



2014 Cooperation, Collaboration and Consolidation of Services Plan

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

Public Act 59 of 2013, Section 952(4)b

Category 2, consolidation of services, requires each eligible city, village, township, or county to certify by February 1, 2014, or the first day of a payment month for this category, that it has produced a consolidation plan. The consolidation plan shall be made readily available for public viewing in the city, village, township, or county clerk's office or posted on a publicly accessible Internet site. Each city, village, township, and county applying for a payment under this category shall submit a copy of the consolidation plan to the Department of Treasury. At a minimum, the consolidation plan shall include the following:

For a city, village, or township that submitted a consolidation plan in the previous fiscal year, the plan shall include 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 the barriers experienced in implementing the proposal, and a timeline of the steps to accomplish the proposed plan. In addition, 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 but not limited to, an estimate of the potential savings amount and an estimated timeline for implementing the new proposals.

INTRODUCTION

The City of Kalamazoo has a long and rich history in the collaboration and consolidation of municipal services. Governor Snyder has highlighted Kalamazoo's implementation of a pure Public Safety Department in 1982, one of only two communities in the nation with fully cross-trained police/fire personnel. Many of the City's collaborative efforts have become routine. As the State's economy eroded over the past ten years, urban core communities like Kalamazoo have been hit the hardest with rising poverty, high foreclosures and an erosion of revenue. The City has continued to look for ways to create efficiencies and continue to provide quality public services.

The following outlines the 2014 Economic Vitality Incentive Program (EVIP) requirements, along with the historic context of collaboration and consolidation of services in the City of Kalamazoo.

UPDATE AND STATUS OF THE 2013 COOPERATION, COLLABORATION AND CONSOLIDATION OF SERVICES PROJECTS

Integrated, County-Wide Public Transportation System

The Kalamazoo City Commission and Kalamazoo Transportation Authority approved a process regionalizing public transportation in Kalamazoo County.

Since the Kalamazoo County Transportation Authority (KCTA) was formed in 2006, the City of Kalamazoo, Kalamazoo County, Kalamazoo Transportation Authority Board, and the KCTA have been working collaboratively on achieving an integrated, county wide public transit system. In May of 2010, a team representing the City, County, and KCTA developed the Kalamazoo County Transportation Plan to guide those cooperative efforts.

In May of 2012, that team that drafted the 2010 plan reconvened and began discussions for the next phases of collaboration. In September 2012, Kalamazoo City Manager, County Administrator, Metro Transit Director, and KCTA Executive Director were directed to update the plan for moving regional public transit forward. This group is also known as the Administrative Work Group (AWG).

In December 2012, the Administrative Work Group co-drafted the Countywide Public Transportation System White Paper. The White Paper focused on several key areas that include the history of regional public transit, the status of recent collaborative efforts, findings and conclusions, and recommendations for moving forward. This report was presented in December 2012 to elected and appointed representatives of the City of Kalamazoo, Kalamazoo County, Kalamazoo Transit Authority Board and the KCTA.

In January 2013, the White Paper was presented to each organization noted above as well as the Kalamazoo Area Transportation Study (KATS). Based on the feedback of the White Paper the following activities have since occurred:

A Transitional Leadership Team was formed. This group of elected and appointed officials and staff continues to meet and provide key input throughout the process for transitioning the public transit system from the City of Kalamazoo to KCTA.

The City of Kalamazoo and KCTA have approved an Executive Services Agreement in which the KCTA will provide executive services, through the KCTA Executive Director, for management oversight of Metro Transit upon retirement of the Metro Transit.

A management consultant was retained to assist in the development of a transition planning document. The result of that work is a set of documents, action plans and timelines to assist the new Transit Director in identifying and achieving key responsibilities in managing the public transit system.

At the same time, the Administrative Work Group has developed a series of documents to guide the process of transitioning the public transit system from the management / ownership / oversight of the City of Kalamazoo to the KCTA. The documents include the following which are attached.

Countywide Public Transit System Major Milestones

	2013	2014	2015
Operations	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; background-color: #0070C0; color: white; padding: 5px; text-align: center;"> Joint Management Agreement Recommended 06/30/13 </div> <div style="border: 1px solid black; background-color: #0070C0; color: white; padding: 5px; text-align: center;"> Joint Management Agreement Approved 08/31/13 </div> </div>		<div style="border: 1px solid black; background-color: #0070C0; color: white; padding: 5px; text-align: center;"> Transfer 10/01/15 </div>
Leadership	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; background-color: #70AD47; color: black; padding: 5px; text-align: center;"> Decision Matrix Recommended 09/30/13 </div> <div style="border: 1px solid black; background-color: #70AD47; color: black; padding: 5px; text-align: center;"> Decision Matrix Approved 12/15/13 </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; background-color: #70AD47; color: black; padding: 5px; text-align: center;"> Conditional Transfer Agreement Recommended 05/15/14 </div> <div style="border: 1px solid black; background-color: #70AD47; color: black; padding: 5px; text-align: center;"> Conditional Transfer Agreement Approved 07/15/14 </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; background-color: #70AD47; color: black; padding: 5px; text-align: center;"> Transfer Agreement Recommended 06/15/15 </div> <div style="border: 1px solid black; background-color: #70AD47; color: black; padding: 5px; text-align: center;"> Transfer Agreement Approved 8/01/15 </div> </div>
Financial		<div style="border: 1px solid black; background-color: #FFD700; color: black; padding: 5px; text-align: center;"> Second Transit Authority Established August, 2014 </div>	<div style="border: 1px solid black; background-color: #FFD700; color: black; padding: 5px; text-align: center;"> Second Transit Authority Millage Election May, 2015 </div>
Governance	<div style="border: 1px solid black; background-color: #C85130; color: black; padding: 5px; text-align: center;"> Leadership Team Established May, 2013 </div>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; background-color: #C85130; color: black; padding: 5px; text-align: center;"> Governance Structure Recommended May, 2014 </div> <div style="border: 1px solid black; background-color: #C85130; color: black; padding: 5px; text-align: center;"> Governance Structure Approved August, 2014 </div> <div style="border: 1px solid black; background-color: #C85130; color: black; padding: 5px; text-align: center;"> Governance Appointments Made December, 2014 </div> </div>	

**Countywide Public Transit System
Milestones and Key Activity Matrix**
Version – July 3, 2013

MILESTONE		Responsible Party	Start date	Target End Date	Description
Milestone #1: Joint Management Agreement		COK KCTA KTAB	February 1, 2013	October 1, 2013	Management services agreement between COK, KCTA and KTAB for KCTA Executive Director to serve in dual roles as ED of KCTA and Metro Transit.
Item	Activity Summary	Responsible Party	Start date	Target End Date	Notes
1.1	Staff/legal development and review	COK (Schomisch, Robinson) KCTA (McBride, Foster)	February 1, 2013	June 30, 2013	
1.2	Transition Planning		June 1, 2013	August 1, 2013	Consultant Peter Dams meeting with Schomisch and McBride
1.3	Board Approvals	COK KCTA KTAB	August 1, 2013	September 1, 2013	
1.4	Management Transition Executed		October 1, 2013	October 1, 2013	

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MILESTONE		Responsible Party	Start date	Target End Date	Description
Milestone #2: Approve Agreements for System Transfer of Ownership		COK KCTA KTAB	August 1, 2013	October 1, 2015	
SUB-MILESTONE		Responsible Party	Start date	Target End Date	Description
Sub-Milestone #2.1: Approve Decision Matrix for System Ownership Transfer		COK KCTA KTAB	August 1, 2013	December 1, 2013	Decision Matrix identifies key issues and decision points that will need to be addressed as part of system transfer
Item	Activity Summary	Responsible Party	Start date	Target End Date	Notes
2.1.1	Administrative Work Group Development	AWG	August 1, 2013	October 1, 2013	
2.1.2	Leadership Team Approval	LT	October 1, 2013	November 1, 2013	No formal action by COK , KCTA, KTAB anticipated
2.1.3	Report to Boards	AWG	November 1, 2013	December 1, 2013	

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Sub-Milestone #2.2:					
Approve Conditional Transfer Agreement					
		COK KCTA KTAB	November 1, 2013	August 15, 2014	Identifies conditional terms for transfer of system ownership
Item	Activity Summary	Responsible Party	Start date	Target End Date	Notes
2.2.1	Identify consultant needs	AWG	November 1, 2013	December 1, 2013	i.e. actuarial study of retiree obligations, benefits consultant
2.2.2	Staff/Legal analysis and development	COK KCTA	November 1, 2013	May 1, 2014	
2.2.3	Leadership Team Approval	LT	May 1, 2014	June 1, 2014	
2.2.4	Board Approvals	COK KCTA KTAB	June 1, 2014	July 15, 2014	
2.2.5	Report to Boards	AWG	July 15, 2014	August 15, 2014	
Sub-Milestone #2.3:					
Approve Transfer Agreement					
		COK KCTA KTAB	December 1, 2013	October 1, 2015	
Item	Activity Summary	Responsible Party	Start date	Target End Date	Notes
2.3.1	Complete staff/legal/consultant analysis	AWG	July 15, 2014	January 15, 2015	
2.3.2	Finalize Transition Plan	AWG	January 15, 2015	March 15, 2015	
2.3.3	Approval of Transition Plan	LT	March 15, 2015	April 15, 2015	Plan identifies all the pieces necessary to execute transition agreement like changing designated recipient status, grant novation, KCTA policies in place

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2.3.4	Recommend Transfer Agreement	LT	May 15, 2015	May 30, 2015	
2.3.5	Board Approvals	COK KCTA KTAB	May 30, 2015	July 1, 2015	
2.2.6	Report to Boards	AWG	July 1, 2015	August 15, 2015	
2.2.7	Execute Transfer Agreement	COK KCTA KTAB	August 15, 2015	October 1, 2015	

MILESTONE		Responsible Party	Start date	Target End Date	Description
Milestone #3:					
Create Second Transit Authority and Vote of Urban District Millage		County KCTA	October 1, 2013	May 15, 2015,	
SUB-MILESTONE		Responsible Party	Start date	Target End Date	Description
Sub-Milestone #3.1:					
County Board Creates Second Transit Authority		County	October 1, 2013	October 15, 2014	
Item	Activity Summary	Responsible Party	Start date	Target End Date	Notes
3.1.1	Public input process for development of district boundaries	County KCTA	October 1, 2013	March 1, 2014	
3.1.2	Leadership Team Review	LT	March 1, 2014	March 15, 2014	

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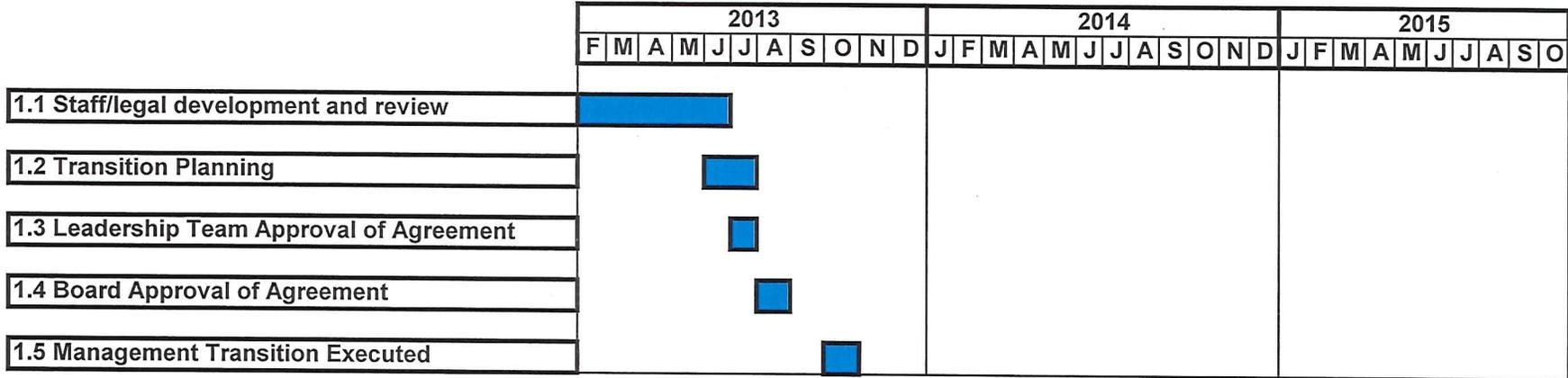
3.1.3	KCTA Approves Recommendation to County Board	KCTA	March 1, 2014	June 1, 2014	
3.1.4	Develop 2 nd Transit Authority By Laws	KCTA County	March 15, 2014	July 1, 2014	
3.1.5	County Board Approves By-Laws and Creates 2 nd Transit Authority	County	July 1, 2014	August 1, 2014	
3.1.6	County Board Appoints 2 nd Transit Authority Board	County	August 1, 2014	August 15, 2014	
3.1.7	Report to Boards and Members of Proposed 2 nd Transit Authority	AWG KCTA	August 15, 2014	September 15, 2014	
3.1.8	Opt-Out period for jurisdictions included in 2 nd Transit Authority	Urban Jurisdictions	September 15, 2014	October 15, 2014	Per PA 196 jurisdictions included within a transit authority have 30-days (upon formal notice) to take action to opt-out of a newly created transit authority
Sub-Milestone #3.2:					
Urban Millage Election		KCTA(2)	December 1, 2014	July 15, 2014	
Item	Activity Summary	Responsible Party	Start date	Target End Date	Notes
3.2.1	Resolution seeking millage election	KCTA	December 1, 2014	January 15, 2015	
3.2.2	Public Education	KCTA	January 15, 2015	May 7, 2015	
3.2.3	2 nd Transit Authority Election	County KCTA	March 15, 2015	May 7, 2015	
3.2.4	Levy Urban Millage	KCTA	May 15, 2015	May 15, 2015	

**Countywide Public Transit System
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MILESTONE		Responsible Party	Start date	Target End Date	Description
Milestone #4: Governance Structure		LT COK KCTA KTAB COUNTY	June 1, 2013	November 15, 2014	Develop and approve transitional and long-term governance structure which is functional and has appropriate-balance of representation
Item	Activity Summary	Responsible Party	Start date	Target End Date	Notes
4.1	Authorize Transitional Leadership Structure	LT	June 1, 2013	August 1, 2013	
4.2	Review and analyze long-term governance structure	AWG	August 1, 2013	March 1, 2014	
4.3	Obtain feedback in conjunction with creation of 2 nd Transit Authority	AWG KCTA COUNTY	October 1, 2013	March 1, 2014	
4.4	Leadership Team Approval	LT	March 1, 2014	May 1, 2014	
4.5	Board Approvals	COUNTY COK KCTA KTAB	August 15, 2014	October 15, 2014	Specific approvals and amendments to governing documents
4.6	Report to Boards	AWG	October 15, 2014	November 15, 2014	

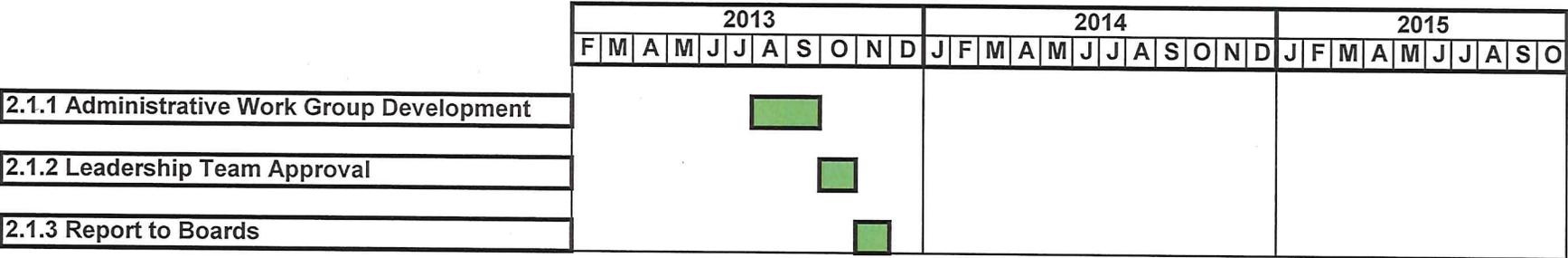
Countywide Public Transit System Implementation Timeline Gantt Chart

Milestone #1: Joint Management Agreement

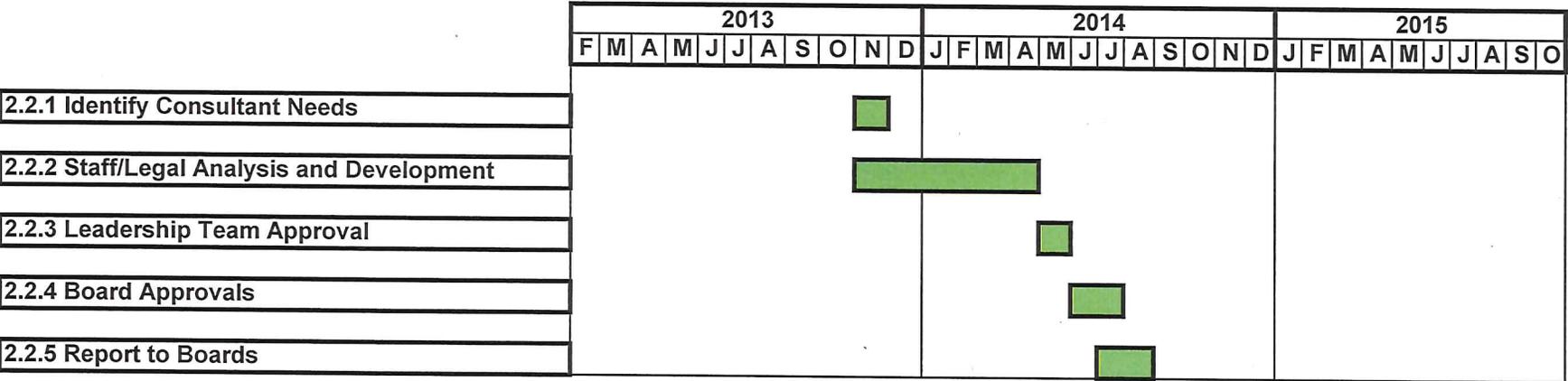


Countywide Public Transit System Implementation Timeline Gantt Chart

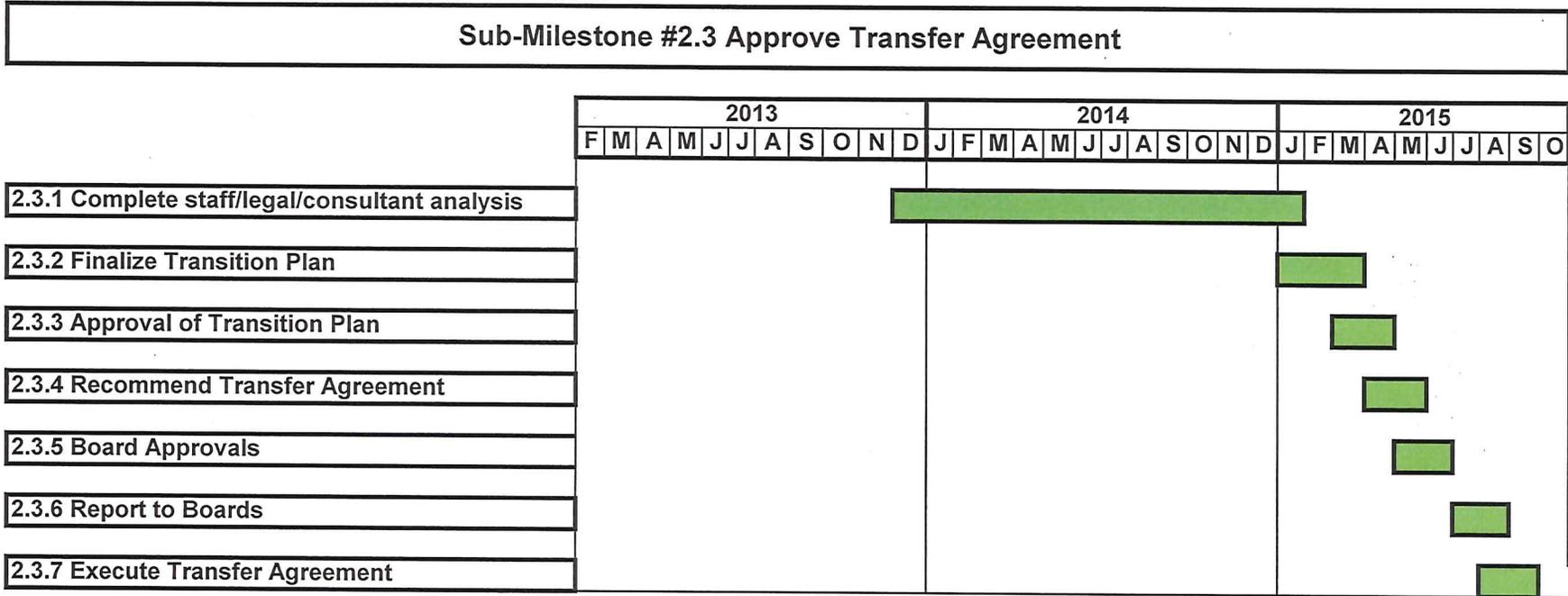
Milestone #2: Approve Agreements for System Transfer of Ownership
Sub-Milestone #2.1 Approve Decision Matrix for System Ownership Transfer



Sub-Milestone #2.2 Approve Conditional Transfer Agreement
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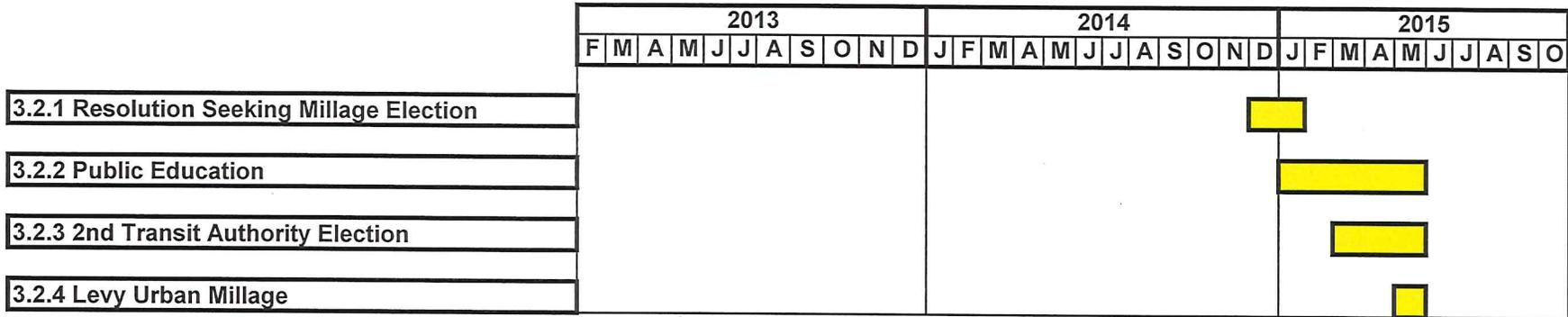


Countywide Public Transit System Implementation Timeline Gantt Chart



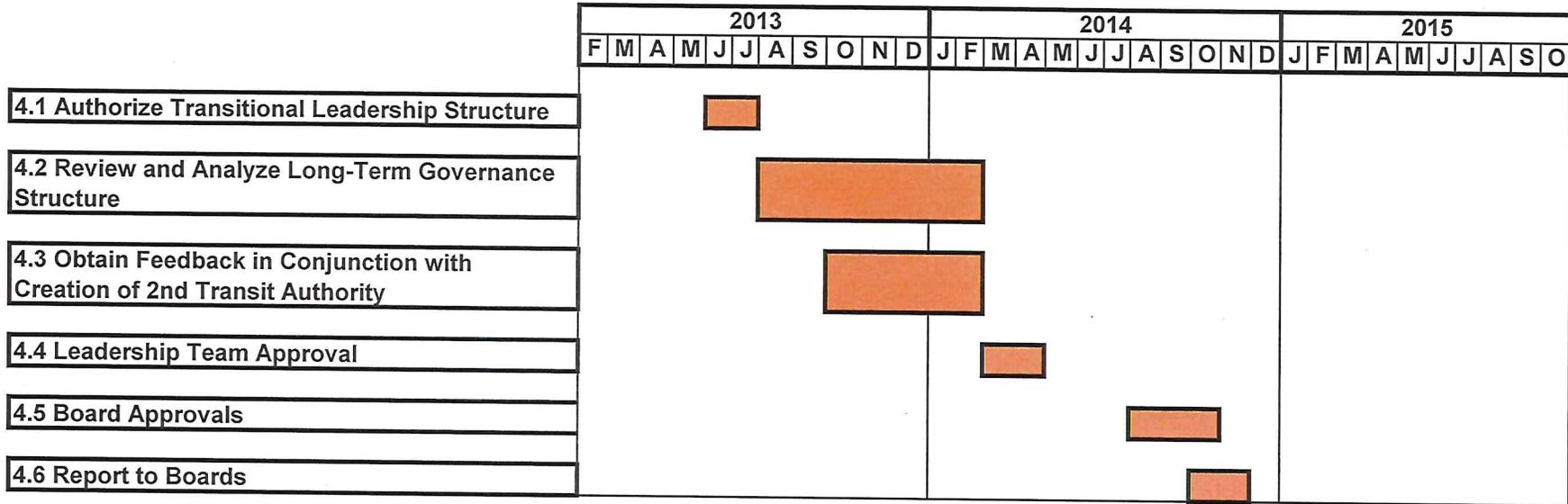
Countywide Public Transit System Implementation Timeline Gantt Chart

Sub-Milestone #3.2 Urban Millage Election



Countywide Public Transit System Implementation Timeline Gantt Chart

Milestone #4 Governance Structure



These documents provide an enhanced level of detail and specificity on the steps necessary to regionalize the system. The process, though lengthy in duration, provides a realistic timeline in accomplishing the significant steps of transferring the public transit system.

- To date no significant barriers to plan implementation
- Plan to be fully implemented in October 2015

2014 PROPOSED SERVICE CONSOLIDATION PROPOSAL

Consolidated, County-Wide Dispatch System

In October 2013 the Kalamazoo County Consolidated Dispatch Steering Committee recommended proceeding forward in a step-by-step process to full consolidation of public safety emergency communication within Kalamazoo County. This would include all five current Public Safety Answering Points (PSAP's) in the County; City of Kalamazoo, Township of Kalamazoo, Kalamazoo County, City of Portage and Western Michigan University Public Safety.

The Committee outlined initial steps in the following 3 phase process:

Phase One: That the five separate dispatching agencies form a Dispatch Authority under the provisions of the Urban Cooperation Act. This Act allows for, among other things:

- Formation of the Authority with terms and conditions, including the number of authority members and the manner of appointment;
- Formation of advisory subcommittees; and
- Provision for exiting the Authority should any of the PSAP governing bodies choose to do so in the future.

Phase Two: The Kalamazoo County Board of Commissioners authorize by resolution a surcharge up to 42 cents, based on a proposed budget submission from the appointed Dispatch Authority.

- Hire an Authority Director or Project Manager and any needed support staff for consultation. They will be charged with the responsibility to prepare and coordinate step-by-step, phased implementation, including all estimated costs and benefits associated with a consolidated dispatch operation in a collocated facility and/or at dual locations;
- Make as its top priority some immediate operational improvements to fire dispatch;
- Develop a Technology Plan that will address current issues such as deficiencies in county fire dispatch and interoperability as well as prepare for NG-911 technology;
- Create a capital reserve fund that will be used for technology and operational upgrades related only to dispatch; and
- Prepare an Implementation Plan and budget for full consolidation (staffing, operations, capital, with relevant timelines and phased benchmarks) which will be presented to the governing bodies of the PSAPs. They will then request the Kalamazoo County Board of Commissioners to place a question on an election ballot for county voters to approve a surcharge of up to three dollars.

Phase Three: This would require Authority to create a very specific implementation plan, with major timelines and benchmarks, and proposed budget which would require a voter-approved surcharge of up to three dollars. If a surcharge question is approved by the voters, the five PSAPs would proceed to full consolidation and transfer of staffing, capital and operations to the Authority.

An Operational Committee has been formed to determine next steps in the process toward a consolidated dispatch system in Kalamazoo County. They have determined the next steps are:

Timeline 2014

- To develop an Urban Cooperation Agreement: **1st Quarter 2014**
- Implementation of a \$0.42 surcharge: **3rd Quarter 2014**
- Hiring a Director, including necessary staff and facilities: **4th Quarter 2014**

Cost

A full consolidation plan by all PSAP's is more costly, but the resulting service levels will be raised to meet best practices, equalize service levels among responder agencies, and will create a consolidated dispatch system that is operationally and technologically efficient and ready to move forward with the on-going technology advancements.

CITY OF KALAMAZOO HISTORY OF CONSOLIDATION AND COLLABORATION OF MUNICIPAL SERVICES

Public Safety Collaboration

- Consolidation to a fully-integrated Public Safety department from separate police and fire departments. This began in 1982 and continues today in the City of Kalamazoo, and allows for more cross-trained (fire, police, EMS) personnel to be available for emergency response. In 1982, there were 383 personnel employed by the separate police and fire departments (sworn and non-sworn). Today, there are 287 employees (sworn and non-sworn). This is a reduction of 96 employees, or a recognized savings of roughly \$9 million per year based on current salary levels.
- The City of Kalamazoo Department of Public Safety operates a "co-located" dispatch center with the County of Kalamazoo and the Charter Township of Kalamazoo. With this arrangement, all of the calls for service come to one location (with the exception of the City of Portage). This allows for dispatchers to share the workload when multiple emergencies occur. The realized cost directly for the City of Kalamazoo savings is roughly \$300,000 per year, based on the current fees charged to Kalamazoo County and the Township of Kalamazoo.

- The City of Kalamazoo has partnerships and agreements with several surrounding jurisdictions to provide specialty response services. These areas include bomb, hazardous materials, SWAT, drug enforcement, automatic-aid and training. There are currently two Kalamazoo County Sheriff's Deputies that are part of the SWAT Team. These partnerships result in limited duplication – each partner community provides resources (human and/or physical) to support the mission of each of the specialty response areas; and increased resources – each community within Kalamazoo County has access to well-trained personnel. It is estimated that the recognized savings resulting from the aforementioned partnerships is approximately \$125,000 per year.
- The City of Kalamazoo Department of Public Safety operates a consolidated lab, providing lab services to the surrounding jurisdictions. This results in limited duplication, as the consolidated lab operates with the same number of personnel as it did before the consolidation. Personnel from the County of Kalamazoo and the City of Kalamazoo respond to crime scenes. Evidence can be processed expeditiously, allowing for accurate and timely information. Expensive lab equipment, training and a van are all shared under the current arrangement, resulting in an estimated savings of \$150,000 for the City of Kalamazoo.
- The City of Kalamazoo Department of Public Safety operates a regional training center that serves the greater Kalamazoo area. This arrangement allows personnel to train locally at a state-of-the-art facility. The Training Division has also partnered with two privately-owned nuclear plants to provide training for their fire brigade personnel. This embraces the concept of public/private partnerships, and leverages outside funding to support much-needed programs. It is estimated that the savings for the City of Kalamazoo based on the generated revenue and equipment is approximately \$225,000 per year.
- The Kalamazoo Department of Public Safety (KDPS) partners with the Drug Enforcement Agency, the Bureau of Alcohol, Tobacco, and Firearms, and the Michigan State Police to provide law enforcement activities. These partnerships allow KDPS to leverage the resources of the State and Federal governments while increasing the law enforcement presence in the City of Kalamazoo. This arrangement allows personnel to focus on career criminals and gun cases. The estimated cost savings to the City of Kalamazoo is \$80,000 annually.
- In September of 2012, after several months of negotiations, the City of Kalamazoo Department of Public Safety, Portage Department of Public Safety, Kalamazoo County Sheriff's Office and the Charter Township of Kalamazoo signed an agreement establishing the "Kalamazoo Metro Special Weapons and Tactics Team." The agreement allows for the merger of various Kalamazoo County SWAT teams. It is believed that the creation of a regional team will be beneficial in facilitating a more coordinated response to highly-dangerous/high-risk police incidents.

Administrative Collaboration

- **Property Taxes:** Enactment of Public Act 512, which was endorsed by the Kalamazoo City Commission, shortened the City's tax installment program from 12 payments to 6 payments (due December 31), and resulted in turning over City delinquent real property taxes to the County Treasurer beginning in 2009. The Summer 2009 tax billing cycle was a major success, accelerating current tax payments by over \$2.5 million, allowing the City to reduce TANs borrowing. The City received its first delinquent settlement check from the County Treasurer in June 2010 for 2009 delinquencies. The County Treasurer is also collecting tax year 2000-2008 delinquent real property taxes, which will further accelerate delinquent tax payments. In 2009 and 2010, delinquent tax payments were accelerated by over \$2 million a year. Savings of \$194,000.
- Cooperative purchasing programs are utilized when products or services are beneficial to the City, County and neighboring Portage, including joint bidding of gasoline and diesel with the County, intergovernmental auctions held semi-annually with four municipalities for property disposition, and joint bidding for office supplies and temporary employment services with Western Michigan University. Annual savings of \$3,300.
- The mission of Assessing is to provide an equitable distribution of the property tax burden under current law; compile special assessment rolls; administer the Board of Review; and maintain ownership records for the City of Kalamazoo for both real and personal property. In 2012, the City reduced the assessing office by six positions, contracting with a private firm to provide field appraisal, clerical, customer service, Board of Review support and Master Assessor functions. When fully implemented, the City will realize more than \$100,000 in savings annually. Consolidation of assessing functions at the County level is currently being studied. Practical considerations being reviewed at this time involve the start-up cost and space required to co-locate the personnel to operate a County-wide assessing function. Project complete, savings realized.
- In 2012, the City of Kalamazoo Brownfield Redevelopment Authority and Kalamazoo County entered into a cooperative agreement to clean up a vacant industrial site located in the City of Kalamazoo. The City had developed experience in successfully managing the activities needed to clean up environmentally-challenged sites. The County had set aside funding (\$300,000) to pay for activities related to assessment, cleanup and site preparation to promote redevelopment of the property.

Employee Reductions and Consolidations

- **Commercial Office consolidation with Treasury (Management Services):** Separate staff that formerly handled water/sewer billing and customer service was reduced

and consolidated into the City Treasurer's office. A similar reduction and combining of water/sewer and City-wide general accounting functions also occurred. Savings of \$130,000.

- Inter-Department Staff Sharing: The Treasurer and Assessor share one staff person, the Assistant Treasurer/Assistant Assessor, a combination of two previously full-time positions. There are several staff-sharing arrangements in place, including Treasury staff assisting in seasonal Assessor data entry peaks, and sharing of clerical duties in the Purchasing and Budget & Accounting divisions. The City Clerk utilizes staff from other departments in providing customer service support for major elections; commenced in 2003, expanded in 2010. Savings of \$80,000.
- The City Clerk consolidated all staff into City Hall and can now handle records and election management efficiently while providing improved services, while also achieving a net staff reduction. Savings of \$100,000.
- Pension Analyst duties consolidated and a position eliminated. Savings of \$80,000.
- Reduction of two Administrative Assistants and then sharing remaining Administrative Assistant among the four divisions of Management Services. Savings of \$120,000.
- Through realignment of operations, interoffice mail delivery schedules reduced by 50% and through attrition realized a savings of \$45,000.
- Eliminated centralized City printing and duplication services. Savings of \$55,000.

Use of New Technology

- The City utilizes outside printing/mailing firms for seasonal and peak loads such as property tax bill and rental registry printing/mailing. Savings of \$25,000.
- The City partnered with Consumers Energy for reading water meters while reading gas and electric meters, eliminating the duplication of manpower in these areas. Savings of \$188,000.
- Remittance Processing and Expanded Payer Options: The City engaged with financial services industry partners to implement streamlined and cost-effective remittance processing methods such as third-party lockbox handling and numerous additional payment method options for our customers, such as use of debit/credit/ACH payments online, by automated phone response system and online banking. Implementation started in 2009, and will be complete in 2011. Savings of \$45,000.
- The City of Kalamazoo completed its VOIP (Voice Over Internet Protocol) project in 2012. The implementation process started in 2009 with information gathering on

telephony equipment within the various City departments. There were no significant barriers during implementation. Project complete, savings realized.

Use of New and Expanded Partnerships

- Land Resource Management: The City and County jointly achieved legislation allowing the County Treasurer to assume the role of property tax foreclosing unit. This allowed the creation of the Kalamazoo County Land Bank to provide a streamlined vehicle to manage tax foreclosed and blighted properties while speeding and enhancing economic development. The City has transferred 60 foreclosed and/or blighted properties, saving \$15,000 in carrying costs.
- Traffic Engineering Collaboration: The City of Kalamazoo and Kalamazoo County Road Commission have consolidated the use of a single Traffic Engineer. Savings of \$40,000.
- Neighborhood Stabilization Collaboration: The City of Kalamazoo's Community Planning & Development Department and Kalamazoo County Land Bank collaborated with MSHDA, leveraging \$15 million for Housing and Community Development projects.
- The City of Kalamazoo, Kalamazoo County and the City of Portage staff produced a report in 2012 which recommended closer coordination of procurement of services, equipment and capital improvements by promoting competition, providing equal access to vendors and to make contracting decisions transparent. During 2012, four projects were jointly bid. While there are no major impediments to further consolidation at this time, the three different organizations involved have different legislative policies regarding local preferences, non-discrimination and budgeting that impact purchasing; such legislative policies would have to be more closely aligned to maximize the efficiency of consolidated purchasing. The City unilaterally enacted internal consolidation of several purchasing positions in 2012 that created an annual savings of \$65,000.

Physical Plant Resource Consolidation

- The previous fleet maintenance facility was sold to the private sector for \$1 million and placed on the tax rolls.
- Community Planning & Development moved from a leased facility to a City-owned facility; two prior rented offices were consolidated into existing City-owned facilities, saving \$120,000 in annual lease payments.

Personnel Cost Control

- **Health Care:** Between 2005 and 2011, the City is projected to have saved over \$15 million by virtue of consolidating the employee health care plans from three a la carte offerings to one, as well as increasing cost-sharing measures such as monthly employee health care contributions, as well as co-pays and deductibles for care visits. Every employee and retiree of the City has been shifted to one plan as of 2010, saving significant administrative and plan-design related costs.
- Changes in behavior have helped constrain general health care inflation that continuously outstrips our growth in revenues. In the latest round of bargaining, the following changes were made:
 - **Retiree Health Care:** Effective with our most recent collective bargaining, all new hires across the entire City will be enrolled in a Retiree Health Care Savings program rather than a traditional retiree health care defined benefit.
 - **Pharmacy Initiative:** A pharmacy initiative has been agreed to. This pledges the employees to taking steps to replace their use of name-brand drugs with generic drugs that come at much lower prices. The City spends over \$1 million in prescriptions every year, and a full 85% of drugs purchased by our employees are name-brand products.
 - **Medicare Part B Mandate:** Through our most recent collective bargaining with our Public Safety unions, it was mandated that retirees join Medicare Part B. Savings of 5% of the City's accrued retiree health care liability will be realized by this change.
- **Workers' Compensation:** Savings in 2010 are projected at \$1 million, with projected savings in FY 2011 estimated at another \$400,000, based on a reduction in supplemental pay and claims for Workers' Compensation.