

# Memorandum

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**To:** Honorable President Stearn; Village Council

**CC:**

**From:** Chris D. Wilson, Village Manager

**Date:** 4/16/2010

**Re:** Consolidation of Village Services

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At the request of the Village Council, I have prepared a brief summary of services within the Village of Beverly Hills that have been consolidated or privatized and an analysis of potential future arenas for consolidation or privatization. I will begin with services that have already been consolidated or privatized before moving forward to future options.

- **Library Services**

The Village of Beverly Hills has participated with the Baldwin Library in Birmingham to provide library services to Village residents. The contractual arrangement with Baldwin has provided access 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. Further, on a per capita basis, Village residents pay much less than residents in most surrounding communities. While affordable, this contract and service will be eliminated if the Village is unable to procure additional revenue to support this service.

- **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 is provided by Comeau Equipment, 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. Recently, the Director of the Public Services Department agreed to work on a part-time contractual basis further saving money for the Village.

- **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 recently eliminated the full-time position of Building Official and utilizes only one full time clerical position in the Building Department to handle all operations. Accordingly, Building Department expenses have been reduced by nearly 50% in two years.

- **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.

- **Drinking Water**

The Village of Beverly Hills is one of the original members of the South Oakland County Water Authority (SOCWA). Through this arrangement, the Village is able to procure water through the Detroit Water and Sewerage Department (DWSD) at lower costs than we could were we to purchase 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 area achieving cost savings for the Village and all other member communities.

- **Refuse Disposal and Recycling**

The Village of Beverly Hills is also a member of the South 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.

- **Sewage Services**

Treatment and disposal of sewage is ultimately the responsibility of the Detroit Water and Sewerage Department. However, the Village is still a participant in the Evergreen Farmington Sewage Disposal System (EFSDS). The EFSDS is operated by the office of the Oakland County Water Resources Commissioner. Separately, the WRC also performs maintenance and repair of much of the Village's sewer infrastructure on a contractual basis.

- **Elections**

In recent years, 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 Village elections.

- **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, benefits administration and others.

- **Code Enforcement**

The Village of Beverly Hills utilizes a part time employee to handle all code enforcement within the Village. Additionally, the Village has been 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 arrangement has been beneficial to both communities.

- **Prisoner Housing**

The Village of Beverly Hills has been able to negotiate contacts 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.

- **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.

- **Cable Services**

The Village of Beverly Hills participates with the neighboring communities of Birmingham, Bingham Farms and Franklin on the Birmingham Area Cable Board. Through allocation of a portion of our cable franchise fees, the Village is able to receive a far better quality of public information and production of local Village Council meetings than we would be able to achieve on our own.

- **Birmingham Area Seniors Coordinating Council and Center**

Adults, 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.

Village of Beverly Hills continues to pursue all avenues to consolidate or privatize services where possible. Some of the consolidation efforts mentioned above have materialized in just the last two years, while other consolidation and privatization efforts pursued during this time have not proven successful. As economic conditions continue to place a financial strain on communities throughout Southeast Michigan, further opportunities for the consolidation of municipal services should become available. To follow is an analysis of these potential opportunities in no particular order.

- **Police and Fire**

Currently, the Village utilizes the Public Safety model to provide professional, full-time police and fire services at a reduced cost as compared to other communities that provide separate full-time police and fire departments. While efficient, there may still be avenues for consolidation or further efficiency of services provided by the Public Safety Department. While most of our surrounding communities do utilize separate police and fire departments, there are also surrounding communities such as Berkley and

Bloomfield Hills that do utilize the Public Safety model. Future consolidation or cooperation above and beyond our current mutual-aid arrangements are a possibility, including a regional police, fire or public safety authority. Further, the Village Council should not dismiss the opportunity to utilize our efficient Public Safety model to expand our service area to surrounding communities where we may be able to provide full-time.

- **Dispatch Services**

Consolidation of dispatch services has been reviewed by the Council in the past and rejected, but it is likely this item may come forward again. Two neighboring communities have been conducting study sessions on combining all their emergency services, including dispatch services. Other communities in Oakland County provide dispatch services to neighboring communities and would be interested in expanding. Further, Oakland County provides dispatch services to numerous communities and could do the same for Beverly Hills. Additionally, the Village may have the opportunity to provide dispatch services for surrounding communities.

- **Tax Collection**

Currently, Southfield Township collects taxes from Village residents for school and county taxes and the Village collects the village portion of local property taxes. The Village could pursue the consolidation of these efforts in either of the two offices to streamline efforts. Exact savings are unknown.

- **Building Department Services**

Currently, the Village only retains one clerical employee in the Building Department on a full-time basis. The remaining services performed by this department are provided on a contractual basis. Accordingly, the costs for operation of our Building Department are quite low and have been reduced significantly in recent years. Nevertheless, some surrounding communities have been successful in contracting out their entire Building Department operations, most recently the City of Troy.

- **Utility Billing**

Technology changes have significantly reduced the amount of labor and the time needed to read water meters and produce utility bills. Currently, the Village reads all meters remotely from a vehicle that passes through village streets and collects all meter information on a laptop computer. The capability exists to remotely read all water meters at a fixed point. This would make meter reading and utility billing on a multi-jurisdictional basis a possibility. Some of our partnering communities in SOCWA have expressed an interest in pursuing this matter further. If progress is made along these lines, the Village would have the opportunity to do utility billing for a neighboring community, have a neighboring community do water billing for us or participate with other communities through SOCWA for utility billing.