

**Community Collaboration Work Group**  
**Meeting Minutes**

Wednesday, December 5, 2012 – 7:30 a.m.  
Room 310 - County Administration Building

**MEMBERS PRESENT:** County Commissioner Jim Saalfeld (Chair); Grand Rapids City Commissioner Rosalynn Bliss (Vice-Chair); President of the Grand Rapids Chamber of Commerce Rick Baker; Attorney Jim Brown; Grand Rapids Township Supervisor Mike DeVries; County Commissioners Carol Hennessy, Dan Koorndyk and Michael Wawee Jr.; President & CEO of The Right Place, Inc. Birgit Klohs

**MEMBERS ABSENT:** President & CEO of the Hispanic Center of Western Michigan Martha Gonzalez-Cortes; Grand Valley State University Professor of Economics Paul Isely; Walker City Manager Cathy Vander Meulen; Grand Rapids City Commissioner Jim White

**ALSO PRESENT:** County Administrator/Controller Daryl Delabbio; Assistant County Administrator Mary Swanson; Executive Assistant to the Board Jamie Groom; Grand Rapids City Manager Greg Sundstrom; County Management Analyst Jen DeHaan; Upjohn Institute Consultant George A. Erickcek; Wyoming City Manager Curtis Holt; Northern Illinois University Professor Kurt Thurmaier

**NEWS MEDIA:** David Czurak, Grand Rapids Business Journal

Mr. Saalfeld called the meeting to order at 7:39 a.m.

I. **SUMMARY OF MAJOR FUNCTIONS OF GOVERNMENT – Upjohn Report – Part II**

Mr. Saalfeld welcomed the group and introduced Professor Kurt Thurmaier and welcomed Mr. Erickcek back.

Mr. Erickcek said that his research did not produce conclusive numbers. There were limited samples in the analysis which was restricted to only core counties in metro areas. There was a dissimilarity of the type and level of the consolidation of services and a limited number of years (1969-2011) which makes before/after analysis impossible. The number of control variables and degrees of freedom was limited.

Mr. Erickcek distributed his data. Overall, in the area of economic performance, the results were inconsistent, and in the area of consolidation, there were no significant findings, either. He did report that an argument can be made that good and effective government is attractive to areas with highly educated residents. It was also found that economic growth was not a good indicator, and as measured by employment or income growth, the findings are inconclusive. There is no evidence to support consolidation.

Ms. Klohs asked how perception is measured. She thinks it is perceived that Indianapolis is an extraordinary community because they consolidated in 1968. Businesses are attracted to that area. Mr. Baker asked if there is a way to measure lost opportunity cost.

Mr. Erickcek answered that he has seen good and bad press. According to research, there is not a labor shortage of skilled employees. None of the data supports that Indianapolis is the best. There may be a perception, but the numbers do not support it. He suggested better public relations to promote this region. Mr. Erickcek said that lost opportunity can be an excellent measurement. What is the potential growth? Look in the local area and see what the missed opportunity is. What growth could the area have experienced if the perception that the region is easy to work with was there?

Ms. Klohs cited that the perception of efficiency in Indianapolis is the efficiency and not low fees/costs. The length and complication of process is what is important. Efficiency factor is the most important.

Mr. DeVries asked what the top five complaints are for doing business in this area. Mr. Baker answered that there are speed issues with doing business here. The State of Michigan is a larger challenge than most of the local governments, however.

Mr. Wawee said that regulatory issues between the states are inconsistent and business partners outside the area don't understand why it takes so long to get a permit in Michigan versus another state.

Mr. Saalfeld asked that if consolidation of government is such a great thing, why aren't we seeing more examples of it?

Mr. Erickcek discussed the characteristics necessary for collaboration to occur. It's a matter of personalities, and it is very difficult to get people to develop the trust/relationships needed. Personal things which no data can address, make collaboration possible.

Ms. Klohs said that the State just performed an analysis to evaluate where Michigan stands in comparison with other states. Individual companies and how they make their decisions is not always able to be qualified; there are many intangibles.

## II. SUMMARY OF MAJOR FUNCTIONS OF GOVERNMENT – Municipal Partnership Act

Mr. Holt of the City of Wyoming presented the Municipal Partnership Act (MPA) and what it means to collaboration, consolidation and cooperation. The MPA was unrolled in 2011 as PAA 258. For years, the local units in West Michigan have worked very cooperatively, talking regularly and looking for solutions together. This doesn't mean there is total collaboration on all issues, but it is a regular conversation that occurs. There were challenges in 2004-2006 trying to get out in front of the issues. The group was working hard on dispatch consolidation at that time. It was found that if the nine dispatch centers were consolidated, the cost to consolidate (on the personnel side) would increase by well over one-million dollars because of public acts. Research found 77 different acts that could have impact on it, four of which were notable. All of them contained similar language. If the centers were to combine, workers could not be "hurt" in that combination (best dental, best optical, best salary, etc). What it meant was if Wyoming were to combine with Grand Rapids, the result would be an increase in cost. There was a lot of discussion with legislators, but there was no traction to be had; nobody would move on any kind of real change. The best solution was to write a new act to solve the problem, the Municipal Partnership Act. Curtis Holt, Scott Hill and Eric DeLong were involved in the process. The 77 existing acts were left in place, but if working as part of the Municipal Partnership Act, it would override the other acts.

Mr. Holt said that the Municipal Partnership Act is a ten-page act that allows for consolidations, cooperation and collaborations. It was written very loosely to allow for a variety of "joint endeavors." One of the biggest issues was how employees are dealt with. When entering into a joint endeavor and combining employees, the past practice with each employee group remains with them until it is time to renegotiate. If there is a legacy cost tied to it, that cost must be paid. In charters there are cities and townships that have required officers. For example, the City of Wyoming is still required to keep a fire chief, because there is a provision requiring them to have one. The MPA provides for a funding mechanism.

There are several other types of provisions that allow for consolidation. Many hours of lobbying efforts and time was spent working on this, and it ended with a cordial and solid relationship with the unions. The unions stayed neutral through the process, because language was incorporated to make it work. It is some of the most groundbreaking work that has been done in the area of collaboration and cooperation. The Dispatch Authority started in 2006, and there was 20 years of work that went into it beforehand. It was a natural progression due to good relationship building. There were originally nine dispatch centers; today there are two.

Mr. Holt said that the MPA began as a Kent County-only act with a sunset of five years on it. So many counties wanted to be a part of it, it was expanded to the State level.

Mr. Sundstrom said that Mr. Holt is being modest; the MPA was truly his hard work and for that he is grateful. He said that the act creates more of a level playing field for management and the unions.

Mr. Holt said that what makes success in funding the initiatives is that the entities go into it trying to tackle it together and not to offload expenses onto another municipality. Consolidations need to be fair and equitable across the board or it may be a service that won't work for the consolidation model.

Mr. Sundstrom clarified that the MPA was passed after the One Kent concept was conceived. The act makes collaboration, consolidation and cooperation easier. One service at a time, the governments in Kent County will seek out the efficiencies. With the Municipal Partnership Act and time, there will be new opportunities.

Mr. Saalfeld thanked all the participants for their hard work over the past year. He said that the Work Group will likely have a meeting in the first part of 2013 to work on the report.

III. OTHER BUSINESS/OPEN ITEMS

None.

IV. PUBLIC COMMENT

None.

V. ADJOURNMENT

Mr. Saalfeld adjourned the meeting at 8:54 a.m.