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## **EXECUTIVE SUMMARY**

The City of Royal Oak's mission is "to provide a safe, healthy, and sustainable community". The city works toward accomplishing this mission, in part, by continually pursuing opportunities for collaboration with local communities and every level of government. These opportunities not only reduce the cost of providing services for the residents of Royal Oak, but also improve the quality and efficiency of governmental services.

Section 952 of 2013 Public Act 59, or the Economic Vitality Incentive Program (EVIP), requires the city to describe current and proposed consolidation, cooperation and collaboration cost saving measures as a condition for state revenue sharing. This Collaboration Plan is intended to inform Royal Oak residents and the State of Michigan of current and potential future collaboration efforts between and within the City of Royal Oak and other governmental jurisdictions. The plan also lists the progress of collaboration efforts that have been detailed in prior reports.

First, this plan will summarize some of the current collaborations that the city has been involved with over the past thirty years. Next, the plan will give updates on collaboration proposals that were included in last year's report. Finally, this plan provides details and a timeline on new collaboration efforts that are being planned with other communities in Southeastern Oakland County. A comprehensive table that lists the city's current collaboration and estimated cost savings is included in the appendix of this report.

Please direct any questions regarding this document to Stewart Meek, Assistant to the City Manager at (248)-246-3200.

## CURRENT COLLABORATIONS

The City of Royal Oak has a rich history of leading and participating in collaborative efforts with local communities and organizations. Many of Royal Oak's collaborative efforts, such as the Southeastern Oakland Resource Recovery Authority (SOCRRA), the Southeastern Oakland County Water Authority (SOCWA), and the Southeast Oakland Fire Protection Agreement (OAKWAY) span more than fifty years. Other collaborative efforts have been implemented more recently. The Michigan Inter-governmental Trade Network (MITN) was realized in 2003, and Royal Oak established SWAT partnerships with local communities in 2011. Furthermore, the city has reduced its workforce by almost one hundred full-time employees since 2005. Internal consolidation and collaboration efforts have allowed the city to absorb these losses without completely eliminating the services it provides.

### Examples of Current Collaborations:

**1. Recycling and Waste Services** – South Oakland County Resource Recovery Authority (SOCRRA), was founded in the early 1950's and is a municipal corporation with twelve member communities. The Authority's mission is to provide members with recycling and waste services at the lowest possible cost. SOCRRA does competitive bidding for all of its services which ensures the lowest operating costs to member communities. The Authority operates a recycling center in Troy and sells the materials it collects from its recycling service on the open market. The money collected from this process allows the Authority to offset a portion of trash removal costs. It is estimated that the City of Royal Oak pays approximately 24% less for trash, recycling, and yard waste collection than comparable cities in the area that are not members.

**Estimated average annual savings: \$1,400,000**

**2. Water Services** – The City of Royal Oak was a founding member of Southeastern Oakland County Water Authority (SOCWA). SOCWA, similar to SOCRRA, is a municipal corporation founded in 1952 that provides water and sewer services to its eleven member communities. The Authority is able to purchase water from the City of Detroit at a significantly lower rate than individual cities because of its high volume. Additionally, all member communities share the costs of maintaining and upgrading water system infrastructure. This allows the city to maintain high quality equipment, while offering the lowest water and sewage rates for its residents. It is estimated that SOCWA saves Royal Oak residents approximately 30% on their water and sewer bills.

**Estimated average annual savings: \$1,000,000**

**3. Risk Management Services** – The Michigan Municipal Risk Management Authority (MMRMA) is a public self-insurance pool comprised of over 300 member municipal governments. MMRMA, established in 1980, allows local governments to pool their risks, resulting in reduced insurance liability and property coverage costs. MMRMA also provides member communities with risk management services including on-site safety surveys, risk avoidance training, and best practices risk management policies and procedures.

**Estimated average annual savings: \$250,000**

**4. Bidding and Purchasing** – Royal Oak continued its leadership of collaborative efforts in 2003 by becoming a founding member of Michigan Inter-governmental Trade Network (MITN). MITN is a purchasing system that gives members the opportunity to solicit bids for service more efficiently, and from a larger pool of vendors. It also provides a central online location for the bidding process that ensures vendors have easier access to member agencies and communities. Finally, MITN provides the city with a marketplace to sell surplus equipment using the sites online auction system.

**Estimated average annual savings: \$50,000**

**5. Fire** – The Oakland Fire Protection Agreement (OAKWAY) was established in 1955. OAKWAY is a mutual aid agreement between the Royal Oak Fire Department and eight other nearby communities in Southeastern Oakland County. OAKWAY has also been an essential organization for helping form fire service partnerships with local communities. The agreement allows the city to request fire assistance in an emergency situation where the Fire Department would not be able to adequately respond with its own resources. Without OAKWAY, the city would have to establish its own Fire Technical Rescue Unit and a Fire Hazmat Response Team at great costs. As a member of OAKWAY, the residents of Royal Oak can enjoy advanced fire protection while the city saves money by sharing services with member communities.

**Estimated average annual savings: \$1,218,000**

**6. Police** – The Royal Oak Police Department has established a special weapons and tactics (SWAT) response mutual aid partnership with Ferndale, Hazel Park, Madison Heights in 2005. Shared SWAT emergency response training along with the City of Troy was added to this partnership in 2011. Additionally, the Police Department became a member of OakTAC (Oakland County Tactical Response Training Group) in 2009. OakTAC provides training to the city's Police Department to effectively and efficiently respond to major emergency situations. Royal Oak Police Officers are able to obtain training in crowd management, emergency response, civil unrest, and instruction on the proper use of new public safety equipment at a low cost to the city.

**Estimated average annual savings: \$1,400,000**

**7. Animal Control Services** – The City of Royal Oak and the City of Berkley have been sharing most animal control services since 2004. The two communities share an Animal Control Officer. In October 2012, they also signed a shelter sharing agreement. Sharing the animal shelter with Berkley improves the efficiency of the animal control program and facilitates cost savings for both municipalities.

**Estimated average annual savings: \$50,000**

**8. Shared newsletter with Royal Oak Schools** – In 2012, the City of Royal Oak and the Royal Oak public school district embarked on a collaborative project by merging the city's *Insight* newsletter with the district's *Your Schools* newsletter. The Recreation Department initiated discussions with the District in April of 2012. Prior to the merger, the newsletters were printed and mailed separately. Both newsletters are now printed together as a joint publication. Through sharing the mailing and production costs, we estimate annual savings of over \$9,000 for the city and \$33,000 for the district. Additionally, the combined newsletter is more informative to residents and printed on a higher quality paper stock. The first joint issue was mailed in May of 2012. This collaboration was achieved very quickly through cooperation between the district and the city.

**Estimated average annual savings: \$9,000**

A table listing collaboration efforts currently ongoing with the City of Royal Oak is included in Appendix A. All collaboration efforts listed are between Royal Oak and other governmental jurisdictions or within the City of Royal Oak. The table includes average annual estimates of savings to the City of Royal Oak and its residents. It is important to note that these estimates are often very difficult to calculate because of the long duration of the effort, the uncertainty surrounding what would exist without the effort, and in some cases the potentially enormous costs of providing similar services without collaboration with local jurisdictions. These estimates indicate that the City of Royal Oak has an ongoing and lengthy history of seeking opportunities for collaboration and consolidation where doing so saves money, increases services, and/or is more efficient.

## **UPDATE ON PROPOSED COLLABORATIONS FROM 2013**

### **Shared Building Department with the Village of Beverly Hills and Southfield Township**

In December 2013, the Royal Oak City Commission approved an agreement to provide building inspection services for the Village of Beverly Hills and Southfield Township through the City of Royal Oak's Building Department. Services include building, mechanical, plumbing and electrical inspections, and issuing building permits. The arrangement will be mutually beneficial for all three communities. Royal Oak will better utilize the available resources of its Building Department and the partner municipalities will be able to eliminate underused departments. The project is estimated to generate annual savings of \$150,000. There were no barriers to its implementation.

### **Installation of a shared Fiber Optic Network in collaboration with Royal Oak Schools**

The Royal Oak public school district, Royal Oak Schools, inquired in March 2012 if the city would be interested in splitting the cost of establishing a high speed communication network. In August 2013, the Royal Oak City Commission approved an agreement to construct a \$400,000 fiber optic cable network that will link eight city and nine school buildings. The school district will own the network and the city will have dedicated fiber for its share of the network's capacity. This new technology will improve service, capabilities and security for both organizations while greatly reducing operating costs.

Barriers to the project have been a longer than expected permit process and the necessary review of buildings and site requirements in 2013. Construction of the network began in the summer of 2013 and has been completed. All lines have been tested and are functional. The city is in the process of updating its equipment and will connect its facilities to the network to conclude the project soon. The school's portion of the project is already operational. The project is estimated to generate annual savings of \$12,000 in elimination of T1 communication lines and will provide much improved network communication service.

### **Shared Lockup and Dispatch Services**

The Royal Oak Police Department is continuing to explore the possibility of sharing public-safety answering point (PSAP) and lockup services with Berkley, Huntington Woods and Pleasant Ridge. Royal Oak's PSAP is currently staffed by nine full-time civilian employees. The center is responsible for answering 911 phone calls and dispatching police or fire to emergencies. The city's lockup is responsible for the intake and processing of prisoners arrested by the police. The Police Department believes that these two services can be shared with local communities and it will be beneficial to the residents. Estimated annual initial cost savings total \$235,000. The development of a detailed agreement favored by all involved municipalities has been a barrier to the project. While the project has been stalled in 2013, it has not been abandoned by the communities and will be reevaluated within the current fiscal year.

### **Shared Crime Analysis Intelligence Officer**

The Royal Oak Police Department started discussions with neighboring communities on the prospect of sharing a Crime Analysis Intelligence Officer in the fall of 2011. A Crime Analyst looks at historical data to determine where a criminal is likely to strike. A police department can use this type of analysis to increase patrols in high crime areas in an effort to lower the overall crime rate. Sharing a Crime Analyst increases the level of services and saves money for every community involved by meeting an ongoing need for service without requiring that every community hire a full-time officer. The main barrier to this project has been obtaining funds to hire the officer and labor negotiations to allow for a shared officer. After discussions with other departments, the Police Department was able to hire a Crime Analysis Intelligence Officer in 2013. While this position is located at and fully funded by the Royal Oak Police Department, the Crime Analysis Intelligence Offer regularly provides services to neighboring communities free of charge.

## **COLLABORATIONS FOR THE FUTURE**

### **Health and Wellness Clinic**

The City of Royal Oak, Clawson, Ferndale, Hazel Park and Madison Heights are currently exploring the opportunity to establish a health and wellness center for city employees, their dependents and pre-65 retirees. The clinic would offer basic primary care, preventive care, occupational health, wellness services, and some workers compensation medical services. The goal of the project is to improve the health of the cities' employee/dependent/retiree population and thereby reduce long-term health care costs. A feasibility study indicated that the project would be beneficial to the communities.

In December 2013, a Request for Proposals for providing health and wellness center services starting July 2014 was issued by the involved municipalities. The deadline for applications is set for January 30, 2014. Barriers to the project are the coordination between the numerous municipal partners, potential upfront costs for the implementation of the project, and uncertainty about the long term monetary savings a wellness clinic would actually generate for the participating communities. After the RFP review process, the communities should be better suited to quantify initial costs and the long-term savings potential of a health and wellness clinic, and will be able to determine if they want to move forward with the project in the spring of 2014.

### **Physical consolidation of the Code Enforcement, Planning and Engineering Departments**

In the spring of 2011, Royal Oak started the process of exploring the possibility of consolidating the Building, Code Enforcement, Planning and Engineering Departments into one group called the Department of Community Development. The goal of this project is to make it easier for residents, businesses and organizations to navigate processes and communicate with the city by limiting points of contact. We believe that the consolidation of the departments will facilitate potential cost savings of \$50,000 for the city.

The city identified lack of space in City Hall as the main obstacle to the consolidation of the departments. A request for proposals for architectural services to provide contract plans, specifications and cost estimates for renovating city hall to accommodate the needs of all departments and combine their locations on one floor was issued in July 2013. In September 2013, a service contract was awarded to an architectural firm. Currently, architectural designs and plans are being developed. The last barriers to completing the consolidation of the departments will be the physical implementation of these plans, and the RFP-process and costs associated with the construction services. Completion of the renovation process can be expected by spring 2015.

**APPENDIX A: CURRENT COLLABORATIONS TABLE**

<b>City Department</b>	<b>Partners</b>	<b>Collaboration Effort</b>	<b>Est. Avg. Ann. Savings</b>	<b>Duration</b>
Building Department	Beverly Hills, Southfield Township	Building Department Services	\$150,000	first year
City Attorney	Michigan Municipal Risk Management Authority	Risk Management & Insurance Coverage	\$250,000	25+ years
City Manager	Woodward 5 Communities	Woodward 5 - Economic Development Initiatives	\$2,500	3 years
Clerk	Oakland County	Ballot Layout & Coding	\$10,800	6 years
Engineering	Oakland County Water Resource Commission	George W. Kuhn Retention Treatment Facility	None	9 years
Engineering	Various Communities, Road Commission	Oakland County Federal Aid Funding Committee	Varies annually	9 years
Finance	Oakland County	County-wide Database	None	8 years
Finance	Intergovernmental Cable Communications Authority	Cable Communications Management	\$49,000	30 years
Finance	Oakland County	Geographic Information Systems Coordination	\$35,000	16 years
Finance	Michigan Intergovernmental Trade Network	Purchasing System - Collective Bidding	\$50,000	16+ years
Finance	Oakland County Equalization	Personal Property Tax Assessments	\$40,000	1 year
Finance	Local Taxing authorities	Tax Collections	\$950,000	10 years
Fire	OAKWAY Communities	Fire Services Personnel/Equipment Sharing	\$18,000	50+ years
Fire	OAKWAY Communities, Oakland County	Fire Technical Rescue Unit	\$600,000	20+ years
Fire	OAKWAY Communities, Oakland County	Fire Hazmat Response	\$600,000	20+ years
Fire	Oakland County	Arson Investigations	\$80,000	10+ years
Fire	Oakland County	MABAS Radio Mutual Aid System	\$150,000	2 years
Fire	Oakland County Communities	County Incident Management Team	\$50,000	2 years
Fire	Oakland County, Wayne County	Shared Mobileyes Inspection Data	\$1,000	4 years
Fire	Ferndale, Madison Heights	Mutual Aid Agreements	\$200,000	5 years
Fire	Royal Oak School District	Royal Oak Youth Assistance	None	6 years
Information Services	Royal Oak School District	Shared Fiber Optic Network	\$12,000	first year
Library	The Library Network	Purchasing, Continuing Education	\$15,000	20+ years
Library	Various Communities, MCLS	Purchasing, Continuing Education	\$20,000	20+ years
Library	The Library Network	Shared Catalog/Reciprocal Borrowing/Interloan Del.	\$900,000	20+ years
Library	The Library Network	Shared Broadband Internet Services	\$5,000	10+ years
Library	State of Michigan	Michigan Electronic Database	\$75,000	20 years
Library	Troy	Reciprocal Borrowing Agreement	\$100,000	30+ years
Planning	Oakland County Road Commission	11 Mile Road Improvements	\$900,000	*4 years
Planning	Various Local Units, State, Counties & US Govt.	Woodward Corridor Alternative Analysis	\$2,500,000	3 years
Planning	Various Local Units, State, Counties-WA3	Complete Streets Study - 27 Miles of Woodward Ave	\$500,000	3 years

Planning	Oakland County	Task Force on Homelessness	None	2 year
Planning	Various Oakland County Communities	HOME Consortium	Unknown	2 year
Police	Berkley	Animal Control Services	\$50,000	8 years
Police	Various Communities, Oakland County, Etc.	Woodward Dream Cruise	\$65,000	15 years
Police	OakTAC	Training Consortium	\$50,000	4 years
Police	Various Communities	CLEMIS - Criminal Justice Data Sharing	\$200,000	35+ years
Police	Various Communities	NET - Undercover Drug Investigations	\$120,000	20+ years
Police	Ferndale, Madison Heights, Hazel Park	SWAT - High Risk Tactical Police Response	\$50,000	9 years
Police	Troy	SWAT - Shared Training and Mutual Aid	\$40,000	2 years
Police	Royal Oak School District	School Liaison Police Officer	\$80,000	7 years
Police	Oakland County Agencies	Radio Communications Tower	\$100,000	6 years
Police	Berkley	Auto Auction	\$5,000	9 years
Police/Fire	Internal	Consolidated Police/Fire Dispatch	\$200,000	20+ years
Public Services	Oakland Community College	Salt	\$3,000	2 years
Public Services	SOCRRA	Recycling & Waste	\$1,400,000	60+ years
Public Services	SOCWA	Water Services	\$1,000,000	50+ years
Public Services	South Oakland County Communities	Public Works Mutual Aid	None	50+ years
Public Services	Ferndale	Emergency Electrician Services	\$1,000	7 years
Public Services	Royal Oak School District	School Bus Fueling, Dumpster Repairs, Salting	\$7,500	10+ years
Public Services	Pleasant Ridge	Water & Sewer Services	\$30,000	7 years
Public Services	Madison Heights	Traffic Signal Maintenance	\$5,000	7 years
Public Services	Oakland County	Winter Road Maintenance	\$15,000	17 years
Public Services	Various Communities	Street Signs	\$1,000	20+ years
Public Services	Troy	Vehicle Maintenance	\$2,500	6 years
Public Services	Berkley, Huntington Woods, WA3	Median Maintenance	\$6,600	9 years
Public Services	SMART	Community Partnership Program - Transportation	\$200,000	20+ years
Public Services	Various Communities	Fuel Purchasing Cooperative	\$38,000	20+ years
Public Services	Michigan Municipal Risk Management Authority	Electric Choice Program	\$25,000	15+ years
Public Services	Clawson	Recreation Programs	\$500	7 years
Public Services	Royal Oak School District	Mutual Use of Facilities	\$15,000	25+ years
Public Services	Royal Oak School District	Shared Royal Oak Insight + Your Schools Newsletter	\$9,000	1 year
Various	Internal	Consolidation of Duties	\$10,000,000	5+ years
<b>Total Estimated Average Annual Savings to the City of Royal Oak &amp; Residents</b>			<b>\$21,982,400</b>	
*Denotes efforts with a defined completion date before 2016				