

County Incentive Program (CIP) or Economic Vitality Incentive Program (EVIP) Category 2 Report

Cooperation/Collaboration/Consolidation of Services Plan

Submitted January 28, 2014



Prepared by:

Alan Vanderberg, County Administrator
Keith Van Beek, Assistant County Administrator

Ottawa County Board of Commissioners

James C. Holtrop, District 5, Chairman
Joseph S. Baumann, District 2, Vice Chairman
Stu P. Visser, District 1
Donald G. Disselkoen, District 3
Allen Dannenberg, District 4
Dennis L. Van Dam, District 6
James H. Holtvluwer, District 7
Greg J. DeJong, District 8
Philip D. Kuyers, District 9
Roger A. Bergman, District 10
Matthew R. Fenske, District 11

Introduction

This plan has been prepared in accordance with the state's County Incentive Program (CIP), otherwise known as the Economic Vitality Incentive Program (EVIP), relating to the consolidation of services. The state established three new categories with CIP that need to be met in order to qualify for the formerly known state revenue sharing payments. Category 2, consolidation of services, requires that each eligible county (or city, village, or township), certify by February 1 of each year that it has produced a consolidation plan. This is the second such plan submitted by Ottawa County, referenced by the State as a "previous filer" plan. This plan is to provide an update on the status of proposals included in the previous years' consolidation plan, but also to include one or more proposals to increase its existing level of cooperation, collaboration, and consolidation either within the jurisdiction or with other jurisdictions along with an estimated cost savings and timeline for implementation.

Ottawa County, and the local government entities both within and neighboring it, have a long history of working collaboratively. While the state requires a report that focuses primarily on cost savings, many other factors have and continue to be important in decisions to collaborate. Experience indicates that the quality of service provided, resident expectations for service, the impact on the community, and state regulations that sometimes limit the ability to collaborate are elements to fully consider. The associated cost savings are from the perspective of Ottawa County, and are often very difficult to calculate accurately. Future proposals for collaboration are also not intended to be an exhaustive list, and focus as much on collaborative partnerships and processes to generate future possibilities as individual efforts.

Update on the Status of Proposals Reported in 2013

As indicated in the prior section, Ottawa County focuses as much on partnerships, processes and systems to regularly evaluate opportunities for efficiencies and cost savings in the delivery of effective public services. The environment created by the Great Recession and push from state government in programs such as CIP to further look at opportunities have only underscored the continued commitment by Ottawa County in this area. A challenge, or reality, for the County is that many opportunities involve partnerships with local units of government to regionalize services at a County level. The County has been and will continue to be consistent in offering these opportunities to local units, but it is difficult to provide timelines or calculate cost savings in this particular area of opportunity as the local unit partner both has control of making the decision to move a service to the County and is more likely to recognize the cost savings through such an arrangement.

1. Specifications for Contracts

- a. **2013 Report** - The County has made it a regular practice since early 2012 to include "me too" clauses in most contracts where local units of government could join in a commodity purchase or IT purchase at a lower cost because of the volume generated through the County. This is particularly useful to maintain options for further collaboration in the future, as the cost savings may also result in more standardized software programs that create opportunities for collaboration in administrative services such as finance, payroll, and human resources.

- b. **2014 Update** – The status of this proposal is that it continues. Our enterprise resource planning (ERP) system that consists of financial and human resources software packages include this clause, for example, to create the flexibility to take advantage of opportunities to collaborate in the future. This has no definite timeline. We also continue our collaborative with Kent County on a reverse purchasing system that we then extend to all local units of government in our County. This innovative software system allows group procurement and delivery of goods; all while having qualified bidders compete for business by offering progressively lower prices in a controlled bid setting. This is actively being used and expanded to more local units.

2. **Service Area Delivery Team**

- a. **2013 Report** - The County is a member of a regional planning organization, the Macatawa Area Coordinating Council (MACC), which has created an innovative standing committee dedicated to develop new community collaborations and approaches within the MACC area to plan and deliver high quality public services. Comprised of two counties, two cities, seven townships, and private sector representatives, the service area delivery team is currently compiling a list of opportunities and specific projects with associated timeframes for completion. This effort is included in the report because of our belief that it is a structure and process that will produce the cost efficient and effective public services. The Committee was formed in mid-2011 and has met monthly since to discuss, formulate and implement new collaborative ideas. This is an EVIP grant supported program. The process of the project is taking slightly longer than expected, but the initial list of projects and prioritization of those projects is expected to be completed by 7/1/13.
- b. **2014 Update** – The status of this proposal is that it continues. A community report was finalized and the EVIP grant completed. The July 2013 report prioritized twenty-one (21) opportunities for enhanced collaboration and the group continues to meet monthly to further develop those opportunities and bring to implementation, each with its own evaluation and timeline.

3. **IT and Telephony Collaboration**

- a. **2013 Report** – The County has recently received a consultant report looking at the future of IT services for the organization. Included in the analysis are recommendations to establish an infrastructure that would allow for either offering services to other entities, or obtaining services from other partners or sources. The IT Study was accepted by the Board of Commissioners in December of 2012 and is expected to take a few years to fully implement. The IT study is expected to primarily result in improved service levels and integration with our local unit partners. The County is also a partner in a telephony study looking at opportunities among multiple public partners throughout the County to merge telephony infrastructure and services. It is expected that both studies will reveal opportunities, which are expected to deliver a decrease in accumulated costs, by the end of 2013. The Board of Commissioners approved our involvement in the Telephony Study in December. The Telephony Study is being pursued to better analyze and

determine an expected Return-on-Investment to decide whether or not to pursue this project. No barriers to mention.

- b. **2014 Update** – The status of this proposal is that it is in progress. The County IT study is being implemented and provides a greater infrastructure upon which collaborative services can be provided to interested local units of government. We have plans being developed with two, and talks with several other local units, to implement various levels of IT service upon completion of our IT infrastructure by July of 2014. The telephony study has also been finalized this month and creates opportunity to have a shared infrastructure, which will be further evaluated and likely developed during 2014.

New Proposals Reported for 2014

As indicated in the prior section, Ottawa County focuses as much on partnerships, processes and systems to regularly evaluate opportunities for efficiencies and cost savings in the delivery of effective public services. The environment created by the Great Recession and push from state government in programs such as CIP to further look at opportunities have only underscored the continued commitment by Ottawa County in this area. A challenge, or reality, for the County is that many opportunities involve partnerships with local units of government to regionalize services at a County level. The County has been and will continue to be consistent in offering these opportunities to local units, but it is difficult to provide timelines or calculate cost savings in this particular area of opportunity as the local unit partner both has control of making the decision to move a service to the County and is more likely to recognize the cost savings through such an arrangement.

1. **Finance Director for the Village of Spring Lake** – a pilot agreement has been reached between the County and the Village of Spring Lake to provide a finance director for budgeting and accounting administration services as outlined in a specific agreement. The six (6) month pilot agreement will allow staff from the County to replace a prior full-time employee of the Village. It is anticipated that this arrangement will enable the Village to secure the services of a more capable employee at something less than 40 hours of work per week. It is currently estimated that the Village will use 24 hours per week of services, potentially representing a savings of 16 hours a week of pay and benefits. The agreement was signed on January 14, 2014.
2. **Employee Training** – one of the initiatives of the MACC Service Area Delivery Team is the expansion of the Ottawa County training and development program to local units of government. A specific brochure was created in January and distributed in February that advertises classes that employees of local units of government can attend that have otherwise been only for County employees. During 2014 this expansion will be evaluated, new classes to meet local need potentially added, and capacity and utilization tracked to see if the County can meet the need with existing levels or if more staffing is needed. The costs for classes to the locals are to meet the direct costs of the County only, and when compared to the private sector are at a lower cost to the local units of government.