

# **CREATING A COLLABORATIVE CITY GOVERNMENT**

Impacting Joint and Shared Services, Public Policy and  
Management Reform

City of Eastpointe

Member of Collaborative organizations: Michigan Suburbs Alliance, Southeastern Michigan Council of  
Governments, Michigan Municipal League

## **Collaborative, Consolidated and Shared Municipal Services Strategic Plan**

In Compliance with Public Act 63 of 2011

Office of the City Manager  
Eastpointe, Michigan

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## **Executive Summary and Purpose**

Michigan Local Government is changing rapidly and dramatically. As the State of Michigan shifts away from the traditional manufacturing economy demonstrating the effects of globalization, the impact is severely restricting the ability of local governments, cities, villages, townships and counties, to provide public service programs within the existing tax structures. In short, local governments are unable to continue to deliver services in the traditional manner they have.

Public services are vital and solutions to this problem must be sought. New revenues, reductions in service levels or joint shared service and cost sharing are alternatives. This report focuses joint shared services as the most suitable alternative and the hypothesis that joint and shared services by intergovernmental agreement is a workable and practical method for maintaining services when confronting stagnant or declining revenues. Recent State proposals have now virtually made this a primary directive.

Several programs involving cooperative services exist in service delivery and support services such as purchasing, weatherization and transportation is established although significant joint service sharing capacity is yet to be developed regarding most direct service programs. As these institutions continue to address the state's growing government fiscal stability problems, the opportunity to institute the predisposition to consider collaborative services exists. If significant reasons to consider joint services and interlocal agreements are stated in a well supported and researched policy, time money and efficiency of service delivery is expected to result. To recommend such a policy, those leaders who are most responsible for focusing the business of government efforts will identify the type of services subject to analysis for joint service provision.

Upon its conclusion, this report will provide the reader with a clear understanding of what collaborative joint service sharing is, why it is a beneficial reform in the way cities are managed and what techniques can be utilized to improve upon organizational capacity to include collaborative service sharing in the implementation of public policy as well as serve as the city's response to the Economic Vitality Incentive Program (EVIP) requirements and become a road map for the future collaborative plans for the City of Eastpointe.

By January 1, 2012, communities must produce a plan with one or more proposals to increase existing levels of cooperation, collaboration, and consolidation within their jurisdiction or with other jurisdictions. The plan must list previous efforts of cooperation, collaboration, and consolidation and include any cost savings and give estimates of any potential savings through future efforts.

The Act states; Certify to the Michigan Department of Treasury (using form #4887) that by January 1, 2012 they have produced and made readily available to the public, a plan with one or more proposals to increase its existing level of cooperation,

collaboration, and consolidation, either within the jurisdiction or with other jurisdictions. A plan shall include a listing of any previous services consolidated with the cost savings realized from each consolidation and an estimate of the potential savings for any new service consolidations being planned. Local Governments must submit a copy of their cooperation, collaboration and consolidation plan, in accordance with the provisions of Public Act 63 of 2011, section 951(3)(b), to the Michigan Department of Treasury. The projected revenue allocated to the City of Eastpointe under the Consolidation and Collaboration Category is \$233,544. The other two EVIP categories of Accounting and Transparency and Employee compensation are equally \$233,544 for a total of \$700,634.

The Michigan constitution specifies that local governmental units be allowed to enter into joint agreements or contract with any of the other units of government. The Michigan legislature also enacted many statutes permitting intergovernmental programs and provides that and service that a local government may legally provide or is required to be provided, may be provided in collaboration with any other unit of government. Over time in Michigan history, many of the statutes that provide for intergovernmental contracting are written for specific situations such as transportation, or utilities such as the water and sewer services in the greater Detroit area. Many joint operations or contracting for services have been in place for many years and most appear to have been initiated from the local desire to reduce costs by taking advantage of one units specialization or taking advantage of economies of scale in producing or providing services.

Continuing the discussion with local government organizations and acting upon the increased consciousness of the government community regarding service sharing. A new program titled, Centers for Regional Excellence was announced in October of 2005 (Task Force Report 2006).

Principal 2: *“Communication between local units of government is a vital catalyst for intergovernmental cooperation”*

Local units of government have very few forums that allow for formal discussion related to intergovernmental issues. When coupled with the increasing fragmentation between units, this lack of communication limits opportunities for cooperation and can result in policies that have unforeseen consequences at the local level. Many of these difficulties arise from the lack of research in the field. The need for research cannot be underestimated as local governments look for ways in which to control expenditures.

The Commission also cited the lack of a formal forum for evaluation of intergovernmental issues and proposed the solution to create a Commission of Intergovernmental Cooperation. This commission would review all State Government Mandates and make an annual recommendation to the Legislature to repeal/update laws on local government. The Commission would be responsible for administering the incentive program. The Commission would be staffed by a Center for Intergovernmental Cooperation, to be created in cooperation between several Universities and other

interested parties. One Kellogg Grant has potentially laid groundwork for this center to be located at MSU. The proposed Commission on Intergovernmental Cooperation and the corresponding Center on Intergovernmental Cooperation can serve to coordinate research efforts across the state.

The commission would be responsible for creating a critique/scorecard of how we are doing using specific benchmarks and re-evaluate the original intent of the Headlee Amendment. In this sense the Commission meant that the state should provide staff/funding for the Headlee Review Board with this action.

State regulations/laws requiring local governments to provide services, perform specific activities, or produce reports should be eliminated if they do not fulfill the original intent of the amendment. The task force also recommended that the state create a Center for Intergovernmental Cooperation to serve as a staffing and research arm for the Intergovernmental Commission. The recommendation suggests that the Center be created in cooperation with several Universities and other interested organizations.

### **Municipal Services Inventory**

This inventory is a partial analysis of the structure of operations and future revenue resource requirements to begin review and discussion of the possible services that may be appropriately be in consideration for service sharing and allows information in regards to what the city is doing by choice, was required by statute or law to do and what optional services had been traditionally performed. This information may form the basis for decisions by the Mayor and City Council as to the level and costs of services as well as method of service delivery i.e. Direct, Joint, Multi-Collaborative, discontinued or privatized fully or commercial contract.

#### **Streets**

##### *Asphalt Streets*

permanent patching	winter patching
crack sealing	street sealing
resurfacing	

##### *Concrete Streets*

surface removal	concrete replacement
crack sealing	sealing

##### *Gravel Streets*

grading	chloriding
drainage ditching	base construction

##### *Alleys*

grading chloriding base construction	aprons & approaches drainage ditching
<i>Guardrails</i> installation	repair
<i>Curbs</i> repair replacement	removal curb cuts
<i>Street Construction</i>	
<b><u>Sidewalks</u></b>	
patching installation	root sawing replacement
<i>Ice &amp; Snow Control</i> salting snow removal sidewalk & step de-icing special area plowing	plowing sidewalk & step snow removal parking lot plowing
<b><u>Traffic Control</u></b>	
<i>Traffic Signals</i>	
bulb replacement preventative maintenance pole installation school flasher repair	emergency repairs painting signal installation
<i>Traffic &amp; Street</i> sign fabrication sign installation pole painting	pole installation pole & sign repairs
<i>Traffic Engineering</i>	
<i>Street Painting</i> center lines stop lines	parking stalls curb painting
<i>Street lighting</i> pole site selection repairs notification	lighting cost/bill

**Sanitary Sewers**

dye testing	sewer repairs
flushing	manhole repairs
jetting blockages	sewer construction
manhole construction	tap-in inspection

**Storm Sewers**

catch basin cleaning	catch basin repairs
catch basin construction	flushing
construction	repairs
culvert repairs	

**Utility Service – Water Supply**

testing	system repairs
meter installation & service	connection inspection
service main construction	hydrant system install/repair
flushing & pool filling	

**Refuse Collection**

special collections	Christmas trees
spring/fall clean-up	leaf collection
public waste receptacles	disposal of brush, limbs

**Street Sweeping**

business district sweeping	residential sweeping
leaf pick-up	litter pick-up
sidewalk sweeping	

**Public Buildings**

window washing	general custodial services
public restroom maint.	carpet cleaning
plumbing, electrical	light fixture cleaning
& HVAC repairs	painting
structural repairs	

**Parks**

mowing	ball field maintenance
landscaping	litter cleanup
waste receptacle collection	playground equipment repairs

drinking fountain repairs	basketball court maintenance
lighting repairs	park construction
picnic table & shelter maint.	special park activities

**Forestry**

tree trimming	tree removal
stump removal	tree spraying
tree planting	tree maintenance

**Vehicle Maintenance**

routine maintenance	transmission repairs
electrical repairs	inspection
body repairs	glass repairs
welding	

**Recreation Programs**

Classes	program activities
Senior Center	

**Library**

Collections	internet access
Reference	literacy assistance

**Special Activities**

election administration	holiday decorations
senior services	DDA/EDC collaboration programs
Federal Block Grant Administration	

**Fire Protection**

fire suppression	fire inspection
arson investigation	fire prevention
advanced life support	ambulance transport

**Police**

Patrol	records
evidence control	investigations
traffic enforcement	administration
vacation home checks	funeral escorts
juvenile programs	
crime prevention	crossing guards
animal control	Code enforcement
patrol	

disposal

Auxiliary Programs (I.E. Citizen Police Academy, Reserve Officers, Chaplain, K-9, Etc.)

CrimeDar, and online police reporting to fall under this category.

**General Administration**

management	public information/request system
legal services	labor relations
financial management	tax collection
data management	risk management
records management	planning
engineering	code enforcement
economic development	contractual administration
zoning administration	pension administration
utility billing services	property assessment
web services	

**Building Inspection**

inspection service	housing (existing)
building	electrical
plumbing	plan review
Rental inspections	Dangerous Buildings
Ice and Snow Control	Sidewalks
Zoning	

**Comparative Common Municipal Activity**

The table below illustrates the prior academic survey work in part based on the southeast Michigan municipal region. It serves to report on the joint and collaborative service that were in place prior to the State initiatives and so called incentive programs for reference.

Document Services	8% Do Not Provide Service	75% Directly Provide this Service	17% Have Service Provided by Private Provider
Human Resources	100% Directly Provide this Service		
Fiscal Services	83% Directly Provide this Service	8% Jointly Provide this with Another Municipality	9% Jointly Provide this Service with the County
Information Technology	42% Directly Provide this Service	58% Have this Service Provided by a Private Provider	
Elections	92% Directly Provide	8% Jointly Provide	

	this Service	this Service with the County				
Buildings & Grounds Services	92% Directly Provide this Service	8% Have this Service Provided by a Private Provider				
Fleet Services	92% Directly Provide this Service	8% Jointly Provide this Service with the State				
Refuse Collection	100% Have this Service Private Provided					
Building Regulation	100% Directly Provide this Service					
Police Services	92% Directly Provide this Service	8% Jointly Provide this Service with the State				
Animal Services	100% Directly Provide this Service					
Fire Services	100% Directly Provide this Service					
Community and Economic Development	77% Directly Provide this Service	23% Have this Service Provided by a Private Provider				
Legal Services	17% Directly Provide this Service	83% Have this Service Provided by a Private Provider				
Maintenance/Improvement of Roads and Sidewalks	46% Directly Provide for this Service	8% Jointly Provide this w/ the County	8% Have this Service Provided by the County	38% Have this Service Provided Privately		
Environmental Services	8% Do Not Provide These Services	31% Directly Provide for these Services	8% Jointly Provide this w/ Another Municip.	31% Jointly Provide this w/ the County	15% Have this Provided by the County	8% Have this Service Provided Privately
Parks and Recreation Services and Cultural Services	100% Directly Provide this Service					

### Advisory Reports and Summaries

This research provided information by various authors that is useful although simplified as quick answers or guides. For example, according to (Merrill 2003), while intergovernmental cooperative agreements can be negotiated without formal public study, citizen participation is particularly helpful when sensitive government activities are under study, such as police or fire services. Those with experience in the field may find this simplistic, but it is valid and should be considered by those about to go into the area for

the first time and a good reminder to those with experience. The “how to” is left to be determined. Author Agranoff (2003), advises that, active participation in a study by citizens is time consuming and official members should not be over committed to other activities. It is noted that entering into a formal intergovernmental cooperative agreement is a significant step. While different conditions encourage cooperation, several basic considerations recur among those municipalities that enter into agreements.

A number of services performed by governments lend themselves to attaining economies of scale, whereby unit costs of the services decrease as the volume of the services increase; these services present opportunities for cooperation. (Harvey, 2003, p. 4-5). Harvey goes on to state that long-standing agreements exist in Michigan. Such services are found in public works. Capital facilities, such as water and sewage treatment plants and incinerators, show decreasing unit costs for construction and operation up to an optimum point. Supplies, materials and equipment can often be purchased for substantially less if bought in quantity on State or Countywide purchasing networks. A data processing installation, justified in a larger jurisdiction, service smaller governments such as those found in Oakland County.

Merrill (2003) further indicates that cooperation may be sought when one government can more easily perform a task. One common example is contracting for city public works departments to plow county roads. The familiarity of the public works departments to the task and their familiarity with local road systems may yield more efficient performance. In another example, it is suggested that natural resources such as water, are not equally available in every jurisdiction. These resources are required by governments to fulfill the needs of their communities. Contracting for water service between municipalities is the most common example of this type of agreement (CRC Report 2005).

Population decline, shifting local priorities or other changes may leave municipalities with surplus physical facilities. Contracting for or sharing facilities, often yields savings. City, Township and County governments in some instances share single municipal buildings to house the administrative operations of both municipalities. The researcher noted consolidation of the New Baltimore County Court and City Hall as well as the joint South Lyon and South Lyon City Hall and Public schools as examples that took place with simple joint service agreements reviewed in the research.

The research also demonstrates that municipalities may reduce duplication of services in a number of areas. Certain police services, for example, can be shared by establishing single dispatching centers, combined investigative teams or coordinated road patrols. Fire and ambulance dispatching services can also be centralized. The research also demonstrates that although some agreements required little more than a handshake, many situations advise against informality. These usually involve complex administrative, financial and legal arrangements. Formal cooperative agreements may be divided into two categories. A formal written agreement between governments in which one local government stated price, is known in the literature as a joint service agreement.

A formal written agreement in which participating governments agree to share in the performance of a function or the construction and operation of a facility is known as a joint agreement (Miller, 2003). Such an agreement usually provides for significant participation by each of the local governments. Choosing a form of cooperative agreement is a local option.

Joint agreements usually imply a rough equality among the participants with regard to resources and facilities, so that the potential contribution of each is similar. For example, joint provision of fire service by a large city and a few small suburban cities might be difficult to implement, whereas development of joint water supply by neighboring municipalities of similar size would be more feasible. Conversely, inter-municipal service agreements may be more appropriate where the participants are substantially different in size or capability, or where other elements of mutuality are absent. Also, the contractual form is better suited where a readily definable commodity is being provided. Data processing and many public works functions such as water supply, sanitary sewer service and refuse disposal are examples of such commodity services.

Merill (2003) cautions that reforming the delivery of services by agreement includes numerous options, some services are better suited to joint or contractual agreement, no set rule regulates the use of either form. Decisions should follow study by participants, including consideration of the experiences of other municipalities, and possible alternatives. It will require an analytical approach and thoughtful presentation to the elected officials addressing the concerns about loss of autonomy, control and mistrust of the future and possible changes the future will bring. There are situations in which simple cooperative arrangements will not work, because highly complex administrative and financial arrangements are required.

In more formal joint public services or shared services situations, a contract or agreement is negotiated and adopted. In the researchers case example in this report for law enforcement services, one local government contracts with more than one other to provide service at a stated price. The legal issues are the same, considering two or more units. According to Miller (2003), before entering into a contract, both governments should examine certain aspects of the agreement and ask certain questions. Similarly, both Miller and Harvey (2003) recommend the supplier government should strongly consider the effect that the proposed contract would have on its ability to provide services to its own residents.

Although contracts must be tailored to specific local requirements, most contain basic elements. The first sections of a contract will often identify the governments involved, describe the type of service to be performed, explain the reasons for entering into the contract and cite the statutory authority for the arrangement. Often included are definitions of key terms in the contract language. Performance standards for the proposed service and limitations on the services should be clearly set forth. Similarly, where the service will not be available on a 24 hour per day, seven-day-per-week basis, the times when the service will be available should be stated. Provision should also be made for situations where service levels may be reduced due to unusual circumstances. A

government such as Detroit providing water service to another may thus amortize certain of its capital costs in its fee structure by charging the receiving government's users more than it charges its own.

Taylor (2001) provides a review of the various statutes that promote local government cooperation. Taylor cites and reviews twenty-three examples. The Michigan Constitution (Constitution, 1963) contains three specific references to the powers and authority of political sub division governments. As to the liabilities of the parties, contracts should specify the extent to which either or both of the contracting parties are liable for damage to persons or property. For example, a local government contracting with another for police services can include specific provisions to cover responsibility for claims arising from police actions, thus avoiding future problems and disputes.

According to Miller (2003), contracts should clearly state the duration of the agreement, circumstances under which it may be terminated, and procedures for amendment. Although the term of a contract may be influenced by a number of factors such as the type of service involved or the financial and operating condition of the parties, a long-term contract may prove to be advantageous if adequate provision is made for amendment.

A long-term contract might provide for mandatory consideration of amendments or complete renegotiation after a specified period of time or under specified conditions. If a long-term contract is not desired, consideration might be given to provisions allowing automatic renewal so that the arrangement would terminate only when one party notifies the other in writing that it wishes to end the agreement. Such a provision allows a continuity of service, as long as it is mutually advantageous, without "locking in" either party to a situation which may become undesirable.

A joint agreement is a second type of formal cooperative arrangement. This differs from a service agreement because participating governments agree that they will share the performance of a function or the construction and operation of a facility. A joint agreement usually provides for significant participation by each of the contracting governments. Joint agreements may take a variety of forms. They may be as simple as a mutual aid agreement between two neighboring fire departments or as complex as the development and operation of a joint sanitary sewer treatment operation for a number of governments found in many Michigan municipalities; examples from Wayne County and a downriver treatment authority to Howell Fire Protection with surrounding townships.

Some agreements may provide for designating one of the participating governments as the operating government with responsibility for securing needed personnel and materials, while others may provide that each of the participants share equally in supplying the personnel and material needs of the joint enterprise.

Where a joint governing body is created to administer a joint service, the literature recommends that agreements should specify the composition of the governing body, method of selection of its members, and selection and duties of its officers. The contract

should also spell out the authority and responsibilities of the governing body, number and frequency of meetings, and procedures for calling special meetings.

Staffing a joint enterprise may be accomplished by two general methods. In the first, each of the participating municipalities employs an appropriate portion of the work force of the joint agency. This alternative is quite simple, and does not disturb existing personnel practices. However, it does have significant disadvantages where the salary scales and benefits offered employees vary widely among the participating municipalities. This can be an issue in labor negotiations. The second alternative is designation of one agreement. Accordingly, the formal agreement government as employer for all staff of the joint should clearly spell out the method or methods of agency (Miller, 2003). This option, while somewhat more difficult, may be more understood in apportioning costs. This in effect will construct a uniform personnel system. Either of these options may be provide for adequate personnel. Whichever option is chosen, the agreement should provide for reimbursement to employing municipality.

Where the apportionment of capital and operating municipalities for costs related to employment of costs differ, the agreement should state both joint agency staff and for incidental increased methods of computing charge-backs. If there are personnel service administrative costs, charges are utilized to defray all or part of the civil service administration of a joint agency should specify the role service charges play in the particular circumstances of the financing the operation.

The State of Michigan's Uniform and Accounting Act govern amending the budget and transferring funds. These and all related statutes set forth the methods of budgeting, accounting and debt management involving the joint public service agreements and authorities. Addressing the payments and cost sharing service charges, several approaches have proven to work. According to the Brown (2004, p. 441-468), and Harvey (2003) all service contracts should clearly spell out the amount, times and manner of payments, as well as the manner in which charges will be developed.

Governments enjoy wide latitude in developing fees or charges. Charges may, for example, be levied as flat rates either daily, weekly or otherwise, actual out of pocket expenses, population or assessed valuation based, or a combination of these and other factors. For example, it is fairly common for a government supplying water to another under contract, such as in the case of the City of Detroit, to charge the latter higher rates than are charged users within the supplier's boundaries. Often, higher rates are levied to recover capital costs incurred during development of the water system.

It is possible that the acceptability of interlocal agreements is enhanced if positioned as the more stable and practical of government reforms. The most obvious reform is that of government consolidation. In considering consolidation attempts Felock (2006, p. 274-276) applied the term heresthetics to refer to a political strategy that redefines the situation in a manner that encourages people to join and support the side that is defining the situation. Felock was addressing the debate on consolidation of cities and counties and the process of decision-making surrounding the participants.

It was suggested by Felock that opponents of consolidation might use interlocal agreements as an alternative to formal consolidation of governments, suggesting joint services as a less drastic reform. Interestingly, as an alternative strategy, consolidation may be suggested when the intent is to capitalize on preferences for regional planning, interlocal service agreements or functional consolidation of specific services. This is manipulation of the issue to achieve the same exact outcome, but with decidedly different acceptance, or heresthetic results. Felock cites two consolidation examples where greater use of interlocal government agreements occurred following the rejection of city and county consolidation votes.

The course of action of how to best frame the issue; consolidation leading to greater understanding and use of interlocal agreements or interlocal agreements leading to consideration of consolidation, has little to do with the actual effects of the proposed organization, but everything to do with the political management of the process and by utilizing the process termed heresthetics, either outcome can reform the method of government service delivery coupled with political success.

The review of the literature was a significant undertaking as much was written on the subject of intergovernmental relations. More daunting was the challenge to find documentation regarding interlocal agreements between local governments, as the majority of the information was written for relations between the federal, state and then local –state, local –federal programs and issues. More positively, the author could find very relevant and recent work on the subject and was put to the test in the methods chapter and serve as a solid base for development of the recommendations.

According to a Citizen Research Council report, there are 26 different categories and over 100 types of services delivered by local units of government (CRC, 2005). The report concludes that the menu of services provided by the different units is broad and the methods to provide those services equally diverse. In cataloging the local services, privatization of services, or contracting with for-profit non-governmental companies, found most common in solid waste collection, road maintenance, and janitorial services. Collaboration between governments is common in providing fire, ambulance and emergency medical services, and water and sewer services. Joint services also include sharing of libraries, senior centers, parks and public transportation.

In one test of the operational characteristics of the theory, an existing agreement is compared to the recommendations of a practical guide of what joint and collaborative agreements should include. According to the guide for local governments (Dullard 1995) for Alternatives for the Delivery of Services, produced by the University of Wisconsin School of public affairs, all of the service type of decisions must first pass the threshold of determination of the foundation test to determine the purpose of the service being offered at all. Also, according to the guide, for local governments, providing local services involves three levels of policy decisions.

**First**, the local governing body must determine whether or not it will provide a given service.

**Second**, if the service is to be provided, a decision must be made setting the level at which the service will be provided.

**Third**, policy makers must select the appropriate means through which the service will be provided or delivered to residents. All three levels of decisions have an impact on the budget.

While the hypothesis focuses on economic motives, there is empirical evidence that shows City and County Managers sometimes seek collaborative service sharing agreements for reasons beyond their immediate financial concerns. Thurmaier (2002) reported, that the results of a survey of cities in the Kansas City Metro area revealed that wealthy and poor communities alike participate in collaborative service sharing as a way to increase efficiency and effectiveness of their service delivery and to improve the general fiscal condition of their communities.

This result mirrors the findings in the survey and focus groups of the downriver communities studied in this project, as some of joint shared service motives initially did not emphasize expenditure reductions but efficiency or simplicity of administration. All of the service sharing by joint intergovernmental agreement however, reduced or shared increases in costs of improved or reengineered services and in every conversation with the survey participants time was spent discussing costs or savings of the service agreement. Even when operational teams for law enforcement drug units that involved no charge in financial commitment to each participating agency were discussed, the distribution of forfeiture revenues and grant revenues was the main point of discussion and consideration by the parties surveyed.

The practical work of the researcher when contrasted and compared with the available information pertaining to the survey results and practices discussed in the focus group and the literature research supported the fact that economic reasons are the primary motivation behind sharing services by intergovernmental agreement. Efficiency or simplicity of administration is second but both are strongly linked in several recommended best practice methods across the State of Michigan and the United States.

The survey provided an idea of current practices as well as capabilities. It is important to point out that the survey achieved a 63% response rate. This is a high rate of response and shows that DCC community leaders are proactive and care about providing high quality services to their residents in spite of the potential for change to the management and service delivery.

The Citizens Research Council as noted effectively presents the case for collaboration: Fiscal pressures on local units of government are increasingly causing policymakers to reexamine the operations of those governments. When confronted with an imbalance of revenues and expenditures, policymakers have

three options. Ultimately local officials are left to decide among 1) asking for tax increases, 2) cutting service levels, or 3) finding alternative methods of delivering services. One such alternative is for local units to collaborate, to cooperate in the funding, governance, and delivery of services so that costs are shared over a broader base than if each individual unit chose to provide the service(s) independently. (2005, p. 1)

### **Public Management Reform Methods**

The management of one local government requires a great deal of knowledge skill and ability. Building coalitions, changing staff, accountability and responsiveness are much debated on every day in local government. Experienced city administrators and elected officials focus on developing the relationships of government. Changing this expectation to include the external and inter-agency relationships is fundamentally different and requires changes or reform of traditional intra agency management methods and skills. Kettle (p. 168, 2002).

The literature and survey research indicates that more and more, local governments are cooperating with neighboring local governments in a variety of methods to provide services. Some do so with one or more other governments in a jointly owned and operated facility. Others contract with a nearby local government to provide services for their residents. To deliver some services to residents in areas smaller than the entire jurisdiction of the local government, local officials have encouraged and approved the formation of special taxing districts such as utility, sanitary, and lake management districts. Local governments have explored consolidation with another local government to form a single local government providing services.

Local governments sometimes transfer the delivery of services to others, such as another government, volunteers, or residents themselves. The following lists many of the alternative approaches and options local governments can use in delivering services as derived from the various guides and is a compilation of the research for the report.

1. Elimination of service; Local governing body votes to eliminate a service that has been provided to residents.
2. Reduction of demand; Local government uses various techniques (education, requests, higher costs, etc.) to reduce overall demand for a service.
3. Regulatory and taxing authority; Local regulations and taxes are used to reduce demand or encourage the private sector to provide a service. Emphasis is on government's power to control rather than its role as a service provider.
4. Intergovernmental transfer; Authority and responsibility for delivering a service is transferred to another, usually larger, governmental unit.

5. Local government service; Local government organizes and operates its own service delivery unit.
6. Government vending; Government provides a service for a fee or charge to the user. Increasing charges can reduce demand for the service.
7. Joint production; Two or more local government units jointly own and operate a service or facility.
8. Intergovernmental contract; One or more government units purchase services produced by another government unit.
9. Grants and subsidies; An agreement by a government to partially support or subsidize another government or organization to provide designated services.
10. Special service district; A local government creates a special taxing district in all or part of its jurisdiction to provide and pay for one or more services.
11. Consolidation. Two or more governments consolidate into a single governmental unit. All duplicated functions are eliminated.
12. Cooperative; A cooperative is created to benefit member governments and/or provide services, based on the agricultural cooperative model.
13. Joint public/private activity; Government enters into an agreement with a private business to jointly provide a service.
14. Privatization; Government contracts with a private company to provide services.
15. Vouchers; Government sets standards for service, and permits individuals or groups to select from among several designated alternative producers (public and private) of a service.
16. Market; A version of vouchers. Government sets standards for a service, and leaves it to private business to decide if it will provide the service, and at what cost. Consumers may also decide if the service is desired, and if it is, from whom they will buy it.
17. Franchise; Government designates or contracts with a service provider, and allows individual consumers to decide if they wish to purchase the service.
18. Volunteers; Government recruits, organizes, and manages volunteers to provide a service.
19. Self-help; Government encourages and provides training for individuals and groups to provide the services they need.

Some types of services appear to lend themselves more easily to, or are more appropriate for, certain service delivery options. Some services can be delivered by volunteers or through self-help, while others may require the involvement of professionals, either on the local government payroll, or contracted privately. Similarly, some types of services are more appropriate for privatization, where others may be less so.

Merrill (2003, p. 3-11) cites 12 barriers to interlocal cooperation. For purpose of this report, those associated to management reform were given the greatest weight. Condensing the issues, the barriers can be summarized as control, influence, and visibility. Local government leaders are used to being in charge and making decisions, to designate another to function under their name and on their behalf are counter intuitive to this approach. The influence issue, or as Merrill relates the Who gets what, (2003) is a considerable factor in government decision making to leadership. A change in the mechanism of these determinations and transforming this into collaboration is a major challenge to restructuring government programs. The third aspect is the aspect of visibility. The assumption, according to Merrill, is that the transformation of a local service into a shared service can be perceived as a blow to civic pride. Taking it further, this then diminishes the elected officials visibility and that equates to loss of recognition, subsequently power. It could be suggested that this process change affecting these primarily behavioral aspects could be addressed by aligning the change with the transformation of public administration into the process of governance. As Kettle (2002 p. 119-120) refers to the term governance, it is a different way that government gets it job done. While still delivering services, shared services or service contracting with other government's deals with traditional government problems in the new process way that they are.

## **Legal Considerations**

All 50 states have enacted legislation permitting intergovernmental contracting and joint service arrangements. Michigan laws are permissive with respect to intergovernmental contracting of joint service arrangements, and contracting with the private sector. Essentially, local governments in Michigan are enabled to produce and provide jointly whatever they are empowered to do individually. That is, if a local unit of government has the power to become a producer and/or provider of a service, they are legally permitted to join with, or contract with, another entity. Michigan law also enables local units of government to contract with the private sector as service producers and providers. Conservatively, 65 laws have been enacted by the legislature covering seven broad service categories providing the enabling authority for joint service and contractual arrangements. Those seven broad categories are: general authorities (11 laws), public works (16 laws), transportation (four laws), public improvements (eight laws), services to

the public (19 laws), administration (four laws), and miscellaneous (three laws). Two of the intergovernmental arrangements laws, P.A. 7, 1967 the Urban Cooperation Act and P.A. 8, 1967 the Intergovernmental Transfers of Functions and Responsibilities Act, provide broad powers to local governments to enter into joint arrangements not only with each other but with other states and the Province of Canada. Suffice it to say that local governments are not restricted by law from entering into beneficial collaborative arrangements to maintain, enhance, and provide specific and general services to citizens (Miller, 2003).

### **Cooperative Organizations**

The Michigan Suburbs Alliance (MSA), a nonprofit corporation registered in the State of Michigan, was founded by a group of local government officials (mayors and city managers) who realized that many of the challenges confronting their communities were regional or statewide in scope. Problems such as deteriorating infrastructure, fiscal stress, economic decline and environmental harm had regional causes that were largely beyond the control of local government. Finding solutions to these problems, they understood, would require cooperation among communities across southeast Michigan. The fundamental purpose of the Suburbs Alliance is to continuously elevate the level of that cooperation.

The MSA takes the position that many of Michigan's cities are in a serious financial crisis. The struggling state economy, recent cuts in revenue sharing, and the drastic rise in insurance and pension costs are severely limiting city budgets across the state. Additionally, due to the interaction between Proposal A and the Headlee Amendment, cities have lost the ability to try and make up for some of this lost revenue through property taxes. The harsh reality of the situation is that cities must work with significantly less money and have virtually no way to raise more. According to the MSA, the crisis is hitting all cities hard, but none so hard as the older, inner-ring suburbs surrounding Detroit. More and more frequently, these cities are forced to decide between fiscal insolvency and cutting basic public services such as snow removal, tree trimming, libraries, parks and even fire and police protection. Faced with financial collapse or cutting services, cities are searching for alternatives that would alleviate some of their fiscal burden, maintain services and preserve the quality of life residents are accustomed to.

The MSA Resource Sharing Program is designed to help local municipalities work towards collaborative projects with other cities. We enlisted the help of city managers, mayors, council members, human resource directors, fire and police chiefs, and union leaders to develop the Creating Collaborative Communities Workshop Series. The workshop series features several half-day seminars focused on fire, public works and police service. All service areas identified by city officials as optimum opportunities to collaborate. These workshops are designed to give attendees the in-depth knowledge and tools to initiate collaborative projects with other cities.

The Southeast Michigan Council of Governments or SEMCOG has been a primary catalyst in collaboration programs.

## **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **Summary**

Resource sharing and municipal cooperation are some of the most promising solutions to the financial dilemma facing cities. The basic idea behind these concepts is cities can save money while preserving or even increasing public services by sharing costs, equipment, knowledge and manpower with other cities. Through collaborative partnerships, cities can maximize efficiency of their limited resources and ensure continued services to their residents.

Conclusively the data and literature review supports the hypothesis that the use of intergovernmental contractual service arrangements by a local government is one alternative available to deliver basic services without privatization or elimination of the service provided. Such agreements are in effect today throughout the State of Michigan, the Citizen Research Council (CRC “Local Government Services”, 2005). It is possible accomplishing common goals, providing a reasons for considering formal intergovernmental service or solving a mutual problem and provide and examples of the practical and legal considerations of such cooperation range from informal activities to local governments binding contracts (Harvey, 2003, p. 3-5).

### **Recommendations**

There are many reasons to consider intergovernmental cooperation. The desirability of cooperative effort among governments depends upon the activity under consideration, the size of the jurisdictions, probable economies, issues of home rule and several other factors (Harvey 2002). The advantages and disadvantages of cooperation vary in each community. What may be appropriate in one government may be inappropriate in another. Each government should consider its particular set of circumstances when weighing the possibility of entering into cooperative agreements. Governments save money and maintain services that may have insufficient revenue to continue by collaborative service sharing. Shared services reduce costs and even if cost reduction is not immediate, they occur with the improved efficiency and lower administrative burdens.

In consideration of the operational definitions, the literature review, the implications of the survey performed and the analysis of the accompanying data and results, it is recommended that the Mayor and City Council of each city adopt the recommended policy developed from the findings of this report and declare that this city government, is, by definition a Collaborative City Government. In adopting this policy, the City Government makes the statement that it is analytically and systematically willing

to pursue the joint and collaborative services and reform its management of programs when it is in the public's interest to do so. The developed policy is as follows:

### **Recommended Policy Statement**

#### **Interlocal Service Sharing Agreements and Collaboration with other Local Government units.**

**Whereas:** It is the intent of this city government to provide high quality public services,  
and

**Whereas:** It is understood that citizens of this community desire a stable or lower tax rate,  
and

**Whereas:** City Government can no longer turn to the Federal or State Governments for fiscal assistance to provide for the continuation of the present service levels,  
and

**Whereas:** As required in recent recommendations of Governor Snyder and adopted as a "Best Practice" and requirement for partial revenue sharing qualification and as demonstrated in a study and report of the City Manager it is concluded that in this State and across the nation, intergovernmental joint, service sharing agreements are in place and effective,

#### **Therefore, be it resolved that;**

The City will proactively participate in the design, development and implementation of joint public service interlocal agreements that: Improve service quality and effectiveness; reduce costs; deliver cost reduction by economies of scale; improve flexibility; provide new or expanded services at the same or reduced costs; eliminate duplicate services to the same population groups.

Agreements may be secured for any service including public works; recreation; public safety; development; and management.

#### **It is further established that the Mayor and Council of the City has determined that:**

The staff of the city government must provide leadership and staff is encouraged to participate throughout the process.

Bureaucratic rules and regulations should be addressed with flexibility in forming interlocal collaborative agreements.

These agreements are opportunities to build cooperation and relationships with neighboring communities

Elected officials and managers should meet formally and informally on a regular basis and actively participate in regional and area-wide organizations that foster and assist in collaborative agreements

The city should proceed in small and large projects, building on successful models achieved by this government as well as others

The motivation of this policy is that it meets our mission and commitment to public service.

## **Joint Consolidation and Collaborative Agreements Initiated**

### **Central Dispatch (911 PSAP)**

The cities of Eastpointe, St. Clair Shores, and Roseville determined to enhance service by combining dispatching for police, fire, and rescue units into one regional dispatch center. The Cities created the Southeast Regional Emergency Services Authority (SERESA) pursuant to the Michigan's Emergency Services Authority Act, MCLA 124.602 et seq. ("Act 57").

### **City Administration Building Sharing with School Board**

East Detroit Schools hold regular school board meetings in City Council Chambers sharing facilities and equipment.

### **Fire Activities**

Macomb County mutual aid agreement intact for Fire and Advanced Life Support Services.

Automatic aid agreements with the city of Roseville and Saint Clair Shores intact.

Working in cooperation with the Macomb County Fire Prevention Association in regards to shared services for fire investigations. Two members as part of the Macomb County Technical rescue team.

Three TERMS medics who support the Police department.

Five Hazmat technicians available for Macomb County (SMIRT). A new team is in the making which would allow me to drop this number down to two and be a part of a community wide response team.

### **Law Enforcement Activities**

K-9 Callouts providing mutual assistance when needed or in the absence of local unit and personnel.

C.R.T or SWAT Teams are Countywide agency units

Mutual Aid with area Departments for any need

### **Eastpointe Memorial Library Collaborations**

Eastpointe Memorial Library is a member of the Suburban Library Cooperative which consists of all public libraries in Macomb County, Troy Library and Harper Woods Library. Eastpointe Memorial Library is also a Michicard Library, and a member of MelCat (Michigan electronic catalog). This allows for:

- Shared catalog (available to patrons at home from the library's website or cooperative website)
- Shared (free through the state) electronic reference databases, and indexes with remote access (available to patrons at home from the library's website or cooperative website)
- Shared circulation system. Patrons may go to any library in the cooperative and checkout and return material.
- Reciprocal borrowing among all coop libraries, print material with all Michicard libraries (in our location predominantly Detroit library card holders) and Michigan libraries through MelCat.
- Group purchasing which garners large discounts on all print and audio visual materials and computers.
- Provides all technical services for the library computer system (a huge asset).
- Provides for all system management (shortly to include the Library website to enable the staff to update website in house, and enable the City's system manager more time for the City's other vital technical services).
- Provides workshops and training for staff of member libraries unable to attend State or National conferences.
- Provides information to update staff of member libraries of changing library laws and practices.
- Often provides shared programs between member libraries to reduce costs.
- Provides venues for the staff of member libraries to share ideas and occurrences which may benefit (or warn) other libraries.

## **Future JCC Initiatives for Eastpointe and Collaborative Macomb County Municipalities**

### **Collaborative Building and Engineering Services**

It is projected that by collaboration Eastpointe will mutually benefit and enhance services to their citizens with cost containment and reduction and improved efficiency by sharing building inspection and engineering inspection and plan and contract administration services. No amount projected.

### **Recreation Authority**

The proposed Recreational Authority of Roseville and Eastpointe will allow the continuation and provision of new recreational facilities, services and programs for residents of both communities of all ages including sports, adult classes, special event programs and senior programs. Potential reduction of General Costs of \$500,000 annually.

### **Emergency Services Authority of Roseville/Eastpointe for Fire and Rescue**

**Utilizing the EMERGENCY SERVICES TO MUNICIPALITIES Act 57 of 1988 that is an act** to provide for the incorporation by 2 or more municipalities of certain authorities for the purpose of providing emergency services to municipalities, the two cities or more will negotiate to establish a Fire/Rescue Authority combining the existing forces of the Fire Departments and at a minimum eliminate \$250,000 in expenditures while expanding resources and enhancing use of capital resources. Potential reduction to General Expenditures of 2.5 to 3.1 Million dollars.

**History:** 1988, Act 57, Eff. Apr. 1, 1988;<sup>3</sup>/<sub>4</sub>Am. 1998, Act 167, Eff. Mar. 23, 1999;<sup>3</sup>/<sub>4</sub>Am. 2006, Act 652, Imd. Eff. Jan. 5, 2007.

### **Service Contract Collaboration with East Detroit Schools**

Other collaborative efforts identified include building co-occupancy and joint use and quantity purchase opportunities. The City provides sports fields and related facilities that may result in revenue to the City when cost sharing is established of \$5,000 annually and greater or equal savings to the school district.

### **Collaborations with City of Roseville Joint Public Works Services**

### **DWSD and Roseville Water Supply Retention and reservoir**



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