Charter Township of Oscoda

Plan to Cooperate, Collaborate & Consolidate Services

Category 2 of the State of Michigan
Economic Vitality Incentive Program (EVIP)
(January, 2014)

Completed Cooperation & Collaboration Opportunities
(Bold Print is Update for 2014)

Regional Utility Management Plan – A concept remains under discussion involving a municipal wastewater authority, Huron Shores Regional Utility Authority and Oscoda Township wherein individual contracts between each of these entities and a private contract operator might be established to create a regional economy of scale resulting in cost savings and potential service enhancements for all participants. As of the writing of this report the outcome of such discussions is uncertain but should this plan be set aside other opportunities for collaboration in the utility operations and management arena will continue to be explored.

Discussion relative to this concept initiated about November, 2011 and appears likely to conclude successfully through implementation of a regional effort in April of 2013. Achieving consensus amongst multiple players with divergent views and perceptions has proven to be the biggest challenge in this endeavor.

As anticipated in last year's update, this item was brought to closure in the Spring of 2013. Specifically, three separate contracts were signed between F&V Operations and Charter Township of Oscoda, Huron Shores Regional Utility Authority and Tawas Utility Authority during the April/May timeframe of 2013. The contracts provide for a regional collaboration approach that will save each participating entity a specified amount of money as compared to an independent non-regional contract arrangement. The underlying premise is that sharing staff resources will improve efficiency and reduce cost to the benefit of all participating agencies. Development of separate but consistent contracts with three independent governmental bodies was a short-term impediment to moving the process forward.

New Fire Truck Acquisition – A quotation from Pierce Fire Trucks in the amount of $394,285 has now been approved by the Township Board. The Township intends on financing the purchase of this vehicle in cooperation with AuSable Township which will support approximately 25% of the purchase. This will be accomplished through the existing shared service arrangement and inclusion in

the budget spending plan. It is estimated that an order to purchase the fire truck will be placed in April, 2013 and delivery of the vehicle will be in or about December, 2013.

A new Pierce fire truck was purchased in 2013 following Oscoda Township securing financing through an installment purchase contract agreement with Chemical Bank. Specifically, the order for the truck was placed in March 2013 with the vehicle being picked up in Wisconsin in November. However, AuSable Township opted to prepay its' 25% share of the purchase directly with cash as opposed to participating in the financing through the shared service arrangement. Given that both Townships enjoy a very cooperative relationship, no barrier to implementing this project was experienced relative to the collaborative component. The closest thing to a barrier was the legal process required to implement the installment purchase contract and that was a standard procedure.

MiDeal / BidCorp – The Township is now finalizing participation in the State MiDeal.com and BidCorp.com programs. This will allow for enhanced revenue generation from the sale of Township vehicles and property taken out of service and items that have been impounded by the Police Department. The ability to solicit buyers in a large geographic area in a competitive format is expected to improve response numbers and sale prices.

The Township enrolled in the Bid Corp program in January / February, 2013 and first listed items in March, 2013. It is anticipated that this will be an ongoing project as surplus property is disposed of on a recurring basis each year.

The first year of involvement with the Bidcorp program yielded very positive results for the Township. Specifically, three separate listing events on this auction site of several vehicles, pieces of equipment and such resulted in total sales of nearly $20,000 in 2013. The amount received by the Township for various items, particularly used patrol cars, was significantly increased as compared to previous experience with a local "advertise and seek sealed bids" marketing approach. No significant challenges were experienced but it was deemed advisable to develop a policy guideline for Township staff to follow in identifying items to sell, acquire approval and then list them on the auction site.

Continued Cooperation & Collaboration Opportunities

The Charter Township of Oscoda is not currently evaluating any collaboration opportunities that would be characterized as a continuation of previous discussion found in this report. In short, there are no opportunities to report upon in this category as those previously cited initiatives have been implemented.

New Cooperation & Collaboration Opportunities

As of the writing of this report, the Charter Township of Oscoda has identified two new collaboration opportunities; one is potential and the other is underway. They are described as follows in that order:

Water Loss Control Measures - for many years Oscoda Township has been challenged by relatively high unaccounted for water loss. This has resulted in hiring independent leak detection contractors on two separate occasions during the past eight years. The results of these efforts have been positive with reasonable cost recovery timeframes.

Currently, strong consideration is being given to issuance of a request for proposals involving, at a minimum, both Oscoda and AuSable Townships. This is expected to improve economy of scale for the contractor and reduce cost to both communities. In addition, there is a good chance that at least one more municipal partner will join the effort if it proceeds.

At the time of this report, draft request for proposal solicitations have been distributed to interested municipalities. The solicitations call for the leak detection project to be implemented in or near April of 2014. This would require finalizing the document, soliciting proposals and hiring a contractor, all on a collaborative basis, prior to that date.

More preliminary is discussion about contracting for water audit services using the same model. This service would assess meter reading, billing, recordkeeping and other administrative practices in an effort to determine whether water loss is actual or apparent. No timeline has been established but a proposal has been sought and received from one potential vendor.

Van Etten State Forest Campground - Dating back a few years, preliminary discussion took place with MDNR regarding the potential for Oscoda Township assuming the role of operator for the Van Etten State Forest Campground. This 49 site campground is located on Van Etten Lake in Oscoda Township in close proximity to Old Orchard Park, a 500+ campsite park operated by the Township under long-term lease from Consumers Energy Company. The Van Etten Campground was considered largely surplus to the state's needs and posed operational challenges due to its location.

On the other hand, a Township operation would benefit from availability of experienced administrative and maintenance staff in close proximity to the property. The goal of this undertaking is to maintain availability of the facility for the public while hopefully generating positive net income through economy of scale efficiency that can be invested in other Township recreational properties.

Flashing forward to the Spring of 2013, discussion with MDNR was revisited resulting in development of consensus that it would benefit both parties to enter into a lease agreement. Negotiations ensued and an agreement providing for a five-year term beginning June 1, 2013 was executed shortly thereafter. The Township has been operating the facility since about mid-June. Challenges incurred in this initiative were limited but include necessity to modify some standard state lease provisions and integration of this new obligation within the Old Orchard Park operational framework.