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June 20-23, 2016  
Music City Center, Nashville, TN





# Lessons from Detroit: How to Survive During the Toughest Economic Times



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# Lessons from Detroit: How to Survive During the Toughest Economic Times

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City of Detroit



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# Lessons from Detroit: How to Survive During the Toughest Economic Times

- **The Critical Elements of the Fleet Survivability**
  - **The City - Rise and Decline**
  - **The Fleet and Infrastructure ~ 2005**
  - **The Fleet and Infrastructure - Last 10 Years**
- Applying the Elements of Survival**

# The Elements of the Fleet Survivability

- 1. Consistent & Continuous Investment in Technology**
- 2. Control of the Vehicle Asset Base through Fleet Management Steering Committee**
- 3. Consolidation of Resources**
- 4. Selective Outsourcing**
- 5. Fleet Size –  
Reduction through Continuous Rightsizing**

# City of Detroit

## The Rise / Decline & Current Status

# City of Detroit – The Rise

- **Hub of US and center of auto manufacturing – first half of 20<sup>th</sup> century**
- **The City population tripled between 1900 and 1930**
- **The City footprint tripled between 1920 and 1930**
- **The City population increased to peak of 2 million by mid-1950's**

# City of Detroit – The Decline

- **By the late – 1950's - over 100,000 jobs vanished**
- **Urban communities began to compete with the City for Jobs**
- **Two dozen urban villages emerged surrounding Detroit – some among the wealthiest in the nation**



# City of Detroit – The Decline

- **Due to lower taxes outside the City, the ‘Big Three’ built 25 plants outside the City limits between 1947 and 1958**
- **Urban communities began to compete with the City for Jobs**

# City of Detroit – The Decline

- Example:
  - Between 1955 and 1958 The following companies closed on the east side of the City:
    - Packard
    - Hudson Motors
    - Briggs
    - Studebaker
    - Continental Motors
    - Fisher Body

# City of Detroit – 2009

**In 2009 the Detroit Parcel Survey revealed:**

- **343,000 registered City parcels**
- **90,000 ( 26%) of parcels were vacant**
- **220,000 standing houses**
- **34,000 (15%) houses were vacant**
- **The estimate of vacant lots topped over 80,000 at that point in time.**

# City of Detroit – 2012 & 2013

- **The City of Detroit entered into a consent agreement with the State of Michigan on April 4, 2012, specifying 26 reform projects**
- **Emergency Manager appointed in March 2013 and filed bankruptcy for the City in July, submitting a Plan of Adjustment calling for debt reduction to fund reinvestment in city services**
- **December 10, 2014 – City emerges from bankruptcy after 16 months**

# City of Detroit

## The Elements of Fleet Survivability

# City of Detroit

## Fleet & Infrastructure - 2004

- ~ 4,200 vehicle assets
- 9 shops
- 23 unmanned fuel sites
- No fleet management system in place
- No fuel management system in place
- No central control of 7 independent fleet segments
- ~ 150 tradesmen

# Consolidation of Fleets

Starting in 2005 - 2006

**Consolidation of 7 Primary General Fund Fleets**

- **Police**
- **Solid Waste**
- **Parks**
- **Street Maintenance**
- **Parking Enforcement**
- **Public Lighting**
- **(Fire)**
- **Plus 20 smaller departments**

# Fleet & Fuel Management System

Starting in 2005 – 2006

Implementation of robust fleet management system:

**Asset Works Fleet FOCUS – M5**

Fully automated

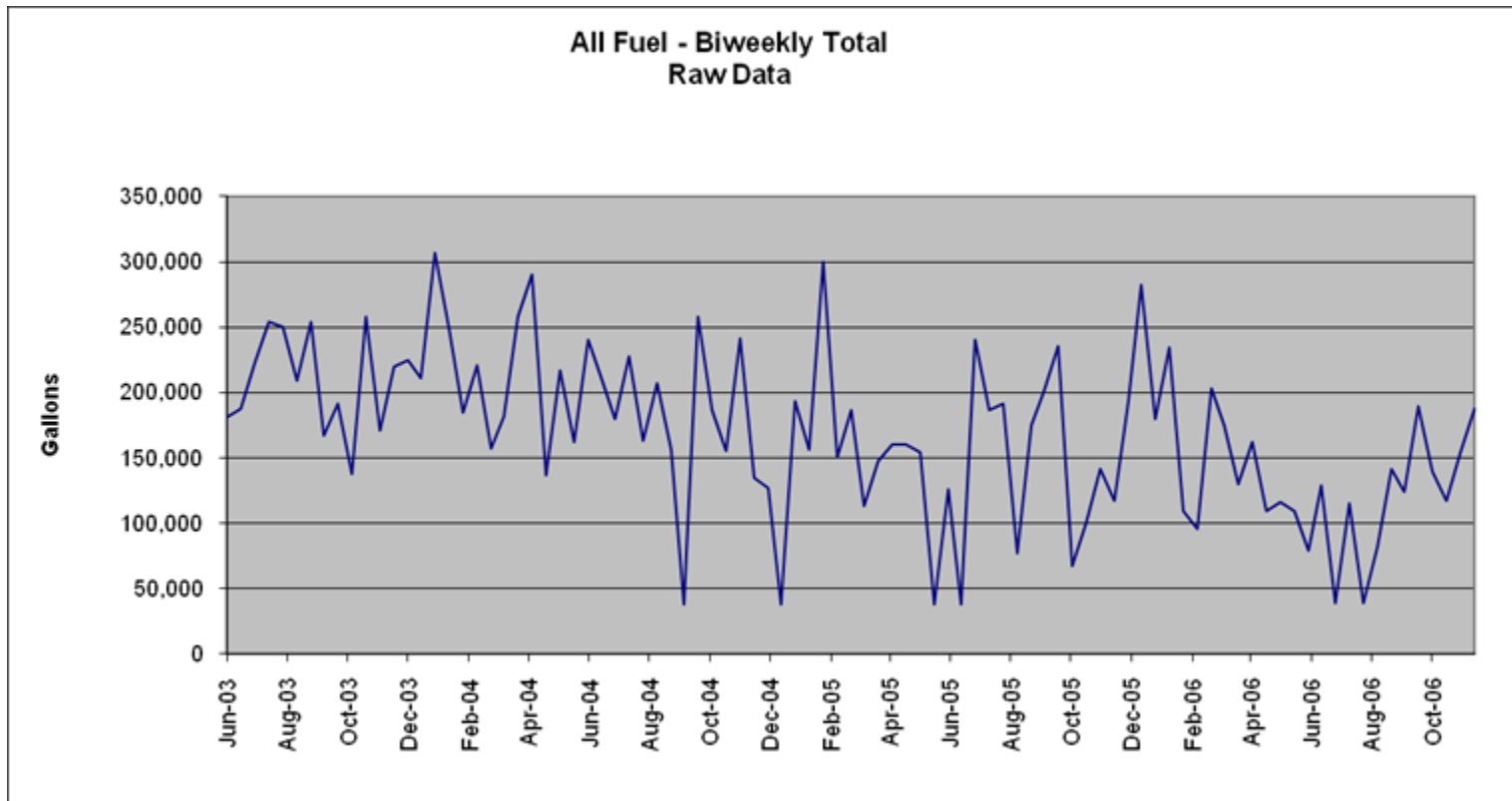
Real time shop floor

**Asset Works Fuel Focus**

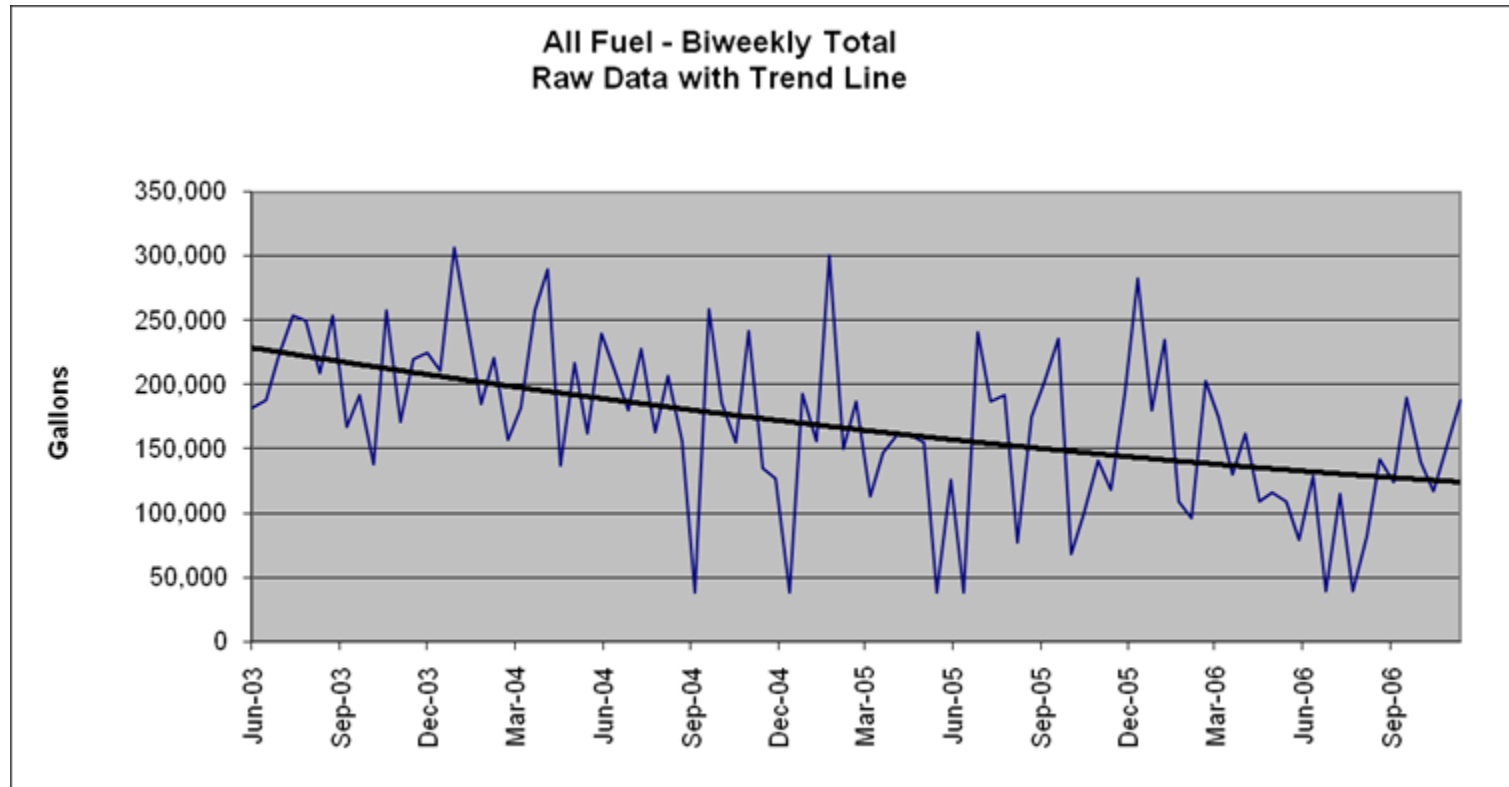
Secured Fuel Sites



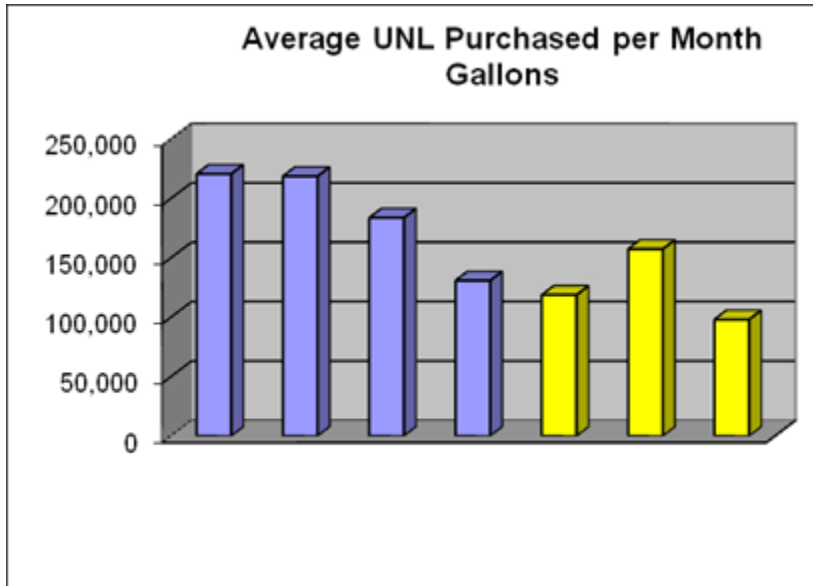
# Fuel – Pre – Post Site Automation



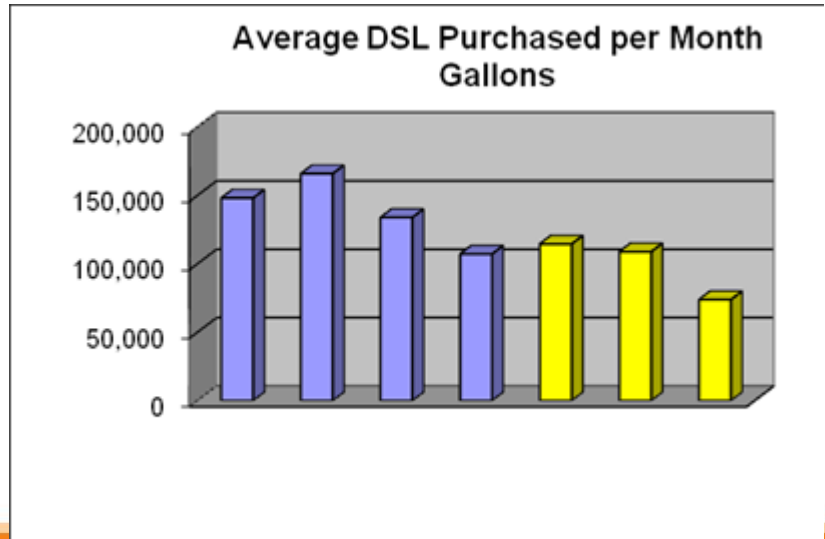
# Fuel – Pre – Post Site Automation



# Fuel – Pre – Post Site Automation



30 % Decline in “Consumption” !!



# Fleet Management Steering Committee

**Initiated 2005 - Chaired by Fleet Manager – New City Position Created**

- **Central control of**
  - Acquisition and disposal
  - Assignment
  - Specifications
- **Membership from budget, finance, procurement, risk management, Mayor's office**
- **(In later years key department members were added)**

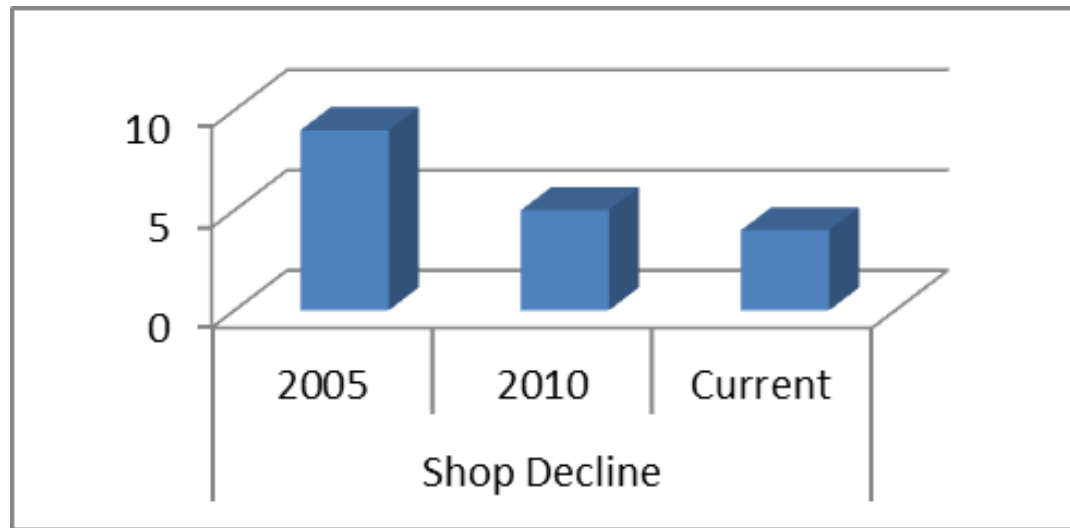
# Strategic Outsourcing

## Starting in 2007

- **Parts and Stores**
  - Parts Partnership – GPC NAPA
- **Body Shop**
- **Paint Shop**
- **Rebuild Shop**

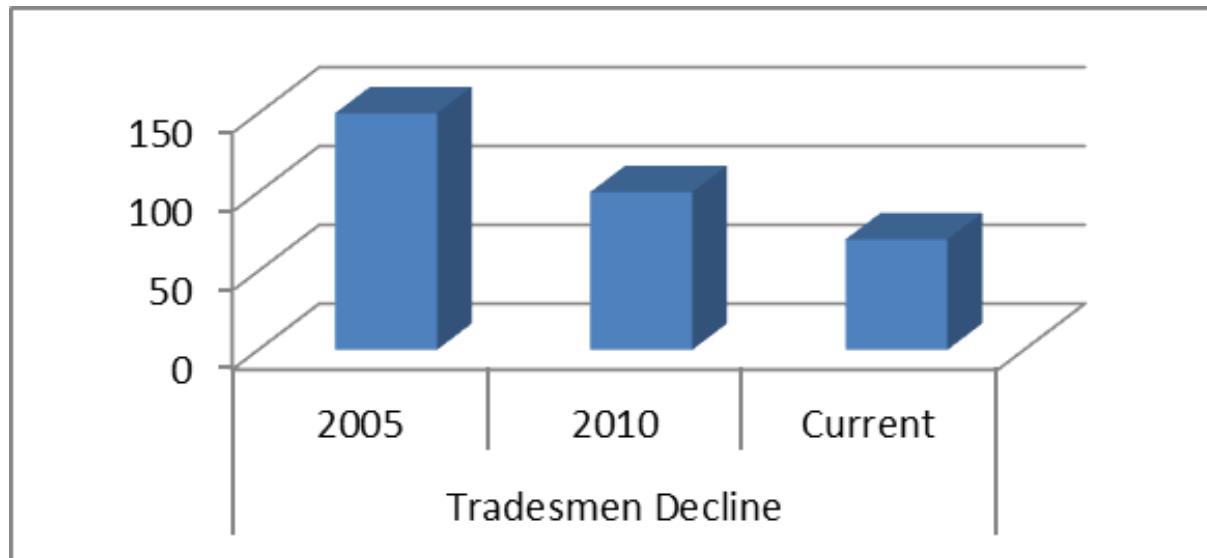
# Sharing & Restructuring of Resources – Shops

Shop Decline	2005	9
	2010	5
	Current	4



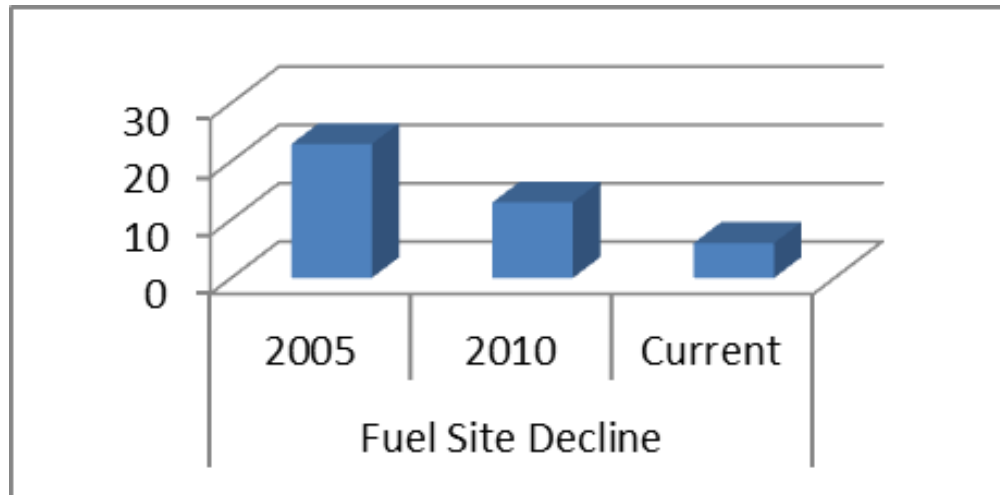
# Sharing & Restructuring of Resources – Tradesmen

Tradesmen Decline	2005	150
	2010	100
	Current	70



# Sharing & Restructuring of Resources – Fuel Sites

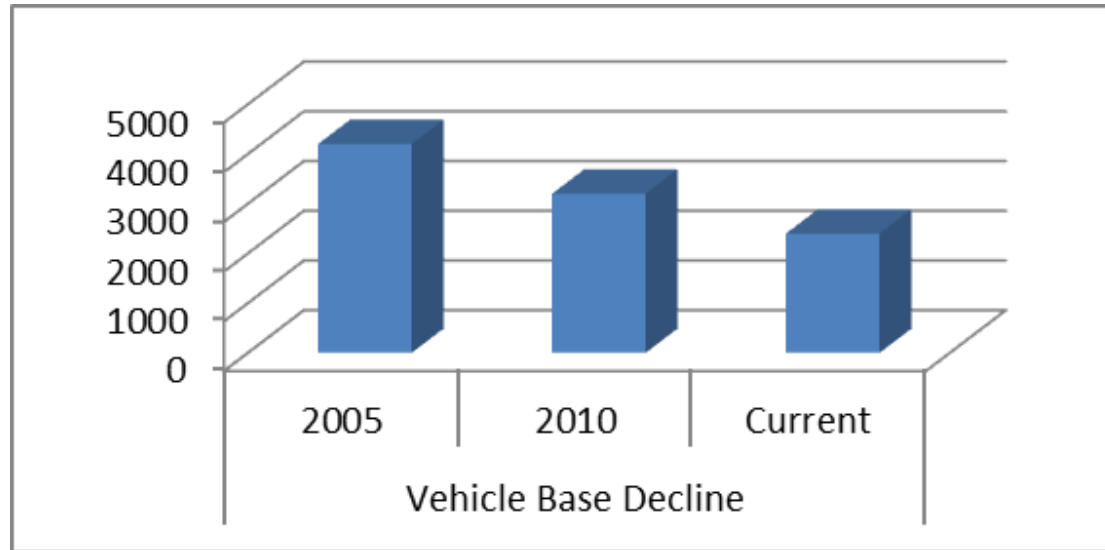
Fuel Site Decline	2005	23
	2010	13
	Current	6



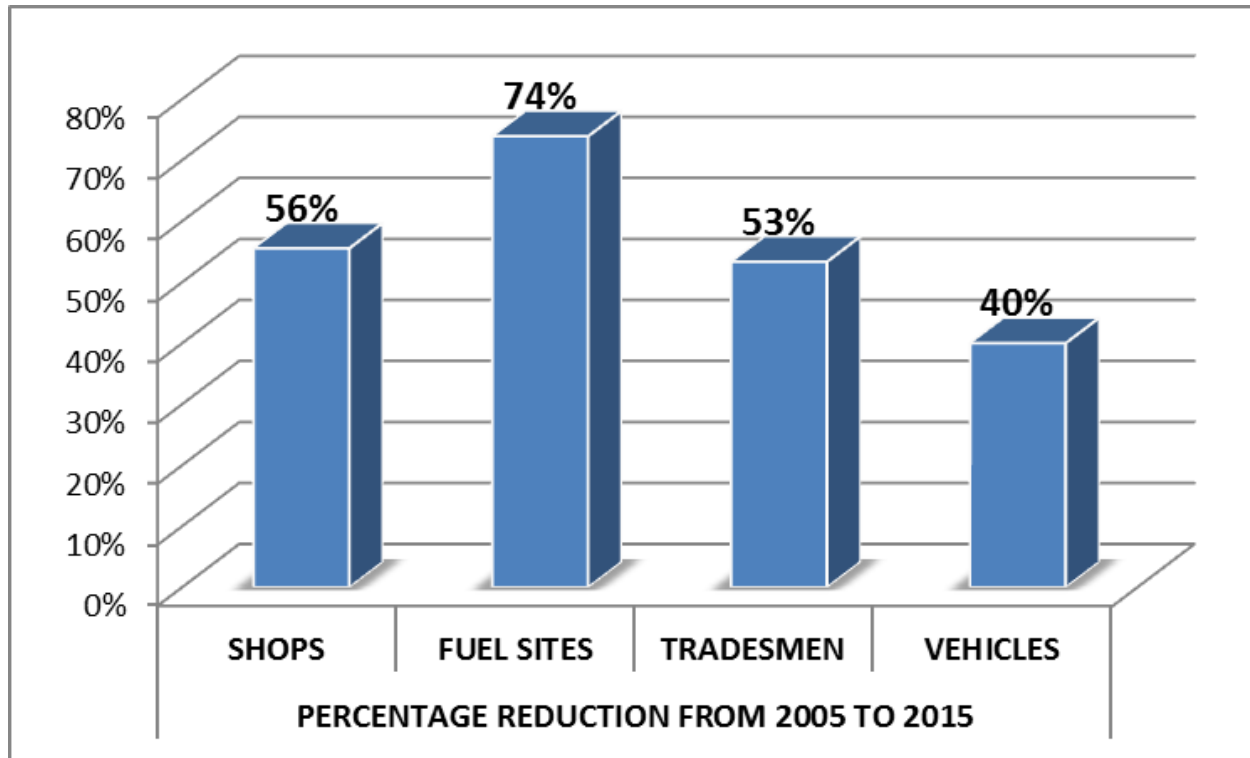


# Continuous Right Sizing

Vehicle Base Decline	2005	4200
	2010	3200
	Current	2400



# Overall Restructuring



**2011 – 2013**

**City Bankruptcy March 2013 – December 2014**

**Infrastructure of the City drastically declining.**

**Craig Rice retirement.**

**Cutbacks prevalent – fleet experienced excessive downtime.**

**Dissatisfied fleet customers!!**

# 2014

## Craig Rice Returns as Executive Fleet Manager

- Found premature engine failures.
- Implemented more aggressive and accurate PM program using with Asset Works M5.
- Initiated use of synthetic oils.
- Established improved administration of lease fleets – (Police).
- Improved the fleets tire repair processes.

# City of Detroit

## Fleet & Infrastructure 2015 -2016

- **Improvements in Parts Availability**
  - New Parts Contract – VITEC / MANCON
- **Continuing to Right Size the Fleet.**
- **Non-General Fund Fleets under review for efficiency improvements.**
- **Continuing to Invest in Technology**
  - GPS and Telematics Implementation
  - RF Sensors at Fuel Islands – Asset Works
- **Upgraded all fuel site hardware.**

# Summary 2005 - 2015

- Achieved the sustainability of the fleet as viable City department.
- Aggressive improvements still underway.
- Continuous use of outside industry experts.

**Consulting/Teaching/Modeling/Forecasting**

**Jon F. White, II – 2004 - 2015**

**Jon White, Inc.**

**CST**  
Fleet Services

[www.jonwhiteinc.com](http://www.jonwhiteinc.com)

[www.cstfleetservices.com](http://www.cstfleetservices.com)

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## Thank You

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