

REPORT ON THE CONSOLIDATION AND COLLABORATION OF LOCAL GOVERNMENT SERVICES

BY
THE VILLAGE OF BEVERLY HILLS

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**Submitted along with Form 4487 in compliance with Public Act 63 of 2011, the
Economic Vitality Incentive Program (EVIP)**

Since its establishment in 1958, the Village of Beverly Hills has been a leader in the consolidation and privatization of local government services. Whether on its own or in collaboration with similarly progressive surrounding communities, the Village of Beverly Hills has long recognized that by taking advantage of opportunities in consolidation, collaboration and privatization our residents could receive the highest quality services with the greatest return on their tax investment in the community.

With the passage of Public Act 63 of 2011, or the Economic Vitality Incentive Program (EVIP), the State of Michigan now requires local units of government to produce and make public a plan detailing previous efforts at consolidation, cooperation and collaboration of services while also stating what plans are currently in place for the consolidation and collaboration of local government services in the future. The Village of Beverly Hills is proud to do so; proud because we believe that our past record of consolidation, collaboration and privatization of services combined with our current initiatives in this arena make the Village of Beverly Hills a model for the provision of local government services in the 21st Century.

Along with a listing of consolidation and collaboration efforts, EVIP also requires a listing of estimated cost savings for each existing or anticipated consolidated or collaborated service. The Village of Beverly Hills has complied with this requirement by assessing its cost savings and/or revenue generated for each service and reporting same. However, the Village would also like to point out that a simple analysis of cost savings or revenue generated as an analysis of the beneficial impact of consolidation or collaboration is, at best, incomplete. The benefit derived by the Village of Beverly Hills and its residents by consolidation and collaboration cannot be measured in tax dollars saved. Many of the collaborative efforts the Village participates in such as the Baldwin Library, SOCRRA and Birmingham Youth Assistance (BYA) allow the Village to leverage its resources with other communities to produce a level of service that none of the individual member communities could recreate at any cost. While cost savings is an important component of consolidation and collaboration, the ability of collaborative efforts to deliver to local taxpayers a level of service, capital and capacity far above what would be feasible to achieve on its own is the true value of collaboration and consolidation. In its focus on the cost of local government services, the Village of Beverly Hills hopes the State of Michigan will also recognize the importance of leveraging resources across community boundaries to provide value to our residents, not just cost savings.

To follow is a summation of past successes in the arena of cooperation, consolidation, collaboration and privatization of local government services in the Village of Beverly Hills followed by a report on current cooperative and collaborative initiatives being pursued by the Village.

1. **Library Services** – The Village of Beverly Hills has maintained a contractual arrangement with the Baldwin Public Library in Birmingham since the 1980's allowing Village residents complete access to the Baldwin Library. The Village does not maintain its own library. Through its participation with the Baldwin Library, Beverly Hills residents also have access to all regional libraries participating in the TLN Network, with the exception of the Bloomfield Township Public Library which unilaterally decided to eliminate lending privileges to "contract" communities. Along with the Village of Beverly Hills, the Baldwin Library has similar contractual arrangements with the Village of Bingham Farms

and the City of Bloomfield Hills. The Village's contract with the Baldwin Library is funded by a dedicated millage approved by voters in 2010. The contractual arrangement with the Baldwin Library provides access for Village Residents to an excellent library facility in Birmingham, plus libraries in surrounding communities, at a cost much lower than the Village could provide on their own.

Estimated cost savings: \$500,000

2. **Drinking Water** – The Village of Beverly Hills is one of the founding members of the Southeastern Oakland County Water Authority (SOCWA) and has participated as a member municipality since the Village became incorporated in 1958. Through this arrangement, SOCWA is able to procure water through the Detroit Water and Sewerage Department (DWSD) for member communities at significantly lower rates than these communities could receive by purchasing water directly through DWSD. Additionally, the Village benefits from the fact that SOCWA owns, operates and maintains significant portions of the water system infrastructure throughout the SOCWA communities achieving cost savings for the Village and all other member communities. SOCWA is governed by an Executive Board, on which the Village of Beverly Hills serves and is administered by an Executive Director who works at the direction of and for the Executive Board. SOCWA has recently expanded its operations to include the communities of Bloomfield Township and Bloomfield as customers.

Estimated cost savings: \$250,000

3. **Sewage Services** – The Village of Beverly Hills is a member community in the Evergreen Farmington Sewage Disposal System (EFSDS). The EFSDS is operated by the office of the Oakland County Water Resources Commissioner (WRC). The WRC operates and maintains portions of the sewer infrastructure with the EFSDS and operates the facilities through which the EFSDS system connects with the Detroit Water and Sewerage Depart (DWSD) system. EFSDS pays a fee to the WRC for the handling and treatment of sewage material via DWSD. The WRC operates the EFSDS based upon the terms of a contract with the Village of Beverly Hills and all other EFSDS member communities. Through this collaborative effort, the Village of Beverly Hills receives significant cost savings on sewage disposal as opposed to handling this material independently. In addition, the Village of Beverly Hills receives the benefit of a level of professionalism and expertise in the managing and treatment of sewer and sewer infrastructure through the WRC that it would not be able to recreate at any cost.

Estimated cost savings: \$250,000

4. **Professional Services** – The Village of Beverly Hills receives a vast array of professional services on a contractual basis as opposed to having these services provided by Village Employees. These services included legal services, audit services, planning services, engineering, labor, benefits administration, pension investment consultation and others. Separately, the Oakland County Water Resources Commissioner also performs maintenance and repair of much of the Village's sewer infrastructure on a contractual basis.

Estimated cost savings: \$200,000

5. **Refuse Disposal and Recycling** – The Village of Beverly Hills is a founding member of the Southeastern Oakland County Resource Recovery Authority (SOCRRA). Through our participation in SOCRRA, the Village receives very competitive rates for garbage collection and disposal through the use of competitive bidding for services in all communities. In addition, SOCRRA provides recycling services that allow the Village to offset our costs for garbage disposal through the selling of recyclable materials on the open market. SOCRRA is governed by an Executive Board, of which the Village of Beverly Hills is a member. SOCRRA also shares an Executive Director with the Southeastern Oakland County Water Authority, of which the Village of Beverly Hills is also a member.

Estimated cost savings: \$300,000

6. **Public Works** – The Village of Beverly Hills was one of the first communities, and remains one of the few, to completely privatize services within their Public Services Department. Manpower and equipment for Public Services has been provided by Comeau Equipment since 1958, while maintenance and repair of water and sewer infrastructure is provided by the Oakland County Water Resources Commissioner. Through privatization and contracting the Village receives better quality services for less cost than communities who maintain their own Department of Public Works. In addition, through privatization of these services the Village accumulates no legacy costs for employees who perform these functions. In recent years, the Director of the Public Services Department has agreed to work on a part-time contractual basis further saving money for the Village.

Estimated cost savings: \$500,000

7. **Assessing Services** – The Village of Beverly Hills currently receives Assessing Services through Oakland County via Southfield Township. Through Oakland County, the Village receives a far better quality of assessment services and information and much lower costs than it could receive on its own. In addition, Southfield Township also provides Board of Review services for the Village. In addition to the Village of Beverly Hills, Southfield Township also provides Assessing and Board of Review services for the villages of Bingham Farms and Franklin.

Estimated cost savings: \$50,000

8. **Building Department Inspections** – The Village of Beverly Hills currently utilizes private contractors for the performance of all inspection services within the Building Department. Fees for these services are divided between the contracted inspectors and the Village. The Village also utilizes a private company for site plan review and for professional guidance to the Planning Board. The Village has eliminated the full-time position of Building Official and utilizes only one full time clerical position in the Building Department to handle all operations. Through contracting, Building Department expenses have been reduced by nearly 50% in three years. In addition, the Building Official of the Village of Beverly Hills has served as the Building Official and provided all required plan review and inspections for Southfield Township for many years.

Estimated cost savings: \$50,000

9. **Elections** – In 2005, the Village of Beverly Hills moved their elections from March to November and agreed to allow the administration of their elections to be handled by the Southfield Township Clerk to reduce the costs of holding separate Village elections. Village Elections are now held every two years instead of every year and are held during the November General Election.

Estimated cost savings: \$10,000

10. **Public Safety** – The Village of Beverly Hills was one of the first communities in the State of Michigan to implement the Public Safety model for the provision of Police and Fire services. The Village has utilized a Public Safety Department since its founding in 1958. Through use of the Public Safety model, all Village Public Safety personnel serve as both police officers and firefighters, being duly trained and certified by the State of Michigan to perform both functions. In addition, all public safety personnel are certified Medical First Responders and are able to provide emergency first aid and assist in medical emergencies. The use of the Public Safety model eliminates the need to fund and staff both a police and fire department, providing Village residents with both full-time professional police and fire services at a significant cost savings.

Estimated cost savings: \$800,000

11. **Cable Services** – The Village of Beverly Hills participates with the neighboring communities of Birmingham, Bingham Farms and Franklin on the Birmingham Area Cable Board (BACB). BACB contracts with Bloomfield Community Television (BCTV) to manage the recording, televising, web streaming and re-play of Village Council and Cable Board meetings on local public access channels. The Village allocates a portion of their cable franchise fees to BACB in administer and deliver these services. Through its participation with BACB and BCTV, the Village is able to receive a far better quality of public information programming and production of local Village Council meetings than we would be able to achieve on our own.

Estimated cost savings: \$25,000

12. **Senior Services** – The Village of Beverly Hills is a member of the Birmingham Area Seniors Coordinating Council (BASCC). Through the Village's participation in BASCC, residents 55+ years old, enjoy the social and educational environment that BASCC provides to those who live within the Birmingham School District. Beverly Hills residents benefit from the myriad of programs that the Village would otherwise not be able to offer. BASCC also provides Dial-a-Ride and home repair services through the Village from the transfer of Community Development Block Grant revenues (CDBG) allocated to the Village. The services provided to Village residents through the Village's participation in BASCC would almost certainly not be provided by the Village were it not for our collaboration with BASCC.

Estimated cost savings: \$20,000

13. **Public Services Provision and Administration** – The Village of Beverly Hills has been able to procure a contractual arrangement with the Village of Bingham

Farms for the provision of public works services and administration on an as-needed basis. The Village is reimbursed for its costs plus a minor administrative fee for work performed by our privatized public services firm and our part-time Public Services Director. This arrangement has been beneficial to the Village of Bingham Farms and has had no negative impact on the ability of the Village of Beverly Hills to provide services.

Estimated cost savings and additional revenue: \$70,000

14. **Prisoner Housing** – In 2009, the Village of Beverly Hills was able to negotiate contracts with the City of Lathrup Village and the Village of Franklin to house and process prisoners for these communities. The Village has the facilities and the ability to perform this service for a fee at a rate less than these communities can perform this on their own. Again, this arrangement has been beneficial for all communities involved.

Estimated additional revenue: \$15,000

15. **Code Enforcement** – The Village of Beverly Hills utilizes a part time employee to handle all code enforcement within the Village. Additionally, in 2010, the Village was able to procure a contractual arrangement with the neighboring Village of Bingham Farms to allow Beverly Hills to provide code enforcement services to Bingham on an as-needed basis. The Village is reimbursed for their costs plus a minor administrative fee. This collaborative arrangement has been beneficial to both communities.

Estimated cost savings and additional revenue: \$60,000

16. **Youth Counseling Services** – The Village of Beverly Hills annually allocates a contribution to Birmingham Youth Assistance (BYA). BYA provides youth counseling services to juveniles residing within the Birmingham Public Schools. The Village of Beverly Hills Public Safety Department through its School Liaison Officer is able to direct youth in need of counseling or guidance to BYA, often as an alternative to the Oakland County Juvenile Court system. The Village has neither the resources nor capacity to provide youth counseling services on its own. Without the assistance and services of BYA, many youths who come in contact with the Department of Public Safety would be directed through the court system, an expensive and sometimes traumatic experience better handled through the professionals at BYA.

Estimated cost savings: \$20,000

17. **Animal Control** – The Village of Beverly Hills, along with the villages of Franklin and Bingham Farms, receives their Animal Control services through Southfield Township. In addition, Southfield Township also provides for the issuance of dog licenses and all related record keeping. Residents of the Village of Beverly Hills pay an extremely low tax rate, 0.52 mills, to Southfield Township for the provision of Animal Control, Assessing, Elections and other services.

Estimated cost savings: \$20,000

Total cost savings and revenue generated: \$3,140,000

While this list of services is impressive, please note that it is not inclusive of common forms of cooperation and collaboration such as participation in statewide pools for liability and workers compensation insurance, purchasing of goods from road salt to vehicles, membership in and contribution to groups such as MML and SEMCOG, collaborative efforts on watershed management and environmental regulatory compliance, pursuing grant opportunities and many others. These efforts have not been omitted as an oversight but because they are common to many if not most local governments in Michigan and are unnecessary to illustrate the Village's ongoing commitment to the consolidation and collaboration of local government services. In producing the above list the Village determined it better to focus on its collaborative and cooperative efforts that distinguish it from other communities as opposed to mentioning other such efforts that have been undertaken either routinely or out of necessity.

As the Village of Beverly Hills looks to build upon its impressive resume of cooperation, collaboration and consolidation of local government services the following efforts are currently being pursued and should be enacted during 2012:

1. **Building Official/Inspection Services** – The Village of Beverly Hills is currently negotiating with the City of Birmingham for the provision of Building Department services. Under the terms of a draft agreement which is currently being reviewed by legal counsel in both municipalities, the Building Official for the City of Birmingham would serve as the Building Official for the Village of Beverly Hills. In addition, the City of Birmingham would perform all building, electrical, plumbing and mechanical inspections for the Village. As part of this contractual agreement, both communities will agree to adopt a uniform fee schedule for inspections and permits. As currently drafted, the agreement will also include Southfield Township with Birmingham performing the same services via Beverly Hills. In the interim, Beverly Hills and Birmingham have approved a temporary agreement for electrical inspection services. This was necessitated by the retirement of our contractual electrical inspector in November 2011. It is currently anticipated that this agreement will be approved by the governing bodies in all three communities in January 2012 with implementation on or before February 1, 2012.

Estimated Cost Savings: \$60,000

2. **Tax Collection Services** – The Village of Beverly Hills is in negotiations with Southfield Township for the provision of tax collection services. Currently, the Village collects the Village tax for all Beverly Hills residents while Southfield Township collects the tax for Birmingham Public Schools, Oakland County, Southfield Township and other sundry taxes. As currently conceived, the new arrangement will have Southfield Township act as the sole tax collector for all residents of the Village of Beverly Hills and disperse revenue to the Village in the same manner tax revenue is disbursed to other taxing authorities. This will save a tremendous amount of effort on the part of the Village of Beverly Hills and should help streamline tax services for our residents. At the Council meeting of December 6th, 2011, the Village Council authorized Village Administration to pursue an agreement for tax collection services with Southfield Township. Southfield Township will review and consider the matter at their regular December meeting. It is anticipated that a contract will be drafted and approved

by both governing bodies early in 2012 to allow the Township to collect Village taxes in 2012.

Estimated cost savings: \$20,000

- 3. Road Grading** – The Village of Beverly Hills has a limited number of unimproved roads which require regular maintenance. Given the limited quantity of unimproved roads surface in the Village it is not feasible for the Village to obtain or maintain its own road grader. Therefore, the majority of work grading unimproved roads in the Village is done by our privatized public works firm using an underbody plow. The end result is a less than ideal road surface that is not properly “crowned” to allow for the proper drainage of surface water. To remedy this matter, the Village has been in contact with the City of Southfield to inquire about contracting road grading services. The City of Southfield does maintain their own road grader and has provided the Village with a rough estimate of \$1,750 per grade to perform this work. Depending on weather conditions, it is estimated that the Village will require 4-6 grades per year. As of the production of this report, it is likely that the Village will accept the offer of the City of Southfield to perform this work, with the first grade occurring before the end of the calendar year, weather permitting. This should result in a significant improvement in the maintenance and condition of unimproved roads in the Village with little or no additional expense.

Estimated cost savings: \$10,000

Total estimated cost savings \$90,000

In addition to the three above mentioned services, the Village will continue to pursue collaborative and cooperative efforts in areas of public safety dispatch, utility billing, payroll services and other areas. In particular, the Village will be looking to neighboring communities and Oakland County to gauge their interest in the consolidation of dispatch services. However, similar to the report on the history of consolidation and collaborative services it was determined prudent to focus on those services that have current viable plans or visions for consolidation or collaboration rather than speculate about arrangements that may not be either feasible or realistic.

The Village of Beverly Hills is proud to submit this report, along with form 4887 as part of our continued compliance with the State of Michigan Economic Vitality Incentive Program. We are confident that our past efforts and future endeavors in the areas of consolidation, collaboration, cooperation and privatization of local government services makes the Village of Beverly Hills a model for 21st century municipal government.