



WISCONSIN LEGISLATIVE COUNCIL

LOCAL SERVICE CONSOLIDATION

Room 411 South
State Capitol

August 31, 2010
10:00 a.m. – 3:00 p.m.

[The following is a summary of the August 31, 2010 meeting of the Special Committee on Local Service Consolidation. The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc>.]

Call to Order and Roll Call

Chair Zepnick called the committee to order. The roll was called and a quorum was present.

COMMITTEE MEMBERS PRESENT: Rep. Josh Zepnick, Chair; Rep. Mark Gottlieb, Vice-Chair; Reps. Mark Pocan and Jeff Stone; and Public Members Debra Amesqua, Ron Chamberlain, Tina Cruse, Joseph Czarnecki, Dennis Dresang, Ken Hartje, Joe Heim, Chuck Hicklin, William Mielke, Mark Nicolini, Dennis O'Loughlin, and Michael Woodzicka.

COMMITTEE MEMBER EXCUSED: Public Member Allan Bilbao.

COUNCIL STAFF PRESENT: Scott Grosz and Jessica Karls-Ruplinger, Staff Attorneys.

APPEARANCES: Rep. Marlin D. Schneider, Co-Chair, Joint Legislative Council; Terry C. Anderson, Director, Legislative Council; Gary Becker, Executive Director, Local Government Institute of Wisconsin; Robert Henken, President, Public Policy Forum; Chuck Law, Director and Community Planning and Design Specialist, Alan Probst, Local Government Specialist, University of Wisconsin (UW)-Extension's Local Government Center and Steven Deller, Professor, Department of Agricultural and Applied Economics, UW-Madison.

Opening Remarks

Representative Marlin Schneider, Co-Chair, Joint Legislative Council, welcomed the members to the Special Committee and thanked them for serving. He cited the number of requests for creation of special committees, and the number of individuals who had been nominated to serve.

Representative Schneider explained that the only rule in Legislative Council committees is that a committee member must be present to vote.

Mr. Terry Anderson, Director, Legislative Council staff, went over administrative procedures relating to committee membership.

Chairperson's Remarks

Chair Zepnick thanked committee members for giving their time to serve on the committee. He described his interest in the relationship between state and local government and noted his particular interest in service consolidation issues facing the City and County of Milwaukee. He noted the importance of the committee's work on a topic that is of great concern during a tenuous and stressful time.

Introduction of Committee Members

Chair Zepnick asked committee members to introduce themselves and comment on their interests in serving on the committee.

Description of Materials Distributed

Staff Brief 10-03, Intergovernmental Cooperation (August 23, 2010)

Jessica Karls-Ruplinger and Scott Grosz provided a brief description of Staff Brief 10-03, *Intergovernmental Cooperation* (August 23, 2010), which describes current statutory authority enabling cooperation and consolidation between local units of government in Wisconsin.

Presentations by Invited Speakers

Gary Becker, Executive Director, Local Government Institute of Wisconsin (LGI)

Mr. Becker described the history LGI and the member organizations responsible for its formation. Following this introduction, Mr. Becker described the current economic climate and explained that the need to focus on consolidation efforts is greater than ever. He also provided a comparison of Wisconsin to other states with regard to the number of units of government in the state. Mr. Becker discussed factors that affect the viability of consolidation efforts, such as local identity, geographic scope of service delivery, operating and capital costs, and other factors. He also noted four elements required in a successful consolidation: trust, community support, leadership, and a shared perception of the need for consolidation. Mr. Becker provided the committee with examples of consolidation in Wisconsin, and offered suggestions for the committee's work, including the repeal of the maintenance of effort law. Following his presentation, Mr. Becker responded to questions from committee members.

Robert Henken, President, Public Policy Forum

Mr. Henken presented information to the committee relating to the fiscal issues facing the City and County of Milwaukee. He discussed the International City/County Management Association (ICMA) methodology for making assessments of cities and counties, and noted that local expenditures are subject to extraordinary demands from health care and pension costs. Mr. Henken discussed a publication of the Public Policy Forum relating to municipal-county consolidation in Milwaukee. Following his presentation, Mr. Henken responded to questions from the committee.

Chuck Law, Director and Community Planning and Design Specialist, Alan Probst, Local Government Specialist, University of Wisconsin (UW)-Extension's Local Government Center, and Steven Deller, Professor, Department of Agricultural and Applied Economics, UW-Madison

Mr. Law, Mr. Probst, and Mr. Deller began their presentation with background information on the Local Government Center. Mr. Law detailed the center's role as a provider of workshops and training to local officials. Mr. Probst noted that, in consolidation efforts, short-term savings are rare. Rather, he stated that savings often take three to five years to materialize. He also emphasized the importance of exit planning in consolidation efforts, and provided examples of consolidation efforts. Mr. Deller discussed the effect of the housing bubble to minimize the constraints of levy limits, and noted that the time is right for review of local government operations. He discussed the competing interests of effectiveness and efficiency in evaluating policy options for local government services, and emphasized the challenges in the use of special districts.

Discussion of Committee Assignment

Following Mr. Becker's presentation, the committee began discussion of its assignment. Mr. Mielke noted that previous legislation tended to be top-down, and that the statutes enabling consolidation have existed for a long time. He noted barriers to consolidation, such as the uniformity clause with respect to mergers of municipalities and the incentives provided by shared revenue that may inhibit cooperation. He also discussed the funding model for the state library system and the effect of unfunded state mandates.

Mr. O'Loughlin suggested a capital fund to provide incentives for capital expenditures and demonstrate the state's commitment to partnership with local units of government. Ms. Kruse described a four-school consortium in which her district participates.

Mr. Chamberlain suggested a review of stormwater management policies and expansion of state law to permit county-based stormwater management. He also suggested a review of certain aspects of the reporting process for the prevailing wage law. Ms. Amesqua noted that the culture of different communities often is an impediment to consolidation, even if monetary benefits are available. Following a question from Chair Zepnick, Ms. Amesqua provided details on the Madison Fire Department. Mr. Abelson inquired of Mr. Becker whether the LGI's work has looked at the creation of authorities and dedicated funding sources. Ms. Amesqua asked if the LGI maintained a resource library for consolidation agreements. Mr. Becker encouraged the committee to review consolidation efforts in other states, including Iowa and Ohio.

Following presentations by the Local Government Center, Chair Zepnick continued the discussion of the committee's assignment, noting his interest in Minnesota's approach to tax base sharing, and inviting committee members to suggest additional speakers. Mr. Chamberlain emphasized

the identification of roadblocks to consolidation success, and suggested a presentation by Wisconsin Education Association Council or Wisconsin Way. Mr. Czarnecki noted health care costs and state health insurance access for local governments as important issues. Mr. Mielke suggested consideration of consolidation legislation related to the Uniformity Clause, encouragement of community smart growth plans, and review of watershed management. Representative Gottlieb suggested review of the manner in which administrative rules accommodate and consider effects on local government.

Chair Zepnick instructed members to communicate with Legislative Council staff in order to identify options for the committee's next meeting date.

Other Business

There was no other business brought before the committee.

Adjournment

The meeting was adjourned at 3:00 p.m.

SG:jal