

Building Bridges: Concepts to Improve the Efficiency of Local Government in Allen County

October 21, 2008

The Need for Bridge-Builders

In 2007, Fort Wayne City Council and the Allen County Commissioners jointly agreed to form a committee of citizens to examine the political subdivisions of Allen County and the City of Fort Wayne in order to “study how to create maximum efficiencies on a cost effective basis up to and including the formation of one unit of government. All departments and elements of City and County government must be considered.”

The resulting “Local Government Efficiency Study Committee” (LGESC) met biweekly between November 2007 and August 2008. The Committee has studied the current structure of local government, recent changes in state law, the recommendations of the Indiana Commission to Reform Local Government (the Kernan-Shepard Commission), and several other studies about local government that have occurred through the years. The Committee reviewed and discussed everything from ideas for greater City and County cooperation to structural changes to merge departments. Some of these changes have been debated numerous times over the past several decades, and some have even become reality, such as the combined City-County Board of Public Health, the Building Department, and the Allen County Public Library system.¹

In its study, the LGESC found, however, that the change that will have the greatest impact on government cooperation and efficiency has already been mandated by the Indiana General Assembly. The question for Allen County, and all Indiana counties now, is how to embrace this change in a way that will create new efficiencies and responsive government services as soon as possible. Ignoring this opportunity will prolong the bickering and turf battles that have so long prevented a focused vision and progress for our community.

“The change” came in the property tax reform legislation known as HEA 1001-2008.² This law significantly redefined the circuit breaker concept for property taxpayers. It sets up the situation within each Indiana county where the actions of one government body to modify property tax rates and levies will likely impact the property tax revenues of all other local units that share that same tax base. In other words, we now have a system that forces ALL local government units to share the impact of the fiscal decisions of any ONE government unit. If one unit of government moves to increase its spending, all other units of government will have less to spend. This is a monumental change! No longer can local units of government with tax-and-spend authority operate as separate islands. Because of this new fiscal interrelationship, the need to build bridges of cooperation between these units of government is more important than ever.

¹ A brief history of local government restructuring is being prepared for the Study Committee by the Community Research Institute at IPFW.

² HEA 1001 (Public Law 146-2008) is mentioned numerous times in this report. A summary of this several hundred page Act is the Fiscal Impact Statement prepared for the legislation as enacted by the Legislative Services Agency. It can be found at: <http://www.in.gov/legislative/bills/2008/PDF/FISCAL/HB1001.011.pdf>.

Think of it this way: Imagine all of the households in your neighborhood paid their bills from one bank account. If one neighbor decides to buy a new car, and another neighbor decides to renovate her house, there might not be enough money left in the account to buy what you need. In this scenario, you would soon decide to have a talk with your neighbors and ask them to take your needs into consideration before they spend away the available cash. You might work together to find solutions, such as prioritizing needs and sharing some expenses in order to stretch the available dollars for everyone.

That is exactly what we are calling on local governments in Allen County to do, sooner than later. We call on Allen County and City of Fort Wayne elected leaders to seriously consider the concepts in this position paper, developing collaborative plans and processes that allow for elected and appointed officials to discuss and agree upon community priorities across jurisdictional boundaries. The fact the “circuit breaker” law is already in place will not automatically cause such collaboration. Evidence of this is the current controversy between the City and County over who will pay for bridge maintenance and where to house City and County police operations.

Communities that figure out how to capitalize on the effects of the “circuit breaker” will leap ahead of those that don’t. They will spend wisely, make progress on strategic community priorities and be more attractive for investment and jobs. The members of the LGESC want...actually, we expect...Allen County to be a leader in this area.

We chose not to focus on concepts currently before State lawmakers. The bridge-building concepts in this position paper can all be instituted locally, without changes in State law.

It takes trust on both sides to build a bridge. Trust is the foundation of collaboration. Only true inter-governmental collaboration will produce the most efficient use of limited public resources. The opposite is turf protectionism for its own sake; and it is hard to see how the public benefits if that is the route we continue to take.

So we call on all local government leaders to support this bridge-building together. Many more things will be possible on the other side.

Ultimately, who must be the bridge-builders? They must be local leaders with the courage of conviction. They must be visionaries who see beyond the next election to a better future. They must be action-oriented, able to deflect cronyism, and capable of putting aside self-interest for the good of ALL citizens in Allen County. Our Committee can’t do this work; a consultant can’t do the work; local government leaders must do this work and DO IT NOW.

Bridge-Building Concept #1 for Community Consideration, with the unanimous support of the Committee:

Fiscal Collaboration

The enactment of the circuit breaker concept for property taxpayers sets up the situation within each Indiana county where the actions of one government body to modify property tax rates and levies will likely impact the property tax revenues of all other local units that share that same tax base. For example, the passage of general obligation bond issues under the size threshold that triggers a referendum will potentially increase the aggregate tax rate in a given taxing district. An increase in the aggregate tax rate, with all other factors held constant, will move additional properties into the situation where the circuit breaker will apply. As a result, all other units sharing that property tax base will lose some anticipated property tax revenue. Local units of government will have less fiscal independence from each other than was the case before the enactment of the circuit breaker.

The Indiana General Assembly has, in recent years, offered several different mechanisms to serve as a forum for consideration of the collective impact on taxpayers of the financial actions of local units within a given county. Traditionally, this function was to be handled by the County Board of Tax Adjustment. However, after the enactment of the property tax controls of the early 1970s (commonly referred to as the “Bowen” tax control program), these Boards seldom took action to reduce the rates, budgets or levies of any jurisdiction in their respective county. In 1985, the General Assembly changed the legislation to make Tax Adjustment Boards optional in each county at the discretion of the respective county council. After eliminating its tax adjustment board in the late 1980s, the Allen County Council reinstated the Allen County Board of Tax Adjustment in 2007. The Council subsequently moved to eliminate the Board of Tax Adjustment effective for 2008. During its brief re-existence in 2007, the Board did not act to modify any unit’s budget, property tax levy, or property tax rate. The difficulties in acting in a timely manner that the Board faced in 2007 are outlined in its resolution dated October 26, 2007.³

Public Law 224 (HEA 1478) from the 2007 session of the Indiana General Assembly created a Tax and Capital Projects Board in each county, effective in 2009. This body was to review the budgets, rates and levies of units levying property taxes in a given county. It was to also require each unit to prepare a capital improvements program anticipating that this board would ultimately establish priorities for bonding for capital needs that considered the needs of all taxing units collectively. Even before these boards could be established, the General Assembly reconsidered its prior action and decided that it was inappropriate to create another level of local government in each county. The enabling legislation for the Tax and Capital Project Review Boards was repealed in HEA 1001 from the 2008 session. The intended function was, in part,

³ Allen County Board of Tax Adjustment Resolution #2007-01, October, 2007. This document is available from the office of the Allen County Auditor.

replaced by a non-binding County Council annual review of each civil⁴ taxing unit's budget, property tax rate and levy within a given county. That process begins in 2008. The newly enacted legislation leaves considerable discretion at the local level for the process by which this review shall take place. How will the new civil unit budget, property tax rate and property tax levy review responsibilities of the Allen County Council actually function?

Lastly, the Allen County Income Tax Council has the responsibility for all Allen County-related decisions on the now numerous local income tax rate and related property tax credit options available. Because the City of Fort Wayne contains the majority of the population in Allen County, it holds the majority of votes in the Income Tax Council. In fact, that body has only met once in the nineteen years it has been in existence. However, HEA 1001 – 2008 now requires county income tax councils to actually convene as a group in a public meeting at least once a year to consider increasing or decreasing certain components of the local income tax options.⁵

All of these changes beg the question – is there an adequate forum in Allen County for the various local units of government that levy taxes to communicate with each other in at least a semi-formal manner. How do we determine priorities on the demands for taxpayer resources across various government functions and jurisdictions? How do we set priorities on capital projects? How do we collectively establish and implement property and income tax strategies? How do our local governments develop a meaningful understanding of each others' needs and resources? Do we find ways to act collaboratively or do our local units continue to act as competing forces rather than as a set of organizations created to serve their collective constituents?

The Starting Point is to Convene an Allen County Local Government Fiscal Summit

The Committee strongly encourages all units of local government in Allen County⁶ to collectively hold a fiscal summit yet this year for the purpose of increased cross-jurisdictional understanding, planning and collaboration. We expect all participants to share information regarding their budgets, proposed tax rates and levies, and anticipated capital needs. The two units which created this Committee – Allen County and the City of Fort Wayne – must take the lead in convening the summit. Allen County's leadership is necessary because of its new inter-governmental budget review function and because the County Auditor is the nearest thing we have to a county-wide fiscal officer under the current structure of local government in Indiana. While the analytical capacity of the Fort Wayne Controller's Office and the Allen County Auditor's office have improved greatly since the late 1980s, there is still no ongoing recognized vehicle to share fiscal information with each other, let alone all the other taxing units in Allen County. The changes in the property tax system enacted in HEA 1001-2008 make it even more imperative that we do a better job of sharing information among local units within Allen County and begin to develop a process that allows for elected official priority setting across jurisdictional

⁴ Public school corporations are exempt from this budget review by the respective county council.

⁵ Indiana Code 6-3.5-6-30.

⁶ There are thirty-eight that have the authority to levy property taxes and several others that have the authority to implement user fees and/or issue debt for capital needs.

boundaries. The Allen County Auditors Office is the most logical entity to take the lead on this initiative.

Leadership from the City of Fort Wayne, particularly its Common Council, is also necessary because it holds the dominating role on the Allen County Income Tax Council. We also believe it's important that the four school corporations are involved because they continue to be among the largest units as measured by fiscal impact and because their four respective fiscal officers are among the most knowledgeable local individuals relative to public finance.

We sincerely hope Allen County governments will be leaders in adapting to the new fiscal realities created by HEA 1001. We know they can be; the question is: are they willing? We believe it is imperative that our local governments share a common foundation of fiscal information and understanding as we enter this new era for local government finance in Indiana.

Bridge-Building Concept #2 for Community Consideration, with the unanimous support of the Committee:

Strategic Collaboration

Both Allen County and the City of Fort Wayne are currently in the process of preparing internal strategic plans. Both processes are logical steps for any substantial organization, private, public, or not-for-profit to undertake on a periodic basis. We applaud them for engaging in this process. Just think how much more powerful the process would be if undertaken collaboratively! Just think how much greater the understanding the leaders of each unit would have of the issues, concerns, strengths and opportunities facing the other if they engaged in strategic planning as a joint endeavor. Could such an effort, undertaken every two to three years, move these two governments beyond a climate of competition and toward a climate of cooperation?

Strategic collaboration is more than cross-jurisdictional. **It must also extend to our citizenry.** Today neither Allen County nor the City of Fort Wayne utilizes best practices for annually or bi-annually soliciting the desires, needs, wants and expectations of their constituents. Both have traditionally utilized relatively internal processes for the establishment of budget priorities, culminating in a public hearing after most decisions have already been made. Many jurisdictions across the country employ more formalized and citizen-oriented processes for gathering input on budget priorities. We encourage both the City of Fort Wayne and Allen County to create more robust and meaningful processes for gathering public input on how government can better serve its constituents and prioritize its spending. We encourage the active partnership of neighborhoods, both in the incorporated and unincorporated areas of our county, in this process. We recommend that organizations such as the International City-County Management Association can be tapped to assist in implementing such techniques. Perhaps, in a spirit of collaboration, the City and County might undertake such an effort jointly...after all more than seventy percent of Allen County residents are also residents of the City of Fort Wayne.⁷

Public safety is also too important strategically to plan in isolation. We recommend the creation of a countywide Public Safety Planning Committee to foster the most efficient allocation of public safety personnel and equipment among providing local agencies.

No local government situation has been more difficult to explain to citizens than why, upon annexation, the City of Fort Wayne needed to construct and staff two new fire stations when a township fire department was already providing service to these low-density residential areas. These citizens have frequently noted in frustration that there must be a better way for local governments to work together to avoid the apparent duplication of facilities. The Indiana Commission on Local Government Reform report *Streamlining Local Government* suggested that “better coordination of public safety services across local governments has enormous

⁷ According the U.S. Bureau of the Census Population Estimates for July, 2007 the City of Fort Wayne contained 251,247 residents or 71.9% of the Allen County total population of 349,488.

potential to provide improved service, equity of service and responsibility for costs, and cost savings as the result of economies of scale to administration, staffing, training and equipment.”⁸

This is the area where both the City of Fort Wayne and Allen County spend a substantial portion of local tax revenues. Municipalities, townships, special districts, and county government all share in the provision of police, fire protection, and emergency services to our community. While we believe these agencies tend to work well together from an incident and operational perspective. However, from governance and resource allocation perspectives there is less evidence of long-range, collaborative planning.

We believe that a new county-wide group coordinating, but not necessarily managing on a day-to-day basis, the provision of public safety resources among our respective service providers along the lines recommended by the Reform Commission could have great long-term potential for increased efficiencies. We would suggest establishing such a body for Allen County through an Interlocal Cooperation Agreement entered into by all local governments involved in any component of public safety and disaster preparedness. The Board of County Commissioners is the appropriate entity to take the lead in this initiative.

Greater purchasing power is another strategic decision worth adopting. We recommend the creation of a multi-jurisdictional public purchasing cooperative in Allen County

The Study Committee devoted considerable attention earlier this year to the concept of consolidating the City of Fort Wayne and Allen County purchasing departments. The pending retirement of the County’s long-time purchasing director appeared to present an opportunity for serious consideration of the departmental consolidation – a long discussed possibility in past years. Concurrently, Fort Wayne Mayor Tom Henry had suggested the creation of a local government purchasing collaborative. After meeting with the Mayor, Commissioner Bill Brown and both City and County purchasing directors, the Committee chose to endorse the purchasing collaborative concept over recommending a merger of the two departments.⁹ It was believed that the collaborative proposal represented the greater potential to serve a broader range of local governments beyond the City and County (thus bringing greater savings to local taxpayers) and had a more realistic path to implementation.

A Purchasing Partnership Summit was subsequently hosted by Mayor Henry on June 25, 2008. The Study Committee remains very supportive of this collaborative approach and encourages all local governments in the area to consider participating. It is worth noting that similar efforts are also beginning to surface among local governments in other parts of the state – perhaps an early reaction to the fiscal impact of HEA 1001

⁸ “Streamlining Local Government”; Indiana Commission on Local Government Reform; Indianapolis, Indiana; December 11, 2007; page 21.

⁹ The following position was adopted during the Study Committee’s March 26, 2008 meeting: “The LGESC recommends that the Mayor and the Allen County Commissioners convene representatives of a majority of taxing units within Allen County to explore the establishment and implementation of a purchasing cooperative”.

Bridge-Building Concept #3 for Community Consideration, with the unanimous support of the Committee:

Combination of Services

With tightened budgets, increasing needs, and heightened demands for government performance excellence, it makes sense to the Committee that some government services are combined to better serve these new realities.

Create a consolidated emergency dispatch center serving all public safety agencies in Allen County

This topic has been so widely discussed in public forums that there is little that remains to be explained here. It appears that the primary issue is which unit of government would have primary control over the center, its employees and its protocols.

In the late 1990s Allen County and the City of Fort Wayne were able to create a joint structure for owning and maintaining an 800 megahertz equipment system to support public safety communications. The Allen County Multi-Agency Communications Partnership Agreement, originally entered into by the City of Fort Wayne and Allen County in 2001, provides for a seven-member Board of Managers to oversee the administrative affairs of the Partnership. Appointments to the Board are made equally by the City of Fort Wayne (3) and Allen County (3) and those appointees select the seventh member. Recently enacted state legislation (HEA 1204 - 2008) mandates that by 2014 there be no more than two dispatch centers (also known as public safety answering points or PSAPs) in each county. This was also a recommendation of the Commission to Reform Local Government (the Kernan-Shepard Commission). A commonly cited organizational example is the Evansville-Vanderburgh County consolidation of this function.

Many other communities have successfully found the ability to move beyond the turf issues surrounding consolidation of this function. It is long past the time when Allen County, the City of Fort Wayne, and the other public safety agencies in our community should be included among those ranks. This Committee has neither the depth of information nor the authority to implement such a consolidation. It does, however, recognize that the stalemate on this issue negatively impacts the ability to accomplish many other efforts at increasing local government efficiencies in using its taxpayers' money and improving local services to those taxpayers. We are greatly encouraged by the recent renewal of serious discussions between the City and the County on this matter.

Don't Give Up on a Fort Wayne – Allen County Public Safety Operations Facility

The Committee devoted significant attention during the Spring of 2008 to specifically examining the timely issue of a shared public safety operations facility for the City of Fort Wayne and Allen County. While we are very disappointed that local officials recently announced the topic was off the table because of expense, we believe that a unique opportunity

exists for these two governmental units to collaborate on a joint location for the Sheriff's Department and the Fort Wayne Police Department IN SOME OTHER AFFORDABLE LOCATION other than the City-County Building/Renaissance Square options that have been considered to-date.

Both departments are currently housed in facilities which are physically inadequate due to condition and/or design. Neither existing facility was originally intended to serve public safety functions. The departments share common needs for security, prisoners transport portals, interdepartmental information sharing, evidence storage, prisoner processing, and proximity to the courts.

Looking forward, both departments share a vision for having headquarters/operations facilities designed to meet the long-term needs of their organizations. Twenty years from now we, as a community, will look back and say that timing was perfect to place the two major policing agencies in Allen County in a shared, appropriate, and financially feasible facility. Will we be able to say we seized that opportunity or will we say we allowed it to slip through our fingers?

Create a Countywide Operational Services Bureau

All units of local government have certain common basic internal support functions – human resource management, payroll, purchasing, information management and vehicle maintenance. None of these functions provides services directly to the constituents, yet to some degree they are essential support services without which those direct services would not be completed. In most cases, each local governmental unit handles such functions with separate, internal staff. In a few cases they contract out some or all aspects of those functions. For example, the City of Fort Wayne and Allen County contract out information technology management to an outside vendor.

It would be possible to establish an Allen County Operational Services Bureau to provide some or all of these support services to participating units for a fee. This could be established through an Interlocal Cooperation Agreement, with participation optional. The Bureau would, in turn, provide selected services either directly or through contracts with private sector vendors. Savings should result from the ability to more efficiently provide services that are usually not core competencies of local governments.

All Municipalities in County Government must collaborate on Stormwater Management

Stormwater pays scant attention to government jurisdictional boundaries. Yet today, we have a very confusing and overlapping public system for handling stormwater. Historically, this was primarily a rural issue. The County Drainage Board (with the same membership makeup as the Board of County Commissioners) is responsible for a system of legal drains and a drainage assessment process for raising funds for their construction, reconstruction and maintenance. While this process has always been cumbersome and frequently controversial among and between property owners in the same watershed, it certainly works better in rural than in urban and suburban areas.

In urban areas, stormwater drainage issues have become increasingly complex and are a blend of public, private, and community association responsibilities. In response, many larger municipalities have taken on greater responsibility for maintaining a public drainage system, either through a combined stormwater and sanitary sewer system, or through public management of a separate stormwater system. The City of Fort Wayne eventually created a stormwater management fee system to support this function. The fee is based on an individual property's amount of impervious surface area. County government does not have a similar financial system for supporting public drainage facilities in unincorporated suburban areas. As an alternative, Allen County has utilized the "urban regulated drain"¹⁰ process to address this issue. Annexation of areas developed under one system coming into the jurisdiction of another creates even further complications.

In addition, the system of regulated legal drains is a countywide system. That means that within municipalities, especially those whom maintain a stormwater drainage system, a portion of the stormwater system remains under the jurisdiction of the County Drainage Board.

The entire function became even more complex in the 1990s when the U.S. Environmental Protection Agency moved to regulate public stormwater systems under the Clean Water Act. This placed new responsibilities on both municipal and county government for stormwater management. The complexity of the issue was again highlighted with the enactment of Public Law 114 in 2008 preventing a municipality from imposing a fee for stormwater management if the county provides stormwater management to the area under the provisions of Indiana Code 8-1.5-5.¹¹

Today, municipalities tackle the issue of stormwater management in a fairly independent manner. We recommend that all municipalities in Allen County, along with County government, collaborate to address these highly complex and expensive issues. It is likely that better solutions will emerge from this process and citizens will benefit.

¹⁰ See Indiana Code 36-9-27-67 for the process to designate "urban drains".

¹¹ see Indiana Code 36-9-23-36 for this newly enacted provision and Indiana Code 8-1.5-5 for the legislation governing municipal and county stormwater management utilities.

Bridge-Building Concept #4 for Community Consideration, with the unanimous support of the Committee:

TRANSPORTATION COLLABORATION

Create a Countywide Transportation Authority to maintain all local roads and bridges in Allen County and participating municipalities

Long-range planning for federally-funded highway projects has been unified in Allen County for decades, due primarily as a requirement related to the federal funding of many of these projects. Is it time to consider a more unified approach to not just planning but also building and maintaining our roads and bridges? We are all probably familiar with the current discussions surrounding the responsibility for maintaining and replacing all but our largest bridges – a discussion fundamentally driven by monetary concerns.

The primary source of funding construction and maintenance of local roads and streets is the state levied and collected gasoline tax. A portion of the state gasoline tax comes back to county and municipal governments in the form of Local Road and Street (LR&S) and Motor Vehicle Highway (MVH) accounts with the proportionality of funds received by local units based on some fairly complicated formulas. A few of the municipal governments in Allen County supplement gasoline tax revenues with property taxes. We have also enacted a countywide wheel tax/surtax to supplement the gasoline tax revenues used to maintain the county and municipal road systems. In recent years, the City of Fort Wayne and Allen County have also used County Economic Development Income Tax revenues to supplement the traditional gasoline tax source. Numerous debates over highway and bridge responsibilities have been driven by the shifting responsibilities and funding distributions that are altered by municipal annexation. Yet the gasoline tax, the Wheel Tax/Surtax, and the local income tax are essentially countywide taxes.

Traffic patterns are driven by land use patterns not by local government jurisdictional boundaries. Perhaps it is time to consider maintaining our local roads and bridges through a countywide Transportation Authority, created through an Interlocal Cooperation Agreement entered into by Allen County government and municipalities whom would choose to participate. All gasoline tax and wheel tax/surtax revenues would be used to support the Authority. Participating units could also mutually agree upon a level of income tax revenue (probably a percentage) to be contributed to support the activities of the Authority. Governance of the Authority would be the responsibility of a jointly appointed board as set forth in an Interlocal Cooperation Agreement.

While Committee members from rural and urban areas expressed misgiving about the prioritization of snow removal and other services, we believe that the voluntary participation in this Authority will make it highly service-centric.

Bridge-Building Concept #5 for Community Consideration, with the unanimous support of the Committee:

FURTHER CONSOLIDATION OF LAND USE PLANNING

The City of Fort Wayne and Allen County have taken a significant step forward over the past year with the consolidation of land use permitting functions of the two governments into one organization. This initiative promises to reduce duplication, make the land use regulation system more understandable (particularly to those whom must work with it on a regular basis), and take best advantage of the core competencies of the planning staffs involved in the merged office.

These two units of government, along with four other municipalities within Allen County¹² also recently reached another planning milestone – the first ever jointly created and adopted countywide comprehensive plan – the Plan-it Allen document. This was long sought objective and involved a tremendous amount of work and compromise among the participating governmental organizations.

However, a comprehensive plan by its very nature is broad in scope and can often be subject to a variety of interpretations. Conversely, the development review and permitting function comes at the very end of the land use planning process. Many fundamental land use, development, and public infrastructure planning issues occur somewhere between the adoption of a “comprehensive plan” and the issuance of development permits. These development decisions – rezonings, development plan approvals, and subdivision plat approvals – say much about how the community actually develops. The impacts of these collective decisions go far beyond the current jurisdictional boundaries of governmental unit making the decision at a given point in time. This shared impact was recognized several years ago when the Allen County Commissioners and the City of Fort Wayne established the City-County Communication and Cooperation Committee to deal with planning and development approval issues in unincorporated areas being annexed by the City of Fort Wayne

Shift from the “Advisory” plan commission format, where each jurisdiction has its own plan commission, to the “Area” plan commission format where a joint countywide commission fills this role

Indiana planning enabling legislation envisions this need for coordination of “mid-range” land use issues by providing a vehicle to more cooperative approach such decision-making. It is known as the “Area” plan commission format.¹³ Under this structure there would be only one plan commission for all of Allen County (participation by municipalities is, however, voluntary and thus it would cover only those areas choosing to participate). While the respective county and participating municipal legislative bodies would still have the final vote on rezonings, it

¹² The towns of Grabill, Huntertown and Monroeville and the city of Woodburn also adopted Plan-it Allen as their Comprehensive Plan.

¹³ See Indiana Code 36-7-4.

would be one, unified planning commission that would be making recommendations. That portion of the planning staff that supports the functions of the plan commission(s) would also be merged under a planning department reporting to the area plan commission. Several counties in Indiana currently utilized this vehicle, including St. Joseph (South Bend)¹⁴ and Tippecanoe (Lafayette)¹⁵ counties.

Adopt common zoning and subdivision control ordinances for Allen County and the City of Fort Wayne

The City and County have recently adopted a common comprehensive plan, Plan-it Allen, and have combined their land use regulation staffs. Working from a common set of land use regulations would be a next logical step. This process may already be underway as a follow-up to the Plan-it Allen process and local planners should be brought into the conversation on this matter.

¹⁴ The St. Joseph Area Plan Commission was established in 1965 and serves as the plan commission for the City of South Bend, unincorporated St. Joseph County and the towns of Lakeville, New Carlisle, North Liberty, Osceola, and Roseland, Indiana. The Commission does not serve the City of Mishawaka nor the towns of Indian Village or Walkerton, which have their own plan commissions. The Commission consists of 15 members who are appointed to represent our seven member units of government. The eight-member staff of the Commission works under the supervision of the Commission's Executive Director.

¹⁵ In existence since 1959, the Area Plan Commission of Tippecanoe County (APC) was reorganized in 1975. Its membership now includes five citizens and ten elected officials from the Towns of Battle Ground, Dayton, and Clarks Hill, the Cities of Lafayette and West Lafayette, and Tippecanoe County.

Bridge-Building Concept #6 for Community Consideration, with the unanimous support of the Committee:

PUBLIC SECTOR BEST PRACTICES AND BENCHMARKING

Local governments exist to provide two important functions with and for their respective constituents. The first is a critical component of representative government – local governments serve as a platform for the deliberation of public policy issues. The second important function is to provide a range of services for their constituents. There can be many legitimate disagreements over the appropriate level and range of services to be provided. There should be far more agreement that the services selected to be delivered should be provided in as cost-effective manner and is possible. An oft debated phrase commonly stated is that “government should be run like a business”. When applied to the first function – public policy debate – it is clear that government is nothing like the private sector. But in terms of the second function – delivering public services – there are many similarities.

The Study Committee strongly encourages a continued and increased utilization of two common characteristics of the private sector – a continuous examination of industry best practices and the use of benchmarks to measure the performance of service delivery.

Aggressively seek out best practices for the delivery of public services

We encourage the utilization of business management techniques by departments of City and County government to increase efficiencies within the current structure of a given governmental organization’s service delivery. We believe there is untapped potential for local business-government informal partnerships to assist in implementing this recommendation. We also believe that the State of Indiana should provide voluntary assistance to local governments in the use of “best practices” and “efficiency improvement techniques”. This support should be independent of any state agency that has a regulatory role over local government (such as the Department of Local Government Finance or the State Board of Accounts).¹⁶ Lastly, we believe that active participation in organizations such as the International City/County Management Association and the Government Finance Officers Association also offer important opportunities to seek out best practices from other local governments across the United States. Service functions in local government should be treated as professional enterprises and involvement with such public administration organizations is an essential part of that perspective.

Establish a process for creating local government cost performance benchmarks

We encourage City and County governments to establish objective measurements that facilitate comparisons of their service delivery efficiency over time and that facilitate comparisons of the cost of providing commonly delivered services at the local level with other similar units of

¹⁶ This was also a recommendation of the Indiana Commission on Local Government Reform. See page 38 of “Streamlining Local Government”.

government across Indiana.¹⁷ It is important that these benchmarks be shared with the public and equally important that annual performance against those benchmarks also be shared publicly.

Much work on local government benchmarking has been undertaken by public administrators and educators such as David Ammons. He notes in the preface to *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*:

City governments need performance benchmarks, if they are serious about the efficient delivery of quality services. And their citizens need municipal benchmarks, if they are not!¹⁸

We urge the City and County to take advantage of the work already established in this field. Performance benchmarking would be an excellent function to be incorporated into the duties of a joint Office of Fiscal Management as recommended earlier in this report.

¹⁷ A similar recommendation for increased use of benchmarks has been offered by the Indiana Commission on Local Government Reform. See page 38 of “Streamlining Local Government”.

¹⁸ *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*, Second Edition; David N. Ammons; Sage Publications, Inc.; Thousand Oaks, California; 2001; page vii.

Two Additional Items for Community Consideration:

Two additional items emerged from Committee deliberation which do not require action by the local government officials who appointed us, but are worthy for Community Consideration.

TOWNSHIP ASSESSORS

When the Indiana Supreme Court ultimately ruled in the *Town of St. John v. State Board of Tax Commissioners*¹⁹ case that the Indiana method for assessing property violated the uniform and equal clause of the state constitution, it led to a dramatic change in the assessment system that is still underway. The level of sophistication now being required and expected from the state's property assessment system continues to ratchet up with nearly every legislative session. We now have market-value assessment; trending; state-mandated assessor certification requirements; a modified assessment appeals process; and, with HEA 1001 from the 2008 session, a movement toward centralizing the property assessment functions at the county rather than the township level.

HEA 1001 transferred the assessment responsibilities from all township trustees and many elected township assessors to the county assessor effective July 1, 2008. Only those townships containing a minimum of 15,000 parcels were not immediately impacted by this change. In Allen County, **Aboite, St. Joseph and Wayne Townships** all fall into this latter category. In those cases, the voters of the respective townships will be afforded the opportunity to decide by referendum on the November, 2008 ballot if the assessment function in those townships should also be shifted to the county assessor or should continue to be carried out by the respective elected township assessor.

Reflecting the diverse makeup of our Committee, there is diversity of opinion on this issue. In order to better inform the electorate for the November election, two opinions are presented here:

In Favor of Eliminating Township Assessors and Transferring the Function to the County Assessor:

It doesn't make sense to keep some township assessors, which is what is on our ballot this November. With ANY township assessors still in the system, there will be the ability for one township to negatively impact the rates of the entire County by under-assessing their property values.

The 2005 Tax Equalization Study found that with statistical certainty that these inconsistencies occur:

¹⁹ The *Town of St. Johns v. the State Board of Tax Commissioners* is actually a series of decisions by both the Indiana Tax Court and the Indiana Supreme Court arising from the original petition. The publication *Uniform and Equal*, authored by local resident David Bennett, provides an outstanding background on this matter.

- a. Throughout the State, properties are commonly under-assessed by as much as 25-50% or over-assessed by as much as 30%.
- b. Average errors of 30% or more are common. In far too many cases, a taxpayer's Assessed Valuation bears no relation to either its market value or a neighbor's AV. (ex., 2 \$100,000 market value homes; one assessed at \$70,000, the other at \$130,000).

What's correct or equitable about that?

More importantly, why would we want to put in place such a blatant distinction between urban and rural townships? We don't need to structurally reinforce the belief and fear that if you are in the more rural townships, you are a second-class citizen.

We have strong and reasoned support for our position across the State. Both the Indiana Project for Efficient Government and the Indiana Commission to Reform Local Government (The Kernan-Shepard Commission) support the elimination of Township Assessors.

While some have attempted to interject personalities and politics into the debate, we shouldn't decide this important issue based on either of these things. The issue is about how we are best STRUCTURED, not about who currently holds an office.

Some have also attempted to argue that assessment is about smaller government serving the individual citizen. Who among us has personal interaction with a township assessor? No, this is about fairness. It's about the best way to achieve accurate and uniform assessments that are fair to all of us.

We recommend to the voters of Aboite, St. Joseph and Wayne Townships that the positions of Township Assessor in those respective townships not be retained and that those functions be transferred to the Allen County Assessor. It will facilitate greater efficiency, more uniform assessments, and most of all, FAIRNESS.

Supported by the following Committee Members:

Linda Buskirk

Michael Kelly

Marilyn Moran-Townsend

Michael Ottenweller

Todd Stephenson

In Favor of Retaining Township Assessors in Aboite, St. Joseph and Wayne Townships:

In the forthcoming election voters residing in three townships with more than 15,000 land parcels will be given an option to determine if their Township Assessor should remain as an independently elected official or that position should be eliminated and the function merged into one County Assessor position. This option for the taxpaying public has been made available as a result of a blue ribbon commission designated by the State to explore ways to simplify and make more efficient the ways in which we govern ourselves. The legislature's neutrality on this specific issue has been passed on and now presents itself as a referendum on the November ballot.

At the heart of the issue is the overarching question of whether personalized attention and understanding at a lesser governmental level supersedes the purported efficiencies and presumed economies at a higher and therefore more bureaucratic level. Independent Township Assessors have been an established part of our officialdom since the beginning of Statehood. The State legislators were unable to conclude that one preference over the other would result in better government.

Proponents of eliminating Township Assessors cite the established economies of mass production and the numerical advantage of spreading somewhat of a fixed cost over a larger taxpayer base. There is a rebuttable presumption that by following that path, lower costs will result and will be passed through to a thankful taxpayer.

Another talking point for proponents is that land valuation is a tricky business, requiring educated and skillful individuals that are more likely found in larger County offices. The importance of this work has never been more timely than today, with falling real estate values, credit crunches and taxpayers squeezed by oppressive taxation from all levels.

Those who favor the retention of the existing system are very wary that relinquishing home or local small governmental units to larger ones at the County or State will provide any tax relief whatsoever and may well compound them. Academic studies of Indianapolis and other metropolitan areas where the merger of governmental units have occurred have shown that consolidation has been a mixed bag at best, and in many ways has resulted in higher costs and poorer service delivery. Many residents are fully willing to accept and pay an incrementally small cost to retain personalized delivery of the local Assessor rather than deal with a County functionary that may not even know where your town or property is located.

The idea that one County Assessor (elected) will bring to the table education, skills and experience not found at the Township level is probably dubious. The State has a newly mandated level of education and certification for Assessors at all levels. The electronic age has provided a plethora of data regarding land parcels that include pictures, metes and bounds, directions, legal descriptions and comparative valuations simply not available five years ago. The playing field is level at all units of government now except that the Township people, like the line in The Music

Man, are more likely to "know the territory". Poor performance will no doubt, be dealt with harshly by their peers.

The Local Government Efficiency Study Committee, after lengthy discussion, is equally divided on this issue. In my judgment, when there is no dominant or obvious recommendation to promote or deny the resolution, the taxpayers in the affected townships should benefit or be penalized by the consequence of their vote. Taxpayers residing outside the affected districts will scarcely feel the impact of this vote if there is a change.

Should I have resided in a voting Township I would be reluctant to voluntarily relinquish my rights of property assessment to one unknown and unseen.

If the system presently works . . . don't fix it.

Supported by the following Committee Members:

Don Gerardot

Susie Hoot

Ron Reinking

Ed Rousseau

Rick Stevenson

Sam White, PhD

SUPPORT FOR A NON-GOVERNMENTAL TAXPAYER WATCHDOG GROUP – A POTENTIAL PRIVATE INITIATIVE,

For decades the taxpayers of Allen County benefited from the independent expertise provided by the Taxpayers Research Association. This privately-funded organization served as a knowledgeable and experienced reviewer of local government taxation policy and expenditure practices. Its input on budget deliberations carried influence with elected officials and its support for, or opposition to, specific capital projects proposed to be supported by bond issues carried substantial weight. That organization was disbanded in the early part of this decade, primarily due to funding limitations.

This Committee recognizes the value that an independent private-sector organization of this nature can bring to the public finance process. It can serve both as objective and informed source of influence in taxation and public spending matters. It can also serve as a watchdog, in conjunction with the Indiana State Board of Accounts and the Indiana Department of Local Government Finance, on governmental actions that could be considered outside the realm of the intent, spirit and letter of Indiana laws and regulations governing public finance practices.

While the creation or recreation of such as organization is beyond the scope of local government, the Committee would encourage the cooperation of all Allen County governmental units with such as organization should it created.

Unanimous Support of Committee

Concluding Comments

There are several recent encouraging signs that the City of Fort Wayne and Allen County can work together for their constituents' benefit. The advances made in the consolidation of the land use management staff; the continued use of a common private firm for contracted information technology services; and the reinvigorated discussions regarding public safety dispatch are all evidence of progress. However, these steps forward are balanced by a substantial degree of skepticism grown from years of frustrating discussions resulting in too little action.

We offer our suggestions in the hope that the recent spirit of collaboration will triumph over the old spirit of inter-governmental competition that has too frequently characterized City-County relations. Our City (Fort Wayne) and County governments are but public organizations created to serve what has become, in very large measure, a common constituency – not sovereign entities whose prime consideration should be self-preservation and control. **That point should never be lost in consideration of these suggestions.**

In that spirit of a shared service mission, we have primarily suggested actions which involve collaboration, and in some cases consolidation of specific service functions. We have stopped short of suggesting measures that change fundamental governance relationships. That process was initiated two years ago with the introduction of Fort Wayne Common Council Resolution R-06-04-13. That effort failed to gain momentum. In fact, it really only resulted in the Communities of East Allen initiative. We view the restarting of a governance restructuring process as unproductive at this time. However, the realities of HEA 1001 do provide both significant challenges and real opportunities for local government in Allen County and across the state. We respectfully submit this set of recommendations to the Allen County Board of County Commissioners and the Fort Wayne Common Council, and to the citizens of our community, for your serious consideration.

We appreciate the opportunity to serve as members of the Local Government Efficiency Study Committee. We recognize that much work remains on the part of local government leaders to move forward with each and all of the recommended concepts. We also recognize that most of that work is in the details; and that the “heavy lifting” must be undertaken by elected officials and the specific staff members related to each issue. Where it is appropriate and would be productive, we stand ready to assist in the further consideration and implementation of these and any other concepts that will foster improved collaboration. In the end, collaboration and cooperation are hard work; but the benefits of developing role model local government merit the effort.

One final note: We sincerely thank John Stafford, Director of IPFW's Community Research Institute, for sharing his immense knowledge, experience and research abilities in service to our committee.

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