

**City of Berkley**  
**Economic Vitality Incentive Program**  
**Category Two – Consolidation of Services**  
**Consolidation of Services Plan - 2/1/2013 – 1/31/2014**  
**1/22/2013**

**Introduction**

Public Act 63 of 2011 commonly known as the Economic Vitality Incentive Program requires municipalities to provide three fiscal plans to the State of Michigan, Department of Treasury in order for the municipality to obtain Economic Vitality Incentive Program (EVIP) dollars from the State of Michigan. By providing these three fiscal plans to the State of Michigan, Department of Treasury the City will realize approximately \$151,600 in EVIP dollars for fiscal year 2012/13. A brief summary of the Economic Vitality Incentive Program is as follows:

- **Category 1 – Accountability and Transparency**

This category requires each eligible city, village or township to certify that by 10/1/2012, it has produced, and has made readily available to the public, a citizens guide and a performance dashboard of local government finances including the recognition of unfunded liabilities. The City of Berkley completed this task and submitted all pertinent information to the State of Michigan Department of Treasury on 9/27/2012.

- **Category 2 – Consolidation of Services**

This category requires each eligible city, village or township to certify by 2/1/2013, to update the status of the new proposals that were in the previous year's consolidation plan including a timeline to accomplish the proposal, whether or not the previously submitted proposal has been fully implemented and a list of the barriers experienced in implementing the proposal. Submit one or more new proposals to increase the existing level of operation, collaboration and consolidation. A municipality can also detail an explanation as to why increasing the existing level of cooperation, collaboration and consolidation is not feasible.

- **Category 3 – Employee Compensation**

This category now has two options available to meet the compliance criteria. The first option requires each eligible city, village or township to certify by 6/1/2013, that it has developed and publicized an employee compensation plan that the city, village or township intends to implement with its employees. This compensation plan is in the area of salary for new hires, pension multipliers for all employees, final average compensation for all employees and health care for new hires.

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**Category 3 – Employee Compensation – Continued**

Option two is a PA 152 Compliant statement/resolution highlights that the City either voted through a majority vote to implement an 80%/20% employee cost share program for health care services, or, by a 2/3 majority vote opt out of PA 152 of 2011.

**I. Category Two (2) – Consolidation of Services - 2/1/2013 – 1/31/2014**

Current continuing cooperation, collaboration and consolidation programs the City of Berkley currently is involved with in regards to other political units:

<b>Entity/Organizations</b>	<b>Service</b>	<b>Estimated Annual Cost Saving Amount</b>
SOCORA	Trash/Recycling	\$150,000
SOCWA	Water	\$250,000
Woodward Five	Marketing and Promotion	\$5,300
Woodward Ave Action Cmte.	Marketing and Promotion	\$2,500
The Library Network	Library Related Services	\$50,000
SMART	Recreation Transportation	\$60,000
Oakland County, Michigan	Assessing Services	\$100,000
Oakland County, Michigan	On-Line Tax Services	\$550
MERS	Retirement Administration	\$40,000
Royal Oak	Animal Control	\$40,293
Huntington Woods	Dispatch	\$60,000 (Note 1)
Huntington Woods	Gasoline Purchases	\$1,500
Huntington Woods/Pleasant Ridge	Prisoner Lodging/Arrestment	\$4,300
Huntington Woods/Oak Park	Pavement Markings	\$1,000
Pleasant Ridge	Dispatch	\$42,658 (Note 1)
Various (Note 2)	Air Bottle Fill Station	\$700
Various (Note 3)	Public Safety Mutual Aid	\$10,000
Various (Note 4)	Recreation Programming	\$13,800

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**I. Current Cooperation Continued:**

<b>Entity/School Districts</b>	<b>Service</b>	<b>Estimated Annual Cost Saving Amount</b>
Berkley Public Schools	Tax Collection	\$5,000
	High School Hockey	\$7,500
	Youth Assistance Scholarship	\$950

**II. Current Continuing Internal City Consolidation:**

<b>Department(s)</b>	<b>Service</b>	<b>Date of Consolidation</b>	<b>Estimated Annual Cost Saving Amount</b>
Finance/Treasury	Operation Merger	7/2007	\$33,090
Public Safety	Eliminate Full Time Fire	7/1983	\$1,560,000
Public Safety	12 Hour Shift	6/2009	\$63,900

**III. 2012 Consolidation/Collaboration Services - UPDATE:**

<b>Entity/City</b>	<b>Service</b>	<b>Status</b>	<b>Estimated Annual Cost Saving Amount</b>
Pleasant Ridge	Collaborative Fire Services	Unsuccessful	(\$40,000) (Note 1)
Huntington Woods	Collaborative Fire Services	Unsuccessful	(\$1,150) (Note 1)
Highland Park	Fire Mutual Aid Services	Completed - 11/12	\$0
Royal Oak Twp.	Police Services – 3pm/11pm	Unsuccessful	(Note 5)
Royal Oak Twp.	Building Dept. Services	Unsuccessful	(Note 5)
Berkley Schools	Gasoline Purchases	Completed – 3/12	\$1,500
Berkley Schools	Salt Purchases	Completed – 3/12	\$500

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**Footnotes Current Collaboration and Updated Collaboration:**

1. The City of Berkley, Pleasant Ridge and Huntington Woods were unable to consolidate fire services due to logistical and other contractual issues with a municipality that was not a party to the proposed consolidation. The City of Berkley lost in 2012/13 approximately \$41,150 in dispatch revenues because of this attempt to consolidate fire services with Pleasant Ridge and Huntington Woods. Berkley will experience this loss well into future fiscal years.
2. Huntington Woods, Oak Park and Beverly Hills participate in filling fire fighter air bottles.
3. Huntington Woods, Royal Oak, Oak Park, Birmingham and Troy participate in a public safety mutual aid pact.
4. Programs Include Dream Cruise, Camps, Day Trips and Travel Opportunities for citizens of Huntington Woods, Oak Park, Clawson, Madison Heights, and Southfield.
5. The logistics and cost of providing police services at a certain time and police and building services in an area over three miles away was not operationally feasible for the City of Berkley.

**IV. 2013 Service Consolidations - PROPOSED:**

<b>Entity/City</b>	<b>Service</b>	<b>Status</b>	<b>Timeline to Accomplish</b>	<b>Estimated Annual Cost Saving Amount</b>
Royal Oak	Dispatch/Prisoner	Negotiating	Est. 1/1/2014	Unknown
Oak Park	District Court Services Note (6)	Unsuccessful	7/1/2012 (Note 6)	(\$415,000) annually
Royal Oak	District Court Services Note (6)	Governor Signature Senate Bill 1351	1/9/2013 – 1/1/2021	\$415,000 annually

**Footnote Proposed Collaborations:**

6. The City of Berkley District Court (45A) merged with the Oak Park District Court (45B) on 7/1/2012. There were no savings in the merger and costs exceeded expectations for the City of Berkley. Operating issues and facility short comings could not be overcome. The City of Berkley then was able to overcome cost and facility issues by facilitating a merger of district courts between the City of Royal Oak and the City of Berkley over a time period starting on 1/9/2013 and to complete by 1/1/2020.

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**Conclusion Summary of Cost Savings and Expenditures:**

<b>Status of Cooperation/Collaboration</b>	<b>Estimated Annual Cost Savings 2011/12</b>	<b>Estimated Annual Cost Savings 2012/13</b>
Current Cooperation – Outside Entity	\$658,350	\$658,350
Current Cooperation – Municipalities	\$211,502	\$173,101
Current Cooperation – School District - Berkley	\$13,450	\$15,450
Internal Consolidation	\$1,656,990	\$1,656,990
Future/Planned/Planning Consolidation Estimated	\$254,500	Unknown
Total Estimated Current and Future Savings	\$2,794,792	\$2,503,891

If there are any questions regarding this Plan, please contact Ms. Jane Bais-DiSessa at 248-658-3350 - [jbais-disessa@berkleymich.net](mailto:jbais-disessa@berkleymich.net) or David Sabuda at 248-658-3349 [dsabuda@berkleymich.net](mailto:dsabuda@berkleymich.net).

This plan can be found at the City of Berkley Municipal Offices which is located at 3338 Coolidge Hwy. Berkley, Michigan 48072 as well as on the City of Berkley’s web site: [www.berkleymich.org](http://www.berkleymich.org).