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Consolidation - Gov. Snyder's Local Government Reforms Proposal

On April 1, 2011, in [2011, Governor Rick Snyder](#), by Michigan Truth Squad

Who: Governor Rick Snyder

Featured Political Material: Consolidation; Local Government Reforms Proposal



Photo credit: Detroit News

WHAT THE GOVERNOR WANTS TO DO:

Gov. Rick Snyder wants the state's 1,856 local governments to save taxpayer money by finding new ways to share and consolidate services.

ANALYSIS:

Public safety is, by far, local government's largest expense, and sharing these services can be difficult. Not only do taxpayers want police and fire protection close to home, but state laws can impede consolidation efforts.

Municipalities seeking to make budget cuts and efficiencies can run up against provisions in state law that prevent public employees from salary cuts and layoffs in any merger of municipal departments.

"With one broad stroke, you basically eliminate any real savings right away," said Auburn Hills City Manager Peter Auger. "If you're looking at trying to merge two or three organizations together, all it takes is one person in the whole process to say, 'I'm being harmed,' and it throws a monkey wrench in the whole thing."

Snyder also wants to amend Public Act 312, which requires binding arbitration when communities and their public safety unions reach an impasse, so that a community's ability to pay is a fundamental factor in an arbitrator's decision.

"Communities aren't able to control the costs with an independent arbitrator making these determinations," said Michigan Municipal League spokeswoman Samantha Harkins, who believes the very threat of 312 is bad for municipalities because union officials know arbitration can be lengthy and expensive and lead to expensive retroactive wage increases.

In 2009, an arbitrator forced the city of Ann Arbor to pay police retroactive pay raises dating back to 2006 at a cost of \$1.5 million – despite the city's budget woes.

Ann Arbor, now facing a \$2.4 million budget shortfall, has filed a petition to begin arbitration with the police officers' union to settle its next contract, as well.

Ann Arbor Mayor John Hieftje said PA 312 allows the unions to hang on to their expensive benefit packages while local governments make deeper cuts in order to keep up with the ever-rising costs of those who remain.

"The irony of Act 312 is that the unions believe it is beneficial to their cause, but, in fact, it is a major contributing factor to police and fire jobs being cut across our state," he said.

Public safety union officials counter that laws such as PA 312 are doing exactly what they were intended to do: stop police and firefighters from striking and protect workers' collective bargaining rights. Labor perspectives on the issues were described in detail in a previous [Center for Michigan special report available here](#).

Last year, Ann Arbor spent 55 percent of its general fund – \$41 million – on police and fire protection.

Most cities spend about half of their budgets on public safety, said Eric Lupher, director of local affairs at the Citizens Research Council of Michigan, who has consulted with local governments about consolidation possibilities.

Fire protection is among the services for which there is the most intergovernmental collaboration, Lupher said. Rural areas have fire districts or authorities where two or more communities have joined together to share the cost of fire protection, he added. These were usually started from scratch, often using volunteer or part-time firefighters.

The other form of collaboration occurs in support of the actual fire response services and can include training, inspections and specialized services such as emergency medical techs or hazmat teams.

According to the Michigan Townships Association, 57 percent of the Michigan townships that provide fire services have a joint fire operation with another government unit; as do 74 percent of townships that provide police services and 80 percent of those with ambulance services.

The hard part is getting cities and charter townships to consolidate services, said Lupher, who wishes the state would restrict state revenue sharing to public safety programs.

"You'd have the greatest opportunity to show savings; to show a real impact of the effort put into it," said Lupher. "And when you think about all the things local governments do, that is perhaps where the state has the greatest interest – to have safe neighborhoods and local governments."

Other states have formed county-wide fire authorities that reduce administrative costs by covering multiple jurisdictions, said Michigan Professional Firefighters Union President Mark Docherty. But the idea hasn't caught on in Michigan for reasons ranging from anti-labor legislation to citizen objections over who would be fire chief, he said.

A new University of Michigan survey found that 72 percent of Michigan local governments already share resources and services with neighboring communities.

Elisabeth Gerber, a U-M professor of public policy whose research focuses on intergovernmental cooperation, is concerned that the communities that most need state funds will be least able to compete for it due to a lack of resources to share with neighbors.

Still, she calls the governor's plan a step in the right direction.

"Nobody knows how local governments will react, or the extent they'll take advantage of it," she said. "I'm looking forward to finding out."

Minimum staffing

Snyder also wants to prohibit any new city, village or county charters from containing minimum employee staffing requirements, but wouldn't nullify existing requirements.

Livonia is one of just a handful of cities with minimum staffing requirements voted into its city charter.

The city's 76 firefighters represent .8 firefighters per 1,000 residents. Livonia Fire Chief Shadd Whitehead said such staffing means residents calling for help can expect a high level of service in the right amount of time with the right resources:

"The voters made that choice to say, 'This is the level of service we want in the city of Livonia, and this is the number of firefighters we want to be protecting us.'"

Nonetheless, Livonia has the [lowest millage rate in Wayne County](#) for city services.

Whitehead said he's surprised Snyder would want to deny residents the option of choosing minimal staffing for their own communities when safety is the feature residents want most.

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