

PERFORMANCE AUDIT REPORT

Local Governmental Reorganization: Assessing the Potential for Improving Cooperation and Reducing Duplication

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas**

2015 Special Committee on Ethics,
Elections and Local Government
November 20, 2015
Attachment 16

Legislative Post Audit Committee

Legislative Division of Post Audit

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August 27, 2003

To: Members, Legislative Post Audit Committee

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This report contains the findings, conclusions, and recommendations from our completed performance audit, *Local Governmental Reorganization: Assessing the Potential for Improving Cooperation and Reducing Duplication*.

The report also contains appendices showing the types and number of local governmental units and the amount of tax they levied in 2002; a comprehensive list of potential opportunities to streamline government operations; and 2002 estimated budget information for the audit's 3 sample counties.

This report includes several recommendations for the Governor, the Legislature, and for the Advisory Council on Intergovernmental Relations. We would be happy to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other State officials.

Barbara J. Hinton
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EXECUTIVE SUMMARY

LEGISLATIVE DIVISION OF POST AUDIT

Overview: Local Units of Government in Kansas

The structure of local government in Kansas has remained relatively unchanged over the years, despite the State's changing demographics. *Kansas' system of cities, counties, and townships was established nearly a century ago, while special districts (such as cemetery, hospital, and drainage districts) have been added over time. In 2002, these local governments levied about \$2.6 billion in property taxes. Townships and special districts represent 70% of all units of local government in Kansas, but levied only about \$150 million of that amount, or 6% of the total.* page 3

U.S. Census data show that Kansas has significantly more local government units than other states, but those comparisons can be misleading. *Only California, Illinois, Pennsylvania, and Texas were reported to have more units of local government than Kansas. Compared to surrounding states, Kansas appears to have more special districts and townships, but appears to be in-line in terms of the number of counties, cities, and educational districts. We learned that some nearby states have entities that are similar to Kansas' townships and cemetery districts, but the Census Bureau doesn't count them because of the way they are funded in those states. Kansas also appears to be in-line in terms of per-capita spending to finance local units of government.* page 5

Question 1: What Opportunities Exist for City and County Governments To Save Money Through Reorganization and Improved Cooperation?

Numerous opportunities exist to streamline city and county governments. *These opportunities generally fall into 3 main categories:* page 6

- *Merging whole units of government*
- *Consolidating departments from 2 or more cities or counties into a single department*
- *Sharing staff, facilities, equipment and other resources; and using cooperative purchasing agreements*

Given these opportunities, certain factors can either encourage or discourage collaboration between cities and counties. Factors that encourage collaboration include fiscal constraints on budgets, existence of professional managers in city and county government, and frequent

communication between city and county officials. Factors that discourage collaboration include the fear of losing local control of how services are provided, lack of leadership or political will, and distrust of the city or county government with whom collaboration makes sense.

Realistically, there's little likelihood that additional city and county governments in Kansas will merge. page 8
It seems unlikely that voters would agree to give up the local control and autonomy they have now under the current county structures in Kansas. In addition, because State law prohibits the merger of one county with another, any decision to merge counties would have to be approved by the Legislature. State law does allow cities to merge, but the distance separating most Kansas cities makes consolidation impractical. Successful city and county consolidation occurred in Kansas City and Wyandotte County, but generally a unique set of conditions must be present in order for City-County mergers of this type to take place. Considering there have been only 33 mergers of city and county governments in the country since 1805, the potential for additional mergers in Kansas seems small.

Many of the common opportunities for consolidating or sharing government services occur in such areas as public safety, administration, and public works. page 9
A few examples of the types of opportunities we found include.

- *Having a consolidated countywide emergency medical service (EMS) department to provide ambulance services*
- *Having a consolidated countywide emergency communications department*
- *Having city fire departments agree to provide assistance to each other when responding to emergencies*
- *Having cities, counties, and other government entities combine their purchasing power to buy equipment, supplies, and other items at lower prices than they would otherwise pay*

A more comprehensive listing of opportunities we identified is found in Appendix C of the report.

The collaboration that's occurring within the 3 counties we visited varied greatly, but more can be done to consolidate or share services in each county. page 10
We visited Dickinson, Douglas, and Sedgwick Counties to determine what types of cooperation and consolidation were occurring, and what additional opportunities may exist. Overall, we found minimal collaboration within Dickinson and Sedgwick Counties, but significantly more within Douglas County, particularly between the County and the City of Lawrence. Opportunities we explored in each of these counties for greater collaboration include:

- *Merging law enforcement, fire, road maintenance, and custodial functions*
- *Sharing fleet maintenance activities*
- *Collaborating when providing human resources services*
- *Entering into joint purchasing arrangements*

Not all areas we explored are practical in each county but some seem to warrant further study and consideration. For example:

- Merging law enforcement services in Sedgwick County could produce potential annual salary savings of \$300,000 to \$625,000
- Having the City of Herington join the Dickinson County enhanced 911 emergency dispatch system could save as much as \$90,000 annually
- Having Dickinson County take over the road grading for all township roads in the County could produce annual savings of \$65,000

Discussion on the 3 counties, the opportunities we identified in each, and local officials' responses are found in the tables starting on page 12. Lastly, we noted that while consolidating city and county services offers the potential for reducing costs of services, it can result in additional up-front costs – particularly in terms of upgrading salaries and building new facilities.

Kansas may be able to encourage more consolidation, sharing, and cooperation among cities and counties by amending some laws and taking actions other states have considered. page 18
When we talked with local government officials, several pointed out State laws they thought hindered either consolidation or efforts to provide local government services more efficiently. These include a financial incentive for fire departments not to consolidate, requirements for county treasurers and county clerks to maintain duplicate records, and requirements for certain elected county offices that may not always be needed. In addition, other states have taken or considered several innovative approaches to encourage local government consolidation and cooperation, including the use of different financial incentives to encourage and assist local governments seeking consolidation.

Question 2: Are There Opportunities for Reorganizing or Improving Cooperation Among Townships and Special Districts of Various Kinds?

Townships, cemetery districts, and drainage districts comprise more than half the State's units of local government. page 23
In all these local units account for 2,106 of the 3,427 local units of government reported for calendar year 2002.

There's a potential for eliminating township governments, cemetery districts, and drainage districts and reassigning their duties and funding to city or county governments. page 23
That's mainly because cities and counties generally already provide the same types of services as these units. For example:

- Townships: 73 of the State's 105 counties already have taken over maintenance of the township roads in their counties – one of the primary functions of a township

- Cemetery Districts: Cities and counties already provide essentially the same types of services that cemetery districts perform such as maintaining public grounds that require mowing and trimming
- Drainage Districts: Some municipalities, like Lawrence and Sedgwick County, already maintain levees and other flood control structures along major waterways

In many cases, the savings that could be achieved by eliminating townships, cemetery districts, and drainage districts and reassigning their responsibilities may be relatively small. That's because these units have fairly small budgets to begin with, and most of the moneys they spend are for direct services that still would have to be provided. One potential benefit from eliminating smaller units of government is that the costs of their services would be spread over a larger tax base, eliminating some of the taxing inequities that currently exist.

Local officials expressed concerns about the loss of local control and the potential for services to deteriorate if these local units were eliminated. *They were concerned that problems wouldn't be addressed as quickly, and there would be a loss of local knowledge about what has and hasn't been done to address problems in the past.* page 27

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Local Governmental Reorganization: Assessing the Potential For Improving Cooperation and Reducing Duplication

According to 2002 U.S. Census data, Kansas has 3,887 local units of government, including counties, cities, school districts, townships, and other special districts. Nationwide, the average number of local units is less than half that, about 1,750 per state. The only states reported to have more local units than Kansas are California, Illinois, Pennsylvania, and Texas.

Given the State's fiscal situation, legislators have raised questions about the cost of all these local governments, and about what steps the State could take to encourage increased efficiency in local government operations.

This performance audit answers the following questions:

- 1. What opportunities exist for cities and counties to save money through reorganization and improved cooperation?**
- 2. Are there opportunities for reorganizing or improving cooperation among townships and special districts of various kinds?**

To answer these questions, we reviewed Census Bureau data, other audit reports, and searched the Internet to compile examples of government consolidation and collaboration efforts that have taken place in other localities. We also interviewed officials from the Kansas Association of Counties, the League of Kansas Municipalities, the Hugo Wall Center for Urban Studies at Wichita State University, the Department of Public Administration at the University of Kansas, officials from numerous local units of government in Kansas, and officials in other states.

In addition, we reviewed fiscal year 2002 budgets for units of local government in Dickinson, Douglas, and Sedgwick Counties to identify areas where these units have duplicate functions. For these counties, we spoke with officials from more than 48 different units of local government about the extent of their efforts to consolidate departments or collaborate with others to provide services more efficiently. For a sample of government activities in these counties, we conducted specific analyses to help identify potential opportunities for consolidation or cooperation. In several cases, this work included developing estimated salary cost savings from combining specific services.

A copy of the scope statement for this audit approved by the Legislative Post Audit Committee is included in Appendix A. The scope statement excluded issues related to the possible reorganization of school districts and other educational units.

In conducting this audit, we followed all applicable government auditing standards. The reader should be aware that this audit was designed to identify potential opportunities to increase collaboration among local units of government. Not all suggestions will be feasible in all localities. Also, because we were limited in the number of localities we could visit and the depth that we could review local government operations, it's likely that additional opportunities exist besides the ones discussed in this audit.

Our findings begin on page 6 after a brief Overview.

Overview: Local Units of Government in Kansas

The Structure of Local Government in Kansas Has Remained Relatively Unchanged Over the Years, Despite the State's Changing Demographics

Kansas' system of cities, counties, and townships was established nearly a century ago. Special governmental units—such as cemetery, hospital, and drainage districts—have been added over time. According to the U.S. Census Bureau, Kansas had a total of 3,887 local governmental units in 2002.

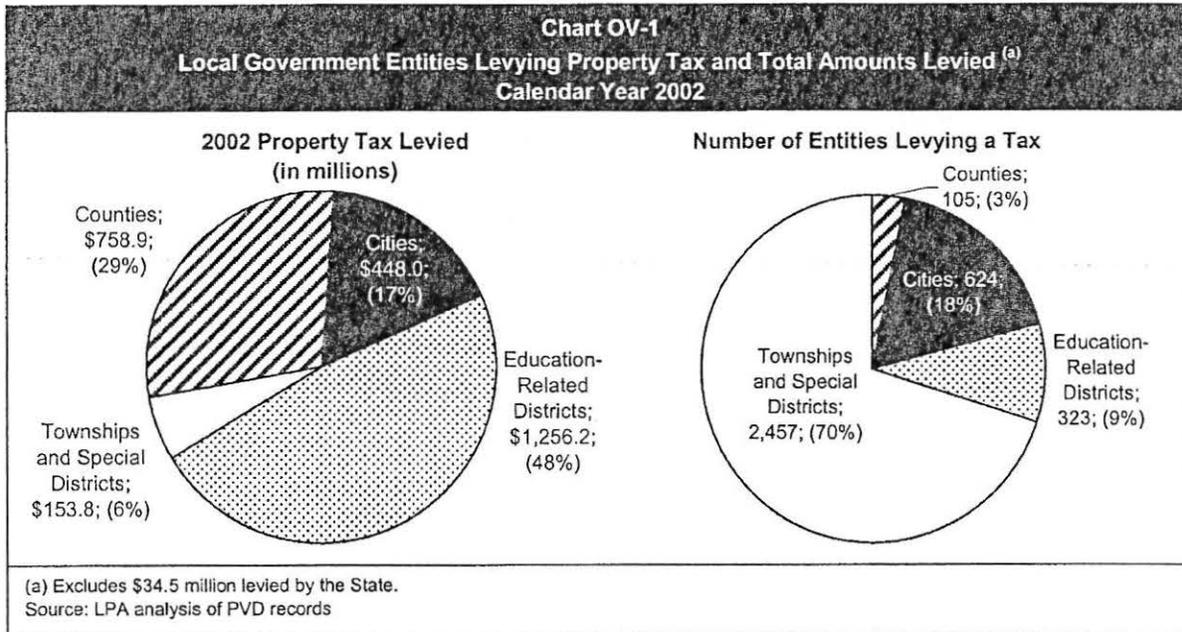
In general, these local units of government were created for the following purposes:

- **Counties were created by statute to perform “State” functions locally.** They serve as agents of the State in the administration of State laws, and provide services that are demanded locally. Kansas has had 105 counties since 1893.
- **Cities are incorporated bodies and have their own legal powers.** County Commissioners must approve any petition to incorporate. They provide local control and services for their citizens. According to the U.S. Census Bureau, 95% of Kansas' 626 cities have a population of less than 10,000.
- **Townships are political subdivisions of county government** authorized by statute to provide basic services such as road maintenance and noxious weed control for the unincorporated areas of each county. Since 1880, Kansas has had more than 1,000 townships.
- **Special districts are units of local government that have a limited and single purpose,** such as maintenance of cemeteries, or financing of a hospital or library. A primary source of revenue for many of these units is property taxes. Kansas currently has more than 1,500 special districts.

Over the years, the size and scope of many of these local units of government have evolved, but their organizational structures often have remained intact. For example, in 1930 more than 60% of the State's population lived in rural areas of the State—areas primarily served by township governments. Today, less than 30% of the State's population lives in rural areas. Yet roughly the same number of townships exist today as did in 1930.

At the same time, city and county governments expanded to meet their citizens' demands for more services. As a result, cities and counties may end up providing some duplicate services to their residents.

In calendar year 2002, local governments levied about \$2.6 billion in property taxes to finance their operations. Local governments in Kansas rely heavily on property taxes. The following charts compare the number of local governments and the amount of property tax each type levied in calendar year 2002. Appendix B provides more detailed information about the amount of property tax levied by each type.



As the chart shows, townships and other special districts that account for 70% of the units of local government levy only 6% of the property taxes in Kansas. In other words, these local units levy and spend a very small portion of the State's local property tax dollars.

Table OV - 1
Comparison of the Number of Units of Local Government
In Kansas and Neighboring States
Calendar Year 2002

Governmental Unit	KS	CO	IA	MO	NE	OK
Counties	105	62	99	114	93	77
Cities	626	270	948	946	531	590
Townships	1,299	0	0	312	446	0
Educational Districts	324	182	386	536	575	571
Other Special Districts ^(a)	1,533	1,414	542	1,514	1,146	560
Total	3,887	1,928	1,975	3,422	2,791	1,798
# of local govt. units / 10,000 residents	14.5	4.5	6.7	6.1	16.3	5.2
# of local govt. employees per 10,000 residents ^(b)	650	513	561	483	603	493

(a) Kansas has at least 28 different types of special districts, such as watershed districts, cemetery districts, library districts, and hospital districts.
(b) Information reported in the 2003 State and Local Sourcebook published by *Governing Magazine*.

Source: 2002 Census of Governments, U.S. Census Bureau

U.S. Census Data Show That Kansas Has Significantly More Local Government Units Than Other States, but Those Comparisons Can Be Misleading

According to the U.S. Census Bureau, the only states reported to have more units of local government are California, Illinois, Pennsylvania, and Texas. Table OV-1 shows this comparative information for Kansas and its neighboring states.

As Table OV-1 shows, Kansas appears to be in-line with its neighboring states in terms of the number of counties, cities, and educational districts it has. However, Kansas appears to have more special districts—and significantly more townships—than its neighbors.

Some of our neighboring states have townships or other special districts that the Census Bureau doesn't count as separate units of government. Census Bureau data show that 3 of Kansas' 5 neighboring states don't have any townships or cemetery districts. When we called officials in those states, however, we found that some of them do have separate entities that provide such services.

For example, officials in Iowa told us they have about 1,600 townships, but those townships' funding is collected by the counties. The U.S. Census Bureau doesn't count these entities as separate units of government because they don't have administrative and fiscal independence from general purpose governments like cities and counties.

These types of reporting differences could misrepresent how Kansas actually compares with other states in terms of the number of local entities it has providing services. Nonetheless, that doesn't negate the need to look closely at opportunities for improving cooperation and reducing duplication among local units of government.

Kansas' per-capita spending to finance local units of government is in the middle of its comparison states. Using Census Bureau data, we compared the cost of Kansas local government to 38 states with a population of less than 7 million people. Our analyses showed that:

- Kansas' cost of local government per capita ranked 15th out of the 38 states in that group
- Kansas ranked 17th in the percent of per capita personal income going toward local government taxes

Question 1: What Opportunities Exist for City and County Governments To Save Money Through Reorganization and Improved Cooperation?

Most opportunities for streamlining city and county governments involve consolidating city and county departments; sharing staff, facilities, equipment, or other resources between departments; and purchasing items through cooperative agreements. The opportunities we identified that are most commonly used are in the public safety functions, certain administrative functions, and public works areas. Decisions to collaborate or share local government resources are local ones, and are often driven by the needs of—and attitudes of officials in—individual cities and counties. We noted stark contrasts in Dickinson, Douglas, and Sedgwick Counties on the extent to which city and county officials were working together. Amending some laws and taking certain actions other states have taken could encourage more consolidation, sharing, and cooperation among local governments. These and other findings are discussed in the sections that follow.

Numerous Opportunities Exist To Streamline City And County Governments

Cities and counties often provide the same or similar services to their citizens in areas such as public safety, road maintenance, code enforcement inspections, and recreation. They also have similar administrative functions like personnel, payroll, purchasing, and the like.

Generally, duplicate structures and staffs have built up over time within city and county governments to provide these direct and administrative services. The primary differences between the services they provide often relate simply to **where those services are provided**; either within the city limits, or outside the city limits in the county.

Given the similarities that exist between city and county government services, the possibilities for consolidating departments or sharing resources are practically endless. Because such decisions are local, however, some actions will be more feasible than others depending on local needs and experiences, political climates, and personal relationships.

Opportunities for restructuring city and county governments to make them more efficient generally fall into 3 main categories. Those categories are described below:

- ❶ merging whole units of government (i.e., a city and a county)
- ❷ consolidating departments from 2 or more cities or counties into a single department
- ❸ sharing staff, facilities, equipment, or other resources between departments; and using cooperative purchasing agreements

Certain factors can increase or decrease the likelihood that city or county governments will collaborate to provide services. Some of the major factors we identified are summarized in Table I-1.

Table I-1 Factors That Tend To Encourage or Discourage Local Government Efforts to Consolidate or Share Resources	
Encouraging Factors	Financial constraints on city or county budgets can cause both government officials and local citizens to be more willing to seek out or agree to consolidation and sharing efforts.
	The existence of professional managers who are more likely to pursue collaborative relationships, and who may be under less political pressure than elected officials to maintain local control of services.
	Frequent communication between city and county officials
	Cities and counties being located close enough to one another make sharing resources like buildings, equipment, and staff more feasible.
	The benefits of cooperative efforts must be mutual both the city and county must think it's receiving some value.
Discouraging Factors	Fear of losing local control over how services are provided.
	Lack of leadership or political will to make a change.
	Distrust of—or previous poor experiences with—the city or county government with whom collaboration makes the most sense.
	Competition among cities and counties for such things as annexing land or attracting new businesses.
	Fear that costs won't be shared equally by the city and county in any consolidation or collaboration efforts.

Local government officials have shown some interest in increasing collaboration. As the box on the next page discusses, many cities and counties are struggling financially, and these officials see such efforts as ways to continue to provide needed services, build or expand facilities, or buy needed equipment at less cost.

The 2002 Legislature Created an Advisory Council To Study Issues Related to Government Structure and Efficiency, But the Council Has Never Met

The 2002 Legislature created the Kansas Advisory Council on Intergovernmental Relations. The Council's 15-member board consists of Kansas House and Senate members and Governor appointees from local government, State agencies, and the general public. The Council's duties were to study the services provided by the various units of government within the State, and to identify the possibilities of improving their structure and efficiency. The law also directs the Council to give particular attention to the modernization of the structure of Kansas local government. The Council is required to submit an annual report to the Governor and Legislature by December 1st of each year (although it didn't do so in 2002).

According to a member of the Council, the Council has never met, and he wasn't aware of any plans to do so. It would seem that the Council, if and when it convenes, could serve as a good mechanism to increase intergovernmental collaboration.

Local Government Officials Are Looking for Ways To Increase Collaboration

We attended the 2003 Spring conference of the Kansas County Commissioners Association in order to meet county officials and learn about ways counties are collaborating. As the conference ensued, it became clear that many cities and counties currently are taking steps to work with each other. Among the examples we heard were:

- ① The City of Ulysses and Grant County have a jointly funded economic development program
- ② Garden City provides planning and zoning, and building inspection services for Finney County, and the city police and County Sheriff are housed in a county building
- ③ The City of Salina and Saline County share office space within the same building, and some county vehicles, such as the Sheriff's patrol cars, can get gasoline 24 hours a day at a City facility
- ④ The Sheriff of Ness County provides all law enforcement services in the county, and has entered into interlocal agreements with affected communities
- ⑤ In Reno County, several local governments purchase long-distance services together, and in Finney County, several local governments jointly purchase cell-phone minutes

In addition, several of the conference's sessions touched on issues related to increasing cooperation and reducing operating costs. For example, one session was entitled "Options for Interlocal Cooperation, Contracting, and Consolidation of Services."

County officials we spoke with recognize that many local government units are struggling financially, and as a result, they are actively exploring ways to decrease their operating costs through increased cooperation and collaboration.

Realistically, There's Little Likelihood That Additional City and County Governments in Kansas Will Merge

Local government experts we spoke with told us that, if all county borders were erased and new county borders were being drawn today, Kansas would need fewer than the 105 counties it's had since 1893. However, it seems highly unlikely local voters would agree to give up the local control and autonomy they now have under their current county structures. We also couldn't find any mergers like this happening in the United States.

Even if local voters decided to merge counties, their decision would need to be approved by the Legislature as well. Current State law prohibits the merger of one county with another. Kansas law does allow cities to merge, but the distance between most Kansas cities would make most consolidation efforts among them impractical as well.

There also appears to be little chance of additional mergers between cities and counties in Kansas. We could identify only 33 mergers that have occurred across the country like the one in Wyandotte County and Kansas City since 1805, and only 4 of those have occurred since 1990. Officials we interviewed indicated such mergers generally happen when 3 conditions are present:

- ① there has been a scandal or crisis involving the city or county government
- ② local voters and government officials think there's an imperative need for change (such as a declining tax and population base)
- ③ one unit of local government provides most of the governmental services

All 3 conditions were present when Kansas City and Wyandotte County merged into a single unified government in 1997. In addition, because mergers between city and county governments also are prohibited by State law (K.S.A. 12-3909), the Legislature had to approve special legislation allowing it in this case.

Because it's unlikely that entire units of local government in Kansas will merge, we focused our efforts on identifying opportunities for cities and counties to consolidate departments or share resources.

Many of the Common Opportunities for Consolidating or Sharing Government Services Exist in Such Areas as Public Safety, Administration, and Public Works

During this audit, we searched the Internet, reviewed city and county budgets and other literature, and talked with officials in Kansas and other states about the most common or feasible opportunities for cities and counties to consolidate departments or share resources to provide services more efficiently. A few examples of the types of opportunities we found are provided in Tables I-2 and I-3.

Table I-2 Examples of Consolidation Between City-County Departments	
Service Area	The types of things we found...
Public Safety: Ambulance	Having a consolidated countywide emergency medical service (EMS) department to provide ambulance services. Generally, these departments are operated by the county (as in Dickinson and Sedgwick Counties). But in Douglas County, the countywide department is operated by Lawrence with the County sharing in the costs.
Public Safety: Emergency Communications (911)	Having a consolidated countywide emergency communications department. We reported in a 1999 audit of Emergency Phone Systems in Kansas, 83 of the 105 Kansas counties have consolidated their 911 services for all local government units in the county. This helps to prevent duplication of communications equipment and services within these counties.
Public Safety: Law Enforcement	Consolidating the police department and the county sheriff's office. In 1974, the Riley County Sheriff Department, the City of Manhattan Police Department, and the City of Ogden Police Department consolidated into a single agency serving the entire county.
Public Safety: Fire	Having a consolidated fire department. While counties in Kansas generally don't have fire departments, we did find several examples in Kansas and elsewhere of city fire departments merging with other city fire departments and with fire districts. For example, Reno County Fire District #2 merged with the Hutchinson Fire Department into a single department under the auspices of the City of Hutchinson. According to a Hutchinson official, the merger reduced the overlap of services by these 2 departments and made operations more efficient.
Administrative and Support Services: Fleet Maintenance	Creating a consolidated city-county fleet maintenance department. The City of Kenosha and Kenosha County, Wisconsin, created a separate government agency to handle this function, primarily for their public safety departments.
Administrative and Support Services: Purchasing	Consolidating city-county purchasing departments. The City of Lincoln and Lancaster County in Nebraska have a joint purchasing department that conducts purchasing for both entities.

**Table I-3
Examples of Sharing Resources to Provide City-County Services**

Service Area	The types of things we found....
Fire Protection	Having city fire departments agree to provide assistance to each other when responding to emergencies. These agreements, known as "mutual aid agreements" are common among fire departments and exist among the fire departments in Dickinson, Douglas, and Sedgwick Counties. Mutual aid agreements allow fire departments to increase their capacity to fight fires and respond to emergencies by relying on the resources of nearby fire departments, instead of adding more firefighters and equipment to their own departments.
Law Enforcement	Having law enforcement departments share facilities, services, and special expertise with each other. We found at least 3 examples within the State of a county sheriff's office located in the same building as a city police department. We also found that law enforcement departments often share key services such as dispatch and records retention, or will lend their expertise to other departments when conducting criminal investigations and responding to emergencies.
Administrative Support Services	Having 2 cities or a city and county share administrative, support, custodial, or other positions. Examples of other sharing opportunities between cities and counties include printing, computers and computer software, and joint employee recruitment, testing, and applications.
Purchasing	Having cities, counties, and other government entities combine their purchasing power to buy equipment, supplies, and other items at lower prices than they would otherwise pay. We found several examples of programs that allow cities and counties to jointly purchase items such as insurance, long-distance service, and office supplies.
Road Maintenance	Having a city share its road maintenance equipment with another city or county. We found several examples of cities and counties sharing road maintenance equipment and labor—generally through informal or "handshake" agreements. This allows, for example, a small city with only a few miles of asphalt road to borrow equipment from the county to do repair work instead of buying its own equipment or paying a private contractor.

Appendix C contains a more comprehensive listing of opportunities for consolidating or sharing government services. That Appendix isn't meant to be exhaustive, but will give legislators and local government officials an indication of the breadth of possibilities that exist.

The Collaboration That's Occurring Within the 3 Counties We Visited Varied Greatly, but More Can Be Done To Consolidate or Share Services in Each County

During this audit we visited 3 counties—Sedgwick (urban), Douglas (urban-rural mix), and Dickinson (mostly rural)—to determine what types of cooperation and consolidation were occurring, and what additional opportunities may exist. Among other things, we reviewed county budget documents, interviewed local officials, and reviewed a small sample of organization charts and other service records.

We found examples within each of city and county governments working together, but the amount of collaboration occurring and the attitudes about it varied considerably. Appendix C contains all of the examples of local efforts to collaborate that we identified in our 3 sample counties. Appendix D shows the amount of estimated expenditures for local government units in calendar year 2002 for these 3 counties. In general, we noted the following:

Overall, the amount of collaboration among Dickinson County and its cities is minimal. Some informal cooperation occurs, but most agencies provide services independently. According to local officials, at least 3 factors are affecting the level of collaboration within the County:

- concerns about losing local control over how services are provided
- a lack of formal communication between officials in the County and the City of Abilene
- the large geographic size of the county

Overall, there's been a lot of collaboration within Douglas County, especially between the City of Lawrence and Douglas County. That cooperation is most prevalent in the area of public safety, but cooperation exists in other areas as well, such as park maintenance, road maintenance, and snow removal. The City of Lawrence and Douglas County also have a Metropolitan Planning Commission that is jointly staffed and funded by the city and county. There seems to be a good working relationship between the County Administrator and City Manager, who told us they speak regularly on many issues, including ways to cooperate when providing services.

Overall, the amount of local government collaboration within Sedgwick County is minimal. While the County and some cities do collaborate in certain areas, most officials we spoke with indicated they preferred to not work with the City of Wichita. They cited a history of poor experiences that has led to a distrust or unwillingness to collaborate in many areas. For example, Sedgwick County and Wichita had a joint information technology department for a few years in the 1980s, but financial issues arose and each went back to having its own operation. Also, some animosity has developed between Wichita and other cities concerning issues such as annexation and the sale of water. According to local officials, at least 2 other factors are affecting the level of collaboration within the County:

- concerns about losing local control over how services are provided
- the distance between cities

We concluded that many of the consolidation and resource-sharing opportunities presented in Appendix C could be applicable to local governments in these and other Kansas counties. We couldn't explore all of them for each county in our sample, but we did look at a sample of those areas where our sample counties and cities spent a lot of money and provided the same functional services. More detailed information about the opportunities we explored in each county is summarized on pages 12-17.

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DICKINSON COUNTY (We gathered information from the county, 2 cities, 18 townships, and 2 fire districts.)		
Description	Rural county located in North Central Kansas that covers 850 square miles. Abilene is the county seat and the largest city in the county. Other cities generally are scattered over the county.	
County Population	About 19,000	
Local Governments (# and estimated expenditures for 2002)	1 county 9 cities 24 townships 38 special districts	\$9.1 million \$15.7 million \$1.3 million \$10.2 million
Totals	72 Local Government Units	\$36.3 million
Opportunities to Consolidate / Share Resources To Streamline City-County Governments		
Examples of collaboration in this county:	<ul style="list-style-type: none"> • County and cities have a consolidated 911 emergency communication system (except for Herington, which operates its own 911 service). • County and Abilene share road maintenance equipment. • County and Abilene jointly train police officers and sheriff deputies. 	
Other areas we explored with local officials...	<p>Having Herington Join the Dickinson County enhanced 911 emergency dispatch system. Herington is the only city with a separate 911 system in Dickinson County. We estimated the City could save about \$90,000 a year in salary and equipment costs if it joined the County's consolidated 911 service. In addition, Herington's emergency dispatch would be upgraded from "basic" to "enhanced," which would allow dispatchers to know where the caller was located even if the caller couldn't provide a location.</p>	<p>County officials said they offered to include Herington in the countywide 911 service, but the Herington City Council refused the offer, preferring to maintain local control over its service. Dickinson County's director of emergency communications told us having 2 systems in the county has resulted in confusion among emergency responders. In addition, Herington residents are being taxed for what is essentially a duplicated service.</p>
	<p>Having Dickinson County take over the road grading for all township roads. Each township maintains about 50-60 miles of gravel and dirt roads, employs a part-time employee to grade roads, and owns or leases a grader at an annual cost of about \$12,500. Those graders are used about 200-500 hours per year.</p> <p>We estimated the County could do that work with only 12 road graders and save \$65,000 each year, even after taking into account County employees' higher salaries.</p>	<p>Township officials told us they were afraid the County wouldn't be able to provide the same frequency and quality of service that they currently receive, and township roads would receive low priority. Some officials did say that townships could financially benefit by merging their road maintenance operations with other townships.</p> <p>County officials stated that if townships weren't willing to have the County take over the maintenance of their roads, there wasn't any sense in considering the issue.</p>

Other areas we explored with local officials...	<p>Merging law enforcement servicesWe explored this option because of the successful merger in 1974 of the Riley County Sheriff's Office and the Manhattan Police Department.</p> <p>In addition to the Dickinson County Sheriff, the cities of Abilene, Chapman, Herington, Enterprise, and Hope each have their own police force. The City of Solomon contracts with the County to provide law enforcement services for its residents.</p>	<p>An Abilene official told us that Dickinson County could benefit from a consolidated law enforcement agency, although the benefits wouldn't be as large as those gained in Riley County.</p> <p>County officials told us a consolidated law enforcement agency wouldn't work in Dickinson County because it would increase County costs and reduce service in rural parts of the County.</p>
	<p>Sharing fleet maintenance servicesThe County Highway Department maintains a garage in Abilene and has 2 mechanics to do basic maintenance and service to the Department's vehicles and equipment. Abilene also has a garage and mechanic for its vehicles. Both contract with local mechanics for any major repair work. Merging the County's and City's operations might result in cost savings from having fewer mechanics and make better use of facilities and repair equipment.</p>	<p>A County official admitted that he hadn't thought about merging with Abilene's garage and was unsure what benefits there would be. The Abilene City Manager told us that sharing fleet maintenance services with the County was worth considering. One potential problem he cited was determining the repair priorities for city and county vehicles.</p>
	<p>Having Abilene contract with the County for custodial services.While the County maintains full-time custodial staff, Abilene contracts with an individual to do custodial work 2 times a week at city hall. Other city buildings are maintained by city employees in addition to their regular responsibilities.</p>	<p>The Abilene City Manager said that contracting with the County is a viable option, especially since the City needs the services only 2 days week. A lot would depend on the willingness of the County to enter into such an arrangement.</p>
	<p>Entering into joint purchasing arrangements. With a couple of exceptions, neither the County nor Abilene participate in cooperative purchasing arrangements. The County does participate in the State plan for employee health benefits, and Abilene will sometimes make purchases off the State's open-ended contracts.</p>	<p>Abilene and County officials expressed doubt about achieving any cost savings. They also said it would require a lot of effort and possibly additional staff to coordinate purchasing with other entities.</p>

DOUGLAS COUNTY (We gathered information from 4 cities, 4 of the 9 townships – Kanwaka, Palmyra, Wakarusa, and Willow Springs – and 3 special districts in Douglas County.)		
Description	Urban-rural mix county located in eastern Kansas that covers 457 square miles. Lawrence is the county seat and the largest city in the county. Other cities generally are scattered over the county.	
County Population	About 98,000	
Local Units of Government (# and estimated expenditures for 2002)	1 county 4 cities 9 townships 17 special districts	\$34.0 million \$128.9 million \$3.0 million \$1.1 million
Totals	31 Total Units	\$167.0 million
Opportunities to Consolidate / Share Resources to Streamline City-County Governments		
Examples of collaboration in this county:	<ul style="list-style-type: none"> • 911 emergency communication system is consolidated countywide • Douglas County and Lawrence share a law enforcement building, along with a shared jail, record retention services, and an evidence custody room • Douglas County has an agreement with Lawrence to repair playground equipment in a county park • Douglas County and Lawrence recently contracted for joint purchase of long distance telephone minutes • All fire departments in the County provide mutual aid response • Douglas County and Lawrence have a joint Metropolitan Planning Commission 	
	Issue	Response
Other areas we explored with local officials...	Merging law enforcement services. Three cities have their own police departments, and the County Sheriff provides law enforcement services as well.	County officials said the current structure—sharing a building, jail, and other services—has achieved many cost savings and doubt more savings would be realized. Lawrence officials said citizens in remote areas of the county would be concerned about the priority given to crime prevention in their areas. They also expressed concern about the size of the budget, how the combined unit would be funded, and who would make those decisions about the budget.
	Merging fire departments and districts. There are 3 city fire departments, 6 township fire departments, and a fire district within Douglas County. They could be merged into a regional countywide fire department that is under a single administrative authority.	City and township officials said it wouldn't be cost-effective to consolidate because all fire departments except Lawrence have volunteer firefighters. Township officials also said that the current township fire stations would still need to operate to adequately cover the service area.
	Merging fleet maintenance operations. Douglas County and Lawrence have separate fleet maintenance centers, and each of the other cities have a city mechanic to repair vehicles.	Douglas County and Lawrence officials said there is no current need to join their fleet maintenance operations because both facilities are adequate, but if the need were to come about, they would discuss the merits of jointly providing fleet maintenance services.

Other areas we explored with local officials...	<p>Having Douglas County contract with Lawrence to maintain county parks. The County has 3 parks, 1 within the City limits and 2 outside.</p>	<p>Douglas County and Lawrence officials both said that there was minimal cost for county park maintenance, so contracting with Lawrence was not a strong concern.</p> <p>County officials also said they hadn't contracted with Lawrence because past negotiations concluded that County expenditures would increase.</p>
	<p>Merging custodial functions. Most County and Lawrence facilities are maintained by staff stationed at those facilities; i.e. staff who work at the sewage treatment plant take care of that facility.</p>	<p>County officials said that merging the functions would likely increase costs for the county because Lawrence currently pays higher wages for custodial staff.</p>
	<p>Being more collaborative in providing human resource services. The County and Lawrence have worked together on joint training of staff.</p>	<p>Douglas County and Lawrence officials both said they were interested in the HR Partners electronic job application website created by Sedgwick County. Officials from both governments said they were willing to explore some opportunities in the area of human resources.</p>
	<p>Entering joint purchasing agreements. The County and Lawrence currently are working on a joint purchasing agreement for paper, and the 2 units have worked together on the joint purchase of police vehicles. There is no joint purchasing by the County or cities for items such as personal computers, toner, software, or health insurance.</p>	<p>Officials indicated some reservation about joint purchases because of difficulties in finding a product that meets each government's needs. They also want to purchase from local businesses as often as possible, which may not happen if a joint purchase agreement were made.</p> <p>Douglas County and Lawrence officials both said they work with the Mid America Regional Council for joint purchases of vehicles.</p>

SEDGWICK COUNTY

(We gathered information about collaboration efforts for 6 cities—Wichita, Derby, Haysville, Mulvane, Mount Hope, and Bel Aire—and the County. We didn't analyze such efforts for townships and other special districts.)

Description	Primarily an urban county Kansas that covers 1,000 square miles located in South Central Kansas. With a population of 329,000, Wichita is the county seat and the largest city in the county. Other large cities include Derby and Haysville.	
County Population	About 455,000	
Local Governments (# and estimated expenditures for 2002)	1 county 20 cities	\$185.5 million \$466.7 million
Totals	21 County and City Units	\$652.2 million

Opportunities to Consolidate / Share Resources To Streamline City-County Governments

Examples of collaboration in this county:	<ul style="list-style-type: none"> • The County Sheriff and the Wichita Police Department jointly operate a training academy and firearms range. The Wichita Police Department lends its helicopter when requested. • All fire departments provide mutual aid response. • Wichita and Sedgwick County have a jointly operated Environmental Health Department which does restaurant inspections and other environmental services.
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	Issue	Response
Other areas we explored with local officials...	<p>Merging law enforcement servicesThe 5 cities have their own police departments and the County Sheriff provides law enforcement services as well.</p> <p>We estimated that a consolidation of the Wichita Police Department and the County Sheriff's Office would create a pool of 250 administrative and clerical positions, some of whom could be eliminated through consolidation. Just a 5%-10% reduction in the number of these types of positions could generate potential salary savings of \$300,000 to \$625,000 annually. Many other cost issues—like patrol needs, salary disparities, and facility needs—would have to be considered.</p>	<p>City officials from Derby, Haysville, Mulvane, and Bel Aire told us they don't want a consolidated law enforcement agency because they fear the loss of local control, less service, and increased response times. The City Manager of Wichita favors a consolidated agency.</p> <p>Several factors complicate possible consolidation, such as deciding how the duties of the elected County Sheriff would be provided (such as who would run the jail), and deciding who a consolidated agency would report to.</p>
	<p>Having Derby consider other long-term alternatives to creating a full-time fire department. Derby city officials told us they are beginning to take a look at whether they should move from a volunteer fire department to a paid fire department. As the city council considers this possibility, it should explore contracting with the Sedgwick County Fire District or the Wichita Fire Department.</p>	<p>City officials told us they are planning for the initial discussion of this issue to occur in Fall 2003.</p>

Other areas we explored with local officials...

<p>Having all cities participate in the County's emergency dispatch systemAll 911 calls from residents of Mulvane are handled by that city's own dispatch center, which duplicates the service provided by Sedgwick County. In addition, emergency calls for 3 other cities, (for police and fire assistance, but not ambulance) are transferred from the county dispatch center to the respective city dispatch center.</p>	<p>County officials told us their system is more than capable of handling all emergency calls. Officials from these 4 cities told us that they preferred to operate their own dispatch center. Dispatch crews also perform other duties, such as answering routine calls about city services and referring callers to the appropriate city officials. Officials from Mulvane told us they are considering having Sumner County provide their dispatch service because the city's computer technology is a better match with that county.</p>
<p>Sharing fleet maintenance activitiesThe County built a new fleet maintenance center about 2 years ago, and all County vehicles are serviced at this site. Wichita's vehicles are maintained at 3 different fleet centers.</p>	<p>County officials told us they asked Wichita officials if they wanted to participate in building and using the new facility, but they declined the offer.</p> <p>The County is considering offering vehicle repair services to smaller cities, but no offer has been extended yet. The distance between those cities and the County facility may limit the feasibility of this option.</p>
<p>Having the County contract with Wichita to maintain county parks. Sedgwick County has 2 parks and operates a zoo. Wichita maintains 79 parks which consist of more than 5,000 acres.</p>	<p>Wichita officials told us that, because the County parks were fairly close to the City parks, the City had offered to take over maintenance responsibility for the County parks, but the County declined the offer.</p>
<p>Merging custodial functions.The County has about 20 employees who perform custodial services at some, but not all, city facilities. Wichita has about 40 employees who perform custodial work, along with some seasonal employees and contractors. Wichita staff clean more than 200 City-owned buildings.</p>	<p>Sedgwick County is considering privatizing this service and has issued a Request for Proposal. County officials said a decision could be made in late summer. Both County and City officials agreed that merging this function is possible and should be considered.</p>
<p>Collaborating when providing human resources services. The County and City work together in several different ways— such as training and recruitment of staff.</p>	<p>Human Resources staff from both the City and the County indicated that more collaboration is possible.</p>
<p>Combining road maintenance functionsThe Sedgwick County Highway Division provides road maintenance for County roads and the Wichita's Street Maintenance does the same for City streets. Each has more than 100 authorized positions.</p> <p>We estimated that consolidating Sedgwick County's and Wichita's road maintenance functions would create a pool of 28 administrative and clerical positions, some of whom could be eliminated. Just a 5%-10% reduction in the number of these types of positions could generate potential salary savings of \$25,000 to \$50,000 annually. Many other cost issues—like salary disparities and equipment or facility needs—would have to be considered.</p>	<p>The Wichita City Manager told us greater collaboration is possible, but alluded that County politics inhibits it. County officials acknowledged that few discussions with Wichita and other cities have occurred. They contend that those cities don't want the County involved.</p>
<p>Entering into joint purchasing arrangements. It's rare that the County and other cities will go together to make joint purchases, but recently the County did seek a joint bid for cell phones with the City of Wichita. Derby officials said they occasionally work with the Derby School District or Derby Recreation Commission to make joint purchases.</p>	<p>County and Wichita officials told us they usually seek bids independently of one another, but they do allow other governments to make purchases from their contracts. These officials could not quantify how often this occurs, but they said it happens fairly often. Derby officials told us they hadn't purchased items through contracts let by Wichita or Sedgwick County.</p>

Consolidating or sharing city and county government services offers the potential for reducing local costs, although it can also mean additional up-front costs. Because of the broad nature of this audit, we weren't able to perform the types of in-depth analyses it would take to identify estimated cost savings, either because of time constraints or the lack of available cost information. (Such analyses could take several days or weeks each, depending on the type of service being reviewed.)

As the examples discussed on the previous pages suggest, however, there's a real potential for local governments to save money by consolidating departments or sharing resources.

At the same time, such actions can result in increased costs, at least in the short-term. For example, officials from the Unified Government of Kansas City told us about some of the additional costs they incurred when Kansas City and Wyandotte County merged:

- upgrading salaries. Because the county and city had different pay scales, some employees received pay increases to bring them into the pay ranges for other employees doing comparable work.
- building new facilities. The Unified Government spent about \$7 million to build a new vehicle maintenance facility because existing facilities were inadequate.

Officials noted that while these costs should be recovered through employee attrition and other savings over time, the cost increases were immediate and had a negative impact on the Unified Government's short-term cash flow.

Kansas May Be Able To Encourage More Consolidation, Sharing, and Cooperation Among Cities and Counties by Amending Some Laws and Taking Actions Other States Have Considered

As noted earlier, State law generally prohibits the merger of 2 counties or of a city and a county. The Legislature has considered but never passed legislation to remove these blanket prohibitions. SB 238, introduced during the 2003 legislative session, would have authorized any county and city or cities within that county to reorganize and form a single local governmental entity. The bill was modeled after the legislation that allowed Wyandotte County and Kansas City to form a unified government.

Although the bill didn't pass, it was supported by the League of Kansas Municipalities and the Kansas Association of Counties. A similar bill was recommended by the 1998 interim Special Committee on Local Government.

Kansas law gives cities and counties considerable discretion in deciding whether to consolidate departments or share resources, or enter into

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other cooperative efforts to provide services more efficiently. For example:

- the Interlocal Cooperation Act (K.S.A. 12-2901) allows 2 or more local units to jointly provide a service that each has the authority to provide independently
- the Governmental Organization Act (K.S.A. 12-3901) allows 2 or more agencies or offices of local units to consolidate operations, procedures, and functions to reduce duplication and provide a more efficient and effective service
- the law governing contracts between municipalities (K.S.A. 12-2908) allows any municipality to contract for services from another municipality so long as each has the authority to perform that specific service
- numerous other statutes govern specific areas of cooperation such as cities and counties jointly owning, operating, or leasing an airport, establishing a joint board of health, and cooperating on building safety inspections

Local officials pointed out several State laws that they thought hindered local government consolidations or efforts to provide services more efficiently. In general, local officials didn't raise concerns about current statutory prohibitions against merging cities and counties. The issues they raised were more specific to their local situations, as follows:

- **K.S.A. 40-1706 provides a financial incentive for fire departments not to consolidate.** Under this law, each local firefighters relief association receives an annual base allocation of \$1,000 from the State Firefighters Relief Fund, plus an additional amount based on the population and assessed valuation of the fire department's service area. If 2 fire departments combined, their relief associations would be combined as well. As a result, the "new" combined relief association would receive a base allocation of just \$1,000, instead of the \$2,000 the 2 associations would have received before the merger.
- **K.S.A. 10-804, 10-805, and 19-311 require county treasurers and county clerks to keep duplicate records of all county warrants issued.** Other laws require them to keep duplicate copies of all bank deposits. As written more than 100 years ago, these laws may have helped ensure that proper "checks and balances" were in place. But according to county officials and a CPA we contacted who audits city governments, with today's sophisticated computer and accounting systems it's no longer necessary to keep these duplicate records.
- **K.S.A. 19-301, 19-501, and 19-1201 require every county to have an elected county clerk, county treasurer, and register**

of deeds, even though there's a significant amount of overlap between offices and often not enough work in rural areas to justify all 3. Only Johnson County has been able to streamline these functions. In 1999, the Legislature amended a law which allowed Johnson County to hold elections to eliminate certain elected officials. The electorate approved eliminating certain positions, and as currently planned, in 2005 the functions of the Johnson County register of deeds and county clerk will be combined into one office. The head of that office and the county treasurer will no longer be elected. These positions will report to the county manager.

Other states have taken or considered innovative approaches to encourage government consolidation, sharing, and cooperation.

For example, the governor of Wisconsin called a special task force on state and local government to review such things as the size and number of local governments in the state and the level of cooperation taking place. The task force also identified incentives for local governments to consolidate services.

These incentives, along with those we identified from other states, fall into the following areas:

- Provide financial incentives to cities and counties that demonstrate they are seeking to consolidate with other local governments. This step has a number of pitfalls, however. The Wisconsin Legislature set aside \$45 million in shared revenue funds to support local government consolidations and mergers. But because of difficulties in determining which local governments would qualify for the funds, that action was later rescinded. The Wisconsin Governor's task force also recommended changing Wisconsin's shared revenue formula to reward governments that consolidate, and penalize those that don't. According to one Wisconsin official, that recommendation hasn't been adopted because of political objections.
- Create a revolving loan fund to support financing of one-time costs tied to consolidation. Those costs can include such things as building or remodeling new facilities.
- Require voter review of local government. Montana's constitution has a provision requiring voters to decide every 10 years whether to review their city and county government organizations, and what changes, if any, should be made. It's a 2-step process. First, voters decide whether to have a "study commission" that can recommend such things as city-county consolidations, county

mergers, service consolidation, or disincorporation. If the commission proposes any changes, a second vote is taken to either adopt or reject the recommendations. Since this provision was adopted in 1972, 69 proposals to change the structure of a city or county have been adopted by voters, including 2 proposals to consolidate city governments and several proposals to switch to a city manager form of government.

- Adopt regional tax-sharing policies. In 1971, Minnesota adopted a tax-base sharing system under which each community in the Minneapolis-St. Paul region contributes 40% of the growth of its commercial and industrial tax base to a regional pool. Money is distributed back to each community from the pool based on lack of commercial and industrial tax base. Such tax sharing policies reduce fiscal inequities between communities and encourage regional cooperation, rather than competition, in economic development. This concept might not work as well in Kansas because of cities' and counties' ability to grant property tax abatements, thereby limiting the growth of taxable property in that jurisdiction.
- Create a state and local affairs office within a State agency to promote best management practices. The Colorado Department of Local Affairs provides technical expertise to local governments on budgeting, financial management, and other areas. In addition, that Department administers financial assistance, such as community development and community service block grants. Such an office in Kansas could be used as a mechanism to encourage consolidation, resource sharing, and other cooperation among cities and counties. It also could provide assistance in overcoming technical issues (for example, how motorized equipment or project costs will be shared) that sometimes discourage local governments from working together.

We also identified 2 areas where Kansas is encouraging resource sharing and other cooperative efforts, but this encouragement could be expanded to other entities or service areas. Those areas are described below:

- Give preference to local governments that submit joint applications for State and federal grant funds. KDHE requires local health departments to jointly apply for the grants it distributes to local health departments for bioterrorism prevention and response. According to an official from the Kansas Association of Local Health Departments, this requirement has greatly increased the amount of cooperation among these departments. Currently, joint

applications for many other grant funds—such as community service and community development block grants—aren't given preference over applications submitted by single entities.

- Encourage implementation of E-government applications for selected local government services. Such applications allow services such as bill payment and license application to be provided without regard to geographic or political boundaries. One example is HR Partners in Sedgwick County, in which Derby, Sedgwick County, and several other communities share a single job application form that is completed on-line. The Information Network of Kansas is available to help cities and counties as they develop E-government applications.

Question 2: Are There Opportunities for Reorganizing or Improving Cooperation Among Townships and Special Districts of Various Kinds?

Townships, cemetery districts, and drainage districts comprise more than half the State's local units of government. The opportunities for improving cooperation among these entities essentially are the same as those identified for cities and counties in Question 1. The more significant question is whether all these entities need to exist as separate units of local government at all. For the most part, the types of services they provide, such as mowing and road work, already are being performed by cities and counties. Eliminating these local units may not always result in much cost savings because most of the costs they incur are for direct services that still would have to be provided. In some cases, costs actually could increase if paid staff end up performing work that currently is done by volunteers. Local officials worry that abolishing these local units would result in poor-quality service and a greater lack of accountability. These and other findings are discussed in the sections that follow.

Townships, Cemetery Districts, and Drainage Districts Comprise More Than Half the State's Units of Local Government

Because of their large numbers in Kansas, we reviewed the functions of townships and 2 types of special districts—cemetery districts and drainage districts. Table II-1 on the next page shows how many of each type of entity existed, what their primary functions are, and how much they levied in property taxes in calendar year 2002.

There's a Potential for Eliminating Township Governments, Cemetery Districts, and Drainage Districts And Reassigning Their Duties and Funding To City or County Governments

Like cities and counties, townships, cemetery districts, and drainage districts could cooperate and share resources in ways similar to those pointed out in Question 1. But because cities and counties already perform the same types of functions these smaller entities perform, in this question we looked at the potential for eliminating these entities and reassigning their functions to other units of government—most likely a city or a county.

The factors we identified that suggest such consolidation should be considered are discussed below:

Townships

- **73 of the State's 105 counties already have maintenance of the township roads in their counties.** That's one of the primary functions of a township. In addition, all other county governments in Kansas have road maintenance programs.
- **All county governments already control the growth of noxious weeds and other plants that grow at the side of county roads.** That's another function of townships.

**Table II-1
Number of Townships, Cemetery Districts and Drainage Districts and
Property Taxes Levied by Each in Calendar Year 2002**

	Primary Functions	Number (a)	# That Levied Property Tax in 2002, and Amount Levied
Townships	<p>First organized in Kansas around 1870, townships generally are defined as having a geographic boundary of 30 square miles. Their main functions: maintaining township roads, controlling noxious weeds, and providing fire suppression services. By law townships also are charged with licensing billiard halls or bowling alleys that operate outside an incorporated city.</p> <p>Each township has a 3-member governing—a trustee, clerk, and treasurer. Board members may be compensated. Average annual pay for board members we talked with: \$3,700 for Douglas County and \$680 for Dickinson County.</p>	1,348	<p>1,200 levied almost \$39.0 million</p> <p>148 levied no tax</p>
Cemetery Districts	<p>Kansas law authorized cemetery districts in 1925 to maintain active and abandoned cemeteries within their boundaries. Some also may be responsible for opening and closing burial sites.</p> <p>Each district has a 5-member governing board. Most members we spoke with said they receive no compensation. The board oversees maintenance operations and makes other decisions, such as whether to acquire additional land. Board members may voluntarily perform some maintenance work themselves, or may contract out for the service.</p>	693	<p>675 levied almost \$3.4 million</p> <p>18 levied no tax</p>
Drainage Districts	<p>Kansas law authorized drainage districts in 1905 to maintain levees and other flood control structures, and to build ditches, drains, and sewers to prevent standing water or flooding. In a few instances, their boundaries may extend into more than one county.</p> <p>Each district has a 3 or 5-member governing board. Board members may be compensated. In 2002, each member of the Douglas County Kaw Drainage District received \$900.</p>	65	<p>50 levied \$3.5 million</p> <p>15 levied no tax</p>
Total—these 3 types of local entities		2,106	<p>1,925 levied about \$45.9 million</p> <p>181 levied no tax</p>
Total number of units of local government—as reported by county clerks to the Division of Property Valuation		3,427	<p>3,186 levied \$2.65 billion</p> <p>241 levied no tax</p>
(a) The number of local government units reported by county clerks differs slightly from the count reported by the U.S. Census Bureau, as shown in the Overview. In general, these differences were fairly small.			

- **Officials we talked with who are local government experts all agreed the township form of government was no longer essential in Kansas.** Those officials were from the Kansas Association of Counties, the League of Kansas Municipalities, and local government experts from Wichita State University and the University of Kansas. They thought townships could be eliminated and their duties assigned to other local government units, primarily cities or counties.

- **Fire districts could be formed to take the place of any townships that provide fire suppression services.** Some townships have volunteer fire departments that could be kept intact. If any city or county assumed responsibility for this service, it still would need to have fire houses in these communities and find employees. Volunteer fire departments are a reasonable and cheaper alternative.
- **Statutes could easily be changed to assign townships' duties for licensing billiard halls and bowling alleys located outside city boundaries to county commissions.**

Cemetery Districts

- **Cities and counties already provide essentially the same types of services that cemetery districts perform.** Most cities and counties maintain public grounds that require mowing and trimming, and have employees who could perform additional tasks related to preparing grave sites. Also, some cities, like Herington and Holton, presently operate city cemeteries.

Drainage Districts

- **Some municipalities, like Lawrence, Topeka, Wichita, and Sedgwick County, already maintain levees and other flood control structures along major waterways.** Also, all cities and counties would have an engineer or could contract for expertise regarding levee and ditch maintenance and other flood-control measures.
- **Officials from the Department of Agriculture's Division of Water Resources told us drainage districts aren't essential units of local government and could be eliminated.** That's provided the responsibility for maintaining flood control structures within their boundaries is given to another entity. These officials thought a county or a watershed district would be the most likely choices. Currently, no State agency has oversight responsibility for drainage districts. According to Property Valuation Division records, the boundaries of 61 of Kansas' 65 drainage districts fall within a single county.

The savings that could be achieved from eliminating these units of government and assigning their responsibilities to others may be relatively small. Several factors suggest this:

- *Most local units have fairly small budgets to begin with.* For example, for calendar year 2002 the 30 cemetery districts in Dickinson County had operating budgets ranging from \$700 to \$126,000, with a median value of \$2,800. The 4 drainage districts in Douglas County had operating budgets ranging from \$2,000 to \$97,000, with a median value of \$18,000. And the 9 townships in Douglas County had operating budgets ranging from \$92,000 to \$810,000, with a median value of \$276,000.

- *Most of the moneys these entities spend are for direct services that still would have to be provided.* For example, about 93% of the budgeted expenditures for townships in Dickinson County are for direct services like road maintenance, weed control, and fire suppression. Depending on the circumstances, cities and counties may be able to absorb those services using their existing staff and equipment, or they may be able to provide those services at the same or for less cost. For example, in Question 1 we estimated that township road grading costs in Dickinson County potentially could be reduced by about \$65,000 a year if the work were performed by the County rather than the townships.

In other situations, however, cities or counties may have to spend more. For example, the Abilene City Manager told us that preliminary studies showed operating costs would increase if Abilene assumed responsibility for operating the city cemetery in Abilene.

Townships and cemetery and drainage districts don't spend much on administration, an area where cost savings often are likely to occur when functions are merged. Administrative costs generally are minimal because most of these entities have only small oversight boards that set the annual budget, approve contracts and expenditures, and make policy decisions. Compensation paid to board members at the entities we reviewed generally was small.

- *These entities make use of volunteer labor to provide some services.* Six of the 9 townships in Douglas County provide fire suppression services with a volunteer fire department. Drainage and cemetery district board members we spoke with also indicated they sometimes provide or recruit volunteer labor for projects.

If townships, cemetery districts, and drainage districts were eliminated, some or all of the funding for those services would have to be transferred to the city or county that assumed those responsibilities.

Eliminating smaller local units of government would spread the costs for those services over a larger tax base, which could eliminate some of the taxing inequities that currently exist. Each year, every local unit of government submits its budget to the county clerk, who computes the appropriate mill levy to generate that much local funding. Many counties have more than 30 individual taxing entities—some tax the entire county, and some tax only a specific region. For example, Pottawatomie County has 50 taxing entities but only one entity—the County itself—levies a tax across the entire county.

With so many local entities of government, Kansas has over 7,000 “taxing” combinations. That many taxing districts can cause vast disparities on the amount of property tax that residents within a county pay to receive similar services, or for services that generally benefit the county at large.

Table II-2 shows one example using 4 of the 24 townships in Dickinson County, all of which provide the same basic services for their residents.

Table II-2 Property Value and Tax Levied for Selected Townships in Dickinson County 2002			
Sample Townships	Amount of Property Tax Needed To Fund Township Services	Mill Levy Needed To Generate That Amount	Property Tax on a \$75,000 Home
Grant	\$51,401	5.478	\$47.25
Logan	\$43,625	9.668	\$83.39
Buckeye	\$61,726	17.790	\$153.44
Holland	\$27,913	23.786	\$205.15
Countywide mill levy and residents' property tax rates if the services provided by all 24 townships were funded through a countywide assessment	\$910,398	13.643	\$117.67
Source: LPA analysis of Property Valuation Division data			

As the table shows, residents of different townships pay very different amounts in property taxes. If townships were eliminated and the county were to assess a single countywide levy to provide these services, all county residents would pay a uniform tax. In addition, this action would simplify property tax calculations, and could reduce the amount of time and money county staff spend to prepare annual billing statements.

Local Officials Expressed Concerns About the Loss Of Local Control and the Potential For Services To Deteriorate If These Local Units Were Eliminated

During this audit, we interviewed at least 50 local officials who serve on the governing boards of townships, cemetery districts, and drainage districts. They voiced a number of strong concerns about what might happen if these local units were eliminated. Their major concerns are summarized on the next page.

- Loss of local control and accountability. This was their main concern. They said they want to be able to decide how much, what type of, and when work will be done. For example, township officials in Dickinson and Douglas Counties strongly oppose giving their county government responsibility for maintaining township roads because they want to decide how to maintain them.
- A deterioration in the level of services provided. Local officials we talked with expressed concern that their specific services would simply become “small fish in a big pond” if their duties were given to a county or city. That is, their area would become an unimportant part of a much larger service area that already has a high demand for services. In Douglas County, for example, the majority of the traffic volume occurs in Lawrence. If township roads were added to the county’s or city’s coverage area, local officials fear their roads would receive much less routine service.

They also expressed concerns that response times to address problem issues would increase. For example, when it snows they make sure their roads receive prompt attention. If they had to rely on the county, school buses and other travelers might be delayed.

- Loss of personal attachment to the property. Many of those who serve on oversight boards have a vested interest in making sure services are provided. For example, some members of cemetery boards have family members buried in those cemeteries. Also, members of the Douglas County Kaw Drainage District said they own property that lies within the district and have lived in the Lawrence area for many years. They indicated they have local knowledge of what has and hasn’t worked, and are afraid this knowledge could be lost if the county took over responsibility.

Conclusion

The economic downturn of the past several years has forced all units of government to raise taxes, cut services, or look for new ways to provide services at less cost. Opportunities to consolidate or share resources among local governmental entities are plentiful. They range from consolidating whole departments to banding together to buy supplies and equipment more economically. Identifying opportunities isn’t the problem. The difficulty lies in getting local government officials to seek out and embrace those opportunities, and to work together to change the status quo.

Concerns about losing local control, fear that service levels will deteriorate, lack of political will to make a change, distrust or competition among government entities, a desire to buy locally, and fear that costs or benefits won’t be equally shared are all factors that

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discourage local collaborative efforts. In the 3 counties we visited, even where working relationships were strong among local officials, we saw evidence of all these factors. For their part, local officials see themselves as looking out for their constituents' best interests.

We think significant changes won't occur unless local circumstances force a change, or unless local officials can begin seeing beyond their individual local interests and embracing the fiduciary responsibility for managing all local tax dollars wisely. The opportunities listed in Appendix C are just a starting point. Local officials throughout Kansas should be exploring these and other areas in greater detail, and working to make consolidation and resource-sharing a high priority.

There's little the State can do to encourage these efforts if local officials aren't behind them. Few legal impediments stand in the way, but those that do should be changed. Innovative approaches other states have used should be considered and the ones that seem feasible should be tried. Finally, the Governor and Legislature need to breathe life into the Kansas Advisory Council on Intergovernmental Relations. Created by the 2002 Legislature to study services provided by local units of government, identify ways to improve their structure and efficiency, and report back annually to the Governor and the Legislature, the Council has never met and has no current plans to do so.

Recommendations

1. To ensure that the State has a coordinated and ongoing effort to review and help modernize the way local governments provide services, the Governor should immediately activate the Advisory Council on Intergovernmental Relations, and should ensure that it meets on a regular basis to begin fulfilling the charge given to it by the 2002 Legislature. Among other things, the Council should be asked to study the following specific issues and report its findings back to the Governor and the Legislature regarding actions that could be taken:
 - a. Whether the township, cemetery district, and drainage district forms of government should be retained or eliminated. The Council should consider the merits of having the services these entities currently provide be provided by larger local units of government—primarily cities and counties that already provide similar services. It should also consider whether fire-fighting services now provided by volunteer township fire departments should be provided through newly formed fire districts.

- b. Which of the techniques other states use to encourage local governments to collaborate might be most useful to Kansas, and how they could best be implemented. The techniques we describe on pages 20-22 include:
 - i. requiring voters to decide every 10 years whether to review and change their city or county governmental structures
 - ii. adopting regional tax-sharing policies
 - iii. creating a revolving loan fund to help finance one-time costs associated with consolidation
 - iv. encouraging the use of e-government applications and services
 - c. How impediments to local government cooperation and consolidation, such as fears about losing local control and distrust or competition among local government entities, can best be minimized. (See page 7 of this audit report.)
 - d. How to make localities aware of ways to make more efficient use of local tax dollars, and how the State or others can provide expertise regarding specific steps local officials can take to successfully implement consolidations or sharing of resources.
2. To help foster a spirit of cooperation among local government officials, the Governor should direct the State agencies that provide major grants to local units of government—such as the Departments of Commerce and Health and Environment—to use grant awards to encourage greater cooperation and collaboration at the local level.
 3. To help remove legal impediments that prohibit or discourage local governments from consolidating, the Special Committee on Local Government should attempt to review and introduce legislation to do the following:
 - a. amend State law to allow 2 counties or a city and a county to reorganize and form a single local governmental entity. SB 238, introduced but not passed during the 2003 legislative session, would have authorized such mergers. (See page 18.)
 - b. amend K.S.A. 40-1706 so that firefighter relief associations don't receive less funding if two fire department merge into one. (See page 19.)
 - c. amend K.S.A. 19-301, 19-501, and 19-1201 to allow any county to vote to combine or eliminate one or more of the

elected offices of county treasurer, county clerk, and register of deeds. In 1999, the Legislature amended K.S.A. 19-2680 and 2681 to allow Johnson County to hold such elections. (See pages 19-20.)

- d. amend K.S.A. 10-804, 10-805, and 19-311 to repeal the requirement that county treasurers and county clerks keep duplicate records of all county warrants issued. (See page 19.)

If the Special Committee is unable to address all these issues during the interim, they should be referred to the House Local Government and Senate Elections and Local Government Committees for consideration during the 2004 legislative session.

APPENDIX A - Scope Statement

This appendix contains the scope statement approved by the Legislative Post Audit Committee for this audit on March 19, 2003. The audit was requested by Senator Kerr.

Governmental Reorganization: Assessing the Potential for Improving Cooperation and Reducing Duplication

According to 1997 U.S. Census data, the State of Kansas has 3,950 local units of government, including townships, special districts, and school districts, in addition to cities and counties. Nationwide, the average number of local units is less than half that, about 1,660 per state. The only states reported to have more local units than Kansas are California, Illinois, Pennsylvania, and Texas.

A 1991 interim study report included testimony from the Director of Kansas Inc., who argued that the proliferation of local governments in Kansas had led to fragmentation in the local tax base, duplication of services, inefficiencies in service delivery, rising government costs, and serious inequities among taxpayers. He argued that the variability caused by this fragmentation made it almost impossible for State policymakers and legislators to design Statewide tax reform measures that could achieve broad taxation goals in an equitable manner. Further, the Director noted that the small size of most local government entities in Kansas made it difficult to achieve economies of scale in providing public services, and had led to increases in the cost of government and the number of public employees.

A later interim study, prompted by the apparent success of the Wyandotte County/Kansas City, Kansas, unification, noted that the State has laws on the books authorizing both consolidation and interlocal cooperation. In addition, cities, counties, and townships are allowed to contract with any other city, county, or township to perform any governmental service.

Given the State's fiscal situation, legislators have expressed concern about the cost of all these local governments, and about what steps the State could take to encourage increased efficiency in local government operations. An audit in area could address the following questions:

1. **What opportunities exist for cities and counties to save money through reorganization or improved cooperation?** To answer this question, we would review the statutory provisions allowing cities and counties to reorganize or cooperate. We would select a sample of counties and inventory the services and administrative structure the counties provide in common with the cities in those counties (e.g., road maintenance, parks and recreation, purchasing, code enforcement). We would try to quantify the potential benefits that might be realized through greater economies of scale, less duplication of services, and so forth. We would try to identify any statutory, economic, or political impediments to reorganizing or improving cooperation among local units.
2. **Are there opportunities for reorganizing or improving cooperation among townships and special districts of various kinds?** Kansas has about 1,300 townships, subdivisions of counties that primarily provide local services such as fire protection, road maintenance, or cemeteries. In addition, the State has more than 1,500 special districts, more than the number of Kansas cities, counties, and school districts combined, and more than any other state except California, Illinois, Pennsylvania, and Texas. We would look at the services provided by townships and special districts, whether (on a sample basis) they all are necessary, and what alternatives exist for providing their services with less cost. We would identify possible impediments to reorganization or improved cooperation among these local units. Finally, we would try to identify any incentives the State could offer to encourage reorganization or cooperation that results in more efficient or less costly service delivery to taxpayers.

Estimated completion time: 12 weeks

Staff note: As written, this scope statement does not deal with school districts. Reorganization of school districts is being studied extensively by others during this legislative session.

APPENDIX B

Types of Local Government Units in Kansas, the Number that Levied Property Taxes in Calendar Year 2002, and the Amounts Levied

This list represents all types of local government entities, including special districts, that are allowed by State law. For each type of entity, the number that levied property taxes and the amount they levied is given.

Types of Local Government Units in Kansas, the Number that Levied Property Tax in Calendar Year 2002, and the Amount Levied			
	Established K.S.A. Reference	Number that Levied Property Tax in 2002	Amount Levied in 2002
General Government Entities			
Counties	18-301	105	\$758,885,930
Cities			
1 st Class	13-101	28	308,585,045
2 nd Class	14-101	93	92,212,320
3 rd Class	15-101	503	47,190,919
Townships	19-217	1,200	38,976,508
<i>Subtotal of General Government Entities</i>		<i>1,929</i>	<i>\$1,245,850,722</i>
Education-Related Districts			
School	72-6431	303	\$1,112,227,009
Community Junior Colleges	71-1103	19	141,134,287
Municipal University (Washburn)	13-13a01	1	2,822,859
<i>Subtotal of Education-Related Districts</i>		<i>323</i>	<i>\$1,256,184,155</i>
Special Districts			
Airport Authorities	27-316	3	\$2,471,756
Ambulance	65-6118	7	354,232
Cemetery	17-1330	675	3,371,620
Community Building (applicable to only to 3 rd class cities)	15-11b01	2	8,079
Conservation/Extension	2-1902	2	368,144
Drainage	24-407	50	3,503,163
Fire	19-3601	321	32,919,147

	Established K.S.A. Reference	Number that Levied Property Tax In 2002	Amount Levied In 2002
Special Districts (continued)			
Hospital	80-2503	33	11,896,257
Improvement	19-2765	24	4,905,507
Industrials	19-3808	1	134,377
Irrigation	42-388a	0	0
Library	12-1225	25	32,030,537
Light	14-531	9	9,604
Park & Recreation (including Johnson County Park and Recreation District)	19-1928	2	9,873,720
Regional Library	12-1231	8	5,249,085
Rural Road	68-568	2	2,509,141
Rural Water	82a-602	2	35,732
Sewer	19-27a	19	179,289
Sewer-Water	82a-602 & 19-27a	2	20,551
Transit	75-5052	1	1,990,652
Watershed	24-1201a	69	2,943,946
<i>Subtotal of Special Districts</i>		<i>1,257</i>	<i>\$114,774,539</i>
Total		3,509	\$2,618,809,418
Other^(a)			
Groundwater Management	82a-1020		
Waterworks Board (applicable only to the City of Leavenworth)	13-2418		
Water Supply and Distribution	19-3509		
Public Wholesale Water Supply	19-3545		
Municipal Energy	12-885		
Board of Public Utilities (applicable only to 1 st class cities with a population of more than 100,000)	13-1220		
<p>(a) These entities are authorized by State law but records from the Division of Property Valuation don't separately identify the property taxes they levied in calendar year 2002. They may also be solely fee funded entities. Because of time constraints, we didn't perform additional analysis to identify the number of these entities. Source: LPA analysis of Division of Property Valuation records</p>			

APPENDIX C

Ways Cities and Counties Can Streamline Government Operations

This list represents potential opportunities to consolidate departments from 2 or more cities or counties into a single department and for cities and counties to share resources or cooperate with one another. This list is not meant to be exhaustive nor do we suggest that each opportunity is practical or cost-effective for every city or county. When we were aware of them, we provided examples of how cities and counties have adopted these opportunities.

	OPPORTUNITIES TO...	
Service Area	Consolidate Into a Single Department	Share Resources and Cooperate To Achieve Efficiencies
Public Safety Services		
Ambulance	Establish a consolidated city-county ambulance service. For example, the Metropolitan Ambulance Services Trust (MAST) provides ambulance services to Kansas City, MO, Kansas City, KS, Edwardsville, and 14 additional municipalities in the Kansas City metro area. Dickinson, Douglas, and Sedgwick counties also have county-wide ambulance service.	<p>City and county EMS departments could agree to provide assistance to each other when responding to emergencies</p> <p>House ambulances in existing fire stations rather than in separate facilities</p>
Animal Control	Establish a consolidated city-county animal control function. For example, Greensboro and High Point, North Carolina, and Guilford County adopted a single animal control ordinance and consolidated animal control department under the county animal shelter.	A city and county could contract with each other to use only one animal shelter
Emergency Communications (911)	Establish a consolidated countywide (or regional) emergency communications department. For example, in 1995, Douglas County created a department to provide enhanced 911 services to Douglas County, including the cities of Baldwin City, Eudora and Lawrence. It also provides radio dispatching personnel and equipment for the 23 police, fire, and medical response agencies serving the cities, townships, and rural areas of Douglas County.	Find creative ways to staff the emergency dispatch system The City of Mount Hope agreed to have staff from a local nursing home handle emergency calls because the nursing home is fully staffed 24 hours a day.
Emergency Preparedness	Establish a consolidated countywide (or regional) emergency preparedness agency	
Fire Protection (includes fire prevention, suppression, and training)	Establish a consolidated fire department. For example, Fire District #2 in Reno County merged with the Hutchinson Fire Department into a single department under the auspices of the City of Hutchinson.	<p>A city could contract with another city for fire suppression services</p> <p>City fire departments could agree to provide assistance to each other when responding to emergencies. For example, the Tonganoxie Fire Department has such an agreement with 9 other nearby city and township fire departments. Fire departments in Dickinson, Douglas, and Sedgwick counties also have agreements with other nearby departments.</p> <p>Jointly construct a fire station. For example, 2 adjacent cities could jointly construct a fire station to serve both cities instead of each city building its own.</p> <p>City fire departments could share special units (e.g. hazard materials response, arson investigation) with other fire departments</p> <p>City fire departments could share training facilities. For example, the Lawrence/Douglas Fire Department offers use of its training facilities to other fire departments.</p>

Jail		<p>Local governments could contract with each other to house its prisoners. For example, Topeka contracts with Shawnee County for the housing of its prisoners. The same arrangement exists between Abilene and Dickinson County, Lawrence and Douglas County, and Wichita and Sedgwick County.</p> <p>Jointly finance and construct a jail</p>
Law Enforcement	<p>Establish a consolidated city-county police force. For example, in 1974, the Riley County Sheriff Department, the City of Manhattan Police Department, and the City of Ogden Police Department consolidated into the Riley County Police Department, serving the entire county. The county no longer has a sheriff and the department is lead by a hired director and governed by a board consisting of representatives from the 2 cities and the county.</p>	<p>A city could contract with a county sheriff's department for law enforcement services. For example, Solomon contracts with the Dickinson County Sheriff's Department to provide police services instead of maintaining its own police department.</p> <p>The county sheriff could deputize city police officers. This allows city officers to provide assistance and make arrests beyond city limits.</p> <p>Police and sheriff's departments could agree to provide assistance to each other when responding to emergencies</p> <p>A city police department could share its special units and programs (e.g. crime scene investigation units, K-9, D.A.R.E) with other police departments.</p> <p>Police and a sheriff's departments could share training facilities. For example, the Sedgwick County Sheriff and the Wichita Police Department share a firearms range.</p> <p>Police and a sheriff's departments could share support services (e.g. dispatch, records management, fleet maintenance) For example, the Lawrence Police Department handles record retention for all law enforcement departments in the County.</p> <p>Police sheriff's departments could share office space For example, the Douglas County Sheriff and Lawrence Police Department share an evidence custody room.</p>
Radio-Communications		<p>Jointly finance and construct a communications system For example, Greensboro and Guilford County in North Carolina jointly contracted for the construction of an 800 MHz emergency communications system compatible with the systems of surrounding communities.</p>
Administrative and Support Services		
Administrative Activities		<p>Share administrative positions when one municipality can't support the position by itself An example could be 2 small towns share a city administrator or 2 or more counties sharing an appraiser.</p>
Buildings		<p>Jointly finance, construct, and operate public facilities These could include convention centers, office buildings, and recreational facilities such as ballparks and pools. For example, Leavenworth and Leavenworth County pooled their financial resources and built a joint criminal justice center. The Douglas County Sheriff's Department and the Lawrence Police Department also are located in the same building.</p>
Employee Health Insurance		<p>Enter into joint purchasing pools for employee health insurance</p>
Facilities Maintenance (includes custodial, carpentry, and architectural services)		<p>Municipalities could contract with each other for facilities maintenance services</p> <p style="text-align: center;">....or...</p> <p>share facilities maintenance For example, a city and county could share custodial staff for the upkeep of both city hall and the courthouse.</p>
Fleet Maintenance	<p>Establish a consolidated city-county fleet maintenance department. For example, the City of Kenosha and Kenosha County in Wisconsin created a separate government agency to, among other things, provide fleet maintenance services to the city's and county's public safety departments.</p>	<p>Municipalities could contract with each other for fleet maintenance services. For example, Sedgwick County may repair nearby cities' vehicles as time permits.</p> <p>Municipalities could jointly construct and operate fleet maintenance facilities</p>

Human Resources	Establish a consolidated city-county human resource department. For example, the City of Lincoln and Lancaster County in Nebraska have a joint personnel department that provides human resource services to all city and county departments and agencies.	Cities and counties could jointly conduct employee recruitment, testing, and application activities. For example, Derby, Sedgwick County and several other cities share an employment information and application internet website. Job applicants can view job openings of any of the participating cities and apply for them online. Municipalities could share in the costs of compensation and position classification studies
Information Technology (IT)	Establish a consolidated city-county IT department. For example, the City of Lincoln and Lancaster County in Nebraska have a joint IT department that provides computer services and support to both city and county departments and agencies.	A city could provide geographic information systems (GIS) or mapping services to another city or county Cities and counties could contact with each other for IT customer and technical support Share software packages. The Missouri Department of Education gave the Kansas Department of Education a software program to manage grants made to school districts. Instead of developing a new system, Kansas was able to modify the Missouri software at a substantially reduced price.
Printing	Establish a consolidated printing department	Municipalities could contract with each other for printing services. For example, in North Carolina Guilford County closed its printing department and contracts with Greensboro for printing services.
Purchasing	Establish a consolidated city-county purchasing department. For example, in Nebraska the City of Lincoln and Lancaster County have a joint purchasing department that conducts purchasing for both entities.	Jointly purchase items to get more favorable terms. For example, Lawrence and Douglas County jointly purchase long-distance telephone service. Piggyback off each others purchasing contracts. For example, Independence, Missouri allows other local governments in the Kansas City metro area to "piggyback" or buy off its existing contracts. Explore having government entities purchase items directly from each other. For example, the Mid-America Regional Council has implemented a program to allow EMS agencies throughout Kansas and Missouri to purchase ambulance reporting forms at a discount. The 4-part forms, which meet all state reporting requirements, are available to both members and of the Council and nonmembers. Jointly develop and administer an on-line bidding system. For example, through the Mid-America Regional Council, cities in the Kansas City metro area are exploring a joint on-line purchasing and bidding system that they hope will save considerable money in future purchases. Lawrence and Douglas County participate in a similar national system called DemandStar.
Risk Management	Establish consolidated risk management department. For example, in Contra-Costa County, California, the Contra-Costa County Municipal Risk Management Insurance Authority was formed in 1978 to provide liability and workers compensation insurance to cities in the county.	
Community Development		
Parks & Recreation (includes swimming pools, golf courses, community centers, etc.)	Establish a consolidated park and recreation department	Municipalities could jointly finance, construct, and operate recreational facilities. For example, a school district could partner with the YMCA to construct a new gymnasium. Municipalities could share park maintenance responsibilities with each other. For example, Lawrence inspects and repairs park equipment for Douglas County.

Planning (includes zoning)		<p>Having cities and counties conduct regional planning with each other. For example, the Mid-America Regional Council (MARC) serves as the regional planning organization for Kansas and Missouri communities in the Kansas City metro area. The organization conducts long-term planning and facilitates coordination among participating communities.</p> <p>Cities and counties could share planning services. For example, the Metropolitan Area Planning Department serves the City of Wichita and Sedgwick County and the Lawrence-Douglas County Metropolitan Planning Commission serves the City of Lawrence and Douglas County. Each commission receives funding from both the respective city and county. They serve as a clearinghouse for planning and development-related data and makes recommendations on development applications to the city and county commissions.</p>
Code Enforcement (includes building code enforcement)	Establishing a single, consolidated inspection and code enforcement department	<p>Share a code enforcement officer. For example, Denmark, NY and the villages of Castorland and Copenhagen entered into an agreement to share a code enforcement officer who is responsible for the administration and enforcement of the land-use control laws of the 3 municipalities.</p> <p>Municipalities could contract with one another to provide inspections</p>
Public Works		
Recycling	Establish a consolidated countywide (or regional) recycling agency	Municipalities could contract with each other for recycling services
Road Maintenance		<p>Share road maintenance equipment. For example, the Dickinson County Highway Department and the Abilene Public Works Department will sometimes share equipment with one another.</p> <p>Share in the construction and maintenance costs of boundary streets or roads that are in each other's jurisdiction. For example, the Dickinson County Highway Department will sometimes repair city streets for the cost of materials only.</p> <p>Cooperate on snow removal. For example, Douglas County and Lawrence have an informal agreement regarding snow removal for roads on the city/county boundary line.</p> <p>Share a traffic engineer when one city can't support the position by itself</p>
Solid Waste	Establish a consolidated countywide (or regional) solid waste agency	<p>Municipalities could contract with each other for trash collection</p> <p>Jointly finance and operate a landfill. For example, Long Lake, Inlet, and Indian Lake, NY have a jointly-operated landfill. An agreement between the towns specify the pricing fees and liability of each.</p>
Water/Waste Water	Establish a consolidated countywide (or regional) water and waste water department	<p>Contract with each other for water and waste water treatment</p> <p>Consider buying water from other cities. For example, Herington, Wichita, and Lawrence sell their water to nearby cities.</p> <p>Share a public works engineer when one city can't support the position by itself</p> <p>Jointly finance, construct, and operate water and waste water treatment plants. For example, Abilene shared construction costs for its water treatment plant with Dickinson County Rural Water District #2.</p>

APPENDIX D

2002 Budget Information

This appendix contains the calendar year 2002 estimated expenditures for Dickinson, Douglas, and Sedgwick Counties. The budget information was used to determine service areas where duplication of effort exists.

Calendar Year 2002 Estimated Expenditures for City, County, and Township Governments and Special Districts in Dickinson Cou

	County Dickinson	County Seat Abilene	All Other Cities	Townships	Special Districts	Total	Percent of Total
Service Area							
Public Safety							
law enforcement	\$1,055,300	\$726,133	\$507,060			\$2,288,493	6.3%
fire		\$495,171	\$238,054	\$27,690	\$134,543	\$895,458	2.5%
courts	\$706,045	\$92,663	\$10,437			\$809,145	2.2%
emergency communication	\$385,039		\$11,000			\$396,039	1.1%
youth shelter	\$112,000					\$112,000	0.3%
prosecutor	\$194,450					\$194,450	0.5%
street lighting			\$12,800			\$12,800	0.0%
ambulance	\$265,007					\$265,007	0.7%
emergency preparedness	\$22,000					\$22,000	0.1%
animal control							0.0%
subtotal	\$2,739,841	\$1,313,967	\$779,351	\$27,690	\$134,543	\$4,995,392	13.8%
Transportation							
road const./maintenance	\$2,273,493	\$659,012	\$603,664	\$1,107,080		\$4,643,249	12.8%
public transportation		\$51,450	\$2,000			\$53,450	0.1%
airport		\$22,440	\$52,600			\$75,040	0.2%
subtotal	\$2,273,493	\$732,902	\$658,264	\$1,107,080	\$0	\$4,771,739	13.2%
Environmental Management							
sewer	\$3,000	\$788,327	\$437,965			\$1,229,292	3.4%
water supply		\$2,333,279	\$650,296			\$2,983,575	8.2%
refuse	\$455,000	\$79,659	\$163,700			\$698,359	1.9%
flood control		\$87,565			\$140,718	\$228,283	0.6%
noxious weeds	\$353,000		\$2,400	\$45,732		\$401,132	1.1%
subtotal	\$811,000	\$3,288,830	\$1,254,361	\$45,732	\$140,718	\$5,540,641	15.3%
Community Development							
library		\$169,520	\$107,030		\$125,005	\$401,555	1.1%
parks/recreation	\$39,000	\$614,064	\$421,227		\$362,711	\$1,437,002	4.0%
economic development	\$28,500	\$184,967				\$213,467	0.6%
planning/zoning	\$44,100	\$65,310				\$109,410	0.3%
community development/housing		\$68,235	\$31,592			\$99,827	
subtotal	\$111,600	\$1,102,096	\$559,849	\$0	\$487,716	\$2,261,261	6.2%
General Administration							
administration		\$527,993	\$627,900	90,274		\$1,246,167	3.4%
central services	\$259,739					\$259,739	0.7%
elected offices	\$462,328					\$462,328	1.3%
tax assessments/collections	\$249,600					\$249,600	0.7%
counselor	\$40,000		\$900			\$40,900	0.1%
liability insurance	\$140,000		\$7,400			\$147,400	0.4%
elections/registration	\$77,000					\$77,000	0.2%
subtotal	\$1,228,667	\$527,993	\$636,200	\$90,274	\$0	\$2,483,134	6.8%
Health							
public health (a)	\$447,364				\$9,144,148	\$9,591,512	26.4%
mental health	\$165,907					\$165,907	0.5%
social services	\$122,753	\$24,450				\$147,203	0.4%
subtotal	\$736,024	\$24,450	\$0	\$0	\$9,144,148	\$9,904,622	27.3%
Debt Service	\$302,196	\$197,693	\$646,304			\$1,146,193	3.2%
Employee Benefits	\$675,000	\$613,717	\$373,200		\$50,385	\$1,712,302	4.7%
Miscellaneous	\$252,269	\$82,000	\$42,574			\$376,843	1.0%
Gas/Electric			\$2,772,071			\$2,772,071	7.6%
Cemetery			\$2,000	\$16,000	\$206,200	\$224,200	0.6%
Capital Improvement		\$30,000	\$56,000			\$86,000	0.2%
Other							0.0%
Total	\$9,130,090	\$7,913,648	\$7,780,174	\$1,286,776	\$10,163,710	\$36,274,398	100%

(a) The Dickinson County Hospital District #1 accounts for \$9,144,148 of expenditures under 'public health' and 90% of the total expenditures for all 'Special Districts'

Calendar Year 2002 Budgeted Expenditures for City, County, and Township Governments, and Special Districts in Douglas County

	County Douglas	County Seat Lawrence	All Other Cities	Townships	Special Districts	Total	Percent of Total
Service Area							
Public Safety							
law enforcement	\$6,101,153	\$10,113,302	\$1,075,605			\$17,290,060	10.4%
fire		\$9,167,706	\$260,098	\$532,286	\$166,212	\$10,126,302	6.1%
courts	\$965,389		\$19,869			\$985,258	0.6%
emergency communication	\$646,345					\$646,345	0.4%
youth services	\$1,045,307					\$1,045,307	0.6%
prosecutor	\$1,108,598					\$1,108,598	0.7%
street lighting						\$0	0.0%
ambulance	\$2,155,115		\$3,000			\$2,158,115	1.3%
emergency preparedness	\$157,682					\$157,682	0.1%
animal control						\$0	0.0%
misc.	\$18,800	\$491,786				\$510,586	0.3%
subtotal	\$12,198,389	\$19,772,794	\$1,358,572	\$532,286	\$166,212	\$34,028,253	20.4%
Transportation							
road const./maintenance	\$3,468,273	\$8,460,196	\$843,371	\$1,872,463		\$14,644,303	8.8%
public transportation		\$2,365,279				\$2,365,279	1.4%
airport		\$121,957				\$121,957	0.1%
subtotal	\$3,468,273	\$10,947,432	\$843,371	\$1,872,463	\$0	\$17,131,539	10.3%
Environmental Management							
sewer			\$874,568			\$874,568	0.5%
water supply		\$20,682,995	\$1,778,797			\$22,461,792	13.4%
refuse		\$8,257,480	\$313,676			\$8,571,156	5.1%
flood control		\$1,474,115			\$324,700	\$1,798,815	1.1%
noxious weeds	\$166,554					\$166,554	0.1%
subtotal	\$166,554	\$30,414,590	\$2,967,041	\$0	\$324,700	\$33,872,885	20.3%
Community Development							0.0%
library		\$1,893,319	\$96,906	\$83,685	\$187,751	\$2,261,661	1.4%
parks/recreation	\$285,654	\$7,118,593	\$471,237		\$317,067	\$8,192,551	4.9%
economic development	\$51,276	\$430,000				\$481,276	0.3%
planning/zoning	\$274,223		\$70,660			\$344,883	0.2%
subtotal	\$611,153	\$9,441,912	\$638,803	\$83,685	\$504,818	\$11,280,371	6.8%
General Administration							0.0%
administration	\$5,326,164	\$13,078,655	\$556,723	\$491,039		\$19,452,581	11.6%
central services	\$1,150,699					\$1,150,699	0.7%
elected offices	\$1,604,162					\$1,604,162	1.0%
tax assessments/collections	\$718,104					\$718,104	0.4%
counselor						\$0	0.0%
liability insurance	\$50,000		\$11,000			\$61,000	0.0%
elections/registration	\$247,853					\$247,853	0.1%
subtotal	\$9,096,982	\$13,078,655	\$567,723	\$491,039	\$0	\$23,234,399	13.9%
Health							0.0%
public health		\$850,979				\$850,979	0.5%
mental health						\$0	0.0%
social services	\$17,925	\$299,464				\$317,389	0.2%
subtotal	\$17,925	\$1,150,443	\$0	\$0	\$0	\$1,168,368	0.7%
Debt Service	\$1,481,083	\$14,987,000	\$1,259,102			\$17,727,185	10.6%
Employee Benefits	\$4,158,626		\$286,000		\$53,559	\$4,498,185	2.7%
Miscellaneous	\$1,445,654		\$106,653	\$59,964		\$1,612,271	1.0%
Gas/Electric	\$760,368		\$5,522,700			\$6,283,068	3.8%
Cemetery			\$53,800		\$44,800	\$98,600	0.1%
Capital Improvement						\$0	0.0%
Other	\$597,698		\$15,473,500			\$16,071,198	9.6%
Total	\$34,002,705	\$99,792,826	\$29,077,265	\$3,039,437	\$1,094,089	\$167,006,322	100.0%

Calendar Year 2002 Budgeted Expenditures for City and County Governments in Sedgwick County						
(Excludes townships and other special districts)						
	County Sedgwick	County Seat Wichita	All Other Cities	Total	Percent of Total	
Service Area						
Public Safety						
law enforcement	\$34,306,565	49,719,190	\$6,975,848	\$91,001,603	14.0%	
fire	\$10,252,125	25,043,030	\$404,728	\$35,699,883	5.5%	
courts	\$10,697,839	4,538,700	\$535,968	\$15,772,507	2.4%	
emergency communication	\$4,775,074		\$186,765	\$4,961,839	0.8%	
fleet management	\$5,900,737	14,503,170	\$0	\$20,403,907	3.1%	
prosecutor		1,847,570	\$0	\$1,847,570	0.3%	
street lighting			\$531,564	\$531,564	0.1%	
ambulance	\$10,668,485		\$360,652	\$11,029,137	1.7%	
emergency preparedness	\$544,890		\$0	\$544,890	0.1%	
animal control	\$339,923		\$0	\$339,923	0.1%	
misc.	\$3,458,425		\$66,820	\$3,525,245	0.5%	
subtotal	\$80,944,063	\$95,651,660	\$9,062,345	\$185,658,068	28.5%	
Transportation						
road const./maintenance	\$11,367,765	29,522,410	\$4,754,163	\$45,644,338	7.0%	
public transportation		5,312,820	\$0	\$5,312,820	0.8%	
airport			\$0	\$0	0.0%	
subtotal	\$11,367,765	\$34,835,230	\$4,754,163	\$50,957,158	7.9%	
Environmental Management						
sewer		18,028,340	\$5,817,439	\$23,845,779	3.7%	
water supply		3,259,310	\$6,307,810	\$9,567,120	1.5%	
refuse	\$1,174,425	4,815,920	\$235,027	\$6,225,372	1.0%	
flood control	\$2,899,018	22,607,610	\$40,000	\$25,546,628	3.9%	
noxious weeds			\$3,500	\$3,500	0.0%	
conservation district	\$270,232		\$0	\$270,232	0.0%	
subtotal	\$4,343,675	\$48,711,180	\$12,403,776	\$65,458,631	10.0%	
Community Development						
library		5,827,930	\$1,280,535	\$7,108,465	1.1%	
parks/recreation	\$8,391,980	23,574,520	\$2,364,160	\$34,330,660	5.3%	
economic development	\$952,104	6,891,600	\$1,586,487	\$9,430,191	1.4%	
planning/zoning	\$1,491,253	6,369,970	\$269,297	\$8,130,520	1.2%	
subtotal	\$10,835,337	\$42,664,020	\$5,500,479	\$58,999,836	9.0%	
General Administration						
administration	\$22,247,480	11,524,740	\$6,034,164	\$39,806,384	6.1%	
central services	\$1,628,767		\$59,546	\$1,688,313	0.3%	
elected offices	\$11,785,425	1,031,230	\$133,360	\$12,950,015	2.0%	
tax assessments/collections		4,892,910	\$0	\$4,892,910	0.8%	
counselor	\$6,228,834		\$267,222	\$6,496,056	1.0%	
liability insurance		\$27,314,880	\$255,260	\$27,570,140	4.2%	
elections/registration			\$0	\$0	0.0%	
subtotal	\$41,880,506	\$44,763,760	\$6,749,552	\$93,403,818	14.3%	
Health						
public health	\$5,000	4,177,680	\$0	\$4,182,680	0.6%	
mental health	\$2,682,098		\$0	\$2,682,098	0.4%	
social services	\$2,240,046		\$163,861	\$2,403,907	0.4%	
subtotal	\$4,927,144	\$4,177,680	\$163,861	\$9,268,685	1.3%	
Debt Service	\$14,130,759	84,852,070	\$12,652,513	\$111,635,342	17.1%	
Employee Benefits			\$4,106,533	\$4,106,533	0.6%	
Miscellaneous	\$17,073,473	42,290,330	\$1,932,531	\$61,296,334	9.4%	
Gas/Electric			\$9,338,712	\$9,338,712	1.4%	
Cemetery			\$0	\$0	0.0%	
Capital Improvement			\$0	\$0	0.0%	
Other			\$2,122,916	\$2,122,916	0.3%	
Total	\$185,512,722	\$397,945,930	\$68,787,381	\$552,246,033	100%	

APPENDIX E

Audit Responses

On August 14, 2003 we provided copies of the draft audit report to the Governor, the 3 counties we sampled, and the Cities of Abilene, Herington, Lawrence, and Wichita. Their responses are included as this Appendix. Officials from Douglas and Sedgwick Counties, and the Cities of Herington, Lawrence, and Wichita indicated they didn't have a formal written response.

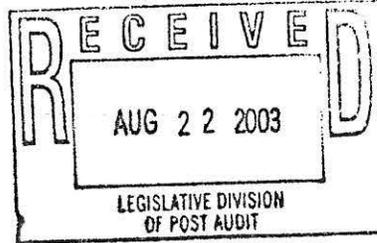
KANSAS

OFFICE OF THE GOVERNOR

KATHLEEN SEBELIUS, GOVERNOR

August 22, 2003

Barbara J. Hinton
Legislative Post Auditor
800 SW Jackson St, Suite 1200
Topeka, KS 66612-2212



Dear Ms. Hinton:

I very much appreciate the opportunity to review the performance audit, *Governmental Reorganization: Assessing the Potential for Improving Cooperation and Reducing Duplication*. I am delighted to have such a guide for reference in encouraging and directing collaboration and cooperation to obtain efficiencies in the operation of state government in the future. I sincerely hope that all units of government in the State of Kansas will use the audit as a guide so that we can achieve the maximum effectiveness and efficiency in the operation of government at all levels.

I am pleased to respond to the recommendations on pages 31-32 that are specific actions I can implement now to continue improving cooperation and reducing duplication in our operations.

Upon my direction, the Advisory Council on Intergovernmental Relations is scheduled to convene on Thursday, September 25, 2003. I will ask that the Council meet regularly to fulfill its legislative charge. The agenda for study and recommendation by the Council will include those specific issues outlined by the audit on pages 31-32.

At a meeting with my Cabinet on September 9, 2003, a request will be issued to all Cabinet Secretaries and agency heads to ensure that grants awarded through my administration will be structured and monitored in such a way that each will encourage and foster greater cooperation and collaboration at the local level.

I believe this audit is a very good beginning toward a comprehensive examination of how we function as a state. It is a productive effort for Kansas to undertake at this time as we all strive to most effectively use the resources of time, energy and money available to us.

Again, I thank you for the opportunity to review and respond to the audit. I look forward to working with the Legislature and with cities, counties and other units of government to find ways to improve cooperation and reduce duplication.

Sincerely,

Kathleen Sebelius
Governor of Kansas

Capitol, 300 SW 10th Ave., Ste. 2125, Topeka, KS 66612-1590

Voice 785-296-3232

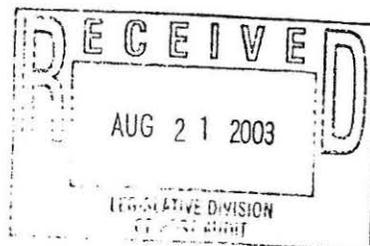
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ABILENE, KANSAS 67410-0519
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FAX: 785-263-2552
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August 20, 2003

Barbara Hinton
Legislative Division of Post Audit
800 SW Jackson Street
Suite 1200
Topeka, Ks 66612-2212

Dear Ms. Hinton:

Myself and Police Chief, Bryan Dunlap have reviewed the draft copy of your completed performance audit, *Governmental Reorganization: Assessing the Potential for Improving Cooperation and Reducing Duplication*.

We did not see any part of the report that requires corrections or clarifications as it is drafted. We both feel that there are opportunities for the City of Abilene and Dickinson County to improve cooperation and reduce duplication of services. In these times of reduced funding from the State to local units of government and the depressed economy it becomes more apparent that we all need to evaluate and pursue those areas that will reduce the cost of government. Also as you noted in the report territorial and control issues become the biggest obstacles we have to overcome if we are ever going to produce these types of changes.

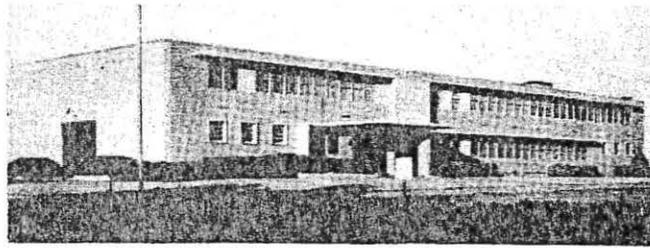
If you have any further questions please let me know.

Sincerely,

Mark F. Arbuthnot
City Manager

post audit

VISIT ABILENE - Home of the Dwight D. Eisenhower Memorial



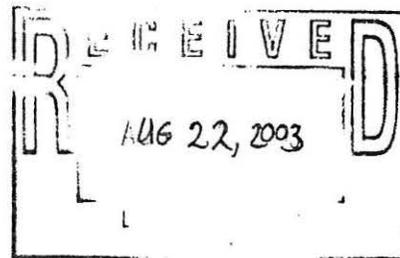
DICKINSON COUNTY COURT HOUSE

ABILENE, KANSAS 67410

August 19, 2003

Ms. Barbara J. Hinton
Legislative Post Auditor
800 SW Jackson, Suite 1200
Topeka, KS 66612-2212

RE: Last Audit Report



Dear Ms. Hinton,

The Board of County Commissioners of Dickinson County has reviewed the draft concerning governmental reorganization. First of all, we would like to state that if any reorganization can result in providing the same services at a reduced cost, we as a governing body would support it. For example bring the City of Herington into the Unified 911 System would save the taxpayers of Herington \$90,000.00 per year. The problem is we have offered to do just that and the City declined as is stated in the report.

We find this to be a problem with a lot of consolidation proposals. Unfortunately, people do not want to give up local control and we feel consolidation can not work unless all entities are operating on the same page. For example, if we could save \$65,000.00 each year by taking over the maintenance of township roads, that would be a benefit. However, the local townships, to our knowledge, do not desire this and we feel we can not and should not force that upon them. Further, we question whether we can actually save money after reviewing what Clay County is spending after taking over township maintenance.

We feel as a commission that any consolidation of major services, such as county wide law enforcement, should come about only after the citizens have voted in favor of such.

We presently have a county wide EMS department which is costing the county a lot of money to operate. Certainly if we could consolidate it with a city fire department, provide the same service at a reduced cost, we would pursue that.

We have found that attempting collaboration with cities usually is hindered by money apportionment and control. For example, we have a drainage problem in the north east

portion of the City of Abilene and to the east of the city in the country. We attempted to work with the City of Abilene in a study to determine if a drainage district should be created. This was hindered by who would pay what portion and concerns over which governmental unit actually created this problem. We foresee those problems being raised in any type of collaboration with cities.

We feel that with all of the budget constraints local governmental units are facing, it is natural for the smaller taxing districts to want the county to take over providing the services. For example, if you did away with all the cemetery districts and consolidated them under the county, we would still face problems. First of all, we don't think we can save money by doing it and secondly, the local unit would feel slighted regardless of how good a job the county did, because they would not have local control. The county is not going to be able to satisfy the numerous cemetery districts if we take over maintenance as they all could not be mowed at the same time like they are now. Plus we would not have the volunteer labor force which presently exists.

We as a commission feel that improving cooperation and collaboration with other taxing districts is essential and should be explored. When monetary results can benefit the citizens, it should be done. However from past experience, we know that no one wants to give up local control and therefore any consolidation will only come about if the tax payers themselves request it, and vote on it.

We as a commission feel the only way consolidation will occur is if it can be proven that the same level of services can be maintained at a reduced cost to the taxpayer. If that is shown, the public will willingly accept the changes.

Respectfully,



Leo Lefert
Chairman
Dickinson County Commissioner