

City of East Tawas

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ECONOMIC VITALITY INCENTIVE PROGRAM REPORT OF COOPERATIVE, COLLABORATIVE AND CONSOLIDATED SERVICES

As you will see from the following report, the City of East Tawas has been a participant in cooperative, collaborative and consolidated service efforts for many years. The leaders of the City of East Tawas have always looked at ways to do things more efficiently and in the most cost effective manner. For many, many years the City of East Tawas has been using what are now being termed as “best practices.” Due to the diligence of the City Council and staff, the City of East Tawas remains in good financial condition when so many Michigan municipalities are struggling financially.

The true cost savings associated with many of the cooperative, collaborative and consolidating efforts of the City are extremely hard to determine with any real degree of accuracy due to the time that has passed since the efforts were undertaken and the many changes that have occurred in these services over the years. The City has tried to use the best methods available to estimate the cost savings to the City of East Tawas. Some of the cost savings are based on actual figures when the cooperation, collaboration, or consolidation occurred. In other instances the cost savings are based on current year estimates. The City has made no effort to try to estimate the cost savings for any of the other entities involved. As shown in the report, many of the cooperative, collaborative and consolidating efforts do not really produce a cost savings but benefit the participating entities with a greater level of service and/or efficiency.

Besides detailing the City’s current participation in cooperative, collaborative and consolidated services, the report will include plans for further cooperative, collaborative and consolidated efforts with neighboring communities. These are plans only as no agreements have been reached and the plans may or may not come to fruition.

Tawas Utilities Authority

1986

Savings: No dollar savings but better service to customers due to upgraded plant.

The cities of East Tawas and Tawas City formed the Tawas Utilities Authority in 1986 to operate the Water Treatment Plant and the Wastewater Treatment Plant to provide water and sewer services for both cities. What has happened in regard to the Water Treatment Plant is addressed in the section titled Huron Shore Regional Utility Authority. The consolidation of sewer services allowed the expansion of the Wastewater Treatment Plant in the late 1980's to provide primary and secondary sewage treatment. Each city still provides its own sewage collection systems sending the sewage to the Tawas Utilities Authority Wastewater Treatment Plant. Baldwin Township became a customer of the Authority and was thus able to create an Industrial Park that brought more industry to the communities because there was a system in place for treatment of the sewage from the Industrial Park. Although the consolidation did not result in a cost savings to the City, customers are provided a better service due to the upgrades at the Wastewater Treatment Plant.

Entities involved: City of East Tawas, City of Tawas City, Baldwin Township

Huron Shore Regional Utility Authority

1994

Savings: \$40,000 yr. for operation and maintenance and approximately \$290,000 yr. in principal and interest payments on the bond issue.

East Tawas had been providing water to Tawas City for many years but the City's Water Treatment Plant was in dire need of updating. By creating the Tawas Utilities Authority the two cities were able to bond to build a new plant with an intake from Lake Huron instead of Tawas Bay. This improved the water quality for both cities. Even though a cost savings was not realized at the time due to the need to build a new plant, in 1994 the water portion of the Tawas Utilities Authority was turned over to a new Authority—the Huron Shore Regional Utility Authority. Through the joint efforts of East Tawas, Tawas City, Baldwin Township, Oscoda Charter Township and AuSable Township and with grants from the Federal Government, a new water line was built from the Water Treatment Plant on Lake Huron to provide water to Oscoda Township and AuSable Township. This joint effort allowed East Tawas and Tawas City to significantly lower the water rates charged to customers while allowing Oscoda Township and AuSable Township to put their aging water wells out of service and receive water from the new plant. Alabaster Township on the south end of the system and Greenbush Township on the north end also joined the Authority although at this time the water lines have not been extended to either township.

Entities involve: City of East Tawas, Alabaster Township, AuSable Township, Baldwin Township, City of Tawas City, Greenbush Township, and Oscoda Charter Township

Tawas Police Authority**1991****Savings: \$50,000 yr.**

East Tawas had been providing police protection to Tawas City for several years when the Tawas Police Authority was created in 1991. The Authority was created to give each city an equal voice in the operations of the Police Department. Each city has two representatives on the Authority board and pay equally for police protection. The consolidation saved East Tawas approximately \$50,000 in the first year and gave the City of Tawas City the voice it wanted in the operation of the department. Through the years the consolidation has allowed the Authority to provide more, better-trained officers and a more consistent level of protection for both communities.

Entities involved: Cities of East Tawas and Tawas City

Solid Waste Collection**1996****Savings: N/A**

East Tawas and Tawas City have had a joint contract for solid waste collection since 1996. Although there has not been a great cost savings for either City, the joint contract has allowed East Tawas to stabilize its budget for solid waste collection.

Entities involved: Cities of East Tawas and Tawas City

Recycling**2011****Savings: \$3,200 + yr.**

East Tawas began providing a monthly recycling day for residents in 2009. When a new contract for solid waste collection was being negotiated in 2011, recycling for both cities was included in the contract. This will result in an annual savings for the City of East Tawas of at least \$3,200 per year.

Entities involved: Cities of East Tawas and Tawas City

Iosco County Central Dispatch (E911)**1996****Savings: No dollar savings but added benefit to all entities involved.**

The cooperative efforts of all of the emergency response personnel within Iosco County led to the creation of Iosco County Central Dispatch and the Enhanced 911 system. It would be very difficult for one community to provide the high degree of technology that is needed for this type of emergency response system and it would be financially impossible for one community to provide the level of service that is provided through Central Dispatch. Since this program is funded through a surcharge on telephone lines and cell phone plans and the City did not provide dispatch directly prior to the establishment of Central Dispatch, there is no cost savings for the City. However,

residents of and visitors to the area have better service from emergency response personnel.

Entities involved: City of East Tawas, City of Tawas City, City of Whittemore, County of Iosco, Grant Township, Oscoda Charter Township, Plainfield Township, State of Michigan, and Tawas Police Authority

Cooperation with Tawas Area Schools

2001

Savings: No direct dollar savings but mutual benefit for the entities involved.

The City of East Tawas has a community center with a full size gymnasium. Tawas Area Schools has a shortage of practice space for its basketball and volleyball teams. The City and the School entered into a cooperative agreement whereby the school is able to use the gymnasium for after school practices free of charge in exchange for the occasional use of maintenance equipment owned by the school. This cooperative agreement allowed the City to avoid the purchase of equipment that is expensive but used infrequently while providing the school with additional space for basketball and volleyball practices.

Entities involved: City of East Tawas and Tawas Area Schools.

STING Drug Enforcement Team

1991

Savings: No direct dollar savings but benefits to residents of all entities involved.

Strike Team Investigative Narcotics Group (STING) is a multi jurisdictional narcotics task force consisting of state, county and local police agencies which operate under the administration of the Michigan State Police. STING operates in a six-county area including Crawford County, Iosco County, Ogemaw County, Oscoda County, Roscommon County and the City of Au Gres in Arenac County. Drug enforcement would be difficult for the City without this collaborative effort due to the size of our community. Officers would not be able to work undercover because so many of our residents know the officers. Contributions to STING are based on population with the City currently paying \$4,321. The Tawas Police Authority also provides an officer and use of our K-9 unit when asked for assistance by STING.

Entities involved: City of East Tawas, AuSable Township, Burleigh Township, City of Tawas City, City of Whittemore, Crawford County Sheriff's Department, Michigan National Guard, Michigan State Police, Ogemaw County Prosecutor's Office, Ogemaw County Sheriff's Department, Oscoda Charter Township, Plainfield Township, Reno Township, Roscommon County Sheriff's Department, Tawas Police Authority and West Branch Police Department.

Building and Construction Code Enforcement

1990

Savings: N/A

Prior to 1990 the City of East Tawas had its own building inspector and code enforcer. When the person filling the position retired in 1990, the City Council decided to let the Iosco County Building Department handle all of the building and construction code enforcement. The Iosco County Building Department now handles all building and construction code permits and inspections for all but one unit of government within Iosco County. This consolidation allows each community to handle zoning compliance issues while maintaining a professional, unified entity to handle permits and inspections. Since permit fees now go to the Iosco County Building Department rather than to the City, there is no cost savings to the City but this relieves the City of a responsibility that would be financially difficult for the City to handle on its own.

Entities involved: City of East Tawas, Alabaster Township, AuSable Township, Baldwin Township, Burleigh Township, City of Tawas City, City of Whittemore, County of Iosco, Grant Township, Oscoda Charter Township, Reno Township, Sherman Township, Tawas Township, and Wilber Township

Department of Public Works Equipment Sharing

Pre-1990

Savings: N/A

The Department of Public Works for the cities of East Tawas and Tawas City as well as the Iosco County Road Commission have been sharing equipment such as traffic control devices, street sweepers, generators, sewer machines, etc. for more than twenty years. Equipment and personnel to operate the equipment are shared at the hourly wage rates and Act 51 reimbursement rates. Entities are thus able to pay actual costs instead of the hourly minimums that are often required if the equipment is leased from private companies. Sharing of high cost, but infrequently used, equipment allows the entities to save money by not having to each purchase the equipment since they know they can borrow it from a neighboring community when needed. No dollar figures can be put on the benefit but the equipment sharing is definitely a benefit to each of the entities.

Entities involved: City of East Tawas, City of Tawas City, Iosco County Road Commission

Iosco/Arenac District Library (Formerly Iosco-Arenac Regional Library) Pre-1980

Savings: N/A

The Iosco/Arenac District Library is a regional library system that includes the East Tawas Library, AuGres Community Library, Mary Johnston Memorial Library, Omer Little Eagle’s Nest Library, Plainfield Township Library, Robert J. Parks Library, Tawas City Library and Whittemore Library. The participating branch libraries are able to share resources and administrative/technological staff that no one library would be able to afford on its own. The City of East Tawas employs the librarian and covers wages, benefits and operation and maintenance of the building that is owned by the City and houses the branch library. The District Library covers the wages and benefits

of substitute staff, technological support, all of the books and other resource materials, computers and some building upgrades. The majority of financial support for the District Library comes from a voted millage with the remaining support from fines, donations, and other miscellaneous sources. A portion of the money from the annual millage is shared with the branch libraries on a formula basis. The City of East Tawas receives approximately \$43,000 from the District Library annually as well as receiving periodic grants for upgrades. This collaboration allows the City to provide its residents and visitors with a better-equipped library than it could provide on its own.

Entities involved: City of East Tawas, City of Au Gres, City of Omer, City of Standish, City of Tawas City, City of Whittemore, Oscoda Charter Township and Plainfield Township.

Proposed Cooperation, Collaboration and/or Consolidation Plans

Tawas Area Regional Electronic Metering System Estimated savings: \$30,000 yr.

A proposal has been in discussion with the City of Tawas City and Baldwin Township to cooperate with the City of East Tawas to upgrade all our water metering systems. Our current individual metering systems are read separately and manually which is labor intensive. We are looking at a regional system where each entity would change existing water meters to accommodate FlexNet electronic reading of water meters. The plan would be to construct two towers in strategic locations so that all meters could be read electronically from the office of each entity. This cooperative effort would eliminate the need to drive or walk around the municipalities to read meters. It would provide a much better service to our customers by allowing us to track water usage at any given time. This could help alert customers of unusual or high water use. Although start up costs are significant, in the long run the labor and equipment savings would pay for the new system. The current plan is to begin with the cities of East Tawas and Tawas City and Baldwin Township with hopes that neighboring municipalities that provide water service to their taxpayers would see the potential for cost savings and would join with us to expand the coverage area. Baldwin Township and the cities of East Tawas and Tawas City have applied for an Economic Vitality Incentive Program grant to fund the purchase of the new meters and the construction of the towers. If we are successful in receiving the grant, the estimated cost savings for the three entities would be approximately \$75,000 per year. The City of East Tawas portion would be approximately \$30,000.

Entities to be involved: Cities of East Tawas and Tawas City, Baldwin Township

Regional Utility Management Plan: Estimated savings: \$18,000 for East Tawas

A proposal is under discussion to establish a regional staffing plan for the Tawas Utilities Authority Wastewater Treatment Plant and the Oscoda Charter Township Wastewater Treatment Plant. This would involve wastewater treatment for the cities of East Tawas and Tawas City, AuSable Township, Baldwin Township and Oscoda Charter Township. Both plants are currently being operated by the same private company but with individual contracts. Consolidation of the contracts is expected to lower the administrative costs for all entities by allowing the private company to coordinate and consolidate administrative staff.

Entities to be involved: Cities of East Tawas and Tawas City, AuSable Township, Baldwin Township and Oscoda Charter Township

Zoning Administration and Code Enforcement:**Estimated savings: N/A.**

The City of East Tawas is currently discussing different options for cooperating with the City of Tawas City and Oscoda Charter Township to hire a Zoning Administrator and Code Enforcer. Since none of the individual entities has enough work for a full-time position, this cooperative effort might make it easier to find a qualified individual to handle the zoning administration and code enforcement for all three entities on a time-needed basis. This cooperation effort is not expected to be a cost savings but should provide better administration and code enforcement for each of the entities. As an alternative, the City of East Tawas is also looking at in-house changes to job descriptions to fill the City's vacant Zoning Administrator and Code Enforcement position and thereby possibly continue full-time employment for an employee whose primary job may become a part-time position.

Entities to be involved: Cities of East Tawas and Tawas City, Oscoda Charter Township

County-wide BS&A Software Upgrade

Iosco County currently has six of the fourteen units of government using BS&A software for their tax collection and all fourteen units use BS&A software for assessing. The assessment and tax information is reconciled with the County's databases on a yearly basis. Because the County does not use BS&A software, information has to be reconciled manually and unpaid tax bills need to be printed and delivered manually to the County. If all the units, including the County, were to use the same software information could be sent electronically which would be more cost effective and efficient. The County would need to upgrade its software and reconciliation process to more current technology in order to make this cooperation work. East Tawas currently uses BS&A software and, even if the other eight units of government don't upgrade, upgrading of software by Iosco County would save money for the City of East Tawas and the other five units of government currently using BS&A software. Although the upgrade would be an expense to Iosco County, in the long run the upgrade would end up paying for itself due to the savings in paper, manpower and storage space.

Entities involved: City of East Tawas, Alabaster Township, AuSable Township, Baldwin Township, Burleigh Township, City of Tawas City, City of Whittemore, County of Iosco, Grant Township, Oscoda Charter Township, Plainfield Township, Sherman Township, Tawas Township and Wilber Township

City of East Tawas, County of Iosco

Status of prior year proposed Cooperation, Collaboration and/or Consolidation Plans

Tawas Area Regional Electronic Metering System

Estimated savings: \$30,000 yr.

This proposal is on hold at this time because Baldwin Township and the cities of East Tawas and Tawas City were not successful with their application for an Economic Vitality Incentive Program grant to purchase meters and construct the required towers. East Tawas is continuing to purchase the new meters as outlined in our Capital Improvement Plan but funds are not available to construct the towers. All three units of government are still interested in pursuing the cooperative program as funds are available but it does not appear likely that this will happen anytime in the near future due to the lack of funding.

Entities to be involved: Cities of East Tawas and Tawas City, Baldwin Township

Regional Utility Management Plan:

Estimated savings: \$18,000 for East Tawas

The plan was moving forward and we expected that an agreement would be finalized by May 1, 2013. A January 7, 2013 notice from United Water, the firm managing the Tawas Utilities Authority Wastewater Treatment Plant and the Oscoda Township Wastewater Treatment Plant, that they were giving 90 days notice that they were terminating their contract with both entities has effectively stopped progress on this consolidation effort at this time. Both entities are looking at options for operating the plants and will consider the management consolidation effort if feasible. Because of the 90 days notice, we expect to know if the Regional Utility Management Plan will become a reality by mid-April 2013. Since the implementation of this plan is contingent on approval by several units of government, the final decision does not rest with the City of East Tawas.

Entities to be involved: Cities of East Tawas and Tawas City, AuSable Township, Baldwin Township and Oscoda Charter Township

Zoning Administration and Code Enforcement:

Estimated savings: N/A.

No decisions have been made concerning the hiring of an individual to serve as Zoning Administrator and Code Enforcer for the three units of government. At this time all three units of government have part-time staff handling these functions and are comfortable with that arrangement. Because the current arrangement is working for these three units of government, no further efforts will be made at this time to consolidate Zoning Administration and Code Enforcement.

Entities to be involved: Cities of East Tawas and Tawas City, Oscoda Charter Township

County-wide BS&A Software Upgrade

Estimated savings: \$100 yr.

Iosco County currently has eight of the fourteen units of government using BS&A software for their tax collection and all fourteen units use BS&A software for assessing. Although some units of government had been encouraging Iosco County to convert to BS&A software for many years, funding the conversion was a barrier. The County began to seriously consider the conversion in 2012. The County is now in the process of purchasing BS&A software and plans to have the software functional by May 1, 2013. The County will be encouraging the other six units of government to purchase software from BS&A and BS&A is working with those units of government to offer special pricing for tax software. The City of East Tawas already uses BS&A software so the fact that the County is purchasing the tax and assessing software will save the City of East Tawas time and money by not having to manually reconcile the tax settlement and will be able to electronically send the delinquent taxes to the County. Although a slight cost savings will be realized through the software purchase, the savings in time for City staff is the greater benefit.

Entities involved: City of East Tawas, Alabaster Township, AuSable Township, Baldwin Township, Burleigh Township, City of Tawas City, City of Whittemore, County of Iosco, Grant Township, Oscoda Charter Township, Plainfield Township, Sherman Township, Tawas Township and Wilber Township

**City of East Tawas, County of Iosco
Proposed Cooperation, Collaboration and/or Consolidation Plans
January 2013**

East Tawas Branch Library

Estimated savings: None

The City of East Tawas has entered into negotiations with the U.S. Postal Service to lease the upper floor of the existing East Tawas Post Office for an expanded library. The upper floor of the Post Office has been vacant for many years. The City provides financial support for the operation and maintenance of the East Tawas Branch of the Iosco-Arenac District Library. The existing library is located in a building of approximately 3,400 square feet that is owned by the City. Approximately 1,500 square feet of the building are used for the branch library and the remainder of the building is leased by the Iosco-Arenac District Library and houses its administrative offices. The City has been working for many years to find a location for a new or expanded library. Many options have been investigated over the years including building a new library, using the existing building and expanding the library portion of the building, purchasing an existing building to create a new library, and leasing an existing building to create a new library. Numerous locations have been considered over the years. Plans were underway several years ago to build a new library and fund the construction through a capital campaign. However, a feasibility study commissioned by the City prior to initiating a capital campaign indicated that, due to the economic climate at that time, there was not sufficient financial support for the project to make it a reality. Knowing that the second floor of the Post Office was not being used, City officials recently began looking at the building to determine if it would meet the needs of the City. Based on studies and population estimates, a Library Committee has determined that a library that would properly provide service for the population within our service area for the next twenty years should contain 6,000 to 8,000 square feet of usable space. The upper floor of the Post Office building and a vacant mezzanine offer approximately 7,500 square feet so it would be within the target size. The architect that the City used to develop a conceptual drawing of a new library prior to the feasibility study for the capital campaign toured the building and indicated that renovations would be needed but that the space would be suitable for an expanded library. The City is now negotiating terms of a long-term lease with the Postal Service and the City Council will need to decide if pursuing the lease is in the best interest of the City. If the City decides to move the library, the Iosco-Arenac District Library has already indicated that they would like to take over the entire building that they now share with the branch library.

Timeline - January to April 2013 - continue negotiating a proposed lease. If the City Council determines that lease terms are favorable, the City would expect to sign the lease in the Spring of 2013 and begin renovation of the building. The renovation would include the addition of an elevator. Following the installation of the elevator, the City would expect to perform the renovations in phases. If the project moves forward, the City would anticipate that the library could be opened to patrons by the end of 2013.

Benefits - Although no cost savings will be realized by the City for this cooperative and collaborative effort, there will be many other benefits to the City, the Iosco-Arenac District Library and the U.S. Postal Service. The patrons of the library would have expanded services in the larger library. The library will be able to provide space for many library-related activities that are currently not provided because of the severe lack of space in the existing building. The existing library does not have room for enough computers to satisfy the needs of patrons so patrons often have to wait to use the computers and the librarian has to enforce strict time limits on the use of the computers. The Iosco-Arenac District Library would fund the purchase of additional computers, purchase additional books, provide additional resources and would help finance other technological improvements. The District Library is cramped for space in the portion of the building they lease from the City. They are very interested in being able to use the entire building for their administrative offices. Expanding the space that the District Library currently leases would increase the lease payments to the City and would help to offset the additional operation and maintenance costs of an expanded library. The U.S. Postal Service will benefit by having a tenant to lease the upper floor of the building and remodeled accessibility to the upper portion of the building. This will give a financial boost to the U.S. Postal Service and allow them to make use of a vacant floor of the building. As tenants, the City would also be paying a portion of the utility costs for the building which is also a financial benefit for the Postal Service.

Entities to be involved: City of East Tawas, U.S. Postal Service, Iosco-Arenac District Library.