

**Community Collaboration Work Group**  
**Meeting Minutes**

Friday, November 30, 2012 – 8:00 am  
Room 310 - County Administration Building

**MEMBERS PRESENT:** County Commissioner Jim Saalfeld (Chair); Grand Rapids City Commissioner Rosalynn Bliss (Vice-Chair); President of the Grand Rapids Chamber of Commerce Rick Baker; Attorney Jim Brown; Grand Rapids Township Supervisor Mike DeVries; President & CEO of the Hispanic Center of Western Michigan Maria Gonzalez-Cortes; County Commissioners Carol Hennessy, Dan Koorndyk and Mike Wawee Jr.; Grand Valley State University Professor of Economics Paul Isely; President & CEO of The Right Place, Inc. Birgit Klohs; Walker City Manager Cathy Vander Meulen

**MEMBERS ABSENT:** Grand Rapids City Commissioner Jim White

**ALSO PRESENT:** County Administrator/Controller Daryl Delabbio; Assistant County Administrators Mary Swanson & Wayman Britt; Executive Assistant to the Board Jamie Groom; Grand Rapids City Manager Greg Sundstrom; Grand Rapids Deputy City Manager Eric DeLong; County Management Analyst Jen DeHaan; Scott Atchison

**NEWS MEDIA:** None.

Mr. Saalfeld called the meeting to order at 8:05 am.

I. **APPROVAL OF THE MINUTES**

The minutes from November 7, 2012, were reviewed and approved with edits.

II. **SUMMARY OF MAJOR FUNCTIONS OF GOVERNMENT – Public Services**

Mr. Delabbio began the presentation about Public Services by explaining that public services are referred to differently amongst the municipalities. “Public Services” usually covers water, sewer, leaf pick-up, street sweeping, plowing, cemeteries, etc. A small community like Rockford, Lowell, or Walker may have these services funded in different ways. Streets may also be funded in multiple ways depending on whether they are a major street or a smaller street. Water/Sewer may be enterprise funds and may be funded. One expense for Kent County is maintaining landfills which have been closed. The Public Works Department is funded through user fees in Kent County. The County used to provide water/sewer, however it is no longer a provider.

Mr. DeLong said that enterprise funds are operated more like a business, and funds come from fees. Public funds are treated a little bit differently; gas and weight taxes go to the County and local units, but they are not sufficient for cost of maintenance (potholes, snowplowing, etc) and management. Cities like Wyoming and Kentwood have a streets millage that pays the capital part of replacing the roads.

Mr. Sundstrom distributed a handout: “City of Grand Rapids Service Transformation.” The City of Grand Rapids has been very focused on creating new models in the last three years with a lot of success. Grand Rapids has defined a core of services that will be transformed. Because of the size of Grand Rapids, the administration is organized in a very specific way. They are unable to benefit from the cross training efficiencies that small governments have, but they gain in the specialization of services. Accounting functions aren’t much more complex because much of it is defined by law.

Mr. Sundstrom said that the City received a temporary five-year income tax increase which will generate nine million dollars a year. These funds will be used over the five-year period to fulfill

campaign promises to hire police officers and firefighters. The balance of these funds will be used to fill in holes in the general fund and to figure out a way to shrink costs so that the revenues exceed the costs in the General Fund. The city invested the balance, approximately 30 million dollars, into a venture capital fund which was created to reinvest in the City's services. In the private sector when services are retooled, a lot of money is spent. It is impossible to not do this, but governments are expected not to spend money, so they are trying to make services more efficient. The "Transformation Fund" should be the key to the City's success. The transformation plan with was created with 76 value streams. Some are short-term, but some last five years.

The transformation plan has six areas with teams of employees to address each. All but two have made significant progress on them at this point. For example, the Police Department has a budget of 50-million dollars, and it has been challenged to cut ten percent from its general fund expenditures. Currently, Grand Rapids has the lowest policing levels in 60 years; however Mr. Sundstrom believes the department can provide the same outcomes that it has for the last ten years.

Mr. Sundstrom said that the City of Grand Rapids provides 98 public services. Twenty-one of those services are public safety related. The City plans to implement a 3-1-1 system with publication of the January 2014 telephone book. There will be only two numbers for the City of Grand Rapids: 3-1-1 and 9-1-1. The savings will be small, and the return on investment takes five years. However, this will significantly improve customer service. A virtual City Hall will be available 24 hours each day as a tool for customers to take care of themselves and increase accountability for services provided.

Mr. Saalfeld asked Mr. Delabbio why the County migrated to solid waste recycling versus refuse collection. Mr. Delabbio answered that more and more communities were becoming interested in taking over their systems.

Ms. Gonzalez-Cortes noted that there is a problem with automated services with the government and the population that she works with. They fall through the cracks, because many do not have a cell phone and/or credit card to utilize these services. These people have an inability to navigate an increasing digital world which cuts off the government and creates another set of problems. She asked how a relationship could be reinvented with this sector.

Mr. Sundstrom said the top of the list is to serve everyone. It is not easy and not necessarily always successful. Anyone who income-qualifies will have a free refuse cart and free service; it is not a matter of not providing services to disadvantaged homes. The only service that must be paid by everyone is water. The City is very cognizant of the disadvantaged population.

As an example of collaboration and consolidation of opportunities Mr. DeLong shared that the water/sewer partnership is one of the longest standing partnerships at the City. It began in 60's or 70's as a community partnership. The City of Grand Rapids and participants in the system have evolved considerably in that it now has a utility advisory board which is a full partnership. Customer communities are involved in policies and operations. There are nine jurisdictions that are part of the advisory board. There remain some wholesale customers who chose to stay with existing agreements, those are Ottawa County and Gaines Township.

Mr. DeLong added that another form of collaboration is the organization of watersheds. All communities in the watershed participate in this. It looks at the Grand River and water quality. All communities work together to meet Federal and State storm water permit requirements through this organization. Grand Rapids is a phase-one community which is required to have an individual storm water

plan, though it is much more powerful to do this as a region working together to improve water quality through intergovernmental agreements.

Mr. Sundstrom added that one department that is being considered for consolidation is Community Development departments of Grand Rapids, Wyoming and Kent County. Federal money would come to the County to be used as a whole to provide services and a variety of Federal grants. Grand Rapids and Wyoming are designated to receive these directly from the Federal Government while Kent County is an entitlement community to send these funds to other units in the County.

Mr. Saalfeld asked about streets, lighting, etc.

Ms. Vander Meulen said that there are a number of informal collaborations that aren't necessarily documented. For example, one city may come to the aid of another city to loan equipment when needed or for special projects.

Mr. DeLong said that the Metropolitan Planning Organization and the Grand Valley Metropolitan Council (GVMC) work together on area street projects to get more State money. Currently, this group is working on a streets taskforce for Grand Rapids Residents. The GVMC owns an automated van that is driven through the streets in the region and gives excellent data about their quality. In 2002, the roads were reported to be 70% good. In the current year, 60% of the roads were reported to be in bad condition. There is room for collaboration in getting more money from the State to fix the roads.

Mr. Sundstrom said that Grand Rapids is working together with other local governing bodies to bring recommendations together to their Boards for the creation of common ordinances. Common ordinances are more efficient and effective.

Ms. Bliss added that when looking at ordinance changes, the elected officials need to be at the table during the process, because they are aware of the nuances in their communities. The process would be much smoother.

Ms. Klohs said that she feels an area for consolidation is in the drain commission area. There was a discussion of current collaborative projects and separate projects. In summary, the County Drain Commissioner can provide funding through assessments that the local governments cannot do.

### III. SUMMARY OF MAJOR FUNCTIONS OF GOVERNMENT – Administrative Services

Mr. Delabbio said that for Kent County Administrative Services includes: Information Technology, Facilities Management, Human Resources, Financial Services and the Administrator's Office. There are 35 local units of government who operate with multiple platforms in terms of Information Technology infrastructure. The common software amongst municipalities is the BS&A software which is used for assessing and treasury funds. It can be expanded beyond these areas, and many governments use it for their financial systems. The question is whether it is robust enough to handle larger local units of government. The majority of smaller units are using it for financial systems.

Mr. Sundstrom talked about an initiative which the State of Minnesota created – a virtual toolbox of everything that local government needs to run. It includes software, policies, practices, everything in a best-management practice way. The City of Grand Rapids has ten unique major systems in place for different functions and departments. They last about ten years, and cost about ten million dollars

each. It takes a couple of years to gain proficiency when changing systems and focuses staff on software instead of productivity. The State of Michigan wants to create a virtual toolbox. This would eliminate local units having to look for new systems, because the State would already have the system of best practice.

Mr. DeLong said the Michigan Municipal Services Authority (MMSA) – created by Livonia, the State and City of Grand Rapids, is creating a “virtual city hall.” The first project is a new financial management system which would be scalable for sophisticated uses like Kent County or Grand Rapids but scalable for smaller units of government. The system would be cloud-based and built on best management practices. The Funding for the project is through the State for collaboration, consolidation and cooperation. Grand Rapids is a recipient of the money, though the projects are on the behalf of the MMSA. The process is expected to take 18-24 months. The system will be available State-wide. MMSA is also looking at healthcare to see if there is a way to design a healthcare package that is more cost-effective collectively than one that is done individually; this project is being driven by Treasurer Dillon. Mr. DeLong believes the cost to participate in the virtual city hall system would be less than the cost of purchasing and installing a whole new system individually. MMSA could also branch into other areas, for example, assessing or a framework for assessing and help create regional partnerships.

Mr. DeVries said that building inspections are currently done collectively in the Townships. Townships have core functions: assessing property, tax collections, roads, parks and recreation, and running elections. It is also involved with the utility end.

Mr. Delabbio said that many local units have seen significant savings in the area of the reverse auction. Businesses register to become vendors and can choose areas they would like to participate in. When there is a bid up, the registered vendors get the bid information. On the established date, the bidding is open for an hour. Kent County sets a maximum price (what was paid the last time, usually) and allows bidders to bid. There has to be no activity within the last 10 minutes of the bid for it to end. Everything is done electronically. The County provides the infrastructure and the service, and local governments participate and see the cost savings. The reverse auction system was implemented in 2009 for the County, and in 2010 expanded to other local units of government. In the first year, the County saved 18% on commodities; roughly a million dollars. This process provides a larger vendor base and opportunities afforded to vendors that may not have been available to them in the past. The best examples of collaboration show measurable results. Twenty local units and two counties participate (Ottawa & Allegan) in the reverse auctions. Items are not stockpiled at the County; everything is delivered directly to the municipality.

Mr. Sundstrom said that the City of Grand Rapids has not changed to this way of purchasing, because they choose to buy locally whenever possible.

Ms. Gonzalez-Cortes asked if there is data available to track minority and women-owned businesses. Mr. Delabbio answered that he did not know if this is available, however he did state that approximately 80% of the vendors are local. Kent County feels that it is important to keep a level playing field for all vendors.

Mr. Saalfeld asked if there is anything that arose out of the collaboration between the City and County when the crane collapsed at the jail. Ms. Swanson added that the City loaned the County space, but there was not a consolidation or collaboration of services. The Sheriff, who is the heaviest user of the system, felt strongly that Fleet Services return to 701 Ball.

Ms. Bliss shared that she feels the City could condense its space-needs and sell land that isn't in use to the private sector or collaborate spaces with other governmental entities. It would be a good opportunity for collaboration.

Mr. Sundstrom said that the City has looked at this before. It would be difficult, because the spaces aren't big, but it could be done. He finds sharing the space with other local units interesting.

IV. OTHER BUSINESS/OPEN ITEMS

Next Meeting: Wednesday, December 5; 7:30 am.

V. PUBLIC COMMENT

None.

VI. NEXT MEETING

Upcoming meetings are scheduled for:

- December 5, 2012; 7:30 am – regular meeting
- December 5, 2012; 1:00-3:00 pm – Professor Kurt Thurmaier

VII. ADJOURNMENT

Mr. Saalfeld adjourned the meeting at 11:30 a.m.