

## Economic Vitality Incentive Program/County Incentive Program Certification of Consolidation of Services

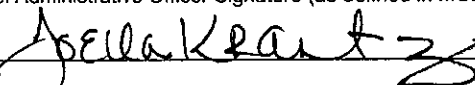
Issued under authority of 2013 Public Act 59. Filing is mandatory to qualify for payments.

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 2013 Public Act 59. 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, 2014** to receive the February and April payments or on or before March 31, 2014 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, 2014** (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 Auburn		Local Unit County Name Bay	
Local Unit Code 092010		Contact E-Mail Address jkrantz@auburnmi.org	
Contact Name Jo Ella Krantz	Contact Title City Administrator	Contact Telephone Number (989) 662-6761	Extension
Website Address, if plan is available online www.auburnmi.org			
PART 2: CERTIFICATION			
<i>In accordance with 2013 Public Act 59, 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) Jo Ella Krantz	
Title City Administrator		Date 01/24/2014	

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

If you are unable to submit via e-mail, fax to (517) 335-3298, or 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 Eligible Y      N	Certification Received	EVIP/CIP Notes
Final Certification	Plan Received	
	1st C/P Submission Y      N	

# City of Auburn, Michigan

113 E. Elm  
Auburn, MI 48611

## Plan to Cooperate, Collaborate and Consolidate Services Year 2014

Submitted by  
Jo Ella Krantz, City Administrator

### **Auburn City Commission**

Mayor – Lee Kilbourn  
Ken Charbonneau  
Matt Charbonneau  
Jan Dzurka  
Matt Hardy  
John McNally  
Russell Williams

## EXECUTIVE SUMMARY

In 2011, the State of Michigan established the Economic Vitality Incentive Program (EVIP) in which local units of government need to submit detailed documents in order to receive its share of statutory revenue sharing historically provided to local units. While local governments are mandated to provide certain services, there are many services that could be provided more efficiently and effectively by consolidation, cooperation, service sharing agreements, outsourcing, privatizing, or other arrangements that provide better services to its residents at less cost. As a small community it is necessary to cooperate as much as possible to enhance the services for its residents. In addition, leaders for the City have long taken a very proactive approach to analyzing its services and determining how it can provide the best services at the lowest cost to its taxpayers.

As part of state government requirements to improve intergovernmental cooperation throughout the state and local governments, the City of Auburn has developed this report to our residents. This report will outline existing examples of cooperation, collaboration and consolidation. It will also list a series of proposals designed to expand cooperation, collaboration and consolidation. The City of Auburn hopes that you will find this document and its contents useful. If you have any questions about this report, please feel free to contact the City Administrator at 989-662-6761 or by e-mail at [jkrantz@auburnmi.org](mailto:jkrantz@auburnmi.org).

Respectfully yours,

A handwritten signature in black ink that reads "Jo Ella Krantz". The signature is fluid and cursive, with a large loop at the beginning of the first name.

Jo Ella Krantz  
Auburn City Administrator

### Current Consolidation, Cooperation and Collaborations:

1. **Water:** The City of Auburn purchases water from the City of Midland. This was the first collaborative effort for the City and was the driving force behind Auburn becoming a City. The city maintains the water mains and issues all tapping permits.
  - a. **Cost Savings:** There are huge savings for the City since we do not maintain a treatment plant. Estimated savings \$10,000,000 + over the 63 years.
2. **Auburn Williams Fire Department** is a shared service with the City of Auburn and Williams Township since 1948 when the City was incorporated. Without a collaborative effort, it would be very difficult for the City to provide the level of service it obtains with partnering with the township. By combining forces, we have a larger better equipped department than we could otherwise afford. This is an all volunteer department.
  - a. **Cost Savings:** The fire department budget is \$229,800 of which the City of Auburn contributes \$75,834.
3. **Sewer: The West Bay County Regional Wastewater Treatment Plant** was constructed in the 70's. The plant receives and treats sewage from 8 communities in Bay County. The sewer mains and lift station in the city are owned by the city. The city pays for treatment of the sewage.
  - a. **Cost Savings:** The total budget for the wastewater utility is \$4,780,231 of that Auburn contributes \$215,104
4. **Bay Future Inc.** was established in 2004 and is dedicated to facilitating economic development strategies that promote and secure opportunities for business retention, growth, and the attraction of new industries that create quality jobs for community residents. By having a coordinated effort, Auburn receives a better level of service than could be achieved by running its own office. A total of 19 governmental entities and Downtown Development Authorities and 80 businesses in Bay County are members.
  - a. **Cost Savings:** By working together, the level of service is much higher than we could undertake by ourselves. The do-it-alone approach would not be able to provide the same services and results as the collaborative approach.
5. **Auburn-Williams Recreation Board** is a shared service with the City of Auburn and Williams Township to provide recreation services to the residents. Baseball, softball, gun range, soccer, summer youth program and other recreation services are managed by the recreation board.
  - a. **Cost Savings:** The FY 2014 recreation budget is \$17,000 of which the City of Auburn contributes \$8,500.

6. **Bay County Central Dispatch Authority** has been a successful collaboration between all the cities, townships and the county. Dispatch has become a very high technology field. It is difficult for any one unit of government to fund and operate a dispatch center by itself. If the City were to create their own dispatch center, we would not be able to afford the same level of service or use the sophisticated technology that is available in a collaborative effort.
  - a. **Cost Savings:** The budget for Bay County Central dispatch is \$3,200,000.
  
7. **Liability Insurance:** The City of Auburn is a member of the Michigan Township Participating Plan which is a joint venture with many other government entities to provide liability and property insurance for the city. It was formed in 1985 under the enabling legislation known as Public Act 138. It was formed to provide a stable insurance market for governmental entities. Over 1,400 cities, villages, townships, counties and special districts are members.
  - a. **Cost Savings:** Very difficult to estimate. Our price is competitive with commercial insurance. During some periods, it is extremely difficult to purchase commercial liability insurance for a municipality. The joint venture ensures that we will always be able to be insured. The total gross premiums are \$19,266,126 of which Auburn contributes \$24,700.
  
8. **Worker's Compensation:** The City of Auburn is a member of the Michigan Municipal League's worker's compensation fund which is joint venture to handle worker's compensation claims. 882 Michigan cities, villages, townships and counties are members.
  - a. **Cost Savings:** Very difficult to estimate. The total budget is \$25,367,362 of which Auburn contributes \$6,720.
  
9. **Hazard Mitigation Plan:** The City of Auburn worked together with representatives from Bay County and the other municipalities to develop a hazard mitigation plan for the area. Each partner contributed one or more staff people for a series of meetings. The County took the lead in preparing the Plan. Without their lead, each community would have had to devote its resources to write their own plan. We estimate that it would have cost the City of Auburn \$5,000 to prepare its own plan. It is unlikely that the Michigan State Police would have assisted communities on a single community basis. Our joint effort also meant that the Michigan State Police and the Federal Emergency Management Agency could review one plan instead of 24 separate community plans.
  - a. **Cost Savings:** \$5,000
  
10. **Recreation Plan:** The Bay County Area Recreation Plan is a multi-jurisdictional plan that includes the City of Auburn, Bay County and 13 Cities and Townships. This was a cost effective means to submit a recreation plan to the DNRE and open the door for grant opportunities for all municipalities in Bay County. Because of the collaboration the DNRE views community grant applications more favorably. This is being updated again in 2014.

- a. **Cost Savings:** The total cost of the plan was \$19,250 the City's share was \$750.00.
11. **Building Inspector:** The City of Auburn contracts with Williams Township to provide building inspection services. By working together, both the city and the township can reduce their costs and make the program more affordable to the public. The bigger benefit is to developers in the area. The City of Auburn and Williams Township by having one inspector have one set of rules for all contractors to follow. This makes it easier to educate the contractors about the rules and expectations.
- a. **Cost Savings:** There is no real cost savings to the city.
12. **Pension Administration:** The City of Auburn uses the Municipal Employees Retirement System of Michigan to manage, administer and invest our pension system. There are 750 municipalities that are member of MERS of Michigan. The City of Auburn is too small to hire a professional money manager. By pooling our resources, we have access to professional money manager as well as professional staff to manage the personnel records and advise our employees.
- a. **Cost Savings:** The cost savings is difficult to estimate. Additional staff would have to be hired to do this in house. Estimate savings \$50,000.
13. **Road Salt:** We purchase road salt under the state contract.
- a. **Cost Savings:** There are no real cost savings to the City.
14. **Police Services:** Has disbanded the Auburn Police Department and has joined with Williams Township in hiring three full-time deputies. The Township and City consolidated police protection and have three full-time officers. With this arrangement the City is able to provide 40 additional hours of protection to the citizens at cost less than providing two full-time city officers.
- a. **Cost Savings:** Fiscal Year 2013 savings \$63,000.
15. **Drug Testing:** The City of Auburn participates in the Michigan Municipal League drug and alcohol testing program for our employees who possess a Commercial Driver's License (CDL). Under federal regulations, all employers who have positions that require CDL certification must have a random testing program for drugs and alcohol. Also, after most accidents, drivers are required to be tested for drugs and alcohol. By working together, not every community has to be an expert in all aspect of the rules. The pool provides administrative oversight and organizes the testing program. Having an outside pool select the candidates for testing helps ensure the randomness of the picks. The biggest benefit is ensuring that we remain in compliance with the rules.
- a. **Cost Savings:** The City currently contributes \$210.00 annually to the program.
16. **Shooting Range:** The City of Auburn maintains a shooting range that is utilized by several surrounding law enforcement agencies. The City has a mowing arrangement with the Freeland Correctional Facility for mowing services in exchange for range use.

- a. **Cost Savings:** Cost savings is over \$1,000 in mowing costs. The main benefit and cost savings are recognized by the other law enforcement agencies not building and maintaining individual shooting ranges.

17. **Lagoon Ponds:** When the City of Auburn contracted with the West Bay County Regional Wastewater Treatment Plant the old lagoon ponds were then utilized by the DNRE as a fish hatchery.

- a. **Cost Savings:** The DNRE maintains and mows the ponds. Cost savings is \$1,000 in mowing costs.

### **Implemented Proposals and Updates from the Previous Plans**

In the 2012 cooperation report, we listed five areas of planned cooperation. The City of Auburn has been successful in making progress on these initiatives.

#### **1. Installation of Weather Warning Siren**

**Timeline to Accomplish Proposal** – The siren was installed in November 2012.

**Jurisdictions Involved:** City of Auburn and Bay County Central Dispatch

**Realized Savings:** \$10,000

**Implementation Status:** 100% complete.

**Barriers Experienced:** None

#### **2. Use of Bay County GIS system for Mapping**

**Timeline to Accomplish Proposal:** The first mapping was completed in January 2013. The GIS mapping will continue to be an ongoing project. The first project was mapping the City's hydrants. This information can now be used by Central Dispatch to aid firefighters in locating the nearest hydrant and aids the DPW with their continued efforts in mapping the City's infrastructure. Using the county's GIS software eliminates the need for an in house GPS mapping software or contracting it to an outside engineer firm.

**Jurisdictions Involved:** City of Auburn and Bay County

**Realized Savings:** \$1,500 per mapping and shared use of the GPS handheld device for a saving of \$200.

**Implementation Status:** This will be an ongoing project and will take several years to fully GPS the City's water, sewer utilities and infrastructure.

**Barriers:** None

#### **3. Bay County and local governments with cooperative purchasing of supplies**

**Timeline to Accomplish Proposal:** Bay County recently released a bid for replacement computers. Prior to the bid the county sent a letter to other municipalities

asking to participate in October of 2012. Although the City was unable to participate due to no need for new computers, we have continued to express our desire to continue in cooperative purchases.

**Jurisdictions Involved:** City of Auburn, Bay County and various other governmental units in the county.

**Realized Savings:** None

**Implementation Status:** The City of Auburn will continue its discussions with Bay County on the consolidation of purchasing functions. The goal is to improve procurement of services, equipment and capital improvements by promoting competition.

**Barriers:** None substantial.

#### 4. **Street Signs with Bay County Road Commission**

**Timeline to Accomplish Proposal:** The City of Auburn has in the past used the bid prices obtained from Bay County Road Commission for striping due to their ability to obtain lower prices from the contractors due to economies of scale. In 2012 we contracted installation of street signs and replacement of legends on the city streets. This will be an ongoing project as signs are removed and replaced.

**Jurisdictions Involved:** City of Auburn and Bay County Road Commission

**Realized Savings:** \$3,000

**Implementation Status:** Completed

**Barriers:** None

#### 5. **Contracting Police Protection with Bay County Sheriff's Dept.**

**Timeline to Accomplish Proposal:** Although this was not listed on the 2011 report of proposals. The City of Auburn and Williams Township in June 2012 the city agreed to to contract 100% with the Bay County Sheriff's Department for three full time officers and share the deputies. The City has disbanded the city's police department. Not only has this reduced costs for the City it has increased police protection by 40 hours weekly.

**Jurisdictions Involved:** City of Auburn, Williams Township and the Bay County Sheriff's Department.

**Realized Savings:** \$63,000 annually.

**Implementation Status:** Completed.

**Barriers:** None



In the 2013 cooperation report, we listed five areas of planned cooperation. The City of Auburn has been successful in making progress on these initiatives.

1. **Joint Streetscape Project with Williams Township**

The City and neighboring Williams Township has met to discuss a joint streetscape project on the city/township border. To date the City and Township has taken on a group fund raiser to complete the project with donations as proposal for completion came in at \$40,000.

**Timeline to Accomplish Proposal:** Summer of 2014

**Jurisdictions Involved:** City of Auburn, Auburn Downtown Development Authority, Williams Township and Bay County Road Commission.

**Realized Savings:** Better pricing due to larger quantities being bid. Estimated savings of \$20,000.

**Other Benefits:** By making the intersection friendly to pedestrians and by improving the aesthetics of the corridor through a cohesive streetscape and roadway improvement plan it is hoped the revitalization leads to a new image and encourages an increased level of economic development. The greatest benefit derived is to the residents with safer walking paths and crosswalks linking the city and township parks.

**Implementation Status:** The two communities are continuing to make progress towards the completion of the project. As stated previously due to the high cost of the project the two communities have taken on a fund raising project.

**Barriers:** Funding

2. **Repair of City Facilities Using Inmates from the Saginaw Correctional Facility**

**Timeline to Accomplish Proposal:** Summer of 2013 and in future years.

**Jurisdictions Involved:** City of Auburn and Saginaw Correctional Facility

**Realized Savings:** Current estimated savings \$2,000

**Other Benefits:** The city benefits by getting upgraded facilities. This program benefits the inmates in the system by providing them with skills they need to lead crime-free lives.

**Implementation Status:** The City purchased the material and the Saginaw Correctional Facility inmates repaired several picnic tables, constructed 4 new picnic tables and a planter box for City Hall. This will continue to be an ongoing project.

**Barriers:** None

**Future Collaborations**

As demonstrated throughout this report, the City of Auburn has a long history of collaborating with outside agencies. City leaders are continually examining ways to improve services or reduce costs through cooperative or consolidative efforts. The City of Auburn plans to continue to work with its neighboring municipalities on existing and potential collaborative efforts.

The City and neighboring Williams Township has met to discuss a combined a community shred day and a hazardous disposal day.

**Timeline to Accomplish Proposal:** Summer of 2014

**Jurisdictions Involved:** City of Auburn and Williams Township.

**Realized Savings:** At best estimate \$1,000 - \$3000.

**Other Benefits:** The residents get a much needed service.

The City of Auburn has many examples of cooperation, collaboration and consolidation. These examples have proven over several years to be successful and we are always looking for ways to see if we can find more. The City of Auburn and Williams Township in April 2008 formed an intergovernmental advisory committee to discuss intergovernmental cooperation between the two entities. The committee's purpose is to identify areas of mutual interest of both municipalities and carefully research the possibilities of combining the effort in those identified areas if good service can be derived while being economically feasible. The group meets on a quarterly basis and public input is sought. As evidenced by the intergovernmental committee that was formed in 2008 the City of Auburn has seriously looked at other ways we can increase services and decrease costs by cooperation, collaboration or consolidation. We are proud of our success.