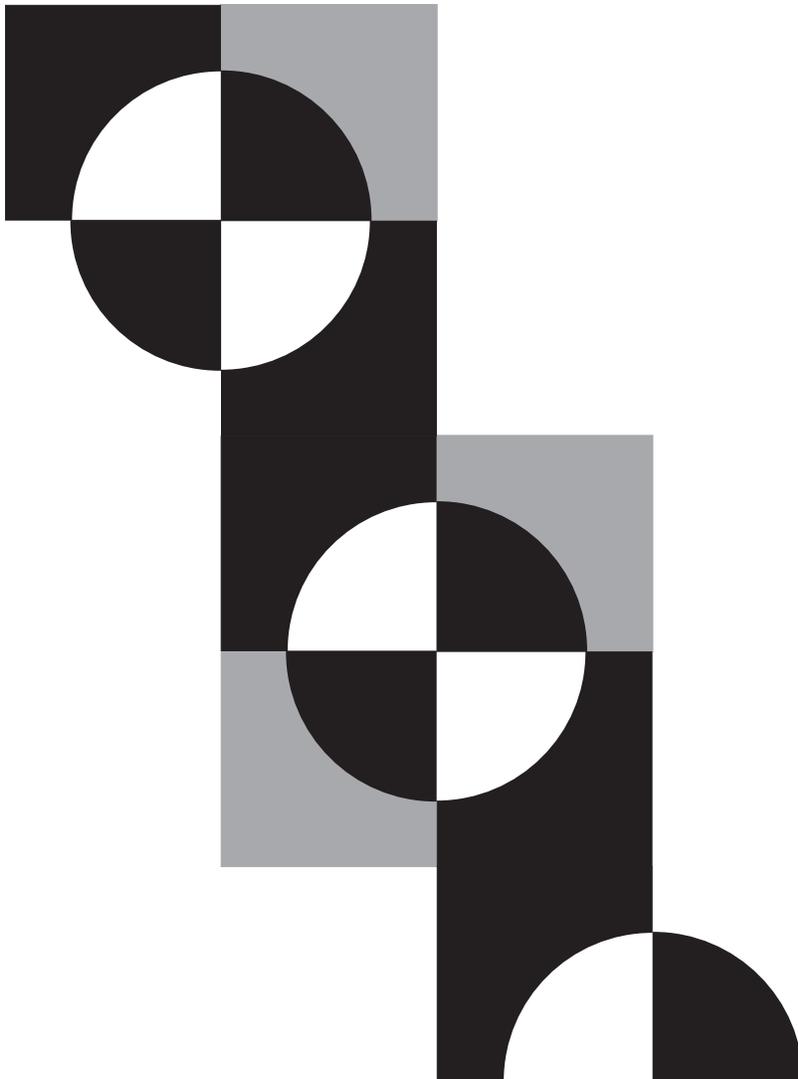


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Sharing government services: A practical guide

Wayne H. Faust and
Chris Dunning



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Preface



Wayne Faust



Christine Dunning

This publication is a guide to the process of developing a successful shared government services arrangement. It shows how to identify and assess various shared services options and addresses the practical aspects involved; for example, the types of services that can be shared, the stakeholders, and the advantages or drawbacks of certain types of agreements.

Sharing Government Services—A Practical Guide is not simply a publication to be read; it is also a tool and workbook for individuals or groups exploring and evaluating shared services options.

By integrating research and practical exercises, it helps users select a shared services goal and allows them to develop new information tailored to their specific needs.

Sharing Government Services—A Practical Guide can be used for:

Individual study or as a self-paced guide—The exercises allow readers to refine their thinking about shared services and develop strategies to bring other interested parties (stakeholders) into the process.

Group efforts—After individual members of stakeholder groups cover the material presented here, the next critical step is for them to meet and pursue shared services options as a team. Reviewing the material and completing the exercises provides all stakeholders with an equal opportunity to learn about the process before they come to the table as collaborators.

Workshops and seminars—This guide can serve as required reading for a workshop or seminar. Selected exercises can be completed individually before a group session, while others can be worked on as a group.

Facilitating—In some cases, readers who desire to initiate a shared services agreement may want to engage a facilitator to guide the process—a professional who will not overshadow the initiator of the process.

These are only suggestions. Readers may discover other ways to use this material as they embark upon their own processes of establishing shared government services.

It is the authors' hope that the information presented here will help readers understand the complexities of initiating shared services, the necessary steps required for success and the knowledge to persevere in the face of challenges.

Wayne H. Faust & Christine Dunning

About the authors

Wayne H. Faust

Wayne Faust brings many years of experience in city and regional planning to the issue of shared government services. His background includes posts as director of a seven-county economic development administration district in Minnesota, a senior planner for the Southeastern Wisconsin Regional Planning Commission, and a Milwaukee city planner.

Currently an associate professor of community resource development with the University of Wisconsin–Extension, Faust received his BBA from the University of Wisconsin–Madison, and his MBA from the University of Wisconsin–Milwaukee. He also holds certificates from the American Institute of Certified Planners (AICP) and Professional Community Developers (PCD).

Christine Dunning

Christine Dunning is professor and chair of the Department of Governmental Affairs, Division of Outreach and Continuing Education Extension at the University of Wisconsin–Milwaukee. She received her doctorate in criminal justice administration from Michigan State University and attended Marquette Law School.

Dr. Dunning has served as a teacher and consultant on public personnel issues, law enforcement and emergency government management. She has worked as a public manager for more than ten years and has experienced firsthand the effects of reduced public funding and the need to do more with less.

Reasons to consider sharing services

Never before have public decision makers been held as accountable for finding better ways to provide government services. New services, as well as those with a long history, are subject to increasing scrutiny as the search for better, more efficient and less costly delivery methods continues.

Sharing services with other government or private entities may offer one way to reduce costs and improve services in an era when governments are becoming more customer-oriented. Local governments are being stressed by demands for resources at a time of declining federal and state aid and pressure to lower taxes. At the same time, constituents are asking for more services.

What are shared services?

The term *shared services* refers to local governments' pursuit of new, cost-effective approaches to meet service demands. You may soon find that, when it comes to the concept of sharing government services, everything old is new again. Public officials are recognizing that what is being presented under the name of shared government services is not unfamiliar. For example, consolidation is as old as annexation and incorporation. Contracting for private sector services has traditionally been a way for the government to meet public needs.

Some goals for which a shared services approach has been employed successfully in the past include: cleaner streets, quicker response to emergency medical calls, better snow removal, simpler payment procedures and more efficient dispatch of municipal services.

This publication will not address situations in which a government decides to privatize a service. Rather, it is aimed at those cases where particular services may be shared between two or more governments. It also covers situations in which sharing governments may opt to contract for services from a third party, including the private sector.

Privatization is often the first option considered, and has even become standard practice in areas such as health services and solid and hazardous waste collection. Quasi-privatization of utilities, economic development, job training and employment services also reflect change in the structure and source of what had once been considered government services.

Reviewing the possibilities of shared services encompasses the need to consider a wide array of options so that no avenue is excluded and all bases are covered.

Tough decisions require that all options be examined, evaluated and ranked before determining the best course of

action from political, financial, performance, productivity and legal perspectives. To assist the reader, this guide presents many ways to develop a proposal to provide shared government services.

Who should read this guide?

Any elected or appointed official, government employee, or citizen with concerns about the cost and quality of government can use this guide to learn about shared services issues and options.

Strategies offered here can provide those providing funding, evaluation and service with greater insight into the history and intent of a group proposing an arrangement. Public officials and students of public administration will find the guide helpful in learning how to develop and initiate collaborative governmental programs.

Sharing services with other government or private entities may offer one way to reduce costs and improve services in an era when governments are becoming more customer-oriented.

Why consider sharing services?

There are hundreds of success stories that serve as examples of intergovernmental and public-private partnerships. In Wisconsin, many of these have operated for decades without being recognized as models of the new buzzwords of privatization, consolidation, contracting and sharing. Kenneth C. Anderson of the University of Wisconsin Local Government Center cites a number of examples in a recent publication, *Cooperation—Collaboration Among and Within Wisconsin Counties*. They include:

- Consolidated library systems
- Regionalized police and fire dispatch services
- Joint emergency medical services
- Purchasing pools
- Economic development marketing
- Shared, independently contracted professional staff (for example, building inspectors, assessors, engineers)

Governments have long found it useful to join with their neighbors, with larger government entities and with fellow users to accomplish the public good.

What can this guide do for you?

This guide identifies the critical decision making points in the process of developing a shared services plan. Using the simple techniques presented, you can identify, clarify and select a shared services approach to meet your public service goal.

The material here is suitable for use by individuals or groups. It can be used as a guide to learn about issues associated with shared services, initiate a proposal or shared services activity, or respond to a specific proposal. When stakeholders come together over a shared services proposal, they may use the workbook exercises as a framework for their deliberations.

While it is possible to use this guide to compare competing proposals, it is not intended to be used this way. Shared services proposals should be designed with the idea of meeting the needs of all stakeholders and players to the largest degree possible. Only if it becomes clear that a proposal is not acceptable to the players/stakeholders or in the best interests of the majority of stakeholders should a new proposal be offered for consideration.

There are hundreds of success stories that serve as examples of intergovernmental and public-private partnerships.

Using this guide

Whether you have a specific purpose in mind or are simply curious about shared services, this guide can benefit you. Below is a list of some reasons you might consider developing a shared services proposal. Though some of these goals may appear to be self-serving at first glance, their outcomes will reap a positive benefit for the community as a whole.

Some of the common motivations for developing shared services proposals identified by researchers include:

- Being on the cutting edge of government reengineering and cost containment
- Taking initiative rather than simply reacting to crises
- Getting reelected
- Getting ahead of the competition
- Reducing costs
- Avoiding duplication of services
- Improving or increasing services
- Reacting to circumstances that require joint action
- Following the example of other government agencies that have carried out a shared services arrangement

The number and types of goals are limited only by the number of government activities and services. Exercise 1 can be used to set the stage for identifying your goal.

section**2**

exercise
1

Setting your goals

Step 1. Consider your general goal—why are you reading this guide?

Examples:

- *To reduce costs*
- *To avoid duplication of services*
- *To improve or increase services*

My general goal is to:

Now consider your specific goal—what exactly do you want to accomplish? (If you're not sure exactly what your specific goal is at this point, don't worry. You'll have an opportunity to select a specific goal after reading further and gaining additional information.)

Examples:

- *To reduce the cost of cleaning streets*
- *To clean streets more often*
- *j19*

My specific goal is to:



Shared services—essential elements

As stated in Section 1, shared services refer to local governments' pursuit of new, cost-effective approaches to meet service demands. Buzzwords you may have heard relating to agreements involved in shared services include

- assumption
- co-acquisition
- co-construction
- co-lease
- consolidate
- coordinate
- cost-share
- interjurisdictional
- joint contracting
- joint effort
- joint marketing
- joint operation
- joint planning
- joint purchase
- management agreement
- merger
- multijurisdictional
- mutual aid
- pool
- sell/barter/swap
- share

Main components

The main components of a shared services agreement are listed below. Each is discussed in greater detail in the following sections.

The who, what, when and how of shared services

- Who = government units
- What = the type of shared service
- When = the time factors involved
- How = the agreement procedure

Who

The **who** of shared services consists of two or more local government bodies with taxing authority that agree to provide a public sector service through some shared activity. The **who** may include, among others, counties, cities, villages, towns school districts, sewerage, lake and sanitation districts.

While shared arrangements have been struck with quasi-public organizations such as utilities, these arrangements more closely resemble private sector contracts and are not generally included in the definition of shared government service.

Local governments need to recognize that informal shared services already exist, perhaps as a result of mutual aid, the same contract source, or the aftermath of a crisis or emergency.

Historically, the precedent for governmental sharing has existed beyond geographical boundaries and outside of formal contracts.

The individuals participating in the process must also be defined in terms of who they represent, such as the executive, legislative or judicial branch of the government. Is it a specific agency within that body? Or do the individuals simply represent their own interests?

Local governments need to recognize that informal shared services already exist.

The **who** portion of the shared services process may be characterized as playing a major, active or passive role. For example:

- 1. Statutory authority**—Plays a major active role; usually a legislative body that is essential to implementing a shared services agreement.
- 2. Individuals and what or who they represent**—Play an active role in the development of a shared services agreement. For example: an executive assistant acting on behalf of the county executive; a fire chief representing the fire department or the police and fire commission; citizens acting in their own interests.
- 3. Groups or individuals affected by, but not direct parties to, the shared services process.** This category is passive because it does not play a role in actually developing a shared services arrangement, though it may be affected by the final outcome. Passive groups may decide to take a more active role later on.

What

What refers to the type of shared service under discussion. Any service that typically appears as a budget item is a prospective candidate for the shared services process. The box below shows potential types of shared services.

Types of shared services

Equipment

Manpower

- staff
- professional services

Real estate

- land
- buildings

Organizational structure

When

The **when** of shared services refers to the timetable of the process. Both the timeliness and the time involved are important; for example, the length of time needed to finalize a formal arrangement, as well as the length of time a final agreement is valid before it must be reconsidered, renewed or allowed to lapse.

Options for the timing of shared services arrangements include

- short-term
- permanent or long-term
- planned and scheduled
- unplanned and unscheduled

How

The **how** of a shared services agreement is the method by which the agreement is struck and formalized. The box below provides an outline of the structural vehicles and procedures for constructing an agreement.

Agreement procedure

The structure

- contract
- consolidation
- consortium
- merger

The procedure

- formal contract or stipulation
- legislative action (motion, law, ordinance)
- budget entry
- verbal agreement

How is the mechanism that links parties in the provision of a service. This mechanism can be the codification procedure that follows a draft agreement, or it may be the approval process by which each party enters into an agreement. Some parties or agreements require only that a budget be approved, while others require legislative determination and even statutory revision. Some agreements may be handled in a contract. The relationship between the **what** and the **how** is set forth below. Though the list is not all-inclusive, it does show the agreement formats used most commonly.

It is important to remember that the service to be shared largely determines the form of the agreement.

Type of shared service and agreement formats

Equipment

- Co-lease or joint purchase
- Contract for use from other public or private sources

Manpower

- Staff—(hire, retain, consolidate or merge)
- Professional services: from private and public sectors

Real estate

- Transfer or trade
- Dedicated to a particular use
- Purchase or construct new

Organizational structure

- Merger
- Consolidation
- Annexation
- Contract
- Consortium (association or partnership)

section

4

Authority to arrange shared services

Wisconsin state law has allowed cooperative ventures to provide public services since 1939. In fact, Wisconsin has some excellent examples of shared government services such as the North Shore Cable Consortium, the Prairie-Sauk Police Dept., the Madison-Dane County Police Dept., and a number of joint jail and juvenile detention facilities.

The wording of the legislation that permits such agreements actually seems to encourage them [§ 66.30(2), Stats]. Unless it has been specifically excluded, any municipality may contract with other municipalities or federally recognized

Indian tribes to furnish joint services.

Wisconsin State Statute 66.30 defines a municipality as a:

- state agency or department
- city, village or town
- county
- school district
- public library system
- public inland lake protection and rehabilitation district
- sanitary district, farm drainage district
- metropolitan sewerage district
- sewer utility district
- solid waste management system created under §59.07 (135)
- local exposition district created under subch. II of ch. 229
- water utility district
- mosquito control district
- municipal electric company
- county or city transit commission
- commission created by contract

- taxation district
- regional planning district
- Indian tribe or band
- joint transit commission

Staff Brief 92-10 describes legal opinions relating to police powers, commissions and county provision of services to cities, villages and towns and may prove useful as background reading. The Wisconsin Taxpayers' Alliance has published a good article on shared services arrangements entitled "Options in Providing Municipal Services" in *The Wisconsin Taxpayer*, Vol. 61, No. 12 (Dec. 1993). Another good source of recent information can be found in *Cooperation—Collaboration Among and Within Wisconsin Counties 1994* by Kenneth Anderson of the Local Government Center, University of Wisconsin—Extension, Madison, Wisconsin (Aug. 1995).

The Public Policy Forum in Milwaukee can provide access to the numerous *In Fact* and *Municipal Services Factbook* publications that were produced by the work of the Shared Services Delivery Council (SSD). Particularly noteworthy articles include:

"Fiscal Conditions Force Study of Alternative Government Service Methods—Area Public Officials Cite Wide Potential for Greater Sharing and Contracting," *In Fact*, Vol. 76, No. 1, February, 1988.

"Local Governments and Schools Explore New Approaches," *In Fact*, Vol. 81, No. 5, July 14, 1993

"Retooling Government for the Next Century—Milwaukee Area Taxing Units are Expanding use of Alternative Approaches," *In Fact*, Vol. 80, No. 4, September 10, 1992.

"Shared Service Ventures are Led by Departments—Cooperative Efforts are Expanding Among Area Communities," *Municipal Services Factbook*, Vol. 77, No. 5, Nov. 1, 1989.

"Local Governments and Schools Explore New Approaches," *In Fact*, Vol. 81, No. 5, July 14, 1993.

Wisconsin state law has allowed cooperative ventures to provide public services since 1939.

It's clear that issues involving the legality of shared services arrangements and the creation of a legal environment that encourages them are receiving continued attention. For example, in April 1996, the Legislature approved Wisconsin Act 27 which includes four shared governmental services provisions:

1. (Wis. Stats. 66.028)—...any two or more municipalities may...enter into an agreement to share all or specified revenues derived from taxes and special charges... One or more municipality may enter into agreements...with federally recognized American Indian tribes or bands.
2. (Wis. Stats. 63.13 (2m))—A city may create a joint police department or a joint fire department, or both, with another city.
3. (Wis. Stats. 66.069(2)(c)2)—...a municipality that operates a utility that provides water service may enter into an agreement with a city or village to provide water service to all or part of that city or village.
4. (Wis. Stats. 45.54(1) (amended))—Joint libraries may be created by any two or more municipalities or by county and one or more municipalities located in whole or in part in the county....

You may wish to contact the State of Wisconsin Legislative Reference Bureau for the most recent information on these activities.

section

5

Catalysts and driving forces

Think about the goal you identified in Exercise 1. Why did you choose that particular goal? As mentioned previously, some common catalysts for undertaking a shared services arrangement include:

- Tighter budgets
- Staffing reductions
- New equipment or technology

Every community and governmental organization exists in its own unique political and economic environment. Some units of government have more compelling reasons or immediate needs that drive public officials and citizens to read and learn about new options for providing services. The driving force behind investigating shared services usually comes from either a public policy

agenda at the legislative or administrative level, or from a management agenda at the operations level. There appears to be more immediacy in the second situation. While public policy debates may occur regardless of budgetary cycles or pro-

gramming structure, management requests often demand fairly quick responses.

The decision to consider shared government services as a mechanism to respond to organizational needs often starts with a real need at the mid-management level. For example, a manager may need to investigate ways to share the cost of an expensive piece of equipment.

Almost all shared service arrangements have the dual goals of:

1. Improving quality or services
2. Lowering costs

The most important element in arranging shared services is **leadership** on the part of those who are willing to invest the time and energy to consider different ways to deliver services. This concept is discussed in more detail in Section 8.

The material that follows is based on the assumption that you have identified a specific goal—whether it is real or simply a practice exercise. Exercise 2 will help refine your thinking about the goal you've identified. You should come away with an understanding of the need to consider the myriad possibilities and concerns generated by a variety of issues unique to your situation.

Every community and governmental organization exists in its own unique political and economic environment.

Your specific goal and the type of shared service

Consider your specific goal. Has it changed since you stated it in Exercise 1? If so, you should now revise it. Enter your current goal below.

My specific goal is to:

Consider the various types of shared services options. Which proposal appears to fit best with your specific goal?

Example:

Specific goal: To clean streets more often, more efficiently and more cheaply.

Type of shared service (choose only one or a combination):

Equipment

A new, technologically advanced vacuum would do a better and faster job. Possible ways to gain access to such a vacuum would be: 1) purchasing one; 2) sharing the cost of purchasing with another government; 3) contracting to use another government's vacuum system part-time.

Workforce

Contract with another government to provide a workforce to augment your street cleaning staff as the need arises.

Organizational structure

Creating a multi-jurisdictional street cleaning district.

Possible proposals

The type of shared service arrangements possible for my specific goal are:

Equipment:

Workforce:

Reengineered structure:

After studying all the alternatives, select the most attractive proposal and proceed.



section
6

Stakeholders: players and non-participants

You will soon realize that every type of shared service arrangement has an impact on others, often outside your own jurisdiction. Such individuals may be completely unaware of, disinterested in or simply reluctant to express an opinion about a shared service plan.

Each type of shared service proposal will have a different composition of “players” and “non-participants.” “Players” are those who will become participants in the shared services planning and evaluation process. “Stakeholders” include players as well as those who will not actively participate in the process. Although some stakeholders are only indirectly involved, they may be placed in the position of reacting to the change in services, either favorably or unfavorably.

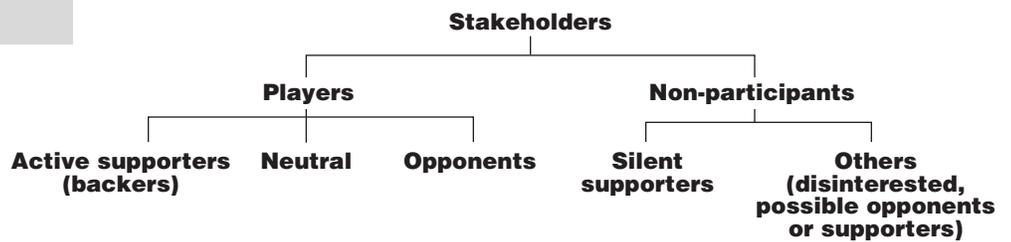
Look for both the perceived and the real reasons stakeholders may or may not wish to join you in a shared service arrangement. Don’t simply accept the interpretation of either an issue’s advocates or opponents. Some matters of stakeholder interest will be more obvious than others; attempt to keep an open mind.

The three principle groups of stakeholders include:

- 1. Government bodies**—executive and legislative branches
- 2. Citizens**—taxpayers, customers/consumers/users and private sector businesses
- 3. Staff**—management and labor, including labor unions

Issues to consider in analyzing stakeholders’ interests will vary depending upon the category of stakeholder with which you are dealing. Stakeholders’ concerns may be real or imagined, solvable or intransigent. The impacts of the agreement on stakeholders are real, however.

The chart below illustrates one way of looking at the various types of stakeholders.



Every type of shared service arrangement has an impact on others, often outside your own jurisdiction.

Checklist of players' and stakeholders' concerns

Government body

Legislative

Will the agreement:

- Affect the legislature's role as a public policy maker?
- Have an impact on public policy workload?
- Highlight strengths or weaknesses of current system?
- Strengthen or undermine relationships between legislative and executive bodies?
- Increase or decrease the level of control?
- Affect ability to forecast future needs or conditions?
- Change thinking about jurisdictional boundaries, or turf?
- Create disparity of authority between different levels of government?
- Affect political visibility or identity?
- Increase or reduce the level and cost of services?
- Involve start-up costs?
- Entail planning and analysis costs?
- Provide enough detail?
- Offer a realistic solution to the problem?
- Shift, remove or redefine other issues?

Others: _____

Executive

Will the agreement:

- Increase or decrease workload?
- Highlight strengths and weaknesses of present administration?
- Strengthen or weaken leadership or control?
- Change visibility and identity?
- Eliminate positions?
- Affect Civil Service requirements?
- Affect labor contract requirements or reconciliation of differences?
- Affect cost documentation?
- Have an impact on administrative effectiveness?

Others: _____

Citizens

Taxpayers

Will the agreement:

- Increase or decrease real costs?
- Increase or decrease taxes?
- Affect input, control and accountability?
- Affect local identity?
- Consider ethics, fairness, liability and fraud?
- Expand or limit options?
- Foster independence or dependence?

Others: _____

Customers/consumers/users

Will the agreement:

- Change costs or user fees?
- Change entitlements or accessibility to service?
- Change the quality or level of service?
- Affect service availability and eligibility requirements?
- Affect equity, fairness or parity?
- Affect the quality of life?
- Affect the stability of a particular service?

Others: _____

Vendors

Will the agreement:

- Create competition for business from public entities?
- Cause a shift in who has an advantage?
- Bring competition from well-financed competitors?
- Create potential for new markets?

Others: _____

Staff**Management**

Will the agreement:

- Change job titles or the number and level of positions?
- Expand or reduce level of control?
- Increase, freeze or cut salaries?
- Increase or decrease workloads?
- Increase or reduce promotional opportunities?
- Increase or decrease responsibilities?
- Promote more or less flexibility?

Others: _____

Labor

Will the agreement:

- Increase or decrease salaries?
- Increase or decrease workloads?
- Increase or decrease costs related to employment (for example, uniforms, commuting expenses)?
- Change benefits?
- Change promotional opportunities?
- Require training or skill upgrades for employees?
- Cover civil service protections and considerations?
- Change performance standards?
- Affect seniority considerations?
- Call for adjustments in the work environment?

Others: _____



Exercise 3 asks you to think about stakeholders and how their concerns might relate to your shared services options. This is the time to assess the potential impacts on stakeholders—both positive and negative. Remember that their concerns may change during the process. Look for subtle changes and revise your list as the situation evolves.

exercise
3

Identifying stakeholders and their concerns

In the left column, enter stakeholders by the names of the groups they represent.
In the right column, write down the group’s concerns.

Government stakeholders

Legislative

Name of group	Concerns
_____	_____
_____	_____
_____	_____

Executive

Name of group	Concerns
_____	_____
_____	_____
_____	_____

Citizen stakeholders

Taxpayers

Name of group	Concerns
_____	_____
_____	_____
_____	_____

Customers/consumers

Name of group	Concerns
_____	_____
_____	_____
_____	_____

Vendors

Name of group	Concerns
_____	_____
_____	_____
_____	_____

Staff stakeholders

Management

Name of group	Concerns
_____	_____
_____	_____
_____	_____

Labor

Name of group	Concerns
_____	_____
_____	_____
_____	_____



Assess impact on stakeholders

Exercise 4 prompts you to consider the impacts of your shared services agreement on stakeholders. Its consequences may be positive or negative; some positive impacts may cancel out negatives.

Exercise 4 should be completed in three steps. First, using the list of concerns you developed in Exercise 3, list all potential negative effects. You may find that a single concern generates multiple impacts. Second, list all the positive impacts. Often a negative point has a corollary positive side. Look for those points; they will help you generate ideas for other positive impacts. Third, match all the points where positive impacts offset the negative ones. Finally, review each negative impact and potential side-effects. Note any action you can take to reduce the negative impact.

Use the list of concerns you identified in Exercise 3 to develop impact statements that may be either positive or negative.

Because Exercise 4 is somewhat complex, you may need to rework it several times. Doing so may help generate ideas for other positive impacts.

Part A

1. Enter impact statements in the appropriate column.
2. Identify each statement as positive (+) or negative (-) in the designated column.
3. Mark every impact identified as negative by highlighting, underlining, etc.
4. Evaluate the relative importance of each impact using the following scale:

Significant *Inconsequential*

5 4 3 2 1

5. Enter the number you choose in the last column.

Example

No.	(+ or -)	Impacts	Importance of impact
1	-	Legislature would have to create enabling legislation	2
2	-	May be seen as first step to consolidation	4
3	+	Faster street cleaning	5
4	-	Increased cost of capital expenditure	3
5	+	Stability of service	3
6	+	Replaces old equipment in need of repair	5
7	-	Level of control over equipment	5

Part B

Identify actions that might be taken to offset significant negatives—those you ranked 4 or 5. List the number of the impact in the first column and describe the action that will offset it in the second column.

Example

No.	Action that will offset negatives
2	Clearly state and promote intent to continue independence of government unit.
7	Identify methods to ensure shared hands-on involvement in scheduling and maintenance of equipment.



Refining your proposed solution

At this stage of the process, you most likely have a model plan in mind for providing shared services. The next step is for you to evaluate whether this is really the best solution. Think about how various parts of the shared service option fit together. Have you considered whether the players and stakeholders will view all these parts favorably? Is it worthwhile to investigate a different approach?

It is to your advantage to become familiar with the frequently expressed comments of stakeholders. This allows you to anticipate potential impediments that might arise as others react to the proposal. All comments are legitimate and must be addressed if a successful agreement is to take shape. By anticipating stakeholders' reactions, the proposal can be crafted to meet and overcome their objections and concerns. Such advance planning also facilitates collaboration and helps expedite the process.

The following section lists some of the feedback from actual discussions of shared services agreements on various topics. While the list is not intended to be exhaustive, it reflects some typical concerns which should help you clarify and refine your proposal.

Note that the pros and cons are often the same for more than one type of shared services proposal.

Typical feedback about various types of proposals

Equipment

Joint lease or purchase

Pro

- Shares cost of non-essential equipment (cement grinders, etc.).
- Frees up budget for more critical needs or reduces overall budget.

- Saves money, eliminates duplication, reduces employee training costs, reduces downtime.
- May reduce inventory costs.
- May reduce storage needs.
- Could allow for more frequent equipment upgrades.
- Reduces purchasing process costs.
- Increases use of equipment; less potential "downtime."
- May decrease insurance costs.
- May increase economies of scale.

Con

- May require more frequent replacement, parts, maintenance.
- May complicate liability arrangements if non-government personnel involved.
- May incur costs for legal services.
- Incurs costs for developing the agreement; investigating financial status, etc., of all parties.
- Reduces ability to designate dollars for something else.
- Might result in overbuying to satisfy needs of one party.
- Might result in inequities of use.
- Party who controls use may end up paying for servicing.
- Agreement could potentially cause conflict between parties, increasing legal costs.
- Agreement could become obsolete if situation changes.
- Could increase need for recordkeeping, use analysis, projections.

It is to your advantage to become familiar with the frequently expressed comments of stakeholders.

**Contract for use: Type 1—
Interjurisdictional (Can include fees for
use-on-demand, limited time use. Priority
given to owner or based on need.)**

Pro

- Bases cost on amount of usage.
- Simplifies contractual arrangements.
- Ends need for storage, maintenance considerations.
- Subsidizes costs of rental income.
- Requires properly trained operator or mandatory use of owner's operator to protect equipment.
- Gives owners greater control over selection and location of equipment.

Con

- Equipment or operator may not be available when needed.
- Reduces influence of user on type of equipment selected, its features, capabilities, condition, etc.
- Contractual terms may limit ability to renegotiate if situation changes.
- Reduces availability.
- Equipment can deteriorate more rapidly than normal if rental fees go into general revenue budget and are not used to maintain or replace equipment.
- Can make owner liable if employee is injured while operating equipment in another jurisdiction.

**Contract for use: Type 2—Third party
(private or government) joint contract for
service**

Pro

- May reduce price per unit or result in economies of scale as number of units increases.
- Joint or pooled purchases reduce purchasing costs.
- Gives less-knowledgeable parties access to others' expertise.
- May reduce liability for injuries.
- Can eliminate purchase, storage, maintenance responsibilities.

Con

- One party may lose control of the process; also possibility of overbuying to meet one party's needs.
- Setting priorities can become a problem.
- Writing specifications that meet the needs of all parties can be difficult and time-consuming.

Staff

Joint hiring

Pro

- Reduces time and cost.
- Could increase pool of job applicants.

Con

- Could increase costs in attempt to standardize qualifications, training, salaries.

Joint staffing

Pro

- Reduces training and personnel costs.
- Could reduce salaries and fringes.
- Could improve quality of personnel.
- Facilitates use of flex time.
- Could be a boon to employees seeking broader range of job experience.

Con

- Perceived value of part-time employees may be reduced.
- Personnel may not be on-site when they are most needed.
- Could pose disadvantages to employees answering to two different employers.
- May be difficult to agree on job descriptions.
- Employees fulfilling joint functions may be viewed as "outsiders" by other employees.
- May confuse other employees who do not understand terms of the joint agreement.
- Could increase administrative workload.

Real estate assets

(Example: City of Milwaukee handing over control of the public museum to Milwaukee County with certain stipulations)

Pro

- One of the parties often already owns the real estate.
- Can be converted to cash without affecting tax base.
- May be more valuable than initially supposed; that is, market value is often higher than assessed value.
- May still be associated with former owner.
- Real estate may be traded for other properties.
- Serves as a very visible asset.
- Governmental entity with zoning powers retains oversight of use.
- May avoid costs associated with renovation of older public buildings.
- Real estate is a more easily transferable asset than cash or tax revenues.

Con

- Boundaries are fixed and cannot be adjusted. Real estate can be divided, but not increased in size.
- Surroundings can lower the value of the property.
- Structures on real estate may be beyond their prime.
- Neighbors or interest groups may oppose the change in ownership.
- Restrictive covenants may preclude desired uses.
- Liquidity may fluctuate depending upon real estate cycles.

Reengineered structure

- 1. Consolidation into one delivery system.¹ Includes consolidation of a segment into a whole; a single function within an organization; several departments; whole communities; regional governments**

Pro

- Costs are shared.
- Reflects the ultimate in economies of scale.
- Service improves with bigger, better-equipped staff.
- Service levels are more consistent.
- Tends to be more permanent than other types of agreements.
- Oversight is vested in an independent board.
- Enhances potential for creativity based on fresh input from combined staff, elected officials and citizen boards.

Con

- Reduces representativeness of policy-making bodies.
- Results in loss of autonomy.
- Can cause difficulties meshing policies, personnel, quality of equipment, etc.
- Start-up arrangements may be costly.
- May require creation of new governance structure.
- One party may end up paying more than the others.
- Achieving equity becomes more difficult with more parties involved.
- Some staff may be cut.
- Possible inconvenience for clientele when offices are physically relocated.
- Citizens affected will need an adjustment period to become aware of the new arrangement.
- Residents may lose their sense of community as geographic boundaries change.
- A bigger governmental body is not necessarily better for residents.

¹Note the difference between consolidation and annexation. Annexation involves only two incorporated governments, while consolidation may involve more than two. A land annexation that contains any infrastructure or buildings is a change of jurisdiction. If an entire lower level of government such as a town is annexed, the town loses its identity and its governing body is dissolved. Conversely, when two or more governmental units consolidate, all parties lose their individual identities. Unlike an annexation, all parties to a consolidation must agree to the action. Consolidation includes everything that constitutes the parties—not just land. For example, the consolidation of several fire departments into a new entity includes equipment, personnel, land or buildings, administration, rules, policies and practices.

2. **Creation of a separate entity to employ personnel. May involve new or existing personnel or a surrogate employer.**
3. **Consolidation into one governmental facility.**
4. **Interjurisdictional contract for professional service delivery between two government entities.**
5. **Joint contract for professional service delivery to a third party—a public or private consortium.**

Pro

- Costs for non-essential equipment can be shared; duplication eliminated; employee training costs reduced; machine downtime reduced; equipment used more.
- May lower insurance costs.
- Increases economies of scale.
- Bases user costs on actual usage.
- Simplifies contractual arrangement.
- Subsidizes costs with rental income.
- Gives owners more control over selection and purchase.
- May lower price-per-unit cost as number of units increases.
- Gives less-knowledgeable parties access to expertise.
- May reduce liability.
- Reduces time and cost.
- Increases potential pool of machinery, equipment and staff.
- Improves quality of staff.
- Facilitates use of flex time.
- May present advantages to employees who want to broaden their range of experience.
- More resources could improve employee morale.

Con

- Costs of developing and implementing the agreement may be high .
- May result in possible overbuying to meet one party's needs.
- May lose ability to renegotiate for different terms if situation changes.
- May be forced to accept elements (for example, computer systems) that are not one party's preferences.
- More time may be required to reach an agreement.
- Writing specifications to meet all parties' needs may be difficult and time-consuming.
- Standardization of qualifications, job descriptions, equipment, training and salary levels may be difficult and costly.
- Employees with two different employers may encounter different sets of expectations.
- Conflicts may result due to differences in work processes, policies that could affect parties' relationships.
- Administrative overhead could rise.

Joint leasing and joint staffing

There are many possible combinations; refer to all the previous pros and cons.

Anticipating and assessing stakeholder feedback

At this point in the process, you have probably not yet involved stakeholders. As you previously assessed the potential impacts on them, your next task is to anticipate and assess the negative and positive feedback you might expect. With the knowledge you have gained so far, think about the potential stakeholders and the responses they might offer to your shared services proposal.

You may want to copy the tables and exercises you've completed to expedite your review of the process to date.

section

8

Key elements to bring stakeholders together

After you have decided to move forward, you will need to identify the elements that will bring stakeholders together. Stakeholders will include your government entity and the targeted co-participant(s).

There is rarely one catalyst for a successful shared service outcome. More often, a combination of forces coalesces and results in some governmental action. The driving forces in this process generally include one of the six elements shown below.

- 1) Leadership
- 2) Political factors
- 3) Scale or magnitude of the problem
- 4) Complexity of the problem
- 5) Opportunity
- 6) Timing

Each of these elements is described in the following sections.

Leadership

When leadership is the catalyst behind a shared service proposal, a legislative or executive leader decides to recruit others to

look at opportunities.

The discussion generally focuses on potential opportunities for shared services rather than on a specific service such as

solid waste collection. The leader may choose to form a shared services group, task force or council, without stipulating a specific goal or timetable. It then becomes the group's job to identify and evaluate opportunities.

Political factors

The political environment can produce situations that compel special consideration of innovative ways to deliver public services. Some of these might include loss of external aid, government mandates, citizen calls for tax cuts, increased demand that overburdens current service providers, or potential political gain. Discussions might cover specific services that need to be provided, or simply deal with the range of shared services possibilities. Keep in mind that political realities might create new patterns of collaboration or divisiveness among certain groups.

Scale, size or magnitude of resources

A local government that lacks sufficient funding, manpower or equipment may seek to establish a shared services arrangement with another group or agency. Ordinarily, the specific service has been identified so the issue will become how to accomplish the task.

Complexity

Sometimes a service that must be provided is so complex that it requires the expertise of more than one agency. For example, sewage treatment involves issues related to costs, technology, topography, land use and jurisdictional boundaries. Law enforcement is another area that calls for interjurisdictional collaboration; for example, in sharing fingerprint or criminal record databases. In these cases, the public service to be provided has been identified, but the manner in which to do so has not.

There is rarely one catalyst for a successful shared service outcome.

Opportunity

Opportunities involve situations that provide an impetus to consider a change. For example, a fire chief's retirement could spark a discussion of ways to reconfigure fire protection services, which might lead to privatization or consolidation. In other cases, the opportunities may not relate to specific needs, but may promote a general discussion of ways to share services.

Timing

Often the election calendar of impending changes in statutes, laws or budgets make timing the main motivator for a discussion of new shared services arrangements.

As discussed in Section 4, leadership is probably the most important catalyst in achieving a shared services arrangement. Secondly, however, key stakeholders must be able to develop, articulate and market the proposed solution based on the best interests of all involved. Commonly cited reasons for motivating people to participate in discussions about shared services include the desire to:

- Be seen as visionary and innovative
- Be included in the information loop
- Contribute something to the community
- Cover all the alternatives
- Find the most effective solution
- Gain political clout
- Gain control before a competitor does
- Demonstrate sincerity and concern
- Leave a legacy

section

9

Selecting potential supporters

Your proposal's success depends to a large extent on your ability to find *supporters in principle*, or backers, for your proposal. Where can you locate such individuals? Consider:

- Members of formal intergovernmental committees and commissions, such as a joint purchasing consortium
- Professionals who function between jurisdictions, such as county code commissioners, clerks of court, city engineers
 - Professional organizations such as the Wisconsin Public Works Association or the local chapter of the American Planning Association
 - Members of formal or informal associations such as city or county police chiefs and regional drug enforcement officers
- A lead agency or its chief executive officer (state, Department of Natural Resources, county executive)
- A new vehicle you can help form, such as a shared services council, or an intergovernmental committee not tied to government or a citizens' committee

Exercise 6 can help you formulate background information that will be useful as you attempt to identify potential supporters of your shared services idea.

7. What groups or committees might need to be created or reconformed to pursue a proposed solution?

Examples of situations in which you might apply these aspects of the shared services process include:

1. My community's police chief is retiring. I approach other communities that might be willing to enter into a discussion about the possibility of sharing police coverage.
2. Alternatively, I know another community's police chief is retiring so I approach that community to pursue a shared services idea. In this case, I expect that certain segments of the community might feel threatened by the idea of a combined police force, so I use the more general approach of simply initiating a discussion to look at shared services opportunities.
3. I inventory the community to find out what potential stakeholders, other than administrative or legislative units, might be interested in sharing recreation services. For example, I could approach the Soccer Association which currently deals with four recreation departments. The Association and the departments would benefit from a consolidated system.
4. I would like to see improved facilities, equipment and training in my department. In this case, unless I could get legislative or administrative support and action, my recourse is to explore shared services possibilities through existing committees or professional associations.

Other issues might drive potential supporters. The exercise that follows lists reasons for you to consider soliciting the backing of particular groups.



Seeking support—final selections

Listed below are seven factors to help you identify supporters and backers. Which of the seven (or others you've identified) that describe your potential supporters are particularly relevant to your situation or proposed solution and why?

The potential supporters identified could:

1. Steer the process positively
2. Direct or target the issue
3. Maximize or achieve successful results
4. Ensure that your agency/organization leadership retains control of some aspects of the process (for example, frequency and location of meetings; agenda)
5. Steer clear of political roadblocks; counter "naysayers" and obstructionists
6. Work with public and private agencies, or a combination of both
7. Lend validity and clout

Potential supporters and backers	Why
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____



section 10

Identifying compelling issues

Participants are often quick to point out obstacles or problems with a shared service proposal. But never consider any list of positives or negatives as absolute. Rather, each is simply one consideration to negotiate in the process of developing the final arrangement.

Assume that supporters and stakeholders have either concurred, amended or rejected elements of a particular proposal. What issues are most likely to come up (or came up, if you are revisiting this section) most frequently? Some examples of the types of responses you might expect are listed below.

Examples of frequently mentioned issues

Control

- Will the arrangement affect usage priorities?
- Will it affect responsibility for storage and maintenance?
- Will it have an impact on the type of equipment or facility selected?
- Will it affect staff selection and use?
- Will it affect which staff leaves and which stays?
- Will it alter the public perception of who is in control?

Fiscal impact

- Will the arrangement increase or decrease budget flexibility?
- Will savings result?
- Will purchasing process costs be reduced?
- Will benefits be shared equally among parties?
- How much are the costs and benefits?
- Are the savings going to last?

Cooperation

- Has the relationship improved between the parties involved?
- Are there winners and losers?

Productivity

- Has the arrangement improved ability to meet future demands?
- Have skill levels and expertise been raised?
- Has turnaround time been shortened?
- How certain are gains?
- Are measures of gain credible?

Flexibility

- Does the agreement allow for various ways to use equipment?
- Does it permit easy staff substitutions?
- What's the degree of flexibility?
- Will it mesh with staff administration policies?

Level of service

- Will it increase, decrease or stay the same?
Does it matter?
- Will service levels fluctuate?

Measures of progress

- Is benchmarking criteria available?
- Are auditors knowledgeable? Do they possess standards relevant to the shared service?

System evaluation

- Who conducts the evaluation?
- Is there a credible process?

Timeliness

- Can all the players keep up?
- Are there contingencies that might cause delay?

Disparity (authority, caliber of equipment or personnel)

- Can a match or tradeoffs be made that are agreeable to all parties?

Identity

- Will our identity be lost to the public?

Forecasting

- Who does the forecasting?
- How are assumptions identified and agreed upon?

Liability

What is the degree of liability?

How is it assumed?

Other _____

Think about how you might arrange the issues under broad categories such as those above. Use Exercise 8 to list the compelling issues you believe remain on the table.

exercise
8

Compelling stakeholder issues

Given your assessment of stakeholder concerns, what issues remain compelling in regard to the proposal?

Enter those issues below:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____



Exercise 9 is probably the most challenging exercise presented so far. Once again, it requires you to put yourself in the place of stakeholders. You will obtain the most effective results if you complete each of the five steps in order. Keep in mind that what you learn in the process of doing one step will be useful in completing the next. The first part of this exercise asks you to assume what importance the other stakeholders place on key issues. Taking this perspective will help you anticipate resistance and develop approaches to help persuade stakeholders to support your idea.

As the shared services process for your current proposal moves forward, you will need to return to this exercise a number of times.

Exercise 9 will provide you with a visual representation that measures a proposal's feasibility. It lets you assess issues that do not require discussion and settlement (those you identify as positive "+" or neutral "0") and those that do require discussion and resolution (those you identify as negative "-"). If the sum of the scores for a selected stakeholder is "0" or "+," the proposal or plan would appear to be a good deal for those involved and should achieve a go-ahead. For issues that have a negative score, the process has now identified the areas of possible concern. Review each negative to determine if it is critical to the proposal and, if so, is amenable to remediation. Reevaluate categories with a negative sum to determine whether the remediation changed the scores to positives.

A circular graphic with a light gray background. The word "exercise" is written in a bold, black, sans-serif font at the top. Below it, the number "9" is written in a very large, bold, black, sans-serif font.

exercise
9

Shared services proposal assessment

1. Enter the shared services proposal: _____
2. Select the relevant categories from the list on pp. 32–33; for example, Control, Fiscal Impact, Flexibility, or enter the categories that pertain to your situation. Enter each category below.
3. For each category list the issues by number for reference in step 5.

_____ (1) _____
(2) _____
(3) _____
(4) _____

_____ (5) _____
(6) _____
(7) _____
(8) _____

_____ (9) _____
(10) _____
(11) _____
(12) _____

_____ (13) _____
(14) _____
(15) _____
(16) _____

4. List all players:
Initiator A (you or your organization): _____
Stakeholder B: _____
C: _____
D: _____

5. Rate each issue for yourself as “initiator” in the “A” column or as a “stakeholder” in the “B, C, or D...” columns.

Complete the assessment first to determine the feasibility of your option.

Use “+” (plus), “0” (neutral), or “-” (minus).

On the next page, complete the form assessing how you perceive the other stakeholders might respond, if this is an individual assessment. Or complete it as a group if stakeholders are working together.

section

11

Getting started

After completing the steps in Exercise 9, you are now ready to engage stakeholders in negotiations. First, approach those whose position appears most positive from your analysis. Encourage each stakeholder to go through the same process you've completed in this guide.

After all participating stakeholders have completed an assessment similar to that in Exercise 9, everyone should come together to evaluate the option. An approach for accomplishing that follows.

Bringing stakeholders to the table

At this point in the process, it's up to you to bring others into the discussion. You may be able to get the ball rolling by using some of the ideas presented below.

1. Pursue information from a variety of sources: colleagues in your own or other jurisdictions; databases and publications; surveys; professional organizations.
2. If you know of governments that have implemented specific types of shared services options, talk to them. Most likely, they will be flattered that someone is interested in duplicating their success.
3. Request action by an administrator, executive, legislator or legislative body.
4. Seek out like-minded colleagues for discussion.
5. Obtain information from and contact others via the Internet.
6. Approach interest groups.
7. Bring the idea up as an agenda item at existing committee or organization meetings.
8. Form a think tank, such as a shared services council.
9. Call a meeting of stakeholders.

It's up to you to bring others into the discussion.

10. Publicize the experiences of other jurisdictions.

New participants in the process will require some time to go through the same process you completed. It is not likely that all individuals or government bodies will agree. It may help for each participant to complete the exercises in this guide to gain insight into the issue at hand in relation to their personal and organizational perspectives.

Whether an individual is working alone or with others, the process now requires participants to:

1. Become personally knowledgeable about potentials and alternatives and seek advice and information from successful projects
2. Determine strategy
3. Select the type of shared services arrangement to pursue and develop groups of supporters
4. Determine options
5. Determine who should participate
6. Sketch out a timeline
7. Consider legal issues

Not all stakeholders you identify will choose to participate for a variety of reasons (for example, lack of interest, time, or a feeling that the exercise of examining shared service options is too threatening to undertake). Therefore, while it is important to identify, approach, and attempt to understand the positions of all stakeholders, the process should not be abandoned if all potential stakeholders do not participate. It is better that the discussion go forward with as many participants as are interested. From this point, remember to consider the issues non-participating stakeholders may consider important. Be aware that these issues may have to be addressed at some point in the future. In spite of this, the process should move forward with those willing to participate.

Proceed to Exercise 10 and list the active participants.

Identify stakeholders who should play a role in the process

Enter your list of those you believe should be players.

Place an asterisk to the left of those who are vital to the success of the process.

Enter the names of any essential stakeholders who are not participating and write "NP" on the left.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____
17. _____
18. _____



section 12

Taking the proposal public

How to invite the players

Bringing the players to the table to discuss your proposal is essential to the success of the shared services process. It is, therefore, important for you to plan your approach carefully. Care is also needed because at this stage it is likely that the media will pick up on your proposal and become interested in covering it. Make all information you wish made public available first to the players.

Media announcements and press conferences should come only after the players have been informed and asked to participate.

Communicate with the players on as personal a basis as possible, such as in person, to develop

rapport and to allow for questions and brief discussion. Follow up with correspondence detailing your meeting so you both have a record of what occurred. Ask those you contact to keep your information confidential until you notify them otherwise.

If personal contacts are not possible for a substantial number of players, invite them to a meeting. State that the meeting's purpose will be to discuss the shared services proposal; then follow up with a telephone call.

Using a facilitator

It is a good idea to use a facilitator for this part of the process, at least at the first meeting. A qualified facilitator comes to the table with no "baggage" and no hidden agenda. Even the perception of a hidden agenda, pro or con, or a bias toward any of the the players should be avoided. Being seen as neutral, a facilitator can avoid digressions from the topic and be more forceful about maintaining a civil level of discussion.

What to share

You have gathered much information, analyzed it from all points of view, and developed strategies to gain support for the proposal. Is this the time to reveal all the information you've gathered? Probably not. Your approach should be to guard that which you believe to be uniquely part of your interests and share the remainder with the group. Depending on who the players are, the specific shared service, the potential for their participation and the difficulty involved in persuading all parties to join in, you will need to carefully consider what information, if shared, might weaken your case.

Caveat on alternative proposals

The proposal you are putting on the table should be the only one discussed. It should be taken through the entire process with the players before any alternative proposal is suggested for consideration. It is extremely important that this ground rule be explained to the players at the first meeting. Other proposals may be taken up, but only after yours has been fully considered, evaluated and modifications negotiated. All at the table are to assume that the proposal has value and is workable, perhaps benefitting some more than others, but generally good for most stakeholders.

A qualified facilitator comes to the table with no "baggage" and no hidden agenda.

Group techniques

A variety of group decision process techniques may be used. The recommended one is a modified nominal group process. It includes elements of the focused discussion technique with the nominal group process. Everyone is allowed to participate equally and share their information. Finally, voting on the key discussion points and areas of agreement can establish sets of priorities for action, resolution and negotiation.

Meeting process

Meetings have to be held at times when the majority of players can attend. Nothing sets a process back more quickly than having to explain to a member who was absent what was discussed and agreed upon earlier.

The meeting site should be convenient, offer parking and have a comfortable physical setting. Since you will be dealing with public policy, be sure that the facility is handicapped accessible.

Members of the group should be given the opportunity to submit topics for the agenda.

Prepare the agenda and distribute it to the attendees in advance of the meeting.

A quorum of at least 51 percent of the participants should attend for the meeting to be considered official. The percentage could be higher depending upon the composition of the participants, the importance of the meeting to the overall process or the information to be provided at the meeting.

As the initiator of this proposal, you are the most likely candidate to provide leadership for this process and to chair the meetings. If you do not elect to take this role, do not use a facilitator; find someone who is a backer or supporter of your proposal to be the chairperson.

As the initiator of this proposal, you are the most likely candidate to provide leadership

section 13

Ways to reach closure

At this point, all active participants should bring their assessments and perceptions of the target proposal to the discussion. The group must decide whether to pursue one or more of the options being brought to the table.

Each government entity will have differing views on the mechanism by which it would be willing to enter into a shared government service arrangement. Agreements are often formed using traditional government tools of implementation.

These include public policy directives found in operating or capital budgets, contracts, agreements and stipulations, and enabling legislation (ordinances, codes, statutes).

The instrument of agreement generally follows the manner in which the government has historically formalized its policy decisions. Many smaller units of government would choose to implement an agreement in the budget.

Instruments of implementation

Listed below are the four most commonly used methods for implementing a shared services arrangement. Though the methods are listed according to the frequency with which they are used, the authors consider the **shared budget** the most important.

1. Enabling legislation
2. Agreements and stipulations
3. Shared budget (resulting from individual budget allocations. Each party approves its own budget based on allocations.)
4. Contract

Examples of instruments creating shared service arrangements in Wisconsin can be found in the Appendix..

Instruments that are essentially legal documents (examples 1, 2 and 4 in the Appendix) are frequently constructed from boilerplate language. The fine-tuning required must include specifics agreed upon by the individual parties.

Enabling legislation, while sometimes modeled after other shared service arrangements, requires more discussion due to the political aspects involved and therefore takes longer to develop.

But it is the shared budget arrangement that usually takes the greatest amount of time to prepare. This is because all parties must carefully assess their relative circumstances as they review specifics of implementing the agreement. For example, consolidation of fire departments often involves communities with different housing densities, building ages and heights, and other physical and locational factors that affect cost. It is often not apparent in the shared services process that these cost differentials exist until the specific items are estimated and allocated in a budget process. Therefore, the crux of the budget process is often the negotiation over the allocation of costs among the partners. The simplest allocation is per capita, or per unit of population. While this is one of the easiest approaches, it may not yield a fair distribution to all parties. For example, the historic argument continues in Wisconsin over which standard allocation formula to apply—usage or valuation.

Further, the details in the budget raise issues such as what level of quality is reasonable. How many units of “x” are needed? Is “y” square feet adequate to meet future needs? Should we upgrade? And so forth. Consequently, we suggest four budget scenarios to consider. In these, each partner may:

1. Temporarily maintain the status quo
2. Act unilaterally to meet changing circumstances
3. Enter into a shared service arrangement, but stay with the present level of service

It is the shared budget arrangement that usually takes the greatest amount of time to prepare.

4. Enter into a shared service arrangement and expand the level of service.

One or more of the parties is frequently forced into expanding its level of service simply by virtue of being involved in the arrangement. One consequence of this circumstance is that the party might face a large immediate expenditure rather than a more gradual budget increase.

Valuation standards

The parties should agree on a standard or formula by which all involved can measure the arrangement's success. It is important to have reached a mutual understanding not only of how the arrangement is to be carried out, but also how to measure what it has accomplished in terms of each party's needs. The threshold of success (such as budgetary savings or the number of citizens served) may be different for each member.

The way in which a governmental unit decides whether an arrangement has worked for it should be communicated and understood up front. This means determining fairly early in the process what payoff is expected or desired. In any case, the governmental entities should look to legal counsel to select the most suitable instrument to formalize their agreement.

Preparing the instrument of formal agreement may bring new players into the shared services discussion. Whatever method is selected, an approval process generally follows. If a referendum, judicial oversight, or agreement by higher levels of government are necessary, then some strategy to achieve a positive outcome must be developed.

Keep in mind that regardless of the number and type of measurements that are incorporated in the implementation process, success may not occur immediately. A transition period usually follows implementation. And it is wise to acknowledge at the outset that bugs are inevitable in the best laid plans.

Plan to monitor the shared services arrangement on an ongoing basis. This may involve evaluating impacts or assessing the

process (both types of measures are important). Success in implementing the process may not necessarily lead to successful impacts. Conversely, successful impact outcomes may violate the basic tenets of the shared services arrangement.

Sometimes certain stipulations can be included in the agreement that acknowledge or mitigate some of these considerations. Some examples of such stipulations follow.

Examples of stipulations found in shared services arrangements

The arrangement may:

1. Be proposed as a pilot
2. Include selective pull-out, lock-in or bailout provisions.
3. Include a 90-day notification requirement
4. Include a rescission (revision) clause
5. Set acceptable error rates or response times
6. Set budget caps
7. Set an acceptable time schedule
8. Establish benchmarks or quality standards
9. Set liability limits

The parties must prepare to address follow-up issues that arise after shared services are implemented. No agreement exists without some modification or fine-tuning, and all should recognize that unknown, hidden or obscure gains and losses frequently appear and can cause ill-feeling. Complex managerial tasks such as meshing two organizations' staffs or reaching union accord also influence the timeline. It is recommended that a mediation process be agreed upon to resolve ongoing problems and that thresholds for renegotiation be identified. The parties must also have some way of incorporating new stakeholders as they come forward or of sharing revenue, if such an opportunity occurs.

section
14

Pursuing extramural support

Many participants in shared services arrangements have found it useful to bring in outside assistance to identify new possibilities and help guide the process. These consultations may come at no charge from colleagues in other governmental units or members of professional associations. In some cases, participants may agree to pay for professional consultants such as lawyers, public relations professionals or subject area experts.

Explore opportunities for extramural funding such as block grants, innovative initiative grants and potential shared revenue from user fees or other sources. This requires that the parties agree to jointly submit a consortial application or appoint a lead government to act as a representative of the parties involved. This may be an opportunity to enhance revenues through creative financing.

In Wisconsin, the Special Committee on Shared Governmental Services (appointed by the Joint Legislative Council) studies how to

deliver services on a cooperative, consolidated or shared basis to counties, towns, cities, villages,

school districts and other governmental units. The committee has discussed incentives for, and removal of statutory obstacles to sharing or consolidating services including the development of a state-supported Initiative Grant Fund or revenue sharing authority (Staff Brief 94-10). Other states have similar initiatives, the most successful being Minnesota (Minnesota Innovative Initiative Grants).

Conclusion—achieving success

Scanning the environment for shared services ideas and opportunities is an ongoing responsibility of today’s government. Clearly, the process described in this guide is not uncomplicated.

The bottom line is that the parties involved must be willing to make a commitment that will weather the storms of criticism, financial difficulties or other challenges that may arise. Past participants in shared government services arrangements have found that, like any commitment, these agreements require constant attention and compromise, but are well worth the rewards.

The parties involved must be willing to make a commitment that will weather the storms of criticism, financial difficulties or other challenges.

Appendix

Examples of instruments used to structure shared government services

The Appendix includes samples of shared government services instruments (such as agreements and contracts) that represent four different types of arrangements. The four types of shared government services presented here are: (1) merger; (2) contract for services; (3) consortium; and (4) consolidation. Examples of each are presented below.

1. Merger: Example—community tax billing

Waukesha County took over the function of preparing tax bills for communities in Waukesha County from the Southeastern Wisconsin Regional Planning Commission.

SAMPLE BATCH CONTRACT

WAUKESHA COUNTY

DATA PROCESSING SERVICES

PROPERTY TAX ASSESSMENT AND BILLING

This Agreement is entered into this day of _____, 1996, by and between Waukesha County, a municipal corporation, hereinafter referred to as the County, located at 515 W. Moreland Blvd., Waukesha, WI. 53188, and the City of Delafield, hereinafter referred to as the Municipality, located at 500 Genesee Street, Delafield, WI 53018.

The authority for this agreement is that contained in the Wisconsin Statutes Section 66.30, which permits intergovernmental cooperation for public purposes.

By this agreement, the County proposes to provide data processing services to assist the local Municipality in the preparation of assessment rolls and tax bills.

1. The County Proposes to provide the following services to the Municipality.
 - A. The Register of Deeds/Property Lister in conjunction with the Department of Administration will:
 1. Maintain an Assessment tax file data base.
 2. Provide an add/delete list of actual changes made.
 3. Maintain special districts' codes.
 4. Provide one Assessment Roll, one preliminary assessment roll and one history file printout for the assessor.
 5. Provide three Street Index listings, and three Name Index listing for the Assessor.
 - B. The Register of Deeds/Real Property Lister in conjunction with the Department of Administration will:
 1. Provide plain paper work rolls for:
 - a. specific property types (manu., comm.,etc.)
 - b. special districts (school, TIF, sewer, etc.)
 - c. vacant or improved properties,
 - d. partially assessed properties,
 - e. personal property by business types,
 - f. specific keys and/or key ranges,
 - g. in cooperation with the Reg. of Deeds, work rolls can be sorted by key, name or property address.
 - h. values and legal description may be omitted.
 2. Provide labels, 1-up, 1 inch, for
 - a. specific property types (manu., Commer., etc.)
 - b. special districts (school, TIF, sewer, etc.)

- c. vacant or improved properties.
 - d. partially assessed properties,
 - e. personal property by business types,
 - f. specific keys and/or key ranges,
 - g. labels that can be sorted by key, name, property address or zip code.
 - h. labels that may be printed with or without the property address and legal description,
 - i. labels for name, address and legal changes.
3. In cooperation with the Register of Deeds, provide a Preliminary Assessment Roll.
 4. Provide a Final Assessment Roll.
 5. Provide change notices.
 6. Assessor's up/down report (compares to prior year's roll)
 7. In cooperation with the Register of Deeds, provide a statement of assessment summary.
 8. Provide a tax rate worksheet.
 9. Provide the following from mortgage holders:
 - a. cross reference mortgage holders to tax keys
 - b. cross reference tax keys to mortgage holders
 - c. list of mortgage holders
 - d. labels of mortgage holders
- C. The Register of Deeds as a service to the Assessor will:
1. Make and keep accurate lists and descriptions of all real property parcels in the county which are subject to tax and also those which are exempt from such tax.
 2. Provide various computerized printouts, maps and descriptions of Real Property Tax parcels in the County for use by the Assessors, upon request.
 3. Supply Department of Revenue prescribed forms of assessment to the Assessors and Clerks of cities, towns and villages within the County, as needed in the discharge of their duties.
 4. Provide assessors with copies of recorded conveyances not requiring a Wisconsin Real Estate Transfer Return and Corporation records
 5. Provide the necessary research for determination of status of title.
- D. The Department of Administration will also:
1. Provide a delinquent personal property worksheet.
 2. In cooperation with the County Treasurer, maintain prior year message for real property.
 3. Provide a billing parameter worksheet.
 4. Provide a special assessment worksheet.
 5. Enter special assessments to be placed on the tax bill.
 6. Provide edits and lists of special assessments as entered.
 7. Enter all tax rates to be used for tax billing.
 8. Provide a list of the tax rates used.
 9. Calculate all tax bills.
 10. Print tax bills in tax key sequence or owner's name sequence. Note: Zero bills will be at the end.
 11. Maintain mortgage holder codes.
 12. Provide lists and labels for mortgage holders concerning tax bills.
 13. Provide a preliminary tax roll or one line roll report.
 14. Enter, verify, and adjust tax bills and receipts as authorized by the local or county treasurer.
 15. Provide a receipt list by batch, date paid or tax key.
 16. In cooperation with the County Treasurer, provide a tax settlement summary.
 17. Supply a posted tax roll.

18. In cooperation with the County Treasurer, provide lottery credit certification for tax bill processing, and State Department of Revenue claimant report.

E. The Department of Administration will also arrange for the Municipality to:

1. Purchase Tax bill envelopes in bulk and sell them to Municipality.
2. Provide local treasurers with blank tax bill forms.
3. Provide other related services with the mutual consent of both the County and the Municipality.
2. The Municipal Clerk shall transmit to the Department of Information Systems any special assessments, special charges, and delinquent utility charges for entry on the current tax roll at the earliest possible date. The Department of Information Systems will supply specific instructions for transmittal.
3. Municipal Clerks shall transmit to the Department of Information Systems upon adjournment of the local budget hearing and receipt of State Aid amounts the information for setting tax rates. The Department of Information Systems will provide the worksheets and instructions.
4. The Municipal Treasurer shall transmit the tax collection batches to the Department of Information Systems for processing. The Department of Information Systems will provide the instructions.
5. As soon as possible, after the first Monday in April, the local Assessor shall bring the preliminary work rolls to the Register of Deeds/ Real Property Lister Department.
6. The Municipality acknowledges that failure to comply with these limits and other reasonable time limits established by the County may result in delayed availability of the information to be provided by this agreement. In view of this fact, the Municipality will indemnify and hold harmless the County, its officers, employees and agents for any and all damages, expenses, and losses which may occur due to the County's inability to comply with this agreement due to the fault of the Municipality or the Municipality's officers, agents or employees.
7. The term of this agreement shall be for two (2) years commencing January 1st, 1997) and expiring on December 31st, 1998 and therefore data processing services shall be provided for taxes of 1997 and 1998 due in the subsequent year. The Municipality will be invoiced once per quarter. The terms will be net 30 days.
8. The following rates will be charged for these services. In the future, the rate for 1998 will be computed at the 1997 rate plus the consumer price index for 1996, but not to exceed seven percent.

	1997	1998
Per Parcel	Contract Rates	Contract Rates
Taxes batch	\$0.93	\$0.93 x 1996 CPI-U

9. Each party shall have the right to terminate this agreement effective at the end of the term upon the giving of twelve (12) months notice prior to the expiration of the term.
10. It is understood and agreed that the entire contract between the parties is contained herein, except for those matters incorporated herein by reference, and that this agreement supersedes all oral and written agreements and negotiations between the parties relating to the subject matter thereof.

Waukesha County By:

City of Delafield By:

SAMPLE ON-LINE CONTRACT
 WAUKESHA COUNTY
 DATA PROCESSING SERVICES
 PROPERTY TAX ASSESSMENT AND BILLING

This Agreement is entered into this _____ day of _____, 1996, by and between Waukesha County, a municipal corporation, hereinafter referred to as the County, located at 515 W. Moreland Blvd., Waukesha, WI. 53188, and the Town of Oconomowoc, hereinafter referred to as the Municipality, located at 6812 Brown Street, Oconomowoc, WI 53066.

The authority for this agreement is that contained in the Wisconsin Statutes Section 66.30, which permits intergovernmental cooperation for public purposes.

By this agreement, the County proposes to provide data processing services to assist the local Municipality in the preparation of assessment rolls and tax bills.

1. The County proposes to provide the following services to the Municipality.

A. The Department of Administration will provide programs and computer time to enable the Municipality to:

1. Inquire on changes to Assessment file.
2. View legal descriptions of parcels.
3. View current and previous tax bills and receipts.
4. View lottery credit information.
5. View current property values.
6. Search file by owners name, or property address.
7. View County Treasurers delinquent files.

B. Obtain from the County the following reports and lists:

1. Assessment roll cross reference list~ by name or address.
2. Street Index Listing.
3. Plain paper work rolls for:
 - a. specific property types (manu., comm., etc..)
 - b. special districts (school, TIF, sewer, fire,
 - c. vacant or improved properties,
 - d. partially assessed properties,
 - e. personal property by business types,
 - f. specific keys and/or key ranges.
 - g. work rolls can be sorted by key, address. name, or property
 - h. values and legal description may be omitted.
4. Labels, 1-up, 1- inch, for:
 - a. specific property types (manu., commer., etc.)
 - b. special districts (school, TIF, sewer, fire, etc)
 - c. vacant or improved properties,
 - d. partially assessed properties,
 - e. personal property by business types,
 - f. specific keys and/or key ranges,
 - g. labels that can be sorted by key, name, property address or zip code.
 - h. labels that may be printed with or without the property address and legal description.
 - i. labels for name, address and legal changes.
5. Provide a Preliminary Assessment Roll.
6. Provide a Final Assessment Roll.
7. Provide change notices.
8. Assessor's up/down report (compares to prior year's roll).

9. A statement of assessment summary.
 10. A tax rate worksheet.
 11. Cross reference mortgage holders to tax keys
 12. Cross reference tax keys to mortgage holders
 13. Listing of mortgage holders
 14. Labels of mortgage holders
 15. List posted receipts by batch, date paid or tax key.
 16. A tax settlement summary.
 17. A tax roll one line report by name or key number.
- C. Make and retain accurate lists and descriptions of all parcels of real property which re subject to tax and also those exempt from such tax.
- D. The Department of Administration will also:
1. Provide a delinquent personal property worksheet.
 2. In cooperation with the County Treasurer, maintain prior year delinquent message for real property.
 3. Provide a billing parameter worksheet.
 4. Post special assessments on the tax bill.
 5. Provide edits and lists of the special assessments.
 6. Enter the tax rates to be used for tax billing.
 7. Provide a list of tax rates.
 8. Calculate tax bills and provide calculation audit listing.
 9. Provide a preliminary tax roll or one line roll report.
 10. Print tax bills in either tax key sequence or owner's name sequence. Note: Zero bills will be at the end.
 11. Provide lists and labels for mortgage holders, that have been maintained by the Municipality.
 12. Enter, verify, and adjust tax bills and receipts as authorized by the local or county treasurer.
 13. Post tax payments.
 14. In cooperation with the County Treasurer, provide a posted tax roll.
 15. In cooperation with the County Treasurer, provide lottery credit certification for tax bill processing, and State Department of Revenue claimant report.
- E. The Department of Administration will also arrange for the Municipality to:
1. Purchase mailing envelopes in bulk and sell them to the Municipality.
 2. Provide local treasurers with blank tax bill forms.
 3. Provide related services with the mutual consent of both the County and Municipality.
- F. The Register of Deeds Real property lister will:
1. Supply State Department of Revenue prescribed basic forms of assessment to the assessor and clerks of cities, towns and villages as required by statute.
2. Provide assessors with copies of recorded conveyances not requiring a Wisconsin Real Estate Transfer Return and Corporation records.
 2. The Municipal Clerk shall transmit, electronically, to the Department of Administration any special assessments, special charges, and delinquent utility charges for entry on the current tax roll at the earliest possible date. The Department of Administration will supply specific instructions for transmittal.
 3. Municipal Clerks shall transmit to the Department of Administration upon adjournment of the local budget hearing and receipt of State Aid amounts the information for setting tax rates. The Department of Administration will provide worksheets and instructions for this purpose.

4. The Municipal Treasurer shall transmit the tax collection receipts, electronically, to the Department of Information Systems. The Department of Information Systems will provide instruction for this purpose.
5. The Municipality acknowledges that failure to comply within reasonable time limits established by the County may result in delayed availability of the information to be provided by this agreement. In view of this fact, the Municipality will indemnify and hold harmless the County, its officers, employees and agents for any and all damages, expenses, and losses which may occur due to the County's inability to comply with this agreement due to fault of the Municipality or the Municipality's officers, agents or employees.
6. The term of this agreement shall be for two (2) years commencing January 1st, 1997, and expiring on December 31st, 1998 and therefore data processing services shall be provided for taxes of 1997 and 1998 due in the subsequent year. The Municipality will be invoiced once per quarter. The terms will be 30 days net.
7. The following rates will be charged for these services. The rate for 1998 will be computed in the future at the 1997 rate plus the consumer price index for 1996, but not to exceed seven percent.

Per Parcel	1997 Contract Rates	1998 Contract Rates
Taxes On-Line	\$1.06	\$1.06 x 1996 CPI-U
CAMA Processing	\$1.10	\$1.10 x 1996 CPI-U

8. Each party shall have the right to terminate this agreement effective at the end of the term upon the giving of twelve (12) months notice prior to the expiration of the term.
9. It is understood and agreed that the entire contract between the parties is contained herein, except for those matters incorporated herein by reference, and that this agreement supersedes all oral and written agreements and negotiations between the parties relating to the subject matter thereof.

Waukesha County By:

City of Oconomowoc By:

2. Contract: Waukesha County Sheriff's Department

SHERIFF'S CONTRACT COVERAGE FOR POLICE SERVICE

Police contracting is a very important service offered to municipalities searching for an answer to increasing criminal activity in their community. By offering this service, the Sheriff is able to provide a viable alternative to communities who wish to expand their law enforcement service.

The actual agreement with any community consists of three separate contracts; salary (including fringe benefits) and vehicle costs, dispatching, and transcription or typist costs. All charges have been broken down and estimated on what it actually costs our department to provide this service. This includes administrative costs, ammunition, training, weapon, and MDT costs among others. The community that chooses to contract, is able to take advantage of our tremendous resources not only in bulk purchasing, but also in availability of staff and equipment. 1994-1995 mileage costs as example, are based upon 1.125 million miles driven.

The Sheriff's Department first began contracting for police services in 1980 with the Village of Sussex. Since then, we have seen the Sussex contract expand to four shifts (with a fifth shift currently being discussed). Recently the Towns of Merton and Delafield also began contracting for one eight hour shift. The Town of Eagle and the County Fair also contract for police services; Eagle for its summer boat patrol, the County Fair for its annual five day festival.

When the Sussex contract was initiated it was a new philosophy and approach for local government. Fortunately, farsighted leaders from both the Village of Sussex and the Sheriff's Department were able to see the advantages for each. The contracts have allowed municipalities to maintain local control over everything from enforcement of local ordinances to attendance at Town and Village Board meetings. Contract municipalities have even conducted employee interviews of our Deputy Sheriffs who are interested in working the contract car for that community. This gives the local officials an opportunity to review several candidates, seeing which will best fit the needs of their particular community.

AGREEMENT

THIS AGREEMENT is hereby entered into between WAUKESHA COUNTY, a municipal corporation, hereinafter referred to as "COUNTY" and the VILLAGE OF SUSSEX, a municipal corporation, hereinafter referred to as "" as follows:

1. The COUNTY shall furnish to the MUNICIPALITY police patrol services to be rendered by one deputy with all necessary equipment for a period of four (4) consecutive shift(s) for seven (7) days a week. Such services shall be performed during the following hours: from midnight to 8:00 a.m.; from 8:00 a.m. to 4:00 p.m.; from 4:00 p.m. to midnight and from 6:00 p.m. to 2:00 a.m. The MUNICIPALITY shall have the right to change this schedule of hours upon thirty (30) days written notice to the Sheriff of Waukesha County provided that the hours within a shift always remain consecutive.
2. The Sheriff shall have supervisory control over the personnel providing these services. The Sheriff shall retain the final authority to make decisions as to the manner in which services shall be rendered.
3. The Sheriff will provide patrol functions as follows:
 - (a) During patrol hours, the patrol unit will provide continual patrol in the MUNICIPALITY. The unit will be first responder to all dispatched events in the MUNICIPALITY. The unit will begin and end its patrol tour from a location within MUNICIPALITY boundaries mutually agreed upon by the MUNICIPALITY and the Sheriff. It will leave the boundaries of the MUNICIPALITY only in those situations that would require mutual aid assistance by the COUNTY.
 - (b) Every effort will be made to respond to MUNICIPALITY needs and desires. The MUNICIPALITY will designate a liaison person (s) to provide the Sheriff with any information as to concentration of patrol efforts, special assignments, etc. the MUNICIPALITY desires.

- (c) To insure continuity, the Sheriff will assign officers to the MUNICIPALITY patrol on an annual basis whenever possible. The Sheriff will consider requests by the MUNICIPALITY for changes in assignment, but retains final authority in those assignments.
4. The MUNICIPALITY shall pay the COUNTY the sum of Thirty-Three Thousand Two Hundred Twenty Five Dollars and Eight cents (\$33,225.08) each month. In addition to this monthly charge, the MUNICIPALITY shall reimburse the COUNTY for all additional gross salary paid to the deputy serving thereunder for overtime hours and time spent in court in connection with the prosecution of MUNICIPALITY ordinances.
 5. The COUNTY reserves the right to increase such monthly charges to reflect contract settlements affecting deputy salaries, fringe benefits, and any other increased costs which have taken place during the contract period. In addition, the COUNTY will bill the MUNICIPALITY retroactively for any increased costs due to such contract settlements for previous years.
 6. This Contract constitutes and contains the entire agreement of the parties, and supersedes any and all other contracts, agreements or understandings between the parties, whether oral or written.
 7. All vehicles furnished by the COUNTY under this AGREEMENT shall carry the identifying marks of the Sheriff's Office. All vehicles and other equipment shall remain the property of the COUNTY.
 8. The officers will enforce all local ordinances. The officers will write citations on forms supplied to them by the MUNICIPALITY. The COUNTY will be responsible for first appearances on all MUNICIPALITY citations; the MUNICIPAL ATTORNEY will handle the prosecution of those matters in any proceedings after initial appearance. It is further agreed that the fines or forfeitures for State charges shall be turned over to the COUNTY and the fines and forfeitures for those offences that are violations of MUNICIPALITY ordinances will be turned over to the MUNICIPALITY.
 9. Any violation by PURCHASER of any portion of this contract shall constitute a breach of this Contract by PURCHASER. In the event of such breach, PROVIDER shall have the option of declaring this Contract terminated. If this Contract is declared terminated by PROVIDER, PURCHASER shall pay PROVIDER for such police service as have been rendered through the date of termination, prorated on the basis of the monthly charge set forth above.
 10. Any violation by PROVIDER of any portion of this contract shall constitute a breach of this Contract by PROVIDER. In the event of such breach, PURCHASER shall have the option of declaring this Contract terminated. If this Contract is declared terminated by PURCHASER, PURCHASER is not liable for any charges for police services rendered after receipt of written notice of termination by the PROVIDER, with payment for services rendered prior to receipt of that notice to be prorated on the basis of the monthly charge set forth above.
 11. It is the intent of and is understood by the parties that the relationship of PROVIDER and PURCHASER is that of an independent contractor. The PROVIDER is not the employee or agent of the PURCHASER, and the PURCHASER is not the employee or agent of the PROVIDER. Each party will therefore be responsible for its own acts or omissions and neither party will be obligated to defend or indemnify the other for any claim, loss or liability that results from the other's acts or omissions. Nothing in this paragraph is intended to preclude or foreclose the right of either party to bring a cross claim or third party claim against the other for contribution a joint tortfeasor.
 12. The term of this Contract shall be from January 1, 1996, through December 31, 1996, regardless of the dates of the signatures set forth below.

Dated this _____ day of _____, 19____.

WAUKESHA COUNTY

3. Consortium: Purchasing Network

V.A.L.U.E. IN LOCAL GOVERNMENT Of Southeastern Wisconsin
 LETTER OF UNDERSTANDING FOR COOPERATIVE PURCHASING
 P. O. Box 14611. West Allis, WI 53214
 Volume Acquisition and Large Uniform Expenditures

This letter of Understanding made this _____ day of _____, 19____. by
 and between: _____ (agency) and V.A.L.U.E. in Local Government

In consideration of the mutual promises contained in the Letter of Understanding and the provisions of the By-Laws and of the mutual benefits to result therefrom, the participants agree as follows:

1. Commonly used material, equipment and services as designated by the participants to this agreement may be purchased jointly commencing with the execution of this agreement.
2. Representatives from each agency shall agree on the specific material, equipment and services that shall be cooperatively procured and shall set forth in writing, as a minimum, a description for each purchase, the quantity and quality required, the delivery date, and the location for delivery.
3. A designated lead agency shall assume the responsibility for preparing the Invitation for Bid and advertising for bids in accordance with the By-Laws and Administrative Procedures of V.A.L.U.E. In Local Government. Such jurisdiction shall also be designated to receive and open the bids at the time and in the manner acceptable to all participants.
4. The lead agency shall submit a complete tabulation of all bids to the appropriate authority of each jurisdiction participating in the joint purchase and shall certify as to the responsive bidder offering the most advantageous proposal as set forth in the specification.
5. The lead agency has the right to reject any and all bids where deemed appropriate. When the right is exercised to reject all bids, it shall furnish to each participant an explanation and report on its action along with a complete tabulation of all bids received.
6. Each participant shall be responsible for issuing and expediting its own purchase orders, receiving shipments, inspecting goods, verifying invoices, and paying bills. No participant shall, by execution of this agreement or by participation in any purchase contract, be liable for any material, supplies, or equipment ordered or received by any other participant.
7. Participation in any joint purchase is optional by each agency prior to release of the joint purchase documents. Thereafter, all agencies who elect to participate are governed by the provisions of the joint purchase.
8. Any dispute arising between any of the participants hereto and a successful bidder not relating to 1) the validity of the award of the purchase contract or 2) the rejection of the bids, shall be settled by and at the cost of that participant involved in the dispute.
9. This agreement shall take effect upon execution of the signatures.
10. Additional agencies may, from time to time, execute this agreement and such execution subsequent to the effective date of this agreement shall not require re-execution by the original participants.

The above Letter of Understanding has been read, duly considered, and discussed and is hereby adopted this _____ day of _____, 19____.

 Participating Agency

 A.L.U.E. in local government

 Signature

 Signature

 Typed name and title

 Typed name and title

Sample Resolution

A Resolution Establishing Policy Relating to Public Purchasing

WHEREAS, the City/Village of _____ expands a significant portion of its annual budget on the purchase of capital equipment and consumable material, and

WHEREAS, it is the policy of the City/Village of _____ to obtain these goods and equipment in the most cost effective manner in order to maximize savings and reduce the burden to the property tax payer, and

WHEREAS, recent study by the Shared Services Council has resulted in a finding that the potential exists for significant savings and enhancement of quality through the participation in cooperative bidding and purchasing of goods and equipment with other public sector purchasers, and

WHEREAS, the recent formation of an organization (Volume Acquisition and Large Uniform Expenditures, V.A.L.U.E.) dedicated to coordinating joint purchasing between governmental agencies in Southeastern Wisconsin will greatly facilitate the realization of the City/Village of _____ 's goal to increase cooperative purchasing of goods and equipment, now therefore

BE IT RESOLVED, that the City/Village of _____ hereby authorizes the execution of a letter of understanding for cooperative purchasing with V.A.L.U.E. in Local Government, a copy of which is attached, and

BE IT FURTHER RESOLVED, the head of each department and all staff members responsible for purchasing in the City/Village of _____ are hereby directed to actively consider and participate in joint or cooperative purchasing efforts with V.A.L.U.E. where savings can be realized, and

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to each department head and those directly responsible for purchasing in the City/Village of .

Passed and adopted this _____ day of _____, 19____.

4. Consolidation: Fire Services Agreement

AMENDED AND RESTATED NORTH SHORE FIRE SERVICES AGREEMENT

Pursuant to the provisions of 61.65 and 66.30 of the Wisconsin Statutes, this agreement is made and entered into as of November 1, 1994 by and between the Village of Bayside, Milwaukee County, Wisconsin (“Bayside”), the Village of Brown Deer, Milwaukee County, Wisconsin (“Brown Deer”), the Village of Fox Point, Milwaukee County, Wisconsin (“Fox Point”), the City of Glendale, Milwaukee County, Wisconsin (“Glendale”), the Village of River Hills, Milwaukee County, Wisconsin (“River Hills”), the Village of Shorewood, Milwaukee County, Wisconsin (“Shorewood”), the Village of Whitefish Bay, Milwaukee County, Wisconsin (“Whitefish Bay”) (collectively the “municipalities”), to establish a jointly operated fire and emergency services department, hereinafter called the “North Shore Fire Department”.

RECITATIONS

WHEREAS, the parties to the agreement have found it advisable to engage in the provision of a unified, integrated fire and emergency medical service, and, whereas the existing mutual aid agreements do not provide a uniform response to emergencies nor a formula for equitable sharing of costs, and whereas the local governing bodies of the parties have approved a fire consolidation plan, as of September 2, 1994, and attached hereto (Exhibit “A”), to serve as the basis for implementing this agreement.

NOW THEREFORE, in consideration of the following mutual covenants and conditions, the municipalities agree as follows:

1. **Board of Directors.** The municipalities hereby create and establish a Board of Directors (the “Board of Directors”) for the purpose of providing for and oversight of the operations of the North Shore Fire Department, pursuant to Section 66.30 of the Wisconsin Statutes.
 - 1.1 **Board Members and Terms of Office.** The Board of Directors shall consist of seven members, which shall consist of the Mayor or Village Presidents of each of the municipalities, or their respective designees. Each municipality may designate an alternate member to serve in the absence of the designated member of the board of Directors, which alternate shall be appointed by the municipality in the manner in which such municipality shall determine.
 - 1.2 **Quorum.** A majority of the members of the Board of Directors shall constitute a quorum for the transaction of any business at a meeting of the Board of Directors.
 - 1.3 **Official Action.** Except as expressly hereinafter provided in this Agreement, the act of the majority of the members shall be the act of the Board of Director~.
 - 1.4 **Meetings.** Meetings of the Board of Directors shall be held not less frequently than once in each calendar quarter and otherwise at the call of the President or upon the written request of at least two members of the Board of Directors. Notice of a meeting of the Board of Directors shall be given to the members in writing not less than twenty-four (24) hours prior to the time of the meeting.
2. **Voting Requirements.** The affirmative vote of a majority of the members of the Board of Directors is required on all issues brought before the Board of Directors, except that the affirmative vote of the number of members set forth below shall be required for the action specified:
 - a. The purchase or sale of any asset having a value in excess of \$50,000 shall require the affirmative vote of five or more members;
 - b. The addition or expulsion of any member shall require the affirmative vote of six or more members;
 - c. The abandonment or relocation of any fire station shall require the affirmative vote of the representative of the community in which the fire station to be relocated or abandoned is located; and
 - d. The amendment of this Agreement shall require the unanimous approval of the members.

3. **Officers.** As soon as practicable after the initial appointments the Board of Directors shall elect a President, Vice President, Secretary and Treasurer. These officers shall serve until the first meeting of the Board of Directors occurring after January 1, 1996, at which meeting their successors shall be elected. Thereafter the officers shall be elected at the first meeting of the Board of Directors occurring after January 1, of each year, and officers so elected shall hold office until their successors are duly elected and qualified. The Secretary need not be a member of the Board of Directors.

4. **Compensation.** No compensation shall be paid to members of the Board of Directors for their services, but they may be reimbursed for actual and necessary expense" incurred if so authorized by the Board of Directors, and if funds are contained within the approved budget.

Pursuant to the provisions of 61.65 and 66.30 of the Wisconsin Statutes, this agreement is made and entered into as of November 1, 1994 by and between the Village of Bayside, Milwaukee County, Wisconsin ("Bayside"), the Village of Brown Deer, Milwaukee County, Wisconsin ("Brown Deem), the Village of Fox Point, Milwaukee County, Wisconsin ("Fox Point"), the City of Glendale, Milwaukee County, Wisconsin ("Glendale"), the Village of River Hills, Milwaukee County, Wisconsin ("River Hills"), the Village of Shorewood, Milwaukee County, Wisconsin ("Shorewood"), the Village of Whitefish Bay, Milwaukee County, Wisconsin ("Whitefish" Bay) (collectively the "municipalities"), to establish a jointly operated fire and emergency services department, hereinafter called the "North Shore Fire Department".

RECITATIONS

WHEREAS, the parties to the agreement have found it advisable to engage in the provision of a unified, integrated fire and emergency medical service, and, whereas the existing mutual aid agreements do not provide a uniform response to emergencies nor a formula for equitable sharing of costs, and whereas the local governing bodies of the parties have approved a fire consolidation plan, as of September 2, 1994, and attached hereto (Exhibit "An), to serve as the basis for implementing this agreement.

NOW THEREFORE, in consideration of the following mutual covenants and conditions, the municipalities agree as follows:

1. **Board of Directors.** The municipalities hereby create and establish a Board of Directors (the Board of Directors") for the purpose of providing for and oversight of the operations of the North Shore Fire Department, pursuant to Section 66.30 of The Wisconsin Statutes.
 - 1.1 **Board Members and Terms of Office.** The Board of Directors shall consist of seven members, which shall consist of the Mayor or Village Presidents of each of the municipalities, or their respective designees. Each municipality may designate an alternate member to serve in the absence of the designated member of the board of Directors, which alternate shall be appointed by the municipality in the manner in which such municipality shall determine.
 - 1.2 **Quorum.** A majority of the members of the Board of Directors shall constitute a quorum for the transaction of any business at a meeting of the Board of Directors.
5. **Powers.** Except as limited by this Agreement or amendments hereto, the Board of Directors shall have all the powers and duties authorized under the Wisconsin Statutes relating to North Shore Fire Department operation. Such powers shall include, but not necessarily be limited, to the following:
 - 5.1 To authorize repair, maintenance and renewal of the physical assets which are owned by the North Shore Fire Department.
 - 5.2 To recommend adoption of a budget or the North Shore Fire Department's operating expenses and for the North Shore Fire Department's capital improvement expenses including, but not limited to, equipment, as provided in Paragraph 13 of this Agreement. For the purposes of this paragraph, the term "operating expenses" shall include the usual and ordinary cost of operation of the North Shore Fire Department, the operation and routine maintenance of buildings used by the North Shore Fire

Department and the repair and the renewal of the North Shore Fire Department's physical assets including expenses and ordinary additions to its assets. Such budgets shall be submitted to the governing bodies of the municipalities as set forth hereinafter, not later than September 30 in each year.

For the purposes of this paragraph, the term "capital improvement expenses" shall include the expenditures related to the structural reconstruction of premises, purchase of apparatus and equipment which has a life of at least five years and a purchase price of at least 325,000 (1994 dollar"), and replacement or addition of building infrastructure, to include heating, electrical and plumbing systems.

The annual percentage increase in the total annual operating and capital budget of the North Shore Fire Department will not exceed the lesser of (a) the percentage increase in the U.S. Urban CPI (Consumer Price Index), all wage earners, for the 12 months ended on the September 30 next preceding the budget year, or (b) the limit for increases in municipal budgets certified by the Wisconsin Department of Revenue for purposes of Section 79.05, Wis. Stats., plus, in either case, one-half of one percent (0.5).

- 5.3 Upon receiving approval of the capital and operating budgets by the governing bodies of at least five (5) of the seven (7) municipalities, to authorize and contract to make all expenditures deemed necessary by the Board of Directors for operating and capital expenses not in excess of the approved budget. Action by each municipality in connection with approval of the budget shall be completed by November 15 of each year.
- 5.4 In the event the operating and capital improvements budget is not approved by the required number of municipalities as set forth hereinabove, the Board of Directors shall operate at the prior calendar year's level of expenditures, plus any cost increases resulting from contractual obligations incurred in prior years, until agreement is reached by the required number of municipalities.
- 5.5 To sell, exchange, convey or transfer assets of the department, for fair and equitable consideration, as determined to be necessary from time to time, having a fair market value not in excess of Twenty-Five Thousand Dollars (\$25,000) in any one calendar year;
- 5.6 To recommend any sale, exchange, conveyance or transfer of total assets having a fair market value in excess of Twenty Five Thousand Dollars (\$25,000) in the aggregate in any one calendar year and, if such sale, exchange, conveyance or transfer of assets is approved by the governing bodies of at least five of the municipalities, to sell, exchange, convey or transfer such assets on the terms so approved;
- 5.7 To recommend any mutual aid agreements with non-member municipalities, and if such agreement is approved by at least five governing bodies of the municipalities, to implement said agreements.
- 5.8 To recommend fees for services where permitted by law, and if such fees are adopted by at least five governing bodies of the municipalities, to charge and collect such fees as stated in paragraph 16 of this agreement.
- 5.9 To recommend modification to the approved fire consolidation plan beyond its parameters outlined in Exhibit "A" attached hereto, and if such recommendation is adopted by that number of the members of the Board of Directors or municipalities as required herein, to implement such modification. It is acknowledged and agreed that the form of Exhibit "A" attached hereto is a plan for implementation and initial operation of the North Shore Fire Department and may be modified after the execution of this Agreement by action the Board of Directors otherwise in accordance with the terms of this Agreement.

6. **Joint Fire Commission.** The municipalities hereby create and establish a Joint Fire Commission (the "Commission") as provided by 61.65 of the Wisconsin Statutes.

7. **Commission Members and Terms of Office.** The Commission shall be composed as follows:
- 7.1 The Commission shall have seven members, appointed by the respective Mayor and Village Presidents.
 - 7.2 The seven-member Commission shall be initially divided into five classes. Initially, two members shall serve for five years. Two members shall serve for four years. One member shall serve for three years. One member shall serve for two years and one member shall serve for one year. Brown Deer and Glendale shall each appoint a member to a five-year term. Shorewood and Whitefish Bay shall each appoint a member to a four year term. Fox Point shall appoint a member to a three-year term. Bayside shall appoint a member to a two-year term and River Hills shall appoint a member to a one-year term. Thereafter, all terms will be for a five year period.
 - 7.3 Vacancies on the Commission shall be filled by appointment for any unexpired term by the appointing authority in the same manner as original appointments are made.
 - 7.4 A majority of the members of the Commission shall constitute a quorum for the transaction of any business at a meeting of the commission.
 - 7.5 The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Commission.
 - 7.6 Meetings of the Commission shall be held as required but at least once during each calendar year. Meetings of the Commission shall be held upon the call of the Chair or upon the written request of at least two members of the Commission. Notice of a meeting of the Commission shall be given to the members in writing not less than twenty-four (24) hours prior to the time of the meeting.
8. **Officers.** As soon as practicable after the initial appointments the Commission shall elect a Chair, Vice Chair and Secretary. The Secretary need not be a member of the Commission. Officers shall thereafter be elected at the first meeting of the Commission occurring after January 1 of each year, and officers so elected shall hold office until their replacements are duly elected and qualified.
9. **Compensation.** No compensation shall be paid to members of the Commission for their services, but they may be reimbursed for actual and necessary expenses incurred if so authorized by the Board of Directors.
10. **Powers.** The Commission is to be subject to the provisions of 62.13 (2) to (12), exclusive of section 62.13 (6), pertaining to a Board of Police and Fire Commissioners and to appointments, promotions, suspensions, removals, dismissals, reemployment, compensation, rest days, exemptions, organization and supervision of departments, contracts and audits, to the extent that the provisions apply to third class cities.
11. **Fiscal Agent.** Upon approval of this Agreement, proposals for the appointment of the North Shore Fire Department's fiscal agent shall be submitted by participating municipalities, which shall include the term and annual fee for such services. The election of the fiscal agent will take into account the cost, as well as the specifications of the proposal. The selection of the fiscal agent will be recommended by the Board of Directors, to the respective governing bodies for approval by a majority of municipalities. Duties of the fiscal agent shall include, but not be limited to
- a. Maintaining financial records.
 - b. Receiving and disbursing funds.
 - c. Providing payroll administration.
 - d. Administering insurance program.
 - e. Others in order to satisfy paragraphs 16–17 of this agreement.

The fiscal agent shall be bonded and the specifications of such bonding shall be part of the proposal for fiscal agent services.

12. **Employees.** All employees of the North Shore Fire Department shall be employees of the North Shore Fire Department for all purposes, and in no event shall any such employee be or be deemed or construed to be an employee of any one or more of the municipalities.
13. **Budget.** The Board of Directors shall submit to the governing bodies of the municipalities not later than October 1 of each year commencing October 1, 1994, a single budget to cover the North Shore Fire Department income, operating expenses and capital expenditures for the following calendar year. Such budget shall be in the form prescribed by Wisconsin Statutes 65.50 with respect to municipal budgets and shall, in addition, contain an explanation of the Board of Director's reasons for recommending any total annual capital expenditure. No expenditures shall be made or contracted for by the Board of Directors or any North Shore Fire Department employee with respect to any proposed item of operating expense or capital expenditure not contained in the prior year's budget until the approvals by the municipalities as provided in paragraph 5.3 of this agreement have been obtained. No item of operating expense or capital expenditure not provided for in the budget shall be made or contracted for by any member or officer of the Board of Directors or by any North Shore Fire Department employee except as authorized by the Board of Directors.
 - 13.1 In addition, the Board of Directors shall monitor the condition of the capital assets owned and controlled by the North Shore Fire Department, and shall annually furnish estimated dates and costs of replacement or reconstruction for each item over a ten-year period to the member governing bodies for approval.
14. **Contributions.** Apparatus and vehicles currently owned by participating municipalities required to implement the approved plan will be purchased by the North Shore Fire Department from the participating municipalities at their appraised values as determined by the FIDELITY APPRAISAL COMPANY, INC. appraisal dated May 11, 1994, set forth in Exhibit "B." Apparatus and vehicles not purchased remain the property of the municipality for disposal as it may choose. Each municipality shall be paid for apparatus and vehicles purchased by the North Shore Fire Department, over a ten year term, with interest at the rate of six percent (6%) per annum. Each municipality shall contribute to the North Shore Fire Department, at no charge, all other supplies and equipment currently in use by its fire department.
15. **Ownership of Assets.** The North Shore Fire Department created by this Agreement shall be the legal owner of assets contributed to or acquired by the North Shore Fire Department, including real estate, buildings and fixtures, and where applicable such assets shall be titled in the name of the North Shore Fire Department. The North Shore Fire Department shall not be the owner of real estate, buildings and fixtures used by it unless any of such property is conveyed to and titled in the name of the North Shore Fire Department. All assets contributed to or acquired by the North Shore Fire Department shall be owned and held by the North Shore Fire Department subject to the provisions for division of assets on termination of this Agreement as set forth at paragraph 21 in this Agreement.
 - 15.1 The municipalities shall on January 1, 1995 transfer to the North Shore Fire Department custody, use and control, but not ownership, of the buildings to be used by the North Fire Department , except for the real estate, building mixtures described in the next sentence. Real estate, buildings and fixtures to be titled in the name of the North Shore Fire Department on the date operations of the Department commence shall be conveyed to the North Shore Fire Department on or before January 1, 1995 or thirty days after completion and acceptance of all construction work under contract by a participating municipality, whichever is last to occur.
 - 15.2 **Responsibility for Capital Expenditures.** The North Shore Fire Department shall be responsible for the financing of repair, maintenance and renewal of apparatus and vehicles owned by the North Shore Fire Department. Expenditures for repair and renovation of structural parts of buildings shall be the responsibility of the owner unless otherwise agreed upon under limitations of paragraph 5, provided that at the request of

the responsible party, and if deemed advantageous by the Board of Directors, the Board of Directors may recommend joint financing for any capital expenditure authorized hereunder.

15.3 **Rented Space.** Buildings occupied by the North Shore Fire Department and not owned shall be rented from the participating municipality at the initial rate of \$6.00 per square foot per year, in addition to the charges for insurance, utilities and all other operating expenses which shall be paid by the North Shore Fire Department. The rental rate shall be adjusted annually, at the rate of annual increase or decrease of the Consumer Price Index. Rent shall be paid for all space utilized for Fire Department functions. The details of allocating building costs in municipalities where both police and fire occupy common space will be specified by a codicil to this Agreement.

16. **Fire Department Funds.** Where required by this Agreement, the fiscal agent is designated to pay all expenditures authorized by the Board of Directors and which are in accordance with the budget approved by the governing bodies, and receive all service revenue as approved. The fiscal agent shall keep a separate fund for all receipts and disbursements. The fiscal agent shall keep complete and accurate records of all receipts and disbursements of the North Shore Fire Department, which shall be available for public inspection, and shall furnish the municipalities with annual audit reports thereof.

17. **Payments of Expenses.** The municipalities shall bear and pay the net operating expenses and capital expenditures of the North Shore Fire Department as established according to the following procedures and proportions.

17.1 **Financing Formula.** Each participating municipality's annual financial contribution to the North Shore Fire Department's operating, maintenance and capital budgets shall be calculated in the manner described in the formula and percentages outlined in Exhibit "C."

17.2 The fiscal agent will submit to each municipality a statement requiring payment of that municipality's share of the estimated net operating expenses and capital expenditures for the fiscal year which must be paid to the fiscal agent in quarterly payments as required by Section 17.3, which notice shall be given not later than fifteen (15) days following approval of the North Shore Fire Department Budget by the required number of municipalities.

17.3 Thereafter, fifteen days prior to the first day of the first, fourth, seventh, and tenth month of the year, the fiscal agent shall submit to each municipality a quarterly statement requiring payment of one fourth of that municipality's share of the net operating expenses and the capital expenditures, to be paid by the first day of the first, fourth, seventh, and tenth month of each year.

17.4 On January 1 and July 1 of each year, the Fiscal Agent shall compute the amount of revenue received by the department from service usage fees during the preceding six (6) month period and shall credit the amount of such revenues against the amounts due from the Municipalities in accordance with the ratio of expense sharing in effect for such preceding six (6) month period. For purposes of paragraphs 17.3 and 17.4, the amounts due shall be based on actual expenses and revenues, if known, and if based on estimates, shall be subject to reconciliation when actual expenses and revenues are known.

17.5 If any municipality fails to pay in full each payment to be made by it as provided by this Agreement on the due date, such defaulting municipality shall be indebted to the other participating municipalities for the payment due, plus interest at the prevailing prime rate in Milwaukee, Wisconsin as established by Firststar Bank, Milwaukee, NA from the due date until payment. At the discretion of the Board of Directors. Legal action to enforce such payment due by the defaulting municipality may be taken by the Board of Directors. Any recovery collected shall be paid to reimburse any other municipality to the extent it paid any part of such defaulted payment, plus interest, and the balance of such payments, plus interest, shall be made to the North Shore Fire

Department, which interest shall be credited against payments to be made by the municipality or municipalities that were not in default. If two or more municipalities were not in default, such interest shall be credited in the proportion each paid operating expenses during the period of default. In addition to any sum in default, and interest, as above provided, there shall be included in the judgement all costs, disbursements and a reasonable sum as attorney's fees.

- 18. Term of Agreement.** This agreement shall take effect upon the effective date stated herein after the adoption by the governing body of each municipality of a resolution approving the Agreement and authorizing its execution. This Agreement shall remain in effect in perpetuity subject to the following:
- 18.1 All municipalities shall participate agreement for a minimum of five (5) years.
 - 18.2 After the expiration of the initial five (5) year period, any municipality wishing to withdraw from this agreement may do so on at least two (2) years written notice addressed to the clerk of each of the other municipalities, provided however, that no such notice be given until expiration of the initial five (5) year period set forth in the prior paragraph.
- 19. Effect of Withdrawal or Expulsion.** The withdrawal or expulsion of any municipality from this agreement shall not terminate this agreement; however, a municipality by withdrawing or upon expulsion shall be entitled to a distribution of assets as set forth at paragraph 21 of this Agreement.
- 20. Termination.** This Agreement may be terminated at any time by the written consent of all municipalities or upon the withdrawal of all but one municipality, provided that this agreement and the Joint Fire Commission and Board of Directors shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to terminate the affairs of the North Shore Fire Department.
- 21. Distribution of Assets.** Upon termination, expulsion or withdrawal, the municipalities shall be entitled to a distribution of assets as set forth below:
- a. A share of all equipment and apparatus of the North Shore Fire Department shall be distributed to the withdrawing or terminating municipality in the proportion "et forth in subparagraph (b) below, adjusted for additional capital expenditures for equipment and for depreciation.
 - b. All monies or funds (including cash on hand and money due but uncollected) of the North Shore Fire Department shall be distributed to the withdrawing or terminating municipality in the proportion of the previous year's cost allocation formula percentage of the withdrawing municipality or terminating municipalities, provided said distribution may be deferred by the Board of Directors in whole or in part for up to one (1) year as a reserve to meet liabilities known and unknown.
 - c. All control of the buildings owned by the withdrawing or terminating municipality shall be returned to that municipality.
 - d. The distribution of assets provided in subparagraph (a) of this Paragraph 21 shall be in kind, but only to the extent that assets are identifiable as contributed by the municipality withdrawing. To the extent that such identification is not possible, then the payment shall be made in cash or in the form of other assets acceptable to the withdrawing municipality, in an amount equal to the proportionate share of book value of such property, net of depreciation. With respect to real estate, buildings and fixtures titled in the name of the North Shore Fire Department, the withdrawing or terminating municipality shall be entitled to a cash payment in the amount of the proportionate share of the book value of such property, net of depreciation, equal to the municipality's proportionate share of contributions allocated to such property. The withdrawing or terminating municipality shall have no right to require a partition of any such real estate. In the event of a cash payment, such payment may be made in equal annual installments, bearing interest at the rate specified in paragraph 17.5, over a period of

not more than four (4) years with respect to equipment and apparatus and not more than ten (10) years with respect to real estate, buildings or fixtures, and such payment shall be reduced by the proportionate amount, net of depreciation, of any capital expenditures financed by the North Shore Fire Department with respect to any buildings owned by such municipality.

22. **Participation.** Additional municipalities may be permitted to become parties to this Agreement, but only upon unanimous approval of the governing bodies of the participating municipalities which have maintained in a current status their financial obligations thereunder, upon such terms and conditions as such participating municipalities may unanimously adopt.

23. **Amendments.** Amendments to this Agreement may be proposed by any member of the Board of Directors. The amendment shall be submitted to the Board of Directors at least thirty (30) days prior to the meeting of the Board of Directors at which such amendment is to be considered.

A unanimous vote of the Board of Directors shall be required to recommend any amendment to the governing body of the municipalities.

A unanimous vote of all the municipalities shall be required to approve any amendments to this Agreement, except that Exhibit "A" may be amended by the Board of Directors as provided herein

24. **Hold Harmless.** Any uninsured liability, cost or damages for personal injury, property damage or any other loss of whatever nature incurred by the North Shore Fire Department or any municipality by reason of its participation as a member of the North Shore Fire Department and specifically by reason of the services provided by the North Shore Fire Department shall be the liability of the North Shore Fire Department, subject to the contributions of the municipalities hereinafter described. Any such uninsured liability, cost or damage shall be paid proportionately by each of the municipalities in accordance with the formula established in Section 17 of this Agreement, notwithstanding the political jurisdiction in which such injury, loss or damage occurs, through contributions by such municipalities to the operating budget, or if such operating budget is insufficient, through additional contributions to the North Shore Fire Department made proportionately by each municipality in accordance with the formula established in Section 17 of this Agreement.

25. **Partial Invalidity.** If any provision of this agreement shall be held or declared invalid, illegal or unenforceable under any law applicable thereto, such provision shall be deemed deleted from this agreement without impairing or prejudicing the validity, legality and enforceability of the remaining provisions hereof.

26. **Transitional Provisions.**

26.1 The agreement between the City of Glendale and Milwaukee County for the city's provision to render Paramedic Services to the North Shore Communities shall be replaced by an agreement between the North Shore Fire Department and the County.

26.2 Simultaneously with the execution of this agreement, the governing bodies (Mayor and Village Presidents) shall appoint the members of the Joint Fire Commission. The Board of Directors shall be established, which thereupon shall direct the orderly transition to be in effect fully by January 1, 1995 .

26.3 The mutual-aid response agreements between the parties of this agreement, and between the parties of this agreement with other municipalities, shall be terminated by the earliest dates provided in said contracts.

26.4 **Insurance.** The North Shore Fire Department shall procure and maintain during the term of this agreement

Signed and dated the _____ day of _____, 19____.



Authors: Wayne H. Faust is an associate professor in the Department of Community Resource Development with the University of Wisconsin–Extension, Cooperative Extension in Waukesha County. Christine Dunning is a professor in the Department of Governmental Affairs at the University of Wisconsin–Milwaukee.

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G3677 Sharing Government Services: A Practical Guide

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