Ohio Local Government Innovation Fund

Collaborative Measures → Success Measures → Significance Measures → Financial Measures

Round 6: Application Form

Step One: Fill out this Application Form in its entirety.

Step Two: Fill out the online submission form and submit your application materials. All supplemental application materials should be combined into one file for submission.

LGIF: Applicant Profile	
Lead Agency	The City of Stow
Project Name	Lean for Government
Type of Request	Grant
Request Amount	$49,000
JobsOhio Region	Northeast
Number of Collaborative Partners (including lead agency)	3
Project Type	Administration
Project Approach	Efficiency

Ohio Development Services Agency

Website: http://development.ohio.gov/cs/cs_localgovfund.htm

E-mail: LGIF@development.ohio.gov

Phone: 614 | 995 2292

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Instructions

• Make sure to answer each question appropriately in the space provided, not exceeding the space allowed by the answer box.

• Examples of completed applications are available on the LGIF website, found here:

http://development.ohio.gov/cs/cs_localgovfund.htm

Lead Agency

Mailing Address:	Agency Name: City of Stow	
	Street Address: 3760 Darrow Road	
	City: Stow	
	Zip: 44224	
In what county is the lead agency located? Summit		
Ohio House District: 37		Ohio Senate District: 27

Project Contact

Please provide information about the individual who should be contacted regarding this application.

Mailing Address:	Name: Ken Trenner	Title: Economic Development Coordinator
	Street Address: 3760 Darrow Road	
	City: Stow	
	Zip: 44224	
Email Address: ktrenner@stow.oh.us		Phone Number: 330-689-2810

Fiscal Agency:

Please provide information for the entity and individual serving as the fiscal agent for the project.

Mailing Address:	Fiscal Agency: City of Stow Finance Department	
	Fiscal Officer: John Baranek	Title: Finance Director
	Street Address: 3760 Darrow Road	
	City: Stow	
	Zip: 44224	

Population

Does the applicant (or collaborative partner) represent a city, township or village with a population of fewer than 20,000 residents?	☐ Yes	☑ No
	List Entity	
Does the applicant (or collaborative partner) represent a county with a population of fewer than 235,000?	☐ Yes	☑ No
	List Entity	
	City of Stow	

Single Applicant

Is your organization applying as a single entity?	☐ Yes	☑ No

Lead Applicant	The City of Stow	Round 6	
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Collaborative Partners		
Does the proposal include collaborative partners?	✔ Yes	No

Applicants applying with collaborative partners are required to show proof of the partnership with a signed partnership agreement and a resolution of support from each of the partner's governing entities. If the collaborative partner does not have a governing entity, a letter of support from the partnering organization is sufficient. These documents must be received by the end of the cure period in order for each entity to count as a collaborative partner for the purposes of this application.

Nature of the Partnership

As agreed upon in the signed partnership agreement, please identify the nature of the partnership with an explanation of how the lead agency and collaborative partners will work together on the proposed project.

The City of Stow will contract with The University of Akron who will provide a Lean Mastery expert for this project. The University Workforce Development staff and its instructor will meet with the departments that the City has identified as undertaking a process that is critical to the operation of Stow as a local government. These processes involve the Purchasing and Police Departments, and are processes that typically occur in local governments. The two processes that have been identified are processes that have been in place in the City of Stow administration for many years, and are the type of processes that typically take on a life of their own in any bureaucracy.

The University of Akron and the Lean Mastery Expert will develop a Lean for Government overview course that will be attended by City of Stow staff, including Safety Forces, City of Akron Police Department and the University of Akron's Summit College staff. The intent is to give every employee basic knowledge of Lean and how it can be used in local government. The focus will be on applying Lean Continuous Improvement Principles to administrative processes in order to eliminate waste, standardize workflow, reduce backlogs and decrease process complexity. This Lean for Government overview course is planned to be a four hour session taught by the Lean Mastery expert. These sessions will be offered at six separate times during the first quarter of the project period. The City of Stow will hold four of these overview sessions, Akron University one and the City of Akron Police Department one. Sessions held at the City of Stow will be open to other local government employees. Participants will be solicited from communities belonging to the Summit County Mayors Association, the Summit-Portage Mayors & Service Directors Group, and similar organizations.

Concurrent with the development of this Lean for Government overview course, The University will develop a "train the trainer" class that is specific to Lean for Government which will teach Lean concepts to 20 City of Stow, Akron Police Department and Akron University employees. The Stow employees that are trained will comprise the core Lean Team for the City of Stow. Upon completion of this intensive five day Lean training class, these employees will be able to apply that knowledge and show others how to apply Lean concepts and conduct a kaizen event. Specifically, this Lean Team will facilitate the two Lean pilot projects referenced in the first paragraph. Akron University and the Akron Police Department will also conduct Lean events following their training. As a result of this training, the staff from the City of Stow, Akron Police Department and Akron University will be able to share experiences from the initial Lean projects in their organization. Sharing best practices and project experiences is a typical occurrence in local and regional public agencies. The lack of public agencies using Lean makes this a critical feature of the Lean for Government project.

SEE ATTACHED SHEET

Lead Applicant	The City of Stow	Round 6	
	Lean for Government	Type of Request	Grant

List of Partners
Please use the following space to list each collaborative partner who is participating in the project and is providing BOTH a resolution of support for the Local Government Innovation Fund application and has signed the partnership agreement.

Collaborative Partner # 1	
Mailing Address:	Name: University of Akron
	Street Address: Buchtel Hall Room 207
	City: Akron
	Zip: 44325-4701

Collaborative Partner # 2	
Mailing Address:	Name: City of Akron police Department
	Street Address: 217 South High Street, Suite 320
	City: Akron
	Zip: 44308

Collaborative Partner # 3	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 4	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 5	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 6	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Collaborative Partner # 7	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 8	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 9	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 10	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 11	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 12	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 13	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Project Information

Provide a general description of the project, including a description of the final work product derived from the grant study or loan implementation project. This information may be used for council briefings, program and marketing materials.

Similar to other communities in Ohio, the City of Stow is has been addressing the issue of "doing more with less" for several years. Local government revenues continue to decline, resulting in fewer resources able to be devoted to providing the basic municipal services. The reduction in the level of resources available to provide municipal services to both internal and external customers has been significant. Since 2011, the City of Stow has lost $800,000 in Local Government Funds from the State of Ohio and experienced a $450,000 decline in property tax revenue. A projected $750,000 decline in Estate Tax revenue is anticipated for 2014. This loss of revenue is presumed to be permanent. The manner in which many of these basic municipal services are provided has not been adapted to the reduced level of resources. This need to determine how to deliver the same high level of service to our customers with fewer resources than in the past is the impetus behind the need to utilize Lean. This constant need to "do more with less" is the situation in most local government agencies in Ohio, including the collaborative partners.

The final work products from the grant study include:

1) A Lean for Government Overview. This overview will be developed and presented by the Lean Instructor and will be an expanded and in-depth version of the Lean course overview presented by the Akron University Workforce Development Department. This overview will nclude an introduction to basic Lean concepts, the historical use of lean in the private sector, and real world examples of how Lean has been used by government agencies to improve their operations. Examples of how the collaborative partners could use Lean will be incorporated into this overview. The City of Stow will host four of these Lean for Government Overviews and attendance will be required for City of Stow employees. The City will open this up to employees of other local governments. A Lean for Government manual will also be developed as part of this overview and will cover the material from the overview. This document will be made available electronically.

2) Five day training course that will "train the trainer" in the use of Lean principles and facilitating kaizen events in Stow's administrative departments. The City of Stow has identified a process in the Purchasing and Police Department that will serve as the pilot Lean projects in Stow. Each staff member trained will be responsible for completing a kaizen event. Assuming seven people trained at the City of Stow, additional pilot projects may be forthcoming. Similar events will occur at the University of Akron and the Akron police Department. The 20 staff from the Cities of Stow and Akron, and from Akron University will form a core of people in local government and education that will be able to share best Lean practices with other agencies in the area and should fill an informational void due to the lack of use of Lean by public agencies.

3) A report detailing the experiences of the City of Stow and the other collaborative partners in their pilot Lean Projects. This report will take the form of a case study.

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Project Information				
Has this project been submitted for consideration in previous LGIF rounds?		Yes	✔	No
If yes, in which round(s)?				
What was the project name?				
What entity was the lead applicant?				

Past Success

Provide a summary of past efforts to implement a project to improve efficiency, implement shared services, coproduction or a merger (5 points).

In 2012 the City of Stow conducted a space allocation study due to a steady decline in employees from # in 2005 to #in 2012. The result of this study indicated that the administrative and maintenance staff contained in the 18,000 sq. ft. Stow Parks and Recreation Maintenance facility could be housed in Stow City Hall and the existing Service Center on the Stow City Center site. This same space allocation study revealed that the equipment and maintenance functions at the former Parks and recreation Maintenance Facility could be integrated into the # square foot Stow Service Center facility. The integration of the Parks Maintenance and Public Service functions at the existing Service Center was accomplished without compromising the original objectives behind constructing both buildings in 2005? which was to move staff, equipment and work areas out of the elements and under roof.

In early 2012, a long time Stow business, Enviroscience Inc., had outgrown their current space and were in need of a building that would accomodate their growing environmental consulting business. Enviroscience and the City of Stow entered into an agreement whereby Enviroscience would ultimately purchase the Stow Parks and Recreation Maintenance facility and keep their business in Stow. The City of Stow has or will realize the following benefits from repurposing the former Parks and Recreation Maintenance facility:
1)An annual savings of $48,000 in operational expenses

Applicant demonstrates Past Success	✔	Yes		No

Scalable

Provide a summary of how the applicant's proposal can be scaled for the inclusion of other entities (5 points).

The approach of having a Lean for Government Overview developed and presented to all City of Stow staff, Akron Police Department and the University of Akron , as well as the train the trainer Lean course could be scaled to include other public sector entities. The only limiting factor for taking this same type of approach anywhere else in Ohio would be the availability of Lean instructors.

The City of is also fortunate to be home to several industries that embrace Lean Principles and have developed their own Continuous Improvement Process. The City would be able to draw upon the expertise with Lean within several private companies as we implement Lean.

Applicant demonstrates a Scalable project	✔	Yes		No

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Replicable

Provide a summary of how the applicant's proposal can be replicated by other entities. A replicable project should include a component that another entity could use as a tool to implement a similar project (5 points).

The general approach that the City of Stow and collaborative partners are proposing in this application is an approach that another unit of local government could use to begin investigating the use of Lean. The Lean for Government Overview manual should provide a good introduction to Lean concepts and principles and the application of Lean to local government. The manual will be supplemented by the Lean Instructor's outline for the presentation.

The Train the Trainer 5 day course is also a part of this project that could be replicated by another unit of local government or most public agencies. Course materials will be available as part of the finished product.

The case study of a local government's (Stow) initial use of Lean will also be a tool that any other public agency could take advantage of when developing a strategy to implement Lean.

Representatives from the City of Stow had the opportunity to meet with the City of Lakewood's Lean Team in June, 2013 to learn about their use of Lean. We benefited from that meeting greatly and the insights we gained from that meeting helped shape our approach to beginning our use of Lean. Local governments typically are willing to share experiences with other local governments in order to share best practices and learn from each other.

Applicant demonstrates a Replicable project	✔	Yes		No

Probability of Success

Provide a summary of the likelihood of the grant study recommendations being implemented. Applicants requesting an implementation loan should provide a summary of the probability of savings from the loan request (5 points).

The City of Stow has struggled considerably over the past several years with how to address the issue of declining resources available to provide service to our many customers. Declining financial resources leads to positions not being filled or eliminated, which results in fewer people available to provide services. Cross-training employees, eliminating divisions between operating units and "doing more with less" is the manner in which the City of Stow has operated over the past several years. Similar to Lean, these past efforts share the concept of eliminating waste or redundancy from our work and focusing more on those things that add value to our customers.

Other past efforts to improve efficiency should also be an indicator that the Lean training the City of Stow will receive will be used.

Based upon our investigation of the use of Lean over the past several months, it is very likely that the training necessary to implement Lean will be used by the City of Stow. Lean provides an organized approach to the type of process and operational improvements that Stow has been seeking for the past several years.

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Applicant demonstrates Probability of Success	✔	Yes		No

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Performance Audit/Cost Benchmarking

If the project is the result of recommendations from a prior performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code, or is informed by a previous cost benchmarking study, please attach a copy with the supporting documents. In the section below, provide a summary of the performance audit findings or cost benchmarking study results (5 points).

Information from www.ohio.gov/lean

Ohio's state agencies are dramatically improving their core businesses processes -- reducing process times, decreasing costs, and increasing customer satisfaction. They're doing so by using the principles, tools and strategies of Lean, Kaizen, and Six Sigma. These are the same best practices used by top private-sector organizations across Ohio and throughout the world

In the first few months of 2011, improvement teams have streamlined core processes in a major way, reducing the start-to-finish process time by anywhere from 67% to 93%. Money is being saved too -- up to $4 million over five years for one project alone. And the improvements are adding up to better service for customers.

Prior Performance Audit or Cost Benchmarking	☐ Yes	☐ No

Section 3 Project Information

Economic Impact

Provide a summary of how the proposal will promote a business environment through a private sector partner (5 points) and/or provide for community attraction (3 points).

This proposal to introduce Lean principles and concepts to City of Stow employees, train eight Stow employees to be able to implement lean throughout the operations of the City and undertake Lean events focused on two major administrative processes in the City should certainly promote a more business like environment in City operations. Lean has had much success in the private sector, and this success is driven by the employees performing the work. Local government, or government in general, has long sought to implement cost savings and efficiency measures and Lean provides an organized approach to doing that.

Through our business visitation program, the City of Stow has identified several private sector partners that have indicated a willingness to assist the City on Lean projects.

Involving private sector partners to help integrate Lean into our operations should help eliminate the misperception among our customers and even City employees that modern business practices cannot be adapted to public sector operations. This alone should promote a business environment.

Using lean in our operations will improve efficiency in our processes and allow for those resources that are freed by these improvements to be used elsewhere to provide services resources. This may lead to more programming for recreation activities, additional time for road maintenance and or more time for police and/or fire staff to do community education. Using Lean should allow the City of Stow to maintain current

Applicant demonstrates Economic Impact	✔ Yes	☐ No

Lead Applicant	The City of Stow		
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Response to Economic Demand
Provide a summary of how the project responds to substantial changes in economic demand for local or regional government services. The narrative should include a description of the current and future expected service level needs (5 points).

The substantial change in economic demand for local services revolves around the need for Stow, or any community, to continue to provide a high level of service to our customers in order to remain a strong and vibrant community. This need to provide a high level of services has remained constant while the resources available to provide these services have declined. For example, the City of Stow has experienced a decline in the number of full time employees from 276 in 2009 to 232 currently. Since 2011, the City of Stow has experienced a loss of approximately $800,000 in Local Government Funding and a $450,000 loss of property tax revenue. A loss of $750,000 in estate tax revenue is also projected for 2014.

The demand for local services will remain at a constant level. Stow's population has remained stable, along with a modest increase in dwelling units of approximately 20 per year since 2007. The geographic area of Stow will remain constant and the amount of infrastructure work will increase with repairs and new construction. The volume of customer contacts for various permits, programs and other services has remained constant over the last several years.

The goal of the Lean training is streamline those processes that can be streamlined in order to shift resources to those work areas and processes that require additional resources.

Applicant demonstrates Response to Economic Demand	✔	Yes		No

Section 3 Project Information

Budget Information

General Instructions

- Both the Project Budget and Program Budgets are required to be filled out in this form.
- Consolidate budget information to fit in the form. Additional budget details may be provided in the budget narrative.

Project Budget:

- The Project Budget should detail expenses related to the grant or loan project.
- The Project Budget justification must be explained in the Project Budget Narrative section of the application. This section is also used to explain the reasoning behind any items on the budget that are not self explanatory, and provide additonal detail about project expenses.
- The Project Budget should be for the period that covers the entire project. The look-back period for in-kind contributions is two years. These contributions are considered a part of the total project costs.
- For the Project Budget, indicate which entity and revenue source will be used to fund each expense. This information will be used to help determine eligible project expenses.
- Total Sources must equal Total Uses. Include staff time and other in-kind matches in the Total Uses section of the budget.

Program Budget

- Use the Program Budget to outline the costs associated with the implementation of the program in your community.
- Six years of Program Budgets should be provided. The standard submission should include three years previous budgets (actual) and three years of projections including implementation of the proposed project. A second set of three years of projections (one set including implementation of this program and one set where no shared services occurred) may be provided in lieu of three years previous if this does not apply to the proposed project.
- Please use the Program Budget Narrative section to explain changes in expenses and revenues, and to defend the budget projections. If the budget requires the combining of costs on the budget template, please explain this in the narrative.

Return on Investment:

- A Return on Investment (ROI)calculation is required, and should reference cost savings, cost avoidance and/or increased revenues indicated in Program Budget sections of the application. The ROI should be calculated over a three-year period. Use the space designated for narrative to justify this calculation, using references when appropriate.

For Loan Applications only:

- Using the space provided, outline a loan repayment structure.
- Attach three years of prior financial documents related to the financial health of the lead applicant (balance sheet, income statement and a statement of cash flows).

Lead Applicant	The City of Stow	Round 6	
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Project Budget

Use this space to outline all sources of funds and the uses of those funds. Both sections should include all funds related to the project, including in-kind match contributions. Use the project budget narrative on the next page to justify the project budget. Indicate the line items for which the grant will be used.

Sources of Funds

LGIF Request:		$49,000
Cash Match (List Sources Below):		
Source:	City of Stow	$2,000
Source:	City of Akron Police Dept	$2,000
Source:	Akron University	$2,000
Source:		
In-Kind Match (List Sources Below):		
Source:	City of Stow	$4,000
Source:		
Source:		
Total Match:		$10,000
Total Sources:		$59,000

Uses of Funds

	Amount	Revenue Source
Consultant Fees:	$55,000	Partners & LGIF
Legal Fees:		
Other: in-kind	$4,000	City of Stow
Other:		
Other:		
Other:		
Other:		
Other:		
Other:		
Other:		
Total Uses:	$59,000	
Local Match Percentage:	16.95%	

* Please note that this match percentage will be included in your grant/loan agreement and cannot be changed after awards are made.

Local Match Percentage = (Match Amount/Project Cost) * 100 (10% match required)

☑ 10-39.99% (1 point) ☐ 40-69.99% (3 points) ☐ 70% or greater (5 points)

Section 4 Financial Information

Lead Applicant	The City of Stow	Round 6	
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Project Budget Narrative: Use this space to justify any expenses that are not self-explanatory.

Consultant fees:	$20,000	material development for Lean for Government Project
	22,000	Lean Mastery Course. Five day course, 21 students total, course materials
	9,000	Six Lean for Government Overview Sessions
	4,000	Development of Lean for Government Overview Manual and Case Study
	$55,000	
In-Kind Services	$4,000	Production assistance on Lean for Government Overview and Case Study

Section 4

Financial Information

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Program Budget

Actual ✔ Projected ☐	FY 2011	FY 2012	FY 2013
Expenses	**Total Program Expenses**	**Total Program Expenses**	**Total Program Expenses**
Salary and Benefits	$226,166	$205,800	230869
Contract Services	$32,425	$14,010	-
Occupancy (rent, utilities, maintenance)	$3,901	$6,385	$3,400
Training & Professional Development			
Insurance			
Travel			
Capital & Equipment Expenses			
Supplies, Printing, Copying & Postage	$994	$1,571	$1,000
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration			
*Other - workers' comp	$4,534	$3,671	4,222
*Other - retirement pay	$7,243		
*Other - incidentals	$2,374	$1,602	$2,300
TOTAL EXPENSES	$277,637	$233,039	$241,791
	Revenues	**Revenues**	**Revenues**
Contributions, Gifts, Grants, & Earned Revenue			
Local Government:			
Local Government:			
Local Government:			
State Government			
Federal Government			
**Other -*			
**Other -*			
**Other -*			
Membership Income			
Program Service Fees			
Investment Income			
TOTAL REVENUES			

Lead Applicant	The	Round 6	
Project Name	Lean	Type of Request	Grant

Program Budget

Actual ☐ Projected ☑	FY 2014	FY 2015	FY 2016
Expenses	**Total Program Expenses**	**Total Program Expenses**	**Total Program Expenses**
Salary and Benefits	197,895$	$200,863	$203,876
Contract Services	-	-	-
Occupancy (rent, utilities, maintenance)	3503	3609	3717
Training & Professional Development	1200	1236	1274
Insurance			
Travel			
Capital & Equipment Expenses			
Supplies, Printing, Copying & Postage	1030	1061	1093
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration			
*Other - workers comp	4349	4479	4613
*Other - retirement pay	-	-	-
*Other - incidentals	2369	2440	2513
TOTAL EXPENSES			
	Revenues	**Revenues**	**Revenues**
Contributions, Gifts, Grants, & Earned Revenue			
Local Government:			
Local Government:			
Local Government:			
State Government			
Federal Government			
**Other -*			
**Other -*			
**Other -*			
Membership Income			
Program Service Fees			
Investment Income			
TOTAL REVENUES			

Lead Applicant	The	Round 5	
Project Name	Lean	Type of Request	Grant

Program Budget

Use this space to justify your program budget and/or explain any assumptions used for the budget projections. These projections should be based on research, case studies or industry standards and include a thoughtful justification.

The time to process a requisition to producing the purchase order currently takes 20 hours over an approximate 34 day time period. Members of the Stow Purchasing Department staff mapped each step of the entire process and assigned a time to each step. This 34 day process was reduced from a high of 58 days fro 2008 to 2009. This reduction in the time to process a requisition has been accomplished with increased use of technology, better software and additional staff. Efforts to reduce the time to process a requisition has been an ongoing effort.

The example of preparing a requisition for a purchase order involved 20 hours of work over a 34 day period. For estimating purposes, it was assumed that 12.5% of a staff members' time was devoted to preparing requisitions for purchase orders every month (20 hrs/160hrs). This 12.5% estimated savings in this particular process was applied to the Salary and Benefits line for FY 2014, 2015 and 2016.

The line items for Salary and Benefits also assumed a 1.5% increase in hourly rates annually.

Section 4: Financial Information Scoring

- [x] (5 points) Applicant provided complete and accurate budget information and narrative justification for a total of six fiscal years.
- [ ] (3 points) Applicant provided complete and accurate budget information for at least three fiscal years.
- [ ] (1 point) Applicant provided complete and accurate budget information for less than three fiscal years.

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Return On Investment

Return on Investment (ROI)is a performance measure used to evaluate the efficiency of an investment. To derive the expected ROI, divide the net gains of the project by the net costs (for a three-year period). For these calculations, please use the implementation gains and costs, NOT the project costs (the cost of the feasibility, planning or management study)--unless the results of this study will lead to direct savings without additional implementation costs.

Return on Investment Formulas:

Consider the following questions when determining the appropriate ROI formula for your project. Check the box of the formula that you are using to determine your ROI. These numbers should refer to savings/revenues illustrated in projected program budgets, and should reflect a three-year period.

Do you expect cost savings from efficiency from your project?

○ Use this formula: $\frac{\text{Total \$ Saved}}{\text{Total Program Costs}}$ * 100 = ROI

Do you expect cost avoidance from the implementation of your project/program?

○ Use this formula: $\frac{\text{Total Cost Avoided}}{\text{Total Program Costs}}$ * 100 = ROI

Do you expect increased revenues as a result of your project/program?

○ Use this formula: $\frac{\text{Total New Revenue}}{\text{Total Program Costs}}$ * 100 = ROI

Do you expect some combination of savings, cost avoidance or increased revenue as a result of your project/program? (Total Gains combines $ Saved, Costs Avoided and New Revenue)

◉ Use this formula: $\frac{\text{Total Gains}}{\text{Total Program Costs}}$ * 100 = ROI

Expected Return on Investment = $\frac{\$173}{\$423}$ * 100 = 40.90%

Expected Return on Investment is:

☐ Less than 25% (5 points) ☑ 25%-75% (10 points) ☐ Greater than 75% (15 points)

Questions about how to calculate ROI? Please contact the Office of Redevelopment at 614-995-2292 or lgif@development.ohio.gov

Section 4

Financial Information

Lead Applicant	The City of Stow	Round 6	
	Lean for Government		Grant

Return on Investment Justification Narrative: In the space below, describe the nature of the expected return on investment, providing justification for the numbers presented in the ROI calculation. This calculation should be based on the savings, cost avoidance or increased revenues shown in the program budgets on the preceeding pages. Use references when appropriate to justify assumptions used for cost projections.

The time to do the clerical work to process a requisition to prepare for producing a purchase order currently takes a supervisor and two administrative assistants 20 hours over a 34 day time period. Without any training in Lean principles, members of the Stow Purchasing Department staff mapped each step of the entire process and assigned a time to each step. The average hourly rate for the 3 Purchasing Department staff is $21.15. An estimate of the total clerical cost to perform this work is $423.

20 hours (21.15) = $423 total program costs

Between 2008 and 2009, the time to prepare a purchase order was reduced to the current 34 days from 58 days. The lengthy time to pay invoices was becoming an issue dealing with vendors in certain departments. With increased use of technology, better performing software and a staff member added to the Purchasing department, this improvement was achieved There was a 41% savings in time to prepare a requisition for a purchase order fro 2008 to 2009. This 41% savings in time from 2008 to 2009 was applied to the total program costs to arrive at an estimated savings of $173 for this particular clerical process.

Using the assumptions from above, the ROI= $173/$423 (100) = 41%

It is important to note that the process mapping produced by the Stow Purchasing Department was completed without any training. The only guidance readily available to use as a reference to complete this process mapping were examples provided by the City of Lakewood.

Given the absence of any training it is also likely that the times assigned to each step were underestimated.

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Magnitude of Project

If the project has an expected ROI of 74.99 percent or less, complete the following calculation. Projects with a Magnitude Factor of 50 or above score (5 points.)

$$\frac{\text{ROI\%} \times \text{Savings Amt}}{1000} = \text{Magnitude Factor}$$

Project has a Magnitude Factor of 50 or above	☐ Yes	☑ No

Cost Savings

This project will decrease specific line items in the exisiting budget. The specific line items should be evidenced by an expected decrease in specific line items for the next three years. In the space below please list the specific line item in the Program Budget section and the total dollar amount saved in the next three years (5 points).

This model involved 20 hours of work over a 34 day period. For estimating purposes, it was assumed that 12.5% of a staff members' time was devoted to preparing requisitions for purchase orders every month (20 hrs/160hrs). This 12.5% estimated savings in this particular process was applied to the Salary and Benefits line for FY 2014, 2015 and 2016.

The total savings from FY 2014 to 2016 is $89,973.

Applicant demonstrates Cost Savings	☑ Yes	☐ No

Core Services

Does the project affect core services in your community? Explain how this project meets the basic needs of your community by providing services for which the lead applicant is primarily responsible (5 points).

The project affects core services in that time saved in reducing the process of preparing requisitions for purchase orders allows staff to shift to other work. This work could be within or outside of the Purchasing Department. This is a general example which will result in staff being able to "do more with less" and the impact will be noticeable in the expansion of services the City of Stow can provide because of additional staff resources that can be directed to a particular work area.

The impact of improving the flow of information between the Stow Police Department and the Law Department will have a more recognizable impact upon core services by enabling Police Department staff to pursue other work in the community. Similar to the Lean project in the Purchasing Department, much of the work in this example will occur in a process that is embedded in a supporting function for the Police and Law Departments. This example should allow police officers and Law Department staff more time to pursue work that directly affects our community on a daily basis.

Project affects Core Services of the Lead Applicant	☑ Yes	☐ No

Lead Applicant	The City of Stow	Round 6	
Project Name	Lean for Government	Type of Request	Grant

Loan Repayment Structure

Please outline your preferred loan repayment structure. At a minimum, please include the following: the entities responsible for repayment of the loan, all parties responsible for providing match amounts and an alternative funding source (in lieu of collateral). Applicants will have two years to complete their project upon execution of the loan agreement, and the repayment period will begin upon the final disbursement of the loan funds. A description of expected savings over the term of the loan may be used as a repayment source.

NA

Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity or other collateral (i.e. emergency, rainy day or contingency fund, etc).

☐ Applicant clearly demonstrates a secondary repayment source (5 points)

☐ Applicant does not have a secondary repayment source (0 points)

Lead Applicant	The City of Stow	Round 5	
Project Name	Lean for Government	Type of Request	Grant

Scoring Overview

Collaborative Measures	Description	Max Points		Self Score
Section 1: Collaborative Measures				
Population	Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the **smallest** population listed in the application. Applications from (or collaborating with) small communities are preferred.	5		1
Participating Entities	Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support.	5		5
Section 2: Success Measures				
Past Success	Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.	5		5
Scalable	Applicant's proposal can be scaled for the inclusion of other entities.	5		5
Replicable	Applicant's proposal can be replicated by other local governments.	5		5
Probability of Success	Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.	5		5
Section 3: Significance Measures				
Performance Audit Implementation/Cost Benchmarking	The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.	5		0
Economic Impact	Applicant demonstrates the project will promote a business environment and will provide for community attraction.	5		5
Response to Economic Demand	The project responds to current substantial changes in economic demand for local or regional government services.	5		5
Section 4: Financial Measures				
Financial Information	Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three-year period following the project.	5		5
Local Match	Percentage of local matching funds being contributed to the project. This may include in-kind contributions.	5		1
Expected Return	Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue or cost avoidance) an expected return. The return must be derived from the applicant's cost basis.	15		10
Magnitude Factor	Applicant demonstrates a magnitude factor of 50 or above, based on the return on investment percentage and the amount of project gains estimated in the ROI calculation.	5		0
Cost Savings	Applicant demonstrates specific line items in the current budget that will decrease as a result of this project.	5		5
Core Services	Applicant demonstrates that the project affects core services provided in their community.	5		5
Repayment Structure (Loan Only)	Applicant demonstrates a viable repayment source to support loan award.	5		0
			Total Points	62

ADDITIONAL PAGE FOR STOW LEAN FOR GOVERNMENT LGIF GRANT APPLICATION

NATURE OF THE PARTNERSHIP (continued from page 3)

As part of this Lean for Government project, the City of Stow will produce a report detailing what aspects of the two Lean pilot projects conducted at the City went well and what did not, and the steps that a local government could take to make their initial Lean experience successful. This report will endeavor to draw upon the experiences of both collaborative partners in their initial Lean events

PAST SUCCESS (continued from page 7)

2) An estimated savings of $150,000 in interest costs in paying off the Parks and Recreation Maintenance facility ahead of schedule.

3) Retaining Enviroscience in Stow. Enviroscience is a nationally recognized environmental consulting firm with an annual payroll over $3 million. This results in the City of Stow receiving approximately $62,000 in payroll tax

4) Enviroscience will pay property taxes on what was formerly a tax exempt property

5)Locating staff from different divisions within the City Administration under one roof allows them to work jointly on public service projects without concern for divisional boundaries.

The City of Stow also has entered into an agreement with the City of Ravenna, in Portage County, to share the services of our City Arborist and Human resources Director. The City Arborist is a full time employee of the City of Stow.

The Human Resources Director is a former full time employee of the City of Stow. He is now a contract employee that divides his time equally between the Cities of Stow and Ravenna.

ECONOMIC IMPACT (continued from page 9)

tax rates and thus maintain an attractive residential destination for future residents and an important factor in retaining current residents.

Similarly, using Lean in City operations will make Stow a more attractive location for businesses. The efficiency that is gained from our process improvements means additional resources available to service our business community as well as our residential customers.

AKRON POLICE DEPARTMENT
Harold K. Stubbs Justice Center
217 South High Street
Akron, Ohio 44308-1682

James D. Nice, *Chief of Police*

October 16, 2013

To Whom It May Concern:

Law enforcement agencies around the country are faced with ever decreasing budgets and shrinking workforces. Our police department in Akron is no different than any other agency, except that we are embracing intelligence led policing and evidence based practices. These two models and the consideration for the Ohio Local Government Innovation Fund (LGIF) grant align with our mission statement to strive through collaborative efforts to be efficient in our service delivery.

We are excited about our partnership with the City of Stow, Ohio and the University of Akron in the venture for learning. We will be applying the "Lean for Government" skills model.

Respectfully,

James D. Nice

James D. Nice
Chief of Police

Cc: Assistant Chief of Police C.A. Brown

www.akroncops.org
Fax: (330) 375-2135 Phone: (330) 375-2244
Address all correspondence to the Chief of Police

RESOLUTION NO. 2013-143

REQUESTED BY MAYOR
APPROVED BY FINANCE COMMITTEE
INTRODUCED BY RIEHL

A RESOLUTION AUTHORIZING THE CITY OF STOW TO FILE A GRANT APPLICATION WITH THE OHIO DEVELOPMENT SERVICES AGENCY (ODSA), FOR THE PURPOSE OF OBTAINING FUNDING THROUGH THE LOCAL GOVERNMENT INNOVATION FUND FOR TRAINING CITY OF STOW STAFF TO USE LEAN CONTINUOUS IMPROVEMENT PRACTICES, AND DECLARING AN EMERGENCY

WHEREAS, the Ohio Development Services Agency (ODSA) is accepting grant applications through the Local Government Innovation Fund (LGIF) for projects that promote efficiency, shared services and mergers among local governments; and

WHEREAS, this grant requires matching funds of at least 10 percent of the total cost of the project;

WHEREAS, the City of Stow as an organization continuously strives to provide the best customer service possible and the use of Lean principles and practices will be another tool staff can use to provide excellent customer service;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOW, COUNTY OF SUMMIT AND STATE OF OHIO:

SECTION 1. That the Council of the City of Stow, Ohio, hereby approves the filing of the appropriate application for the ODSA LGIF Grant.

SECTION 2. That the Mayor be, and she hereby is, authorized and directed to file an application with the ODSA and to provide all information and documentation required to become eligible for possible funding, including entering into partnership agreements pertaining to the Lean for Government LGIF project.

SECTION 3. That the Finance Director be, and he hereby is, authorized to utilize the General Fund or such other fund as he may designate, for the purpose of receiving and distributing said funds.

SECTION 4. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with the law.

SECTION 5. This Resolution was adopted pursuant to Section 4.11, Charter, and is hereby declared to be an emergency measure necessary for the immediate preservation of the public health and safety for the reason that the legislation authorizing the filing of the ODSA LGIF grant application must be received by the ODSA by October 30, 2013, and, pursuant to Section 4.13, Charter, shall take effect upon its adoption by Council and approval by the Mayor, otherwise at the earliest period allowed by law.

ADOPTED BY COUNCIL 9/26/13

ATTEST
Bonnie J. Emahiser
CLERK OF COUNCIL

James M. Costello
PRESIDENT OF COUNCIL

FILED WITH MAYOR 9/27/13

APPROVED
Sara Drew
MAYOR

FILED WITH CLERK 9/27/13

APPROVED AS TO FORM

Brian A. Reali
LAW DIRECTOR

EFFECTIVE DATE 9/27/13

I, BONNIE J. EMAHISER, CLERK OF COUNCIL, HEREBY CERTIFY THAT THE AFOREGOING IS A TRUE AND ACCURATE COPY OF

Res. No. 2013-143

ADOPTED BY COUNCIL ON 9-26-13

Bent, Nicole

From: Trenner, Ken <ktrenner@stow.oh.us>
Sent: Monday, November 04, 2013 4:55 PM
To: DSA lgif
Subject: Cure-Lean for Government, City of Stow
Attachments: Stow Lean Res of Support.pdf; Stow lean Res of Support pg 2.pdf; APD LGIF Letter of Support.pdf; UA Letter of Support Lean LGIF Grant.pdf; LEAN Lgif Partnership MOU.pdf

Categories: Cure Documents

Ms. Thea Walsh, AICP
Deputy Chief, Office of Redevelopment
Ohio Development Services Agency

The following information is submitted to satisfy the Issues for Response noted in the Lean for Government Local Government Innovation Fund Completeness Review:

3) Program Budget:

	FY 2014	FY2015	FY2016	TOTAL
EXPENSES:	$210,346	$213,688	$217,086	

4) Return on Investment: On average, the City of Stow Purchasing Department processes 2,435 requisitions annually. The following is the information provided in the return on Investment Justification Narrative:

"The time to do the clerical work to process a requisition to prepare for producing a purchase order currently takes a supervisor and two administrative assistants 20 hours over a 34 day time period.
Without any training in Lean principles, members of the Stow Purchasing Department staff mapped each step of the entire process and assigned a time to each step. The average hourly rate for the 3 Purchasing Department staff is $21.15. An estimate of the total clerical cost to perform this work is $423.

20 hours (21.15) = $423 total program costs

Between 2008 and 2009, the time to prepare a purchase order was reduced to the current 34 days from 58 days. The lengthy time to pay invoices was becoming an issue dealing with vendors in certain departments. With increased use of technology, better performing software and a staff member added to the Purchasing department, this improvement was achieved There was a 41% savings in time to prepare a requisition for a purchase order from 2008 to 2009. This 41% savings in time from 2008 to 2009 was applied to the total program costs to arrive at an estimated savings of $173 for this particular clerical process.

Using the assumptions from above, the ROI= $173/$423 (100) = 41%

It is important to note that the process mapping produced by the Stow Purchasing Department was completed without any training. The only guidance readily available to use as a reference to complete this process mapping were examples provided by the City of Lakewood.

Given the absence of any training it is also likely that the times assigned to each step were underestimated. "

After reviewing the response to this question on the LGIF Application, it should have been made clear throughout the response that this is a clerical process that originates on a weekly basis. Based upon the process mapping prepared by the Stow Purchasing Department, it costs the City of Stow $10,998 annually in Purchasing Department staff time to process requisitions. The Purchasing Department maintains control over requisitions from beginning to end, but the requisitions do leave the department for review and sign-offs by other staff in other departments. The time spent processing requisitions outside of the Purchasing Department was not included in the cost of processing requisitions noted above. The Lean for Government project will address the processing of requisitions from beginning to end and will include the time/staff cost spent on processing requisitions in all involved administrative departments.

5) Resolutions and Letters of Support: Attached

6) Partnership Agreement: Attached with signatures from the City of Stow and the University of Akron. The Akron Police Department has provided a letter of support for this project, but was unable to provide a signed copy of the Partnership Agreement by 5:00 p.m. November 4th. I understand the Akron Police Department should have the agreement signed by the end of the day November 5th.

I will forward the copy of the Partnership Agreement signed by all three partners as soon as possible. Please contact me if the lack of having this agreement signed by all project partners precludes further consideration of this grant application or if additional information is required. Thank you.

Ken Trenner, AICP
Economic Development Coordinator
City of Stow
3760 Darrow Road
Stow, OH 44224
P: 330-689-2810
F: 330-689-2827
www.stow.oh.us

MEMORANDUM OF UNDERSTANDING
LEAN FOR GOVERNMENT

This Memorandum of Understanding (MOU) is entered into by the **City of Stow**, 3760 Darrow Road, Stow, Ohio 44224, **City of Akron Police Department**, 217 South High Street, Akron, Ohio 44308 and the **University of Akron**, Buchtel Hall Room 207, Akron, Ohio 44325. These three organizations are collectively referred to as the "Lean for Government Partnership" (Partnership).

The purpose of this MOU is to set forth the responsibilities of the partnership and each individual entity consistent with the Lean for Government Ohio Local Government Innovation Fund Application submitted by the City of Stow on behalf of the Partnership.

General

The general responsibility of each partner is to be an active participant in all aspects of the project, including:

1) Responding in a timely manner to requests to review material and provide information.
2) Attend any meetings necessary to complete the project.
3) Provide a brief status report at the conclusion of the project that will serve as acknowledgment of the receipt and acceptance of the project products. The project products include the Lean for Government Overview and the Train the Trainer course.
4) Provide the $2,000 cash match when required.

Specific

City of Stow

1) Contract with UA Office of Workforce Development for the work to be performed as part of the Lean for Government LGIF Grant.
2) Provide $4,000 in In Kind Service as assistance on the Lean for Government Overview
3) Provide 1 staff person to serve as the project manager/contact person.
4) Host four Lean for Government overviews.

City of Akron Police Department

1) Host one Lean for Government Overview
2) Provide one staff person to serve as the project contact

University of Akron

1) Host one Lean for Government Overview
2) Provide one staff person to serve as the project contact

OFFICE OF GENERAL COUNSEL
THE UNIVERSITY OF AKRON
Reviewed and Approved for Legal Form and Sufficiency
By _____
Date 11/4/13

City of Stow

By: _____
Its: Mayor
Date: 11/4/2013

Akron Police Department

_____

_____

_____

THE UNIVERSITY OF AKRON

By: _____
Dr. William M. Sherman
Provost, COO, Senior VP
Date: 11-4-13

University of Akron

_____
James Sage
VP IT & CIO
11/4/13

By: _____
Brian Malloy
Its: Coordinator of Workforce Development
Date: 11/1/13

November 4, 2013

Ms. Thea J. Walsh, AICP
Deputy Chief, Office of Redevelopment
Ohio Department of Development
Columbus, OH 43215

Ms. Walsh,

The University of Akron's vision is to foster and produce a culture of continuous improvement among all employees at the University of Akron and to be a leader of continuous improvement principles in higher education within the State of Ohio. We are excited to partner with the City of Stow and the Akron Police Department to develop and implement the Lean for Government model to achieve these goals.

Best regards,

Brian Malloy
The University of Akron
Coordinator of Workforce Development

Workforce Development and Continuing Education
Akron, OH 44325-4104
330-972-7577 λ 330-972-7598 Fax λ www.uakron.edu/ce

The University of Akron is an Equal Education and Employment Institution