



**Plante & Moran, PLLC**  
27400 Northwestern Highway  
P.O. Box 307  
Southfield, MI 48037-0307  
Tel: 248.352.2500  
Fax: 248.352.0018  
plantemoran.com

June 12, 2007

Mr. Clay Pearson  
City Manager  
City of Novi  
45175 W. Ten Mile Road  
Novi, MI 48375

Dear Mr. Pearson:

The City of Novi retained Plante & Moran to inventory the shared service arrangements the City currently enjoys, with surrounding communities and other public entities. This project was performed to satisfy an objective of the City's annual strategic planning process, identified in the fourth quarter of 2006. There are several joint efforts and/or shared service arrangements throughout the City, both formal and informal, and the City requested assistance from Plante & Moran to formalize the list and identify any possible future opportunities, as applicable.

The current state of the economy in Michigan and particularly in Southeast Michigan is creating the necessity for municipalities to identify shared service and collaborative endeavors to potentially contain and reduce costs in both the short and long term. With diminishing municipal resources, Michigan area cities, villages, and townships are examining opportunities for preserving the current level of services provided within each of their communities, and creating avenues for potential long term cost savings and service improvement. The current fiscal environment is making it more and more difficult for local communities to provide the same level of service enjoyed by their community over the years without reconsidering how those services are provided to their constituents.

Over the past few years numerous Southeast Michigan communities have been studying the possibility of combining services with their neighbors to facilitate a lower cost structure without sacrificing service quality, especially in the areas of police, fire and dispatch services. Michigan Governor Granholm recently identified in her budget proposal that cities, villages and townships that save money through shared or consolidated services may split up an additional \$27.2 million in state funding -- a 2.5 percent increase. This state shared revenue currently goes to help pay for police, fire and several other local services. Communities that don't do more to share services and costs with their neighbors would have their revenue sharing payments frozen at current levels. While this program has not yet been defined in detail, the possibility exists that local Michigan municipalities may be able to generate additional revenue for their community through shared or consolidated service arrangements with other governmental units.

The focus of our approach was to identify both current and future shared or cooperative arrangements through a series of group and individual staff interviews. Specifically, our review included analysis of the following departments:

- Assessing
- City Clerk
- Community Development
- Engineering
- Fire Department
- Human Resources
- Information Technology
- Library
- Neighborhood and Business Relations
- Parks, Recreation, and Forestry
- Planning
- Police Department
- Public Works

This binder contains the shared service arrangements that are currently in place, those that are in progress, and a list of potential opportunities.

## **Approach**

Our first step was to collect and review relevant background documentation, including:

- Department Organization Charts
- Annual City Budget
- List of known shared service arrangements by department, if available
- Contractual agreements for collaborative efforts, if any

Following the data gathering, we developed a preliminary questionnaire that was completed by the targeted departments. The questionnaire was designed to capture the following types of information:

- Current collaborative efforts
- Formality of arrangements
- Contracts for services
- Governance structure of arrangements
- Costs of current shared arrangements
- Benefits of current shared arrangements
- Collaboration challenges
- Possible future projects
- Possible future partners

We collected the completed questionnaires during interview sessions conducted with City staff. The purpose of these interviews was to collect an inventory of shared service arrangements, both informal and formal, as well as documentation of the majority of formal arrangements that exist within each of the departments.

With the information from the completed questionnaires, and our in-person interviews, we were able to compile this draft shared services inventory document noting our key interview findings and results. The documentation of City-wide shared service arrangements is organized by department. Where formal documentation exists and was provided to the consulting team, it is included in this deliverable. We have also noted where formal agreements exist, but are not included.

## Major Results

- The City of Novi is currently engaged in a significant number of service sharing arrangements with other communities:
  - 104 total shared service arrangements
  - 44 formal shared service arrangements
  - In excess of \$12,000,000 worth of services shared (Approximately \$11,500,000 million associated with infrastructure)
- The City has demonstrated considerable proactive efforts associated with establishing collaborative arrangements with other communities and partners. Examples include:
  - Using resources from the State of Michigan, such as: purchasing agreements, the Michigan Criminal Justice Information Network (MiCJIN), Michigan Department of Transportation resources and the State Police.
  - Taking advantage of services offered from Oakland County, such as: Access Oakland, CLEMIS, personal property auditing, elections, various fire department resources, and joint purchasing agreements.
  - Sharing services with neighboring communities, such as: school elections, Fire Department training, GIS, senior services, youth assistance, and various police services.
- As is a best practice, arrangements with an associated cost generally have formal agreements in place.
- There still may be additional opportunities to build upon the City's current assortment of collaborative efforts, including but not limited to the following:
  - Investigating the possibility of providing combined services in the following areas:
    - Parks and recreation programs
    - Public works services
    - Human resource and benefit programs
    - Police and fire service
  - Expanding and recouping the full cost of dispatch and/or other police services provided to other communities.
  - Exploring the following opportunities:
    - Regional transit initiatives
    - Shared training/user group meetings for GIS
    - Neighborhood and Business Relations promotional opportunities
    - Collaboration for Arbor Day and other community events

Overall, it is apparent that the City of Novi already engages in a substantial number of shared services and collaborative arrangements; however there appear to be additional potential opportunities to evaluate for the provision of shared services in the future. The staff members that were interviewed also shared several ideas for future arrangements and conveyed the benefits that could be achieved from additional joint projects.

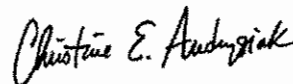
Thank you for this opportunity to assist the City with its shared services inventory. If you have any questions regarding the project, analysis or deliverable, please do not hesitate to call Christine Andrysiak at (248) 223-3330 or myself at (248) 223-3328.

Very truly yours,

Plante & Moran, PLLC



Adam Rujan  
Partner



Christine Andrysiak  
Manager