




**CITY of NOVI CITY COUNCIL**

**Agenda Item 3  
December 3, 2007**

**SUBJECT:** Approval to award a contract to provide a cost allocation model for the analysis of the current dispatch agreements with the City of South Lyon and Lyon Township, as well as an analysis for offering dispatch services for the City of Walled Lake to Rehmann Robson, low price quote in the amount of \$13,500.

**SUBMITTING DEPARTMENT:** Police

**CITY MANAGER APPROVAL:** 

<b>EXPENDITURE REQUIRED</b>	<b>\$13,500</b>
<b>AMOUNT BUDGETED</b>	<b>N/A</b>
<b>APPROPRIATION REQUIRED</b>	<b>To be determined in 4<sup>th</sup> Quarter (Category currently has sufficient funds)</b>
<b>LINE ITEM NUMBER</b>	<b>101-301.00-816.000</b>

**BACKGROUND INFORMATION:**

The Novi Police Department has provided full-time emergency dispatch services for the City of South Lyon Police and Fire Departments and the Lyon Township Fire Department since 1986. Between 1980 and 1986, the Novi Police Department provided part-time Police and Fire dispatching for the City of South Lyon and Lyon Township on weekends, holidays and after normal business hours. In 1990, written contract agreements were established with the City of South Lyon and Lyon Township. These agreements provided for the establishment of a Dispatch Manager position to oversee the entire emergency dispatch and communication function. In 1999, revised agreements were adopted with the two communities which provided for a fixed fee for dispatch services and a fixed percentage sharing fee for the Dispatch Manager position. The current 2007/2008 agreements with the respective communities are as follows:

**City of South Lyon**

Dispatch Fee:	\$44,316
Dispatch Manager share 20%:	\$12,408
<b>Total Cost:</b>	<b>\$56,724</b>

**Lyon Township**

Dispatch Fee:	\$7,152
Dispatch Manager share 10%:	\$5,643
<b>Total Cost:</b>	<b>\$12,795</b>

The call for service data for the City of South Lyon and Lyon Township in 2006 is as follows:

South Lyon Police Department	7,679 calls for service
South Lyon Fire Department	572 calls for service
Lyon Township Fire Department	824 calls for service

At the September 4<sup>th</sup> meeting of the Walled Lake City Council, a motion was passed for Walled Lake city administration to invite the City of Novi to send representatives to join in their shared service discussion currently underway with the City of Wixom and the Village of Wolverine Lake. Specifically, the City of Walled Lake has indicated they are interested in having the City of Novi provide dispatch services for their Police and Fire Departments similar to the current agreement employed with the City of South Lyon.

Following the request of the City of Walled Lake, and realizing the cost sharing methodology used for South Lyon and Lyon Township is likely out of date, the decision was made to seek the assistance of an outside vendor to conduct a comprehensive financial analysis of our current dispatch agreements and also research the feasibility of adding/providing dispatch services for the City of Walled Lake.

Price quotes were obtained from three reputable firms with a proven history in conducting such an analysis. Plante & Moran, Management Partners and the Rehmann Robson Group all provided price quotes in response to our request. All three proposals were reviewed by a multi-disciplinary team of financial representatives from the Finance Department and Police administration.

A brief summary of the proposals and their respective fees is as follows:

#### **Management Partners Incorporated**

- Proposed scope very broad – not specific
- Proposed cost – **\$14,700 + expenses**

#### **Rehmann Robson**

- Proposal specific on understanding, deliverables and approach
- Progress reports and updates will be submitted
- Proposal includes automated allocation model which can be updated and used for a long-term basis
- Has access to survey data from other comparable agencies
- Project team has experience working with police agencies
- Comprehensive Final Report
- Provides a final automated allocation model for charging of 911 services
- Proposed cost – **\$12,000 for South Lyon, Lyon Twp. analysis and \$1,500 for Walled Lake analysis – Not to exceed \$13,500**

#### **Plante & Moran**

- Proposal specific on understanding, deliverables and approach
- Already possess the Walled Lake data
- Conducted recent analysis of shared services for Walled Lake
- Project team is familiar with Novi operations through prior shared services report
- Comprehensive Final Report
- Proposed cost – **Not to exceed \$14,250**

#### **The Rehmann Robson proposal will:**

- Conduct and review information pertinent to the 911 Operations
- Conduct interviews of Police Command and Dispatch Personnel
- Identify indirect costs of conducting dispatch operations (i.e. finance and payroll function, utility costs, facility costs, etc)
- Develop and provide automated cost allocation model. City will be positioned to utilize the interactive model on an on-going basis to either update the model or adjust the allocation to include other scenarios.
- Conduct survey regarding Inter-jurisdictional Agreements

- Establish the relative demand of each agency using the Regional 911 Center Data and apply to a formula – baseline from which negotiations can proceed
- Finalize formula and supporting rationale
- Prepare comprehensive final report

It is the opinion of Finance and Police staff involved that the Rehmann Robson group and Plante & Moran are more than qualified to complete this work and can deliver their report in their proposed 60-90 day time frame. It is the recommendation to award this contract to Rehmann Robson, the lowest qualified entity submitting a price quote for this analysis.

**RECOMMENDED ACTION:** Approval to award a contract to provide a cost allocation model for the analysis of the current dispatch agreements with the City of South Lyon and Lyon Township, as well as an analysis for offering dispatch services for the City of Walled Lake to Rehmann Robson, low price quote in the amount of \$13,500.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Capello				
Council Member Crawford				
Council Member Gatt				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

**Rehmann Robson**

# CITY OF NOVI POLICE DEPARTMENT



## *PROPOSAL TO CONDUCT A SHARED SERVICES COST ANALYSIS*

*September, 2007*



**REHMANN ROBSON**

*Certified Public Accountants*



**REHMANN ROBSON**

*Certified Public Accountants*

*A member of THE REHMANN GROUP*



an independent member of  
**BAKER TILLY**  
**INTERNATIONAL**

September 20, 2007

Mr. David Molloy  
Chief of Police  
City of Novi  
45175 West 10 Mile Road  
Novi, MI 48375

Dear Mr. Molloy:

We are pleased to propose our services to conduct a shared services costing analysis for the operation of the Novi Regional 911 Center. Having spoken with you regarding the City's consulting needs, we are cognizant of the issues that must be addressed and have attempted to formulate an appropriate work plan to meet your needs.

Related to this, our proposal presents an approach that will provide the City with definitive information regarding the true cost of dispatch services and an equitable formula for cost sharing.

For your convenience, we have organized the proposal in the following sections:

- Our Understanding of the Situation
- Project Objective and Scope
- Our Project Team
- References and Qualifications
- Timing and Fees.

We appreciate the opportunity to propose our services to you. If you have questions concerning the proposal or desire further discussion, please contact me at 517-787-6503, extension 8137.

Very truly yours,

REHMANN ROBSON

Mark W. Nottley, Principal  
Governmental Consulting Division

CITY OR NOVI  
PROPOSAL TO CONDUCT  
A SHARED SERVICES COST ANALYSIS

Table of Contents

<u>Section</u>	<u>Page</u>
I. Our Understanding of the Situation	I-1
II. Our Approach to the Project	II-1
III. Our Project Team	III-1
IV. References and Qualifications	IV-1
V. Timing and Fees	V-1

## SECTION I

### OUR UNDERSTANDING OF THE SITUATION



## SECTION 1

### OUR UNDERSTANDING OF THE SITUATION

The Novi Regional 911 Center serves as the primary 911 answering point for the City of Novi, the South Lyon Police and Fire Departments and the Lyon Township Fire Department. The operation is staffed by approximately 17 employees that provide the link between the citizens requesting emergency service and the particular public safety professionals charged with this responsibility.

In regard to funding, the City of Novi has standing agreements with both the City of South Lyon and Lyon Township for the provision of services. Based on a cursory examination, these agreements appear to incorporate a portion of personnel costs and the cost of some capital upgrades. Essentially, the City of Novi has sought to recoup a portion of dispatch costs through the ongoing application and incremental adjustment of this cost sharing formula.

Cost of service agreements between communities are inevitably negotiated. Concessions are made by both parties until a mutual accommodation is realized. In this sense, the true cost of business may or may not be reflected in an interjurisdictional agreement. However, in all cases, the negotiation should begin with a clear understanding of the true service cost.

Related, the current formula/agreement, over time, has proven useful for all of the involved communities. However, it does not appear to be based on a thorough cost analysis. Lacking this type of analysis, the City cannot properly determine, to what extent, the true cost of business is being properly allocated. This issue will become more pertinent as the City considers extending dispatch services to yet another area community, the City of Walled Lake.

Recognizing the need for more definitive information, the City is considering utilizing the services of a professional consulting firm to assist in conducting a cost analysis of the Regional 911 Center and recommending approaches for allocating this expenditure to the current client municipalities, as well as potentially, the City of Walled Lake

Our Governmental Consulting Division is pleased to respond to this opportunity to assist the City of Novi with this important project. Based on our experience in prior, similar projects, we are confident of our ability to work with the Novi Police Department and all other concerned parties in conducting an objective evaluation which results in a thorough and comprehensive analysis of the cost of 911 services.

## SECTION II

### OUR APPROACH TO THE PROJECT

## SECTION II

### OUR APPROACH TO THE PROJECT

Our approach to the project is grounded in two fundamental concepts:

- 1) *Implementation of the study's recommendations is the ultimate measure of success.*

The City will not benefit from a report, however impressive, which simply "collects dust" on the shelf. Consequently, our approach to the project must be structured to go beyond the "easy answers" and work toward the development of meaningful results.

Costing analyses are extremely complex. A myriad of factors must be considered and meticulously documented. Our approach recognizes this complexity and the level of effort that must be expended to develop and provide a definitive answer.

- 2) *911 personnel must be provided significant opportunity for input and discussion throughout the course of the project.*

It is essential that we fully understand all facets of the 911 operation. In light of this, significant time will be spent with key personnel in defining the various services provided overall, and to each participating agency.

The approach which we will use in conducting the evaluation is summarized in the following work tasks.

#### *Task 1: Meet and Finalize Work Plan and Reporting Arrangements*

Following award of the contract, our lead project consultant will meet with the Chief of Police to finalize the project approach and status reporting procedures.

It will be our intention to develop strong communication channels and reporting processes during the course of the study. We will develop progress reports and also be available to provide management with updates as desired. It is essential that we have internal support in assembling requested data in a timely fashion. Consequently, this will be a necessary step in assuring timely project completion.

#### *Task 2: Collect and Review Initial Information Pertinent to the 911 Operation*

Following the Task 1 meeting we will gather information related to the Regional 911 Center's finances and operations. Initially this will include line item budgets for current and past years, financial statements, historic and planned capital expenditures and budgets, statistical information pertaining to service calls and other relevant

information. Essentially, the initial data review will be designed to provide our consulting team with an overview understanding of the direct costs associated with 911 operations. As the study progresses, we will make additional data requests intended to expand our knowledge base.

*Task 3: Conduct Interviews of Police Command and Dispatch Personnel*

Having gained an initial understanding of the 911 Center's budget and activities we will proceed to conduct project interviews. These will be intended to further our knowledge of applicable costs. They will include the following:

- Police Command, focusing on:
  - Increased understanding of line item content
  - Duty assignments and 911 interactions and responsibilities
  - Capital costs and needs.
  
- 911 personnel, focusing on:
  - Increased understanding of line item content
  - Understanding the full scope of activities and assignments
  - Identifying tasks, or time allotted exclusively to the Novi Police Department
  - Understanding activities and duty time required for each jurisdiction.

*Task 4: Identify Indirect Costs of Doing Business*

The Police and 911 budgets will not include many of the indirect (though potentially relevant) costs associated with the business operation. Examples may include finance and payroll function costs, Personnel Department costs, the cost of administration, facility/space costs, utility costs and others. The City may, or may not consider a particular indirect cost relevant to this project. To determine this, we will work with the City's Finance Department to identify a full listing of indirect costs. The City can then indicate those to be included in the costing formula.

*Task 5: Develop Costing Spreadsheet*

Having gained a strong working knowledge of the 911 Center's expenditures and activities, we will proceed to develop a spreadsheet for cost summation and analysis. The spreadsheet will serve as a working model – further refined as new data is obtained or developed.

The spreadsheet will be developed as a user-friendly, multi-page automated model that can be updated and used on a long-term basis. Our initial cost analysis will serve as the template and starting point for this process.

*Task 6: Conduct Survey Regarding Interjurisdictional Agreements*

Having determined the cost of Regional 911 Center Operations, we will survey other agencies regarding existing shared services agreements for public safety and dispatch services. Data will be elicited regarding issues such as:

- Criteria or formula used for cost assignment
- Duration of agreement
- Other conditions.

*Task 7: Establish the Relative Demand of Each Agency Using the Regional 911 Center Data and Apply to a Formula.*

We will then work with the City to determine a formula for allocation. As noted, this will likely be a subject for negotiation – our analysis and report will be intended to provide the baseline from which this process will proceed.

The survey data that we will have collected may provide some benefit in determining a formula. Also, we will have established various measures of demand based on our analysis of the assembled material. These data items will focus our discussions with Police Command regarding the most appropriate formula and weighting of activity data and costs.

*Task 8: Finalize Formula and Supporting Rationale*

Working through the Task 7 process a formula will be developed. The formula will be supported by explicit rationale that is thoroughly documented. It will be linked to the costing spreadsheet to clearly indicate the dispatch costs to be borne by each entity. As noted, the spreadsheet will be developed to be user-friendly and interactive. Related, the City will be positioned to utilize the model on an ongoing basis; to either update the model or adjust the allocation to include other scenarios – such as adding other communities in the future. In regard to the current analysis, we will include the “Walled Lake” option in the final formula, or, depending on the City’s preference, illustrate alternative scenarios (i.e. with or without).

*Task 9: Prepare Comprehensive Final report*

At the conclusion of the analysis, we will prepare a report fully documenting our methodology, findings and conclusions. We will also clearly and graphically illustrate the potential "bottom line" impact of proposed changes to the shared services formula.

We will also clearly specify the workings, and update requirements of the automated allocation model. Lastly, we will orally present our findings if desired by the City.

SECTION III  
OUR PROJECT TEAM

## SECTION III

### OUR PROJECT TEAM

#### Our Organization

Rehmann Robson's Governmental Consulting Division, a member of The Rehmann Group, is a regional certified public accounting and management consulting firm incorporated in and licensed by the State of Michigan. The firm was established in 1941, and has grown to become the second-largest Michigan CPA firm, and one of the top 30 firms nationwide. With ten offices across the state (including offices in Troy and Farmington Hills) and 450 full-time associates, we are able to provide our clients with a vast array of products, covering a broad spectrum of financial and consulting services.

#### Project Team

This project, for the City of Novi, will be performed by Mark Nottley, Director of the Governmental Consulting Division, and John Kaczor, a senior financial consultant in our firm. Relevant professional information concerning the project team is summarized in the following paragraphs.

Mark Nottley, Principal for Rehmann Robson's Governmental Consulting Division, has performed more than two hundred management studies and financial analyses for Michigan's municipalities including extensive experience in evaluating:

- Police operations
- E-9-11 and PSAP options
- Cost allocation and shared services analysis
- Interjurisdictional agreements
- Multi-year budgeting
- Capital budgeting
- Public safety and police output measures.

As lead consultant, he will be directly involved in the fieldwork portion of the project, the evaluation of study findings, development of recommendations and final report preparation.

John Kaczor, Senior Financial Consultant for our firm will serve as technical consultant for the project. Mr. Kaczor is a specialist in cost allocation plans and multi-year budgeting and has assisted more than seventy five Michigan municipalities with financial analysis. He holds a Master's degree in Public Policy from the University of Michigan.

Project team résumés are included in Appendix A.



## SECTION IV

### REFERENCES AND QUALIFICATIONS

## SECTION IV

### REFERENCES AND QUALIFICATIONS

In regard to specific references, we have listed below client contacts for some projects that we consider pertinent to satisfying your project objectives.

*1. City of Huntington Woods:* We conducted a cost of services analysis of all city services as a first step in requesting a referendum for a Headlee override.

Contact: Alex Allie, City Manager, 248.541.4300

*2. City of Royal Oak:* We developed a cost allocation model of all city services and activities resulting in an additional \$500,000 in general fund revenues

Contact: Tom Hoover, City Manager, 248.246.3000

*3. Isabella and Gratiot Counties:* We conducted a review of the potential for E-9-11 consolidation

Contact: Phil Moore, Alma City Manager, 989.463.8336

*4. City of Alpena:* We performed a cost of service analysis to determine the cost portion to be allocated to Alpena County for ambulance service. (CURRENTLY EVALUATING POTENTIAL FOR FIRE SERVICES CONSOLIDATION)

Contact: Thad Taylor, Public Safety Director, 989.354.1700

*5. City of Monroe:* We conducted a thorough review of all Police Department operations as part of a city-wide operational review.

Contact: John Michrina, Police Chief, 734.243.7500

*6. City of Madison Heights:* We conducted an extensive review of police and fire scheduling and overtime occurrence

Contact: Jon Austin, City Manager, 248.588.1200

We have also included below, a more complete list of public safety projects conducted by Mark Nottley, our proposed project consultant.

## REHMANN ROBSON'S GOVERNMENTAL CONSULTING DIVISION

### MARK NOTTLEY PRIOR EXPERIENCE IN CONDUCTING PUBLIC SAFETY ANALYSES

#### A. POLICE OPERATIONS

1. **City and Township of DeWitt**  
Conducted a comprehensive review of the issue of police services consolidation including an assessment of community preference and an in-depth analysis of cost and service benefits.
2. **City of Santa Ana, California**  
Participated in an evaluation of the Santa Ana Police Department including the development of a new 4-10 scheduling system and institution of community policing practices.
3. **City of Lincoln Park, Michigan**  
Conducted a comprehensive review of the Lincoln Park Police Department, which resulted in command reorganization and suggested cost savings exceeding \$400,000 per annum.
4. **Village of Lake Orion, Michigan**  
Conducted a service impact study associated with proposed village dissolution, including an assessment of the impact to the community if the Lake Orion Police Department was disbanded.
5. **City of Grand Rapids, Michigan**  
Evaluated the cost and service impacts associated with transferring EMS provision from the Grand Rapids Police Department to the Fire Department.
6. **City of Alpena, Michigan**  
Conducted a comprehensive evaluation of the public safety service option focusing on the potential for combining the departments to create a public safety department.
7. **Village of Newberry, Michigan**  
As part of a village-wide management review, conducted a study of police department operations, scheduling, staffing and management.

8. **City of Milan, Michigan**  
Completed a thorough study of the city's police department including motor pool, technology applications, scheduling, reporting, supervision and personnel.
9. **Oscoda Township, Michigan**  
Conducted a comprehensive review of police staffing and operations.
10. **City of Marysville, Michigan**  
Conducted a comprehensive review of police staffing and operations.
11. **City of Mt. Morris, Michigan**  
Conducted a comprehensive review of police staffing and operations.
12. **City of Sturgis, Michigan**  
Conducted a comprehensive review of police staffing and operations.
13. **City of Wyandotte, Michigan**  
Conducted a comprehensive review of police staffing and operations.
14. **Village of Berrien Springs, Michigan**  
Evaluated the potential cost of establishing a Village Police Department as an alternative to the existing multi-jurisdictional police authority.
15. **City of Bangor, Michigan**  
Conducted a comprehensive review of police staffing and operations as opposed to contracting with the County to provide police services.
16. **City of Madison Heights, Michigan**  
Conducted an assessment of police scheduling and overtime occurrence.
17. **City of Saugatuck, Michigan**  
Conducted an assessment of police staffing and operations.
18. **City of Monroe, Michigan**  
Evaluated the Police Department as part of a city-wide study.
19. **City of Rochester, Michigan**  
Evaluated the Police Department including command, patrol operations, dispatch and all other functions.

## B. FIRE AND EMERGENCY OPERATIONS

1. **City of Grand Rapids, Michigan**  
Conducted a comprehensive review of fire department and firefighter work scope.

2. **Village of Romeo, Michigan**  
Conducted a review of fire operations and the impact of the proposed upgrade of emergency medical services to paramedic transport.
3. **City of Leslie, Michigan**  
Conducted a comprehensive review of all fire department operations.
4. **City of Lincoln Park, Michigan**  
Conducted a comprehensive review of all fire department operations.
5. **Chelsea Area Fire Authority, Chelsea, Michigan**  
Conducted a fire department operational review and developed a ten-year business plan for fire service growth.
6. **Charter Township of Brownstown, Michigan**  
Conducted a review of fire department operations
7. **Charter Township of Dewitt, Michigan**  
Evaluated fire apparatus needs and developed related a ten-year capital plan.
8. **City of Alpena, Michigan**  
Developed a cost-allocation model for dividing fire department costs between fire and emergency medical, and used this information to develop a cost for county-wide ambulance provision.
9. **Grand Blanc Fire Authority**  
Conducted an analysis focusing on conversion to a partial full-time fire operation with various emergency medical options.
10. **City of Madison Heights, Michigan**  
Conducted an assessment of police scheduling and overtime occurrence.
11. **City of St. Johns, Michigan**  
Evaluated the potential for a fire district.
12. **Swartz Creek Area Fire Authority**  
Evaluated all operations and service scope.

## C. POLICE PRODUCTIVITY

1. **Oakland County Police and Fire Productivity Project**  
Conducted an eighteen-month study of eight Oakland County municipal police and fire departments for the purpose of developing comparative productivity measures. Identified 128 associated measures related to clearance rates, patrol practices, training, response and report times and other key variables

## D. POLICE CONTRACT ANALYSIS

1. **City of Lincoln Park, Michigan**  
Worked with legal counsel in preparing several comprehensive Act 312 arbitration cases including full comparable analysis. Provided expert testimony concerning particular operational and comparable conditions associated with police operations.
2. **City of Allen Park, Michigan**  
Worked with legal counsel in preparing several comprehensive Act 312 arbitration cases including full comparable analysis. Provided expert testimony concerning particular operational and comparable conditions associated with police operations.
3. **City of Ecorse, Michigan**  
Worked with legal counsel in preparing several comprehensive Act 312 arbitration cases including full comparable analysis. Provided expert testimony concerning particular operational and comparable conditions associated with police operations.
4. **City of Taylor, Michigan**  
Conducted a review of the City's police and fire Act 345 retirement system administration including testing of pension system files for accuracy in formula application and compliance with specifics of the public act.

## E. PUBLIC SAFETY OPERATIONS

1. **Benton Charter Township, Michigan**  
Conducted a comprehensive police department study which included the evaluation of police patrol practices and the recommendation of a new 5-8 scheduling system.
2. **City of Huntington Woods, Michigan**  
Conducted a comprehensive review of public safety department scheduling and workload assignment
3. **City of Kingsford, Michigan**  
Conducted a comprehensive review of all public safety department operations.

4. **Village of Beverly Hills, Michigan**  
Conducted a comprehensive review of all public safety department operations.

F. **OTHER FEASIBILITY STUDIES**

1. **City of Belding, Michigan**  
Conducted a study of the City's three separate emergency services departments: Police, Fire and Ambulance/Transport. Recommended improved police scheduling and a combined department model for fire and ambulance services provision.

SECTION V  
TIMING AND FEES



SECTION V  
TIMING AND FEES

Project Timing

We are prepared to begin the project at a mutually agreeable point-in-time. Barring any unforeseen circumstances beyond our control, it will be our intention to complete the project within 60-90 days of the day on which work begins.

Project Fees

Professional fees and expenses to complete the project are estimated at a not-to-exceed amount of \$13,500. This fee estimate assumes approximately 130 hours of professional time required to complete the project and \$500 for out-of-pocket expenses associated with travel.

In summary, professional fees, on a not-to-exceed basis, for the project, are estimated as follows:

o Professional fees:	\$ 13,000
o Out-of-pocket expenses:	<u>500</u>
<b>TOTAL NOT-TO-EXCEED PROJECT COST</b>	<b><u>\$ 13,500</u></b>

**APPENDIX A**  
**CONSULTING TEAM RÉSUMÉS**

# Mark W. Nottley, MPA, SPHR

---

*Principal of Governmental Consulting – Ann Arbor*



## **Areas of Expertise**

- Management Audits & Operational Reviews
- Financial Forecasting & Five-year Financial Models
- Executive Search Services
- Financial Feasibility Studies & Rate Setting Analysis
- Classification and Compensation & Personnel Policies Development
- Benefits Analysis

## **Contact Information**

Phone: 517.787.6503  
Fax: 517.788.8111  
Email: [mnottley@rehmann.com](mailto:mnottley@rehmann.com)

## **Current Position**

Mark is the firm's Director of Governmental Consulting and resides in the Jackson Office.

## **Experience**

Mark has over twenty years of experience in providing Michigan's governmental entities with consulting services. His consulting expertise and experience encompasses a full range of operational, financial and human resources consulting, including management and operations reviews, classification and compensation studies, privatization analysis, financial modeling, personnel policies development, benefits analysis and financial feasibility studies.

Prior to joining the firm, Mark was the founder and Director of the Michigan Municipal League's Municipal Consulting Services Department for eight years. Prior to that he served as Manager, Local Government Consulting at Plante & Moran and as a senior governmental consultant for the firm of Coopers & Lybrand.

## **Education**

Mark graduated from Wayne State University with a Bachelor's degree and Master's of Public Administration, summa cum laude. He is also certified as a Senior Professional in Human Resources (SPHR).

## **Professional Organizations**

- International City/County Management Association
- Society for Human Resources Management
- International Personnel Management Association
- Government Finance Officers Association
- WorldatWork

## **Personal Mission Statement**

Mark believes that assisting governments with consulting services and issue resolution can be one small, but important facet in improving local government operations.

---

# John F. Kaczor, MPP

*Financial Consultant, Governmental Consulting – Ann Arbor*



## Areas of Expertise

- Financial Forecasting & Five-year Financial Models
- Utility Rate Setting Analysis
- City Income Tax Feasibility Studies
- Administrative Cost Allocation Plan Development
- Municipal Budget Analysis
- Classification and Compensation & Personnel Policies Development
- Benefits Analysis

## Contact Information

Phone: 734.277.4454  
Fax: 517.788.8111  
Email: [jkaczor@rehmann.com](mailto:jkaczor@rehmann.com)

## Current Position

John serves as the firm's Governmental Financial Consultant.

## Experience

John has over ten years of experience providing Michigan municipal entities and public authorities with consulting services. His primary focus is on financial consulting, including five-year financial modeling, utility rate setting, income tax feasibility analysis, cost allocation and economic analysis. He also has experience in human resources and operational consulting, including departmental reviews, classification and compensation studies, personnel policies development, and benefits analysis.

Prior work experience includes serving as Senior Consultant and Manager of Municipal Consulting Services at the Michigan Municipal League. Additionally, John has worked for the City of Ann Arbor, the City of New York, and the Government Finance Officer's Association.

## Education

John holds a graduate degree in Public Policy from the University of Michigan's Ford School of Public Policy. He also has a Bachelor's degree in Economics and Sociology from Western Michigan University.

## Professional Organizations

- International City/County Management Association
- American Water Works Association

## Personal Mission Statement

John seeks to provide local governments with effective tools and solutions to efficiently manage and deliver services.



**THE REHMANN GROUP**  
*Business wisdom delivered.*

# JULY FINANCIAL STATEMENT REVIEW

## (OPPORTUNITIES)

- Missed Ice sales revenue by \$22,099 (\$25,627 actual VS \$47,725 budget) due to no 3 on 3 Youth Leagues, no 3 on 3 tournament and no dry floor rental. We had a 3 on 3 tournament scheduled for July, but delayed it due to a conflict with a baseball tournament. It was re-scheduled in August instead to make up for the missed revenue.
- Missed F&B sales revenue by \$2612 (\$3,005 actual sales VS \$5617 budget) due to slow business at Munson Park and facility traffic was less than anticipated due to not having the 3 on 3 Youth League and 3 on 3 tournament.
- Missing our 3 on 3 Youth League cost us \$16,134 in revenue for the month and a net income of \$13,304.
- Camp Canlan sales revenue was down \$5,774. We had very low participation in our hockey camps and no sign ups for our last two multi sports camps. Our most popular camps during the summer were our skate and tumble and dance and tumble camps. However this is double than July 2006. We are moving in the right direction, but slower than anticipated.

## (SUCCESSES)

- Operations / Production was \$5103 under budget. Our electric bill was \$2382 under budget, our gas bill was \$1607 under budget and our ice maintenance wages were \$775 under budget due to only having one sheet of ice in during July.

## (OVERALL REVIEW)

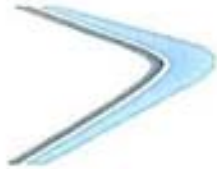
- We were budgeted for a net loss of (\$16,926) and our actual net loss was (\$33,882) so our variance was -\$16,956 versus our budget, which was almost entirely attributed to lack of success for our 3 on 3.

## (LOOKING AHEAD)

- We held tryouts for the Monroe County Community College team this past week in September and the team is expected to have a club team that will participate in the ACHA this year. If all goes as planned and the team plays this season it will bring in about 40 hours of practice ice time as well as 6-8 home games, which will be approx. \$10,000 in extra revenue not budgeted into our AOP.
- The 1<sup>st</sup> Annual "Lace Up For Youth" Charity Hockey Game took place on September 8<sup>th</sup> and local Monroe County Firefighters and Police Officers defeated the Doctors and Paramedics 9-8 in an overtime shootout. The game was a huge success, with more than 250 spectators and we raised a little more than \$4000 that will be utilized in order to provide 40-50 children in Monroe the financial resources they need to participate in one ice activities including Learn-to-Skate and Learn-to-Play Hockey. Revenue that will flow into the facility. The newspaper even covered the story and printed an article on the front page of the Monroe Evening News this past Sunday.
- We currently have 5 new High School teams that will be utilizing our facility for practice ice time starting in November, which will add to our ice sales revenue that was not planned in our AOP.
- We are still in the process of working on bringing the GTBL Greater Toledo Broomball League to our facility for their 2008 season starting in January.

- I'm already being contacted now about the possibility of hosting the following the events next spring / summer (a Golden Gloves Boxing Tournament, a Family Friendly Pro Wrestling Show, a "Battle of the Bands" Concert, a hockey tournament to raise money for ALS research, International Pages Circus, and the police and firefighters that participated in the charity hockey game would like for me to set up a hockey game just between the police and fire in the spring). All of these events could be great revenue for the facility and great events for the local community for people to have more things to do in the area.

## **Management Partners**



# **MANAGEMENT PARTNERS**

INCORPORATED

August 20, 2007

Mr. David E. Molloy  
Chief of Police  
City of Novi  
45125 West 10 Mile Road  
Novi, Michigan 48375

Dear Chief Molloy:

It was a pleasure speaking with you this week. Thank you for the opportunity to discuss your interest in having Management Partners conduct a review of Emergency Dispatch Services contracts. This letter proposal outlines our approach to completing the work we discussed.

Based on our conversation, we intend to review the Police Department's existing contracts for Emergency Dispatch Services to ensure that the City is recouping its costs for services. We will also estimate the cost of an additional contract for the City of Walled Lake.

## **PROPOSED PLAN OF WORK**

At the beginning of this project we will meet with you and your dispatch supervisor to refine our understanding of the business concerns giving rise to the project so that the project plan and schedule can be precisely tailored to the Police Department's needs. We will learn more about your objectives and expectations for this project and make sure we have a project plan that will deliver the desired end result.

At this time we expect to finalize the project plan, deliverables and schedule. This project start-up activity will lay the basis of the partnership between our project team and City staff. It will afford the opportunity to share information and to refine the project schedule so that it is comfortably integrated with the other work demands that must continue during the life of the project.

Next, Management Partners will review and analyze the City's existing Emergency Dispatch Services contracts. We will also work with Police Department staff to obtain and review current workload data. Once the workload data has been reviewed, Management Partners will develop a service-based costing model. This model will allow us to determine if the City is recouping its cost for services under its existing contracts. Additionally, we will use the costing model to estimate the cost for a new Emergency Dispatch Services contract with Walled Lake.



Once the above analysis is complete, Management Partners will document the costing model and prepare a report that summarizes our findings. If you desire, we will also be available to present our findings to the City.

## PROJECT TEAM

I will provide general project direction and oversight to this project. Wayne Chapman and Jared Croxton will assist with this project. Brief qualifications for each team member are provided below.

**Julia Novak**, Regional Vice President, directs the work of Management Partners' eastern operations. She joined the company in 2003 after 16 years serving local governments in Fort Collins, Colorado; Lexington, Massachusetts; Rockville, Maryland; and, most recently, as City Manager of Rye, New York. Julia has focused her professional life on developing "community" in organizations and cities. Board development, employee feedback, process management, facilitation, training and leadership development are among her areas of specialty. At Management Partners Julia has directed organizational reviews and studies for virtually all areas of municipal operations, including finance, human resources, planning and development review, health and human services, public works, facilities, fleet, public safety and parks and recreation. Julia has been directly involved in developing business and strategic plans, and in developing and reviewing performance measures/indicators. She is also a skilled process manager with excellent facilitation skills.

**Wayne Chapman**, Partner, has more than 25 years experience as a practicing public manager and more than a decade of experience assisting local governments as a consultant for Management Partners. He joined Management Partners in 1994 after serving as city manager of Aspen, Colorado, and Schenectady, New York. He also was budget director and director of neighborhood housing and conservation for Cincinnati, Ohio. Wayne's consulting engagements have included comprehensive staffing reviews, organizational analyses, process improvement projects, management information systems, performance measurement, training, financial modeling and forecasting, and cost recovery modeling. Wayne has particular expertise in working with law enforcement agencies across the country to analyze operations and develop organizational improvements, including emergency dispatch operations. As a consultant, he has helped police departments in Louisville, Kentucky; Boston, Baltimore, Cleveland, Albuquerque and Topeka, Kansas. Wayne also has worked with sheriff departments in Polk County, Florida; King County, Washington; and Loudoun County, Virginia.

**Jared Croxton**, Management Analyst, joined Management Partners in May 2007. He graduated from the University of Cincinnati with a degree in urban studies and a certificate in urban planning, and currently is completing a master's degree in applied economics there. Prior to joining the company, Jared gained valuable local government experience through internships at the Northern Kentucky Tri-County Economic Development Corporation (Tri-ED) and the City of Loveland, Ohio. He also spent time working at the Applied Economics Research Institute at the University of Cincinnati.



### HOURS OF WORK AND PROJECT COST

It is estimated that 110 hours of management consulting assistance will be required to complete this project. This estimate is a *minimum* commitment of Management Partners' time to complete the work; often, additional time is allocated as required to assure that the project is performed at the high quality level that is our trademark. The total fee to complete the scope of work described above is \$14,700, including expenses.

### CONCLUSION

We will be pleased to provide any further information you desire or answer any questions about this proposal. We look forward to the opportunity to assist the City of Novi Police Department.

Sincerely,



Julia D. Novak  
Regional Vice President

Accepted for the City of Novi, Michigan

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Date



## **Plante & Moran**



Plante & Moran, PLLC  
27400 Northeastern Highway  
P.O. Box 307  
Southfield, MI 48037-0307  
Tel: 248.352.2500  
Fax: 248.352.0018  
plante@moran.com

August 10, 2007

David E. Molloy  
Police Chief  
City of Novi  
45125 West Ten Mile Road  
Novi, MI 48375

Re: Dispatch Center Analysis

Dear Chief Molloy:

Plante & Moran, PLLC is pleased to provide you with this proposal to analyze the current dispatch center costs for the Novi Police Department. You are requesting an analysis of your current dispatch costs to evaluate the cost structure and chargeback methodology to contract communities and to determine the potential impact of integrating the City of Walled Lake operations into your dispatch center. We are sending this letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, to confirm our understanding of the nature and limitations of the services we will provide and the terms of our engagement with the Novi Police Department to provide these services.

We believe that Plante & Moran is uniquely qualified to serve the Novi Police Department with this important project due to our recent completion of the shared services inventory project for the City, a recent analysis of Walled Lake's dispatch operation and our extensive background in conducting dispatch center analyses throughout the southeast Michigan and the state. Plante & Moran's proposed project team brings to this engagement extensive knowledge and experience gained working with many jurisdictions to develop solutions to support their law enforcement needs. The Firm has been in existence since 1924, and serving governmental entities for nearly a half century. We are the lead firm in Michigan with regard to objective municipal consulting and accounting services, and pioneered many of the methodologies that other consultants in the state now attempt to duplicate. Additionally, as the auditors for the City, Plante & Moran has a basic understanding of the community and its character, and can assure you of an objective and independent assessment.

Our project approach offers the following benefits:

- A successful record of assisting numerous governmental agencies involved in law enforcement engagements. In the past several years Plante & Moran has assisted the Cities of Ann Arbor and Westland with operational review projects, in addition to performing several dispatch, police and fire consolidation studies within Southeast Michigan. In Oakland County, as you may be aware, we were very involved with the CLEMIS consortium to take maximum advantage of the more than \$23 million of new public safety technology that the county has deployed.



- As accountants and advisors to over 400 local government clients, our Firm is well recognized as a leading Michigan provider of independent, objective consulting advice.
- Substantial knowledge and experience working with municipal police departments in areas including dispatch analysis, staffing studies, and general law enforcement policies and procedures.
- A record of timely, thorough and insightful project analyses.
- A strong project team, blending public sector operational experience in the areas of dispatch operations and technology, police best practices and general management expertise.

### Project Workplan

Step 1 – Collect and review relevant documentation, including:

- Organization Chart
- Roster of relevant positions/employees
- Job descriptions
- Dispatch statistical data, including demand and response time data
- Current and historical operating budget detail
- Historical financial data surrounding the dispatch center costs of the department, including but not limited to the following:
  - Current year expenditures
  - Historical trends (3 to 5 years)
  - Contractual agreements with other communities
  - Staffing levels
  - Training costs
  - Backfill costs
  - Lost time history and statistics
- Current labor agreements and contracts
- Crime statistics
- Population trends and growth expectations
- Dispatch technology plans and procedures
- Dispatch operating policies and procedures
- Dispatch performance standards and objectives

Step 2 – Conduct interviews with Police Department and Finance Department staff, focused on dispatch operations and costs. Individual and group interviews will be conducted, where appropriate, with staff from the functions listed below. Other individuals may be determined as integral to successful project completion and may be added to this list, as necessary.

- Police Chief (1)
- Deputy Police Chief (1)
- Dispatch Supervisor, as applicable (1)
- Dispatch staff, if needed (2-3)

- Finance staff, as needed (2-3)

We expect a total of approximately 7 to 10 interviews within the scope of the engagement, in order to gather the relevant information.

Step 3 – Retrieve the City of Walled Lake dispatch data for inclusion in our operational and financial analysis. The goal of this workplan step is to collect relevant workload and volume data from the City of Walled Lake to accurately project the impact of additional calls for service on the Novi Police dispatch operation. We will conduct a staffing analysis to determine the current capacity of the Novi center and impact of the additional calls on the operation. The additional workload will then be translated to staffing requirements for a consolidated operation.

Step 4 – Review existing dispatch service sharing contracts. Review the existing contracts with the City of South Lyon and Lyon Township to determine if Novi is (1) recovering full costs associated with providing dispatch services, and (2) using a reasonable formula for cost recovery. We will provide the Novi Police Department with best practice information regarding other similar agreements based upon our experience.

Step 5 – Develop a financial analysis of dispatch center costs – current and potential with the addition of the City of Walled Lake. Based upon this cost structure, develop possible cost sharing formulas for the contract communities participating in the center, including the City of South Lyon, Lyon Township and the City of Walled Lake. The numbers presented will include both options - with and without the City of Walled Lake.

Step 6 – Prepare a draft report noting our key findings and recommendations, including but not limited to the following topics:

- Dispatch cost history and trends
- Dispatch calls for service volumes by jurisdiction
- Possible cost sharing formulas
- Staffing requirements (with the addition of Walled Lake)

Step 7 – Conduct a meeting with the Police Chief and other appropriate parties participating in the study to review the draft report findings.

Step 8 – Based on the outcomes of the draft report meeting, prepare final report revisions, as appropriate, for completion of a final document.

Step 9 – Publish the final project report.

**Project References**

Police and Dispatch references include:

**Current Projects:**

Client Contact	Project Description
<p><b>Ann Arbor Police Department</b> Dan Oates Previously: Chief of Police 100 N. Fifth Avenue Ann Arbor, MI 48104 <b>(303) 739-6021</b></p> <p>Now Aurora, Colorado Police Chief</p>	<p><u>Comprehensive Police Organizational Review</u> Plante Moran reviewed the Ann Arbor Police Department to consider the adequacy of key administrative systems within the Police Department including: organizational, technology and financial controls.</p>
<p><b>Westland Police Department</b> Dan Pfannes Previously: Chief of Police 36701 Ford Rd. Westland, MI 48185 <b>(313) 224-2232</b></p> <p>Now Wayne County Undersheriff</p>	<p><u>Comprehensive Police Organizational Review</u> Plante Moran reviewed the Westland Police Department to consider the adequacy of key administrative systems within the Police Department including: organizational, technology and financial controls.</p>
<p>Rick Heinz Roseville Police Chief <b>(586) 447-4500</b></p> <p>Ken Podolski St. Clair Shores City Manager <b>(586) 447-3311</b></p>	<p><u>Southeast Macomb County Central Dispatch Consortium</u> Feasibility and design project to determine if consolidating dispatch operations between eight agencies gains economies of scale and improves service for everyone. Addressing topics including governance, operations, labor, and technology. The final report is scheduled to be completed in March 2007.</p>

Client Contact	Project Description
<p><b>Dispatch Consolidation Study</b>                      Mr. John Neilsen                      Ingham County                      Interim Controller                      341 S. Jefferson                      P.O. Box 319                      Mason, MI 48854                      (517) 676-7211</p>	<p><u>Consolidated Dispatch Feasibility Study</u>                      Assisted Ingham County with a feasibility study for consolidating the two primary PSAP's (Lansing and East Lansing). Project activities included data collection and review, assistance with the development of reasonable operational, technological, facilities and financial assumptions for construction of a feasibility model, and cost projections over a multi-year period to determine the cost effectiveness of a consolidated versus unconsolidated approach to dispatch services within the County. The report was presented in July, 2006.</p> <p>The County recently approved an additional project for us to perform related to the advantages and disadvantages of a consolidated center plan versus dual dispatch center design. The project is planned to begin in August, 2007.</p>
<p><b>City of Livonia</b>                      Mr. Peter Kunst                      Director of Public Safety                      15050 Farmington Road                      Livonia, MI 48154                      (734) 466-2300</p>	<p><u>Administrative Operations Review</u>                      Conducted an administrative operations review of the Fire and Police Departments for the new Public Safety Director. Addressed fire department staffing levels primarily through comparative department data collection activities. Developed recommendations to address the following issues within the Department:</p> <ul style="list-style-type: none"> <li>• Organizational roles and responsibilities</li> <li>• Functional efficiency and effectiveness</li> <li>• Cost savings/resource reallocation opportunities</li> <li>• Administrative staffing requirements</li> <li>• Technology use and maintenance requirements</li> </ul>
<p><b>Grand Haven Township</b>                      William Cargo                      Township Manager                      13300 168th Avenue                      Grand Haven, MI 49417                      (616) 842-5988</p>	<p><u>Comprehensive Police Organizational Review.</u>                      Plante Moran reviewed the current services provided to the Township via contract from the Ottawa County Sheriff's Department. The purpose of the study was to consider the adequacy of services based on call volumes and types of calls. The scope of the analysis was to examine 4 specific options for continued Police Service.</p>



Client Contact	Project Description
<p>Mr. Robert Daddow Deputy County Executive 1200 N. Telegraph Pontiac, MI 48341-0047 <b>(248) 858-0490</b></p>	<p><u>Birmingham-Bloomfield Township Police and Fire Consolidation</u> Consolidation feasibility study between the communities of Birmingham and Bloomfield Township to look at options for the provision of regional police and fire service. Addressing topics including governance, operations, financing and dispatch.</p> <p><u>Southeast Oakland County Fire Regionalization (Ferndale, Hazel Park, Madison Heights, Pleasant Ridge, Royal Oak, Royal Oak Township)</u> Consolidation feasibility study between the six communities to look at establishing a regional fire authority. Addressing topics including governance, operations, financing and dispatch.</p> <p><u>Southwest Oakland County Police and Fire Regionalization (Commerce Township, Walled Lake, Wixom, Wolverine Lake)</u> Consolidation feasibility study between the four communities to look at options for the provision of regional police and fire service. Addressing topics including governance, operations, financing and dispatch.</p> <p><u>Northeast Oakland County Fire Collaboration (Groveland Township, Village of Holly, Holly Township, Rose Township, Springfield Township)</u> Collaboration feasibility study to identify areas for increased cooperation between the five communities. Looking at several options for increase collaboration, ranging from joint purchasing up to possibly full consolidation. Addressing topics including governance, operations, financing and dispatch.</p>
<p><b>City of Wyandotte</b> Todd Drysdale Administrator <b>(734) 324-4566</b></p>	<p><u>Police and Fire Department Review</u> Review of Police and Fire Departments, as part of a city-wide operations review.</p>

Client Contact	Project Description
<p><b>Dispatch Centralization Study</b>                      Mr. Alan Vanderberg                      Previously: Deputy County Administrator                      300 Monroe Ave.                      Grand Rapids, MI                      (616) 738-4898</p> <p>Now Ottawa County Administrator</p>	<p><u>Consolidation Feasibility Study</u>                      Conducted a feasibility study for consolidating dispatch centers serving communities in Kent County. This included an analysis of Dispatch Center Staffing requirements to meet call for service volumes.</p> <p>We also assisted Kent County plan the implementation of the Central Dispatch operation. This project included a Committee and Subcommittee structure, including workgroups for governance, operations, information technology, wireless, E9-1-1 telecommunications, and facilities. We assisted all stakeholders in addressing issues related to these topics through facilitation of the majority of project workgroups.</p>
<p><b>Downriver Community Conference</b>                      Mr. Richard Huebler                      Mayor, Allen Park                      Chair, DCC Study Committee                      16850 Southfield Rd                      Allen Park, MI 48101                      (313) 928-1470</p>	<p><u>Fire Regionalization Study</u>                      The Downriver Community Conference (DCC) consists of 19 communities. These communities provide independent Fire, Police and Emergency Medical services. The DCC maintains a standing Mutual Aid Committee to facilitate cooperation between these communities. This Mutual Aid Committee requested a planning study to identify options for further regional cooperation, including service regionalization, to better meet the needs of the Detroit/Wayne County Homeland Security Plan.</p> <p>This Planning Study explored enhancements to the current mutual aid system. The Study explored options for Fire Service consolidation and developed a regional model to improve CBRNE/WMD response. Five communities are moving forward with the plan to establish a regional fire authority by January 2008.</p>
<p><b>City of Fraser</b>                      Jeff Bremer                      Administrator                      (586) 293-3102</p>	<p><u>Public Safety Department Review</u>                      Review of Public Safety Department, as part of a city-wide operations review.</p>

Client Contact	Project Description
<p><b>Cooperative PSAP Study</b> Chief Michael Kitchen City of Ferndale Police Department 310 E. Nine Mile Ferndale, MI 48220 (248) 546-2398</p>	<p><u>Consolidation Feasibility Study</u> Conducted a feasibility study for twelve dispatch centers serving sixteen communities in Southeast Oakland County to establish a cooperative dispatch center. The study included developing alternatives for lockup/holding security to permit redeployment of police officers that previously also performed dispatch duties. The report has been delivered and the participating agencies are deliberating their next steps.</p>
<p><b>City of Madison Heights</b> Mr. Jon R. Austin City Manager 300 W. Thirteen Mile Road Madison Heights, MI 48071 (248) 837-2603</p>	<p><u>Fire Department Staffing Analysis</u> Conducted a staffing analysis of the Madison Heights Fire Department to determine the impact of reducing minimum staffing from 9 firefighters on each shift to 8 firefighters on each shift. The Department was experiencing significant overtime and was preparing its budget for 2006/2007. We provided analysis of the revised staffing level(s) against the following parameters, providing recommendations for staffing levels in the future.</p> <ul style="list-style-type: none"><li>• City service levels</li><li>• Equipment utilization</li><li>• ISO ratings</li><li>• Overtime impacts</li></ul>
<p><b>Clare County</b> Randy Terronez County Administrator (989) 539-2510</p>	<p><u>E9-1-1 Dispatch Center Assessment</u> Assisted Clare County assess options in addressing the limited size and aging infrastructure associated with the county-wide E9-1-1 dispatch center. The study focused on the operational, technological and economic impact of moving all dispatch activities to Isabella County or Gladwin County or keeping it within Clare by expanding the existing facility or by building a new facility. An analysis of equipment (E911, radio, CAD, and related adjunct systems including recorders, battery back-up and generators), 911 network, and radio transmission implications were conducted. A report was submitted identifying pros and cons of each alternative and budgetary estimates were provided regarding the most feasible solutions.</p>

## Staffing

**Mr. Adam J. Rujan**, a Partner with the Government Consulting practice who has more than twenty years experience consulting to government and public sector organizations, will serve the Novi Police Department as Project Director. Mr. Rujan's experience includes assisting governmental units with organizational and operational analyses, productivity and cost studies, and system reviews. He has developed specific expertise in assisting organizations understand and implement new technology. Mr. Rujan has significant experience assisting police department clients with operational issues. He served as project director for the following engagements: Oakland County Consolidated PSAP Feasibility Study, Ann Arbor Police Department Organizational Study, and Westland Police Department Organizational Study. His clients have included a wide range of local municipalities, counties, agencies and authorities and state government. He is a frequent presenter and has authored numerous articles on improving operational efficiency and effectiveness. Mr. Rujan earned a B.S. degree in engineering from Wayne State University and an M.B.A. from the University of Michigan.

**Ms. Christine Andrysiak**, a Manager with the Plante & Moran Government Consulting practice who has more than fifteen years of operations consulting experience, will serve the Novi Police Department as Project Manager. She has extensive experience in both conducting and managing large-scale operational review, process improvement, staffing, budgeting and standard setting projects to improve operational efficiency. She has assisted numerous governmental agencies with operational improvement initiatives focused on improving response times, reducing processing time, improving customer service levels, and enhancing operational effectiveness. She has developed specific expertise in the area of police and fire operations, managing several police department organization review projects, police consolidation projects and central dispatch consolidation projects. Specific projects have included: the Ann Arbor Police Department Organizational Review, several Oakland County police and fire regionalization projects, the Kent County Central Dispatch Implementation Planning Project, Ingham County Consolidated Dispatch Review and Southeast Macomb County Central Dispatch Consortium Feasibility/Design Project. Prior to joining Plante and Moran, she managed the operations engineering consulting department of a large health care insurance organization, where she developed manpower staffing requirements for all operational areas, spanning 2500 employees and over \$100 million in direct personnel costs. Ms. Andrysiak has a Bachelor of Science in Industrial and Operations Engineering Degree and a Master of Business Administration Degree (High Distinction) from the University of Michigan, Ann Arbor.

**Mr. Craig Frankland**, a Consultant with the Plante & Moran Government Consulting practice who has over 2 years of operations consulting experience will serve the Novi Police Department as a primary project consultant. He has experience in conducting dispatch center staffing analysis, business process improvement, staffing workload studies, and operational efficiency analysis. Mr. Frankland has a Bachelor of Science in Industrial and Operations Engineering and a Master of Science in Industrial and Operations Engineering from the University of Michigan, Ann Arbor.

We believe that based upon this experience and the quality of our proposed team, we are well qualified to assist the Novi Police Department. As outlined in our project references and project staffing, we are committed to the projects success and have assembled a team with a broad depth of "hands-on" work in the area of police dispatch operations that are critical to the success of the project.

### **Project Fees**

Our fee for this engagement will be based on the actual time that staff expend at our standard hourly rates which, subject to the terms and conditions of the accompanying Professional Services Agreement, will not exceed \$14,250. This estimate is contingent on the availability of information, accessibility of people to discuss and review matter, issues and questions, and the number of revisions required to complete the engagement.

As you probably realize, our primary cost is salaries that are paid currently. Accordingly, our invoices, which will be rendered as services are provided are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice. Consistent with our standard practice, we will invoice only for actually incurred fees and direct expenses. In the event that actual costs are lower than the estimate, we will invoice accordingly.

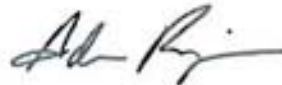
We are available to begin project activities immediately upon your approval. This project is expected to be completed within 60 to 90 days; however we are flexible to complete the project according to your requirements.

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you. Should you have any questions or require additional information, please do not hesitate to contact either Adam Rujan at 248.223.3328 or Christine Andrysiak at 248.223.3330. Our goal at Plante & Moran is to provide value, and provide you with realistic options to help you make important decisions regarding appropriate cost sharing formulas for providing dispatch services to communities surrounding the City of Novi.

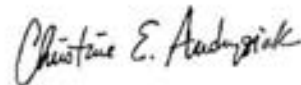
Very truly yours,

PLANTE & MORAN, PLLC



Adam Rujan

Partner



Christine Andrysiak

Manager

Cc: Joe Heffernan  
Les Pulver

**Agreed and Accepted**

We accept this engagement letter and the accompanying Professional Services Agreement, which set forth the entire agreement between the Novi Police Department and Plante & Moran, PLLC with respect to the services specified in the "Scope of Services" section of this engagement letter. This agreement may be amended by written agreement between Plante & Moran, PLLC and the Novi Police Department.

Novi Police Department

\_\_\_\_\_  
Mr. David E. Molloy

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**Professional Services Agreement – Consulting Services  
Addendum to Plante & Moran, PLLC Engagement Letter Dated August 10, 2007**

1. **Management Responsibilities** – The consulting services we will provide are inherently advisory in nature. We have no responsibility for any management decisions or management functions in connection with our engagement to provide these services. Further, you acknowledge that the Novi Police Department is responsible for all such management decisions and management functions; for evaluating the adequacy and results of the services we will provide and accepting responsibility for the results of those services; and for establishing and maintaining internal controls, including monitoring ongoing activities, in connection with our engagement. You have designated Chief David Molloy to oversee the services we will provide to the Novi Police Department.
2. **Nature of Services** – Our analysis will be based on information and records provided to us by the Novi Police Department. We will rely on such underlying information and records and our analysis will not include audit or verification of the information and records provided to us in connection with our project activities.

The analysis we will perform will not constitute an examination or audit of any Novi Police Department financial statements or any other items. The objective of our engagement is not to express an opinion on the Novi Police Department's internal controls in accordance with standards issued by the American Institute of Certified Public Accountants and, accordingly, will express no such opinion. In addition, our engagement is not designed and cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, we will inform you of any such matters that come to our attention.

3. **Use of Report** – At the conclusion of our project activities, we will provide you with a written report as described in our proposal dated August 10, 2007. Our report will be restricted solely to use by management of the Novi Police Department, and you agree that our report will not be distributed to any outside parties for any purpose other than to carry out legal responsibilities of the Novi Police Department. We will have no responsibility to update our report for any events or circumstances that occur or become known subsequent to the date of that report.
4. **Confidentiality, Ownership and Retention of Workpapers** – During the course of this engagement, P&M and P&M staff may have access to proprietary information of the Novi Police Department, including, but not limited to, information regarding trade secrets, business methods, plans, or projects. We acknowledge that such information, regardless of its form, is confidential and proprietary to the Novi Police Department, and we will not use such information for any purpose other than our consulting engagement or disclose such information to any other person or entity without the prior written consent of the Novi Police Department.

In some circumstances, we may use third party service providers to assist us with our engagement. In order to enable these service providers to assist us in this capacity, we must disclose information to these service providers that is relevant to the services they provide. Disclosure of such information shall not constitute a breach of the provisions of this agreement.

Professional standards require that we create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of Plante & Moran, PLLC. We will maintain the confidentiality of all such workpapers as long as they remain in our possession.

The Novi Police Department and Plante & Moran, PLLC acknowledge, however, that we may be required to make our workpapers available to regulatory authorities or by court order or subpoena. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this agreement. In the event that a request for any confidential information or workpapers covered by this agreement

is made by regulatory authorities or pursuant to a court order or subpoena, we agree to inform the Novi Police Department in a timely manner of such request and to cooperate with the Novi Police Department should you attempt, at your cost, to limit such access. This provision will survive the termination of this agreement.

We reserve the right to destroy, and it is understood that we will destroy, workpapers created in the course of this engagement in accordance with our record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. P&M has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon the Novi Police Department's written request, we may, at our sole discretion, allow others to view any workpapers remaining in our possession if there is a specific business purpose for such a review. We will evaluate each written request independently. You acknowledge and agree that we will have no obligation to provide such access or to provide copies of our workpapers, without regard to whether access had been granted with respect to any prior requests.

5. **Fee Estimates** – In any circumstance where we have provided estimated fees, fixed fees or not to exceed fees, these estimated, fixed or not-to-exceed fees are based on the Novi Police Department personnel providing P&M staff the assistance necessary to satisfy the Novi Police Department responsibilities under the scope of services. Assistance includes the Novi Police Department personnel being available and cooperative and providing needed information in a timely and orderly manner. In the event that the actual work required for this engagement varies from our estimates due to undisclosed or unforeseen facts regarding these matters, we will notify you and discuss with you the adjustments to our estimated fees for the additional time we incur as a result. Any additional fees will be determined based on the actual time that P&M staff expend at our standard hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and included as an adjustment to our invoices related to this engagement. You acknowledge and agree that payment for all such adjustments will be made in accordance with the payment terms provided in this agreement.
6. **Payment Terms** – Our invoices for professional services are due upon receipt unless otherwise specified in our engagement letter. In the event any of our invoices are not paid in accordance with the terms of this agreement, we may elect, at our sole discretion, to suspend work until we receive payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, we offer no guarantee, express or implied, that we will be able to meet any previously established deadlines related to the completion of our consulting work or issuance of our consulting report upon resumption of our work.
7. **Termination of Engagement** – This agreement may be terminated by either party upon written notice. Upon notification of termination, our services will cease and our engagement will be deemed to have been completed. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination of this engagement.
8. **Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the State of Michigan.





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

August 10, 2007

David E. Molloy  
Police Chief  
City of Novi  
45125 West Ten Mile Road  
Novi, MI 48375

Re: Dispatch Center Analysis

Dear Chief Molloy:

Plante & Moran, PLLC is pleased to provide you with this proposal to analyze the current dispatch center costs for the Novi Police Department. You are requesting an analysis of your current dispatch costs to evaluate the cost structure and chargeback methodology to contract communities and to determine the potential impact of integrating the City of Walled Lake operations into your dispatch center. We are sending this letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, to confirm our understanding of the nature and limitations of the services we will provide and the terms of our engagement with the Novi Police Department to provide these services.

We believe that Plante & Moran is uniquely qualified to serve the Novi Police Department with this important project due to our recent completion of the shared services inventory project for the City, a recent analysis of Walled Lake's dispatch operation and our extensive background in conducting dispatch center analyses throughout the southeast Michigan and the state. Plante & Moran's proposed project team brings to this engagement extensive knowledge and experience gained working with many jurisdictions to develop solutions to support their law enforcement needs. The Firm has been in existence since 1924, and serving governmental entities for nearly a half century. We are the lead firm in Michigan with regard to objective municipal consulting and accounting services, and pioneered many of the methodologies that other consultants in the state now attempt to duplicate. Additionally, as the auditors for the City, Plante & Moran has a basic understanding of the community and its character, and can assure you of an objective and independent assessment.

Our project approach offers the following benefits:

- A successful record of assisting numerous governmental agencies involved in law enforcement engagements. In the past several years Plante & Moran has assisted the Cities of Ann Arbor and Westland with operational review projects, in addition to performing several dispatch, police and fire consolidation studies within Southeast Michigan. In Oakland County, as you may be aware, we were very involved with the CLEMIS consortium to take maximum advantage of the more than \$23 million of new public safety technology that the county has deployed.



- As accountants and advisors to over 400 local government clients, our Firm is well recognized as a leading Michigan provider of independent, objective consulting advice.
- Substantial knowledge and experience working with municipal police departments in areas including dispatch analysis, staffing studies, and general law enforcement policies and procedures.
- A record of timely, thorough and insightful project analyses.
- A strong project team, blending public sector operational experience in the areas of dispatch operations and technology, police best practices and general management expertise.

### **Project Workplan**

Step 1 – Collect and review relevant documentation, including:

- Organization Chart
- Roster of relevant positions/employees
- Job descriptions
- Dispatch statistical data, including demand and response time data
- Current and historical operating budget detail
- Historical financial data surrounding the dispatch center costs of the department, including but not limited to the following:
  - Current year expenditures
  - Historical trends (3 to 5 years)
  - Contractual agreements with other communities
  - Staffing levels
  - Training costs
  - Backfill costs
  - Lost time history and statistics
- Current labor agreements and contracts
- Crime statistics
- Population trends and growth expectations
- Dispatch technology plans and procedures
- Dispatch operating policies and procedures
- Dispatch performance standards and objectives

Step 2 – Conduct interviews with Police Department and Finance Department staff, focused on dispatch operations and costs. Individual and group interviews will be conducted, where appropriate, with staff from the functions listed below. Other individuals may be determined as integral to successful project completion and may be added to this list, as necessary.

- Police Chief (1)
- Deputy Police Chief (1)
- Dispatch Supervisor, as applicable (1)
- Dispatch staff, if needed (2-3)

- Finance staff, as needed (2-3)

We expect a total of approximately 7 to 10 interviews within the scope of the engagement, in order to gather the relevant information.

Step 3 – Retrieve the City of Walled Lake dispatch data for inclusion in our operational and financial analysis. The goal of this workplan step is to collect relevant workload and volume data from the City of Walled Lake to accurately project the impact of additional calls for service on the Novi Police dispatch operation. We will conduct a staffing analysis to determine the current capacity of the Novi center and impact of the additional calls on the operation. The additional workload will then be translated to staffing requirements for a consolidated operation.

Step 4 – Review existing dispatch service sharing contracts. Review the existing contracts with the City of South Lyon and Lyon Township to determine if Novi is (1) recovering full costs associated with providing dispatch services, and (2) using a reasonable formula for cost recovery. We will provide the Novi Police Department with best practice information regarding other similar agreements based upon our experience.

Step 5 – Develop a financial analysis of dispatch center costs – current and potential with the addition of the City of Walled Lake. Based upon this cost structure, develop possible cost sharing formulas for the contract communities participating in the center, including the City of South Lyon, Lyon Township and the City of Walled Lake. The numbers presented will include both options - with and without the City of Walled Lake.

Step 6 – Prepare a draft report noting our key findings and recommendations, including but not limited to the following topics:

- Dispatch cost history and trends
- Dispatch calls for service volumes by jurisdiction
- Possible cost sharing formulas
- Staffing requirements (with the addition of Walled Lake)

Step 7 – Conduct a meeting with the Police Chief and other appropriate parties participating in the study to review the draft report findings.

Step 8 – Based on the outcomes of the draft report meeting, prepare final report revisions, as appropriate, for completion of a final document.

Step 9 – Publish the final project report.

**Project References**

Police and Dispatch references include:

**Current Projects:**

Client Contact	Project Description
<p><b>Ann Arbor Police Department</b> Dan Oates Previously: Chief of Police 100 N. Fifth Avenue Ann Arbor, MI 48104 <b>(303) 739-6021</b></p> <p>Now Aurora, Colorado Police Chief</p>	<p><u>Comprehensive Police Organizational Review</u> Plante Moran reviewed the Ann Arbor Police Department to consider the adequacy of key administrative systems within the Police Department including: organizational, technology and financial controls.</p>
<p><b>Westland Police Department</b> Dan Pfannes Previously: Chief of Police 36701 Ford Rd. Westland, MI 48185 <b>(313) 224-2232</b></p> <p>Now Wayne County Undersheriff</p>	<p><u>Comprehensive Police Organizational Review</u> Plante Moran reviewed the Westland Police Department to consider the adequacy of key administrative systems within the Police Department including: organizational, technology and financial controls.</p>
<p>Rick Heinz Roseville Police Chief <b>(586) 447-4500</b></p> <p>Ken Podolski St. Clair Shores City Manager <b>(586) 447-3311</b></p>	<p><u>Southeast Macomb County Central Dispatch Consortium</u> Feasibility and design project to determine if consolidating dispatch operations between eight agencies gains economies of scale and improves service for everyone. Addressing topics including governance, operations, labor, and technology. The final report is scheduled to be completed in March 2007.</p>

Client Contact	Project Description
<p><b>Dispatch Consolidation Study</b> Mr. John Neilsen Ingham County Interim Controller 341 S. Jefferson P.O. Box 319 Mason, MI 48854 <b>(517) 676-7211</b></p>	<p><u>Consolidated Dispatch Feasibility Study</u> Assisted Ingham County with a feasibility study for consolidating the two primary PSAP's (Lansing and East Lansing). Project activities included data collection and review, assistance with the development of reasonable operational, technological, facilities and financial assumptions for construction of a feasibility model, and cost projections over a multi-year period to determine the cost effectiveness of a consolidated versus unconsolidated approach to dispatch services within the County. The report was presented in July, 2006.</p> <p>The County recently approved an additional project for us to perform related to the advantages and disadvantages of a consolidated center plan versus dual dispatch center design. The project is planned to begin in August, 2007.</p>
<p><b>City of Livonia</b> Mr. Peter Kunst Director of Public Safety 15050 Farmington Road Livonia, MI 48154 <b>(734) 466-2300</b></p>	<p><u>Administrative Operations Review</u> Conducted an administrative operations review of the Fire and Police Departments for the new Public Safety Director. Addressed fire department staffing levels primarily through comparative department data collection activities. Developed recommendations to address the following issues within the Department:</p> <ul style="list-style-type: none"><li>• Organizational roles and responsibilities</li><li>• Functional efficiency and effectiveness</li><li>• Cost savings/resource reallocation opportunities</li><li>• Administrative staffing requirements</li><li>• Technology use and maintenance requirements</li></ul>
<p><b>Grand Haven Township</b> William Cargo Township Manager 13300 168th Avenue Grand Haven, MI 49417 <b>(616) 842-5988</b></p>	<p><u>Comprehensive Police Organizational Review.</u> Plante Moran reviewed the current services provided to the Township via contract from the Ottawa County Sheriff's Department. The purpose of the study was to consider the adequacy of services based on call volumes and types of calls. The scope of the analysis was to examine 4 specific options for continued Police Service.</p>

Client Contact	Project Description
<p>Mr. Robert Daddow Deputy County Executive 1200 N. Telegraph Pontiac, MI 48341-0047 <b>(248) 858-0490</b></p>	<p><u>Birmingham-Bloomfield Township Police and Fire Consolidation</u> Consolidation feasibility study between the communities of Birmingham and Bloomfield Township to look at options for the provision of regional police and fire service. Addressing topics including governance, operations, financing and dispatch.</p> <p><u>Southeast Oakland County Fire Regionalization (Ferndale, Hazel Park, Madison Heights, Pleasant Ridge, Royal Oak, Royal Oak Township)</u> Consolidation feasibility study between the six communities to look at establishing a regional fire authority. Addressing topics including governance, operations, financing and dispatch.</p> <p><u>Southwest Oakland County Police and Fire Regionalization (Commerce Township, Walled Lake, Wixom, Wolverine Lake)</u> Consolidation feasibility study between the four communities to look at options for the provision of regional police and fire service. Addressing topics including governance, operations, financing and dispatch.</p> <p><u>Northeast Oakland County Fire Collaboration (Groveland Township, Village of Holly, Holly Township, Rose Township, Springfield Township)</u> Collaboration feasibility study to identify areas for increased cooperation between the five communities. Looking at several options for increase collaboration, ranging from joint purchasing up to possibly full consolidation. Addressing topics including governance, operations, financing and dispatch.</p>
<p><b>City of Wyandotte</b> Todd Drysdale Administrator <b>(734) 324-4566</b></p>	<p><u>Police and Fire Department Review</u> Review of Police and Fire Departments, as part of a city-wide operations review.</p>

Client Contact	Project Description
<p><b>Dispatch Centralization Study</b>                      Mr. Alan Vanderberg                      Previously: Deputy County Administrator                      300 Monroe Ave.                      Grand Rapids, MI                      (616) 738-4898</p> <p>Now Ottawa County Administrator</p>	<p><u>Consolidation Feasibility Study</u>                      Conducted a feasibility study for consolidating dispatch centers serving communities in Kent County. This included an analysis of Dispatch Center Staffing requirements to meet call for service volumes.</p> <p>We also assisted Kent County plan the implementation of the Central Dispatch operation. This project included a Committee and Subcommittee structure, including workgroups for governance, operations, information technology, wireless, E9-1-1 telecommunications, and facilities. We assisted all stakeholders in addressing issues related to these topics through facilitation of the majority of project workgroups.</p>
<p><b>Downriver Community Conference</b>                      Mr. Richard Huebler                      Mayor, Allen Park                      Chair, DCC Study Committee                      16850 Southfield Rd                      Allen Park, MI 48101                      (313) 928-1470</p>	<p><u>Fire Regionalization Study</u>                      The Downriver Community Conference (DCC) consists of 19 communities. These communities provide independent Fire, Police and Emergency Medical services. The DCC maintains a standing Mutual Aid Committee to facilitate cooperation between these communities. This Mutual Aid Committee requested a planning study to identify options for further regional cooperation, including service regionalization, to better meet the needs of the Detroit/Wayne County Homeland Security Plan.</p> <p>This Planning Study explored enhancements to the current mutual aid system. The Study explored options for Fire Service consolidation and developed a regional model to improve CBRNE/WMD response. Five communities are moving forward with the plan to establish a regional fire authority by January 2008.</p>
<p><b>City of Fraser</b>                      Jeff Bremer                      Administrator                      (586) 293-3102</p>	<p><u>Public Safety Department Review</u>                      Review of Public Safety Department, as part of a city-wide operations review.</p>

Client Contact	Project Description
<p><b>Cooperative PSAP Study</b> Chief Michael Kitchen City of Ferndale Police Department 310 E. Nine Mile Ferndale, MI 48220 <b>(248) 546-2398</b></p>	<p><u>Consolidation Feasibility Study</u> Conducted a feasibility study for twelve dispatch centers serving sixteen communities in Southeast Oakland County to establish a cooperative dispatch center. The study included developing alternatives for lockup/holding security to permit redeployment of police officers that previously also performed dispatch duties. The report has been delivered and the participating agencies are deliberating their next steps.</p>
<p><b>City of Madison Heights</b> Mr. Jon R. Austin City Manager 300 W. Thirteen Mile Road Madison Heights, MI 48071 <b>(248) 837-2603</b></p>	<p><u>Fire Department Staffing Analysis</u> Conducted a staffing analysis of the Madison Heights Fire Department to determine the impact of reducing minimum staffing from 9 firefighters on each shift to 8 firefighters on each shift. The Department was experiencing significant overtime and was preparing its budget for 2006/2007. We provided analysis of the revised staffing level(s) against the following parameters, providing recommendations for staffing levels in the future.</p> <ul style="list-style-type: none"><li>• City service levels</li><li>• Equipment utilization</li><li>• ISO ratings</li><li>• Overtime impacts</li></ul>
<p><b>Clare County</b> Randy Terronez County Administrator <b>(989) 539-2510</b></p>	<p><u>E9-1-1 Dispatch Center Assessment</u> Assisted Clare County assess options in addressing the limited size and aging infrastructure associated with the county-wide E9-1-1 dispatch center. The study focused on the operational, technological and economic impact of moving all dispatch activities to Isabella County or Gladwin County or keeping it within Clare by expanding the existing facility or by building a new facility. An analysis of equipment (E911, radio, CAD, and related adjunct systems including recorders, battery back-up and generators), 911 network, and radio transmission implications were conducted. A report was submitted identifying pros and cons of each alternative and budgetary estimates were provided regarding the most feasible solutions.</p>



## Staffing

**Mr. Adam J. Rujan**, a Partner with the Government Consulting practice who has more than twenty years experience consulting to government and public sector organizations, will serve the Novi Police Department as Project Director. Mr. Rujan's experience includes assisting governmental units with organizational and operational analyses, productivity and cost studies, and system reviews. He has developed specific expertise in assisting organizations understand and implement new technology. Mr. Rujan has significant experience assisting police department clients with operational issues. He served as project director for the following engagements: Oakland County Consolidated PSAP Feasibility Study, Ann Arbor Police Department Organizational Study, and Westland Police Department Organizational Study. His clients have included a wide range of local municipalities, counties, agencies and authorities and state government. He is a frequent presenter and has authored numerous articles on improving operational efficiency and effectiveness. Mr. Rujan earned a B.S. degree in engineering from Wayne State University and an M.B.A. from the University of Michigan.

**Ms. Christine Andrysiak**, a Manager with the Plante & Moran Government Consulting practice who has more than fifteen years of operations consulting experience, will serve the Novi Police Department as Project Manager. She has extensive experience in both conducting and managing large-scale operational review, process improvement, staffing, budgeting and standard setting projects to improve operational efficiency. She has assisted numerous governmental agencies with operational improvement initiatives focused on improving response times, reducing processing time, improving customer service levels, and enhancing operational effectiveness. She has developed specific expertise in the area of police and fire operations, managing several police department organization review projects, police consolidation projects and central dispatch consolidation projects. Specific projects have included: the Ann Arbor Police Department Organizational Review, several Oakland County police and fire regionalization projects, the Kent County Central Dispatch Implementation Planning Project, Ingham County Consolidated Dispatch Review and Southeast Macomb County Central Dispatch Consortium Feasibility/Design Project. Prior to joining Plante and Moran, she managed the operations engineering consulting department of a large health care insurance organization, where she developed manpower staffing requirements for all operational areas, spanning 2500 employees and over \$100 million in direct personnel costs. Ms. Andrysiak has a Bachelor of Science in Industrial and Operations Engineering Degree and a Master of Business Administration Degree (High Distinction) from the University of Michigan, Ann Arbor.

**Mr. Craig Frankland**, a Consultant with the Plante & Moran Government Consulting practice who has over 2 years of operations consulting experience will serve the Novi Police Department as a primary project consultant. He has experience in conducting dispatch center staffing analysis, business process improvement, staffing workload studies, and operational efficiency analysis. Mr. Frankland has a Bachelor of Science in Industrial and Operations Engineering and a Master of Science in Industrial and Operations Engineering from the University of Michigan, Ann Arbor.

We believe that based upon this experience and the quality of our proposed team, we are well qualified to assist the Novi Police Department. As outlined in our project references and project staffing, we are committed to the projects success and have assembled a team with a broad depth of "hands-on" work in the area of police dispatch operations that are critical to the success of the project.

### **Project Fees**

Our fee for this engagement will be based on the actual time that staff expend at our standard hourly rates which, subject to the terms and conditions of the accompanying Professional Services Agreement, will not exceed \$14,250. This estimate is contingent on the availability of information, accessibility of people to discuss and review matter, issues and questions, and the number of revisions required to complete the engagement.

As you probably realize, our primary cost is salaries that are paid currently. Accordingly, our invoices, which will be rendered as services are provided are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice. Consistent with our standard practice, we will invoice only for actually incurred fees and direct expenses. In the event that actual costs are lower than the estimate, we will invoice accordingly.

We are available to begin project activities immediately upon your approval. This project is expected to be completed within 60 to 90 days; however we are flexible to complete the project according to your requirements.

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you. Should you have any questions or require additional information, please do not hesitate to contact either Adam Rujan at 248.223.3328 or Christine Andrysiak at 248.223.3330. Our goal at Plante & Moran is to provide value, and provide you with realistic options to help you make important decisions regarding appropriate cost sharing formulas for providing dispatch services to communities surrounding the City of Novi.

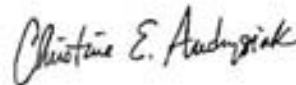
Very truly yours,

**PLANTE & MORAN, PLLC**



Adam Rujan

Partner



Christine Andrysiak

Manager

Cc: Joe Heffernan  
Les Pulver

**Agreed and Accepted**

We accept this engagement letter and the accompanying Professional Services Agreement, which set forth the entire agreement between the Novi Police Department and Plante & Moran, PLLC with respect to the services specified in the "Scope of Services" section of this engagement letter. This agreement may be amended by written agreement between Plante & Moran, PLLC and the Novi Police Department.

Novi Police Department

\_\_\_\_\_  
Mr. David E. Molloy

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**Professional Services Agreement – Consulting Services  
Addendum to Plante & Moran, PLLC Engagement Letter Dated August 10, 2007**

1. **Management Responsibilities** – The consulting services we will provide are inherently advisory in nature. We have no responsibility for any management decisions or management functions in connection with our engagement to provide these services. Further, you acknowledge that the Novi Police Department is responsible for all such management decisions and management functions; for evaluating the adequacy and results of the services we will provide and accepting responsibility for the results of those services; and for establishing and maintaining internal controls, including monitoring ongoing activities, in connection with our engagement. You have designated Chief David Molloy to oversee the services we will provide to the Novi Police Department.
2. **Nature of Services** – Our analysis will be based on information and records provided to us by the Novi Police Department. We will rely on such underlying information and records and our analysis will not include audit or verification of the information and records provided to us in connection with our project activities.

The analysis we will perform will not constitute an examination or audit of any Novi Police Department financial statements or any other items. The objective of our engagement is not to express an opinion on the Novi Police Department's internal controls in accordance with standards issued by the American Institute of Certified Public Accountants and, accordingly, will express no such opinion. In addition, our engagement is not designed and cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, we will inform you of any such matters that come to our attention.

3. **Use of Report** – At the conclusion of our project activities, we will provide you with a written report as described in our proposal dated August 10, 2007. Our report will be restricted solely to use by management of the Novi Police Department, and you agree that our report will not be distributed to any outside parties for any purpose other than to carry out legal responsibilities of the Novi Police Department. We will have no responsibility to update our report for any events or circumstances that occur or become known subsequent to the date of that report.
4. **Confidentiality, Ownership and Retention of Workpapers** – During the course of this engagement, P&M and P&M staff may have access to proprietary information of the Novi Police Department, including, but not limited to, information regarding trade secrets, business methods, plans, or projects. We acknowledge that such information, regardless of its form, is confidential and proprietary to the Novi Police Department, and we will not use such information for any purpose other than our consulting engagement or disclose such information to any other person or entity without the prior written consent of the Novi Police Department.

In some circumstances, we may use third party service providers to assist us with our engagement. In order to enable these service providers to assist us in this capacity, we must disclose information to these service providers that is relevant to the services they provide. Disclosure of such information shall not constitute a breach of the provisions of this agreement.

Professional standards require that we create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of Plante & Moran, PLLC. We will maintain the confidentiality of all such workpapers as long as they remain in our possession.

The Novi Police Department and Plante & Moran, PLLC acknowledge, however, that we may be required to make our workpapers available to regulatory authorities or by court order or subpoena. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this agreement. In the event that a request for any confidential information or workpapers covered by this agreement

is made by regulatory authorities or pursuant to a court order or subpoena, we agree to inform the Novi Police Department in a timely manner of such request and to cooperate with the Novi Police Department should you attempt, at your cost, to limit such access. This provision will survive the termination of this agreement.

We reserve the right to destroy, and it is understood that we will destroy, workpapers created in the course of this engagement in accordance with our record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. P&M has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon the Novi Police Department's written request, we may, at our sole discretion, allow others to view any workpapers remaining in our possession if there is a specific business purpose for such a review. We will evaluate each written request independently. You acknowledge and agree that we will have no obligation to provide such access or to provide copies of our workpapers, without regard to whether access had been granted with respect to any prior requests.

5. **Fee Estimates** – In any circumstance where we have provided estimated fees, fixed fees or not to exceed fees, these estimated, fixed or not-to-exceed fees are based on the Novi Police Department personnel providing P&M staff the assistance necessary to satisfy the Novi Police Department responsibilities under the scope of services. Assistance includes the Novi Police Department personnel being available and cooperative and providing needed information in a timely and orderly manner. In the event that the actual work required for this engagement varies from our estimates due to undisclosed or unforeseen facts regarding these matters, we will notify you and discuss with you the adjustments to our estimated fees for the additional time we incur as a result. Any additional fees will be determined based on the actual time that P&M staff expend at our standard hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and included as an adjustment to our invoices related to this engagement. You acknowledge and agree that payment for all such adjustments will be made in accordance with the payment terms provided in this agreement.
6. **Payment Terms** – Our invoices for professional services are due upon receipt unless otherwise specified in our engagement letter. In the event any of our invoices are not paid in accordance with the terms of this agreement, we may elect, at our sole discretion, to suspend work until we receive payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, we offer no guarantee, express or implied, that we will be able to meet any previously established deadlines related to the completion of our consulting work or issuance of our consulting report upon resumption of our work.
7. **Termination of Engagement** – This agreement may be terminated by either party upon written notice. Upon notification of termination, our services will cease and our engagement will be deemed to have been completed. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination of this engagement.
8. **Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the State of Michigan.