

STRATEGIES FOR SUCCESSFUL LOCAL GOVERNMENT COLLABORATION

Government collaboration is not a foreign concept in most communities. Across the country, there are special districts for transportation or water and sewer services, public authorities that run airports and industrial parks, and joint purchasing agreements among multiple governments, just to name a few examples. Given today's fiscal challenges, local governments nationwide are expressing a new willingness to explore a range of regional cooperation options that start with informal working dialogues and go all the way to formal structure change.

In many instances, intergovernmental collaboration allows localities to achieve better results than they could by working alone. National studies indicate that successful collaborations achieve tangible results; generate new processes that lead to solutions where traditional approaches have failed; empower residents and groups; and fundamentally change the way communities deal with complex issues. In the right situation, regional approaches can offer cost savings and new efficiencies. They also may present opportunities for improving service delivery, achieving social equity, empowering disaffected groups, and addressing regional-scale problems more successfully.

Certainly there are obstacles: political considerations, state and federal policies, the lack of a roadmap, and a lack of resources, to name a few. (See related story, p. 18.) A regional approach, however, may be the best solution to some of the challenges shared by neighboring communities. Can the biggest challenges facing your community be solved by your local government alone? The answer is often "no."

Collaboration Options

Using David Walker's book *Snow White and the 17 Dwarfs: From Metro Cooperation to Governance* as a basis, the Alliance for Regional Stewardship and the National League of Cities ranks seventeen approaches to intergovernmental cooperation, ranging from solutions that tend to be more politically feasible and less controversial to those that are more structural and difficult to implement. While easier to implement, the first nine options are often limited in focus, while the more difficult ones can achieve more enduring and substantive collaboration.

1. Informal Cooperation

This approach typically involves two local—usually neighboring—government jurisdictions that offer reciprocal actions to each other. Adding private or nonprofit partners to the mix can increase the acceptance and impact of informal cooperation. This approach is widely practiced, so there are many models to consider.

2. Interlocal Service Contracts

Interlocal service contracts—a more formal agreement between two or more local jurisdictions—are used to handle servicing

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responsibilities, particularly among metropolitan communities. The most common form, a contract for services under which one jurisdiction agrees to provide a service to another for an agreed price, can cover services such as law enforcement, fire protection, emergency dispatch, building inspections, and code enforcement. Under a joint service agreement, two or more local jurisdictions join forces to plan, finance, and deliver a service within the boundaries of all participating jurisdictions. Mutual aid agreements for emergency service detail how local jurisdictions will provide services across boundaries in the event of an emergency, often without payment.

3. Joint Powers Agreements

Joint powers agreements between local governments provide for shared planning, financing, and service delivery to residents of all involved jurisdictions, with all jurisdictions receiving the same services from the same provider. Joint powers agreements are used for a range of services, such as fire protection, job training and placement, and flood control.

4. Extraterritorial Powers

Cities and towns use this approach to exercise regulatory authority in surrounding unincorporated areas, primarily for planning and zoning purposes. The implementation of extraterritorial powers requires state authorization.

5. Councils of Governments

Councils of governments are formed to serve local governments and residents in a region through government cooperation. COGs provide coordination of service delivery, planning, advocacy, technical assistance, and project development. They usually are voluntary and involve no transfer of authority. Rural COGs often play a more direct service role, while urban COGs often facilitate regional dialogues and initiatives. COGs provide a forum for local governments in a region to reach consensus on broad issues such as transportation and environmental quality. They also can be a first step toward greater regional cooperation. [The National Association of Regional Councils (www.narc.org) is a good resource for information on COGs.]

REGIONAL VS. LOCAL SERVICE DELIVERY

Regionalism makes sense when a service:

- Can achieve economies of scale
- Also affects areas outside the municipality
- Requires cross-border coordination
- Has a narrow range of preferences (consumer desires vary little)
- Warrants a standardized level on equity grounds

Localism makes sense when a service:

- Can achieve few economies of scale
- Affects areas within the municipality only
- Requires little cross-border coordination
- Has a wide range of preferences (consumer desires vary widely)
- Does not warrant a standardized level on equity grounds

Source: Regionalism on Purpose by Kathryn Foster, Lincoln Institute of Land Policy

6. Single-Purpose Regional Bodies

Single-purpose regional bodies originally were created to administer some federal aid programs around poverty, aging, health systems planning, and criminal justice planning. New single-purpose regional bodies are primarily formed for transportation planning and funding, serving as the federally designated metropolitan planning organizations that prioritize projects and disburse funding within a region. Single-purpose regional bodies also can be vehicles for job training and economic development programs.

7. State Planning and Development Districts

State planning and development districts were established during the late 1960s and 1970s as a way to bring order to the numerous federal regional programs. Most state planning and development districts are similar to councils of governments. They can offer an array of technical assistance and management services related to community and economic development, solid waste management, census information and population data, 911 mapping, geographic information systems, workforce development, and transportation planning.

8. Contracting

Local governments increasingly are contracting with other governments or the

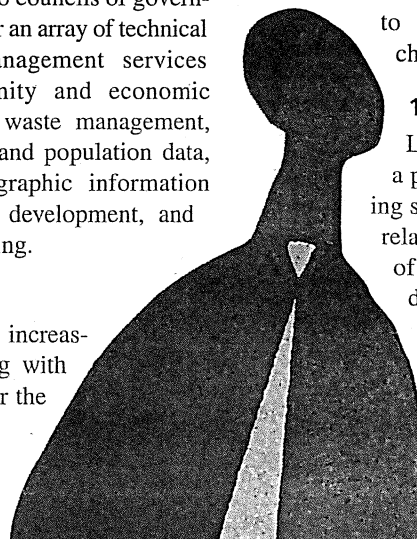
private and nonprofit sectors. Suburban governments may contract with larger municipalities in their region for supplemental services in areas such as public safety. Local governments also have a long history of contracting for water, electricity, gas, and sewer services with both publicly and privately owned entities. Contracts can provide efficiencies by enlisting professional specialists to perform services.

9. Regional Purchasing Agreements

Regional purchasing agreements help local governments achieve cost savings while fostering more cross-jurisdiction collaboration. These agreements can be straightforward bulk purchasing groups, or they can take on more complex challenges such as coordinating bidding and contracting for their members. This approach can achieve savings through volume discounts and can lead to collaboration on more challenging issues.

10. Local Special Districts

Local special districts are a popular option for providing single services or multiple related services to a number of jurisdictions. Special districts often take on policy control, technical specialization, and fiscal responsibility for providing services. These



powers are vested in a board of representatives from the member governments. Enabling legislation is needed at the state level to create a local special district, which can be funded through special assessments of property owners.

11. Transfer of Functions

A transfer of functions permanently changes who provides specific services, with local governments releasing authority to other jurisdictions. Transfers typically are enabled by state statutes and created through intergovernmental negotiation.

12. Annexation

Annexation is used to expand jurisdictions and service boundaries, though the incorporation of suburban municipalities in the East has made annexation virtually irrelevant there today.

13. Special Districts and Authorities

Special districts and authorities are designed to address single issues such as mass transit, pollution control, hospitals, airports, or water supply on an area-wide basis, typically with a major urban area involved. Special districts enjoy many of the same governing powers as cities and counties; they can enter into contracts, employ workers, and acquire real property through purchase or eminent domain. They also can issue debt, impose taxes, levy assessments, and charge fees for their services.

14. Metro Multipurpose Districts

An elected regional agency provides or coordinates regional service delivery, while local governments, and often metropolitan single-purpose districts, continue to perform their assigned functions.

15. Reformed Urban County

Counties seeking stronger executive leadership and broader representation in their legislative bodies have sometimes created a reformed urban county. This approach restructures the county government, with an executive and legislative branch, but local governments within the county are not changed.

16. Regional Asset Districts

Regional asset districts are special tax districts used to fund regional resources,

17 APPROACHES TO INTERGOVERNMENTAL COOPERATION

Easier Options

1. Informal Cooperation
2. Interlocal Service Contracts
3. Joint Powers Agreements
4. Extraterritorial Powers
5. Councils of Governments
6. Federally Encouraged Single-Purpose Regional Bodies
7. State Planning and Development Districts
8. Contracting
9. Regional Purchasing Agreements

Harder Options

10. Local Special Districts
11. Transfer of Functions
12. Annexation
13. Special Districts and Authorities
14. Metro Multipurpose Districts
15. Reformed Urban County
16. Regional Asset Districts
17. Merger/Consolidation

such as arts and cultural institutions, entertainment venues, and parks and libraries. These districts acknowledge the fact that a region, rather than a single community, is often a more equitable basis for imposing a culture tax. The districts also arise as an alternative funding mechanism due to reductions in state and federal funding for the arts.

17. Merger/Consolidation

This option involves a variety of approaches that result in the creation of a new region-wide government, reallocation of government powers and functions, and changes in the political and institutional status quo.

More detailed coverage of these seventeen approaches to collaboration, including advantages, challenges and examples, can be found at www.mma.org.

A Collaboration Plan

How do local officials begin the process that leads to a regional collaboration? Regional strategies require stakeholder engagement and support, so the key is to begin a dialogue with all potential stakeholders. The following is a brief, step-by-step approach showing how to involve all stakeholders to help make regional collaborations more successful and sustainable.

Step 1: Beginning the Discussion: Stakeholder Groups

The basic premise behind public engagement and collaboration is this: If you bring the appropriate people together in constructive ways with good information, they will create authentic visions and strategies for addressing shared concerns. Increasingly, leaders from business, government, nonprofit organizations, and foundations are working collaboratively on challenges facing regions across the nation. But this cannot just be the work of community "elites." Diverse stakeholders need to be involved at key points in the process. Many attempts at new approaches to service delivery have failed largely because they did not include enough stakeholder involvement in the process, particularly during early discussions.

Representatives of key stakeholder groups that can be consulted include business, government, nonprofit and civic groups, neighborhood leaders, educators, religious leaders, and media. Stakeholder groups should speak *with* their constituents, not *for* them. It is usually necessary to engage a neutral facilitator to keep the process moving smoothly and to ensure that all participants are playing a productive and valued role.

Step 2: Defining the Problem and Identifying Assets

Consensus on how to deal with a problem has to be built phase by phase. The following questions will help to reach consensus on the problems, whether there truly is a problem, and what assets can serve as building blocks for future success.

- What is the problem, really? Problems that have been identified by communities often include: inefficient provision of services, fiscal inequities or fiscal inefficiency in local government,

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environmental issues, flight of the tax base to suburban areas, racial tension, economic decline, and the growth or decline of the local population, as well as demographic changes.

- Who has identified it as a problem? Is the problem a perception of local leaders only, or is it pervasive throughout the community? (Often, problems of this magnitude initially are recognized only by business or civic leaders.)
- Is there consensus among stakeholders that this is a problem? Is there consensus on the scope of the problem? Has it reached crisis level?
- What do the stakeholders believe are the existing roles and responsibilities of local government and other community groups in addressing the problem?
- What actions to address the problem have already been tried? What were the outcomes in the view of the stakeholders?
- How does the perceived problem relate to other issues in the region?
- How does the problem affect the community's or the region's goals and objectives?
- Is there consensus among stakeholders about the region's goals, objectives, and vision? (If not, developing a consensus set of goals and objectives is a necessary step.)
- Does the problem prohibit the community or region from realizing its goals and objectives? How?
- Are current collaborative agreements and regional governance structures within the region unable to address this problem? If so, why?
- What are the assets and the successes that will help the community solve the problem?
- What is the region doing well, and how can its successes and assets become the basis for solutions?
- What qualities do the community and region have that make people choose to live there?
- What companies have grown and thrived in the region? Why have they succeeded?
- What institutions have contributed to the region's quality of life and

THE CHALLENGES TO REGIONALISM

Why have more communities not embraced regional collaboration? Kathryn Foster, director of the Institute for Local Governance and Regional Growth at the State University of New York at Buffalo, identifies the following five political challenges to regional action:

- Regional identity, which is highly important for successful collaboration, is notoriously weak. (Allegiance tends to be to localities or neighborhoods.)
- There is no consensus on the best political strategy for seeking regional change. Some favor incremental, consensus-based steps over a long term, while others favor aggressive timetables, mandates, and bold proposals.
- Regional efforts generally are more successful and stable when they mobilize a broad base of support across multiple interest groups, but identifying an issue and reconciling competing goals across these groups can be politically difficult.
- Coalitions tend to favor issues of consensus over conflict, so regional efforts focused on economic development, for example, tend to be less contentious and more widely supported than regionalism based on issues of equity and growth management.
- Inconsistent federal and state policies may simultaneously promote regions while also undermining them. Laws in many states discourage local government collaboration by erecting hurdles such as requirements for prior state permission before localities can begin formal discussions, and requirements for new legislation to authorize the intended change.

character? How have they sustained success over time?

- What assets are endowed by the region's natural environment? How has the region sought to preserve these?
- What provides the region with a distinct sense of identity and place?
- How do visitors view the region? Are there attributes they like that the region should do more to promote?

Every community has terms that are flashpoints among key stakeholders in any discussion of local government change. It's important not to lead with language and ideas that polarize people at the start. Instead, seek agreement on a problem that requires cooperative solutions, work up options that can be talked about as win-win propositions, and then implement solutions using language that is as neutral as possible. Many of the changes may actually result in sharing revenue, but the focus should be on identifying and agreeing on the big challenges facing the community and region, and

whether changes in the way local governments operate can have a positive effect.

Step 3: Continuing the Discussion: Surveying the Public

It is important to survey the public in order to gauge their reactions to various efforts to change local government relationships. This means asking open-ended questions such as:

- Do residents think the community is a good place to live?
- What are their top concerns?
- How do residents rate various public services?
- How much do residents trust their local elected officials?

Town hall meetings, door-to-door surveys, and Web sites are good ways to gather feedback. These can also serve as an opportunity to inform and educate residents about the problems identified by the groups listed in Step 1. The survey should be performed by or for stakeholder representatives and used to test their

MUNICIPALITIES MOVE TOWARD COLLABORATION

An MMA survey of Massachusetts communities last fall indicates that communities are engaged in a range of collaborative efforts across their borders.

The MMA's "Fiscal Pressures and Service Delivery Survey" was designed to gather details on how municipalities throughout the state are responding to the continuing local government fiscal squeeze, including the range of efficiencies and cooperative efforts in which municipalities engage.

The 160 survey respondents (nearly half the state's cities and towns) identified nearly four hundred cooperative agreements between their community and other government or non-government entities.

Four out of five reported participating in mutual aid agreements for firefighting, a traditional and long-standing arrangement, while nearly half reported mutual aid agreements for other service delivery, with one-third of these being implemented in the past four years.

More than one-third (thirty-six percent) reported cooperative agreements other than mutual aid with other government entities.

A growing number of communities participate in regionalized service delivery. Nine percent participate in regionalized building inspection and zoning enforcement services, while eighteen percent participate in regionalized public health services. Nearly half (forty-five percent) participate in other regional service delivery efforts, including regional schools and animal control.

More than two-thirds of respondents reported being members of regional purchasing cooperatives—one-third of these new since 2003. Two-thirds participate in a health insurance group purchasing pool, while half participate in other insurance pools (property insurance, casualty insurance, etc.). Forty-four percent participate in an energy purchasing program, almost half of those joining up since 2003.

— PAM KOCHER, SENIOR RESEARCH/INFORMATION SERVICES ANALYST, MMA

assumptions about their constituencies' points of view, as well as to gauge differing opinions within the community.

Step 4: Finding the Right Solution

Once a problem (or set of problems) is identified, the next step is to determine the most appropriate solution. Answers to the following questions can provide a framework for this analysis:

- What are the various options for addressing the problem?
- What are the costs and benefits of each option?
- Who will perceive they will "lose" if a particular option is implemented? How can these concerns be addressed?
- What is the optimal solution for a particular situation?

If inefficient or ineffective public services are identified as a problem, it is important to determine which specific services need improving. Different solutions may apply depending on the service in question.

The next task is exploring various service delivery options available to resolve the problems and challenges. Officials can use the options listed in this article as a way to survey the various approaches.

Step 5: Winning the "Campaign"

Efforts to make changes in service delivery systems or structural changes to government need to be thought of as civic campaigns. It is easy to become focused on the details of making the change and to forget to help

the public understand the importance of the proposed change to the long-term quality of life in the community and the region. This is particularly true if a public vote is needed to authorize the changes. Even if the vote is just among local and/or state elected officials, it is critical to have public support for the change.

The history of community efforts to change service delivery and structure shows that success is more likely when the proposed changes are related to improving economic development and quality of life. Making efficiency or equity arguments on behalf of campaigns for change is not necessarily a winning strategy, largely because it is difficult to "prove" that the changes will directly lead to cost savings, greater efficiency, or more equity.

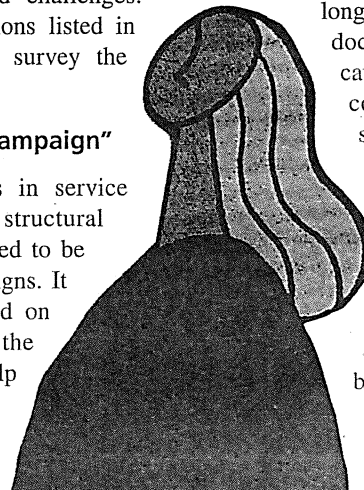
Residents must be convinced:

- That there is a problem
- That the proposed solution will address the problem
- That the solution will not cost more than the current state of affairs—or, if there is a cost, it will be offset by improvements residents will see

Step 6: Implementation

Once the change has been successfully adopted, it is important to pay attention to the transition period. Going from the "old way" to the "new way" often takes longer than expected and can be a complicated process. During the transition period, agreements must be in place with all of the municipalities affected by the change. Local leaders must provide the public with regular information about the changes that are occurring, the timeline, and how changes will affect residents' daily lives.

It's important over the longer term to thoroughly document and communicate the results, including cost savings, improved services, and new opportunities, to demonstrate to the public the ongoing value of the changes. This also helps set the stage for more far-reaching changes that may be sought in the future.



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Lessons Learned

Several resources capture useful lessons learned from communities that have attempted various forms of local government collaboration. The following are selected recommendations based on the experience of communities that have built successful collaborative efforts:

From "A Brief Primer on Regional Collaboration," developed in 2005 by Michigan's Centers for Regional Excellence (www.michigan.gov/cre)

- Build on existing relationships. While a crisis or incident may have initiated the conversations, many regional contacts became more formal after years of informal discussions about regional issues and shared problems. You only need two communities to get started; you can always build from there.
- Start small. After putting a number of potential collaborative projects on the table, narrow them down to the most immediately achievable. It is wise to start with the idea of sharing services rather than immediately with consolidation, and to start by sharing services that will readily accomplish cost-saving benefits. Collaboration around building or improving infrastructure is likely to show greater financial benefits in the short term than cooperation in human services delivery, for example.
- Formalize relationships. A legal entity may not be necessary for initial explorations, but some kind of inter-local contract can help provide validity. A legal entity or inter-local contract also has the benefit of removing daily politics from the program.
- Keep reaching out to the public. Hold special public meetings, invite people to attend visioning sessions, use community e-mail lists and newsletters, and design a good evaluation process to gauge residents' participation. Develop a good relationship with the media from the start and enlist them as partners in the process.

From the "Intergovernmental Cooperation Handbook," updated in early 2006

by the Pennsylvania Department of Community and Economic Development

- Involve municipal staff. Collaborative efforts can be perceived as a way to cut jobs. Engaging municipal staff who may be affected gives them the opportunity to help shape the effort and reduces the chances of false perceptions.
- Start with a project that appears most doable. After achieving success and building new working relationships, you can tackle the more far-reaching issues.
- Be patient. These programs will not have dramatic, immediate results. Develop realistic expectations and ongoing ways to communicate them.
- Think regionally. When new or expanded services are needed, think about how the challenge could be dealt with if you worked with other jurisdictions that are likely facing the same issue.
- Involve newly elected officials. Political campaigns generally do not address regional cooperation, so it is critical to help newly elected officials understand why these approaches are being used. In particular, show them how intergovernmental cooperation can help them achieve their goals. Get their insights on both the benefits and potential political challenges.
- Study options thoroughly. Intergovernmental approaches are complicated and often require different types of analysis to properly evaluate the options.
- Select realistic programs. Do not rely on theoretical analysis. Run simulations of how a proposed program would work, including variables and potential pitfalls.
- Make sure the program is a win-win for all. Some participants may achieve greater cost savings, others may get better services. It is critical that all can point to the positives.
- Share total costs. Don't charge only marginal costs to get a program started. Make sure from the beginning that all participants understand and agree to cover the total costs of the initiative or program.

- Establish a positive cash flow. Make sure all partners know the total costs and that there is a revenue stream to cover them. Most intergovernmental programs are fragile at the beginning; having to borrow money to make them work can destroy them.
- Avoid overdependence on grants. There is increasing interest in intergovernmental cooperation and its perceived benefits by foundations, state governments, and the federal government. Grants can provide useful seed money. But don't start a program just because you can get a grant, without doing the analysis that shows the program can be self-sufficient.
- Learn from failures. Intergovernmental cooperation is not a guaranteed success. If an attempt fails, avoid finger-pointing and instead thoroughly analyze what didn't work.
- Address turf issues. Intergovernmental cooperation requires people to give up and/or share control and responsibility. Address these issues up front and clearly so they do not undermine the program.

A Final Thought

In his 2004 State of the City address, Denver Mayor John Hickenlooper, a leader of the campaign for intergovernmental cooperation in the region, explained its benefits. "Success," he said, "will depend on building innovative partnerships based on the understanding that the future prosperity of each of our communities is inherently linked." His statement underscores a vitally important point: local government collaboration should not be viewed as an end in itself. Rather, it is a means to an end. In coming together to explore opportunities for successful collaboration, local leaders should always have the larger goal in mind: building healthy, vibrant communities in economically competitive regions. ✱

