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## ICMA Recognizes Lifetime Member David B. Elder with Prestigious Distinguished Service Award

Retired Worthington, Ohio, city manager David B. Elder was selected by the executive board of ICMA as a 2009 recipient of that organization's Distinguished Service Award. Tipp City Assistant City Manager Bradley C. Vath, a former Worthington assistant, nominated Elder for this award. Mr. Elder's selection will be commemorated in a special insert to the October 2009 issue of the organization's Public Management (PM) magazine.

ICMA's prestigious Distinguished Service Award (DSA) is presented to a manager who has retired from the profession and made an outstanding contribution to local government and the management profession. Rather than focusing on longevity, ICMA's DSA recognizes a manager whose service in his or her community(ies) has been evaluated by his or her peers as strong or exceptional, and who has made major contributions beyond direct service to local government.

David B. Elder's vision and leadership helped guide the city of Worthington for 36 years. Mr. Elder began his career with the city as administrative assistant in 1971. Over the next 10 years, he served as assistant to the city manager and assistant city manager. In 1981, he became city manager, the position he held until his retirement in November 2007.

The city of Worthington can thank Mr. Elder for a handsome list of accomplishments, including revitalization of the city's historic downtown; construction of a new municipal administration building, state-of-the-art community center, and senior center; negotiation of the transfer of the Sharon Township Fire Department to the city of Worthington; and numerous infrastructure improvements.

Mr. Elder hired and mentored numerous interns from master's degree programs, many of whom have gone on to careers in local, state, and federal government. He also enjoyed speaking to graduate level public administration classes at Ohio State University.

He has received a number of awards, including the Ohio City/County Management Association (OCMA) Career Achievement Award; Mid-Ohio Regional Planning Commission William H. Anderson Award for Public Service; OCMA Career Development and Mentoring Award; and a Distinguished Alumni Award from the John Glenn School of Public Affairs at Ohio State University.

Mr. Elder has been active with ICMA, OCMA (serving as president from 1988 to 1990), Ohio Municipal League, Central Ohio Area Managers Association, Mid-Ohio Regional Planning Commission, Franklin County Emergency Management Association Board, and Franklin County Emergency Management Agency. His 36 years with the city of Worthington amply demonstrates his dedication to his community and public service.

See related **Celebration of Service** article on page 12.

## Who's Who -- Who's Where

On September 1, **Vicky Earhart** became Anderson Township Administrator. Her email is [VEarhart@AndersonTownship.org](mailto:VEarhart@AndersonTownship.org) and phone is 513/688-8400. Concurrent with Vicky's promotion, **Steve Sievers** is now Anderson's Assistant Township Administrator for Operations and is also continuing to provide guidance to Development Services as its Director. His email is [SSievers@AndersonTownship.org](mailto:SSievers@AndersonTownship.org) and phone is 513/688-8400. Daily operations of Development Services will fall to **Paul Drury**, the department's Assistant Director. His email is [PDrury@AndersonTownship.org](mailto:PDrury@AndersonTownship.org) and phone is 513/688-8400.

Dayton City Manager **Rashad Young** has accepted an offer to become the new city manager in Greensboro, NC effective October 16.

## OCMA IT Focus Group Update

submitted by Dave Anderson, Task Force chair

The OCMA IT Task Force was created at the OCMA 2008 Winter Conference to partner with the Ohio IT Alliance, an Ohio Edison Center. Task Force representatives from several communities and a few regional intergovernmental groups/COGS met to discuss ways to bring value to the communities and market access to the private sector vendors. The primary focus was on an electronic portal (IT website) to access contractors, an online resource center, market access, a workforce employment center, and other information including IT bid specifications, and Green IT information.

In 2009 the state funding cuts forced a change of direction for the Ohio IT Alliance. Now, the IT Alliance focuses on "Get IT Green"... a modified mission with a priority on Green IT, i.e. data centers and how these new and improved data centers can operate more efficiently and save energy.

While a small economic development sliver still exists, it is recommended that the OCMA Board re-evaluate the relevance of an IT Task Force. Alternatively, a charge could be issued around a more community-oriented focus (IT bid specifications and data sharing, IT professionals creating regional broadband strategies, Best Practices and performance measurement).

In summary, the original hopes have hit a dead end, but the goals of intergovernmental information sharing and regional strategy formation still have potential for state wide impact if the OCMA Board wants to pursue these topics.

## Please Welcome New Members

**Cindy Henry**, Fiscal Manager, Belmont County, 101 W Main St, St Clairsville OH 43950.

**Anne Retcher**, Clerk, Williams County, 100 S Main St, Bryan OH 43506-1791.

## Silverton Named CCR Collaborator of the Year

In recognition of Silverton's efforts to share services, Citizens for Civic Renewal awarded the City its 2009 Collaborator of the Year Award. The award was presented to the City at its July 16th council meeting.

CCR's Building Economic Strength Together (BEST) Task Force asked the question, "When the economy gets tough, households go to WalMart to buy in bulk and save money. Where do local governments go to find similar savings?"

The City of Silverton has been finding the bulk buying bargains for years. "As a small city with a modest tax base, we have to take advantage of almost any opportunity to maintain high quality city services at lower costs," said City Manager Mark Wendling.

For Silverton those opportunities include a joint fire district with the City of Deer Park, contracting building inspections with Hamilton County and joining a local government consortium that provides income tax collection service.

The City of Silverton's shared services story was recently featured at a CCR Citizens Connect forum to help seed a discussion about how Greater Cincinnati's local governments can become more efficient – providing quality local government services at lower costs through sharing and consolidations.

Citizens for Civic Renewal (CCR) is a local non-profit organization that is designed to amplify the voice of the people on vital community issues.

## OCMA Board Meeting Dates

The OCMA Board meets at least quarterly. Members are welcome to attend. Meetings are scheduled from 10 am - 2 pm at the John Glenn School of Public Affairs on the following dates:

Thursday, October 22, 2009

Thursday, January 21, 2010

February 23-25, 2010 is OCMA Winter conference

Thursday, April 15, 2010

Thursday, June 24, 2010

## Wyoming Practices Deconstruction

The City of Wyoming recently completed a project that may be of interest to other jurisdictions. In July 2009, the City of Wyoming became the first municipality in southwestern Ohio to utilize full house deconstruction rather than traditional demolition methods to remove a house that had outlived its functionality. The city contracted with a non-profit company called Building Value to remove the structure. Building Value is affiliated with Easter Seals and was able to use this project as job training for displaced/disadvantaged workers.



The house was removed piece by piece, every reusable piece of lumber carefully denailed and many of the parts, including lumber, baseboards, bathtubs, and windows will find a second life through Building Value's not-for-profit resale store located in Cincinnati. What material that could not be reused was recycled, including over 81 TONS of concrete!

All in all, by using Building Value and their environmentally friendly demolition, more than 90 tons of building materials, concrete, and lumber were diverted from area landfills. The deconstruction report prepared by Building Value detailed exactly what was able to be salvaged from this house including backyard wooden shed, interior doors with hardware,

painted trim baseboards, yellow vinyl exterior siding, a wooden stairway, double hung windows with weights, red chimney brick, metal basement floor jacks, a furnace, a water heater, toilets, a clawfoot bathtub and a standard bathtub, lumber, light fixtures, rafters and joists.

If any other jurisdiction has questions about deconstruction or the process the City of Wyoming went through, please don't hesitate to ask! Contact Alyson Moritz, Planner, City of Wyoming Community Development/ Building Department at (513) 821-7600 or [amoritz@wyoming-ohio.com](mailto:amoritz@wyoming-ohio.com).

Building Value LLC is a nonprofit building materials reuse enterprise that salvages quality building materials otherwise destined for the landfill and resells them in a public retail center. The enterprise provides on-the-job training opportunities in construction and retail, two of Ohio's highest growth sectors. For more information on Building Value, see their website at <http://www.buildingvalue-cincy.org/>.



## OCMA Supports ICMA Media Campaign with Gift of \$5000

The OCMA Board has approved \$5000 in support of ICMA's Media Campaign designed to raise awareness of the profession. GMMB is the advertising firm chosen by ICMA as partner on this effort. The campaign strategy will reach different audiences - elected officials, students, young professionals and business leaders.

The goal is to create a product that is consistent in its messaging, takes advantage of a variety of media and allows localities and states to customize the materials to address the particular circumstances within their communities. ICMA envisions a base campaign that runs nationwide, with add-ons tailored for certain geographic areas.

ICMA sees this as a once-in-a-generation campaign that has the potential to change significantly the public's understanding and perception of the important work that professional local government managers do in communities each day. ICMA hopes the campaign will attract new generations of talent to the profession.

Stay tuned for more details as the campaign unfolds.

# OCMA Participants in OSHA Code Consistency Review Committee

OCMA was among a number of groups (organized labor, management groups and BWC professional staff, among others) asked to be represented on a state-wide panel to review major sections of the OSHA code and Ohio Administrative Code Sections 4213:1-5 for consistency. This is the major safety and health document for the State of Ohio and impacts the safety and health of all working men and women throughout the state. The task has now been completed and the final product has been sent to the Governance Committee of BWC for review and adoption.

The major “rules of engagement “were

- If the standard complies with the BWC safety rule and complies with OSHA, keep the BWC safety rule as is. [Example: Ladder extends 3 feet above landing. BWC safety rule and OSHA are the same].
- If the standard complies with BWC safety rule but violates OSHA, change BWC safety rule. [Example: Safety belts (BWC safety rule) versus body harness (OSHA)].
- If the standard violates BWC safety rule but complies with OSHA, change BWC safety rule. [Example: Perimeter guardrail 1/4 inch wire rope (OSHA) versus 3/8 inch wire rope].
- If the standard does not exist in BWC safety rule now but is in OSHA, keep BWC safety rule as is. [Example: Fire protection and prevention, Not in BWC safety rule, is in OSHA].

The goal was consistency between state codes and federal OSHA regulations so that employers did not have to run the risk of complying with one set of regulations and knowingly or unknowingly, violate another set of regulations. The codes sections reviewed pertain to:

Cutting and welding	Personal Protective Equipment
Guarding Floor and Wall Openings	Ladders and Scaffolds
Air Contaminants	Manlifts
Mechanical Power and Transmission Apparatus	Auxiliary Equipment
Roof Car Suspended Platforms	Storage Batteries
Portable explosive-actuate fastening tools	Materials and flashpoints
Hand Tools, and hand held portable power tools	Confined Spaces
Power Driven saws and knives	Electrical Conductors and Equipment
Wood working machinery	Poles
Mechanical power presses	Vehicle mounted elevating and rotating work platforms
Hoistage and Hauling equipment	Trenches and excavation
Forging Machines and other power machines	Lasers
Abrasive grinding and cutting polishing and buffing tools	Helicopters
Motor vehicles, mobile mechanized equipment	Explosives and blasting
Cranes and Hoists	

Most of the discussions had little impact or applicability to local governments in that the general safety practices were not expensive or difficult to comply with, and the OSHA standard was the comparable issue. Perhaps the most significant departure for local governments will be the applicability and enforcement of OSHA standards for trenching and worker protection during underground (i.e. water and sewer main breaks) operations.

The BWC Division of Safety and Hygiene presented the second reading of the recommendations to update 4123:1-5 to the Governance Committee on Thursday, September 24. After a couple of minor questions, the Governance Committee voted unanimously to accept the recommendations and moved it to the BWC Board of Directors. On Friday, September 25, the complete Board of Directors of the Bureau of Workers Compensation voted to accept the recommendations to update 4123:1-5. It passed without objection. Now the recommendations go to the Joint Committee for Agency Rule Review for review and hearings.

The OCMA Board thanks Dave Anderson for representing OCMA on this committee. For more information, please contact Dave, Liberty Township Administrator at [danderson@Libertytwp.org](mailto:danderson@Libertytwp.org).



## **Westerville Bond Rating is Upgraded to 'AAA' by Fitch**

In the course of routine surveillance, Fitch Ratings upgraded its ratings of Westerville, Ohio's approximately \$5.5 million in outstanding general obligations limited tax, series 1998, 1999, 2003A and 2004 and \$2.1 million in outstanding general obligation unlimited tax bonds, series 2003B, to 'AAA' from 'AA+'. The Rating Outlook was revised to Stable from Positive.

The rating upgrade reflects the city's sound financial management practices and positive operating results, which have contributed to exceptional reserve levels and significant financial flexibility. Also factored into the rating is Westerville's proximity to the extensive and diverse employment base of the Columbus metropolitan economy, above-average income indicators, and moderate debt profile. While the city is not immune to the current recession, unemployment rates remain well below state and national averages. In addition, recent voter approval in the income tax rate should enhance the city's financial flexibility and enable the continued practice of funding a sizable portion of capital needs from internal sources, thereby keeping debt levels moderate.

Westerville is an affluent, predominantly residential community which has grown on average .3% per year since 2000 to a 2008 population of 36,231. Historically a bedroom community, the city has experienced solid growth within its commercial sector, which now accounts for approximately 20% of total assessed value. Westerville's well educated work force, favorable tax and utility rates, and judicious use of tax abatement and revenue sharing incentives have attracted a variety of employers, particularly in the health care and financial services industries. Westar, a large business park within the city which houses many medically related office complexes, has created over 4,000 jobs since the mid 1990s. The city's unemployment rate of 6.8% in May 2009 is significantly lower than state and national rates.

The city's success in developing its commercial base helps bolster municipal income tax receipts, which account for 58% (\$18.8 million out of \$32.4 million) of total fiscal 2008 general fund revenues. Further, in November 2008 voters approved a ballot measure to increase the income tax to 2% from 1.25%. This increase, which became effective Jan. 1, 2009, will generate approximately \$10 million in additional revenue on an annual basis. The city anticipates using the revenue to support general spending and pay-go capital projects. Based on unaudited results, fiscal 2008 will mark the city's fourth consecutive year of operating surplus. The unreserved general fund balance of \$18.6 million is equal to a strong 57% of total spending. Mid-year results for fiscal 2009 are tracking relatively close to the budget, with the city anticipating a surplus of approximately \$520,000 at year end. With the recent increase in the rate, income tax concentration will rise to even higher levels, although Fitch Ratings (New York) believes this risk is somewhat mitigated by the diversity of the income tax base which includes technology, education, and health care enterprises, and the city's ability to collect the tax on both residents and non-residents working within Westerville.

Direct debt ratios are modest at \$1,293 per capita and 1.5% of full market value. Overall debt, including overlapping taxing bodies, also remains moderate at \$2,776 per capita and 3.1% of full market value. Additional debt issuance plans are limited.

Fitch's rating definitions and the terms of use of such ratings are available at [www.fitchratings.com](http://www.fitchratings.com).

## **Support for Members in Transition**

At ICMA 2009 Montreal, Range Rider coordinator Greg Bielawski reminded members that the ICMA Range Rider service is celebrating 35 years of support to Members in Transition (MITs) and all members of ICMA and state association partners.

Currently, there are 88 Range Riders in 23 states making service available to over 70% of the active membership. 2009 was a busy year for the Range Riders with the largest number of Members in Transition in recent years. There are 20 MITs in Illinois alone. In monthly networking calls, MITs have expressed frustration with their lack of ability to stay active. Greg Bielawski asked members to consider hiring MITs for short-term projects and opportunities.

## **Honor the Worthy - Submit an Individual Program or Individual for OCMA Recognition**

The Ohio City/County Management Association's Annual Awards Program honors communities and their administrators for their creative contributions to professional local government management while increasing public awareness of the value of professional local government management. Each year, a panel selects the award recipients from among those nominated by the OCMA membership, recognizing the outstanding work performed by elected officials, appointed managers, local government staff, educators, and citizens who work together to address the most pressing issues facing today's communities.

The OCMA Annual Awards recognize individual achievement by chief administrative officers or assistant administrators who are in positions of overall management responsibility, and/or local governments and their chief administrators in recognition of their creative and successful programs.

### **AWARD CATEGORIES AND ELIGIBILITY**

#### **Career Achievement Award**

Recognizes an outstanding local government administrator who has fostered representative democracy by enhancing the effectiveness of local elected officials and by consistently initiating creative and successful programs and demonstrated a commitment to the development of the profession, especially through involvement in ICMA/OCMA. Eligibility: OCMA Membership, a minimum of 10 years of senior-level service to the profession within the state of Ohio.

#### **Career Development / Mentoring Award**

Each year, OCMA presents The Career Development/Mentoring award goes to a member who has made a significant contribution to the development of new talent in professional local government management. Eligibility: OCMA Membership

#### **Citizen Participation Award**

Recognizes successful strategies designed to inform citizens about the local government services available to them and to include citizens in the process of community decision making. The award concentrates on such areas as community consensus building and adult (non student) citizenship education.

#### **Innovation in Local Government Award**

Recognizes one or more local governments that have successfully applied the concepts of reinvention, reengineering, TQM, customization, or other cutting-edge organizational tools in the delivery of public services.

#### **Intergovernmental Cooperation Award**

Recognizes outstanding programs developed out of cooperative actions or strategic partnerships between at least two jurisdictions or between a jurisdiction and a nonprofit agency established by a jurisdiction.

#### **Profiles in Courage Award**

This award recognizes truly effective leadership in unusual circumstances. Examples include:

- 1) a community devastated by a natural disaster and through truly effective leadership by the manager, the community is able to rebound effectively;
- 2) an unusual personal tragedy that a manager is able to overcome and still provide effective leadership and service to the community.

### **NOMINATION PROCESS**

For each individual or program nomination, nominators must develop a brief narrative and complete an award nomination cover sheet.

### **EVALUATION CRITERIA**

In addition to an individual's body of work or a program's overall creativity and/or innovation, OCMA's Awards Panel evaluates each nomination using the following criteria as presented in the nomination narrative:

Continued next page - **Submit a Nomination**

## Submit a Nomination - continued from previous page

### 1. Scope, Importance, and Value of Activity/Contribution

How has each nominee enhanced or made an outstanding contribution to the specific award topic area for which he/she is being nominated? How important are the services? Who benefited from the services provided? How has the activity affected the lives of the service recipients? The programs nominated must have been in effect for a minimum of one full year (not including the planning phase) and must have demonstrated tangible results.

### 2. Effectiveness Measures

Narrative must describe dollar savings, discuss how productivity increased, and/or summarize program results/impacts (e.g., lives saved, number of citizens served, or how a council or commission enhanced their effectiveness). Notable improvements are often described in “before/after” terms.

### 3. Quality of Performance

This criterion recognizes level of effort, sacrifice, and innovation as ingredients for merit. (Note: Be sure to recognize the “behind-the-scenes” achievers who made the project work.)

## DEADLINE FOR NOMINATIONS

Nominations must be received at OCMA by December 1. Nominations can be emailed to [holodnak.1@osu.edu](mailto:holodnak.1@osu.edu) or mailed to: OCMA Annual Awards Program, c/o John Glenn School of Public Affairs, The Ohio State University, 150 Page Hall, 1810 College Rd., Columbus OH 43210.

## RECIPIENT RECOGNITION

Recipients (both individuals and community programs) of all OCMA Excellence Awards will be recognized in conjunction with the annual OCMA Winter Conference.

## Local Government Leaders Come Together in Cincinnati

More than 50 professionals from over 20 local government organizations gathered in Cincinnati on September 22 to discuss the unique challenges and opportunities local governments are facing today. The second in TechSolve’s Local Government Management Series, this half-day forum was described by participants as an informational mix of “good speakers and timely topics.”

Topics included:

**Case Study Presentation: City of Wyoming’s Emergency Response Process** - Robert Rielage, Fire Chief; Gary Baldauf, Police Chief; Terry Huxel, Public Works Director; Bob Harrison, City Manager

**Making Your Organizational Culture Resilient in Times of Change** - Greg Innes, President, Innes Strategy

**Emotional Impact of Layoffs from a Management Perspective** - Milton Dohoney, City Manager, City of Cincinnati; Patrick Thompson, County Administrator, Hamilton County

**Traits of Quality Public Administration Professionals from a Policy Maker Point of View** - David Pepper, President, Hamilton County Board of County Commissioners

**Group Discussion on Leading Practices in Partnerships** - Regan Gerlt, Central Regional Director, Alliance for Innovation

The next event in the series – with topics picked based on attendee feedback – will be held at TechSolve in January. Attendance is open to regional local government managers and staff. The Local Government Management Series Sponsors are TechSolve, Alliance for Innovation, The Center for Local Government, Greater Cincinnati Chapter of American Society for Public Administration, Greater Cincinnati Local Government Management Association, Cincinnati Chapter of the National Forum for Black Public Administrators, and the Greater Cincinnati Government Finance Officers Association

**About TechSolve:** TechSolve’s team of experienced management consultants help local government, public agency, and special purpose district managers overcome process challenges by examining situational inefficiencies and streamlining operations to better serve citizens. For more information, visit [www.techsolve.org](http://www.techsolve.org).

## **Consolidation and Shared Services - A Proven Method to Save Tax Dollars**

by Ed Henschel, Senior Consultant, RW Management Group, Inc.

When a Midwestern mayor recently had a heart attack, he was grateful for the quick response of the paramedics. After his recovery and return to work he admitted that at the time, the name on the side of the ambulance was irrelevant. What was important was the speed of the response and the treatment he received that resulted in his full recovery. His heart attack occurred during discussions of the merger of fire and EMS services with neighboring communities.

The current fiscal environment facing local governments is forcing them to transform the way they do business. These pressures include:

- Less funding at the state and federal levels.
- Constrained local revenue sources because of the economic slow-down, tax caps, and public opposition to property and sales tax increases.
- Increasing operation costs (e.g. health benefits, energy costs, pension benefit costs) that are growing faster than the community tax bases that support them.
- Increasing demands for service levels to respond to changing demographics and community needs.

Accordingly, municipal leaders must be proactive in balancing the ever-changing need to maintain services while limiting tax rate increases. Failure to do so will inevitably result in elected and appointed officials facing the wrath of constituents at council meetings, on the streets and in the polling booths. For years, municipalities nationwide have looked to consolidation or shared service arrangements in an ongoing effort to reduce or stabilize costs and maintain a high level of service in the face of ever-shrinking revenues. Consolidated municipal operations and shared service arrangements are a time-tested alternative to service delivery that has proven to be cost-effective.

### ***Will Consolidated Services Work For Everyone?***

Consolidation and shared services discussions between two or more units of government begin when there is a sense that there is a mutual opportunity to improve services and /or reduce costs to taxpayers. Quite often the catalyst for these discussions is a poorly handled response to an incident, such as a fire that had delayed response time, or a natural disaster that caused injury, or death that potentially could have been avoided.

Consolidation and shared services are most successful when the following factors are present:

- Communities have a prior history of working together. Sometimes just a “handshake” agreement to share equipment between municipalities at the department level exists. Others have more formal agreements.
- Elected and appointed official know their peers in neighboring communities and have already developed a good relationship with them. This is often the result of periodic meetings between neighboring officials that have built trust over time.
- There is a perceived mutual benefit to sharing services (the benefit is reasonably equal for all).
- Cost savings outweigh a perceived loss of control by the participating parties. Again, if there is a previous working relationship between the municipalities, the control issue becomes less difficult.
- Existing services are either comparable in the communities or there is recognition that jointly, service to resident could be improved by working together,

### ***Challenges Municipalities Need To Overcome***

Once the above factors have been considered, the municipalities need to assess each other’s commitment to reduce overall spending and discuss the many barriers to overcome during the consolidation and shared service process. If each barrier is not carefully considered prior to the start of the process, failure will result. The barriers to consider include:

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## **Consolidation** - continued from previous page

**Loss of Control:** Internally there is usually a perceived loss of control by both department heads and elected officials. This is reflected in an inclination toward turf protection before the facts can be developed and analyzed. If I cannot tell the building inspector what to do in a consolidated inspections department, how will I know if the work is getting done? The response is two fold. First, there must be recognition that the outcomes of a consolidated organization are the same as those of separate municipal departments. Second, consolidation may mean utilizing new and different processes and working through a new entity (a new committee or commission).

**Fear:** Particularly in the public safety arena, there is a fear of loss of community identity, mishandled calls, or poor call response times. Department heads want control of all aspects of operation. They also want their department's name on the side of the vehicles. However, as the mayor with the heart attack stated during his crisis, he could care less! The bigger public issue is the notion that a larger department will not "know my community" and may not send the right responders to the right location. This challenge has been largely overcome with new technology such as cell phone call location identification equipment, GIS systems, and state-of-the-art tracking and communication equipment.

**Reduced Costs:** Unless there is a demonstrated reduction in cost, most consolidations will not occur (however, there are several examples where improved service offset increased costs). One-time start up costs can increase current operating costs in the short run, but may save tax dollars over the long term. The cost savings will need to be substantial in order for the effort to be worthwhile. Therefore, a long range financial forecast of five to seven years is necessary to demonstrate the fiscal impacts of a consolidation over the long term.

**Personal Impacts:** The first time any consolidation is mentioned, employees want to know how they will be impacted personally –Will they continue to have a job? How will their pay be impacted? What benefits will they have? Who will they report to? Differing salary and benefit plans often need to be merged. This can be especially challenging if union contracts are involved. If employees are represented by different unions, employees must determine which bargaining unit will represent them. Negotiating an initial bargaining contract can be difficult. The union (and even non-represented employees) will want the best of the best salary and benefits from the predecessor organizations.

**Funding Options:** Fair and equitable cost distribution between the participants is challenging. Various factors such as population, equalized value, and calls for service are often the basis for many cost distribution formulas. However, these factors often do not take into account differences in service needs, response times, or capital costs. Additionally, the new organization needs to decide if it will purchase or lease existing equipment and facilities. In either case fair market values often need to be determined. In most cases, the organization will need the assistance of an independent third party to help calculate costs and forge a workable and acceptable funding formula.

**Governance Structure:** A consolidated entity may require a new governance structure that will set policies for the organization and to which the organizations' management will report. Governance must be fair and workable for long term success. This means creating a methodology for the appointment of the governing board members (e.g. based on population, based on dollar contributions, etc.) Furthermore, some consolidated organizations will need technical advisory, finance, and personnel committees to assist with ongoing operations and management.

**Implementation:** A well thought out implementation plan is a necessity to avoid errors and lapses in service. When the "switch" is thrown for the new organization to begin operations, all operating procedures, management structures, equipment, and facilities must be in place and ready to function. While there will always be start-up challenges, errors must be kept to an absolute minimum. The critics will be watching for the first opportunity to publicly discredit the new organization if errors occur.

**Termination:** A termination/withdrawal procedure must be clear. Most consolidations require invest-

Continued on next page - **Consolidation**

## **Consolidation** - continued from previous page

ments in capital equipment that may require debt financing. Provisions are necessary to insure that if one entity decides they no longer want to be a member of the consolidation, there must be provisions to pay off incurred debt and redistribute assets. Lengthy notice provisions are necessary to deal with impacts on personnel and technical procedures. Termination and even expulsion procedures should be clear in the event they are needed.

### ***Proven Successes***

There are many examples of successful consolidations nationwide that demonstrate the benefits that can be achieved both financially and with improved service levels. Two such examples are a recent emergency dispatch consolidation and a health department consolidation.

#### **County-wide Dispatch Consolidation**

Recognizing that tax dollars could be saved and services improved, a county executive attempted to consolidate nine public safety answering points (PSAPs) serving 37 municipalities with a combined population of more than 370,000 resident. High turnover of dispatchers at one of the PSAPS continually added to training costs. Avoiding prohibitively high costs for nine dispatch centers to replace obsolete equipment was also key factor in the county executive's initiative.

Current communications technology and GIS systems eliminated many of the historical fears that call locations could be identified. Furthermore, more sophisticated communication systems become more affordable through economies of scale. An analysis of service levels in this county-wide emergency dispatch operation demonstrated that collectively a state-of-the-art communications and records management system could be provided that far exceeded what municipalities could afford on an individual basis. In this case, a completely new communications and emergency management center was built to house the new operation, an 800MHz radio system was developed, and an integrated police and fire records management system was provided. A thorough financial analysis was conducted to determine the fiscal impact if consolidation were to occur. The cost analysis was projected over an eight-year timeframe, since this is the average life of emergency communication equipment.

The analysis demonstrated an annual savings of over \$2.5 million per year and more than \$22 million over the first eight years of operations.

Even with the demonstrated improved facilities, equipment and systems along with substantial financial savings, not all nine PSAP's joined the consolidated dispatch center, demonstrating the political challenge that accompany consolidations. However, of the 37 municipalities in the county, 30 joined the consolidated central dispatch operation.

#### **City/County Health Department Consolidation**

A medium sized city and its surrounding county both operated full-service health departments. The city, faced with fiscal pressures, initiated an effort to establish a structured process to develop clear recommendations for merging the two health departments.

The formal process started in early 2005 and was very collaborative, with broad-based participation from city and county stakeholders. A 12-member merger study committee was tasked with project oversight and developing recommendations for consideration by the elected bodies. Additionally, several functional work groups of staff from both agencies were created to collect, inform, analyze, and discuss similarities and differences in service delivery approaches.

While the initial objective was to address the city's fiscal pressures, maintenance of quality services to residents was also critically important. An initial analysis of a comprehensive list of over 40 public health, nursing,

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environmental health, and health education programs showed that only nine program areas had substantive differences in service approach or delivery.

The merger study committee focused its efforts on evaluating the current approached to service delivery in these nine areas, carefully reviewed the various impacts of these options, and created an organizational plan to incorporate “best practice” approaches into the service delivery model for the merged health department. The city and county each passed resolutions in late 2005 to merge the health department effective January 1, 2006.

The immediate effect of the merger was s a reduction of 1.8 full-time equivalent administrative staff, but there were also substantial fiscal savings as well. Had the merger not occurred, the combined costs for providing comprehensive health services would have likely increased to nearly \$2.9 million in 2006 (assuming an average annual increase of 4 percent in expenditures). In reality however, excluding city transitional costs, actual 2006 expenditures for health services under the newly merged department represented an overall reduction of nearly \$194,000 compared to 2005.

In addition to the fiscal benefits, the merger maintained pre-consolidation staffing in the public environmental health areas, and enhanced service countywide due to the addition of a health educator/grant writer; adoption of a more comprehensive community needs assessment process; and establishment of a satellite health office to provide direct service to residents.

### ***Keys to Success***

On average, only about 50 percent of consolidation and shared service efforts are successfully implemented. This indicates that moving forward with the consolidation and shared services process is not an easy endeavor to undertake. The following dynamics will increase the potential for success.

**Knowledge of your partners:** Personal relationships between participants at the administrative, elected and department head levels are very helpful.

**Inclusion of all stakeholders:** Participation of all stakeholders is necessary. This means an open process involving those that are opposed to the consolidation concept.

**Public education:** Public participation and outreach may be required to offset fear, skepticism and protectionism.

**Tax savings:** Cost savings over time is a must for a consolidation to occur. On-going savings of 10% - 25% are necessary.

**Service levels:** Service levels must be maintained or improved to have a successful consolidation.

**Start small:** If the organization has had little or no prior experience working with others, it should start with a smaller effort to prove to itself (and others) that it can work.

### ***Is An Objective Third Party Analysis Needed?***

Whenever two or more entities attempt to work together there is the potential for mistrust. This is especially true when the parties are significantly different in size. An independent third party analysis is often beneficial in providing unbiased objective information and analysis that is credible to all parties. An independent third party will:

- Get agreement on service levels (especially where they differ).
- Develop and conduct a public education program.
- Objectively analyze long-term costs and potential savings.

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- Develop effective and cost sensitive staffing plans, organizational structures, and operational procedures.
- Determine infrastructure, facility, and equipment needs.
- Evaluate key compensation and benefit issues between entities.
- Develop a fair system for the distribution of costs (funding formulas are many; finding the politically acceptable formula is often the key).
- Develop a meaningful implementation plan that is realistic and achievable (avoiding interruptions in service delivery).
- Create workable governance agreements and frameworks (including termination provisions).

### ***Benefits Outweigh the Challenges***

The consolidation and shared services process is time-consuming and difficult on many fronts. It also requires the commitment and support of top administrative and elected leaders to be successful. The potential benefits of consolidations are many and often outweigh the challenges. These benefits include:

- Continuous annual savings, not just a one-time cost reduction.
- Lowered individual costs for state-of-the-art equipment through economies of scale.
- Reduced overhead, support and management expenses.
- Enhanced employee skill sets through improved training and better management systems (economies of skill).
- Enhanced opportunities for staff promotion and advancement, which lead to lower turnover rates.
- Improved and more efficient service levels and response times by eliminating artificial municipal or service area boundaries.
- Coordinated and streamlined responses to major crises and natural disaster.
- Enhance communication between localities, which creates a “snowball effect” for future cooperation on other areas.

Targets for consolidation and shared services will depend on the objectives sought and opportunities that present themselves (e.g. retirement of one community’s department head or the need to purchase expensive equipment, etc.). In the final analysis, any area may be considered for consolidation. While consolidation and shared services are challenging and can be controversial, if done carefully and with thorough analysis, this tried and true method can result in significant savings with improved service.

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## Celebration of Service - 2009 Service Award Recipients

ICMA Service Awards recognize and celebrate members' dedication to public service and professional management. Awards are granted at 10 years and 20 years of local government service. After 20 years, awards are given in five-year increments. Members receiving awards for 25 years or more of local government service are listed here. See [icma.org](http://icma.org) for a complete list of service award recipients.

Ohio members with 35 years of service are **Daniel E. Dubruiel, Ray H. Hodges Sr. and Steve Husemann.**  
Ohio members with 30 years of service are **Douglas R. Elliott Jr. and Thomas W. Moeller.**  
Ohio members with 25 years of service are **Jane A. Berry, Milton R. Dohoney Jr., Jack Haney and R. Thomas Homan.**

Recognized by ICMA Center for Performance Measurement was **Loveland, Ohio** which earned the Certificate of Achievement for 1) reporting of performance data to the public through budgets, newsletters, and/or information provided to elected officials; 2) verification efforts to ensure the data's reliability; and 3) staff training in the principles of performance measurement.