

**CITY OF ALGONAC
ST. CLAIR COUNTY, MICHIGAN**



Consolidation of Services Report

**Category 2 of the State of Michigan
Economic Vitality Incentive Program (EVIP)**

January 23, 2013

2013 EVIP CONSOLIDATION PLAN

CITY OF ALGONAC

Submitted by: Doug Alexander, City Manager
Linda Mackie, City Treasurer
Cynthia Greenia, City Clerk

City Council: Irene Bird, Mayor
Gary Tuzinowski, Mayor Pro-Tem
Amy Amiels
Raymond Martin
Helen Meldrum
Joseph Nugent
Mark Thompson

This report on Consolidation of Services has been prepared for the citizens of Algonac and the Michigan Department of Treasury as part of the City of Algonac's submittal for Category 2 of the State of Michigan Economic Vitality Incentive Program (EVIP) for 2013.

The City of Algonac has obtained and provided services through partnering and collaborating with its adjacent townships, St. Clair County, the State of Michigan and other local governments for many years. There are also other services we partner to deliver, not to save costs but just because we think it makes good public policy. A summary of ongoing and continuing efforts by the City of Algonac in cooperation, collaboration and consolidation of services is contained in Exhibit A attached to this report.

Under the EVIP statute Section 952 (3)b of the Public Act 200 of 2012:

“Category 2, consolidation of services, requires each eligible city, village, or township to certify by February 1, 2013, that it has produced a consolidation plan..... For a city, village or township that submitted a consolidation plan in the previous fiscal year the plan shall include an update on the status of the new proposals that were in the previous year's consolidation plan, including whether or not the previously proposed plan has been fully implemented, a listing of the barriers experienced in implementing the proposal, and a timeline of the steps to accomplish the proposed plan. In addition, the plan shall include 1 or more new proposals to increase its existing level of cooperation, collaboration and consolidation either within the jurisdiction or with other jurisdictions, or a detailed explanation of why increasing its existing level of cooperation, collaboration, and consolidation is not feasible.

The following report first describes major external collaboration effort accomplished by the City of Algonac in 2012 that was not listed in our previous plan and then separately addresses the requirements of the Act for 2013 outlined above.

MAJOR 2012 EXTERNAL COLLABORATIVE EFFORT NOT CONTAINED IN PREVIOUS PLAN

The City of Algonac partnered with the St. Clair County Sheriff in the summer of 2012 to gain significant increased efficiencies in the delivery of police services. The City dissolved its 7 man department and contracted with the St. Clair County Sheriff for the same level of 24 hour patrol coverage it previously provided its citizens at a first year cost savings of approximately \$210,000 or 25% less than the cost of its previous independent police force. The bulk of the significant savings were realized thru the elimination of administrative and support services. An additional significant, but hard to quantify benefit, is that the sheriff department offers our citizens a greater level of investigative and support services than a small town department could ever afford.

UPDATE ON 2012 PLANNED COOPERATION, CONSOLIDATION OR COLLABORATION INITIATIVES

“the plan shall include an update on the status of the new proposals that were in the previous year’s consolidation plan, including whether or not the previously proposed plan has been fully implemented, a listing of the barriers experienced in implementing the proposal, and a timeline of the steps to accomplish the proposed plan. ”

The previous plan identified the goal of working with neighboring Clay and Ira Townships to consolidate the municipalities’ respective fire departments into a jointly operated fire authority. Numerous meetings have occurred over the past year and significant progress and cost savings accomplished, short of establishment of an actual jointly operated authority as summarized below:

Equipment Maintenance- the three departments now jointly schedule mandated annual equipment testing for their respective departments by an outside vendor. The shared cost of mobilization at a central location and a multi apparatus testing discount has been achieved.

Equipment Purchases-The three jurisdictions cooperated this past year in jointly purchasing an aerial tower fire pumper. The cost was jointly shared and the vehicle rotated between the three departments.

Attempts to form a jointly operated authority have not been successful to date as the City of Algonac department has no full time employees and a lower cost basis. No formula or cost sharing arrangement for a jointly operated authority has been thus far identified that would reduce costs for the City over and above the present cooperative efforts we currently maintain in this regard. The parties continue to meet on a quarterly basis to try and identify further cooperative fire cost savings and a potential solution to a formula for a consolidated department that saves all three interested jurisdictions money.

2013 PLANS TO INCREASE COOPERATION, CONSOLIDATION OR COLLABORATION

“In addition, the plan shall include 1 or more new proposals to increase its existing level of cooperation, collaboration and consolidation either within the jurisdiction or with other jurisdictions, or a detailed explanation of why increasing its existing level of cooperation, collaboration, and consolidation is not feasible.”

Department Consolidation- With reduced staffing levels occurring over the past several years and a department head retiring in the near future, the City of Algonac has identified an opportunity to consolidated two departments and save money while maintaining front line services. This summer the City will take steps to consolidate the operations of the Department of Public Works and our Water Utility. A management position will be eliminated and the Water Plant Superintendent will assume responsibilities for the combined operations of the two departments into a new Public Services Department. The consolidation is expected to be completed in 2013 at an annual cost savings of approximately \$60,000.

This report was approved by the Algonac City Council at its meeting January 22, 2013. Copies of the report are available at the office of the City Clerk for interested citizens to review.

The report has also been filed with the State Department of Treasury.

Questions or comments concerning this report should be addressed to:

DOUG ALEXANDER

CITY MANAGER

805 ST. CLAIR RIVER DRIVE

ALGONAC, MI. 48001

(810) 794-5611

Exhibit A

ONGOING COOPERATION, COLLABORATION AND CONSOLIDATION OF SERVICES WITH OTHER UNITS OF LOCAL GOVERNMENT

MAJOR EXTERNAL COLLABORATIONS

Municipal Water

The City of Algonac provides municipal water filtration and treatment services to Clay Township under a water contract. The plant has a capacity of 2.75 million gallons per day. In 2013 it is estimated that the plant will produce 400 million gallons with approximately 68% of the production consumed by the Township and 32% by the City. Sharing of both the fixed and variable costs results in a savings of approximately \$465,000 to the City of Algonac.

Municipal Wastewater Treatment

The Downriver Department of Public Works, a utility authority serving the City of Algonac and the Townships of Clay and Ira treats the wastewater of all three community owners. The authority is governed by a board of six members made up of two officials from each municipality. The plant is managed by the St. Clair County Department of Public Works and its employees. Each municipality owns approximately 1/3 of the plant. Operating costs are apportioned based on the actual sewage flows from each municipal system connected to the plant. Sharing of both the fixed and variable costs results in a savings of approximately \$220,000 to the City of Algonac.

Central Emergency Dispatch of Police, EMS and Fire

The City of Algonac belongs to the St. Clair County Central Emergency Dispatch Authority. This communications center provides emergency Police, EMS, and fire dispatch services to every municipality and every public safety and emergency medical agency in St. Clair County except Clay Township.

The City of Algonac funds its contract of services with Central Dispatch based on call volume. Currently the City contributes all of its centrally collected emergency phone taxes plus an annual fee of \$13,000.

If the City of Algonac were to provide its own 24 hour emergency dispatch it would require 5 full time employees and the purchase of a substantial amount of communication and other related equipment, at a cost of over \$410,000.

Property Tax Assessing Services

The City of Algonac contracts with the St. Clair County Equalization Department to provide Property Tax Assessing services. If the City was to return to the practice of employing its own full time Assessor it would cost approximately \$90,000 while the current contract with the County only costs \$21,500.00.

The largest number of individual partnerships is in the General fund and consists of the following:

CITY OF ALGONAC-EXTERNAL CONSOLIDATION/COOPERATION/AND PARTNERSHIP PROJECTS

Police Services

Contract with Sheriff for Dedicated 24 hour Services	210,000
County Emergency Dispatch by St. Clair County	40,000
TOTAL SAVINGS	\$ 250,000

Fire Department

Share Fire Equipment	Clay Township	
Share Fire Personnel	Clay Township	
Automatic Mutual Aid	Clay & Ira Twp., Marine City	
Mutual Aid Agreement	St. Clair County	
Emergency dispatch	St. Clair County	
Southwater Rescue Team	Clay and Ira Township	
Conduct Mandatory Testing	Mutual Aid Depts.	\$ 1,000
SCBA Flow Testing		
Ladder Testing		
Pump Testing		
SCBA Fit Testing		
Joint Fire Purchasing	Clay and Ira Townships	
Haz. Mat. Absorbent		
Aerial Truck ongoing maintenance		\$ 2,500
Joint Fire Trainings	Clay Township	\$ 13,000
Joint Fire Prevention Program	Clay Township	
TOTAL SAVINGS		\$ 16,500

Library

Share Library Bldg. Costs	Clay Township	5,000
Share Library Op. Costs	St. Clair County	170,000
TOTAL SAVINGS		\$ 175,000

Building Inspection/Code Enforcement

Share employee	Cottrellville & China Twp.	\$ 38,300
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Assessor

Share employee	St. Clair County	\$ 60,000
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Insurance and Fringe Benefits

Municipal Employees Retirement System (MERS)		
Administration of defined benefit plan		
Administration of retiree health plan		
Michigan Municipal League		
Liability Insurance Pool	\$	8,300
Worker's Compensation Fund	\$	6,800
Total	\$	15,100

Solid Waste	Refuse to County Landfill	\$	22,000
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Another area of major existing savings is from our cooperative collaborations with Clay, Ira and Cottrellville Townships in the Water and Sewer Funds described earlier.

Shared Municipal Water Plant	\$	465,000
Shared Municipal Wastewater Treatment Plant	\$	220,000
	\$	1,261,900
TOTAL EXTERNAL SAVINGS		

CITY OF ALGONAC-INTERNAL CONSOLIDATION/COOPERATION/ AND PARTNERSHIP PROJECTS

Most of the internal collaboration between line departments occur in the Department of Public Works. This group consisting of four employees provides maintenance services to the following funds resulting in savings as indicated:

Fund	Service	Savings
Water	Transmission and Hydrant Repair and construction	\$ 206,682
Sewer	Collection system and lift Station repair and construction	\$ 144,686
Major/Local Streets	Street, curb and storm Sewer repair and construction	\$ 188,504
General	Parks and Recreation Maintenance Services	\$ 114,116
	TOTAL INTERNAL SAVINGS	\$ 653,988

GRAND TOTAL EXTERNAL AND INTERNAL ESTIMATED SAVINGS	\$	1,915,888
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Economic Vitality Incentive Program/County Incentive Program Certification of Consolidation of Services

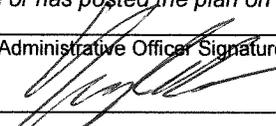
Issued under authority of 2012 Public Act 200. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for Consolidation of Services payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public, a consolidation plan as required by 2012 Public Act 200. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site.
2. Submit to Treasury a consolidation plan.

City/village/township: This certification, along with a consolidation plan, **must be received by February 1, 2013** to receive the February and April payments or on or before March 31, 2013 to receive the April payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with a consolidation plan, **must be received by February 1, 2013** (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION		
Local Unit Name City of Algonac		Local Unit County Name St. Clair County
Local Unit Code 742010		Contact E-Mail Address citymanager@algonac-mi.gov
Contact Name Doug Alexander	Contact Title City Manager	Contact Telephone Number (810) 794-5611
Website Address, if plan is available online		
PART 2: CERTIFICATION		
<i>In accordance with 2012 Public Act 200, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced a consolidation plan and has made the plan available for public viewing in the city, village, township, or county clerk's office or has posted the plan on a publicly accessible Internet site. The consolidation plan is attached to this signed certification.</i>		
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Douglas R. Alexander
Title City Manager		Date 1-24-13

Completed and signed form (including required attachment) should be e-mailed to: TreasRevenueSharing@michigan.gov

If you are unable to submit via e-mail, mail the completed form and required attachment to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

TREASURY USE ONLY		
EVIP/CIP Y N	Certification Received	EVIP/CIP Notes
Final Certification	Plan Received	
	1st C/P Submission Y N	