



Randy Maluchnik, Carver County Commissioner, and Rhonda Pownell, Northfield City Council Member

An Interview with The Civic Caucus

8301 Creekside Circle #920, Bloomington, MN 55437

April 23, 2012

Notes of the discussion

Present : Verne Johnson (chair), Janis Clay, Pat Davies, Paul Gilje, Jim Hetland (phone), Ted Kolderie, Dan Loritz, Tim McDonald, Jim Olson (phone), Wayne Popham (phone), Clarence Schallbetter

A. Summary of discussion - Randy Maluchnik, Carver County Commissioner, and Rhonda Pownell of the Northfield Council describe the challenges and opportunities facing cities and counties as they seek to innovate in the administration of public services. They describe successful uses of the Joint Powers Act, which enables units of government to work together - and argue that to innovate within given resources administrators and workers on the front lines should be given both room and incentive to try new ideas.

B. Introduction of interviewees - **Randy Maluchnik** is Carver County Commissioner and president of the Association of Minnesota Counties. Maluchnik is a resident of Chaska and former member of the Chaska City Council, Carver County Planning Commission, and Carver County Parks Commission.

Rhonda Pownell is a member of the Northfield City Council, and a director of the League of Minnesota Cities. Pownell is a graduate of St. Olaf College, and has been involved in leadership in non-profit organizations. She is a member of the Economic Development Authority in Northfield.

C. Discussion -

THE PROBLEM: There are barriers to innovation in public services

"The problem I see with the total cost of government is that there is a desire to *assign* people to make government better," Maluchnik said. "So at every desk in government there is someone that wants to add to the system, and make it better - but in doing so also adding cost."

Instead innovation can and should occur among those already in the government system. However, there are several barriers to innovation, including professional rivalries, fear of mistakes, and concern that constituents may be resistant to changes.

The Legislature is another barrier to innovation, he added, in its tendency to micro-manage. "They try to do the executive's job by telling agencies what to do down to the details; they essentially try to do the counties' job. If you want to know why we have big, expensive government it's because the Legislature tries to do everything in the way of controlling delivery of services."

THE GOAL: Enable and incentivize innovation in state services

The speakers argued that the best way to get innovation in state services is to empower those within service delivery systems to be creative.

"It will take a great deal of patience and cooperation," Pownell said. "It takes time to develop relationships across government agencies necessary to support innovative thinking."

HOW: Empower people on the front lines

Have a vision for where you want to go

Tom Gillaspy, recently retired state demographer, talks about dramatic change coming, the speakers said, in terms of state demographics. For example, by 2020 there will be more people over the age of 65 than we have in K-12 education.

"We are going to have to do things differently - it's not an option," Pownell said. Change is mandatory. The Bush Foundation has been paying attention to this, seeding projects on the issue, as has Representative Carol McFarlane and the House Redesign Caucus.

Reform underway

It is possible to reform services, Maluchnik said: "At one time we had 35 people reporting to the county administrator. Now we have five."

He described the proposal called the MAGIC Act that last year passed through the House with one dissenting vote. It has not yet had a hearing in the House. "The proposal is important because it says that counties may override rules in pursuit of reforms so they don't need to come to the legislature and ask permission first."

Joint Exercise of Powers statute opens opportunity for innovation

The Joint Exercise of Powers statute (471.59) states that two units of government may do something together that either is authorized to do separately, Maluchnik said.

Pownell shared an example of innovation with the Joint Powers statute at the city level. In the early 1990s the City of Northfield collaborated with four other governmental entities to study the potential benefit of combining their dispatch centers. One of the keys to the success of this model was having a champion of the project.

There were four or five different dispatch centers at the time. Technology was changing and upgrades were prohibitively expensive. The cities entered into a Joint Powers Agreement and built a new, more sophisticated center to serve the area. Even with startup costs of consolidation they broke even after three years. The collaboration was so successful officials put together a guidebook in 2009 for dispatch consolidation.

Citing another use of the Joint Powers Act, Maluchnik described the "SmartLink" transit collaboration between Carver and Scott County Transit Systems. This effort began in 2009 with a grant from the Metropolitan Council. Carver and Scott Counties established a Joint Powers Agreement for the partnership, and today Carver and Scott county citizens' requests for rides are handled by a combined customer service and dispatch staff. In addition to traditional transit functions, SmartLink has also become the administrator of non-emergency medical assistance transportation.

Since the collaboration and integration of the two transit systems ridership has increased from 189,703 trips to 223,549, a 17.8% increase. Savings have been significant as well. In 2008, before the joint effort, Carver County contributed \$56,000 in county tax levy to CART (Carver Area Rural Transit). But since the collaboration Carver County's county tax levy contribution has been \$0 for 2009, 2010 and 2012 and no tax levy dollars are budgeted for the current year.

"Our model of relying on public transit first and then contracting with transportation vendors has been very successful in providing transportation to medical appointments at a substantial savings in overall taxes," Maluchnik said. The funding for the medical rides comes from Medical Assistance through the Department Human Services.

The Metropolitan Council views SmartLink as a model of efficiency and innovation in metro area transit operations, Maluchnik said.

Empower and incentivize workers to innovate

Incentives will work to spur innovation. When you look at the private sector, Maluchnik said, to General Mills, for instance, and the "lean" programs they have run to encourage creative new ways of doing things, you will find that there is always a built-in incentive. For instance, they will divide the increased revenue resulting from profitable innovations, with 20 percent of savings going back to the corporation and 80 percent staying with the innovating division.

Recalling her own time as a state employee one of the interviewers commented that it was frustrating as a worker to see waste, because if you brought ideas for improvement forward you felt you were vulnerable to losing your job.

"That fear has to be alleviated," Pownell observed. Further, cities and counties need to feel safe to innovate without worrying about losing autonomy. "You don't need to consolidate," she added, "but you can still cooperate. You may have cities that want to maintain autonomous entities, but they can cooperate and share services."

C. Conclusion:

Pownell closed the discussion by commenting on how today's workforce is unable to meet the needs of future employers. "Jobs are going unfilled for want of skilled workers. It's not that those positions aren't needed; they are in fact sorely needed, but increasingly going unfilled. And we may not have workers qualified to fill many of those positions in the future."

The chair thanked the speakers for the informative meeting.