

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

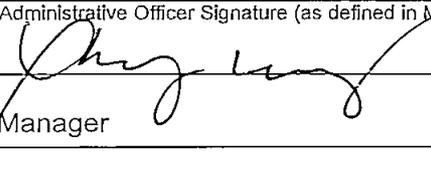
Issued under authority of 2013 Public Act 59. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for Consolidation of Services payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public, a Consolidation Plan as required by 2013 Public Act 59. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site.
2. Submit to Treasury a Consolidation Plan.

City/village/township: This certification, along with a Consolidation Plan, **must be received by February 1, 2014** to receive the February and April payments or on or before March 31, 2014 to receive the April payment. Post-mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with a Consolidation Plan, **must be received by February 1, 2014** (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

| PART 1: LOCAL UNIT INFORMATION | | | |
|--|-------------------------------|--|-----------|
| Local Unit Name City of Portland | | Local Unit County Name Ionia County | |
| Local Unit Code 342030 | | Contact E-Mail Address citymanager@portland-michigan.org | |
| Contact Name Thomas J. Dempsey | Contact Title City Manager | Contact Telephone Number (517) 647-2931 | Extension |
| Website Address, if plan is available online | | | |
| PART 2: CERTIFICATION | | | |
| <i>In accordance with 2013 Public Act 59, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced a Consolidation Plan and has made the plan available for public viewing in the city, village, township, or county clerk's office or has posted the plan on a publicly accessible Internet site. The Consolidation Plan is attached to this signed certification.</i> | | | |
| Chief Administrative Officer Signature (as defined in MCL 141.422b)  | | Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Thomas J. Dempsey | |
| Title City Manager | | Date January 23, 2014 | |

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

If you are unable to submit via e-mail, fax to (517) 335-3298, or mail the completed form and required attachment to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

| TREASURY USE ONLY | | |
|--------------------------|---------------------------|----------------|
| EVIP/CIP Eligible Y N | Certification Received | EVIP/CIP Notes |
| Final Certification | Plan Received | |
| | 1st C/P Submission Y N | |



CITY OF PORTLAND

Cooperation, Collaboration and Consolidation of Services Plan Update for 2014

Prepared Pursuant To And In Compliance With Public Act 63 of 2011
Category 2 of the State of Michigan Economic Vitality Incentive Program
Third Annual Update Covering Calendar Year 2014

Background

On December 28, 2011, the City of Ionia published a Cooperation, Collaboration and Consolidation of Services Plan pursuant to requirements contained in the State of Michigan Economic Vitality Incentive Program (EVIP). The Plan previously published by the City was accepted by the State of Michigan and the City subsequently received full-funding for this particular category from EVIP. In order to continue to be eligible for funding from this EVIP category, the State of Michigan is requiring previous Plan filers to prepare a plan update which contains the following:

- An update on the progress in implementing the previous year's consolidation proposals including the timeline to accomplish the initiatives, the jurisdictions involved, any savings, the status of implementing the proposal and any barriers experienced in implementing the proposals.
- A minimum of one new consolidation proposal along with the proposed timeline to accomplish the proposal, the jurisdictions involved and details associated with any savings along with other potential benefits from the proposal.

Update – Cooperation/Consolidation Proposals Contained in 2012 Plan

This update will be available for inspection at City Hall and on the City's website at www.portland-michigan.org. The Original Plan was published by the City on December 28, 2011, included six (6) cooperation/consolidation proposals which are identified below. Several of these proposals were implemented while progress is being made in implementing the others.

- 1) Assessing Services. The City proposed working with the Cities of Belding and Ionia and the County of Ionia in consolidating assessing services. Two options were identified, either contracting with the same assessing service or contracting with the County for these services by utilizing staff in the County's Equalization Department.

| | |
|--------------------------------|---|
| <u>Start Date:</u> | December 2011 |
| <u>Implemented:</u> | No |
| <u>Remains a Priority:</u> | No |
| <u>Jurisdictions Involved:</u> | Cities of Belding, Ionia and Portland and County of Ionia |
| <u>Projected Savings:</u> | \$10,000 per City |
| <u>Timeline:</u> | Complete analysis by December 2013. If practical, implementation by December 2014. |

Barriers: This service consolidation option remains a priority. Currently, the City, along with the Cities of Belding and Portland, all contract with different private firms to provide assessing services. Differences in the expiration dates of the contracts between the respective community and contracting firm has served as a barrier to implementing this proposal.

2013 Update: Remove from list. County not interested in centralizing assessing and individual communities differ on levels of service required making consolidation impractical.

- 2) City Income Tax Administration. The City proposed working with the City of Ionia to share one individual to work part-time at each City to assist with auditing, data entry and compliance efforts.

Start Date: December 2011
Implemented: Yes – interim basis
Remains a Priority: No.
Jurisdictions Involved: Cities of Ionia and Portland
Projected Savings: \$10,000 per City
Timeline: Complete analysis by December 2013.
If practical, implementation July 1, 2014.

Barriers: During 2013 the part-time staff person who had worked in both communities became a full-time employee of the City of Ionia. Both cities believe current staffing levels are sufficient and do not warrant hiring additional part-time personnel. Parties have agreed to provide back-up staff during times of employee absence.

- 3) Road Maintenance Services: The Cities of Belding, Ionia and Portland individually contracted for and coordinated the crack sealing, pavement marking and sweeping of their streets. The parties proposed to explore collectively bidding or hiring the same private company to complete one or more of these services.

Start Date: December 2011
Implemented: Yes – May 2012
Remains a Priority: Yes – similar arrangement to be pursued during 2013
Jurisdictions Involved: City of Portland and Ionia County Road Commission
Savings Realized - 2012: \$389.89

Barriers: Schedule and type of work to be completed. Initially, the City pursued working with the Cities of Belding and Ionia in preparing bid specifications for and hiring the same firm to complete certain street maintenance work. Some difficulty was encountered in attempting to hire one firm to complete the work while trying to accommodate each community's particular schedule for having the work completed.

The Ionia County Road Commission also bid the work and Portland and Belding were able to obtain more competitive pricing than the joint City bid. For Portland the difference between the joint city bid and the Road Commission bid resulted in a savings of \$389.89. Scheduling this type of work is difficult given that each community is unique and has times of the year when all local streets must remain open to accommodate local festivals and events. Will continue work with the Road Commission to monitor street painting bids.

- 4) Shared VOIP Telephone System with Portland Public School District: The City is planning two additional phases to consolidate the phone system of other City Departments outside of City Hall with the Portland Public School Districts VOIP phone system.

Start Date: December 2011
Implemented: No
Remains a Priority: Yes.
Jurisdictions Involved: City of Portland and Portland Public Schools
Savings Realized - 2012: \$0

Estimated Cost Savings: \$8,000-\$10,000
Timeline: Complete analysis by December 2013.
If practical, implementation July 1, 2015

Barriers: This consolidation remains a priority. Issues with radio narrow banding and consolidating radio frequencies with County Fire frequency took precedence and bumped this proposed consolidation back. The City has also experienced some difficulty with the phones at City Hall because the City and Schools use different internet service providers with different security protocols.

2013 Update: The IT person at the Schools left for a position in another School District. Need to work with new IT Director after that person becomes familiar with existing responsibilities and phone system.

- 5) Creation of a Fire Authority: The City proposed the creation of a Fire Authority with Portland Township and Danby Township. Creation of an Authority with a new funding formula and responsibility for capital purchases is anticipated to save the City of Portland by reducing City expenditures and staff time spent on Fire Protection Services.

Start Date: Fall 2011
Implemented: Yes, Fire Authority created July 2012
Remains a Priority: Yes
Jurisdictions Involved: City of Portland, Portland Township, and Danby Township
Projected Savings: \$25,000 per year
Participation is ongoing.

Barriers: Negotiations with Townships over use of existing fire apparatus owned by the City; formula for recovering costs from member participants; and qualification of members representatives that would serve on the fire board. All items resolved through negotiation and included in the agreement to create a trial authority for a 3 year period.

- 6) Joining West Michigan Regional Planning Commission: The City proposed joining and appointing a representative to the West Michigan Regional Planning Commission (WMRPC). The primary focus areas of the WMRPC include Transportation Planning, Economic and Community Development, Land Use Planning, Data Compilation/Analysis, and promoting cooperation among communities. The WMRPC also assists communities with their planning and community development requirements. Available resources include U.S. Census and other demographic information, mapping capabilities, facilitation skills, plan preparation (land use, master, recreation, etc.), identifying funding resources, planning literature, and many other resources specific to Region 8's communities.

Start Date: December 2011
Implemented: Yes, Joined WMRPC January 2012
Remains a Priority: Yes
Jurisdictions Involved: City of Portland and WMRPC
Projected Savings: \$3,000 per year
Participation is ongoing.
Barriers: None

2013 Update: Ionia County has re-joined WMRPC so governmental units no need to join individually to obtain services.

Update for Proposed Service Consolidation in 2013

Consistent with the EVIP program requirements, during 2013 the City pursued the following service consolidation proposals:

- 1) **Proposal for City to Provide Vehicle Maintenance Services to the Portland Area Fire Authority:** The City will propose to use its existing Public Works staff to provide vehicle maintenance on Portland Fire Authority vehicles. The City expects that this effort will better utilize its mechanic's time and save the Fire Authority funding which may be accumulated to accelerate the vehicle replacement schedule.

Start Date: January 2013

Implementation Timeline: Proposal submitted to Authority for consideration by May 31, 2013.

Jurisdictions Involved: City of Portland and the Portland Fire Authority

Estimated Savings: \$6,000 -\$8,000 per year to the Authority and \$2,500-\$3,000 per year to the City.

Description of Estimated Savings: The City expects that this effort will better utilize its mechanic's time and generate some revenue for the City's motor pool fund while saving the Fire Authority money by providing more convenient, cost effective, and timely maintenance.

2013 Update: Fire Authority accepted City proposal re: Preventive Maintenance on Fire Vehicles. City is performing said work for \$3,840/year

- 2) **Explore expanding City Ambulance Territory to include adjacent area.**

Start Date: January 2013

Implementation Timeline: Proposal submitted to adjacent areas for consideration by May 31, 2013.

Jurisdictions Involved: City of Portland and jurisdictions of adjacent areas yet to be determined.

Estimated Savings: \$30,000-\$50,000 per year.

Description of Estimated Savings: By increasing territory covered without increasing full time staff or equipment the City hopes to increase ambulance revenues more than associated expenses. Larger territory should increase fees and generate more runs increasing receipts.

Barriers: Adjacent units are served by a non-profit ambulance service at a lower rate. Discussion with a non-adjacent unit that was interested in service would have required putting on additional staff and staging and ambulance crew at that location. The City determined that it was not cost effective to pursue adding only that unit at this time.

2013 Update: City re-negotiated contracts with customer units of government to provide ambulance service based on a flat per capita fee. All units renewed contracts with new formula. No new units signed up for service. The City continues to work to reduce its rates explore options to expand ambulance territory. It now offers MFR, EMT, and CPR/AED classes.

Proposed Service Consolidation and Cooperation in 2014

Consistent with the EVIP program requirements, during 2014 the City will pursue the following service consolidation and cooperation proposals:

- 1) **Brush Chipping Services.** The Cities of Portland and Ionia make individual arrangements for the disposal of brush picked up in their communities. After the ice storm on December 22, 2013 the City Managers from Portland and Ionia discussed the possibility of collectively bidding or hiring the same private company to chip and dispose of the brush from the storm and community brush pick-ups to get better pricing.

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| <u>Start Date:</u> | December 2013 | |
| <u>Implementation Timeline:</u> | Prepare Bid Specifications: | August, 2014 |
| | Solicit Bids: | September, 2014 |
| | Accept a Bid: | October, 2014 |
| | Chipping Work Completed: | November, 2014 |
| <u>Jurisdictions Involved:</u> | City of Portland and City of Ionia | |
| <u>Estimated Savings:</u> | \$500-\$2,500 | |
| <u>Barriers:</u> | Schedule and cost of work to be completed. | |

- 2) **Redevelopment of Ionia County Land Bank Property in City.** An old school property that was converted to apartments was condemned in November of 2008 and forfeited to the County for back taxes in March of 2010. The County transferred the property to its Land Bank which completed a quiet title action in 2013. The City identified a potential re-developer of the property and is Cooperating with the County to put a deal together to avoid blight elimination expenses and the preserve a locally significant historic school building.

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|---------------------------------|--|
| <u>Start Date:</u> | November 2012 |
| <u>Implementation Timeline:</u> | Redeveloper Purchase by fall of 2014. |
| <u>Jurisdictions Involved:</u> | City of Portland and County of Ionia (Land Bank) |
| <u>Estimated Savings:</u> | \$350,000 in blight elimination costs |
| <u>Barriers:</u> | Need project to qualify for LIHTC. |

Past Consolidation Initiatives

Over the years the City of Portland has implemented a number of cooperative initiatives with neighboring communities. The City has also achieved much efficiency by consolidating internal operations. The list below is a good faith effort to identify existing Cooperation/Consolidations:

| Description of Service | Participating Units | Estimated Annual Cost Savings/Revenues |
|---|---|--|
| Fire Protection Services Contracts | Danby Twp. and Portland Twp. | \$116,000 |
| Fire Mutual Aid Agreements | Various | \$50,000 |
| Shared Fire Trainings | Various | \$5,000-\$10,000 |
| Ambulance Service Contracts | 8 Neighboring Units of Government | \$160,695 |
| Central Dispatch | Ionia County | \$75,000-\$100,000 |
| Shared Police Trainings and Facilities | Ionia County, Schoolcraft | \$15,000 |
| Shared Purchase Contracts- Police | State of MI, Macomb &, Ionia County | \$5,000-\$10,000 |
| Law Enforcement Mutual Aid | Ionia County, State of Michigan | \$3,000-\$4,000 |
| CMET Drug Enforcement Team | Ionia & Montcalm Counties and Cities | \$5,000 |
| Speed Trailer Purchase/Operation | Various Governmental Units | \$5,000 |
| Shared Purchase Contracts DPW (Vehicles, Salt, Equipment) | State of MI, Macomb &, Ionia County, Various Cities | \$10,000-\$20,000 |
| Recruitment/Training | Michigan Works! | \$5,000-\$10,000 |
| Building Inspection/Permitting Services | Municipal Inspection Services | \$12,000 |

| Description of Service | Participating Units | Estimated Annual Cost Savings/Revenues |
|---|--|--|
| Fire Department Admin./Ambulance Admin./Code Enforcement | Internal Consolidation | \$15,000 |
| Ambulance Paramedics/Meter Readers | Internal Consolidation | \$15,000 |
| Parks/Recreation/Cemetery Maintenance and Supervision | Internal Consolidation | \$50,000 |
| Use of School Property for Recreation | Portland Public Schools | \$5,000 |
| Property & Liability Insurance | Michigan Municipal League | \$10,000 |
| Workers' Compensation Insurance | Michigan Municipal League | \$15,000 |
| Unemployment Insurance | Michigan Municipal League | \$5,000 |
| Joint Mailing of City and DDA Newsletter with Utility Bills | Internal Consolidation | \$10,000 |
| Senior Citizen Programs | Portland Area Service Group, Portland Township, Danby Township | \$2,500 |
| Election Services | Portland Public Schools | \$2,500-\$5,000 |
| Various Annexation Agreements | Danby and Portland Townships | \$117,000 additional property tax revenues |