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Selling Stakeholders on Interlocal Cooperation

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Selling Stakeholders on Interlocal Cooperation

A White Paper from the Michigan Government Finance Officers Association

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Selling Stakeholders on Interlocal Cooperation

A white paper from the Michigan Government Finance Officers Association

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This white paper is one in a series produced by the MGFOA:

- *The Business Case for Interlocal Cooperation*
- *Justifying Interlocal Cooperation: Feasibility Studies, Financing and Cost Allocation*
- *Selling Stakeholders on Interlocal Cooperation*
- *Interlocal Agreements and Authorities*

The white papers can be downloaded from the MGFOA web site at www.MiGFOA.org.

What's Happening in Our Region

- No end in sight for our weak regional economy. Michigan is among the worst performers in the nation with regards to unemployment, population growth, and economic momentum
- The State's population growth rate is less than one-third of the national average and its unemployment rate is the second highest in the nation, with job loss declines for five consecutive years in both the public and private sectors
- Revenue and expenditure woes: State revenue sharing reductions, reduced grant opportunities, growing healthcare costs, ballooning pension liabilities, and so on
- A significant percentage of public sector employees are approaching retirement
- Property values are leveling off because of the economy, and *taxable* values are in decline for many communities, resulting from Proposal A and Headlee
- Redundancy of local government services and assets

Why interlocal cooperation?

Today's regional economy leaves much to be desired (see the sidebar on *What's Happening in Our Region*) and balancing budgets year-in and year-out while simply maintaining service quality is no small challenge. Interlocal cooperation (ILC) is a win-win way to not only meet financial challenges, but often *improve* service offerings and service quality!

ILC can vary on four inter-related levels: number of participating communities, types of services (cooperative purchasing vs. consolidated DPW), scope of services (Automatic Mutual Aid vs. sharing equipment), and quality (ten minute response time vs. seven). All of these ultimately affect delivery costs and all have to be thoughtfully evaluated and agreed upon by all stakeholders. Arguable, then, the first step towards interlocal cooperation is gauging stakeholder support for collaboration of any kind. Without it, all efforts will be for naught. Across the board support – or least acquiescence – is crucial. All will need time to adjust to a cooperative initiative, especially to a separate collaborative entity (e.g., a Fire Authority) with its new cultural identity. Some may *never* adjust, others will want something in exchange for

their support, and yet others will unconditionally think ILC is a great idea. All must practice a spirit of compromise, giving up some control in exchange for the big picture benefits. And those benefits can be significant: improved quality of service to the public, lower tax rates, enhanced economic development, etc.

So, who are these stakeholders?

- Cities, Villages, and Townships (CVTs), County Management, and Elected Officials
- Unions & Department Employees
- Citizen Groups & Residents
- Chambers of Commerce, Local Businesses, Non-profits, Foundations, Faith-based Organizations, Schools and Colleges, etc.
- Vendors
- Media

Sample Barriers to Collaboration

- Fear of losing control
- Resistance to change
- Loss of identity
- Residents concerned that they may "lose" a community asset/"institution"
- Concern for the quality or quantity of service
- Lack of knowledge
- Lack of leadership
- Uncertainty regarding how to begin pursuing collaboration
- Startup costs
- Labor issues: manpower guarantees, rank differentials, pay rates and pensions, etc.
- Past disputes and/or distrust between the parties
- Lack of shared vision
- Lack of incentives
- Differing taxing authority and limitations between the communities
- Difficulty determining the cost of the service and an allocation method
- Difficulty financing the collaboration
- Gain is too far out in time; may not occur during the current Electeds' terms of office

Many who have successfully pursued interlocal cooperation have said it all began with informal get togethers with their peers from neighboring communities to discuss common problems and seek common solutions. Building trust took time, but in the end paid off.

Once key decision makers give the thumbs up to explore interlocal cooperation, one method used for gauging support (to begin identifying common needs and potential barriers) is a retreat – perhaps hosted by a local college or university – for representatives from each stakeholder group. All participants must have a cooperative spirit – inclusive, honest, open-minded, willing to cede. The stakeholders would begin by broadly discussing their goals, objectives, wants, needs, problems, and concerns. Common themes would be pursued by a skilled moderator and hopefully a high-level action plan would be agreed to by all. Tap the most well and broadly respected champion from among the stakeholders to serve as the moderator and host.

Virtually all stakeholders have preconceptions about the pros and cons of collaboration and any that might be affected by an ILC endeavor should be at the table. If everyone feels a part of the initiative, and all the stakeholders are singing the praises of interlocal cooperation, then *public* support will be broader. If all of the stakeholders have been kept abreast of the steps being taken to study the collaborative initiative, if their concerns have been solicited and dealt with, and if

bridge-building between potential opponents and proponents has been fruitful, then securing buy-in should be little more than a procedural exercise in the end. However, if the stakeholders have not been kept in the loop, and/or compromises have been made among *subsets* of stakeholders to satisfy influential parties, then an education and negotiation process with the remaining stakeholders must begin – a process likely to be long and drawn out with no guarantee of success.

The remainder of this paper will discuss typical pros and cons for each stakeholder group. Other considerations are provided to help avoid or overcome the cons. Then, a case study will be presented illustrating several of the points made herein.

The Stakeholders

CVT and County Management & Elected Officials

Cost reductions – while maintaining or enhancing service levels – is often the overriding objective of management and elected officials who pursue ILC.

Pros

- Cost effectiveness / cost reduction is becoming a higher priority, particularly for CVTs experiencing shrinking revenues and/or spiraling expenditures. Staffing reductions, equipment, and/or facility sharing can be achieved via ILC.
- Cost *avoidances* can also be realized, e.g., CVTs can avoid buying major capital assets or building new buildings by sharing instead. Further, economies of scale/size/scope can keep cost *increases* from occurring – or at least moderating them.
- Millages can perhaps be rolled back to match cost savings realized over time.
- Shifting services to a separate legal entity may reduce liabilities for the participating CVTs.
- ILC reduces the impact of the pending "brain drain" resulting from retirements.
- Equipment standardization is often a goal of – or at least a necessity for – collaboration. Economies of scale can lead to less expensive procurement. Larger equipment pools allow for larger more efficient maintenance operations.
- Code consolidation / standardization (e.g., fire and building codes) are crucial but also beneficial to businesses and residents of the region. Inspectors can be more efficiently utilized over a larger service area. Choosing a benchmark for codes is immensely beneficial in reaching consensus.
- Certification of staff may require extensive training and costs, which could be better accommodated via economies of scale through a collaborative entity.[1]

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[1] - Police/fire/EMS dispatchers will soon be required, increasing training and payroll costs. Certification of mechanics for vehicle maintenance may also be an issue, e.g., fire trucks. Tightly controlling such service delivery is crucial and, due to lack of certification, some CVTs currently (or will have to) contract such work out. It may necessitate bringing (or keeping) the function in-house,

- Keeping up with technology changes, dealing with the scarcity of skilled or certified labor, and the need to add new services to be competitive contribute to the impetus for collaboration. Greater service quality and lower tax rates enhance economic development across a region.
- Counties have larger scale and scope factors (e.g., number of staff, volume of purchases, utilization of equipment, geographic coverage, etc.) then CVTs, allowing economies to be achieved beyond what CVTs can achieve on their own. This makes contracting with the County attractive in certain cases. See http://www.crcmich.org/PUBLICAT/2000s/2005/catalog.html for a list of statewide shared local services from a CRC survey, and see http://www.oakgov.com/services_index/government/cvt_services.html for a listing of shared services in Oakland County, MI.
- Directly or indirectly, the *governing bodies* of the collaborating CVTs will influence a much *larger*, more *powerful* service delivery system. Further, the visibility of the collaborating CVTs may be enhanced by having their names displayed in the logos or shown on the vehicles, building signs, and letterhead of the collaborative entity.

Cons

- Agreement on the service quality levels to be delivered is crucial. Some CVTs will be content with lower service levels, if they've so accustomed themselves. Other CVTs will want to avoid the political fallout over lowering service levels. An undisputed quality of service benchmark is crucial for the collaborative entity to pursue. Benchmarks set by an independent and well respected body (e.g., national association or Federal agency) are often appropriate.
- Negative paradigms may need to be overcome:
    - Bad experiences with ILC in the past
    - Negative perceptions about neighboring communities
    - Prejudices
- Management is often negatively affected by ILC initiatives due to the combining and optimizing of managerial staff, while broadening the base of responsibilities.
- Loss of autonomy / control over the service once it is being jointly provided by several CVTs – especially in a separate legal entity – is a concern of many electeds and managers. Along these lines, note that townships are essential to many collaborative endeavors, yet often fear that their annexation or dissolution may result.
- Electeds and management have a concern over fairness and equity, i.e., they don't want another CVT to benefit more than they do! Cost and revenue sharing must be equitable. Differences in pension funding, ages and book value of equipment/facilities, debt levels (e.g., financing of equipment/facilities), etc., have to be dealt with to avoid the perception/reality of inequity.

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creating (or maintaining) public service jobs, and saving tax payer money *simultaneously* by optimizing staff resources into a centralized, fully certified, closely monitored operation.

- Each participant will naturally look out for *their* community's interests first and the new entity's second. They often do not see the interconnectedness of neighboring communities and how what benefits one often benefits all. For example, electeds and/or management may try to rig the governance structure to retain greater control for themselves. They also may try to keep certain neighboring CVTs from participating because of "bad blood."
- CVTs with healthy tax bases (i.e., broad resources) may be less willing to share governance (management and authority).
- The incompatibility of capital assets, such as information and communication technologies, can be a major barrier to collaboration. While equipment standardization is often a goal or necessity, neighboring CVTs may use different makes and models, with vastly different ages and suppliers. This will dramatically affect procurement timing and the building of consensus among participants.
- Participants to a collaborative initiative may need to establish quality standards for both equipment and its maintenance. Due to prior histories, participants may also want the right of refusal when selecting contractors/suppliers. This can complicate the procurement process, even stall it indefinitely. Thus, having the quality standards in place can convince the party exercising their right of refusal to relinquish when contracts allow for termination or penalties for violating standards.
- Departments that are *not* being consolidated into a new entity may be affected, e.g., a workload decrease by Finance, Purchasing, Payroll, IT, Risk Management, DPW / Facilities, HR, Corp Counsel, Dispatch, etc. A bidding opportunity could be created, whereby each CVT competes for the new entity's business. Further, certain areas that are being consolidated may provide unrelated services (e.g., dispatchers often serve as records clerks and jail supervisors as well) that have to be dealt with and which may be a barrier to achieving cost savings.
- Authorities are separate legal entities and thus, generally, liabilities rest with them and them alone. When an authority governing structure is *not* used, however, legal liability is spread among the parent units for the provision of services over a geographic area and population larger than any one of the individual CVTs alone. This, in a way, *increases* the liability of each individual

Sample Governance Structure

- Number of Board members = Number of collaborating partners, plus a representative from each major stakeholder group, e.g., a citizen-at-large
- Each collaborating CVT has one Board seat
- Fixed but staggered terms for Board members
- CVTs have the discretion to appoint who they want, when they want
- The citizen-at-large / stakeholder group representatives are selected by majority vote of the CVT Board members
- The citizen-at-large / stakeholder group representatives are nominated by the stakeholder groups. Public notice / posting of the Board position and appointment process required. The nominated citizen-at-large must be a registered voter.
- To protect the interests of the minority, a super majority may be required for some or all decisions, e.g., budget adoption, approval of policies and procedures, setting user fees, major capital outlays, etc.

CVT. However, instituting proper internal controls, employing a competent legal staff, rigidly maintaining customer service and quality standards, and securing the protection of an insurance/risk pool should be adequate to address this reality.

Other Considerations

- All participants need to show some benefits from the collaborative initiative. For example, some participants need to see cost savings or service improvements sooner than others, i.e., some may be in more dire financial circumstances or under legal / court mandates.
- List and match up services provided by all participating CVTs to identify redundancies, and to look for service areas that have potential for economies of size, scale or scope, recognizing that labor-based services with minimal infrastructure or assets are less able to achieve such economies.
- Identify a leader capable of bringing stakeholders to the table and with a cooperative spirit.
- Garner top executive buy in and leadership early on.
- Governing Boards for new entities should not be political, but rather include people with diverse experiences relevant to the collaborative endeavor (e.g., finance, operations, etc.). More complex ILC endeavors and/or legally separate entities will require their own independent Board. Less complex endeavors may make do with an informal governance structure consisting of department directors from the participating CVTs (see the sidebar, *Sample Governance Structure)*.
- Each community gets *one* vote on the Board, *regardless* of its size. Trust is critical.
- For more complex ILC entities, consider both an Oversight Board *and* a Technical Board – the former would be more policy oriented and be the "public face" of the entity, while the latter would oversee day to day operations.
- The Oversight Board should report to the governing bodies of the parent units periodically regarding operational and financial matters to garner their approval and foster their continued involvement and buy-in.
- One parent unit may be the primary funding source for the ILC entity. This should be addressed early on and the benefits that accrue to both the region and especially the "donor" community well articulated. Be prepared to give the "donor" the lion's share of positive publicity (public kudos), especially early on, to solidify their commitment.
- Avoid situations where any one entity, vendor, or customer can wield unilateral or otherwise excessive control. Contractual (e.g., interlocal agreement) terms and conditions need to address this issue. For example, an ILA could require agreement by a super majority before any changes in services or fees charged would be allowed.
- Standardize procedures, codes, supplies, equipment, etc.

- To address the incompatibility of major capital assets, several steps can be taken:
  - Try and select one of the collaborating CVTs technology platforms to "standardize" on up front.
  - If a new, common system must be selected, establish a committee to jointly develop an RFP, evaluate bids, negotiate contracts, and oversee the implementation of a standardized platform/asset/technology.
  - Longer-term, asset replacements should be coordinated between the collaborating CVTs (e.g., timing, specifications, etc.). Consider creating sinking funds and/or applying for capital grants to pay for the new assets.
- Measure performance, relying on widely accepted benchmarks from well respected organizations. This can help establish credibility and demonstrate to the citizens what the benefits truly were. In turn, success breeds success, and future ILC endeavors will be much easier to accomplish.
- Facilities and equipment will need to be evaluated for age, condition, location, etc., and decisions made concerning expansion, renovation, and re-location to optimize service delivery.
- Establish and publicize a dispute resolution approach for collaborating CVTs and other stakeholders to follow.
- Conduct periodic meetings with all stakeholders to discuss concerns and propose solutions.
- Consider third-party service providers (e.g., consultants; the IAFF provides modeling services) to develop the business case and perform a cost – benefit analysis of a proposed collaborative endeavor. This adds credibility and reduces bias (e.g., see the sidebar, *Oakland County's Capital and Cooperative Initiatives Revolving Fund*).
- Solicit additional communities to join the collaborative initiative.
- Agreed upon Policies & Procedures (Purchasing, etc.), acceptable to electeds and public scrutiny, is important. Take the "best of breed" approach and take the opportunity to make the policies as current and relevant as possible to the region encompassed by the collaborative entity.
- Establish a web-presence to promote ILC efforts.
- Develop a strong business case / ROI, and take the time to develop detailed budget requirements.

Oakland County's Capital and Cooperative Initiatives Revolving Fund (CCIRF)

- The CCIRF fund was established to maintain the financial stability of Oakland County as budgetary pressures continue to impact local communities.
- The monies can be used to obtain consulting assistance for CVTs as they explore privatization and other interlocal cooperation initiatives to generate long-term reductions in expenditures, revenue enhancements, and/or cost avoidances
- The CVTs must complete an application and are subject to a formal selection process
- A formal governance structure is in place to oversee the selection of projects and allocation of monies

- The governing bodies of the participating communities must formally act to approve the collaborative initiative. The form of the approval will vary according to the enabling law authorizing the cooperative action. Each participating community should carefully review the specific procedural requirements and take care to follow the statutory regimen.
- Consider piecemeal steps and don't take an all or nothing stand (i.e., full consolidation or nothing). This could include starting out with cooperative purchasing, sharing certain assets (e.g., a ladder truck), agreeing to a mutual aid arrangement, jointly contracting with a third-party for service (e.g., assessing), etc.
- A new collaborative entity should consider contracting with one of the collaborating CVTs for certain services (e.g., financial administration, HR, Information Technology, Motor Pool, Corporation Counsel, payroll, Building & Grounds, Auditing, Purchasing, etc.), allowing the parent unit to "keep their hand in the game."
- Having the leaders of the collaborating CVTs meet regularly – luncheons, rotating roundtable meetings, etc. – can foster trust and ease loss-of-control concerns.
- CVTs and counties may do well to view:
    - Themselves as a *team* of service providers contracted by a *common* set of regional customers.
    - Inter-community competition as counterproductive.
    - Regional cooperation and re-engineering of service delivery models at the *inter-community* level as potentially cost-effective and of greater benefit to businesses and residents.

Unions & Department Employees

Perhaps the most directly affected – and thus the most anxious – stakeholders are the employees. And, of course, the unions that represent them. Do not dismiss them as willing to blindly follow orders, and do not underestimate their influence with citizen groups and residents. Many an ILC endeavor has been nipped in the bud by coordinated lobbying of residents using the media, mailers, posters, etc.

Pros

- In some cases, State laws (e.g., Emergency Services Act) require that the highest pay grade and benefits be used for all employees entering the collaborative entity; other employee rights are also granted, e.g., rehiring of laid off workers into comparable jobs for up to three years.
- A larger (i.e., organizationally broader and deeper) collaborative entity provides for greater employee advancement and/or specialization opportunities.
- From a union perspective, an ILC endeavor could result in a larger group of employees to be represented.

Cons

- From a union perspective, an ILC endeavor could result in a loss of members, due to efficiency gains and resulting lay offs.
- If the union is unhappy, especially in the public safety area, their public lobbying can make collaboration next to impossible (e.g., the City of Rochester considered contracting out patrol services, but the campaign against it tabled all plans).
- Closing or moving a facility out of a given CVT, and/or shifting its staff to another entity, is a tougher sell for all stakeholders, especially employees. It may make fiscal or operational sense, but it'll be a tougher sell nonetheless.
- Like everyone, employees tend to be uncomfortable with change. They fear ending up with lesser pay and benefits being laid off, not being promoted due to greater competition, loss of seniority, loss of pensions, etc.

Other Considerations

- Survey employees early on to identify issues and concerns. This can provide an opportunity to build consensus, develop strategies and offerings to ease staff concerns, etc. Personally talk with skeptical / resistant staff.
- Match the timing of staff level optimization with the normal attrition rate to ease the transition, with the understanding that cost savings will take longer to realize. If possible, then, publicize that *no* lay-offs will occur.
- Consider early retirements to achieve the optimal staffing levels, if finances allow and staff levels need to be reduced more quickly than the attrition rate would allow.
- A slow, careful transition to the new administration, with uninterrupted and purposeful leadership is crucial to garnering and maintaining employee support.
- Foster a sense of ownership in the collaborative entity among the employees.
- A new entity's philosophy must be a blend of the values, traditions, culture, etc., of the collaborating CVTs. This may ease the cultural and procedural transition for staff, or at least put them all on the same footing.
- Position titles and job descriptions may have to be changed to achieve consistency across all CVTs. Further, pay and benefit packages may need to be adjusted for the same reason.

Citizen Groups & Residents

Decisions about where to live are influenced to *some* degree by certain services and their level of quality (e.g., the availability of quality public schools will often influence a young family's search for a new home). For many other services, it matters *less* where the service comes from, though quality and availability are imperative (e.g., EMS).

Pros

- ILC has the potential of reducing the tax burden on residents.
- Similarly, ILC almost always has as a primary goal to improve service levels and/or quality.
- Without ILC, the financial difficulties being experienced by CVTs may leave them with no alternative but to reduce service levels and cut staff (e.g., City of Pontiac recently laid off several public safety dispatchers after the union refused to consolidate the dispatch center with the County Sheriff's Department).
- A drop in homeowners' insurance rates may be experienced when municipal service levels improve (e.g., fire department response times).

Cons

- Cultural, political, ethnic, and income differences among the collaborating CVTs must be acknowledged, and how these differences may influence different groups to act anticipated.
- Citizens tend to be concerned most with taxes and public safety. Thus, any ILC perceived to increase taxes and/or decrease services is going to be a tough sell.
- Residents may equate proximity with quality and cultural identity. They may believe that service has to be provided locally by employees living in their community. Thus, residents may fear that an ILC initiative will lead to a loss of local identity and/or autonomy, e.g., their complaints or ideas will be lost in a larger bureaucracy that doesn't have to worry about keeping local constituents happy.
- Residents may perceive ILC as adding another layer of bureaucracy (i.e., "bigger government"), further removing them from their locally elected officials and diluting their influence.
- Residents may experience confusion with regards to where they would go for service or who they would contact or register complaints with under the new arrangements.
- The presence of start-up costs (e.g., new facilities and equipment) may give residents the perception that the ILC endeavor is *more* expensive, not *less*.

Other Considerations

- Input from citizen groups and residents in general should be sought early and often. Consider conducting surveys, public forums, and/or focus groups to determine public support and help identify issues to be addressed.
- Open meetings that provide opportunities for comments by residents, a well-written contract that includes provisions to protect each community's interests, and easing into interlocal ventures by starting small and achieving early successes, can demonstrate the fairness and effectiveness of a collaborative service delivery structure.

- Consider involving stakeholders on ad hoc study committees or a citizen's advocacy group to get their feedback and take advantage of their expertise and insights. Also, leverage businesses or others that *support* the ILC initiative to foster its acceptance in the community, e.g., promote the initiative's virtues.
- Potential opposition can be reduced by a truthful, well-designed public education campaign – editorials, regular press conferences, periodic press releases, etc. – that articulates the benefits of the ILC initiative and mitigates concerns.
- Provide tours of facilities / geographic areas that are successful examples of collaboration, e.g., a central dispatch facility in another county or a regional public transportation system.

Chambers of Commerce, Local Businesses, Non-profits, Foundations, Faith-based Organizations, Schools and Colleges, etc.

Businesses are less concerned about *where* their services come from than they are about the *quality* and cost-effectiveness of the services. Decisions about where to locate are influenced by *certain* services (e.g., public safety, road infrastructure, public transportation, and other public works) and local tax rates. It also helps to keep in mind that employees often live in one community and work in another, and businesses most often service a broader area than just one community.

Pros

- ILC has the potential of reducing the tax burden on businesses.
- A drop in business owners' insurance rates may be experienced when municipal service levels improve (e.g., fire department response times).

Cons

- Local entities that are also *vendors* to the collaborating CVTs may oppose the endeavor for fear they may lose the business to competitors.

Other Considerations

- Form a citizen's advocacy group with businesses and residents that would interface with the collaborative entity's Board and/or Councils of the participating CVTs.
- Meet with opposing special interest groups to address their concerns early on.
- Allow as many stakeholders as possible, including special interest groups, to take credit for collaborative successes.

Vendors

CVTs depend heavily on their vendor community for products and services.

Pros

- Larger contracts may be available from a new collaborative entity.
- New facilities and/or equipment may be required for a new collaborative entity.

Cons

- Vendors may lose their existing contracts with the individual CVTs when collaboration occurs, since there will likely be fewer contracts to go around.
- The pricing and terms of a contract with one CVT may be better then those of a neighboring CVT. So, which terms do the CVTs and the vendor standardize on?
- Bad experiences with vendors in the past bias CVTs from using them again, so when a collaborative partner uses that vendor, this is another barrier.

Other Considerations

- Consider third-party providers when services lend themselves to outsourcing, i.e., when the private sector can do an equal or better quality job.

The Media

Pros

- The media can be a key ally; they can be used to gauge public sentiment for an ILC endeavor early on. It can also be used to educate and build support for an ILC endeavor (e.g., to demonstrate cost reduction potential while improving service quality, and to explain financial difficulties and their potential impact on the community).

Cons

- Keep in mind that the media can also be used *against* the ILC endeavor by opposing groups, e.g., the union or citizen advocacy groups. The media and taxpayers love a good story (e.g., “losing” the home town police department or “firing” a whole department of employees) and victims of any kind make good press!

Other Considerations

- Write articles / press releases supporting the ILC endeavor and countering possible objections. The PR focus should be on service and quality enhancements.
- Be careful about publicizing the ILC endeavor too soon. A control of information flow to the public may be warranted to minimize misunderstandings about where the collaboration is heading. Interim discussions may be misconstrued as final decisions. Make-or-break issues should be addressed *before* promoting the endeavor.

Case Study

Jurisdictions undertaking Fire Department consolidations can handle higher transaction volumes while achieving higher quality levels, due to more efficient and coordinated use of manpower and equipment, enhanced flexibility in meeting peak demands, and greater opportunities for staff skill development. This is exactly what the West Bloomfield Township and Tri-City Fire Departments achieved...

Background

Officials from the West Bloomfield Township Fire Department (WBFD) and the Tri-City Fire Department (TCFD) – servicing Keego Harbor, Orchard Lake and Sylvan Lake – found themselves in the following situation:

- The TCFD station was not manned 24/7 and relied upon paid-on-call (volunteer) fire personnel to respond from their homes to the station.
- The TCFD was not trained or equipped for a hazardous material/bio-terrorism response.
- The TCFD was dependent upon mutual aid from other fire departments, including WBFD.
- The TCFD Board was facing volunteer fire personnel issues, had to hire a new Chief, relied on a private ambulance service, and wanted to provide Advanced Life Support (ALS) services.
- Benefits from the existing mutual aid agreement tended to be one-sided. WBFD had sufficient manpower to handle most of their own incidents themselves.
- All firefighters in West Bloomfield were already trained ALS paramedics.
- The WBFD was looking to add a new station and medical units to meet its response time goals, yet Proposal A restrictions kept the Township from accumulating enough revenue.
- Both Police and Fire were already jointly dispatched for all four CVTs, which together cover a nearly perfectly square area of 36 sq. mi. Such an area configuration is most efficient for public safety coverage.

The Approach and Challenges

A team of individuals from the West Bloomfield Township Fire Department (WBFD) and the Tri-City Fire Department (TCFD) got together to begin discussing their mutual interests and individual needs. Eventually, a Memorandum of Understanding was developed and shared with the Township and three City governments.

The toughest challenges were to:

- Develop economic terms that would be acceptable to the City Councils of the three cities and the Township Board.
- Provide a workable solution for the existing 14, Tri-City volunteer firefighters.
- Sort out the respective roles and responsibilities of the TCFD and WBFD to assure effective operational control.

A spreadsheet was developed jointly to depict the impact of the partnership. To minimize the impact on the existing volunteer firefighters, a severance payment equal to about six months of duty pay – sufficient to pay for training that would enable them to qualify for positions with the new Authority – was provided, and WBFD offered to hire any of the firefighters who qualified. Bi-weekly meetings were then held for six months to finalize the terms of an operational agreement and to assure a successful transition. Concurrently, *public* hearings were held to solicit input, obtain funding, and gain approval.

Push Back

The volunteers were quite resentful of the cultural changes they faced and the tenuous position they were put in. As such, they waged a PR campaign quite effectively during the planning and implementation stages of the merger. Several City electeds were threatened with recall and barely won in the next election. Millage rate differentials between the CVTs (even though *actual* costs to the communities were fairly equitable) caused some consternation among West Bloomfield electeds.

The Agreement and Results

The Tri-City Board remained in place as a liaison body to the new Authority. It was responsible for looking after the interests of its original members, while WBFD performed all operational and financial duties, including 24/7 operating responsibility for the existing Tri-City fire station. The new arrangement provided significant benefits to the Township and the three municipalities:

- Twenty-thousand citizens and visitors of the Tri-Cities and northeast sector of West Bloomfield now realize the benefit of state-of-the-art Fire and ALS services, 24 hours a day, 7 days a week.

- West Bloomfield improved coverage times in the northeast sector of the Township.
- The TCFD gained a full time Advance Life Support (ALS) service at a lower cost than upgrading independently.
- West Bloomfield avoided the time and cost to construct a new station.
- Response time improvements of 50% were realized.
- Ninety-percent of all runs are now responded to in less than four minutes.
- Affected residents are realizing lower insurance rates.

Lessons Learned

Keep the following in mind:

- The support of the media for the Authority was earned, as was the trust of the electeds.
- Service enhancement and quality – not cost savings – was the selling point.
- A team was established to meet consistently and formulate an agreement; momentum was maintained via regular communications and pre-scheduled meetings.
- All opinions – minority and others – were respected and effectively dealt with during the process, not as an after thought.
- Push back from some parties was not allowed to derail the process.
- Provide advance notification of meetings and public hearings, as well as joint and agreed upon press releases or statements for the media.