

Remarks before the Senate Committee on Reforms and Restructuring on January 27, 2010, by
Haris Alibašić, City of Grand Rapids

I am here to testify on the proposed legislation, SB 1072, SB 1085 and SB 1086. The City of Grand Rapids would like to thank you for your interest and efforts in assisting local units of government in breaking down statutory barriers that prevent communities from gaining economic efficiencies. We believe addressing the shortcomings of the Urban Cooperation Act (P.A. 7 of 1967) and Intergovernmental Transfer of Functions and Responsibilities Act (P.A. 8 of 1967) will go a long way toward enabling us to create real cost savings for local taxpayers, and the effective delivery of local services. The City is also in support of working in a collaborative manner in a broad base group toward joint improvements to P.A. 312 of 1969.

The State is expecting a significant budget deficit that will continue to impact our communities. The barriers in Urban Cooperation Act and the Intergovernmental Transfer of Functions and Responsibilities Act, as currently written, are a road block to consolidation of services and service sharing and savings. We need legislation to allow public agencies and political subdivisions to consolidate functions more effectively and thereby achieve savings and improve efficiency. Currently, when two or more political subdivisions combine services or functions, no employee working under the combined subdivision can be made worse off than he or she was before. This means that when two sets of employees with different pay and benefit scales are combined under a new system or are transferred from one political subdivision to another, employees with the same responsibilities might be compensated differently. If the employer wishes to offer its employees equal wages and benefits for equal responsibilities, it must increase the compensation given to the employees on the lower scale.

True savings will come if we can find efficiencies through amendment to PA 7 and PA 8. SB 1085 is a bill to amend PA 8 of 1967, Intergovernmental Transfers of Functions and Responsibilities and SB 1086 is a bill amending the Urban Cooperation Act of 1967. As currently written Senate Bills do not solve problems for cities. Neither bill strikes the language that results in employees in the case of consolidations and service sharing being equalized up to unsustainable levels. We would ask you to consider striking such language to make the bill more effective, similar to that language in House Bill 5090. As currently written these bills do not go far enough to remove the language that inhibits our ability, as local government, to develop the partnerships that would consolidate services at the lowest cost to the taxpayers. We look forward to working with you to find the right path forward.

Also, in the spirit of meaningful government reform, we look forward to participating with you to amend PA 312 as you move this bill forward.

Six years ago the cities of Grand Rapids, Wyoming, Kentwood, Grandville, Walker, and East Grand Rapids formed a partnership called the Urban Metro Mayors and Managers. Together these six cities have: formed effective inter-governmental Police teams focused on cold-cases, drug enforcement, vice, cyber-crime, and auto theft; created fire service innovations like ground-breaking automatic aid agreements. Wyoming and Grand Rapids have created a unique Biosolids partnership based on shared interest and shared governance.

The Citizens research Council recently tallied up all the joint-venture initiatives involving one or more of these six partners, Kent County, or the GRPS and found over 150 separate venture. The results of this study are reported in "Streamlining Functions and Services of Kent County and Metropolitan Grand Rapids Cities."

We have reached the limit of what we can do without legislative action. If you want different results, and we all do, effective changes must be made.

The City of Grand Rapids, along with local governments throughout Michigan, is seeking efficiencies and ways to consolidate in order to save taxpayers' dollars. Please help us remove the language that inhibits our ability, as local government, to efficiently negotiate agreements to consolidate services at the lowest cost to the taxpayers and communities and through collective bargaining after consolidation.

Thank you again for your work on this issue. The City stands ready to assist you and your staff in any way as action on this important local government reform moves forward. We want to be a partner as you move these bills forward.