

## COOPERATION, COLLABORATION AND CONSOLIDATION PLAN

### Introduction

The City of Crystal Falls has for many years entered into agreements within and outside its corporate boundaries with various entities as an ongoing effort to provide services and save costs to its citizens. This plan is an outline of the various arrangements that have assisted the City in the past and present in addition to a few ideas to do the same in the future.

### Previous and Current:

The following is a compilation of the collaborative efforts already in place:

1. Cemetery Agreements with surrounding townships. The City of Crystal Falls has entered into agreements with the Townships of Crystal Falls, Mastodon, and Mansfield for many years extending backwards to the early 1940's. The agreements divide the "loss in operations cost" amongst the four (4) municipalities based on population. In exchange for their participation in this cost sharing, the residents of the participating townships were considered as "locals" upon their deaths and were afforded the same burial rates as those of the City residents. All others were assessed a higher burial rate.

*Advantage/Cost Savings to City: This has saved the City of Crystal Falls somewhere in the neighborhood of \$10,000 each year. It is the hope of the City that this arrangement will continue well into the future.*

2. Water Agreement with Crystal Falls Township. The City of Crystal Falls has contracted to purchase water from Crystal Falls Township in 2006 to supply its citizens with a quality drinking water supply. Prior to this agreement the City provided water from a deteriorating water supply that required filtration. The cost of the upgrades to the aging infrastructure of the filter plant and the search for a viable water supply led the City to negotiate with Crystal Falls Township. This arrangement has provided the City with a quality water supply at a reasonable cost to its residents.

*Advantage/Cost Savings to City: The estimated cost savings to the City of Crystal Falls are calculated at \$1.5 million (the estimated cost of new wells and a new filter system). This agreement extends out to the year 2046.*

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3. Sewer Agreement with Crystal Falls Township. The City of Crystal Falls has contracted with Crystal Falls Township for the removal of sewage from the township into the City's lagoon system since the 1940's. This arrangement has allowed certain adjacent Crystal Falls Township properties to connect to the City's sewage system.

*Advantage/Cost Savings to City: The City has gained revenue from this arrangement over the years with the current year's revenue at \$72,000.00. This revenue assists in the maintenance and operation of the sewer system. This agreement extends out to the year 2037.*

4. Fire Protection Contract with Crystal Falls Township. The City of Crystal Falls currently contracts with Crystal Falls Township for fire protection. Prior to 2011 the City and Township were joint partners in a Fire Authority and employed 3 full time drivers. In 2009 the City of Crystal Falls General Fund suffered a deficit that resulted in many budget cuts, one of those was the Fire Authority funding of nearly \$140,000 annually. After many months of discussions and negotiations the Fire Authority was dissolved and the Township of Crystal Falls assumed all responsibility for the operation of the department. The City of Crystal Falls contracted with the Township at the cost of \$33,375 annually, or the equivalent of the 1.5 mills approved by the voters of the City to support fire protection. The fire department is now served by only one (1) full time driver (the Fire Chief), two other full time employees lost their jobs. This department does have a contingent of volunteer firemen who continue to serve under the direction of Crystal Falls Township.

*Advantage/Cost Savings to City: This arrangement has saved the City of Crystal Falls over \$100,000 annually.*

5. Partnership with WPPI for Electric Power Supply. In 2009 the City of Crystal Falls entered into an agreement with WPPI, a 51 member municipal electric company located in the State of Wisconsin, for the purchase of electric energy. This agreement has resulted in a large array of ancillary services that have assisted the City to meet many complex mandated requirements of the State of Michigan and the Federal Energy Regulatory Commission that would have been impossible to meet with the staffing levels of the City. As a result of this partnership, the City is currently in the midst of a system wide electric meter upgrade that will provide the latest technology. This will

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allow for more precise measuring of electric consumption and lead to a better educated consumer which will then result in reduced wasting of electric energy.

*Advantage/Cost Savings to City: The City's partnership in this 51 member electric coop has resulted in a reduced electric wholesale rate than what the City could have negotiated on its own. In addition, the ancillary services have brought the City into full compliance without the need to employ outside consultants and staffing. The savings in the purchase of electric energy alone are nearly \$200,000 each year.*

6. MEUW Safety Program Membership. The City of Crystal Falls has joined with a cooperative of other electric utilities through the Municipal Electric Utilities of Wisconsin to employ a regional safety coordinator. The purpose of this program is to bring the municipality in compliance with safety regulations and training of the employees of each member.

*Advantage/Cost Savings to City. The City gains the services of a safety coordinator that is trained and qualified to prepare a complete safety program for the municipality, to conduct and train the City employees on matters of safety, and to insure that the City is compliant with all State and Federal safety regulations. The cost of this service to the City is 10% of the annual cost of the program (\$11,000 annually). The savings are the fines that would be assessed against the City for non-compliance in addition to the benefit of having a staff trained in all areas of safety.*

7. Agreement with The Crystal Theater Board. This arrangement has allowed the Crystal Theater Board to operate a former movie house as a performing arts theater. The City owns the building and pays for the property insurance, however, all other costs of operation of this facility are the responsibility of the Crystal Theater Board. This arrangement was established in January of 1993.

*Advantage/Cost Savings to City: There is no way to calculate a cost savings to the City as this facility serves the entire community by bringing in talents from across the globe which in turn brings in visitors from all around to our downtown community making this an economical benefit to our local business'.*

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8. Agreement with the Harbour House Museum Board. This group operates a former historic residence of our City as a museum, striving to preserve and share the history of our City. The City owns the building and pays for the property insurance under its umbrella policy, with all other costs of the operation of this facility the responsibility of the Museum Board. This arrangement was also established in 1993 and has served the City well.

*Advantage/Cost Savings to City. Again, the only cost to the City is for property insurance, however, the return in value to its citizens and visitors alike is priceless.*

9. Agreement with the Crystal Falls Contemporary Center. This was established in 1993 along with the theater and museum in an effort to provide the youth of our City with a place to learn, share, and grow in various cultural activities. It also grew to include various enrichment classes for teens and adults and has evolved over the years to become a great meeting place for all ages. Again, the City owns this building and pays for the property insurance and is operated by a board of directors who are responsible for all the costs of operation.

*Advantage/Cost Savings to City. The only cost to the City is for the property insurance, however, the return in value to its citizens is priceless.*

10. Crystella Recreation Association. This is a new agreement in 2011 for the operation of the Crystella Ski Hill. In 2009, the City of Crystal Falls, as part of the General Fund Deficit Elimination Plan, ceased operations at the ski hill. This is a facility that was traditionally operated by the City with the cooperation of Crystal Falls Township (the township provided an operator for one of the tow ropes). The facility was never operated with the expectation of making money, or even breaking even for that matter. Now it is operated by this association entirely on donations and with volunteers.

*Advantage/Cost Savings to City. The cost savings to the City with this agreement is approximately \$10,000.00 annually.*

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### Future:

The City of Crystal Falls is continually pursuing new ideas for providing services and reducing the cost to its citizenry.

The City of Crystal Falls plans for future Cooperation, Collaboration, and Consolidation include:

1. Community Schools Summer Recreation Program. This program was supported by the City of Crystal Falls through an annual contract for many years until the General Fund Deficit Elimination Plan caused the allocated funding to be cut from the City's budget. It is hoped that in the future the City will once again be able to restore this contract as it serves many of the community's youth each summer with various recreation opportunities such as softball, T ball, soccer, tennis, and swimming lessons.

*Advantage/Cost Savings to City. The cost for this contract is generally based on \$1 per capita, \$1,469 based on the 2010 census. This is considered to be a small price to pay for an invaluable service for the youth of the community.*

2. Police Protection. Currently the City of Crystal Falls operates a 2 man police department consisting of a Police Chief and Sergeant. This department was reduced as part of the General Fund Deficit Elimination Plan in 2009. It is the intent of the City to enter into discussions with the Iron County Sheriff Department for contracting for police protection in the future. These discussions have yet to begin, however, it is expected that the City will save a considerable sum of money by eliminating its police department and contracting with the County for the services.

*Advantage/Cost Savings to City. It is hoped that with an arrangement such as this that the City will be able to provide more hours of police protection at a minimal cost. The estimated savings to the City are upwards of \$100,000.00 each year.*

3. Cable Television. Currently the City of Crystal Falls owns and operates its own cable television system throughout the City. The infrastructure of this system is aging and is not capable of digital transmission, resulting in lost subscriptions to the service. Discussions have been initiated with a neighboring cable system to join efforts to provide a quality cable signal to the community.

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*Advantage/Cost Savings to City. The cost savings or revenue generating capabilities of this idea have not yet been calculated as these discussions are in the very early stages. It is expected that a joint collaboration will help the City to save on subscriber fees, wages, and equipment costs and an increase in subscribers.*

The City Council for the City of Crystal Falls adopted this Cooperation, Collaboration, and Consolidation Plan at a meeting held on Monday, December 12, 2011, in accordance with the requirements of the State of Michigan Economic Vitality Incentive Program, Public Act 63 of 2011. A copy of this plan is available free of charge to the public at the City Clerk's office at 401 Superior Avenue in Crystal Falls and also on the City's website at [www.crystalfalls.org](http://www.crystalfalls.org).

I, Tara L. Peltoma, City Clerk/Treasurer for the City of Crystal Falls, Iron County, Michigan, do hereby certify that the foregoing City of Crystal Falls Cooperation, Collaboration and Consolidation Plan was adopted by the Crystal Falls City Council at its regular meeting held on Monday, December 12, 2011 at 5:00 p.m. at the Crystal Falls City Hall with all Council members present and voting in the affirmative on the adoption of this plan.



Tara L. Peltoma, City Clerk/Treasurer  
City of Crystal Falls