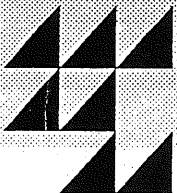


# New Ventures in Delivering Government Services: Where We've Been and Where We're Going

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January 1993

*Past in Review  
Future in Preview*



Metropolitan Council



# **New Ventures in Delivering Government Services: Where We've Been and Where We're Going**

**Past in Review  
Future in Preview**

**January 1993**

**A Staff Report**

**METROPOLITAN COUNCIL  
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The Metropolitan Council conducts long-range planning and research for the Twin Cities Metropolitan Area in such areas as transportation, solid waste, housing and water resources. It also coordinates planning among local governments, the metropolitan agencies and the private sector.

by

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# NEW VENTURES IN DELIVERING GOVERNMENT SERVICES

## SUMMARY

This paper summarizes activities undertaken under the auspices of the Metropolitan Council in the past 18 months to respond to Gov. Arne Carlson's challenge to lead efforts to improve delivery of public services in the seven-county Metropolitan Area. All of these activities are being carried out under the umbrella title of "New Ventures in Delivering Government Services." This summary was prepared by Council staff.

The elements of this report are:

- **Background and Underlying Themes and Premises**--describing how the New Ventures project came about, the Council's preparatory work and the underlying themes and premises that have emerged.
- **New Ventures Forum, March 1992**--reporting on a forum of nearly 200 local government leaders convened by the Council to examine new ways of doing government business and to heighten interest in the topic.
- **Intergovernmental Resource Center**--outlining the Council's new data base of information on local government cooperative efforts in the region and its library of materials related to "reinventing government."
- **Summary of Surveys of Local Units of Government Regarding Intergovernmental Agreements**--summarizing results of surveys of local governments, which indicated that at least 2,600 cooperative agreements of various kinds currently are in force in the region.
- **Other Groups Working on Shared Services and Service Delivery**--describing the activities of a number of groups studying local government service delivery or participating in cooperative activities aimed at improving services, reducing costs, or otherwise addressing needs in new ways.
- **Co-op Northwest**--presenting information on a voluntary association of governmental units--including the Metropolitan Council--and other organizations working to address needs in this northwest Metropolitan area.
- **Executive Summary of Paper on Barriers to Change**--giving the outlines of *Improving Government Services: Realities and Possibilities*, a report prepared by Council staff that examines the structure of government in the region, the services those governments provide, the barriers to making improvements and some proposed solutions.
- **Executive Summary of Paper on Redesigning Public Services**--outlining a report prepared by Council staff on how and why governments become involved in providing services, the advantages and disadvantages of government and of marketplace approaches to service provision, what service redesign means, how to assess services and ways of approaching local government service redesign.

- **Local Government Officials' Guide to Resolving Disputes**--explaining the Council's work with the Association of Minnesota Municipalities and the State Office of Dispute Resolution to provide tools and support for use of dispute mediation and resolution techniques in local governments.
- **New Ventures Advisory Task Force**--describing the role and work of the task force.
- **Task Force Recommendations and Conclusions**--presenting the advisory body's recommendations for creation of a body to examine intergovernmental issues.
- **Staff Recommendations**--presenting staff recommendations in several areas and rankings of each for high, medium or low use of staff time and visibility.
- **Appendix**--listing members of the Advisory Task Force on New Ventures in Delivering Government Services.



## BACKGROUND AND UNDERLYING THEMES AND PREMISES

Gov. Carlson in 1991 challenged the Metropolitan Council to become involved more actively and visibly in efforts to deliver public services in the Metropolitan Area more effectively and cost-efficiently. The Council has taken this challenge seriously. In preparing the 1992 Work Program and Budget, it said, "The Council will examine and promote shared services among local jurisdictions in the region to reduce the cost of providing government services. The Council will also look for opportunities to share services among regional agencies."

The Council has had experience in cooperating, collaborating and consolidating local government services both in the past and in the present. For example:

- In the 1970s, the Council obtained state legislative authority to create a Metropolitan Housing and Redevelopment Authority (Metro HRA) that currently operates in almost 100 communities in the region. One of the major purposes of this organization was to minimize the need to create separate authorities in every local jurisdiction.
- Also in the '70s, the Council, working closely with local governments in the region, developed a metropolitan 911 emergency telephone system that replaced more than 60 separate emergency numbers.
- Recently, the Council has provided staff support for a public-private cooperative effort known as the I-494 Transportation Management Organization, to plan for transportation improvements in the very congested I-494 corridor.
- In 1991, the Council initiated a regional effort to plan with local governments for a significantly improved regional radio communications system using the 800 MHz frequency made available by action of the Federal Communications Commission. In 1993 the Council has proposed legislation to set up a body to reserve 800 MHz channels and plan for a region wide trunked radio system.

In July 1991, the Council formally added the "shared services" goal to its proposed 1992 Work Program and Budget and made it a priority project for next year. The lead staff assignment was given to the Research and Long-range Planning Department (RLRP). The RLRP staff used an existing staff intraCouncil group, the Strategic Planning Team, to prepare information to develop the 1992 work plan.

In preparing for the work plan, the team conducted interviews with 49 Council stakeholders. Included in the interviews were a substantial number of local officials at the city and county level (policymakers and staff members), several "Council watchers" at the University of Minnesota, and some individuals from civic, business, nonprofit and consumer organizations. Special efforts also were made to include people who have been involved in significant cooperative local government projects and local studies of intergovernmental activities.

A number of general themes emerged from the interviews. They are as follows:

- While all of the interviews began with a specific focus on "shared services" in a literal sense (that is, how local governments are working together cooperatively to deliver services), the

interviewees almost always moved from there to other service delivery perspectives, such as redesign of services, privatization, changing governmental roles and relationships and emerging regional issues.

- As a result of the above, the term "shared services" proved to be too limiting in a thorough discussion of how the Council can be a real contributor to streamlining public service delivery in the region. A broader concept, such as "promoting streamlined public service delivery in the region," seems to be more appropriate.
- The amount and extent of existing cooperating and sharing is not well known, although much is occurring. The Association of Metropolitan Municipalities (AMM) is conducting a survey to better determine the extent and nature of these activities among the region's cities.
- Cost and efficiency appear to be the primary factors underlying the interest in more intergovernmental approaches to delivery of services.
- Governmental units are drawn together primarily by economic motives. There are many examples of two units sharing with each other, but multi-jurisdictional sharing is difficult, complex and seldom achieved. There also are difficulties with sharing between different levels such as counties and cities or cities and school districts.
- Local government efficiency and effectiveness is seen as having less to do with the number of units involved and more with how services are delivered. There was also a minority viewpoint to the effect that there are more governmental units in the region than society can afford to maintain for very long.
- The willingness of local governments to share services is greatly influenced by political, professional and personal associations: particular people and their histories. These interpersonal associations help explain many of the patterns of cooperation that have developed in the region to date.
- Some services are much harder to share or operate on a larger scale because of the importance of local values or the extent of interlocal competition (for example, in economic development). There is at least a minority point of view to the effect that local values tend to be exaggerated for local service "self-preservation."
- The Council may be especially helpful in dealing with some issues that are too controversial for local governments to handle.
- The Council should demonstrate effective leadership in resolving regional problems in areas such as transportation and solid waste in which it is already involved.
- If the Council attempts to redraw the "political map" of the region substantially, it is likely to place the organization in a no-win power struggle between the state and its subdivisions. These changes are best approached incrementally and perhaps led by others. On the other hand, there is the viewpoint that, "If not the Metropolitan Council, then who will even begin to address these tough, fundamental questions and government structure and relationships in the region?"

- The Metropolitan Council definitely should be a more active participant in this whole area of interlocal sharing and cooperating, but should choose its role carefully, based upon real, identified needs and its own organizational strengths. Those strengths were consistently described as research, analysis, convening and facilitating, policy formulation (especially longer-range) and consensus-building around policy directions for the region. The following were identified as roles that the Council now has or that it might play in helping the region achieve better and more cost-effective public service delivery:
  - Creating or convening forums for sharing ideas, information and approaches
  - Providing data, analysis, research and technical support
  - Facilitating and mediating processes for study and change
  - Serving as an information clearinghouse
  - Serving as the leader in regional planning on current issues
  - Providing stronger oversight of metropolitan government
  - Helping to plan joint service delivery/redesign with other metro agencies
  - Identifying and working on emerging "larger than local" issues
  - Advocating for local governments
  - Advocating for significant changes in governmental structure

In addition to conducting these interviews, the Council, an advisory task force and the staff have carried out a number of activities as part of the New Ventures project. These activities are summarized in the following chapters.

## NEW VENTURES FORUM, MARCH 1992

A forum entitled "New Ventures in Delivering Government Services" was convened by the Metropolitan Council on March 30, 1992. The purposes were (1) to heighten the interest of local government leaders in improving efficiency and cost-effectiveness; (2) to highlight several programs or projects in local governments that represent special efforts to provide better services to citizens and/or to lower costs and (3) to provide a forum for these leaders to share ideas and concerns about "reinventing" their governments.

Nearly 200 appointed and elected officials from metropolitan area counties, cities, townships and school districts were exposed to both national and local examples of "doing more with less." The forum's keynote speaker was Ted Gaebler, co-author with David Osborne of a recent book entitled *Reinventing Government*.<sup>1</sup> He discussed the reasons governments need to change the way they operate. He provided numerous examples of ways people in different levels of governments across the country have tried to improve services, reduce costs, or gain additional revenue through trying new ideas or becoming more entrepreneurial.

Among Gaebler's comments were these:

- With all the problems confronting government today--poor results from the educational system, low confidence in government officials, ever-rising crime rates, cities struggling to stay out of bankruptcy, states facing staggering deficits, citizen tax revolts, voters throwing incumbents out of office--most leaders still debate the same old options: raise taxes or cut services.
- The current system of government must be rethought. As an alternative to the idea that government needs to do more (or less), there is a new belief that government must do things differently.
- The future measure of a successful city, county, or school district manager will be how hard (and smart) he or she works at finding ways to meet the needs of constituents with fewer resources.
- Government officials must be encouraged to try new ideas that satisfy two expectations: do more, spend less. Government in the future will be "entrepreneurial government."
- Entrepreneurial governments:
  - steer rather than row;
  - promote competition between service providers;
  - empower citizens by giving them more control and giving less to the bureaucracy;
  - measure performance by output rather than input;
  - are driven by their goals and mission rather than by rules and regulations;
  - define their citizens as customers and offer them choices;
  - prevent problems from emerging rather than simply providing services afterward;

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<sup>1</sup> Redding, MA. Addison-Wesley Co. Pub. 1992.

- put more energy into making money rather than just spending it;
  - decentralize authority and embrace participatory management; and
  - become catalytic agents to bring together all sectors to help solve community problems.
- "We must change the basic incentives that drive our governments," according to the speaker. Perhaps the greatest stumbling block is the power of outdated ideas that the majority of officials hold. These leaders belong to one of two camps: They want more government (liberals) or less government (conservatives) rather than considering what kind of government might be better for the changes taking place today.
  - Privatization makes sense in some instances, but is not the answer. Privatization is the wrong starting point for a discussion of the role of government. Services can be contracted out or turned over to the private sector, but governance cannot.

In order to recoup some of the costs of the keynote speaker, arrangements were made to have Gaebler speak to several other groups, including the St. Paul Chamber of Commerce and the St. Paul School District. These groups, along with the St. Paul Companies, the Minnesota Business Partnership and the Minnesota Chamber of Commerce, made contributions totalling \$2,300. An additional \$900 was generated from the sale of 350 copies of *Reinventing Government* to attendees and others.

### **Regional Examples**

The second goal of the forum was to highlight current activities in the region that demonstrated various methods local governments and school districts were using to make some of their services more cost-effective or demonstrated a creative approach to cooperating with other local governments. These activities were described:

- **The I-35W Beautification Project** has involved Hennepin County Employment and Training Services, the Minnesota Department of Transportation and the American Federation of State, County and Municipal Employees Union Local 2792 over the past three years.
- **Energizing Public Transit at the Local Level** described how a fast-growing West Metro suburb worked to develop an alternative transit service that better served the needs of residents.
- **Four Examples of Alternative Service Delivery** provided examples of city-to-city, city-to-county and city-to-private arrangements that reduced service costs and improved services.
- **The Anoka County Joint Powers Law Enforcement Council** discussed the background, development, and results of a county-wide coordination effort to improve public safety and make the criminal justice system more efficient.
- **The Fast Forward Program** of Dakota County demonstrated a computer-based access system for social service staff, service vendors and clients designed to improve social services based on individual and family needs.

- Another Anoka County effort was described in the **Human Resources Co-Location Project** in Blaine which included a city, a county and the United Way of Minneapolis to bring together 26 different social services under one roof.
- The **South St. Paul School Education Foundation Project** described the strategies of a small community group to raise funds to provide scholarships to graduating seniors and to provide additional school resources.
- A pair of alternative approaches by the Minneapolis Youth Trust and Hennepin County Planning and Development Department showed how governments, business and youth-serving agencies could redesign a small part of the **education system**.
- A multi-community effort to work with citizens, governments and the private sector involved with **solid waste issues in Anoka County** was presented.
- Factors involved in a 1985 **consolidation of fire departments** in Anoka County were presented by staff from the Minnesota Technical College's Fire Information Research and Education Center.
- Staff from the Metropolitan Region Education Cooperative Service Unit provided information about the results of **coordinating services for very young children** with potential learning difficulties.

#### **Video and Panel**

Rounding out the program was a video presentation entitled, "Discovering the Future" with futurist and consultant Joel Barker. This video provided numerous examples of how organizations that changed their views of the world went on to be successful while those that did not change suffered for it. A panel of practitioners involved in studies on changing government arrangements, led by moderator Ted Kolderie, senior associate at the Humphrey Institute, provided practical information to the audience. The evaluations of the forum indicated a generally high level of satisfaction with the forum content and speakers.

## INTERGOVERNMENTAL RESOURCE CENTER

The Intergovernmental Resource Center (IRC) at the Metropolitan Council is a data base of information about local government cooperation efforts and a collection of articles and information on a variety of topics relating to the New Ventures project. The establishment of the IRC was part of the 1992 work program. The center is intended to be a resource for local government officials and staff as well as for the Metropolitan Council staff.

An area has been set aside for the IRC collection in the Library at the Metropolitan Council. There are more than 250 items in the collection and they continue to be added. There are newspaper, magazine and journal articles, booklets, pamphlets, books, and other materials on delivery of government services. Items are filed under the following headings:

City-county Consolidation	City Government
Consolidation	County Government
Economic Development	Education
Employment	Governmental Organization
Housing	Human Services
Human Services	Infrastructure
Intergovernmental Cooperation	Intergovernmental Relations
Interlocal Agreements	Metropolitan Government
Periodicals	Privatization
Program Description	Quality
Ramsey County Local Government Services	Regional Government
Study Commission	Service Descriptions
Service Delivery	Solid Waste
Service Sharing	
Transportation	

The Council's research staff and the librarian work together to respond to inquiries. In some cases, the Council has the material in its library collection; in others, staff members refer callers to a more appropriate source.

The data base contains examples of more than 2,600 working agreements between and among local governments in the Metropolitan Area. The data was gathered through surveys mailed early in 1992 to every city, county, township and school district in the Metropolitan Area. The cover letter asked local officials to complete the survey listing all agreements currently in effect in their jurisdiction. The data base provides examples from the following areas for cities, counties and townships:

Public Safety	Public Works/Streets/Utilities
Parks and Recreation	Community Development/Planning
Personnel	Administration/Finance/Legal
Human Services	Other

The survey form asked for information from school districts in a slightly different format. It asked with which local entity or entities the school district has agreements:



County/Counties  
City/Cities  
Private Organizations  
Other School Districts

Each example in the data base includes a key word for identification purposes, a description of the agreement, the type of agreement (joint powers, contract or informal), information on what other local entities are participating in the agreement and the total number of entities involved. Also provided is the name, address and phone number of a contact person if someone wants further information. The next section of this report has further information about the survey results.

## **SUMMARY OF SURVEYS OF LOCAL UNITS OF GOVERNMENT REGARDING INTERGOVERNMENTAL AGREEMENTS**

For several years the Metropolitan Council has discussed and researched emerging trends and issues in the Metropolitan Area. In 1991 the Council directed staff to interview key informants, local government officials and legislators. Approximately 50 interviews were conducted during the summer months. Summaries of all the interviews were written and discussed by the staff. The interviews indicated that many governments already were cooperating. The staff recommended that the Council conduct a survey of local units of government to learn more about the ways local governments work together.

At about the same time Gov. Carlson was calling for local governments, primarily cities, to become more efficient and to reduce spending. In response to this call, the League of Minnesota Cities (LMC) and the AMM decided to survey their constituencies about the number and types of working arrangements already in existence among local governments.

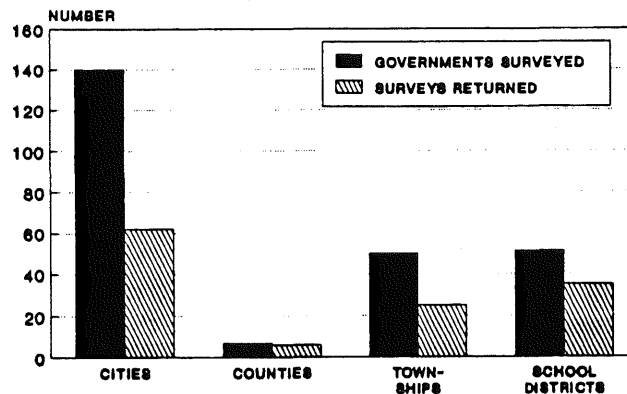
Metropolitan Council and the AMM jointly developed the survey and mailing to the cities. Metropolitan Council staff used the AMM form to develop similar ones for counties, townships and school districts. In early 1992 the Metropolitan Council mailed survey forms to all townships, counties and school districts in the Metropolitan Area. Surveys to all cities in the Metropolitan Area were mailed by the Association of Metropolitan Municipalities (AMM).

The two agencies focused the surveys on the major areas in which local governments provide services or operate administratively. The survey requested information on intergovernmental agreements in the following areas: public safety; public works/streets/utilities; parks and recreation; community development/planning; personnel; administration/finance/legal; human services and other. The greatest number of agreements are in the areas of public safety and public works/streets/utilities.

Information on agreements between school districts and other agencies was requested in a different format. The survey asked with what other local governments districts had agreements. These included city/cities, county/counties, township/townships, school district/districts and private organizations. No school district had agreements with townships.

Of the 50 townships receiving surveys, 25 returned them. Six of the seven counties returned the survey forms. Of the 51 school districts in the Metropolitan Area, 35 returned survey forms. Eighteen of the 25 East Metro school districts, or 72 percent, and 17 of the 26 West Metro district, or 65 percent, returned the surveys. Of the 137 cities in the Metropolitan Area, 62, or 45 percent, returned the forms. Only one local government, a township, replied that it had no agreements. (See Figure 1.)

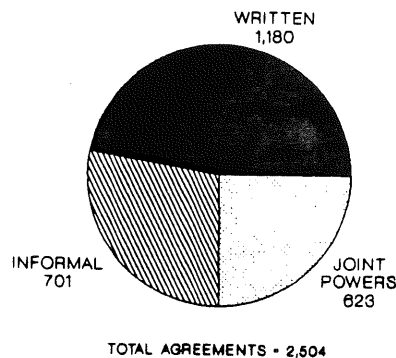
**FIGURE 1  
TOTAL GOVERNMENTS SURVEYED AND  
NUMBER OF SURVEYS RETURNED**



Sixty-two cities reported 1,710 agreements. In the counties, 211 agreements were noted. The 35 school districts reported 569 agreements. Townships reported the fewest agreements. Twenty-five townships described 115 agreements. The total was 2,605.

The survey asked what type each agreement was: an informal agreement in which people do something such as share a snow plow because it makes sense to do it, a written agreement which might be a formal contract or a formally constituted Joint Exercise of Powers Agreement in which each party has an equal voice or power. When type of arrangement was reported, 623 were joint powers, 701 were informal agreements and the greatest number, 1,180, were written agreements. (See Figure 2.)

**FIGURE 2  
TOTAL AGREEMENTS BY  
TYPE OF AGREEMENT**



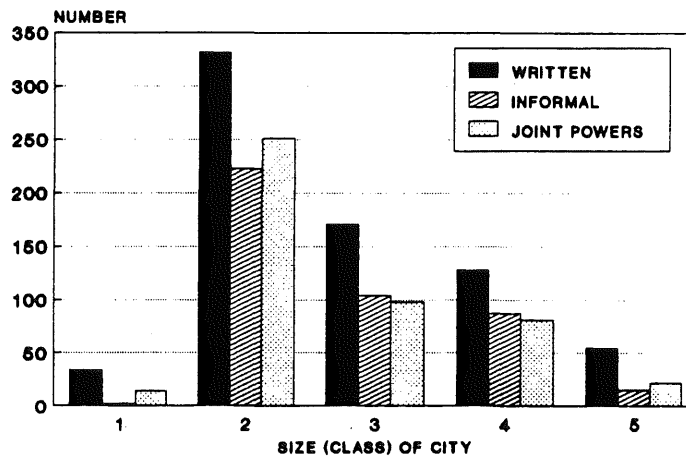
## Cities

The data from cities was divided into five classes based on population:

- Class 1: more than 100,000 such as St. Paul;
- Class 2: 20,000 to 100,00 such as Apple Valley, Richfield or Roseville;
- Class 3: 10,000 to 20,000 such as North St. Paul, Prior Lake or Robbinsdale;
- Class 4: 2,500 to 10,000 such as Mound, Shoreview or St. Paul Park; and
- Class 5: less than 2,500 such as Centerville, Chanhassen or Lexington.

Regardless of their size, the type of sharing arrangement cities most frequently use are written contracts or agreements. Cities of the third and fourth class use more informal agreements than joint powers arrangements. However, cities of the first, second and fifth class use more joint powers arrangements than they do informal agreements. (See Figure 3.)

FIGURE 3  
TYPE OF AGREEMENT BY  
SIZE (CLASS) OF CITY



The cities returning surveys, regardless of size, most frequently showed the largest number of intergovernmental agreements in the areas of public safety and public works. The population base of some communities is too small to support a police force or the purchase of expensive fire or snow removal equipment. It is cost-effective for them to contract the services from larger cities. Mutual aid agreements are common with communities that border each other; that is communities offer additional emergency support with fire or police services in cases in which a single community may not be able to meet the need.

The only class one city to respond was St. Paul. It reported more agreements in public works than in public safety. The rest reported more public safety agreements than public works. Contracted fire protection service was the most frequently reported public safety service. The next was contracted police protection services. Other frequently mentioned services included animal impound facilities, fire mutual aid, police mutual aid and cooperative police training. Moderate responses showed cooperation in the Drug Abuse Resistance Education Program (DARE) and regional drug task forces, emergency police dispatching, ambulance services, police investigation services, and police recruiting through a statewide system.

Extensive cooperation among local governments in the area of public works likely is due to the high cost of capital equipment. The cooperation most frequently mentioned in public works was recycling. Next were participation in water management organizations and managing intersection traffic signal maintenance. Cooperation with the Metropolitan Waste Control Commission was mentioned by 20 cities. Other services mentioned fairly frequently were public works mutual aid; the Gopher State One Call, an emergency utility locator service; road maintenance and cooperative buying of public works equipment.

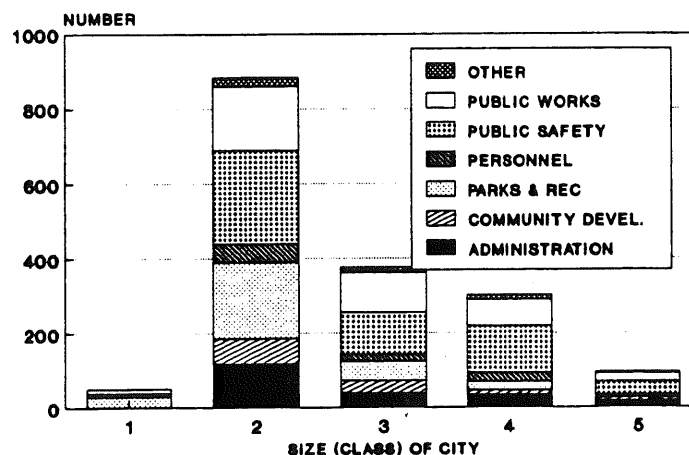
The three most frequently mentioned agreements in the area of administration were cooperative purchasing, joint cable television commissions and the insurance trust through the LMC. Cities participate in joint purchasing through the counties or the state, depending on the items purchased. Cable commissions usually are formed by four or five neighboring communities in a joint powers agreement. Purchasing insurance through the league helps cities contain costs in health benefits as well as general insurance.

In the area of parks and recreation joint programming, sharing of facilities with schools including athletic fields and playgrounds and joint recreation programming are the two most frequently mentioned agreements. Park and recreation departments find it cost-effective to use school gyms and swimming pools rather than build their own. In some cases a school district will build a playground or athletic field and the city will maintain it and use the facilities for its own recreational programming. Joint recreational programming usually occurs among neighboring communities. For instance, a number of small communities around Lake Minnetonka use the recreation services of the City of Minnetonka park and recreation department. The cities of Richfield, Edina, Bloomington and Eden Prairie for a number of years jointly have operated programs and services for children and adults with disabilities.

Twenty-one communities mentioned the community development block grant (CDBG) program in the area of community development, but this probably is an underestimate since every city in Hennepin County participates in the county-administered CDBG program.

The personnel areas most frequently mentioned are participation in the legislatively mandated comparable worth study in cities, and participation in joint health and other insurance programs. The insurance programs likely were through the LMC, but respondents did not mention the league on the survey form. (See Figure 4.)

FIGURE 4  
AGREEMENTS BY SERVICE AND  
SIZE (CLASS) OF CITY

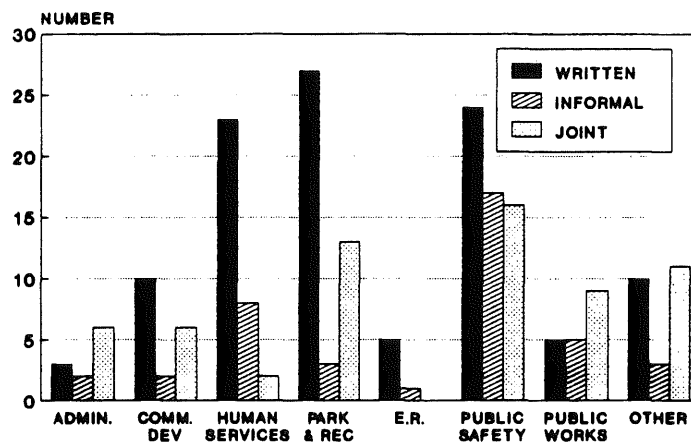


## Counties

Six counties returned information on agreements to the Metropolitan Council. Two factors affect the results for the counties. The largest, Hennepin, which probably has the most agreements in the region did not respond. Two other counties responded with innovative programs information but not the survey form itself. Thus, the information from those two counties is incomplete.

The reporting counties most frequently used written agreements. Joint powers agreements were used next most frequently with informal agreements last in frequency. The total number of agreements was 211 but an additional 76 responses did not describe the type of agreement. (See Figure 5.) The highest number of written agreements were in the areas of human services, parks and recreation and public safety.

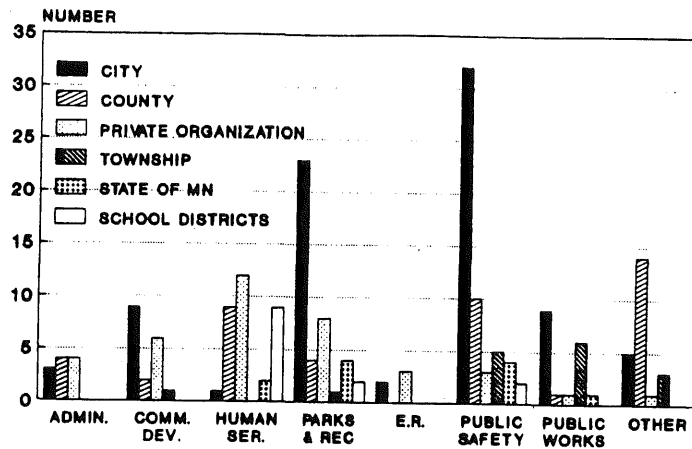
FIGURE 5  
TOTAL AGREEMENTS BY SERVICE  
FOR COUNTIES



Counties, unlike cities and townships, provide health and human services in addition to the other usual public services. Counties enter into relationships with cities, other counties, townships and private for-profit and nonprofit organizations. Many health and human services are purchased from private organizations. Some examples are home health care, emergency care for children, day programming for adults with developmental disabilities, teen-age pregnancy programs, mental health day treatment and some job training assistance programs.

In the area of administration, counties had a total of 11 agreements, three with cities and four each with other counties and with private organizations. An example is central records management. In the area of community development and planning, counties had 18 agreements, most of them with cities, for housing, zoning and inspection activities. Twenty-two agreements in human services were mentioned by counties. Most agreements were with private organizations for such programs as Head Start, employment programs and youth services. Counties had 36 agreements in parks and recreation. Twenty-three of them were with cities, primarily in joint maintenance of park properties. Employee relations (personnel) had very few agreements. The most agreements for any service category were for public safety. Thirty-two of 48 were with cities. Commonly, agreements were for police/sheriff and correctional services. Typically, public works agreements were related to plowing, street maintenance, joint purchasing and traffic signal maintenance. Of the 17 agreements, most of them (nine) were with cities. The category of "other" includes such things as libraries, light rail planning and financial services agreements. Twenty-three agreements were listed there. (See Figure 6.)

**FIGURE 6  
TYPE OF SERVICE AGREEMENT BY  
LOCAL UNIT OF GOVERNMENT**



### Townships

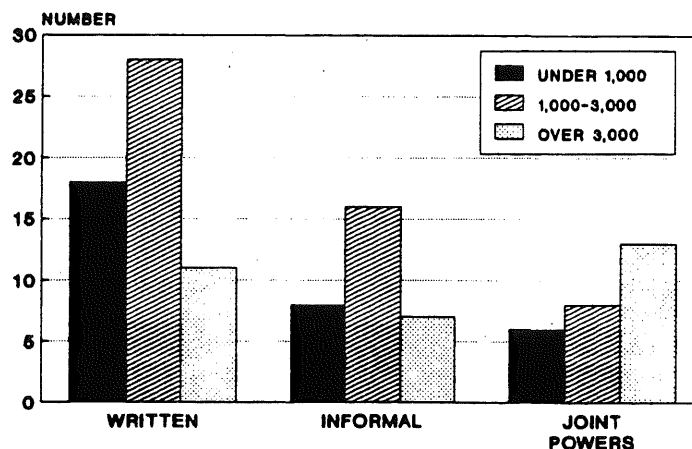
Among the four types of governments, townships have the fewest intergovernmental agreements and are more likely to contract for services such as inspecting and assessing. Townships have the lowest number of paid employees and some of them are only part-time. Townships enter into agreement with other townships, cities and counties but usually not with school districts. Most agreements are for public safety and public works functions.

Twenty-five of the 50 townships in the Metropolitan Area responded to the survey. The data from townships was divided into five classes based on population:

- Class 1: more than 3,000, such as White Bear and Linwood townships
- Class 2: 1,000 to 3,000, such as Empire and Hassan townships
- Class 3: less than 1,000, such as Nininger and Baytown townships

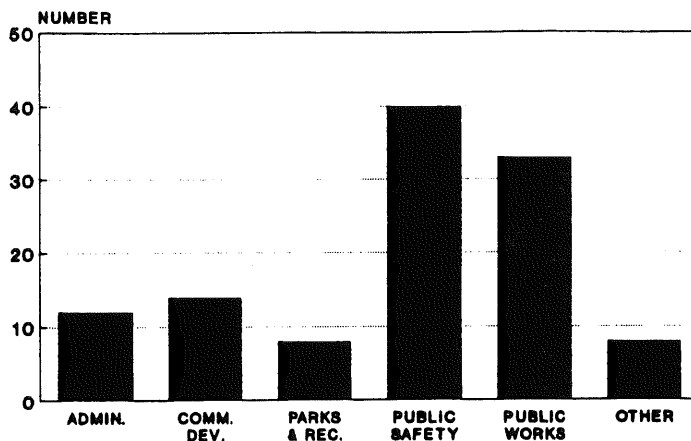
In all three classes, the highest frequency of agreements is for public safety and public works services. The tax base and size of budgets do not allow for staff for police and emergency services. Any employed staff besides the clerk usually perform the public works functions, but many public works activities are also performed in conjunction with other counties and cities. Of the class one townships, White Bear Township reported the most agreements at 18. With 15 agreements, Empire had the most for Class two townships. Nininger, a class three township, reported eight agreements. (See Figure 7.)

**FIGURE 7  
TYPE OF AGREEMENT  
BY SIZE OF TOWNSHIP**



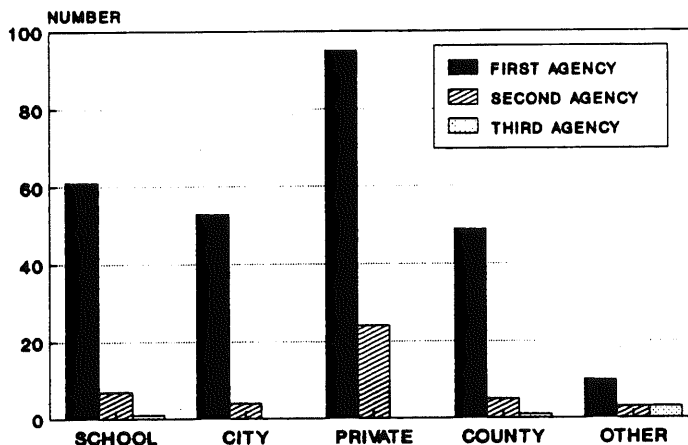


**FIGURE 8  
TOTAL NUMBER OF AGREEMENTS  
BY AREA OF SERVICE FOR TOWNSHIPS**



No joint exercise of powers agreements were reported by townships. All of the townships responding to the survey reported both written agreements such as contracts and informal arrangements such as for sharing equipment. (See Figure 8.)

**FIGURE 9  
AGREEMENTS BY LOCAL UNIT  
OF GOVERNMENT**

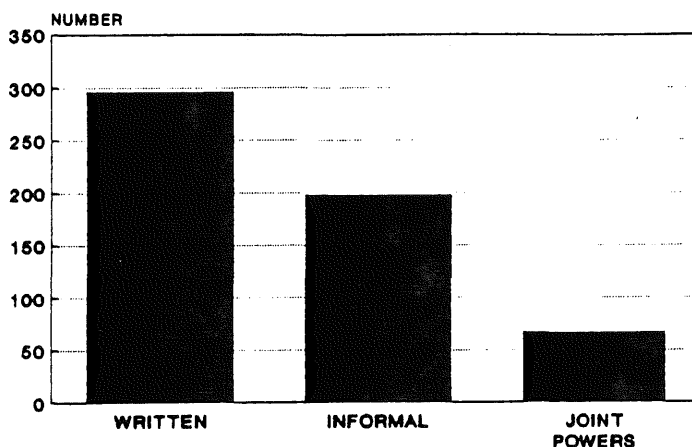


### School Districts

Fifty-one school districts in the Metropolitan Area returned survey forms. Schools reported that they entered into agreements with other school districts, cities, private organizations, counties and one or two with a church, the State of Minnesota and the Metropolitan Airports Commission. (See Figure 9.) In 385 cases, the response did not indicate with which other units they cooperated. When a second or third party was mentioned as participating in the agreement, it probably included a private organization. (See Figure 9.)

Similar to counties, school districts most commonly used written agreements or contracts when entering into cooperative arrangements. Second were informal agreements. The school districts report joint powers agreements least. (See Figure 10.)

FIGURE 10  
NUMBER OF AGREEMENTS BY TYPE  
FOR SCHOOL DISTRICTS



Every school district in the Metropolitan Area participates in a cooperative such as the Intermediate School Districts 196, 197, 287 or Scott-Carver for the purposes of vocational training and special education services. School districts also participate in the Metropolitan Educational Cooperative Service Unit (ECSU) for the purpose of in-service training and research and with Technology and Information Educational Services (TIES) for data processing services. Most of the urban districts work with cities on the DARE program and with a police liaison program in which an officer is assigned to a high school to provide educational and safety services. Schools cooperate with each other to provide low-incidence services which would be individually cost-inefficient. Examples are adult basic education, pregnant and parenting teens services and early intervention for children with disabilities.

Schools cooperate with counties to provide social work and mental health services, employment services, library services and parenting clas

## **OTHER GROUPS WORKING ON SHARED SERVICES AND SERVICE DELIVERY**

Intergovernmental cooperation is an issue that is bubbling in the public policy arena. Many groups are studying the issue and making recommendations. As a part of the New Ventures project, staff members monitored other groups that are working on these issues.

### **Advisory Commission On Intergovernmental Relations (ACIR)**

This commission was created by the 1991 Minnesota Legislature. It originally consisted of 10 legislators and 10 local officials but the number of legislators was reduced to four in the 1992 legislative session. The legislative leadership appoints the legislators; other members are appointed by the governor from lists submitted by local government organizations. Two members are from the executive branch: the commissioners of finance and revenue.

The group's function as defined by statute is to recommend to the legislature a formula for the distribution of the Local Government Trust Fund. That fund was established as a part of the 1991 Minnesota tax legislation. It receives two percent of the state's 6.5 percent sales tax. In 1992 the legislature directed that the following programs would be financed by the trust fund:

- local government aid
- equalization aid
- homestead and agricultural credit aid
- disparity reduction aid
- school transition aid
- school disparity reduction credit
- attached machinery aid
- new county corrections aid--more than \$8 million per year in fiscal years 1994 and 1995
- community social services--more than \$51.5 million for fiscal year 1993 and more than \$53.1 million per year in fiscal years 1994 and 1995
- reimbursement to cities and counties for the costs of conducting the 1992 presidential primary--capped at \$2.48 million statewide
- Minnesota Advisory Commission on Intergovernmental Relations--\$25,000
- Intergovernmental Information Systems Advisory Council for the development of a local government financial reporting system--\$350,000 for fiscal year 1993 and \$1.2 million per year in fiscal years 1994 and 1995
- Commissioner of revenue for the administration of aid and tax programs--\$560,000 for fiscal year 1993 and \$300,000 per year in fiscal years 1994 and 1995
- Commissioner of finance for the administration of the Local Government Trust Fund

The ACIR has not been able to agree on what it wants to recommend and has spent most of the time since 1991 in hearing testimony from various groups. At its most recent meeting, members suggested that the task of creating a formula for the fund might be impossible for such a group, but that there were many other intergovernmental functions that could be incorporated into ACIR. One suggestion was to put the ACIR together with several other groups dedicated to general policy and information systems and policy under one administrative roof. Major benefits might be efficiency, improved focus, reduced duplication of effort and the ability to address policy issues across functional lines. Funding

for intergovernmental initiatives might be facilitated, too. Some of the candidates mentioned for inclusion (either the entities themselves or the functions they perform) were:

**Dyrstad Commission on Local and State Relations**

The group was formed in February 1991 and has been discussing a number of general intergovernmental policy questions, including state mandates, local government review of proposed and pending legislation and the administrative rule-making process. It has little or no staff support and little funding. The membership does not include legislators or state agency members and the members were not nominated by local government groups.

**Commission on Reform and Efficiency (CORE)**

Appointed by the governor (see below).

**Intergovernmental Information Systems Advisory Council (IISAC)**

The council distributes grants for information systems development, conducts statewide information management symposia and is the steering and fiscal agent for the Local Government Financial Reporting Project (FinRep). Housed in the Department of Administration, IISAC reportedly is looking for a new home.

**Accounting Standards Resource Board (ASRB)**

The ASRB has been planned as a part of FinRep. It will represent local, state agency, and legislative stakeholders. Its function will be to advise local units on changes in accounting standards and reporting requirements, coordinate training for local personnel, oversee development of standards for local financial software, and regulate access to local financial and related information contained in a planned local data clearinghouse.

**Citizens League**

In 1991 the Citizens League convened a committee on Organization of Local Government Services: Goals and Structures, which was co-chaired by Bill Blazar and Larry Bakken. The committee in 1992 issued a report entitled, *Results for Citizens, Options for Officials*.<sup>2</sup> The report identifies some of the barriers facing local governments and makes the following recommendations:

- Local governments, neighborhoods and individuals should have additional opportunities to manage service budgets as a means of improving service delivery.
- Local governments should be authorized and encouraged to transform their operating bureaus into enterprises.
- Local units of government and state agencies should develop contract relationships that focus on results. Such agreements would give the local unit significant flexibility for how it reaches those goals.
- The legislature should direct the legislative auditor or the state auditor to develop and implement a program which would audit the value of local government services in relationship to costs of the services.

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<sup>2</sup> Minneapolis: Citizens League, 1992.

- The legislature should direct development and implementation of a performance accounting system to be used by local governments.

The Citizens League currently has a committee on state spending that is examining a number of public service issues. A member of the Metropolitan Council staff is a member of the committee.

#### **Commission on Reform and Efficiency (CORE)**

This 20-member commission was created by Gov. Carlson in 1991 to help solve the 1992-1993 budget deficit and to make recommendations for restructuring state government. In its first phase, CORE identified \$17.5 million in possible cuts in the 1992-1993 budget. It has divided into three working groups with 11 projects. The working groups are Executive Reorganization and Comprehensive Assessment, Management Systems and Program Analysis.

Council staff members have been monitoring the projects of the Program Analysis group, which are 1) state-county human services delivery system, 2) local service funding and 3) environmental services. The state/county human services delivery system project will make recommendations on state health and human services organization, local health and human services organization, health and human services funding and health and human services delivery. The groups just added a project to identify aggressive strategies for controlling the escalating cost of services for the elderly.

The local services funding project has focused on a pilot study of fire and parks and recreation services, in order to demonstrate methodology and the development of benchmarks. It also will make recommendations on local government aids, "truth in taxation" requirements and the availability of information on local government.

The environmental services project is examining environmental policies and programs and also will make recommendations.

CORE is expected to finish its deliberations in early 1993 and make recommendations to the governor. Staff will remain for some months to monitor legislation.

#### **Ramsey County Local Government Services Study Commission (RCLGSSC)**

The study commission was created by the 1991 legislature and given the charge "to report on the advantages and disadvantages of sharing, cooperating, restructuring, or consolidating" activities in five areas: public health, attorney's functions in criminal law, libraries, public works and law enforcement, specifically police communications, crime lab and investigative functions.

This 25-member body (members were appointed as directed by the enacting legislation) met during the summer and fall of 1991 and issued a report to the legislature in January 1992 which contained the following recommendations:

- **Public Health.** The study commission voted not to consolidate the St. Paul and Ramsey County Health Departments. The commission also rejected a joint powers agreement between the City of St. Paul and Ramsey County to provide public health service in Ramsey County that would allow cost-saving for all county taxpayers while avoiding the tax burden shift from the city to the county.

- **Libraries.** "Support the consolidation of libraries on a seven-county regional basis with a single taxing authority and recommend the Legislature to take an in-depth look at this approach. The recommendation includes a moratorium on new library construction, substantive expansion of library facilities, major investments in new technology after December 31, 1992, until such time that the legislative review has been completed. We also urge that the schools be included in the study, and that future technology be carefully considered. Any such regional system must include reasonable local management autonomy."
- **Public Works.** The commission unanimously adopted a series of recommendations affecting the area of public works. They are:
  - Functional consolidation of roadways. The commission adopted a plan for functional consolidation of roadways within Ramsey County.
  - Creation of a central service program. The commission recommended that the county and local communities establish a cooperative plan for a single central service program for specific functions.
  - Private vs. public sector cost-effectiveness of various public works functions. The commission recommended that Ramsey County be funded at \$20,000 by legislative appropriation to study and determine the availability and cost-effectiveness of independent or coordinated public vs. private providers of various public works functions or services.
  - Cooperative planning between the county and municipalities and schools. The commission supported additional efforts for cooperative planning between the county and municipalities and schools for school-related public works projects.
  - Surface water management. The commission recommended that the Ramsey County Board of Commissioners appoint a task force of equal representation to support cooperative efforts between Ramsey County and St. Paul, suburban municipalities, watershed districts, joint powers water management organizations, the Ramsey Soil and Water Conservation District and other citizens. The task force would formalize a process to coordinate management of watershed issues and implementation of capital improvement activities.

According to the report, the public works proposal is significant. The functional consolidation of roads alone would increase the amount of new state revenues available to serve Ramsey County residents as a whole. Furthermore, the reclassification of roadways would assign maintenance responsibilities to the most appropriate governmental unit, leading to better service and accountability.

Increased cooperation and competitive bidding also likely would result from the recommendations. A centralized service program could promote better joint purchasing, specialized equipment purchasing, joint manufacture of signs, coordinated traffic signal maintenance, bridge inspection and equipment rental.

- **Law Enforcement.** The commission recommended the following:

- Police communications. A single public safety answering point (PSAP) should be provided by joint powers agreements.
- Records management. This function should be integrated on a county-wide basis.
- Critical incident response team. The St. Paul Police Department and Ramsey County Sheriff Department should continue to provide this service.
- Major crime investigation. The current investigation teams in the St. Paul Police Department and the Ramsey County Sheriff Department should continue.
- Crime lab. The St. Paul Police Department should continue to provide this service but should evaluate its service charges to other cities.
- Emergency ordinance disposal. St. Paul should continue to provide the service but should evaluate its service charges to other cities.

Eleven members of the group signed a dissenting report which was included in the commission's report to the legislature. Their report called for a "less control-oriented system of bureaucratic, top-down organizations in which decisions have a heavy political bias, and depend more on customer-oriented organization structures. The customer here is defined jointly as the taxpayer and the specific user of a service. This organizational structure must:

- Measure outcomes against standards of performance.
- Rely on competition to control costs (including competition from other governmental units and even the private sector).
- Provide for decision making with less of a political bias and more of a cost-efficiency bias."

The dissenting members, mostly private citizens, made recommendations regarding future commissions. They recommended longer time lines, a composition of 60 percent private citizens and 40 percent elected officials, professional staffing by an independent consultant to eliminate potential biases when staff members represent specific units of local government, and an adequate budget.

### **Citizens for Change**

The dissenting members from the RCLGSSC formed Citizens for Change and they continue to meet at least monthly to consider further recommendations to the legislature and to hear from interested parties. They have been looking at the new Ramsey County home rule charter, the county's Communications Center, and records management in the county.

### **League of Women Voters and Council of Metropolitan Area Leagues (CMAL)**



CMAL is a group composed of local Leagues of Women Voters in the Metropolitan Area. It published a document entitled *Metro Maze IV* in January 1992.<sup>3</sup> This is the fourth in a series published by CMAL to explain the system of coordination and interrelationships among the many units of government in the Twin Cities Metropolitan Area. The aim is to broaden and deepen the discussion of metropolitan affairs among area residents.

#### **Northwest Ramsey Cooperative Ventures (NWRCV)**

City managers and elected officials from Arden Hills, Mounds View, New Brighton, Shoreview and St. Anthony Village worked together to look at possibilities for cooperation and collaboration in the delivery of services and at the optimum size of organizations to deliver various public services. They published a summary of the discussions entitled, *An Analysis of Optimization as It Relates to the Size of Local Government Services Delivery Entities*.<sup>4</sup> At the time of the publication (August 1991) the RCLGSSC had begun meeting and many of the local staff people from NWRCV were used to staff the commission.

#### **Other Groups**

A number of groups meet to discuss mutual problems and possibilities for cooperation. Most of these are relatively informal. Several are described below:

Roseville and Falcon Heights have been interested in the possibilities of merger for several years. Falcon Heights contracts with Roseville for several services, most importantly police service. The Metropolitan Council gave the cities a loan and they hired a private consulting firm to examine the financial issues of a possible merger and to project the impact to each city. The cities have discussed the report and continue with individual and joint meetings and retreats to work on issues. Citizens want a slow, careful process and to be kept informed. A steering committee made up of the mayor, one council member and the city administrator or manager from each city has been formed to guide the process.

City administrators from 14 cities located around Lake Minnetonka began informal monthly meetings in 1991 to share ideas and discuss issues. The major issues that emerged were the demand for more and better services, increasing property taxes and taxpayer dissatisfaction with government, and the need to share, be creative, and find cost-effective options for delivering services. The group wrote to the Metropolitan Council and several other groups to seek staff assistance. It would like to conduct a survey of existing agreements and of customer satisfaction and to begin involving the elected officials of each city. As of December 1992 the group had not met in several months.

AMM formed a study group on metropolitan governance. In 1992 it disseminated a report entitled, *Metropolitan Council: Its Role in Regional Governance*. The report contained seven recommendations related to regional governance by the Metropolitan Council. The recommendations concerning the Council were:

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<sup>3</sup> St. Paul: Council of Metropolitan Area Leagues of Women Voters, 1992.

<sup>4</sup> St. Paul: Northwest Ramsey Cooperative Ventures Cities, 1991.

- Reemphasize its visionary role in regional governance.
- Seek more participation from local governments.
- Revive the House of Representative's Metropolitan Affairs Committee as a forum for discussion of metropolitan issues.
- Continue to examine issues of transportation and transit, environment and livability but explore new ways of doing business.
- Redefine and change metropolitan agencies and commissions.
- Directly elect Council members with term limits.
- Revise the election of the Council chair, place daily Council operations under the executive director, and make agency appointments for fixed terms.

## **CO-OP NORTHWEST**

Co-op Northwest illustrates an array of possibilities available to people and agencies working collaboratively. Co-op Northwest is a group of governments and agencies, of which the Metropolitan Council is one, which have come together voluntarily group to focus on mutual problems.

### **Background**

Co-op Northwest is a group of five cities, four school districts, Hennepin County, North Hennepin Community College, North Hennepin Technical College, several community social service agencies and the Metropolitan Council. Originally called the "Five-City Group," the name was changed to reflect its broader makeup. The five participating cities are Brooklyn Center, Brooklyn Park, Crystal, New Hope and Robbinsdale. The school districts are Anoka-Hennepin, Brooklyn Center, Osseo and Robbinsdale. The social services agencies include Community Action for Suburban Hennepin (CASH) and Community Emergency Action Program (CEAP). The catalyst for the group is Northwest Hennepin Human Services Council (NWHHSC), which provides staffing and other resources. Metropolitan Council staff was assigned to work with this project in 1992.

Each member community or other entity sends a representative to participate with Co-op Northwest. These representatives serve on the executive committee, which provides overall leadership for the project. Most of them also serve on one or more of the standing committees of the group, along with other representatives of their communities, districts or agencies.

### **Mission**

The group began meeting in 1991 because the cities recognized a need to deal with several common problems, including an aging housing stock, high rental vacancy rates, rapid increases in the low-income and poverty populations and increasing problems with crime and drugs. Working together on these problems could stretch scarce local resources and share local expertise.

Co-Op Northwest adopted five policies as its mission statement. They are:

- Maintain and enhance commercial and residential property.
- Promote the Northwest suburbs in a unified manner.
- Preserve and promote quality housing opportunities for all income levels in the five-city area.
- Work to integrate supportive service opportunities with neighborhood housing.
- Develop multi-sector approaches to addressing citizens' housing and human services needs.

To carry out the mission, Co-Op Northwest created seven committees or action groups, which report to the Executive Committee. They are:

- **Legislative**--to enact legislation which will provide resources and tools to enhance and improve housing, human services, education and employment.
- **Pilot Projects**--to increase capacity to fund and implement pilot projects that address housing, human services and employment. (This was chaired and staffed by a

Metropolitan Council staff person in 1992.)

- **Policies and Programs**--to develop subregional policies and programs for replication and to determine gaps and barriers in programming and policies.
- **Public Relations**--to promote the livability of the Northwest area for all residents, respecting cultural differences.
- **Housing and Redevelopment Authority (HRA) Certificates and Vouchers**--to obtain HRA administrative funds for housing and community planning needs in the five-city area.
- **Community Investment Principles**--to explore ways for private businesses to invest in their communities, such as paying living wages, providing health insurance and child care for employees and investing in other community efforts.
- **Jobs, Training and Education**--to work with local businesses, the Private Industry Council, Hennepin County Jobs and Training [Department], local colleges and cities to develop job and training opportunities and to reduce barriers to training and employment.

## History

Below are some milestones in the history of Co-op Northwest.

Summer 1991	Five cities meet to discuss the need for administrative funds generated from Metropolitan HRA programs in their communities, which they feel should be returned to the communities for housing and related services. Through this discussion, cities recognize the need to work on a variety of housing and human services issues that cross jurisdictional lines.
August 8, 1991	A major brainstorming session is held regarding housing and human services issues. Attending in addition to the five cities are the four school districts and local nonprofit housing and human services providers. Common concerns and recommended strategies are identified, including the goal of "creating a subregional model for intersystem collaboration and problem-solving."
August 28, 1991	The group hosts the Housing Committee of the Minnesota House of Representatives at Brooklyn Park City Hall. Highlights include a video tour of the area, statistics demonstrating human need, and testimony from local officials.
December 1991	The Policy Statement for the group is approved.
Winter 1992	NWHHSC receives a capacity-building grant from the Minnesota Housing Finance Agency to support and expand the multi-jurisdictional housing and human services effort.

- March 1992                    A resolution is drafted for approval in all jurisdictions indicating a commitment to work together. The seven committees or action groups are approved and activated.
- Spring 1992                    The group is expanded to include Hennepin County Community Services staff and other county offices. Additional community representatives are invited to participate. Plans include incorporating more representation from communities of color, churches, businesses and program participants.
- Summer 1992                    All of the cities, school districts and Hennepin County pass resolutions of support.
- A proposal is submitted to Hennepin County's Jobs and Training Department for a Police Cadet program for lower-income and minority residents. After training, jobs would be available on the police forces of the five cities. Funding for the program is granted.
- Co-op Northwest receives a planning grant from the McKnight Foundation for the Enhanced Housing Initiative. The grant is the first for a suburban project and the only one to be used for privately owned housing. The planning funds are used to prepare a second McKnight grant application for funds to implement the housing and services program. This grant also was funded.
- Fall 1992                        McKnight awards another grant to Co-op Northwest to support the Community Resource Center in Brooklyn Park. This center also will be used for the implementation of the Enhanced Housing Initiative.
- Winter 1992                    Co-Op Northwest holds a meeting for all participants to plan its 1993 work. People meet in their committees to plan projects and approaches.

## **Evaluation**

Co-Op Northwest has been an active, ongoing group for just over a year. The group has not had a formal evaluation of its activities. The following are informal observations:

- Progress in meeting the goals in the mission statement:

Forums have been held with rental property owners and residents to identify problems and needs. Property owner/manager associations have been formed in Brooklyn Park, Brooklyn Center, and New Hope. Crystal and Robbinsdale also are considering establishing associations. The focus to date has not been on commercial property, but one city working on improvements to a commercial area has consulted the group.

The focus of the public relations effort is to show that the Northwest area has more to offer than just problems. The new Police Cadet program has drawn considerable positive television and print coverage. Additional public information is planned as an ongoing activity of Co-Op Northwest.

The five cities submitted a joint application for housing rehabilitation funds. Only two cities received funding, but the cities felt they would not have been funded on their own. The workshops on landlord and tenant rights and responsibilities emphasized housing quality. Further work on this is planned.

Housing has been a major focus of Co-Op Northwest from the beginning. After interviews with top city and school officials, the leading issue was the need to help the lower-income people living in the five cities' lower-cost apartment complexes. Identification of this need led to the McKnight funding application for the Enhanced Housing Initiative, which involves coordination of housing and services. The initiative will run for three years, and it may be expanded to additional buildings and replicated in other areas.

Work with the Community Resource Center brings together police, parks and recreation, jobs and other resources for the benefit of area residents. The Police Cadet program has the cities, county, and college working together, along with social service agencies. A Cultural Diversity project also brings many participants together. The focus of Co-Op Northwest is on collaboration as a way of improving programs and using resources more wisely.

- Progress in involving the needed participants:

Participation in Co-op Northwest has grown over time. All cities and school districts are consistently active. Hennepin County involvement has grown considerably. North Hennepin Community College has been actively involved in the Police Cadet program. CEAP will be a partner in the Enhanced Housing Initiative, along with Westminster Corporation. The apartment owners/managers groups have been active participants, especially in Brooklyn Park. The Brooklyn Boulevard Business Association has been involved and the chambers of commerce in the area have begun to participate.

Co-Op Northwest has held focus groups to gain input from apartment residents but additional ongoing participation is needed from this population group. Minority representation should be increased also. Participation of area businesses and employers has just begun and needs to be increased. Other "citizens" should be involved also.

The major public participants all have passed resolutions of support for Co-Op Northwest. Considerable staff time has been allotted to the project, particularly by the cities. To date, three cities have allocated funds in their 1993 budgets for administrative support. Additional funds are anticipated.

- Progress in raising issues, identifying problems and devising solutions:

Focus groups frequently are used to raise issues and identify problems in the communities. Extensive data analysis also has been used to spot trends and quantify needs. Involvement of the broad range of participants of Co-Op Northwest often has helped to refine issues and focus solutions.

A good example of this process has been the work that led to the Enhanced Housing Initiative. The effort began with a series of meetings between Metropolitan Council staff and each city and school district in the area. A general problem emerged prominently at almost every one of the meetings: the need to provide assistance and human services for many of the young, lower-income families living in the cities' lower-rent apartment complexes. The general idea was taken to the Pilot Projects

committee and shaped by the many perspectives represented there. It was then used as the basis for the application to the McKnight Foundation, which was also prepared by Council staff working with a committee, resulting in planning and implementation grants. The idea is still evolving as additional groups become involved.

This group has been able to act quickly setting problem solutions into motion. Although many of Co-Op Northwest's participants are governmental units, Co-Op Northwest is not a unit of government. It is more like a nonprofit corporation working on issues one might more likely expect to be handled by government. It is too early to tell whether this relatively low level of bureaucracy can be sustained. So far, it has set a very optimistic, "can-do" tone for the group.

- Progress in reducing the costs of government:

Because of Co-Op Northwest, several cities have joined together for projects including cultural diversity programs, landlord-tenant forums and others. These joint programs have been less expensive than individual programs for each city. However, one of the longer-range goals of Co-Op Northwest is to save money by preventing costly problems in the future. Another goal is to spend money wisely.

It is very difficult to prove that programs that lead to self-sufficiency will pay for themselves in long-term savings in welfare and related costs, as well as cut crime and enhance the local economy. However, Co-Op Northwest will focus its programs on prevention wherever possible, to cut future governmental costs at all levels of government. By working together on these projects, expertise is shared and the costs of individual efforts by each city or district are reduced.



## EXECUTIVE SUMMARY OF PAPER ON BARRIERS TO CHANGE

### *Editor's Note*

*One of the products of the Council's work on New Ventures in Delivering Government Services will be a paper entitled Improving Government Services: Realities and Possibilities. The paper examines the structure of local government in the region and the services those governments provide; summarizes local officials' and citizens' opinions about government; examines some of the ideas being advanced for changing the way government works; and looks at barriers to implementing change. The Executive Summary of that report is reproduced here, with some minor editing. The report will be published in January 1993.*

"When agriculture is fully capitalized and achieves the full efficiency that it is capable of by the year 2000, you can run all of rural Minnesota with 300 people, 75 to raise the crops and the rest to write the reports."

(Garrison Keillor, *Prairie Home Companion: The Final Performance*)

Citizens of the Metropolitan Area, policymakers, writers and consultants have concerns and opinions about the efficiency and effectiveness of local government. Some think the paperwork and reporting requirements are excessive. Others think government is too big and growing too fast. Still others are looking for ways to "reinvent" or "fix" government to make it more efficient and effective.

Gov. Carlson is a leader in calling for change in government to respond to shifting circumstances. He has urged the Metropolitan Council to bring together local governments and citizens in the Twin Cities Metropolitan Area to find ways to make the public sector more effective. He has suggested that local governments might share resources, cooperate, coordinate, or even consolidate to provide better service at lower cost.

More than 300 local units of government deliver services in the Metropolitan Area in the 14 service areas discussed in this report. In several areas, more than one governmental jurisdiction provides services, suggesting that the overlap in certain functions might bear further examination.

Current expenditures in 1988 totalled approximately \$4.3 billion in the Metropolitan Area for all units of government below the state level. The service areas with the largest expenditures were education, \$1.6 billion; human services, \$668 million; and public safety, \$443 million. Current expenditures for the services areas examined increased from \$587 per household in 1960 to \$5,037 per household in 1988.

This report looks at some of the ways local governments currently are working together to share resources and talents. In approximately half of the local units, more than 2,600 agreements are in effect for all aspects of government functions. The report also summarizes the findings of interviews held with government officials, staff and legislators throughout the region.

One of the most frequent comments from local officials was on mandates from the legislature which require certain actions or prevent local units from exercising local control over their activities. A variety of mandates and specific pieces of legislation describe what local officials work with every day.

The report reviews some of the barriers or obstacles to local governments cooperating more with each other. These include provisions of the Joint Exercise of Powers Act, turf issues or protection of the status quo, special interest groups, state mandates and revenue constraints. Possible solutions offered include:

- rewriting the Joint Powers Act to clarify some of its ambiguities;
- reassigning service roles, restructuring services, encouraging competition directed at efficiency rather than at other levels of government;
- scrapping existing systems and developing new ones;
- separating special interests from legislators for a time during the legislative session and equalizing contributions to legislators from special interest groups and political action committees;
- developing financial incentives for cooperative ventures;
- funding of local mandates by the state;
- focusing on service delivery instead of on compliance with regulations;
- simplifying the permit-seeking requirements;
- streamlining eligibility requirements in human services;
- simplifying funding formulas for schools;
- putting the revenue-raising capacity at the local level and evaluating local government aids and tax-increment financing;
- evaluating equity and purpose of local government aids;
- modifying the Uniform Municipal Contracting Law;
- increasing flexibility in use of undesignated funds; and
- creating acceptance of uniform financial reporting.

The report describes the current systems of cooperation in the Metropolitan Area, the array of mandates affecting local governments and some possible solutions. This report represents one part of the Council efforts to examine government in the region and provide information and ideas for improvement of service.

This report provides a basis for further discussion with community leaders to identify strategies for removing barriers to the improvement of the delivery of public services. The goal is to encourage local innovation and to increase local flexibility in responding to what citizens want and are willing to pay for.

## EXECUTIVE SUMMARY OF PAPER ON REDESIGNING PUBLIC SERVICES

### *Editor's Note*

*The Executive Summary of a Council paper entitled Redesigning Public Services is reproduced here, with minor editing. This document, to be published in January 1993, is another product of work on the New Ventures project. It was developed by Council staff.*

This background paper was written to further discussion on important principles for redesigning public services and to suggest a broad array of alternative approaches for policymakers to consider in a redesign process. The following sections highlight major parts of the paper.

### **How does government become responsible for public services?**

Government gets involved in two ways -- either directing public policy (requiring that certain services be delivered or regulating them) and by providing the services directly. Government takes on these responsibilities for a number of different reasons -- the marketplace does not deliver the service, not all individuals can afford private goods, or because the nature of certain services creates problems the marketplace cannot efficiently or fairly resolve. When considering redesign of public services, it is important to go all the way back to this question of why government gets involved in the first place.

### **Problems with service delivery -- public or private**

There are advantages and disadvantages to the marketplace approach to services and the same is true for public services. Neither is perfect and, in fact, many services in the region are a blend of the two. It is important to understand the strengths and weaknesses of each.

- **Private Marketplace**

Advantages of the marketplace include: services often are provided at the least cost to society while meeting demands of the public; customers decide what they want and suppliers decide what to provide; and the actions of buyers and sellers distribute income without intervention.

Disadvantages include: goods and services that are jointly used or are not used up are not produced adequately because there is no "market;" there are spillover effects not taken into account (for example, the value of education extends far beyond the individual receiving the education); large capital-intensive services tend to lead to monopolies; and sometimes a lack of information and other flaws cause inefficient and unfair results.

- **Government**

Government plays a role where markets fail to work efficiently and fairly.

Advantages of government involvement include: government can raise money with taxes and provide services or regulate markets to adjust for market failures, and decisions can be made that reflect political consensus rather than supply-and-demand decisions.

Disadvantages include: loss of "marketplace" efficiency in the allocation of resources; subsidies or the

government provision of services distorts personal choices (business or individual), and government monopolies are not subject to competition.

### **A definition of service redesign**

Redesigning public services entails identifying what type of problems create the need for public action and examining how well current service systems work. This does not simply mean looking at different ways to provide the same service, but rather, analyzing underlying problems. Only after this type of examination has taken place can the redesign process begin. Then, either new services can be considered and evaluated, or alternative policies to improve existing services can be assessed and compared. Understanding how alternative policies work to address performance and resource use problems is at the heart of approaches to redesign public service systems. New or redesigned services are intended to help motivate people to restrain costs, demand less of government, make decisions based on the full costs and benefits of public services and more fairly redistribute income.

### **How to assess services**

Redesign means assessing services -- current services and proposed redesigned services. The paper uses a set of criteria to illustrate how services can be evaluated. These criteria should be used in any evaluation approach, not just a redesign process. The criteria discussed include: costs of the regulation or service delivered, cost to individuals, availability and variety of choice to individuals receiving the service, service quality, distributional effects (winners/losers), service reliability, feasibility and an assessment of the overall impact of a given approach compared to others.

### **Different approaches to service delivery**

The paper then discusses and illustrates a number of different ways to reexamine government services. These are illustrated in the following table.

SUMMARY OF ALTERNATIVE POLICY APPROACHES	
Marketplace Approaches	Nonmarket Approaches
<p>1. Competition</p> <p>deregulation contracting out intergovernmental agreements franchising</p> <p>2. Pricing</p> <p>subsidies vouchers tax incentives user charges or fees</p>	<p>3. Oversight</p> <p>regulation and monitoring requirements supplying public information</p> <p>4. Self-Help and Voluntary Groups</p> <p>families neighborhoods churches volunteer groups</p>
Source: Adapted from material prepared by John Brandl.	

## Summary of major findings

- **Motivations for redesigning public services.** Redesigning public service systems gives policymakers a possible means of cutting costs, increasing efficiency and improving fairness without necessarily raising taxes or trimming services.
- **Redesign is not an all-or-nothing proposition.** By looking at different service activities or responsibilities, it is easier to see that the extent and form of government involvement is not all or nothing, but differs by type of responsibility (directing public policy and delivering services).
- **What redesigning public services means.** Service system redesign involves isolating problems, figuring out their functional causes, developing and assessing alternatives and settling on a policy response.
- **Understanding the rationale for public policy intervention.** The characteristics of certain services cause problems and give government reasons to intervene with public policy. Consideration of policy alternatives should begin with an understanding of the source of policy problems.
- **Assessing services and making comparisons.** Existing service systems and potential candidates for redesigning services all have disadvantages and advantages. Their relative advantages and disadvantages must be assessed and compared.
- **Key points about assessing service systems.** Types of services differ and the relative importance of criteria vary by service. The complex nature of public services often makes it difficult to assess service costs, quality and fairness. Assessing policies should improve the chances of making a good policy decision, but does not guarantee success.
- **Redesign ideas are not new and a few alternative approaches have been extensively used for years.** In a national survey of local governments, about 44 percent of services were planned, funded or supplied through nongovernment policy approaches in 1982. Use of alternative policy approaches was highest for contracting (17 percent of total service responsibilities), followed by intergovernmental agreements (13 percent).
- **Diversity of policy approaches.** The type of service supplied and the local environment need to be carefully considered when assessing alternative policy approaches. Current use of different service approaches may seem fragmented, but this variety reflects different local situations and goals.
- **The impact of redesign.** Although saving money is a major objective of policy alternatives, improving quality may prove to be the more likely outcome resulting from the range of policy alternatives discussed in this paper. No general statement can summarize the success or failure of all redesign options. Evaluations need to be made on a case-by-case basis.

## Next steps?

What should the Council do next to help local governments redesign services?

- There is no easy, one-step solution to any of the problems facing the region. In redesigning services one must focus on a specific service delivery area. Therefore the New Ventures Advisory Task Force and/or the Council need to pick a service that may benefit from an alternative policy approach and ask what the fundamental goal is behind providing the service. **What is the problem and why is government involved?**
- Use the evaluation criteria in this paper to assess how the services are being delivered. **What is happening now and are the services being delivered satisfactorily?**
- Pay particular attention to final outcomes, not intermediate goals of institutional structures or bureaucracies. **Who is benefitting?**
- Consider the alternative approaches: competition, pricing, oversight and self-help and volunteer groups. Look for examples used elsewhere. **What else is possible and are the incentives in the right place?**

If these steps are undertaken, then the process of analysis, evaluation and public discussion can proceed and services perhaps can be redesigned effectively. However, as noted above, this may not save money but may lead to better delivery of needed services.

## LOCAL OFFICIALS' GUIDE TO RESOLVING DISPUTES

In its efforts to analyze and document current efforts in cooperation, collaboration and consolidation among units of local government, the Council recognized that the success and cost-efficiency of such collaborations can be aided significantly when a process of mediation is used. As a result, the Council agreed to lend a staff person to the AMM and the State Office of Dispute Resolution to develop a publication to be entitled, *A Local Officials' Guide to Resolving Disputes*. It is to be a practical guide to the use of mediation services in local and interjurisdictional disputes. The applications of mediation discussed in the handbook also are appropriate to resolving the differences that arise as units of local government fashion new working relationships or agreements for shared services.

This handbook was conceived by and is being developed under the direction of the Dispute Resolution Committee of the AMM. The committee is composed of elected officials, city managers and representatives of mediation service organizations.

Information from interviews held in May and June with city and county officials (appointed and elected), mediation providers and educators was used to develop an outline for the handbook. The guide will have three major sections:

- The first covers the uses of mediation, how the process works, its applicability to the issues of local government, the types of mediation resources available and how local units of government can gain access to these services.
- The second section is made up of chapters containing information of particular interest to important actors in local government: city and county attorneys, elected officials, government managers and front-line staff.
- An appendix includes handouts, forms, resource lists and other practical tools for a unit of government to use or adapt to integrate mediation into its day-to-day practices.

The handbook is to be published by the end of February 1993.

Three important auxiliary activities to encourage use of mediation have been undertaken. They are:

- A network of more than 60 local officials familiar with mediation has been set up. These persons have agreed to assist other local officials who may be considering the use of mediation.
- The AMM has agreed to offer an annual award to recognize cities that have used mediation either to resolve difficult disputes or have applied mediation to collaborative processes.
- Members of the AMM Dispute Resolution Committee are in discussions with the League of Minnesota Cities Insurance Trust (LMCIT), the insurer of most Minnesota cities, to have the use of mediation in a city considered in its risk assessments and to encourage LMCIT to offer a financial incentive for its use.

## **NEW VENTURES ADVISORY TASK FORCE**

The Council's work plan for 1992 recommended, "An advisory committee consisting of local government officials, Council members, and other policy leaders in the community will need to be appointed to help guide the staff and the Council on the work of this project."

### **Appointment and Charge**

In early 1992, letters were sent to government organizations, business leaders and citizen groups asking them to nominate individuals who had an interest in working on this issue. One hundred and two names were submitted to staff and the final 25 individuals, nominated by the Metropolitan Council chair and approved by the Council, were appointed to the Advisory Task Force on New Ventures in Delivering Government Services in April. (See list of members in the Appendix.) The task force, chaired by Larry Donlin, former mayor of Minnetonka held its initial meeting in May. The task force held two-hour monthly meetings from May through August and biweekly meetings in September, October, and November.

The purposes of the advisory task force were "to advise the Council and its staff on innovative ways for local governments to cooperate, collaborate and consolidate in the delivery of governmental service. The task force should also share its opinions on the redesign of service delivery. It should review and make suggestions on ideas and papers prepared by consultants and staff, and formulate recommendations on ways the Council and other entities can proceed to encourage local governments to become more efficient and effective as providers of services to their citizens."

The charges to the group were to:

- advise the Council and its staff on ways to implement the task force's purpose;
- review and comment on draft documents, staff planning efforts and other reports developed by private or public organizations on service delivery initiatives;
- involve other interested individuals and organizations in the discussion of service delivery initiatives; and
- develop recommendations to be taken to the Metropolitan Council to meet the objectives of the project.

### **Kolderie Presentation**

At the June meeting, Ted Kolderie summarized his conclusions from years of examining public service and delivery issues. He posed the following questions: (1) What have we learned about what the problem really is? (2) What other kinds of arrangements than the ones in existence are possible for the public sector? (3) If one of the alternative arrangements were desirable, how would it be implemented?

When government determines that a particular service is desired or needed, he said, it is followed by either-or thinking. That is, either the government will provide the service or it will contract for it.



This precludes questions about alternative "nonservice approaches" to citizens' problems. Kolderie said that the nonservice approach seldom is raised because that is not where the money is (money to be made by the vendor or the service provider). Low-capital, low-cost alternatives to public services have little appeal. The either-or view limits flexibility and creativity.

Kolderie said that little consideration is given to deciding what services government should provide and then deciding who should arrange for or provide them. The assumption is that whatever government decides should be done, it will do also. The *deciding function* (setting policy on what is going to be done or not done, to whom, when, where, how, to what level of service, paid for how, and by whom?) is the essential function of government. This addresses the matter of equity for citizens; it is the essential difference between the private sector and government.

There is a greater potential for changes that would make major differences with less cost to the public if policymakers would focus on how to prevent problems rather than on the provision of remedial services. But that approach works for the consumer rather than the producers; there is little political support to make this change.

The third area Kolderie addressed was how to get these ideas established. He felt the way **not** to do it is to establish quality improvement programs, to manage better, and to establish desired outcomes for services. A better approach is to concentrate on the fundamentals and do them right.

Kolderie warned against thinking that citizen needs must be met by a large organization, especially a public organization. He also warned that as work proceeds on redesign of government services, the objective should be to do it in such a way that it does not put people at risk.

### **Task Force Deliberations**

At two meetings of the task force, staff provided information about efforts to gather information regarding barriers to increased cooperation among local government officials and presented a draft report on the topic. Background research included interviewing elected and appointed officials from municipalities, townships, school districts and counties. Task force members offered comments on barriers that might be identified. (See page 31 above for a summary of the document on barriers.) At a later meeting, the advisory group was briefed on the staff paper entitled *Redesigning Public Services*. (See section of this report summarizing that paper, page 33.)

Task force members were given summaries describing the work other groups were or are doing that is pertinent to the New Ventures work. Information on the status and activities of these groups is found elsewhere in this report.

Among the ideas discussed in the meetings was that called "assignment of function," or looking at the appropriate assignment of functions at whatever level of government rather than examining governmental organizational structures. This approach includes examining the optimum size of service areas. Members looked at materials of the national Advisory Council on Intergovernmental Relations (ACIR) having to do with assignment of function. According to that group, the basic criteria for determining the appropriate level of government to which to assign particular functions are: (1) economic efficiency, (2) fiscal equity, (3) political accountability and (4) administrative effectiveness.

The task force discussed the work of the state ACIR and commented that many foreign countries have such a body but there are few examples in this country. They thought it would be appropriate to have a regional ACIR-type forum that would look at issues relating to assignment of function in an open review and would make recommendations on how to improve services. Members indicated that placement of such a body should take into account access to data and other resources. One option would be to house it at the Metropolitan Council.

Members believe that change needs to come from the bottom up rather than from the top down. There are many ways the Council could assist that process through its information base and as a "regional conscience" that keeps issues that effect the economic well being of the region in front of the public. Along with that, the Council needs to develop support for this region as an economic competitor.

Another idea was that the Council collect data on all costs of providing local services, including all state and federal subsidies, and present it in comparative form for citizens' information. This would allow citizens to compare effectiveness of different units of government and call for change if need be.

The task force heard a presentation from staff of the Human Services Department of the Council on a meeting of Council and task force members who were asked to sort and prioritize issues in the human service delivery area that relate to the work of the New Ventures task force. Conclusions from the meeting also would be used in Council's work on revising the Metropolitan Development and Investment Framework.

Task force members also were briefed on an article by Joseph Sensenbrenner, former mayor of Madison, WI, on "total quality management" (TQM).<sup>5</sup> Members encouraged government leaders to find opportunities to introduce these ideas. They also suggested that Council could study the major service chains in 1993.

### **Possible Recommendations**

Staff asked the task force to consider recommendations that would begin to address the concerns of the governor, especially to find incentives (and identify disincentives) that would encourage new approaches to service delivery. Staff outlined several approaches the Council could take, including:

- conducting a financial case study of successful consolidation, cooperation or redesign efforts;
- offering technical assistance to help local governments learn about strategies;
- performing a financial analysis to assist local units of government in determine cost savings through service sharing, mergers and service redesign; or
- examining redesign strategies that put the emphasis on service outcomes and achievements for customers and reward those governments that provide the highest level of outcomes for customers.

Task force members said this work might require a long time frame, perhaps five to ten years. In

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<sup>5</sup> *Harvard Business Review*, 69:2, March-April 1991, pp. 69-75.

addition, it might require developing a "comprehensive guide plan for metropolitan governance" so all parties understand the fundamental goals.

Other comments included:

- reduce state aids (local government aids and agricultural credit aid);
- explore both consolidation of smaller communities and/or delivery of services and the "deconsolidation" of large government bodies (cities or counties);
- study the competitive bidding process to find ways to improve efficiency and effectiveness;
- look at how programs or services are funded to identify how that process promotes inefficiencies or other negative consequences;
- establish a loan fund for local governments to use for work on developing cooperative services; and
- support efforts and recommendations of other groups working to find better and more efficient ways in which local governments can provide services.

The final recommendations of the New Ventures advisory body are outlined below.

## **TASK FORCE RECOMMENDATIONS AND CONCLUSIONS**

The task force considered several recommendations to forward to the Council. It selected one which members believed the Council had the authority to carry out and also was the logical body to do so.

### **Background**

Between May and November 1992, the Metropolitan Council's Advisory Task Force on New Ventures in Delivering Government Services reviewed numerous documents and heard presentations by staff and others on the subject of improving government service delivery. The task force was made up of 25 members representing counties, school districts, cities, townships, business and citizen interests. From the beginning of October, the task force worked on recommendations for the Metropolitan Council's consideration and possible action.

To facilitate the task force's charge, staff prepared two background papers. One deals broadly with the barriers that inhibit local governments' ability to work cooperatively with one another in delivering better services at a lower cost to their constituents. The second deals with service redesign and the factors and criteria involved in determining how public services can be reformulated to achieve efficiency and cost effectiveness.

The Advisory Task Force on the New Ventures in Delivering Government Services project recognizes the role of the Metropolitan Council pertaining to issues of governance in the seven-county region. The Council's mission is to coordinate the orderly and economic development of the region. It serves the region primarily in a planning role, but has some responsibility in regional service delivery, for instance the Metro HRA. The Council also facilitates coordination on issues transcending local government boundaries such as the current 800 MHz trunked radio system for communication among public emergency operations. If the Metropolitan Council is to work on issues of governance in the region, then the scope of responsibilities of the Council needs to be expanded.

The advisory task force concludes that there are no easy answers to issues of governance. In addition, change cannot happen overnight, but rather evolve as a result of focused effort involving the public. In addition, change needs to be a participatory process, with suggestions emanating from all levels within government. Evaluation should be carried out in a uniform process. The task force sees a need for a mechanism that would facilitate change in an orderly, deliberate fashion.

### **Assumptions**

The following assumptions form the foundation for the task force recommendations:

- The changing economic environment in the past decade is exerting pressure on all sectors, including government, to be more cost effective.
- Government is a major part of the economy and must respond as an equal partner with the private sector to the realities of global economic competition.
- Governments are finding it difficult to increase revenues, although the number of citizens who require government services has increased.
- The public expects government to manage resources responsibly. It will choose to tax itself

if it believes more resources are needed. Citizens may resist paying more taxes for expenditures that are not clearly defined or that they do not value.

- Citizens expect government to provide services for the benefit of society.
- A perception exists that governments at all levels have grown proportionately faster than the population.
- Citizens think duplication of effort occurs in different levels of government with possible misuse of tax dollars and little noteworthy improvement.
- Demands for new programs may lead to higher costs and the public will need information in order to make informed choices about desired services.
- Government leaders are aware of citizens' concerns and try to maintain efficient systems. They may be frustrated by circumstances beyond their control.
- Government structures may require redesign to meet changing political and economic environments.
- Change is difficult and slowly accepted. It often is designed at higher levels of government and lower levels must adapt to the best of their abilities.
- Tension exists between those who advocate for local control and those who seek broader solutions.
- Government leaders and employees must reexamine the delivery of services to the public and manage more effectively.
- Factors that work to inhibit change include lack of consensus on issues, dispersion of power, limited control, specialization and powerful, narrowly-focused interest groups. Many of these factors also are part of the strength of a democratic system.
- Mandates and rules imposed on local government limit or prohibit their ability to operate more efficiently. However, mandates often reflect legislative intent.
- Mismatches often exist between local governments' ability to raise revenue and the need or desire of constituents for services.

### **Recommendations**

The Advisory Task Force on New Ventures in Delivering Government Services recommends to the Metropolitan Council the following:

- That a Metropolitan Advisory Commission on Intergovernmental Relations (MACIR) be created and serve as an advisory body to the Metropolitan Council and the legislature. This commission would be appointed by the governor and would consist of nine members. These

members would represent each level of government in the metropolitan area as well as the public in general. Members would be selected from a list of candidates submitted by professional and other organizations of local governments and the general public. The majority of appointees will represent local governments.

The purposes of the MACIR would be to:

- Serve as a neutral body to resolve issues relating to government redesign.
- Address issues related to local governance in the metropolitan region from a systemic perspective.
- Recommend to the Metropolitan Council and the legislature ways to resolve issues of government effectiveness, efficiency and accountability.
- Review pending legislation and make recommendations to the legislature and the Metropolitan Council, specifically regarding potential costs to local governments.

The commission would undertake the following:

- Create a body of information to facilitate changes in providing government services.
- Work with other interested groups to achieve the collection of standardized information that would allow citizens to make better choices in government services.
- Develop a program of financial incentives to assist local governments in the process of cooperation, consolidation and decentralization.
- Draft legislation as necessary to help achieve the objectives of the commission.
- Undertake several studies that would support the objectives of the commission, including:
- Share information with, and support the efforts of, the Citizens League and other groups working in the area of intergovernmental relations.
- Work with other jurisdictions, including the legislature, to achieve additional outcomes to improve government services.

## **STAFF RECOMMENDATIONS**

The staff of the New Ventures program developed a series of recommendations based on discussions that occurred at the task force meetings. The recommendations were then rated for intensity of staff effort and the impact or visibility each would create in the Metro Area.

### **Estimates of Impact and Effort**

- **High impact/High effort**
  - Set aside three to five people who will work with local governments on shared services, thinking differently, etc. Keep track of estimated savings and help them think about entrepreneurial techniques and how to use total quality management.
  - Initiate a pilot project on service redesign. This can be done by working with a local government or by developing our own project. For example, redesign service in one of the eleven HIF categories. The Council could use a computer software program such as the one at the University of Minnesota.
  - Have staff analyze the total cost of local government, applying on a percentage basis, the local government aid, HACA, highway aid, welfare aid, etc. so that people know the total cost of each service. A report card will then be published on the true cost of local government service. The purpose is to tell people what services really costs so they may want to make changes.
  - Streamline activities with the other regional agencies. In particular, look into purchasing and other services on a joint basis.
  - Have the Council staff work with the English Audit Commission and local governments to set up a way to measure the cost of each local government service. Collect the information and produce a report card among the different units of government. This is at least a two year project. An alternative would be to assist a local government as it tries to measure a service outcome. This alternative is not very threatening to local governments.
- **High impact/Low effort**
  - Hold a summit meeting of thinkers, legislators, governor's office staff, and media to develop and put a plan into action to get local governments to think and spend differently.
  - The Council will work to change the state local aid formula to create incentives for local government to operate more efficiently or to merge their services.
  - Introduce legislation to reduce the number of governmental units in the seven county area, e.g. reduce from seven counties to two and have the counties offer a menu of services for local selection.

- **Low impact/High effort**
  - Set aside \$100,000 for low interest loans to local governments to plan and implement savings and shared services. Keep track of estimated savings.
  - Analyze which small cities, townships, or school districts could be consolidated. Send staff out to work with elected officials, appointed officials, media, and the community to bring about consolidation and work out problems.
  - Set up a facilities team in the Council to review and help all local governments to find or build facilities that make sense, can be shared, etc. Start with schools because it is a big savings area. Ignore boundaries in doing so.
  - Review each of the eleven HIF categories and point out where there are overlaps, gaps, and where the total system does not get the result wanted. After each category is analyzed, set up a team to work with the agencies involved to try and get changes in redundancy, help people rethink the need, and develop a new system.
- **Low impact/Low effort**
  - Keep the Council's reference library up to date and send letters describing ways to save to all local governments every two weeks. Follow up on requests for information and when something is implemented, supply the cost savings data to the governor. We should follow up on all inquiries for assistance.
  - Develop a legislative program to cut barriers and then work with local governments to make changes when barriers are gone.
  - Maintain staff liaison with other groups who are also examining issues of government efficiency and redesign.



## **APPENDIX**

### **New Ventures in Delivering Government Services Advisory Task Force 1992**

**Babak Armajani**

**Bill Barnhart**

**Gene Bealka**

**Larry Donlin, Chairperson**

**Evelyn Fischer**

**Magda Fowlston**

**Dennis Hegberg**

**Cheryl Hobbs**

**Verne Johnson**

**Gloria Kumagal**

**Lillian Warren Lazenberry**

**Richard Maas**

**Paul McCarron**

**Kenneth Morris**

**Mike Mueller**

**Ann Mulholland**

**Steve Peaslee**

**Neil Peterson**

**Jim Quinlan**

**Victoria Reid**

**Lols Van Dyck**

**Carolyn Voss**

**Janet Wendt**

**Lyle Wray**

**Susan Anderson, Council Liaison**





