

**Economic Vitality Incentive Program  
Consolidation Plan (Previous Filer)  
as of: January 1, 2013**

**Local Unit Name: City of Muskegon  
County: Muskegon**

Plan Available to the Public (check all that apply):     In Municipal Offices     Internet Website     Other \_\_\_\_\_

<b>Update Status of Previous Year's Service Consolidation Proposal(s)</b>					
			<b>City of Muskegon</b>		<b>Muskegon</b>
<b>Previous Year's Service Consolidation Proposals</b>	<b>Timeline to Accomplish Proposal</b>	<b>Jurisdictions Involved</b>	<b>Realized Savings/(Loss)</b>	<b>Implementation Status of Proposal</b>	<b>Barriers Experienced in Implementing Proposal</b>
1. One Water Production System for Metro Muskegon Area	The concept of a single water supply for the area has been discussed and pursued for decades. The timeline for the effort that finally brought success was July 2011-October 2012.	City of Norton Shores (new customer), Fruitport Township (new customer), City of Roosevelt Park, City of North Muskegon, Muskegon Township, Muskegon County, Dalton Township, and Laketon Township	\$1,000,000.00	Goal is achieved with the signing of two long-term water supply agreements (more information below). Full implementation will occur in 2015 after construction of a new water main to service the two new municipal customers.	The parties had to overcome mistrust of one another. This was achieved through multiple meetings and by incorporating several safeguards into the water contracts.
2. Contract for Income Tax Administration	A formal written proposal for this service was prepared and delivered to the City of Muskegon Heights in August 2012. A counter proposal has not been received. There is no current timeframe for accomplishing this proposal.	City of Muskegon and City of Muskegon Heights	\$100,000.00	Not achieved. Currently in negotiation.	The cities have not been able to agree on cost. Also, the water agreement with Norton Shores and Fruitport Township may have impacted this discussion.

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3. Consolidated Telecommunications	This proposal was initiated in November 2011 and fully implemented by April 2012. Additional communities have come onboard since then.	City of Muskegon, Muskegon Central Dispatch, Muskegon Township, City of Norton Shores, City of Roosevelt Park, City of North Muskegon, City of Muskegon Heights, city of Whitehall, Dalton Township	\$96,000.00	Achieved.	This proposal encountered relatively few obstacles due to the clear benefits and relatively quick payback.
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5.					
<p><b>Additional Information:</b></p> <p>Consolidation #1: ONE WATER SYSTEM: Achievement of this goal involved two separate negotiations. First, the City of Muskegon negotiated a long-term (40-year) unified water supply agreement with its current municipal customers: City of Roosevelt Park, City of North Muskegon and the Muskegon County Board of Public Works which services Muskegon, Dalton and Laketon townships. Second, the City negotiated a long-term water supply agreement for two new municipal customers (City of Norton Shores and Fruitport Township) who were seeking a new water supply source and had considered building their own water treatment facility. The net result of these negotiations is that the the City of Muskegon - through intergovernmental cooperation contracts - will provide water to the entire Muskegon metropolitan area with the current exception of the City of Muskegon Heights.</p> <p>Consolidation #2: CONTRACT FOR INCOME TAX ADMINISTRATION: Progress on this consolidation proposal appears stalled for now.</p> <p>Consolidation #3: CONSOLIDATED TELECOMMUNICATIONS: This cooperation initiative was achieved quickly and without significant obstacles. The financial benefits were obvious to participants as were the improvements in telecommunications technology and service levels. Monthly telephone bills for the City of Muskegon were slashed from \$10,000 to \$2,000 due to participation in the effort.</p> <p>Consolidation #4:</p> <p>Consolidation #5:</p>					

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<b>Proposed Service Consolidation(s) City of Muskegon Muskegon</b>					
<b>Service Consolidation</b>	<b>Implementation Timeline</b>	<b>Jurisdictions Involved</b>	<b>Estimated Savings/(Loss)</b>	<b>Description of Estimated Savings/(Loss)</b>	<b>Other Consolidation Benefits</b>
1. Fire Equipment Maintenance	Implementation started January 2013. Full implementation targeted for May 2014.	City of Muskegon Fire Department and City of Muskegon Equipment Division	\$25,000.00	Annual Savings	Quicker turnaound on fire truck maintenance and repairs.
2. Consoldiate Public Works Services	Initial discussions and planning started in August 2012. Current implementation target date is September 2013	City of Muskegon and City of North Muskegon	\$75,000.00	Annual Savings	Enhanced cooperation between communities; better standardization of procedures and equipment.
3. Unification of Water Treatment Facilities	Initial planning started in July 2011. Discussions have been off and on since then. Earliest possible implementation is May 2015.	City of Muskegon and City of Muskegon Heights	\$500,000.00	Annual Savings	Provide water treatment backup and redundancy.
4. HOME Program Consortium	Planning for the consotium started in August 2012. Target funding date is July 2014 (start of first eligible FY).	City of Muskegon, City of Norton Shores, City of Roosevelt Park. Other communities may possibly join the Consortium	\$250,000.00	Additional Annual HOME Revenues	Better leveraging of Federal funds, additional planning/programming resources made available to smaller communities.
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<b>City of Muskegon Muskegon</b>					
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<b>Additional Information:</b>					
<p><b>Consolidation #1:</b> FIRE EQUIPMENT MAINTENANCE - Staff of the City of Muskegon's Equipment Division has now been certified to maintain and repair fire trucks and other emergency vehicles. Previously, the Fire Department relied on private companies - often located outside of the local area - to perform these services. Bringing this service in-house will result in significant savings, quicker turnaround times on repairs and more optimal utilization of staff resources. It is anticipated this service will be offered to other area fire departments in the future which would result in further savings.</p>					
<p><b>Consolidation #2:</b> CONSOLIDATE PUBLIC WORKS SERVICES - This proposal would involve an intergovernmental agreement under which the City of North Muskegon would contract with the City of Muskegon for a full range of public works services including water and sewer systems maintenance, vehicle maintenance, engineering services, and streets maintenance. Discussions are underway. Other smaller communities in the area have also expressed interest in this concept.</p>					
<p><b>Consolidation #3:</b> UNIFICATION OF WATER TREATMENT FACILITIES - The City of Muskegon Heights has it's own water treatment plant which, under the new water agreements discussed earlier, will serve only Muskegon Heights starting in 2015. This will be very costly and not practical. The City of Muskegon intends to initiate discussion with Muskegon Heights for them to join the Muskegon system and agree to utilize their existing treatment facility for benefit of the entire metropolitan area.</p>					
<p><b>Consolidation #4:</b> HOME PROGRAM CONSORTIUM - The City of Muskegon is currently working with two adjacent communities (Norton shores, Roosevelt Park) to establish a HOME program consortium. Acting cooperatively will allow the communities to leverage significant additional federal HOME program funds. Muskegon will serve as program administrator and fiduciary. The application to HUD is due in Spring 2013. If approved, the Consortium would begin operation in October 2013.</p>					
<p><b>Consolidation #5:</b></p>					
<b>Detailed explanation of why increasing the existing level of cooperation, collaboration and consolidation is not feasible:</b>					