



CITY OF OTSEGO

CATEGORY 2 OF THE STATE OF MICHIGAN ECONOMIC VITALITY INCENTIVE PROGRAM

A PLAN TO COOPERATE, COLLABORATE, AND CONSOLIDATE SERVICES

*A gubernatorial mandate reducing State Shared Revenue while
requiring additional expenditures to document collaborative efforts*

EXECUTIVE SUMMARY

In order to meet the new State of Michigan mandate to improve intergovernmental cooperation throughout the state and local governments, the City of Otsego has prepared this document to show current and potential future collaborative efforts. This document will therefore have two primary components: Potential future collaboration and existing collaborative efforts. Both components are done in such a way for quick review and analysis. It is important to note that while estimated savings are required, they are in fact only estimates. Many costs or savings are determined by variables which are uncontrollable and may change any given year. It is also important to note that the following does not include reduction of personnel of City employees and increased work load of existing employees. Finally, this is not an exhaustive list of current or potential collaboration efforts.

POTENTIAL FUTURE COLLABORATIVE EFFORTS

Agreement for shared use of Firing Range: The City of Otsego owns and maintains a training facility for the police officers required firearms training certification. An agreement between the City of Otsego and the City of Plainwell may be completed allowing Plainwell Officers the use of the facility. The savings would vary depending upon the costs incurred by Plainwell Police Officers securing other facilities to complete their annual certifications.

Potential Savings \$500-\$2,000: dependent upon the costs of facilities providing the same service.

Possible Future Fire Agreements/Authority: The City of Otsego currently has an agreement for fire protection and emergency services with Otsego Township. The City of Plainwell is within 3 miles of the City of Otsego and both communities provide fire protection. Savings may be found by expanding the contract between the City of Otsego and Otsego Township to include the City of Plainwell. Additional savings may be found by including additional units and establishing a Fire Authority.

Potential Savings \$30,000-\$50,000: The estimated savings are determined by the number of units included in shared contract and the formula determining the shared costs.

Shared Information Technology Services: The City of Otsego contracts out the activities associated with information technology. It is understood that other cities within the County also contract out the same service. Savings of efficiencies may be found by having a shared agreement between all units with one provider.

Potential Savings Unknown: The fact that each unit of government already contracts out the service makes a joint agreement cost difficult to estimate. However, it is assumed that if all units were able to establish a collaborative request for proposals, savings would be found in the shared service.

Building Services: The City of Otsego and several area communities contract its State of Michigan construction code inspections.

Potential Savings Unknown: There may be savings incurred by having a joint contract between multiple units and the contractor providing the service.

Tree/Stump Removal: The City contracts out several stump removals and occasionally tree removal. It may be beneficial to have the City of Plainwell and the City of Otsego request proposals from one contractor to provide the service for both entities.

Potential Savings unknown: Potential savings are dependent upon annual number of trees and stumps to be removed by each unit and the actual quote provided by contractors.

Meter Reading: The City currently has a part-time employee complete the meter readings for the City. It is anticipated that the employee may retire soon. Upon his retirement, the City may share an employee with the City of Plainwell, to complete meter reading for both communities.

Potential Savings approximately \$20,000: Savings are based on a shared part-time employee in lieu of a using a full time employee, with benefits, completing the same activity.

CURRENT COLLABORATIVE EFFORTS

Otsego Area Recreation Council: The City of Otsego, Otsego Township and the Otsego Public Schools have formed a recreation council. The City and Township both contribute \$14,000 towards the cost of providing parks and recreation services to the City and Township residents. The Otsego Public School employs two full-time employees through its Community Education Department to administer recreational programs such as the following: youth baseball, softball, adult softball, open swimming, drivers education, before and after school programs, senior citizen activities, youth basketball, youth volleyball, drama, men's recreational basketball and other community recreational programs as needed.

Estimated Savings of \$100,000: The estimated savings are based upon the City having to employ and two full-time employees and provide benefits. Additional savings are found through the school making its facilities (pool, gymnasiums, parking lot, etc...) available to the public for the programs offered.

Intergovernmental Agreement for Fire and Rescue Services: The City of Otsego provides fire and emergency first response service to Otsego Township, by contract.

Estimated Savings of \$90,000: The estimated savings is equal to the amount each unit provides each fiscal year. The City and the Township share in the cost of the department is almost equal and the annual budget shared between the two is approximately \$180,000

Intergovernmental Agreement for Ambulance Services: The City is a party to an agreement for ambulance service with the City of Plainwell, Otsego Township, Gun Plain Township and Borgess –Pipp Hospital. The hospital provides the two active ambulances at all times, as well as the personnel required to administrate the ambulance facility and the personnel necessary to staff the ambulances. The City contributes approximately \$8,000 for the service.

Estimated Savings of \$300,000: The savings is based upon the need for the City to employ nine personnel, purchase two ambulances and provide a facility to house the ambulances. The savings may be even greater, due to costs of maintaining supplies in the ambulances and facility. Savings are also achieved in property and liability insurance.

Intergovernmental Agreement for Cemetery Services: The City contracts with Otsego Township for cemetery services. City residents are able to benefit from cemetery, while the Township owns and operates the cemetery.

Estimated Savings of \$38,000: The cost of operating the cemetery is approximately equal. The City current fiscal year allocation is \$38,025, which represents approximately half of the actual cost.