



City of Bay City, Michigan

Consolidation Plan
Category 2 of the State of Michigan
Economic Vitality Incentive Program (EVIP)
January 2014
Resubmitted February 2014

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LIST OF PRINCIPAL OFFICIALS



Mayor

Christopher J. Shannon

City Commissioners

First Ward:

Lynn D. Stamiris

Fourth Ward:

Lori Dufresne

Seventh Ward:

Kerice Basmadjian

Second Ward:

Elizabeth Peters

Fifth Ward:

James Irving

Eighth Ward:

Chad Sibley

Third Ward:

Andrew Niedzinski

Sixth Ward:

Christopher Girard

Ninth Ward:

Larry Elliott

Administration

Acting City Manager

Dana L. Muscott

Deputy City Manager/City Clerk

Dana L. Muscott

Public Works Director

David Harran

Interim Water Treatment

Superintendent

Tom Levengood

Wastewater Treatment

Superintendent

William Kaiser

Human Resources Director

Gregory D. Talicska

Electric Director

Phil Newton

Public Safety Director

Michael Cecchini

Fiscal Services Director

George Martini

Information Technology Director

Tony Reyes, Jr.

Prepared By:

Gina Engel, Administrative Services Analyst

EXECUTIVE SUMMARY

With the Appropriations of the Fiscal Year 2012 State Budget (Public Act 63 of 2011) the legislature—at the Governor’s request—established the “Economic Vitality Incentive Program” (EVIP). EVIP creates an incentive for cities, villages and townships eligible to receive statutory revenue sharing. The Economic Vitality Incentive Program (EVIP) for Fiscal Year 2014 allocated \$235 million for incentives available to communities evidencing “Best Practices” in three categories. The three categories include (1) Accountability & Transparency, (2) Consolidation of Services, and (3) Employee Compensation.

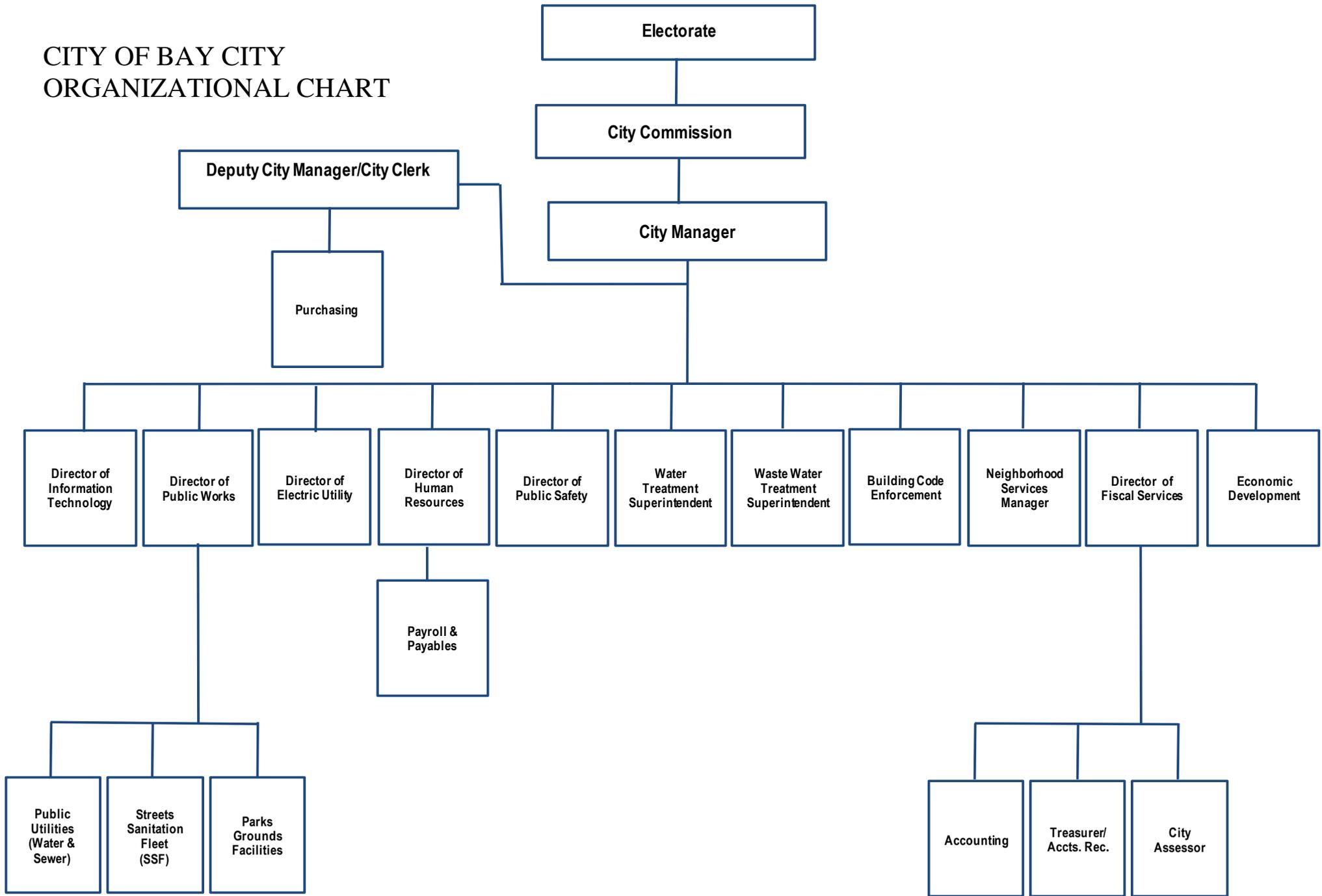
An eligible municipality receives incentive payments for establishing “Best Practices” in each of the three categories. In the Accountability & Transparency Category, a community is required to have (1) Citizen’s Guide to the Local Unit’s Financial Reports, (2) Performance Dashboard (3) Debt Service Report and (4) Projected Budget Report. The Local Unit must have filed a certificate with the Michigan Department of Treasury on or before October 1, 2013 evidencing the creation of all four items. The City of Bay City successfully met this requirement.

The Consolidation of Services Plan must be filed by the municipality with the Michigan Department of Treasury on or before February 1, 2014. The Consolidation Plan represents cooperation, collaboration, consolidation, innovation, or privatization. This document must contain an update on the status of the 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 plan must also contain at least one new proposal to increase the Local Unit’s existing level of consolidation either within the jurisdiction or with other jurisdictions. This document serves as the City of Bay City’s Consolidation Plan for 2014.

In the Employee Compensation category, the local unit is required to submit an Employee Compensation Plan or prove that they are compliant with Public Act 152 of 2011 to the Michigan Department of the Treasury on or before June 1, 2014.

The City of Bay City has prepared a Consolidation Plan addressing internal and external opportunities to reduce costs, eliminate duplication of services and increase effectiveness. The City’s Plan includes status updates of the proposals that were in last year’s Plan along with current and future efforts to consolidate with our neighbors and other municipalities in the Great Lakes Bay Region. The City will strive to implement the elements of its Plan in a timely manner and continue to identify opportunities for additional cooperation, collaboration and consolidation resulting in enhanced revenues, reduced costs and/or increased efficiency.

CITY OF BAY CITY ORGANIZATIONAL CHART



SECTION I: PROPOSED PROJECT STATUS UPDATES

Financial Management Software

The City of Bay City continues to evaluate vendors for its financial management software. If Tyler Technologies, which is one of four vendors under consideration, is selected, the City will pursue shared software licensing and support with Bay County. The possibility for shared licensing and support only exists if the City elects to go with Tyler Technologies. The estimated annual cost savings/revenue for this opportunity is \$5,000. The projected implementation timeframe is the Fourth Quarter 2012.

Status Update (January 2014): The City of Bay City decided to revise its Request for Proposals to include Utility Billing Software for its electric, water and sewer departments in November 2012. The City will investigate a possible software/maintenance cost savings with Bay County if Tyler Technologies is the vendor of choice. As such, the potential partnership is still viable and is pending final evaluation. The timeframe for vendor selection is Second Quarter 2014.

Existing/Potential Barriers (January 2014): This goal is dependent upon Tyler Technologies being the selected vendor. If Tyler Technologies is not the selected vendor then this goal is not feasible.

Integrating the Building Code Enforcement Department into the Fire Department

The Bay City Fire Department is considering integrating the Building Code Enforcement Department into the Fire Department. The full time Clerk in the Building Code Enforcement Department could then be eliminated and the full time Administrative Assistant in the Fire Department could be utilized. This consolidation has the added benefit of greater oversight of the Building Code Enforcement Department. The estimated financial gain/savings would be \$55,084. The estimated implementation date is Second Quarter 2012.

This goal is currently incomplete. This goal will be addressed within the newly created Public Safety Department. This would occur after the 18 month implementation plan for the Public Safety Department is completed in January 2014. This goal will be reviewed by the newly appointed Public Safety Director. The City has prepared and will release a Request for Proposal (RFP) to explore privatization of its Building Code Enforcement Department. This goal is on hold until January 2014 when the Public Safety Department is fully implemented. The Public Safety Department staff will assess where the Public Safety Department is at regarding other more pertinent goals and then determine a course of action regarding the integration of the Building Code Enforcement Department into the Public Safety Department. A timeline will be created either in the last quarter of the 2013 calendar year or the first quarter of the 2014 calendar year.

Status Update (February 2014): There has been no action taken regarding the integration of the Building Code Enforcement Department into the Bay City Department of Public Safety at

this time. No work will be completed on this project until a new City Manager is hired and gives direction to the integration of the Building Code Enforcement Department into the Public Safety Department.

Existing/Potential Barriers (February 2014): Commission approval would be required to approve the integration of the Building Code Enforcement Department into the Public Safety Department.

Renewable Planning & Procurement

The City of Bay City is committed to increasing its use of renewable energy sources. Membership in Michigan Public Power Agency (MPPA) has benefited the City in several ways to this end. MPPA staff has become the clearing house for evaluation of proposals from renewable energy developers from around the State. In fact, MPPA has analyzed a wide range of wind, solar, biomass and landfill gas proposals. Through these efforts and because of the pooled group's greater buying power, the City is able to sign-up with two landfill gas renewable developers Granger & North American Natural Resources (NANR). Output from the resources, which have already been brought on line, has afforded the City in meeting its 10 percent renewable energy goal ahead of schedule. The cost has been \$10 per megawatt-hour less than other renewable alternatives and the average output of resources has been 90% versus 40% from the best wind alternatives.

Status Update (January 2014): MPPA continues to coordinate renewable energy assets for Bay City. Additional landfill gas projects are continuing to be brought on-line under the umbrella contracts with Granger and NANR. Expected additions include 1,139 kW in 2014, 325 kW in 2015 and 325 kW in 2016 for a total of 5,000 kW. Prices of new renewable resources have declined and the price of the landfill gas resources is no longer attractive versus other options. Future landfill gas additions beyond the original contract are not expected.

Bay City has purchased additional renewable resources from the Beebe Wind farm in Gratiot County. The 4,800 kW of wind capacity is expected to operate at 37% average output and the price of the power will be \$44.85 per megawatt hour when the units come on-line at the end of 2014.

Through MPPA the City continues to look at alternative renewable resources and will make strategic purchases as supplies become available at competitive prices.

Existing/Potential Barriers (January 2014): None

Centralized Health Clinic for Self Insured Groups

The following organizations are partnering to create a Centralized Health Clinic for Self Insured Health groups. The partner groups include:

- 1) Bay Arenac Behavioral Health-Standish
- 2) Bay Arenac Behavioral Health- Kawkawlin

- 3) Juvenile Home Room
- 4) Bay County Medical Care Facility- Essexville
- 5) Bay County Sheriff Department
- 6) Bay County
- 7) Bay County Health Department
- 8) Bay County Court Mediation
- 9) Bay County Central Dispatchers
- 10) Bay-Arenac Behavioral Health- Main Office
- 11) Bay-Arenac Behavioral Health- Madison
- 12) City of Bay City

Office visits will be free for all employees and their dependents, with the possibility of adding retirees at a later date. The Clinic would have the ability to dispense prescriptions at low or no cost because there will be little to no dispensing fees for prescriptions.

A shared clinic will provide many other benefits, including the following:

- 1) No cost visits ensure greater compliance at lower claim costs to the organization.
- 2) Low overhead positively impacting overall claim costs.
- 3) Controlling costs reducing P.A. 152 requirements.
- 4) Improved employee morale – making it more convenient to see a medical professional; making the waiting time less, and providing employees better care.
- 5) Increased direct care management by the physician reducing overall large claim costs.
- 6) Expanded wellness initiatives.

The proposed opening date is April, 1, 2012. The estimated savings for FY 14, commencing July 1, 2013, is \$351,360 and the savings is expected to rise in later years.

Status Update (January 2014): Most of the committed partners, due to various reasons, have chosen to drop out of the program. Due to this significant change, the Centralized Health Clinic for Self Insured Groups, as initially proposed, has been dropped. Bay County has begun the process of developing a Health Clinic for its' employees, but that project is just in the infancy stage. Progress of this initiative will be monitored by the City and, if successful, a joint initiative with the County may be undertaken in the future. Discussions between Bay County and Bay City continue, but, only on an information-sharing basis.

Existing/Potential Barriers (January 2014): Due to lack of committed partners to the program the Centralized Health Clinic for Self Insured Groups, as initially proposed, has been dropped.

The Bay City Department of Public Safety

Combining Bay City Police & Fire Departments into the Department of Public Safety

At the onset of the EVIP 2012 report the Bay City Police Department and the Bay City Fire Department were in the initial stages of researching revenue enhancement and cost containment options. Several options under consideration include combining the police and fire departments

by creating a Public Safety Department, contracting with Bay County Sheriff's Department for police protection and creating a Fire Authority with neighboring townships and city. The estimated financial impact from this effort is between \$2 million and \$4 million in reduced costs. The project implementation time frame is between two and five years.

Status Update (January 2013): The Bay City Police Department and the Bay City Fire Department submitted to the City Commission a detailed eighteen month implementation plan for transitioning both departments into a consolidated Public Safety Department. This plan was considered by the Commission on November 12, 2012. The estimated financial impact from this effort is approximately \$655,450 in reduced costs by July 1, 2013. By fiscal year 2017, commencing July 1, 2016, this effort is estimated to reduce costs by approximately \$2 million. On December 3, 2012, the City Commission authorized the creation of a Public Safety Department and directed the City Manager to execute the proposed implementation plan. The first class of 12 Police Officers started the Bay County Fire Academy, which is scheduled to be completed in May 2013. On November 27, 2012 the City of Bay City filed a Competitive Grant Assistance Program (CGAP) application with the Michigan Department of Treasury for funding assistance in the amount of \$299,488 for the Public Safety Implementation Plan.

Initial barriers were: receiving buy-in from the community, which was overcome by providing multiple informational presentations at Citizen District Council meetings and City Commission meetings. The Police and Fire Chief also participated in several MLive Chats to inform the public about the Public Safety Department. MLive Chats are produced by the local newspaper and made available to the public. Additional barriers include, obtaining contract concessions with the International Association of Fire Fighters (IAFF) and failure to obtain requested grant funds from the State of Michigan to pay for transition costs. The City Commission could deny the use of General Fund Fund Balance to finance the implementation of the Public Safety Plan.

Status Update (January 2014) The Department of Public Safety (DPS) was operational (utilizing cross-trained personnel) on July 1, 2013. The Bay City DPS currently has ten (10) Public Safety Officers (PSO's) responding to police or fire incidents. The goal of reducing the financial burden to the City by \$655,450 was achieved. The exact savings amount is unknown at this time due to retirement incentives to firefighters, but the savings exceeded the estimate of \$655,450.

The Bay City Department of Public Safety did not receive CGAP funding from the State of Michigan in round one or round two. Therefore, appropriated fund balance in the amount of \$53,389 was used to finance fire turnout gear for seventeen (17) law enforcement personnel to attend a summer session of the Bay County Fire Academy. In November 2013, seventeen (17) law enforcement personnel will graduate from the Bay County Fire Academy. These personnel will be ready to respond to fire related incidents by January 1, 2014. The City of Bay City total staffing for fire suppression at that time will be sixty-four (64) people. In January 2014, the City of Bay City will reopen Fire Station 5 to provide service to the public.

Existing/Potential Barriers (January 2014): The City of Bay City DPS did not receive State of Michigan CGAP funding in round one or two by the State of Michigan's Treasury Department. Two cross-trained personnel were unable to become Public Safety Officers. One officer resigned

and the other for medical reasons. Lastly, the City is currently in Act 312 Arbitration with the International Association of Fire Fighters (IAFF) Local #116.

Placing Ambulances in Fire Stations

The Bay City Fire Department is investigating the possibility of partnering with a private EMS provider by placing ambulances in fire stations. A partnership could be developed with either McLaren Bay Region or MMR Ambulance for EMS delivery. The estimated financial gain/savings would be between \$70,000 and \$350,000. The implementation time frame is Third Quarter 2014.

Status Update (January 2014): In January 2013, the Fire Chief met with the EMS Director of McLaren Bay Region EMS to discuss the possible placement of ambulances in the Bay City Department of Public Safety fire stations. At the end of May, a substantive discussion was held. From that meeting a work group was organized to assemble, discuss, and plan for the venture. In August 2013, the work group began bi-weekly meetings to evaluate the installation of an ambulance at Fire Station 5; in turn the City Attorney has created a Draft Lease Agreement. Additional meetings will be scheduled to present the agreement before the City of Bay City legislative body.

Existing/Potential Barriers (January 2014): This project requires Commission approval in order to be completed.

Paid-On-Call Fire Fighter Program

The Bay City Fire Department is in the processes of implementing its Paid-On-Call Fire Fighter Program after the graduation of seven students from Bay County Fire Academy. Once orientation of new members is complete, the City will begin utilizing paid-on-call personnel alongside of its fulltime fire fighters. The implementation of the paid-on-call fire fighter program is estimated to save the City \$400,000 annually. Additionally, the City will be discussing with neighboring Fire Chief's the possibility of creating a Paid-On-Call Fire Fighter Authority, which would facilitate the pooling of resources and equitable distribution of costs associated with sharing of paid-on-call personnel. Many Bay County townships struggle in attracting sufficient volunteers for their fire departments. The Bay City Fire Department is in the third phase of implementing the part-time paid-on-call fire fighter program. Currently there are seven part-time paid-on-call personnel. Part-time paid-on-call are an important part of the Public Safety reorganization plan being implemented. The concept of Automatic Aid or the creation of a paid-on-call Fire Authority with other municipalities has encountered some reluctance from neighboring municipalities in these discussions until after the Water Authority issue is complete. Start date for increasing the ranks of paid-on-call fire fighter program, making the program more vibrant will be in the fourth quarter of the 2013 calendar year, when the next call of the Bay County Fire Academy begins.

Existing/Potential Barriers (January 2013): None.

Status Update (January 2014): The Bay City Department of Public Safety sponsored five (5) candidates to attend the Bay County Fire Academy which was held from June 2013 through November 2013. Upon completion of the Bay County Fire Academy the five (5) candidates will begin the orientation process, and upon completion of orientation the candidates will join the ranks of the part time paid on call firefighter program.

For three weeks in September and October of 2013, the Bay City Department of Public Safety advertised for the position of Part Time Paid on Call Firefighter. It is intended that we will sponsor four (4) to six (6) candidates at the Bay County Fire Academy which would run from December 2013 through May 2014. Upon completion of the fire academy in May of 2014, the candidates will complete the orientation process and will join the ranks of the part time paid on call program.

Existing/Potential Barriers (January 2014): None.

Bay City Municipal Water Treatment Plant- Water Membrane Filtration Plant

Goal: Partnership between City and Out City water customers by developing a new Intergovernmental Water Supply Agreement and joint ownership of a new membrane filtration water plant.

History: In April 2003, the City of Bay City received a Needs Assessment Report of its current water treatment plant. According to consultants Malcolm Pirnie, the City of Bay City would be required to invest approximately \$26 million over fifteen years to comply with regulatory requirements.

The City of Bay City had three wholesale water supply contacts with out-city water customers. The three wholesale customers are the City of Essexville, Hampton Charter Township, and Bay County Department of Water & Sewer, which represents sixteen townships and several private water districts. Under the current relationship, the City of Bay City would bill its wholesale customers the cost to maintain and operate its water treatment plant and annual depreciation on the treatment plant and transmission system plus a return on rate, which are referred to as “common-to-all” costs.

Existing/Potential Barriers: Over the years, this relationship resulted in much litigation over proposed water rates. Additionally, the current relationship establishes a “true up” process whereby the City calculates actual costs at the end of the fiscal year and determines whether a refund or additional payment is required. This process also applies the “five percent rule” which states that “no adjustment be made for an out-city customer if the customer’s actual revenue less the actual revenue requirement is less than five percent of the actual revenue billed for the year in question.” The five percent rule has resulted in an underpayment to the City. On March 4, 2002, the City issued “Notice to Quit” letters to its out-city wholesale customers in attempt to renegotiate the wholesale water contracts.

The out-city customers objected to continuing the existing relationship because of escalating wholesale rates and decided to investigate alternative water source and treatment methods. The

contracts with two of the three out-city wholesale customers have expired. And, the third contract is scheduled to expire in June 2015. The City estimates water rates would need to increase between 45 and 60 percent to operate and maintain its existing plant absent partnership with our wholesale customers. Likewise, wholesale customers would experience substantial rate increases absent a partnership with the City.

Under the original structure high litigation costs have occurred by involving all users in the decisions associated with operation and capital investment. Over the years, the City and out-city water customers have expended in excess of \$2 million in legal costs

Status Update: In January 2013 The City of Bay City, City of Essexville, the Charter Township of Hampton, the Charter Township of Bangor, the Township of Frankenlust, the Township of Kawkawlin, the Township of Fraser, the Township of Beaver, the Township of Merrit, the Charter Township of Monitor, the City of Pinconning, the Township of Pinconning, the Charter Township of Williams, the Charter Township of Porstmouth, and the Board of County Road Commissioners of the County of Bay entered into a water supply agreement, which detailed many contractual issues such as cost, ownership, budget, source water and capacity of the proposed new Bay Area Water Plant. The new plant will be owned by Bay County and operated by Bay County Water and Sewer under the Bay County Road Commission.

In July the Bay Area Water Treatment Plant and Transmission Main Project Contract was entered into by the City of Bay City, City of Essexville, the Charter Township of Hampton, the Charter Township of Bangor, the Township of Frankenlust, the Township of Kawkawlin, the Township of Fraser, the Township of Beaver, the Township of Merrit, the Charter Township of Monitor, the City of Pinconning, the Township of Pinconning, the Charter Township of Williams, the Charter Township of Porstmouth, and the Board of County Road Commissioners of the County of Bay allowing Bay County to finance the new membrane filter Water Treatment Plant and the required transmission lines to receive raw water from the Saginaw Midland Water Supply Corporation.

On October 3, 2013 ground was broken for the new Bay Area Water Treatment Plant and construction began the second week of October.

Future Consolidation of Streets with the Water & Sewer Departments

The City of Bay City combined the Water Distribution and Sewer Collections Maintenance Departments. The consolidation of these departments will afford the City the opportunity to reduce personnel costs long term and increase the workforce availability to address large scale emergencies. In the future the City of Bay City would like to integrate the Streets Department into the Water & Sewer Department under the broader title of the Public Works Department. This would cut operating cost and better utilize cross-training. The estimated implementation date of this project is between three and five years. The estimated financial gain/savings is between \$500,000-\$750,000.

Status Update (January 2013): The Department of Public Works was formed to include, Water, Sewer, Streets, Sanitation, Fleet, Parks/Grounds Divisions, and Construction Services. A

new organizational structure is being put into place to streamline services and improve efficiencies, all while consolidating redundant responsibilities. Once formed the new structure shall stimulate the sharing of services within the department and have an employee cost reduction of \$200,000 annually. In addition, a new job description to include all Department of Public Works maintenance staff is set to be imposed in the Third Quarter 2013. This new job description promotes cross training and provides the Department of Public Works the flexibility to shift employees from division to division when needed. Through employee attrition, the estimated financial savings is between \$500,000 and \$750,000. Estimated completion date is December 31, 2014.

The resistance to conform by unionized employees is a potential barrier. Consolidation in union terms means long-term employee reduction, and thus, fear of layoff looms. Labor unions desire higher pay rates to perform a broader range of responsibilities. Agreements are difficult to reach. Local politicians also struggle to support as the community tends to favor a unionized workforce. Labor contracts for Bay City expire June 30, 2014; therefore if an agreement cannot be reached new terms will be negotiated in a new labor contract anticipated to be implemented July, 1 2014.

Status Update (February 2014): The Public Works Department is comprised of Streets, Sanitation, Fleet, Water, Sewer, Parks/Facilities, and Construction Engineering personnel. One universal job description was created for the field maintenance staff within Public Works. This job description was accepted by the labor union on July 1, 2013, and as a result consolidated 35 employees or 10 job classifications into one. The flexibility of this universal job description gives the employees increased worth providing city services. Since the implementation of this job description, a savings of \$240,000 has been observed. Through continuing employee attrition, the estimated financial savings is anticipated between \$500,000 and \$750,000 by December 31, 2014.

A reorganization of the Public Works supervisory staff is currently underway which creates a structured hierarchy, streamlined services, and improved departmental efficiency. The reorganization plan anticipates a savings of \$115,872 with the consolidation of several supervisory positions. If successful, the estimated completion date is March 1, 2014.

Existing/Potential Barriers (February 2014): Negotiating terms with affected labor union(s). Existing or potential barriers include union support. If successful, the estimated completion date is March 1, 2014.

Above PAR

AbovePAR—Planning for Place, Access, and Redevelopment (PAR) is an innovative planning project that seeks to integrate placemaking, transportation, and redevelopment readiness principles into the City's master plan and land use regulations. The City of Bay City has been selected from more than a dozen communities by the Michigan Association of Planning (MAP) to receive a service grant valued between seventy-five and one-hundred thousand dollars for this project. Above PAR provides city leaders, community stakeholders, businesses and residents with a unique opportunity to work one on one with nationally renowned experts in the field of urban planning. This will help chart the City's future by producing recommendations for broad-

sweeping changes to the City's Master Plan, land use regulations and policies. To this end, cutting edge land development tools, such as Placemaking, Complete Streets, and Redevelopment Readiness Principles will be integrated with regulations that guide growth and redevelopment of the City. It is hoped that this effort will help shape Bay City's redevelopment patterns in a positive way for the next several generations, while giving the City a competitive edge for redevelopment. Above PAR is funded by grants from the C.S. Mott Foundation and the Michigan State Housing Development Authority. Above PAR took place from May 17, 2012-January 31, 2013. The Bay City Master Plan will be updated beginning in May 2013. As this is a lengthy planning process a completion date is unknown at this time.

Status Update: The planning exercise to develop the Above PAR project report has been completed and the final draft document is being reviewed. The City of Bay City anticipates the final document to be released no later than the 2nd quarter of calendar year 2014.

Subjects included in the discussion to develop the plan were waterfront access, proposed roundabouts at key intersections and infill development in the downtown. The planning recommendations cover a broad range of subjects and may take years to implement. A timeline to implement changes was not provided with the plan and several recommendations have increased economic costs or rely on private development in the future for the change to occur. The recommendations cover a broad range of subjects and it is not possible to estimate when/if the proposals will be completed. This document is intended to be used as a long term planning tool.

Existing/Potential Barriers: Funding the proposed improvements is an existing barrier, as well as receiving community buy-in to implement the recommendations. Any recommendations requesting expenditure of city funds would require approval from the City Commission.

Great Lakes Regional Response Team (RRT #31)

The Great Lakes Regional Response Team (RRT #31) was established in 1999. The RRT is comprised of 28 members from the Bay City, Saginaw and Midland Fire Departments. The team is designed to be able to deliver specialized hazardous materials' response to incidents involving weapons of mass destruction, biological and explosive events, chemical and radiological incidents.

The RRT responds as a technical assistance team to assist local fire departments and hazardous materials' response teams operating within the Incident Command System (ICS) and falls under the direction of the Incident Commander of the Authority Having Jurisdiction.

The program was administered by the Michigan State Police Emergency Homeland Security Division and allocated \$1.25 million dollars for the acquisition of apparatus (\$250K) and equipment (\$1M).

Funding to sustain and maintain the program was provided by the Federal Government through the State of Michigan-Homeland Security Grant Program (HSGP). At that time the RRT was receiving \$15,000 annually to sustain program operations.

In 2011, the State of Michigan released control of the RRT and granted the authority to the Regional Boards created by the State of Michigan. The Great Lakes RRT #31 resides under the authority of a Region 3 (R3) Board of Directors which is made up of 14 Counties and the Director of the Region 3 HealthCare Preparedness Network (HPN). The 14 counties are as follows: Alcona, Arenac, Bay, Genesee, Gladwin, Huron, Iosco, Lapeer, Midland, Ogemaw, Oscoda, Saginaw, Sanilac, Tuscola, and HPN Director Rob Kelly.

Current program funding now stands at \$100,000 annually through the HSGP. Grant funds are allocated by the R3 Board of Directors on an annual basis which is not a guaranteed assurance. As Federal funding to the State is reduced, funding for the RRT is likely to be reduced.

The RRT's purpose is to provide expertise in detecting, identifying, mitigating, and disseminating technical advice to the 14 R3 Counties. Each R3 County has signed the Michigan Emergency Mutual Aid Compact (MEMAC), which authorizes the team to be deployed at the request of a County once an event/incident is deemed credible by the Authority Having Jurisdiction (AHJ).

Incidents requiring a potential RRT deployment include:

- Weapons of Mass Destruction
- Biological events
- Explosive incidents
- Radiological/nuclear events
- Toxic Industrial Chemical (TIC's) incidents
- Clandestine Drug Labs
- Chemical Suicides

The RRT is not designed to replace hazardous materials' response teams. Each County, City, Township, Municipality, or Village, who undertake those responsibilities are tasked with maintaining and sustaining their own programs.

Status Update (February 2014): On June 1, 2014 the RRT will receive \$100,000 from the State of Michigan Region 3 Homeland Security Grant Program. The grant money will allow the RRT to complete training and obtain necessary equipment for incident response.

In March 2014 the 28 member RRT will meet and establish the following:

- Organization: Clarify organizational structure for 2014.
- Responses: Review and update dispatch procedures for 2014.
- Training:
 - Develop training for the 2014 calendar year
 - Develop mission specific training schedule
 - Review/Update standard operating procedures
 - Rotate equipment/apparatus between all three departments for individual departmental training
 - Complete Self Contained Breathing Apparatus training/fit testing

- Communication: Establish 2014 quarterly meeting schedule.
- Budget: \$105,000 received from the 2013 State of Michigan Homeland Security Grant Program. Develop budget.
- Develop quarterly full team training schedule

The RRT will meet with and train with Ogemaw County Fire Chiefs on April 2, 2014.

On April 12-13, 2014, the RRT will meet and train with Oscoda/Alcona County Fire Academy to assist in Hazardous materials' competency training.

Existing/Potential Barriers: None, the Midland Fire Department is the custodial manager of the assets for the Great Lakes Regional Response Team #31 (RRT).

Bascule Bridge Operation and Maintenance

The Public Works Director began speaking with the Michigan Department of Transportation and the United States Coast Guard in December 2012 in regards to Bascule Bridge operation and maintenance to determine whether a more cost effective approach can be reached collaboratively, possibly resulting in cost reduction through better deployment of personnel during the maritime off-season. The City expects to know a direction by July 1, 2013. Consolidation of services expected to save \$100,000.

Status Update (January 2014): Results determined that the City's current operations and maintenance were more cost effective than that of others; will continue to evaluate cost saving opportunities through cooperation, collaboration, or consolidation.

Vanco Services

Vanco Services streamlines payments made through online banking and other bill pay websites. Vanco consolidates the payments and delivers funds and posting data to the City electronically.

Currently when residents initiate payments through their online banking or other bill pay websites, other than the City of Bay City's site, a third party submits a check to the City of Bay City for the payment. When the City receives the check from the United States Postal Service (USPS), an employee must determine what the check is payment for, print a bill, and process the payment. This process can take days for the payment to be posted on the customer's account and for the funds to reach the City's bank.

With Vanco Services these online payments are consolidated into one file daily, a data file is generated to upload to the City's receipting system and the funds are deposited into the City's bank account via ACH on a daily basis.

The City of Bay City receives approximately 1,200 checks a month from these online bill pay sites costing approximately \$16,121 a year to process them. Using Vanco Services the Accounts Receivable/Treasurer staff will save approximately 2.25 hours a day, the payments will be

applied to the customer account same day and the funds will hit our bank same day for bank account payments and within 2-4 days (industry guidelines) for credit card payments.

This service will cost the City \$.10 a transaction. The Bay City Treasurer has estimated a cost of \$120 a month or \$1,440 a year, this cost could increase as more residents use these online payment options. With the current volume it will save employees approximately 560 hours a year allowing them to pursue duties that need attention in other areas.

The agreement between Vanco and the City of Bay City has been reviewed by the City Attorney and the City is in the process of working out an agreement with Vanco. The estimated implementation date is Third Quarter FY 2013.

Status Update (January 2014): The City Attorney would not recommend acceptance of Vanco's agreement as it was written and Vanco was not willing to make the changes that the City proposed. Without attorney approval the agreement will not be presented for approval by the City of Bay City. Therefore, this goal is not going to be completed.

Existing/Potential Barriers (January 2014): Vanco and the City Attorney were unable to reach an agreement.

Grant Funding for Blight Management

Special Grant funding has been used for demolition when available. The Neighborhood Stabilization Program grant enabled the City of Bay City and Bay Area Housing Inc. to demolish a total of five (5) blighted structures between June, 2010 and May, 2012.

In December 2012 The City of Bay City applied for a Michigan Blight Elimination Grant in the amount of \$269,325 to demolish 22 residential structures within a one mile radius of the Uptown Bay City development site. Applications will be evaluated by the Department of Human Services (DHS), Michigan State Housing Development Authority (MSHDA), and the Michigan Land Bank (MLB). Decisions on grant awards are expected by Third Quarter FY 2013 and the completion of this project is dependent upon receiving the Michigan Blight Elimination Grant.

Status Update (January 2014): On October 21, 2013 the City of Bay City received fully executed contracts from the Michigan Blight Elimination Program to demolish fourteen (14) structures within the City of Bay City. The Neighborhood Services Department will begin the process of writing up specifications and going out for bid to demolish the fourteen (14) structures. The grant is in the amount of \$269,325. Structures are to be fully demolished and all reporting submitted by September 30, 2014. In the event demolition of the 14 structures exceeds \$269,325, Community Development Block Grant (CDBG) funds are available for the demolition of blighted structures. There is a current balance of \$63,008 in the CDBG Demolition of Blighted Structures Account.

Existing/Potential Barriers: The availability of funding to demolish additional units.

CURRENT COOPERATION, COLLABORATION AND CONSOLIDATION PROJECTS

The City of Bay City is currently involved in many other Cooperation/Consolidation efforts not listed above. Many of these efforts have been occurring for multiple years and are ongoing. The savings from these activities will continue to rise over time. The chart below entitled “City of Bay City- Current (2013) Consolidation/Cooperation Projects” contains examples of current cooperation/consolidation efforts resulting in financial gain/savings. This list is not intended to be exhaustive, but offers a snap-shot in key services areas.

City of Bay City-Current (2013) Cooperation, Collaboration & Consolidation Projects

Description of Service	Participating Units	Estimated Annual Cost Savings/Revenue	Comments
BRYNE/JAG Assistance Grant	Bay City Police Dept./Bay County Sheriff's Dept.	\$8,340	
Police Officers in Public School	Bay City Public School/Bay City Police Department	\$139,857	2 Police Officers for 9 months at Bay City Public Schools
Purchasing	State of MI/City of Bay City	\$1,000 per bid	Member of State of MI Extended Purchasing Program
Purchasing	City of Midland/City of Saginaw/Bay County/City of Bay City	\$1,000 per bid	Saginaw Valley Cooperative Purchasing Group. Chemicals for the Water & Wastewater Treatment Plants
Purchasing	City of Midland/City of Saginaw/Saginaw Township/Bridgeport Township/Bay County/City of Bay City/Genesee County	\$1,000 per bid	Saginaw-Midland Municipal Water Supply Corporation. Liquid Chlorine for the Water Treatment Plant
Ownership in Power Plants	City/MI Public Power Agency (MPPA)	\$2 million+	Ownership in Belle River & Campbell plants. Additional savings from collaboration to meet new environmental regulations.
Mutual Aide	Great Lakes Energy Cooperative	\$25,000+	\$25,000 per day during a major storm.
Training	City/Michigan Electric Cooperative Association	\$20,000	Under new contract additional safety training savings.
Ownership in Power Plants	City/ MPPA	\$100,000+	Ownership in AMP Fremont Energy Center.
Energy Optimization	City/MPPA	\$75,000	The city has taken over residential programs from the original contractor and expects additional

			cost savings. Programs developed in collaboration with Coldwater, Grand Haven, Holland, Lansing, Lowell, Traverse City and Wyandotte.
Ownership in Beebe Renewable	City/MPPA	\$100,000+	4.8 MW capacity in Gratiot County wind farm.
Helping Neighbors Program	City/Consumers Energy	Unkown	New collaborative marketing and installation of energy efficiency measures.
Tree Pruning Workshop	Bay City Electric, Light and Power/ReLeaf Michigan	\$5,000	
IT Services For DDA/Housing/ City Attorney	IT/DDA/Housing/ City Attorney	\$12,000	
BAYGIS	IT/Assessing/Bay County/ Saginaw County	\$1,500	
ARMS	IT/Police/Saginaw County/Bay County	\$74,000	
MDT Support	IT/Police/Bay County	\$19,700	
Crime Mapping	IT/Bay County Sheriff	\$2,600	
Temp. Employees on Community Service	City Parks Dept./70 th District Court	\$500	
Ash Tree Injections	City/Bay County	\$119,216	1,921 ash tree injections.
Watergems (GIS Services)	City/Bay County	\$4,800	

The Department of Public Works is currently collaborating with the Electric Department in regards to tree maintenance services. When time allows, the Department of Public Works brush crew follows behind the Electric Department's tree maintenance crew, cleaning up debris that would normally be taken care of by the Electric crew. This increases the productivity of tree maintenance services.

Bay County Fire Investigation Support Team

The Bay City Department of Public Safety has participated in the Bay County Fire Investigation Support Team since October of 2011. The team is made up of members from several Bay County fire departments. The team was developed in order to assist with the investigation of fires and provide support within Bay County. The assistance provided is through a Mutual Aid Agreement and through Mutual Aid Box Alarm System (MABAS). The Mutual Aid Agreement for Bay County was signed on December 17, 1996 and was passed by the City Commission on

December 9, 1996. The Bay City Department of Public Safety's Assistant Chief/Fire Marshal and Fire Awareness Officer are currently participating members.

If there was no Mutual Aid Agreement in place and there was a fire incident in the City of Bay City and no Bay City Investigator was available the City of Bay City could request assistance from the Michigan State Police. The Michigan State Police might be able to provide assistance when an Investigator becomes available. If there was no staff or Michigan State Police Investigator available the personnel on the scene of the fire incident would be responsible to make a determination on a course of action in regards to investigating the fire incident.

Because of the existing Mutual Aid Agreement and the existence of the Bay County Fire Investigation Support Team it is more likely that a Fire Investigator will be available and this creates increased services to the public. There is no monetary savings associated with participating in the Bay County Fire Investigation Support Team. There is no end date to the Mutual Aid Agreement or the Bay County Fire Investigation Support Team.

Existing/Potential Barriers: None

SECTION II: FUTURE COOPERATION, COLLABORATION AND CONSOLIDATION PROJECTS

Fleet Services

An assessment of the city's Fleet Services department was performed during the summer of 2013. The assessment revealed that by privatizing the fleet maintenance structure a cost savings of \$200,000 could be realized.

Management is evaluating the assessment results and attempting to work collaboratively with present unionized staff to improve in-house service time and reduce service expense. An action plan was developed and implemented in the fall of 2013 along with a timeframe of four months to assess progress and evaluate the results of in-house fleet service improvements. The action plan prepared and implemented by staff will be measured against the anticipated savings realized by privatization. Based on the outcome, either through privatization or in-house services improvements, the cost of Fleet Services will be reduced by \$200,000 beginning with the 2015 fiscal year budget, commencing on July 1, 2014.

In addition, savings may be realized in the current fiscal year based on the efforts of staff to improve in-house service expense. These savings will be made known based on the results of the action plan which will conclude March 1, 2014.

Existing/Potential Barriers: If the decision is made to privatize, negotiations with the affected union must take place prior to July 1, 2014 (the anticipated start date of a private fleet provider). If so, employees may be displaced. In addition, elected officials representing the city must

approve of this contracted service through the budget approval process which occurs in the second quarter of 2014.

Access Management Plan for M-13/Euclid Avenue

Collaboration between the Michigan Department of Transportation (MDOT), City of Bay City, Monitor Township, Bangor Township and the Bay County Road Commission will take place in 2014 to develop an Access Management Plan for M-13/Euclid Avenue. Euclid Avenue is an MDOT trunkline which borders the City limits and adjacent Townships.

Euclid Avenue has expanded exponentially in the number of access points needed to gain entry to retail and commercial businesses. Due to the high traffic and potential safety concern for local motorists, bicyclists and pedestrians, MDOT has allocated \$50,000 for the development of an Access Management Plan.

The MDOT funding will be used to hire a consultant to develop an Access Management Plan. The Plan will include developing a corridor overlay plan and zoning ordinance regulations. The regulations will specify the access control and driveway spacing to provide reasonable access to and from the corridor and minimize traffic conflict along the corridor.

At the present time, MDOT is reviewing the Request for Proposal (RFP) document. Upon issuance of the RFP, MDOT estimates the development of the Access Management Plan will begin in the summer of 2014 with potential completion by the summer 2015.

The RFP is being prepared, paid for and monitored directly through the Michigan Department of Transportation (MDOT) local office. The City will participate in the meetings which will be established once a consultant has been engaged, and process an ordinance amendment. The zoning ordinance amendment will be sent to the Bay City Planning Commission and the City Commission for approval.

The projected saving to the city is the use of MDOT funding to prepare the Access Management Plan.

Existing/Potential Barriers: Potential barriers include lack of coordination between municipalities and/or lack of qualified consultants responding to the RFP.

SECTION III: PROJECTS REPORTED COMPLETE IN FY 2013 PLAN

Consolidation of the Treasurer's Office & the Accounts Receivable Department

In FY 2006 the Cashier's staff was reduced to one cashier and the budget approved to fund the single position for the 2005/2006 budget year. After approval of the budget, a position was restored for approximately one month from July 1 ending July 29, 2005. This position was

temporarily restored due to extended medical leave of the budgeted cashier position. Commencing July 30, 2005 and thereafter the Treasurer's Office has only one cashier position. Periodically, the volume of service demanded assistance from other departments in opening mail, processing payments or staffing the cashier's window. For the past several years, the City Treasurer has requested additional staff to address this personnel shortage. These requests were denied because of financial constraints. On October 12, 2010, the City experienced a fire at City Hall, which required the City to establish temporary operations at off-site locations. One temporary location included the combining of the Treasurer's Office and Accounts Receivable Department. This consolidation has resolved the periodic fluctuation of receipting taxes and utilities bills without the expansion of fulltime staff. When operations are re-established at City Hall, the City will officially consolidate the Treasurer's Office and Accounts Receivable Department into a single department resulting in several benefits. Those benefits include (1) reduction of overtime, (2) avoidance of increased staffing, the consolidation of the two departments accommodates the Treasurer's Office regarding customer service and work load avoiding the need to hire a full time employee saving the City \$30,336 per year, (3) more efficient customer service and (4) the possible elimination of two Limited Term Temporary Employees at an annual cost of \$73,838, which were established to assist with the workload in the Accounts Receivable Department. The Letter of Agreement with the Union, which was signed on January 28, 2011, identified an 18 to 24 month period in which these temporary employees could work. These two temporary positions may be eliminated after the City has successfully installed its Automatic Metering Infrastructure. The estimated financial cost savings is \$104,174 per year. The estimated date of implementation is Third Quarter 2012.

Status Update (January 2013): Although operations have not yet been re-established at City Hall this plan was implemented effective July 1, 2012. Avoidance of increased staffing resulted in an annual cost savings of approximately \$59,600. Eliminating the two Limited Term Temporary Employees in the Accounts Receivable Department resulted in an estimated annual cost savings of \$73,800 to the City. The total cost savings of this consolidation is approximately \$133,400 per year.

Existing/Potential Barriers: None.

Additional Information (February 2014): In early December, 2013, City operations moved back into the City Hall building located at 301 Washington Ave. The renovations to the building specifically reflected that the Treasurer's Office functions and the Accounts Receivable functions were going to be consolidated. There are no longer cashier windows where individuals go to exclusively pay their bills. Instead, there are (5) customer service windows where individuals may go to pay a bill, set up accounts for the various City utilities, discuss payment terms and options, and all other functions related to both of these departments. This methodology for providing these services is more efficient and saves over \$100,000/year as it eliminates the need for temporary staffing in the Treasurer's Office during the tax season, however, more importantly it provides better services to the residents and customers of the City by providing a one-stop location for the bulk of the individuals who have contact with the City of Bay City.