



**CITY OF HUDSONVILLE**  
**Service Cooperation/Collaboration Plan**

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

Submitted December 20, 2011

## **INTRODUCTION**

This plan has been prepared in accordance with Part 2 of the state's Economic Vitality Incentive Program (EVIP) relating to the Consolidation of Services. The purpose of this report is to demonstrate the City of Hudsonville's longstanding history of inter-governmental cooperation and collaboration with its neighboring communities and agencies, as well as to identify current and planned efforts to further develop and expand such partnerships. This plan also includes examples the city's efforts to contract services out to the private sector where it is economically viable to do so.

As stated above, the City of Hudsonville, MI (population 7,116) has a longstanding history of partnering and collaborating with its neighboring communities and agencies. In many cases, certain services would not be possible without collaborating with our neighbors. In other cases, the level of service provided through collaboration is much greater than if we had provided the service independently. Finally, in some partnerships, the benefits of collaboration are more through coordinated efforts that enhance the service for each community than simply cost savings for the community.

By statute, this plan is required to provide the cost savings realized from each collaborative effort, both existing and proposed. The reader should note however that in some cases, it is not feasible to calculate cost savings given the circumstances of the collaboration. In other cases, the estimated cost savings from each collaborative effort is very difficult to calculate accurately. The calculation of the cost savings often depends on the perspective of the entity making the estimate and the set of assumptions about the level of service to be provided. For this report, the estimate of cost savings will be from the perspective of the City of Hudsonville. The budgeted amount is from the city's FY 2010-2011 budget. In most cases, the amount of cost savings is estimated for the current year.

Finally, not all collaborative efforts are undertaken for cost saving reasons. Sometimes a collaborative effort is just good public policy. Sometimes, a joint approach makes life easier for the citizens or customers.

## **CURRENT COLLABORATIVE AND COOPERATIVE EFFORTS**

1. **MPO - Grand Valley Metro Council (GVMC).** The City of Hudsonville is a proud and contributing member of the GVMC, one of Michigan's premier MPO's. Grand Valley Metropolitan Council (GVMC) is an alliance of governmental units in the Grand Rapids, Michigan metropolitan area that are appointed to plan for the growth and development, improve the quality of the communities' life, and coordinate governmental services.
  - a. **Key Partners:** Allegan County, Barry County, Ionia County, Kent County, Montcalm County, Ottawa County, and dozens of local governments within.
  - b. **Budget:** \$3,767 annually (Membership Dues)

- c. **Benefits:** Consolidation of studies to avoid duplication; continually seeing ways to save money through consolidation; consultant study cooperation; assistance for grants and other financial help; free planning advice and technical assistance; resource for information; water and sewer planning; transportation planning; regional land use planning; city-township cooperation committee (annexation/detachment issues); receive legislative updates and advocate; combine with 33 other units in promoting/commenting on legislation; participate in growth management discussions.
  - d. **Cost Savings:** N/A. True cost savings cannot be measured. Value lies in coordinated efforts for transportation project funding and inter-governmental relationship building.
  
- 2. **Police Protection - Ottawa County Sheriff Department, Hudsonville City Division.** In 2006 the City of Hudsonville began contracting its police services through the Ottawa County Sheriff's Department.
  - a. **Key Partners:** Ottawa County
  - b. **Budget:** \$600,500
  - c. **Benefits:** By contracting with through Ottawa County, the City of Hudsonville is able to provide its residents with a higher level of service (through an enhanced police presence) at a much lower cost. There is also a tremendous benefit in the removal of all benefit and union contract costs associated with FT police personnel.
  - d. **Cost Savings:** Over the past 6 years, the city has averaged an annual cost savings of \$349,092. This assumes the cost of maintaining our own FT police force would have increased 10% per year (health care benefits, salary increases, etc.).
  
- 3. **Ottawa County Central Dispatch Authority** has been a successful collaboration between all cities, villages and townships in Ottawa County and the City of Holland. The OCCDA handles dispatch of all police, fire, and medical emergencies in Ottawa County and the entire City of Holland.
  - a. **Key Partners:** Ottawa County and all local governments within, including Holland.
  - b. **Budget:** Funding for OCCDA is provided through a County-wide millage so there is no direct cost to the City.
  - c. **Benefits:** Dispatch has become a very high technology field. It is difficult for any one unit of government to fund and operate a dispatch center by itself. To run a dispatch center, the city would need to hire at least 4 dispatchers and purchase modern dispatch center equipment, and perform report writing. If the city were to create its own dispatch center, we would not be able to afford the same level of service or use the sophisticated technology that is available in a collaborative effort as the funding would have to come out of our General Fund.
  - d. **Cost Savings:** Est. at \$350,000 - \$450,000 annually.

4. **GIS - The Regional Geographical Information System (REGIS):** A subsidiary of the GVMC, REGIS has been heralded by the media as one of the largest local government multi-participant Geographic Information System (GIS) projects ever. Twenty-three cities, townships, and quasi-governmental organizations have joined together in West Michigan to make GIS data management easier for everyone. This powerful, regionally focused GIS benefits not only the participants, but also the citizens we serve. REGIS provides maps, aerial photographs and other address related information and also provides a web interface that our staff and residents can easily access.
  - a. **Key Partners:** Village of Sparta, City of Cedar Springs, City of Rockford, City of Grand Rapids, City of East Grand Rapids, City of Kentwood, City of Wyoming, City of Walker, City of Grandville, City of Lowell, Alpine Twp., Byron Twp., Plainfield Twp., Cannon Twp., Grand Rapids Twp., Ada Twp., Cascade Twp., Byron Twp., Gaines Twp., Kent County.
  - b. **Budget:** \$3,376 annually (Membership Dues)
  - c. **Benefits:** Provides staff and residents with easy web-based access to current, accurate GIS data and technical support without the added expense of software and hardware ownership and on-staff GIS expertise.
  - d. **Cost Savings:** Est. at \$30,000-\$50,000 annually (over cost of 1 PTE or FTE and software)
  
5. **Waste Water:** The Rush Creek Sewage Disposal System is a multi-jurisdictional contractual arrangement dating back to 1967 under which the sewer system infrastructure in the region are collectively owned and maintained, with the exception of the wastewater treatment plant which is owned entirely by the City of Grandville. The contract is managed by the Ottawa County Road Commission, and costs vary based upon each community's level of usage of the system.
  - a. **Key Partners:** Ottawa County Road Commission, Georgetown Township, Jamestown Township, City of Grandville.
  - b. **Budget:** The city's annual budget for the wastewater commodity is \$799,361 (paid to Ottawa County). However this includes \$106,861 for debt service for a recent treatment plant expansion, a cost shared by all partnering agencies.
  - c. **Benefits:** The City of Hudsonville would not have adequate resources to construct and maintain its own wastewater treatment system. Partnering in this system allows the city to effectively provide a high level of service to our residents.
  - d. **Cost Savings:** N/A. This agreement is an essential necessity – the city is too small to operate its own system independently.
  
6. **Water:** Through a contractual arrangement dating back to 1964, the City of Hudsonville purchases and distributes its water from the City of Wyoming. The city owns and maintains all water system infrastructures within the city limits. The contract is managed by the Ottawa County Road Commission, and costs vary based upon each community's level of usage of the system.

- a. **Key Partners:** Ottawa County Road Commission, Georgetown Township, Jamestown Township, City of Wyoming.
  - b. **Budget:** The city's annual budget for water commodity (paid to Ottawa County) is \$292,000.
  - c. **Benefits:** Like the wastewater system, the City of Hudsonville would not have adequate resources to operate its own water system. Partnering in this system allows the city to effectively provide a high level of service to our residents.
  - d. **Cost Savings:** N/A. This agreement is an essential necessity – the city is too small to operate its own system independently.
- 7. Ottawa County Brownfield Redevelopment Authority (OCBRA):** The City of Hudsonville utilizes the resources of the OCBRA for brownfield redevelopment efforts in the community. The purpose of the OCBRA is to assist, at the request of the local units of government, in facilitating the rehabilitation, revitalization, and reuse of contaminated, obsolete, or underutilized property through the implementation of brownfield redevelopment plans.
- a. **Key Partners:** Various cities, villages and townships in Ottawa County (with the exception of 8 communities that have established their own BRAs).
  - b. **Budget:** No annual budget, no cost to participate.
  - c. **Benefits:** The City of Hudsonville was the first community to utilize the OCBRA since its inception in 2008. In 2011 the authority assisted a Hudsonville land owner in setting up a TIF capture mechanism through which he could recoup a percentage of his contamination cleanup costs for a brownfield site in the city. This encouraged the developer to move forward with a multi-million dollar investment on an otherwise dilapidated property. The OCBRA handles the administrative burdens of these types of efforts, thereby making it easier for the developers and municipalities to work together.
  - d. **Cost Savings:** Would vary based upon number of applications received and the number of man hours to review and process each application.
- 8. Sentence Work Abatement Program (SWAP):** A county-run program that provides low-risk inmates to local governments and non-profits for manual labor at a low hourly wage rate. Hudsonville utilizes S.W.A.P. to complete the routine work assignments that are necessary to keep our community clean and orderly. These include such mundane tasks as weeding, mowing along the highway, picking up trash, spreading woodchips in our parks, etc.
- a. **Key Partners:** Ottawa County
  - b. **Budget:** \$7,644 annually (variable)
  - c. **Benefits:** S.W.A.P. benefits the community by offering a low cost alternative to local government units and non-profit organizations to assist them in completing various tasks. The city's DPW crew size is relatively small, and there are never enough hands to get everything done. The S.W.A.P. program provides the city with 3-5 supervised County inmates for 2-3, 8 hour days per week. Having this additional labor allows our employees to focus on those work assignments that

are most critical to public safety (e.g. street maintenance, snow removal, sewer and sewer system maintenance, etc.). Another benefit of the program is that the inmates who successfully participate in S.W.A.P. are eligible to receive a reduced sentence, which in turn helps the Ottawa County Sheriff's Department (and tax payers) by managing the inmate population.

- d. **Cost Savings:** Est. at \$2,756 to \$23,556 annually (over the cost of employing 1 to 3 additional PTEs).

**10. Economic Development – Ottawa County Economic Development Office, Inc. (OCEDO):**

The City of Hudsonville utilizes the services of OCEDO, along with several other central and eastern Ottawa County Communities. Founded in 1991, the purpose of OCEDO is to provide professional economic development services to Ottawa County, its local governmental units, residents and business & industry. The mission is to encourage and facilitate economic development activities countywide, which will retain and create job opportunities, tax base and private sector investments.

- a. **Key Partners:** City of Coopersville, City of Zeeland, Allendale Twp., Jamestown Twp., Olive Twp., Port Sheldon Twp., Tallmadge Twp., Zeeland Twp.
- b. **Budget:** \$2,695 annually.
- c. **Benefits:** Since the beginning of the organization, OCEDO has assisted in obtaining approximately \$14 of State and federal funds for each dollar spent on maintaining the operation of OCEDO. There are important competitive advantages that exist for OCEDO and its clients. First, OCEDO directly writes grant applications for clients, which result in higher quality, shorter timelines, and a high track record of approvals. Second, OCEDO utilizes its knowledge and expertise of the area, which facilitates greater time efficiencies on up-front information searches.
- d. **Cost Savings:** Est. at \$18,105 annually (over the cost of employing 1 PTE)

**11. Worker's Compensation:** The City of Hudsonville is a member of the Michigan Municipal League's worker's compensation fund, which is joint venture to handle the worker's compensation claims of Michigan municipalities.

- e. **Key Partners:** 845 Michigan cities, villages, townships and counties.
- f. **Budget:** \$11,250 annually
- g. **Benefits:** MML has professionals that assist communities with WC claims that are common to local municipalities. They specialize in this area, and therefore we receive a high level of support and service by participating in the fund.
- h. **Cost Savings:** N/A. True value lies in level of expertise and support.

**12. Pension Administration:** The City of Hudsonville utilizes the Municipal Employees Retirement System of Michigan to manage, administer and invest our pension system. The city recently changed its retirement plan from a defined benefit (DB) to a defined contribution (DC) plan. However there are still a few remaining employees (and retirees) under the old DB plan. Hudsonville's few remaining DB pensions are currently 65% funded.

- a. **Key Partners:** There are 750 municipalities that are member of MERS of Michigan.
- b. **Budget:** Variable. The City compensates MERS .07% to administer our DB pensions. The vast majority of retirement plans are now DC plans, for which the employee pays 100% of the administration fees to MERS.
- c. **Benefits:** The City of Hudsonville is too small to hire professional money managers. By pooling our resources, we have access to professional money managers as well as professional staff to manage the personnel records and advise our employees on their retirement plans.
- d. **Cost Savings:** Very difficult to estimate. The City would need to hire additional staff to do this in-house.

**13. Public Library:** The Gary Byker Memorial Library of Hudsonville is city-owned and operated public library. However our library is also a member the Lakeland Library Cooperative, a regional cooperative. With the Coop, our library is able to borrow resources from any library within the coop through a reciprocal borrowing policy.

- a. **Key Partners:** Membership includes 41 libraries with approximately 80 locations in Ottawa, Allegan, Kent, and other nearby counties.
- b. **Budget:** \$22,000 annually (membership dues).
- c. **Benefits:** Members of the Lakeland Library Cooperative are able to pool their resources and state aid money, which saves them hundreds of thousands of dollars through economy of scale. These services include a public access catalog, data lines for access to the internet, and delivery for sharing collection materials.
- a. **Cost Savings:** This very difficult to estimate. However the city's library would never be able to provide the level of service or the number of resource materials to our residents if it weren't a member of the Coop.

### **EXISTING PRIVATIZED SERVICES**

1. **Information Technology:** In 2008, the City of Hudsonville began sub-contracting its I.T. services out to a local private firm, thereby replacing one FTE.
  - a. **Key Partners:** N/A
  - b. **Budget:** \$18,000
  - c. **Benefits:** Having on-demand I.T. service results in a significant cost savings over having a FTE with benefits. In addition, the city is able to buy hardware and software at wholesale price when purchasing through an authorized agent.
  - d. **Cost Savings:** est. at \$50,714 annually (not including purchasing savings)
2. **Building Inspections:** The City of Hudsonville sub-contracts its building inspection services out to PCI Inspections out of Grandville as a cost savings measure.
  - a. **Key Partners:** N/A
  - b. **Budget:** PCI is paid 88% of the city's building permit fees, so budget varies based on activity. In 2010-2011, \$51,333 was budgeted for PCI's services.

- c. **Benefits:** PCI also performs inspections in several surrounding communities, which helps ensure inspection consistency (this is appreciated greatly by builders).
  - d. **Cost Savings:** Est. at \$13,000-25,000 annually (over the cost of 1 FTE).
3. **Grounds Keeping:** For several years, the City of Hudsonville has contracted out its grounds keeping work to private companies through a competitive bid process. One company performs all of the mowing for our facilities and parks, and another provides fertilization and weed control.
  - a. **Key Partners:** N/A
  - b. **Budget:** \$41,304 (mowing), \$3,500 (fertilization)
  - c. **Benefits:** Contracting these services out reduces the city's costs substantially. If the city were to perform this work in-house, we would need to employ 1 FTE and 1 PTE, pay to have them licensed and certified (for fertilization), and purchase additional lawn care equipment.
  - d. **Cost Savings:** Est. at \$75,000-125,000 annually (over the cost of labor, licensing and equipment).
4. **Others:** In addition to those listed above, the City of Hudsonville also contracts out several other services as a cost savings measure. These include but are not limited to:
  - Facility Cleaning
  - Pest Control
  - Elevator Maintenance
  - Trash Removal
  - Mass Printing/Mailing
  - Water System Inspections
  - Drug Screening
  - Tree Removal
  - Sewer Jetting
  - Road Construction/Repair
  - Sidewalk Repair
  - Employee Training
  - Copy Machine Service

#### **FUTURE COLLABORATIVE AND COOPERATIVE EFFORTS**

1. **City Marketing and Promotions:** In October of 2011, the City of Hudsonville entered into a 3 year contractual agreement with the Hudsonville Area Chamber of Commerce to share the services of a full time employee. The employee provides marketing and promotion services for the city, while also serving as Executive Director for the Chamber of Commerce. The Chamber of Commerce reimburses the city for ½ of all salary and benefit costs, as well as certain overhead costs. In addition, the Chamber physically moved their offices into City Hall

as part of this arrangement. This unique partnership not only resulted in cost savings for both organizations, but it also strengthened ties locally between the public and private sector.

- a. **Key Partners:** Hudsonville Area Chamber of Commerce
  - b. **Budget:** \$31,385 annually (after \$31,385 reimbursement from Chamber)
  - c. **Benefits:** Improved relations between city and local businesses. Sends strong message to business community the city is supportive of business and economic development. Efficiencies realized with one person performing otherwise redundant services.
  - d. **Cost Savings:** \$31,385 annually (the full cost of a FTE without Chamber reimbursement).
2. **Fire Protection – Develop a Regional Fire Authority:** The City of Hudsonville is also currently exploring creating with its neighbors a regional fire authority under which equipment and resources could be shared. This concept is only in the exploratory stages, and therefore no further information is available at this time.