

# **CITY OF SOUTH HAVEN**



## **ECONOMIC VITALITY INCENTIVE PROGRAM**

### **COLLABORATION AND SHARED SERVICES PROPOSALS**

**YEAR 3**

**February 1, 2014**

## **Eligibility Requirements**

To qualify for the Year 3 of the Economic Vitality Incentive Program (EVIP) for the category "Consolidation of Services", as a previous filer, the City must Certify to the Michigan Department of Treasury that by February 1, 2014, we have produced and made readily available to the public, a consolidation plan that includes an update on the status of the new proposals that were in the previous year's consolidation plan, including whether or not the previously proposed plan has been fully implemented, a listing of barriers experienced in implementing the proposal, and a timeline of the steps to accomplish the proposed plan.

The plan shall include 1 or more new proposals to increase its existing level of cooperation, collaboration, and consolidation either within the jurisdiction or with other jurisdictions, or a detailed explanation of why increasing its existing level of cooperation, collaboration and consolidation is not feasible. The new proposal shall include an estimate of the potential savings and an estimated timeline for implementation.

This is the City of South Haven's update on the proposals included in the Van Buren County Collaboration and Shared Services Report dated December 20, 2011.

### **1. Organize a Fuel Purchasing Consortium:**

**Status:** Not implemented yet

**Barriers:** A formalized Fuel Purchasing Consortium has not yet been organized and interested parties have not had the opportunity to explore the options but the City believes that this could be an opportunity to possibly secure a better negotiated price for fuel.

**Timeline:** Informal discussions have been ongoing since March, 2012 to identify possible participants and interest in the program. The City would like to establish the consortium and complete discussions with interested parties within the next 24-month period or by January, 2016. If negotiations are successful and benefits all parties involved, it may take up to 30-days to have a vendor agreement approved by our City Council.

### **2. Create a Countywide Equipment Inventory:**

**Status:** Not implemented

**Barriers:** Geographic location of the City vs other villages and townships located within the County makes it difficult to share equipment in a cost effective manner. Also a factor is inability of other units to provide equipment to the City that is not already in our inventory. Most of the specialized equipment has been purchased by utility rate payers and it is expected that the equipment be used inside the service area by City personnel.

**Timeline:** Not likely to be implemented

### **3. Establish a Countywide Staff Inventory to share trained and specialized personnel:**

**Status:** Not implemented for the majority of City Personnel. The City's Electric Utility department has certified linemen that offer assistance to other municipalities for power restoration following storms. There is a mutual aid agreement between the City and the Michigan Municipal Electric Association (MMEA) which offers assistance to MMEA members on a time and materials reimbursement basis. The City has provided assistance to Paw Paw, Hastings and Hillsdale after storm outages.

**Barriers:** The City does employ highly trained and professional personnel on a full-time basis with a full-time workload to match. It is difficult to envision the ability of City personnel to commit to other projects outside the City in addition to their normal duties and also be available to honor mutual aid agreements already in place.

**Timeline:** Not likely to be implemented beyond the level of cooperation already being provided.

**4. Establish a Countywide Equipment & Fleet Maintenance Program that institutionalizes the use of agencies that have maintenance facilities and certified mechanics:**

**Status:** Not implemented

**Barriers:** In the same way that geographic location of the City vs other villages and townships located within the County makes it difficult to share equipment in a cost effective manner, it also makes it difficult to have equipment maintained outside the City. The City does have vehicle & equipment maintenance facilities and we maintain staffing levels in accordance with our needs. Due to the workload and time constraints, it would be difficult to envision the possibility of committing to a maintenance program for other agencies.

**Timeline:** Not likely to be implemented

**5. Establish Countywide Employee Health Insurance Pool**

**Status:** Not implemented at present

**Barriers:** Internal discussions about the possibility of pooling employee health insurance costs began in January, 2013. Concerns that have to be addressed before moving forward with this option are the level of flexibility in the product provided and the ability to maintain the current service level to coincide with commitments made to the City's various bargaining units. There have been concerns over the implementation of the Affordable Care Act and the impact it might have on the participants.

**Timeline:** The City ratified several 4-year union contracts in June, 2013. After the next union negotiations are completed and the City's commitments are outlined, it will be easier to determine whether this option is feasible to implement. If feasible, we can research the options available and confirm the parties interested in pooling costs. If successful, we would like to have policies in place by July 1, 2018.

## 6. Identify a Group to Institutionalize & Formalize Collaboration & Service Sharing Efforts

**Status:** Not implemented yet

**Barriers:** A formalized collaboration & service sharing committee has not yet been organized. The City has been seeking volunteers for this group since December, 2012. There seems to be a lack of interest among partner organizations in Van Buren County to commit the time and effort necessary in order to be an active participant in the implementation of county-wide efforts. The City believes that an organized committee to coordinate efforts would be beneficial.

**Timeline:** The City will continue seeking out individuals that may be willing to commit to the effort and hopefully have the group in place by June, 2015.

## 7. Form an Inspection/Ordinance Enforcement Consortium, Non-profit or Cooperative:

**Status:** Not implemented yet

**Barriers:** A formalized consortium for code enforcement has not yet been organized. The City has a part-time code and ordinance enforcement staff who are knowledgeable about the many ordinances that City has adopted. We maintain staffing levels in accordance with our needs. The City started looking at this option in September, 2012 but it's still unclear if establishing a consortium for this purpose would produce any cost savings or if the City would continue to see the same level of enforcement our citizens have come to expect.

**Timeline:** The City will continue to research and discuss this possibility more thoroughly before seeking out other interested partner organizations within the County. This proposal may take several years to implement.

## 8. Develop a Centralized Utility Billing System:

**Status:** Not implemented

**Barriers:** Many of the villages and townships located within the County provide water and sewer services to their communities, but the City of South Haven and the Village of Paw Paw are the only units that provide water, sewer and electric services to their customers. The City of South Haven provides services to the City, South Haven Township, Covert Township, a portion of Casco Township, and electric customers in a portion of Geneva Township. The City prepares weekly utility billings for a total of approximately 13,000 accounts and maintains an expert staff that is well versed in the many variables involved. The utility customers demand personal attention to any issues that arise and they expect excellent customer service. In less than 30 days, the City will offer the options of paying utility bills, miscellaneous receivables and tax bills online and the ability to pay any City bill using a debit or credit card at our Customer Service counter located in City Hall. After careful

consideration, it has been determined that the prospect of having our utility billing function performed by the County is not a feasible option for the City.

**Timeline:** This proposal is not feasible and is not likely to be implemented

#### **9. Form Stronger Regional/Geographic ties: Development Cooperation Agreement**

**Status:** Agreement approved June, 2011

**Barriers:** The City and South Haven Charter Township approved a Development Cooperation Agreement pursuant to Act 425 relating to proposed development by Meijer, Inc. in June, 2011. There was a referendum vote placed on the November, 2011 ballot asking to affirm the zoning for the proposed development. The property sale and the validity of the development cooperation agreement were put on hold until after the election. The electorate of the City of South Haven voted overwhelmingly to affirm the zoning and the project moved forward.

**Timeline:** The construction started in December, 2012 and store is expected to open in the Spring of 2014. The Development Cooperation Agreement will be in effect until December, 2015.

#### **10. Form a Trash Hauling Consortium or Coordinated bid**

**Status:** Not implemented

**Barriers:** A formalized Trash Hauling Consortium has not been organized. The City of South Haven is the only community in Van Buren County with a dedicated millage for trash hauling. The City is in the position to control who the vendor will be for the city residents. The other communities have citizens funding for their own service and therefore have the right to choose their own vendor. The prospect of the local government unit dictating what vendor must be used, as determined by a possible coordinated bid, creates discord among residents and is not likely to be implemented successfully.

**Timeline:** This proposal is not feasible and is not likely to be implemented.

#### **11. Expand County Facilities Maintenance Capacity to include Municipalities & Other Agencies**

**Status:** Not implemented as proposed, but City is maintaining County property.

**Barriers:** The City of South Haven and Van Buren County have entered into a lease agreement that includes lawn mowing and trash service for a portion of County property. The City also provided asphalt restoration services in June, 2012 for the County Courthouse parking lot that is adjacent to our City Skate Park. Limited staff time available to devote to the research on the available options has delayed the development of an agreement.

**Timeline:** The City would like to continue discussions with interested parties to determine if there are any cost savings by arranging the use of the Van Buren County's Alternative Work Program personnel to perform grounds maintenance in the City's cemetery & parks. The discussions are ongoing but little progress has been made so far. If feasible, the City would like to formalize an agreement with Van Buren County with the hope to have it implemented by January, 2016.

## 12. Form an Interagency Purchasing Consortium

**Status:** Not implemented yet

**Barriers:** A formalized Interagency Purchasing Consortium has not yet been organized to explore the options. Internal discussions are ongoing and the City believes that this could be an opportunity to possibly secure a better negotiated price for supplies. Limited staff time available to devote to the research on the available options has delayed the development of an agreement.

**Timeline:** The City would like to complete discussions with interested parties and formalize an agreement with the Van Buren County Intermediate School District with the hope to have it implemented by January, 2016 if the issue of local delivery can be worked out.

## 13. Utilize HVAC Specialists Countywide

**Status:** Not implemented

**Barriers:** In the same way that geographic location of the City vs other villages and townships located within the County makes it difficult to share equipment in a cost effective manner, it also makes it difficult to secure a better negotiated price for HVAC maintenance & repair. Most jurisdictions have local contracts for maintenance and repair that take the distance traveled into consideration when establishing rates.

**Timeline:** It has been determined that this proposal would not generate cost savings for the City and not likely to be implemented.

## 14. Centralize the Development of Municipal Websites

**Status:** Not implemented

**Barriers:** The City maintains its own website by utilizing existing staff. There has been no interest in having the City's website maintained by Van Buren County.

**Timeline:** This proposal would not generate cost savings for the City and not likely to be implemented.

## 15. Arrange for Municipal "hook-ups" to Future ISD Fiber Optic Ring

**Status:** Implemented

**Barriers:** In June, 2010, the South Haven City Council adopted Resolution 2010-27 supporting Bloomingdale Communications' proposal to construct a Fiber-Optic Ring in the City of South Haven and Van Buren County. The City has been negotiating with Bloomingdale Communications since then to supply internet and phone services to municipal buildings in the City of South Haven. Currently all of the city properties, Van Buren County Courthouse – South Haven and the South Haven Memorial Library are all connected. Many dial-up and DSL connections were eliminated in favor of connection to the fiber optic ring which generated cost savings and increased efficiency for all.

**Timeline:** The project was substantially completed by December, 2013.

## **16. Prepare and maintain a Coordinated Tree Management Plan**

**Status:** Not implemented

**Barriers:** The City of South Haven has an arborist on staff that maintains a Tree Management Plan for tree assessment, planting and removals. After holding discussions in January, 2012, City administration has determined that there would be no cost savings to the City to contract the duties out to an outside contractor. Since that time, there has been no interest expressed by the partnering organizations in Van Buren County to apply for a Community Forest Grant to help plant trees.

**Timeline:** It has been determined that this proposal would not generate cost savings for the City and not likely to be implemented.

## **17. Organize & Coordinate Water Testing and Lab Work**

**Status:** Not implemented

**Barriers:** The City of South Haven has limited facilities and staff certifications to perform water testing and lab work beyond the basic bacteriological tests for small systems or private wells. Any other required samples are sent to the State of Michigan for testing. The geographic location of the City vs. other villages and townships located within the County presents a challenge when trying to justify cost savings related to performing basic lab tests for other units. On the other hand, there are no other laboratories located in Van Buren County that the City could utilize to perform the basic tests in order to generate cost savings. After careful consideration, it has been determined that the prospect of having our water testing function performed by other lab facilities or offering water testing or lab work to other units is not a feasible option for the City.

**Timeline:** This proposal is not feasible and is not likely to be implemented

## **18. Record Information Management**

**Status:** Not implemented

**Barriers:** The City of South Haven has the ability to scan documents electronically into the City's master database system. There are record retention requirements issued by the State of Michigan that must be followed. These record retention requirements do not allow electronic storage of records as the only source of archive. The City follows the State's requirements for retention and destroys paper documents in accordance with the schedule to eliminate as much paper storage space as possible. After careful consideration, it has been determined that the prospect of having our documents electronically stored in the County Master Database is not in the best interest of the City and would not generate cost savings or eliminate the need to store paper documents for a period of time.

**Timeline:** This proposal is not feasible and is not likely to be implemented

## **19. Providing Police Services to Casco & South Haven Townships**

**Status:** Casco Township portion not implemented yet, multi-year agreement in place for South Haven Township

**Barriers:** The prospect of sharing the City's police services with Casco Township has been discussed with the officials from the City and Casco Township since August, 2012 but a formalized agreement has not been reached yet. The parties will continue to work together to arrive at a solution that would be beneficial to both. The City has recently entered into a 5-year agreement to provide police services in South Haven Township. The cost savings/cost reimbursement generated by that agreement will be approximately \$910,000.

**Timeline:** The City hopes to be able to finalize a mutually agreeable solution with Casco Township that could be implemented around January, 2015.

## **New Collaboration Proposal**

Additional proposal included in this plan that will increase its existing level of cooperation, collaboration, and consolidation either within the jurisdiction or with other jurisdictions is the implementation of a one-year Beach Safety Program agreement entered into between the City and South Haven Area Emergency Services (SHAES). In May, 2013 the City initiated a system to notify swimmers utilizing the City's beaches of water conditions along the lakeshore and has contracted with SHAES to provide the personnel to raise and lower appropriately colored signal flags, as dictated by the Lake Michigan Recreational Beach Forecast, at designated stations along the Lake Michigan Shoreline each day from May 15 to October 15. It is the City's hope to secure a multi-year agreement but will revisit this collaboration again in May, 2014. This new arrangement has saved the City approximately \$2,000 in personnel costs but its real value is in the ability to provide the public with warnings about the lake conditions and to possibly prevent future swimming and boating accidents.