

Forming Successful Partnerships

A Practical Guide for Local Government



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CITIES

Forming Municipal Partnerships

**A practical guide
for local government**

Acknowledgements

AWC dedicates this publication to the memory of Michael Hildt, the original author of this guide on forming municipal partnerships. We are also grateful to Carol Greene, AWC Member Services Coordinator, who edited and coordinated the publication, as well as Jen Brimer, Desktop Publishing Specialist, who prepared the text for publication. Thanks also to the staff at Municipal Research and Services Center, especially Bob Meinig and Lynne DeMerritt who provided legal review and researched examples of partnerships in this state.

Forming Municipal Partnerships: A Practical Guide for Local Government

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The Association of Washington Cities (AWC) is a non-profit, membership organization that exists to create and maintain livable cities and towns throughout the state. AWC serves its members through advocacy, education and training, technical assistance, risk management and insurance services.

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How to Use This Workbook

This workbook is organized in three sections. Section 1 addresses benefits of partnerships, types of partnerships, and the concerns that are typically raised when forming partnerships. Section 2 is organized as a step-by-step course of action guide, from identifying potential partners through implementation of the partnership. Section 3, the Appendix, contains various sample agreements and resources.

Steps to a Successful Municipal Partnership

Here is an overview of some suggested steps leading to a successful municipal partnership. As no two situations are identical, you will likely add or delete steps to fit your particular needs. It is also suggested that you keep the process as simple as the situation allows. Indeed, many great partnerships have been developed over a cup of coffee.

- Step 1: Discover partnership opportunities; review services to identify those that might be improved through partnership.
- Step 2: Size up potential partners.
- Step 3: Conduct a feasibility analysis; form a project team.
- Step 4: Negotiate the agreement; employ collaborative methods and sound estimates of the costs of service.
- Step 5: Implement the partnership.
- Step 6: Provide on-going partnership management.

More Information on Partnerships

More information can be found on AWC's website, see www.awcnet.org/partnerships.

Introduction to Municipal Partnerships

Municipal partnerships are powerful instruments for better government. By linking up with other localities or private companies, local governments can deliver services more efficiently, cut duplication and share specialized resources. This is not a revelation. Local governments have found service partnerships useful for many years. Indeed, one would be hard pressed to find a city, town or county without at least one. The tiny Town of Starbuck, an isolated eastern Washington town of 130 residents gets its roads fixed by Columbia County. Longview and Cowlitz Fire District 2 formed the Three Rivers Fire Authority when they explored consolidation. And many newly formed suburban cities deliver most services through partnerships – primarily service agreements with their county government and with special districts (fire, water, library, etc.).

Today, forming effective service partnerships is even more compelling. As demands from the public, and state and federal mandates stretch available resources, local governments increasingly seek partnerships to hold the line on taxes while preserving or enhancing services.

In fact, the selection criteria for hiring a city or county manager almost always includes intergovernmental management skills as a critical attribute for success. Putting partnerships together and managing day-to-day challenges across jurisdictional borders elevates the public leadership challenge. Not unlike marriage, building a municipal partnership requires finding a good and trustworthy mate, working out the terms of engagement, and sustaining the relationship. Building these relationships takes courage, determination and skill and many financial, legal, political and interpersonal issues are involved.

The payoff? Governments that partner effectively often deliver better services at lower cost. Partnerships have enabled cities and counties to gain volume discounts on purchasing and share the costs of expensive equipment and specialized staff. But success hinges on capable partners, well-crafted agreements, effective day-to-day performance, and mutual good will.

A Municipal Partnership Agreement

This an agreement (contract) between a local jurisdiction and one or more governments, tribes or private firms to provide a service or program either jointly or by one entity purchasing services from another.

About Municipal Partnerships: Benefits, Types, Authority and Concerns

Benefits of Municipal Partnerships

Here are ten good reasons why municipal partnerships are playing an ever larger role in delivering public services and examples of how municipal partnerships have been implemented in various jurisdictions.

Improve Services

It is very difficult for a city the size of Poulsbo (pop. 7,450) to staff and equip 24 hour, state-of-the-art dispatch services for police calls. By partnering with twelve other jurisdictions, Poulsbo residents and businesses can afford the high quality dispatch services of CENCOM, the joint 911 center for north Kitsap County.

Increase Affordability

With municipal partnerships, a jurisdiction may be able to provide a service that it could not afford by itself. The City of Port Townsend is able to afford information technology services through a partnership with Jefferson County. The payments from Port Townsend also enable Jefferson County to afford the level of systems development and management required to meet its needs.

Reduce Costs

By eliminating duplication of support services and overhead, the costs to each partner jurisdiction may be reduced. For example, a California study compared costs of six Orange County cities that contract with their counties for police services, with the costs of comparable cities with in-house police departments. The analysis indicated that in the cities that contracted with their county, 87.7 percent of each contract dollar went to direct services (personnel and vehicles assigned to patrol, traffic enforcement, crime investigation, and management of those functions at the city level). Cities that managed their own in-house police departments, received a return of 65–70 percent of their dollar in direct service. Overall, the support and overhead costs were reduced from 32 percent (for in-house) to 12.3 percent for contracts (with the county).

Gain Economies of Scale

Economies of scale also drive down costs. Every service has basic fixed costs for facilities, equipment and personnel that must be paid regardless of the level of service used by the public. Partnerships enable fuller use of these fixed resources, thereby driving down the average cost of each unit of service provided. Dispatch centers are a good illustration. By combining dispatch services of several jurisdictions, the total fixed costs (of separate dispatch centers) are reduced and the fixed resources of the 911 center are more fully used, driving down the average cost of each call for service. (See Estimating Costs of Service, page 33.)

10 Good Reasons for Service Partnerships

1. Improve services.
2. Increase affordability.
3. Reduce costs.
4. Gain economies of scale.
5. Share specialized equipment and personnel.
6. Solve common problems without changing the basic structure of local government.
7. Achieve a closer match between revenues, service delivery and the geographic service area.
8. Reduce liability.
9. Heighten cooperation.
10. Retain local control over service delivery.

GEM

Southwest Washington Inter-Agency Cooperative

Grounds

Equipment

Maintenance

GEM is a regional network of some 36 public agencies “Providing a cost efficient result to the community by sharing services and facilities.”

www.gematwork.org

Share Specialized Equipment and Personnel

By sharing expensive, specialized equipment, facilities and personnel, several jurisdictions can benefit. Oftentimes the total costs would not be affordable to any single partner, and the partnership avoids the costs of separately owning specialized assets that are used only occasionally.

For example, GEM (Grounds, Equipment and Maintenance) is an inter-agency cooperative of 36 southwestern Washington jurisdictions with the mission: *“Providing a cost efficient result to the community by sharing services and facilities.”*

GEM members gain significant savings, plus the availability of combined experience and equipment of a large network of agencies that vastly increases their capacity to serve beyond the level that any single member could afford. During 2005, GEM members tracked estimated savings to their agencies resulting from interagency cooperation. Collectively, members saved over \$160,000 in one year alone.

Solve Common Problems Without Changing the Basic Structure of Local Government

In 2001, regional decisions were being made that impacted smaller police agencies in King County, but failed to take into account their special circumstances, such as disproportionate costs and differing needs and limitations. Police chiefs of these agencies pulled together and created the King County Coalition of Small Police Agencies to craft a common message and present a stronger voice in the county. As they continued to meet, the small agency chiefs realized that they could assist each other in meeting increasingly strict requirements by sharing their limited resources in personnel, equipment and expertise.

Achieve a Closer Match Between Revenues, Service Delivery and the Geographic Service Area

It is not uncommon to find that services and the revenues supporting the service have a rather poor fit to the geographic service area. Parks and recreation programs and libraries often attract users from other jurisdictions. Drainage basins and transportation systems frequently encompass multiple jurisdictions. Partnerships can achieve a better geographic fit among users, services and revenues. Redmond, for example, has a partnership with King County Parks to maintain a watershed that spans portions of Redmond and unincorporated King County. The City of Westport and the Port of Grays Harbor jointly prepared a master plan for the Westport Marina and the surrounding business and industrial area.

Reduce Liability

The larger scale of services made possible by municipal partnerships enables jurisdictions to afford more highly trained and specialized people, and risks may be more effectively managed. Liability may also be transferred to the contractor agency, or shared among partners. (See Key Elements of the Agreement, page 29.)

Heighten Cooperation

The process of putting a partnership together, often enhances trust, improves services and increases efficiency. The relationships and principles established often pave the way to a broadened partnership involving other services.

Retain Local Control Over Service Delivery

Partnerships negotiated locally are often controlled locally. Local control over service delivery reduces the chance of mandatory restructuring. Citizens want better, more efficient government. Partnerships and other innovations that meet the needs of citizens dispel the public frustrations that often overflow into initiatives or other campaigns launched to take control from local officials.

The larger scale of services made possible by municipal partnerships enables jurisdictions to afford more highly trained and specialized people, and risks may be more effectively managed.

Types of Partnerships

Municipal partnerships are forged among a wide range of entities: cities, counties, special districts, states, tribes, federal agencies, in any and all combinations, as well as with private companies or non-profit organizations. Cities commonly partner with each other or with a county government for such services as jails, courts, animal control, street maintenance, permitting, or information technology. Contracts with private firms for solid waste, legal and other services are also commonplace. Though less common, partnerships among several jurisdictions are increasingly achieved, as illustrated by eCityGov Alliance – a collaboration among some 16 cities in the Puget Sound area. (See sidebar.)

Aside from the services included, or the type and number of entities involved, the type of partnership presents a very important choice. There are many types of partnerships. Here are five of the most common:

Service Agreements

By far the most common arrangement, a service agreement involves one agency providing a service for another.

Example

- Snohomish County provides law enforcement services for the City of Stanwood. In this example, the county is the provider or contractor, and the city is the recipient or the contractee.

In a service agreement the provider agency is responsible for delivering the service, and exercises administrative and managerial control over the resources (people, equipment, facilities, etc.) employed in the process.

Service Exchange

Sometimes jurisdictions discover that they have complementary resources or expertise and simply exchange services of approximately equal value. There is a certain equity and practical appeal to these exchanges and the added costs of invoices and payments are avoided.

Examples

- Sumner performs certain animal control services for Puyallup in exchange for jail services from Puyallup.
- Coupeville police officers respond to calls within its vicinity in unincorporated Island County in exchange for jail services from the county.

Five Types of Municipal Partnerships

1. Service Agreements
2. Service Exchange
3. Joint Service Arrangements
4. Consolidation of Jurisdictions
5. Public-Private Partnerships

eCityGov Alliance

The Alliance is a unique partnership of several Washington cities. It provides simple, convenient and uniform cross-jurisdictional services for customers, both citizens and businesses.

www.ecitygov.net

Joint Service Arrangement

In a joint arrangement, two or more entities share governance of the organization delivering services. While these arrangements take many forms, the distinguishing quality is that partner jurisdictions have joint responsibility for managing the enterprise for their mutual benefit. Unlike a service agreement in which a provider agency delivers services to a recipient, the jurisdictions involved are jointly responsible for the operation.

Governance is generally achieved through a joint board composed of representatives of the partner jurisdictions. Operations can use facilities, equipment and employees of the separate entities as provided in the agreement. Alternatively, a new entity can be formed to own equipment and employ staff as a separate, though jointly governed, operation.

Example

- The cities of Lacey, Olympia and Tumwater have established an animal control partnership governed by the Joint Animal Services Commission, a policy-making body. The City of Lacey serves as the lead agency providing supervision, administration and oversight.

Property, equipment and other assets are owned in common. Costs are distributed to each partner city by a formula based on population and calls for service.

Consolidation of Jurisdictions

A fourth type of arrangement is to permanently transfer a service function to another jurisdiction.

Example

- The City of Mountlake Terrace moved its fire department to Snohomish Fire District No. 1 by annexing into the fire district.

Virtually any transfer of a service must be accompanied by some direct or indirect revenues to offset the costs of service delivery by the jurisdiction accepting the transfer. Taxing authority through annexation provides another means, and complete consolidation of neighboring cities, or one or more cities consolidating with a county, result in a new, larger jurisdiction.³

³ For discussion and guidance on city-city and city-county consolidation see "Municipal Cooperation Guide," Municipal Research & Services Center of Washington, September, 1993.

Public–Private Partnerships

Oftentimes a private company has specialized expertise or investment capital beyond that obtainable through public sector partners. Moreover, a private entity may be able to deliver the service at lower cost to the customer, even after taking a profit. Municipal contracts with a private company for solid waste, legal, accounting or computer systems services are commonplace. True public–private partnerships in which risks and rewards are shared are less common.

Example

- The City of Quincy struck a partnership with a private firm (Earth Tech) to develop two wastewater treatment plants (the second is for industrial wastewater). This partnership was the first public–private design/build/finance/operate contract in Washington State.

On occasion, however, public–private ventures have drawn public criticism and even legal action whenever it appears that the private partner has been given an extraordinary opportunity to gain financially. The line between reasonable return on investment and profiting at taxpayer expense is not easily defined. Projects that involve public financing are particularly scrutinized.

To safeguard against improper agreements, the City of Seattle adopted in 2000 a Public–Private Partnership Protocol (P4) for evaluating proposals.

The protocol addresses a project’s public benefits from five perspectives: the project’s relationship to city priorities, anticipated public benefit, assessment of related impacts, state and local laws, and citizen engagement. City staff complete a “protocol” document for each proposed public–private partnership.

An independent P4 panel provides review and recommendations on each proposed public–private partnership project costing more than \$5 million. During its initial year, the P4 panel experienced some confusion around what its criteria should be for each project. “Each project has been unusual and a departure from the prototype of the public–private partnership,” explained panel member and tax attorney Bob Mahon.⁴

The protocol document, P4 Panelist Guiding Principles and an overview of the Seattle review process can be found on the Internet at www.ci.seattle.wa.us/ppp.

Public-Private Partnership Review

To enhance public review of proposed partnerships, Seattle’s Public-Private Partnership Protocol (P4) requires information in five major areas:

1. Project’s Relationship to City Priorities
2. Anticipated Public Benefit
3. Assessment of Related Impacts
4. Applicable State and Local Laws
5. Citizen Engagement

Check it out: www.ci.seattle.wa.us/ppp

⁴ Quoted in Public–private panel struggles over mission, Daily Journal of Commerce, January 5, 2001, p.1.

Non-profit Partnerships

Partnerships with private–nonprofit organizations are also increasingly common.

Examples:

- The City of Battle Ground partners with the local food bank to confirm that applicants for the Battle Ground Utility Tax Vouchers are qualified. The voucher exempts residents with low income from payment of the tax for road maintenance. The city estimates a savings of \$2,000 per year in administrative costs, plus the recipient’s privacy is protected.
- Jefferson County contracts with Skookum Educational Programs, Inc., to operate the county’s recycling center and satellite collection sites. Skookum is a private–nonprofit company that provides educational and employment services to persons with developmental disabilities. In addition to base payments from the county, Skookum receives revenues from sales of recycled materials.

Authority to Partner

The Washington State Interlocal Cooperation Act (Ch 39.34 RCW) authorizes public agencies to enter into partnerships with other public agencies for any joint or cooperative action that is within the separate authority of each agency. In other words, if the parties are legally able to do it alone, they can do it together. The full text of Chapter 39.34 RCW is included in Appendix A⁵.

Authority for Service Agreements

“Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: PROVIDED, that such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives, and responsibilities of the contracting parties.” [RCW 39.34.080]

Authority for Joint Agreements

“Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having the power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by this chapter upon a public agency.” [RCW 39.34.030(1)]

Other provisions of the Interlocal Cooperation Act are summarized as follows:

- Public agency partners may also “appropriate funds and may sell, lease, give, or otherwise supply property, personnel, and services to the administrative joint board or other legal or administrative entity created to operate the joint or cooperative undertaking.” [RCW 39.34.060]
- A joint board created by an interlocal agreement may accept grants or loans to accomplish the purposes of the agreement. [RCW 39.34.070]
- Before taking effect, interlocal agreements must be authorized by the governing bodies of the partner agencies by resolution or ordinance or otherwise pursuant to local law, and filed with the county auditor. [RCW 39.43.030(2), RCW 39.34.040]
- School districts and educational service districts must comply with RCW 28A.320.080. [RCW 39.34.030(2)]

Washington State Interlocal Cooperation Act

Declaration of purpose.

“It is the purpose of this chapter to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.”

- Washington State Interlocal Cooperation Act (Ch 39.34 RCW)

⁵ Counties with population of 150,000 or greater should also see Chapter 36.115 RCW.

- If the agreement is joint or cooperative action, certain provisions must be set forth in the agreement. [RCW 39.34.030(3)&(4)]
- The agreement does not relieve the agency of any legal obligation or responsibility, except that the performance of a joint board or other entity created by the agreement “may be offered in satisfaction of the obligation or responsibility.” [RCW 39.34.030(5)]
- Special provisions are also included with respect to:
 - * Interstate agreements [RCW 39.34.040]
 - * Partnerships with state agencies [RCW 39.34.050, 39.34.130-170]
 - * Agreements for criminal justice services [RCW 39.34.180]
 - * Watershed management partnerships [RCW 39.34.190-220]
 - * Bus service across state or Canadian provincial borders [RCW 39.34.085]
 - * Public benefit nonprofit corporations purchasing through state contracts [RCW 39.34.055]

Resolving Concerns About Partnerships

Several potential concerns may come up along the way to successful municipal partnerships. Anticipating and respecting those who have legitimate interests are essential first steps toward resolution.

Turf & Trust

Instinctively, we all protect what feels like our personal territory. When partnerships are proposed, some administrators and political leaders will almost certainly be concerned about potential loss of control or the prospect of having to share the credit for quality service success. The project will be unable to move forward successfully unless these concerns are recognized and dealt with sensitively.

- **Raise these concerns up front with key participants**, recognizing control and credit issues as a natural response that partnership discussions must accommodate. Talk about ways to resolve concerns. Help participants focus on the prospects of better public service. Find ways to publicly recognize and appreciate successful partnering.
- **Define duties and procedures among participating agencies** to help overcome fears and suspicions. King County, for example, provides law enforcement services to a number of cities. Because cities are naturally concerned that they get the services they need and expect, King County provides a detailed description of required and optional police services from which cities may select. These are packaged in three “models”: City Department, Shared Supervision or Flexible Services. The specificity of services to be provided reduces suspicions and conflicts in day-to-day contract administration.
- In another example, the 911 communications agreement of Thurston County and the cities and fire districts of the county has an administrative board that prepares the annual budget following a prescribed process involving each jurisdiction. Other agreements spell out how citizen complaints will be handled.
- If trust is at a low level, **ask a neutral party to lead discussions**.
- **If key leaders are stuck in turf battles, seek new leadership**, ideally a capable leader with the stature and respect to help the parties reach a higher plane. If no one fits the bill, a steering committee representing all stakeholders might be able to help leaders see the potential payoffs and to overcome their concerns.
- Many have found that **informal group meetings and discussions are good ways to build trust** and respect among city and county elected and administrative officials.

Some Common Concerns to Resolve

1. Turf & Trust
2. Motivation to Expand Cooperation
3. Employee Acceptance
4. Fragmentation of Service Delivery
5. Community Identity May Be Reduced
6. Salary and Benefit Cost Control
7. Cost Allocation
8. Disparate Service Policies
9. Double Taxation

“It’s not just an agreement, it’s an attitude.”

Camas Public Works Director speaking about GEM, an inter-agency cooperative in southwestern Washington sharing specialized equipment and resources.

Motivation to Expand Cooperation

Different jurisdictions have differing policies and priorities. Perhaps your city – struggling to maintain services in the face of flat or declining revenues – is seeking cost savings through interlocal partnerships. But, the larger cities and the county enjoy more substantial revenues and have a different set of priorities. They may be less motivated to devote the effort to develop a partnership.

Steps to gain cooperation:

- **Solidify relationships.** Partnerships start with people. If you are not already attending intergovernmental forums – regional meetings, training sessions, etc. – you would be well advised to get involved. And when you do attend these gatherings, remember that just being there doesn’t do it. Contributing to discussions and mingling during breaks is requisite to building relationships. If local government officials in your region aren’t getting together regularly, you might be just the one to get it started. Seize any chance to get acquainted with your counterparts in other jurisdictions. Just call and set up lunch.

Relationships are critical. Most of us will do a great deal to help a friend. You’re not going to ask a friend to do something counter to the interests of her/his employer, but your friendship will go a long way toward getting your potential partner to at least explore your common interests.

- **Find common ground.** Think through the interests of the county or other potential partners. List how the partnership might serve their interests. Make some preliminary estimates of their net savings. Make explicit assumptions where cost and volume data are not readily available. If your preliminary findings show promise, go over them with your prospective partners. If your case is convincing and significant, they should become more motivated to work with you.
- **Build public support.** Form an exploratory committee of citizens and key local government leaders to assist with the initial feasibility analysis. Include members who will be influential with leaders of your prospective partners. Negotiations for police services between new suburban cities and King County had bogged down in cost and control issues until key city managers and top level county officials came to the table. While financial analysts provide essential information, it takes decision makers to forge agreements.

Employee Acceptance

Since personnel dislocations are sometimes part of shifting service delivery to another agency, employees naturally have job security concerns. Transfer of work outside of the organization may mean layoffs or transfers. Employee fears and rumors will become rampant unless early and open discussions are held with those whose jobs might be affected. If your proposed partnership will involve personnel changes, expect to spend a great deal of time communicating with employees.

Meet early on with small groups of employees. Find out about their concerns, the issues they feel should be addressed and what they need. If necessary, get outside help to create a safe environment to encourage forthright dialogue.

Carefully plan implementation steps, including employees and union representatives in the discussions. Be sure to consult any applicable labor agreements and obtain legal advice concerning which actions are subject to collective bargaining.

Assess how the partnership may affect employee work conditions and opportunities. If applicable, include employee transfer provisions in the agreement; e.g., initial job classifications and salary; seniority rights; annual and sick leave; etc. One city, when considering an agreement with the county for police services, found that its police officers feared that they might not be able to meet the sheriff department's standards for employment. The issue was resolved by providing special training for the officers to help them qualify.

Fragmentation of Service Delivery

Assigning functions to another agency detaches the service from a unified organization. There are two concerns here: cost and control. The costs of contract management and policy oversight should be estimated and included in the cost-benefit assessment of the proposed arrangement. (See Estimating Costs of Service, page 33.)

Many agreements deal effectively with policy control by creating a joint oversight board and/or linking the primary manager of the service from the provider agency with the management team of the recipient jurisdiction. For example, when University Place contracted with Pierce County for law enforcement, the Pierce County lieutenant responsible for providing police services to the city was also designated Chief of Police in the interlocal agreement.

Employee fears and rumors will become rampant unless early and open discussions are held with those whose jobs might be affected.

Stanwood contracts with Snohomish County for police services. To preserve community identity, Snohomish deputies use patrol cars bearing the City of Stanwood decal to patrol in Stanwood.

Community Identity May be Reduced

Although citizens are generally more concerned with the quality and cost of service than with which particular agency does what, some concerns or confusions may surface when new partnerships are formed. Citizens may become confused about who is providing services to them and with whom to lodge a complaint. Some may also fear they will lose local control, or that local values may be diluted or lost.

Address such concerns up front, acknowledging that elected officials are responsible for and accountable for providing services for which they were elected. Make it clear that ultimate policy control over financing and service delivery would be retained by their local officials. Emphasize the advantages of the new arrangement in terms of efficiencies, service quality, etc. Assure interagency training and procedures provide for seamlessly handling complaints.

There is much a city can do to take advantage of service partnerships while preserving a sense of local identity and control. In the City of Stanwood, for example, where police services are provided by the Snohomish County Sheriff, the city police department has maintained its separate identity. The sheriff's patrol vehicles bear uniquely Stanwood graphic markings and the city logo. The city has also maintained its blue uniform complete with Stanwood shoulder patches, as well as its own letterhead, business cards etc. The Stanwood Police Department keeps its own records and reports UCR statistics as a separate agency. Even though the services are provided by employees of the county, the chief reports to the Mayor of Stanwood for operational issues and community needs.

On the other hand, particularly among neighboring cities, changing identity may be desirable to help citizens understand the new arrangement. When the City of Bingen entered into an interlocal agreement for police services with the adjacent and larger City of White Salmon, even though White Salmon was the provider agency, the department was renamed the Bingen–White Salmon Police Department along with a new logo for patrol cars, uniforms, etc.

Salary and Benefit Control

The largest cost component, salaries and benefits, is no longer under the direct control of the contracting agency. In the case of a joint arrangement, control is shared among the jurisdictions represented on the joint board. In a service agreement, the provider agency retains personnel responsibility, including salaries. In both instances, the jurisdictions have common interests. That is, provider agencies have the same need to control costs as do the jurisdictions they serve through agreements. Moreover, the service arrangement heightens the importance of cost control to the provider, since rising costs could cause one or more of the jurisdictions they serve to terminate the agreement.

Because the partnership affords economies of scale to the provider's operations, the loss of a partner will not only mean a loss of revenues, but will also likely increase the provider's costs per service unit. This can be particularly drastic for the provider if higher unit costs must be passed on to the remaining partners, inducing still others to leave the arrangement. Resolution of this concern is found in the specific provisions of the agreement concerning costs of service, allocations of costs to recipient jurisdictions, as well as the conditions of the rights to terminate. (See Key Elements of the Agreement and Estimating Costs of Service, page 29 & 33.)

Cost Allocation

It is not uncommon for discussions to break down over money because it's not easy to distribute costs and services equitably across participating agencies. Participants in the negotiations often bring different perspectives to the table, as well as various levels of accounting experience. Suspicion may overcome reason unless cost estimating is accomplished in an open and understandable manner. Building rental, administrative services, insurance and other overhead costs can be particularly difficult to compute and distribute.

Estimating the cost of service and allocating those costs involves issues of cost accounting methods and equity. Should the recipient pay a proportionate share of the total costs of the provider's operation (e.g., 20% of the county's park maintenance budget if city park acreage is 20% of the total under maintenance by the county) or only the added direct cost to the county of providing service to the recipient?

It is not uncommon for discussions to break down over money because it's not easy to distribute costs and services equitably across participating agencies.

The solution lies in the recognition that the provider agency must recover its costs to serve the recipient yet not make a profit from the arrangement, and that the arrangement must benefit both partners. This means that for the efficiencies gained through the arrangement to be shared among the partners, the recipient must share in the overhead costs which are necessary for the provider to deliver the service. Both benefit if their costs are lower to deliver the same level of service than without the arrangement. (See Estimating Costs of Service, page 33.)

Disparate Service Policies

Perhaps the provider has cut costs so severely that the level of customer service has declined (animal control by complaint only, reduced building permit counter hours, nearly impossible to connect by phone with a real person, etc.). Or, suppose your fire department medics provides lots of patient, personal service to elderly residents who make frequent 911 calls, yet the district proposed to provide emergency medical services has a policy of getting medics back in service more quickly. Such level of service and other important policy differences must be resolved for the agreement to be successful. Be certain the agreement specifies exactly what services are to be provided, ideally with standards of performance so all parties know what level of service is expected and how performance will be evaluated.

Double Taxation

Negotiations between cities and counties are often stalled by a feeling that since city residents pay county property taxes, the city should not have to pay the county for services it provides to city residents. The answer lies in the distinction between services counties are required by law to provide to all residents (elections, property records, public health, etc.), and those it may provide to cities, but generally provides only in unincorporated areas (road maintenance, law enforcement, etc.). A more extensive discussion of this issue is presented in Appendix B.

Step-by-Step Guide

Step 1: Discovering Partnership Opportunities

Step 2: Sizing Up Potential Partners

Step 3: Exploring Promising Prospects

Step 4: Negotiating the Agreement

Step 5: Key Elements of a Partnership Agreement

Step 6: Estimating Costs of Service

Step 7: Implementing the New Partnership

Step 8: Managing the Partnership

Step 1

Discovering Partnership Opportunities

Oftentimes, partnerships are born of crisis. A revenue shortfall threatens continuation of a popular service. A partnership is found which allows it to survive. But, opportunities to cut costs or improve service can also be uncovered before the crisis arrives. Here is a quick and simple way to explore possibilities:

Make a List of the Services Your Jurisdiction Provides

You may also wish to add one or two that, though not currently provided, have been identified as desirable. Add internal support services to the list; e.g., billing, purchasing, building maintenance, etc. Paging through the budget may help identify these. It is also useful to take a look at those services commonly delivered through public or private agreements (see sidebar).

Review List, Note Partnership Benefits

Next, review the list of partnership benefits, making a few notes for each service reflecting your preliminary guess of the potential benefits that might be achieved. Assume for now that willing and qualified partners are available. (See Partnership Benefits, page 1 and Uncovering Partnership Opportunities, Appendix C).

Note Expectations

Then, revisit each service on your list, noting your expectations of the likely concerns that will come up. (See Resolving Concerns, page 11)

Eliminate Marginal Options

Now, make a third pass through the list, reviewing your notes and crossing off those services in which the apparent difficulties involved in providing that service through a partnership far outweigh the potential payoffs. At this point, leave the marginal opportunities – those that appear to be close calls – on the list.

Review Potential Partners with Colleagues, Brainstorm

Meet with your colleagues to review what you have done so far; then brainstorm as a group about each service remaining on your list, focusing on potential partnerships.

Common Partnership Services

- Jails
- Courts
- Billing
- Purchasing
- 911 Dispatch
- Animal Control
- Tax Assessment
- Fleet Maintenance
- Law Enforcement
- Emergency Medical Service
- Building Permits
- Vehicle Towing/Storage
- Health and Human Services
- Information Technology Systems
- Solid Waste Disposal and Recycling
- Public Works, especially street paving, water or sewer treatment, and GIS

Assess current level of service, level of customer satisfaction, trends (technological advances, citizen needs, costs, etc.), and possible prospective partners – public and private. Be cautious about assuming that no partner is close enough. Today's telecommunications technology is bridging many distances that were, until recently, thought impractical. Regional 911 dispatch centers are one illustration, aided dramatically by computerized geographic information systems (GIS) and satellite global positioning systems (GPS).

Identify Potential Partners

Then, eliminate by consensus those that seem, for one reason or another, not to be worth the effort to explore further. For those remaining (hopefully, some do remain), it's time to get serious about potential partners.

Step 2

Sizing Up Potential Partners

Here are five criteria for identifying the potential for the most productive and successful partnerships:

Service Capability⁷

Does the potential partner have the ability to deliver the level and quality of service you need? At this early stage of assessment, this is largely a matter of reputation based on past performance. Do not automatically eliminate a prospect because that agency's current level of service falls short. The addition of revenues from the partnership may enable greater service. If you are seeking a provider partner, the capacity to deliver quality service is obviously critical. On the other hand, if your agency is seeking recipient partners for services you would provide, this is unimportant.

Proximity

Is the jurisdiction or firm close enough to deliver (or receive) the services effectively? For some services, like accounts receivable and billing, the service provider can be virtually anywhere. But, a joint emergency medical service requires close proximity.

Staff Availability

Does the prospect have staff available who are up to the task of negotiating an equitable contract? This will involve working together collaboratively to examine alternatives, policies, costs of service, liability, governance, future budgeting, etc. Some service arrangements are obvious and relatively simple. Contracting with the county or a neighboring city to do some road improvements requires little, if any, cost accounting or alternatives analysis. In one example, Sumner provides animal control services to Puyallup in exchange for use of the Puyallup jail, which requires fairly minimal analysis.

More complex arrangements, e.g., district court, wastewater treatment or computer systems, typically require more extensive analysis. If the prospective partner lacks the expertise for the discussions, it will be difficult to make progress toward a partnership, unless a trusted third party can be found to provide assistance.

Criteria for partnership potential

1. Service capability
2. Proximity
3. Staff availability
4. Cost accounting
5. Relationships and politics

⁷ We assume that both prospective partners have the authority to provide the service as required by the Washington State Interlocal Cooperation Act, Chapter 39.34 RCW. If there is any doubt, obtain legal assurance before going further.

Consider, too, whether the political directions and goals of the jurisdictions concerning the service are compatible.

Cost Accounting

Is there good cost information available? Organizations that know their costs make better partners. Negotiations are smoother when good unit cost data is available. Lacking credible cost information, each party naturally thinks the other is getting a better deal. This harms not only the initial negotiations, but also colors future discussions whenever price adjustments are proposed. Although still relatively uncommon in local government, especially in smaller cities and towns, service unit cost accounting is rapidly becoming recognized as essential not only for partnerships, but also to strengthen cost controls. (See Estimating Cost of Service, page 33.)

Relationships and Politics

Are there present or past conflicts between jurisdictions or key leaders that will make it difficult to attain cooperation and mutual trust? If so, is there a reasonable expectation that this baggage can be overcome? Productive leaders avoid taking things personally and carrying a disagreement on one issue into others. Indeed, service partnerships sometimes provide less controversial ground upon which relations can be improved. At the same time, however, if the key people who must ultimately agree on the partnership simply do not trust one another, it may be best to look elsewhere for a partner.

Consider, too, whether the political directions and goals of the jurisdictions concerning the service are compatible. For library, recreation or billing services this is not likely to present difficulties. However, on the other hand, a law enforcement partnership may be problematic if one jurisdiction stresses community policing and crime prevention while the other focuses largely on arrests. Land use planning is just as politically sensitive, if not more so.

Step 3

Exploring Promising Prospects

After taking a preliminary look at your services and prospective partners, you will have selected the most promising prospects for deeper examination. A feasibility analysis of those remaining will determine whether negotiations are likely to succeed. Here are some suggested steps for this analysis:

1. Meet with your counterpart in the prospective partner jurisdiction(s).

- Review what you have done so far.
- Agree that any arrangement must be beneficial to all partners.
- Determine initial interest in further analysis.
- Jointly outline a preliminary work plan for feasibility analysis.
- Share available information about the relevant costs of service of each jurisdiction.

2. Depending on the complexity and level of public interest, form a work group to conduct the feasibility analysis.

- Include the desired expertise and leadership from the jurisdictions involved, some of whom may be citizens.
- Keep the group small enough to work together efficiently, (no more than fifteen).
- Also include the person who will be responsible for drafting the language of the agreement, should the analysis show promise and a proposed partnership is developed.

3. Jointly answer the following questions:

- Can the provider jurisdiction deliver service at the level desired by the recipient?
- Can the provider deliver the service in the recipient's service area?
- Will the partnership require personnel transfers or layoffs? If so, are there labor agreement requirements? Are there feasible means to satisfy these requirements?
- What are the preliminary estimates of the direct and indirect costs of the provider agency to provide the service?
- What is the preliminary estimate of the cost of service the provider would have to recover? (Any apparent scale advantages – lower fixed cost per service unit, volume purchasing discounts, etc. – from the proposed partnership should be figured into this estimate.) Is this amount significantly less than the recipient's current cost of service?

- Are there sufficient resources available to develop and sustain the relationship?
 - What form of partnership appears most promising? (See Types of Partnerships, page 5).
 - Will an agreement affect the qualifications for any federal or state funding? (Some federal and state programs give priority to multi-jurisdictional applications.)
 - What are the potential benefits to each organization?
- 4. Summarize your findings** and decide whether or not further examination and negotiations are likely to be fruitful.

Step 4

Negotiating the Agreement

Let's keep things simple. Perhaps your city would like to join an existing partnership to share public works equipment. Or, maybe a sample agreement from another city looks just fine to the jurisdictions talking about combining animal control services. If so, you may be able to put together a successful partnership in two or three meetings.

But if things are a bit more complex or if you need to establish something new, it is worth the effort to work together to create a lasting partnership.

Conventional negotiations are often based on taking positions and reaching compromise in an adversarial arena. This kind of negotiation is not a productive approach to municipal partnerships for one very fundamental reason – we are trying to build a permanent business relationship. Unlike buying real estate or a car, intergovernmental partnerships are long-term. Even if the agreement is for a short-term project like resurfacing a street, the cooperative relationship has great value for other partnerships.

This means that from the very beginning the parties must collaborate in complete openness and trust, focusing on producing benefits for all members of the partnership. With this in mind, here are some collaborative negotiation hints:

Focus on Interests, not Positions

Traditional negotiations are positional and adversarial. The parties take positions and the ensuing negotiations are about coming to a compromise as close as possible to your position.

Collaborative negotiations, by contrast, are interest-based. The focus is on understanding the interests of the parties. The goal is to maximize satisfaction of these interests – not just yours, but everyone's.

A city representative may think at the outset that the only thing the county cares about is how much they can charge for the service. Or, the county representative may think that the city is interested only in minimizing its costs. Those who work hard to collaborate, however, discover other underlying interests like service quality, citizen complaint procedures, day-to-day governance, and public identity. And,

Collaborative Negotiating Hints

- Focus on interests rather than positions.
- The goal is to maximize satisfaction of interests – not just yours, everyone's.
- Agree on ground rules to guide discussions.
- List information needed and agree on a joint program to obtain each item.
- Encourage creative thinking. Collaborative negotiations often produce great ideas.
- Involve the attorneys from the beginning.

If progress stalls due to apparent lack of trust, or disagreement over interpretation of cost or other data, don't give up. Consider asking a third party to mediate.

enlightened by these understandings, the parties often come up with innovative solutions they otherwise may not have imagined. The county's costs, in one example, became lower once the proposed governance and oversight provisions were settled. Once the city understood the county's interest in minimizing the number of routine meetings officials would have to attend, it was able to design a more efficient provision. Both parties became more satisfied with the result.

Ground Rules

Talk through the collaborative process at the outset. Agree on a set of ground rules to guide negotiations. These might deal with everything from open information to press procedures to behavioral guidelines. (See Appendix D, for sample rules).

The key is to understand and agree on the collaborative approach and goals. The task is to shift from teams with two sides, to a work group of problem solvers sitting around a table to achieve a common goal.

Encourage Creative Ideas

Work together to discover as many ideas for solutions as possible. (Here, "solutions" are defined as anything that might help satisfy an interest or need.) Use group brainstorming techniques to maximize creative thinking before evaluating ideas.

After all the solutions are listed, examine each suggestion as a team, evaluating the potential for each to satisfy an interest of at least one party. Note any possible negative effects on other interests. Agree to eliminate ideas that present more problems than solutions. Retain those that show promise for further development.

Develop Solutions and Estimate Costs of Service

Develop those elements that appear promising. Estimate the costs to provide the service and the payments required to recover costs. (See Estimating Costs of Service, page 33.) Continue working until tentative agreement is reached on the substantive

elements of an agreement. It is generally best to defer legal contract language until an agreement has been tentatively reached on the substantive elements (solutions) of the agreement.

Prepare a Draft Agreement

Identify the person to draft the agreement, and include her/him on the negotiation team early on. An attorney representing one of the parties (generally the provider jurisdiction) commonly assumes this role. It may also be an independent consultant. Assure that this person regularly confers with the attorneys representing each of the parties to avoid misunderstandings later, when the agreement is ready for their review.

Most importantly, the person should be someone skilled in writing agreements simply and understandably, with language not so burdened with boilerplate that mutual trust is diminished. This person must also be committed to assisting the parties reach agreement, not just protecting his/her client.

Just as good fences make good neighbors, good partnerships need good agreements. However, many good collaborative agreements have been dashed on the rocks by attorneys entering late in the process and drafting a one-sided agreement. Suddenly, adversarial conflict takes over, and trust may be lost.

Formal Authorization

After all parties are satisfied with the draft agreement, obtain formal authorization by the governing body of each party as required by the Washington State Interlocal Cooperation Act [RCW 39.34.030(2) and 39.34.080].

Step 5

Key Elements of a Partnership Agreement

Here is a checklist of key elements to consider in the development of any municipal partnership agreement. Since each partnership has a unique set of services and circumstances, not all items on this list will be applicable to every agreement, and your situation may require additional items not included here.

Definition of the partnership

- Identification of all partnering agencies.
- Clear and succinct statement of the purpose of the agreement.⁹
- Legal authority for the partnership.
- Term of agreement⁹; i.e., date it becomes effective and either the duration of the agreement or a statement that it continues until terminated.
- Description of services to be provided, identifying the agency to perform each service. (This clause may reference an attachment describing the service in detail.)
- Level of service to be provided. This may be hours of service, minimum qualifications of persons providing the service, maximum response time to respond to requests, etc. Ideally, standards of performance should also be spelled out or incorporated by reference, indicating how performance will be evaluated.
- How performance of the service will be evaluated. Typically, this involves keeping of service records (specified), intervals for evaluation reports, who is to evaluate.
- Service area. (Required by Chapter 36.115 RCW.)

Governance and control.

Who is responsible for service delivery, personnel, accounting, etc.? This may be the agency providing the service, or in the case of a joint operation, the joint governing board. Specify the composition and powers of any separate entity created. Clearly state which decisions are to be made by which agency, joint board, etc.

Is there a Policy Review Body? Who serves on this Body? What are its powers? One law enforcement agreement, for example, established a Police Oversight Committee to establish goals and provides objectives for the Police Department. Administrative control was retained by the City, acting as an independent contractor to deliver police services to its neighboring cities.

To which agency would citizen complaints be directed? How will complaints be handled?

Sample Level of Service

In the City of Longview's agreement with Cowlitz Fire District 2 for emergency medical services, the Basic Life Support response time standard is "... to arrive at the site ninety percent (90%) of such medical emergencies within 6 minutes, and to perform Basic Life Support procedures as required."

Financial sanctions are imposed for each one-tenth of one percent less than 90% compliance in any calendar month.

⁹ If the agreement is for a joint or cooperative action, these elements (those marked with footnote⁹) are required elements pursuant to the Washington State Interlocal Cooperation Act. See RCW 39.34.030(3) and (4). [Appendix A.]

Financial issues

Revenues derived from service fees, fines, etc. How these are disbursed.

Clearly detail the schedule of payments and the method used to determine the amounts, as well as the procedures for revising rates, fees, etc. in the future. (See Chapter 12, Estimating Costs of Service.)

Remuneration procedure.⁹ Fees, taxes or other payments to recover the costs of the service. There may be a single source of support – direct billing to the recipient jurisdiction, for example. Or, there may be a combination of sources. Here are some of the most common:

- a) **Customer direct payment.** Those receiving the service pay the provider agency directly. Examples include swimming pool fees, garbage collection fees and traffic fines.
- b) **Taxes.** The recipient might agree to transfer to the recipient agency all or a portion of its receipts from a designated tax.
- c) **Direct billing.** The provider agency bills the recipient for the services on a designated schedule. The amount could be fixed in the agreement, or an amount could be billed that varies with the level of service actually performed. It is not uncommon for direct billings to include both fixed and variable amounts. One law enforcement agreement, for example, provides for both a fixed amount and an additional charge for a major incident – one that takes more than 30% of the annual incident response hours budgeted to the recipient jurisdiction.
- d) **Debt financing participation.** A recipient government may use its cash or credit to provide all or a portion of the financing for the facilities needed to provide the service. The value of its debt financing may be treated as an offset to its obligations for the costs of service. For example, Pierce County agreed to lend to Road Service District I, funds sufficient to replenish its guaranty fund to facilitate sale of Local Improvement District bonds to finance road improvements.
- e) **Service exchange.** The value of one service is exchanged for another. For example, the Vashon Island Park District maintains the Vashon School District's ball fields in exchange for use of the fields for its programs after school hours.

Administrative issues

- Ownership and/or lease of property and equipment used in delivering the service(s).⁹ Also, transfer of property or equipment from one agency to another, as well as how property and equipment will be disposed of upon termination of the agreement.
- Personnel actions (transfers, reassignments, layoffs) necessary to implement the agreement, including specific terms of employment for any employees transferring from the recipient to the provider agency.
- Risk management; sharing and/or transfer of liability. Contact your insurance provider and city attorney for specific insurance, hold harmless and indemnification provisions recommended for the services and governance arrangements involved.

Change and interpretation of the agreement

Dispute resolution method. Increasingly, municipal partnership agreements specify arbitration rather than litigation for resolving disputes. This is not only to save the time and expense of litigation, but also to gain timely resolution while preserving a productive working relationship. See box, Sample Arbitration Clause.

Admission of new parties to the agreement. If additional parties may later join the arrangement, specify the manner and conditions under which they may be included. Pay particular attention to the how the costs of service and past investments in facilities and equipment would be distributed to new members.

Amendments (revisions) to the agreement must be made in writing only.

Termination rights and procedures⁹, including minimum notice to the other parties, and the rights and obligations, if any, concerning property, equipment, etc. Many agreements provide for lengthy notice, sufficient for the other parties to adjust their budgets and evaluate other service delivery options. For example, the participating jurisdictions in the Grant County Central Communications E911 Center (Cen Com) Agreement may terminate only after giving 120 days notice and only at the end of a calendar year. The King County law enforcement agreement with several cities provides for an 18-month transition period to provide for “... an orderly transition of responsibilities from the County to the City.”

Severability. This is a standard clause intended to sever and preserve as much of the agreement as possible in the event part of it is found to be unconstitutional.

Sample Arbitration Clause

Arbitration of Disputes.

The provisions of this Agreement shall be construed in accordance with the provisions of the laws of the State of Washington. The parties agree that any dispute arising out of the conduct of this Agreement shall be submitted to binding arbitration. Each party shall select one arbitrator and those two arbitrators shall select a third arbitrator. The dispute shall be settled with a majority of arbitrators prevailing. The decision of the arbitration panel shall be binding on all parties, and shall be enforceable, if necessary, in the Superior Court for _____ County, State of Washington. Allocation between parties of payment for costs of arbitration shall be determined by the panel of arbitrators, and their determination shall be final.

Step 6

Estimating Costs of Service

It is not uncommon to have all the ingredients for a productive partnership – able and eager partners, identified service efficiencies, compatible policies, and goodwill – yet agreement stalls over the price to be paid for the services. For this reason, credible and understandable estimates of the costs to provide the services is a critical milestone on the path to a successful partnership.

The actual estimation methods used will largely depend on the nature of the services, as well as on the cost accounting abilities of the parties. Utility billing services, for example, can be more readily distilled into standard unit costs per account than might be the case for a service like planning, economic development or drug counseling in which the cost per service unit is more variable. Moreover, because of the unique circumstances of each operation, together with the judgments inherent in cost accounting, there is no “cookbook” for making these estimates. Nevertheless, here are some general principles and examples which are adaptable to many services.

Principles

- **Public agencies should provide services to partner jurisdictions at the best estimated cost of service**, without subsidy or profit. Occasionally, provider agencies are seen as making a profit if they are financially better off with the partnership than before. Yet service agreements are intended to increase efficiency and generally do so through spreading fixed costs over a greater number of service units. So, be careful not to confuse the provider's share of increased efficiency with an apparent profit.
- **The provider agency is ultimately responsible for estimating costs of service** and for setting the amounts to be charged to recipients. Estimates and calculations should be open and understandable. Ideally, development of the estimates is accomplished together, with meaningful participation by all parties.
- **Direct and indirect costs of service should be explicitly itemized.**
- **Cost accounting methods should be practical** and not exceed the task at hand. Legions of cost accountants could be employed to refine cost estimates for negotiating local service agreements without increasing the chance of agreement. Indeed, pushing cost accounting to extremes is likely to damage trust and drive most people crazy. As the saying goes, “Better roughly right than precisely wrong.”

Variable and Fixed Costs

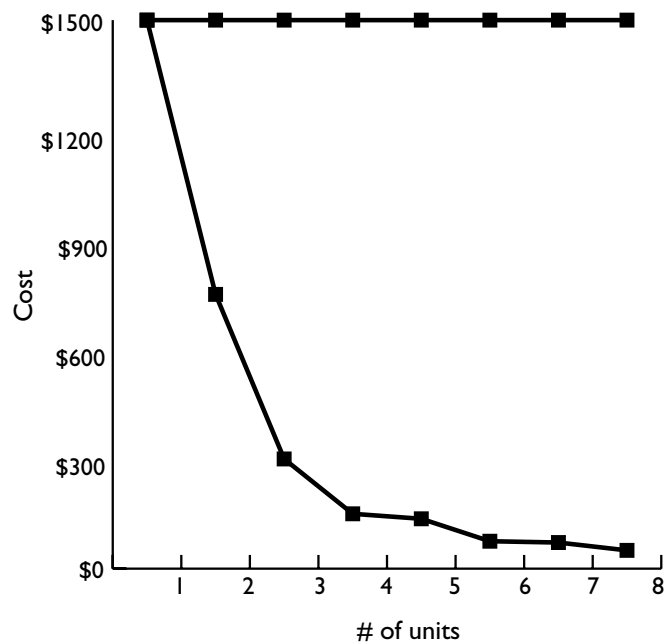
Some costs vary in direct proportion to the level of activity or service. These are variable costs. For example, if the number of utility billing accounts increases by 20%, the cost of postage will increase by approximately 20%. Postage is a variable cost of utility billing because as the number of accounts changes, the cost rises and falls proportionately with the number of accounts billed.

“If we had to figure partnership service costs to the penny, we simply could not afford to be partners.”

Mayor Nancy Conrad, City of Coupeville

Fixed costs, on the other hand, remain essentially unchanged in total as the level of activity or service changes. In our utility billing example, the cost of electricity will not increase proportionately with a 20% increase in the number of accounts. Other examples of fixed costs include equipment depreciation, office space and the salaries and benefits of the utility billing employees. Although the total fixed cost of a service remains essentially constant as the level of activity increases, the fixed cost per service unit declines.

Fixed Cost vs. Unit Cost



# of Units	Total Fixed Cost	Fixed Cost Per Unit
1	\$1500	\$1500.00
2	\$1500	\$750.00
5	\$1500	\$300.00
10	\$1500	\$150.00
11	\$1500	\$136.36
20	\$1500	\$75.00
21	\$1500	\$71.43
30	\$1500	\$50.00

Note that the decrease in fixed cost per unit when the level of activity changes from 1 to 2 units is much greater than when activity changes from 10 to 11 units, or from 20 to 21 units. This is because the amount of change in unit fixed cost declines as the activity level increases. Bigger is better, if you are not already too big.

Direct and Indirect Costs

Correctly allocating costs to services (as well as controlling costs) is facilitated by tracing costs to the department or work center in which the cost was incurred. Such tracing of costs, known as responsibility accounting, is important to determine which costs should be recovered for delivering a particular service.

A cost that can be traced to a particular work center is called a direct cost of that work center. For example, the salary of an equipment operator is a direct cost of the public works street crew. The cost of fertilizer used by the parks department is a direct cost of the parks maintenance crew.

A cost that is not directly linked to a particular department or work center is called an indirect cost of the department or work center. Commonly termed “overhead,” indirect costs are the costs of all those things that are necessary to the functioning of the organization, but are not traceable to production of a particular service or product. The city’s liability insurance premium is an indirect cost of each of the city departments and work centers. The salary of the parks director is an indirect cost of the parks maintenance crew. While the director’s duties are important to the successful functioning of the park maintenance crew, there is no accurate way to trace a portion of the director’s salary to the cost of each work center in the department.

Whether a cost is a direct or an indirect cost of a department depends on which department is considered. A direct cost of one department or work center can be an indirect cost of another. For example, while the parks director’s salary is an indirect cost of the parks maintenance crew, as well as to the other work centers in the department, the director’s salary is a direct cost to the department.

Significance of Cost Estimates

Why are we discussing cost estimating principles? Because negotiating municipal partnerships requires estimating the costs of service and providing for payment to the provider. Also, service agreements often involve a service performed by a portion of a department – a work center within a department. Negotiations often stumble because recipient agency representatives tend to think the provider’s costs are only the direct costs of the work center that performs the service. Provider representatives believe that the organization’s indirect costs are every bit as necessary to deliver services as direct costs and should also be recovered from the recipient jurisdictions. Unless the parties have some understanding of the concepts of fixed and variable costs, and direct and indirect costs, the payment issue is difficult to resolve.

Negotiations often stumble at this point because recipient agency representatives tend to think the provider’s costs are only the direct costs of the work center that performs the service. Provider representatives believe that indirect costs should also be recovered.

The most negotiable issue is not whether indirect costs should be allocated to the service, but how far up the organization or remote from the work center, indirect costs can be fairly allocated to the costs of a particular service.

Certainly, local governments commonly assist each other without expecting to recover their costs. Advice is freely given and documents are frequently copied and faxed as a courtesy to fellow agencies. Indeed, some counties routinely provide police or road maintenance assistance to small cities and towns, particularly in rural areas.

At the same time, a jurisdiction providing substantial or ongoing services to another agency is justified in expecting to recover the costs necessary for the delivery of those services. This includes the proportion of the indirect costs that can be reasonably estimated as necessary for the successful functioning of the work center providing the services.

In our park maintenance example, a portion of the department director's salary and other administrative overhead costs could be estimated and allocated to parks maintenance costs. In service organizations, this is typically done on the basis of the portion of total departmental worker hours which are performed by the particular work group delivering the service, such as the parks maintenance crew and its supervisors in our example.

However, since the costs of the city manager, mayor, finance director or city attorney are removed from the day-to-day functioning of the parks maintenance crew, these costs are more difficult to fairly allocate to a parks maintenance service and are, therefore, a more negotiable item. Nevertheless, such costs are a necessary part of the ability of the organization to deliver services and are included in the calculated general overhead rate of many organizations.

Cost Example I

Here is an estimate of the annual cost of police services for the City of Pleasantville which is in discussions with the neighboring City of Happy Valley.

I. Total annual cost of police services for Pleasantville			
	No.	Unit Cost	Total
Patrol officers	7.5	\$103,269	\$774,518
Detective	1.0	110,992	110,992
Patrol cars (miles)	248,000	0.325	80,600
Communications			84,939
Total Patrol			\$1,051,049
II. Analysis of annual unit costs of service			
Patrol Officers		Annual Cost	Percent of Total
Direct salaries and benefits		\$ 67,108	65%
Direct services, telephone, building space, supplies, etc.		6,142	6%
Indirect salaries and benefits (department and division supervisors, clerical support, training, etc.)		10,456	10%
Indirect services, supplies, etc.		4,799	5%
General city overhead @ 22% (finance, legal, etc.)		14,764	14%
Total Unit Cost		\$103,269	100%
Detective		Annual Cost	Percent of Total
Direct salaries and benefits		\$ 73,815	67%
Direct services, telephone, building space, supplies, etc.		7,566	7%
Indirect salaries and benefits (department and division supervisors, clerical support, training, etc.)		8,519	8%
Indirect services, supplies, etc.		4,799	4%
General city overhead @ 22% (finance, legal, etc.)		16,293	14%
Total Unit Cost		\$110,992	100%
Patrol Vehicle		Annual Cost	
Vehicle operating cost: \$0.325/mile x 248,000 miles (fuel, maintenance, repairs, depreciation, insurance)		\$80,600	
Communications		Annual Cost	
Departmental patrol communication		\$416,144	
Annual cost of 911 dispatch from RegComm x 1314 Shifts planned for Pleasantville in 20XX		\$ 84,939	

Note that the personnel and mileage estimates are for the personnel and vehicles that will be dedicated to serving Pleasantville. Note also that Happy Valley has a calculated general overhead rate of 22% per FTE salary and benefit cost. Labor (FTEs) are used as the “cost driver,” that is, the activity assumed to ultimately cause the indirect costs to be incurred by Happy Valley when delivering police services.

Cost Example II

The City of Cle Elum took a much simpler approach to resolve its partnership negotiations with two neighboring jurisdictions: Roslyn and South Cle Elum. An estimate of the hourly cost of patrol was originally calculated by dividing the total number of work hours of patrol officers into the total budget of the police department. Total budget included patrol officer wage and benefit costs, and costs of equipment, overhead, capital improvements, support staff, dispatch and supervision. It did not include jail or prosecution costs. In this way the departmental overhead was captured in the estimate without having to estimate the proportion of each component assigned to patrol.

The agreement provides that the cost to each jurisdiction will be an amount based on the number of hours of patrol service provided to that community. What the method used by Cle Elum lacks in precision, it gains in simplicity and acceptance by the parties. (See Appendix E, Interlocal Agreement for Law Enforcement Services)

Cle Elum calculated South Cle Elum's costs for budget year 2006 based on the following:

Total budgeted hours for 2006:	731 hours
New hourly rate (103% of current \$47.45/hr rate):	\$50.34/hr
731 hours multiplied by \$50.34/hr:	\$36,798.54
Additional amount for excess service hours in 2005:	\$2,003.67
Cost of services for 2006	\$38,802.21

Federal Cost Principles

The Federal Office of Management and Budget Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments," establishes principles and standards "... to provide a uniform approach for determining costs and to promote effective program delivery, efficiency, and better relationships between governmental units and the Federal Government. It is mentioned here for those who may be considering a partnership with a federal agency, and as a resource that may prove a useful cost of service negotiations. It may be downloaded from the OMB website: www.whitehouse.gov/OMB/circulars/a087/a087-all.html.

Step 7

Implementing the New Partnership

Now that the agreement is complete, a thoughtful, well-planned launch will help the new arrangement start smoothly and build the foundation for a lasting success. Although the specific start-up plan for a new partnership will be built around the unique needs and circumstances of the arrangement, some basic principles should be kept in mind:

Celebrate the Signing

A formal signing ceremony, formally recognizing the participants, will help raise public awareness of the achievement and build understanding of its purposes with those who now must see it through.

No Surprises

Don't wait until the deal is done to figure out what has to happen to make it work. Everything about the transition should have been thoroughly discussed and decided with the involvement of the affected people during consideration of the partnership. Thus, the employee, equipment, facility and accounting changes required to make the transition are already known and detailed in the transition plan. The understanding and trust required for day-to-day management of the partnership depend on doing this very well.

Proceed at a Human Pace

For most people, change is difficult, especially when it affects their personal self-esteem, social circle, wealth, power or daily routine. You can help people be ready to change by involving them meaningfully in planning for the transition, keeping them in the communication loop, and assuring that each step is made on solid footing before taking the next. Publicly celebrate important milestones to help maintain momentum.

If new procedures, equipment or systems are involved, assure installations and staff training are accomplished well ahead of crunch time for critical functions. A partnership transferring a complex utility billing operation to another jurisdiction, for example, would likely make the transition in careful increments, timed with respect to billing cycle deadlines.

Implementation Hints

- Celebrate the Signing.
- No Surprises.
- Proceed at a Human Pace.
- Monitor Closely
- Follow Up to Celebrate, Evaluate and Adjust.

Monitor Closely

Few things go exactly as planned. All the assumptions used in developing the partnership and estimating costs will now be tested. The benefits envisioned will not be realized unless service quality and costs are controlled and problems are promptly solved.

Ensure that problems are quickly brought forward and solved. On complex projects, a cross-functional implementation team is a powerful means to stay on top of the transition and to troubleshoot effectively.

Follow up to Celebrate, Evaluate and Adjust

Celebrate milestones, evaluate performance and make whatever adjustments are necessary to ensure ongoing success.

Step 8

Managing the Partnership

After the new service arrangement is set in motion, and the recipient agency has successfully transferred the financial and administrative burdens to the provider, the recipient agency remains responsible to its citizens for the quality of service. Citizens still lodge their complaints with their own elected officials and there will likely be some public confusion about which agency is doing what.

Take another look at “Resolving Concerns”, page 11. These are the things that will likely raise their heads during the first year of a new partnership. By anticipating them and taking steps to minimize their effects, conflicts and confusion can be held to a minimum.

Handling Complaints

Handling of complaints will greatly affect the public’s opinion of the new arrangement. Be certain you have a clear and efficient procedure to help get these resolved quickly and decisively. The process should keep the recipient jurisdiction in the loop, while allowing citizens to complain to their own government and still achieve prompt resolution.

Setting Standards of Service

Service standards are essential for evaluation. If they are not spelled out in the agreement, they must be developed separately. Such standards of performance provide the definition of the level and quality of service the provider has agreed to deliver and that the recipient agency expects to receive. Without clear standards, communications about performance will be unproductive and the relationship will suffer. If for example, the agreement simply states that the county will provide animal control services for the city, it will be difficult to determine whether the city received the services it expected unless level of service standards are included or referenced. These might include such standards as frequency and areas of patrol, minimum training and certification of personnel, hours of service, public outreach and education efforts, shelter and euthanasia policies, spay and neuter programs, etc.

Issuing Reports and Evaluations

Reports and evaluations of service performance should formalize verbal communications. Regular informal meetings with key partner representatives should discuss contract performance and problems encountered. The providing agency’s department director who is responsible for delivering an important service should be included in management meetings of the recipient jurisdiction. Mutual respect and communication – the bedrock of any relationship – are crucial to intergovernmental dealings.

Service standards are essential for evaluation. Such standards of performance provide the definition of the level and quality of service the provider has agreed to deliver and that the recipient agency expects to receive.

The Future of Service Partnerships

The fear of losing community identity, or the concern that a particular service might not be delivered in concert with community values are often obstacles to forming municipal partnerships. And, of course, each agency has its own interests in preserving the positions of its elected officials and employees. These are real interests that must be respected and considered in future innovations to strengthen governmental institutions.

For the most part, however, the public cares about how their government functions, and how well and how efficiently it serves their needs. Are the streets smooth and safe? Does clean water come out of the faucet?

For most people, how local government is organized is of little interest. This is particularly true for the many services that have little or no relevance to community values. Citizens naturally care more about local control, community values and identity for those providing their police or land use planning than such services as water, sewer, storm drainage, electricity, natural gas, streets, as well as internal services like accounting and billing.

Future partnership efforts might focus on creating regional service delivery systems and accompanying governance for services that can be delivered more efficiently at a larger scale, and involve few local value elements. There are models like LOTT (Lacey, Olympia,

Tumwater and Thurston County) and METRO King County from which we can learn.

We should also examine private sector models, particularly where functions are similar. Contrast, for example, the way private business has met its financial accounting systems needs (payroll, billing, receivables, budgeting, management information, etc.) in the computer age. Banks, insurance companies, major retailers, etc. have developed integrated accounting systems that interconnect their offices.

But, cities, towns, counties and special districts have, for the most part, installed stand alone systems with separate local file servers and system managers.

Each of these independent systems perform essentially identical functions with tremendous duplication of effort all across the state. And, because the cost of quality systems and capable system managers is beyond the means of many local jurisdictions, localities struggle with poor system performance and marginal capacity for management information.

For services, which the citizen–customer cares little about the organizational means of service delivery, we might think of local governments as functional branch offices of a much larger “company” – the state or regional government.

We could develop an integrated and interconnected financial accounting system with each locality accomplishing its business on line. The scale advantage would enable each jurisdiction to have better service at lower cost. It would take a substantial investment and several years to develop.

Yet, the payoff appears to be substantial and, as computer network systems become increasingly complex, the current course of independent and under funded systems will likely prove to be a more expensive and problematic choice.

The central point here is the need to focus on the work that government does and how to do it better and leave behind the preoccupation with existing organizations, processes and functions that stand alone in rigidly separated organizations of so-called “silo” departments. A revised focus will help us to devise optimal delivery systems at a scale appropriate to each service activity.

The result will be a more responsive local government which is more capable of ensuring the satisfaction of its customers.

Appendix:

Sample Agreements & Resources

- Appendix A: Chapter 39.34 RCW Interlocal Cooperative
- Appendix B: The Double Taxation Issues
- Appendix C: Uncovering Partnership Opportunities - Potential Benefits
- Appendix D: Sample Ground Rules
- Appendix E: Interlocal Agreement for Law Enforcement Services
- Appendix F: Intergovernmental Agreement for Joint Animal Services Operations
- Appendix G: Partnership Examples
- Appendix H: Bibliography

Appendix A

Chapter 39.34 RCW Interlocal Cooperation Act

RCW

39.34.010	Declaration of purpose.
39.34.020	Definitions.
39.34.030	Joint powers – Agreements for joint or cooperative action, requisites, effect on responsibilities of component agencies – Financing of joint projects.
39.34.040	Agreements to be filed – Status of interstate agreements – Real party in interest – Actions.
39.34.050	Duty to submit agreement to jurisdictional state officer or agency.
39.34.055	Public purchase agreements with public benefit nonprofit corporations.
39.34.060	Participating agencies may appropriate funds and provide personnel, property, and services.
39.34.070	Authority of joint boards to receive loans or grants.
39.34.080	Contracts to perform governmental activities which each contracting agency is authorized to perform.
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39.34.130	Transactions between state agencies – Charging of costs – Regulation by director of financial management.
39.34.140	Transactions between state agencies – Procedures for payments through transfers upon accounts.
39.34.150	Transactions between state agencies – Advancements.
39.34.160	Transactions between state agencies – Time limitation for expenditure of advance – Unexpended balance.
39.34.170	Transactions between state agencies – Powers and authority cumulative.
39.34.180	Criminal justice responsibilities – Interlocal agreements.
39.34.190	Watershed management plan projects - Use of water-related revenues.
39.34.200	Watershed management partnerships - Formation
39.34.210	.Watershed management partnerships - Indebtedness - Bonds.
39.34.220	Watershed management plans - Additional authority for implementation - Existing agreements not affected.
39.34.900	Short title.
39.34.910	Severability – 1967 c 239.
39.34.920	Effective date – 1967 c 239.

Notes:

- Hydroelectric resources, creation of separate legal authority by irrigation districts and cities, towns, or public utility districts: RCW 87.03.828.
- Irrigation districts, creation of legal authority to carry out powers: RCW 87.03.018.
- School district associations, right to mortgage or convey money security interest in association property – Limitations: RCW 28A.335.100.
- School districts agreements with other governmental entities for transportation of students, the public or other noncommon school purposes – Limitations: RCW 28A.160.120.

RCW 39.34.010

Declaration of purpose

It is the purpose of this chapter to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.

[1967 c 239 § 1.]

Notes: Joint operations by municipal corporations and political subdivisions, deposit and control of funds: RCW 43.09.285.

RCW 39.34.020

Definitions

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Public agency" means any agency, political subdivision, or unit of local government of this state including, but not limited to, municipal corporations, quasi municipal corporations, special purpose districts, and local service districts; any agency of the state government; any agency of the United States; any Indian tribe recognized as such by the federal government; and any political subdivision of another state.
- (2) "State" means a state of the United States.
- (3) "Watershed management partnership" means an interlocal cooperation agreement formed under the authority of RCW 39.34.200.
- (4) "WRRIA" has the definition in RCW 90.82.020.

[2003 c 327 § 3; 1985 c 33 § 1; 1979 c 36 § 1; 1977 ex.s. c 283 § 13; 1975 1st ex.s. c 115 § 1; 1973 c 34 § 1; 1971 c 33 § 1; 1969 c 88 § 1; 1969 c 40 § 1; 1967 c 239 § 3.]

Notes:

- Finding -- Intent -- 2003 c 327: See note following RCW 39.34.190.
- Severability -- 1977 ex.s. c 283: See note following RCW 28A.310.010.

RCW 39.34.030

Joint powers – Agreements for joint or cooperative action, requisites, effect on responsibilities of component agencies – Financing of joint projects

- (1) Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having the power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by this chapter upon a public agency.
- (2) Any two or more public agencies may enter into agreements with one another for joint or cooperative action pursuant to the provisions of this chapter: PROVIDED, That any such joint or cooperative action by public agencies which are educational service districts and/ or school districts shall comply with the provisions of RCW 28A.320.080. Appropriate action by ordinance, resolution or otherwise pursuant to law of the governing bodies of the participating public agencies shall be necessary before any such agreement may enter into force.
- (3) Any such agreement shall specify the following:
 - (a) Its duration;
 - (b) The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto, provided such entity may be legally created. Such entity may

include a nonprofit corporation organized pursuant to chapter 24.03 or 24.06 RCW whose membership is limited solely to the participating public agencies or a partnership organized pursuant to chapter 25.04 RCW whose partners are limited solely to participating public agencies and the funds of any such corporation or partnership shall be subject to audit in the manner provided by law for the auditing of public funds;

- (c) Its purpose or purposes;
 - (d) The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget therefore;
 - (e) The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination;
 - (f) Any other necessary and proper matters.
- (4) In the event that the agreement does not establish a separate legal entity to conduct the joint or cooperative undertaking, the agreement shall, in addition to items (a), (c), (d), (e) and (f) enumerated in subdivision (3) hereof, contain the following:
- (a) Provision for an administrator or a joint board responsible for administering the joint or cooperative undertaking. In the case of a joint board, public agencies party to the agreement shall be represented;
 - (b) The manner of acquiring, holding and disposing of real and personal property used in the joint or cooperative undertaking. Any joint board is authorized to establish a special fund with a state, county, city, or district treasurer servicing an involved public agency designated "Operating fund of joint board".
- (5) No agreement made pursuant to this chapter relieves any public agency of any obligation or responsibility imposed upon it by law except that:

- (a) To the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created by an agreement made hereunder, the performance may be offered in satisfaction of the obligation or responsibility; and
- (b) With respect to one or more public agencies purchasing or otherwise contracting through a bid, proposal, or contract awarded by another public agency or by a group of public agencies, any statutory obligation to provide notice for bids or proposals that applies to the public agencies involved is satisfied if the public agency or group of public agencies that awarded the bid, proposal, or contract complied with its own statutory requirements and either (i) posted the bid or solicitation notice on a web site established and maintained by a public agency, purchasing cooperative, or similar service provider, for purposes of posting public notice of bid or proposal solicitations, or (ii) provided an access link on the state's web portal to the notice.

(6) Financing of joint projects by agreement shall be as provided by law.

[2004 c 190 § 1; 1992 c 161 § 4; 1990 c 33 § 568; 1981 c 308 § 2; 1972 ex.s. c 81 § 1; 1967 c 239 § 4.]

Notes:

- Intent – 1992 c 161: See note following RCW 70.44.450.
- Purpose – Statutory references – Severability – 1990 c 33: See RCW 28A.900.100 through 28A.900.102.
- Severability – 1981 c 308: See note following RCW 28A.320.080.
- Joint operations by municipal corporations or political subdivisions, deposit and control of funds: RCW 43.09.285.

RCW 39.34.040

Agreements to be filed – Status of interstate agreements – Real party in interest – Actions.

Prior to its entry into force, an agreement made pursuant to this chapter shall be filed with the county auditor or, alternatively, listed by subject on a public agency's website or other electronically retrievable public source. In the event that an agreement entered into pursuant to this chapter is between or among one or more public agencies of this state and one or more public agencies of another state or of the United States the agreement shall have the status of an interstate compact, but in any case or controversy involving performance or interpretation thereof or liability there under, the public agencies party thereto shall be real parties in interest and the state may maintain an action to recoup or otherwise make itself whole for any damages or liability which it may incur by reason of being joined as a party therein. Such action shall be maintainable against any public agency or agencies whose default, failure of performance, or other conduct caused or contributed to the incurring of damage or liability by the state.

[2006 C 22 § 1; 1995 c 22 § 1; 1992 c 161 § 5; 1967 c 239 § 5.]

Notes: Intent – 1992 c 161: See note following RCW 70.44.450.

RCW 39.34.050

Duty to submit agreement to jurisdictional state officer or agency.

In the event that an agreement made pursuant to this chapter shall deal in whole or in part with the provision of services or facilities with regard to which an officer or agency of the state government has constitutional or statutory powers of control, the agreement shall, as a condition precedent to its entry into force, be submitted to the state officer or agency having such power of control. The agreement shall be approved or disapproved by the state officer or agency with regard to

matters within his, her, or its jurisdiction within ninety days after receipt of the agreement. If a state officer or agency fails to act within the ninety-day time limit, the agreement shall be deemed approved by that state officer or agency.

[1992 c 161 § 6; 1967 c 239 § 6.]

Notes: Intent – 1992 c 161: See note following RCW 70.44.450.

RCW 39.34.055

Public purchase agreements with public benefit nonprofit corporations.

The office of state procurement within the department of general administration may enter into an agreement with a public benefit nonprofit corporation to allow the public benefit nonprofit corporation to participate in state contracts for purchases administered by the office of state procurement. Such agreement must comply with the requirements of RCW 39.34.030 through 39.34.050. For the purposes of this section "public benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, or federal funds either directly or through a public agency other than an Indian tribe or a political subdivision of another state.

[1994 c 98 § 1.]

RCW 39.34.060

Participating agencies may appropriate funds and provide personnel, property, and services.

Any public agency entering into an agreement pursuant to this chapter may appropriate funds and may sell, lease, give, or otherwise supply property, personnel, and services to the administrative joint board or other legal or administrative entity created to operate the joint or cooperative undertaking.

[1992 c 161 § 7; 1967 c 239 § 7.]

Notes: Intent – 1992 c 161: See note following RCW 70.44.450.

RCW 39.34.070

Authority of joint boards to receive loans or grants.

Any joint board created pursuant to the provisions of this chapter is hereby authorized to accept loans or grants of federal, state or private funds in order to accomplish the purposes of this chapter provided each of the participating public agencies is authorized by law to receive such funds.

[1967 c 239 § 8.]

RCW 39.34.080

Contracts to perform governmental activities which each contracting agency is authorized to perform.

Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: PROVIDED, that such contract shall be authorized by the governing body of each party to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives, and responsibilities of the contracting parties.

[1967 c 239 § 9.]

RCW 39.34.085

Agreements for operation of bus services.

In addition to the other powers granted by chapter 39.34 RCW, one or more cities or towns or a county, or any combination thereof, may enter into agreements with each other or with a public transportation agency of a contiguous state, or contiguous Canadian province, to allow a city or such other transportation agency to operate bus service for the transportation of the general public within the territorial boundaries of such city and/or county or to allow such city and/or county to operate such bus service within the jurisdiction of such other public agency when no such existing bus certificate of public convenience and necessity has been

authorized by the Washington utilities and transportation commission: PROVIDED, HOWEVER, That such transportation may extend beyond the territorial boundaries of either party to the agreement if the agreement so provides, and if such service is not in conflict with existing bus service authorized by the Washington utilities and transportation commission. The provisions of this section shall be cumulative and nonexclusive and shall not affect any other right granted by this chapter or any other provision of law.

[1977 c 46 § 1; 1969 ex.s. c 139 § 1.]

RCW 39.34.090

Agencies' contracting authority regarding electricity, utilities' powers, preserved.

Nothing in this chapter shall be construed to increase or decrease existing authority of any public agency of this state to enter into agreements or contracts with any other public agency of this state or of any other state or the United States with regard to the generation, transmission, or distribution of electricity or the existing powers of any private or public utilities.

[1967 c 239 § 10.]

RCW 39.34.100

Powers conferred by chapter are supplemental.

The powers and authority conferred by this chapter shall be construed as in addition and supplemental to powers or authority conferred by any other law, and nothing contained herein shall be construed as limiting any other powers or authority of any public agency.

[1967 c 239 § 11.]

RCW 39.34.110

Powers otherwise prohibited by Constitutions or federal laws.

No power, privilege, or other authority shall be exercised under this chapter where prohibited by the state Constitution or the Constitution or laws of the federal government.

[1967 c 239 § 12.]

RCW 39.34.130

Transactions between state agencies – Charging of costs – Regulation by director of financial management.

Except as otherwise provided by law, the full costs of a state agency incurred in providing services or furnishing materials to or for another agency under chapter 39.34 RCW or any other statute shall be charged to the agency contracting for such services or materials and shall be repaid and credited to the fund or appropriation against which the expenditure originally was charged. Amounts representing a return of expenditures from an appropriation shall be considered as returned loans of services or of goods, supplies or other materials furnished, and may be expended as part of the original appropriation to which they belong without further or additional appropriation. Such interagency transactions shall be subject to regulation by the director of financial management, including but not limited to provisions for the determination of costs, prevention of interagency contract costs beyond those which are fully reimbursable, disclosure of reimbursements in the governor's budget and such other requirements and restrictions as will promote more economical and efficient operations of state agencies.

Except as otherwise provided by law, this section shall not apply to the furnishing of materials or services by one agency to another when other funds have been provided specifically for that purpose pursuant to law.

[1979 c 151 § 45; 1969 ex.s. c 61 § 1.]

Notes: Duty to submit agreement of jurisdictional state officer or agency: RCW 39.34.050.

RCW 39.34.140

Transactions between state agencies – Procedures for payments through transfers upon accounts.

The director of financial management may establish procedures whereby some or all payments between state agencies may be made by transfers upon the accounts of the state treasurer in lieu of making such payments by warrant or check. Such procedures, when established, shall include provision for corresponding entries to be made in the accounts of the affected agencies.

[1979 c 151 § 46; 1969 ex.s. c 61 § 2.]

RCW 39.34.150

Transactions between state agencies – Advancements.

State agencies are authorized to advance funds to defray charges for materials to be furnished or services to be rendered by other state agencies. Such advances shall be made only upon the approval of the director of financial management, or his order made pursuant to an appropriate regulation requiring advances in certain cases. An advance shall be made from the fund or appropriation available for the procuring of such services or materials, to the state agency which is to perform the services or furnish the materials, in an amount no greater than the estimated charges therefore.

[1979 c 151 § 47; 1969 ex.s. c 61 § 3.]

RCW 39.34.160

Transactions between state agencies – Time limitation for expenditure of advance – Unexpended balance.

An advance made under RCW 39.34.130 through 39.34.150 from appropriated funds shall be available for expenditure for no longer than the period of the appropriation from which it was made. When the actual costs of materials and services

have been finally determined, and in no event later than the lapsing of the appropriation, any unexpended balance of the advance shall be returned to the agency for credit to the fund or account from which it was made.

[1969 ex.s. c 61 § 4.]

RCW 39.34.170

Transactions between state agencies – Powers and authority cumulative.

The powers and authority conferred by RCW 39.34.130 through 39.34.160 shall be construed as in addition and supplemental to powers or authority conferred by any other law, and not to limit any other powers or authority of any public agency expressly granted by any other statute.

[1969 ex.s. c 61 § 5.]

RCW 39.34.180

Criminal justice responsibilities – Interlocal agreements.

(1) Each county, city, and town is responsible for the prosecution, adjudication, sentencing, and incarceration of misdemeanor and gross misdemeanor offenses committed by adults in their respective jurisdictions, and referred from their respective law enforcement agencies, whether filed under state law or city ordinance, and must carry out these responsibilities through the use of their own courts, staff, and facilities, or by entering into contracts or interlocal agreements under this chapter to provide these services. Nothing in this section is intended to alter the statutory responsibilities of each county for the prosecution, adjudication, sentencing, and incarceration for not more than one year of felony offenders, nor shall this section apply to any offense initially filed by the prosecuting attorney as a felony offense or an attempt to commit a felony offense.

(2) The following principles must be followed in negotiating interlocal agreements or contracts: Cities and counties must consider (a) anticipated costs of services; and (b) anticipated and potential revenues to fund the services, including fines and fees, criminal justice funding, and state–authorized sales tax funding levied for criminal justice purposes.

(3) If an agreement as to the levels of compensation within an interlocal agreement or contract for gross misdemeanor and misdemeanor services cannot be reached between a city and county, then either party may invoke binding arbitration on the compensation issued by notice to the other party. In the case of establishing initial compensation, the notice shall request arbitration within thirty days. In the case of non–renewal of an existing contract or interlocal agreement, the notice must be given one hundred twenty days prior to the expiration of the existing contract or agreement and the existing contract or agreement remains in effect until a new agreement is reached or until an arbitration award on the matter of fees is made. The city and county each select one arbitrator, and the initial two arbitrators pick a third arbitrator.

(4) For cities or towns that have not adopted, in whole or in part, criminal code or ordinance provisions related to misdemeanor and gross misdemeanor crimes as defined by state law, this section shall have no application until July 1, 1998.

[1996 c 308 § 1.]

Editor's note: The following sections 39.34.190-220 pertain to watershed management partnerships – the full text of the provisions are not included here. See statute.

RCW 39.34.190

Watershed management plan projects – Use of water-related revenues.

RCW 39.34.200

Watershed management partnerships – Formation.

RCW 34.210

Watershed management partnerships – Indebtedness – Bonds.

RCW 39.34.220

Watershed management plans – Additional authority for implementation – Existing agreements not affected.

RCW 39.34.900

Short title.

This chapter may be cited as the “Interlocal Cooperation Act.”

[1967 c 239 § 2.]

RCW 39.34.910

Severability – 1967 c 239.

If any provision of this chapter, or its application to any person or circumstance is held invalid, the remainder of the chapter, or the application of the provision to other persons or circumstances is not affected.

[1967 c 239 § 14.]

RCW 39.34.920

Effective date – 1967 c 239.

The effective date of this chapter is July 1, 1967.

[1967 c 239 § 15.1]

The Double Taxation Issue

City homeowners pay the same property tax levy to their county government, as do residents in unincorporated areas of the county. City residents also pay the city property tax levy. If the city asks the county to chip seal its streets, the county expects to recover its costs from the city. Both the city and county provide parks and recreation services. County residents use the city parks and services and city residents use those of the county. Nobody knows whether city residents use county services and facilities more than do county residents who come into the city, or vice versa. Some jurisdictions charge separate fees for residents and non-residents.

This double taxation issue has clouded numerous city-county service negotiations, spawning numerous studies and even litigation. City officials claim their residents are taxed twice for the same services—once by the city, which delivers the service; and again by the county, which delivers similar services, but not to city residents. County officials point out the county receives other revenues (sales taxes, state-shared revenues, timber revenues, etc.) not paid by city residents and that many county services (auditor, treasurer, superior court, health, etc.) are also received by city residents.

Not surprisingly, studies have found that county services are not provided uniformly at the same level to all areas of the county. And the courts have generally found that, while tax levies must be uniformly applied, there is no obligation to provide equal services to each taxpayer or to each district.

Although this issue is not likely to go away, it ought not to be a serious obstacle to city-county service agreements. County officials are elected by the entire county to make decisions, including allocation of resources and provision of services. Counties that provide discretionary services to other jurisdictions are entitled to recover their costs. Indeed, if a county were to provide a discretionary service to City A and recover less than its cost of service, City B which does not receive the service from the county would likely assert that the county is using revenues derived from its residents to subsidize services provided to City A.

One solution is to form a special service district covering the area of the service so that all property owners within the district pay the same levy amount to support that service—library, parks, drainage, etc. Most often, however, the solution is to reach agreement on an equitable financial arrangement that is cost-effective for both jurisdictions and with the county recovering its costs.

Sample Ground Rules

- Create a safe and creative environment – all ideas are appreciated.
- Remember your initial response to new ideas should seek clarification and understanding rather than indicating a positive or negative reaction.
- Work from agendas as much as possible. Stay on track and on task.
- Everyone participates – don't hold back; speak openly and freely. Also, don't dominate or overuse "air time".
- Don't interrupt. Wait until you have been recognized by the chair or facilitator.
- Don't characterize others or their motives.

Use "I" statements like

"I need _____." Or, "I think _____."

NOT: "You're a _____." Or, "You're just saying that because _____."

- Describe specific actions or behaviors rather than make generalizations, accusations, or judgmental statements. Speak to the issue, not the individuals. Agree to disagree without personal criticism.
- Really listen to each other and try to understand what is being said. Focus on understanding the needs and interests of other participants.
- List information needed to make progress. As much as practicable, work together on these tasks to preserve trust and to avoid disagreements over data and statistics.
- Explore impasses. Try to determine the reason for disagreement.
- Make any public statements jointly.
- Turn off cell phones and beepers.
- Encourage humor.

Interlocal Agreement for Law Enforcement Services

This Interlocal Agreement for Law Enforcement Services (“Agreement”) is entered by and between the Cities of Cle Elum and Roslyn, Second Class Cities in the State of Washington, and the Town of South Cle Elum, a Fourth Class Town in the State of Washington. These incorporated communities shall be subsequently referred to in this Agreement as Cle Elum, Roslyn, and South Cle Elum, and they shall be collectively referred to as the “Parties”.

RECITALS

WHEREAS, the Parties are public agencies, as defined in RCW 39.34.020, who wish to enter into an Agreement pursuant to Chapter 39.34 RCW, the Washington Interlocal Cooperation Act; and

WHEREAS, Cle Elum, South Cle Elum and Roslyn have the power, authority, and responsibility to provide police protection and law enforcement services for their citizens within their boundaries and are desirous of merging their resources to fulfill their obligations to their citizens; and

WHEREAS, South Cle Elum is located one (1) mile south of Cle Elum and Roslyn is located two (2) miles west of Cle Elum and Cle Elum has established and maintains a police department which is capable of extending regular law enforcement services to South Cle Elum and Roslyn; and

WHEREAS, Roslyn has established and maintains a police department and is desirous of merging its officers and equipment with those of Cle Elum to form a larger, enhanced police department which is capable of providing regional police services to the three communities in a more cost efficient manner; and

WHEREAS, Cle Elum, South Cle Elum, and Roslyn are desirous of entering into this Agreement for the purpose of joining together to efficiently provide Cle Elum, South Cle Elum and Roslyn with law enforcement services;

NOW, THEREFORE, in consideration of the foregoing and as set forth below, the Parties agree to form the Cle Elum/ Roslyn/South Cle Elum Police Department as follows:

1. PURPOSE AND SCOPE

- 1.1 The purpose of the Agreement is to provide South Cle Elum and Roslyn with law enforcement services and protect the health, safety, and welfare of the citizens of these respective communities.

2. DURATION, TERMINATION AND MODIFICATION

- 2.1 Agreement shall take effect at 12:01 a.m. on July 1, 2000 and shall continue and be in full force and effect through midnight on December 31, 2001, provided that this Agreement shall be renewed on a yearly basis thereafter unless otherwise modified or terminated, as provided for by this Agreement.
- 2.2 Any Party may terminate their participation in this Agreement upon 120 days written notice to the other Parties of their intent to terminate this Agreement. Any Party that terminates this Agreement shall be responsible for reimbursement to the remaining Party for the cost incurred in changing badges, vehicle markings, shoulder patches, and related identification items, with a maximum reimbursement cost limit of \$1,500. In the event that one Party acts to terminate their involvement in this Agreement, the Agreement will continue in full force and effect for the remaining Parties.
- 2.3 Substantive revisions to this agreement may be made annually, in conjunction with the cost review process outlined in Section 4.6. All changes to this Agreement will be pursuant to good faith negotiations of the three Parties.
- 2.4 This Agreement is intended to express the entire Agreement of the Parties, and may not be altered or modified in any way unless such modification is reduced to writing, jointly agreed upon and signed by all Parties.

3. ADMINISTRATION AND DEFINITIONS

- 3.1 Cle Elum, by and through its Chief of Police, shall be responsible for the administration and management of the law enforcement services to be provided to South Cle Elum and Roslyn as described in this Agreement.
- 3.2 The respective Mayors of Cle Elum, South Cle Elum, and Roslyn or their designee(s) shall constitute the Police Oversight Committee. This Committee shall meet regularly with the Chief of Police and provide direct feedback on issues and concerns related to law enforcement and public safety in the respective communities. The Oversight Committee is responsible for establishing law enforcement goals and objectives for the Police Department, and will address issues which may arise regarding this agreement. The activities of the Police Oversight Committee shall be subject to the limitations and considerations reflected in Section 9.1 below.
- 3.3 The Chief of Police or his or her designated representative from the Cle Elum Police Department shall meet with the Cle Elum, South Cle Elum, and Roslyn City Councils at least once each month at a regular City Council meeting to report on the activities of the Police Department and identify any law enforcement issues or concerns during these reports.
- 3.4 For purposes of this Agreement, incidents shall include all responses to dispatched calls, and shall also include all contacts with subjects which result in the issuance of written citations, warnings, or arrests. Incident response time shall also include office time devoted to related follow up paperwork, transport to jail, and court appearances.
- 3.5 For purposes of this Agreement, patrol shall include such activities as patrol, traffic enforcement (excluding the time spent actually writing citations), and involvement in proactive community programs.
- 3.6 For purposes of this Agreement, a major event shall refer to a law enforcement incident response which involves more than 30% of the annual budgeted incident response hours for a given Party.

4. BASIS FOR DETERMINING AND ASSIGNING COSTS

- 4.1 For the purposes of this Agreement, the value of a commissioned officer shall be initially established at \$42/hour. This rate shall be adjusted upward on the first day of each calendar year in amount equal to the cost of living rate increase reflected in the applicable police union contract.
- 4.2 South Cle Elum and Roslyn shall receive 24 hour per day law enforcement response to reported and/or dispatched calls and observed incidents as well as random patrol and community policing services to the extent deemed appropriate by the Police Chief and the Oversight Committee.
- 4.3 For the initial year of this agreement, South Cle Elum's share of regionalized police cost shall be an annualized total of \$27,090. This figure is based on an estimate of the value of service required, at the rate of \$42 per hour.
- 4.4 For the initial year of this agreement, Roslyn's share of regionalized police service cost shall be an annualized total of \$108,360. This Figure is based on an estimate of the value of service required, at the rate of \$42 per hour.
- 4.5 Cle Elum's annual financial participation shall involve fully funding all costs of Cle Elum/Roslyn/South Cle Elum Police Department which are not covered by Roslyn and South Cle Elum. In the initial year of this agreement, Cle Elum's costs are budgeted to be \$544,832, to cover the costs of a Police Chief, 7.5 commissioned officers, and 1.5 administrative support employees.
- 4.6 For calendar years 2001 and subsequent years, a review of actual costs incurred for both incident response and patrol services shall be prepared by the Chief of Police and presented to the Oversight Committee for the 12 month period ending on September 30. This report shall serve as the basis for cost rate increases for the following year payment obligations for South Cle Elum and Roslyn. Costs will be adjusted upward or downward, based on the actual value of services which were provided during the previous 12 month period.

4.6.1 Cost increases based on this review of services actually received during the previous 12 months will be capped at a rate not to exceed 6%, plus the cost of living increase as provided for in Section 4.1.

4.7 Costs associated with a major incident, as defined in Section 3.6 above, will be billed separately and in addition to the base contract amount, for costs in excess of the first 60 hours of service associated with each such event.

4.8 Roslyn and South Cle Elum shall transmit 20% of all locally retained ticket revenue to Cle Elum. These funds will be deposited into Cle Elum's police car replacement fund.

4.9 Costs associated with providing officers to cover scheduled special events such as community celebrations shall be tracked separately from the basic service costs prescribed in this Agreement.

5. RESPONSIBILITIES OF CLE ELUM

5.1 Cle Elum shall provide 24 hour per day law enforcement response to reported and/or dispatched calls and observed incidents within the geographical boundaries of Cle Elum, South Cle Elum, and Roslyn. Based on records kept for the 1999 calendar year, this Agreement assumes that South Cle Elum will require approximately 165 hours of incident response in 2000, and Roslyn will require approximately 1140 hours of incident response in 2000.

5.2 When determining which hours to patrol, the Cle Elum Chief of Police shall take into consideration any specific requests by the Mayors of South Cle Elum and Roslyn, as well as collective input from the Oversight Committee, for hours for which patrol is desired.

5.3 Cle Elum shall handle the administrative processing of all tickets and citations issued in South Cle Elum and Roslyn.

5.4 Cle Elum shall provide South Cle Elum and Roslyn with a regular monthly report of all hours spent by police department personnel in the respective Cities. This report shall break out hours spent on incident response as well as patrol, and shall include

time breakdowns of such activities as jail transport, court appearances, and training. This report shall also include narrative comments identifying issues, trends, and concerns.

5.5 Cle Elum shall provide call response services and criminal investigation services in the same manner as customarily rendered by the Cle Elum Police Department within Cle Elum.

5.6 The Mayor of Cle Elum or his/her designee shall actively participate as a member of the Police Oversight Committee.

6. RESPONSIBILITIES OF SOUTH CLE ELUM AND ROSLYN

6.1 South Cle Elum shall pay to Cle Elum on the first day of each month during which this Agreement is effective, the amount of TWO THOUSAND TWO HUNDRED FIFTY DOLLARS (\$2,250), starting August 1, 2000. Starting on January 1, 2001, this amount shall be adjusted by the appropriate union contract cost of living factor as well as by the amount calculated as provided in Sections 4.3, 4.6 and 4.6.1 above.

6.2 Roslyn shall pay to Cle Elum on the first day of each month during which this Agreement is effective, the amount of NINE THOUSAND DOLLARS (\$9,000), starting August 1, 2000. Starting on January 1, 2001, this amount shall be adjusted by the appropriate union contract cost of living factor as well as by the amount calculated as provided in Sections 4.4, 4.6, and 4.6.1 above.

6.3 South Cle Elum and Roslyn hereby confer municipal police authority on such Cle Elum police officers as might be engaged hereunder in enforcing South Cle Elum or Roslyn criminal and traffic ordinances within the respective South Cle Elum and Roslyn boundaries, for the purpose of carrying out this Agreement.

6.4 Cle Elum, South Cle Elum and Roslyn will make every reasonable effort to bring local criminal and traffic ordinances relevant to the scope of this Agreement and into conformity with each other and State law, in order to provide uniformity of regulation and enforcement.

6.5 The Mayors of South Cle Elum and Roslyn or their designees shall actively participate as members of the Police Oversight Committee.

7. TRANSITIONAL ISSUES

7.1 The Police Oversight Committee shall actively work on a mutually agreeable plan for developing a police department name, uniform design, and vehicle marking scheme which will give the new regionalized police structure an appropriate new image and identity. Costs associated with the implementation of this plan shall be split among the Parties, with Cle Elum providing 50% of the costs, and Roslyn and South Cle Elum each covering 25% of the costs, with the overall cost capped at \$4000.

7.2 Ownership of Roslyn Police Department equipment, such as vehicles and weapons, shall initially remain with the City of Roslyn. A separate inventory and lease agreement shall be prepared and approved by Cle Elum and Roslyn detailing the terms of this lease. At such time as any such equipment is deemed by the Chief of Police, with the concurrence of the Oversight Committee, to be obsolete or in need of replacement, the salvage or resale value of such equipment shall accrue to Cle Elum in the event that Roslyn is continuing to participate under the terms of this Agreement. If Roslyn elects to terminate its participation in this Agreement while any such equipment is still on the inventory, Roslyn will retain ownership of all such equipment, and the lease between Cle Elum and Roslyn shall be immediately terminated.

7.2.1 Cle Elum shall provide automobile insurance coverage for all police vehicles leased from Roslyn during the period covered by the lease agreement.

7.3 Six months after the effective date of this Agreement, Roslyn shall transfer to Cle Elum 50% of the balance in Roslyn's Vehicle Replacement Fund, as of the date of signing of this Agreement, to assist in the purchase of new police vehicles.

7.4 The Cle Elum Chief of Police will transfer into the new regionalized department all current Roslyn Police Officers who choose to join the new department, provided that they meet entry requirements as deemed necessary by the Chief of Police, including such requirements as polygraph, psychological examination and background investigation. These Roslyn officers will receive full credit for time served with the City of Roslyn in determining the appropriate level of seniority and compensation in the new department. Roslyn officers choosing to make the transition will be required to join the union on the same basis as existing Cle Elum officers.

7.4.1 Roslyn shall pay to Cle Elum the value of any accumulated vacation leave for all current Roslyn Police Officers who transfer into the new department. Cle Elum shall credit all vacation and sick leave to the leave accounts of transferring officers, on the effective date of this Agreement.

8. INDEMNIFICATION AND INSURANCE REQUIREMENTS

8.1 Cle Elum shall defend, indemnify and hold South Cle Elum and Roslyn, their officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal and attorneys' fees, arising out of or in connection with the performance of this contract, except for injuries or damages caused by the sole negligence of South Cle Elum and Roslyn.

8.2 In the event that a claim or suit is brought against Cle Elum, South Cle Elum, and/or Roslyn, the basis of which is the enforcement of an unconstitutional or unlawful ordinance of South Cle Elum or Roslyn, the municipality responsible for passing such ordinance shall defend, indemnify and hold Cle Elum, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorneys' fees incurred in relation therewith.

- 8.3 It is specifically and expressly understood that the indemnification provided herein constitutes Cle Elum's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. The parties further acknowledge that they have mutually negotiated this waiver.
- 8.4 All parties shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damage to property that may arise from or in connection with this Agreement.
- 8.5 Within 15 days of the commencement of this Agreement, Cle Elum shall provide evidence of the following insurance coverage and limits at a minimum:
- 8.5.1 Law enforcement or police professional insurance in an amount not less than \$1,000,000 per occurrence with a \$2,000,000 aggregate.
- 8.5.2 Comprehensive general liability in an amount not less than \$1,000,000 per occurrence.
- 8.5.3 Errors and omissions or public official's liability in an amount not less than \$1,000,000 per occurrence.
- 8.6 The municipalities of South Cle Elum and Roslyn shall be named as additional insured's on Cle Elum's commercial general liability policy. This additional insured's endorsement shall be included with evidence of insurance in the form of a Certificate of Insurance for coverage necessary as referenced above.
- 8.7 It is the intent of this Agreement for Cle Elum's insurance to be considered primary in the event of a loss, damage or suit arising out of Cle Elum's performance of duty under this agreement. Roslyn and South Cle Elum's comprehensive general liability policies will be considered excess coverage in respect to Cle Elum, except for incidents noted in Section 8.5.2 above.
- 8.8 Cle Elum shall request from its insurer that written notification will be given to South Cle Elum and Roslyn for any cancellation in Cle Elum's coverage at least thirty (30) days in advance of such cancellation.
- 8.9 Within fifteen (15) days of the commencement of this Agreement, South Cle Elum and Roslyn shall provide evidence of the following insurance coverage and limits at a minimum:
- 8.9.1 Comprehensive general liability in an amount no less than \$1,000,000 per occurrence.
- 8.9.2 Errors and omissions or public officials liability in an amount not less than \$1,000,000 per occurrence.
- 8.10 Cle Elum shall be named as an additional insured on South Cle Elum and Roslyn's commercial general liability policies. This additional insured endorsement shall be included with evidence of insurance in the form of a Certificate of Insurance for coverage necessary as referenced above.
- 8.11 South Cle Elum and Roslyn shall request from their insurers that written notification will be given to Cle Elum for any cancellation in South Cle Elum or Roslyn's coverage at least thirty (30) days in advance of such cancellation.
9. INDEPENDENT CONTRACTOR
- 9.1 The parties understand and agree that Cle Elum is acting hereunder as an independent contractor and shall maintain control of the Chief of Police and all police department employees, including hiring, firing, discipline, evaluation, and establishment of standards of performance thereof.
- 9.2 All Cle Elum personnel rendering service hereunder shall be, for all purposes, employees of Cle Elum although they may from time to time act as commissioned officers of South Cle Elum and Roslyn.

10. ADDITIONAL AGREEMENTS

- 10.1 The Parties agree that each will continue to be responsible for their own jail expenses and shall each continue to contract with Kittitas County for jail services.
- 10.2 The Parties agree that jail, prosecution, and public defender services will continue to be provided under the terms of such agreements involving the respective Parties, which are in place at the time of signing of this Agreement.
- 10.3 The Parties agree that each will be responsible for providing for their own animal control services outside the scope of this Agreement, except for incident response to reports of human injury or death.
- 10.4 The Parties will each continue to execute standard form law enforcement mutual aide agreements with Kittitas County in the form approved by Cle Elum.
- 10.5 Costs for dispatch services for law enforcement calls through Kittcom shall be covered for all Parties through the basic cost provisions of this Agreement.

11. SEVERABILITY AND GOVERNING LAW

- 11.1 In the event that any provision of this Agreement shall be determined to be unenforceable or otherwise invalid for any reason, such provision shall be enforced and invalidated to the extent permitted by law. All provisions of this Agreement are severable and the unenforceability, or invalidity of a single provision hereof shall not affect the remaining provisions.
- 11.2 This Agreement shall be governed by the laws of the State of Washington and venue for any action arising from this Agreement shall be in Kittitas County Superior Court.

[Signed 6/27/00 by the City of Cle Elum Mayor, City Clerk and City Councilors]

[Signed 7/18/00 by the Town of South Cle Elum Mayor, Clerk-Treasurer and Town Councilors]

[Signed 6/27/00 by the City of Roslyn Mayor, City Clerk and City Councilors]

Intergovernmental Agreement for Joint Animal Services Operations

THIS AGREEMENT is made and executed this 23rd day of May 2000, by and between the City of Lacey, Washington; the City of Olympia, Washington; the City of Tumwater, Washington; and Thurston County, Washington; all of which are organized under the laws of the State of Washington, witnesseth:

WHEREAS, the parties hereto have determined that it would be to the benefit of the citizens within their respective jurisdictions to continue the joint operation of an animal shelter and the conduct of animal protection and control activities pursuant to a new Agreement; and

WHEREAS, the Interlocal Cooperation Act contained in RCW 39.34 authorizes local governments such as the parties to this Agreement to contract for the joint conduct of activities which each of the parties is authorized to perform,

NOW, THEREFORE, it is hereby agreed between the parties as follows:

1. Purpose of Agreement

The purposes of this Agreement are:

- a. To formalize a process whereby animal protection and control activities can be provided for the parties.
- b. To establish the mechanism whereby Joint operation of animal shelter facilities can proceed in a cost effective manner.
- c. To establish a policy making, body called a Joint Animal Services Commission (hereinafter "Commission").

2. Basic Services

Services to be provided include, but are not limited to, the following:

- a. Operation and maintenance of an animal shelter and impound facilities for all dogs, cats and other pet animals as defined in RCW 16.70.020 and other animals that require humane care. The service will be for animals brought to the shelter by their owners or caretakers for disposal as well as for animal protection and control actions authorized or ordered by the parties to this Agreement.

- b. Service rendered to the extent contracted for by the individual parties to the Agreement, including
 - (1) Humane enforcement of animal control laws;
 - (2) Licensing of animals;
 - (3) Securing aid for injured animals;
 - (4) An adoption program for homeless animals;
 - (5) Spay/neuter of animals to be adopted;
 - (6) Public education in the areas of responsible pet ownership and the interaction between humans and other animals.

3. Joint Animal Services Commission

- a. This Agreement establishes a policy-making body to be known as the Joint Animal Services Commission which shall consist of the following members:
 - (1) One member of the Board of County Commissioners of Thurston County or designated alternate;
 - (2) One elected official of each of the cities of Olympia, Lacey, and Tumwater or designated alternate;
 - (3) One member who is a licensed veterinarian residing or practicing veterinary medicine within Thurston County. Such member shall be appointed by the other members of the Commission;
 - (4) One member selected by the Thurston County Humane Society from the membership of its Board.
- b. Voting. Each member on the Commission shall have one vote and a voice in all Commission business except budget matters. Only the representatives of parties to this Agreement shall vote on budget matters.
- c. Officers. Commission members shall select the chair and such other officers as deemed necessary for the efficient conduct of business.

- d. Meetings. The Commission shall be responsible to fix a time and place for its meetings.
- e. Rules and Procedures. The Commission shall adopt the rules and procedures it deems required, for the proper and efficient conduct of its business.
- f. Powers and Duties. The Commission shall have the following powers and duties:
 - (1) Set policy for the management and operation of the animal shelter and animal protection and control activities.
 - (2) Submit budget recommendation to the participating jurisdictions for action.
 - (3) If a participating jurisdiction is unable to pay its full share of the budget based on units of service and population as set forth in section 5b:
 - (a) The services described in Section 5b(l)(a) shall be reduced for such jurisdiction to a level commensurate with its payments, or
 - (b) The assessment for each participation member shall be proportionately reduced, or
 - (c) The remaining jurisdictions may choose to pay proportionately more than their share to assure that all programs will be funded.
 - (d) The Commission shall recommend to the jurisdictions which option shall be followed.
 - (e) In any case, the proportionate share of the budget for shelter services as set forth in Section 5b(l)(b) and (c) shall be paid by each member.
 - (4) Ensure that the budget appropriation approved by each jurisdiction is submitted to the City of Lacey for inclusion in that City's annual budget.
 - (5) Set fees and charges for services related to the animal shelter and animal protection and control activities.

- (6) Consult with and advise the City of Lacey in the City's appointment, management review, discipline and termination of the Director.

4. Administrative Services

The City of Lacey is hereby designated as the agency with authority and responsibility for providing any and all administrative services required, that are related to the operation of the animal shelter and the provision of animal protection and control services. The administrative services to be performed by the City of Lacey include but are not limited to the following:

- a. Act as custodian of the Joint Animal Services Fund created by this Agreement.
- b. Incorporate in its annual budget the budget for the Joint Animal Services Fund as approved by the parties to this Agreement.
- c. Maintain accounting for all activities of the animal shelter and animal control services in accordance with the requirements of the Washington State Auditor.
- d. Provide general and automobile liability insurance covering the operation of the animal shelter and the conduct of all animal protection and control activities. Such insurance shall, at a minimum, be for one million dollars (\$ 1,000,000.00) per incident. The City of Lacey shall further indemnify and hold harmless the other parties and defend against any claims for personal injury or property damage arising out of the City of Lacey's management of the animal shelter and conduct of animal protection and control activities. However, the City of Lacey shall not indemnify, hold harmless, or defend against any claims arising out of the negligence of another party to this Agreement or out of activities solely within such party's control. The City of Lacey may fulfill its obligation to insure by participating, in the Washington Cities Insurance Association.
- e. Be responsible for recruitment, hiring, evaluation, setting of salary, discipline and termination of the Director. The City of Lacey shall consider the advice of the Commission in performing this responsibility.

- f. In consultation with the Director, recruit, hire, discipline and terminate Animal Services employees.
- g. Provide direction to and monitor performance of the Director to assure compliance with policies of the Commission and the City of Lacey.
- h. Maintain the Director and other Animal Services employees as employees of the City of Lacey.

5. Finance

In order to provide funds for the acquisition of the joint facilities and the operation and maintenance of such facilities and the providing of animal protection and control services within the boundaries of governmental jurisdictions which are parties to this Agreement, it is agreed as follows:

- a. There shall be maintained a special fund of the City of Lacey, known as the Joint Animal Services Fund, into which revenues received from the parties to this Agreement shall be deposited. This fund shall be part of the City of Lacey annual budget and administered in accordance with City budget regulation and guidelines. Expenditures from the fund shall be made only for animal shelter and animal protection and control activities, including the actual administrative costs and overhead of the City incurred pursuant to its obligations set forth herein.
- b. Each of the parties to this Agreement shall pay into the Joint Animal Services Fund for animal shelter and animal protection and control activities as follows:
 - (1) Each party will pay an assessment to cover the costs of the animal shelter and animal protection and control activities based upon the following criteria:
 - (a) Units of service will be used for animal protection and control activities (field activities) as set forth in Exhibit A.
 - (b) Population will be used for fifty percent (50%) of shelter activities.
 - (c) Units of service will be used for the remaining fifty percent (50%) of shelter activities. See Exhibit A.

- (d) Units of special services for pet shop inspection and enforcement will be charged to the jurisdiction in which service is provided.
- (2) Each party shall pay for the protection and control services in accordance with the actual cost of such service at the level requested by that party.
- (3) The unit of service formula as described in Exhibit A may be amended by agreement of all participating jurisdictions.
- (4) The units of service assessed to each party to the Agreement shall be based the units rendered during the immediately preceding year.
- (5) Each party shall pay its share of the cost of shelter activities based upon the formula set forth in Section 5(b)(1) above.
- (6) Each party shall receive credit for revenue received from the sale of licenses, redemption of animals and adoption of animals. This credit shall be reflected when calculating annual assessments for service.
- (7) In the event that more revenue is received during, a fiscal period than was planned to be available, the additional amount shall be deposited into the Joint Animal Services Fund. Such revenue may form the basis for a budget amendment upon recommendation of the Commission. Funds remaining at the end of a fiscal year shall be budgeted for the ensuing fiscal year as cash carry forward. The availability of such cash carry forward for budgeting shall be reflected in the charges assessed for shelter operation, subject to the establishment of a reasonable budgeted Contingency fund by action of the Commission and the City of Lacey.
- (8) Each party shall pay one quarter of the, annual assessment to the City of Lacey for deposit into the Joint Animal Services Fund by the 10th day of first calendar month of each quarter.

6. Access to Records

Duly authorized representatives of the parties to this Agreement shall have the right to inspect the records of the Joint Animal Services Commission and the books of accounts and records relating to animal protection and control and the Joint Animal Services Fund of the City of Lacey at any reasonable time.

7. Joint Use of Property

- a. All property and/or equipment presently owned and all property and/or equipment hereinafter acquired with the approval of the Joint Animal Services Commission to be used for animal shelter or control purposes, shall be considered joint facilities, the title to which shall be held by the City of Lacey for the benefit of and on behalf of all parties to this Agreement.
- b. Upon termination of this Agreement by all parties, each party may recover the portion of the existing, joint facilities in an amount which represents its contribution to the purchase of property and/or equipment used for the purposes for which this Agreement is promulgated.
- c. Nothing in this Agreement shall modify the obligation and covenant of each of the parties to repay the loan secured for the purchase, remodeling, and development of the animal shelter facilities located at 3120 Martin Way, Olympia, Washington, in accordance with the payment formula set forth in Paragraph 5b(l)(b) and (c) of this agreement, all as set forth in Section I of Addendum to and Amendment of Intergovernmental Agreement for Joint Animal Services Operations dated October 2, 1997. The covenant and agreement set forth in such section shall continue in effect notwithstanding the replacement of the Intergovernmental Agreement for Joint Animal Services Operations dated November 6, 1992, by this Agreement.

8. Admission of New Parties to the Agreement

Additional or new parties to this Agreement may be included in the following manner:

- a. Potential party agrees to be committed to the terms and conditions of this Agreement for the purposes for which this Agreement is promulgated.
- b. Potential party agrees to pay the pro rated share of the cost of service based upon the month it becomes a party to this Agreement, in accordance with the provisions of Paragraph 5, or based on the actual cost of service until a use history is established, whichever the Commission deems more appropriate at the time of application.
- c. Potential party approved by the Joint Animal Services Commission by majority vote at a regular Commission meeting.
- d. Evidence of the addition of a new party shall take the form of a written amendment to this Agreement.

9. Termination for Default

In the event that one party to this Agreement fails to perform any of the obligations or provisions hereof, then the other parties to this Agreement may, by written notice, terminate, in whole or in part, the defaulting party's participation in this Agreement.

10. Arbitration

In the event of a dispute between any of the parties to this Agreement relating to the construction of this Agreement or animal control or animal shelter services rendered pursuant to this Agreement, such dispute shall be settled by arbitration in conformity with the provisions of Chapter 7.04 RCW.

11. Term

The term of this Agreement shall continue until the parties by unanimous agreement vote to terminate it. A party may withdraw from this agreement only after any and all loans secured for the purchase, remodeling and development of animal shelter facilities located on the real property described in Exhibit B attached hereto have been fully paid and after providing to all other parties twelve (12) months advance written notice of the intent to withdraw. Provided, however, withdrawal may be allowed upon unanimous agreement of all parties, which agreement shall provide the means by which any such outstanding loans are to be paid and the necessary covenants and commitments therefore. The withdrawal of one party from this Agreement shall not terminate the Agreement.

12. Severability

If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application; to this end the terms and conditions of this contract are declared severable.

13. Review of Agreement

The terms and conditions of this Agreement shall be reviewed periodically by the Commission for appropriateness and currency.

14. Amendments

Any addition, deletion or change to the terms and conditions of this Agreement shall be in the form of a written amendment approved by each of the parties.

15. Governing Law

This contract shall be governed in all aspects by the laws and statutes of the State of Washington. The venue of any action hereunder shall be in the Superior Court for Thurston County, Washington.

DATED this day and date first above written.

[Signed by officials of all parties.]

Exhibit A: Joint Animal Services

Units of Service Budget Formula

Units of Service:

Owner Animal Brought In	1 times the number of animals
Stray Animal Brought In	12 times the number of animals
Stray Animal Picked Up	16 times the number of animals
Response to Complaint (Field Call)	8 times the calls

Budget Portion Based on Units of Service:

- 100% of Field Service Program
- 50% of Administration and Shelter Operation Programs

Budget Portion Based on Population:

- 50% of Administration and Shelter Operation Programs

Partnership Examples

eCityGov Alliance

Partnership Contact:

John Backman, Executive Director
Phone: (425) 452-7821
jbackman@ci.bellevue.wa.us

What is the eCityGov Alliance?

The eCityGov Alliance is a group of Washington cities that have committed to partner together to provide on-line services and information to customers. Objectives of the Alliance are simple: provide convenient service and information for residents, businesses and visitors; provide consistent service that is simple to use and that strips out complexity; and save taxpayers money by working together on joint solutions.

The Alliance provides simple, convenient, and uniform cross-jurisdictional services to its customers, both citizens and businesses. Current services include: online building permit requests and construction tip-sheets; up-to-date searchable index of available commercial property; recreational activity search across participating jurisdictions; and interactive GIS mapping service.

Who is Involved in the Partnership?

Many cities and one county are participating in the Alliance in various capacities and fees. Partner members: Bellevue, Bothell, Issaquah, Kenmore, Kirkland, Mercer Island, Sammamish, Snoqualmie, and Woodinville. Subscriber Members: Auburn, Des Moines, Kent, Redmond, Sea Tac, Shoreline and

Snohomish County. Basic Members: Renton. Private Sector Members: Microsoft.

What Initiated the Partnership?

In 1999, managers of King County cities who met on a regular basis realized that there was enough demand and interest to jointly pursue online service possibilities. In December 2000, 21 King County cities brought in a contractor to facilitate six months of forum meetings designed to provide technical help and ideas for cities regarding e-government.

After the initial forum meetings, a number of city managers recognized that they had shared issues and resolved to form a regional partnership, which became eCityGov Alliance.

During this same time period, building officials in several of these cities were working together informally to determine how they could standardize their services and philosophies in order to provide a “seamless experience.” Contractors had been increasingly dissatisfied with the fractured state of affairs between jurisdictions.

The city managers and building officials quickly realized that by combining efforts, an opportunity existed to give the eCityGov Alliance its first major test. The result, MyBuildingPermit.

com, went live in August 2003, offering construction tipsheets and simple building permits from ten different jurisdictions – all available in one transaction.

What Were the Steps in Forming the Partnership?

Once the cities recognized the need for e-government solutions, they sought outside expertise in the form of forums run by a government contractor, Innovation Groups. Several cities banded together to share their resources and cut their costs.

The process of creating the Alliance had to be learned and each step had to be carefully orchestrated. Certain ground rules were laid out: local identities had to be maintained; costs were amortized over five years; and the methodology for membership was established to be strictly population-based.

Once the project budget was obtained, each participating city manager had to sell her or his respective council on the idea. To do this, managers emphasized one of the project’s foundations - that the Alliance has an administrative-level focus and is not policy-level work. Participating in the partnership does not nullify or abrogate the policy of any

individual council or city. Another major selling point was the significant cost savings of banding together. Additionally, for smaller or newer cities the Alliance made e-government possible, since it would otherwise have been prohibitively expensive.

How Does the Partnership Operate?

The Alliance has one paid employee, an Executive Director. The Alliance's Executive Board is composed of the City Managers or Chief Administrative Officers of its Principle members.

Membership fees, at the Principle or Subscriber level, are based on population. Principles are full cost sharing partners and have voting rights while Subscribers use only one service and cannot vote. Basic members pay a flat fee, which allows them to attend the quarterly functions and training sessions, but does not allow them to vote.

Microsoft, a major corporate presence within the Alliance's jurisdiction, functions as a private partner. In return for Microsoft's consulting services, training, and software, eCityGov.net showcases Microsoft's products and .Net technology.

What Have Been the Outcomes?

While it is difficult to assess the outcomes produced from the GIS or commercial property tools, the outcomes for the building permit tool have far exceeded expectations. The

early usage target was 30%, a goal that was achieved in MyBuildingPermit.com's first active year. In August of this year, the on-line permit utilization across the member jurisdictions jumped to 49%. Some cities achieved utilization rates above 60%. Additionally, an average of 3,300 inquiries hit the permit status site monthly, resulting in fewer phone calls to staff across the Alliance.

As an example of specific cost savings, the City of Bellevue is projected to save over \$400,000 in operating costs over the first four years of operation. In an additional example, MyBuildingPermit.com is projected to save contractors \$400,000 this year.

The Alliance has received numerous awards. Most recently, it received the Program Excellence Award for Outstanding Partnerships: Intergovernmental Cooperation (populations 50,000 or over) at the International City Manager's Association conference in Minneapolis.

What are the Lessons Learned?

First, project steering committees and project communication plans are key. However, flexibility is critical. Member cities had to be allowed to proceed at their own pace. The Alliance had to accept differing degrees of readiness.

Similarly, collaboration takes time. As Executive Director Backman notes from

an African proverb, "If you want to go fast, go alone. If you want to go far, go together."

What's Next?

The Alliance's Executive Board is planning to formulate a more comprehensive business plan, which will provide further definition and direction for current and future goals. Additionally, more cities are looking into joining the Alliance.

As the eCityGov website notes, "the Alliance is always looking for new opportunities in which partners can share applications to reduce costs and improve service delivery. In some cases this will be an individual agency negotiating with the Alliance to share existing applications or the Alliance jointly deciding develop or purchase applications for the portfolio. Examples might include: Job Applications, Business Licenses, Utility Billing, and Parks Class & Facility Registration."

Sources

Website: www.ecitygov.net/home/default.asp.

Partnership Examples

Renton/Ikea Community Performing Arts Center

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What is the Renton/Ikea Community Performing Arts Center?

The Renton IKEA Performing Arts Center is a hands-on professional theatrical training facility for students in the Renton School District, dedicated to providing outstanding cultural programming for the Renton community.

Who is Involved in the Partnership?

The largest community fund-raising effort undertaken in Renton, the community support for the project was overwhelming. A \$500,000 pledge from IKEA secured naming rights for the Community Performing Arts Center. Other major funding came from a matching grant from the State of Washington's Building for the Arts Program, and from The Boeing Company, Renton Rotary Foundation, Alex and Norma Cugini, First Savings Bank of Renton, South County Journal Charitable Fund, King County Arts commission, Kreielsheimer Foundation, and the PACCAR Foundation.

What Initiated the Partnership?

In 1998, Renton taxpayers approved a levy authorizing a major remodel of Renton High School, a historic landmark in the city's downtown. Of the \$24.2 million in renovation costs, \$3.3 million was budgeted to transform the building's old junior high school wing into a 500-seat school auditorium with seating area, stage, lobby, and a basic sound system.

In January 1999, community leaders, citizens, and arts supporters approached the Renton School District and the City of Renton with a proposal to upgrade the planned auditorium to a 550-seat viable state-of-the-art performing arts center to enhance the city's current downtown revitalization efforts. The central, urban location would promote use by the entire community, the leveraging of taxpayer-authorized construction bonds would ensure the project's cost-effectiveness, and the City and school district's long and credible history of pooling resources to address common needs would increase the likelihood of project success.

Never before had such a unique opportunity presented itself to the Renton community to address intersecting economic, educational, and cultural needs to provide a new performing arts center for the City.

The Renton community had a significant need for a centrally located, accessible performing arts facility. A Performing Arts Center would have the ability and space to host performance series, community jazz festivals, and other cultural and civic events. The center would also be available to rent for business meetings and private social events.

Perhaps the most exciting part about the project is that high school performing arts students will benefit from a high-quality, professional theatre space and other local groups will be able to use the facility, maximizing the available resources for the good of the entire community.

What Were the Steps in Forming the Partnership?

With broad-based community support, the project design phase moved forward. A theatre consultant cost

analysis, conducted in 1999, revealed that an additional \$1.5 million would be required to upgrade the auditorium to a professional, first-rate performing arts facility.

Upgrades included additional seating, shop, improved lobby, stage rigging and curtains, theatre lights, enhanced sound system, the dressing room, the acoustic shell, public bathrooms, the theatre manager's office, a ticket booth, a community storage area, and additional parking.

Besides being an outstanding community amenity, this endeavor was also a financially responsible opportunity in terms of operational costs. Basic operating costs would be subsidized by the School District under a joint use agreement and rental fees would cover additional costs, such as the theater manager's salary.

A Performing Arts Center oversight and fundraising committee was established and the efforts to raise the additional \$1.5 million to upgrade the planned high school auditorium into a community performing arts center began in March 1999. The Renton Community Foundation, another partnership organization within the Renton community, served as the umbrella organization for the fundraising efforts. The fundraising committee began a strong campaign that invited donors to "be a star in the cast of thousands." Donors giving anywhere from \$1,000 to \$15,000 were offered a star in the lobby of the new arts center.

Pledges, routed through the Renton Community Foundation, could be paid over a three year period and contributions were tax-deductible as a charitable donation. The fundraising committee reached out to business owners, foundations, citizens, and High School Alumni in an effort to raise the needed funds for the Performing Arts Center.

In March, 1999, Renton showed its commitment to the community by endorsing the concept of a community performing arts center and appropriating \$400,000 to the funding efforts. The vision of such a center tied directly into the City's number one priority of downtown revitalization. Over the past several years, aggressive redevelopment efforts have resulted in new private and public investments totaling over \$20 million in a two block area directly across from the proposed performing arts center. Recent additions downtown include a regional transit center, a park-like piazza, major infrastructure improvements, new restaurants, and several mixed-use development projects containing housing and retail. Additionally, a new city-owned parking garage is under construction downtown. All these amenities have dramatically enhanced the vitality and energy of the urban center and a new community performing arts center would anchor the west side of downtown.

Designed by Northwest Architectural Company, the Renton Community IKEA Performing Arts Center incorporated design elements of the high school and includes many of the new downtown streetscape features. Construction on the IKEA Performing Arts Center began in 2002 and on June 6, 2003 the Performing Arts Center opened its doors with various celebrations.

What Have Been the Outcomes and the Lessons Learned?

The Performing Arts Center is a fine example of private and public entities working together to make both tax and private dollars stretch in new and creative ways.

Since 2003, over 50 events have been successfully enjoyed by Renton High School, the Renton School District, the City of Renton, and the Renton community. Arts organizations including Rainier Symphony, the Renton City Concert Band, Eastside Dance Theatre and others are calling the Renton IKEA Performing Arts Center home.

Sources:

AWC Municipal Achievement Award Application: www.awcnet.org/Apps/ma/projects/2003renton2.pdf.

Renton/Ikea Performing Arts Center website: www.renton.wednet.edu/ipac/default.html.

Partnership Examples

GEM - Grounds, Equipment, Maintenance

Partnership Contacts:

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What is GEM?

In 1993, in recognition of the rising cost of equipment and maintenance and ever-dwindling funds, local government agencies in Clark County started a cooperative to save taxpayer money by sharing equipment and other resources. Over time, it grew to include entities outside of Clark County and Washington State. Recently, Southwest Washington Interagency Cooperative became the Pacific Northwest Interagency Cooperative, otherwise known by the acronym GEM (for Grounds, Equipment, Maintenance), www.gematwork.org.

Who Is Involved in the Partnership?

Cities: Battle Ground, Camas, Gresham (OR), Kelso, La Center, Lake Stevens, Longview, North Bonneville, Olympia, Portland (OR), Ridgefield, Snoqualmie, Stevenson, Vancouver, Washougal, Woodland, Yacolt. School Districts & Schools: Ten school districts & Washington School For The Deaf. Counties, Ports & Other Participants: Clark County Community Corrections, Clark County Fire Districts #1, #5, #6, and #11, Clark County Public

Works, Clark Public Utilities, Clark Regional Communication Agency, Clark Regional Emergency Services Agency, C-Tran, Cowlitz PUD, Federal Highway Administration, Fort Vancouver Regional Library, Lewis County, Multnomah County (OR), PBS Engineering & Environmental, Port of Camas/Washougal, Port of Longview, Port of Vancouver, Vancouver Fire, Wahkiakum County, Washington County (OR), Washington State Department of Transportation, Washington State Patrol.

What Initiated the Partnership?

In the early 1990's, the City of Vancouver was annexing large portions of Clark County. As a result, the County had a number of employees and some equipment that would have become extraneous. At the same time, other public agencies were trying to find ways to meet public expectations of greater efficiency and lower costs. Rather than lay off workers or scrap equipment, the County invited all Public Works directors to a meeting to discuss options. Out of this meeting, the GEM (Cooperative) was formed.

What Were the Steps in Forming the Partnership?

Clark County reached out to cities and other public agencies. A meeting was set up for agencies to discuss their needs and hopes. As a result of this meeting, Public Works Directors and their counterparts in other public agencies agreed to meet on a regular basis to network and get to know each other.

Many of the member agencies have one-on-one interlocal agreements with each other. However, to cover their bases, the Cooperative needed a blanket interlocal agreement that would cover all of its member agencies. The GEM Board crafted an interlocal agreement which has been approved by several member agencies.

How Does the Partnership Operate?

There are two levels of operation for the partnership. The first level is informal. Leaders in public works gather every other month to network and discuss the needs of their respective agencies. The premise behind this is that one agency is more likely to call upon another for assistance if the people within them are acquainted with each other.

The second level of operation is more formalized. City administrators and financial officers want to be sure that legal documentation is in place. As such, GEM has been working on creating a blanket interlocal agreement to cover the legal aspects of the Cooperative.

Until two years ago, volunteers, most of whom had full-time jobs already, conducted all of the coordinating efforts and served on the Executive Board. The Cooperative decided to staff an Administrative Assistant to take over some of the regular duties. Member agencies now pay nominal dues in order to support this position.

What Have Been the Outcomes?

One result of the Cooperative's networking is smoother, more efficient responses in times of crisis. The floods of 1996 are a case in point. Because all of the agencies were acquainted with each other, they were able to immediately call the appropriate person in the appropriate agency. Agencies were also more inclined to help each other out because their personnel had established relationships.

More recently, CRESA, a member of the Cooperative that provides 911 services to the area, received a request from FEMA to create a work roster of people who might be available to provide aid and reconstruction assistance to areas affected by Hurricane Katrina. Normally, CRESA would have had to work through a phone book and make numerous calls to track down the right contacts. Instead, the agency asked GEM to utilize its distribution list to make the request of all of the proper people at one time. As a direct result, GEM is now the Regional Coordinator for such requests.

During 2005, GEM members tracked estimated savings to their agencies resulting from interagency cooperation and created a 2005 Cost-Saving Document. Collectively, members identified savings of over \$160,000 in one year alone on projects ranging from the loan of barricades for road closures to provision of planning and design services.

Collectively, members identified savings of over \$160,000 in one year alone on projects ranging from the loan of barricades for road closures to provision of planning and design services.

What are the Lessons Learned?

Early on in the process, the Washington State Department of Transportation agreed to take on the issue of the blanket interlocal agreement. However, when the Attorney General's office refused to allow the department to sign, the process hit a snag that stalled it for years. Instead of allowing this to remain an issue for almost ten years, the Cooperative should have pursued the issue more aggressively, with or without the department.

What's Next?

The blanket interlocal agreement has gone through the approval process in several test cases, including the City of Camas and the Hazel Dell Sewer District. In the fall of 2005, the remaining Public Works directors received the agreement so that they can begin putting it through the approval processes of their organizations.

Sources:

GEM website, www.gematwork.org.

Partnership Examples

Municipal Court Partnership - Mercer Island and Newcastle

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What is the Municipal Court Partnership?

Significant decreases in general revenues for local jurisdictions, additional types of cases being forced into municipal courts, and increases in court costs have forced cities to explore options outside of the standard county-to-city or self-provided court service. Currently, nearly three dozen cities in Washington provide court services in a manner different than the standard options. The King County Superior Court decision in favor of community courts (Primm v. Medina) has further increased confidence in interlocal agreements for city-to-city court services, though this issue is currently before the state Supreme Court.

What Initiated the Partnership?

In early 2003, King County terminated its court services contracts, effective at the end of 2004, to seventeen King County cities including Newcastle and Mercer Island. The County claimed that the district courts that served these jurisdictions were not recouping their costs. While many cities negotiated for a

two-year extension with the County, the City of Mercer Island opened its own court and entered into an interlocal agreement with the City of Newcastle to deliver its services.

While the main driver behind the formation of the Mercer Island/ Newcastle court services partnership was the termination of King County's contracts, other issues had also been present. Cities had difficulty with the service provided by the District Courts. Scheduling conflicts were ubiquitous because there was no ability to work with the court over court days. This resulted in officers being unable to make appearances or being paid overtime for their appearances. Additionally, District Court judges were not particularly sensitive to local concerns, since they did not live in the community. Appropriate staff at the District Court were also difficult to reach when officers were in need of warrants.

What Were the Steps in Forming the Partnership?

When the County announced its decision to terminate contracts with cities for municipal court services, cities were left to look for other options. The

councils and staff of both Newcastle and Mercer Island explored options and finally determined that the best option would be for one city to set up a municipal court and provide services to another.

How Does the Partnership Operate?

The City of Newcastle contracted the City of Mercer Island for court services. Services are provided at the court facility located in Mercer Island. Mercer Island, in turn, contracts with the City of Kirkland for administrative services to the Court.

What Have Been the Outcomes and the Lessons Learned?

Now the cities can coordinate court days to reduce overtime and allow officers to make appearances. Newcastle has realized a significant cost savings in overtime as a consequence to the new flexibility in scheduling. In addition, the Court has dates available much more often than the few weeks out that the District Court provided.

The proximity of the Mercer Island Municipal Court is an added benefit. The District Court was located downtown, which could be difficult to reach, at times, and involved a longer commute. Local judges have been more responsive to local issues and more willing to consider appropriate alternative sentencing programs. Judges also have the option to consider different court models, such as a night court, which were not permitted under the District Court contract.

By partnering with City of Kirkland for delivery of court administrative services, the Municipal Court has a back up clerk and back up phone service. The District Court did not provide a counterperson or live phone assistance, so citizens who called or visited rarely spoke with

a live person. Besides providing better service, the interlocal agreement with the City of Kirkland for administration yields an annual salary/benefit savings of approximately \$30,000 for the City of Mercer Island.

Finally, Mercer Island has been extremely responsive to City of Newcastle's concerns. They meet on a regular basis and discuss their needs. At one such meeting, Newcastle requested security in the courtroom. This was promptly answered when the city installed a camera in the courtroom that feeds to the local police station.

What's Next?

Newcastle has been extremely well pleased with the service that Mercer Island has provided. However, the distance to the jail that Newcastle uses has been a bit of an issue. Thus, Newcastle had an exploratory meeting with Issaquah, which is considering offering court services in the near future. Its attractiveness is the proximity of its jail, which would cut down on the time it takes to transport prisoners. However, Mercer Island has provided excellent service. A transfer to the Issaquah Municipal Court would not happen without significant deliberation.

Besides providing better service, the interlocal agreement with the City of Kirkland for administration yields an annual salary/benefit savings of approximately \$30,000 for the City of Mercer Island.

Partnership Examples

Palouse's Downtown Revitalization Partnerships

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What are the Downtown Revitalization Partnerships?

The Downtown Revitalization Partnerships in Palouse have been a series of ongoing partnerships between the city, other governments, the private sector, community residents and other groups to help revitalize their downtown. Projects have included a waste treatment facility, a downtown park, a new municipal well, street improvements and high-speed wireless internet.

Who is Involved in the Downtown Revitalization Partnerships?

Many groups have come together to help revitalize Palouse: the City of Palouse, the Palouse Chamber of Commerce, Washington State Department of Transportation, Whitman County, Washington State University, the Boy Scouts, Palouse Welding, Muir Daud (engineering firm), The Palouse Tavern, Colfax Granite, many residents, and more.

What Initiated the Partnerships?

In 1996 Palouse had the equivalent of a five-hundred year flood, with more than a foot of water on the downtown main street. After the water subsided, Palouse's building inspector and a structural engineer from WSU did an inventory of downtown structures, providing a report card of the state of the downtown. The report indicated the city needed a lot of work.

What Were the Steps in Forming the Partnerships?

Because of the flood described above, certain projects had to get done and the community and new leadership in city hall developed a "can do" attitude. In 2004, through the efforts of strong partnership with the community, Palouse was able to complete its downtown Heritage Park and Town Square.

The project began in 2003, when the local fire district sold the city downtown land. The city determined the land would provide an ideal economic development opportunity to create a downtown city park, complete with

public restrooms and an ideal location for hosting major events. As the city could not afford a major development project on its own, it reached out to elected city officials to bring the community together to make this project happen.

How Does the Partnership Operate?

This community came together for a project that would benefit all. In the end, the City contributed only \$35,000, with donors, other governments, business, and volunteers contributing the rest through their time and money.

Here is a partial list of contributors and participants:

- City of Palouse paid for construction materials
- Chamber of Commerce helped find donors
- Washington State DOT contributed \$5000
- Whitman County 08 Committee contributed \$12,000
- WSU Crop and Soils Department donated turf

- Boy Scout Troop 455 built a masonry wall
- Palouse Welding donated 100 feet of custom railings
- Footings and foundation donated by local residents
- Engineer Muir Daud designed facility and consulted at no cost
- A brick mason donated labor to build the structure for the public restrooms
- Other residents volunteered to help with construction work
- The Palouse Tavern donated food for weekend volunteers
- Public art was donated
- Colfax Granite donated a monument to recognize the partners

What Have Been the Outcomes and the Lessons Learned?

Palouse now has a beautiful, functional downtown park. In late 2004, 250 cyclists from Seattle stayed in the park for 2 days, using it as a base camp. City officials worked closely with the event organizers, Cascade Cycle Club, to make sure the event would be a success for everyone. The park is now a center of activity for the city.

When working with donors and volunteers, projects are often completed on a different timeframe than with a contractor. For example, as the construction of the park's

public restrooms was volunteer-based, progress was made only during the evening and weekends. If a city can afford patience and engage community spirit, costs can be reduced and the city's economic outlook improved.

Additionally, leadership at the city has recognized the importance of fostering their economic base and community identity. Local leaders realized that Palouse must focus on their economic development needs and not just depend on being a bedroom community of Pullman.

Partnership Examples

King County Coalition of Small Police Agencies

Partnership Contact:

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What is the King County Coalition of Small Police Agencies?

The King County Coalition of Small Police Agencies (Coalition) is made up of eleven independent small police departments representing fourteen municipalities.

Who is Involved in the Partnership?

The following cities are members of the Coalition:

- Algona
- Black Diamond
- Carnation
- Clyde Hill
- Duvall
- Enumclaw
- Hunts Point
- Issaquah
- Lake Forest Park
- Medina
- Normandy Park
- Pacific
- Snoqualmie
- Yarrow Point
- Associated Cities (contract for police services from one of the Participatory Cities)

What Initiated the Partnership?

In 2001, regional decisions were being made that impacted smaller police agencies, but failed to take into account their special circumstances, such as disproportionate costs and differing needs and limitations. Accordingly, the chiefs of these agencies pulled together to craft a common message and present a stronger voice in the county.

As they continued to meet, the small agency chiefs realized that, not only was their united voice stronger, but they could also assist each other in meeting increasingly strict requirements by sharing their limited resources in personnel, equipment, and expertise.

The first step was to get all of the agency chiefs working on the same agenda and convince them that they wanted to be part of a coalition effort. They met on a regular basis, working toward their common message and a stronger, united front.

What Were the Steps in Forming the Partnership?

Once the chiefs collectively established that they wanted and needed to share their resources, they involved their insurance carriers to determine the best

way to go about providing coverage and indemnification for coalition members. After discussion over the course of a year and a half, the insurance carriers determined that the best method was for each agency to be responsible for its own.

Once the insurance carriers were satisfied, the fledgling coalition moved on to the city attorneys. The attorneys were reassured that the insurance issue had been scrutinized and a solution reached that satisfied the insurance carriers.

The final step in the process was approval from the city councils of each agency. Most councils were willing to endorse the plan, since both the insurance carriers and the city attorneys had been satisfied already. A couple of cities had councils that were concerned that their jurisdictions might not have enough coverage if officers were working on a mutual aid call. They were convinced when they understood that mutual aid would benefit everyone in a major incident, having established a formal understanding and having developed the necessary relationships in advance.

How Does the Partnership Operate?

The agency chiefs meet monthly to deal with common issues and set planning priorities. The positions of Chair and Vice-Chair are occupied by volunteers responsible for creating agendas and coordinating tasks. A Coordinator was appointed to meet with all department training managers in order to identify agency training needs. For training, each agency is assessed a basic fee, which allows them to pool together and save on individual officer training costs.

What Have Been the Outcomes?

The results have proven the Coalition to be a success. In its first year, the King County Chiefs Association and Sheriff's Office took notice of the united voice of the small agencies. They responded by hosting a Regional Criminal Justice Summit to define and work toward reduction of inefficiencies encumbering

criminal justice efforts. Action was taken to improve systems such as transportation of prisoners, cooperative court agreements, and availability of jail space.

The focus of the Coalition throughout 2003 and 2004 was implementing a training program. Necessary specialized training can be too costly for small agencies to achieve alone. Thus, the Coalition stepped in to put together trainings in areas such as Active Shooter Response and Emergency Vehicle Operators' Course. The Active Shooter Response course saved Coalition agencies over \$11,000 and resulted in 55 officers properly trained and available to respond to schools. The Emergency Vehicle Operators' Course saved Coalition members over \$9,000 just in track and instructor time for 115 officers. Recently, the State approved a \$100,000 grant for the Coalition to fund a CSI team of fourteen. This team has already assisted in several cases.

What are the Lessons Learned?

Coalition members feel that the Coalition had to develop the way it did and as long as it did. The year-long process was essential for working through the many facets of such an undertaking and was part of a necessary evolution.

What's Next?

The Coalition hopes to expand what it does in the future and bring in more agencies. In addition, it hopes to provide support to the police agencies of other counties, which may want to create coalitions of their own.

Partnership Examples

White Salmon Partners with Schools and Student Volunteers for Parks Maintenance

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What is the White Salmon Partners with Schools & Student Volunteers for Park Maintenance Program?

The White Salmon Partners with Schools & Student Volunteers for Park Maintenance Program is a program which links high school graduating students who have a community service requirement for graduation with city parks maintenance staff to complete small maintenance projects.

Who is involved in the Partnership?

The partnership consists of the City of White Salmon parks staff and local high school students and staff.

What Initiated the Partnership?

The City of White Salmon, located in Klickitat County across the Columbia River from Oregon, is a small residential community in a rural county. The 2000 repeal of the Motor Vehicle Excise Tax (MVET) significantly impacted White Salmon's budget, losing 11.7% of the city's operating budget in 2001. While

SB 6050 provided backfill dollars, it only replaced about 16% of the lost MVET dollars in 2006. This loss of revenue continues to hurt the city's budget, including the parks maintenance budget.

What Were the Steps in Forming the Partnership?

In 2005, the city heard that high school students were looking for volunteer work, to meet their community service graduation requirement. White Salmon staff began recruiting student volunteers with flyers distributed at the high school, through community events, and at city hall. Interested students contacted the city individually, and the city coordinated the volunteers, assigning jobs such as parks clean-up, painting, small repairs and downtown planter box maintenance.

What Have Been the Outcomes and the Lessons Learned?

The high school volunteers have helped recoup some of the staff hours cut from the budget. In addition, the program helps build a connection between young

people and city hall, creating a greater awareness of city needs and services. However, the city cannot count on a consistent flow of volunteers. When student volunteers are available, they are only available for short projects: 10-15 hours at a time. The school is making adjustments to how they administer the program, and the city is trying to identify a champion or recruiter at the school to encourage more participation in this program.

Volunteers for any city service can come from a variety of sources, but high schools may be an excellent place to turn for volunteers, especially for maintenance activities. Community service is now a common high school graduation requirement. Cost-savings can be significant once a program is well-established. However, relying on volunteers can be both unpredictable and time-consuming for project managers, especially in the volunteer recruitment phase. It takes time and energy to establish a volunteer program that can both maintain a desired level of services and provide significant relief to the city budget.

Appendix H

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www.awcnet.org