

Shared Services Analysis Report

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Introduction

On February 9, 2015 the Cities of Maple Plain and Independence commenced a study to assess the feasibility of sharing administrative and public works services. The Communities contracted with David Drown Associates to conduct the study, with associate Gary Weiers providing consulting services.



Independence City Hall

The City of Independence was a township until 1957 when the community was incorporated as Village and then became a city in 1974. This city of 3,737 residents has a land mass of 32 square miles and is located at western most edge of Hennepin County.

Maple Plain was incorporated in 1912 and has 1,773 residents. Geographically it is a traditional small community. Maple Plain shares a border with Independence on three sides and therefore, has limited potential for expansion.

The City Halls of the communities are separated by a driving distance of 2 miles. Maple Plain is a rather typical small community in that its geographic footprint is small and compact. Independence, on the other hand, is spread out featuring acreages and large lots that provide a more rural type living environment. There are concentrations of people around the lakes in Independence, but for the most part, the area features large homesteads and hobby farms. The business environments are very different in that Maple Plain has several commercial businesses along Trunk Highway 12 along with typical downtown businesses.



Maple Plain City Hall

While there are a few traditional business operations along the Highway 12 corridor, Independence is generally a residential area with small businesses scattered throughout the countryside.

Executive Summary

The study consisted of significant data analysis together with individual interviews of all Council Members, most employees and consultants serving each community. In total, 20 information gathering individual interviews were conducted. On March 4, 2015, the initial data and results of the interviews were reviewed with the

Shared Services Committee which is charged by both communities to continuously examine new shared services opportunities.

The make-up of the Committee includes two elected officials from each community and the City Administrators from both communities. The Committee provided direction and guidance to the consultant during the course of the project.

The study confirmed a strong desire to work effectively together with the understanding that a complete merger was not the short term goal. Since the communities already enjoy a highly successful joint powers police service, staff and Councilors are motivated to examine other ventures that may yield similar positive outcomes.



Lake Independence

The analysis of financial information pointed toward a possibility of saving money while not adversely impacting services. In fact, it is clear that immediate savings could result from restructuring administration and public works. Conversely, those additional resources could be channeled into expanding the array of services currently being provided.

The following recommendations resulted from the analysis:

- A. Administrative services could be consolidated and utilize a single office location. This would result in savings from a reduction in FTE's, a reduction in contracted accounting related services and other miscellaneous areas. In addition, possible savings could be realized by no longer utilizing one of the facilities for office space.
- B. Public works services could be consolidated into a single entity serving both communities. Savings result from the reduction of one FTE. This service would not necessarily result in the elimination of a facility, but facility utilization could be enhanced by grouping equipment in a seasonal use manner.
- C. Consolidate building official services by using the existing Independence staff person and eliminate the contract in place for services in Maple Plain.
- D. Create a Joint Powers Board to administer administration, building inspections and public works services on behalf of Maple Plain and Independence. This board would consist of all members of both Councils.

- E. Consider coordinating Council meetings so the new Joint Powers Board and both City Councils meet the same evening. This could occur in the following manner:
 - a. One City Council meet at 6:00 pm, Joint Powers Board meet at 6:45 pm and one City Council meet at 7:30 pm
 - b. Rotate the locations of the meetings between Maple Plain and Independence
- F. Be attentive to the possibility of a full merger in the future
- G. Enhance Public Relations efforts
 - a. More strategically broadcast what is being done and how the changes will positively impact service levels and finances in both communities
 - b. The police department should be cited as an example of how sharing services positively impacts both communities

Background Information

The communities of Maple Plain and Independence have a long history of working effectively together. Faced with police service concerns in 1979, the communities formed a Joint Powers Board to govern a police department that serves both communities to the present time. This service is highly regarded by both citizens and elected officials.

In 1998, the Cities of Maple Plain and Independence commenced a process examining the possibilities of a complete merger of the two communities. This study indicated a merger was possible however at the point of the Councils voting to move ahead, the Maple Plain City Council voted to remain independent.

Since that time, the communities have continued periodic dialogue about the potential for sharing additional services. In 2014, the Shared Services Committee examined options for additional service sharing and the communities merged their newsletters and summer festivals.



Northside Park

In addition, the Committee recommended to the City Councils that further examination from an outside consultant may yield helpful information regarding public works and administration services. This led to both Councils approving a contract with David Drown Associates to study the possibilities in greater detail. This report is the result of that analysis.

Project Process

Two major study components were undertaken by David Drown Associates. The first consisted of structured interviews with all elected officials, all Maple Plain employees, most Independence employees, and consultants providing services to the communities.

The second major component consisted of an analysis of financial data from both communities. Budgets, Financial Statements and other sources were reviewed for this component.

Council and Employee/Consultant Interviews

A series of questions was asked of Council Members, employees and consultants serving both communities. The list of persons interviewed and the set of questions asked is attached as Addendum A.

These questions were designed to solicit comments about current organizational strengths and weaknesses, identification of obstacles to sharing services, organizational vision and information about how a complete merger would be perceived.

Responses were grouped by Council Members in one set and staff and consultants in another.

Council Comments

Council comments were very positive about the relationship between the communities and the strength of the foundation to permit additional sharing of services. Council members generally felt positive about the services currently being provided but many felt improvements and efficiencies could be accomplished by sharing additional services. As expected, there were a host of negative comments made about specific subjects, and those concerns served as a catalyst for continuing to examine service enhancements.

There was overwhelming satisfaction and support expressed about the current joint powers law enforcement operation and a recognition that the success experienced with that service could provide insight about how to share other services.

A sampling of specific comments from Council members includes:

- The staff understand the unique needs of each community
- Smaller is a good thing
- There is a redundancy and duplication of services
- Staff turnover in Independence is a concern
- Public works staff are very dedicated
- Competent public works staff
- Not enough time is being spent on prevention because fixing things is all that can get done
- Public safety is highly valued and working well
- Want both cities to be more efficient

- Do more with less
- Sharing equipment and talent would be a good thing
- Concern about citizen buy in and understanding of this effort
- Physical location of the staff
- Cultural differences between the two communities
- Merger may be the ultimate goal but maybe not right now
- Time is right to move forward with this
- There is a good relationship between the two Councils right now

Employee/Consultant Comments

Staff members and consultants generally expressed support for the examination of sharing additional services; however they shared greater concern about the details of how implementation would take place. Given that employees stand to be significantly impacted by sharing additional services, there is apprehension and concern for some.

Staff and consultants generally felt good about the quality of services being provided and the working relationships that already exist between the communities.

In some cases, staff and consultants felt like the only reason this is being looked at is to save money and they don't see how that could be accomplished. In addition, there were several concerns expressed about how the Council's would be able to reconcile the philosophical differences that currently exist between the Councils and the communities.

Furthermore, there were varied opinions about the potential for a full merger of the communities and how that might work. Some felt this would be the best way to go and others identified an array of reasons why it would not be possible.

A sampling of specific comments from staff and consultants includes:

- The communities are unique and staff do a good job of meeting the different needs in each community
- Too much work is currently outsourced to consultants
- Staffing two administrative offices is challenging, and therefore, offices end up being closed more than is desired
- Staff know their roles
- If more funding was available, services could be improved
- Don't see a merger happening so this is the next best thing
- The communities would not tolerate a full merger of the cities
- Don't know why this is even being looked at
- Sharing more services could eliminate redundancies in the communities
- Mixing together the two staffs would be difficult
- Cross training would be enhanced but it would also be difficult to do in some instances

Financial Information

The cost for each service area includes employee pay and benefits along with supplies, other purchased services and miscellaneous costs. Presently, each city does not budget in the same format, so exact comparisons are not possible; however the following series of charts attempts to articulate the information in a way that makes comparisons possible. The data is assembled in three categories, financial administration, building official and public works. Since building official services could logically be included in either administration or public works the information is presented separately here.

Financial Administration	Independence Budget 2015	Maple Plain Budget 2015	Combined Budget 2015
WAGES (FULL-TIME)	121,480	119,000	240,480
WAGES (PART-TIME)	16,580	3,000	19,580
WAGES (TEMPORARY HELP)	0		0
PERA	10,350	2,900	13,250
ADMINISTRATIVE INTERNSHIP		4,200	4,200
EDUCATIONAL ASSISTANCE		4,200	4,200
FICA/MEDICARE	10,560	9,700	20,260
CITY PAID BENEFIT ALLOWANCE-LI	26,310	19,400	45,710
COBRA EMPLOYEE INSURANCE	0		0
OFFICE SUPPLIES	4,000	2,580	6,580
DUPLICATING AND COPYING SUPPLY		1,030	1,030
ENVELOPES AND LETTERHEAD		930	930
EDP SOFTWARE AND DESIGN		3,760	3,760
AUDITING FEES	4,000	22,900	26,900
CPA FEES	56,650	5,150	61,800
OTHER CONSULTING EXPENSE	5,000		5,000
ASSESSOR'S FEE	52,000	15,580	67,580
COMMUNICATIONS	3,500	4,450	7,950
POSTAGE	1,500	3,910	5,410
TRAVEL & CONFERENCE EXPENSE	4,000	6,550	10,550
PRINTING&PUBLICATIONS-(LEGAL)	9,000	4,790	13,790
INSURANCE	7,000	3,510	10,510
MAINT.&REPAIR EQUIP.(CONTRACT)	2,500	2,780	5,280
GENERAL PUBLIC INFORMATION		1,440	1,440
MISCELLANEOUS	1,000	1,550	2,550
DUES & SUBSCRIPTIONS	5,700	1,250	6,950
LEASE/PURCHASE (COPIER)	8,000	3,440	11,440
CLAIM DEDUCTIBLE	500		500
AGENCY FEES	1,700		1,700
Total	351,330	248,000	599,330

Certain significant budget differences are noted in the chart on the proceeding page. For example, Independence allocates audit service fees by budget category and Maple Plain budgets the full cost of the audit in the Fiscal Administration section of the budget. Therefore the Financial Administration budget does not fully encompass the costs for those services.

Building Official	Independence Budget 2015	Maple Plain Budget 2015	Combined Budget 2015
WAGES (FULL-TIME)	61,660		61,660
WAGES- (TEMP HELP)	400		400
PERA	4,620		4,620
FICA/MEDICARE	4,720		4,720
CITY PAID BENEFIT ALLOWANCE-LI	10,960		10,960
CONTRACT FOR SERVICES		12,360	12,360
COLLECTED FOR OTHER AGENCIES		2,060	2,060
OFFICE SUPPLIES	250		250
VEHICLE OPER.SUPPLIES(FUEL,ETC)	450		450
AUDITING FEES	1,424		1,424
OTHER CONSULTING EXPENSE	150		150
COMMUNICATIONS (CELL)	1,500		1,500
CONFERENCE & TRAVEL	750		750
INSURANCE	3,200		3,200
MISCELLANEOUS	-		0
DUES & SUBSCRIPTIONS	275		275
BUILDING CODE SURCHARGE	3,000		3,000
Total	93,359	14,420	107,779

The Building Inspection budget demonstrates the two different approaches taken by Maple Plain and Independence in providing this service. In Independence, the service is provided by an employee and in Maple Plain a contractor is used to provide the service.

Public Works	Independence Budget 2015	Maple Plain Budget 2015	Combined Budget 2015
WAGES (FULL-TIME)	141,560	50,600	192,160
WAGES (TEMP HELP)	-		
PERA	10,620	3,700	14,320
FICA/MEDICARE	10,830	3,900	14,730
CITY PAID BENEFIT ALLOWANCE	34,350	22,600	56,950
WORKERS COMP INSURANCE		6,190	6,190
OPERATING SUPPLIES	600	420	1,020
VEHICLE OPER.SUPPLIES(FUEL,ETC	26,000	7,000	33,000
SIGNS	3,000		3,000
UNIFORMS	1,000	2,000	3,000
CULVERTS	4,000		4,000
MAINT.&REPAIR SUPPLIES (EQUIP)	21,000	3,670	24,670
MAINT.& REPAIR SUPPLIES(BLDG.)	4,500	5,710	10,210
ROAD MANT>MATERIALS (ONGOING)	50,000	15,450	65,450
BLACKTOP MATERIAL	40,000		40,000
EQUIPMENT CONTRACT HIRE	1,000	18,000	19,000
SMALL TOOLS & MINOR EQUIPMENT	300	620	920
AUDITING FEES	3,600		3,600
ENGINEERING	4,000	11,340	15,340
OTHER CONSULTING EXPENSE	-		0
COMMUNICATIONS (PHONE,E-MAIL)	4,000	2,830	6,830
TRAVEL,CONF.,EDUC.EXPENSE	250	1,290	1,540
PRINTING & PUBLICATIONS	300		300
INSURANCE	15,000	4,270	19,270
UTILITIES	9,000	9,070	18,070
GARBAGE PICK-UP	450		450
BRUSH CONTROL	1,000		1,000
MISCELLANEOUS	250	2,010	2,260
DUST CONTROL	65,000		65,000
SALES/FUEL TAX & LICENSE	2,000		2,000
EQUIPMENT RENTAL	500		500
GOPHER STATE ONE-CALL	1,800		1,800
SAFETY PROGRAM (AWAIR, ETC.)	1,800		1,800
MEMBERSHIP DUES	560	320	880
Total- Streets	458,270	170,990	629,260
Sidewalks and Crosswalks			
CONTRACT SERVICE		8,240	8,240
Total-Sidewalks	-	8,240	8,240

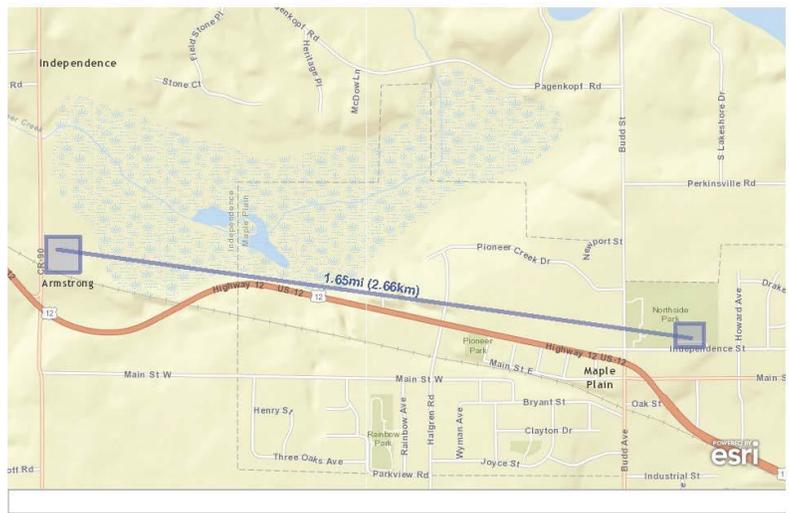
Public Works	Independence Budget 2015	Maple Plain Budget 2015	Combined Budget 2015
Street lighting			
STREET LIGHTING	2,300	29,030	31,330
Total- Street Lighting	2,300	29,030	31,330
Snow removal			
FULL TIME EMPLOYEES- REGULAR		8,700	8,700
FULL TIME EMPLOYEES- OVERTIME			0
PERA		600	600
FICA		700	700
SNOW REMOVAL-MATERIALS	25,000	3,860	28,860
Total-Snow Removal	25,000	13,860	38,860
Parks			
FULL TIME EMPLOYEES- REGULAR		12,400	12,400
FULL TIME EMPLOYEES- OVERTIME			0
PERA		900	900
FICA		900	900
CITY VOLUNTEER INSURANCE		180	180
WORKERS COMP INSURANCE		570	570
CONTRACT SERVICE		2,580	2,580
PARTICIPATE RECREATION	6,500		6,500
MISCELLANEOUS	-		0
YOUTH GROUPS	600		600
SUPPLIES & MATERIALS	1,000	210	1,210
REPAIRS & MAINTENANCE (MOWING)	5,500	3,450	8,950
FUELS		520	520
EQUIPMENT PURCHASES	500	3,610	4,110
STRUCTURE REPAIRS		1,030	1,030
IMPROVEMENTS OTHER THAN BUILDINGS		20,000	20,000
OTHER CONSULTING EXPENSE	500		500
PRINTING&PUBLICATIONS-(LEGALS)	500		500
INSURANCE	1,600	6,460	8,060
UTILITIES/WASTE REMOVAL	600		600
SHADE TREE DISEASE CONTROL		2,060	2,060
MISCELLANEOUS	200		200
FESTIVAL EXPENDITURES	7,500		7,500
Total-Parks	25,000	54,870	79,870
Total All Public Works	510,570	276,990	787,560

The Public Works budgets are the largest financial component in each organization. As previously stated, there are differences in format that limit line by line comparisons, but comparative data can be objectively examined.

Current Status: Administration

Facilities

Presently, each community has an administrative department that provides services to the public in offices that are located 1.9 miles apart. The Independence City Hall is owned by the City and the building also houses West Hennepin Public Safety. The Maple Plain City Hall is rented for \$31,455 per year from Orono Schools and is located in the multipurpose Discovery Center. City Hall locations are shown on the map at right.



The services provided at each facility are very similar. Response times are generally very good because of the quick access to City staff in each location. Because of the limited staff size in each City Hall, there are times when both facilities are closed due to having very limited staff to cover office hours.

Maple Plain has a five year lease (through 2018) for this space and there is potential to rent additional space adjacent to the office or develop the conference room into an office if growth was envisioned. In Independence City Hall, additional office space could be created by simply expanding offices into the Council Chambers or community room space.

Each office is a modern, functional facility that offers employees a good working environment. The service window in Maple Plain is within sight of the staff inside while the public approaching the window in Independence cannot see the staff and therefore need to ring a bell to announce their presence.

Both spaces have adequate Council chambers; however, the Maple Plain space is more technologically advanced.

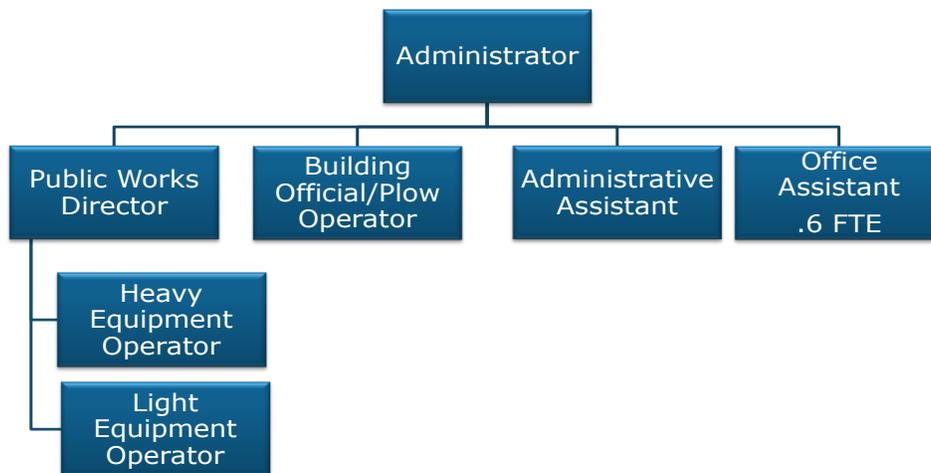
The Independence facility is also rented to citizens for parties, reunions and other events. In addition, the Independence City Hall is part of a campus that also provides space for West Hennepin Public Safety and includes the Independence Public Works department facility and outside storage area.

Staff

Presently the City of Independence has an Administrator, an Administrative Assistant and a .6 FTE Office Assistant. In addition, the Building Official, who is housed in the same office space, assists as needed with customers. Independence has experienced significant turnover of office staff in the past few years. The configuration of staff in Independence is illustrated below:

Independence Organizational Chart

6.6 FTE's



Maple Plain has an Administrator and Accountant/Office Manager located in City Hall. Maple Plain hired a new Administrator in 2014. The configuration of staff in Maple Plain is illustrated below:

Maple Plain Organizational Chart

4 FTE's



Current Status: Building Official

At present, the Building Official for Independence performs building inspections, assists with snow removal and assists with office functions as needed. Regardless of the duties performed, this position is paid at the Building Official rate. In Maple Plain, inspection services are contracted out to a private firm that performs the duties on an as needed basis.

Current Status: Public Works

Facilities

Independence features a modern facility with ample inside and outside storage to fully meet the current need for all equipment and supplies. A new salt shed provides covered storage for salt and sand. Maple Plain has an older facility that minimally meets their needs but it does not have the features or functionality of the Independence facility.

Staff

Independence has a Public Works Director and two equipment operators, and as previously mentioned, the Building Inspector also assists with snow removal as needed. These employees provide the full array of services with the exception of water which is provided by private wells. Lift station maintenance has become a greater need as more of the lakes areas have become sewerred in recent years.

Maple Plain has two public works staff who report directly to the City Administrator. These employees provide the full array of public services including sewer and water service. Assistance with highly technical aspects of the work is provided by consulting firms that specialize in this type of work.

Conclusions

The communities of Maple Plain and Independence have demonstrated the ability to work effectively together for many years. This commitment has resulted in a highly regarded joint powers police department that is considered a service model. The elected officials in both communities desire to continue to examine additional shared service opportunities and have therefore continued to look for additional service areas where sharing is possible.

Given the political climate, facilities and staff, it is clear that sharing additional services can be accomplished. The cities have learned how to work together and have demonstrated a can do attitude which is needed before any such efforts even have a hint of success.

Merging Administration, Public Works and the Building Official is possible and it could lead to service improvements and increased efficiency. In order to achieve this objective, there will be a need for change and that impacts people in many ways. Should the Councils decide to proceed with sharing additional services, attention will need to be given to the human impact of the changes.

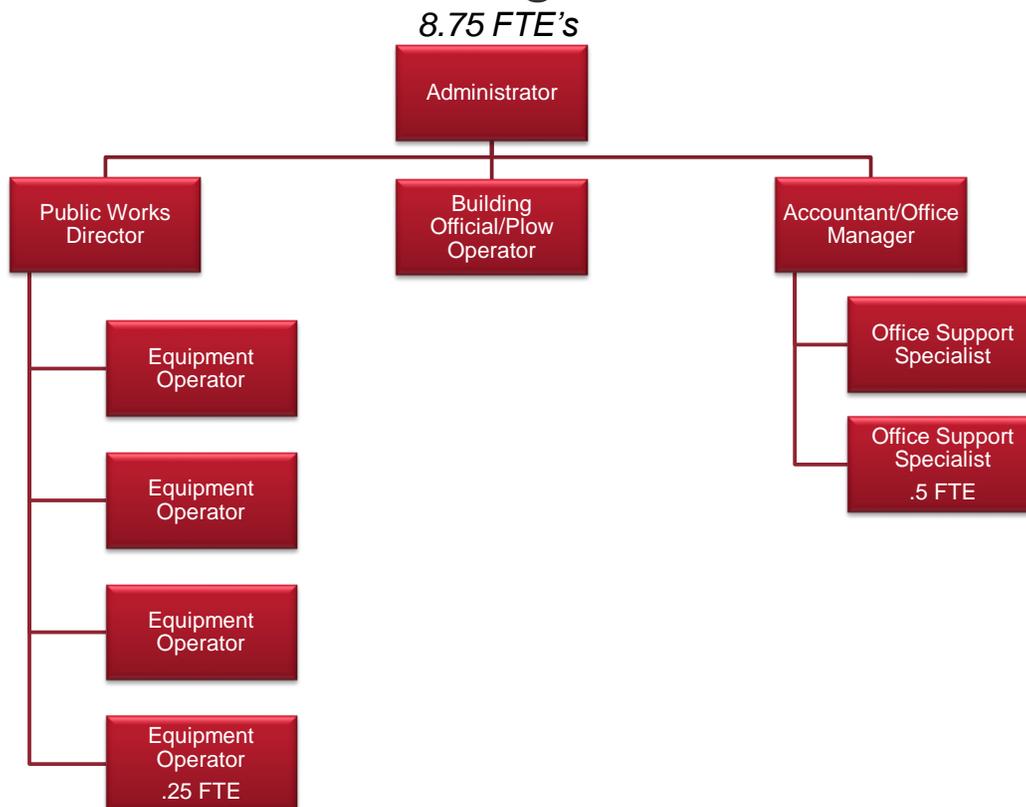
Recommendations

It is recommended that the merger of Administration, Building Official and Public Works take place as quickly as possible. The political climate is positive for such a move and while there will be some painful parts to the process, it is clear that the time is right for such a consolidation to take place.

It is recommended that governance would occur through the creation of a new Joint Powers Board that consists of both Mayors and all members of both City Councils. Since these are the major services areas for both communities, it is felt that all Council Members should participate in the governance.

The proposed service delivery model is illustrated below:

Maple Plain/Independence Shared Services Organizational Chart



Merge Administrative Functions

The merger of Administrative functions into one system utilizing a single office space is recommended. This change could reduce the FTE need by one and therefore produce wage and benefit savings. Additional staff savings result from having only one Administrator salary in the organization. Because of additional responsibilities, some upward adjustment of the one Administrator and Accountant/Office Manager would likely be needed but overall cost savings would still result.

One of the other major areas of savings regards the use of a CPA firm to provide accounting services to the City of Independence. It is believed that the majority of this service could be provided in house while maintaining a contract for services as needed.

Specific budgetary areas where savings are possible are listed below:

Financial Administration	Independence Budget 2015	Maple Plain Budget 2015	Combined Budget 2015	<i>Estimated Savings</i>
WAGES (FULL-TIME)	121,480	119,000	240,480	31,200
WAGES (PART-TIME)	16,580	3,000	19,580	
PERA	10,350	2,900	13,250	
FICA/MEDICARE	10,560	9,700	20,260	
CITY PAID BENEFIT ALLOWANCE-LI	26,310	19,400	45,710	6,250
COBRA EMPLOYEE INSURANCE	0		0	
OFFICE SUPPLIES	4,000	2,580	6,580	500
AUDITING FEES	4,000	22,900	26,900	
CPA FEES	56,650	5,150	61,800	45,000
COMMUNICATIONS	3,500	4,450	7,950	1,000
TRAVEL & CONFERENCE EXPENSE	4,000	6,550	10,550	1,000
PRINTING&PUBLICATIONS-(LEGALS)	9,000	4,790	13,790	1,500
INSURANCE	7,000	3,510	10,510	1,000
MAINT.&REPAIR EQUIP.(CONTRACT)	2,500	2,780	5,280	1,000
LEASE/PURCHASE (COPIER)	8,000	3,440	11,440	3,500
Total				90,950

One of the most challenging aspects of this recommendation is determining which office space to use for the merged service area. Consideration was given to continuing to use both office spaces, but there is no rationale that supports continuing in that manner, if Administrative services are combined.

Either facility has advantages and disadvantages to the citizenry; however, locating all administrative functions to the Independence campus is appealing because of the available space at the facility and the fact that police and public works both are

located there. This is not a central location for Maple Plain citizens, but it certainly is centrally located when looking at the entire geography of the new service area.

A significant complicating factor to consolidation at the current Independence City Hall is the fact that Maple Plain has a lease in place for their space through 2018 and there does not appear to be a provision in the lease that allows for a voluntary early termination. Dialogue with Orono Schools would be needed to totally examine how this could be addressed.

Since there is additional space available for rent in the Discovery Center, it would be possible to consolidate all administrative operations at that facility and then use Independence City Hall exclusively for community events or repurpose it for other uses.

At present, the City of Maple Plain and West Hennepin Public Safety use the audit firm of Abdo, Eick and Meyers, LLP and the City of Independence uses Clifton, Larson, Allen. If administration and public works services are merged, it may be beneficial to examine the cost effectiveness of using a single audit firm for the communities, West Hennepin Public Safety and the newly created joint powers entity.

Merge Public Works Functions

Merging public works into a single entity is recommended. This newly created system deepens the level of expertise and also creates flexibility for providing services and addressing emergencies that arise. Coordination and prioritization of services could also result from this change. The City of Independence has already realized the benefit of public works leadership and merging the services would take that to an even higher level.

The new Public Works Director position would likely need to be compensated higher than any current position but that cost would be offset by the reduction of one equipment operator position. There are presently 5 full time employees providing services to the two communities along with part of the building official's time in Independence. For many months, Maple Plain has functioned well with a single maintenance position, and therefore, reducing the overall staff compliment seems very possible without negatively impacting services.

The merged department could effectively function with 4.25 FTE's provided the Building Official continues to assist with snow plowing. This should be possible even with a higher workload created by the elimination of the contract for building inspections currently in place in Maple Plain.

Specific areas where budgetary savings could occur are illustrated on the following page:

Public Works	Independence Budget 2015	Maple Plain Budget 2015	Combined Budget 2015	<i>Estimated Savings</i>
Streets				
WAGES (FULL-TIME)	141,560	50,600	192,160	41,600
WAGES (TEMP HELP)	-			
PERA	10,620	3,700	14,320	
FICA/MEDICARE	10,830	3,900	14,730	
CITY PAID BENEFIT ALLOWANCE	34,350	22,600	56,950	6,250
WORKERS COMP INSURANCE		6,190	6,190	600
EQUIPMENT CONTRACT HIRE	1,000	18,000	19,000	5000
AUDITING FEES	3,600		3,600	
Parks				
FULL TIME EMPLOYEES- REGULAR		12,400	12,400	
PERA		900	900	
FICA		900	900	
Total				53,540

Facility utilization would require additional planning, but given the high quality facility in Independence this location should serve as the operational base. Continued use of the current Maple Plain facility is recommended as additional closed storage space will be needed. It is suggested that equipment be shifted based on seasonal needs, with the Maple Plain facility serving as the location for the off season and lessor used equipment. There will be the occasional need to access equipment at that facility, but it is important to keep in mind the facilities are less than 1.5 miles apart. Using this approach will capitalize on the use of space well into the future.

Merge Building Official Services

It is recommended the Building Official on staff in Independence be retained by the merged organization and the contract for services currently in place in Maple Plain be terminated. This change would save the entities over \$12,000 annually and provide a level of service that is consistent in both communities. Because inspections and permit activity tends to be reduced in the winter, it is envisioned the person in this position would be able to continue to assist with snow plowing. Consideration should be given to adjusting the wage of the Building Official while plowing snow, as this activity is typically compensated at a far lower rate than performing the functions of a building official.

The analysis included examination of exclusively contracting for this service but given the multiple services provided by the position, it is recommended keeping the position in house. Given the diverse roles of the position it is unlikely significant cost savings would result from contracting for the service. In addition, the in house position offers a greater level of service to the public due to consistent availability.

Specific areas where budgetary savings may be possible include:

Building Inspection	Independence Budget 2015	Maple Plain Budget 2015	Combined Budget 2015	<i>Estimated Savings</i>
CONTRACT FOR SERVICES		12,360	12,360	<i>12,360</i>
AUDITING FEES	1,424		1,424	

**Summary of Administration, Public Works and Building
Official Budgetary Impact**

By combining these service areas, there is certainly potential for cost savings. In total, the savings could exceed \$150,000 annually. It is important to point out however, that these changes may not all take place at one time and in some cases, not at all. Also, if employees were laid off, there would be unemployment benefit costs to each City. In addition, these estimates do not include cost increases that will likely result from upgrading the single Administrator position, the Public Works Director, and the Accounting/Office Manager position.

Create a Joint Powers Board

In order to manage the merged services, it is recommended a Joint Powers Board be created that consists of both Mayors and all members of the City Councils. Since these services make up the vast majority of the non law enforcement budget, it is felt that participation of all elected officials makes the most sense. Creating a shared services budget and getting approval from each Council is much less complex if the Joint Powers Board consists of all elected officials.

While not directly part of this analysis, in the future, it appears that consideration could be given to including public safety under this new joint powers entity which could further streamline meetings and related activities. This could be considered a year or two after the new Joint Powers Board is up and running.

Future consideration could also be given to incorporating the Maple Plain Fire Department into the joint powers entity. The department is not formally a joint powers service at present but the cities work together closely and jointly fund the operation, so it may be a future item for the Councils to consider.

Coordinate Meeting Schedules

With the creation of a Joint Powers Board, consideration should be given to modifying the meeting schedules and locations for each Council. Both Councils and the new Joint Powers Board could all meet the same evening in the following manner:

Time	Meeting
6:00 pm	Maple Plain City Council meeting
6:45 pm	Joint Powers Board meeting
7:30 pm	Independence City Council meeting

Obviously, the times and City order could be different, but this type of structure streamlines meetings and also reduces the frequency that shared staff need to attend meetings. In addition, each Council member's commitment is about 1½ hours for each set of meetings. In the example above, a Maple Plain Councilor would start at 6:00 pm and be done by 7:30 pm and an Independence Councilor would start at 6:45 pm and be done by 8:15 pm.

If the Cities continue to use both City Halls after merging services, it is suggested that Council meetings rotate on a monthly or quarterly basis.

Some legal research may be in order to help determine if holding regular Council meetings outside of the jurisdiction is viable.

Be Attentive to the Future Possibility of a Full Merger

It appears that a full merger of the communities is not feasible at the present time. Continued discussion and experience with the merger of Administration and Public Works will help the communities ascertain if a full merger is logical at some point in the future. The communities are quite different in some respects, so a sequential approach is the most logical way to proceed. With continued success in public safety and success with the service mergers indicated here, there may be a time in the future when this option is much more viable.

Enhance Public Relations

The Cities have done an admirable job of sharing services both formally and informally. There are deficiencies however, in getting the word out about how effectively the Cities are working together.

While the public is well aware of the merged Police Department, many are probably not aware of the work it took to establish this and how effectively it is managed today. The public may or may not understand what a Joint Powers Board is but they do understand they are receiving a quality service.

It is recommended that a structured public relations effort be put in place throughout the course of this dialogue, and that it intensify at the point where the Councils make a decision on how to proceed.

Another key communication element is for the communities to reassure the public that current service levels will not be impacted by implementation. People need to know there will not be any adverse impacts during the transition.

Specific components of the plan include the following:

1. Place this report in a prominent location on each City website.
2. Create an online comment form on each website for citizens to share their comments about the process.
3. Include information in each joint newsletter about the process and articulate the opportunities for the public to comment.
4. Hold a series of coffee with the Mayors' sessions where both mayors are available to visit with citizens at locations throughout both communities.
5. After the Councils receive the report, each Council should consider having a public input session at an upcoming Council meeting where citizens can share their reactions with each Council separately.
6. Council Members may wish to establish "office hours" where individual council members would be available for members of the public to stop in talk during these regularly scheduled times.
7. Provide the public and opportunity to visit with Councilors at upcoming public events including:
 - a. Annual Clean-Up Day in May
 - b. The Circus in July
 - c. Joint community festival in August
 - d. Night to Unite in August
8. If a determination is made to proceed with a service merger, a new website should be created for the new Joint Powers entity that contains all the current information about the status of the project.

Implementation

The steps needed to implement this new structure will take time. Developing a specific timeline for this would be difficult due to the number of moving parts. It should also be noted that implementation would occur over time and changes would not likely be made all at once.

The broad categories for implementation include the following:

1. Receive this report in a joint Council meeting in April or May 2015
2. In June, July and August of 2015, the Councils would review the report and receive public input as described in the Public Relations section of this report
3. In August or September 2015, the City Councils meet in a joint session or sessions to review public input and further discuss the concerns and the methodology to move forward
4. If initial Council feedback is favorable, the Shared Services Committee and legal counsel should be charged with drafting a Joint Powers Agreement for consideration by each Council
5. By the end of 2015, The Councils decide to move forward or keep the organizations as they are now

6. If moving ahead with this process, it is recommended the Shared Services Committee develop a detailed implementation plan and timeline that consist of the following broad categories:
 - a. Draft a budget for administration, public works and building official services
 - b. Determine location for administration office space and public works facility use
 - c. Commence legal review of organizational options and how existing employment will be handled
 - i. Determine hiring process
 - d. Commence hiring staff
 - e. Launch new service system

This step may require some outside assistance as the process to implement the new system will be taking place while services continue to be provided by each city. As a result, the amount of time available by employees would be limited.

7. Continue with public education and input process throughout the entire implementation and in the launch phase

Addendum A

List of Persons Interviewed for the Study

Name	Position
Bob Vose	City Attorney-Independence
Brad Fisher (phone)	Council-Independence
Brad Spencer	Council-Independence
Brent Mickolichek	Public Works-Maple Plain
Dave Eisinger	Council-Maple Plain
Gary Kroells	Police Chief-West Hennepin
Jeff Carson	City Attorney- Maple Plain Criminal Attorney-Maple Plain and Independence
Jerry Young	Mayor-Maple Plain
Julie Maas-Kusske	Council-Maple Plain
Justin McCoy	Council-Maple Plain
Larry Ende	Public Works-Independence
Lynn Betts	Council-Independence
Maggie McCallum	Assistant Administrator-Maple Plain
Mark Kaltsas	Planner- Maple Plain and Independence
Marvin Johnson	Mayor-Independence
Matt Morris	Public Works-Maple Plain
Michael DeLuca	Council- Maple Plain
Norm Wenck	Council-Independence
Tessia Melvin	Administrator-Maple Plain
Toni Hirsch	Administrator-Independence

Questions asked of each person interviewed:

- Please describe the most positive aspect of the current administrative structure.
- Please describe the least positive aspect of the current administrative structure.
- Please describe the most positive part of the current public works structure
- Please describe the least positive part of the current public works structure.
- Please describe the most positive aspect of the current shared public safety department.
- Please describe the least positive aspect of the current shared public safety department.
- What are the reasons for looking at sharing administrative and public works services?
- Describe the opportunities that result from sharing services.
- What are your biggest concerns regarding this process?
- Describe the major obstacles to providing administrative and public works services jointly.
- Please describe any possibilities you see for enhancements to the fire service delivery process.
- Describe your perspective regarding a complete merger of Maple Plain and Independence.
- What else should be done regarding the relationship between Maple Plain and Independence?
- Other Comments: