

# **Collaborative Governance Council Legislative Report 2011**

*Collaboration in local government: not the panacea or the \$5 billion dollar solution, but it can lead to possible long-term savings.*

## **Introduction**

The Collaborative Governance Council was created in a bi-partisan effort by the 2010 Legislature. No funding or staff was provided for the Council. The Council is charged with making recommendations to the Governor and Legislature to increase collaboration in government. Membership of the Council includes representatives from city, county, town, and school board governments as well as representatives from SIEU, AFSCME, Education Minnesota, and the Minnesota Chamber of Commerce.

All meetings held by the Council have been open to the public and meeting materials/ notices were posted on the Office of the State Auditor's website<sup>1</sup>. The council held nine meetings that were each two hours in length. There was strong attendance of members from the public at the meetings. This included small business owners, interested citizens, lobbyists, and chamber representatives.

The Council worked to identify impediments to collaboration in state statute and/or state rules. The Council also reviewed successful local government collaborations. The Council chose to examine specific areas important to collaboration. These areas included technology, shared services/shared resources, joint purchasing/cooperative purchasing opportunities, and joint powers entities and agreements.

The Council concluded that local governments want to find more efficient ways of delivering services while maintaining excellent service delivery. However, the types of collaborations and efficiencies that are appropriate vary based on where an entity is located in the state.

The Council recognizes that the state budget crisis may have an impact on local governments, so creating a more flexible environment for them to respond is important.

## **Technology**

The Council recognized that the lack of access to high-speed broadband can be an impediment to collaboration at all levels of government. The Council reviewed the Minnesota High Speed Broadband Task Force's Report, and heard a presentation on the report.<sup>2</sup> Rick King, Global Head of Technology and Operations, Thomson Reuters Legal, who served as Chair of the Task Force, was asked by the Council if there were any impediments the Task Force ran into while conducting their work. Mr. King reported that the private sector is interested in assisting in these types of projects on their own dime, but that some state statutes made it challenging. The Task Force meetings were sometimes eight hours in length and would go past mealtime. The private sector

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<sup>1</sup> To view the Collaborative Governance Council meeting materials, go to the Office of the State Auditor website at: <http://www.auditor.state.mn.us/default.aspx?page=20100702.000>.

<sup>2</sup> To view the complete Task Force Report, go to: [http://www.ultra-high-speed-mn.org/CM/Custom/UHS%20Broadband%20Report\\_Full.pdf](http://www.ultra-high-speed-mn.org/CM/Custom/UHS%20Broadband%20Report_Full.pdf).

members of the Task Force wanted to provide lunch for the group, but were told they could not, due to current laws. The solution was that the state ended up buying the meals.

Open meeting laws applied to the Task Force meetings, and there was question as to whether they could hold meetings at Thomson Reuters, a corporate setting. Members of the public were allowed access to the building to attend the meetings, but there was question as to whether current law allowed it.

Finally, the private-sector members of the Task Force were willing to print the final Task Force Report to save the state money, but due to current state laws, the state ended up printing it.

Mr. King reported that not knowing how to navigate state laws and rules when trying to participate in these types of efforts creates confusion and underutilized public/private partnerships. He stated that it would be helpful if a primer could be put together for future efforts like the Task Force meetings on the requirements of open meeting laws, conflict of interest statutes, and other laws affecting this type of work.

### **Joint Powers**

The Council reviewed joint powers entities and joint powers agreements. The current statutory authority to create joint power agreements and entities seem to be working.

The statute creating the Council suggested that the Council create sample joint powers agreements. However, the Council found that there are already joint powers agreement templates available for local governments, so this was not pursued. Local governments who want to enter into these arrangements will need to hire attorneys to customize their agreement for their specific needs. Hiring an attorney may be a financial impediment for some entities.

### **Joint Purchasing Agreements, Cooperative Purchasing Ventures**

Joint purchasing agreements and cooperative purchasing ventures were reviewed by the Council to determine if any one of them was a best value. After hearing presentations from many different groups, it became clear that there is a plethora of opportunities available for local governments currently. It is not possible to say that any one of them is best value. It depends on what the entity is shopping for. It may be that there needs to be more education for local governments on all of the opportunities available to them and the specific benefits that each joint purchasing/cooperative purchasing venture has to offer. This can be accomplished through the individual local government associations, and the Council is not recommending any action be taken by the legislature or Governor.

### **Success and Impediments to Collaboration**

The Council reviewed current shared services/collaborations in local government. Several speakers presented their successful collaborations to the Council on

public/public, public/private, and public/nonprofit collaborations. The Council found that collaborations among local governments tend to occur in different service areas based on a specific need, and population density and whether they are located in the Metro Area vs. Greater Minnesota has an impact.

Presenters on successful collaborations were asked about impediments to collaboration. The impediments to collaboration identified were:

1. Mistrust – between entities
2. Financial – who will pay
3. Power – who will have control

The key element present for successful collaborations to occur is:

1. Regular communication amongst area entities (city, county, town, school, Chamber, business community, and nonprofit community)
  - a. Relationships - a key to overcoming past trust issues, power and financial struggles, which allows for a regular exchange of ideas amongst all of the local stakeholders

It is important to note that collaboration/cooperation, which includes sharing, merging, or even consolidating of services, does not always reduce costs.<sup>3</sup> Costs can increase and/or service delivery can decline if not properly structured or regularly monitored for results. FTEs are not necessarily reduced, but redundant purchasing of equipment or facilities can be avoided, which can reduce long-term costs. Therefore, collaboration is not the panacea or the \$5 billion dollar solution, but is about effective, efficient service delivery and possible long-term savings.

### **Best Practices Reviews**

Communication and close working relationships among local government entities is essential for an environment conducive to collaborative efforts in government. To promote and assist local governments in looking for more opportunities to make government more efficient and service delivery outcomes more effective, the State Auditor, who serves on the Council, is exploring conducting the next Best Practices Review on collaboration. The Review would specifically focus on building relationships between local governments and community partners to encourage an environment conducive to collaboration across the state. This will assist local governments, who are dealing with budget cuts and impending reduction in local government aid, in getting on the road to being able to successfully collaborate when/if collaboration increases efficiency and service delivery.

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<sup>3</sup> See A Blueprint for Shared Services, Governor's Fire and Rescue Shared Services Task Force ("Task Force Report") (2010), available at: <http://www.fire.state.mn.us/SharedServices/SharedServicesBluePrint.pdf>, page 11, Chapter 1.

Because monitoring and measuring results in collaborative efforts in service delivery is important, the State Auditor will follow up with exploring conducting a Best Practices Review on monitoring and measuring outcomes of service delivery on collaborative efforts after the above Review.

The following are recommendations respectfully put forward by the Collaborative Governance Council for the Legislature and Governor to consider:

## **Recommendations**

- **The Council recommends that the legislature not impose “service delivery regions” or consolidate local units of government.**
- **The Council further recommends that the legislature allow local government leaders to find ways to collaborate with others (local units of government, nonprofits, private sector) based on their local needs with a focus on efficiency and excellent service delivery.**
- **The Council voted unanimously to strongly support the Minnesota Ultra High-Speed Broadband Task Force Report’s recommendations to the Legislature and Governor, including the timeline they recommended which was adopted in statute.**<sup>4</sup>
- **The Council recognizes that as the Minnesota Open Meeting Law now stands, there is not clarity as to a government entity's ability to meet beyond its jurisdictional boundaries. In order for government entities to collaborate with each other and in order to insure that government entities are using their resources in a fiscally responsible manner, the Council unanimously urges the legislature to review the Open Meeting Law and relative case law to foster cooperation and efficient use of resources.**

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<sup>4</sup> Download the full Task Force Report at:

[http://www.ultra-high-speed-mn.org/CM/Custom/UHS%20Broadband%20Report\\_Full.pdf](http://www.ultra-high-speed-mn.org/CM/Custom/UHS%20Broadband%20Report_Full.pdf).

To view bill language that was signed by the Governor, April 26, 2010, go to:

<https://www.revisor.mn.gov/bin/bldbill.php?bill=ceH2907.1.html&session=1s86>.