County Government. For this fiscal year (2009-10), the total contribution to the VFDs from the General Fund is $556,008. Each of the 20 VFDs receives $26,054.45. Four other VFDs that are out of Duplin County. Service areas inside Duplin County receive contributions between $6,748 and $12,299. It is unknown what formula is used to determine the amount of funding for the out-of-county VFDs. Eight of the 20 VFDs have their own taxing district which provides them an additional revenue stream in addition to Duplin County Government funding. The remaining VFDs rely on fund raising activities to support the VFD.

A ¼ cent sales tax proposal to provide revenue to the VFDs will be on the May 2010 primary election ballot. A 2008 estimate of how much revenue the ¼ cent sales tax would generate was $820,000. There has been no official decision concerning the distribution of the ¼ cent sales tax funds although it was expected that the revenue will be divided equally among the 20 VFDs. It was also unknown how the inclusion of the ¼ cent sales tax revenue (if the proposal passed) would impact the funding provided to the VFDs from the Duplin County Government's General Fund.

Evergreen conducted a meeting in which 18 of the 20 VFDs were represented. It was clear there is financial disparity between the eight VFDs with their own taxing district and the 15 VFDs without a taxing district. Many of the 15 VFDs were struggling to pay for basic needs, including insurance.

There is no countywide VFD strategic plan concerning emergency planning, readiness and the purchase and allocation of apparatus and equipment. While there is great cohesion among the VFDs and mutual assistance is expected, it appears that most VFDs work exclusively with the VFDs that are directly adjacent to their jurisdiction. This is not surprising since a call for mutual assistance will most certainly require the closest available resources to respond.

Numerous issues were identified by the 18 VFDs that require resolution. Some of the issues included:

- VHF / VIPER Radio System – The vast majority of the VFDs are using the VHF radio system while law enforcement and EMS are on the 800MHz VIPER system. VFD personnel provided examples of missed communication and miscommunication because

of the two systems. It was also apparent that there was a training deficiency concerning the interoperability between the two radio systems as many VFD personnel did not know the capabilities the two radio systems.

- Countywide protocols – Some protocols, such as the previously discussed EMS medical lift assist negatively impact some VFDs more than others due to time of day (i.e., business hours) and availability of personnel.

- Hazardous Materials (HAZMAT) equipment and response.

- Unified training on all available apparatus and equipment (i.e., ladder trucks).

RECOMMENDATION

Recommendation 8-20:

Determine a formula for VFD revenue distribution in Duplin County, including the sales tax proposal, and implement new VFD rules and procedures to enhance overall countywide fire service capabilities.

As previously stated, Duplin County citizens can be proud they have 20 separate VFDs to support their needs. That said, there is no countywide master plan concerning how the VFDs should operate resulting in an environment in which the 20 VFDs make decisions within their own silo and essentially compete against each other for funding.

A minimum foundation level of proficiency and equipment for basic fire service response should be developed for the 20 VFDs. While the equal distribution of General Fund revenue among the 20 VFDs may be "fair," it is not a prudent expenditure of tax dollars that results in improved efficiencies and effectiveness. Initial revenue should be distributed by need to provide a basic level of service, workload demand, potential for risk, and other factors. Creating a countywide basic level of service does not negatively impact the Fire Districts that want above basic level of service capabilities through the implementation of a fire services tax for their jurisdiction.

A strategic plan will also identify partnerships that could enhance fire service revenue. For example, through economies of scale, the purchasing power of the 20 VFDs combined into one single unit is more powerful than 20 separate VFD units. Discounts may be obtained for equipment, apparatus, and insurance.

Finally, assuming basic level fire service needs has been accomplished, for some categories, each VFD does not need one of everything. For example, each VFD does not need a HAZMAT truck, platform truck, and some other equipment.   A countywide plan would identify equipment, apparatus and training that would benefit the entire county. The allocation and deployment of specialized equipment and apparatus would be determined by factors such as countywide coverage, workload demand, potential for risk, availability of personnel to operate and maintain, and other factors. This is especially important as related to how future ¼ cent sales tax revenue (if passed) would be expended. Countywide VFD initiatives could be completed (i.e., transition of all VFDs to the VIPER 800 MHz radio system) to demonstrate tax revenue will be expended in the most appropriate manner.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

CHAPTER 9:
PUBLIC WORKS DEPARTMENTS

9.0 PUBLIC WORKS DEPARTMENTS

Managing public works and utilities functions has never been more challenging. Today's managers and elected officials are required to continuously implement new methods to reduce ongoing operating costs and improve overall customer service. At the same time, they must seek additional funding sources to replace aging infrastructures, and implement the expansions and technological improvements necessary to maintain efficient customer service and regulatory compliance. Managers must also anticipate needs and regulations that have not yet been formulated.

Public managers are increasingly challenged to effectively utilize economic concepts to develop a practical cost management approach. This is critical to a county's service effectiveness and financial positioning. On a broad scale, effective public service management helps an organization optimize operating efficiency, reduce operating costs, extend equipment life, and establish a framework for continuous improvement.

The pressures of open market competition are also a reality. Public-centered functions are often required to compete with domestic and foreign privatization forces for cost-effective operations and qualified personnel, and also with other municipalities for available funding sources and business growth opportunities. The key to meeting these challenges is adopting time-proven, quality cost-effective, and realistic business practices to better serve the public.

Chapter 9 reviews the solid waste, water, and fleet maintenance functions of Duplin County Government. After an assessment of the organization and management of the three functional areas, more detailed recommendations are provided for each department. This chapter includes the following sections:

9.1	Organization and Management
9.2	Solid Waste
9.3	Fleet Maintenance
9.4	Water Management

9.1   ORGANIZATION AND MANAGEMENT

This section provides an overview of the operations of Duplin County's two primary public utility functions: Solid Waste/Recycling and Water Utility Management. Although the functions are separate, they share a number of similarities in operations, breadth of customers, and financial needs. In order to better understand the environment, a summary of organizational structure, financial resources, and cost comparisons are provided.

9.1.1 Organizational Structure

The current organizational structure for both departments is shown in **Exhibit 9-1**. The directors of both departments report directly to the County Manager.

The Water Department possesses two primary divisions: billing and technicians. The Billing Division is responsible for meter data entry, bill creation, bill issuance, bill processing, and collection. The Technical Division is primarily responsible for collecting meter information, conducting minor repairs, reading meters, administering the wells, and flushing the lines. Both areas interact with customers and deal with typical water department customer service issues. Waste water and major water line repairs are dealt with by outside third parties.

Exhibit 9-1
Current Organizational Structure
of the Duplin County Water and Solid Waste Departments
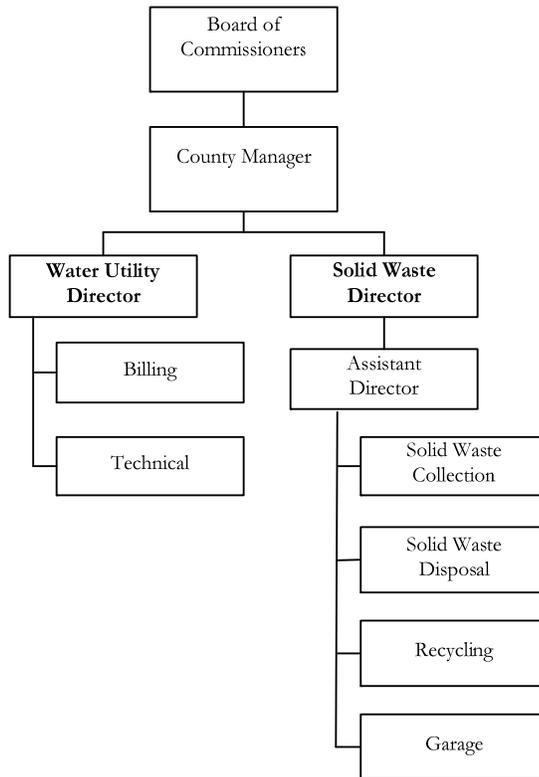
Source: Created by Evergreen Solutions, August 2009.

The Solid Waste Department includes collection, disposal, recycling, and fleet maintenance. Collection is based on a convenience site system where customers deliver their refuse to facilities located in different areas of the county and overseen by an on-site attendant. Once the site accumulates enough refuse, a truck collects the waste and delivers it to the transfer station. The disposal division sorts and loads the refuse onto trucks for delivery to the Sampson County landfill or one of the designated areas at the local facility (organic waste or tires). The recycling program is housed at the landfill, and collection, sorting, and preparation occur before the recyclables are sold to third-party brokers. The fleet maintenance facility is adjacent to the old landfill and provides services for sheriff vehicles, emergency management ambulances, small transit buses, and solid waste trucks and equipment.

The structure of both the Solid Waste Department and Water Department is fairly typical. Neither department possesses a much redundancy in primary or support services. Although both

utilize enterprise funds, neither has succumbed to the temptation of developing internal support services that would unnecessarily encumber resources.

9.1.2   *Financial Resources*

Both departments have enterprise funds to manage their resources. The State of North Carolina defines enterprise funds as follows:

> *§ 143C-1-3. (6)   Enterprise Funds. – Accounts for any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Each of these criteria should be applied in the context of the activity's principal revenue sources.*
>
> > *a.   The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.*
> >
> > *b.   Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.*
> >
> > *c.   The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.*

The one exception to the enterprise fund structure is the fleet maintenance function housed in the Solid Water Department, which is funded through General Revenue.

Financially, both departments are strong. The solid waste fund possesses a surplus of approximately $2 million, while each water district fund (A-G) except for District D is breakeven according to the 2009-10 budget.   It is important to note that District D is not breakeven without additional funds due to the impact of the 1999 flood due to Hurricane Floyd, and the lack of customers in that area.

Exhibit 9-2 captures the revenue stream for the Solid Waste Department functions. The Duplin County fund category is for accounting purposes to balance the expenditures to liabilities.

Exhibit 9-3 summarizes the expenditures per water district.   Each district is linked to the water administration fund.

9.1.3   *Rates*

A comparison of rates for peer counties appears in **Exhibit 9-4**. As can be seen, Duplin County falls in the middle for total, yearly rate amount among its population peers (40,000 to 60,000). Rates stretch between $45 and $199 per year. It important to note that Sampson County is not included in the State of North Carolina database.

Exhibit 9-2
2009-10 Budget by Solid Waste Division

Area	Amount
Collection Revenues	
Rural Availability	$1,350,000
Collect Site	$32,500
Industrial Hauls	$130,000
Citation fee	$500
Interest	$22,936
County Funds	($60,465)
Total	**$1,475,471**
Disposal Revenues	
Rental Box Fees	$30,000
Tipping Fees	$1,260,000
Rubble Fees	$54,000
County Funds	($138,385)
Total	**$1,205,615**
Garage Revenues	
Sales	$16,000
County Funds	$165,462
Total	$181,462
Recycling	
Equipment Usage for White Go	$22,000
Sale of Recyclables	$121,413
County Funds	$119,332
Total	**$262,745**

Source: Duplin County Budget, 2009-10.

Exhibit 9-3
2009-10 Budget by Duplin County Water District

District	A	B	C	D	E	F	G
Budget	$206,919	$429,283	$99,818	$485,370	$514,819	$737,835	$424,472

Source: Duplin County Budget, 2009-10.

Exhibit 9-4
Yearly Household Solid Waste Fee Rate Comparison
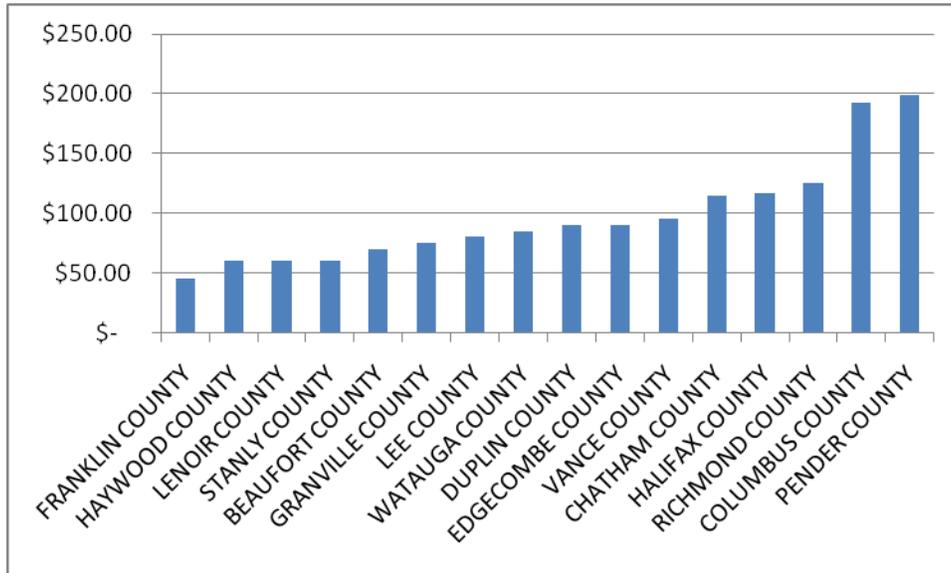
Source: North Carolina Department of Environmental and Natural Resources, 2007-08.

Exhibit 9-5 narrows the comparison to those counties included in this study as benchmarks. Similarly, Duplin County is in the middle, but about half of two of the comparables.   It is important to note that Bladen, Columbus, Duplin, and Sampson are about the same land area in square miles.

Exhibit 9-5
Yearly Household Solid Waste Fee Rate Comparison for Study Benchmark Counties
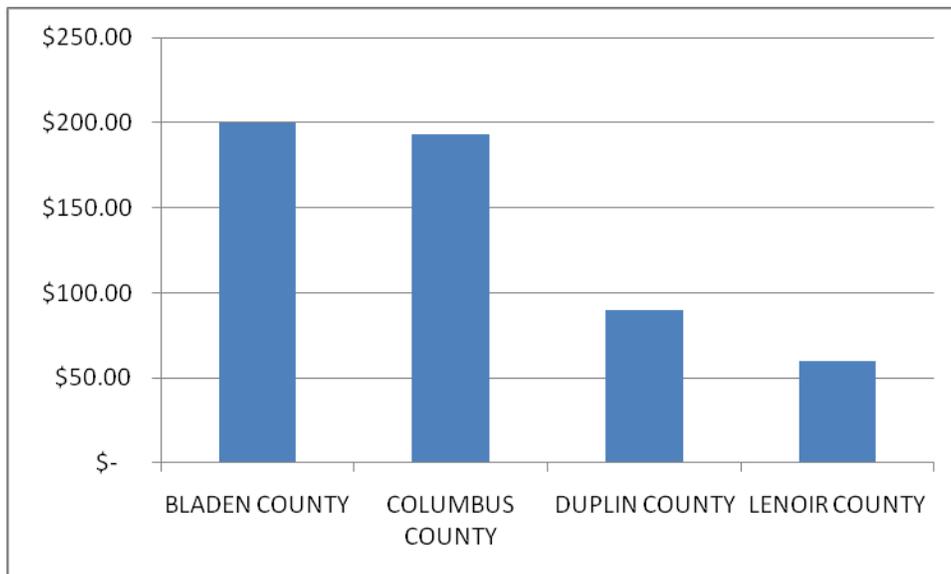
Source: North Carolina Department of Environmental and Natural Resources, 2007-08.

Exhibit 9-6 captures the water fee structure for the study benchmark counties. None of the comparables provide waste water services. Some variation in rates exists across the same county in different water district areas. Duplin County is one of the few that possesses a tier structure for additional water usage as well as segmenting rates between residential and commercial users.

Exhibit 9-6
Water Usage Fee Structure by Study Benchmark Counties

County	Residential Base	Additional	Usage	Commercial Schedule	Waste Water	In/Out of Town
Bladen	$14.00	$3.35	1000 gallons, 1000 over	none	no	no
Columbus~Acme	$21.00	$4.00	2000 gallons, 1000 over	none	no	no
Columbus~I	$21.00	$4.00	2000 gallons, 1000over	none	no	no
Columbus~II	$25.00	$4.00	2000 gallons, 1000 over	none	no	no
Columbus~III	$25.00	$4.00	2000 gallons, 1000 over	none	no	no
Columbus~IV	$21.00	$4.00	2000 gallons, 1000 over	none	no	no
Columbus~V	$21.00	$4.00	2000 gallons, 1000 over	none	no	no
Duplin ~A	$19.00	$3.25, $3.50, $3.75	2000 gallons, 2001~4000,4001~6000, 6000+	Yes	no	no
Duplin ~B	$19.00	$3.25, $3.50, $3.75	2000 gallons, 2001~4000,4001~6000, 6000+	Yes	no	no
Duplin ~C	$19.00	$3.25, $3.50, $3.75	2000 gallons, 2001~4000,4001~6000, 6000+	Yes	no	no
Duplin ~D	$22.00	$3.25, $3.50, $3.75	2000 gallons, 2001~4000,4001~6000, 6000+	Yes	no	no
Duplin ~E	$22.00	$3.25, $3.50, $3.75	2000 gallons, 2001~4000, 4001~6000, 6000+	Yes	no	no
Duplin ~F	$22.00	$3.25, $3.50, $3.75	2000 gallons, 2001~4000, 4001~6000, 6000+	Yes	no	no
Duplin ~G	$22.00	$3.25, $3.50, $3.75	2000 gallons, 2001~4000, 4001~6000, 6000+	Yes	no	no
Lenoir~Inside Town	$8.99	$2.84	1000 gallons, 1000 over	none	no	yes
Lenoir~Out of Town	$17.96	$5.67	1000 gallons, 1000 over	none	no	yes
Sampson	$19.40	$4.85	1000 gallons, 1000 over	none	no	no

Source: NC League of Municipalities and UNC Environment Finance Center, 2008.

Exhibit 9-7 estimates the water usage fee for 2,000 gallons of water in a single month for residential customers. As can be seen, Duplin County is competitive with the rates for its benchmark counties.

Exhibit 9-7
Estimated Water Usage Fee Comparison for 2,000 Gallons by Study Benchmark Counties
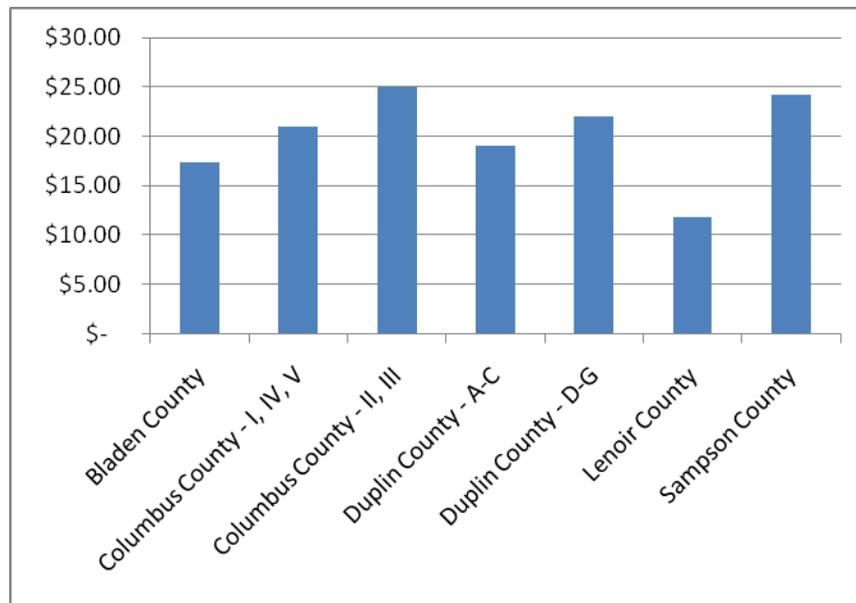
Source: NC League of Municipalities and UNC Environment Finance Center, 2008.

9.1.4 Cost Comparisons

Cost comparisons provide an approximate view of the resources being utilized to accomplish comparable outcomes in different jurisdictions. In some ways, these approximations can be linked to a snapshot of overall efficiency of operations. As a caution, it is important to recognize that operations have different processes, anticipated service levels, sourcing arrangements, relative labor market, and capital needs that may dramatically impact these outcomes. Consequently, this section will only make some general observations about the differentials.

Exhibit 9-8 summarizes costs over time (2003 – 2008) by major category. Several general observations can be made:

- Considerable variation occurs from year to year due to construction or other improvement projects.

- The fluctuation of wages is not uncommon, but is not overly dramatic from one year to the next.

- Some of the variation relates to storm needs.

- Sampson County has no labor costs since the solid waste department is outsourced to Waste Industries, Inc.

- Duplin County possesses a higher labor cost than some of the comparables due to the level of service provided and the number of collection stations.

Exhibit 9-8
Cost Comparisons in Benchmark Peer Counties
for Solid Waste Departments
2003-2008

County	Area	2008	2007	2006	2005	2004	2003
Bladen	Solid Waste Salaries (152A)	$310,804	$305,035	$341,321	$302,456	$299,823	$300,718
	Solid Waste Other Direct	$1,701,968	$1,650,168	$1,525,775	$1,354,286	$1,406,986	$1,508,910
	Solid Waste Construction	$-	$-	$-	$-	$-	$-
	Solid Waste Purchase P, P&E	$128,215	$33,246	$690,956	$289,469	$265,719	$159,521
Columbus	Solid Waste Salaries (152A)	$171,695	$170,759	$268,779	$192,788	$144,089	$110,722
	Solid Waste Other Direct	$6,372,026	$6,081,245	$5,238,673	$5,098,771	$4,006,375	$3,413,903
	Solid Waste Construction	$-	$-	$-	$-	$-	$-
	Solid Waste Purchase P, P&E	$-	$-	$30,150	$109,989	$12,565	$11,300
Duplin	**Solid Waste Salaries (152A)**	**$1,008,676**	**$975,907**	**$-**	**$-**	**$-**	**$-**
	Solid Waste Other Direct	**$1,987,298**	**$3,500,100**	**$2,674,204**	**$2,500,407**	**$2,418,833**	**$2,469,819**
	Solid Waste Construction	**$-**	**$-**	**$-**	**$-**	**$-**	**$-**
	Solid Waste Purchase P, P&E	**$246,587**	**$107,563**	**$761,623**	**$249,772**	**$164,115**	**$67,037**
Lenoir	Solid Waste Salaries (152A)	$510,971	$487,527	$464,410	$403,704	$496,018	$812,264
	Solid Waste Other Direct	$1,397,478	$1,248,015	$1,176,103	$1,394,663	$2,129,389	$1,718,919
	Solid Waste Construction	$-	$120,000	$-	$135,934	$2,891,384	$-
	Solid Waste Purchase P&E	$-	$471,331	$-	$-	$824,845	$-
Sampson	Solid Waste Salaries (152A)	$-	$-	$-	$-	$-	$-
	Solid Waste Other Direct	$776,813	$721,173	$694,566	$638,928	$522,040	$545,134
	Solid Waste Construction	$-	$-	$-	$-	$-	$295,267
	Solid Waste Purchase P, P&E	$-	$-	$-	$-	$-	$-

Source: North Carolina Department of State Treasurer, 2009.

Exhibit 9-9 captures water expenditure data by category for the same time period (2003 – 2008). As expected, water operations have more construction activity than solid waste. Some of the key observations include:

- Wages have remained fairly constant in the peer organizations.

- Construction varies some from year to year, but construction of new lines is almost a yearly occurrence.

- Each peer is repaying debt from expansion projects.

Exhibit 9-9
Cost Comparisons in Benchmark Peers Counties
for Water Departments
2003-2008

County	Area	2008	2007	2006	2005	2004	2003
Bladen	Water Salaries (176A)	$279,062	$249,759	$230,964	$207,915	$204,488	$190,411
	Water Other Direct	$593,326	$473,869	$453,375	$363,151	$408,282	$282,071
	Water Construction	$-	$324,169	$338,971	$483,352	$-	$-
	Water Purchase of P, P&E	$94,740	$22,266	$19,788	$26,178	$20,100	$1,001,913
	Water Interest and Fees	$525,457	$534,675	$543,394	$551,720	$559,615	$564,506
	Water Principal	$189,500	$17,900	$169,500	$162,000	$153,500	$87
Columbus	Water Salaries (176A)	$291,758	$283,189	$345,043	$254,758	$175,462	$125,958
	Water Other Direct	$900,838	$660,357	$1,227,848	$515,914	$875,427	$499,304
	Water Construction	$4,269,512	$1,445,729	$1,198,401	$139,750	$-	$635,520
	Water Purchase of P, P&E	$-	$46,468	$22,207	$-	$13,323	$37,987
	Water Interest and Fees	$854,671	$672,712	$-	$662,206	$666,596	$726,371
	Water Principal	$182,000	$67,379	$-	$166,083	$150,500	$15,500
Duplin	**Water Salaries (176A)**	**$495,935**	**$458,166**	**$456,423**	**$447,567**	**$400,234**	**$350,415**
	Water Other Direct	**$1,635,079**	**$1,615,216**	**$1,351,530**	**$1,275,480**	**$1,271,587**	**$1,198,843**
	Water Construction	**$545,326**	**$1,078,337**	**$1,992,792**	**$6,130,135**	**$4,222,550**	**$2,066,213**
	Water Purchase of P, P&E	**$33,855**	**$13,706**	**$13,970**	**$47,965**	**$42,155**	**$100,829**
	Water Interest and Fees	**$929,502**	**$942,089**	**$969,045**	**$971,692**	**$1,003,858**	**$987,788**
	Water Principal	**$352,116**	**$335,116**	**$373,416**	**$344,116**	**$307,516**	**$223,510**
Lenoir	Water Salaries (176A)	$9,407	$11,360	$6,613	$-	$-	$-
	Water Other Direct	$26,660	$29,010	$18,010	$-	$-	$-
	Water Construction	$-	$-	$452,418	$3,526,105	$-	$-
	Water Purchase of P, P&E	$-	$-	$-	$-	$-	$-
	Water Interest and Fees	$-	$-	$-	$-	$-	$-
	Water Principal	$-	$-	$-	$-	$-	$-
Sampson	Water Salaries (176A)	$184,539	$176,385	$149,877	$128,811	$119,546	$108,665
	Water Other Direct	$882,628	$759,864	$768,309	$647,085	$556,491	$511,580
	Water Construction	$740,931	$852,807	$4,405,088	$5,788,747	$1,037,419	$5,052,044
	Water Purchase of P, P&E	$-	$-	$-	$-	$-	$-
	Water Interest and Fees	$729,416	$725,990	$645,984	$506,028	$337,732	$342,549
	Water Principal	$364,701	$379,540	$228,296	$191,157	$142,284	$138,283

Source: North Carolina Department of State Treasurer, 2009.

Duplin County is slightly ahead on labor costs. Some of the reasons include:

- inclusion of the garage function in Duplin County, and not others;
- different sourcing options; and
- higher commitment to service with collection site attendants.

FINDING

The Solid Waste Department and Water Department are well-managed and proactive. Considering the population growth (the population increased from 39,976 in 1990 to 53,362 in 2008) and the ever-increasing demands for waste removal and potable water, both departments appear well-prepared to address service needs now and into the future.

COMMENDATION

The Solid Waste and Water Departments are commended for their strong management of public resources.

FINDING

Safety is paramount in public works-related occupations. The hazards of working around heavy equipment and moving traffic are well-documented. Few incidents have occurred in the past, and Duplin County has been further enhancing its safety program during 2009.

COMMENDATION

The Solid Waste and Water Departments are commended for their safety record.

FINDING

Although both solid waste and water leaders have a strong understanding of the current situation and some plans for the future, there is a lack of formalized and documented planning in both departments. Moreover, there appears to be a lack of long-term planning efforts that would focus on the future growth and changes in these two operations in Duplin County.

RECOMMENDATION

Recommendation 9-1:

Create a strategic plan for water and waste management that address each department's goals for the next five years.

While a comprehensive strategic plan is a priority (as recommended in **Chapter 2**), it is equally important for the strategic planning process to tie into and compliment the overall County strategic plan (see **Section 2.5**). Both departments have embarked on various strategic initiatives in the last several years. However, neither department has developed a comprehensive and inclusive strategic plan to govern the department's activities. A clearly outlined and articulated strategic direction would enhance customer service, resource allocation, and innovation. The comprehensive strategic planning process should include both overall and sub-function tactical plans.

Based on the Environmental Protection Agency (EPA) planning system, there are seven steps to strategic planning for these two operations:

- developing a strategic roadmap that details how growth in solid waste and potable water demand will be addressed by Duplin County;

- defining the current and future areas of service;

- assessing the current system's technical, managerial, and financial capabilities (i.e., its capacity) to provide current as well as future levels of water and solid waste service;

- identifying options for fulfilling areas of service that include capital projects, technology, staffing, and other resources;

- analyzing and assessing options from a cost benefits standpoint in the water and solid waste areas;

- implementing options through an action plan that details each step, resource, time needed, and expected outcome; and

- evaluating options and monitor outcomes.

Leaders within each operation area should be responsible for developing specific plans that align to, and are components of, the Duplin County's comprehensive strategic plan being recommended in **Section 2.5.**

FISCAL IMPACT

There is no direct fiscal impact associated with this recommendation if developed with internal departmental resources.

FINDING

As enterprise funds, the water and solid waste operations within Duplin County are designed to be self-supporting. In other words, the utility operation receives no direct funding for operations from the County's General Fund (with the only exception being the garage). The rates that are paid by solid waste and water customers are established to ensure funding for current operations and future maintenance to the system.

It is a common practice for counties with an enterprise fund to transfer various support costs (such as staff time, technology support, office space, fleet maintenance, etc.) between its general fund and enterprise fund. Rarely will the charge equal the total cost of the resource. However, it does offset some of the general fund expenditures associated with supporting the enterprise funds. (Note: This issue, with regard to support staff salaries, was addressed in **Chapter 3, Recommendation 3-3.**)

The County Finance Department does not utilize cost allocation to determine the true cost (direct and indirect costs) of services provided to users of that service. Cost allocation procedures distribute accumulated indirect costs to the programs that benefit from the accumulated costs on the basis of percentages that represent a reasonable and equitable allocation base.

One of the questions posed during this performance audit pertains to the use of enterprise funds for other Duplin County activities not covered by the fund. Although Duplin County is limited in its ability to utilize those funds outside of their intended purpose, funds could be made available to Duplin County through a cost allocation system. Currently, there is cost allocation between water districts and the water administration fund as well as between solid waste functions as part of the enterprise fund and the garage, but there is no meaningful cost allocation outside of each department.

Special care must be exercised to ensure that the costs being allocated are complete, agree with, or are reconciled to amounts reported in the County's financial statements. In allocating indirect costs, Duplin County must use actual costs and actual usage measures (e.g., labor hours) except when management believes that other estimates are more appropriate.

Regardless of the cost allocation methodologies used, all County cost allocation procedures should demonstrate the following five characteristics:

- **Information** – It should provide the appropriate accounting information required by management to account for County programs as required by state law. In providing the required information, management need to give appropriate consideration to the cost of obtaining and providing the information in relation to the benefits to be derived from the information.

- **Timeliness** – The methodology must produce program cost data on a timely basis.

- **Consistency** – The cost identification and distribution methods selected need to be applied consistently from period to period.

- **Accuracy** – The information provided needs to be as accurate as possible.

- **Audibility** – Program costs must be fully audible (e.g., working papers must be retained showing program cost identification, accumulation, and distribution methods).

Costs that can be identified directly to a program and/or funding source (direct costs) must be charged directly to that program. Indirect costs should be distributed to programs and/or funding sources on the most equitable basis practical. The following are some typical program cost accounting accumulation categories and the typical equitable bases of distribution:

COST ACCUMULATION	TYPICAL EQUITABLE DISTRIBUTION BASE
Salaries and Wages	Hours chargeable to each program
Operating Expenses and Equipment	The most equitable basis (e.g., office space)
Service Unit Costs	Machine hours or labor hours, etc.
Administration Costs	Salaries and wages or total budgeted expenses

RECOMMENDATION

Recommendation 9-2:

Conduct a cost allocation study to properly document direct and indirect costs associated with the solid waste and water enterprise funds.

In order to ensure the accuracy and integrity of the water and solid waste enterprise funds, Duplin County must conduct a cost allocation study to properly establish budgeting cost centers and to ensure cost transfers between the general and enterprise funds are appropriate and reasonable. By design, the enterprise fund was established to ensure that those benefiting from the utility services pay for those services.

FISCAL IMPACT

The estimated cost of conducting a cost allocation study is estimated at $25,000. However, it is likely that the services received and not billed for could total more than $50,000 per year (beyond salaries which are addressed in **Chapter 3**). These funds can be returned to the General Fund.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Conduct Cost Allocation Study	($25,000)	$50,000	$50,000	$50,000	$50,000

9.2   *SOLID WASTE*

Duplin County has consistently made a commitment to upholding the highest standards in solid waste management. The Solid Waste Department benefits from a certified Solid Waste Association of North America (SWANA) Manager of Landfill Operations (MOLO) Director, experienced and dedicated staff, and a strong safety record.

Exhibit 9-10 shows the detailed organizational structure of the Solid Waster Department.

The department consists of:

- Solid Waste and Garage Director

  − Oversees planning, directing, and supervising of solid waste and garage operation.

- Deputy Solid Waste and Garage Director

  − Assists the Director with planning, directing, and supervising of solid waste and garage operation.

Exhibit 9-10
Solid Waste and Recycling Department
Current Organization Structure
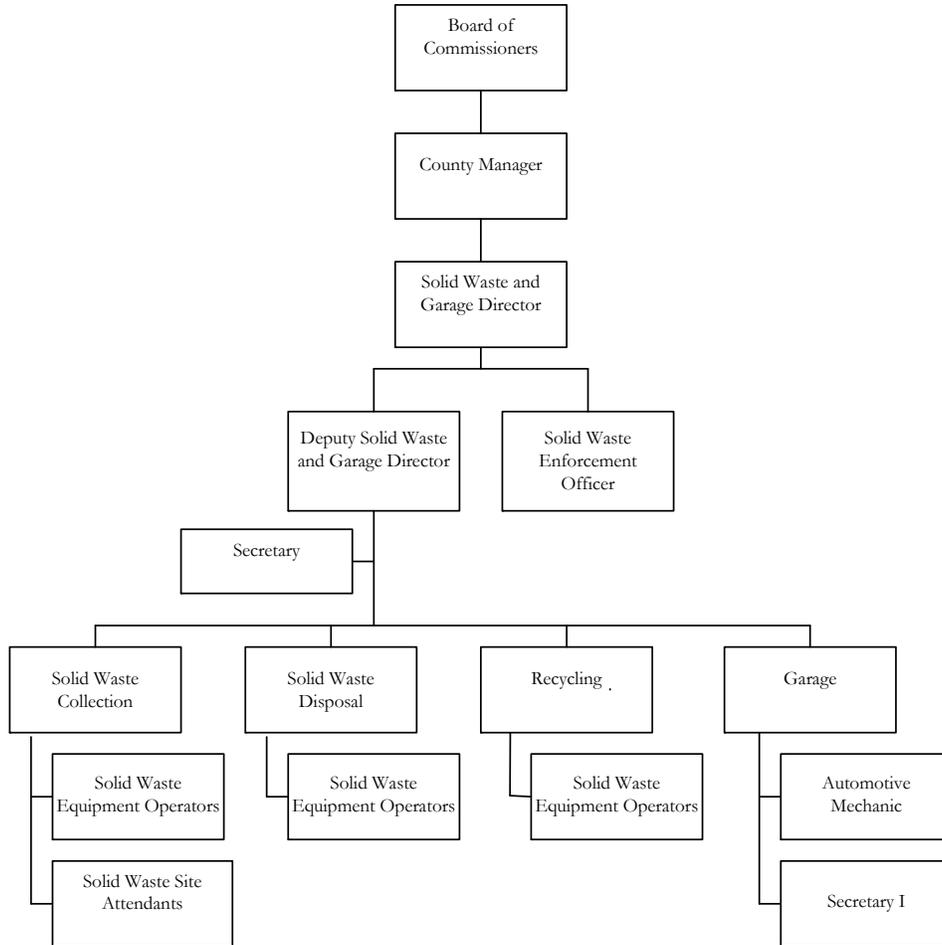
Source: Created by Evergreen Solutions, August 2009.

- Solid Waste Enforcement Officer

  − Conducts investigations and ensures enforcement of ordinances and statutes related to the prevention of illegal and improper trash and refuse handling and solid waste disposal.

- Solid Waste Equipment Operators (10 positions)

  − Operate medium and heavy motorized equipment.

- Solid Waste Attendants (4 positions)

  − Oversee the access, control, and monitoring of public solid waste and recycling collection sites.

- Automotive Mechanic (3 positions)

  – Perform duties associated with repairing and maintaining a variety of automobiles, trucks, equipment, and tools.

- Secretary I (2 positions)

  – Provide all administrative and clerical support to the department's operations.

One of the questions posed as part of the initial review for the study relates to the availability of enterprise funds for usage in other areas of Duplin County operations. Basically, enterprise fund expenditures are limited to the operational area that it is associated. Consequently, Duplin County should not utilize those funds for anything except solid waste operations. Another issue raised in the initial review related to sharing a solid waste resource with the Sheriff's Office to assist with roadside trash collection. This resource is no longer shared. Duplin County handled the situation well and appears to have rectified any related issues.

FINDING

Exhibit 9-11 provides a sample of some common metrics used by most solid waste functions for comparison purposes. Based on data found in the Duplin County Solid Waste Management Plan (2006-2016) and the 2008-09 budget, a basic comparison was created utilizing ICMA benchmarks taken from 2006 for jurisdictions serving less than 100,000 in population. Obviously, this type of comparison is not perfect, but it is capable of providing a high-level review of the current status in Duplin County.

Exhibit 9-11
Comparison of Basic Solid Waste Metrics Between Duplin County and
ICMA Sample Average

Metric	Duplin County	Sample Average
Average Tons Disposed of by County Per Year	43,656	21,413
Average Tons Collected Per Account	2.39	1.44
Operating Expenditure for Collection Per Account	$80.77	$78.81
Operating Expenditures per Ton Collected	$33.79	$56.59
Operating Expenditure for Collection and Disposal Per Ton	$61.41	$145.53
Average Tons of Recyclables per Account	.25	.28
Operating Expenditures for Recycling Per Account	$10.20	$29.22
Operating Expenditure per Recycled Ton	$40.06	$127.61
Tons of Recyclable as Percentage of Total	10.65%	16.3%

Source: Duplin County Waste Management Plan (2006), Duplin County budget (2009-2010), and ICMA (2006).

Some of the high-level, basic findings include:

- Duplin County disposes of considerably more waste than the average jurisdiction;

- differences between the per account data and the benchmark indicate a significant level of refuse creation and a significant percentage of non-household participation in the system;

- collection costs are slightly higher than the average due to the inability of Duplin County to realize economies of scale with a convenience collection system;

- combined collection and disposal costs are significantly less than the average, indicating differences in services and efficiency; and

- less recycling is going on in Duplin County in comparison to peers, and the cost of the recycling operation is lower than peers.

Based on the current collection and disposal strategy, most refuse is sent through the transfer station and to the Sampson County landfill. Sampson County hosts a regional landfill that exceeds federal Subtitle D and state solid waste requirements. The landfill is owned and operated by Sampson County Disposal, Inc—a subsidiary of Waste Industries, Inc.

In order to ensure that Duplin County is gaining the highest degree of value from its solid waste services and each employee, a comprehensive performance data system should be employed. The use of data, metrics, and evaluation methods would allow Duplin County management and elected officials to better understand current and future needs of the operation. In addition, these data should provide adequate opportunity for employees and supervisors to dialogue and plan for future growth.

The Solid Waste Department tracks a limited amount of performance outcome data for state reporting, but does not possess the necessary automated tools. As a result, the solid waste management team does not have a "data dashboard" or a tool to summarize overall performance metrics and is therefore unable to assess the overall level of output, performance, and integrity of major processes.

In addition, the Solid Waste Department does not currently provide performance outcome data to employees. Consequently, there is no way to effectively gauge employee performance levels and determine whether or not employees meet the expected standards. While evaluations are conducted of staff, they do not focus on objectives and metrics, whether quantifiable or qualitative.

RECOMMENDATION

Recommendation 9-3:

Implement a metric tracking system that captures outcome data for all major solid waste functions, and report on metrics annually to the County Manager.

Metrics are an invaluable tool for assessing overall departmental performance measures and communicating the level of departmental output to County leaders and staff. Metrics should be identified in each of the Solid Waste Department functional areas and should be systematically analyzed and reported to County leaders on a regular basis. In addition, performance metrics should become an integral component of the department's strategic planning process.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

Although the Solid Waste Department is financially secure, its potential as well as actual needs could be substantial.   Moreover, the practice of setting rates based on what money is available is not a sound public sector business practice. Duplin County needs to set rates based on market price and quality of service.

Exhibits 9-4 and **9-5** both illustrate the yearly rate differential between Duplin County and its peers. In addition, the oscillating practice of not charging farms, the absence of a business waste fee schedule, and the lack of a tiered payment system should all be addressed. Since households pay for the services, but a large portion of the refuse arises from entities larger in scope than a single household, citizens are subsidizing farms and some businesses. This strategy will work in the short term, but is not an ideal, long-term practice.

RECOMMENDATION

Recommendation 9-4:

Conduct a solid waste fee study to determine the appropriate rates for households and businesses.

A comprehensive rate study should be conducted of all solid waste rates. The study should consider a tiered system of fees focused on users as well as refuse material. The rate comparison as well as the national benchmarks both point to justification for Duplin County increasing rates for the service it is providing. Moreover, treating some businesses and farms as single households is placing an undue strain on the system and resulting in some of largest benefiters now paying for the level of service received.

FISCAL IMPACT

The estimated cost for conducting a solid waste rate study is about $45,000. This can be paid for out of the Enterprise Fund since it will support the solid waste operation.   Based on our brief review, it is likely that the study will find that the rates should be slightly increased. As an example, an increase to $125 per year would yield an additional $525,000 in revenue.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Conduct a Rate Study	($45,000)	$525,000	$525,000	$525,000	$525,000

FINDING

Customer satisfaction is a critical element of public service effectiveness. Although from all non-analytical indications, Duplin County citizens are satisfied with the service that they receive from Duplin County, there is a need to assess the use and satisfaction with services received. Obviously, different levels of service—such as curbside service or more liberal collection policies—will impact overall scores, but a general baseline can be established and improvements can be made.

Below are the average rates of satisfaction in jurisdictions of less than 100,000 citizens according to the 2006 ICMA survey. **Exhibit 9-12** shows the 2006 ICMA survey results for Solid Waste Management. As can be seen, about 85 percent of respondents rate service excellent or good for collection and recycling. Given the level of service offered at the collection sites and the future need to increase rates, a formal feedback system should be put into place.

Exhibit 9-12
ICMA Survey Results for Solid Waste Management
2006

Rating	Excellent	Good	Fair	Poor
Refuse Collection	41%	43%	12%	4%
Recycling Program	42%	43%	11%	4%

Source: ICMA, 2006.

RECOMMENDATION

Recommendation 9-5:

Develop and implement a customer feedback system for solid waste to evaluate the nature and quality of its services on a regular basis.

The Solid Waste Department does not have a process in place to survey customers regarding the quality of services provided. In other words, there is no formal feedback system for citizens to offer their suggestions on how current services could be improved, potential new services that could be offered, or commendations for outstanding service.

A short customer service survey that focuses upon a series of questions designed to elicit feedback on interaction and service level should be developed. Some of the questions might include:

- What solid waste services were utilized?
- What solid waste services should be improved or changed?
- What are the expectations for solid waste service availability, quality, and timeliness?
- What suggestions do you have for improving solid waste operations?

Customers should be asked about collection, disposal, and recycling. In addition, methods of future communication should be identified as part of the survey. The surveys could be made available electronically through the Duplin County Web site, on paper at the collection facilities, and on paper at the transfer station weighing site.

The feedback received through the survey will provide an effective means for solid waste staff to evaluate performance both from an internal perspective as well as from the standpoint of its primary customers.

FISCAL IMPACT

The survey can be developed and deployed using current resources by making them available at Duplin County facilities and collection sites, as well as online.

9.3   *FLEET MAINTENANCE (GARAGE)*

Fleet maintenance is part of the Solid Waste and Recycling Department. It is fairly typical that the vehicle maintenance function falls within public works and operates as a subfunction. The Duplin County Garage includes three mechanics and one secretary who maintain vehicles from Emergency Management Services (EMS), Sheriff's Office, transit, and solid waste.   Most routine maintenance can be handled by staff, but larger or more complicated jobs are contracted out to local providers or dealers.

Exhibit 9-13 illustrates the difference between Duplin County and the sample average for those local governments with less than 100,000 residents. As discussed above, these comparisons are not perfect, but provide one method of examining the differences in performance.

Exhibit 9-13
Fleet Management Comparisons

Metric	Duplin County	Sample Average
Average Maintenance Cost for vehicle (in–house—parts only)	$2,415.71	NA
Average % of Maintenance Cost in-house	74.96%	83.40%
Average Maintenance Cost for vehicle (Outsourced)	$1,587.60	NA
Average % of Maintenance Cost Outsourced	25.04%	16.60%
Average Maintenance Cost per Vehicle	$4,003.31	$3,093.00
Estimated Hours Per Vehicle	54.26	35.60

Source: ICMA, 2006 and Evergreen Solutions estimates, 2009.

Based on this analysis, the following basic conclusions can be drawn:

- More repair operations are conducted by a third party (outsourced) among peers.

- Higher costs are associated with vehicle maintenance due to the use of more outsourcing as well as the lack of the same economies of scale in larger jurisdictions.

- More hours are spent with vehicles due to vehicle types and the age of some of the vehicles.

FINDING

Currently, the garage function has little influence over the type of vehicles purchased that they are asked to maintain. Basically, departments that are supported by the garage select the vehicles they desire and involve the garage only at the first round of maintenance. As a result, the garage is not involved in determining the cost of ownership and their opinions are not factored into purchasing decisions. This lack of involvement is more than likely one of the reasons for the cost differentials presented before. For example, according to garage personnel, the Dodge Chargers purchased by the Sheriff's Office cost double what the Ford Crown Victorias cost to maintain on an annual basis. Moreover, replacement parts are needed at the time of purchase to ensure the safety of deputies driving Dodge Chargers.

In addition, when service is needed, the garage function is not always consulted before outside or outsourced service is provided. This increases the cost of outside repairs, since large purchases are not negotiated on a blanket basis.

Together these issues clearly play a role in the approximately $1,000 average cost differential found above. By changing these practices, it is anticipated that Duplin County could save somewhere between $500 and $750 per new vehicle on an annual basis based on the number of cars and average maintenance cost. This number is based on the benchmark differential and similar results in other jurisdictions. However, this is not a savings that can be realized now; it would have to be a cost reduction worked towards in the future with new purchasing decisions.

RECOMMENDATIONS

Recommendation 9-6:

Involve the garage function in departmental vehicle purchasing and maintenance decisions to ensure that cost of ownership is factored into purchasing decisions.

A garage representative should work with each of the departments served to ensure that the cost of ownership is factored into purchasing decisions on a consistent basis. The analysis should ensure that Duplin County receives the best deal, not just at the time of purchase, but through the life of the vehicle.

FISCAL IMPACT

Cost savings could amount to between $250 and $300 of maintenance costs per new vehicle per year as more standardization occurs. This savings is a subset of the savings discussed in the above finding. It is based on similar results, and would only accumulate in the future as the current process is changed.

Recommendation 9-7:

Involve the garage function in outside repairs before purchasing services.

When a vehicle needs service that is beyond the capability of the current garage operation, the owning department will select a service provider and send the invoice to the Solid Waste Department after work is completed. In some cases, this precludes the ability to negotiate a volume-based discount with the provider. There are insufficient data on what extra costs Duplin County is incurring. However, most consolidated fleet contracts can reduce ongoing costs due to the negotiating power of work being performed on multiple cars by the same provider. In addition, it would enhance planning efforts associated with fleet maintenance.

FISCAL IMPACT

Cost savings could be fairly substantial depending on the volume, type, and frequencies of repairs. Basically, having service performed on a case-by-case basis negates any type of volume discount or other preferential terms.

FINDING

Duplin County Schools operates a variety of vehicles that have ongoing maintenance needs. The potential synergistic value to Duplin County of combining maintenance operations should be explored given the scarcity of resources, the size of the County, and the opportunity for greater efficiency.

RECOMMENDATION

Recommendation 9-8:

Conduct a careful analysis of the potential benefits of joint operations in vehicle maintenance between Duplin County and the Duplin County Public Schools.

Since Duplin County has a responsibility for fulfilling the local funding needs of the school system, it appears possible that the County might benefit from operating some common activities jointly with the public schools. The potential economy-of-scale savings may be an incentive for cooperation.

FISCAL IMPACT

The previous Duplin County School System Financial Review, conducted by Evergreen Solutions, estimated a savings of approximately 10 percent or $20,000.

9.4   *WATER MANAGEMENT*

The Duplin County Water Department is responsible for the County's water system which presently has 13 ground water wells and four booster pump stations that pump water throughout the County. On an average day, the Water Department delivers approximately 1.3 million gallons of water to over 6,200 customers.

The Water Department has 13 employees. **Exhibit 9-14** presents the organizational structure of the Water Department. As can be seen, the Water Department is managed by a Director who reports to the County Manager. The Director is responsible for the technical and managerial functions related to the potable distribution system. Specific duties of the Director include coordinating the planning, design, operations, and maintenance of these systems. The Water Department is staffed by water technicians overseen by an Assistant Supervisor, as well as Office Assistants and an Office Supervisor.

Employees include:

- Water Director

  – Supervises day-to-day activities of assigned water technicians and office assistants.

- Operational Assistant Supervisor

  – Oversees the day-to-day activities of field staff (water technicians).

Exhibit 9-14
Current Organizational Structure
Water Department

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                    ┌─────────────────┐
                    │    Board of      │
                    │  Commissioners   │
                    └────────┬─────────┘
                             │
                    ┌────────┴─────────┐
                    │  County Manager  │
                    └────────┬─────────┘
                             │
                    ┌────────┴─────────┐
                    │ (Water) Utility  │
                    │    Director      │
                    └────────┬─────────┘
              ┌──────────────┴──────────────┐
     ┌────────┴─────────┐          ┌─────────┴──────────┐
     │ Office Supervisor│          │   Operational       │
     │                  │          │Assistant Supervisor │
     └───┬──────────────┘          └──┬──────────────────┘
         │   ┌──────────────┐         │   ┌──────────────┐
         └───│    Office     │        └───│    Water      │
             │  Assistants   │            │  Technicians  │
             └──────────────┘            └──────────────┘
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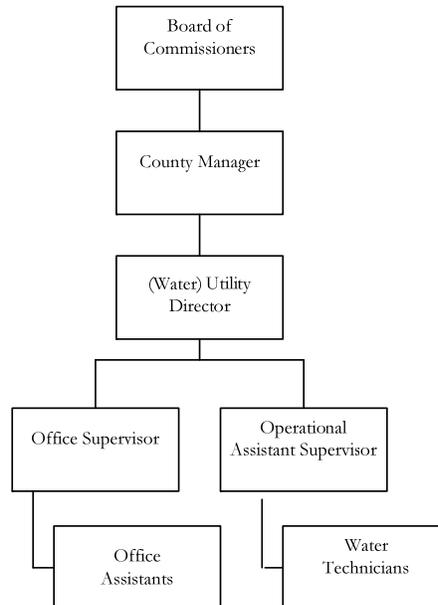
Source: Created by Evergreen Solutions, August 2009.

- Water Technicians (8 positions)

    – Perform technical activities related to potable water provision, including sampling
      and analyzing water, maintaining water lines, reading meters, and conducting system
      preventive maintenance.

- Office Supervisor

    – Oversees the activities of Office Assistants related to processing, issuing, and
      collecting water bills.

- Office Assistant (3 positions)

    – Provide all administrative and clerical support to processing, issuing, and collecting
      water bills.

The division of labor within the Water Department is fairly standard: one team focuses on the
provision of potable water while the other bills and collects for the utility service. The Water
Technicians conduct basic repairs, but the Water Department contracts out for major
construction and repair assignments.

The office staff is responsible for the billing process. The billing process uses a fixed schedule that mirrors most modern billing and collection processes:

- Meters are read by the 28th day of every month.

- Bills are sent out to customers no later than the 5th day of each month.

- Accounts not paid in full by the due date are subject to service being discontinued on the 11th day of the following month.

- If the water is turned off for nonpayment, a reconnect fee of $40 and a $50 deposit (if applicable), plus the entire amount of the latest bill is paid before water service is reinstated.

A review of the accounts indicates that Duplin County possesses a limited amount of delinquent accounts. Moreover, those missing payments or service discontinuation are consistent over time.

An issue raised during the initial review related to the use of a contractor during the transition to the current management team. The past Director was on contract in 2008-09 since the incoming Director did not have the legally required Class A Distribution Certification. She has now gained the certification and the past Director is no longer on contract.

FINDING

The Water Department has implemented several technological improvements that have led to improved information and data collection, and thus better decision making. Below is a brief examination of two of the most significant technology systems implemented by the Water Department.

The Water Department uses a Supervisory Control and Data Acquisition (SCADA) System that allows operators at the main facility to monitor and control process that are distributed among various remote sites. For example, the SCADA System is used to monitor and control Duplin County's entire water network; and water personnel utilize the SCADA System to manipulate water quantity and pressure of county-owned wells and water tanks—all from a central site.

The SCADA System saves time and money by eliminating the need for service personnel to visit each site for minor adjustments. However, service personnel are still responsible for inspection, data collection/logging, or making adjustments. Other benefits the SCADA System provides include:

- reduced operational costs;
- immediate knowledge of electric or water system performance;
- improved system efficiency and performance;
- increased equipment life;
- a reduction in the number of costly repairs;
- frees up a limited amount of personnel for other important tasks; and
- facilitates regulatory compliance through automated report generating.

In addition, the Water Department is in the process of transferring to an automated meter reading (AMR) system by using smart meters. Smart meters are a technology that allows automatically collecting data from water meters through a radio signal collection scheme. This means that billing can be based on actual consumption, giving customers better control of their use of water consumption and reducing the collection time by half. A smart meter costs approximately three quarters of what a traditional meter costs.

Roughly 20 percent of Duplin County customers are on smart meters (more than 522 customers). Based on the needs of the Water Department for more staff availability for maintenance, a larger percentage of customers need to be converted to this technology.

COMMENDATION

The Water Department is commended for its use of technology applications in water management.

RECOMMENDATION

Recommendation 9-9:

Seek federal grant funds or public-private partnerships to purchase smart meters for the remainder of Duplin County customers.

A modern utility must continually look at technological innovation in order to improve service delivery, contain cost, and as a tool to assist the decision-making process. Considering the tremendous capital cost associated with running a utility enterprise, failure to take advantage of technology can cost a utility millions of dollars, which is ultimately passed on to its customers.

The federal government has identified approximately $3.4 billion in stimulus dollars for smart grid systems, including water. Smaller size projects are in the first round and could yield up to $200 million. Duplin County is a primary candidate for stimulus funds and should seek all current opportunities. On October 27, 2009, the Obama administration announced the biggest-ever upgrade of the country's electrical grid. More than $3 billion in federal dollars is going to utilities and cities nationwide to install new technologies designed to make the grid more efficient and reliable. Smart meters are included and some jurisdictions have already applied. In addition, private companies that manufacture smart meters are willing to subsidize or create alternative arrangements for implementing their products.

If smart meters were present in most of Duplin County, the time for meter reading could almost be cut in half. The three assigned staff would only need to read meters for two weeks of the month; the remaining time could be spent assisting with repairs, flushing lines, and other routine system maintenance duties.

FISCAL IMPACT

This recommendation is cost neutral if implemented with grant or stimulus funds. The extra time created could yield significant new resources for the Water Department.

FINDING

The Water Department relies on a paper-based work order management system to schedule and dispatch work crews. Calls for service are generally received by an Office Assistant during normal business hours. The Office Assistant captures relevant information from the caller (such as name, address, and nature of the call).   The Office Assistant also records the time and date of the call. Once this information is recorded on a paper ticket (work order), the ticket is placed in the proper folder.

The Operational Assistant Supervisor checks the folders throughout the day, and assigns work crews to handle each call. Although staff check the folders regularly, it is fairly common for the Office Assistant to call or radio the appropriate staff person and give them the information needed to respond to the call.

Calls for after hours and weekends are routed to the Police Department. The Police Dispatcher receives the call, takes the information, and then contacts the person on call.

RECOMMENDATION

Recommendation 9-10:

Implement an electronic work order management system in the Water Department.

With an electronic work order system, administrative staff will no longer have to locate staff resources by phone to determine their location and work load. Employees can immediately determine the most efficient and best routes to take using the functionality of the system. Work orders can be grouped in geographic locations to enhance employees productivity and response time to better meet the needs of the citizens. Work orders can be assigned, updated, reviewed, approved, and managed to create an efficient and responsive environment throughout the department. Up-to-date information can be captured and relayed to the managerial staff so decisions can be made based on real-time data instead of state information. In addition, reports can be generated to assist staff in identifying problem areas that need further attention.

FISCAL IMPACT

The estimated fiscal impact for this recommendation is $25,000 with approximately a ten percent maintenance cost depending on the system per year, which can be paid for out of enterprise funds since it is related to ongoing operations.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Implement Electronic Work Order Management System	($25,000)	($2,500)	($2,500)	($2,500)	($2,500)

FINDING

The Water Department has accomplished a considerable amount with the resources available. However, outside of comments that are brought to the staff's attention, there is a lack of formal customer satisfaction data collection. One example of how the current, informal system works is the case of line flushing. The lack of a consistent, rotating flushing schedule for the water lines has created water color or taste issues for customers. Once complaints are made to the Water Department, action is normally taken. Nevertheless, the Water Department does not possess any type of systemic tool for collecting, aggregating, or tracking complaint information.

RECOMMENDATION

Recommendation 9-11:

Develop and implement a customer feedback system for the Water Department to evaluate the nature and quality of its services on a regular basis.

The Water Department needs a formal process to collect customer feedback data. A short survey should be prepared that includes questions on:

- water availability;
- water quality;
- rates; and
- general customer service.

The feedback received through the survey will provide an effective means for Water Department staff to evaluate performance both from an internal perspective as well as from the standpoint of its primary customers.

FISCAL IMPACT

The survey can be developed and deployed utilizing current resources by making them available online and at Duplin County facilities.

FINDING

Public information is critical for the satisfactory operation of a utility service. Customers need to be educated about service offerings, terms of use, fees and charges, conservation, and interruptions in service. The lack of a central media source in Duplin County complicates the ability of the Water Department to provide timely and widely available information.

In larger geographic areas, it has become more common to use multiple media for communication. The Web site, flyers in the community, and several of the local papers can be used effectively to notify the public of changes in service or repairs. In addition, some communities have used church, school, and civic organizations as conduits for releasing relevant information to the public.

RECOMMENDATION

Recommendation 9-12:

Notify the public through various media sources when major water line repair is going to take place.

The Water Department should assign community contact duties to a current staff member as part of his or her regular duties. The staff member should develop templates that can be quickly used to convey messages to the community about the most common occurrences. In addition, the community contact should keep a list of release outlets that can be used for each water district. Besides the obvious customer service benefit of better communication, calls for service can be reduced by having more information disseminated before the action occurs.

FISCAL IMPACT

This recommendation can be implemented with current resources.

10.0 TAX ADMINISTRATION

Property taxes in North Carolina are considered "ad valorem," a Latin term meaning "according to value". Thus, the tax burden assessed to each property owner is based upon the "true value" or "market value" of his or her property. "Market value" is further defined as "the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used". This is commonly referred to as an "arms length transaction."

The primary tasks of a Tax Department of each of North Carolina's 100 counties are to determine the market value of all taxable property located within the county, then bill each property owner utilizing the tax rate set each year by each Board of County Commissioners.

The Tax Department is charged with the responsibility of utilizing all legal means to collect as near 100 percent of assessments as possible, helping to ensure fairness and equity to its citizens in sharing the tax burden.

A comparison of 2009 property tax rates, which indicates Duplin as the third lowest when compared with adjacent counties, is shown in **Exhibit 10-1. Exhibits 10-17, 10-18** and **10-19** at the conclusion of this chapter contain historical comparisons of tax rates statewide and in Duplin County.

Exhibit 10-1
2009 Tax Rate Comparison
(per $100 value)

County	2009 Property Tax Rate
Onslow	$0.59
Pender	$0.65
Duplin	**$0.69**
Jones	$0.70
Wayne	$0.764
Lenoir	$0.80
Sampson	$0.845

Source: North Carolina Commissioners "County Lines", July, 2009, Volume 36, No. 7.

The laws by which all North Carolina counties appraise, assess, and collect property taxes are recorded in Chapter 105 of the General Statutes of North Carolina. This chapter is called the "Machinery Act", being the "machinery" by which property taxes are governed in the State. The Machinery Act is updated annually as new legislation is passed by the North Carolina General Assembly. The Property Tax Division of the North Carolina Department of Revenue and the School of Government at the University of North Carolina are available to offer assistance to counties when statutes occasionally appear vague or open to interpretation.

Successfully carrying out the mandates, as recorded in the Machinery Act, is a complex and sometimes difficult task. A prerequisite for success is for county management to have in place a Tax Department staffed with skilled and dedicated leaders who, likewise, hire competent subordinates possessing strong job and customer service skills. For many citizens, the only direct contact they experience with county government is each year when they visit the Tax Office to list or pay their taxes. The manner in which they are treated, the demeanor of the staff person that assists them, and the efficiency of the service they receive, can combine to, in that citizen's mind, be reflective of the entire county government. Employees must always be conscious of the fact that in every instance of public contact they truly are representing the county. Therefore, customer service will be a major emphasis of this chapter.

General Statute 105-286 requires that all counties conduct a revaluation of all real property at least once every eight years, so as to assess all property at 100 percent of market value as of the effective date of the reappraisal. A section of this chapter will discuss Duplin County's last octennial revaluation, effective January 1, 2009, and the degree of effectiveness and professionalism demonstrated by staff in conducting a revaluation during a difficult real estate market, especially with regard to residential properties. Options that Duplin County Government might consider for conducting future mandated property revaluations will also be addressed.

Even with a talented and dedicated staff, many times that staff is only as effective as the tools they are given to perform their responsibilities. The effectiveness of staff within the Tax Department as related to computer software being utilized, policies and procedures within the office, adequate staffing, cross-training, and continuing education will also be examined.

This chapter reviews Tax Administration in the following seven sections:

    10.1   Organization and Management
    10.2   Business Processes and Policies
    10.3   Outsourcing
    10.4   Customer Service
    10.5   Technology/Computer Software
    10.6   Property Revaluation
    10.7   Statistical Data

10.1   ORGANIZATION AND MANAGEMENT

The Duplin County Tax Department operates under the leadership of a Tax Administrator who reports directly to the County Manager. The Tax Department is responsible for maintaining land records, and appraising, assessing, and collecting taxes on all non-exempt property within Duplin County.

There are currently 16 budgeted full-time positions in the Tax Office:

- Tax Administrator (1);
- Assistant Tax Administrator (1);
- GIS Coordinator (1);
- Land Specialist I (1);
- Administrative – Land Records Assistant (1);

- Real Estate Appraiser (1);
- Business Personal Property Appraiser (1);
- Tax Assistant III [Assessing] (1);
- Deputy Tax Collector (1);
- Tax Assistant II (6); and
- Real Estate Specialist (1).

In addition to these full-time positions, the department hires two (2) temporary staff members to assist during the peak tax listing period each year.

The Tax Department also utilizes an outside real estate appraiser on an as needed basis.

It is interesting and important to have an understanding of the flexibility afforded counties by the North Carolina General Statutes with regard to appointment of the County Assessor and County Tax Collector. NCGS 105-294 mandates that each Board of County Commissioners appoint a County Assessor to serve a term of not less than two nor more than four years. Likewise, NCGS 105-349 instructs the governing body of each county to appoint a Tax Collector for a term to be determined by that governing body. In both instances, there is nothing statutorily that prevents the governing body from reappointing the same individual to successive terms, nor that the same individual may hold both offices simultaneously. Also, despite the fact that an increasing number of counties (approximately 65 at this point in time) in North Carolina now employ a Tax Administrator to oversee the entire property tax operation, such a position is not cited in the general statutes. In almost all instances where the Tax Administrator system of leadership is in place, the same individual also serves as the appointed Assessor or Tax Collector, or both.

This majority of counties, including Duplin County, have deemed it prudent and effective to have a unifying administrative position to coordinate the state-mandated obligations of these closely interdependent functions. Counties have found that this central position of leadership helps to mesh the workings of the two offices into a more cohesive unit and reinforces the inherent inter-connectivity of the two functions. Resources can be more efficiently allocated and can promote a sense of the entire staff working towards a common goal.

The organizational chart depicted in **Exhibit 10-2** reflects the chain of command for all full-time permanent positions within the Tax Department. The Tax Assistant III position in Collections is vacant due to retirement of the incumbent approximately three years ago. At the recommendation of the department head, management elected to hire a full-time real estate appraiser reclassifying the former Assistant Assessor position. Prior to this action, Duplin County had exclusively contracted outside assistance for the appraisal function.

FINDING

The Duplin County Tax Department is organized under the leadership of a Tax Administrator who is responsible for all functions of the Assessor and Tax Collector as mandated by the General Statutes of North Carolina. At this time, the Tax Administrator also serves as the appointed Assessor and Tax Collector which is not unusual, especially in smaller jurisdictions where staffing is compact and job responsibilities often overlap.

Exhibit 10-2
Duplin County Tax Administration
Organizational Chart

```
                        ┌─────────────────┐
                        │ Tax Administrator│
                        └─────────────────┘
        ┌───────────────────────┼───────────────────────┐
┌─────────────────┐   ┌─────────────────┐   ┌─────────────────┐
│ Assistant Tax   │   │ Administrative-Land│  │ GIS Coordinator │
│ Administrator   │   │ Records Assistant  │  └─────────────────┘
└─────────────────┘   └─────────────────┘             │
                                              ┌─────────────────┐
┌─────────────────┐   ┌─────────────────┐     │ Land Specialist I│
│ Deputy Tax      │   │ Real Estate      │    └─────────────────┘
│ Collector       │   │ Appraiser        │
└─────────────────┘   └─────────────────┘
    ┌─────────────────┐   ┌─────────────────┐
    │ Tax Assistant III│   │ Business Personal│
    │ Collections      │   │ Property Appraiser│
    └─────────────────┘   └─────────────────┘
    ┌─────────────────┐   ┌─────────────────┐
    │ Tax Assistant II │   │ Tax Assistant III│
    └─────────────────┘   └─────────────────┘
┌─────────────────┐       ┌─────────────────┐
│ Real Estate     │       │ Tax List Takers │
│ Specialist      │       └─────────────────┘
└─────────────────┘
┌─────────────────┐
│ Tax Assistant II│
└─────────────────┘
```
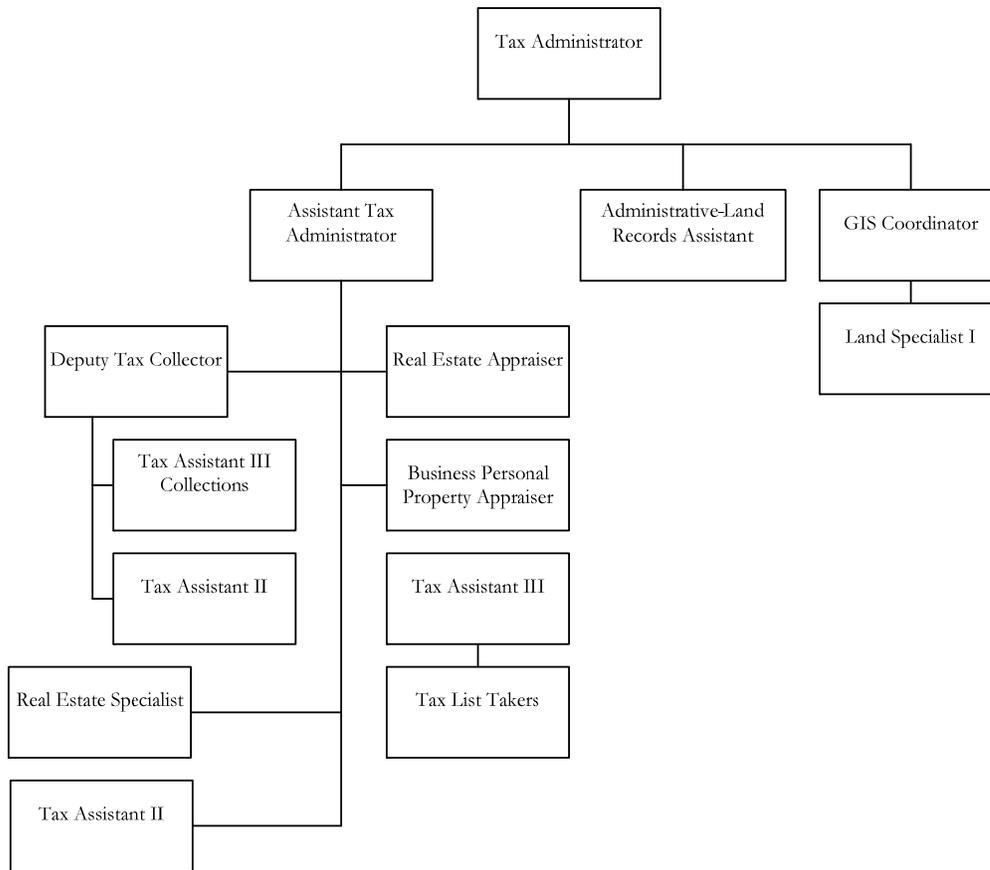
Source: Duplin County Government, August, 2009.

Both the assessing and collections areas are physically located in the same open space, making the two primary functions of the Duplin County Tax Department even more conducive to a central point of leadership. Staff members in both primary areas appear to have a good understanding of the functions of the entire Tax Office—certainly a positive benefit.

COMMENDATION

The Duplin County Manager and Tax Department are commended for their insight in recognizing the advantages of having a Tax Administrator to oversee the entire property tax operation.

FINDING

With resources and technology as currently being utilized, the Tax Administration Department is effective in carrying out the mandates required by law, which are to appraise, assess, and collect property taxes in Duplin County.

The Tax Department is a compact unit that operates somewhat surprisingly effectively considering the lack of modern technology employed. This effectiveness is in large part due to experienced and dedicated leaders and subordinates within the department. With the exception of the GIS software, which is state of the art, both the appraisal and billing/collection software systems are outdated and cumbersome. This shortcoming will be discussed in **Section 10.5** of this chapter.

Through effective leadership, a noticeable teamwork mentality, and a policy of cross-training staff, the department has been able to annually improve its fiscal year ending tax collection rate from the prior year. This improvement, as demonstrated in **Exhibit 10-3**, is especially impressive when considering the continuing decline in the local economy during this period. The fact remains, however, that Duplin County's 2007-08 fiscal year ending collection rate (2008-09 statewide data not published to date) of 94.36 percent is below the average of peer counties with a population of 50,000-99,999.

Exhibit 10-3
Duplin County Tax Collection Rates

Tax Year	Collection Rate (%)
2008	94.48
2007	94.36
2006	94.24
2005	94.15
2004	93.59

Source: Duplin County Government, August 2009.

A detailed comparison of 2007-08 collection rates with these peer counties is shown in **Exhibit 10-4.** Also, a five-year comparison of collection rates in Duplin County with adjacent counties is displayed in **Exhibit 10-5.**

COMMENDATION

The Duplin County Tax Department is commended for its success in annually increasing the tax collection rate, especially difficult to accomplish when considering the continued decline of the local economy.

FINDING

With the resources and technology being utilized at this time, the Tax Administration Department is currently adequately and appropriately staffed.

There is impending legislation currently scheduled to become effective in 2011 that could have an impact on office staffing. At that time, the NC Department of Revenue, in cooperation with the Division of Motor Vehicles, will initiate an integrated computer system for the registration renewal and property tax collection of classified motor vehicles. This means that county tax offices will no longer handle the payment of property taxes on vehicles, although they will still be responsible for determining taxability, situsing, and administering the appeal process.

Exhibit 10-4
Tax Collection Rate Comparison w/Peer Counties
2007-08

| County | Population | Percent Collected | | | 2007-08 Amount Uncollected |
		2007-08 All Property	Excluding Motor Vehicles	Motor Vehicles Only	
Brunswick	99,440	97.48	97.83	88.41	$2,437,893
Burke	88,439	95.89	96.87	85.86	1,393,427
Caldwell	79,376	93.56	94.83	81.93	2,221,215
Carteret	63,294	97.65	98.05	88.20	1,015,373
Chatham	59,168	97.74	98.20	91.82	994,019
Cleveland	97,144	95.11	96.03	83.88	1,737,213
Columbus	54,460	94.54	97.59	72.51	1,442,525
Craven	96,406	98.23	99.33	90.20	724,186
Duplin	53,133	94.36	96.75	77.83	1,366,158
Edgecombe	51,813	91.99	93.83	79.87	1,892,097
Franklin	56,456	96.41	97.95	83.76	1,109,818
Granville	55,667	95.63	97.31	81.92	1,153,233
Halifax	55,352	96.96	97.84	89.41	728,249
Haywood	57,031	97.02	97.94	85.49	1,005,666
Lee	56,376	99.93	98.06	85.95	1,063,747
Lenoir	57,642	94.47	96.37	81.02	1,563,444
Lincoln	72,776	97.81	98.68	90.07	872,468
Moore	83,932	99.28	99.66	94.04	360,366
Nash	92,915	96.12	97.82	82.79	1,578,450
Fender	50,430	96.33	97.87	82.18	1,057,248
Rockingham	91,646	96.30	97.64	86.72	1,560,922
Rutherford	62,926	96.41	97.40	83.64	1,101,058
Sampson	64,522	95.11	97.10	83.31	1,354,224
Stanly	59,158	96.64	97.39	90.15	921,632
Surry	73,150	97.66	98.51	91.23	715,869
Wilkes	67,182	96.59	97.26	90.33	1,097,884
Wilson	77,970	96.72	98.34	84.02	1,347,415
Group Statistics					
50,000 – 99,999					
Range					
Lowest		91.99	93.83	72.51	
Highest		99.28	99.66	94.04	
Average		96.52	97.67	85.47	

Source: North Carolina Department of State Treasurer, May 2009.

Exhibit 10-5
Five-Year Tax Collection Rate
Comparison with Adjacent Counties

2008 Tax Collection Rates

	Real & Personal Property	**Motor Vehicles**	**Overall**
Duplin	96.48%	79.44%	94.48%
Wayne	97.18%	85.49%	N/A
Onslow	N/A	N/A	94.97%
Pender	97.13%	83.95%	95.93%
Jones	95.69%	79.89%	94.14%
Sampson	97.01%	83.31%	95.11%

2007 Tax Collection Rates

	Real & Persona Property	**Motor Vehicles**	**Overall**
Duplin	96.76%	77.83%	94.36%
Wayne	97.32%	84.06%	N/A
Onslow	97.62%	83.80%	96.54%
Pender	97.88%	82.46%	96.40%
Jones	95.98%	78.53%	94.16%
Sampson	97.33%	8217%	95.31%

2006 Tax Collection Rates

	Real & Personal Property	**Motor Vehicles**	**Overall**
Duplin	96.64%	77.23%	94.24%
Wayne	97.00%	83.32%	N/A
Onslow	98.03%	83.83%	96.81%
Pender	98.26%	85.55%	97.08%
Jones	96.44%	79.93%	94.65%
Sampson	97.52%	82.37%	95.49%

2005 Tax Collection Rates

	Real & Personal Property	**Motor Vehicles**	**Overall**
Duplin	96.49%	78.51%	94.15%
Wayne	96.95%	82.39%	N/A
Onslow	97.40%	83.92%	95.74%
Pender	97.91%	84.72%	96.70%
Jones	95.27%	79.35%	93.13%
Sampson	97.65%	84.29%	95.82%

2004 Tax Collection Rates

	Real & Personal Property	**Motor Vehicles**	**Overall**
Duplin	95.57%	77.33%	93.59%
Wayne	96.65%	83.37%	N/A
Onslow	97.52%	84.45%	96.03%
Pender	97.99%	83.84%	96.80%
Jones	95.55%	80.01%	93.77%
Sampson	97.14%	83.69%	95.29%

Source: Duplin County Tax Administration, September 2009.

When this becomes effective, a careful look at office processes will need to be made to determine what changes, if any, can prudently be made with regard to job responsibilities and/or staffing levels. This, along with recommendations regarding computer software (**Section 10.5**) and the frequency and methodology of property revaluation (**Section 10.6**) will combine to affect the number of staff members as well as the allocation of responsibilities.

Currently, with the business processes being used and outside resources being called upon as needed, the Tax Department is able to perform its responsibilities adequately. An example is the current situation of having only one full-time Real Estate Appraiser on staff. The Tax Department calls on a local private appraiser to assist with specific properties or help the staff appraiser "catch up". This appears to be a viable and cost effective option at this point in time, but as the economy recovers and new construction is on the increase, this solution may fall short.

RECOMMENDATION

Recommendation 10-1:

Maintain the existing staffing level for the short term (until 2012-13), and then reduce staffing by one Tax Assistant.

At this time, there is no reason for Duplin County Government to hire additional staff or to reduce the staffing level within the Tax Department. The primary key to improved productivity and performance lies with replacing outdated computer systems in the department and implementing the improved business processes this will allow. Only then can staffing levels be properly addressed.

FISCAL IMPACT

This recommendation can be implemented with no effect on existing resources until 2012-13. The average salary of a Tax Assistant II is $25,260 times 30 percent equals $32,838.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Reduce Staff by One Tax Assistant	$0	$0	$32,840	$32,840	$32,840

10.2   BUSINESS PROCESSES AND POLICIES

The most progressive and effective organizations are those that not only have the vision to plan for their needs ahead of time, but which also have a clear perspective on their activities. This can be accomplished through a combination of mechanisms, such as regular staff meetings to keep employees focused and informed. However, diligent adherence to documented policies, procedures, and mandated laws governing activities is critical. This characteristic is very important in a public office under the scrutiny of citizens who "pay your salary," and even more so in the tax office of any given jurisdiction where a portion of taxpayers inherently distrust the tax process and subsequently the officials who administer it. Therefore, it is critical that every

staff member working in a tax department be acutely aware of the policies, procedures, and laws governing their responsibilities, and to treat all citizens in a lawful and impartial manner.

FINDING

The Duplin County Tax Department currently does not have a comprehensive procedures manual for positions within the office. While several staff members have taken the initiative to document in written form some procedures they currently utilize, and while management has seen a need for a procedures manual, little progress has been realized in this effort to date.

A comprehensive and organized internal procedures manual for each position in the department is essential to guide employees in carrying out his or her duties in compliance with office, county, and state laws. This type of document helps to protect the institutional knowledge of the office so that as experienced employees leave service, new employees gain the benefit of their knowledge and years of experience. A procedures manual can also be a tool for evaluating employees based upon their knowledge and adherence to procedures.

Exhibit 10-6 is an example of a table of contents for a Business Personal Property Appraiser Procedures Manual which demonstrates a format that could be used for Duplin County.

Exhibit 10-6
Business Personal Property Procedures Manual (Sample)
Table of Contents

Section	Topic
1	Business Personal Property Defined
2	Listing Requirements
3	Listing Form
4	Listing Process
4A	Statutory Dates For Listing
4B	Granting Extensions
5	Depreciation / Trending Schedules
5A	Machinery & Equipment
5B	Office Equipment & Furniture
5C	Computer Equipment
5D	Leasehold Improvements
5E	Construction In Progress
5F	Supplies
6	Abstract Data Entry
7	Non-Lister Assessments
8	New Business Search
9	Discoveries
10	Audit Program
11	Public Service Company Billing

Source: Catawba County, NC Tax Department, 2009.

In situations where there is little turnover in office staffing and where existing staff is knowledgeable, efficient, and conscientious, the shortcomings of not having in place a detailed procedures manual may not be as apparent, but ignoring the need for such a tool is not prudent for the future stability of the department. Several staff members indicated they may be nearing retirement in the foreseeable future, so it is imperative that a portion of their years of experience and "know how" not be lost.

RECOMMENDATION

Recommendation 10-2:

Initiate a process to formulate a comprehensive procedures manual to include each business process in the Duplin County Tax Department.

It is important to understand the distinction between a "job" or "position description" and a procedures manual. While a position description describes the responsibilities of a particular person or position, a procedural manual details a business process, such as the proper method to process a tax payment. Examining procedures manuals in use by other departments within Duplin County can be a starting point for initiating this process. In addition, asking tax departments in other counties to allow the use of theirs to develop a forma is often helpful. The Internet has numerous examples of procedures manuals in use by various tax organizations.

FISCAL IMPACT

This recommendation can be implemented with existing resources; however, some staff time will be needed.

FINDING

Legislation was passed in 2002 that allows counties to recover delinquent property taxes by offsetting debtor North Carolina state income tax refunds and Education Lottery winnings. This is commonly referred to as "debt setoff," and is administered by the North Carolina Local Government Debt Setoff Clearinghouse. There is no cost to the county since the debtor pays all the fees involved.

The Duplin County Tax Department has been aggressive since this program began in submitting delinquent accounts to the Clearinghouse for processing, and has recovered more than $480,000 in revenue to date that otherwise would be lost. Duplin County currently ranks 24th highest in tax dollars recovered of the 88 North Carolina counties taking advantage of the program. This statistic is particularly impressive when considering that Duplin County ranks 51st in population (according to US-Places.com). With the exception of Wayne County, which has a much larger tax base, all the counties immediately adjacent to Duplin County rank below it in revenue recovered. Those rankings, according to Debt Setoff Clearinghouse figures, are:

- Wayne (5);
- Duplin (24);
- Onslow (25);
- Sampson (38);
- Jones (63);
- Pender (72); and
- Lenoir (does not participate).

Exhibit 10-7 displays yearly debt setoff collections by property category in Duplin County since its inception.

Exhibit 10-7
Debt Setoff Collections Report
Duplin County Tax Administration

	Property Tax	Vehicle Tax	Total	Cumulative Total
3/03-6/03	12,565	3,657	16,222	$16,222
7/03-6/04	78,461	9,930	88,391	$104,613
7/04-6/05	65,353	28,369	93,722	$198,335
7/05-6/06	64,158	20,700	84,858	$283,193
7/06-6/07	41,658	21,252	62,910	$346,103
7/07-6/08	44,086	27,384	71,470	$417,573
7/08-6/09	48,657	17,437	66,094	$483,667

Source: Duplin County Tax Department, September 2009.

COMMENDATION

The Duplin County Tax Department is commended for its initiative and success in participating in the Local Government Debt Setoff Program. Duplin County Government was one of the first of 88 counties participating, and has realized more than $480,000 in revenue since its inception in 2003.

FINDING

The Duplin County Tax Department currently does not hold regularly scheduled staff meetings that include all workers. More often, meetings are held on an "as needed" basis and typically include only those staff members directly involved in the subject of a particular meeting. This practice may succeed in "getting the job done", but does little in building a cohesive work force with a common purpose.

The primary difficulties that have confronted management in holding meetings is securing a location for them and holding staff meetings where everyone can be present at the same meeting. A public office (such as a tax department) must be staffed continuously during operating hours. Scheduling meetings during off hours may not offer the best solution, when staff morale is considered, plus the county would face the possibility of overtime pay.

Due to the fact that the Tax Department is a public office and must be adequately staffed continuously during working hours, the most viable option is to conduct two meetings, one immediately following the other, with approximately one-half of staff members attending each session while the other half keeps the office functioning. Care should be taken to ensure that the same subject matter is discussed at each meeting.

RECOMMENDATION

Recommendation 10-3:

Hold staff meetings on a continuous, regularly scheduled basis.

Regularly held staff meetings are a valuable management tool that can be one of the untapped resources for energy, enthusiasm, communication, education, and synergy in a department. Planned and conducted correctly and positively, the meeting process should be a powerful team-building experience that will send staff members away with a sense of energy and commitment.

Productive and efficient meetings raise business process benchmarks, increase employee morale, and through discussion, can resolve issues and problems affecting the department. Without regular communication, staff members can lose momentum, confidence, and focus, and are more likely to become distracted and diverted. Regular staff meetings provide great potential for a focused staff.

Some suggestions for planning and conducting productive staff meetings are as follows:

- Meet in a room that is private enough so that the meeting is not likely to be disturbed, certainly not in the public areas of the Tax Department itself.

- Schedule the meetings far in advance, preferably at the same time and at the same location. This will make it easier to reserve the location where meetings are held, plus meetings will become expected by staff as part of their routine. If regular department head meetings are held with the County Manager, a good idea is to schedule staff meetings a day or two afterward, so the latest information from that meeting can be passed along to staff

- Have an Agenda. This is critical for conducting efficient and effective meetings. **Exhibit 10-8** demonstrates a typical agenda for a tax office staff meeting.

Exhibit 10-8
Sample Tax Department Staff Meeting Agenda

Tax Department Staff Meeting	
1.	Call To Order
2.	Welcome (visitors / new staff members)
3.	Benevolence Fund Report
4.	Employee Committee Report
5.	Collections Report
6.	Revaluation Update
7.	New Construction Update
8.	Department Head Report
9.	Discussion Of Issues / Problems
10.	Training Exercise
11.	Open Floor
12.	Next Meeting Announcement
13.	Adjournment

Source: Created by Evergreen Solutions, 2009.

- In general, keep the meeting short. Most staff meetings should last an hour or less.

- Share news. Give appropriate members a few minutes, but no more, to report on progress in their area of responsibility. Limiting their time will result in bullet points of essential information and will prevent people from philosophizing, explaining, justifying and criticizing. The department head should relay pertinent permissible information that has been passed down from his or her superiors in a clear and concise manner. This information makes staff members feel "in the know" and helps reduce inaccurate information getting circulated by word of mouth among employees.

- Teach something. Putting a staff member in charge of presenting results from a project or discussing a business process fosters ownership and accountability. Inviting a guest expert from time to time to give a brief presentation on some skill or technology that benefits the group can add quality and interest to meetings.

- Practice skills. Create team learning activities that sharpen or teach skills needed in the office. For example, a role playing exercise on handling a disgruntled taxpayer can be very beneficial (as well as entertaining) to staff. Developing short quizzes on job-related subjects can be useful and enjoyable for staff. The enjoyment aspect is important in building a positive team spirit in a sometimes stressful and thankless arena.

- Solve problems. Giving staff members time to describe a challenge or problem they are facing in their work and allowing everyone to brainstorm for a solution can be helpful in several ways. First, the problem might indeed get resolved, but perhaps even more importantly, it promotes unity and a sharing of ideas within the department, and makes staff feel that their opinions are valuable and needed.

- Staff meetings are a perfect forum for praising employees. Nothing is more pleasing to a worker than to receive accolades in front of his or her peers. Having staff vote for a "customer service award of the month" winner, for instance, not only rewards employees who demonstrate a single or ongoing example of providing exemplary customer service, but it emphasizes the importance that management places on it.

- Finally, attendance at staff meetings should be mandatory for everyone. The department head should be very firm in this directive, allowing absences only in cases of moderate hardship. This may seem harsh, but if absences are tolerated in a casual manner, then the effectiveness of the meetings can disintegrate quickly.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

North Carolina General Statute 105-360 allows counties the option to establish a schedule of discounts to be applied to property tax bills prior to the prescribed due date of September 1 each

year. This means the window for a tax bill to be paid and receive the discount lies from the time a property owner receives a bill (typically early- to mid-July) through August 31st.

Several advantages to allowing discounts are:

- receiving significant revenue at the beginning of the fiscal year can relieve cash flow issues for some counties;

- counties earn more on their interest bearing accounts by making larger deposits earlier;

- taxpayers, making payments earlier, can help to reduce the volume of payments later in the year, thus partially eliminating the long lines that typically form in the tax collector's office in the days immediately prior to taxes becoming delinquent; and

- serves as a positive public relations tool for Duplin County by offering a discount to those who pay promptly.

Since the early 1980s, Duplin County's policy has been to offer a 2 percent discount for taxes paid prior to the due date of September 1. In many years, however, this policy has been minimally effective due to the late date in which tax bills have been mailed, as demonstrated in **Exhibit 10-9**. This situation has shortened the window for taxpayers to take advantage of the discount, thus decreasing the advantages to Duplin County for offering them, as described above. In 2009, the late mailing date was primarily due to issues with the billing and collection software system currently being used, which resulted in delays. This subject will be discussed in **Section 10.5** of this chapter.

Exhibit 10-9
Early Payment Discount Analysis
Duplin County Government

Year	Date Tax Bills Mailed	Work Days For Discount To Apply
2009	August 10-11	15
2008	July 25	25
2007	August 9	16
2006	July 28	24
2005	July 22	28

Source: Duplin County Government, September 2009.

RECOMMENDATION

Recommendation 10-4:

Initiate a viable and workable process to ensure that tax bills are mailed each year as early as possible after July 1st and no later than July 15th.

Business processes can only be as effective and efficient as the computer system in place allows them to be. Nevertheless, many obstacles can be overcome and potential problems avoided through careful planning and anticipation. Being aware of issues from the past and ensuring they

have been resolved in the current process is certainly a good start. Establishing a planning calendar with timelines and deadlines is essential. Holding frequent meetings with affected staff to receive progress updates and to review the planning calendar is important, as well as keeping management informed of the status of the effort.

To reiterate, despite the best efforts by leadership and staff, very often meeting projected timelines becomes dependent upon the capability and dependability of the computer software system being used; this will be discussed in **Section 10-5.**

FISCAL IMPACT

The recommendation itself can be implemented with existing resources. The fiscal impact to Duplin County for offering early payment discounts is very difficult to estimate for several reasons. The fluctuating rate of interest earned by the County on its investments is an obvious major factor, but equally important is the unknown factor of at what point in time a given taxpayer would pay his/her bill if the discount were not offered. Suffice it to say that counties who offer an early payment discount do so primarily as a public relations gesture rather than as a revenue generating effort.

10.3   *OUTSOURCING*

Outsourcing is frequently used by agencies in today's business world. Private business and government agencies alike have discovered the many advantages of outsourcing selected components of their operations. Some of those advantages are listed as follows:

- **Cost Savings:** Functions that are very complicated or technical in nature and would require a large expense to hire trained and competent staff in-house to perform them quite often are candidates for outsourcing. In most instances, an outsourcing company which specializes in performing that particular function and deals in volume can offer the service to the client at less cost than the business or jurisdiction can do it themselves.

- **Access to a Larger Pool of Workers:** Outsourcing companies typically have a much larger pool of trained workers performing the same function than a private business or government office. This can be very beneficial when a large volume of work needs to be completed in a short period of time.

- **Ability to Focus on Core Activities:** As government agencies become larger due to population growth, the increased demand to provide expanded government services can consume human, financial, and technical resources to the point that core activities, such as providing exceptional customer service and maintaining accurate and accessible records may suffer. Utilizing an outsourcing company to perform functions that are time consuming or cumbersome can allow staff to refocus on those business activities that are important without sacrificing quality or service.

- **Access to Better Technology at Lower Cost:** Technology is changing rapidly and it is very expensive to keep up with the latest advances. Instead of investing the considerable financial resources necessary to continuously upgrade equipment and train staff, it can

make more sense to have access to the technology from a company that has already made the investment.

- **Increased Staffing Flexibility:** Outsourcing can allow operations that have seasonal or cyclical demands, such as the county tax department, to bring in additional resources when needed and release them at other times.

- **Develop Internal Staff:** When there are needs that require skills that staff does not possess, on-site outsourcing of the activity will bring in people with the proper skills to work alongside in-house staff to learn the new skill set.

- **Continuity and Risk Management:** A period of high employee turnover will most likely add uncertainty and inconsistency to the operation. Outsourcing can be valuable in providing a level of continuity to the office while reducing the risk that a substandard level of operation would bring.

- **Increased Productivity:** When an office outsources a portion of its activities, it leaves fewer activities for in-house staff to accomplish. Rather than being generalists who try to juggle too many conflicting tasks at once, each person has a better opportunity to become an efficient specialist. When workers are able to focus on a limited number of tasks, they will normally become more efficient and not distracted by having new demands put on them.

There can also be disadvantages to outsourcing, so each instance of potentially outsourcing a function within the office must be carefully researched and evaluated. Several potential pitfalls to understand and be alert for are as follows:

- **Hidden Costs:** Always have an attorney review the contract before signing. This will be the outsourcing company's contract and it is their business, so you, the client, can be at a disadvantage when negotiations begin.

- **Loss of Managerial Control:** Regardless of what the contract says, when it is signed the client is essentially turning the management and control of that function to the outsourcing company. That company may not be driven by the same standards and mission that drives the client's operation.

- **Threat to Security and Confidentiality:** If confidential information is transmitted to the outsourcing company, there can be a risk that the information might be compromised. Ideally, the outsourcing company is legally bound by the same laws of confidentiality that the client's office is, but nevertheless, the outsourcing company should be carefully evaluated and a confidentiality clause should be in the contract.

- **Potential Bad Publicity:** The word "outsourcing" can have a negative connotation to some people. Some may see it as sending jobs out of the immediate area. Care should be taken to assure that an outsourcing agreement can be justified.

The Duplin County Tax Administration currently uses the services of several outsourcing companies and individuals to perform all or part of specific functions within the office. They include:

- business personal property auditors;
- real estate appraisers;
- revaluation specialists; and
- a computer programmer.

Current revaluation and computer system processes and needs will be discussed in **Section 10.6** and **Section 10.5**, respectively.

FINDING

Since 1998, the Duplin County Tax Department has outsourced the auditing of business personal property accounts with Tax Management Associates (TMA), headquartered in Charlotte, North Carolina. Since that time, Duplin County has collected over $60,000 in revenue from discoveries of unlisted and under-listed business personal property, as detailed in **Exhibit 10-10**.

Exhibit 10-10
History of Business Personal Property Discoveries
Duplin County Tax Administration

BILLED AND PAID

TAX YEAR	VALUE	TAX DOLLARS GENERATED	AMOUNT PAID TO TMA
2004	1,126,242	$10,075.00	$3,526.00
2005	619,744	$6,125.00	$2,144.00
2006	620,593	$6,243.00	$2,185.00
	98,169	$934.00	$327.00
	29,230	$290.00	$101.00
	17,950	$181.00	$63.00
	140,772	$1,495.00	$523.00
	45,348	$426.00	$149.00
	52,359	$521.00	$182.00
2007	263,384	$2.519.00	$882.00
2008	95,479	$895.00	$313.00
	936,814	$9.568.00	$3,349.00
	18,142	$188.00	$66.00
	209,049	$2.137.00	$748.00
	156,854	$1.451.00	$508.00
	8,845	$100.00	$35.00
	344,713	$3,812.00	$1,334.00
	1,134,081	$12,673.00	$4,435.00
	8,400	$92.00	$32.00
2009	220,217	$2,049.00	$717.00
TOTAL	**6,146,385**	**$61,774.00**	**$21,619.00**

BILLED BUT NOT PAID

TAX YEAR	VALUE	TAX DOLLARS GENERATED	AMOUNT PAID TO TMA
2009	946,523	$10,156.00	
	80,789	$857.00	

Source: Duplin County Tax Administration, September 2009.

Contractually, Duplin County pays TMA 35 percent of discovered tax dollars on the year of discovery only, while the County continues to receive 100 percent of the revenue on the discovered property in subsequent years.

Duplin County's goal and agreement with the outsourcing company is to audit every business in the County routinely at least once every eight years. Businesses that fail to list in a particular year or submit a listing that is inconsistent with the prior year are also selected for an audit immediately. This ongoing program helps to ensure that business personal property is listed as correctly as possible, and that property owners pay their fair share, but only their fair share.

COMMENDATION

The Duplin County Tax Administration is commended for initiating and continuing its strategic business personal property auditing program. With the goal to audit each account once every eight years, Duplin County is helping to ensure that it receives the revenue it is lawfully entitled to, and that property owners are treated equitably and fairly.

FINDING

Recognizing the need for in-house consistency and expertise, slightly less than three years ago, Duplin County hired its first permanent full-time staff appraiser. Until that time, appraisal functions were outsourced to a private local appraiser and to an appraisal firm. Even today, these resources are utilized, albeit to a lesser degree, to assist the Staff Appraiser on unique properties or on occasions when the workload is too heavy for one appraiser to complete in a timely manner or to meet the annual deadline for billing.

The Property Tax Division of the North Carolina Department of Revenue recommends one appraiser for each 10,000 parcels. It is not surprising then, with just over 37,000 parcels currently in Duplin County and only one appraiser on staff, that outside resources must be called upon frequently. This set-up appears to be workable for the short term in a slow real estate market with limited new construction, but as the economy recovers and new construction picks up, Duplin County will need to examine this situation.

A comparison of North Carolina Department of Revenue certified real estate appraisers currently employed in Duplin and surrounding counties is shown in **Exhibit 10-11.**

Exhibit 10-11
Real Property Appraiser Staff Comparison

County	2009 Parcel Count (Rounded)	Recommended Certified Real Estate Appraisers	Actual
Duplin	**37,000**	**3-4**	**1***
Jones	9,000	1	1
Lenoir	36,000	3-4	3
Onslow	64,000	6-7	9
Pender	43,000	4-5	3
Sampson	47,000	4-5	2
Wayne	63,000	6-7	3

Source: School of Government, University of North Carolina, September 2009.
*Assisted by limited outsourcing

Adequate staff must be employed to assure that all real property is appraised and assessed in a timely manner so the County can realize its largest source of revenue. Accurate, timely, and thorough appraisals also help ensure that all property owners are being treated fairly and equitably.

COMMENDATION

Duplin County Government is commended for its foresight to hire a full-time permanent staff appraiser and to recognize that limited outsourcing remains necessary to ensure all new construction is accounted for.

FINDING

The Duplin County Tax Department currently is not using a payment processing system referred to as "lockbox" that many financial institutions offer. Lockbox is essentially a post office box that a banking institution establishes for the county. The lockbox allows taxpayers to remit payment directly to the bank. The bank will open, process, and deposit the payment into the county's account immediately, and provide electronic access to daily activity. A growing number of counties in North Carolina have taken advantage of this service to streamline their tax collection process.

Among the advantages of using a lockbox service are:

- **Better Security:** Generally, lockboxes are protected beyond the usual security measures associated with having a post office box. Also, fewer people touch the transaction, so there's less chance the payment will get lost or go awry.

- **Staff Time Saved:** Instead of the time consuming daily mundane task of manually opening mail, posting payments, preparing deposits and delivering them to the bank, staff can spend the time more productively performing tasks such as working delinquent accounts to increase revenue.

- **Generate More Revenue on Interest Bearing Accounts:** Payments are deposited on the same day received. Duplin, like almost all counties, deposit the current day's payments received by mail on the following morning.

- **Easy Reconciliation:** Payment data imported through compatible software make the task of posting to the county's system simple, typically taking only a few minutes, even if the list of payments reaches into the hundreds.

- **Provides Backup History:** If the county, due to a major problem with its accounting system software, should lose all or a portion of its data, history reports on lockbox activity can help to restore or reconstruct it.

RECOMMENDATION

Recommendation 10-5:

Contract with a banking institution that offers a payment processing service (lockbox) to allow additional staff time be spent in working delinquent accounts.

Instituting a lockbox service will allow staff extra time for other duties, and would be extremely beneficial to the Tax Department. Not only from the aspect of generating additional revenue for Duplin County by having the luxury of devoting additional time and effort into working delinquent accounts, but this change can positively affect staff morale, since one of the more mundane and less challenging chores of opening and processing mail is removed.

FISCAL IMPACT

An approximation of the cost to implement such a service is $12,000 annually, assuming a monthly average of approximately 4,000 payments by mail. This investment typically more than pays for itself by allowing affected staff to spend the additional hours performing more productive tasks. Many counties utilize this extra staff time to initiate forced collection action on additional delinquent accounts that otherwise wouldn't be possible. This can include garnishment of wages, attaching bank accounts, establishing payment plans, etc.

A realistic scenario of the additional revenue that can be realized in Duplin County utilizing this approach follows:

> On a yearly basis, four (4) tax assistants each currently average spending approximately 30 percent of their time opening and processing tax payments by mail. At the same time, a minimum of four (4) employees spend approximately 30 percent of their time on a yearly basis working delinquent accounts (garnishments, attachments, etc). Simple mathematics then says that if the mail processing goes away, twice as much time and effort can be directed to collecting delinquent tax bills.

> Typically in Duplin County, approximately 85 percent of the current year's property taxes levied have been collected by the time taxes became delinquent on January 6. This means that on January 6, 2010, approximately $3,300,000 of the 2009 levy of $22,298,000 will remain unpaid, leaving a large portion of the remaining 15 percent to be collected by various lawful means requiring much effort by tax department staff. Assuming the same level of commitment to working delinquent accounts that resulted in a 2008 fiscal year ending collection rate of 94.5 percent, over $1,230,000 would remain uncollected.

> Very conservatively, if just another **.10 percent** of taxes can be collected by **doubling** the effort, over $22,000 in additional revenue is generated, more than paying for the lockbox service. More realistically, if .50 to 1.0 percent more levy is collected due to the extra effort, $110,000 to $220,000 additional revenue is collected.

For purposes of the following recommendation, the lower amount of $110,000 will be used. Thus, additional revenue realized ($110,000) less the cost of lockbox service ($12,000) would generate a net annual revenue increase of $98,000.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Initiate Lockbox Service	$98,000	$98,000	$98,000	$98,000	$98,000

FINDING

Duplin County has a substantial backlog of delinquent accounts nearing the statutory time limit for collection (ten years) that can be lawfully foreclosed upon. Although the Duplin County Attorney is diligent in initiating foreclosures, other obligations and responsibilities, combined with the exorbitant number of potential foreclosures, have made it difficult to reduce this backlog.

Mortgage style foreclosures, as allowed by North Carolina General Statute 105-274, are the most aggressive forced collection tool available to counties. Therefore, they are typically the "last resort" action initiated only after the other avenues, such as wage garnishments and bank account attachments, have been exhausted. If the County determines to utilize this last effort at resolving a delinquent account, it must do so within the ten-year window or else lose all leverage in collecting the delinquent tax.

RECOMMENDATION

Recommendation 10-6:

Outsource with a competent attorney to assist the County Attorney with initiating foreclosures on the current backlog of delinquent accounts nearing the statutory time limit for action.

At such time that the backlog of potential foreclosures is erased, the County Attorney should be able to handle the normal volume of accounts that reach this stage.

FISCAL IMPACT

This recommendation can be implemented with existing resources, since the outside attorney's fees are paid from a portion of the tax revenue realized through the foreclosure sale. Depending upon the agreement with the County, some attorneys are paid on a flat fee per case basis and others on a contingency basis (in many instances 25 percent of tax dollars realized). Understanding that this is a last option for collection of a delinquent account, whatever the amount of revenue netted by Duplin County is funds that otherwise would probably be lost.

10.4   *CUSTOMER SERVICE*

In today's business world, providing exemplary customer service can be the lifeblood of any business. In the public sector, and more importantly in the tax department of a local government, it is no less critical. The interaction between the "customer" and the tax office employee who assists the customer has the potential to be tense or adversarial at times. When money is taken out of someone's pocket and nothing immediately tangible is given back in return, it can be human nature to appear less than friendly and agreeable. Therefore, being an employee in an office whose primary responsibility is to assess and collect taxes requires quality and well-trained individuals with an acute understanding of the importance of providing superior customer service. Only one instance of a disgruntled customer who relates his or her bad experience to family and friends can result in a serious or even disastrous public relations nightmare for the county.

In reality, strong incentives for individuals to provide superior customer service are limited. For most employees, the primary benefit of providing great service is the positive feeling that comes with the customer leaving satisfied and the pride of performing their job well. Therefore, instances of an employee providing exceptional customer service should be rewarded with praise by management and recognized at staff meetings. Weighing heavily the level of customer service provided at an employee's evaluation time can also be helpful in instilling its importance to the organization. Leadership should stress that providing good customer service is expected, and is a crucial aspect of being successful at whatever an employee's responsibilities are.

Regular and repetitive training is an important way to develop this culture within the office. For example:

- Is there a uniform way to answer the phone?
- Are there set procedures in place when a customer has a question or problem?
- Is there a chain of command to make sure that issues are handled in a timely fashion?
- Is everyone trained to carry out these procedures?

A customer must always feel their best interests are being taken into consideration, even when their demands can not be carried out.

Another avenue for providing exceptional customer service that is becoming more and more critical is the format and content of a department's Web site. First impressions about how user-friendly the site is get translated into how competent and professional the department is in general. Easy to navigate sites with useful information can instill a positive feeling about the department, not to mention the convenience of being able to conduct business without making a trip to the tax office.

FINDING

The Duplin County Tax Administration has an excellent Web site linked to the County's Web site. It is well designed, easy to navigate, and provides much useful information for citizens. Among items included are:

- Tax Department Mission Statement

- Statistical data, such as a history of tax rates, parcel count, total levy, etc.

- Tax Department Frequently Asked Questions, such as "How is property valued?" and "Revaluation: what is it and why have it?"

- Property listing process

- Appeal process

- Overview of Land Records, Assessing, and Collection functions

- Description of various programs, such as Elderly Exemption and Land Use Assessment

- Various listing and application forms, such as Business Personal Property listing form and Real Property Improvement listing form

- Contact information

An example of the useful information found on the Duplin County Tax Department Web site is the Real Property Improvement Listing Form shown as **Exhibit 10-12**. This can be helpful and convenient for taxpayers who have made recent improvements to their property and to Duplin County in helping to ensure that all taxable property is listed.

COMMENDATION

The Duplin County Tax Administration is commended for its excellent Web site. It is attractive, easy to navigate, and contains extensive useful information for citizens.

FINDING

The Duplin County Tax Administration currently does not use customer satisfaction surveys to gather information regarding the level of customer service they are delivering. Employees appear to do an acceptable and even commendable job at times in this area, but some criticisms were received during Evergreen's diagnostic review. Several instances of customer dissatisfaction at the service they received could possibly have been avoided had management been aware of, possibly through written comments from taxpayers, that an employee did not always exhibit proper courtesy or professionalism. Receiving feedback from customers is an excellent way to track and measure the level of service that is being provided.

Exhibit 10-13 demonstrates a form that could be used to gauge customer satisfaction. Printed on a postcard-sized card, these forms can be placed at all service counters within the department with a receptacle box at the exit.

Exhibit 10-12
Duplin County Real Property Improvement Listing Form

Real Property Improvement Listing form

DUPLIN COUNTY TAX OFFICE

Improvement Listing Form

*Indicates required information/please complete all applicable areas
*Name of legal
owner, _____
*Name of land owner if other than
yourself _____
*Physical location of
Improvements (home, buildings, decks, etc.) _____

_____

Parcel

Number/Township _____

_____

*Description of improvements (new house), (addition/remodel), (outbuilding, fence,) please include size,
materials, cost of improvement. (Example; 10' x 10' metal building $900) An improvement being buildings
or other relatively permanent structures or developments located on, or attached to, land
*New house description/check appropriate:

Stick built (constructed) ( ) 1 story ( ) # bedrooms
Doublewide ( ) 1 1/2 story ( ) # 4 fixture full baths _____ (fixture represents toilets,
sinks,
Triplewide ( ) 2 story ( ) # 3 fixture full baths _ tubs, shower stalls, etc.)
Modular ( ) 2+ story ( ) # 2 fixture (1/2) baths

Was home moved from a previous address? _____ if so, previous
owner/address_____

Percent complete as of Jan. 1st _____/Approximate completion
date_____
*Cost when complete $ _____
Additional notes to Tax Administrator (information you feel may be helpful to this
office)

For assistance in completing this form please contact the real estate appraiser at the Duplin County Tax
Office
(910-296-2110)

Source: Duplin County Tax Administration, 2009.

Exhibit 10-13
Sample Customer Service Survey Form

CUSTOMER SATISFACTION SURVEY
Duplin County Tax Administration

What was your purpose for visiting the Duplin County Tax Department today? _____

_____

Were you able to complete/resolve the purpose for your visit? _____

_____

How long was your wait before receiving assistance?

Taken care of immediately_____   Within three minutes_____   Three to five minutes_____   Over five minutes_____

Please rate the following categories:

	Excellent	Good	Fair	Poor
Courtesy and respect exhibited by staff	____	____	____	____
Knowledge and professionalism exhibited by staff	____	____	____	____
Rate overall experience	____	____	____	____

Your comments/suggestions: _____

Name* _____ Phone* _____ E-mail*_____

*not required

Please drop completed survey in box at exit. Your response is valuable to us. Thank you.

Source: Created by Evergreen Solutions, September 2009.

RECOMMENDATION

Recommendation 10-7:

Develop and implement a customer satisfaction survey to solicit comments and suggestions from the public, assisting the Tax Department in measuring the level of customer service it provides and in making improvements where necessary.

Offering the public an avenue to relate their experience at the Tax Office can help identify areas that can be improved upon or business processes that need to be modified. Importantly, it can be a tool to help determine if a particular employee exhibits poor customer service skills to the point that they need to be placed in a position with less public contact or disciplined. Also, the mere gesture of soliciting comments and suggestions from customers who visit the Duplin County Tax Office conveys to citizens that the Tax Department is conscious of the importance of and the intent to provide good customer service.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

10.5   *TECHNOLOGY / COMPUTER SOFTWARE*

The implementation of various up-to-date technologies and computer applications is absolutely essential to ensure the Tax Department operates at maximum efficiency. Utilizing computer systems with the flexibility to be reprogrammed to adapt to continuing legislative changes is key to carrying out these mandates lawfully and effectively. Also, having in place software systems still current enough that ongoing support from the vendor is readily available and viable are critical when problems arise. Enormous staff time can be wasted when problems dictate that a business process be stopped, delayed, or even changed due to a failure in the system. Realizing that any system can have issues regardless of age or the type of technology used, the fact remains that fewer problems will occur with up-to-date equipment.

FINDING

In early 2007, the Duplin County Tax Administration implemented a state of the art Geographic Information System (GIS) for tax and other applicable departments. GIS basically captures, stores, analyzes, manages, and presents data that is linked to location. Since development, it has become an invaluable tool for taxing jurisdictions, law enforcement agencies, emergency services, fire departments, etc., where geographic information is needed.

Prior to implementation, the Land Records Section of the Tax Office was over two years behind in processing deed transactions, but are now current. Also, nearly 25 percent of Duplin County's approximately 37,000 parcels were "mismatches," meaning the GIS information did not match the tax records. That number has been reduced to about 100. Finally, customer walk-in traffic in the Tax Office has been reduced significantly due to having GIS information and searches available online.

COMMENDATION

Duplin County Management and Tax Administration are commended for recognizing the importance of acquiring a state-of-the-art Geographic Information System (GIS) to assist departments in carrying out their responsibilities more effectively and efficiently.

FINDING

Both the appraisal system software (early 1980s) and the billing & collection software (mid-1970s) are antiquated, inefficient, and unreliable. Neither are Windows compatible, nor do they contain the modern technology required to operate a modern tax department today. Since support is no longer offered by the vendors for either system, maintenance is done by outsourcing with a local programmer, who is currently being paid $65 per hour.

Payments made for this service exclusively for tax department work since 2006 are shown in
Exhibit 10-14.

Exhibit 10-14
Tax Administration Programmer Expense

Fiscal Year	Amount Paid
2006-07	$19,090
2007-08	$12,893
2008-09	$20,542
2009-10	$8,219*

Source: Duplin County Tax Administration,
September 2009.
*to date

The appraisal system only performs the cost approach to value, that is, replacement cost new less
accrued depreciation. It does not have the capability of producing a value utilizing the market
approach or the income approach. The market approach, which compares the property being
appraised with similar properties that have recently sold, can be crucial in today's market to
generate more accurate assessments. The market approach is the most widely used method to
appraise land and single-family residential properties. The income approach is the common
method to appraise commercial, industrial, and multi-family housing, since an estimate of value
can be derived based upon the income these type properties produce.

RECOMMENDATION

Recommendation 10-8:

**Invest in an integrated Computer Assisted Mass Appraisal system (CAMA) and Billing and
Collection System that will enhance the efficiency, effectiveness, and quality of the
operation of the Duplin County Tax Department.**

With the increasingly difficult task of administering the property tax by counties in North
Carolina due to recent and predicted complex legislation, it becomes more critical to utilize
modern computer technology to handle it. In fact, legislators passing new laws today assume that
counties have systems in place that can implement them, or at least have access to them.

FISCAL IMPACT

Comprehensive integrated property tax systems are expensive. Not only is there the cost of the
software itself to consider, but there are implementation charges, cost of training staff, ongoing
maintenance fees, and programming expenses due to legislative changes. The cost of not having
a dependable and efficient system in place however, can be devastating. Maintenance and
reprogramming costs can be huge in an aging and antiquated system. Experiencing a delay in a
critical function due to a breakdown in the system, such as occurred this year in mailing tax bills
in a timely manner, can be very costly to the county. Also, valuable man hours can be absorbed
doing chores that a modern automated system would do in seconds.

There are a number of companies that offer complete tax systems, and at least several of them should be invited to give demonstrations before even considering costs. This would, at minimum, give Duplin County the opportunity to see what products, options, and technologies are on the market.

The cost of the new technology is contingent on the type of system chosen.

FINDING

The Tax Department does not scan tax records; therefore, both systems now in use rely on an abundance of paper files. The Tax Department literally uses these walls of files as dividers for the various functions that take place in the office. Even the small storage room, meant to store office supplies and accessories, has files in it. An enormous amount of older files is also stored off-site. The space required to maintain this growing amount of paper documents will make any future necessary staff additions to the already cramped Tax Department very difficult.

Tax records are critical documents. They contain the history of all property tax activities, and are the source of data that enables the department to carry out its mandates. These records also serve as a critical line of defense against appeals and potential litigation. Given the importance of tax records, the fragile nature of paper documents and the space required to store them, and the relatively low cost of electronic scanning devices, it is increasingly common for tax departments to scan documents and maintain electronic filing systems. Electronic files can be kept both on-site (for desk-top access) and off-site (to serve as back-up in the event of fire, etc.).

RECOMMENDATION

Recommendation 10-9:

Purchase a scanner with appropriate software, and implement a phased scanning program for selected tax records.

Scanners come with a variety of features with prices ranging from $200 to $1,500. Once purchased, managers should initiate a continuing effort to scan selected documents, such as business personal property listings, individual listing forms, and older property record cards. Appropriate staff can perform this function during less demanding times during the yearly cycle, beginning with the most recent files.

FISCAL IMPACT

A quality, high-volume scanner and appropriate software to fit the needs as described can be purchased for approximately $900.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Purchase a Scanner for the Tax Department	($900)	$0	$0	$0	$0

FINDING

The telephone system in place in the department is cumbersome and somewhat ineffective. Although it does provide for all incoming calls to be answered by a "human,"—a common desirable preference in a public office—there are shortcomings as described below.

Incoming calls to the Tax Department ring simultaneously at the four phones located at the stations of the collection clerks. Theoretically, the clerks not assisting customers at the counter at any given time will answer incoming calls and forward them to the appropriate person. This method, however, can be inconvenient and distracting both to staff and to customers being waited on at the counter, especially during busy times when all clerks are busy assisting customers at the counter. Few things irritate a customer more than standing at a counter waiting to be assisted, while the clerk is talking on the phone, or to be put on hold while the clerk assists a customer at the counter.

Staff members in leadership roles who frequently are away from their desks do not have voice mail. This is important to transfer important information expeditiously and also to provide documentation. Voice mail ensures that important calls are not missed when away from the phone even for a few minutes, and messages can be retrieved from anywhere at any time.

RECOMMENDATIONS

Recommendation 10-10:

Re-visit business processes to help alleviate the burden of all incoming calls being handled by staff actively assisting customers at the counter.

In a small office, where employees are assigned multiple responsibilities, this situation may be difficult to handle any better than it currently is handled. One suggestion to consider, except in very busy times would be, to close one of the collection stations on a rotating basis, and assign that individual to answer all calls for a period of time. Others would still have to answer calls when the first line is busy, but at least there would be fewer of them and it would eliminate all the phones ringing at once. An alternate strategy would be to consider a voice mail messaging system.

FISCAL IMPACT

This recommendation can be implemented with existing resources.

FINDING

The tax collection area of the department, which handles large sums of money on a daily basis, has no security measures evident to protect staff or to discourage a robbery from occurring. While a deputy routinely escorts the individual making daily bank deposits, there are several inherent factors and other amendable concerns that combine to make the area susceptible.

The fact that the Tax Department is located on the first floor of a building, with ingress and egress at both ends, and has plentiful parking only a few steps away, combine to make it an easy target. Nonetheless, the location of the Tax Office is adjacent to the Duplin County Sheriff's Department. The building hallways are monitored by security cameras although camera clarity is insufficient for positive identification purposes.

Within the office itself, there are no security monitors or camera, and no "panic button" for staff to silently and discreetly summon for help if threatened. Tax collection clerks at the counter are seated at a much lower level than a standing customer, with no glass or Plexiglas barrier between them. There has been at least one recent incident reported where a collection clerk was physically abused by a customer.

RECOMMENDATION

Recommendation 10-11:

Install security cameras, monitors, and panic buttons at appropriate locations, and re-construct the collection counter to provide better protection for staff.

Security experts should be consulted to determine the optimum locations for cameras in the first floor hallway, and for cameras, monitors, and panic buttons in the collection area. Collection staff at the payment counter should be positioned on stools so they are minimally at eye level with customers. Also, a glass or clear plastic barrier could be considered to prevent easy contact between the employee and the customer.

FISCAL IMPACT

The approximate expense to install the security devices and re-work the collections counter is $5,000. Security equipment is available in wide price ranges with numerous features to choose from. It is recommended that a reputable local firm who will offer expert advice and be available to service the equipment be consulted.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Install Security Devices in Tax Department	($5,000)	$0	$0	$0	$0

10.6   *PROPERTY REVALUATION*

North Carolina General Statute 105-286 mandates that each county conduct a complete reappraisal of all real property at least once every eight (8) years. The purpose of this is to ensure that on a periodic basis, all property is appraised at 100 percent of market value, thus equalizing the tax burden for those who own property that appreciate or depreciate in value at different rates.

Exhibit 10-15 shows that 50 percent of counties currently conduct revaluations on an accelerated cycle. There are several reasons for doing this:

- In an eight-year cycle, typically different type properties appreciate or depreciate in value at different rates, causing an increasing inequity in the tax burden shared by property owners.

- Personal property, which is assessed at 100 percent of market value each year, absorbs a larger share of the tax burden with each passing year between real property revaluations.

- The "sticker shock" effect to taxpayers is less since values will experience less change with less time between revaluations.

- In an eight-year cycle, counties almost always lose revenue to public service companies, who may appeal their assessment if the county's sales/assessment ratio falls below 90 percent after the fourth and seventh years of a cycle.

A large majority of counties that have accelerated their cycle have elected to revalue every four years. This works well for counties utilizing the latest computer software systems which allow them to conduct the process in-house as opposed to hiring an outside firm. The four-year timeline also fits staffing needs, since the revaluation process generally consumes about two and one-half years to complete. Considering the ongoing process of data collection and the appeal process at the conclusion, permanent full-time staff is kept continuously busy with the revaluation process.

Duplin County Government remains on an eight-year revaluation cycle, with its most recent taking effect on January 1, 2009. Fifty (50) other North Carolina counties are on a similar cycle. During the eight-year cycle from 2001, property values in Duplin County averaged an overall 23.76 percent increase. Most of that increase was experienced during the first half of the cycle, prior to the start of the current real estate slump.

FINDING

One important tool to determine the accuracy, and therefore the success, of a countywide revaluation is the final sales ratio percent, which shows how close the new assessments are to what properties are actually selling for. The goal is to have a ratio as near to 100 percent as possible without going over (otherwise, properties would be over assessed). An example of determining a sales ratio would be a property that is assessed at $95,000, but sales of similar properties (or even the subject property itself) indicate a value of $100,000. Therefore, the assessment to sales ratio would be 95 percent (95,000 divided by 100,000).

Duplin County's overall median sales ratio, as of the revaluation effective date of January 1, 2009, was very impressive at 99.53 percent. A comparison of sales ratios for counties with 2009 revaluations follows in **Exhibit 10-16**.

Exhibit 10-15
Revaluation Schedules for North Carolina Counties
2009-10

Counties	Tax Rate	Year of latest revaluation	Next scheduled revaluation	Counties	Tax Rate	Year of latest revaluation	Next scheduled revaluation
Alamance	$.5200	2009	2017	Johnston	$.7800	2003	2011
Alexander	.6050	2007	2013	Jones	.7000	2006	2014
Alleghany	.4300	2007	2015	Lee	.7500	2007	2013
Anson	.8940	2002	2010	Lenoir	.0000	2009	2017
Ashe	.4250	2006	2011	Lincoln	.5700	2008	2011
Avery	.3900	2006	**	Macon	.2640	2007	2011
Beaufort	.6000	2002	2010	Madison	.5100	2004	2012
Bertie	.7800	2004	2012	Martin	.6700	2009	2011
Bladen	.7400	2007	2015	McDowell	.5500	2003	2011
Brunswick	.3050	2007	2011	Mecklenburg	8357	2003	2011
Buncombe	.5250	2007	2014	Mitchell	.4400	2009	2013
Burke	.5200	2007	2011	Montgomery	.6200	2004	2012
Cabarrus	.6300	2008	2012	Moore	.4650	2007	2011
Caldwell	.6599	2005	2011	Nash	.6700	2009	2017
Camden	.5900	2007	2015	New Hanover	.4525	2007	2011
Carteret	.2300	2007	2011	Northampton	.7800	2007	2011
Caswell	.6290	2008	2012	Onslow	.5900	2006	2010
Catawba	.5350	2007	2011	Orange	.8580	2009	2013
Chatham	.6022	2009	2013	Pamlico	.6525	2004	2012
Cherokee	.3850	2008	2012	Pasquotank	.5850	2006	2014
Chowan	.6850	2006	2004	Pender	.6500	2003	2011
Clay	.4300	2002	2010	Perquimans	.4100	2008	2016
Cleveland	.7200	2008	2012	Person	.7000	2005	2011
Columbus	.8150	2005	2013	Pitt	.6650	2008	2012
Craven	.6100	2002	2010	Polk	.5200	2009	2017
Cumberland	.7660	2009	2017	Randolph	.5550	2007	2013
Currituck	.3200	2005	2013	Richmond	.8100	2008	2012
Dare	.2600	2005	2010	Robeson	.8000	2005	2010
Davidson	.5400	2007	2011	Rockingham	.7150	2003	2011
Davie	.6200	2009	2013	Rowan	.5950	2007	2011
Duplin	.6900	2009	2017	Rutherford	.5300	2007	2011
Durham	.7081	2008	2016	Sampson	.8450	2003	2011
Edgecombe	.8600	2009	2017	Scotland	1.0200	2003	2011
Forsyth	.6740	2009	2013	Stanly	.6700	2005	2011
Franklin	.8725	2004	2010	Stokes	.6000	2004	2013
Gaston	.8350	2007	2011	Surry	.5820	2008	2012
Gates	.6400	2009	2017	Swain	3300	2005	2013
Graham	.5800	2002	2010	Transylvania	.3949	2001	2013
Granville	.8250	2002	2010	Tyrrell	.6700	2004	2013
Greene	.7560	2005	2013	Union	.6650	2008	2012
Guilford	.7374	2004	2012	Vance	.7820	2008	2010
Halifax	.6800	2007	2015	Wake	.5340	2009	2016
Harnett	.7250	2009	2013	Warren	.6000	2009	2017
Haywood	.5140	2006	2011	Washington	.7900	2005	2013
Henderson	.4620	2007	2011	Watauga	.3130	2006	2012
Hertford	.9100	2003	2011	Wayne	.7640	2003	2011
Hoke	.7000	2006	2014	Wilkes	.5700	2007	2011
Hyde	.5200	2009	2016	Wilson	7300	2008	2016
Iredell	.4450	2007	2011	Yadkin	.7400	2009	2013
Jackson	.2800	2008	2012	Yancey	.4500	2008	2016

Source: North Carolina Department of Revenue, August 2009.

*Revaluation date has not been set

All properly subject to taxation most he Assessed at 100% of appraised value.

Revaluation was effective January 1 of year shown. Real property must be revalued every 8 years but counties may elect to revalue more frequently.

Year shown or next scheduled general revaluation is lie year reported by the county in July 2009.

North Carolina Department of Revenue, Policy Analysis Statistics Division, August 2000.

Exhibit 10-16
Sales Ratio Comparison of 2009 Revaluation Counties

	County	Revaluation Year	Median	Tax Rate	Effective Tax Rate
1	Alamance	2009	99.60	.5200	0.5179
2	Chatham	2009	99.86	.6022	0.6014
3	Cumberland	2009	99.89	.7660	0.7662
4	Davie	2009	100.05	.6200	0.6203
5	Duplin	2009	99.53	.6900	0.6868
6	Edgecombe	2009	99.68	.8600	0.8572
7	Forsyth	2009	98.66	.6740	0.6650
8	Gates	2009	99.50	.6400	0.6368
9	Harnett	2009	99.01	.7250	0.7178
10	Hyde	2009	97.98	.5200	0.5095
11	Lenoir	2009	99.59	.8040	0.7967
12	Martin	2009	100.20	.6700	0.6713
13	Mitcheil	2009	98.98	.4400	0.4267
14	Nash	2009	96.24	.6700	0.6448
15	Orange	2009	98.57	.8580	0.8492
16	Polk	2009	93.90	.5200	0.4883
17	Stokes	2009	99.87	.6000	0.5992
18	Transylvania	2009	99.60	.3949	0.3933
19	Tyrrell	2009	100.98	.6700	0.6766
20	Warren	2009	97.28	.6000	0.5837
21	Yadkin	2009	100.46	.7400	0.7434

2009 Reappraisal County Statistics			
Minimum	93.90	.3949	0.3933
Maximum	100.98	.8600	0.8572
Average	98.94	6467	0.6405

Source: Property Tax Division, NC Department of Revenue, September 2009.

COMMENDATION

Duplin County Tax Administration is commended for its excellent median sales ratio of 99.53 percent as a result of the 2009 property revaluation.

The average median sales ratio of all 21 counties revaluing in 2009 was 98.94 percent. Duplin's ratio of 99.53 percent indicates its assessments are closer to the mandated 100 percent than most others, and therefore, more accurate overall without exceeding market value.

FINDING

At this time, the Duplin County Tax Administration has neither the number of adequately trained staff required nor the modern computer software system required to conduct a countywide in-house revaluation. Therefore, until such time that the department updates its tax system, conducting revaluations in-house and/or conducting them more frequently is not an option. The discussion will cover a comparison between the expense of an eight-year revaluation cycle conducted by an outside vendor (the current method) versus a four-year cycle conducted in-house.

The cost to Duplin County to contract with an outside vendor for the 2009 revaluation was $687,460 (37,160 parcels @ $18.50). However, Duplin County lost $417,154 in revenue to the public service companies due to their right to appeal their assessment if the County's sales ratio falls below 90 percent after the fourth and seventh years of the cycle, which it did (in these instances, the companies only pay at whatever percent the sales ratio indicates, rather than the 100 percent that the Department of Revenue assesses them each year). Therefore, the net cost to Duplin County to contract with an outside vendor to conduct a revaluation on an eight-year cycle was $1,104,614.

Assuming that Duplin County had already invested in a new comprehensive integrated tax system, in order to accelerate to a four-year cycle (and thereby, eliminating the revenue loss to the public service companies) and conduct them in-house, a minimum of two (2) permanent full-time additional appraisers and two (2) clerical support staff would have to be hired. An estimated annual salary of $30,000 for each appraiser and $22,000 for each clerical position would result in the following expense to the county over an eight-year period, not considering cost of living or merit increases.

- Two appraisers @ $30,000 ea. X 1.3 (benefits) x 8 (years) = $624,000
- Two clerical @ $22,000 ea. X 1.3 (benefits) x 8 (years) = $457,600
- $624,000 + $457,600 = $1,081,600

RECOMMENDATION

Recommendation 10-12:

Continue for the time being with plans to outsource the next revaluation to be effective January 1, 2017.

In reality, since the next revaluation cycle has just begun, there is ample time to change course if it is deemed prudent and advantageous to do so. Once a computerized tax system is in place, and staff has time to adjust and become comfortable with it, a better judgment can be made on which path the county wishes to choose. As can be seen from the estimates above, the cost difference is almost negligible at this point in time. A key thought to keep in mind, however, is that by keeping the process in-house, quality and timelines can be better controlled.

FISCAL IMPACT

This recommendation as stated can be implemented within existing budgeted resources.

10.7   *STATISTICAL DATA*

Exhibit 10-17 displays a five-year history of property tax rates in North Carolina's 100 counties. Also included is the year of each county's last property revaluation along with the scheduled effective date for the next one.

Exhibit 10-17
Five-Year History of County Property Tax Rates
(All Rates per $100 valuation*)

County	2009-10 ($)	2008-09 ($)	2007-08 ($)	2006-07 ($)	2005-06 9$)	Latest revaluation	Scheduled revaluation
Alamance	.5200	.5800	.5800	.5750	.5625	2009	2017
Alexander	.6050	.5350	.5350	.5100	.5100	2007	2013
Alleghany	.4300	.4300	.4300	.7000	.6000	2007	2015
Anson	.8940	.8940	.8940	.8940	.8750	2002	2010
Ashe	.4250	.4250	.3950	.3950	.6100	2006	2011
Avery	.3900	.3900	.3900	.3800	.5300	2006	**
Beaufort	.6000	.6000	.6000	.6000	.6000	2002	2010
Bertie	.7800	.7800	.7800	.7800	.7800	2004	2012
Bladen	.7400	.7400	.7400	.8600	.8600	2007	2015
Brunswick	.3050	.3050	.3050	.5400	.5400	2007	2011
Buncombe	.5250	.5250	.5250	.5300	.5900	2006	2014
Burke	.5200	.5200	.5200	.5900	.5900	2007	2011
Cabarrus	.6300	.6300	.6300	.6289	.6300	2008	2012
Caldwell	.6599	.6599	.6599	.5399	.5399	2005	2011
Camden	.5900	.5900	.5900	.9000	.9000	2007	2015
Carteret	.2300	.2300	.2300	.4400	.4200	2007	2011
Caswell	.6290	.6290	.6720	.6450	.6000	2008	2012
Catawba	.5350	.5350	.5350	.4900	.4900	2007	2011
Chatham	.6022	.6530	.6170	.5970	.5970	2009	2013
Cherokee	.3850	.3850	.5200	.5200	.5200	2008	2012
Chowan	.6850	.6500	.5600	.5450	.7800	2006	2014
Clay	.4300	.4300	.4300	.4000	.4000	2002	2010
Cleveland	.7200	.7200	.7300	.7300	.5800	2008	2012
Columbus	.8150	.8150	.8150	.7650	.7300	2005	2013
Craven	.6100	.6100	.6100	.6100	.6100	2002	2010
Cumberland	.7660	.8600	.8800	.8800	.8800	2009	2017
Currituck	.3200	.3200	.3200	.3200	.3200	2005	2013
Dare	.2600	.2600	.2600	.2600	.2500	2005	2010
Davidson	.5400	.5400	.5400	.5400	.5400	2007	2011
Davie	.6200	.6600	.6600	.6600	.6100	2009	2013
Duplin	.6900	.7900	.7900	.8050	.7700	2009	2017
Durham	.7081	.7081	.8340	.8090	.8090	2008	2016
Edgecombe	.8600	.9400	.9400	.9400	.9300	2009	2017
Forsyth	.6740	.6960	.6960	.6660	.6660	2009	2013
Franklin	.8725	.8225	.8225	.7900	.7900	2004	2010
Gaston	.8350	.8350	.8400	.8800	.8930	2007	2011
Gates	.6400	.9750	.9750	.9100	.8700	2009	2017
Graham	.5800	.6000	.6050	.4700	.5850	2002	2010
Granville	.8250	.7550	.7550	.7000	.7000	2002	2010
Greene	.7560	.7560	.7460	.7460	.7210	2005	2013
Guilford	.7374	.7374	.6914	.6615	.6428	2004	2012
Halifax	.6800	.6800	.6800	.8650	.8650	2007	2015
Harnett	.7250	.7350	.7350	.7350	.7350	2009	2013
Haywood	.5140	.4970	.4970	.4970	.6100	2006	2011
Henderson	.4620	.4620	.4620	.5650	.5150	2007	2011
Hertford	.9100	.9100	.9100	.9100	.9100	2003	2011
Hoke	.7000	.7000	.7000	.7000	.7400	2006	2014
Hyde	.5200	.7158	.7150	.7150	7150	2009	2016
Iredell	.4450	.4450	.4450	.4650	.4350	2007	2011
Jackson	.2800	.2800	.3600	.3600	.3600	2008	2012
Johnston	.78011	.7800	.7800	.7800	.7800	2003	2011
Junes	.7000	.7000	.6800	.6600	.7900	2006	2014
Lee	.7500	.7500	.7500	.7900	.7900	2007	2013
Lenoir	.8000	.8400	.8400	.8400	.7900	2009	2017
Lincoln	.5700	.5700	.6100	.6100	.6100	2008	2011

Exhibit 10-17 (Continued)
Five-Year History of County Property Tax Rates
(All Rates per $100 valuation*)

County	2009-10 ($)	2008-09 ($)	2007-08 ($)	2006-07 ($)	2005-06 9$)	Latest revaluation	Scheduled revaluation
Macon	.2640	.2461	.2450	.3700	.3700	2007	2011
Madison	.5100	.5100	5100	.5100	5100	2004	2012
Martin	.6700	.7850	.7850	.7850	.7850	2009	2017
McDowell	.5500	.5500	.5500	.5500	.5500	2003	2011
Mecklenburg	.8387	.8387	.8387	.8189	.8368	2003	2011
Mitchell	.4400	.5200	.5200	.5200	.5200	2009	2013
Montgomery	.6200	.5800	.5800	.5800	.5800	2004	2012
Moore	.4650	.4790	.4450	.4550	.4450	2007	2011
Nash	.6700	.7000	.7000	.7000	.6600	2009	2017
New Hanover	.4525	.4525	.4200	.6850	.6800	2007	2011
Northampton	.7800	7800	.7800	.8800	.8800	2007	2011
Onslow	.5900	.5030	.5030	.5030	.67·00	2006	2010
Orange	.8580	.9980	.9500	.9030	.8430	2009	2013
Pamlico	.6525	.6525	.6525	.6525	.6725	2004	2012
Pasquotank	.5850	.5500	50011	.4800	.8400	2006	2014
Ponder	.6500	.6500	.6500	.6500	.65(10	2003	2011
Perquimans	.4100	.4100	.6700	.6700	.6700	2008	2016
Person	.7000	.7000	.7000	.6500	.6500	2005	2011
Pitt	.6650	.6650	.7100	.7000	.7000	2008	2012
Polk	.5200	.6800	.6800	.6800	.6800	2009	2017
Randolph	.5550	.5550	.5350	.5350	.5250	2007	2013
Richmond	.8100	.8100	.9300	.8300	.7800	2008	2012
Robeson	.8000	.8000	.8000	.8000	.8000	2005	2010
Rockingham	.7150	.7050	.7050	.6850	.6350	2003	2011
Rowan	.5950	.5950	.5950	.6300	.6300	2007	2011
Rutherford	.5300	.5300	.5300	.6100	.6200	2007	2011
Sampson	.8450	.8450	.8100	.8100	.7700	2003	2011
Scotland	1.0200	1.0200	1.0600	1.1000	1.1000	2003	2011
Stanly	.6700	.6700	.6700	.6450	.6450	2005	2011
Stokes	.6000	.6000	.6000	.6000	.6000	2009	2013
Sure	.5820	.5820	.6300	.6300	.6300	2008	2012
Swain	.3300	.3300	.3300	.3300	.3300	2005	2013
Transylvania	.3949	.5400	.5400	.5400	.5400	2009	2013
Tyrell	.6700	.7400	.7400	.7400	.700	2009	2013
Union	.6650	.6650	.7111	.6367	.5600	2008	2012
Vance	.7820	.7980	.9200	.9200	.9200	2008	2016
Wake	.5340	.5340	.6780	.6340	.6040	2008	2016
Warren	.6000	.9200	.8400	.8400	.8400	2009	2017
Washington	.7900	.7900	,7900	.7900	.7900	2005	2013
Watauga	.3130	.3130	.3130	.3130	.3950	2006	2012
Wayne	.7640	,7640	.7640	.7350	.7350	2003	2011
Wilkes	.5700	.5700	.5700	.6100	.6100	2007	2011
Wilson	.7300	.7300	.760U	.7600	.7600	2008	2016
Yadkin	.7400	.7600	.7600	.6800	.6800	2009	2013
Yancey	.4500	.4500	.5000	.5000	.5000	2008	2016

Source: NC Department of Revenue, August, 2009.

All property subject to taxation must be assessed at 100% of appraised value.
Latest revaluation was effective January l of year shown. All counties must revalue real properly at least every 8 years but may elect to revalue more frequently.
**Date for next revaluation not determined
North Carolina Department of Revenue Policy Analysis and Statistics Division

Exhibit 10-18 demonstrates a history of property tax rates in Duplin County since 1974. A noticeable feature is that the current 2009 rate of $.69 per $100 value is the lowest in the County since 1987.

Exhibit 10-18
History of Duplin County Property Tax Rates

Below is a comparison of our tax rates from 1974 to the present:

Year	Duplin County Tax Rate
1974	$.99
1975	$.99
1976	$.99
1977	$.99
1978	$.72
1979	$.68
1980	$.70
1981	$.70
1982	$.70
1983	$.70
1984	$.75
1985	$.75
1986	$.61
1987	$.69
1988	$.70
1989	$.75
1990	$.75
1991	$.8250
1992	$.8250
1993	$.8250
1994	$.7350
1995	$.7350
1996	$.7750
1997	$.7750
1998	$.7750
1999	$.7750
2000	$.7750
2001	$.7050
2002	$.7050
2003	$.7450
2004	$.7700
2005	$.7700
2006	$.8050
2007	$.7900
2008	$.7900
2009	$.6900

Source: Duplin County Government, August, 2009.

Exhibit 10-19 lists the current tax rates for all of Duplin County's municipalities and fire districts.

Exhibit 10-19
2009-10 Duplin County Municipal & Fire District Tax Rates

	YEAR OF LATEST REVALUATION	County-Wide	Special School Districts	Other Districts	City or Town	Total of All Jurisdictions	Special Districts Levied by County or Municipality	
							Eight Fire Districts	
Duplin	2009	.6900	…	…	…	.6900		
Beulaville		.6900	…	…	.4400	1.1300	Albertson	.0750
Calypso		.6900	…	…	.4700	1.1600	East Duplin	.0458
Faison:							Franklin	.0689
In Duplin		.6900	…	…	.5300	1.2200	Glisson	.0650
In Sampson		.8450	…	…	.5300	1.3750	Northeast	.0382
Greenevers		.6900	…	…	.2500	.9400	Oak Wolf	.0500
Harrells:							Sarecta	.0550
In Duplin		.6900	…	.0800	.1300	.9000	Stacy Britt	.0630
In Sampson		.8450	…	.0800	.1300	1.0550		
Kenansville		.6900	…	…	.3900	1.0800		
Magnolia		.6900	…	…	.6500	1.3400		
Mount Olive:								
In Duplin		.6900	…	…	.5900	1.2800		
In Wayne		.7640	…	…	.5900	1.3540		
Rose Hill		.6900	…	…	.6400	1.3300		
Teachey		.6900	…	…	.4500	1.1400		
Wallace:								
In Duplin		.6900	…	…	.5600	1.2500		
In Pender		.6500	…	.0700	.5600	1.2800		
Warsaw		.6900	…	…	.5500	1.2400		

Source: NCDOR Policy Analysis and Statistics Division.

CHAPTER 11
OTHER COUNTY DEPARTMENTS/ISSUES

11.0 OTHER COUNTY DEPARTMENTS/ISSUES

As we conducted this performance audit, single issues in other departments (in addition to those included in the first 10 chapters) emerged during our on-site work. Evergreen consultants believe these issues should be addressed as well. The major sections of this chapter include:

11.1   Duplin County Airport
11.2   Building Inspections
11.3   Events Center
11.4   Energy Conservation
11.5   Capital Planning

11.1   DUPLIN COUNTY AIRPORT

The Duplin County Airport was opened in 1974. For the first 30 years, the airport was operated under contract with Duplin County, and for the past five years, Duplin County has been running the airport and managing airport personnel. As such, the airport operates as an Enterprise Fund.

The Duplin County Airport:

- provides full-service aircraft refueling, towing, and hangaring services;
- has a 250-acre public use, public access, and general aviation facility;
- manages an operations and maintenance budget, as well as an airport capital improvement project budget;
- is on call 24-7;
- works with federal, state, and local officials on issues relating to airport operations; and
- promotes local dining, lodging, and tourism opportunities.

Exhibit 11-1 shows the organizational chart for the airport. Since one of the positions for an airport attendant has been vacant for over a year, the other part-time attendant is working about 35 hours per week, or almost full-time.

Exhibit 11-1
Duplin County Airport
Organizational Chart
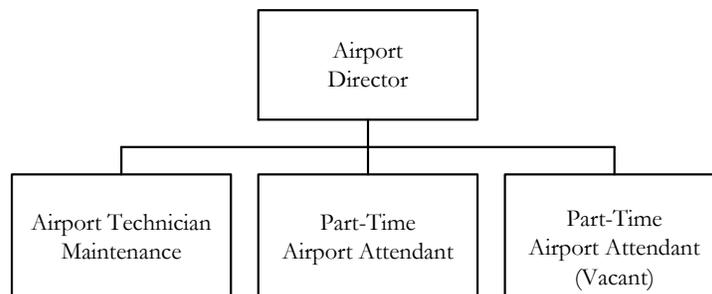
Source: Duplin County Airport, 2009.

A nine-member Duplin County Airport Commission serves in an advisory role. The Commission has the following powers and duties:

> *The Duplin County Airport Commission is hereby vested with authority to maintain, equip, regulate and operate such airports, restricted landing areas and other air navigation facilities which may be hereafter acquired by Duplin County and, in addition thereto, shall serve as an advisory body to the Duplin County Board of Commissioners in connection with the construction, improvement or enlargement of such airports, restricted landing areas or air navigation facilities.*

FINDING

The 2009-10 budget for the Duplin County Airport is $739,980. **Exhibit 11-2** shows the budget and revenue breakdown. A close examination of the budget and revenue shown in **Exhibit 11-2** reveals that the Duplin Airport is receiving $220,632 in 2009-10 from the Duplin County General Fund. However, if the $29,000 in sales taxes and $159,000 in taxes generated by plane owners are subtracted from this total, the airport is operating only about $32,000 short of a breakeven status as an Enterprise Fund in the 2009-10 fiscal year.

Evergreen consultants expect that, within a year or two, the airport will be a profitable endeavour for Duplin County Government, and that the County General Funds will no longer be needed to support the airport.

COMMENDATION

The Duplin County Airport is commended for its efforts to become profitable and require only minimal support from Duplin County Government.

11.2   *BUILDING INSPECTIONS*

The Building Inspections Office is a government entity created to inspect the plumbing, electrical, and HVAC systems in the buildings of Duplin County and its municipalities. The Building Inspections Office complies directly with and enforces the North Carolina State Building Code. The office's main objective is to provide a safe environment to live and work. The County Flood Administrator also works closely with this office.

Because this office is a required government service, it does not operate as an Enterprise Fund. Nonetheless, the Building Inspections Office is profitable, generating an estimated $250,000 annually which is transmitted to the General Fund.

Direct comparison with other counties is difficult since building inspection units are as unique as individual counties. For instance, some units are closely associated with other related functions such as mapping, and sometimes building inspection units are located in the planning department. Some others are involved with administering construction projects and housing programs.

Exhibit 11-2
Budget and Revenue for Duplin County Airport
2009-10 Fiscal Year

BUDGET		
Salaries		$12,2446
Vacation Leave		---
Board Expense		$800
Social Security		$9,368
Retirement		$6,025
Hospital Insurance		$13,391
Workers Compensation		$7,751
Professional Services		$495
Auction Fees-Govdeals		---
Housekeeping Supplies		$600
Uniforms		$240
Vehicle Supplies		--
Vehicle Gasoline		$2,800
Supplies		$800
Expendable Capital		---
Purchase-Pilot Supplies & Co.		$500
Purchases - Fuel & Oil		$360,893
Credit Card Charges		$2,000
Sales Tax		$29,000
Program Supplies		$2,000
Travel/Training/Meals		$900
Telephone		$4,200
Postage		$600
Utilities		$13,000
Repairs – Building & Grounds		$4,000
Repairs – Equipment		$14,367
Repairs – Vehicle		$1,000
Advertising		$1,000
Grounds Maintenance		$3,500
Grass Mowing		$10,500
Rent		$75
Insurance		$25,000
Depreciation		---
Dues & Subscriptions		$600
Capital Outlay		---
Reims To County For Corp Han		$2,283
Contribution To Debt Service		$99,846
Project		
	TOTAL	**$739,980**
REVENUE		
Sales: Fuel & Oil		$404,808
Sales: Pilot Items & Other Co		$200
Call Out Fees		$240
Ramp Fees		$300
Interest Earned On Investment		$3,000
Hangar Rent		$110,000
Sales: Fixed Assets		---
Miscellaneous		$800
Transfer From General Fund		$220,632.00
Fund Balance		
County Funds		
	TOTAL	$**739,980**

Source: Duplin County Airport, July 2009.

FINDING

The Duplin County Building Inspections Office operates with:

- a department head who also serves as a building inspector;
- two inspectors; and
- one secretary.

Prior to 1999, the Duplin County Building Inspections Office operated with two inspectors. In 1999, with Hurricane Floyd and subsequent flooding in Duplin County, federal funds were provided for an additional building inspector. In the early 2000s, federal funds were no longer available for this purpose, and Duplin County has absorbed the cost of this additional building inspector since that time.

Based on best practices and comparisons with other counties, as well as conversations with office staff, this third building inspector is no longer needed. This recommendation is further supported by the decrease in construction in Duplin County. Records show that there were about 450-500 monthly total inspections in 2008, with a decrease of about 100 monthly inspections in 2009 to about 350. The current number of monthly inspections is less than those made before 1999 when an additional inspector was added due to temporary federal funding.

RECOMMENDATION

Recommendation 11-1:

Reduce the Building Inspections Office by one inspector.

With the decrease in construction in Duplin County, as well as the lack of availability of continued federal funding, the County can reduce the size of the Building Inspections Office by one inspector. Since the Department Head is nearing retirement, this position could be deleted through attrition. Should the volume of inspections increase in the future, a new full- or part-time position can be added if and when the need arises.

FISCAL IMPACT

The annual salary for a building inspector is about $28,400 and 30 percent benefits which equals $36,920.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Eliminate One Building Inspector	$36,920	$36,920	$36,920	$36,920	$36,920

11.3   EVENTS CENTER

The Events Center was opened in 2005 as a 60,965 square foot, multi-use facility, with a fixed seating capacity of approximately 1,800 and maximum seating capacity of approximately 4,200 people.

The County goals for the Events Center are to:

- maximize the utilization of the Events Center facility and revenue generating capacity, while minimizing the net cost to the County;

- support community-based events recognizing that all events do not necessarily generate a direct profit for the facility;

- provide a diversity of cultural, educational, entertainment, and community activities/ events that will meet the entertainment needs of the County and the area population;

- serve as an economic development tool with the capacity to supplement the local economy by attracting business from outside Duplin County; and

- involve, to the extent possible, the local community in employment and business opportunities as a direct or indirect result of the operation of the facility.

The Events Center is currently operating under a management service agreement with COMPASS—an Iowa Corporation (now called VenuWorks, Inc.). The original contract was initiated in July 2005. Management services include, but are not limited to: planning, organizing, booking, directing, promoting, marketing, financial management, box office operation, minor facility maintenance, concessions, alcohol service, security, cleaning, labor, and other services provided under the management agreement. For the first four years, the annual fee for COMPASS remained at $81,000; however, an increase to $83,450 is budgeted for the 2009-10 fiscal year.

The Duplin County Events Center is part of a larger facility known as Duplin Commons. In addition to the Events Center, Duplin Commons includes the Agricultural Center which is composed of local, state, and federal government service agencies.

FINDING

The Events Center is not an enterprise fund, but should operate as an Enterprise Fund. Currently, it is in the general fund and has been operating at a loss since its inception. In fact, the approved annual County budget for 2009-10 estimates a projected net loss of $313,925 for the Center. This means that it is estimated that over $300,000 of General Revenue dollars must be diverted to operate the Center. Duplin County has no vision for when this Center will no longer be a drain on the General Fund.

Exhibit 11-3 shows the actual revenue and county allocation since the 2005-06 fiscal year, and **Exhibit 11-4** follows with the number of events by year. As can be seen, in the 2008-09 year, progress was made to improve the financial status of the Events Center.

Exhibit 11-3
Duplin County Events Center
Actual Revenue and County Allocation
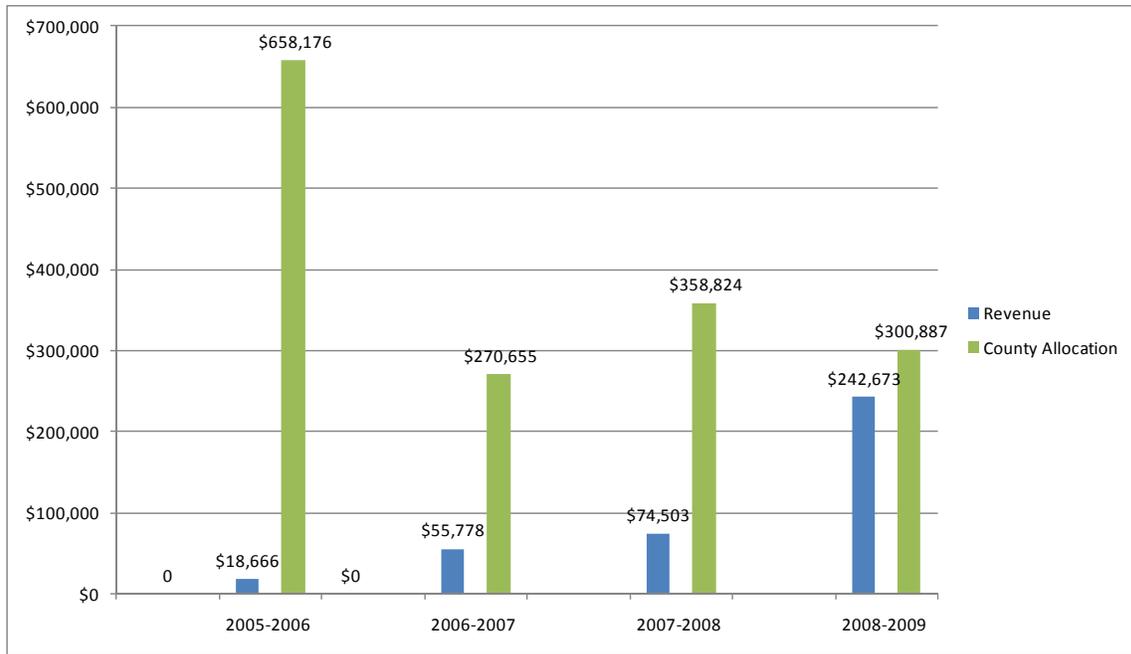
Source: Duplin County Manager, August 2009.

Exhibit 11-4
Duplin County Events Center
Number of Events
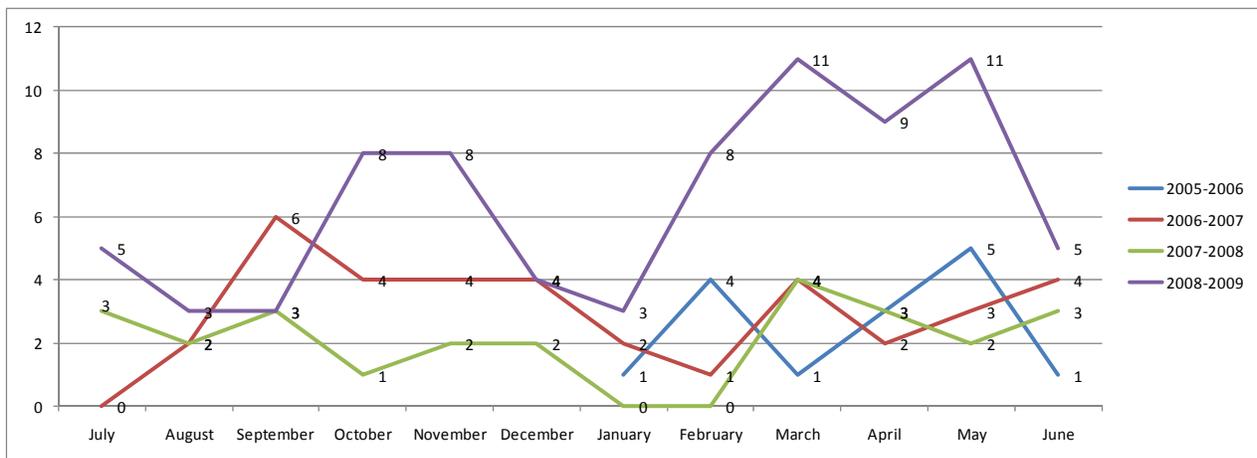
Source: Duplin County Manager, August 2009.

	Total
2005-2006	15 events
2006-2007	36 events
2007-2008	25 events
2008-2009	78 events

In 2005, after the Center was built, a special study was commissioned on the fundraising potential of Duplin Commons. This study, known as the Ketchum Report, was released in Summer 2005. The study provided 17 recommendations related to fundraising for support of Duplin Commons. Some of the most significant study recommendations included:

- proceed with plans for a campaign and validate a preliminary objective of $5 million through achieved benchmarks;

- create a Duplin Commons Foundation;

- develop a financial projection of Duplin Commons and its positive impact on the County's economy;

- create a Campaign Steering Committee;

- establish a campaign timetable; and

- create the infrastructure to support a campaign.

According to the County officials, the recommendations of the Ketchum Report were not implemented.

One reason for a slower than anticipated revenue influx for the Events Center may be the non-quantifiable nature of the VenuWorks, Inc. contract. Evergreen reviewed the most current Management Services Agreement (dated April 2, 2007) with COMPASS (VenuWorks). Our analysis found that, although the contract has some performance-driven components, VenuWorks has not been in compliance with the terms of its contract as it relates to performance measurement. Specifically, the contractual components indentified below were not implemented.

For example, the current contract states that:

- VenuWorks will develop programmatic goals and set them forth in a Business Plan;

- the Business Plan is to be updated annually to serve as a management tool to monitor the firm's performance goals;

- the established goals will be used to base performance in the areas of attendance, revenue, usage, and satisfaction; and

- the contractor will provide accounting for each event on income and expenses, and provide this information to the County.

In addition, Duplin County has not complied with some terms of the contract.

At its August 17th meeting, the Board of County Commissioners took action to issue an Request for Proposals (RFP) to once again solicit bids for the management of the Center. A

decision will be made by the Board of County Commissioners in October 2009 on the proposals which are received.

Some documentation provided to Evergreen consultants during the Performance Audit suggested that a promotional booking and production firm is needed, instead of a management firm, to make the Events Center profitable. Evergreen believes no matter the type of firm the Board of County Commissioners engages under contract, the financial success of the Center must be the first priority, and the Board of County Commissioners must hold the selected firm accountable to achieve this fiscal success.

RECOMMENDATIONS

Recommendation 11-2:

Ensure that the agreement, which Duplin County signs with the firm to manage the Events Center, is a performance-based contract, and that the County Manager or his designee holds the identified firm accountable for all performance measures as clearly stated in the contract.

The Management Service Agreement with VenuWorks has performance-based components. In the future, VenuWorks or its successor should develop quantifiable goals and be held accountable for reaching these target goals. The measureable goals should be approved by the Duplin Board of County Commissioners, with progress reports provided quarterly to the County Manager and Board of County Commissioners.

Recommendation 11-3:

Ensure that the Events Center Enterprise Fund reaches breakeven status no later than the 2011-12 fiscal year, with significant progress in 2010-11.

Duplin County will receive proposals in September 2009 from firms interested in managing the Events Center. Prior to entering into another contract with VenuWorks or a new vendor, the Board of County Commissioners should ensure that the firm will guarantee that the Events Center will breakeven by the 2011-12 fiscal year with significant progress towards this status in 2010-11. Evergreen would project that the Events Center's Enterprise fund will show profitability no later than 2012-13.

FISCAL IMPACT

The fiscal impact chart below estimates only one-half the General Fund dollars being needed in 2010-11 and no General Fund revenue in 2011-12.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Ensure that the Events Center Becomes Profitable	$150,000	$300,000	$300,000	$300,000	$300,000

FINDING

An issue that has hindered the fiscal success of the Duplin Events Center is that, at times, it receives special requests from vendors (i.e., a start-up business or a local business such as the Duplin Winery). The Events Center has been in a position to make special allowances for these events which has affected its profitability.

RECOMMENDATION

Recommendation 11-4:

Establish consistent rates and requirements for all vendors.

In order to be fair to all vendors, a fee rate and contract requirements document should be developed and enforced for all vendors. By having a "no exceptions to the rule policy," no criticisms can be made showing favoritism to certain vendors.

FISCAL IMPACT

Based on exceptions currently being provided, Evergreen estimates a revenue generation of about $10,000 per year.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Establish Consistent Rates and Fees	$10,000	$10,000	$10,000	$10,000	$10,000

11.4   *ENERGY CONSERVATION*

There are many variables involved in energy conservation and energy saving. These variables include, but are not limited to the:

- furnace or air conditioner's energy efficiency rating;

- compass-orientation of the building, and the nature and location of the windows (fenestration);

- geographic location—in the form of average heating and cooling degree days;

- insulation (thermal resistance) of the building being heated or cooled;

- ability of the occupants to tolerate higher temperatures in the summer and lower temperatures in winter; and

- degree to which energy conservation measures have already been implemented.

These variables do not allow one to make a definite statement about the energy savings achieved by setting back the thermostat in the heating seasons, or setting it forward during cooling mode. Nevertheless, the literature on heating and cooling of office buildings states that if you turn down

the heat 5 degrees Fahrenheit in the day and 10 degrees at night when no one is at the office, an agency can cut its energy bill by 5 to 20 percent. If the agency raises the temperature the same amount during the cooling season, the savings will be similar.

FINDING

During the on-site visit, Evergreen consultants visited most buildings operated by Duplin County Government. On more than one occasion, employees were found wearing jackets and sweaters due to very low air condition temperatures. In fact, at one site, the heat came on to neutralize the effect of a very cold air conditioning unit at the other side of the building. In addition, no energy savings practice is in place to alter temperatures during the night hours.

Duplin County secures utilities from the following four vendors:

- Progressive Energy
- Four County
- TriCounty
- Jones-Onslow

Total utility costs for 2008-09 were $803,315. Excluding utility costs for non-government buildings (i.e., non-330 expenses), the total costs for utilities in 2008-09 were $575,345.

RECOMMENDATION

Recommendation 11-5:

Establish an energy conservation practice to reduce utility costs in Duplin County Government buildings.

Duplin County does not have an organized energy conservation program with policies and procedures. Nonetheless, certain actions can be taken by the Facilities Maintenance Department and other staff as well to control building thermostats. This practice could result in significant savings for Duplin County Government.

Some agencies have placed a box on their thermostats so that individual employees can not regulate the set temperature.

FISCAL IMPACT

Using a conservation estimate of a 10 percent reduction of the $575,345, the savings could equal to $58,000 annually.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Reduce Energy Costs	$58,000	$58,000	$58,000	$58,000	$58,000

FINDING

Several counties and cities have conducted energy audits to generate cost savings.

When talking about possible energy savings in a facility from conducting an energy audit, it is impossible to make an accurate estimation without knowing many of the factors at play in the facility. Factors such as facility size, equipment, equipment usage, personnel, lighting, current utility usage, and more can directly affect energy savings.

With that said, research has shown that energy audits have seen savings upwards of 40 percent on some facilities, with the average savings being around 15-20 percent. If the facility has already had one or more energy audits in the past, it is possible that the facility is already efficient, and in that case, there would not be much energy savings. If the facility has been in operation for many years without having had an energy audit, it is very possible that much savings can be achieved.

Most energy audit companies offer free consulting on energy performance.

RECOMMENDATION

Recommendation 11-6:

Conduct an Energy Audit of Duplin County Government.

In his County Manager's reports for the past couple of years, the Duplin County Manager has considered having an Energy Audit conducted. However, such an audit has not been scheduled to date. Many firms conduct such audits. As an example, the Triangle J Council of Government in Raleigh advertises that they will help municipalities conduct an energy audit for free.

FISCAL IMPACT

As stated above, based on research and best practices, an energy audit could generate between 5-40 percent in energy savings. Evergreen estimates a 10 percent savings for this recommendation if coupled with the implementation of **Recommendation 11-5.**

Based on the literature on energy audit savings, this is a very conservative estimate of savings.

Recommendation	2010-11	2011-12	2012-13	2013-14	2014-15
Conduct Energy Audit	$58,000	$58,000	$58,000	$58,000	$58,000

11.5 *CAPITAL PLANNING*

Capital facilities involve expenditures of a non-recurring nature, designed to provide new or expanded government capability.   The primary objective is to guide the provision of major public facilities of large-size, fixed nature, or having a relatively long life within the limits of

available public resources. Thus, providing capital facilities in the most effective and efficient manner must involve planning, programming, financing, and debt administration.

Long-range planning of capital facilities typically lags behind other planning initiatives in government organizations. As governments begin to assume greater responsibility for the provision of public services and facilities, only the most evident needs are usually addressed, and those needs often are dealt with in a somewhat haphazard fashion.

Long-range capital facilities planning provides a means of assuring that projects will be carried out in accordance with a well thought-out and defensible system of priorities that reflect both the public needs and the government's ability to pay. It promotes coordination among the various departments and agencies of the government, and thereby helps circumvent overlapping or conflicting programs. It protects against undue influence by pressure groups who represent special interests, which may attempt to force the adoption of "pet projects" at the expense of more urgent or more meritorious improvements.

Through capital facilities planning, required bond issues or other revenue-produced measures can be foreseen and action taken before the need becomes as critical as to require emergency financing measures. Advanced planning extends the period of time available for the proper technical design of facilities and permits a continual, systematic appraisal of personnel and equipment needs, resulting in a number of economies. And finally, the planning of capital facilities may provide justification for advanced acquisition of properties needed for improvements, thereby taking advantage of lower market values.

Capital facilities planning should be built upon a continuous assessment of client/community preferences, an identification of goals and objectives, demographic estimates and economic forecasts, and projections of development expectations. Data on future community needs must be sufficiently reliable to justify decisions that involve relatively large, long-term commitments of financial resources.

As Duplin County has grown, additional staff resources and equipment have been added to meet the new service demands. Unfortunately, the County has not addressed its need for additional office and storage space. The result is employees working in conditions that are not conducive to productivity, and increased operating costs to maintain the older facilities, some over 25 years old.

Engaging in planning for facilities is an important activity of a County Manager and Board of County Commissioners. The essential components of a facilities planning process include:

- the development of a capital improvement plan that is responsive to the needs of the County;

- a plan for the optimum utilization of existing facilities to ensure that overbuilding does not occur;

- ensuring that renovations are prioritized; and

- a clear understanding of the safety and security needs of county buildings.

FINDING

Duplin County Government has no Capital Improvement Plan for new construction or facility renovations. Duplin County has never had such a plan and has simply relied on a deferred needs list for its facilities. Recognizing this deficiency, in 2008, the County Manager presented to the Board of County Commissioners rating criteria for capital improvements. These criteria are shown in **Exhibit 11-5**.

Exhibit 11-5
Capital Improvement Project
Rating Criteria

Below is a list of criteria that could be used to rate or prioritize capital projects. There are other criteria that could be added. Some jurisdictions have elaborate scoring systems to rank projects.

Top ranked projects should address most of these major categories:

   Improves Productivity or Efficiency – i.e., investments in IT to decrease labor cost.

   Reduces Risk or Liability – i.e., backup generator at dispatch.

   Maintains Current Level of Service – i.e., replacement fleet vehicles.

   Mandated by State or Federal Government – i.e., develop alternate water supplies.

Other criteria necessary to consider in evaluating projects:

   Consistent with Strategic Plan – Is the plan consistent with the goals of the strategic plan (e.g., in Education, Infrastructure, Economic Development, Healthcare)?

   Funding Sources – Is funding other than general fund tax dollars available?

   Operating Budget Impacts – Are there additional personnel requirements, operating costs, etc.?

   Public Support – To what degree does the public support the project?

Source: County Manager's Office, 2009.

Additionally, in 2008, the County Manager conducted a Capital Needs Assessment Survey of all department heads. Senior managers were asked to anticipate facilities' needs over the next 10 years. The results of this survey were shared with the Board of County Commissioners in late 2008.

No further initiatives have been made since these two activities in 2008, primarily because of financial constraints. There was only about $200,000 in capital expenses in the general fund budget for 2009-10.

Nonetheless, in September 2009, at the request of the County Manager, the County Commissioners approved a contract for a grants writer consultant to develop a grant for a Public Safety Building at the Community College. The grant writer's contract will be jointly expensed by the community college and Duplin County (1/3 community college; 2/3 Duplin County). Other capital initiatives being considered include an animal control facility, maintenance facility, and wellness center.

COMMENDATION

The Duplin County Manager is commended for initiating Capital Improvement activities.

RECOMMENDATIONS

Recommendation 11-7:

Create a five-year Capital Improvement Plan for Duplin County Government, routinely revise it every year, use it as the official facilities planning guide, perform major updates to this Plan every five years, and measure progress against the Plan.

Duplin County Government should develop a five-year Capital Improvement Plan. The Capital Improvement Plan should be developed as a working document that guides facilities planning, design, and construction activities of Duplin County Government. Its characteristics are summarized below.

- The Plan document should be officially monitored and updated. Only planning actions compatible with this document should be initiated. If activities contrary to the document, or not contained in the document, are contemplated, then the Capital Improvement Plan must be amended officially, by order of the Board of County Commissioners.

- An appropriate approval process should be put in place for the Capital Improvement Plan. Most often, major updates (e.g. at five-year intervals) should be subject to Board approval, as should be the initial version of the Plan.

- Every year as one year of the Plan is implemented, a new year should be added to the Plan. This type of plan updating activity must become routine and mandatory to keep the Capital Improvement Plan up-to-date, and to keep it useful as a guide document.

- In addition, a formal review and update should be scheduled once every five years, to make sure the Capital Improvement Plan takes into account major County development, changes in technology, and similar long-range aspects that will influence facilities planning.

The Capital Improvement Plan should describe the strategy that is required to meet the need for facility improvement and for the capital investments necessary to support existing and projected County building needs. The Plan should be a fact-based planning tool to help Duplin County meet for its short- and long-range facilities needs.

Planners must address three critical factors throughout the planning and design process: quality, budget, and time. Before the planning process begins, the Duplin County should decide which of these priority areas is most important:

- financial constraints;
- time constraints; and
- quality.

The goals of the Capital Improvement Plan should be to:

- recommend priorities and strategies concerning proposed projects and potential financial sources that will meet the County's facility needs;

- conduct a thorough review, analysis, and evaluation of data that relate to facilities (This process will enable understanding of the issues that require resolution.);

- continue gathering data and prepare a Project Plan of Action (The Project Plan of Action should identify projects and their priorities, define the scope, budgets, and construction/renovation schedules, and it will help to coordinate the financial and project phase issues.);

- provide a process that includes all stakeholders: community, board members, and County department heads; and

- develop implementation guidelines for the Five-Year Capital Improvement Plan and the Project Plan of Action.

Duplin County should review these goals with key stakeholders as noted above. Goals should be revised as needed, adding to or subtracting from, as deemed appropriate for the needs of Duplin County.

FISCAL IMPACT

This recommendation can be implemented with existing resources. Employee time will be required for plan development.

Recommendation 11-8:

Conduct a 20-year strategic facilities master plan study.

The strategic facilities master plan study is an analysis and policy guideline to ensure effective use and orderly acquisition and development of County facilities and land assets. The strategic facilities master plan supports and perpetuates the strategic planning initiatives already underway in the Solid Waste and Water Department. Ideally, the study would not only address the facility needs of the utility operation, but general government as well. The strategic facility master plan would serve as a tool for prioritizing needs and establishing short-term and long-term strategic decisions. Once completed, the strategic facility master plan would be updated annually in conjunction with the capital improvement plan**.**

FISCAL IMPACT

The estimated fiscal impact of this recommendation is about $50,000; however, the cost will be dependent on whether or not the study is extended to include all County departments.