Streamlining Local Government Service Delivery in Lenawee County

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November 9, 2011
Citizens Research Council of Michigan

- Founded in 1916
- Statewide
- Nonpartisan
- Private not-for-profit
- Promotes sound policy for state and local governments through factual research
- Relies on charitable contributions from Michigan foundations, businesses, organizations, and individuals
CRC/UM Ford School Tasks

- **A vision of the structure of local government**
  - Goal is to streamline the provision of local government services.

- **Compelling reasons for consolidating government service provision**
  - The current service providers
  - The cost of providing services
  - Identification of duplication and overlap.

- **Identify services for which consolidation would minimize the duplication and lead to efficiencies.**

- **Develop the case for change.**
The Context of this Study

- Great Recession ended but local governments are still struggling with revenues
- Property tax revenues and revenues from state have been reduced and there is no sign of a strong rebound
- Local government’s options:
  1. Raise taxes
  2. Cut service levels
  3. Find alternative service delivery models
Options to Streamline Local Government

- **Consolidate Individual Units** – 2 or more governments reorganize as a single government

- **City/County Consolidation** – largest city and county consolidate folding in other governments

- **Intergovernmental Collaboration** – Consolidate providers of individual services but leave same number of governments collaborate to achieve economies of scale
Consolidate Whole Governments

- Are there adjoining governments that are more alike than different?
- Is the menu of services provided alike?
- Is there duplication?
- Are services provided at same levels?
- Are there similarities in tax base/tax effort?
- Are the people of a common character?
City/County Consolidation

- Is there duplication in county and municipal services?
- Are services well suited to countywide provision?
- Does Adrian/Lenawee County seek to increase its stature to better compete for development?
Consolidate Service Providers

• Is there duplication in the provision of individual services?
  • Among municipalities?
  • Between County and municipalities?

• Are there achievable economies of scale that could help reduce the cost of provision for these services?
How Homogenous are the Lenawee County communities?

• Is there reason to expect there is uniformity of service provision?
• Do local governments operate in similar manner?
• Are taxes uniformly applied by local governments?
## People in Lenawee County and Michigan, 2010

<table>
<thead>
<tr>
<th></th>
<th>Lenawee County</th>
<th>Michigan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>99,892</td>
<td>9,883,640</td>
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<tr>
<td>Race/ Ethnicity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Persons</td>
<td>2.5%</td>
<td>14.2%</td>
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<tr>
<td>Persons of Hispanic/Latino Origin</td>
<td>7.6%</td>
<td>4.4%</td>
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<tr>
<td>White Persons not Hispanic</td>
<td>87.6%</td>
<td>76.6%</td>
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<tr>
<td>Median Household Income</td>
<td>$46,684</td>
<td>$45,254</td>
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<tr>
<td>Percent of Persons below Poverty Level</td>
<td>13.3%</td>
<td>16.1%</td>
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<tr>
<td>Median Age</td>
<td>38.9 years</td>
<td>37.7 years</td>
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<tr>
<td>Percent under 18</td>
<td>23.2%</td>
<td>23.6%</td>
</tr>
<tr>
<td>Percent over 65</td>
<td>14.5%</td>
<td>13.4%</td>
</tr>
</tbody>
</table>
Population of Lenawee County Municipalities, 2010
Total Population, 2010
Lenawee County, MI
Population Density in Lenawee County Municipalities, 2010

(persons per square mile)
Persons per Square Mile, 2010
Lenawee County, MI
Household Income in Lenawee County by Municipality, 2009

Median Lenawee County Household Income ($46,084)
Housing Unit Density in Lenawee County Municipalities, 2010

(housing units per square mile)
Houses per Square Mile, 2010
Lenawee County, MI
Taxable Value, 2010
Lenawee County Governments

[Bar chart showing taxable value for various towns and villages in Lenawee County, 2010.]
Taxable Value per Capita, 2010
Lenawee County Governments
Taxable Value per Capita, 2010
Lenawee County, MI

Legend
TV/CAP
- $13,746 - $21,648
- $21,649 - $30,489
- $30,490 - $39,188
- $39,189 - $52,607
- $52,608 - $76,830

Source: MI Dept of Treasury, 2010
Property Tax Rate, 2010

Lenawee County Governments

(mills $1 of tax per $1,000 of assessed value)
Property Tax Revenue, 2010
Lenawee County Governments

(millions of dollars)
Recap

- Vast differences in
  - Where people live
  - How closely together people live
  - Household income
  - Taxable Value of Property
  - Tax Rates levied on property
  - Self-generated property tax revenue
2010 Expenditures by Category
County, Cities, Villages, & Townships

- General Government, $241.60
- Police & Fire, $230.23
- Other Public Safety, $16.60
- Public Works, $315.72
- Roads, $171.76
- Health & Welfare, $392.53
- Recreation & Culture, $64.33
- Community & Economic Development, $42.01
- Other, $255.74
2010 Expenditures for:

**County**

- **General Government, $161.22**
- **Other Public Safety, $6.24**
- **Public Works, $77.77**
- **Health & Welfare, $386.78**
- **Roads, $131.66**
- **Other, $86.55**
- **Recreation & Culture, $8.34**
- **Community & Economic Development, $5.07**
- **Recreation & Culture, $56.00**
- **Community & Economic Development, $36.94**
- **Health & Welfare, $5.75**
- **Roads, $40.09**
- **Other Public Safety, $10.36**
- **Other, $169.19**

**CVTs**

- **General Government, $80.38**
- **Police & Fire, $130.29**
- **Other Public Safety, $10.36**
- **Other, $169.19**
- **Public Works, $237.95**
- **Roads, $40.09**
General Government

- All Other General Government
- Building & Grounds
- Finance & Tax Administration
- Elections
- Clerk
- Assessing & Equalization
- Treasurer
- Chief Executive
- Judicial
- Legislative (Council, Board, Commission)
Public Works

- All Other Public Works - Activities
- Water (Separate Fund)
- Public Transportation
- Airports
- Electric Utilities
- Water and Sewer (Combined Fund)
- Sanitation/Landfill/Solid Waste
- Public Works & Infrastructure (non-Act 51)
Roads

- County: $14,000
- CVTs: $4,000

(thousands of dollars)
Health and Welfare
Community & Economic Development

<table>
<thead>
<tr>
<th>County</th>
<th>CVT's</th>
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<tr>
<td>$0</td>
<td>$3,000</td>
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<tr>
<td>$500</td>
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<td>$3,500</td>
<td>$2,000</td>
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<tr>
<td>$4,000</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

- All Other Development Activities
- Economic Development
- Community Planning & Zoning
- Redevelopment & Public Housing
Recreation & Culture

Various Cultural Activities, Fine Arts, Historical Society, Museums, etc.

Library

Parks & Recreation
Let’s Evaluate

• **Local Government Consolidation**
  • Some duplication of services among CVTs
  • Vast differences between individual governments in size of population, population density, housing density, tax capacity
  • Concentrations of needs are spread throughout the county
  • Opportunities to consolidate local governments are limited
More Evaluation

• **City/County Consolidation**
  - Some duplication in police, roads, library, general government
  - No duplication in several services: health and welfare, courts, jails, water and sewer, fire protection, building inspection
  - Population shift out of Adrian into nearby townships and Tecumseh
Evaluation

- **Intergovernmental Collaboration**
  - Duplication evident in provision of services between county and CVTs and among CVTs
  - Opportunity to address this and create some savings with targeted intergovernmental collaboration
Who’s Collaborating Now & Where is Opportunity for More?

- Students from UM Ford School of Public Policy surveyed local governments
- Methodology based on 2005 CRC survey of local governments in 25 MI counties
- Includes 29 of 34 local governments
  - (missing 1 vllg & 4 twps)
Total Number of Services Provided, 2010
Lenawee County, MI
Number of Services Provided Independently, 2010

Legend
- N/A
- 1 - 18
- 19 - 26
- 27 - 38
- 39 - 53
- Major Roads

[Map showing distribution of services provided independently in various areas.]
Number of Services Provided by, or in Collaboration with, Another Government, 2010
Number of Services Provided by Private Providers, 2010
Services with the Highest Levels of Vertical Collaboration

**Lenawee County, 2010**
1. Jail(s)
2. Detention Center(s)
3. 911/Radio Communication
4. Animal Control
5. Crime Laboratory
6. Restaurant/Food Reg
7. Well Permitting
8. Police Canine Unit
9. Emergency/Disaster Plan
10. Detective/Crime Investigation

**CRC’s 2005 Survey**
1. Police Patrol - Marine
2. Restaurant/Food Reg
3. Police Patrol – Helicopter
4. Jail(s)
5. Police Patrol - Horse
6. Crime Laboratory
7. Air Quality Control
8. Detention Center(s)
9. Septic Permitting
10. Well Permitting
Services with the Highest Levels of Horizontal Collaboration

**Lenawee County, 2010**
1. Fire Fighter Training
2. Fire Fighting/Rescue
3. Ambulance/EMS
4. Fire Inspection
5. Code Enforcement
6. Fire Investigations
7. Building Inspection
8. Haz/Mat Hand/Resp
9. Building Permits
10. Library

**CRC’s 2005 Survey**
1. Water Treatment
2. Library
3. Sanitary Sewer Treatment
4. Fire Fighting/Rescue
5. Public Bus System
6. Stadiums/Arenas
7. Water Distribution
8. Sanitary Sewerage Coll
9. Fire Fighter Training
10. Building Inspection
Services with the Highest Levels of Private Providers

**Lenawee County, 2010**
1. Attorney/Legal Service
2. Surveying
3. Engineering
4. Janitorial Services
5. Vehicle Maintenance
6. Residential Waste Collection
7. Website Devel/Mgmt
8. Cable Utility
9. Recycling
10. Non-Residential Waste Collection

**CRC’s 2005 Survey**
1. Cable Utility
2. Gas Utility
3. Broadband Internet Access
4. Electric Utility
5. Wireless Internet (WiFi)
6. Non-Residential Waste Collection
7. Surveying
8. Engineering
9. Attorney/Legal Services
10. Residential Waste Collection
Service Delivery Method

- Independent
- Intergovernmental Dependence
- Private Provider

Number of Services Provided

- Core
- Optional
Recommendation: Control Sprawl

• While City of Adrian lost nearly 1,000 people from 2000-2010, townships of Madison, Raisin, and Adrian gained almost 7,000 people.

• If governments exist to manage the interaction between people, it is obvious that these townships will be offering more and more municipal services to meet growing needs.

• Meanwhile, Adrian sits with unused capacity.
Recommendation: Control Sprawl
Recommendation: Control Sprawl

- Empower the county to be more powerful in land use planning and economic development
- Funnel development to where governments have existing capacity to meet the needs
Recommendations to Reshape Local Government Service Delivery

- Potential to streamline/improve service provision

- Recommendations to enhance
  - Vertical Collaboration
  - Horizontal Collaboration
  - Contracting
Vertical Collaboration

- County performs functions on behalf of municipalities
  - Costs may be shared between counties and CVTs
- Municipalities contract with the county or the state to have functions performed
- The county and state governments simply assume responsibility for the performance of specific functions, thus relieving the municipalities of any performance duties
Recommendation 1: Reform Structure of County Government

- The following reforms call on the county to do more to help CVTs
- More effective if county is capable of taking leadership role
- Creation of County Executive
  - Optional Unified model – Oakland, Bay
  - Charter model – Wayne, Macomb
Recommendation 2: Police Protection

- Options range from full merger into county sheriff to collaboration in back office and auxiliary functions
- Position County Sheriff to provide support services countywide
  - 911/Radio Communication
  - Officer Training
  - Detective/Crime Investigation
  - Emergency/Disaster Response Planning
  - Records/Archives
- Frees CVTs to provide patrol/ emergency response services
Recommendation 3: Fire Protection

- Options range from treatment similar to police to better horizontal collaboration
  - County sheriff provide support services, freeing firefighters to fight fires
- Half the respondents said they collaborate in fire fighter training and response
  - Typical model would seek to build on this
  - But fire protection is provided at different intensities in cities and rural townships
Recommendation 4: Roads

- Governor Snyder recommendation to concentrate road functions in those agencies currently eligible for at least $50,000/yr in Act 51 funding
- Use same logic to concentrate this capital intensive service with county
  - Cities and village contract to have LCRC perform work on their behalf
  - Concentrate purchase of heavy equipment with LCRC
Recommendation 5: Create “Cloud Computing”

- **Integrate county and local government communication infrastructure**
  - Broadband system to connect governments to the county and to each other
  - County creates databases and computer capacity to house electronic records for local governments
Immediate Effect of the “Cloud Computing” Initiative

- All records in a common format on a single platform
- County officials have immediate access to local government records
- County positioned to immediately provide support to any or all local governments
- Local governments have high speed Internet for more efficient business/communications
Recommendation 6: Information Technology

- **Websites**
  - Increase from 21 to all 33 CVTs
  - Adopt UM students’ recommendations

- **Geographic Information Systems (GIS)**
  - Already a practice
  - Expand to others
  - County assistance as needed
Recommendation 7: Document Services

• Forms
  • Zoning, business licensing, animal licensing, property assessment appeals, parks facility reservation, etc.
  • Standardized and available for download through web portal

• Printing Municipal Documents

• Records/Archives
Recommendation 8: Business Services

- Fiscal Services
  - Property Assessing
  - Tax Collection
  - Accounting
  - Purchasing

- Human Resources
  - Payroll and benefit management
  - Training
Recommendation 9: Others

- **Elections**
  - Counties already play a role
  - Law change necessary to move the function entirely to the county

- **Building Regulation**
  - Building Permits
  - Building Inspections
  - Code Enforcement
  - Well and Septic Permits
Horizontal Collaboration

- Michigan’s laws authorize allow two or more local governments – cities, villages, townships, counties, school districts, special authorities, and special districts – to collaborate with each other to jointly provide any service that each is authorized to provide individually.

- May be harder to accomplish in Lenawee County because of differences between local governments.
Recommendation 1: Grounds Maintenance

(with school districts)
- Cemetery maintenance
- Parks and Playgrounds
- External building maintenance
- Forestry services

- Opportunity for reverse vertical collaboration – have local governments perform building and grounds maintenance for the county
Recommendation 2: Fleet Management

(with school districts)

- Vehicle storage
- Vehicle maintenance
Recommendation 3: Position for New Services

- Expansion of water and sewer
- Open Space Planning
- Environmental/"Green" Planning
Recommendation 4: Look to Current Service Providers

- Investigate whether current provider are in position to expand services to new areas
  - Collaboratively
  - By contract
Private Provision

• Sometimes governments contract with a private contractor to provider governmental services

• Other private providers simply reflect the private sector filling a market niche that is filled by local governments elsewhere

• Depends on availability of private contractors and market competition
Recommendation 1: Government Offices

- Building security
- Janitorial services
Recommendation 2: Services to Properties

- Refuse collection
  - Residential
  - Non-Residential
- Utilities
- Broadband and Wi-Fi Internet access
Recommendation 3: Grounds Maintenance

• Cemetery maintenance
• Parks and playgrounds
• External building maintenance
• Forestry services
Recommendation 4: Fleet Management

- Vehicle storage
- Vehicle maintenance
Thank You

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