**Innovation Task Force**

April 10, 2014

**Best Practices**

**Issue:** Staff will provide a Task Force Best Practices discussion summary and a brief overview of next steps.

**Discussion:** At the February Task Force meeting, the Best Practices Sub-committee presented their recommendation for research topics of interest. The Task Force expressed value for the best practices research and agreement with the Best Practices Sub-committee’s recommendation for high priority topics. The Task Force members suggested additional research topics including: public utilities, solid waste, fire protection, water, sewer and cemeteries; as well as, pooled services and other public purchases (e.g., tree trimming and fiber optics). These are incorporated in *italics* in the Best Practice Research Recommendation as High Interest (Attachment A).

The Task Force provided suggestions for research approaches which leverage regional assets including other public agencies, colleges and universities, annual awards programs (e.g., CALAFCO’s awards honoring fire departments, special districts, and city and county collaboration), and an annual regional meeting of local elected officials on topics of common interest. Within the best practices research, staff was encouraged to consider problem dynamics and unique organizational approaches and to carefully discern between best practice models and innovation opportunities.

General direction was provided to SACOG staff to pursue the following next steps:

- Invite idea creators as special speakers to the Task Force and the Board in the short-term.
- Expand on the Best Practice Research recommendation list to include more detailed description of each topic and an explanation of why these topics would be useful.
- Develop an implementation approach, utilizing prior Task Force work, to bring back mid-year.

SACOG staff was able to confirm availability for William Dodge, former Chief Executive Officer of NARC, who is currently working on a book on innovative regional government behaviors as a guest speaker for the May 29 Board Lunch Discussion. Mr. Dodge’s biographical information and illustrative articles are included (Attachment B). David Warm, the Chief Executive Officer of the Mid-America Regional Council, is tentatively confirmed to speak to the Innovation Task Force on June 19.

In response to Task Force interest in learning from other Metropolitan Planning Organizations in California, SACOG staff is working with Chair Cohn to develop a joint meeting of the SACOG Board and the Metropolitan Transportation Commission from the Bay Area. And in response to Task Force interest in maximizing other regional programs for best practice opportunities, SACOG staff is pursuing opportunities with the Metropolitan Washington Council of Governments before or after the Metro Chamber Cap-to-Cap program and with the Nashville Area Regional Council before or after the Metro Chamber Study Mission to Nashville.
SACOG staff has not been able to expand the list to include additional detailed descriptions of the research topics or the implementation approach, but will be returning on these items at future Task Force meetings.

Approved by:

Mike McKeever
Chief Executive Officer

MM:RS:sc
Attachment

Key Staff: Rebecca Sloan, Director of External Affairs and Member Services, (916) 340-6224
Best Practices Research

Background: Below are the results of an agency assessment tool to consider areas where Best Practices Research with peer agencies might be especially valuable at informing and improving SACOG programs, activities and services. The Subcommittee reviewed and discussed the merits of a long list of ideas, and agreed on a ranking for each of them: high, watch (for possible future interest) and low/no interest. The types of issues considered were divided into two basic categories: 1) What types of business SACOG conducts, and 2) How SACOG conducts its business. The Subcommittee’s suggestions follow for the consideration of the full Task Force.

High Interest

What business does the agency do?

- Transportation Planning
  - Methods to program/award transportation funds that are more quantitative (e.g. point systems) and transparency
  - Methods to more specifically use cost-benefit analysis and assess economic development benefits to compare merits of different transportation projects for possible inclusion in the MTP/SCS.

- Land Use Activities
  - Roles and relationships between the regional agency and its member cities and counties on land use plans and projects
  - Best land use practices tailored to unique circumstances in rural, suburban and urban settings
  - Rural Urban Connections issues

- Regional Initiatives
  - Shared Services
  - Economic development planning support
  - Goods & Freight Movement
  - Other regional initiatives (e.g.- interested in other innovations that we may not have thought to look for)

- Local Government Service Alternatives
  - Public Utilities
  - Solid waste
  - Fire protection
  - Water
  - Sewer
  - Cemeteries
  - Tree Trimming
  - Pooled Purchasing of fiber optics

- Housing
  - Alternatives to Regional Housing Needs Allocation planning law
  - Loans, grants or other financial instruments for affordable, mixed-income housing and mixed-use projects

- Financing
  - Regional financing tools
How does SACOG conduct business?

- Processes to engage Board members with each other (current practices are mainly ad hoc and include educational programs, retreats, tours of region and social events)
- Processes to engage other city/county elected officials who are not SACOG Board members (current practices are ad hoc and include publications, workshops (typically when MTP/SCS is being updated) and regional forums)
- Processes to engage staff of member jurisdictions with each other and with SACOG staff (current system relies largely on a number of issue specific standing committees and quarterly Regional Managers meetings)
- Communicating member’s best practices to peers throughout the region (currently practice largely relies on Annual Awards program, Newsletters)
- Collaboration with other public agencies in the region (e.g. - Special Districts, Schools, other regional and sub-regional agencies such as Air Districts, LAFCO’s, etc.)
- Collaboration with non-governmental regional organizations (e.g. - Non-profit and/or Private Sector)
- Collaboration with statewide and national organizations (e.g. - CALCOG, AMPO, NARC)

Local Government Service Alternatives

Watch

What business does the agency do?

- Water Supply & Quality (Approach through existing agency activity first.)
- Regional Energy Plan
- Emergency Preparedness & Pre-Hazard Mitigation Planning

How does SACOG conduct business with its member jurisdictions?

- SACOG Board composition
  - Direct representation from all member cities and counties (i.e. without representation from federal or state agencies, transit operators, other public organizations, tribal governments, etc.). Note: Waiting for interpretation of new federal law related to possible need to change board structure vis-a-vis transit operator direct representation.

Other

What business does the agency do?

- Transportation Planning
  - Long-range Transportation Planning (generally)
  - Transportation Programming (generally)
- Transportation Project Delivery
- Transportation Data, Analysis & Modeling
- Short-range Transit Service Planning

- Land Use Activities
  - GIS, Data & Modeling
  - Data Center
  - Land Use Monitoring
  - Economic Growth Forecasting

- Flood Protection & Management
  (Approach through existing agency activity. Sacramento region-unique expertise.)

- Regional Initiatives
  - Data Center
  - Airport Land Use Commission
  - Plug-In Electric Vehicle Planning

- Regulatory Activities
  - Federal air quality conformity
  - State greenhouse gas performance

- Specific Shared Services Concept Proposals
  - Grant tracking tool, support & coordination
  - General Plan Support
  - Travel Demand Forecasting
  - Aerial Imagery
  - Pooled Purchasing
  - Regional Compensation Survey
  - Regional Government Affairs (Advocacy) Group
  - IT/Web Support Services
  - Shared Planning Staff or Municipal Consulting

- Activities & Services SACOG does not currently provide:
  - Aging Services
  - Airport Facility Planning
  - Arts, Culture & Creative Industries
  - Community Development
  - Criminal Justice Planning
  - Economic Development Planning
  - Financing & Administration (e.g. – group purchasing, toll road operations, transit operators, sales tax authority)
  - Waste Management Planning
How does SACOG conduct business with its member jurisdictions?

- BOARD Business – Formal Process (e.g. – Board and Committees)
- Funding Composition (e.g. - Federal/State funds, Local and Membership dues)
- SACOG Staff Communication/Engagement with Board
WILLIAM R. DODGE

Summary Bio

William R. (Bill) Dodge has assisted community leaders and citizens to foster regional cooperation and build successful regional communities over the past three decades.

Bill helps individuals, organizations, and communities to build their capacities to address the tough regional challenges, such as safeguarding against natural and manmade threats, overcoming intercommunity fiscal, economic, and ethnic disparities, and shaping sustainable regional growth. He authors a column, Regional Excellence, which is shared in various publications and on national websites. Bill is currently writing a new book on the key components of effective regional charters, including becoming excellent regional citizens, connecting regional decision-making networks, and negotiating regional cooperative growth compacts.

As Executive Director of the National Association of Regional Councils, Bill offered assistance on the latest regional tools and techniques and shared information on emerging regional developments with regional councils of governments and other public, private, academic, and civic regional organizations. He brought regional leaders and their organizations together, in annual Regional Summits, to help advance a National Regional Agenda and guided the preparation of the first National State of the Regions report. He also represented the interests of regional councils before the U. S. Congress and federal agencies.

Earlier, Bill held senior management positions in local, state and national government and directed private, academic, and civic organizations. Bill recently served as the Interim Town Administrator for Silverton, Colorado, guiding the preparation of the annual budget and pursuing key infrastructure and recreation improvements.

Bill has been a visiting professor in graduate schools of public affairs and administration. He co-authored Shaping a Region's Future: A Guide to Strategic Decision Making for Regions, a manual to guide regional strategic planning processes, and wrote Regional Excellence: Governing Together to Compete Globally and Flourish Locally, a book to guide explorations of regional decision making.

Bill holds bachelor's and master's degrees in civil engineering (Cornell University), a master's degree in foreign affairs and economics (University of Virginia), and a certificate in urban and regional planning (Harvard University/Massachusetts Institute of Technology).

Bill is active nationally as a Fellow of the National Academy of Public Administration. He is the recipient of the Don Stone Intergovernmental Cooperation Award of the American Society of Public Administration. He has been active in Southwestern Colorado as a board member of the Mountain Studies Institute and the San Juan 2000 Development Association.

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The Good News About Detroit

BILL DODGE / SEP 27 2013

For Release Friday, September 27, 2013
Citiwire.net

It’s time for an article that focuses on the good news about the City of Detroit and its surrounding communities in the greater Detroit region.

Thanks to the dedicated efforts of regional citizens – individuals from all sectors who think regionally and act cooperatively – a growing array of recent initiatives are addressing some of the Detroit region’s most pressing challenges.

The relatively new Detroit Regional Convention Facility Authority is refurbishing Cobo Hall, the convention center, and using a regional hotel tax to keep it competitive in the future. Similarly, voters in Macomb, Oakland and Wayne counties passed two 10-year property tax levies, one in 2008 to keep the Detroit Zoo open and one last year to keep the world-renowned Detroit Institute of the Arts open.

A Regional Transit Authority has been created to coordinate and expand the region’s bus and transit services. It has the power to merge services and put a regional tax on the ballot to stabilize support for those critical services. Discussions are underway to lease the city’s Belle Isle Park to the state of Michigan to make critical improvements in this beloved facility.

None of those efforts has been easy, and all have seen setbacks along the way. However, they have saved regional assets that were helping stretch the City of Detroit’s financial capacity to the breaking point.

The Southeast Michigan Council of Governments (SEMCOG) is often the behind-the-scenes ally in building those regional partnerships. Its staff has a sixth sense for identifying the
opportunities for cooperation in a crisis and bringing seasoned public/private/nonprofit stakeholders together – with a new generation of young entrepreneurs – to pursue those opportunities.

SEMCOG also supports the concept of designing joint public services among groups of local governments, from joint purchasing agreements to joint police, fire and internet services. It has recruited a corps of seasoned experts from the public and private sectors and offers its services at no cost. It also maintains an impressive catalog of already-executed service agreements on its AgileGov website.

SEMCOG uses its role as the region’s transportation planning agency to help assure that the region has the capacity to move people and goods, seamlessly. Construction on the Woodward Avenue streetcar is about to begin. Rail cars and rail lines are being rehabilitated to connect Ann Arbor and Detroit, the region’s vital economic incubators, with commuter rail.

Maybe as partial recognition of SEMCOG’s growing importance, the City of Detroit has made paying its annual SEMCOG membership dues a high priority even in the midst of its financial challenges.

When the City of Detroit was riding high, it did not think it economically needed the rest of the region. And the rest of the region treated the City of Detroit as a competitor, unnecessary to the region’s economic success.

That thinking prevailed, even after the price being paid for separating the suburban “doughnut” from the central city “hole” was well-documented. In the last century, the National League of Cities was reporting that regions with larger income disparities between the “doughnut” and the “hole” were becoming less competitive than regions with smaller gaps. This was true not just for the central cities in those high-income-disparity regions; their suburbs were also losing ground to those in regions with smaller gaps.

Urban expert David Rusk attributed large income gaps to central city inelasticity. He found that central cities that could annex or consolidate with neighbors – that were elastic, such as Unigov in Indianapolis – were more competitive than those that could not – the inelastic cities, such as Detroit.

Rusk even raised the disturbing specter of regions reaching a point of no return if city incomes dropped below 70 percent of suburban incomes. That’s a tough standard, even in the region where I used to live, the Washington metro area. As of 2011, District of Columbia incomes were approximately two-thirds of those in the surrounding counties. City of Detroit
incomes, however, are generally less than half those in the surrounding counties.

Let’s hope the cooperative initiatives above illustrate that attitudes are changing. Maybe more regional residents realize their jurisdictions are the limbs of one regional body. If so, the arms cannot waste time抱怨ing about the legs, and vice-versa. Both need to focus their energies on keeping all parts of the body healthy.

Future cooperative initiatives must be even bolder, if the Detroit regional body is to become more elastic. Regional leaders and citizens could make a pledge to think regionally before acting locally. And they can call on SEMCOG to design ways to help them act cooperatively, such as pooling the financial incentives now used to encourage existing businesses to relocate within the region and investing them in new enterprises that benefit the whole region. And then sharing these benefits across all jurisdictions, especially the most needy.

And maybe most important, they can inspire the region’s children and grandchildren – the next generation of regional citizens – to heal the last of the racial sores inhibiting regional greatness.

Bill Dodge helps individuals, organizations and communities build their capacities to address tough regional challenges. He is former executive director of the National Association of Regional Councils and is writing a new book on regional charters. Reach him at WilliamRD Dodge@aol.com.

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This article was posted on September 27, 2013. Both comments and trackbacks are currently closed.
A Bay Area Grand Bargain; A Model for Future Regional Governance?

BILL DODGE / APR 06 2013

Nationally, the failure of Congress and White House to negotiate a grand bargain has undermined the federal government’s ability to invest in rebuilding the economy or the middle class. As a result, it lurches from fiscal crisis to crisis.

Similarly, in the Bay Area, the inability of local governments, along with state and federal governments and others, to govern together undermines the region’s ability to compete globally and thrive locally. As a result it risks falling behind other regions in providing quality services such as transit, resolving pressing challenges such as rising sea levels, and investing in underused assets such as struggling families and businesses in distressed neighborhoods.

Joint Venture Silicon Valley drew a similar conclusion in its recent State of the Region Report. Silicon Valley is adding jobs, but income growth is uneven, youth disengagement is growing and all are concerned about the region's capacity to maintain its reputation globally. In an analysis for the report, Egon Terplan concluded that “weak or ineffective regional governance” undermines the Bay Area’s ability to address crosscutting challenges that threaten its economic competitiveness.

The Bay Area needs its own grand bargain to ensure that it has the governance capacity to provide quality services, resolve tough challenges and help everyone contribute to regional well-being.

Think of just about any of the Bay Area’s challenges. Maybe it’s the difficulty of commuting in an area with ever-more-congested highways but more than two dozen transit operators. Maybe it’s the problem of limited housing choices making it difficult to find a place to live.
near work.

Then ask: Where would you turn for help in understanding the challenge, in helping to address it, or in holding anyone accountable for resolving it?

In other regions, those answers may be easier. In Kansas City, the Mid-America Regional Council responds to those types of questions; in Portland, Ore., and Minneapolis-St. Paul, it’s their respective Metro governments.

Yes, those agencies are in smaller, less complex regions than the Bay Area. But worldwide, many major metropolises have strengthened their regional governance.

The Metropolis association, whose members are global cities with populations greater than 1 million, recently prepared a report, Metropolitan Regions, on regional governance in 72 regions, including the 28 most populated metropolises. More than half the metros surveyed have formal regional governments. Another one-sixth have the direct regional involvement of their national governments. These regions still have local governments, and their regional governments deal with political, environmental, financial, management and other obstacles similar to those found in the Bay Area.

Most of these global regions are better empowered than their U.S. counterparts to plan, implement and finance strategies to address tough challenges. Most important, all are accountable to higher levels of government; some also have directly elected leaders.

The remaining third of the regions surveyed, many of them in the U.S. and Europe, have either voluntary or mandated regional councils of governments/planning agencies/associations with regional planning responsibilities.

After over four decades in the regional trenches, I continue to be impressed with the commitment of regional councils to addressing tough challenges, and by state and federal initiatives to support them, such as to prepare regional transportation and sustainable communities plans.

Yet too often those regional councils are too weakly empowered to address the toughest challenges.

As one regional council director said, regional councils too often find themselves in a “pick-up game” of regional cooperation. They aren’t sure which players will show up, what equipment will be available or which rules will be followed. And regional councils are usually only one of many regional groups also playing “pick-up” regional cooperation against major league challenges.

Without empowering local governments and others to take common, cost-effective actions,
our regions will be condemned to piecemeal solutions offering too little, too late, to compete globally with better empowered regions.

Unfortunately, current models seem to offer only extremes: either some form of a powerful regional government, or a plethora of somewhat voluntary mechanisms, coordinated to some degree by groups like the Joint Policy Committee in the Bay Area. If there is a middle ground, the Bay Area will need to invent it.

My suggestion: Focus the best regional minds on drafting a charter for governing the Bay Area. Do it now. Take control of determining the Bay Area’s fate. This will also provide a model for governance in other regions.

Local government charters are often prepared by citizens elected to charter commissions, submitted to voters and updated every few years. They define purposes, powers, structures, relationships and limitations, and provide local governments with the capacity to address the needs of their constituents.

Regional charters would be different, since no one organization could ever address all challenges. Successful regional charters should be prepared openly, with abundant citizen participation. They should call for a unifying vision for governing the region; negotiating compacts to shape regional growth; and establishing a governance network with power to explore issues, submit plans for public approval, finance actions, and hold everyone accountable.

All parts of a regional charter need not be put in place overnight. But all must be considered in preparing it. Continuing to address regional governance issue-by-issue, organization-by-organization will only add to today’s plethora of vaguely connected regional endeavors.

What if the Bay Area Charter provided the impetus for negotiating a grand bargain with state and federal governments? What if local governments and their partners in other sectors prepared a Bay Area Charter empowering them to work together and be accountable for their actions? In return, what if the Bay Area was empowered to enforce some state and federal regulations, such as for environmental protection, and once Bay Area voters approved the charter, received more flexible state and federal government funding?

The Bay Area will not be starting from scratch. There exists a strong base of regional governance capacity.

A Bay Area “grand bargain” – a Bay Area Charter (BAC) – could help achieve the region’s desired future. You could even say it’s going BAC to the future.

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This article was posted on April 6, 2013. Both comments and trackbacks are currently closed.
Practitioner’s Perspective—Regional Charters: The Future of Local Government

The future of human settlements depends on local governments being able to work together. Region by region, local governments need to design and build a “regional charter” that empowers them to work together, as effectively as their individual charters empower them to work independently.

Local governments have a long history of addressing challenges that cut across jurisdictional boundaries. Some were predetermined by our natural environment. For example, ensuring potable water has always required consideration of entire watersheds. Local governments realized that taking drinking water out upstream and dumping wastewater downstream only worked for the jurisdiction at the headwaters. Everyone else was going to drink someone else’s pollution. And the same was discovered when the jurisdictions drawing on a common aquifer exceeded their ability to replenish themselves and had to keep digging deeper wells.

Local governments realized that they needed to negotiate watershed plans in order to drink potable water as well as airshed plans to breathe clean air. Similarly, the natural environment often shapes the path of development, requiring roads and rails, water and sewer lines to follow benign topography.

Although local governments have learned to respond cooperatively to some tough challenges posed by the natural environment, they still act as if they can divide up one of its most important living organisms—human settlements—without making a mess.

Human settlements are just as much a part of the natural environment as deer or mice. They have vital organs—downtown business and cultural districts, suburban employment centers and shopping malls, residential neighborhoods and recreational areas—tied together by the sinews of transportation, the arteries of commerce, and the protoplasm of community. Over the last century, human settlements have been divided up by dozens, and sometimes hundreds, of local governments, especially the more urban ones.

All too often, individual local governments have searched for miracle drugs to address their piece of tough challenges, as opposed to healing the wounds with their neighbors. But no medicine has been found to address crosscutting challenges jurisdiction by jurisdiction.

And now fewer resources. Local governments have hit financial ceilings, limiting their responses to any tough challenge. Especially as a result of the recent economic turmoil, all too many local governments would be bankrupt if they were private businesses. They can no longer sustain their services, maintain their facilities, and finance employee health care and retirement.

As the economy improves, it appears that the public does not have the will to return to the profligate behavior of the past. Even if individual local governments want to continue to be independent of their neighbors, they can no longer deny the need to work cooperatively to address their toughest challenges. Even the most affluent of exurban enclaves does not have enough resources to address the challenges that cut across jurisdictional boundaries, from volatile energy costs and prohibitively expensive infrastructure to natural and terrorist threats and fiercer global competitiveness.

Local governments have come together in ad hoc and ongoing ways to address these crosscutting challenges. They have formed councils of governments and special districts to address transportation, air and water quality, and sometimes affordable housing and natural resource preservation. They have supported
pursue state and federal government largesse. They have developed regional agendas to address tough, crosscutting challenges. As a result, it would require redrawing the boundaries of many regional councils of governments, as they also divide up human settlements, and recasting them as regional charter councils to facilitate addressing the toughest common challenges.

The regional charter councils would have access to adequate staff and resources to assist local governments in designing common strategies to address the tough challenges. They would also have access to predictable funding streams for implementing critical actions, including the ability to submit funding options to the public in regional referenda. They would engage regional stakeholders, from all sectors and from the general public, but would be controlled, or heavily influenced, by local governments. Most importantly, they would be held accountable by the public, such as through annual reports on their activities and periodic citizen reviews of their charters.

And regional charters would be equally important in more rural areas. It would require groups of smaller human settlements tied together by a common future—such as marketing a successful “stall” in the global “marketplace” or collectively offering the amenities of the good life demanded by citizens—to also design and adopt regional charters. In fact, many regional councils of governments in more rural areas already understand their growing interdependence and are demonstrating many of the characteristics of regional charter councils.

Regional charters in both urban and rural regions need to have flexible boundaries. Just as each regional challenge affects a different set of local governments, regional charter councils need to be able to modify their boundaries to effectively address each emerging challenge. Regional charter councils could develop agreements with neighboring councils to address common challenges, or state governments could empower regional charter councils to do anything collectively that their local government members can do on their own. This is especially critical for the human settlements that cut across state boundaries and are home to approximately half of the country’s population.

A major test for regional charter councils is negotiating compacts to shape future regional growth, to ensure that development is competitive and sustainable and infrastructure and services are high quality and affordable. To do this, regional charter councils could provide safe havens to sponsor dialogues on the innovative, practical, and probably controversial actions required to shape future growth. Even the most dedicated of local governments cannot succeed if there is a lack of agreement on the future growth of the region and the impact of that growth on all jurisdictions, rich and poor.

Regions with charters will transform local government. It will require elected officials who are comfortable negotiating with their neighbors. It will require staff who are skilled in network management, administering collaboratively what it cannot do alone.
Community provides most of its funding support to regional economic development strategies, resulting in the creation of regional organizations across the continent. African nations are using regional approaches to bridge historic ethnic, tribal, and economic divisions. Chile and other South American countries are increasingly coordinating the delivery of local services on a regional basis. Regional charter councils could share their experiences with similar organizations worldwide and pursue common initiatives for fostering regional excellence.

Regional charters, developed by local governments and regional citizens, can guide building the capacity to address crosscutting challenges and instill the confidence to negotiate sustainable, affordable, regional growth compacts.

Local governments have strengthened their capacities multifold in the past century, and earned our respect, and accompanying tax dollars, to provide state-of-the-art roads and sewers, public safety and recreation programs, and even bus service and affordable housing. With regional charters, they can build the capacity to address the toughest challenges and earn the respect of our grandchildren.