



City-County Consolidations: Promises Made, Promises Kept?

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Outline

- C³ Consolidation Campaigns
- C³ Consolidation Results
- From Cooperation to Collaboration
 - Sovereignty
 - Disaggregated State
 - Relational Contracting
- Current ASD Research Project at NIU
 - Political Leadership
 - Organizational Culture



Consolidation Campaigns

Predicted Results for Combinations of Consolidation Campaigns		Strength of Pro-consolidation campaign	
		Strong Arguments (Economic Development)	Weak Arguments (Efficiency, equity)
Strength of Anti-Consolidation Campaign	Strong opposition	Even Odds	Fail
	Weak opposition	Pass	Fail



The Problem

- C³ advocates lack evidence to convince voters of consolidation benefits
- The goal of our Promises book was to discover whether consolidation lives up to its promises.



Promises Made, Promises Kept?

- H1: Consolidated governments operate more efficiently than unconsolidated governments due to technical efficiency gains.
- H2: Consolidated governments operate more effectively for economic development than similar non-consolidated communities.
- H3: Consolidated governments deliver on additional promises made in the pro-consolidation campaign.



Multi-Measure Analysis

- 9 Cases of Consolidations in the US
- 9 Comparison Cases of Unconsolidated governments similar in size, same state
- Data collected
 - 10 years prior to consolidation
 - 10 years post consolidation



Clarifying Efficiency

- Technical Efficiency
 - Input/output ratio, economizing, saving money
- Economic Efficiency
 - Allocative efficiency, letting small groups of people (e.g., neighborhoods) decide what types of services and at what levels.
- US consolidation proponents want technical efficiency, opponents want economic efficiency



Expect Variable Efficiency Gains

Post Merger Level	Pre-Merger Level	
	Low Consolidation	High Consolidation
High	Large Efficiency Gains A	Small Efficiency Gains B
Low	Small Efficiency Gains C	

Variable Efficiency Gains

<i>Consolidation Case</i>	<i>C3 Year</i>
Butte/Silver Bow County, MT	1976
Jacksonville/Duval County, FL	1967
Lexington/Fayette County, KY	1972
Athens/Clarke County, GA	1990
Carson City/Ormsby County, NV	1969
Kansas City/Wyandotte County, KS	1997
Virginia Beach/Princess Anne County, VA	1963
Lynchburg/Moore County, TN	1988
Nashville/Davidson County, TN	1963

Focused Measures for Case Studies

- Efficiency:
 - Expenditure data per capita
 - By major functions
 - Public Works (Highways)
 - Public Safety (Police)
 - Fire (if not included in Public Safety)



Conclusions: Efficiency

Evidence on efficiency is mixed:

- **YES:** Butte/Silver Bow, Athens/Clarke, KCK/W, Nashville
- **MABYE:** Jacksonville, VA Beach (Long run gains), Carson City/Ormsby
- **NO:** Lexington, Lynchburg



Economic Development Evidence

- 12 measures C³ performed better
- 9 measures Comparison performed better
- Nuances of the cases provide supporting evidence and analysis
- Six (of 9) analyses concluded C³ had stronger performances than comparisons in the 10 years following their consolidations.



Economic Development Gains

Population Growth Rate (Percent Change)	10 years before consolidation		10 years after consolidation	
	<i>C3 case</i>	<i>Comp</i>	<i>C3 case</i>	<i>Comp</i>
Lynchburg/Moore County, TN	-9%	11%	22%	33%
Carson City/Ormsby County, NV	92%	38%	122%	67%
Butte/Silver Bow County, MT	-9%	32%	-11%	18%
Virginia Beach/Pr Anne County, VA	99%	17%	124%	19%
Athens/Clarke County, Georgia	18%	26%	16%	46%
Kansas City/Wyandotte County, KS	-11%	2%	-6%	4%
Lexington/Fayette County, KY	32%	14%	21%	-2%
Nashville/Davidson County, TN	24%	12%	12%	10%
Jacksonville/Duval County, FL	16%	23%	8%	32%

Economic Development Gains

<i>Consolidation Case</i>	<i>Economic Development Gain</i>
Butte/Silver Bow County, MT	NO
Jacksonville/Duval County, FL	YES
Lexington/Fayette County, KY	YES
Athens/Clarke County, Georgia	NO
Carson City/Ormsby County, NV	YES
Kansas City/Wyandotte County, KS	YES
Virginia Beach/Pr Anne County, VA	YES
Lynchburg/Moore County, TN	YES
Nashville/Davidson County, TN	NO

Conclusions: Voters are Smart...

- Efficiency arguments do not resonate with voters because of lack of evidence
- Evidence does not suggest consolidation improves efficiency
- Economic development evidence stronger



**Governmental Cooperation & Collaboration:
Disaggregated Sovereignty in Action**

Government and Sovereignty

Discussion of Nation-States

- Territoriality (fixed, exact borders)
- Sovereignty (monopoly coercive power)
- Legitimacy (loyalty or consent of governed)



Disaggregated Sovereignty

“Suppose sovereignty itself could be disaggregated [and] attached to specific government institutions such as courts, regulatory agencies, and legislators...concept of sovereignty as participation, or status...”



Disaggregated sovereignty would empower government institutions around the world to engage with each other in networks that would strengthen them and improve their ability to perform their designated government tasks individually and collectively,” (Slaughter, 34).

The Basis for the European Union

- What is it?
 - Treaties
 - Networks
 - Supranational Organization
- The Policies
 - Other institutions
 - Politics
 - Process
- The Management



Key EU Governance Concepts

- Multilevel Governance
 - Regional
 - National
 - Subnational
- Conditionalities
 - Allows the higher levels of government to establish and enforce the rules of the game,
- Subsidiarity Principle
 - a matter ought to be handled by the smallest, lowest, or least centralized authority capable of addressing that matter effectively.



The Land of Local Government!

6,994 Units of Govt.

102 Counties

1299 Municipalities

900+ School Dist.

3,200 Special Purpose
Dists.

approx. 1400 Twps.
(in only 20 States)



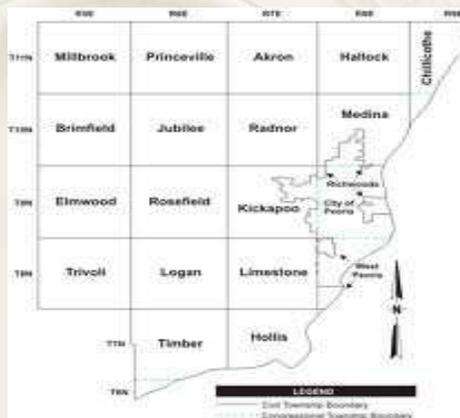
(US Census of Govts. 2007)



Snapshot of Peoria County Units of Government

Peoria County -
(source: Peoria County Website)

- 146 Taxing Dist's.
- 17 Municipalities
- 23 Townships
- 19 School Dist's.
- 12 Fire Dist's.
- 4 Park. Dist's.
- 9 Library Dist's.
- 1 County



Source: Illinois Secretary of State

Two Foci in Local Collaboration

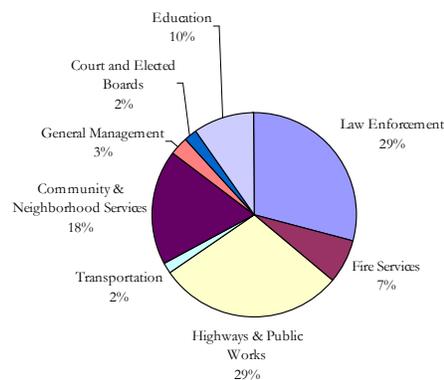
- Address transjurisdictional problems more effectively
 - Emergency Management
 - Knowledge Sharing
- Economize on service delivery
 - Building Bridges and Roads
 - Contracting for Fire Services
 - Sheriffs Patrolling Small Towns



Intergovernmental Agreements in Iowa

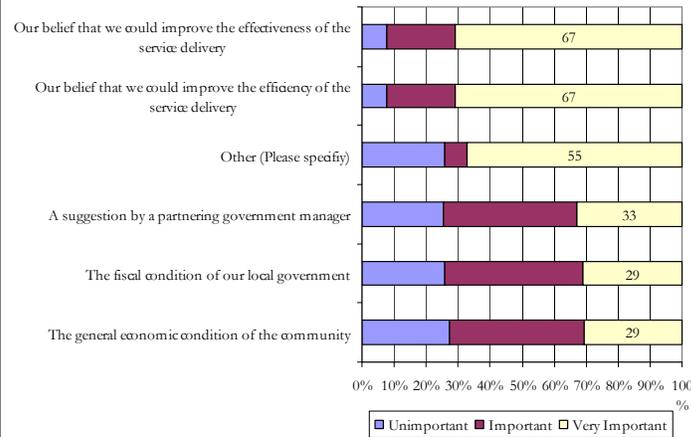
By Service Type (1993-2004)

Figure 1. 28E Agreements, by Type of Service, 1993-2004
(2004 Surveys)



Motivation for Agreements?

Figure 3. Impetus for 28E Agreements (2004 Survey)



Iowa Findings and Implications

- Findings:
 - Impetuses provide a focusing effect on the outcome
 - Norm of equity matters
 - Population and service types
- Implications for getting successful agreements:
 - The need for articulating the purpose
 - Equitable sharing of benefits and costs
 - Capacity and manageability



Aligning Two Foci in Collaboration

- **Effectiveness:** Address trans-jurisdictional problems
 - Emergency Management
 - Knowledge Sharing
- **Efficiency:** Economize on service delivery
 - Building Bridges and Roads
 - Contracting for Fire Services
 - Sheriffs Patrolling Small Towns



The Role Of Resources In Collaboration

- **Collaborations focused on effectiveness** likely to have
 - *diffused benefits and costs* among the partners
 - financial reckoning may be difficult to determine
 - savings are not an important feature of the collaboration
 - the intangibility of the benefit,
 - the divisibility of the benefit, *and*
 - the high cost of information
- mean data collection may not be worth it.



The Role Of Resources In Collaboration

The costs and benefits of participating in an **efficiency focused collaboration** likely more easily calculated:

- Partners more likely to know the approximate cost to collaborate in the first place
- Fee for service exchange can be set to recover the costs of service delivery.
- Elected officials are generally aware of and satisfied with the costs of interlocal contracts
- Formal contracts are able to yield predictable financial and service.



The Role Of Resources In Collaboration

- **Relational contracting:** recognition that each partner depends on the other, and the quality of trust between the organizations is the reference point for dispute resolution more than the actual contract itself.
- **Two-party collaborations** in the public management context are akin to relational contracting, whereby interlocal agreements between units of government incorporate some degree of ambiguity to allow for building working relationships built upon trust to improve the prospects for effective service delivery.



Fiscal Attributes: IA Collaborations

Table 4. Descriptive Statistics for Dependent Variables.

	Estimated annual costs for participating in the agreement	Estimated annual revenues gained from participation in the agreement	Estimated annual savings gained from participating in this agreement
Mean	\$ 26,500	\$ 46,373	\$ 25,286
5% Trimmed Mean	\$ 3,490	\$ 1,423	\$ 1,243
Std. Deviation	\$ 144,946	\$ 907,133	\$ 211,108
Median	0	0	0
Minimum	\$ 0	\$ 0	\$ 0
Maximum	\$ 2,000,000	\$ 22,000,000	\$ 2,500,000
Range	\$ 2,000,000	\$ 22,000,000	\$ 2,500,000
Interquartile Range	\$ 1,000.00	\$ 0	\$ 0

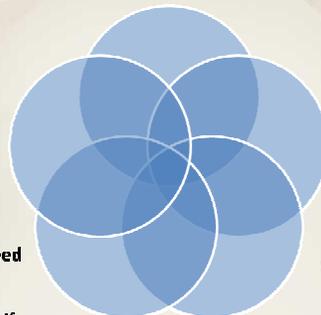


Findings: IA Survey Analysis

Financial attributes of collaborations are related to a rich array of conditions that have fiscal implications for collaborations

Communication is important in relational contracting, but that means (expensive) personal involvement.

Managers should heed actual costs and benefits of collaboration, even if they are difficult to measure.



Key to managers saving money in collaboration is regular face-to-face communication.

Satisfaction is related to both higher revenues and higher savings from collaborations.



What is required....

- True Vision and Leadership!
- Keeping Egos in Check...
 - A True Openness to Sharing
 - A Common View of Service Delivery Goals
 - Complete Equity in Services Provided/Received
 - Trust Among Agencies/Government Participants
 - Equitable Decision-making and Oversight in Delivery of the Service
 - An Equitable Method to Sharing Service Costs
 - Ability to Finance Transition and Ongoing Costs



Functional Consolidation:

ICMA (2007) Most Prevalent

Service	Pct
Tax Assessing	22.0%
Prisons/Jails	19.0%
Police/Fire Communications	18.6%
Title Records/Plat Map Maintenance	18.3%
Public Health Programs	18.0%
Libraries Operation	17.8%
Tax Bill Processing	17.4%
Collection of Delinquent Taxes	17.2%
Sewage Collection and Treatment	16.8%
Workforce Development/Job Training Programs	16.4%

• Source: International City/County Management Association (2007 Shared Services Survey)



Charlotte-Mecklenburg Co., NC

- Most prominent example of functional consolidation in U.S.
- 28 separate services consolidated as of 2010
- Occurred as a result of failed political consolidation

City Provides:	
■	Planning
■	Emergency Management
■	Animal Control
■	Community Relations Committee
■	Zoning Administration
■	Risk Management
■	Procurement Services
■	First Responder
■	Police
■	Wireless Communications (Radio, Towers)
■	311
■	Cultural Facilities Plan
■	Light Vehicle Fleet Maintenance Garages (pending)
■	Cable TV Admin (recent State legislation may change relationships)
■	RideShare (CATS)
■	911 Services
■	False Alarm Ordinance Admin and Enforcement
■	Sexually Oriented Businesses Ordinance Admin and Enforcement
County Provides:	
■	Board of Elections
■	Veterans Services
■	Parks and Recreation
■	Building Standards
■	Tax Office (Listing and Collections)
■	Historic Landmarks Commission
■	Storm Water Quality Management Program
■	Uptown Baseball
Jointly Provided:	
■	Engineering Departments Reciprocal Services
■	Recyclable Waste Collection and Sales

Source: Suzanne Leland (table 2, "Consolidated and Fragmented Governments and Regional Cooperation") and Tim Mead (table 2, "Governing Charlotte-Mecklenburg")

Charlotte-Mecklenburg Co., NC

- Planning
 - Joint planning commission formed by interlocal agreement in 1988
 - 14 members – 7 appointed by City, 7 by County
 - Staff funded 50%/50% between City, County
 - Commission functions as advisory body to the Mecklenburg County Commission and/or the Charlotte City Council, depending on jurisdiction

• Source: Alachua County-Gainesville City Staff Task Force for Joint Planning



Charlotte-Mecklenburg Co., NC

- Police
 - Operated by city
 - Consolidation took a number of years to plan and implement
 - Both governments provided strong, across-the-board support for consolidation
 - Citizen and employee input solicited early and often
 - Utilized new community policing philosophy to build new foundation for consolidated department

• Source: International Association of Police Chiefs



Charlotte-Mecklenburg Co., NC

- 311 Call Center
 - Previous functional consolidations made joint 311 Call Center decision an easy one to make
 - City runs 311 Call Center because it runs the 911 Call Center and previously maintained customer service call center
 - County pays for 26% of call center cost

• Source: Government Technology Magazine



Alternative Service Delivery Project

- Study of Five Types of ASD
- Convened Focus Groups of Communities
 - Elected officials and managers
 - Large and Small
- Initial Findings
 - Political Calculus Trumps Economic Calculus
 - Organizational Culture Matters
- Producing Handbook for Local Governments



Thank you for your time!

Questions? Comments?