



## Local Government CENTER

University of Wisconsin-Extension  
Local Government Center  
Alan Probst, Local Government Specialist

### Mergers & Consolidation of Services

- Mergers and consolidation of services are addressed in 66.0301 of the Wisconsin Statutes. Well crafted agreements under 66.0301 are essential.
- Wisconsin Statute 66.0317 “requires” all local governments in Metropolitan Statistical Areas (MSA’s) to sign at least two compacts with neighboring municipalities or counties for provision of joint services.
- Boilerplate agreements are virtually impossible because every situation is so different
- Critical to determine the objectives & goals of merger
- Funding formulas must be clear & equitable
- Consider use of existing equipment & facilities
- Include all personnel in all discussions to avoid morale issues
- Beware of union contracts that must be renegotiated; in some cases contracts may preclude mergers or consolidation
- Should form a separate, non-partisan commission to oversee consolidated or merged services
- Appoint a fiscal agent to handle commission business
- Remember that joint service boards/commissions may not issue independent debt
- Consider a “disbanding” clause if things don’t work as planned; this is effectively a “marriage” and a “pre-nuptial agreement” is necessary to keep you out of court

- **Include ways to distribute excess assets back to municipalities/counties/participating agencies**
- **Mergers rarely create short-term savings; as in school consolidations, they often cost more money as services are improved to bring everyone up to the standard of the better served organization**
- **Better to prevent long-term inefficiencies**
- **Savings must be measured over 3-5 years; this is no “quick fix”**

**Examples:**

- **Water plant**
- **Wastewater Treatment Plant**
- **Policing**
- **Economic Development**
- **Library Services**
- **Parks & Recreation**
- **Solid Waste & Recycling**

**Success stories:**

**Kimberly – Little Chute Police Merger  
North Shore Fire Department**

**Major Challenges:**

- **Desire for community autonomy**
- **Questions on allocation of costs**
- **Fear of loss of service quality**
- **Creating trust**
- **Creating effective governance mechanism**

## **Biography**

**Alan Probst**

**Local Government Specialist & Senior Lecturer, UW-Extension Local Government Center since July 2005**

**Author of Local Government Handbook on Performance Measurement & Performance-Based Budgeting.**

**BS, UW-Platteville, Business & Economics; second major in Political Science**

**MS, Central Michigan University; General Administration (MBA/MPA combined curriculum)**

**Former City Manager, Platteville, Wisconsin**

**Former City Manager, Charleston, Illinois**

**Former Village Administrator, Antioch, Illinois (NW Chicago suburb)**

**Major, US Army (Retired)**