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BY JOHN WISELY, SUZETTE HACKNEY and CHRISTINA HALL
FREE PRESS STAFF WRITERS

As metro Detroiters head to the polls for local elections Tuesday, the challenges facing the winners will be the same: falling revenues, rising costs.

From property taxes to fees to revenue-sharing dollars from Lansing, the coffers of local government that already have taken a beating will continue to decline in coming years, and experts say it could take a decade or longer before they bounce back even to current, relatively anemic, levels.

While mayors, supervisors and council members across the region will face tough decisions on what services to keep and cut, they'll also have an unprecedented opportunity to reform the way they deliver the services taxpayers expect -- particularly with the possibility of many new faces in office.

Many collaborative efforts already save the region millions, but experts say more is needed on things like:

- Transportation
- Business recruitment and jobs
- Land use and zoning
- Shared police, fire and EMS
- Administrative functions

Thorny issues such as Cobo Center and the Detroit Zoo have been resolved regionally; experts say they provide a model for dealing with more day-to-day government services.

Local money-saving strategy: Collaboration

If the political will can be summoned, opportunities abound to save money through local government cooperation, experts say.

As one of the largest regions in the United States without a mass transit system, metro Detroit could work together to connect workers to jobs, reduce pollution and congestion, and even bolster the tourism industry by making it easier for out-of-towners to get downtown from the airport.

"Transit is something we absolutely, desperately need to figure out in southeast Michigan for our economic future," said Dan Gilmartin, chief executive officer of the Michigan Municipal League. "It's that important."

Mass transit is an obvious target for cooperation, but dozens of services provided by local governments could benefit from leveraging the economies of scale.

- **Administrative functions:** Every local government uses lots of back-office services such as human resources and bookkeeping. Residents pay for them but don't necessarily see them. Outsourcing those and bidding contracts for several communities can create savings, said Dave Boerger, the former mayor of Orchard Lake who now advises local governments on efficiencies for the Southeast Michigan Council of Governments.
- **Business recruitment:** State, county and local government officials all seek businesses to provide jobs and expand the tax base. But experts say they often take separate trade missions, hold separate meetings and cling to parochial interests. Working together can improve efficiency.
- **Land use:** Zoning and planning are done at the local level, but that can lead to a cut-throat competition that crimps development. The Aerotropolis project near Metro Airport, in which four cities, three townships and two counties are collaborating to attract logistics businesses, is an example of

local and county governments working together to have a larger impact, said Thomas Ivacko, program manager for the Center for Local, State and Urban Policy at the University of Michigan.

- Police, fire, EMS: More communities are sharing these services, but there's plenty of redundancy, especially in the area of dispatch, Boerger said.

Metro Detroit leaders say they want more regional cooperation, but Boerger said times are so tough that they can't cooperate just to cooperate. They must focus on results.

"If there isn't a 30% savings opportunity, it's probably not worth the upfront effort," Boerger said. "If you can't save it in the first year or two, it's probably not worth it."

Detroit Mayor Dave Bing has made it the first priority of his overall mission to improve Detroit and the region: cooperation. Bing, who seeks a full term Tuesday, said he has no intentions of continuing the adversarial attitudes that exist between the city and suburbs. His opponent, Tom Barrow, also has talked up regionalism as a way to save money and deliver services more efficiently.

"There are other municipalities around us that are in much better condition than we are," Bing said. "They're doing some things better than we do and therefore the outcome of those things helps them to be in a better position than we are today."

"It's incumbent upon us ... to be receptive to ideas and be inclusionary to ideas that other people bring to the table."

Cooperation is not an easy task

When the University of Michigan polled elected and appointed officials in local governments, it asked how often they trust state government. The answer "seldom" or "almost never" was chosen by 71% of officials in counties, 54% in villages, 53% in cities and 46% in townships.

"That raises all sorts of questions," said Thomas Ivacko, program manager of the Center for Local, State and Urban Policy at U-M, which conducted the online poll this spring. If the new mayors, supervisors and council members elected Tuesday want to work together to save money, they'll face many obstacles, not the least of which is trust.

Lansing's budget battles have wreaked havoc on local governments, which count on the state to pass along a share of the Michigan sales tax to fund things like police and firefighters.

The state has steadily cut that sharing to balance its own budget in recent years. Combine that with falling property values that have whacked local tax collections, and local governments face dire times.

Experts say that if there is a silver lining to the crisis, it is that local governments have more latitude to be bold in cost cutting, through steps such as merging departments, sharing assets and leveraging the economies of scale.

The appetite for cooperation is high, but officials acknowledge it won't be easy. Reconciling different pension plans and health care packages make merging whole departments difficult. There's always a worry that one community is contributing more than another in a sharing agreement. Some fixes might require changes to the law in Lansing, where there's no guarantee of consensus.

"We do need some reform to the Urban Cooperation Act and Act 312 for binding arbitration," said Paul Tait, executive director of the Southeast Michigan Council of Governments.

For example, if two or more communities merge their police departments, the Urban Cooperation Act requires them to pay whichever wage and benefit package was best before merging.

"It makes it very hard to save any money if you have to bump everyone up to the highest wage rate," said Bettie Buss, a senior research associate at the Citizens Research Council of Michigan.

Act 312 makes it illegal for police and firefighters to strike, but in return, it gives them the right to binding arbitration, where an arbitrator picks between the local government's offer and the union's. Local government officials insist that drives up costs, but local governments have won most recent wage arbitrations, said Fred Timpner, executive director of the Michigan Association of Police, which represents more than 2,500 officers across the state.

"Under the idea of not letting a good crisis go to waste, this is an effort by employers to gain the upper hand under the guise of reform," Timpner said.

Successes show regions can work well together

Regional cooperation isn't impossible.

The Detroit Zoo, Cobo Center and the Huron-Clinton Metropolitan Authority already are run regionally.

The Detroit Water and Sewerage Department has a new directors council that gives suburban customers more input than ever.

Even smaller-scale partnerships, such as a health care collaboration among the Grosse Pointes, can save money.

Some communities have looked to the county level to consolidate services such as assessing or purchasing.

"Oakland County is a leader in this," said Bettie Buss, a senior research associate at the Citizens Research Council of Michigan.

The Southeast Michigan Council of Governments lists dozens of ideas for advancing local government effectiveness. Examples either studied or in place in metro Detroit range from fire department mutual aid pacts to community contracts for services with private firms or the county.

One example is Chesterfield Township's 2-year contract with Macomb County for some of its assessing needs. The contract started in the 2008-09 fiscal year; SEMCOG estimates that the township will save \$50,000 a year during the collaboration.

The Consortium for Health Care involves collaboration between the five Grosse Pointes that allows them to be treated as a single entity when negotiating health care plan rates.

Each city signs individual contracts with health care providers for separate plans. But this has allowed them to negotiate better health rates for their employees and save labor hours and money. Grosse Pointe Woods has realized a savings of more than \$80,000 a year, according to SEMCOG.

In 2004, Ann Arbor and Washtenaw County created a joint Office of Community Development, instead of each having an office responsible for administering Community Development Block Grants and other programs. The merger has realized service improvements, financial savings and reductions in duplicative administrative functions, according to SEMCOG.

Cooperative zoo solution

Voters in Wayne, Oakland and Macomb counties approved a tri-county millage last year to support Detroit Zoo operations, stabilizing its finances after years of budget cuts by the City of Detroit, which owns the zoo. And the state passed a law creating a regional authority to operate Cobo Center, which had been plagued by deficits and cronyism. It is funded through hotel and liquor taxes.

Wonderland of parks

The Huron-Clinton Metropolitan Authority is a big regional success story for several reasons, said Dan Gilmartin, chief executive officer of the Michigan Municipal League. His reasons are simple: "Regional tax authority. Provides several venues throughout metro Detroit. Been around a long time. Stable."

The special regional park district was established by a public act in 1939 and encompasses Oakland, Wayne, Macomb, Washtenaw and Livingston counties. It has 13 metroparks in the region and is funded primarily by a property tax levy and by revenues from vehicle entry fees and user fees for facilities.

Buss said the authority has been successful in meeting its mission of establishing large regional parks that offer a variety of recreation opportunities. There is a criticism, she said, that none of the metroparks are in Detroit and that it is hard for people in the city and other urban areas to get to the parks because of a lack of regional transportation. But overall, Buss said, the authority has proven successful.

"They didn't over-promise. They didn't under-promise," she said. "They did what they said they were going to do."

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Bing, Barrow on regionalization

Dave Bing: "I'm looking to foster a relationship with Oakland and Macomb counties, as well as Wayne County. They can help us, and we can help them. We need to take a look at the resources each of us bring to the table and understand that we can no longer work in a vacuum and think we are going to be successful. It's time to join our leadership capabilities and resources together to become more

competitive."

Tom Barrow: "People both in and out of Detroit love this city. They care. ... I want to work with our suburban and Canadian friends. The major difference between myself and my opponent is that we must work from a position of respect and come to the table as equals. The interim mayor easily caves to outside interests and is quick to look for a privatized solution. For example, I think a regional transit system is a great idea that benefits everyone in and out of Detroit."
