

Cooperation, Collaboration & Consolidation Plan | **2012-2013**



City of Sturgis

Cooperation, Collaboration, Consolidation & Sturgis

The City of Sturgis has long believed in the importance of right-sizing operations and working with other area municipalities to provide the best services practicable. Since 2006 the City has worked to reorganize through employee attrition; continuously re-evaluating positions and organizational responsibilities as a result of retirements and other position vacancies. This process has led to organizational cost savings, while at the same time allowing for maintenance of services at or near historic levels.

This methodology proved extremely important in allowing the City to manage the economic downturn which began in 2008. Despite lost revenue and the increasing cost of fixed expenses, to date the City has not had significant lay off of personnel or needed to make dramatic cuts to citizen services.

Collaboration and cooperation have also been important tools for the City in working to provide first-rate services to citizens with ever-reducing revenues. Despite being relatively isolated geographically from other large communities, the City has worked closely with nearby cities and surrounding townships to address issues and improve service provision.

Close ties with organizations in the community, including local non-profits, businesses, and the school system have also been beneficial. Due to the City's close proximity to the state border, Sturgis has also had the opportunity to collaborate with Indiana municipalities and counties in an effort to improve economic development in the region.

Looking forward, the City anticipates continuing to take advantage of all cooperation, collaboration, and consolidation opportunities that make sense and provide cost-savings and/or service provision advantages. In times of fiscal stress working together to maximize the benefit of every dollar spent is more important than ever in order to meet our goal of providing services that make Sturgis a community people want to call home.

Update on Prior Year Proposed Cooperation, Collaborations & Consolidations

Last year the City proposed several Cooperation, Collaboration, and Consolidation (C3) activities that were expected to reduce costs, provide new services, and improve operational efficiencies. As part of these efforts, the City was looking at collaborating with a number of groups, including other local and county governments. Below are the list of proposed C3 activities from last year, with an update on the progress made towards these efforts and barriers encountered.

STREET REPAIR EQUIPMENT SHARING

The condition of community streets has been and continues to be an area of concern for the City and citizens. In an effort to improve street repair activities, the City is looking to purchase two pieces of equipment; an emulsion tank and pothole patcher (Durapatcher).

The emulsion tank will allow Department of Public Services staff to fill potholes and small street cracks more effectively than simple hot or cold asphalt patching; repairs will thus last longer and require fewer repair trips. The Durapatcher will allow City staff to complete street repairs on more significant cracks that would have previously only been completed by a contracted service as part of a comprehensive street repair program.

Purchase of both machines would be prohibitively expensive if undertaken by the City of Sturgis alone. The City is looking to purchase the equipment cooperatively with other local governments, sharing costs and equipment time.

Proposed Partners: City of Coldwater and City of Three Rivers (Durapatcher), St. Joseph County and City of Three Rivers (emulsion tank).

Benefits: The primary benefits of the collaboration would be increased service provision for street repairs. The City would save approximately \$40,000.00 (2/3rds) of estimated purchase cost on the Durapatcher by collaborating versus purchasing alone. Additional savings would be realized from joint purchase of an emulsion tank. Ultimately, however, this is a new expense for the City, so any true cost savings are minimal, based on reduced need to re-repair potholes.

Projected Timeline: Last year we anticipated a decision on the collaboration by Spring 2012 with the possibility of purchase(s) by the end of 2012. Currently the City hopes to complete a more limited collaboration by summer 2013.

Current Status: Discussions with The City of Three Rivers and the St. Joseph County Road Commission are ongoing regarding purchase or retrofitting of a shared emulsion tank. There is still a possibility of collaboration with Three Rivers for purchase of a Durapatcher, but if a collaboration is not possible the City of Sturgis plans to purchase one independently.

Barriers to Project: Discussions on the purchase of a Durapatcher with Coldwater and Three Rivers broke down. Coldwater decided to purchase a Durapatcher alone and work with the Branch County Road Commission for emulsion.

BUILDING PERMIT UNIFICATION

The City of Sturgis is surrounded by several other municipalities, including four townships. Each of these municipalities has a separate building permit process, with unique fees for service, applications, etc. Often residents of the township or building contractors will contact the City about building permits for projects in one of the townships. Contractors often complain of not knowing proper procedures because of the variance between jurisdictions.

To address these mutual issues and provide a more customer service-friendly atmosphere for citizens and contractors, the partners are working on a collaboration to unify the building permit process for area municipalities. Contractors could obtain, submit, and pay for a building permit anywhere in the area; municipalities would then work together to get the permit to the correct jurisdiction for review.

Proposed Partners: Burr Oak Township, Fawn River Township, Sturgis Township, Sherman Township

Benefits: Increased service provision for citizens and contractors; nominal cost savings are anticipated at this time.

Projected Timeline: Substantive discussions of the project began in August of 2011; last year we anticipated finalized collaboration by the end of 2012, implementation 2013. Currently we hope to have a collaboration agreement by the end of 2013.

Current Status: The City continues to have discussions with the proposed partners about permit unification but as yet has not been able to finalize collaboration.

Barriers to Project: Project barriers have included attempting to find ways to resolve fundamental differences in staffing and fee structures for building permits. Proposed partners use a mixture of in-house and contract staffing for building permits, which greatly impacts how fees are charged. These differences make a single system difficult to design.

STURGIS AREA MUNICIPAL COOPERATIVE

The relationship between the City of Sturgis and its surrounding townships and municipalities is increasingly important. Given the need for greater collaboration and cost-sharing in today's economy, communication is critical. The City and Burr Oak Township, Fawn River Township, Sturgis Township, Sherman Township have formed a cooperative to discuss issues and ways for area municipalities to collaborate, cooperate and, where possible, consolidate now and in the future. This effort is expected to create more C3 activities in the future.

Partners: Burr Oak Township, Fawn River Township, Sturgis Township, Sherman Township

Benefits: Increased communication between municipalities and development of C3 opportunities. No direct cost savings.

Projected Timeline: Informal collaboration began in June of 2011. Last Year we anticipated establishment of formal cooperative in 2012. The City plans to work with partners to establish the formal cooperative by mid-2013.

Current Status: The City continues to hold regular meetings with the proposed partners and has discussed a number of topics including potential future collaborations with the City's compost site, recreation programs, and leaf pickup. The group has also discussed police mutual aid.

Barriers to Project: To date the group has had regular and productive discussions, but has yet to have group impetus to formally establish a cooperative.

Update on Future C3 Ideas

Last year the City provided information on two C3 ideas for the long-term that were not expected to reach completion in the near future. These efforts were at the earliest of planning stages, with collaborations not fully explored. Updates on these projects are below.

SPECIALIZED ADMINISTRATIVE SUPPORT

Highly technical, specialized administrative positions and tasks such as facilities maintenance and management, fleet management, bank reconciliations and information technology (IT) are requirements of effectively managed organizations. Hiring to address these areas alone can be expensive to fund. Currently, facilities management and fleet management are handled by City department heads on a part-time basis; typically the department heads handling these duties have little formal training in these areas. City IT is handled in-house by a specialized staff person, but the department is understaffed given the increasing use of technology in the workplace. Likewise, facilities maintenance and bank reconciliations are handled on an as-available basis by department heads.

As a small municipality, staffing either specialized positions or increasing staff to handle additional responsibilities alone is not practical given the current economic climate and financial conditions. To ensure that the best, most cost-effective decisions are being made in these critical areas and that assets are being properly utilized, monitored and maintained, the City has considered collaboration with the area school system to provide some of these services. By collaborating, the City can take advantage of economies of scale to hire well-trained personnel in sufficient capacity to address these areas. Cost saving would come over the hiring of new City staff, by freeing up current department head staff time for other duties, and due to more informed purchase and maintenance decisions in these areas.

PROJECT UPDATE: The City continues to review the possibility of leveraging specialized administrative support. In 2012 the City explored possible limited collaborations with the school in some of these areas, but was unable to secure an agreement on anything.

WALKING/BIKING TRAILS

For any successful community, quality of life is an important consideration. In today's economic climate, however, making funds available for improving quality of life assets is at best a tough sell. One area the City of Sturgis is interested in developing greater quality of life assets is biking and walking trails.

Currently the City and surrounding area feature no such trails for public use. The City has property associated with easements for its electric utility as well as railroad right of way that would be ideal for development into trails. Initial steps include the development of a trails plan for the Community, which the City has explored with several organizations and municipalities. The long term goal would be establishing a local trail network.

A trail plan and eventual trail system would improve the community's quality of life assets. As a new service to the community, the plan would entail a new expenditure of funds. By collaborating with various interested agencies from the community, the cost of individual portions of the project, such as plan development, would be spread out on an equitable basis.

PROJECT UPDATE: During 2012 the City worked with are governments, businesses and non-profits to fund a trailways master plan for the community. Several public hearings were held during the process, and a final copy of the plan is near completion. The City plans to continue to explore relationships with the collaborating partners to implement the master plan.

New Cooperation, Collaboration & Consolidation Ideas

The City of Sturgis has two new efforts planned for implementation in 2013.

STURGIS COMPOST SITE COOPERATIVE AGREEMENT

Currently the City of Sturgis owns and operates a compost site in Fawn River Township. City residents access the compost site free of charge, as do residents of Sturgis Township through a 425 agreement. Residents of other area townships (Burr Oak, Fawn River, and Sherman) pay a fee for use of the site.

To better provide access to township residents, the City and non-covered townships are exploring a collaboration where township governments would purchase compost site passes for residents and hand them out for free at their respective offices. Passes that do not get used would be “bought back” by the City at the end of the year. This effort was proposed as part of the Sturgis Area Cooperative meetings.

Partners: Burr Oak Township, Fawn River Township, Sherman Township

Benefits: Potential increased revenue from compost passes for the City (now free to the township citizens, but paid by the townships). Townships benefit from providing the service at a per-person cost.

Projected Timeline: Discussions on the project began in January of 2013. We anticipate formalized agreement by spring of 2013.

Current Status: City and townships have discussed the structure of the agreement and are working on details of the program.

COOPERATIVE GRANT WRITER

From 2008 to 2010 the City of Sturgis participated with the City of Three Rivers, St. Joseph County, and the St. Joseph County EDC to fund a cooperative grant writer. This C3 project saved the City approximately \$30,000.00 a year over hiring a new part-time staff person for the City alone. The project ended when the person in the position left. The City of Sturgis, City of Three Rivers, and St. Joseph County have been working to re-establish the cooperative grant writer position in 2013.

Partners: City of Three Rivers and St. Joseph County

Benefits: Savings of at least \$30,000.00 over a separate, part-time Sturgis employee.
Allows the City to access specialized grant writing services.

Projected Timeline: Implement the grant writer position in the first quarter of 2013.

Current Status: City and its partners signed a memorandum of Understanding in September of 2012 and completed the interview process for the position. A grant writer will be hired and begin working in the first part of 2013.
