

CITY OF IRON RIVER
IRON COUNTY MICHIGAN
CONSOLIDATION, COOPERATION, and COLLABORATION PLAN

Previous Municipal Consolidation

The “new” **City of Iron River** was created on July 1, 2000. It was the first, and remains the only municipal consolidation that has taken place in the history of the State of Michigan.

This new governmental unit was formed by consolidating the former cities of Stambaugh and Iron River along with the former Village of Mineral Hills. Although the name “**City of Iron River**” was selected to identify the new entity, it should not be misconstrued that any one of the units played a more significant role in the consolidation process than the others. The process of municipal consolidation requires that each participating member legally ceases to exist. Very simplistically stated, this meant that at one minute after midnight on July 1, 2000, the three governmental units transferred all of their assets, liabilities, and outstanding contractual and financial obligations to the newly formed **City of Iron River**. Consolidation resulted in several aspects of savings to the newly formed City. The major elements contributing to the savings are as follows:

- General City Governance: Combined all city offices thereby eliminating duplication including council members, managers, clerks, treasurers, office support staff, assessor, and legal counsel.
- Department of Public Works: Integrated all DPW employees, equipment and facilities as well as eliminate the duplication of each category. Employee reductions have taken place through attrition over a 10 year period.
- Water Department: Combined the entire water distribution system which resulted in a more efficient and dependable system; elimination of wells, elevated storage tanks, telemetry systems, billing systems, as well as all duplicated equipment.
- Sanitation and Waste: Eliminated one contract for waste pickup and hauling.
- Fire Department: Eliminated equipment and facilities of one fire department.
- Police Department: Eliminated one contractual agreement for Police services.
- Cemetery: Eliminated duplicate services and fees.
- Recreation: Reduced the number of facilities and improved the remaining park and recreation system.
- Buildings and Structures: Eliminated two city halls and two DPW buildings.

Because the consolidation involved multiple units with varying degrees and levels of services which were financially trending in different directions, it is virtually impossible to accurately identify the precise dollar value. Although it has taken 10 years to achieve the current level, it is estimated that the “new” City of Iron River is experiencing an average saving of **\$1,350,000** annually. This represents the current costs compared to those, had the three former municipalities continued to operate as separate entities.

Existing Municipal Collaborations

- West Iron County Sewer Authority – comprised of the City of Iron River, two townships, and two adjacent cities. Estimated annual cost savings to the City of Iron River.....\$197,500.
- West Iron County Fire Department – comprised of the City of Iron River, and three adjacent townships. Estimated annual cost savings to the City of Iron River.....\$57,000.
- Countywide GIS Program – The City of Iron River has completed a cost sharing program with several other units of government and the County of Iron to develop GIS mapping system. Estimated cost savings to the City of Iron River\$20,000.
- Apple Blossom Trail – In conjunction with two neighboring cities, two townships, the local Watershed Council, the County of Iron and a local non-profit recreation trust, the City has developed a non-motorized trail system which will eventually link communities throughout the county to multiple recreation facilities. In addition to adding to the local Quality of Life, the estimated cost savings to the City of Iron River\$410,000.

Previous Municipal Cooperative Agreements

Both prior to, and following the tri-community consolidation, each of the former cities as well as the village had various “Cooperative Agreements” in place. Following is a list of those agreements and estimated costs saving or (other value) associated therewith.

- West Iron County District Library – Comprised of the City of Iron River, two adjacent cities and three adjacent townships. Undeterminable savings but adds significantly to Quality of Life.
- Shared Municipal Backup Services – The City of Iron River has standing agreements with the City of Caspian and the City of Gaastra to provide equipment and/or labor support in the event of any system failures. This can include such issues as snow removal, water or sewer breaks, fire protection, police protection, backup municipal water supply, etc. Undeterminable savings but adds significantly to Quality of Life.
- Countywide Emergency Services – the City of Iron River has united with seven townships, four cities/village, and the County of Iron to provide First Responder and 911 Emergency Services. Undeterminable savings but adds significantly to Quality of Life.

FUTURE CONSOLIDATION, COOPERATION, and COLLABORATION PLAN

Shared City Management – The City of Iron River is directly adjacent to the City of Caspian and the City of Gaastra. Both of these municipalities are physically smaller in size and therefore maintain substantially smaller work forces than Iron River. Although they both rejected total consolidation in 2000, these two communities continue to share many services through existing collaborations and formal agreements. The physical location as well as other common administrative elements provides the ideal situation to employ one City Manager to oversee the operations of all three communities. Eliminating the duplication and sharing the cost of this administrative position could result in a substantial savings to each municipality. **Estimated annual savings for the City of Iron River...\$85,000.**

Establish a County-wide Assessor/GIS Office - At the present time, each of the eleven (11) governmental units independently contract with various State certified assessors. Each unit provides storage facilities, computers, software, and support documents to fulfill the State’s requirements for assessing. By consolidating these services into one vendor contract, the cost to each governmental unit can be reduced significantly. Most of the governmental units have begun to develop and implement GIS mapping, which integrates well with State requirements to provide accurate tax maps to the public. By combining the GIS data with county wide assessing, further cost reductions can be developed. In addition to the cost savings to each unit, more uniform assessing would occur throughout the county. **Estimated annual savings for the City of Iron River.....\$15,000.**

Formation of Westside Water Authority – Since the early 1970’s, the State regulatory agencies have continuously encouraged several of the Westside communities to consolidate their water systems to provide redundant capacity in case of a local emergency. Currently, connections exist between the Cities of Iron River, Caspian, and Gaastra, as well as the Townships of Bates, Iron River, and Stambaugh. Over the past 20 years each of these communities have made major improvements to their water systems and in the process, have been engineered to provide interconnections to each other. Several of the units have recently converted to modern telemetry systems which has greatly reduced the labor required to monitor the various systems. These communities are quickly approaching a point at which all six of the water systems should be managed under one single entity which would be responsible for monitoring, billing, and all operation and maintenance. A very similar model, the West Iron County Sewer Authority, already exists and runs very efficiently providing a substantial savings to each of its member communities. Formation of a “Westside Water Authority” should be immediately considered by all of the units to implement a comprehensive study which would determine its viability. **Estimated annual savings for the City of Iron River.....\$250,000.**