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DEPARTMENTS

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Barn Raising— 21st Century Style

Local governments turn to neighbors for assistance

It doesn't take long to find a story on underfunded government pensions or speculation on which local government will be next to file for bankruptcy. Service reductions, furloughs, and tax increases have become all too familiar.

Although most local governments are not in dire straits, it should come as no surprise that many are looking to their neighbors for help to get projects completed. This strategy is reminiscent of early American barn raising, where able-bodied members of a community would come together to collectively build a neighbor's barn, a necessary structure on any farm. Those who volunteered were not paid, but each could count on the favor being returned if ever needed.

Barn raisings would also help bring a community together in a time of crisis to rebuild after a fire or other disaster. With every new barn, the community prospered.

PARTNERSHIPS WITH NEIGHBORS

Just as the typical family in 18th- and 19th-century rural America might not have had the resources to assemble a large barn, cash-strapped local governments today are increasingly considering partnerships with their neighbors. Such collaborative service-delivery approaches as interlocal or shared-service agreements are not new, but they can offer cost-effective solutions.

These types of relationships, however, don't happen overnight. Identifying the right service partner can be made easier if appointed local leaders also have an established network of their peers.

Asking neighboring communities for a site visit or attending ICMA or state association meetings can provide insight into the best practices of others.

Leadership networks can help identify potential service partners. Finding a neighboring community with the same collaborative approach and compatible service philosophy is critical.

Shared-service agreements must be built upon mutual respect and the political support of elected officials. Successful collaborations may even occur between neighbors that don't always see eye-to-eye so long as each is able to put differences aside in pursuit of a common goal.

State laws may dictate the form and function of these agreements. These principles offer a foundation of accountability:

Hang on to the purse strings. A central tenant of any agreement must be the retention of budget authority. Even if your local government partner is taking over the service entirely, the taxpayers financing the program expect their elected officials to remain financially responsible.

The agreement should include a process that gives both sides equal input and authority. A joint commission, for example, could be formed to provide budget oversight and to make recommendations to each elected body.

A mechanism should also be established to resolve a budget impasse, which can include reverting to prior year's expenditures until differences can be resolved.

Performance matters. Equally important to brokering a sound financial arrangement is ongoing program oversight and contract management. Building performance reporting into the agreement will benefit both communities because they can monitor the impact of the new relationship.

Each side to the agreement should consider the type of information needed to exercise reasonable oversight. Is the service provider meeting performance benchmarks? Are additional service demands reducing program effectiveness?

Another consideration is whether the terms of the agreement are subject to change if performance either exceeds expectations or misses the mark.

Plan to communicate. Regular communication will help ensure a successful partnership. The agreement should detail how the parties will keep the lines of communication open. There are several ways to ensure open dialogue.

Creating a committee of elected and appointed resident representatives has worked well for some communities provided the role of the committee is clearly defined. Less formal but frequent communication at the staff level can help address day-to-day issues and manage other aspects of the agreement.

Another critical element of an interlocal agreement that fosters accountability is an exit strategy. Both communities should be able to pull out of the agreement if it's not meeting taxpayer needs. Advance notice, perhaps 12 months, is a reasonable provision that will enable the community providing services adequate time to prepare operationally and financially.

The service-receiving community would also have time to consider how the program will be provided after the agreement is terminated. An exit strategy also ensures future governing bodies will have the right to reevaluate not only the relationship but also if the service should be provided at all.

If crafted to ensure taxpayer accountability, interlocal agreements can offer local governments the same win/win benefits early American farmers enjoyed from barn raisings.

Jim Culotta
Town Administrator
Cedarburg, Wisconsin
jculotta@town.cedarburg.wi.us