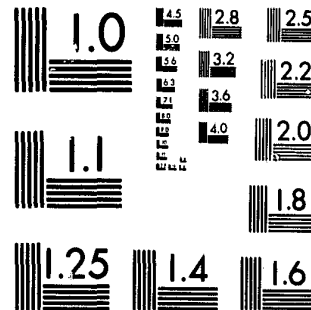


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# Interlocal Cooperation

Six Case Histories

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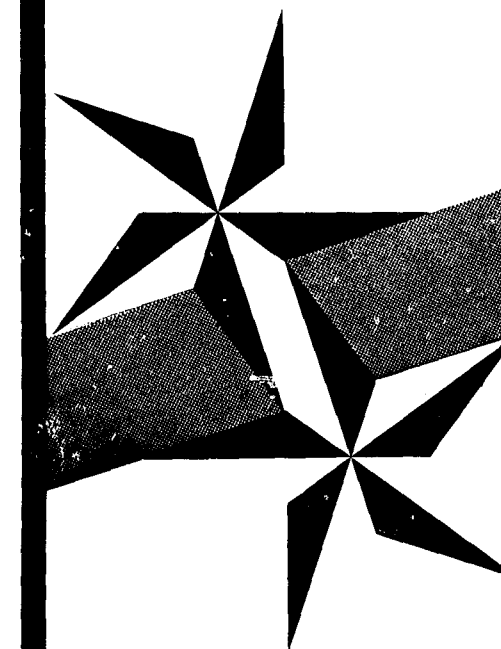
Texas Municipal League

**Interlocal Cooperation  
Six Case Histories**

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**INTERLOCAL  
COOPERATION**

**SIX CASE HISTORIES**

**Kent A. Myers**

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The University of Texas at Arlington**

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## PREFACE

**T**his report is the result of nearly a year of work by the authors to select and write a series of "success stories" in interlocal cooperation in a form that would be interesting to local government practitioners in Texas. The authors hope the success stories might serve as models for local government leaders who are grappling with service problems in their communities that might be alleviated through the use of interlocal agreements.

To a large extent, the original intent of the authors has been realized. However, models of unqualified success with interlocal contracting are scarce. The cases selected for inclusion in this report represent the best to be found in Texas today. In presenting them, we have tried to emphasize not only the benefits which have accrued to contracting parties, but also the pitfalls and problems they have faced.

The cases were selected with the assistance of a group of well-known authorities on interlocal contracting from city and county governments and several allied organizations. The guidelines used in selecting the cases were:

- Applicability - agreements that have high transferability to other governments in Texas.
- Availability - agreements about which there is sufficient information to build a reasonably exact chronicle of what has actually occurred.
- Capability - agreements that are within the ability of nearly any government in Texas to execute and administer.
- Diversity - agreements that represent cooperation among jurisdictions that vary widely in size, character and geography.

- **Interest** - agreements that are managed by people who would care enough to furnish the authors with insight and information needed to prepare the case histories.
- **Timeliness** - agreements regarding functions and services that are of major concern to public officials today.
- **Uniqueness** - agreements that demonstrate novelty in approach to challenge officials to consider fresh, new ways of providing services.

We agreed to judge the success of each case history in terms of its ability to avail contracting parties of high quality services which could not be provided or afforded otherwise. One of the intended outcomes of the project was to identify common factors among the case histories that explain why they have succeeded when others have failed.

The six case histories we chose were: the operation of emergency medical services by the City of Victoria for all of Victoria County; the provision of all police services by Hardeman County for the City of Quanah; the development of a multi-jurisdictional data processing center jointly by Grayson County and several cities and school districts in that North Texas county; a cooperative landfill operated by San Patricio County for five small cities and another county in the Coastal Bend Region; a multi-city heavy equipment sharing program in Dallas County; and the cooperation of San Antonio and Bexar County in a city/county tax appraisal project.

Each of the six case histories described in this report addresses the following questions:

- What community problem led to this form of cooperation?
- What did governmental leaders hope to accomplish by cooperating that they could not have accomplished otherwise?
- How was the agreement structured to carry out its intended purpose?
- What major benefits to the contracting parties have resulted from the agreement?

- What is the prognosis for continued cooperation?

What we have learned from this study about the conditions for success in interlocal cooperation are identified in the concluding section of this report.

It took the combined efforts of many people to make this report a reality. We are grateful to the Texas Municipal League, which sponsored the study, for having the wisdom to see the value of providing models of good interlocal contracting practice for the benefit of city and county officials throughout the State of Texas. We are also grateful to the Institute of Urban Studies for providing financial support for the project and for its wholehearted endorsement of our purposes and approach.

Finally, we are especially grateful to the many city and county officials who have been willing to share with us "how they did it." To them, we dedicate this work. Most of all, we are grateful to the following individuals who agreed to give their time and energy in advising the authors on planning and organizing the study: Don Dodson, Mayor, Bedford; Skipper Wallace, City Manager, Groves; Jerry Chapman, Executive Director, Texoma Regional Planning Commission; Ray Holbrook, County Judge, Galveston County; John Clary and Jim Soules, Texas Department of Community Affairs; Jay Stanford, Executive Director, Texas Advisory Commission on Intergovernmental Relations; and Bill Martin, Assistant Director, Texas Municipal League.

The authors accept full responsibility for the selection and interpretation of materials used in these case histories, and for the conclusions derived from them.

David W. Tees, Project Director

Kent A. Myers, Principal Investigator

Arlington, Texas  
November, 1978

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EMERGENCY MEDICAL SERVICES:  
THE VICTORIA EXPERIENCE

The City of Victoria and Victoria County have signed an agreement for supplying emergency medical services to all city and county residents. This service is characterized by highly trained ambulance attendants, who respond quickly to an emergency, with sufficient life support and communications equipment to handle critical, life-threatening situations.

EMERGENCY MEDICAL SERVICES: THE VICTORIA EXPERIENCE

**S**erious problems are now facing emergency medical services in Texas. These problems include lack of training and education for ambulance personnel, inadequate equipment on ambulances, and delay in responding to emergencies. Texas law presently provides only minimum requirements for the provision of emergency medical services (EMS) by units of local government. The primary governing statute, for example, provides only that:

1. The ambulance must have a permit.
2. Equipment must consist of (1) a first-aid kit, (2) traction splints.
3. Ambulance personnel consisting of "at least one person who has acquired theoretical or practical knowledge in first aid" obtained through an eight-hour standard Red Cross Course.<sup>1</sup>

IN THE PAST FEW YEARS, CITIZEN DEMANDS FOR BETTER SERVICE HAVE FORCED LOCAL GOVERNMENTS IN TEXAS TO BECOME INCREASINGLY AWARE OF AND CONCERNED WITH EMS PROBLEMS. Many local officials are beginning to seek solutions beyond the minimum requirements of state legislation. Some funeral homes and private firms will no longer supply ambulance service because of escalating costs. Local jurisdictions have been obliged to take over these services and assume the financial burden, using tax revenues to meet steadily rising costs.

INTERLOCAL AGREEMENTS ARE IN GROWING EVIDENCE AMONG CITIES AND COUNTIES DESIRING TO IMPROVE THE QUALITY OF EMERGENCY MEDICAL SERVICES AT AFFORDABLE COSTS. The most common type of agreement is for the city-sponsored ambulance service to respond to emergency calls outside the city limits

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<sup>1</sup>Art. 4590(b) Vernon's Annotated Civil Statutes.

in return for a specified fee. Many agreements involve the use of city fire and police personnel and equipment to make emergency calls. In some instances, the city and county may jointly agree to contract with a private firm for these services.

COOPERATIVE AGREEMENTS BETWEEN CITIES AND COUNTIES FOR PROVISION OF AMBULANCE SERVICES HAVE BEEN APPROVED AS A LEGAL EXERCISE OF JOINT POWER. Local governments are authorized by statute to enter mutual arrangements for the construction and financing of facilities to improve the public health and promote efficient sanitary regulations.<sup>2</sup> The Texas Attorney General has ruled that this statute provides sufficient legal authority for the cooperative provision of ambulance services by cities and counties.<sup>3</sup> Article 4413(32c), the Interlocal Cooperation Act, also provides adequate legal authority for contracting of this kind.<sup>4</sup>

THE CITY OF VICTORIA PRESENTLY PROVIDES EFFECTIVE AND EFFICIENT EMERGENCY MEDICAL SERVICES FOR ALL OF VICTORIA COUNTY. The original agreement for provision of this service was signed in 1971. The county currently reimburses the city for one-third of the uncollected costs to furnish emergency medical services to county residents who live outside the corporate limits of Victoria.

THE QUALITY OF SERVICE IS EXCEPTIONAL FOR A CITY AND COUNTY OF THIS SIZE. Paramedics and Emergency Medical Technicians (EMT's) staff the ambulances.

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<sup>2</sup>Art. 4434, Vernon's Annotated Civil Statutes.

<sup>3</sup>Attorney General's Opinion Number C-772, 1966, and Number M-806, 1971.

<sup>4</sup>David W. Tees and Jay G. Stanford. The Handbook for Interlocal Contracting in Texas (Institute of Urban Studies, The University of Texas at Arlington, 1972).

Modular-type ambulances are equipped with advanced life support machines and bio-telemetry communications equipment enabling ambulance personnel to send information about the vital signs of the patient to the two Victoria hospitals. A 911 emergency phone number has been implemented to simplify service requests and reduce delay in getting ambulances to the scene of an emergency.

#### BACKGROUND OF THE AGREEMENT

TRANSPORTATION OF EMERGENCY PATIENTS IN BOTH THE CITY AND THE COUNTY WAS PROVIDED BY LOCAL FUNERAL HOMES PRIOR TO THE CITY'S ESTABLISHING ITS SERVICE. Ambulance attendants from funeral homes had only the minimum training required by state law. Oxygen was the only special equipment available. Faced with rising costs and increased demands for improved service, the funeral homes decided to discontinue the service in 1969.

THE CITY WAS FORCED TO TAKE OVER AMBULANCE SERVICES AND INITIALLY ELECTED TO USE FIREMEN AS ATTENDANTS. Fire personnel were trained for their new duties by taking the 20-hour Emergency Care Attendant Course. The emergency vehicles used by the City were conventional ambulances purchased from the funeral homes or U.S. government surplus. Dispatching was handled through the regular firefighter radio frequency.

THROUGH THE DEDICATION OF AMBULANCE ATTENDANTS, AND WITH ENCOURAGEMENT OF THE CITY COUNCIL, THE CITY MANAGER AND THE FIRE CHIEF, PROFICIENCY LEVELS SLOWLY IMPROVED. Patients began arriving at the emergency rooms in better condition. The percentage of successful heart resuscitations began to rise. Ambulance teams were organized to aid in scheduling of personnel. Routine transfers began between hospitals, private homes and nursing homes.



VICTORIA COUNTY, REALIZING THE EFFECTIVENESS OF THE SERVICE PROVIDED BY THE CITY OF VICTORIA, WANTED A SIMILAR LEVEL OF SERVICE FOR COUNTY RESIDENTS OUTSIDE THE CITY LIMITS. However, the amount of money needed to start an emergency service of this type was beyond the financial means of the county. So, the county turned to the city for help.

FIGURE 1: IMPORTANT EMS TERMS

Bio-telemetry - A system of two-way communication between hospital and emergency site for transmitting patient vital sign information.

Emergency Medical Service (EMS) System - A comprehensive and integrated arrangement of all personnel, facilities, equipment, services and organizations necessary to provide emergency medical treatment to patients.

Emergency Medical Technician (EMT's) - Personnel qualified through a standard national certification who are equipped to offer basic life support, such as I-V infusion, basic diagnostic ECG, and injection of drugs. A total of 120 hours of training is required (80 hours in the classroom and 40 hours in hospital observation).

Mobile Life Support Units (LSU's) - Designed to institute definitive forms of therapy in life-threatening situations before the patient reaches the hospital. Each unit is equipped with a portable radiotransceiver for transmission of voice and ECG.

Modular Ambulance - Ambulances that contain a box, or module, that holds emergency equipment and supplies mounted on a 1-ton truck chassis. The module can be removed and installed on a new chassis when necessary.

Paramedics - Personnel having advanced life support training requiring an additional 500 hours of training. They are equipped to provide critical medical services, without direct supervision by physicians, in emergency situations.

PROVISIONS OF THE COOPERATIVE AGREEMENT

IN JANUARY, 1971, VICTORIA COUNTY DECIDED TO ENTER INTO AN AGREEMENT WITH THE CITY OF VICTORIA CALLING FOR THE CITY TO PROVIDE EMER-

GENCY MEDICAL SERVICES TO THE ENTIRE COUNTY OF EQUAL QUALITY TO THAT PROVIDED WITHIN THE CITY LIMITS. The agreement was executed by the Victoria City Council and the Commissioner's Court of Victoria County. There were no major complications in the negotiating process. No major changes were planned in the service that was already being provided to city residents. The agreement was signed by Judge William C. Sparks, former County Judge of Victoria County, and Kemper Williams, Jr., then the Mayor of Victoria.

COSTS FOR THE SERVICE WERE SHARED BY THE CITY AND COUNTY BASED ON USE OF AMBULANCE SERVICES BY BOTH CITY AND COUNTY RESIDENTS IN YEARS PAST. Also taken into account in dividing the costs was the documented fact that accidents in the county tended to be of a more serious nature, and driving distances greater for city ambulances to reach the scene of the accident. It was agreed that the city would pay two-thirds of the net cost of the service, and the county would pay for the other one-third. Net cost was defined as gross operating cost less all amounts collected from user fees. The county was to receive a bill each July from the city to cover its annual share of net cost.

ACCORDING TO THE EMS AGREEMENT, THE CITY IS OBLIGED TO PROVIDE A SPECIFIED LEVEL OF SERVICE. The city is to:

furnish through the City of Victoria Fire Department, emergency ambulance service to the citizens of Victoria County residing outside the limits of the City of Victoria and to transient persons within such extra-city areas requiring such service, and to the county. The services rendered by the city shall consist of the use of its emergency ambulance and associated resuscitation and first-aid equipment and personnel . . . taking into consideration all factors attendant upon the emergency conditions and circumstances in which the city ambulance service may be involved.<sup>5</sup>

<sup>5</sup>Articles of Agreement for the Joint Use of the Emergency Medical Service in Victoria County, January, 1971, p. 1.

THE ORIGINAL AGREEMENT WAS FOR A PERIOD OF TWELVE MONTHS BEGINNING JULY 1, 1971. The agreement continues from year to year unless amended or cancelled by either party. The agreement may be terminated upon sixty days by written notice from either party to the other.

LIABILITY FOR PERSONNEL AND EQUIPMENT IS COVERED IN ANOTHER SECTION OF THE AGREEMENT. It specifically provides that:

while engaged in providing emergency ambulance service to persons outside the city limits . . . ambulance personnel shall be regarded as agents of the county, notwithstanding that they are regular employees of the city, and by the acceptance hereof the county agrees to assume full responsibility for the acts of its employees committed while actually engaged in providing emergency ambulance service to persons outside the city limits pursuant to this contract, and notwithstanding that such acts be committed within the city limits while en route to a destination outside the city limits.<sup>6</sup>

Therefore, the county is liable for all accidents involving city personnel while making calls for residents outside the city limits, regardless of the location of the accident.

#### IMPROVEMENTS IN EMERGENCY MEDICAL SERVICES OVER THE YEARS

AFTER THE COUNTY SIGNED THE AGREEMENT, STEPS WERE MADE BY THE CITY TO CONTINUOUSLY UPGRADE THE QUALITY OF SERVICE. In the summer of 1972, discussions on emergency health care were held in medical staff committee meetings. Several local physicians observed that ambulance attendants were interested in, and would benefit from, additional training. From these beginnings, a cycle of escalating service improvement began that was to far exceed anyone's expectations. The drive for more sophisticated training and equipment was spearheaded by a Victoria surgeon and city council member, Dr. James Coleman. Serving as teacher, medical advisor, grantsman

<sup>6</sup>Ibid., p. 2.

and advocate, Dr. Coleman was the driving force behind the development of this new concept in emergency care. Stemming from his interest, influence and support, a program of quality emergency care was inaugurated for the people of Victoria County.

JOINT MEETINGS WITH THE CITY MANAGER AND THE FIRE CHIEF WERE HELD, AND PLANS WERE LAID FOR FURTHER TRAINING UNDER THE AUSPICES OF LOCAL PHYSICIANS. Later, investigations brought to light the desirability of ambulance attendants taking the 81-hour Emergency Medical Technician Course being taught with the assistance of the State Health Department. All ambulance attendants completed this course successfully and are now certified EMT's.

HOT LINE TELEPHONES WERE INSTALLED BETWEEN THE DISPATCH CENTER AND THE EMERGENCY ROOMS OF BOTH HOSPITALS IN VICTORIA. At the time the hot lines were installed, discussions were held with the telephone company relative to a 911 emergency phone number. The 911 number was made available to residents of Victoria County in 1974. This is a direct number to a central dispatch unit for all fire and ambulance emergencies in the county.

THE CITY COUNCIL APPOINTED A BOARD OF FIVE PHYSICIANS TO ACT AS A POLICY AND ADVISORY COMMITTEE FOR THE EMERGENCY MEDICAL SERVICE. Although the committee no longer exists, it did serve a positive function in developing a better Emergency Medical Service. The committee directed the outfitting of new ambulances. It also recommended further training of the EMT's. On the advice of the committee, training for paramedics started for six persons in 1974, with special emphasis on the injection of drugs and intravenous infusions under the direct supervision of a physician. An additional 500 hours of training were required to prepare these employees to function as paramedics.

THE CITY COUNCIL AND STAFF SOON RECOGNIZED THE NEED FOR RADIO COMMUNICATIONS BETWEEN THE HOSPITAL AND THE AMBULANCES. This was considered important in transferring directions of physicians to ambulance personnel. In rural areas, where travel distance to the hospital is great, the radio was believed to be an indispensable instrument for beginning treatment of the patient while still en-route to the emergency room. Various grant applications were submitted to aid in the financing of radio communications equipment. An Emergency Medical Communications Grant for \$184,000 was received from the Robert W. Johnson Foundation. A major portion of these funds was used to purchase bio-telemetry equipment.

#### PRESENT OPERATION OF THE EMERGENCY MEDICAL SERVICE IN VICTORIA

THE EMERGENCY MEDICAL SERVICE IS NOW A SEPARATE DEPARTMENT OF CITY GOVERNMENT IN VICTORIA. Bob Koonce, the EMS Director, stated that conflicts between firemen and EMS personnel brought attention to the need for organizing a separate EMS department. Expanding functions and specialized training of EMS personnel made it even more necessary to create a separate city department. The Emergency Medical Service Department is located in the Victoria City Hall.

EMS AMBULANCES CURRENTLY OPERATE FROM TWO LOCATIONS. One location is in downtown Victoria, and the second is in the northern section of the city. A third location is being planned, with operation scheduled to begin later this year or early next year.

EACH EMS AMBULANCE IS STAFFED WITH A MINIMUM OF ONE PARAMEDIC AND ONE EMT. More often, staffing consists of two paramedics. Also, there is a backup unit with supervisory personnel arriving on the scene of an emergency soon after the ambulance. This backup unit usually is a van carrying extra equipment and supplies.

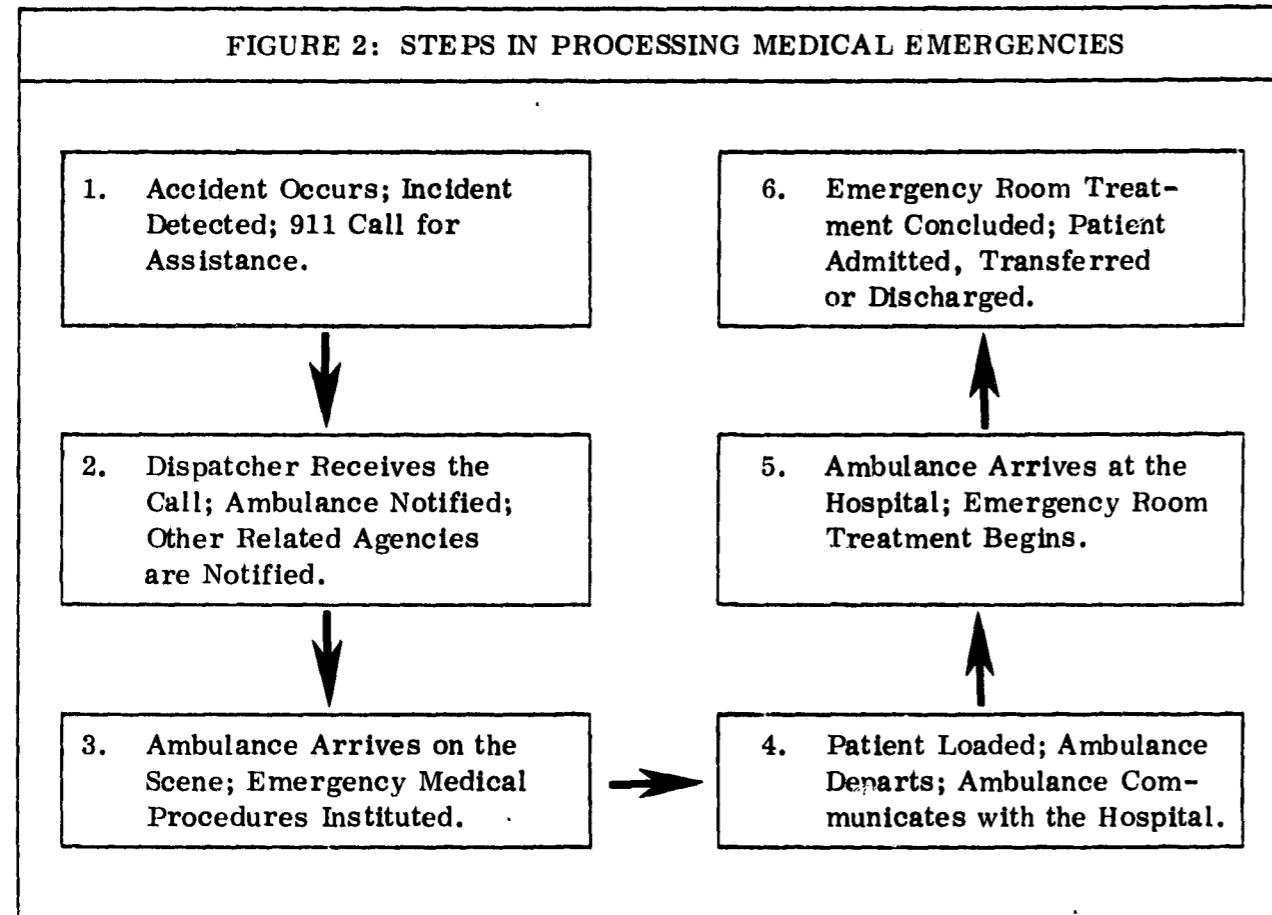
This group of emergency personnel acts as a team, the members of which are well trained to perform certain specialized functions upon arrival at the scene, and other functions while transporting the patient to the hospital.

EACH MODULAR-TYPE AMBULANCE CONTAINS ADVANCE LIFE SUPPORT EQUIPMENT AND CAN FURNISH BIO-TELEMETRY COMMUNICATIONS. Upon arrival at the emergency scene, vital signs are transmitted to the hospital. The doctor can then request that certain drugs be administered or other steps be taken before transporting the patient to the hospital. Also, during transportation, a paramedic usually treats the patient according to the doctor's directions.

THE RESPONSE TIMES OF AMBULANCES ARE EXCEPTIONAL FOR CALLS BOTH WITHIN THE CITY LIMITS AND IN SURROUNDING RURAL AREAS OF THE COUNTY. These response times are computed from the time the emergency call is received and is recorded at the dispatch station until the time the ambulance arrives at the location of the emergency. According to Bob Koonce, the EMS Director, the average response time for calls to rural areas of the county is about eight minutes. Within the city limits, the average response time is around three minutes. While this is quite acceptable, there is an expectation that these response times will be decreased further with the opening of the third ambulance location. Figure 2 below illustrates what happens from the time that a medical emergency occurs (Step 1) until emergency room treatment is concluded (Step 6).

ADMINISTRATION OF THE EMS IS THROUGH THE CITY COUNCIL AND CITY MANAGER. There is little participation of the Commissioner's Court or other county officials in the operation of the EMS at the present time. This is due chiefly to their satisfaction with the service being provided. There is no advisory board consisting

FIGURE 2: STEPS IN PROCESSING MEDICAL EMERGENCIES



of medical personnel. But there is an interest in reestablishing this board in the near future, especially for purposes of planning.

ANNUAL COSTS FOR THE VICTORIA EMS HAVE RISEN STEADILY. The annual cost for the EMS, after deducting for collections, was \$195,142 in the year ending June 30, 1976. The figure increased approximately 25 percent to \$251,989 in the year ending June 30, 1977. As previously mentioned, the county pays for one-third of these costs.

OVER 90 PERCENT OF EMS COSTS INVOLVE PERSONNEL RELATED EXPENSES. The extensive training of EMT's and paramedics has necessitated a relatively high budget cost for personnel services in relation to other cost items. Most major equipment costs are funded through general revenue bonds or paid directly from federal grant proceeds.

CHARGES FOR USERS OF THE EMS ARE FAIRLY LOW IN VICTORIA. There is a minimum charge of \$35 for a service call, with an extra fee of \$1.60 per mile (one-way) for all calls outside the city limits. There are also specific charges for things like the oxygen and drugs administered. Although these charges are low compared with the quality of service received, about 35 percent of all customer billings are written off each year as uncollectible. More than half of the other 65 percent is collected by a private firm which charges the city a high fee for its services. While it is true that some people cannot afford these fees, especially when added to their other medical costs, it is believed by city officials that collection rates can be improved by more effective collection procedures. To this end, the city attorney's office will be handling all collections in the near future.

WHILE QUALITY EMERGENCY MEDICAL SERVICES ARE CLEARLY EXPENSIVE, THE ESSENTIAL CHARACTER OF THE SERVICE AND THE COMPETENT MANNER IN WHICH IT IS PROVIDED SERVE TO JUSTIFY RISING COSTS IN THE MINDS OF MOST CITIZENS, ELECTED OFFICIALS, AND CITY STAFF. With any technology-dependent service of this type, expenses are certain to escalate over the years, as attempts are made to keep up with advances in emergency medical care. An important concern of both city and county officials is that these costs are carefully monitored so that they do not become unreasonably burdensome for taxpayers.

#### BENEFITS FROM THE SERVICE

THE EMERGENCY MEDICAL SERVICE HAS DEFINITELY SAVED SOME LIVES WITH ITS RAPID RESPONSE RATES, PROFESSIONAL EMERGENCY PERSONNEL AND SOPHISTICATED EQUIPMENT. It is difficult to state the exact number of lives that have been saved or severe disability prevented by the quick action of ambulance personnel.

But, there are more than a few people who claim that they owe their lives to the EMS in Victoria. The patient who suffers a sudden acute illness or accident requiring immediate capable medical attention is now likely to get the attention needed for quick recovery. As further improvements are made in the Victoria EMS, mortality and morbidity rates should decrease even more.

ANOTHER IMPORTANT BENEFIT IS THAT THE ENTIRE COUNTY IS NOW COVERED BY COMPETENT MEDICAL SERVICE. This also means that city residents are protected while traveling in the county.

BOTH THE CITY AND COUNTY HAVE SAVED MONEY BY COOPERATING. It would be very difficult for either the city or the county to have the same advanced life support system without some sharing of costs. The Victoria EMS Director recently stated that by expanding the service area to include additional people, costs per capita have decreased.<sup>7</sup>

THE CITIZENS OF VICTORIA NOW HAVE A GREATER AWARENESS OF WHAT TO DO IN CASE OF A MEDICAL EMERGENCY. Orientation classes have been given by ambulance personnel to various groups, covering such things as heart resuscitation techniques and basic first aid. Spot announcements on the radio and other forms of publicity have helped citizens know how to react and whom to contact in case of an emergency. The EMS is responsible for these and other citizen awareness activities.

THE COOPERATIVE AGREEMENT HAS HELPED TO FOSTER A SPIRIT OF CO-OPERATION BETWEEN THE CITY OF VICTORIA AND VICTORIA COUNTY. For example, the two governments are now sharing the costs of a new City/County Library, with the

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<sup>7</sup>Personal interview with Bob Koonce, EMS Director for the City of Victoria, June 27, 1978.

county paying for its construction out of bonds, and the city responsible for the staffing and operation of the facility until the bonds are paid off. The county also pays the city \$12,000 per year for calls that the Victoria Fire Department makes outside the city limits. Other cooperative ventures include the City/County Hospital, the Victoria Zoo, and various youth activities.

#### FACTORS ACCOUNTING FOR SUCCESS OF THE AGREEMENT

THE SERVICE WAS ALREADY OPERATING SMOOTHLY WHEN RUN INDEPENDENTLY BY THE CITY. Thus, the county was taking very little risk by entering into an agreement with the city. Also, there was no pressure applied to the county to force it to cooperate with the city in providing the service. A decision was made in light of the excellent emergency services the city already was providing its own residents.

SEVERAL PERSONS HAVE CONTINUOUSLY PUSHED FOR IMPROVEMENT IN THE SERVICE. Dr. James Coleman was never contented with less than full quality service. He advocated constant changes that have resulted in the realization of his expectations. Both the city and the county have been supportive of his efforts. The advisory committee, consisting of medical persons, worked for improvement in the service. Today, the Emergency Medical Director, Bob Koonce, and his staff are searching for ways to further improve the quality of service, while holding down costs.

POLITICS, FOR THE MOST PART, HAS NOT INTERFERED WITH THE DAY-TO-DAY OPERATION OF THE SERVICE. Most policy decisions are handled by staff personnel who are fully competent to manage the EMS.

THE CITY OF VICTORIA IS THE ONLY MAJOR CITY IN THE COUNTY AND SERVES AS THE COUNTY SEAT. There is no competition from other cities that might wish to provide EMS to sections of the county near them. Also, since city and county

offices are located close to one another, city and county officials can meet to discuss problems with the EMS when they occur. Location of the city in the central part of the county helps to assure that all sections of the county can be reached by ambulance in a reasonable time.

THE FUTURE OF EMERGENCY MEDICAL SERVICE IN VICTORIA APPEARS BRIGHT. Additional equipment and ambulances are contemplated in coming years. The third ambulance location will help to serve the entire area more expeditiously than before. Further training of EMS personnel is being planned. In planning for the future of the EMS, the medical advisory committee is expected to be reorganized to provide capable advice and suggestions. City and county officials appear optimistic about continued improvement of services and their ability to manage the related costs.

THE CONSOLIDATED LAW  
ENFORCEMENT SERVICE IN  
HARDEMAN COUNTY

An experiment in consolidated law enforcement services launched by Hardeman County and the City of Quanah in north Texas in 1971 is working well in 1978. This service is characterized by modern facilities and well-trained sheriff's units which provide city and county residents with efficient 24-hour police services.

THE CONSOLIDATED LAW ENFORCEMENT SERVICE IN HARDEMAN COUNTY

**C**ity/county consolidation of police functions has long been advocated as a step toward governmental efficiency and economy. Proponents believe that money normally spent to maintain separate city and county operations could be used more effectively to provide more personnel, better equipment and round-the-clock services through one central office. Ample authority exists under Texas law for the assumption of city police functions by the county. The Interlocal Cooperation Act, for example, provides general authority for interlocal contracts for law enforcement and corrections work.<sup>8</sup>

THE FIRST SUCCESSFUL EXPERIMENT WITH LAW ENFORCEMENT CONSOLIDATION IN TEXAS BEGAN IN 1971 IN HARDEMAN COUNTY. For the last seven years, the county has furnished law enforcement services for all county residents, including the citizens of Quanah. In 1971, this north Texas community of 4,000 people abandoned its own police force and contracted with the Hardeman County Sheriff's Department to assume responsibility for law enforcement. Quanah agreed to assume its share of the cost for the service and committed itself to help in developing a high quality and responsive law enforcement unit.

THIS NOVEL AND PROGRESSIVE PROGRAM ATTRACTED CONSIDERABLE ATTENTION AROUND THE STATE DURING ITS EARLY YEARS. An editorial in a major Texas newspaper had this to say:

An experiment in merging city and county (police) services in Hardeman County to gain greater efficiency and economy appears to be achieving those objectives . . . The town and county leaders are convinced, in fact, that the move is providing better law enforcement not only for the City of Quanah but for Hardeman County as well . . . further, credit that the new law enforcement setup is saving the taxpayers

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<sup>8</sup>Article 4413(32c), Vernon's Annotated Civil Statutes.

money . . . Duplication has been eliminated with a consequent reduction in costs and gain in efficiency.<sup>9</sup>

SEVEN YEARS LATER, THE CONSOLIDATED LAW ENFORCEMENT SERVICE IS STILL WORTHY OF RECOGNITION. By combining the police functions and eliminating costly duplication, Quanah and Hardeman County have been able to use the same level of funding to greatly improve the scope and quality of police services. Their success has served as an inspiration for many similar city/county consolidations in Texas and elsewhere in the nation. The fact that the consolidated service is now completely supported by local funds and has won the praise of both city and county officials confirms the truism that "nothing succeeds like success."

#### EVENTS LEADING TO CONSOLIDATION

THE STIMULUS FOR HARDEMAN COUNTY ASSUMING LAW ENFORCEMENT RESPONSIBILITY FOR THE CITY OF QUANAH CAME FROM OFFICIALS AT THE NORTEX REGIONAL PLANNING COMMISSION. Both Ed Daniel, the Executive Director, and David Alford, the Criminal Justice Coordinator, believed that a strong county law enforcement unit could provide better service for small towns than these communities could provide for themselves. To prove their point, Daniel and Alford needed a city and county that were willing to merge their police functions and gamble on the outcome.

SEVERAL FACTORS PERSUADED NORTEX OFFICIALS TO ENCOURAGE HARDEMAN COUNTY AND THE CITY OF QUANAH TO BECOME INVOLVED WITH THIS PROJECT. First of all, there had been a history of good working relationships

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<sup>9</sup>Dallas Times Herald, October 14, 1971

between city and county officials. The County Sheriff, Chester Ingram, and the former Chief of Police, Bill Wheat, had been discussing common problems and law enforcement issues for many years. There had been continuous exchange of assistance by both city and county law enforcement personnel in solving crimes.

SECOND, THE CITY AND COUNTY HAD PROBLEMS ASSOCIATED WITH THE PROVISION OF LAW ENFORCEMENT SERVICES THAT WARRANTED IMMEDIATE ATTENTION. City and county jails were far below state minimum standards and getting worse. The City of Quanah had dispatching equipment that was outdated and not in service during the night. City police officers were forced to patrol on foot when one of the patrol cars had mechanical problems. There was little doubt that city and county officials would welcome any change that would remedy these unsatisfactory conditions, especially with the possibility of federal grant assistance being available to help with financing.

THIRD, THE CONSOLIDATION WOULD AFFECT ONLY HARDEMAN COUNTY AND THE CITY OF QUANAH. Quanah had the only city police force in the entire county. Other communities already were receiving police protection from the county. This would not change significantly should service by the Hardeman County Sheriff's Department be extended to the City of Quanah.

A PROPOSAL FOR MERGING CITY AND COUNTY POLICE SERVICES WAS PREPARED BY THE NORTEX REGIONAL PLANNING COMMISSION. On February 17, 1971, the Commissioner's Court and the Quanah City Council met together and voted to submit the proposal to the Criminal Justice Council in Austin. The proposed program was conceived as a pilot project guided by NORTEX, under funding guidelines established by the Law Enforcement Assistance Administration.



TO JUSTIFY ITS VOTE OF CONFIDENCE FOR THE CONSOLIDATION MOVE, THE HARDEMAN COUNTY COMMISSIONERS OBSERVED THAT "THE PRIMARY OBJECTIVE OF A COMBINED POLICE FORCE IS TO CREATE A MORE EFFECTIVE LAW ENFORCEMENT EFFORT BY MAKING MORE PERSONNEL AVAILABLE WHEN AND WHERE NEEDED."<sup>10</sup> An initial increase in cost was anticipated by the Commissioners in order to raise salaries of all law enforcement personnel to a more reasonable and competitive level. Initial start-up costs were expected to be more than offset by future savings in cost by operating one jail, one communications center, and one headquarters facility instead of two.

IN MARCH, 1971, THE COMMISSIONER'S COURT AND THE QUANAH CITY COUNCIL PASSED CONCURRENT RESOLUTIONS COMMITTING THEMSELVES TO A JOINT POLICING AGENCY. Although the governing bodies chose not to draw up and sign a contract, the resolutions represented a formal statement by the appropriate governing body of the terms under which the cooperative program was to be carried out. According to the resolutions adopted, after a two-year period, an extensive evaluation would be made to determine the effectiveness of the operation and the desirability of continuing the agreement.

#### THE PROPOSAL FOR COMBINING POLICE SERVICES

A PROPOSAL FOR THE COMBINED POLICE AGENCY WAS SUBMITTED TO THE CRIMINAL JUSTICE COUNCIL IN MARCH, 1971. Reiterated in the proposal was the project's principal objectives of creating a more effective law enforcement effort by

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<sup>10</sup>Minutes from the Hardeman County Commissioners Court meeting on February 17, 1971.

making more personnel available when and where needed. The duration of the project was to be for 24 months, from May 1, 1971 to April 30, 1973.

INCLUDED IN THE PROPOSAL WERE FIVE BENEFITS ANTICIPATED FROM CONSOLIDATION. These were:

1. More effective and efficient law enforcement services.
2. Cooperative use of equipment and supplies.
3. More personnel available to control crime.
4. One law enforcement agency to be supported by the taxpayers rather than two.
5. Better coverage of the entire county by the sheriff's office.<sup>11</sup>

UNDER THE PROPOSAL, ALL QUANAH POLICE PERSONNEL AND EQUIPMENT WOULD BE TRANSFERRED TO THE COUNTY SHERIFF'S OFFICE. Reassigned personnel would assume new responsibilities and be paid according to a restructured county pay scale. The sheriff would reorganize his force according to the organization chart shown on the following page. Some personnel would be assigned special functions, but all would be cross-trained to some degree. This would allow for flexibility in personnel assignments to meet changing law enforcement needs.

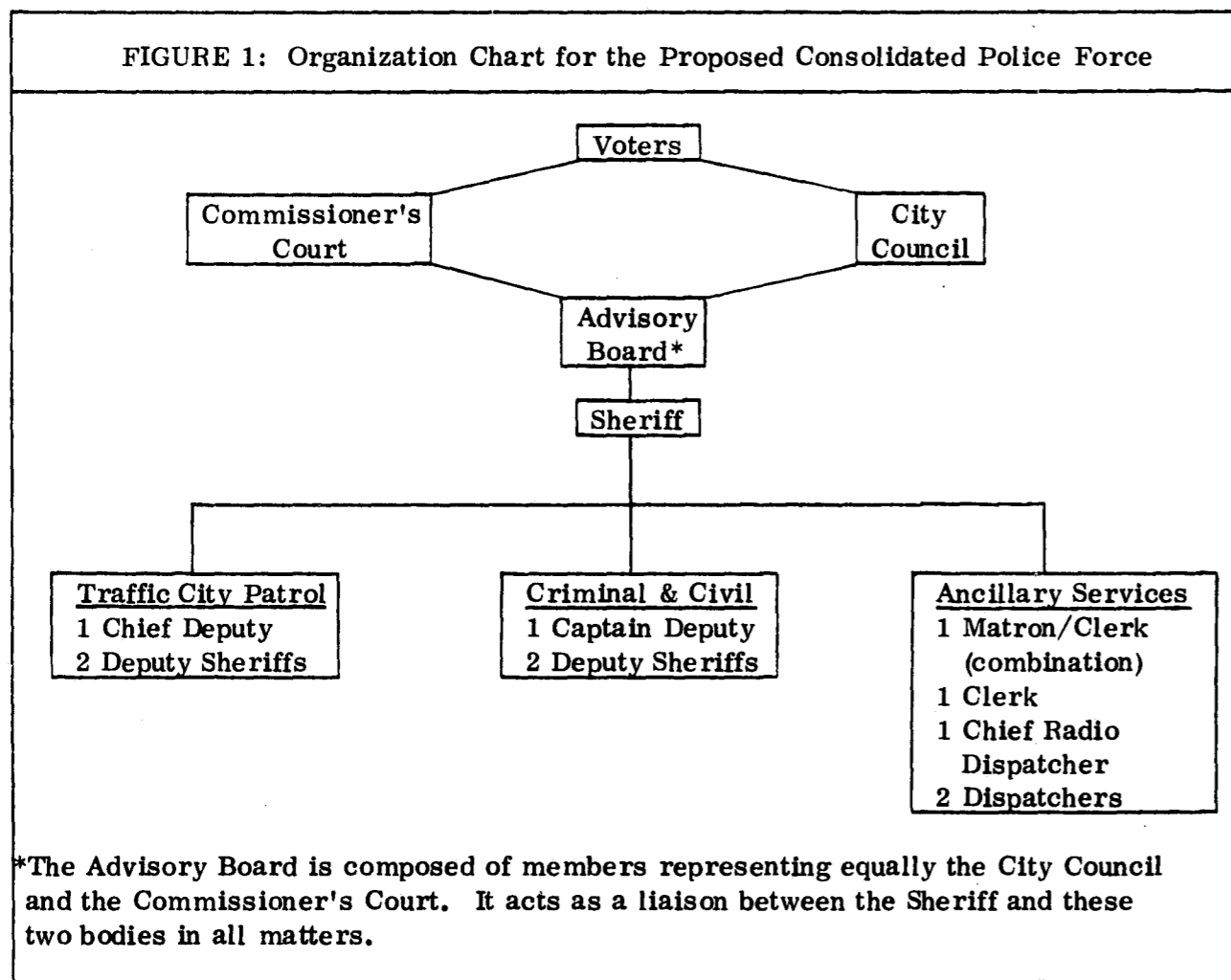
PLANS CALLED FOR A LAW ENFORCEMENT BUILDING AND DETENTION FACILITY TO BE PROVIDED, EITHER BY CONSTRUCTION OF A NEW BUILDING OR BY RENOVATION OF THE COURTHOUSE. If a new building was necessary, then an additional proposal would be submitted to the Criminal Justice Council requesting construction funding. All operations were to be directed from one office including one communications station and one jail facility.

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<sup>11</sup>Proposal for a Combined Police Agency in Hardeman County, submitted to the Texas Criminal Justice Council in March, 1971.

One filing and record keeping system would be established to eliminate unnecessary duplication.

TOTAL FUNDS REQUESTED FROM THE CRIMINAL JUSTICE COUNCIL IN THIS PROPOSAL WERE \$76,660. These funds would pay for some salary increases, mileage reimbursement, communications equipment, furniture and office supplies. Hardeman County and the City of Quanah were obligated to contribute the sum of \$53,196 as matching funds. Of this amount, the county was responsible for 60 percent and the city for the remaining 40 percent.



THE EFFECTIVENESS OF THE PROJECT WOULD BE DETERMINED BY COMPARISON OF THE OPERATION OF THE CONSOLIDATED SERVICE TO THE PAST OPERATION OF BOTH CITY AND COUNTY POLICE SERVICES. Plans were made to evaluate the project every six months from the standpoint of criminal activity and total cost of the project. The first six months would involve considerable training and adjustment to different operational procedures. Therefore, it was expected that the first report would not claim noticeable improvement in the quality of law enforcement services.

THE MERGER OF SERVICES

HARDEMAN COUNTY WAS INFORMED BY THE CRIMINAL JUSTICE COUNCIL IN LATE APRIL THAT ITS PROPOSAL HAD BEEN APPROVED. At this time, an application was filed for additional federal and state funds to construct a local law enforcement building and detention center. Until the funds were approved and a new building was constructed, the Sheriff and his Chief Deputy would maintain their offices in the County Courthouse. All other law enforcement personnel would operate from the Quanah City Hall.

ON MAY 1, 1971, THE CITY POLICE DEPARTMENT WAS PHASED OUT AND THE COUNTY BEGAN OPERATING A COUNTY-WIDE LAW ENFORCEMENT SERVICE. There were several personnel changes associated with this merger. The County Sheriff, Chester Ingram, became the Chief Law Enforcement Officer for both the City and the County. Ross Greene, a sheriff's deputy, was selected as the Chief Deputy. Bill Wheat, the former Chief of Police, was appointed Deputy Sheriff in charge of traffic and city ordinance enforcement. The rest of the force was reorganized as shown in the organization chart on the previous page. This reorganization resulted in a one-third increase in salaries for all law enforcement personnel. However, there was an additional requirement for all officers to complete at least 140 hours of law enforcement instruction.

THE COUNTY ASSUMED OWNERSHIP OF ALL EQUIPMENT, INCLUDING NEW EQUIPMENT TO BE PURCHASED FROM CRIMINAL JUSTICE COUNCIL FUNDS. A new teletype machine was obtained for direct connection with the Department of Public Safety. Grant funds helped to pay for a new base radio station and five new mobile units. These funds also paid for 75 percent of all cost for furniture and office supplies.

#### THE CONSOLIDATED LAW ENFORCEMENT CENTER

AN APPLICATION FOR A BUILDING GRANT WAS SENT TO THE CRIMINAL JUSTICE COUNCIL SHORTLY AFTER THE INITIAL CONSOLIDATION GRANT WAS APPROVED. This construction grant, called the "Consolidated Police Facility Grant," was approved in the amount of \$60,000 in January, 1972. This would pay for one-half of the cost for construction of the proposed law enforcement building. The county and city would share the other costs on a 60/40 basis. The county, however, contributed \$5,000 for the land on which the center is located.

CONSTRUCTION OF THE NEW CENTER BEGAN ON FEBRUARY 1, 1972, IN DOWNTOWN QUANAHA. With the completion of the building in the fall of 1973, a grand opening was held that attracted many state and local officials.

THE CENTER HOUSES ALL POLICE ACTIVITIES FOR THE CONSOLIDATED SERVICE. Modern jail and detention facilities and a 24-hour dispatch center are the primary features of the center. It also contains office space for the Sheriff and his officers, a central records and filing room, and various recreational facilities for the inmates. City and county officials believe that the building will meet the needs of Quanaah and Hardeman County for many years to come.

#### SUCCESSFUL OPERATION OF THE CONSOLIDATED SERVICE OVER THE YEARS

THE FIRST REPORT FILED WITH THE CRIMINAL JUSTICE COUNCIL DESCRIBED OPERATION OF THE CONSOLIDATED POLICE SERVICE AS A SUCCESS. The report stated that after only five months, county law enforcement personnel, as well as the general public, believed that the quality of law enforcement had substantially improved. The 24-hour communication system, including the teletype on the regional network, helped facilitate the law enforcement effort. Another advantage cited in the report was the availability of extra vehicles. According to the report, morale was high among personnel and working relationships were good.

THE MOST IMPORTANT BENEFIT REPORTED WAS AN IMPROVED CAPABILITY TO WORK CASES, BOTH FELONY AND MISDEMEANOR. Cases filed in the County Court increased about 20 percent in the year immediately after the merger. According to Sheriff Ingram, more of these cases were cleared by arrest because extra personnel and vehicles provided the consolidated police operation with greater flexibility to work high crime areas and concentrate on specific cases. In previous years, many of the minor criminal cases had to be neglected in favor of more important cases.

ACCORDING TO THIS SAME REPORT, NO ACTUAL MONETARY SAVINGS HAD MATERIALIZED. The report went on to point out that achieving the same degree of service improvement by upgrading the two departments independently of each other would have cost much more than either government could have afforded. Consolidation did not lower costs. But, substantial improvement in services had occurred without imposing a financial burden on city or county taxpayers.

OPERATION OF THE SERVICE AFTER THIS SHORT PERIOD OF TIME INDICATES THAT BENEFITS ANTICIPATED IN THE ORIGINAL PROPOSAL WERE BEING REALIZED.

After consolidation, progress was made toward (1) a more effective and efficient law enforcement effort, (2) joint use of equipment and facilities, (3) more personnel available to control crime, (4) one law enforcement agency supported by the taxpayers rather than two, and (5) better coverage of the entire county by the sheriff's office.

THE SHERIFF HAS BEEN THE DRIVING FORCE BEHIND CONSOLIDATED LAW ENFORCEMENT. Although an advisory board has been organized to serve as a liaison between the city and county, its real authority is limited to making suggestions and annually reviewing the contract between the city and county. The sheriff has been free to make most of the important day-to-day decisions regarding the combined force.

WITH A STRONG SHERIFF BACKED BY CITY AND COUNTY OFFICIALS PROJECTING A SOLID FRONT, PUBLIC SUPPORT WAS EASILY WON FOR CONSOLIDATED CITY/COUNTY LAW ENFORCEMENT. The fact that Sheriff Ingram has remained in office for so many years suggests that there has been continuous support for the merger from the community. Also, such obvious improvements as the new law enforcement center, more police patrols, and the 24-hour dispatching service have been recognized by citizens as visible proof of better police service. Most of the citizens attribute this improvement to the effort of the sheriff and his law enforcement officers.

WITH THE EXPIRATION OF GRANT SUPPORT IN 1973, SOME FINANCIAL PROBLEMS WERE ENCOUNTERED. The city and county elected to take over total financing of the consolidated service, but problems arose because neither the city nor the county had sufficient sums appropriated in their annual budgets for continued operation of the service. Sheriff Ingram related that both the city and county were able to shift funds from other sources. However, some personnel had to be dismissed when the federal funds expired. Financing difficulties and other potential problems, and the manner in which they were handled, are outlined below.

FIGURE 2: How Potential and Real Problems were Anticipated and Handled by the Consolidated Law Enforcement Service

Real or Potential Problem	Means by Which Problem Anticipated and Handled
The citizens of Quanah could have organized themselves and fought against phasing out of their city police force.	The Sheriff, along with other city and county officials, were almost unanimous in their support for the project, thereby establishing a solid front and keeping the project out of politics.
When grant money expired, a strong possibility existed that the city and county would abandon the project.	Because the consolidation had been a success, the community was proud of its achievement and willing to support it with local funds.
Inequitable sharing of costs for the consolidated service could have caused some dissatisfaction in the city or the county.	Costs for the service are shared according to the amount that the city and the county were paying for law enforcement services before merging. This cost sharing arrangement is reviewed annually to insure that neither the city or county is bearing an unfair portion of the total cost.

THROUGH THE YEARS, THE SERVICE HAS IMPROVED TO ITS PRESENT LEVEL OF QUALITY. With a limited tax base in Hardeman County, funds available for additional personnel and new equipment are limited. Good use of available equipment, effective scheduling of existing personnel, and proper maintenance of equipment purchased through federal grants, are credited for continuing success of the consolidated operation. On a recent visit to the Law Enforcement Center, there was evidence of a

clean, well-maintained facility with sufficient space to meet all present law enforcement needs.<sup>12</sup>

FACTORS ACCOUNTING FOR CONTINUED SUCCESS OF THE CONSOLIDATED SERVICE

THE COUNTY SHERIFF IS THE KEY TO SUCCESSFUL CONSOLIDATION. Since he is the constitutional law enforcement officer of the county, the sheriff must favor and continuously work for successful consolidation. Some sheriffs are skeptical of law enforcement mergers of this type and are reluctant to accept the added responsibility involved. In this instance, Sheriff Ingram recognized the potential benefits that could accrue to the entire county, welcomed the consolidation and worked to convince others to support the plan.

AN ADVISORY BOARD WAS ESTABLISHED TO ALLOW FOR INPUT FROM ELECTED OFFICIALS FROM BOTH THE CITY AND THE COUNTY. This board serves as a liaison between the city and county in resolving differences of opinion regarding the service, as well as acting in an advisory capacity to Sheriff Ingram. This board has served a useful function in securing public participation in the consolidation effort. Whenever it meets, citizens are invited to voice their suggestions and opinions regarding the service. It is important to note, however, that the board has managed to avoid interference in the day-to-day operation of the service. This is clearly the responsibility of the county sheriff.

CLOSE HARMONIOUS RELATIONSHIPS AND CONTACTS BETWEEN THE CITY AND COUNTY PRECEDED THE CONSOLIDATION EFFORT. This is a necessary

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<sup>12</sup>Visit by one of the authors to the Law Enforcement Center in Quanah, Texas, on June 23, 1978.

prerequisite in consolidation projects of this type. The county sheriff had worked with city police officers in the past, solving crimes and apprehending criminals. There was good reason to believe that past cooperation would facilitate the integration of personnel and procedures after consolidation.

BOTH THE CITY AND THE COUNTY WERE WILLING TO TAKE THE RISKS INVOLVED IN ESTABLISHING A CONSOLIDATED POLICE FORCE. It was a major gamble with no real guarantee of success. No other Texas city and county were known to have launched a project of this type, so there was no model by which to guide their efforts.

THE CITY AND COUNTY WORKED IN ASSOCIATION WITH THEIR REGIONAL PLANNING COMMISSION IN GETTING THE SERVICE STARTED. The Nortex Regional Planning Commission was responsible for developing the plan for police consolidation, as well as aiding the city and county in securing the necessary grant money. This assistance was invaluable in getting the program off the ground. The Planning Commission also assisted in reviewing the project during its initial phases.

THE AVAILABILITY OF GRANT FUNDS AS SEED MONEY WAS NECESSARY FOR THE CITY AND COUNTY TO EFFECT THE MERGER. The city and county could not afford to fully integrate services without outside financial assistance. Additional space, personnel and equipment involved costs that could not be afforded with the limited tax base in Hardeman County. There had to be some reliance on outside sources for supplemental funding.

CITY AND COUNTY OFFICIALS REALIZED FROM THE BEGINNING THAT COST SAVINGS COULD NOT BE COUNTED ON. If the city and county had entered an agreement of this type with expectations for significant economies, both would likely have

been disappointed. Improvement in service was the primary goal of this consolidated effort, and this has been achieved. Cost savings were considered to be a secondary benefit.

THE BUDGET FOR OPERATION OF THE SERVICE WAS SET ACCORDING TO THE AMOUNT THAT EACH UNIT OF GOVERNMENT WAS PAYING FOR POLICE SERVICES PRIOR TO CONSOLIDATION. The county and city sharing costs on a 60/40 basis has produced very few complaints from either jurisdiction. A disproportionate assignment of costs in relation to services received could have led to major disagreement.

ALREADY, SEVERAL OTHER SMALL COMMUNITIES IN TEXAS HAVE ADOPTED SIMILAR ARRANGEMENTS FOR THE PROVISION OF POLICE SERVICES. These include Garza County and the City of Post, Clay County and the City of Henrietta, and Archer County with Archer City. The success of the consolidated police services in Hardeman County and these other communities suggests that this form of cooperation could be implemented to good advantage elsewhere in Texas. While consolidation in Hardeman County was a gamble that paid off for both the city and the county, other communities now have a model to guide their efforts in merging their city and county police services.

SHARED COMPUTER SERVICES:  
THE GRAYSON GOVERNMENTAL  
DATA CENTER

Starting its sixth year of operation, the Grayson Governmental Data Center has fulfilled the expectations of the county, two cities and two school districts that created it. A wide variety of applications are being provided for cooperating governments and outside customers, with most orders being filled within 24 hours after they are received. Last year, the Center returned almost \$10,000 in unused earnings to cooperating member governments.

SHARED COMPUTER SERVICES: THE GRAYSON GOVERNMENTAL DATA CENTER

**T**he feasibility of interlocal contracting for data processing services is well established.

As one observer points out, "the increasing automation of municipal operations such as utility billing, accounting, payroll and various records systems has presented an opportunity to local governments for the joint planning and utilization of sophisticated electronic data processing systems."<sup>13</sup> By sharing overhead and operating expenses, governments can avail themselves of computer services without heavy investment in equipment and personnel normally required. Typical of the advantages usually cited for cooperative approaches to data processing are these:

1. Economy of scale in the use of computer hardware.
2. Greater flexibility and sophistication in data processing applications.
3. Greater economy and quality in the provision of technical support and user services.<sup>14</sup>

COOPERATIVE DATA PROCESSING IS RELATIVELY NEW TO LOCAL GOVERNMENTS IN TEXAS AND IS MORE OFTEN AN INTERIM STEP THAN A PERMANENT ARRANGEMENT. However, several successful ventures with shared computer services have been reported in recent years by governmental jurisdictions in Texas. Examples are agreements between the City of San Angelo and the San Angelo Independent School District, a computer service furnished by the City of Edinburg for other communities

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<sup>13</sup>David W. Tees and Jay G. Stanford. The Handbook for Interlocal Contracting in Texas (Institute of Urban Studies, The University of Texas at Arlington, 1972), p. 204.

<sup>14</sup>C. Neal Tate. "Cooperative Data Processing," Municipal Matrix, Vol. 8, No. 2 (Denton: North Texas State University Center for Community Services, 1976), p. 1.

in the lower Rio Grande Valley area, and the City of Mesquite furnishing data processing services to the City of Plano. Although the parties to these agreements report good results for the most part, few of them are in existence today. The pattern seems to be that a provider jurisdiction may need the full capacity of its computer for its own use after a certain period of time, or the user jurisdiction may become large enough to justify its own computer operation. In either case, the cooperative agreement is no longer supportable.

AN EXCEPTION TO THIS PATTERN OF SHORT-TERM COMPUTER AGREEMENTS IS THE COOPERATIVE DATA PROCESSING SYSTEM IN GRAYSON COUNTY. Five years ago, the Cities of Sherman and Denison, Grayson County, the Sherman Independent School District, and the Denison Independent School District agreed to establish a cooperative data processing center that continues in operation to this day.<sup>15</sup>

THE GRAYSON GOVERNMENTAL DATA CENTER WAS ESTABLISHED IN OCTOBER, 1973, BASED ON A COMPREHENSIVE FEASIBILITY STUDY COMMISSIONED BY THE FIVE USER GOVERNMENTS. The Center is located at the Grayson County Airport, a convenient site for all agencies that use the service. The Center is continuously adding new programs and services for the five user governments, as well as providing services for several customer governments and nonprofit agencies.

THE CENTER HAS A GOVERNING BOARD CONSISTING OF ONE VOTING MEMBER FROM EACH USER GOVERNMENT. The Board makes all major operational and financial decisions regarding the Center at its monthly meetings. Voting members of the Board in-

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<sup>15</sup>The Sherman Independent School District indirectly participates through the cooperative tax assessment and billing services that it receives from the City of Sherman.

clude finance directors from the two cities, assistant superintendents from the two school districts, and the Grayson County Tax Assessor-Collector. A representative from the Texoma Regional Planning Commission and a data processing specialist from private industry serve as non-voting members of the Board. Each of the five voting members has an equal voice in policy making for the Center. This insures that each participant plays a role in the present operation, as well as the future planning of the Center.

THE TEXOMA REGIONAL PLANNING COMMISSION PROVIDES ADMINISTRATIVE SUPPORT. This support is rendered on the basis of a contractual agreement with the five user governments of the Center. It includes keeping financial records for the Center, purchasing supplies, and handling the payroll. Except for these contracted functions, the Data Center operates independently from the Planning Commission.

THE DATA PROCESSING DIRECTOR IS RESPONSIBLE FOR DAILY OPERATION OF THE CENTER. The Data Processing Director is selected by the Governing Board and is responsible for hiring, scheduling and supervision of all personnel employed by the Center. The Director serves a variety of roles and functions. He plans, organizes, directs and participates in the programming, systems analysis, and operational activities of the Center.

#### EVOLUTION OF THE COOPERATIVE AGREEMENT

THE IDEA FOR A JOINT COMPUTER FACILITY CAME IN EARLY 1973 WHEN THE CITY OF SHERMAN BEGAN SEARCHING FOR A WAY TO REDUCE THE RISING COST OF ITS IN-HOUSE COMPUTER SYSTEM. Larry Krumm, then City Manager of Sherman, called a meeting of representatives from major governmental units in the area to discuss the possibility of establishing a joint computer center. It was agreed



by government representatives attending the meeting that a joint computer facility was worth investigating. Each government had good reason to feel this way.

- The City of Denison needed access to a modern system, instead of continuing to rely on its outdated manual procedures.
- The City of Sherman wanted a computer service that would be less expensive than the system it was maintaining solely for its own use, and desired the added capability that a cooperative center could provide.
- Grayson County needed a computer system that would allow rapid processing of property tax data, and it was unable to afford private computer services. Also, the County wanted to be in conformity with a district court order associated with a tax lawsuit.
- The Denison Independent School District needed a more efficient and expeditious method for handling school taxes and collecting taxes for the City of Denison.
- The Sherman Independent School District's primary interest was to be in on the ground floor of the cooperative venture and share in some of the cost savings realized by the City of Sherman.

RECOGNIZING THEIR MUTUAL BUT DIFFERENT INTERESTS IN COMPUTER SERVICE, THE FIVE GOVERNMENTS APPROACHED THE TEXOMA REGIONAL PLANNING COMMISSION FOR ASSISTANCE. Comprehensive Planning Assistance funds were allocated to conduct a feasibility study. Once these funds were pledged, the Planning Commission solicited proposals from various consulting firms to perform the study. The Chicago-based Public Administration Service (PAS) was chosen because of its reputation for data processing system studies. PAS was hired to review potential computer

applications in the five local jurisdictions and to recommend how identified data processing needs could be satisfied.

CONCLUDED IN 1973, THE FEASIBILITY STUDY FOUND THAT THE DATA HANDLING ARRANGEMENTS OF THE GOVERNMENTS COMMISSIONING THE STUDY WERE INEFFICIENT AND INEFFECTIVE.<sup>16</sup> Collective data processing costs were found to be high. Dissemination of information was reported to be inadequate. Computer applications, both existing and potential, varied considerably among the different jurisdictions in type, volume, complexity and need.

THE REPORT RECOGNIZED THAT IN SUCH A DIVERSE SETTING AS THIS, WHERE THE COMPUTER NEEDS OF THE DIFFERENT GOVERNMENTS VARIED WIDELY, AN EFFECTIVE DATA PROCESSING ORGANIZATION WOULD BE DIFFICULT BUT JUSTIFIED. The study concluded that a joint operation was justified "in terms of the number and volume of applications, the ability to improve administrative processes within the five jurisdictions, and the possibility of lowering operating costs for the user jurisdictions."<sup>17</sup>

ANOTHER CONCLUSION OF THE STUDY WAS THAT A JOINT UNDERTAKING WAS WORTHWHILE ONLY IF CERTAIN NECESSARY CONDITIONS WERE MET PRIOR TO THE COOPERATIVE SERVICE BEING ESTABLISHED. Five conditions were cited.

1. Participation of the five parties was necessary, since high machine utilization is required for a computer operation to be efficient.
2. Funding must be adequate to sustain the operation. A detailed method of funding operations, simple to administer and equitable to each participant, must be established.
3. Administrative support for the Center must be provided, including such things as payroll, purchasing and accounting.

<sup>16</sup>Public Administration Service. A Data Processing Feasibility Study of the Cities of Denison and Sherman, the Independent School Districts of Denison and Sherman, and the County of Grayson (May, 1973), p. 7.

<sup>17</sup>Ibid., p. 8.

4. There must be defined responsibilities stated in a written agreement among the jurisdictions.
5. Adequate systems design was required so that the installation would not be premature.<sup>18</sup>

#### IMPLEMENTING FINDINGS OF THE FEASIBILITY STUDY

REPRESENTATIVES OF THE FIVE GOVERNMENTS INTERESTED IN THE JOINT DATA CENTER MET WITH THE TEXOMA REGIONAL PLANNING COMMISSION TO REVIEW THE FINDINGS OF THE FEASIBILITY STUDY. It was decided that study recommendations were appropriate. A decision was made to submit the study to the various governing bodies to obtain their approval for the cooperative center. Jerry Chapman, the Executive Director of the Texoma Regional Planning Commission, took the initiative in convincing elected officials of the potential benefits from establishing a cooperative data center.

THE CITY COUNCILS AND SCHOOL BOARDS IN SHERMAN AND DENISON, AND THE GRAYSON COUNTY COMMISSIONER'S COURT MET AND ALL FAVORED THE BASIC IDEA OF A COOPERATIVE DATA CENTER. The consensus was that a convenient, centrally-located site should be found and a cooperative agreement negotiated before further action was taken.

THE PLANNING COMMISSION AND REPRESENTATIVES OF THE FIVE AREA GOVERNMENTS BEGAN LOOKING FOR A SUITABLE SITE FOR THE DATA CENTER. They wanted a location that was convenient to all five participating jurisdictions. Also, it was necessary for the site to have sufficient space for future growth.

A BUILDING LOCATED DIRECTLY ACROSS THE STREET FROM THE PLANNING COMMISSION AT THE GRAYSON COUNTY AIRPORT WAS CHOSEN BECAUSE OF ITS SIZE AND CONVENIENCE TO ALL OF THE PARTIES EXPECTED TO USE THE CENTER.

<sup>18</sup>Ibid., p. 9-10.

The county-owned building had enough space for the data processing operation being planned. More importantly, the building was located in the middle of the service area and on neutral ground to avoid any appearance of favoritism. The 2,000 sq. ft. facility was leased from the county for \$200 a month, and planning began to convert it for use as a data processing center.

#### PROVISIONS OF THE COOPERATIVE AGREEMENT

A JOINT MEETING OF REPRESENTATIVES FROM THE GOVERNING BODIES OF THE FIVE INTERESTED PARTIES WAS HELD TO NEGOTIATE THE INTERLOCAL AGREEMENT IN OCTOBER, 1973. Major areas of concern in drawing up the agreement included policy making for the Center, sharing of costs, management of the Center, and review of requests from other governments who might wish to use the Center. It was felt that the agreement should contain provisions to cover all of these concerns.

THE FIRST MAJOR AREA WHICH THE AGREEMENT ADDRESSES IS AUTHORITY FOR POLICY MAKING. According to the agreement, the Center is to be governed by a policy-making body called the Governing Board consisting of five voting members.<sup>19</sup> Each participating government has the right to appoint one representative to serve on this Board. Non-voting members of the Board include a representative of the Texoma Regional Planning Commission and a data processing manager from private industry. The Governing Board is responsible for all major decisions regarding the Center's operation.

A SECOND CONSIDERATION SPELLED OUT IN THE AGREEMENT IS THE SHARING OF COSTS FOR OPERATION OF THE CENTER. The method of payment for expected

<sup>19</sup>Articles of Agreement for the Grayson Governmental Data Center, October 15, 1973.  
p. 1.

costs is described in the agreement. All data processing activities of the Center are financed by funds placed in a depository by the Board. Each of the five governmental entities provides the funds necessary to pay for the cost of services which it expects to use during the budget period (October 1 through September 30). Should a jurisdiction pay for more services than it obtains from the Center, it is reimbursed for that portion of the unused funds. In a similar manner, should the governmental unit use more services than it has paid for, it is billed for the additional services.

OTHER MAJOR COSTS ARE COVERED IN SEPARATE SECTIONS OF THE AGREEMENT. With relation to other costs, the agreement states that:

organizational costs shall be shared equally among the participating units of government . . . Organizational costs shall be defined as those costs not directly attributable to any particular job during the inception period . . . indirect costs shall be borne on a pro rata basis by budget period in accordance with the direct charges by each jurisdiction for the services which it receives from the Center . . .<sup>20</sup>

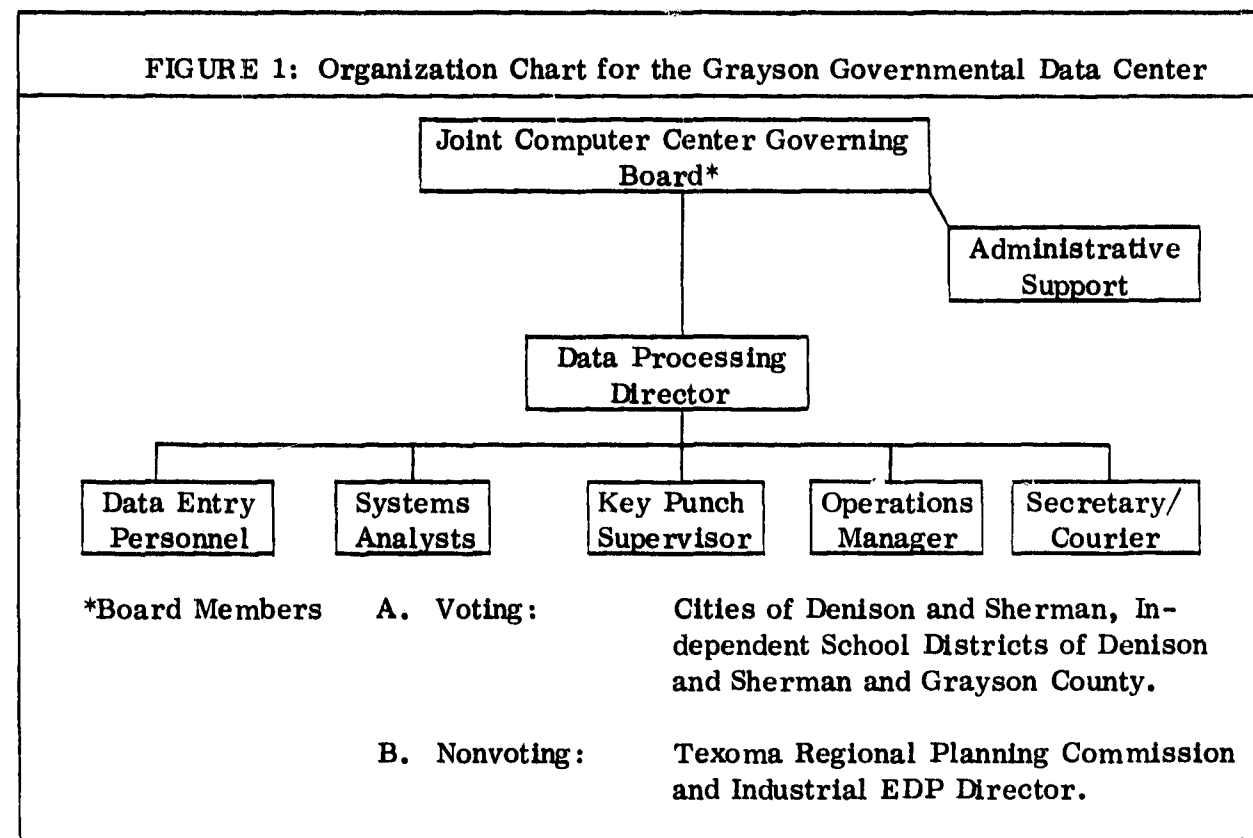
THE AGREEMENT STIPULATES THAT MANAGEMENT OF THE CENTER WILL BE HANDLED BY THE DATA PROCESSING DIRECTOR, WHO IS SELECTED BY THE GOVERNING BOARD.<sup>21</sup> This person employs and has direct control over all operations and personnel. The Director prepares the annual budget to be submitted to the Board for approval. His position in relation to the Governing Board and other data processing personnel is shown in Figure 1.

REQUESTS FROM OTHER GOVERNMENTAL ENTITIES TO BECOME COOPERATIVE USERS OF THE CENTER ARE CONSIDERED BY THE GOVERNING BOARD. Authorization and approval of all user governments is necessary before admission of any new members.

<sup>20</sup>Ibid., pp. 1-3.

<sup>21</sup>Ibid., p. 2.

FIGURE 1: Organization Chart for the Grayson Governmental Data Center



The amount of data processing time being utilized by present users is a major consideration in granting such approval. New members that are approved pay a portion of the organizational costs that the original members incurred in establishing the Center. This income is used to defray the increased costs of operation.

OTHER PROVISIONS OF THE COOPERATIVE AGREEMENT AUTHORIZE CONTRACTS FOR ADMINISTRATIVE SERVICES AND CANCELLATION OF THE TERMS OF THE AGREEMENT. A participating jurisdiction desiring to disassociate itself from the Center must give written notice to the Governing Board at least one year prior to the date on which it intends to discontinue participation.<sup>22</sup> In contracting for administrative

<sup>22</sup>Ibid., p. 4.

services from the Texoma Regional Planning Commission, the Governing Board must agree on the scope, nature and compensation of services that the Center receives.<sup>23</sup>

#### BEGINNING OPERATION OF THE GRAYSON GOVERNMENTAL DATA CENTER

WHEN THE AGREEMENT WAS SIGNED ON OCTOBER 15, 1973, BY THE TWO MAYORS, TWO SCHOOL BOARD PRESIDENTS AND THE COUNTY JUDGE, THE GRAYSON GOVERNMENTAL DATA CENTER WAS READY TO BEGIN OPERATION. Since the City of Sherman already had an IBM System 3 computer in service, the Governing Board decided to continue to lease this computer for use at the Data Center, until a larger computer was needed. Also, Bob Kannenberg, the Data Processing Director for the City of Sherman, was selected by the Governing Board to serve as the Data Processing Director for the new Data Center. Data entry personnel were hired from the City of Sherman. The staff's familiarity with the area and type of programming eased the transfer of planned data handling operations to the Data Center for all user jurisdictions.

VERY LITTLE INITIAL INVESTMENT WAS REQUIRED TO OPEN THE DATA CENTER. The total cost for opening the Data Center was only \$3,900. The cost was shared equally by the five user jurisdictions. This modest sum covered the cost of remodeling the Center building and moving expenses. However, the start-up costs for collecting, converting and entering new data on the computer was substantial for all of the users, except for the City of Sherman. The City of Denison, for example, paid \$30,000 during the first year to convert its utility billing to electronic data processing.

#### SERVICES PROVIDED BY THE DATA CENTER

THE CITY OF SHERMAN RECEIVED MOST OF THE COMPUTER SERVICES

<sup>23</sup>Ibid.

DURING THE FIRST YEAR'S OPERATION, SINCE MOST OF ITS DATA ALREADY WAS ON THE COMPUTER. Computer applications for Sherman during this time included financial reports, payroll and personnel data, utility billing, and city and school tax billing. The City of Denison received utility billing services. Tax assessment and billing services were provided for the Denison Independent School District. The Center furnished voter registration lists for Grayson County during the initial phase of operation.

MANY NEW DATA PROCESSING SERVICES HAVE BEEN ADDED SINCE 1973. Figure 2 below compares original services with those provided today by the Grayson Governmental Data Center.

IN 1976, THE GOVERNING BOARD DECIDED TO ALLOW OTHER GOVERNMENTAL AND NONPROFIT AGENCIES TO HAVE ACCESS TO THE DATA CENTER. The Board was of the opinion that with additional customers, the overall cost to operate the Data Center could be lowered. They believed that maximum utilization of existing equipment would result in lower operating costs. For this reason, non-user governments and other public agencies were permitted access to the Center as customers. The charge for customer use of the Center was to be based on actual hourly use of the facility with an additional fifteen percent charged for start-up and administrative costs. Examples of data processing services currently provided to customers are shown in Figure 3 below.

WITH INCREASING USE OF THE DATA CENTER BY THE FIVE USER GOVERNMENTS AND THE ACCEPTANCE OF NEW CUSTOMERS, ADDITIONAL EQUIPMENT WAS NEEDED. A Univac 90-30 computer was leased in December, 1975, under a six-year government contract. Since the new hardware was installed, the Data Center has been able to handle more than one job at a time. According to the Data Processing Director, the new computer has an adequate add-on capacity and should meet the data

processing needs of contract users and customers into the foreseeable future.<sup>24</sup>

FIGURE 2: 1973 Services of the Grayson Governmental Data Center Compared with 1978 Services		
User Government	Applications (1973)	Applications (1978)
City of Denison	Utility Billing	Payroll Financial Reports Utility Billing
Denison Independent School District	School and City Tax Assessment and Billing	School and City Tax Assessment and Billing
Sherman Independent School District	School Tax Assessment and Billing Provided by the City of Sherman	School Tax Assessment and Billing Provided by the City of Sherman
Grayson County	Voter Registration Lists	Vehicle Registration County Tax Assessment and Billing Payroll Election Returns Jury Selection Roles Voter Registration
City of Sherman	School and City Tax Assessment and Billing Utility Billing Financial Reports Vehicle Accident Reports Court Docket Lists Payroll Ambulance Use Billing Inventory System	City Vehicle Fuel Reporting Workman's Compensation Report Revenue Reporting System Garbage Route System Central Garage Inventory School and City Tax Assessment and Billing Utility Billing Financial Reports Payroll Ambulance Use Billing

FIGURE 3: Use of the Grayson Governmental Data Center by Outside Customers	
Customer	Applications
Texoma Regional Planning Commission	Payroll for CETA Personnel Financial and General Ledger Reports Housing Trend Reports
Cooke County Emergency Medical Service	Ambulance Billing System Accounts Receivable Statistical Summary Reports
Texoma Mental Health and Mental Retardation Agency	Payroll and General Ledger Reports
Texoma Regional Blood Bank	Donation Notices Master Blood Lists
City of Honeygrove	City Tax Assessment and Billing
Honeygrove Independent School District	School Tax Assessment and Billing

ADDITIONAL CENTER PERSONNEL WERE REQUIRED FOR INCREASING COMPUTER APPLICATIONS. The Center staff now consists of eight full-time employees. There are two data entry specialists, two systems analysts, a secretary/courier, a key punch supervisor, an operations manager and the Data Processing Director. The data entry specialists are scheduled to handle peak load periods.

CURRENTLY, ALL SERVICES ARE PROVIDED IN A CONVENIENT AND TIMELY MANNER. The Data Center has a courier service that makes two runs daily to all major users. Nothing that is brought to the Center for routine processing takes more than 24

<sup>24</sup>Personal interview with Bob Kannenberg, the Data Processing Director for the Grayson Governmental Data Center on May 17, 1978.

hours for return to the user. Only special projects with new programming needs require more than 24 hours to complete. Finance officers from participating jurisdictions are often asked to visit the Center to discuss special data processing requests.

COST ALLOCATION FOR THE GOVERNMENTAL DATA CENTER

THE ANNUAL BUDGET FOR CENTER OPERATIONS IN 1977-78 WAS \$193,330. More than half of this amount was personnel related, with a large share of the remainder for lease of hardware. Each of the user jurisdictions is allocated a pro-rata share of the annual budget based upon its projected use of the Center during the forthcoming budget period. The allocation is calculated for each jurisdiction by the Data Processing Director, and approved by the Governing Board. Then, it must be ratified by each jurisdiction's governing body. For 1977-78, the allocations approved for cooperating jurisdictions were in the following amounts:

Denison, City	\$43,249.38
Denison Independent School District	19,461.97
Grayson County	39,330.29
Sherman, City <sup>25</sup>	79,286.36
Other Governmental Users	<u>12,000.00</u>
TOTAL	\$193,330.00 <sup>26</sup>

<sup>25</sup>This amount includes tax services provided for the Sherman Independent School District.

<sup>26</sup>Grayson Governmental Data Center Statement of Cash Receipts and Disbursements, March, 1978.

AS PREVIOUSLY MENTIONED, THERE IS AN ANNUAL REBATE OF UNUSED ALLOCATIONS. Each user jurisdiction submits a quarterly payment for its share of the annual budget to the Center. If these payments exceed the amount required for the service provided, then a rebate is given equal to the unused amount. If the payments are less than the cost of services required, a supplemental allocation is necessary. Every year since 1974, each of the user jurisdictions has received a rebate from the Center and none has been asked for supplemental funds.

DATA PROCESSING COSTS FOR THE FIVE MAJOR USERS INCREASED DURING THE FIRST SEVERAL YEARS' OPERATION, BUT COSTS HAVE LEVELED DURING THE LAST TWO YEARS. Between 1973-74 and 1974-75, the Center's operating costs rose almost 50 percent. It was during this period that major expenses were incurred for many new applications and staff levels were raised to the present level. By comparison, the projected budget increase from 1976-77 to 1977-78 is thirteen percent, largely for salary increases and the cost of inflation.

BENEFITS FROM THE COOPERATIVE DATA CENTER

ALTHOUGH COSTS ARE INCREASING, COOPERATING JURISDICTIONS ARE SAVING MONEY THROUGH CENTER PARTICIPATION COMPARED WITH THE COST OF SIMILAR SERVICES PROVIDED INDEPENDENTLY. The City of Sherman, for example, is saving money over the projected costs of an independent data processing service. Based upon a predicted annual increase of eight percent, the continued use of an in-house system would be costing in excess of \$100,000 annually for the City of Sherman. Comparing this with the current data processing budget of \$79,000 for the City of Sherman illustrates the clear cost savings that have resulted from this cooperative venture. Also, Sherman and other participants receive the yearly rebate to offset some of their

costs. As new users are added, additional cost savings for user governments are expected due to fuller utilization of existing computer capacity.

THE DATA CENTER IS PROVIDING BETTER QUALITY DATA PROCESSING SERVICES THAN ANY OF THE USERS WERE RECEIVING BEFORE THE COOPERATIVE ARRANGEMENT. There is now a single system which several participants can utilize. Any improvements made in a system of files will benefit all participants who use those files. Services such as tax billing are now being provided more expeditiously and with greater accuracy than in the past. One contract participant stated that "once we got on the computer, it took just seconds to get a tax role, statements and the delinquent tax role."<sup>27</sup>

THERE IS IMPROVED STAFF AND MANAGEMENT EXPERTISE. The Data Center has personnel with many years of training and experience in data processing. They are familiar with current government data processing applications. None of the contracting units could afford such high level staff expertise on their own.

#### FACTORS ACCOUNTING FOR THE SUCCESS OF THE AGREEMENT

SEVERAL OFFICIALS WERE WILLING TO CONTRIBUTE THEIR TIME AND ENERGY TO BRING THE DATA CENTER INTO EXISTENCE. Larry Krumm, former City Manager of Sherman, recognized a definite need for cooperation. With the assistance of Jerry Chapman, Executive Director of the Texoma Regional Planning Commission, other jurisdictions were persuaded to participate in the Data Center. Bob Kannenberg, the Data Processing Director, has managed the Center competently, keeping costs down and supplying high quality services on schedule.

<sup>27</sup> Personal interview with Buddy Smith, Assistant Superintendent of the Denison Independent School District on May 17, 1978.

A GOVERNING BOARD WAS ORGANIZED AS AN AVENUE FOR INPUT FROM ALL FIVE USER GOVERNMENTS. The Board was given the authority to make all of the important decisions regarding operations of the Data Center, from selecting computer hardware to permitting outside customers to use the Center. Thus, control over the Center has remained in the hands of user governments through their selected representatives, and is shared equally.

MEMBERS OF THE GOVERNING BOARD AND THE DATA CENTER MANAGER HAVE BEEN ABLE TO ANTICIPATE PROBLEMS IN ADVANCE AND WORK TOGETHER TO AVOID THEIR CONSEQUENCES. Some potential problems were pointed out in the feasibility study performed by the Public Administration Service, while others have been encountered periodically during the last five years' operation. Figure 4 lists some of the common problems which cooperative data services encounter and the various means by which the Governing Board and management of the Grayson Governmental Data Center have anticipated and handled these problems.

THE CITY OF SHERMAN WAS ABLE TO PROVIDE HARDWARE AND TESTED PROGRAMS CAPABLE OF BEING ADOPTED BY OTHER USERS. Having experienced computer personnel at the beginning of the operation helped to insure that the cooperative venture would be a success. There never was any question about the services being delivered to user governments as promised.

THE INTERLOCAL AGREEMENT IS VOLUNTARY IN NATURE. Any member wishing to withdraw as a cooperating user of the Center may do so. Pressure cannot be applied to force active participation in the joint facility. As an example of the voluntary nature of the agreement, the Sherman Independent School District recently purchased a small computer to perform certain data processing applications. Yet, it chooses to



continue as an active member of the Center, receiving the tax assessment and billing services that were previously provided through the City of Sherman.

FIGURE 4: How Potential Problems were Anticipated and Handled by the Grayson Governmental Data Center	
Problem	Means by Which Problem Anticipated or Handled
Location of facility in a participant's main office could lead to favoritism in performing data processing functions.	The Governing Board chose an empty building owned by the county, yet on neutral ground across the street from the Planning Commission.
Use of the computer facility by outside customers could interfere with its use by cooperating users.	Work submitted to the Data Center by one of the five cooperating jurisdictions always has priority over work performed for outside customers.
The user governments could lose control over operation of the Data Center to the staff or to outside customers.	The Governing Board, made up of members from user governments, was given broad powers in the inter-local agreement for control over the Center and responsibility for its operation.
Lack of a definite schedule for prioritizing data processing work could cause delays in completing contract assignments and threaten withdrawal of cooperating users or paying customers.	Careful scheduling is practiced by the Center staff to avoid delays in processing routine work. However, there is provision for work to be done on an emergency basis when necessary.

THE GRAYSON GOVERNMENTAL DATA CENTER IS A PRACTICAL WAY FOR NEIGHBORING GOVERNMENTS TO ACQUIRE DATA PROCESSING SERVICES THAT ARE CONSISTENT WITH THEIR INDIVIDUAL NEEDS AND WHICH THEY CAN AFFORD.

Capable Center management and staff are able to handle a wide variety of data processing requirements. In the near future, additional users are expected to use the facility, helping to keep unit costs down. New equipment, such as remote terminals, is currently being discussed. The enterprise has fulfilled the expectations of the cooperating jurisdictions. It is well worth investigation by other governments that are looking for ways of satisfying their data processing needs.



COOPERATIVE SOLID WASTE  
DISPOSAL IN SAN PATRICIO  
COUNTY

Several local governments in the Portland-Aransas Pass area have found a long-term solution to their solid waste management needs through interlocal contracting. For over nine years, San Patricio County has been furnishing five small towns and a neighboring county with a convenient, reliable and efficient waste disposal site at a price all of them can afford.

COOPERATIVE SOLID WASTE DISPOSAL IN SAN PATRICIO COUNTY

**W**e are living in a "throw away" society. The volume of garbage, trash and other forms of waste material produced daily by homes, businesses, and industry is staggering. In 1940, the daily volume of waste in Texas averaged less than two pounds per person. By 1970, the volume had increased to over five pounds per person.<sup>28</sup> How to arrange for the efficient and economical disposal of this steadily rising volume of waste products is one of the major problems confronting urban Texas today.

THE REMOVAL OF GARBAGE AND TRASH AND ARRANGING FOR ITS DISPOSAL HAS LONG BEEN THE RESPONSIBILITY OF LOCAL GOVERNMENTS IN TEXAS. In recent years, this disposal task has been complicated by several factors. Tough new laws, spawned by rising public concern for protection of the environment, have required cities and counties in urban areas to abandon open, unsanitary dumps and burning practices. Large tracts of land, often located far outside the user jurisdiction, and sophisticated disposal techniques, are gradually replacing these outmoded practices. But suitable land is hard to find and is usually expensive. Distantly located sites, while less costly to lease or buy, mean an increased expense for hauling. These costs, plus the expense to purchase and maintain adequate equipment and hire skilled personnel, help to explain why solid waste management is one of the most expensive and frustrating tasks facing local government administrators today.

IN AN EFFORT TO REDUCE THE RISING COSTS AND UNDERTAKE SOLID WASTE MANAGEMENT ON A LARGER SCALE, MANY CITIES AND COUNTIES ARE COOPERATING TO MEET THEIR COMMON NEEDS. Authorities on the solid waste management problem

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<sup>28</sup>Texas Municipal League. Municipal Solid Waste Management in Texas. Jan. 1972, p. 4.

point out that there is no best way to meet solid waste disposal objectives that is independent of city size, character of residents, industry and topography. In their efforts to locate alternatives suitable for their respective disposal needs, many communities have elected to cooperate with each other in the acquisition and operation of adequate disposal facilities. There is ample justification for this approach:

1. The unit cost to lease or purchase suitably located tracts of land is less than for smaller, often less suitable land.
2. The unit cost is less for the lease or purchase of heavy equipment.
3. It is more efficient to operate one large disposal site than several small ones.
4. Administrative costs are lower when management of the operation is centralized rather than fragmented.<sup>29</sup>

A TYPICAL COOPERATIVE STRATEGY INVOLVES A CITY OR COUNTY OWNING AND OPERATING A LANDFILL AND PERMITTING OTHER CITIES OR COUNTIES TO DELIVER REFUSE FOR DISPOSAL AT THE SITE FOR A FEE.<sup>30</sup> This way, the high cost for duplicative and often inadequately operated disposal sites is avoided. And, the city or county operating the site is able to recover a portion of its operating and capital expenses from the governments that contract to use the facility.

ONE OF THE FIRST JURISDICTIONS IN TEXAS TO PROVIDE A COOPERATIVE SANITARY LANDFILL WAS SAN PATRICIO COUNTY. In 1969, the county entered into an informal, good faith contract with the cities of Portland, Ingleside, Aransas Pass,

<sup>29</sup>Kenneth C. Clayton and John M. Huie. Solid Waste Management: The Regional Approach. (Ballinger Publishing Company, 1973).

<sup>30</sup>David W. Tees and Jay Stanford. The Handbook for Interlocal Contracting in Texas. (Institute of Urban Studies, The University of Texas at Arlington, 1972).

Gregory and Sinton. It was agreed that the county would operate the landfill for use by the cities. The cities agreed to assume the financial burden for operating the facility by paying fees charged for dumping. The landfill has operated efficiently for the last nine years. Enough land has been acquired to serve the refuse disposal needs of participating governments for the next thirty years.

#### BACKGROUND OF THE AGREEMENT

THE INITIATIVE FOR A COOPERATIVE LANDFILL CAME FROM THE LATE SAN PATRICIO COUNTY JUDGE WILLIAM SCHMIDT IN JANUARY, 1969. Judge Schmidt felt that a county-operated cooperative landfill could save money for neighboring cities located in the southern section of the county. He proposed to the San Patricio County Commissioner's Court that the county open a self-supporting sanitary landfill site that would be available to any city wanting to use it. The Judge's proposal was supported by the Coastal Bend Regional Planning Commission, the State Health Department and many state engineers.<sup>31</sup>

THE PROPOSAL WAS APPEALING TO THE CITIES BECAUSE SEVERAL OF THEIR OPEN DUMPS PREVIOUSLY HAD BEEN BANNED BY THE STATE HEALTH DEPARTMENT AS ENVIRONMENTALLY UNSAFE. They were operating with a July 1, 1969, deadline to conform with state standards.

SAN PATRICIO COUNTY COMMISSIONERS RECOGNIZED THE NEED FOR A SANITARY LANDFILL TO SERVE THE WASTE DISPOSAL NEEDS IN THE SOUTHERN SECTION OF THE COUNTY. However, there was no apparent legal authority for counties to construct and operate solid waste disposal facilities to be used by other governmental units.

<sup>31</sup>Corpus Christi Caller, February 15, 1971.

The Commissioners called upon State Representative Leroy Wieting of Portland to introduce a bill in the 61st session of the Texas Legislature that would enable any county in Texas to operate a cooperative landfill to be used by other units of government. H. B. 1367 was introduced in March and passed later in the session. H. B. 1367 authorizes county commissioners to:

acquire, construct, improve, equip, maintain, finance and operate disposal facilities. . . authorizing the issuance of revenue bonds for the purpose of providing funds for the acquisition, construction, repair, improvement, or equipment of disposal facilities, and necessary sites. . . providing that the commissioners courts shall charge sufficient fees and charges for the use of the disposal facilities.<sup>32</sup>

WHILE THIS LEGISLATION WAS STILL PENDING, OFFICIALS FROM THE CITIES OF PORTLAND, INGLESIDE, ARANSAS PASS AND GREGORY MET WITH COUNTY OFFICIALS IN MARCH, 1969, TO DISCUSS THE COOPERATIVE LANDFILL. Charles Norwood, then City Manager of Portland, argued that sufficient revenues would be available from user fees for the landfill to be self-supporting. He wanted to assure county commissioners that they would not be creating a new financial burden by opening a cooperative landfill. Figure 1 on the following page shows Norwood's projection of landfill use and revenue yield, assuming participation by the county and four user cities, based on the modest charge of 40 cents per cubic yard. For the county to handle the projected volume, the monthly cost, including salaries and equipment, was estimated to be \$2,000. In other words, the cooperative venture was predicted to break even the first year despite the relatively low rates charged participating cities.

ACTING AS A REPRESENTATIVE OF THE CITIES, MR. NORWOOD MADE SEVERAL RECOMMENDATIONS TO THE SAN PATRICIO COUNTY COMMISSIONERS CON-

<sup>32</sup>H. B. 1367, 61st Texas Legislature, May, 1969.

CERNING MANAGEMENT OF THE COOPERATIVE LANDFILL. He recommended that:

1. Rates for the landfill be reviewed at six-month intervals and adjustments made accordingly.
2. The county appoint representatives from each participating city to advise them on the management of the landfill operation.
3. A financial statement be prepared monthly on landfill operations and sent to each participating city.<sup>33</sup>

FIGURE 1. Projected Use and Revenues from the San Patricio County Landfill<sup>34</sup>

City	Population	Cubic Yards of Trash Monthly	Monthly Revenue @ 40 Cents per Cubic Yd.	Annual Revenue Yield
Aransas Pass	8,500	1,668	\$ 667.20	\$ 8,006.40
Portland	7,500	1,365	546.00	6,552.00
Ingleside	4,000	780	312.00	3,744.00
Gregory	2,000	434	173.60	2,083.20
County	-	-	300.00	3,600.00
TOTAL	<u>22,000</u>	<u>4,247</u>	<u>\$1,998.80</u>	<u>\$23,985.60</u>

UPON PASSAGE OF THE ENABLING LEGISLATION IN MAY, 1969, COUNTY COMMISSIONERS DECIDED TO ACCEPT THE BASIC RECOMMENDATIONS OF THE CITIES INTERESTED IN A COOPERATIVE LANDFILL. They decided that an interlocal agreement should be negotiated to define the rights and responsibilities of each city, as

<sup>33</sup>Minutes from the March 24, 1969, meeting of the San Patricio County Commissioner's Court.

<sup>34</sup>Report written by Charles Norwood, former City Manager of Portland, and presented to the San Patricio County Commissioner's Court, March 24, 1969.

well as the county. The commissioners hired a San Antonio law firm, Shearson, Hammill and Company, to draw up the agreement.

#### PROVISIONS OF THE COOPERATIVE AGREEMENT

THIS UNSIGNED MUTUAL AGREEMENT WAS WRITTEN TO DOCUMENT EACH PARTY'S RIGHTS AND RESPONSIBILITIES WHEN USING THE COOPERATIVE LANDFILL.

It states in the opening paragraph that:

whereas the county is acquiring land, machinery, equipment and other facilities for the purpose of providing disposal facilities which are to be used by the city. . .and the operation, maintenance and adequacy of said facilities shall be supervised by the county. . .and city is desirous of using the facilities for disposal of all of the city's solid wastes. . .it is agreed that the county shall from time to time establish and publish standard rates for each classification of customer.<sup>35</sup>

IN SETTING THE RATES FOR CUSTOMERS OF THE LANDFILL, THE AGREEMENT MAKES IT CLEAR THAT THE DISPOSAL FACILITIES ARE NOT ORGANIZED FOR PROFIT. The agreement sets forth that the rates should at all times be the lowest possible rates which are consistent with good business management on the part of the county. It is stated that reasonable costs will include:

1. Acquisition, maintenance and operating expenses of the disposal facilities, including a reasonable reserve for emergencies and contingencies.
2. Cost of repairing and replacing damaged, worn out or obsolete parts of the disposal facilities' machinery and equipment, including a reasonable reserve for depreciation.<sup>36</sup>

ONCE EACH PARTICIPANT AGREED TO THE TERMS OF THE AGREEMENT, THEY WERE FREE TO TRANSPORT ALL OF THEIR SOLID WASTE MATERIAL TO

<sup>35</sup>Interlocal agreement for participation in the San Patricio County Landfill (Shearson, Hammill & Co., May 26, 1969).

<sup>36</sup>Ibid.

THE DISPOSAL SITE. Each user was to be billed monthly for dumping. The dumping charges would be set high enough to cover all reasonable costs mentioned above.

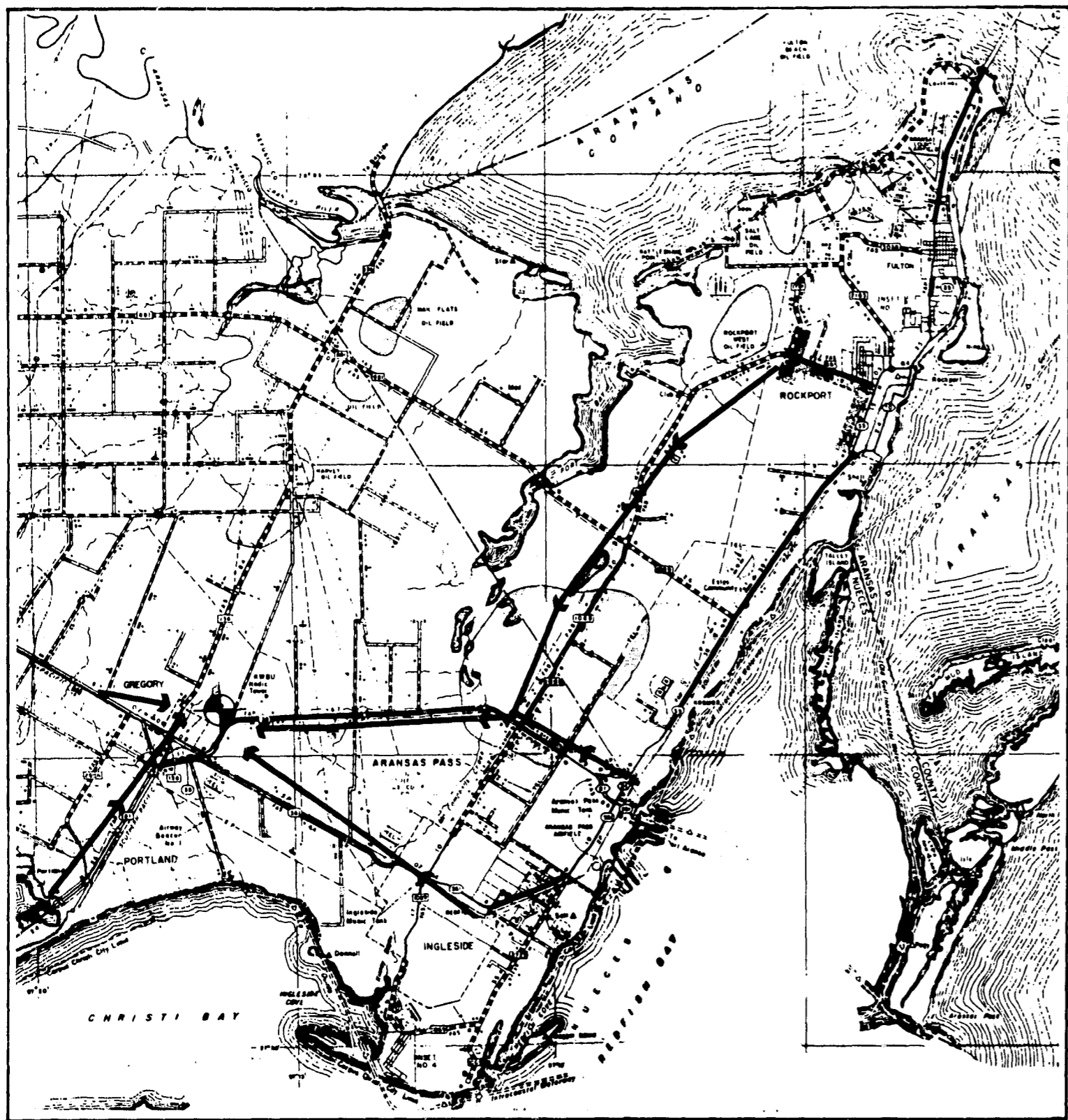
#### LOCATING A SUITABLE SITE FOR THE LANDFILL

IN JUNE, 1969, THE COMMISSIONERS BEGAN LOOKING FOR A SUITABLE SITE FOR THE SANITARY LANDFILL. They located a 50-acre tract of land that was easily accessible to all of the interested cities. The proposed landfill was north of State Highway 35, one and one-half miles from the city limits of Gregory. The area was sparsely populated so few complaints were expected. (See map on the following page.)

AN ENGINEERING FIRM WAS HIRED BY THE COUNTY TO EXAMINE THE TERRAIN, TEST THE SOIL, AND RECOMMEND EQUIPMENT AND SUPPORTING CONSTRUCTION FOR THE LANDFILL. According to their study, which was completed in May, 1969, the soil at the proposed site was suitable for dumping to an eight-foot depth. From this and other observations, the engineers concluded that the landfill site under consideration was sufficient for the combined needs of all the interested cities for at least eight to ten years.<sup>37</sup>

IN LIGHT OF THE ENGINEER'S REPORT, A DECISION WAS MADE IN JUNE, 1969, BY THE COUNTY COMMISSIONERS TO LEASE THE SITE, WITH AN OPTION TO PURCHASE THE LAND AT A LATER DATE. The county leased the land for \$250 per month. The interested cities agreed to reimburse the county for its costs from revenues collected for the use of the landfill. The charges for dumping were set relatively high, so that the county would be reimbursed as soon as possible for its initial advancement of funds.

<sup>37</sup>Lockwood, Andrews & Newnam, Inc. Study and Recommendations for Development of the San Patricio County Waste Disposal Unit No. 1, May 24, 1969.



SEVEN MONTHS LATER, IN JANUARY, 1970, THE COMMISSIONERS DECIDED TO PURCHASE THE 50-ACRE LANDFILL SITE FOR \$20,000. The commissioners passed a resolution stating that if the landfill was ever resold, the proceeds would be used to acquire additional acreage. Also, the deed stipulates that if the county decides to sell the property, the seller has the first option to buy the property back at the same price for which it was sold to the county. Soon after the purchase of this tract, discussions were held about the possible purchase of additional land adjacent to the site.

INITIAL OPERATION OF THE LANDFILL

SAN PATRICIO COUNTY WASTE DISPOSAL UNIT NO. 1 BEGAN OPERATION ON JULY 1, 1969. In the beginning, the landfill was open seven days a week to serve the cities of Portland, Gregory, Ingleside, Aransas Pass and Sinton. Contract haulers, also, were allowed to dump trash at the site. They were charged on the basis of the size of each load. The charge to dump a carload of trash, for example, was 25 cents, while the charge for a pick-up load was 50 cents.

RATES FOR THE PARTICIPATING CITIES WERE INITIALLY SET AT 87 CENTS PER CUBIC YARD. These charges were set relatively high because the cities wanted to reimburse the county immediately for a pre-payment of \$10,000 to rent the site and purchase equipment and supplies necessary to begin operations. Also, it was felt that a contingency fund should be established for possible emergencies. It was anticipated that the rates would be lowered within the next twelve months.

THE ACQUISITION OF EQUIPMENT AND HIRING OF PERSONNEL NEEDED BY THE COUNTY TO OPERATE THE LANDFILL WERE HANDLED BY THE SAN PATRICIO COUNTY COMMISSIONERS. The commissioners hired a dozer operator/superintendent to manage the landfill, direct the dumping procedures, and cover all refuse daily. A

scale man was hired to measure all incoming loads and charge the necessary fees. About every ten days, this employee was to take the tickets to the treasurer's office, where they were entered into a ledger for use in preparing monthly billing statements. The county leased a new D6C Caterpillar tractor to do the digging, compacting and covering at the landfill. A portable pump was used to maintain the landfill in a reasonably dry condition. Also, other county equipment was brought to the site when necessary. All personnel and equipment for the landfill operation were financed from the proceeds of dumping fees.

MOST MAJOR DECISIONS REGARDING THE LANDFILL WERE MADE BY THE SAN PATRICIO COUNTY COMMISSIONER'S COURT. Authority for management of the landfill has always rested with the commissioners. They still make decisions regarding equipment to be purchased and hours the landfill will be open. One city official commented that, although the cities do have some responsibility for landfill operation, especially in reviewing charges, the real authority has always been exercised by the county.<sup>38</sup>

AN ADVISORY COMMITTEE CONSISTING OF ONE MEMBER FROM EACH PARTICIPATING CITY WAS ORGANIZED TO GIVE PARTICIPATING CITIES A VOICE IN THE EARLY OPERATION OF THE LANDFILL. The primary function of this committee was to make recommendations to the commissioners regarding management of the landfill site. The committee had no real authority to make necessary changes. Charles Norwood, the City Manager of Portland at the time the committee was formed, served as its first chairman. Monthly meetings were scheduled to be held at different member cities on a rotation basis. The first meeting was held on August 7, 1969, at the Sinton City Hall. Discussion at these meetings often centered on the financial position of the landfill. Rates were reviewed

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<sup>38</sup>Personal interview with Pete Gildon, City Manager of Portland, June 29, 1978.

periodically. The committee also made occasional visits to the landfill site to observe operations firsthand.

SHORTLY AFTER THE LANDFILL OPENED, THE STATE HEALTH DEPARTMENT VISITED THE SITE. They were impressed with the clean, sanitary condition of the landfill. This was in contrast to the open dumps that some of the cities had previously operated. The landfill passed inspection at this time, but it was recommended that all burning at the site be discontinued.

#### FIRST FINANCIAL REPORT ON OPERATION OF THE LANDFILL

IN FEBRUARY, 1971, A COMPREHENSIVE FINANCIAL REPORT ON THE LANDFILL WAS PREPARED BY ADVISORY COMMITTEE CHAIRMAN CHARLES NORWOOD. When the report was prepared, rates for dumping were still 87 cents per cubic yard. The study analyzed all revenues and expenditures for the landfill during the first eighteen months of operation in an effort to determine whether the fees should be lowered. The following information was included in that financial report:

For the most part . . . the landfill was operating on approximately \$2,900 per month (\$34,800 yearly). At the beginning, the operations reimbursed the County \$10,000 for advanced operating funds and the many capital outlays for initial functions of the landfill . . . Since July 1, 1969, the facility has accumulated over \$15,000 in surplus money . . . This accumulation of surplus indicates that the present rate structure brings in approximately \$1,000 a month over the needed expenditure requirement.<sup>39</sup>

ON THE STRENGTH OF NORWOOD'S REPORT, THE ADVISORY COMMITTEE DECIDED TO RECOMMEND THAT THE CHARGES FOR DUMPING BE REDUCED FROM 87 CENTS PER CUBIC YARD TO 70 CENTS PER CUBIC YARD. The Commissioners approved the rate reduction. Starting March, 1971, all of the original participating cities

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<sup>39</sup>Charles E. Norwood. A Study of Dumping Rates at the County Sanitary Landfill Near Gregory. February 8, 1971.



began paying the 70 cents per cubic yard fee for dumping at the joint landfill site.

#### OPERATION OF THE LANDFILL OVER THE LAST NINE YEARS

THE ADVISORY COMMITTEE BELIEVED THAT ADDITIONAL LAND WOULD SOON BE NEEDED TO MEET THE DISPOSAL NEEDS OF A GROWING COUNTY POPULATION. There was also a strong likelihood of other governmental units seeking to use the landfill. It was proposed, and later accepted, that the commissioner's court earmark the \$15,000 surplus money for future land acquisition. Coupled with the eventual sale of the existing property, the members felt that these funds would be adequate to purchase enough land for future use.

OTHER JURISDICTIONS, REALIZING THE POSSIBLE COST SAVINGS IN THIS CO-OPERATIVE VENTURE, BEGAN USING THE LANDFILL FOR SOLID WASTE DISPOSAL. New members entering the agreement, such as Aransas County and the City of Rockport, were charged at the original rate of 87 cents per cubic yard during their first year's participation. The City of Sinton, on the other hand, felt that it could save money by operating its own landfill, and withdrew from participation on October 1, 1972.

THE COUNTY ASSUMED THE ADDED RESPONSIBILITY OF OVERSEEING DAILY OPERATION AT THE LANDFILL SITE WHEN THE ADVISORY COMMITTEE WAS PHASED OUT IN 1974. The committee was terminated because of inadequate control over management of the landfill.<sup>40</sup> They had responsibility for proper management of the landfill, but had no real authority to make necessary changes. The San Patricio County Commissioner's Court has always retained most of the authority over the landfill since its creation. Various problems had arisen at the landfill due to the inability of the Advisory Committee to take

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<sup>40</sup>Personal interview with Judge Percy Hartman, San Patricio County Judge, June 29, 1978.

action. The County Health Inspector was complaining periodically about the problem with flies at the landfill site. Representatives from the State Department of Health told members of the Advisory Committee that the operation was in violation of the State Water and Clean Air Act because the trash was being buried in pits containing ground water.<sup>41</sup> Problems such as these persuaded the county to reassume control and to strengthen management of the landfill operation to prevent closing of the facility.

#### PRESENT OPERATION OF THE LANDFILL

UPON TERMINATION OF THE ADVISORY COMMITTEE MADE UP OF CITY OFFICIALS, THE COUNTY DECIDED TO ORGANIZE ITS OWN ADVISORY BOARD COM-PRISED OF ELECTED AND NON-ELECTED COUNTY OFFICIALS. This board reports directly to the San Patricio County Commissioner's Court. It takes all major decisions to the Commissioner's Court before acting. Presently, the board consists of the county judge, the county auditor, the county treasurer and the county engineer.

TODAY, THE SAN PATRICIO COUNTY LANDFILL IS A CLEAN AND EFFICIENT OPERATION. People driving on State Highway 35, several hundred yards from the landfill entrance, would have little reason to believe that they were passing by a waste disposal site. On a recent visit to the site, a noticeable feature was the lack of odor. There was no blowing or uncovered refuse. Garbage trucks were moving in and out of the landfill at a brisk pace, with their dumping closely supervised by site personnel. All refuse is covered before the close of each workday with a two-inch layer of dirt.

JURISDICTIONS PRESENTLY USING THE LANDFILL ARE THE CITIES OF GREGORY, PORTLAND, INGLESIDE, ARANSAS PASS, ROCKPORT AND ARANSAS COUNTY. The

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<sup>41</sup>Minutes from the Advisory Committee meeting, April 10, 1974.

landfill is open to these users, as well as private haulers, from 8:00 a. m. to 5:30 p. m., Monday through Friday, and from 8:00 a. m. to 5:00 p. m. on Saturday and Sunday. Other cities and counties can use the landfill by agreeing to the terms of the agreement and paying the necessary charges. Participating governments currently pay 95 cents per cubic yard for use of the facility. Each month they are sent a bill by the county treasurer.

VERY FEW COMPLAINTS ARE RECEIVED BY CITY AND COUNTY OFFICIALS. City officials report that they rarely hear anything concerning the landfill, an indication to them that the landfill is operating smoothly. The State Department of Health Resources inspects the site every six months. It has found the site to be in compliance with state regulations on every inspection since 1975.

EARLIER THIS YEAR, THE COUNTY PURCHASED AN ADDITIONAL 57 ACRES OF LAND ADJACENT TO THE ORIGINAL SITE. Since less than one-half of the original land has been needed for landfill purposes to date, it is expected that the facility will be sufficient for the solid waste needs of user jurisdictions for another thirty years.

#### BENEFITS FROM THE LANDFILL

THE GREATEST ADVANTAGE THAT THE CITIES AND COUNTY REPORT FROM THE COOPERATIVE LANDFILL IS AN IMPROVEMENT IN SERVICE. Participating jurisdictions now provide their citizens with an alternative facility that is much cleaner than the open dumps that were previously operated. Because of a high water table, Aransas County and the City of Rockport now obtain a service that would be impossible to provide in their own county. With the location of the landfill away from populated areas, the disposal of solid waste is rarely a concern for city officials.

BY COOPERATING IN THE OPERATION OF ONE LANDFILL, ALL PARTICIPATING GOVERNMENTS HAVE ECONOMIZED. One county official reports that by using the same

equipment and personnel, participating jurisdictions have realized definite cost savings.<sup>42</sup> Most communities located around San Patricio County pay over a dollar per cubic yard to dispose of solid waste material. The dollar savings from low dumping fees have more than offset the added transportation cost for participating jurisdictions to haul their wastes to the common landfill located away from the city limits.

NEW LINES OF COMMUNICATIONS HAVE BEEN ESTABLISHED BETWEEN PARTICIPATING JURISDICTIONS. City managers from the cities participating in this cooperative venture meet at least once a month to discuss common problems. An informal multi-city ambulance agreement has materialized. City managers are presently discussing mutual aid fire protection. These and other forms of cooperation are being considered in light of the long-term success of the cooperative landfill.

#### AVOIDING PROBLEMS WITH COOPERATIVE LANDFILL OPERATION

SAN PATRICIO COUNTY AVOIDED MOST OF THE COMMON PROBLEMS ASSOCIATED WITH THE OPERATION OF A JOINT LANDFILL WITH STRONG CONTROL AND MANAGEMENT, AND SKILLFUL PLANNING FOR FUTURE USE. Problems associated with management, such as unsanitary conditions at the landfill site and inadequate manpower for operation of the landfill, have resulted in swift action by county officials. There has never been a problem with inadequate revenues to cover rising costs because the county treasurer continuously monitors the finances of the landfill. These and other problems, both real and potential, and the way in which they were handled in San Patricio County are outlined in Figure 2.

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<sup>42</sup>Telephone interview with Aransas County Judge John Wendell, August 24, 1978.



FIGURE 2. Potential Problems with Cooperative Landfills

Problem	Manner Handled in San Patricio County
Inadequate planning could lead to insufficient land for future use by the participating governments.	Having enough land for future use has always been a major concern of county officials. Care in initial site selection and expansion planning has resulted in sufficient land for approximately thirty years.
Inadequate revenues from participating governments to cover escalating costs could cause problems with financing operation of the landfill.	The county treasurer serves as a watchdog to insure that adequate funds are available from charges to cover all operating costs.
An emergency could arise, necessitating a sizeable outlay of funds.	A contingency fund has been established to cover unexpected expenses.

FACTORS CONTRIBUTING TO THE SUCCESSFUL OPERATION OF THE LANDFILL

SEVERAL CITY AND COUNTY OFFICIALS WERE INSTRUMENTAL IN GETTING THE COOPERATIVE VENTURE STARTED. Once the landfill was created, these officials continued to strive for a cleaner, more efficient operation.

THE COUNTY HAS BEEN ABLE TO MAINTAIN CONTINUOUS CONTROL OVER THE OPERATION OF THE LANDFILL. City officials are satisfied with the trouble-free operation and are content to allow the county to take a leading role in management of the cooperative arrangement.

ALL PARTICIPANTS OF THE COOPERATIVE LANDFILL USE THE SITE VOLUNTARILY. If one of the participants decides that a cheaper and better service is available

elsewhere, it is free to use the other site. There is no termination clause in the agreement requiring a notice of intent to withdraw from using the facility.

ANOTHER FACTOR INSURING SUCCESS IN THE OPERATION OF THE JOINT LANDFILL IS THE GEOGRAPHICAL PROXIMITY OF THE PARTICIPATING CITIES. The further a city is from a landfill site, the less attractive financially is any joint arrangement. For example, the high transportation costs for the City of Sinton ultimately persuaded that community to withdraw from participation in the landfill. Other cities continue to use the cooperative landfill because they are located only a short distance from the site, and can reach the landfill site conveniently on State Highway 35. Their transportation costs have not proven to be an obstacle.

PLANNING FOR FUTURE USE OF THE LANDFILL HAS ALWAYS BEEN A MAJOR CONSIDERATION OF COUNTY OFFICIALS. Steps have been taken to insure that land is available for solid waste disposal for many years to come. When no longer useable as a landfill, the property will be sold for use as pasture land. Operated efficiently, using trained personnel and modern equipment, this facility is a long-term waste disposal solution worthy of investigation by other Texas communities.

**A MULTI-CITY HEAVY EQUIPMENT  
SHARING PROGRAM IN DALLAS  
COUNTY**

**Eight cities in Dallas County are cooperating to share their heavy equipment. The equipment can be rented conveniently by one city from another when not otherwise in use. The program has tremendous potential for saving participating cities money on their investments in heavy equipment and is capable of being adopted by other cities in Texas.**

**A MULTI-CITY HEAVY EQUIPMENT SHARING PROGRAM IN DALLAS COUNTY**

- ..... In one city, a garbage collection truck has mechanical problems while on its regular collection route. It has to be taken into the garage for repairs, and there is no backup truck available for use.
- ..... In another city, the storm drainage ditches get clogged up with debris several times every year. At the present time, the city does not own any storm drain cleaning equipment.
- ..... Several days every spring and summer, mosquitoes and other flying insects are almost unbearable in yet another small city. However, an insect sprayer/fogger machine is too expensive for this small city to purchase with its limited resources.
- ..... Another city has all of its available excavating equipment in use repairing a broken sewer line when a sewage line in another area of the city suddenly springs a leak.

**E**QUIPMENT PROBLEMS SIMILAR TO THESE ARE FACED REGULARLY BY CITIES IN TEXAS. When sudden heavy equipment needs arise and the equipment or personnel required to operate them are unavailable, cities are forced either to contract with private firms to do the work or to rent the needed equipment from private heavy equipment rental companies. Contracting the work capable of being done by city forces is difficult to justify economically except in extreme emergencies. Rental of equipment from private firms is costly and can result in delays when the equipment is already rented to another party or when it breaks down during use because of improper maintenance in the past.

**AN ALTERNATIVE TO THE USE OF CONTRACTUAL SERVICES OR PRIVATE EQUIPMENT RENTAL IS THE INTERLOCAL RENTAL AGREEMENT.** Equipment rental agreements between units of government permit sharing of needed equipment, and personnel to operate them, at rates below the standard for private rental firms during periods when the needed equipment is otherwise idle.

**IN 1977, THE FIRST INTERLOCAL EQUIPMENT RENTAL PROGRAM IN TEXAS WAS LAUNCHED BY THE CITIES OF FARMERS BRANCH AND CARROLLTON IN DALLAS**

COUNTY. The original agreement was signed by the two cities in November, 1977. The agreement authorized these communities to share heavy equipment, and personnel when necessary to operate the equipment, at convenient times and at rates favorable to both parties. Since the original agreement was signed, the cities of Richardson, Lancaster, Coppell, Grand Prairie, Mesquite and Addison have all joined the program. The opportunity to cooperate in this venture has been extended to any other city in the area which chooses to join by resolution of its city council.

#### BACKGROUND OF THE AGREEMENT

THE CITIES OF FARMERS BRANCH AND CARROLLTON HAVE SHARED HEAVY EQUIPMENT ON AN INFORMAL BASIS FOR SEVERAL YEARS. When one city needed a piece of equipment from the other city, a phone call was made to determine its availability. If the equipment was idle, and there were no immediate plans for its use, the requesting city was free to borrow it. The only restriction in this arrangement was that the equipment should be maintained properly and returned to the owner city in sound condition.

ALTHOUGH HEAVY EQUIPMENT SHARING OCCURRED INFORMALLY AND IRREGULARLY, IT DID RESULT IN THE SPEEDY AND ECONOMICAL SATISFACTION OF A NEED WHEN IT EXISTED IN ONE OF THE CITIES. This informal practice served as the foundation for the more formalized and expanded inter-city equipment sharing program that emerged last year.

IN 1977, SEVERAL DALLAS COUNTY CITY OFFICIALS MET TO DISCUSS THE POSSIBILITY OF FORMALIZING THE EQUIPMENT SHARING ARRANGEMENT. Paul West, City Manager of Farmers Branch, Richard Ridings, Director of Public Works for Farmers Branch, and Charles Bresett, the Director of Public Works for the City of Carrollton, recognized the necessity for establishing a formal written agreement that

spelled out each party's rights and responsibilities. Several reasons were cited for formalizing arrangements concerning the continued borrowing of equipment between the two cities.

FIRST, BOTH CITIES FELT THAT A FORMAL INSTRUMENT WOULD HELP AVOID POTENTIAL PROBLEMS ASSOCIATED WITH LIABILITY FOR ACCIDENTS OR MISUSE WHILE USING THE RENTED EQUIPMENT. Neither city wanted to assume the responsibility for damages that occurred while the equipment was being used by the other city.

SECOND, IT WAS BELIEVED THAT A WRITTEN AGREEMENT WOULD AID IN SCHEDULING THE USE OF EQUIPMENT. Since the written contract would establish a definite procedure to be followed by each city in borrowing equipment, a schedule could be arranged by both parties. Thus, the city owning the equipment would know when the equipment was to be returned and could plan its work accordingly.

THIRD, IT WAS FELT THAT THIS CONTRACT WOULD HELP CONTRACTING CITIES PLAN FOR THE FUTURE PURCHASE OF HEAVY EQUIPMENT. The knowledge that one city was planning to purchase a piece of equipment could be used by another city in determining whether or not to purchase a similar piece of equipment. Also, one of the cities might decide to purchase a piece of equipment which would be used only occasionally, with the knowledge that another city would probably rent it when it was idle.

FINALLY, BOTH CITIES FELT THAT WITH A WRITTEN AGREEMENT, THERE WAS A STRONG LIKELIHOOD OF INVOLVING OTHER CITIES IN THE RENTAL ARRANGEMENT. It was believed that other cities would recognize the potential benefits under this program, and decide to join the cooperative venture. The underlying motive was that with more cities participating, there would be a larger pool of equipment available for borrowing.

WITH THESE FACTORS IN MIND, A TASK FORCE WAS ORGANIZED TO DECIDE WHAT PROVISIONS TO INCLUDE IN THE WRITTEN CONTRACT. The expertise of the City Attorney of Farmers Branch was called upon to draw up the contract. Once the contract was written, a copy was sent to the City of Carrollton for approval. Minor changes in the original instrument were negotiated by the two cities, and the agreement was signed by the city manager, as authorized by their respective city councils.

SEVERAL OTHER CITY MANAGERS WERE CONTACTED TO ENLIST THEIR INVOLVEMENT IN THE RENTAL PROGRAM. A meeting was held in Farmers Branch to discuss the possible benefits for cities to cooperate in the rental program. It was decided that by simple resolution authorizing the city manager to enter into and execute contracts with other area cities, any interested city could participate.

A FORM RESOLUTION WAS PREPARED BY THE CITY MANAGERS FOR THE INTER-CITY LEASE OR RENTAL OF CITY EQUIPMENT AND USE OF PERSONNEL. It was decided that the resolution would become effective upon its passage and approval by each city council. Passage of the resolution would provide a city manager the authority to enter into a heavy equipment rental agreement with any other city, once the other city had granted its city manager the same authority.

AFTER THE INITIAL RESOLUTIONS WERE PASSED, OTHER CITIES BECAME INTERESTED IN THE RENTAL AGREEMENT. Seven Dallas-area cities have entered into separate agreements with the City of Farmers Branch. Although each city is free to sign an agreement with any of the other cities, none have chosen to do so. Since Farmers Branch maintains a computer listing of heavy equipment, the other cities can simply add their equipment to this listing. In this way, a record of all the equipment available for rent has been established.

SINCE THE ACTUAL RENTAL OF THE EQUIPMENT IS HANDLED AT THE DEPARTMENTAL LEVEL IN EACH CITY, VARIOUS MEETINGS ARE HELD OCCASIONALLY TO DISCUSS OPERATIONAL PROCEDURES. The departments meeting with the City Manager and the Director of Public Works in Farmers Branch, for example, include the Water and Sewer Department, the Utilities Department, the Sanitation Department, and the Street Department. It is stressed at all of these meetings that participation by each city in the rental program should always be voluntary. Paul West, the City Manager of Farmers Branch, noted that in each of these meetings he makes it clear that no pressure should ever be applied in attempting to force one of the cities to rent a piece of equipment when it is already in use, or when plans have been made for its use.

#### IMPORTANT PROVISIONS IN THE AGREEMENT

WHILE SOME OF THE PROVISIONS IN THE INTERLOCAL GOVERNMENT RENTAL AGREEMENT ARE FAIRLY STANDARD, THERE ARE SEVERAL UNIQUE PROVISIONS IN THE CONTRACT. The purpose of the contract, as stated in Section III, is to:

enable the contracting entities to have a legally supportable agreement that will permit and allow said entities to cooperate in the use of equipment and personnel to operate the equipment.<sup>43</sup>

A section providing for the duties, rights and responsibilities of each party to the agreement states the following:

The city manager or his agent shall agree annually to a list of the equipment and personnel that each entity has that is to be made available under this contract. Said list of each entity's equipment and personnel shall set out the rate that will be charged to rent the equipment and to utilize the personnel with or without the equipment. There shall be one rate for renting the equipment without accompanying operational personnel and another rate for rental of said equipment with accompanying personnel.<sup>44</sup>

<sup>43</sup>Inter-City Contract for Heavy Equipment Rental, Section III, p. 2.

<sup>44</sup>Ibid., Section IV, p. 2.

THE CONTRACT ALLOWS AGENTS OF PARTICIPATING CITIES THE RIGHT TO SUPPLEMENT AND ADD TO THE EQUIPMENT RENTAL AND PERSONNEL LIST DURING THE YEAR BY MUTUAL AGREEMENT OF ALL CONTRACTING PARTIES. Also, an important provision in the agreement requires rental charges for the equipment to be computed from the time that the equipment is picked up to the time that it is actually returned to the city owning the equipment.

IN THE FINAL SECTION OF THE AGREEMENT, THE LIABILITY AND RESPONSIBILITY OF EACH PARTY IS SPELLED OUT IN DETAIL. Of course, the party renting the equipment is held responsible for the proper maintenance and servicing of the equipment. Also, the party renting the equipment is required to operate the equipment as outlined in the manufacturer's owners manual. It is recommended that the city owning the equipment carry its own insurance against damage to the equipment. According to the contract, the user of the equipment must obtain liability insurance to be in effect when operating the equipment in the following amounts: \$100,000 per person, \$300,000 per accident, and \$10,000 total property damage.

**THE RENTAL PROCEDURE**

AS EXPLAINED TO THE VARIOUS DEPARTMENTS INVOLVED IN RENTING EQUIPMENT, THE RENTAL PROCEDURE CONSISTS OF SEVERAL DIFFERENT, BUT INTER-RELATED, STEPS. These are stated in both the written contract and a special handout that is given to all departments participating in the rental program. Each step is important to the overall operation of the program. If one of the parties involved in a rental transaction neglects or improperly performs any one of the steps mentioned, then the entire rental process will be disrupted.

THE NEEDED EQUIPMENT IS SELECTED FROM COMPUTER PRINTOUTS THAT

ARE CIRCULATED BY FARMERS BRANCH ON A REGULAR BASIS TO ALL PARTICIPANTS IN THE RENTAL PROGRAM. An extract from a recent printout is shown below. The printouts include the name, class and description of all equipment available for rent. Also listed are the hourly, weekly and monthly rental rates for each piece of equipment. The name, address and phone number of the person to contact in each city for the rental of the equipment are also listed.

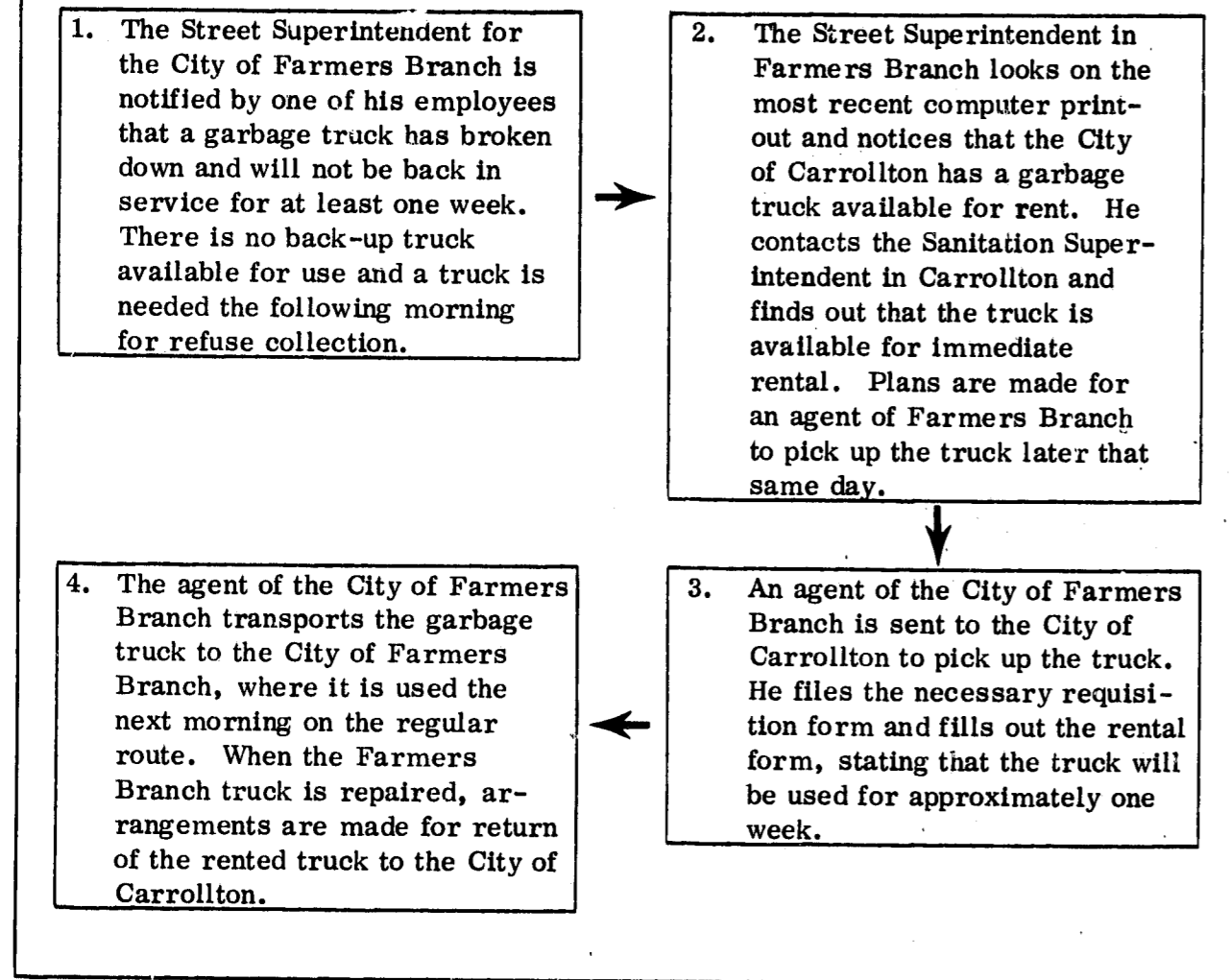
THE AUTHORIZED AGENT OF THE CITY (LESSEE) DESIRING TO RENT THE EQUIPMENT OR UTILIZE THE PERSONNEL OF ANOTHER CITY CAN CONTACT THE AGENT OF THE OTHER CITY (LESSOR) BY PHONE OR BY LETTER TO DETERMINE THE AVAILABILITY OF EQUIPMENT OR PERSONNEL. If the equipment and/or personnel is available, then the agents of each city agree upon a date, place and time to pick up the equipment and/or have the personnel ready for the other city.

FIGURE 1. An Example of a Computer Listing of Heavy Equipment

THROSA		INTERLOCAL GOVERNMENT RENTAL PROGRAM EQUIPMENT LIST				DATE 2/24/78 PAGE 29	
EQUIP CLASS	I.G.R. EQUIP#	DESCRIPTION	RENTAL RATES				CITY MEMBER & CONTACT
			---MTHLY---	---WKLY---	---DAILY---	---HRLY---	---CITY #
2310	2519	FRONT END LOADER GARBAGE TRUCK E-2 PACK 35 C.Y. CAPACITY MOUNTED ON INTERNATIONAL	\$4,312.00	\$980.00	\$196.00	\$24.50	02 CARROLLTON P. O. BOX 535 HAROLD AYOTTE SANITATION SUPT PHONE--- 245-1551 EXT--- 291
---HP---TYPE---TRANS---OTHER---YR--- PRIMARY ENG-- D AUTO 74 CARRIER ENG--							
1710	2752	STREET SWEEPER 3 WHEELER ELGIN PELICAN W/AIR CONDITIONER, 8 FT. BROOM 4 C.Y. CAPACITY	\$1,865.50	\$653.25	\$200.00	\$31.36	01 FARMERS BRANCH 13000 W. DODSON PKWY. LEE W. DARNELL STR. SUPERINTENDENT PHONE--- 247-3131 EXT--- 29
---HP---TYPE---TRANS---OTHER---YR--- PRIMARY ENG-- 138 D AUTO 75 CARRIER ENG--							
103	3207	LOADER-WHEEL J DEERE 400 W/BACKHOE 1 C.Y. BUCKET CAPACITY	\$362.50	\$124.70	\$38.28	\$5.74	03 LANCASTER P. O. BOX 548 JOHN R. MARSHALL CITY MANAGER PHONE--- 227-2111 EXT---
---HP---TYPE---TRANS---OTHER---YR--- PRIMARY ENG-- 62 G 71 CARRIER ENG--							



FIGURE 3. An Example of the Steps Followed in Using the Rental Program



BENEFITS DERIVED FROM THE RENTAL PROGRAM

THE MOST OBVIOUS ADVANTAGE OR BENEFIT ARISING FROM THE AGREEMENT IS ECONOMY. But since the agreement has been in effect for only a short period of time, no comprehensive data on actual cost savings has been collected. As previously mentioned, the rental rates agreed upon among the parties are currently 70 percent of the blue book price. Therefore, it is safe to say that every time a city rents a piece of equipment using this agreement, the city saves at least 30 percent over what the rental charges would be for renting comparable equipment from private companies. The total

cost savings depend on the extent to which the city utilizes the program. Also, cities with sizable investments in heavy equipment get a better return on their investment by renting the equipment during idle periods.

FOR PURPOSES OF PLANNING FOR LONG RANGE EQUIPMENT NEEDS, THIS AGREEMENT APPEARS TO BE A USEFUL TOOL FOR CITY ADMINISTRATORS. As one official points out, "It would be foolish for a city to purchase equipment that would be used only two or three times a year, especially with the knowledge that the equipment is available from other cities when needed.<sup>46</sup> By reviewing the equipment listing to determine what other cities have to rent, plans can be initiated to either purchase the equipment or rent the equipment from another city when needed. Since participating city managers are in contact with each other frequently, information is exchanged on each city's plans for future purchasing of heavy equipment. Shared information about planned purchases enables cooperating cities to avoid costly duplication of equipment and helps them plan for temporary equipment needs.

THE AGREEMENT HAS HELPED TO CREATE AN OPEN DIALOGUE BETWEEN THE VARIOUS DEPARTMENTS PARTICIPATING IN THE RENTAL PROGRAM. Since the city managers have delegated most of the responsibility for the actual rental of the equipment to their department heads, these officials from the various cooperating cities have been communicating with each other much more frequently than before. When meeting together or talking on the telephone, discussion often centers on common problems and the sharing of experiences. It is believed by all of the parties contacted in the various cities that the agreement has helped create a cooperative spirit and will probably lead to other interlocal agreements in the future.

<sup>46</sup>Personal interview with Richard Ridings, the Director of Public Works for the City of Farmers Branch, May 26, 1978.



POTENTIAL PITFALLS IN INTERLOCAL RENTAL PROGRAMS

SOME PROBLEMS HAVE BEEN ENCOUNTERED IN ESTABLISHING THE PROGRAM IN DALLAS COUNTY. Most of these problems were anticipated and adjustments made before the rental agreement was executed. A list of typical problems with rental agreements of this type are shown in Figure 4 below.

THERE WAS GENERAL CONCERN THAT CITIES RENTING THE EQUIPMENT WOULD NOT OPERATE AND MAINTAIN THE EQUIPMENT PROPERLY. In order to safeguard against improper use or maintenance, it is continuously stressed that the agent renting the equipment must check the equipment with care immediately before and after renting

FIGURE 4. Problems Associated with Interlocal Heavy Equipment Rental Programs	
Problem	Manner Handled by Participating Cities in Dallas County
There is a possibility of improper use or maintenance of the equipment by the renting city.	A detailed contract has been written for signing by each city participating in the program. This contract spells out the responsibility and liability of the renting city.
An emergency situation could arise in the city owning the equipment that would necessitate use of the equipment that is currently being rented by another city.	In the written agreement, there is a provision allowing the owning city to recall its equipment at any time and for any reason.
If member cities were located many miles apart, the transportation costs for rental from other cities would cut into the cost savings.	The program involves only cities located adjacent to or within several miles of each other.

it. If there are any signs of improper use, it is noted on the rental form, and the city renting the equipment is notified. The city renting the equipment can be held liable for any damages to the equipment under terms of the rental agreement.

EXTRA PAPERWORK THAT HAS ACCUMULATED SINCE THE PROGRAM BEGAN IS PRESENTLY BEING HANDLED BY THE CITY OF FARMERS BRANCH. As yet, this has not been a major problem. Officials in Farmers Branch feel that the benefits derived from the program far outweigh any costs occurring from extra paperwork. Eventually, it is hoped that each participating city will handle its own forms and other paperwork associated with the rental of heavy equipment.

PRESENT OPERATION OF THE PROGRAM

CITIES CURRENTLY USING THE PROGRAM EXTENSIVELY ARE CARROLLTON, FARMERS BRANCH AND RICHARDSON. Although five other cities are parties to the agreement, they have not had much occasion to use the program. Several of the cities only recently joined the program. Also, the distance between several of the cities (i.e., Farmers Branch and Lancaster) is not conducive to extensive rental of equipment because of the added time and expense for inter-city transfer.

THE THREE CITIES USING THE PROGRAM REGULARLY ARE VERY SATISFIED WITH RESULTS TO DATE. Each favors as many cities as possible joining the program. The general feeling is that with more cities cooperating, more equipment will be available for rent and less distance will be required for transporting the equipment. However, there are no special efforts being made at present to convince other cities to join the program.

COOPERATING CITY MANAGERS ARE REVIEWING PROGRESS OF THE PROGRAM PERIODICALLY. Although no formal review process has been established, regular reports



are sent to the city managers from department heads advising them of the operation of the rental program. These reports include such things as items of equipment rented over a certain period of time and the amount collected from rental charges.

HIGHER PRICED EQUIPMENT IS COMMONLY RENTED BECAUSE MOST CITIES CANNOT AFFORD TO OWN HEAVY EQUIPMENT THAT IS ONLY INFREQUENTLY USED. Equipment commonly rented under the agreement includes garbage trucks, motor graders and various pieces of excavating equipment.

IMPORTANT FACTORS CONTRIBUTING TO THE SUCCESS OF THIS AGREEMENT

THE MOST IMPORTANT REQUISITE FOR ESTABLISHING A PROGRAM OF THIS TYPE IS THE WILLINGNESS OF ONE OR TWO CITIES TO TAKE THE INITIATIVE IN GETTING THE PROGRAM OFF THE GROUND. In this case, the cities of Farmers Branch and Carrollton took the responsibility and did the extra work necessary to establish the program. There was no guarantee of success. Benefits were predicted based on past successful cooperation between the two cities.

ANOTHER FACTOR CONTRIBUTING TO THE SUCCESS OF THE RENTAL PROGRAM IS ITS VOLUNTARY NATURE. No city is forced to become a participant in the program. If participants do not wish to rent certain pieces of equipment from their inventories, they are free to leave them off the equipment listing. Also, the city owning the equipment always reserves the right to recall the equipment for any reason.

ALSO IMPORTANT IN A PROGRAM OF THIS TYPE IS THE GEOGRAPHIC PROXIMITY OF THE PARTICIPATING CITIES. Because of the costs and difficulties of transporting heavy equipment over great distances, the closeness of the cities to each other has a definite bearing on actual cost savings.

PROSPECTS FOR FUTURE GROWTH OF THE PROGRAM APPEAR TO BE GOOD.

# CONTINUED

# 1 OF 2

Additional cities in Dallas County are expected to recognize the benefits that are possible under this program, and eventually decide to join. It is likely that more equipment will be added to the computer listing as they are purchased by various member cities. Also, there is reason to believe that the success of the program will encourage more cooperative initiatives among participating cities in the near future.

COOPERATIVE TAX ADMINISTRATION:  
THE CITY/COUNTY TAX APPRAISAL  
PROJECT IN BEXAR COUNTY

The City/County Tax Appraisal Project initiated in 1973 between the City of San Antonio and Bexar County is an early attempt to expedite the appraisal process, reduce costs, and provide a common value base for assessing city and county taxes. While not completely successful in this initial effort, it laid the groundwork for establishing a metropolitan tax office that will serve both city and county residents.

COOPERATIVE TAX ADMINISTRATION: THE CITY/COUNTY TAX APPRAISAL  
PROJECT IN BEXAR COUNTY

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**T**HE PROPERTY TAX CONTINUES TO BE THE MOST IMPORTANT SOURCE OF REVENUE FOR LOCAL GOVERNMENTS IN TEXAS. National figures indicate the dollar yield from property taxes for both state and local governments is increasing every year. In 1970, property tax revenue comprised about 41 percent of total state-local proceeds in Texas.<sup>47</sup> Continued importance of the property tax can be attributed to the demonstrated revenue producing capability of the tax and its widespread use under various legal and administrative arrangements.<sup>48</sup>

THE CASE FOR COOPERATIVE TAX ADMINISTRATION

ONE OF THE MAJOR DETERRENENTS TO THE EFFECTIVE ADMINISTRATION OF PROPERTY TAXES IN TEXAS IS GEOGRAPHIC FRAGMENTATION OF THE TAXING FUNCTION. Fragmentation has caused problems with coordination, increased costs of appraisals, and created the potential for many tax inequities. Presently, there are about 1,500 tax offices in the state which operate virtually autonomously. Many of these offices have overlapping jurisdiction. As a consequence, a piece of property may be valued differently by two taxing authorities causing citizens to be confused about the true value of their property. Another problem with the great number of tax offices is that they are generally too small to realize the economies of larger scale operations and often cannot support even one full-time assessor.<sup>49</sup>

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<sup>47</sup>Jay G. Stanford. Local Government Fiscal Structure in Texas, Prepared for the Texas Urban Development Commission (Arlington: Institute of Urban Studies, 1972).

<sup>48</sup>The Texas Property Tax: An Information Report on the Tax and Its Impact on Urban Development (Arlington: Institute of Urban Studies, 1970).

<sup>49</sup>Arthur D. Lynn, ed., The Property Tax and Its Administration (Madison: University of Wisconsin Press, 1969).

HOWEVER, THERE ARE MANY REASONS WHY LOCAL GOVERNMENTS OPERATE SEPARATE TAX OFFICES. Counties sometimes assess property at as low a level as possible in order to minimize the tax burden for county residents and to help them take advantage of the \$3,000 homestead exemption. Many cities and school districts have established their own tax offices in order to tax property exempted from taxation by the county. Also, some city governments can administer their own taxes for less than they would be charged by a larger unit, such as the county. For example, small jurisdictions may be able to copy other tax rolls free of charge. And governments that are already equipped for data processing or utility billing may find an independent approach the most economical.<sup>50</sup>

BY POOLING THEIR RESOURCES, SEVERAL GOVERNMENTS WITH OVERLAPPING TAX JURISDICTION CAN AVAIL THEMSELVES OF TAX SERVICES BEYOND THEIR INDIVIDUAL CAPABILITIES, INCLUDING A BETTER-TRAINED ASSESSMENT STAFF AND MORE FREQUENT REASSESSMENTS OF PROPERTY. Significant cost savings to participating governments can be realized by sharing in the expense of one well-equipped tax office instead of several. Greater economies are possible through the use of a single tax roll. Also, unified tax billings not only reduce cost, but they are a convenience for taxpayers.

COOPERATION CAN RESULT IN GREATER EQUITY TO TAXPAYERS AS WELL. Cooperation between cities and counties can help to establish a common value base for all property located within a county. Consistency in city and county tax values can help to avoid taxpayer challenges when a reappraisal of property is performed or tax increases are being considered. Along this line, in a recent statement, former Dallas County Judge

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<sup>50</sup>Texas Committee on State and Local Tax Policy, Property Tax Assessing in Texas (Austin: Texas Committee on State and Local Tax Policy, 1967).

John Whittington pointed out that "we (the city and the county) need each other's support so that the people will not zero in on us and say that we are insensitive to them."<sup>51</sup>

TEXAS STATUTES PROVIDE MANY AVENUES FOR INTERLOCAL CONTRACTING IN THE PERFORMANCE OF TAXING FUNCTIONS. Terms, conditions and restrictions regarding interlocal contracting are found primarily in the Interlocal Cooperation Act of 1971.<sup>52</sup> This general statute allows any unit of local government to contract with another unit for any purpose, including the assessment and collection of taxes, unless restricted or prohibited by other law. Several special statutes deal specifically with consolidation of taxing functions. Article 1042(b), for example, allows a county to assess and collect property taxes for cities and specifies that cities may even pass an ordinance requiring the county to assess and collect their taxes. One condition for this transfer of functions is that property must be assessed at the same value as the county assessment, thereby creating a common value base.<sup>53</sup> Clearly, legal authority for interlocal agreements is abundant in Texas, and contracting parties have a great deal of flexibility in deciding which taxing functions to perform cooperatively.

FEW EXAMPLES OF INTERLOCAL COOPERATION IN THE APPRAISAL OF PROPERTY FOR TAXATION ARE EVIDENT IN TEXAS. Most interlocal cooperation has involved cities and counties contracting with local school districts located partly or wholly within their boundaries for the assessment and collection of taxes. Generally, the purpose of this type of cooperation is to save money for school districts by allowing them to purchase services at a reasonable cost. But there is evidence that some cities and counties

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<sup>51</sup>Dallas Times Herald, September 23, 1978.

<sup>52</sup>Vernon's Annotated Civil Statutes, Art. 4413(32c).

<sup>53</sup>Vernon's Annotated Civil Statutes, Art. 1042(b).

wish to retain control over the appraisal of property so that competitive underassessment can continue. Although clearly illegal, underassessment is practiced for various reasons, such as to attract new business to a community.<sup>54</sup>

#### THE EMERGENCE OF COOPERATIVE APPRAISAL IN BEXAR COUNTY

THE CITY OF SAN ANTONIO AND BEXAR COUNTY BEGAN COOPERATING IN THE APPRAISAL OF PROPERTY WITHIN THE COUNTY MORE THAN FIVE YEARS AGO. In 1973, an interlocal agreement was negotiated and signed by the Bexar County Commissioner's Court and the San Antonio City Council forming the City/County Appraisal Project, later referred to as the CCA. By establishing a common value base for properties taxed by both jurisdictions, city and county officials hoped to avoid needless duplication of appraisal personnel, expedite the reappraisal process and reduce citizen confusion concerning the tax value of their property.

#### BACKGROUND OF THE CITY/COUNTY APPRAISAL PROJECT

THE CITY OF SAN ANTONIO TOOK STEPS IN 1971 TO REAPPRAISE ALL REAL PROPERTY IN THE CITY LIMITS. The last massive reappraisal was completed in 1953. Despite perceived reappraisal efforts, most of the property on the tax rolls then was still being assessed at its 1953 value eighteen years later. Complete reappraisal of property was long overdue. The City of San Antonio decided to seek the assistance of private appraisal firms equipped to perform massive property reappraisal, since in-house capabilities were limited. Requests for bids were sent to various firms. Bids received from these companies ranged from \$1,700,000 to \$3,000,000. Gerry Henckel, then the City Manager of San Antonio, and Carl White, the Finance Director, believed these bids

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<sup>54</sup>Victor G. Neilson, "Cooperative Tax Assessment for Local Governments in Texas," Municipal Matrix, vol. 7, no. 3 (Denton: North Texas State University Center for Community Services, 1975).

were too high for the services proposed. Therefore, they began searching for an alternative means to perform the reappraisal of city property.<sup>55</sup>

THE FOLLOWING YEAR, OFFICIALS FROM BEXAR COUNTY AND THE CITY OF SAN ANTONIO MET, AND COUNTY OFFICIALS MENTIONED THAT THEY TOO WERE INTERESTED IN REAPPRAISAL OF COUNTY PROPERTY. Bexar County had never had a complete reappraisal program. Blair Reeves, former Bexar County Judge, and Charles Davis, then Bexar County Tax Assessor-Collector, felt that through cooperation with the City of San Antonio, a reappraisal of all county property could be accomplished rapidly and at a reasonable cost. Also, through reliance on one tax roll instead of two, and with the possibility of acquiring additional computer capacity, it was believed that all city and county property could be appraised at the same value base and regularly updated to reflect changes in value.<sup>56</sup>

#### FACTORS FAVORING A COOPERATIVE EFFORT

THE CITY AND COUNTY WERE UNDER PRESSURE TO REVISE THEIR TAX APPRAISAL POLICIES. The early seventies was a period of rapid metropolitan growth for San Antonio and Bexar County. Governments were under pressure to finance new developments principally from property tax revenues, and tax rolls were bulging with new entries. In the face of significant growth in the tax rolls, both San Antonio and Bexar County were challenged by taxpayers, often in the courthouse, for inequities in establishing tax values. The necessity for sufficient action to reappraise property was punctuated by new state laws

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<sup>55</sup>Telephone interview with Carl White, Finance Director, City of San Antonio, June 22, 1978.

<sup>56</sup>Telephone interview with Blair Reeves, former Bexar County Judge, June 23, 1978.

requiring more scientific and accurate appraisal techniques.<sup>57</sup>

NEW TECHNOLOGY AND THE AVAILABILITY OF MANPOWER RESOURCES TO SUPPORT THE REAPPRAISAL EFFORT WERE FACTORS FAVORING A COOPERATIVE VENTURE. Recent advances in appraisal and mapping techniques gave San Antonio and Bexar County new capability to provide appraisal with accuracy and equity, and at a reasonable cost. Also, outside funds were available under the Emergency Employment Act to hire additional personnel for data capture and entry associated with computerized appraisal of property.

#### OBJECTIVES OF THE COOPERATIVE APPRAISAL OF PROPERTY

AN EARLY STEP IN THE JOINT APPRAISAL EFFORT WAS TO AGREE ON COMMON OBJECTIVES. The goal of a mass reappraisal program, according to one authority, is to produce appraisals which are equalized in relation to market value and which accurately and promptly reflect changes in market value.<sup>58</sup> The joint appraisal program in Bexar County was guided by several program objectives that conform to the goal of mass reappraisal:

1. To consolidate appraisal efforts.
2. To make one appraisal on each property.
3. To establish a common market value, common account number and common legal description for each property.
4. To disseminate appraisal information to the appropriate taxing agencies.

<sup>57</sup>For example, H.S.R. No. 453, 61st Texas Legislature, May 21, 1969, established a Legislative Property Tax Committee to "remedy injustices in property taxation and to facilitate the assessment and collection of ad valorem taxes in Texas."

<sup>58</sup>Lynn, The Property Tax, p. 36.

5. To reappraise all property at least once every five years.<sup>59</sup>

SEVERAL OTHER OUTCOMES WERE EXPECTED FROM THE COOPERATIVE PROJECT. It was expected that there would be improved communications between the cooperating government agencies. Also, an information system was to be organized to give policy makers and administrators the ability to recognize and accurately measure the needs of the community.<sup>60</sup> Deteriorating neighborhoods could easily be recognized from data generated by the new system, and funds could be appropriated to upgrade the property in this area to an acceptable level.

#### PROVISIONS OF THE INTERLOCAL AGREEMENT AND APPRAISAL BOARD CHARTER

THE AGREEMENT NEGOTIATED AND SIGNED BY THE SAN ANTONIO CITY COUNCIL AND BEXAR COUNTY COMMISSIONER'S COURT CALLED FOR AN APPRAISAL BOARD TO BE GOVERNED BY A SEPARATE CHARTER. Originally, this Board had responsibility for supervising the reappraisal of all property in Bexar County. According to terms of the agreement, the Board would establish a separate Project Office that would administer the actual reappraisal of property. This Board would also appoint a Project Director who would be responsible for the hiring, training and supervision of appraisers and auxiliary personnel.

SPECIFIC TASKS FOR ACHIEVING THE OBJECTIVES MENTIONED ABOVE WERE OUTLINED IN BOTH THE INTERLOCAL AGREEMENT AND THE CHARTER REGULATING

<sup>59</sup>Bexar County Metropolitan Appraisal Office, City-County-School Real Property Appraisers Manual (San Antonio, September, 1973).

<sup>60</sup>Ben B. Shaw, "The Tax System of Bexar County, A View of the Past and Present, and a Plan for the Future." (Text of remarks by the Bexar County Tax Assessor-Collector) p. 12.

THE APPRAISAL BOARD. The primary task of the Project Office was to establish and implement a program to survey and revalue all real property in Bexar County for purposes of establishing equitable and uniform values for fair and equal taxation as specified by law. An estimated 300,000 individual parcels of land and improvements were to be reappraised. Bexar County was to be divided into four quadrants, with each quadrant to be appraised individually.

#### FINANCING THE JOINT APPRAISAL PROJECT

AN INDIVIDUAL BUDGET IS PREPARED BY THE PROJECT DIRECTOR. This budget contains an estimate of expenditures and revenues needed for the operation of the Project. It is submitted to the Appraisal Board for their approval each year. Because the City of San Antonio and Bexar County operate on different fiscal years, a preliminary estimate of expenditures is sent by the Project Director to the San Antonio Finance Director in order for the estimated expenditures to be reflected in the city's annual budget.

SHARING COSTS FOR THE APPRAISAL PROJECT IS HANDLED ON A PER PARCEL BASIS. These contributions are determined annually as follows:

The total number of parcels of property within the jurisdiction of Bexar County (including those parcels within the city) will be calculated and the total number of parcels of property within the City of San Antonio will be calculated. The two numbers shall be added together and shall be considered to be 100 percent of the total parcels. The city's share of the funding of the approved budget shall then be equal to the percentage which the city's number of parcels bears to the total number of parcels. The county's share of funding shall be calculated in the same manner.<sup>61</sup>

To insure equity in cost sharing, this arrangement is renegotiated annually. Special accounts have been set up in the budgets of the city and county that identify each jurisdiction's yearly contribution to the Project.

<sup>61</sup>City/County Appraisal Board Charter, February 1, 1976, pp. 4-5.

CITY OF SAN ANTONIO CONTRIBUTED APPROXIMATELY \$600,000 TO THE INITIAL REAPPRAISAL PROJECT FROM AMOUNTS AVAILABLE THROUGH THE FEDERAL EMERGENCY EMPLOYMENT ACT. These one-time funds were contributed by the City of San Antonio in the form of salaries paid to temporary employees assigned to the reappraisal program. These men and women were field appraisers hired to go into the field to make on-site appraisals and record relevant data for entry in the computer.

SCHOOL DISTRICTS AND OTHER INCORPORATED CITIES REQUESTING SERVICES FROM THE CONSOLIDATED APPRAISAL PROJECT PAY AN ANNUAL FEE FOR THE SERVICES THEY RECEIVE. This fee is set every year by the Appraisal Board, after reviewing the previous year's costs. In 1975-76, for example, the annual fee was .00625 of one percent of the net fair market value of each taxing jurisdiction's 1974 tax roll. The minimum annual fee for any jurisdiction to receive services from the Project is \$1,000.

CREDIT IS GIVEN TO THE CITY AND COUNTY FOR THE COST OF SALARIES AND RELATED EXPENSES OF EMPLOYEES ASSIGNED TO THE PROJECT. Credit is also given whenever the city's computer terminal is used in the appraisal project. Further, the city and county receive credit for the city and county-owned office furniture and office equipment on loan to the Project.

#### MEMBERSHIP AND FUNCTION OF THE APPRAISAL BOARD

THE APPRAISAL BOARD IS RESPONSIBLE FOR THE MANAGEMENT, CARE, CONTROL, AND PROPER ADMINISTRATION OF ALL AFFAIRS OF THE CITY/COUNTY APPRAISAL PROJECT. The Board is responsible for setting policy, planning and coordinating all activities connected with the Project.<sup>62</sup> Of course, Board actions must con-

<sup>62</sup>City/County Appraisal Board Charter, February 1, 1976.

form to the San Antonio City Charter and applicable laws of the State of Texas and the Texas Constitution.

THE CCA BOARD HAS GONE THROUGH CHANGES IN ITS MEMBERSHIP OVER THE LAST FIVE YEARS. The original CCA Board was composed of tax assessors from various city and county offices. The CCA Charter was rewritten in 1976 calling for its membership to include two members from the Commissioner's Court and two members from the San Antonio City Council. In July, 1977, the County Tax Assessor-Collector and the City Treasurer, the only non-elected member, were added to the Board. The CCA Board meets at least once every three months to discuss issues relating to the appraisal of property in Bexar County. The Project Director serves as Secretary of the Board and prepares the agenda for all Board meetings.

#### HIRING AND TRAINING OF APPRAISAL PERSONNEL

WHEN THE COOPERATIVE APPRAISAL OF PROPERTY BEGAN IN EARLY 1973, 40 PERSONNEL FROM THE CITY OF SAN ANTONIO AND BEXAR COUNTY WERE TRANSFERRED TO THE CCA, AND 60 ADDITIONAL TEMPORARY EMPLOYEES WERE HIRED FOR FIELD APPRAISALS WITH EEA FUNDS. Employees on the city and county payrolls remained on their respective payrolls and continued to be subject to the personnel rules of the City of San Antonio or Bexar County, as applicable. The intent was to ease transition to the cooperative arrangement and to protect the seniority, retirement rights, and other benefits of these employees. However, because of differences in city and county pay scales, with different holidays and retirement plans, problems developed with employee morale. Employees doing the same type of work were getting paid at different rates. Adjustments have been made, such as new employees now being hired only on the county payroll, but equity in salary and other benefits has not yet been fully achieved.

AFTER STAFFING THE PROJECT OFFICE, TRAINING FOR ALL PERSONNEL BEGAN. Field appraisers hired through the Emergency Employment Act were given a course in appraisal procedures and techniques. A "Real Property Appraiser's Manual" was prepared and distributed to all appraisers. This manual contains instructions for appraising, including classification purposes. It was hoped that by using the standards set in the manual, appraisers could accurately appraise any piece of real property with uniformity and equality.

#### EQUIPMENT, FURNITURE AND OFFICE SPACE

THE ORIGINAL PROJECT OFFICE WAS FURNISHED AND EQUIPPED BY THE CITY AND THE COUNTY. In 1976, the county assumed responsibility for all office space, office furniture and equipment, and office supplies necessary for the operation of the CCA. However, the City of San Antonio still reimburses Bexar County for costs for the equipment and supplies using the ratio stated in the cost sharing formula.

PRESENTLY, A CITY/COUNTY CONSOLIDATED DATA PROCESSING CENTER IS BEING UTILIZED FOR THE APPRAISAL PROJECT. This year the consolidated data processing center began assigning each parcel of property a common account number to simplify appraisals in the future.

THE PROJECT HAS LEASED OFFICE SPACE SEVERAL BLOCKS FROM THE BEXAR COUNTY COURTHOUSE AND THE SAN ANTONIO CITY HALL. Originally, the Project Office was located in the City Hall Annex. The central location of the CCA offers easy access by city and county officials seeking information about current property values.

#### AVENUES FOR TAXPAYER APPEAL

ONCE TAXPAYERS RECEIVE NOTIFICATION THAT THEIR PROPERTY HAS



BEEN REAPPRAISED, THEY CAN FILE A PRELIMINARY APPEAL WITH THE PROJECT DIRECTOR. If the taxpayer is not satisfied with the Director's action, a second appeal can be made to the City or County Board of Equalization. Under law, Boards of Equalization have the final word on specific values set by their respective jurisdictions.

MEMBERS OF THE BEXAR COUNTY COMMISSIONER'S COURT ARE REQUIRED BY LAW TO COMPRISE THE COUNTY BOARD OF EQUALIZATION. This means that the CCA is often in the position of defending value decisions before a Board that is made up of its own bosses. Under this arrangement, it is very difficult for the CCA to see itself in an adversary relationship with the Board of Equalization over the defense of its appraisals.<sup>63</sup> This fact has affected the attitudes of some taxpayers toward the fairness of the system.

#### THE OUTCOME OF MASS REAPPRAISAL IN BEXAR COUNTY

THE BEXAR COUNTY METROPOLITAN APPRAISAL OFFICE WAS ACTIVATED UPON COMPLETION OF THE MASS REAPPRAISAL PROJECT IN 1974. It was to continue the appraisal process with reduced staffing and a goal of re-valuing all property on a five-year cycle.

THE MASS REAPPRAISAL OF PROPERTY IN BEXAR COUNTY WAS CRITICIZED BY CITIZEN GROUPS FOR POSSIBLE WRONGDOING. This criticism focused on personnel problems and possible conflicts of interest in the appraisal of property. Several citizen tax groups applied pressure for a grand jury investigation of alleged crimes in the reappraisal program.

THE GRAND JURY THAT MET IN 1975 TO INVESTIGATE CITIZEN ALLEGATIONS ENDORSED THE CONCEPT OF COOPERATIVE APPRAISAL OF PROPERTY. However,

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<sup>63</sup>Ibid., "The Tax System."

the Grand Jury did recommend substantial improvements in the Bexar County tax system. One major finding of the Grand Jury investigation was that conflict and tension existed between city and county political bodies. They found that the Project was being operated with many untrained, inexperienced personnel, with no built-in system of accountability and a high degree of insubordination.<sup>64</sup> While the Grand Jury could find no evidence of felonious criminal acts that had been committed, they did feel that unethical acts not in the best interest of the community had been perpetrated by several employees of the CCA.

THE GRAND JURY RECOMMENDED THAT THE CITY AND COUNTY, AND INTERESTED SCHOOL DISTRICTS, CONTINUE TO WORK WITHIN THE FRAMEWORK OF THE PRESENT CITY/COUNTY APPRAISAL PROGRAM. The Grand Jury contended that it would be in the best interest of all concerned if participating governments would negotiate a new contract designating one governmental agency to be responsible for operating the program. Also, it was suggested by the Grand Jury that the CCA should have its own staff of full-time professional appraisers, who would be restricted from holding outside appraisal positions.

#### PLANS FOR FUTURE COOPERATIVE TAX ADMINISTRATION

GUIDED BY THE GRAND JURY'S RECOMMENDATIONS, SAN ANTONIO AND BEXAR COUNTY ARE CURRENTLY PLANNING THE FORMATION OF A METROPOLITAN TAX OFFICE. In October, 1978, negotiations began for a new interlocal contract that would establish this office. This new tax office would be operated by the County Tax Assessor-Collector and would provide appraisal, billing and collection services for the City of San Antonio and Bexar County, as well as any other cities and school districts requesting

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<sup>64</sup>Special Grand Jury Report on the Metropolitan Tax Reappraisal Program, 166th District Court of Texas, 1975.

service. Representatives from city and county assessing offices, the CCA Office, the Consolidated Data Processing Center and hardware suppliers met recently in a two-day session to jointly establish objectives, define problems, propose solutions and establish target dates for accomplishment. According to one official, "the cooperative spirit could not have been better."<sup>65</sup>

THE GOAL ESTABLISHED FOR THIS METROPOLITAN TAX OFFICE IS TO EQUALIZE ALL PROPERTY AT CURRENT MARKET VALUE. Property in San Antonio and Bexar County is presently being assessed at the 1972 benchmark value established by the CCA. The first effort of the Metropolitan Tax Office would be to bring all city and county property in line with current market values.

FIGURE 1. Five Phases Proposed for Establishing the Metropolitan Tax Office

- Phase 1 - Implement a common account number system for city and county parcels.
- Phase 2 - Develop an interlocal agreement for operation of the consolidated tax office.  
Develop a request for proposals for outside consulting services.
- Phase 3 - Collect data relating to property characteristics.
- Phase 4 - Collect sales data required for computer assisted appraisal.
- Phase 5 - Execute the interlocal governmental agreement thereby establishing the consolidated tax office.  
Abolish the CCA Program concurrently with establishing the Metropolitan Tax Office.

<sup>65</sup>Letter from Mr. Alfred Hughes, Director of the City/County Appraisal Office on October 27, 1978.

The office would maintain values in line with changes in market value on an ongoing basis. Figure 1 above outlines the five phases which are proposed for establishing the Metropolitan Tax Office.<sup>66</sup>

BENEFITS FROM THE COOPERATIVE APPRAISAL OF PROPERTY

ALTHOUGH THE CCA HAS NOT BEEN COMPLETELY SUCCESSFUL IN ACHIEVING ITS OBJECTIVES OF ESTABLISHING COMMON MARKET VALUES AND REAPPRAISING PROPERTY ON A REGULAR BASIS, MANY BENEFITS HAVE RESULTED FROM THIS COOPERATIVE VENTURE. The most obvious benefit, of course, is that city/county property reappraisal was completed in two years. This was much faster than would be expected from contracts with private appraisal firms, or from reappraisals performed independently by the city or the county.

ASIDE FROM GAINS IN RAPID REAPPRAISAL OF PROPERTY, THE IN-HOUSE PROJECT APPEARS TO HAVE ACHIEVED THE GOAL OF MASSIVE REAPPRAISAL AT FAR LESS COST THAN OTHERWISE POSSIBLE FROM INDEPENDENT REAPPRAISAL BY EITHER JURISDICTION. One county official reported that Bexar County alone has saved about \$480,000 through cooperation with the City of San Antonio.<sup>67</sup> It would appear that, through cooperation, the city and county have economized.

THE JOINT REAPPRAISAL OF PROPERTY HAS SERVED AS A FOUNDATION FOR COOPERATION IN OTHER TAXING FUNCTIONS. It was an important first step in the formation of a Metropolitan Tax Office. With the Metropolitan Tax Office being established in the near future, the appraisal of property can become a continuous and efficient process.

<sup>66</sup>From a report prepared by Ben Shaw, County Tax Assessor-Collector on the 1978-1979 CCA Budget, June 13, 1978.

<sup>67</sup>Personal interview with Ben Shaw, Bexar County Tax Assessor-Collector, June 22, 1978.

A common value base can be established for both city and county tax purposes. Changes in value can be recorded promptly on the tax rolls by computer. This can increase taxpayer understanding of the tax system since all valuations will be based on current market value.

THE CITY/COUNTY APPRAISAL PROJECT IN BEXAR COUNTY HAS ADDRESSED MANY ISSUES AND PROBLEMS. For the most part, it has been able to survive many citizen challenges and a Grand Jury investigation. Although it has not fulfilled all expectations, it is important that cooperation in tax administration is still moving forward and remains a high priority for both the city and the county. As one Bexar County official so aptly put it, "this is the first attempt to put the Peveto concept of a county-wide value base into action."<sup>68</sup>

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<sup>68</sup>ibid.

## CONCLUSION

**I**nterlocal contracting is an effort by responsible officials in two or more local jurisdictions to share in the performance, administration and financing of public functions or services in such a way as to improve quality and lower cost. Under Texas law, virtually anything a local government can do lawfully on its own authority, it can also do cooperatively with another local government unit through interlocal agreement. Opportunities for contracting are as numerous as the imagination of local officials seeking ways to improve their practices and to offset the irreversible effects of escalating government costs.

In the early 1970's, the Texas Legislature provided cities, counties and other political subdivisions of our state with a broad grant of power to enter interlocal agreements with one another.<sup>69</sup> The new law provided legal encouragement for contracting following its passage, and an increase in contracting was observed during a statewide survey conducted a few years later.<sup>70</sup> Guidelines for the use of interlocal contracts have been published and circulated widely to cities and counties throughout the state since 1974, but full use of the contracting potential has yet to be tapped by Texas communities.

In reality, there is no one most successful way to make use of interlocal contracting. There is no perfect instrument and no single set of practices guaranteed to fit either the needs or the politics of every Texas jurisdiction. Also, service requirements differ from one community to another, not so much in kind as in degree. What is a serious problem in Victoria may be of minor concern in Farmers Branch. More important, the

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<sup>69</sup>H.B. 646, 62nd Texas Legislature, 1971.

<sup>70</sup>Stanley E. Wilkes, Jr. Practitioner's Guide to Interlocal Cooperation with Contract Forms. (Arlington, Texas: Institute of Urban Studies, The University of Texas at Arlington, 1975), pp. 5-9.

tradition of cooperation in one group of communities may suggest a different approach to contracting than in another group. Confidence of neighboring cities in the county's management ability, for instance, can be credited for the success of a solid waste disposal agreement that is under virtually complete control of San Patricio County. Even the way communities relate to each other and how they learn to work effectively together in anticipating and overcoming mutual problems will be different in each situation. The Grayson County Governmental Data Center, one case in point, was located by common decision on neutral ground, instead of remaining in the Sherman City Hall, so that none of the parties to the cooperative data services agreement would feel that others were receiving preferential treatment.

There are, however, certain ingredients of interlocal contracting which in one combination or another are essential if a cooperative agreement has a chance of succeeding. These include: (1) cooperative spirit; (2) sustained leadership; (3) appropriate organization; (4) realistic goals; and (5) open communications.

Cooperative Spirit. Successful interlocal agreements are formulated by people who see their own best interests being achieved by working with others toward mutual goals. The willingness of the Quanah City Council to abandon its own police operations and accept leadership from the Hardeman County Sheriff is an example of cooperative spirit in action. In the absence of this spirit, the same governing body might have rejected county leadership in order to preserve city control over the police function. Such a decision to preserve the status quo at any cost could have closed the doors for significant improvement in the police function in that county for years to come.

Sustained Leadership. The inspiration and staying power for most interlocal agreements can be traced directly to the foresight, skill and determination of a few individuals.

Many examples of personal heroism can be found in the agreements cited in this report. For example, the sheer determination of a respected doctor and city council member in Victoria to have nothing less than the best EMS program possible for city and county residents demonstrates what can be accomplished by knowledgeable and committed individuals in the right place at the right time. Leadership, of course, is an elusive quality that may not lie so much in the person as in the situation. It may be that good causes attract good leaders rather than the other way around. In other words, if significant opportunities arise for improving government through the use of interlocal agreements, and if those in charge have the wisdom and flexibility to recognize the opportunity at hand, the needed leadership will emerge.

Appropriate Organization. There is evidence in the interlocal agreements that continue to function efficiently over time that parties have organized themselves appropriately to do what they set out to do. One feature of good organization found in nearly all these agreements is the designation of one of the parties to be responsible for operating the program, or the creation of a separate body for this purpose. Examples are the City of Farmers Branch handling all of the administrative details for the heavy equipment rental program, the formation of the Grayson Governmental Data Center outside the boundaries of all the cooperating jurisdictions, and management of a county-wide EMS vested in the City of Victoria with the county participating as a cost-sharing partner. In two instances where management responsibility under an agreement was shared at the beginning (i.e., the Cooperative Tax Appraisal Project in Bexar County and the San Patricio Cooperative Landfill) the agreements were strengthened over time by assigning responsibility for overall operation and management to just one of the cooperating governments with the others paying their proportionate share of total cost.

Realistic Goals. Success in contracting seems to depend upon all parties having a realistic view of what can be achieved from their agreement. Expecting too much from an agreement can lead a contracting jurisdiction to abandon an otherwise workable arrangement, and perhaps create political obstacles to interlocal cooperation in the future. There is little evidence of goal frustration in any of these case agreements, however. The City of Quannah and Hardeman County, for example, shared aspirations for a more effective police function following the merger and were prepared to see any cost savings absorbed by necessary staff and equipment acquisitions. When seed-money support ended and local resources were required to support the service, the obvious success of the merger gave elected officials the political ammunition they needed to support the combined operation completely with local funds.

Open Communications. Trust and understanding among parties to an interlocal agreement does not happen automatically. Successful contracting arrangements always include some means for maintaining lines of communication between parts of the system open and clear. In Hardeman County, for instance, an advisory board of city councilmen and county commissioners meets periodically with the County Sheriff to share views about the county-wide police operation and to encourage citizens to express their opinions about the service. Control over the Grayson County Governmental Data Center has remained in the hands of user governments over the years through equal representation on a governing board. This board has the power to approve the annual budget, including what each user government must pay, to authorize the acquisition of new computer hardware, and to vote to accept or refuse new customer requests. Open communications has other benefits for contracting parties. Citizen support for the Victoria EMS has been encouraged by public information and education campaigns conducted by the EMS staff. And increased

sharing of information about equipment purchases has helped cities participating in the heavy equipment cooperative rental program to avoid costly duplication of purchases and plan ahead for temporary rental arrangements.

Unfortunately, these five ingredients of successful interlocal contracting no more add up to successful cooperation than the ingredients of a cake recipe add up to a cake. Nor will the recipe for successful contracting in one area work as well someplace else. In the end, the partners to a contractual undertaking must work out the arrangement to fit their own politics and to their own special combination of needs.

**END**