

## City of East Jordan

### *Economic Vitality Incentive Program – Consolidation of Services Plan*

#### **Introduction:**

The State’s Economic Vitality Incentive Program (EVIP) adopted earlier this year set three criteria for cities to maintain statutory revenue sharing:

1. Certify to the Michigan Department of Treasury that **by October 1, 2011** they have produced and made readily available to the public, a citizen’s guide and a performance dashboard of their local finances, including recognition of their unfunded liabilities. *The City has met this criterion.*
2. Certify to the Michigan Department of Treasury that **by January 1, 2012** they have produced and made readily available to the public, a plan with one or more proposals to increase its existing level of cooperation, collaboration, and consolidation, either within the jurisdiction or with other jurisdictions. A plan shall include a listing of any previous services consolidated with the cost savings realized from each consolidation and an estimate of the potential savings for any new service consolidations being planned.
3. Certify to the Michigan Department of Treasury that **by May 1, 2012** they have developed an employee compensation plan, which they intend to implement, with any new, modified, or extended contract or employment agreement, for employees not covered under contract or employment agreement; and that the plan has been made available for public viewing in the clerk’s office or posted on a publicly accessible internet site.

This document represents the City’s *Consolidation of Service Plan* due by January 1, 2012 under the EVIP requirements.

#### **Examples of Prior Consolidation of Services Initiatives:**

The City of East Jordan with a population of 2357 is the third largest city in Charlevoix County and has long striven to cooperate with surrounding governments in providing services to our citizens. The City can point to numerous and successful service consolidation examples both as a service provider to others and as a recipient of services where it has been determined another local unit of government can provide a service more efficiently.

### **Existing Service Consolidation Examples (East Jordan Provides Services to Other Units)**

SERVICE/ CONSOLIDATION DATE	COMMUNITIES INVOLVED/ CONSOLIDATION BENEFITS	ANNUAL SAVINGS
Water Production	Parts of South Arm Township	\$ 35,000

Varies	Water service/quality to consumer	
Sewer Services Varies	Parts of South Arm Township Service to consumer. Benefit to environment.	\$ 50,000
Fire Protection 1993	Echo Township, Eveline Township, Jordan Township, South Arm Township, Wilson Township Cost of individual services prohibitive.	\$ 55,000
EMS/ Ambulance Services 1993	Echo Township, Eveline Township, Jordan Township, South Arm Township, Wilson Township, Banks Township, Village of Ellsworth Cost of individual services prohibitive.	\$ 35,000
Charlevoix County Council on Aging 2007	South Arm Township, Wilson Township, Eveline Township, Marion Township Rental of City owned building to Council on Aging for "senior citizen center".	\$ (12,000)

**Existing Service Consolidation Examples  
(East Jordan Receives Services from Other Units)**

SERVICE/ CONSOLIDATION DATE	COMMUNITIES INVOLVED/ CONSOLIDATION BENEFITS	ANNUAL SAVINGS
Property Assessment	The City has contracted with Charlevoix County Assessor's Office for this service	\$ 30,000
Recycling Services	The City cooperates with Charlevoix County and other County Cities and Townships to provide recycling services and reduce solid waste.	\$ 10,000

Public Safety Dispatch Late 1980's	There is a countywide Central Dispatch Authority that provides this Service to the City	\$ 25,000
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**New Planned Consolidation of Services Initiatives:**

**Creation of Area Fire District:**

The City of East Jordan is currently serviced by its own volunteer fire department which provides contract services for all or parts of Echo Township, Eveline Township, Jordan Township, South Arm Township and Wilson Township.

The fire department is a city department under the authority of the City Commission and City Administrator. All fire facilities and equipment are owned by the city.

Under the current contract, which has been in effect since 1993, the City of East Jordan has been paying 50% of the cost of operating the department with the remaining 50% being split among the other participants. Beginning in 2011, under an extension of the original contract, the operational costs were distributed among the parties based on tax valuation.

The current service initiative is to create a Fire District in which all of the existing parties would become equal participants in the operation, including costs, of a fire department. This arrangement would also allow for better service and more accountability to the residents served.

This city initiative is in its early discussion stages with the City Commission and the Trustees of each of the Townships involved.

**Anticipated annual savings to the City of East Jordan: \$100,000 annually**

**Expansion of City Sewer Services**

The City of East Jordan has excess sewer capacity that can be utilized by surrounding townships. Currently the city provides service to a number of non-city residences.

The problem is the cost of owning and operating a private system versus the cost of being serviced by the City. A solution may be through actually lowering rates to attract users. There has been discussion about standardizing rates and achieving greater economies of scale through the inclusion of non-city residents into the existing sewage system.

If these obstacles can be overcome, the economic benefit to the city will be relatively small but the benefits to the environment and the quality of life will be much greater.

**Anticipated annual savings to the City of East Jordan: \$10,000 annually**

**Expansion of City Water Services**

The City of East Jordan has excess water capacity that can be utilized by surrounding townships. Currently the city provides service to a number of non-city residences.

The problem is the cost of owning and operating a private system versus the cost of being services by the City. A solution may be through actually lowering rates to attract users. There has been discussion about standardizing rates and achieving greater economies of scale through the inclusion of non-city residents into the existing water system.

**Anticipated annual savings to the City of East Jordan: \$10,000 annually**

**Creation of an Area Ambulance District**

The City of East Jordan is currently serviced by its own EMS/Ambulance department which provides contract services for all or parts of Echo Township, Eveline Township, Jordan Township, South Arm Township, Wilson Township, Banks Township and the Village of Ellsworth.

The EMS/Ambulance department is a city department under the authority of the City Commission and City Administrator. All EMS/Ambulance facilities and equipment are owned by the city.

Under the current contract, which has been in effect since 2006, the City of East Jordan has been paying the cost of operating the department with a contract price of \$4,800 being paid by each of the other participants. Beginning in 2011, under an extension of the original contract, the contract price was raised to \$6,500 per annum.

The current service initiative is to create an Ambulance District in which all of the existing parties would become equal participants in the operation, including costs, of such a district. This arrangement would also allow for better service and more accountability to the residents served.

This city initiative is in its early discussion stages with the City Commission and the Trustees of each of the Townships involved.

**Anticipated annual savings to the City of East Jordan: \$75,000 annually**

### **Consolidation of Telecommunications**

This consolidated services initiative has received the most attention of any of the initiatives. Several of the communities in the area including the county have dated telecommunications systems and are considering upgrading to more modern and cost effective VOIP (voice over IP) internet based systems. Discussions have been held with various authorities in an effort to analyze and select the best product lines.

**Anticipated annual savings to the City of East Jordan: \$10,000 annually**

*File: EVIP*