



CITY OF MILAN – COLLABORATIVE, CONSOLIDATED AND COOPERATIVE SERVICES PLAN



December 2011

Category 2 of the State of Michigan Economic
Vitality Incentive Program (EVIP)

City of Milan – Collaborative, Consolidated and Cooperative Services Plan

A REPORT TO MEET THE REQUIREMENTS OF PART II OF THE STATE OF MICHIGAN ECONOMIC VITALITY INCENTIVE PROGRAM

The State of Michigan Economic Vitality Incentive Program (EVIP) was created in 2011 as a replacement for the Statutory Revenue Sharing Program. Under EVIP, each qualifying local unit of government must meet the requirements in each of three categories in order to receive their EVIP payments. Under Category II, which relates to “Consolidation of Services.” The City of Milan must:

- Certify to the Michigan Department of Treasury that the local unit listed below has produced and made readily available to the public a plan to increase its existing level of cooperation, collaboration, and consolidation of services (either within the jurisdiction or with other jurisdictions). The plan shall include a listing of any previous services consolidated with the cost savings realized from each consolidation and an estimate of potential savings for any new service consolidations being planned.
- Submit to Treasury a copy of the plan to increase cooperation, collaboration, and consolidation of services.

This report serves to meet the requirements of Category II of the Economic Vitality Incentive Program. The first section of the report focuses on possibilities for cooperative, collaborative and consolidated services in the future. The second section of the plan lists current collaborative, consolidated, cooperative and privatized services in the City of Milan.

PROPOSED COLLABORATIVE, CONSOLIDATED AND COOPERATIVE SERVICES

PUBLIC SAFETY SERVICES

Project: Regional Policing Effort

Type: Collaborative

Potential Savings: \$100,000+ (revenue enhancement)

Combination of police services with neighboring communities (York Twp, Milan Twp, Dundee, etc...) could cut or reduce redundant services that are currently provided. A regional collaborative police department could address the high cost of public safety services the region is now experiencing. With a regional force, staffing

could be allocated where need is the highest, redundant staffing could be addressed, jurisdictional issues could be addressed, a static regional cost could be implemented, and duplication of services could be addressed, thus producing a cost savings model.

Project: Consolidation of Ordinance Enforcement

Type: Consolidated

Potential Savings: \$5,000 (revenue enhancement)

The City's full-time ordinance enforcement officer was eliminated in 2007 as part of a budget cutting measure. Since the time, ordinance enforcement has been handled by individuals within the Building and Zoning Department. Ordinance enforcement could be handled by the police department (part time police officer). This officer would be out on the street more often, and could be proactive in identifying violators, rather than relying on the current complaint-driven process. Current employees handling the ordinance enforcement duties could then focus on other administrative duties. Revenue would be derived from fees and penalties

Project: Collaborative Police Communication Services

Type: Collaborative

Potential Savings: \$5,000 - \$100,000+

The State of Michigan, through Emergency Telephone Service Committee, is considering mandating the consolidation of Public Service Answering Points. The City of Milan could approach this legislative mandate through two options. The first would be to offer our dispatch services to other local municipalities. The second would be to join our other local municipalities in a regional dispatch center. The level of savings would be dependent upon the selected course of action, the new PSAP operating and administrative plan, and the level of service we would continue to provide at the Milan Police Station.

ASSESSING SERVICES

Project: Collaborative Assessing

Type: Collaborative

Potential Savings: \$15,000 (revenue enhancement)

Milan Township currently contracts its assessing services by private contract. The individual providing this service to the Township works in the Township one day per week. The City of Milan could be the contractor for this work, with the Township using current City staff, which would provide an enhanced service to Township residents. The City would benefit by generating an additional \$15,000 in new revenue each year, while the Township would benefit from having a full-time Assessing staff to address their issues.

BUILDING & ZONING SERVICES

Project: Collaborative Building Inspections

Type: Collaborative

Potential Savings: \$2,000 + (revenue enhancement)

The City of Milan employs a full-time building/zoning official. The City could provide building/zoning services to Milan Township on a full-time basis utilizing current staff, which would provide an enhanced service to Township residents. The City would benefit by generating an additional \$2,000+ in new revenue each year, while the Township would benefit from having full-time building inspection services.

PUBLIC WORKS SERVICES

Project: Sewer Cleaning Services

Type: Collaborative

Potential Savings: \$1,600 (revenue enhancement)

The City of Milan currently provides services to the Federal Correctional Institute for the cleaning of their grease pit. The City provides two DPW employees and the Vactor truck for \$800/day/quarter. The City could also provide service to York Township for jetting of the Mooreville force main at the same cost of \$800/day. Revenue generated from the FCI is \$3,200 each year, and an additional \$1,600 each year could be generated by doing the same work for York Township.

Project: Collaborative Utility System Maintenance

Type: Collaborative

Potential Savings: \$30,000+ (revenue enhancement)

Wade Trim, current operations and maintenance contractor for The City of Milan, is currently bidding to be the utility system contractor for Augusta Township. The City could subcontract with Wade Trim to provide equipment (Vactor/Sewer Jet, Dump Truck, Back-hoe) along with an operator as scheduled by Wade Trim. The City would be paid a set rate per hour based on the actual usage by Wade Trim. According to usage estimates by Wade Trim, the City could see \$30,000 - \$40,000 a year in additional revenue.

CLERK/TREASURER SERVICES

Project: Collaborative Utility Billing Service

Type: Collaborative

Potential Savings: \$30,000+ (revenue enhancement)

Wade Trim, current operations and maintenance contractor for The City of Milan, is currently bidding to be the utility system contractor for Augusta Township. The City could subcontract with Wade Trim to provide utility billing services to Augusta Township through Wade Trim. The City would be paid a set rate per bill. The

City would benefit through an enhanced revenue stream, while the Township and residents would benefit by utilizing the existing City utility billing infrastructure and staff, thus reducing the need for duplicating these items. According to billing estimates by Wade Trim, the City could see \$30,000 - \$40,000 a year in additional revenue

ADMINISTRATIVE SERVICES

Project: Collaborative Grant Writer

Type: Collaborative

Potential Savings: \$5,000 - \$500,000+ (revenue enhancement)

The City of Milan, along with the surrounding townships and municipalities, have several opportunities to apply for grants both large and small, but lack the administrative capacity to write and administer these grants. Grants exist for all aspects of public service including streets, water, sewer, parks and recreation, public safety, economic development, historical restoration and more. Additionally, many grant applications could be enhanced by funding cooperative or collaborative services between two or more local municipalities. The proposed project would create a collaborative grant writer, whose sole purpose would be to research, write and administer grants for cooperative and collaborative projects. Funding for the grant writer would be provided for in the grant applications as administrative costs.

PARKS AND RECREATION SERVICES

Project: Collaborative Recreation Services Department

Type: Collaborative

Potential Savings: \$20,000+

The City of Milan currently has a full-service recreation department that hosts a variety of activities for all ages. The Milan Area School district also runs a full-service Community Education department. While the two departments have often made sure that competing programs are not offered, it has not always been possible. Additionally, two full-service departments mean twice the administrative overhead for running the departments. By combining the two programs into one community recreation services program, there could be substantial administrative overhead savings.

INFORMATION TECHNOLOGY SERVICES

Project: Cooperative Back-up Services

Type: Cooperative

Potential Savings: \$10,000+

The City of Milan, City of Saline and Pittsfield Township all have internal information technology departments that are minimally staffed. These situations cause for issues when the staff for a particular department is unavailable due to illness, vacation, etc. By forming a cooperative “back-up” team, this would allow for additional resources when a municipality’s primary staff is unavailable. This arrangement could save expensive contractor back-up services that are currently utilized when IT staff is not available.

SUMMARY

The City of Milan has the potential to explore several collaborative and cooperative efforts with our regional neighbors, as well as consolidation efforts within our organization. While the preceding section of this report outlines several options, it should be noted that implementation is not as simple as it sounds. Many of these ideas and efforts will be subject to serious negotiation between the participating units of government. In other instances, State laws governing collaborative efforts can erode any savings that could be realized from the consolidation effort. While the ideas listed here are a good starting point, more research will need to be done on each effort to determine its overall effectiveness and potential.

CURRENT COLLABORATIVE, CONSOLIDATED AND COOPERATIVE SERVICES

The City of Milan has a long history of participating in collaborative, consolidated, cooperative and privatized services. Below is a comprehensive list of the current efforts the City of Milan is engaged in. For each listing, a description of the service is provided, along with the type of effort (collaborative, consolidated, cooperative or privatized), the participating units, and the estimated savings. It should be noted that for many of these efforts, savings are very difficult to measured, and the figure should be considered a rough estimate only.

FIRE PROTECTION SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
Milan Area Fire Department	Collaborative	York/Augusta/Milan Twps	\$300,000

PUBLIC SAFETY SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
MAFD Dispatch Services	Collaborative	MAFD	\$10,000
LAWNET	Collaborative	Regional Police Jurisdictions	\$50,000
Monroe Fire Investigation	Collaborative	Regional Public Safety	\$50,000
800 MHZ Radio Consortium	Cooperative	Wash. County Jurisdictions	\$200,000
Mutual Aid Agreements	Cooperative	Various Police Jurisdictions	\$50,000
Gun Range	Cooperative	Monroe County Sheriff	\$10,000
Vehicle Purchase	Cooperative	Oakland County	\$5,000
CLEMIS	Collaborative	SE Michigan Jurisdictions	\$100,000
911 Funding	Collaborative	State/Counties	\$25,000
Tech. Learning Center	Cooperative	Various Police Jurisdictions	\$10,000

ASSESSING SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
Assessing Services	Privatization	Wolverine Assessing	\$45,000

BUILDING / ZONING SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
Electrical Inspection	Privatized	Individual Contractor	\$10,000
Mechanical Inspection	Privatized	Individual Contractor	\$10,000
Plumbing Inspection	Privatized	Individual Contractor	\$10,000
Plan Review Services	Privatized	Carlisle Wortman	\$50,000

PUBLIC WORKS SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
Traffic Light Maintenance	Collaborative	Wash. County Road Comm.	\$25,000
Traffic Planning	Collaborative	WATS	\$10,000
WWTP Operations	Privatized	Wade Trim	\$200,000
WTP Operations	Privatized	Wade Trim	\$100,000
Park Maintenance	Privatized	Heath Lawn Care	\$75,000
Lab Testing Services	Cooperative	City of Saline	\$5,000
Dirt Road Maintenance	Cooperative	Monroe County Road Comm.	\$20,000
Salt Purchase	Collaborative	State of Michigan	\$20,000
Tree Maintenance Service	Privatized	Various	\$10,000
Engineering Services	Privatized	Various	\$50,000
Street Light Maintenance	Privatized	Individual Contractor	\$10,000
Grease Trap Cleaning	Cooperative	FCI/Schools	\$4,000
Consolidated Departments	Consolidation	Internal	\$75,000
Combined Director	Consolidation	Building/Zoning Dept.	\$50,000
Solid Waste Management	Privatization	Waste Management	\$100,000

CLERK/TREASURER SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
Consolidated Elections	Collaborative	State/Counties/Schools/Etc	\$100,000
Tax Collection	Collaborative	Taxing Jurisdictions	\$100,000
Combined Director	Consolidation	Clerk & Treasurer	\$60,000
Delinquent Tax Collection	Collaborative	Wash/Monroe Counties	\$25,000
Property Foreclosure	Collaborative	Wash/Monroe Counties	\$25,000
Supply Purchasing	Collaborative	State / MI Deal	\$2,500

ADMINISTRATIVE SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
Legal Services	Privatization	Miller Canfield	\$50,000
Metropolitan Planning	Cooperation	SEMCOG	Unknown
Health Benefits	Cooperation	Michigan Municipal League	\$200,000
Workers Compensation	Collaborative	Michigan Municipal League	\$50,000
Property/Liab. Insurance	Collaboration	Michigan Municipal League	\$25,000
Retirement Fund	Collaborative	MERS	\$100,000
Economic Development	Cooperative	Monroe IDC	\$25,000
425 Tax Sharing	Collaborative	Milan/York Twp.	\$300,000

PARKS AND RECREATION SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
Senior Recreation Services	Privatization	Local Non-Profit	\$25,000
Combined Director	Consolidation	City Administrator	\$60,000
Facility Usage	Cooperative	Schools/Non-Profits	\$25,000
Environmental Protection	Cooperative	SRGA	\$5,000

INFORMATION TECHNOLOGY SERVICES

<u>Description of Service</u>	<u>Type of Effort</u>	<u>Participating Unit(s)</u>	<u>Est. Savings/Revenue</u>
CLEMIS Training	Cooperative	Various Police Jurisdictions	\$10,000
Cell Phone Service	Collaborative	State / MI Deal	\$10,000

SUMMARY

The City of Milan has a long and strong history regarding collaborative, cooperative consolidated and privatized services. In some instances, these efforts have resulted in significant savings for the City of Milan and/or the other participating units. In other instances, the effort has resulted in enhanced revenues for the City of Milan and/or the other participating unit. It has been through these efforts, specifically over the last five years that the City has been able to continually balance the budget in the face of declining revenues.

The estimated savings or revenues are exactly that, estimates only. In some instances, detailed revenue or saving information is available. In other instances, the estimated amount is a good faith calculation by the City administrative staff based on what would be perceived to be the additional cost if that particular effort was not being made.