

Cooperation, Collaboration &
Consolidation Plan | **2013-2014**



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 similarly-sized 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 local governments 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

The past several years the City proposed multiple 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 past years, 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 limited collaboration by summer 2013. The City hopes to purchase the Durapatcher (independently) by spring 2014 and reach an agreement with the St. Joseph County Road Commission and other partners on use of an emulsion tank by summer 2014.

Current Status: The City tested a Durapatcher in 2013 and is prepared to purchase it independently in 2014. The St. Joseph County Road Commission has purchased an emulsion tank and is still open to collaboration of some kind with the City and other partners regarding this equipment. Discussions into this collaboration will be continued once purchase of equipment is finalized.

Barriers to Project: Available funds and the need for testing delayed the City's purchase of a Durapatcher in 2013. Without purchase of a Durapatcher, collaboration on an emulsion tank did not make sense for the City.

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 2013; this goal was not met. Any further efforts on this project are being suspended unless new developments warrant further work.

Current Status: The City continues to have interest in a collaboration on this project, but no significant further discussions have materialized with the proposed partners. Any further efforts on this project are being suspended; the project will be removed from the 2014-2015 Collaboration plan unless significant progress is made.

Barriers to Project: Project barriers continue to include attempting to find ways to resolve fundamental differences in how service capacity is provided 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 and implement.

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 were interested in establishment of a formal cooperative by mid-2013, which was not achieved. There are no current plans for a formal cooperative. The project is complete.

Current Status: The City continues to hold regular meetings with the proposed partners and has discussed a number of topics. Fruitful discussions emerging from the informal cooperative include coordination of street projects, and discussions of ongoing collaborations such as our shared ambulance service and trail master plan implementation. Project partners seem to be satisfied with an informal meeting arrangement. While not achieving a formal cooperative, the City views the project as complete and a successful collaboration.

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. Project partners seem satisfied with the current, informal arrangement.

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: Planning for the cooperative agreement began in January of 2013. Last year we anticipate formalized agreement by spring of 2013. In March 2013 the City amended its compost site policy to provide for Township bulk purchasing. No further action is being taken on this agreement as it is complete.

Barriers to Project: There were no barriers to the project as it was completed as anticipated in 2013.

Current Status: The City amended its compost site policy in March of 2013 to allow for townships to purchase passes in bulk for distribution to their residents, with a refund clause. Townships did not utilize the provision in 2013. The project is considered successfully complete.

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: A cooperative agreement was completed in September 2012 with interviews in Q4 2012. The grant writer position filled in Q1 2013.

Barriers to Project: There were no barriers to the project as it was completed as anticipated in 2013.

Current Status: The City and its partners hired a grant writer in 2013 for this position and she has subsequently gone on to apply for multiple grants during the balance of the year. Several of these grants have been successful, resulting in cost savings on City projects. The project is successfully completed.

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: 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. In 2013 and going forward, progress has been made more difficult due to leaner organizations (both City and schools) that no longer have the excess capacity to adequately collaborate. Discussions have resulted in the City hiring one of the school's private contractors for cleaning services, starting in February 2014.

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 partnered with the Townships of Sturgis, Fawn River, Sherman, and Burr Oak as well as Sturgis Hospital and the Sturgis Area Community Foundation to fund a trailways master plan for the community. In 2013 a trails plan was completed. The plan cost \$7,300.00, with the City and townships contributing \$500.00 each, Sturgis Hospital contributing \$1,000.00 and the Sturgis Area Community Foundation providing the remaining \$3,800.00. While one possible rails-to-trails project was explored and abandoned in 2013, the City plans to continue to explore relationships with the collaborating partners and others to implement the master plan.

New Cooperation, Collaboration & Consolidation Ideas

The City of Sturgis has one new effort planned for implementation in 2014.

MI TECHNICAL RESPONSE TEAM 5

The City of Sturgis, along with partners from the nine-County District 5 in southwest Michigan is a participating member in MI Technical Response Team (TRT) 5. The TRT is a 60 person special outfit designed to handle emergency response to events including confined space rescue and disaster response.

Currently the City of Sturgis and several of the other participating municipalities have their own response team for these incidents. Upon implementation of the Team, one 60 person, multi-jurisdictional team will be formed to respond to events in Region 5. Training and equipment will be centralized with the TRT and all member communities can request resources as needed to respond to incidents. The City of Sturgis will have four personnel assigned to the team.

Partners: Participating municipalities from the nine counties of Region 5.

Benefits: By participating in the collaboration, the City looks to save a few thousand dollars each year in equipment and training for confined space rescue and other covered incidents. Service levels should increase as the City is able to draw on the resources of the group for larger incidents, potentially bringing greater resources and experience to an incident than currently possible.

Projected Timeline: Discussions on the collaboration began in 2011. In Q1 2013 interviews were conducted for Team members. Currently training for the TRT is ongoing. The MI TRT 5 is expected to complete training and be active by Summer of 2014.

Current Status: TRT training is ongoing.
