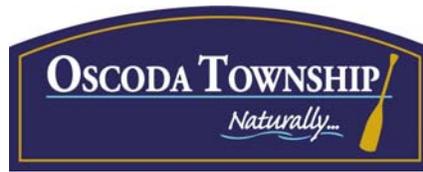


Charter Township of Oscoda



Plan to Cooperate, Collaborate & Consolidate Services

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

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Executive Summary

The Charter Township of Oscoda has developed this report to comply with new State of Michigan requirements related to the Economic Vitality Incentive Program (EVIP). Specifically, this document is responsive to the requirement for a report addressing consolidation of services and collaboration. The report is intended to be both straightforward and succinct.

It is important to note in reviewing the document that the Charter Township of Oscoda has engaged in a substantial amount of cooperation and collaboration prior to the EVIP initiative being undertaken. Accordingly, some of the more obvious and attractive cost saving opportunities have been capitalized upon historically. However, in the current fiscal environment it behooves all governmental units to continue seeking out and pursuing feasible consolidation and/or cooperation options.

Current Cooperation Efforts

Historically, Oscoda Township has contracted police, fire, cemetery and library services to the adjoining municipality of AuSable Charter Township. This long-standing and mutually beneficial relationship has yielded significant financial savings for both communities over time and reflects a positive example of a sustainable approach to cooperation. This functional consolidation is now embedded within the financial structure and service delivery model for both communities.

In addition, the two townships have previously cooperated in establishing a municipal water system in part through a joint utility authority. The collaboration

and service delivery method later transitioned to a wholesale water purchase contract arrangement upon retirement of various debts. AuSable Township continues to receive sanitary sewer sewage treatment service through a contract with Oscoda which allows substantial industrial and commercial development opportunities that flow (no pun intended) to the benefit of both communities.

Oscoda Township then elected to participate in the Huron Shores Regional Utility Authority (HSRUA) for purposes of securing long-term potable water supply in the mid-90's. Given the disparate water production methods employed (water wells then versus a water treatment plant now), cost savings were not realized in this transition. Nonetheless, current costs are substantially less for HSRUA participants, including seven municipalities, than any one community could support on a standalone basis to operate a modern water treatment facility.

Oscoda Township also engages in numerous additional cooperation / consolidation efforts of lesser magnitude. These include a collaborative purchasing program with the Oscoda Area Schools, a regional undercover drug enforcement program, consolidation of public safety dispatch service with Iosco County through central dispatch/E911, purchasing through State of Michigan and Oakland County fixed price programs, sharing of various specialized law enforcement and fire protection functions and pieces of equipment (mutual aid), amongst other things.

Finally, the Township has undertaken several internal initiatives over the past few years to consolidate/restructure personnel functions and close related building facilities in the interest of cost savings. This has included reducing administration by .75 FTE, law enforcement by 1 FTE, hours worked in several part-time positions, seasonal employment hours worked by 50%, contract assessing schedule by 10% and closing one administrative and one maintenance building.

Many of these initiatives are noted in the attached spreadsheet as intended to document cost savings. However, given the nature of such efforts cost savings estimates should be considered just that as they have not been historically quantified in many instances.

Continued Cooperation & Collaboration Opportunities

As of the writing of this report, the Charter Township of Oscoda is evaluating several potential opportunities for expanding cooperation/collaboration efforts and committed to two. These are detailed as follows:

US 23 Streetscape Expansion Project – In the summer of 2012 the Michigan Department of Transportation will implement a major highway reconstruction project on US 23 in the commercial district of Oscoda Township. A component of the project will be replacement of existing streetscape in the central business district within the MDOT project

budget. However, the community has a long-standing goal to expand streetscape northerly through the commercial district on US 23. The Township has worked with MDOT staff in developing a streetscape plan which will be integrated with sidewalk replacement efforts of the department in conjunction with the overall project. The net result will be a substantial cost savings to the community as compared to undertaking a stand-alone streetscape project.

US 23 Water Main Replacement/Upgrade – The Michigan Department of Transportation will be replacing a substantial amount of water main in the commercial district of Oscoda Township next summer in conjunction with the highway reconstruction project. The Township is collaborating with the department in funding an upgrade to the size of the pipe to improve hydraulic performance and capacity for the future. This arrangement will effectively leverage a 90% grant for the Township as compared to 100% local cost in the absence of the collaborative approach.

Regional Utility Management Plan – A proposal is under discussion involving two cities, Huron Shores Regional Utility Authority and Oscoda Township wherein individual contracts with each of these entities with a private contract operator would be modified to establish a regional staffing plan 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.