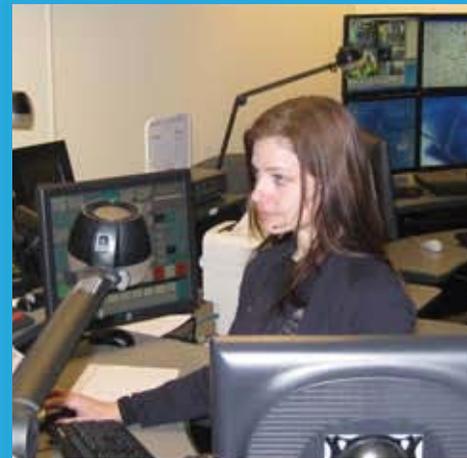
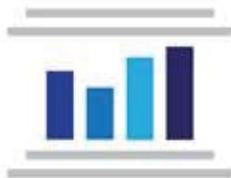


# GREATER THAN THE SUM



*A Scan of Municipal Service Sharing  
Opportunities in Jefferson County*



WISCONSIN

**POLICY FORUM**

## **ABOUT THE WISCONSIN POLICY FORUM**

The Wisconsin Policy Forum was created on January 1, 2018, by the merger of the Milwaukee-based Public Policy Forum and the Madison-based Wisconsin Taxpayers Alliance. Throughout their lengthy histories, both organizations engaged in nonpartisan, independent research and civic education on fiscal and policy issues affecting state and local governments and school districts in Wisconsin. WPF is committed to those same activities and that spirit of nonpartisanship.

## **PREFACE AND ACKNOWLEDGMENTS**

This report was undertaken to provide citizens and policymakers in Jefferson County with information on municipal and county service areas where enhanced service sharing or consolidation might be pursued. The intent was to lay out fiscal and programmatic data – with a specific focus on the larger municipalities of Watertown, Whitewater, Fort Atkinson, Jefferson, Lake Mills, Waterloo, and Johnson Creek – that would allow policymakers to determine whether further research or action is warranted. The purpose was not to make recommendations on the future of those services in the respective communities.

Report authors would like to thank police, fire, dispatch, and public works officials – as well as administrators – for their assistance in providing information, and for patiently answering our questions.

In addition, we wish to acknowledge and thank Jefferson County, which provided partial underwriting for this research and hosted numerous meetings throughout the project.

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# INTRODUCTION

In Wisconsin and across the nation, local governments are increasingly challenged by enhanced service demands and expectations produced by new technologies, aging populations, and economic growth. Yet, at the same time, many face service constraints resulting from stagnant state and federal aids, limits on local taxation, and human resources limitations.

Municipalities in Jefferson County are not immune from these challenges. In fact, municipal officials have expressed concern over the sufficiency of resources to hire new employees, the availability of workers, and the hindrance that geographic distance between communities creates in their ability to offer timely support to one another. These growing issues have generated interest among local governments in considering possibilities for enhanced collaboration in the provision of key municipal services.

In response, leaders from Jefferson County commissioned the Wisconsin Policy Forum to conduct a high-level scan of municipal services in the county. This report describes the results of our analysis, which is intended to convey to policymakers those service areas that hold the greatest potential for service sharing or consolidation.

We limit our analysis to the seven largest municipalities in Jefferson County by population – Watertown, Whitewater, Fort Atkinson, Jefferson, Lake Mills, Waterloo, and Johnson Creek – as well as Jefferson County services where relevant. This does not reflect a lack of interest on the part of the county or the Forum in considering service sharing opportunities that may involve the smaller municipalities, but simply reflects the broad nature of this initial foray into service sharing possibilities and our desire to maintain a manageable project scope.

Similarly, this analysis is limited to major municipal service areas that were determined in consultation with administrators from the seven municipalities and the county. Our omission of other service areas – including parks and recreation, municipal courts, solid waste, sewer utilities, and back office services (e.g. human resources, benefits administration, accounting, joint procurement and information technology) – does not mean that possibilities for enhanced service sharing do not exist for those areas. Rather, it reflects either limited interest in considering such service areas by the municipal administrators, or our view that pursuit of such possibilities likely could occur without the assistance of a third-party entity to provide both initial and detailed analysis.

## Data and Methodology

In conducting the review, we used the most recent data available. For example, population data was for 2017 and comes from the U.S. Census Bureau American Community Survey database. Unless otherwise noted, fiscal data in tables throughout this report come from the municipalities or their published budget documents. **Table 1** provides basic population and budget data for the communities.



**Table 1: Population and 2019 general fund budgeted expenditures**

Municipality	Population	% of Total	2019 General Fund Budget	% of Total
Watertown	23,730	33%	\$ 17,019,051	32%
Whitewater	14,762	21%	\$ 9,629,179	18%
Fort Atkinson	12,429	18%	\$ 9,229,407	18%
Jefferson	7,975	11%	\$ 6,017,025	11%
Lake Mills	5,816	8%	\$ 5,279,800	10%
Waterloo*	3,345	5%	\$ 2,370,503	5%
Johnson Creek*	2,931	4%	\$ 2,908,873	6%
<b>Total</b>	<b>70,988</b>	<b>100%</b>	<b>\$52,453,838</b>	<b>100%</b>

Sources: U.S. Census Bureau American Community Survey and 2019 budget documents

\*Waterloo and Johnson Creek are adjusted to include Fire/EMS, which are accounted for in separate funds. This allows for a more even comparison, as the other municipalities include Fire/EMS in their general fund budgets.

Service areas considered in the review include: property assessments, fire, inspections, dispatch, police, and public works. Emergency Medical Services are not covered in this report but are the subject of a separate service sharing analysis that was launched late in 2019. For each of the covered services, the report includes basic data on budget, cost per capita, and full-time equivalent workers (FTEs), as well as a discussion of the services offered and identification of potential collaboration or service sharing opportunities.

It is important to note that in collecting expenditure information from budget documents, we did not have the capacity to attempt to adjust for differences in budgeting methodology. Such differences may include distinctions in the way certain administrative overhead, fringe benefit, or legacy costs are allocated to departments. Consequently, while we cite total and per capita expenditure amounts for the various service areas, those should be used for context and not for comparative conclusions.

In evaluating service sharing potential, we are most interested in whether the service area lends itself to “comprehensive” service sharing or consolidation among municipalities in Jefferson County. In other words, while we may cite potential for sharing among a smaller grouping of municipalities – or potential for relatively simple forms of collaboration like joint contracting – our evaluation is designed to determine the potential for more enhanced forms of sharing or consolidation among the government services studied.



We consider the following six factors as our criteria for determining service sharing potential and whether to recommend a functional area for in-depth analysis:

1. Is demand for **new** technology/equipment or **new** state/federal regulations causing costs to become unaffordable for the municipality?
2. Are key staff scheduled for retirement or are there other organizational developments suggesting an opportunity for new service models?
3. Are there areas of clear cost inefficiency or redundancies among neighboring municipalities that suggest potential for cost savings through shared services?
4. Could service sharing improve the level, type, or mix of services?
5. Is one municipality providing a service that benefits the larger region?
6. Are capital **replacement** needs intensive?

The purpose of this study is to identify collaborative opportunities among communities in Jefferson County. It is important to note that while this research project conducts a broad review of municipal services in the region, it is not designed to provide analysis of the feasibility and/or implementation of specific service sharing and consolidation options. Instead, we hope our findings will be used by the leaders of those communities to determine where and how to invest in more detailed analysis.

Finally, this study does not evaluate whether a service should be privatized or whether existing contracts should be renegotiated. Communities sometimes seek fiscal savings by contracting for or privatizing services that previously had been provided by public employees. While it is often taken as a given that a private contractor can perform a job at less cost than a public employee, the question of outsourcing is much more complicated and must consider other factors beyond cost.<sup>1</sup> Such analysis is beyond the scope of this report.

## Findings

Previous service sharing studies conducted by the Wisconsin Policy Forum have found that demographic, economic, and geographic differences between municipalities become apparent when comparing public services and can impact the potential for collaboration. For example, density and geography play a large role in some municipal services, such as waste collection and fire protection, and communities that differ in those characteristics may not be suitable collaborators. Similarly, social and economic characteristics can affect service levels and expectations in different communities and may make the notion of sharing or consolidation more challenging.

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<sup>1</sup> Nichols, Russell, "The Pros and Cons of Privatizing Government," *Governing*, December 2010. Found at <http://www.governing.com/topics/mgmt/pros-cons-privatizing-government-functions.html>.



Several such differences were noted in our analysis of the seven largest municipalities in Jefferson County. Nevertheless, based on our review, we give a “thumbs up” to two municipal service areas with high potential for comprehensive service sharing or consolidation. We believe each of these merits further analysis with an eye toward developing detailed options and implementation plans.

- Fire
- Dispatch

In addition, while not meriting consideration of full scale functional consolidation, we give a positive rating to two service areas that offer significant potential for service sharing opportunities that would reduce cost, improve service, or a combination of the two. Further research and facilitation could ensure movement on service sharing activities for various components of these two functions:

- Police
- Public Works



# ASSESSMENT

Municipalities are required to assess individual properties within their boundaries for the purposes of property tax collection. In terms of frequency, municipalities are not required to update assessments annually, but each year without a revaluation allows assessed values to potentially deviate farther from fair market value.

The Wisconsin Department of Revenue (DOR) conducts its own valuation process to determine *equalized* values, or the value of property in each taxing entity by class of property. Equalized values are updated annually, and the ratio of assessed value to equalized value gives an indication of the accuracy of local property assessments. State law requires that the municipality’s assessments must be within 10% of the state’s equalized values.

## Service Levels

The level of service provided by the municipal assessor – or the contractor selected by the municipality to conduct assessments – is predicated on the number of taxable land parcels that must be assessed and by the frequency of revaluations. Generally, assessors in Jefferson County make updates to property records on an annual basis for activities like new construction, remodeling, and demolitions. This explains the infrequent nature of the full revaluation policy for some of the municipalities listed in **Table 2**; frequent full revaluations (which are costly and more time consuming) generally are not needed since assessments are kept fairly close to the state’s equalized value calculations through the annual updates.

All of the municipalities use outside contractors to conduct their assessments; most use Associate Appraisal, Inc., or Accurate Appraisal, Inc. In most cases, the contractor is available by phone as needed but has no set office hours at the municipality. An exception is Lake Mills, where the assessment contractor is present for two hours, once per week. The contractors are responsible solely for assessment-related activities and do not perform clerical work (although they may send out assessment notices).

**Table 2: Taxable land parcels and full revaluation policy by municipality**

Assessment Office	Taxable Land Parcels	Full Revaluation
Watertown	5,012	As needed; last done in 2012
Whitewater	2,983	Annually
Fort Atkinson	4,602	Every 10 years; last done in 2017
Jefferson	2,667	As needed; last done in 2003
Lake Mills	2,233	As needed; last done in 2019
Waterloo	1,363	As needed; last done in 2003
Johnson Creek	1,148	As needed; last done in 2019

Source: Wisconsin Department of Revenue



**Table 3** provides basic demographic and fiscal data related to assessment services in the seven municipalities. It should be noted that Johnson Creek had a full revaluation in 2019, which accounts for its much higher per capita and per parcel cost when compared with the other municipalities. If the per capita cost in Johnson Creek is adjusted to reflect the planned \$17,125 budget for 2020, which is not a full revaluation year, then the cost drops down to \$6 per capita and \$15 per parcel. Similarly, Lake Mills had a revaluation in 2019; when adjusted to reflect the 2020 budget, the cost drops down to \$3 per capita and \$8 per parcel.

Taking into account the adjusted numbers, Watertown and Whitewater show the highest per parcel costs while also exhibiting the lowest per capita costs. This suggests that these larger communities are

able to enjoy a degree of efficiency that is less available to the smaller municipalities. One city official shared that communities that are large geographically but small in population size may experience higher per capita personnel costs due to the need to staff beyond one assessor to cover the geographic area. This can lead to instances where a second assessor develops market knowledge to provide service but has less than a full workload.

**Table 3: 2019 fiscal data for assessment services**

Municipality	2019 Budgeted Expenditures	Expenditures Per Capita	Expenditures Per Parcel
Watertown	\$75,225	\$3	\$15
Whitewater	\$38,550	\$3	\$13
Fort Atkinson	\$43,985	\$4	\$10
Jefferson	\$27,000	\$3	\$10
Lake Mills	\$29,600	\$5	\$13
Waterloo	\$10,770	\$3	\$8
Johnson Creek	\$51,982	\$18	\$45

## Expenditure Trends

**Table 4** provides expenditure trend data for assessment services for the seven municipalities from 2017 to 2019. Again, large annual swings from year to year may be attributed to whether a revaluation occurred that year for the entire tax base. Some municipalities spread the cost of a full revaluation over multiple years, as was the case for Johnson Creek, which shows higher spending amounts for 2018 and 2019. Similarly, Fort Atkinson had a full revaluation in 2017 and is spreading the cost over six years, with the bulk of the payment made in 2017.



Table 4: Assessment services expenditure trends 2017 – 2019

Assessment Office	2017 Actual	2018 Actual	2019 Budget	% Change
Watertown	\$70,152	\$74,070	\$75,225	7%
Whitewater	\$56,166	\$38,550	\$38,550	-31%
Fort Atkinson	\$98,128	\$45,815	\$43,985	-55%
Jefferson	\$27,926	\$26,944	\$27,000	-3%
Lake Mills	\$25,549	\$14,945	\$29,600	16%
Waterloo	\$10,759	\$10,728	\$10,770	0%
Johnson Creek	\$11,152	\$45,216	\$51,892	365%
Total	\$299,832	\$256,268	\$277,022	-8%

## Service Sharing Assessment

Property assessment services are not currently shared by any of the seven municipalities. Using our six criteria, **Table 5** summarizes our view of service sharing potential for those services.

Table 5: Property assessment service sharing potential

FACTOR	RATING
High cost of new technology	
Pending retirements/organizational changes	
Cost inefficiency/redundancies	
Potential for service enhancements	
Single municipality providing service beneficial to the larger region	
High capital replacement costs	

Property assessment is a function that is not staff intensive and is not highly dependent on technology or equipment. Consequently, our evaluation indicates that property assessment services show limited potential to benefit from comprehensive or enhanced service sharing among the seven communities. However, we do give a “thumbs up” for the cost inefficiency/redundancy criterion:

**Cost inefficiency/redundancies:** The seven municipalities all contract for assessment services. While per capita costs are difficult to compare given variability in the scheduling of revaluations, it appears there may be significant differences in contract costs. It is possible that a combined procurement process to secure a single vendor to provide assessment services across the seven municipalities may reduce combined contract costs and individual costs for at least some of the municipalities. Using a single contractor might also produce better consistency in property assessment methodologies and timing across the communities, which could produce greater transparency and understanding for county residents and businesses.



# BUILDING INSPECTION

Building inspections are a municipal service that ensures new construction and remodeling projects conform to state and municipal building codes. A strong inspection program also ensures structures within each municipality meet basic safety standards and are suitable for occupancy. Building inspection is required of all property types: industrial, commercial, and residential.

The inspection departments or contractors of each municipality also provide some level of code compliance services for existing properties. Code compliance is oriented to ensuring that existing structures meet building, electrical, and fire codes. Code compliance services also can address issues that detract from neighborhood value, such as broken windows, overgrown grass, etc.

Building inspection services are not easily comparable across municipalities for several reasons. For example, building inspection and code compliance services relate to the age, condition, and type of housing (single family versus multi-family), which can differ significantly by community. The mix of residential, commercial, industrial, and agricultural areas in a municipality also impacts the scope and nature of inspection services.

Just as important, building inspection workload is correlated to the amount of new development. Rates of new development vary between municipalities and also can vary from year to year. Because of this variability, a simple comparison of per capita expenditures can be misleading.

The primary workload statistic for building inspection services is the number of permits issued, which we show in **Table 6** for 2018. Permit data are divided into permits for new structures and for electrical and plumbing work. It should be noted that these are very general indicators of workload or service levels, since a permit for a large residential or commercial project entails much more in the way of inspections than a permit to install a pool or make plumbing improvements. In addition, building permit data does not reflect time spent on code compliance.

**Table 6: Building permits and electrical/plumbing permits, 2018**

Municipality	Building Permits	Electrical Permits	Plumbing Permits
Watertown	305	348	177
Whitewater	107	93	57
Fort Atkinson	157	174	86
Jefferson	109	69	52
Lake Mills	120	100	66
Waterloo	69	55	25
Johnson Creek	71	59	62
Total	938	898	525



**Table 7** provides basic fiscal and staffing data for building inspection services among the Jefferson County municipalities. Watertown and Fort Atkinson have internal building inspection staff, while Jefferson, Lake Mills, Waterloo, and Johnson Creek use contracted services. Whitewater uses a contracted inspector but also has an in-house code enforcement inspector. Lake Mills also has a part-time building inspector and zoning administrator at 0.15 FTE.

As shown in **Table 7**, building inspection expenditures vary widely among the municipalities. Such variances may be attributed to factors like the number and types of permits covered by building inspectors in the different communities and whether inspection services are provided by contract or in-house staff. There also may be differences in the extent to which municipalities cover the cost of inspections through inspection fees or supplement such fees with property tax revenues. Consequently, the per capita assessment shown here should be considered as context but does not provide the full picture of the impact on taxpayers.

**Table 7: Fiscal and staffing data for building inspection services**

Building Inspection	2019 Budgeted Expenditures	Expenditure per Capita	FTE*	PT Positions
Watertown**	\$262,040	\$11	2	2
Whitewater	\$70,000	\$5	contract	n/a
Fort Atkinson	\$106,365	\$9	1	0
Jefferson	\$70,000	\$9	contract	n/a
Lake Mills	\$75,700	\$13	contract	n/a
Waterloo	\$11,000	\$3	contract	n/a
Johnson Creek	\$33,750	\$12	contract	n/a
Total	\$628,855	\$9	n/a	n/a

\*FTE amounts do not include contract inspection services because data was not available and varies by year/project.

\*\* Watertown's FTEs reflect one full-time building inspector and one full-time building administrator. The city also employs a couple of part-time inspectors.

Across the board, municipalities reported that most inspector time is devoted to new development. Code compliance and coverage of city- or village- owned properties are also generally consistent. However, there is some variance in the duties of inspectors that also may impact comparison of inspection service costs. For example, in the city of Jefferson, the contractors are part of the planning commission and help with the regulatory committee. At Lake Mills, the contracted inspector issues permits for city-owned properties, but in-house architects and engineers perform the inspections. Whitewater has a planner and code enforcement inspector, which relieves the contractor from performing that work.

Given that new construction has a significant impact on building inspection service levels and expenditures, **Table 8** shows net new construction trends from 2017-2019. Johnson Creek had the highest average growth in new construction over that time frame, at 2.06%, while Waterloo exhibited



the lowest at 0.69%. The other municipalities ranged from 0.85% to 1.31%. Communities with higher growth are likely to experience a greater workload for building inspectors than those with slower growth.

**Table 8: Net new construction trends, 2017-19**

Municipality	2017	2018	2019	Average
Watertown*	0.80%	1.10%	1.20%	1.03%
Whitewater*	1.11%	1.02%	1.33%	1.15%
Fort Atkinson	0.84%	0.60%	1.37%	0.94%
Jefferson	1.07%	0.81%	0.68%	0.85%
Lake Mills	1.88%	0.79%	1.26%	1.31%
Waterloo	0.49%	0.28%	1.30%	0.69%
Johnson Creek	2.63%	1.76%	1.78%	2.06%

Source: WI Department of Revenue, Net New Construction Reports

\*Watertown and Whitewater numbers reflect the total net new construction across more than one county.

## Expenditure Trends

**Table 9** shows inspection expenditure trends from 2017-2019. The contracts are generally set up on a multi-year basis per an agreed-upon cost and do not account for changes in permit applications or growth in net new construction, which can vary year to year. Use of in-house inspectors similarly protects the municipalities from wide annual expenditure swings. There are exceptions, however. Waterloo's actual costs in 2018 were \$11,500 higher than budgeted due to a number of development projects in the area. Whitewater shows the most significant change, with a 47% decrease in inspection services expenditures caused by the completion of a large school project in 2017.

**Table 9: Expenditure trends 2017 - 2019**

Municipality	2017 Actual	2018 Actual	2019 Budget	% Change
Watertown	\$237,583	\$253,775	\$262,040	10%
Whitewater	\$133,006	\$57,931	\$70,000	-47%
Fort Atkinson	\$104,224	\$107,342	\$106,365	2%
Jefferson	\$69,999	\$69,999	\$70,000	0%
Lake Mills	\$70,540	\$74,700	\$75,700	7%
Waterloo	\$14,000	\$22,497	\$11,000	-21%
Johnson Creek	\$37,869	\$44,010	\$33,750	-11%
Total	\$667,221	\$511,545	\$628,855	-6%



## Service Sharing Assessment

Using our six-factor assessment tool, **Table 10** identifies our assessment of service sharing potential for inspections.

**Table 10: Inspections service sharing potential**

FACTOR	RATING
High cost of new technology	
Pending retirements/organizational changes	
Cost inefficiency/redundancies	
Potential for service enhancements	
Single municipality providing service beneficial to the larger region	
High capital replacement costs	

Inspection services appear to have limited potential for comprehensive service sharing or consolidation for most of our listed indicators, and their relatively low cost and staffing levels (both in-house and contract) may make this a less appealing service area for which to attempt service sharing strategies in the near term. Nevertheless, we do assign a “thumbs up” to cost inefficiency/redundancies because there may be cost-saving opportunities in a joint approach to securing contracted inspection services, which might also include a shift to contracting with a municipal service provider instead of a private sector entity.

**Cost inefficiency/redundancies:** While per capita costs are not a perfect measure of comparison given variability in the work performed by contracted inspectors, we do find that there may be significant differences in contract costs. A combined procurement process may lower costs for some of the municipalities, without causing a change in service levels. It is possible that differing code ordinances across municipalities might hinder cooperation in this regard, although it is also worth noting that Whitewater, Jefferson, and Lake Mills all hold separate contracts with the same contractor, and that contractor is able to accommodate the differing ordinances.

Alternatively, the municipalities may wish to consider whether Watertown’s larger staff could handle increased responsibility on a contract or fee-for-service basis for inspection services in the surrounding municipalities. This could produce a “win-win” by providing a new source of revenue for Watertown while also possibly lowering contractual costs for the other municipalities. Again, we cannot determine the extent to which Watertown could accommodate a larger workload and whether differing building codes across municipalities would pose a challenge here, as well.



# DISPATCH SERVICES

Public safety dispatch services in Jefferson County are provided at both the municipal and county level, with some municipalities relying exclusively on the county, and some larger communities maintaining their own dispatch centers (though some of those also receive some level of support from the county). With regard to the seven municipalities that are the focus of this analysis, Watertown, Whitewater, Fort Atkinson, and Jefferson all show that they spend resources on some form of public safety dispatch services in their budget documents. Lake Mills, Johnson Creek, and Waterloo have no dispatch budget allocation and rely solely on the Jefferson County dispatch center for emergency dispatch services, though all three have clerical staff who may occasionally perform non-emergency dispatch services.

Fort Atkinson, Watertown, Whitewater, and Jefferson County have dispatch centers with dedicated dispatch staff that take emergency calls for both police and fire/EMS. The city of Jefferson also has a dispatch center, though that center only handles police calls; the county dispatches for all emergency fire/EMS calls. The county receives all 911 cell phone calls dialed from within the county and provides primary coverage to 19 municipalities for both police and fire/EMS activities.

**Table 11** shows budgeted and per capita costs for dispatch services for the entities that maintain their own dispatch centers. Of those municipalities, Jefferson has the lowest per capita cost at \$23, which is likely due to the fact that its dispatch center is not a full-time operation (calls are dispatched by the county when the center is closed). Whitewater sits at the other end of the spectrum at \$35 per capita. Jefferson County dispatch and communications houses 10 FTEs and several part-time staff with a per capita cost of \$12.

**Table 11: Demographic and fiscal data for dispatch services**

Municipality	2019 Budgeted Expenditures	Expenditures per Capita	FTEs
Watertown	\$666,519	\$28	9
Whitewater	\$516,814	\$35	7.5
Fort Atkinson	\$321,368	\$26	5
Jefferson*	\$186,054	\$23	3.5
Jefferson County**	\$980,426	\$12	10

\*Benefits information for the three full-time, hourly employees at the city of Jefferson were not easily available. We estimated benefits at 32% of salaries to allow for a closer comparison with the other municipalities in this table.

\*\*Jefferson County includes one supervisor and 9 full-time dispatchers. Four part-time staff are not included in the 10 FTE count. Per capita costs include the full county population, given that the costs are primarily covered by the property tax levy and therefore shared by all county taxpayers regardless of whether their municipality operates a dispatch center.

In addition to being the sole dispatch provider to 19 municipalities within Jefferson County and receiving all 911 cell phone calls from within the county (as noted above), the Jefferson County dispatch operation provides service to the Sheriff’s Office, the Jefferson County Drug Task Force, and the Medical Examiner. It is funded primarily through general property taxes and occasional support from operating reserves.



This is a fiscally beneficial arrangement for municipalities that partially or fully rely on the county’s dispatch services. For example, Jefferson operates its own dispatch center during the day and switches to the county at night.<sup>2</sup> For context, many other county dispatch offices (like Racine County Joint Dispatch) are funded both through municipal contributions and county property taxes; Jefferson County does not require municipal financial assistance and instead uses county resources (primarily property tax levy) to cover the full cost.

In recent years, most dispatch centers in Jefferson County have had little to no capital outlay costs. When capital spending is required, the costs can be high, but on a one-time basis. For instance, Watertown’s 2019 capital budget includes \$110,000 for a program upgrade for Wisconsin Incident-Based Reporting System (WIBRS) compliance and Whitewater budgeted over \$110,000 in 2018 to install a P25 radio system. Jefferson County has had higher capital expenditures for dispatch than its municipal counterparts (averaging in the \$70,000 range annually).

## Service Sharing Assessment

Using the six-factor methodology in **Table 12**, we find that dispatch is an area with high potential for consolidation or service sharing. Specifically, we give “thumbs up” with regard to the opportunity to enhance services, address cost inefficiency and redundancies, and reduce high capital replacement and new technology costs.

**Table 12: Dispatch service sharing potential**

FACTOR	RATING
High cost of new technology	
Pending retirements/organizational changes	
Cost inefficiency/redundancies	
Potential for service enhancements	
Single municipality providing service beneficial to the larger region	
High capital replacement costs	

**Cost inefficiencies/redundancies:** While recognizing that municipal governments realize some benefits from maintaining local control over dispatch centers,<sup>3</sup> there are some clear inefficiencies in this functional area in Jefferson County due to the presence of a county-wide dispatch system that already offers full or partial service to each municipality through evening, cell phone, or backup dispatch services. Jefferson County residents with local dispatch services pay property taxes to support both the county and their municipal dispatch centers. Given that the four municipalities with dispatch centers spend an average of \$423,000 annually to support them, transfer of their dispatch

<sup>2</sup> The city of Jefferson and Jefferson County have an arrangement where the county provides dispatch services in lieu of leasing space for a tower.

<sup>3</sup> For example, local dispatch offices are able to answer non-emergency questions related to local services.



services to the county or consolidation of dispatch centers among groups of municipalities could offer significant savings.

If all dispatch services were consolidated at the county level, then the county would need to create additional capacity to serve municipalities that currently operate their own dispatch centers. County officials indicate that for this to occur, two or three more dispatch positions would likely be needed, and new arrangements would be required for municipalities whose boundaries fall across two counties. It is possible that Jefferson County may wish to charge for some or all of the added cost it would incur to be the county's main or exclusive dispatch center, but such charges could be considerably lower than the amounts currently paid by municipalities to operate independent dispatch operations.

Alternatively, the existing municipal dispatch centers in Watertown, Whitewater, Fort Atkinson, and Jefferson might explore consolidation among themselves. Due to proximity, consolidation of dispatch operations among Whitewater, Fort Atkinson, and Jefferson might be most logical. It also might be logical for Watertown to retain its own independent dispatch center in light of its larger population and higher fire department call volumes. Also, Watertown currently provides backup to the Jefferson County dispatch center, a factor that might also support maintaining its independent dispatch center. Nevertheless, similar-sized or larger municipalities in Wisconsin have transferred their dispatch functions to a county dispatch center and those factors should not preclude consideration of shifting Watertown's dispatch services to the county or consolidating them with other municipalities.

Finally, while a county-wide consolidated dispatch model likely would offer the most savings, an intermediate alternative that would move toward consolidation could be shifting all calls to the county after a certain time of day as well as times that generally involve overtime pay, which could reduce costs for existing 24/7 municipal dispatch centers in the county.

A possible barrier to pursuit of these options is that dispatch personnel in a number of communities also perform clerical and administrative work. If a consolidated dispatch model is pursued, the work assigned to those positions would still need to be handled at the municipal level, which may require the retention of some positions or the re-assignment of work to other municipal employees. This could reduce cost savings and gains in efficiency.

**Potential for service enhancements:** There are cases where service inefficiencies occur in Jefferson County for 911 calls made from cell phones. These calls automatically go to the county, regardless of the location in the county from which they originate. How the county dispatches or transfers the call varies by municipality. In the cases of Watertown, Fort Atkinson, and Whitewater, most police, fire, and EMS calls are transferred to the city dispatch center, although the county handles dispatch for calls from rural areas in Watertown and Fort Atkinson. Service response times can be slowed because of the time needed for call processing and transfers.

**High capital replacement costs:** While none of the municipalities reported imminent capital replacement costs, past service sharing studies conducted by WPF found that dispatch consoles and their equipment can cost upwards of \$200,000 for a larger replacement



project. This represents an area for considerable cost savings in a consolidated dispatch model, as fewer consoles (as well as other equipment) would need to be replaced.

**High cost of new technology:** Advancements in mobile technology as well as in the software and hardware available to public safety dispatch centers can produce pressure to purchase new equipment on a regular basis. At times, such pressure comes in the form of mandates from the state or federal government. For example, in September, the state of Wisconsin released an RFP for a statewide ESInet and NextGen Core Services system, which will provide the network necessary for implementation of emergency text messaging, video, photos, and enhanced location determination via NextGeneration 911. The timeline and cost to the county and municipalities is unknown (as are the municipalities that would implement the technology). Obviously, if software and equipment purchases required by new technologies or mandates only needed to occur at a single dispatch center or at fewer dispatch centers throughout Jefferson County, then costs could be reduced.



# FIRE AND RESCUE SERVICES

Six of the seven municipalities considered in this report provide fire protection<sup>4</sup> via traditional municipal fire departments. The seventh – Whitewater – has an unusual arrangement under which the fire department (Whitewater Fire Department, Inc.) operates as a distinct entity with its own governing board and provides services under contract to Whitewater and several surrounding communities. This section focuses on the six traditional municipal fire departments but does include consideration of the Whitewater department’s capital program, as the city continues to purchase and own capital equipment used by the department.

Most municipal fire departments also provide some level of emergency medical services (EMS). The most basic form of EMS often is referred to as basic life support, which typically involves personnel trained at the Emergency Medical Responder (EMR) or Emergency Medical Technician (EMT Basic) levels. Higher levels of service include those provided by Advanced Emergency Medical Technicians (Advanced EMTs) or Paramedics.<sup>5</sup>

Those without personnel trained at higher levels often rely on separate EMS departments or regional entities to provide advanced life support services. For those that do provide EMS, some use personnel who are cross-trained in both fire suppression and emergency medical response, while others have EMS-trained responders accompany firefighter first responders on emergency medical calls. The way a department chooses to respond to these various demands affects its staffing, as well as training requirements and cost.

In this section, despite the close connection between fire and EMS, **we focus primarily on potential for enhanced service sharing in the area of fire suppression and related fire services.** County, municipal, and private health care leaders already have agreed that detailed study of enhanced service sharing or consolidation of EMS is warranted and such a study recently was launched independently of this analysis.

Our analysis in this section isolates fire staffing and costs to the greatest extent possible. As **Table 13** shows, Jefferson, Lake Mills, and Fort Atkinson budget fire departments separately from EMS functions; in the case of the latter two, EMS is a contracted service. Watertown, Waterloo, and Johnson Creek have combined fire/EMS budgets, which makes it exceedingly difficult to distinguish fire from EMS expenditures. This fact skews comparison of per capita fire

**Table 13: Municipal Fire and EMS budgeting practices**

Municipality	Fire Department Budget	EMS Department Budget	Combined Fire/EMS Budgets
Watertown			X
Fort Atkinson	X	Contract	
Jefferson	X	X	
Lake Mills	X	Contract	
Waterloo			X
Johnson Creek			X

<sup>4</sup> Fire protection includes inspection and prevention as well as fire suppression.

<sup>5</sup> As EMS providers are trained to higher levels, they increase knowledge and the ability to use more advanced types of equipment and more advanced medical interventions when providing care.



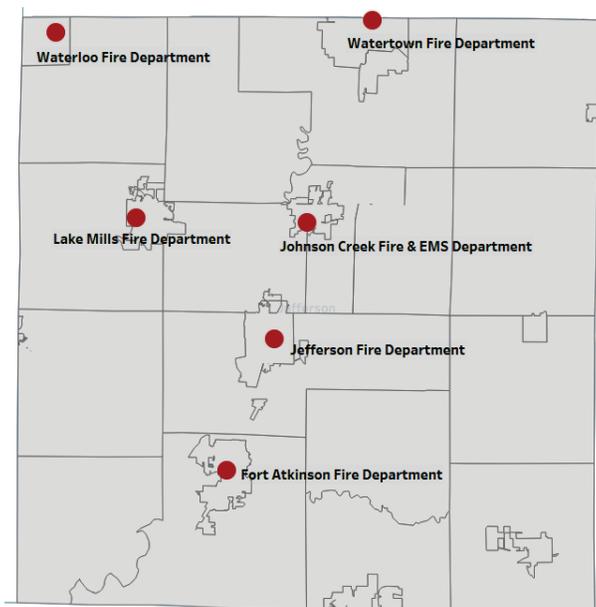
expenditures, making them higher than those for municipalities that segregate spending for the two services.

**Table 14** provides basic demographic and budget data for the six municipal fire departments, while **Map 1** shows the location of their fire stations. It is important to note that the table shows only gross operating expenditures and does not reflect capital costs. EMS expenditures were also removed from the budgets where such removal was possible, i.e. for all except Watertown, Waterloo, and Johnson Creek. Finally, per capita expenditures may be somewhat inflated for communities that extend fire department services to neighboring jurisdictions on a contractual basis. The per capita expenditure amounts shown in the table do not factor in the populations of these coverage areas.

**Table 14: Fiscal data for fire services**

Municipality	2019 Budgeted Expenditures	Expenditures Per Capita
Watertown	\$2,729,263	\$115
Fort Atkinson	\$650,100	\$52
Jefferson	\$247,100	\$31
Lake Mills	\$441,200	\$76
Waterloo	\$479,547	\$143
Johnson Creek	\$580,177	\$198
Total	\$5,127,387	\$91

**Map 1: Jefferson County Fire Stations**



It is important to note that fire department expenditures are greatly influenced by the department’s staffing model; larger departments tend to make greater (or exclusive) use of career, full-time staff who receive both wages and benefits, while some smaller departments rely heavily on part-time or volunteer staff who are paid when called to respond to an incident but typically receive hourly wages and no benefits. Also, as noted above, departments make varied use of trained paramedics.

The different staffing compositions of the departments – which help explain the wide range in per capita expenditures – are shown in **Table 15**. Notably, Watertown is the only one of the six municipalities that maintains a full-time career level of fire department staffing, while the other five rely mostly on paid-on-call staff (although some have full-time career chiefs or other command staff). The departments also vary in the level of emergency medical training attained by firefighters. Across the municipalities studied, there are 73 firefighters with training at either the EMR, EMT Basic, or Advanced EMT levels, and 31 cross-trained at the paramedic level. Most of the municipalities have anywhere from one to four firefighters cross-trained as paramedics, with Waterloo at zero and Watertown at 22.

All of the departments participate in mutual aid under the Mutual Aid Box Alarm System (MABAS). MABAS allows local fire and rescue departments to share fire and EMS resources when they exhaust their own internal resources during a catastrophic event. The departments in Jefferson County also use MABAS as an enhanced form of mutual aid by calling upon one another to tactically deploy or stage needed resources at an early point, *before* their resources are exhausted. Mutual aid also may occur when a department responds to a call in a neighboring community that does not have the capacity to respond itself because its resources are already committed to another call or it is experiencing other capacity issues.

All of the departments also have the ability to operate on the Jefferson County dispatch channel and radio frequency, though some also use their own. In addition, the communities rely on the Jefferson County dive team (a multi-department dive and rescue team) for underwater recovery of bodies and evidence. The county also houses the Jefferson County Hazardous Materials Team.

Calls for service for each department are shown in **Table 16**. Despite the separate analysis of EMS service sharing noted above, we considered it appropriate to show both fire and EMS calls in the table, as the complete picture is required to get a true sense of fire department activity levels. Each of the departments in this study has only one fire station, and no reserve vehicles are kept at locations outside of their municipalities. Watertown is the only department that reported keeping a reserve vehicle outside of the fire station, though the location is still within city limits.

**Table 15: Staffing levels**

Fire Departments	Salaried FTEs*	Paid-on-Call Volunteers
Watertown	26	4
Fort Atkinson	4	38
Jefferson	0	47
Lake Mills	2	36
Waterloo	2**	50
Johnson Creek	1	26
<b>Total</b>	<b>35</b>	<b>201</b>

\*Includes salaried command staff.

\*\*Command staff in Waterloo work full-time on a stipend.



Also, it should be noted that EMS call numbers are impacted by the manner in which advanced life support services are provided. From 2000 to 2018, Fort HealthCare administered an intercept program in which the health care provider’s licensed paramedics would meet local rescue services on route to the hospital to provide potential life-saving services. That program was transitioned to the city of Jefferson in 2018 and provided services to Jefferson, Lake Mills, Whitewater, Cambridge, Palmyra, and Fort Atkinson (if Ryan Brothers Ambulance was unavailable). However, due to unsustainable costs, the program was discontinued as a round-the-clock service beginning January 1, 2020. Jefferson is pursuing state approval to transition to an “as-available” intercept program and there are other intercepts in adjacent counties that municipalities may also call upon under the appropriate circumstances, such as the Western Lakes intercept.

**Table 16: Fire and EMS service levels**

Municipality	2018 Calls for Fire Service	2018 Calls for EMS Service	Fire as a % of All Calls
Watertown	644	1,952	25%
Fort Atkinson	345	149*	70%
Jefferson	149	1,642**	8%
Lake Mills	140	contract	100%
Waterloo	90	242	27%
Johnson Creek***	122	356	26%

\*This is the number of calls that Fort Atkinson FD performed as backup to contracted Ryan Brothers Ambulance.

\*\*Includes both EMS and paramedic intercept calls.

\*\*\*Johnson Creek includes 49 calls that were categorized as Fire/EMS and are therefore listed in both columns.

Geographic location and staffing models are two important considerations in determining the potential efficacy of fire department consolidation or service sharing. Jefferson County spans over 500 square miles. Consequently, the ability to achieve efficiencies (including the possible closure of stations) by consolidating service responsibility in one or more of the larger municipal departments may be precluded by the need to achieve reasonable response times across the entire county.

On the staffing side, differences in how the municipalities staff with full time or paid-on-call volunteers (and even differences in what “paid-on-call” means) also impact the potential ability to consolidate or share services. As noted above, Watertown is the only city with a full-time, salaried fire department (at 26 full-time firefighters and four paid-on-call volunteers). An effort to use consolidation as a means of providing a full-time level of service to the entire county – which may be desirable in light of recruitment/retention and service-level challenges associated with the part-time approach – also would likely require those communities currently using part-time staff to pay considerably more for the higher level of service.

Another important fiscal consideration for consolidation is the structure of wages for paid-on-call employees. Both dollar amounts and the manner in which pay is allocated can vary greatly. For example, Waterloo pays volunteers \$18 per fire call, while Lake Mills pays \$10-12 per hour.<sup>6</sup>

<sup>6</sup> If a Lake Mills firefighter is also a city employee who works 40 or more hours per week within his or her department, then he or she receives time and a half for fire-related calls, training, and activities.



Meanwhile, Jefferson uses a point system that distributes a flat dollar amount from the city (around \$50,000) across the volunteers based on points earned for calls responded to, trainings, and events attended. Service sharing or consolidation likely would require standardization of these approaches.

The separation or integration of fire and EMS functions within a municipality must also be considered. Watertown and Waterloo firefighters also are EMS responders, while the other municipalities have separate EMS operations or contract for the service. While it is beyond the scope of this study to address the fiscal pros and cons of all departments moving to a consolidated fire/EMS structure, it must be noted that any such effort would need to reconcile these difference and may create fiscal “winners and losers” depending on the structure that is selected.

## Expenditure Trends

As shown in **Table 17**, combined fire operational expenditures increased 9% from 2017 to 2019. The Fort Atkinson and Jefferson fire departments experienced minimal growth, while Watertown, Lake Mills, and Johnson Creek experienced higher growth. Waterloo saw expenditures decrease by 7%.

**Table 17: Fire expenditure trends 2017 – 2019**

Municipality	2017 Actual	2018 Actual	2019 Budget	% Change
Watertown*	\$2,450,615	\$2,689,602	\$2,729,263	10%
Fort Atkinson	\$632,413	\$640,172	\$650,100	3%
Jefferson	\$238,225	\$240,050	\$247,100	4%
Lake Mills	\$372,967	\$386,337	\$441,200	15%
Waterloo*	\$516,370	\$480,322	\$479,547	-7%
Johnson Creek*	\$484,274	\$543,841	\$580,177	20%
<b>Total</b>	<b>\$4,694,864</b>	<b>\$4,979,723</b>	<b>\$5,127,387</b>	<b>9%</b>

*\*Waterloo, Watertown, and Johnson Creek expenditures also include EMS expenditures; the budgets cannot be easily separated.*

As one of the most capital-intensive areas in municipal government, fire services often offer the greatest opportunity for cost reductions through service sharing or consolidation. For example, other communities have found mutually beneficial ways to share certain equipment, which can obviate the need for each jurisdiction to bear the full cost of equipment purchase and maintenance. **Table 18** tracks capital expenditures from 2017-2019 and shows how those expenditures can vary widely from year to year. Notably, nearly all of the departments have capital purchases planned in the next five years that will cost upwards of \$100,000.<sup>7</sup>

<sup>7</sup> Some examples include a planned \$1.4 million ladder truck purchase in Whitewater; \$335,000 planned in Waterloo to purchase a grass truck, a roof replacement, and other facility improvements; and potentially \$400,000 in Johnson Creek to purchase two trucks and a self-contained breathing apparatus (pending village board approval).



**Table 18: Fire capital expenditure trends 2017–2019**

Municipality	2017 Actual	2018 Actual	2019 Budget
Watertown	\$46,366	\$323,000	\$ 54,600
Whitewater*	\$346,953	\$0	\$184,625
Fort Atkinson	\$422,650	\$23,000	\$21,500
Jefferson	\$61,039	\$54,129	\$24,500
Lake Mills	\$43,900	\$37,542	\$43,000
Waterloo	\$48,297	\$0	\$45,000
Johnson Creek	\$32,131	\$52,000	\$19,650

*\*Whitewater is included because it purchases and retains ownership of capital assets despite contracting out operations.*

## Service Sharing Assessment

Notwithstanding some of the cautionary points made above, sharing or consolidation of fire and rescue services among multiple municipalities often holds potential for service level improvements and cost efficiencies for a variety of reasons. Those typically include:

- A consolidated department’s larger workforce can reduce the need for overtime to cover for injury, illness, and vacation; aid in recruitment and retention by providing greater opportunities for career ladders; and reduce or eliminate the need for paid-on-call staff, who are increasingly difficult to recruit and retain.
- Consolidation or cooperation on a “closest and most appropriate response” framework or a formalized approach for backfilling stations in neighboring jurisdictions during times of high service demand can improve response times and enhance public safety.
- Consolidation or enhanced sharing of training and other specialized functions can produce greater cohesion at the scene of incidents and eliminate redundancy.
- A consolidated department offers opportunity to redeploy the existing workforce based on actual demand, thus possibly eliminating the need to add staff to serve areas that are currently under-resourced.
- Consolidation can reduce the number of leadership positions while enhancing the effectiveness of command by allowing leaders to strategically manage and deploy staff and apparatus on a regional level.
- Potential cost savings can arise through more efficient procurement and possible reduction of apparatus and backup apparatus.

In addition, while fire and rescue services necessitate staffing and equipment levels to meet service demands under intense emergency situations, in some departments there can be “down time” in which such full staffing and equipment are not being fully utilized (though such time can be utilized for tasks such as staff training, maintenance of apparatus and equipment, and fire prevention and community relations activities). Consequently, service sharing often is a natural for this municipal operation.





In Jefferson County, little service sharing among the departments currently exists outside of MABAS, although the way in which the departments use MABAS to tactically deploy needed resources *before* they are exhausted means that supportive relationships exist. Our discussions with the chiefs indicate an openness for some sort of change that would increase staffing availability and improve response times. For example, both Jefferson and Waterloo report a strain on available daytime volunteers, as the potential pool is filled

with individuals who work outside of the area during the day and are available only at night. In fact, one of the chiefs asserts that such strain is faced by each of the volunteer-based fire departments in the region. Chiefs also expressed concern that towns within the county who contract for services with the municipal departments have begun to look for the department that offers the least expensive contract (as opposed to the closest), which comes at the cost of lengthier response times and can also drain the resources of the department responding from further away.

Often, fire department service sharing can take the form of a formal closest- or fastest- unit response approach. Under such an approach, the department with the closest available engine or ambulance would respond to an incident regardless of municipal boundaries; or the department that could mobilize its staff or on-call volunteers most quickly would respond. Given that Watertown is the one department that typically does not have to call in staff to respond to incidents, it would logically be called upon to respond to incidents in other municipalities on a relatively frequent basis under a closest/fastest unit response approach.<sup>8</sup> Whether that would be palatable to elected officials, or whether it would require a financial reimbursement mechanism, would need to be determined.

Another possible approach would be for some or all of the municipalities with largely part-time staff to disband their operations and contract for service with Watertown. It is possible that those departments could retain ownership of their stations and apparatus and simply have personnel from Watertown staff the stations. This and other detailed operational and cost allocation questions would need to be answered with far more extensive analysis than is possible within the scope of this study.

The same would be true for any discussion of a single consolidated department to serve all of Jefferson County. Several of the benefits cited above might be achieved through such a scenario, but challenging questions would need to be resolved, including those related to personnel policies, incident response protocols, staffing frameworks, governance, and cost allocation.<sup>9</sup> Several municipalities in this study also obtain financial support from smaller nearby jurisdictions which rely on their fire services; any framework involving a new strategy for consolidation or service sharing of volunteers might complicate those arrangements and reimbursement structures.

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<sup>8</sup> While the Watertown department's career staffing framework may allow it to provide the closest and most appropriate response in many instances, it does need to call in staff (similar to a largely volunteer department) to backfill its station when personnel on regular shifts are out on calls. Consequently, in these few instances, Watertown may not be able to provide a faster response than neighboring departments.

<sup>9</sup> It should be mentioned that consolidation would require an Insurance Services Office (ISO) audit to determine a rating for the new department. The ISO rating impacts property insurance rates for property owners covered by the department.



Overall, despite the myriad challenges, we see strong potential for enhanced sharing and/or consolidation of fire department services in Jefferson County, as shown in **Table 19**.

**Table 19: Fire service sharing potential**

FACTOR	RATING
High cost of new technology	
Pending retirements/organizational changes	
Cost inefficiency/redundancies	
Potential for service enhancements	
Single municipality providing service beneficial to the larger region	
High capital replacement costs	

**Pending retirements:** The fire chief at Johnson Creek is retiring and an interim chief will take his place for the next year. Other fire chiefs may be near retirement, but have not confirmed. As leadership transitions, this is an area that might create an opening for conversations to merge departments.

**Cost inefficiency/redundancies:** While our analysis did not uncover any glaring areas of inefficiency or redundancy, we did collect anecdotal stories of struggles in some areas to recruit, train, outfit, and retain volunteers. This leads to cost inefficiencies that might be avoided in a consolidated department that has the ability to deploy its workforce to areas that are under-resourced or under new contractual arrangements. A consolidated department would also have greater capacity to efficiently manage staff deployment and respond to vacation and unplanned sick leave.

**Potential for service enhancements:** A version of closest or fastest unit response may allow for reduced response times and costs. For example, the Watertown Fire Department, which is staffed with full-time firefighters, may be able to respond to certain calls in nearby municipalities faster than the department that serves that municipality, which must wait for volunteers to be called in and arrive on the scene. In addition, since most of the fire departments rely heavily on paid-on-call volunteers, a service sharing or consolidation agreement might level the playing field regarding volunteer wages or stipends. The fact that departments can monitor calls on the same radio frequency and share common dispatch channels and other interoperable frequencies also supports greater cooperation. Finally, agreement to cooperate in non-response areas like training, procurement, and fire prevention might yield both service enhancements and cost efficiencies; such cooperation would necessarily occur with a consolidated department but could also be pursued independently.

**High capital replacement costs:** Fire engines, ladder trucks, and other emergency vehicles require costly capital investment, and consolidation or service sharing could offer the opportunity to strategically deploy vehicles in a manner that would reduce the overall fleet and eliminate certain replacement costs.



# POLICE SERVICES

Each jurisdiction studied in this analysis maintains full service police departments consisting of sworn and civilian support staff. Sworn staff typically includes patrol officers, investigators, detectives, and command staff, up to and including the police chief. The functions of support staff vary, but generally include crime reporting data entry, warrant entries, license suspensions, fee/forfeiture payments, and clerical duties. In some instances, dispatchers provide clerical or administrative support.

It is important to note that based on discussions with leaders from the seven municipalities, we did not consider the possibility of full consolidation of police departments in Jefferson County. Instead, our focus was on specialized law enforcement functions common to each municipality, as well as support services.

## Service-Related Data

**Tables 20 and 21** demonstrate the volume of and need for law enforcement activity in the region. These tables are not intended for use as a measure of the effectiveness of policing in the area, as such an evaluation is well beyond the scope of our assessment. Rather, arrest and offense data help to highlight the main activity drivers for a police department and its staffing requirements, including patrol, investigations, and the support services provided (generally) by non-sworn civilians. **Table 20** shows arrest activity data for 2018 for violent, property, drug, and society crimes. **Table 21** reports the number of offenses in 2018 for only violent crime and property crime.

**Table 20: Arrest activity 2018**

	Violent	Property	Drug	Society	Total	Arrests per 1,000 Population
Watertown	55	154	107	353	669	28
Whitewater	15	85	114	645	859	58
Fort Atkinson	22	118	83	289	512	41
Jefferson	11	100	12	144	267	33
Lake Mills	7	14	10	35	66	11
Waterloo	5	9	4	18	36	11
Johnson Creek	5	61	18	138	222	76

Source: Wisconsin Department of Justice Uniform Crime Reporting Data Dashboard. Found at: <https://www.doj.state.wi.us/dles/bjia/ucr-offense-and-arrest-data-agency>.

\*Johnson Creek totals were provided by the Johnson Creek Police Department.



**Table 21: 2018 offenses known to law enforcement**

Municipality	Violent Crime	Property Crime	Crime Rate Per 1,000
Watertown	46	220	11.2
Whitewater	24	104	8.7
Fort Atkinson	25	169	15.6
Jefferson	13	141	19.3
Lake Mills	9	14	4.0
Waterloo	8	24	9.6
Johnson Creek	5	231	80.5

Source: 2017 FBI Uniform Crime Reporting Data. Found at: [ucr.fbi.gov/crime-in-the-u.s/](http://ucr.fbi.gov/crime-in-the-u.s/)

Note: Population data for this table came from the FBI Uniform Crime Reporting data and varies slightly from the Census Data used elsewhere in the report.

\*The higher property crime rates in Johnson Creek (as compared to its small population) may be attributed to the large regional shopping center located in that community.

Table 22 provides basic fiscal and staffing data for the seven municipal police departments. As would be expected, municipalities with smaller populations generally have a higher per capita police cost.

**Table 22: Fiscal and staffing data for police services**

Police Service	2019 Budgeted Expenditures	Expenditure Per Capita	2019 Sworn Staff FTE	2019 PT Sworn Positions*	2019 Civilian Positions
Watertown	\$4,254,078	\$179	40		6
Whitewater	\$2,906,656	\$197	24		4.5
Fort Atkinson	\$2,273,986	\$183	20		1
Jefferson	\$1,692,625	\$212	14	4	6
Lake Mills	\$1,205,400	\$207	10	4	2
Waterloo	\$818,561	\$245	8		1
Johnson Creek	\$422,941	\$144	4.3		1
Total	\$13,574,247	\$191	120.3	8	21.5

\*Part-time staff that provide occasional support at events are not included.

\*Part-time positions reflect budget capacity and not actual hires.

The Jefferson County Sheriff's Office also provides law enforcement services that benefit the Greater Jefferson region, including hosting police dispatch services, providing mutual aid, and occasional specialized support such as accident reconstruction, drones, K-9s, a SWAT team, and a dive team.



The county also belongs to the Suburban Mutual Assistance Response Teams (SMART), which is the law enforcement equivalent to MABAS.

The Wisconsin State Patrol provides additional support services, such as the State of Wisconsin Air Support Program. Services include fixed wing aircraft, helicopters, and drones with no charge to the municipality using them. The state patrol also provides K9s, a SWAT team, a crash reconstruction specialist, crime scene mapping, and regular backup to the municipal police departments.

## Expenditure Trends

**Table 23** shows that police department budgets in the region have experienced moderate growth since 2017 with the exception of Jefferson and Waterloo, where funding was relatively flat. In general, and likely consistent with other jurisdictions, 80-90% of the expenditures of each police department are allocated to personnel costs.

**Table 23: Police services expenditure trends 2017 – 2019**

Police Services	2017 Actual	2018 Actual	2019 Budget	% Change
Watertown	\$3,885,259	\$3,963,237	\$4,254,078	10%
Whitewater	\$2,693,792	\$2,642,581	\$2,906,656	8%
Fort Atkinson	\$2,127,073	\$2,172,373	\$2,273,986	7%
Jefferson	\$1,678,194	\$1,730,824	\$1,692,625	1%
Lake Mills	\$1,127,657	\$1,080,919	\$1,205,400	7%
Waterloo	\$821,236	\$763,928	\$818,561	0%
Johnson Creek	\$383,755	\$427,576	\$422,941	10%
<b>Total</b>	<b>\$12,716,966</b>	<b>\$12,781,438</b>	<b>\$13,574,247</b>	<b>7%</b>

Each department also has capital expenditures that are generally tied to vehicle replacement schedules or communication/radio system maintenance and upgrades. As can be seen in **Table 24**, there is no consistent pattern across the municipalities for capital spending. Some municipalities, such as Jefferson and Fort Atkinson, seem to have consistent spending, while others experience low- and high-spending years. This is likely reflective of different budgeting practices for replacement and maintenance of capital equipment.



**Table 24: Police services capital expenditure trends 2017 – 2019**

Municipality	2017 Actual	2018 Actual	2019 Budget
Watertown	\$1,623	\$40,000	\$108,700
Whitewater	\$45,167	\$53,842	\$90,000
Fort Atkinson	\$86,575	\$108,835	\$115,690
Jefferson	\$73,516	\$1,160,707*	\$76,000
Lake Mills	\$53,000	\$54,790	\$54,900
Waterloo	\$12,556	\$5,266	\$36,000
Johnson Creek	\$0	\$617	\$45,000

\*Includes \$1,079,991 for police facility expenses.

## Existing Shared Services

A multi-jurisdictional drug task force, occasional training opportunities, shared use of the county’s firing range, and reliance on state patrol and the county sheriff as backup are among the only existing shared services across law enforcement departments in Jefferson County. While the police department leadership with whom we met expressed concern at the idea of consolidation, several opportunities for enhanced service sharing were identified.

## Service Sharing Assessment

Using our six-factor assessment tool, **Table 25** identifies our assessment of service sharing potential for police support functions.

**Table 25: Police support function service sharing potential**

FACTOR	RATING
High cost of new technology	
Pending retirements/organizational changes	
Cost inefficiency/redundancies	
Potential for service enhancements	
Single municipality providing service beneficial to the larger region	
High capital replacement costs	



This broad scan did not reveal potential for comprehensive service sharing of police functions in Jefferson County. However, there may be opportunities for smaller-scale collaboration that could produce tangible efficiencies or savings. We give an intermediate score or a full “thumbs up” for the following criteria:

**Cost inefficiencies/redundancies:** Law enforcement leaders from the communities suggest that inefficiencies could be reduced via greater cooperation in a few areas. For example:

- Each department uses several data entry systems, as required by the FBI or the Department of Justice, to report or log offenses, arrests, and police activity. It’s conceivable that this data entry, and perhaps even data analysis at the local level, could be cooperatively performed on a regional basis. At the moment, the departments do not have staff specifically trained in IT skills or crime analysis, but instead assign these duties to staff based on availability. Consolidation of these functions among several municipalities could allow for the hiring of an individual with analytical skills who could better serve the departments collectively. Similarly, sharing technology and staff resources for GIS capabilities holds potential to enhance data collection, analysis, and effective deployment of law enforcement resources.
- Law enforcement leaders also indicated support for collaboration on training. They suggested shared instructors for county-wide training sessions and the potential for jointly purchasing training equipment. They also noted that joint county-wide training sessions would allow for attendance at such sessions throughout the year, which puts less pressure on once-annual training attendance.
- The resources spent on mental health-related calls are a growing challenge for Jefferson County police departments because of increases in these types of calls and the time it takes to serve them. Police chiefs suggested that greater collaboration among departments in responding to these types of calls and securing appropriate non-police community resources to assist them would provide for greater efficiency.

**Potential for service enhancements:** Police chiefs expressed interest in potential pursuit of a multi-jurisdictional tactical team that could benefit the region. They also indicated that currently, officers who are close to a scene located in another jurisdiction must go through a chain of command process for permission to respond. An operating memorandum of understanding across the departments potentially could eliminate time spent on this chain-of-command process, thereby allowing for faster incident response times. Also, the collaborative data collection and analysis option discussed above could produce enhancements in the quality of law enforcement and crime prevention functions.

**High Capital Replacement Costs:** While police departments have some capital replacement costs that cannot be shared, such as for squad cars, there is the possibility that departments could work together to jointly research and procure other types of capital equipment and technologies, such as camera equipment or information technology. That, in turn, could lower costs.



# PUBLIC WORKS

The seven municipalities in the study each provide public works services that are relatively typical for most communities. The municipalities do not all provide the exact same services through their public works departments, however.

For example, public works departments in Watertown and Fort Atkinson are responsible for local airports. Also, Watertown is the only department we reviewed that provides garbage and recycling services (the other municipalities contract for these functions). In analyzing DPW activities and budgets, we removed costs associated with these unique functions from DPW budgets to provide a more consistent comparison across the communities. Consequently, for the purposes of this report, municipal public works budgets were normalized to include only street/highway maintenance, administration, engineering, and equipment maintenance.

## Description of Services

The bulk of the public works activities in each of the municipalities involves maintenance and upkeep of non-highway streets and roads. This includes snow removal, pothole repair, paving and repaving, road construction, and traffic operations. Construction and major repair initiatives generally are coordinated through planning and/or engineering staff who may be municipal employees, private sector employees working under a service contract, or a combination of both as projects require.

In addition, the Jefferson County Highway Department is responsible for maintenance and upkeep on 911 lane-miles of state and county trunk highways, and on additional town highways as requested.

While some counties focus on road maintenance and bid out construction projects, Jefferson County does its own road construction with its own heavy equipment, such as excavators and pavers. Although the state has placed some constraints on the county's capacity to assist communities with road construction in recent years, its highway department is still able to perform some maintenance for cities and some major reconstruction for towns.

**Table 26** details miles of roads serviced for each municipal jurisdiction, while **Table 27** shows demographic and fiscal data.

**Table 26: Miles of roads serviced**

Public Works	Miles of Road Serviced
Watertown	125
Whitewater	50
Fort Atkinson	70
Jefferson	53
Lake Mills	32
Waterloo	18
Johnson Creek	21
Total	369



**Table 27: Demographic and fiscal data for public works services**

Public Works Department	2019 Budgeted Expenditures	Expenditures Per Capita	Expenditures Per Mile	2018 FTE	2018 Temp
Watertown	\$3,005,570	\$127	\$24,045	34	3-4
Whitewater	\$985,495	\$67	\$19,710	10	14
Fort Atkinson	\$1,569,746	\$126	\$22,425	14	3
Jefferson	\$1,081,350	\$136	\$20,403	7	2
Lake Mills	\$977,800	\$168	\$30,556	7	0
Waterloo	\$472,716	\$141	\$26,262	4	3
Johnson Creek	\$324,928	\$111	\$15,473	4	1-2
<b>Total</b>	<b>\$8,417,605</b>	<b>\$119</b>	<b>\$22,812</b>	<b>80</b>	<b>26</b>

## Expenditure Trends

Each municipality funds public works operations through a combination of locally generated resources (e.g. property tax levy) and revenue from the Wisconsin Department of Transportation (DOT).<sup>10</sup> The bulk of DOT aid is from the General Transportation Aid (GTA) program, which uses a formula based on municipal reported transportation expenditures to determine annual allocations. DOT also provides additional, more limited funding to some of these communities through the Connecting Highway Aids program, as well as smaller grant-based opportunities, some of which are distributed through the county.

**Table 28** reflects expenditure trends for the region and shows considerable variation in public works operational spending since 2017. At the high end in the area, Jefferson and Fort Atkinson have seen increases of 21% and 10%, respectively; on the other hand, Whitewater has reduced spending by 8%. Overall, combined expenditures have risen just over 4% in the last two years, if not uniformly across the seven communities.

<sup>10</sup> Fort Atkinson has a \$20 motor vehicle registration fee (“wheel tax”) projected to generate \$235,000 in 2019 for its segregated capital Transportation Improvements Fund.



**Table 28: Public works operational expenditure trends 2017 – 2019**

Public Works	2017 Actual	2018 Actual	2019 Budget	% Change
Watertown	\$2,988,140	\$3,060,441	\$3,005,570	0.6%
Whitewater	\$1,066,558	\$972,373	\$985,495	-8%
Fort Atkinson	\$1,424,187	1,560,583	\$1,569,746	10%
Jefferson	\$894,606	\$932,688	\$1,081,350	21%
Lake Mills	\$915,270	\$962,587	\$977,800	7%
Waterloo	\$466,433	\$465,984	\$472,716	1%
Johnson Creek	\$307,792	\$327,136	\$324,928	5.6%
<b>Total</b>	<b>\$8,062,986</b>	<b>\$8,281,792</b>	<b>\$8,417,605</b>	<b>4.4%</b>

**Table 29** shows the revenue received by each community through the General Transportation and Connecting Highway aid programs. For 2019, state aid accounts for between a third and two thirds of the public works budgets we studied.

**Table 29: State Transportation Aid trends 2017 – 2019\***

State Transportation Aids	2017 Actual	2018 Actual	2019 Budget	% of 2019 Expenditures
Watertown	\$ 968,963	\$1,041,110	\$1,029,220	34%
Whitewater	\$ 716,370	\$723,038	\$653,541	66%
Fort Atkinson	\$ 525,818	\$587,154	\$583,000	37%
Jefferson	\$362,359	\$408,385	\$404,325	37%
Lake Mills	\$315,359	\$353,359	\$396,700	41%
Waterloo	\$205,911	\$224,303	\$227,743	48%
Johnson Creek	\$142,894	\$133,685	\$138,646	43%
<b>Total</b>	<b>\$3,237,674</b>	<b>\$3,471,034</b>	<b>\$3,433,175</b>	<b>41%</b>

\* Includes General Transportation Aids and Connecting Highway Aids. Source: Wisconsin Dept. of Transportation. Found at <http://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/highway/gta.aspx>



Public works services also require the acquisition and maintenance of a variety of costly equipment. In the Jefferson County municipalities we reviewed, vehicle or equipment purchases are made with general operating funds, monies set aside in segregated capital equipment accounts for future anticipated purchases, and through borrowing by issuing general obligation bonds. Often, such acquisitions are made pursuant to a planned replacement schedule, although unexpected or exigent circumstances may require unplanned purchases.

As shown in **Table 30**, while it is hard to discern a trend in equipment and vehicle costs, this is a cost center of some significance. It should be noted that Jefferson County operates similarly and has its own fleet of equipment and vehicles. As is sometimes the case with neighboring fire departments, it is possible that there is equipment duplication amongst the communities, with some possibly spending resources on seldom-used equipment that may be available for use from a neighboring community.

**Table 30: Capital equipment/vehicle purchases 2017-2019**

Public Works Equipment/Vehicles	2017 Actual	2018 Actual	2019 Budget	% Change
Watertown	\$168,870	\$162,598	\$148,226	-12%
Whitewater	\$200,806	\$71,922	\$106,500	-47%
Fort Atkinson	\$207,810	\$352,572	\$219,000	5%
Jefferson	\$156,184	\$1,663	\$65,000	-58%
Lake Mills	\$197,500	\$220,000	\$237,000	20%
Waterloo	\$144,985	\$22,753	\$145,000	0%
Johnson Creek	\$3,639	\$8,800	\$8,000	120%
<b>Total</b>	<b>\$1,079,794</b>	<b>\$840,308</b>	<b>\$928,726</b>	<b>-14%</b>

## Service Sharing Assessment

The Jefferson County communities we considered do not have formal service sharing agreements in place for public works services, but instead meet their individual needs primarily with their own staff, professional services contracts, and equipment. While public works is viewed as a core municipal function that local citizens may not wish to share or relinquish, there nevertheless may be opportunities for these municipalities to enhance service levels through greater collaboration.

For example, one local DPW official mentioned another state's program that fosters DPW resource sharing among communities in the event of an infrastructure-damaging emergency or natural disaster that exhausts their response capabilities. Municipalities pay member dues to participate as a potential service/equipment provider, as well as a beneficiary. This type of intergovernmental



cooperation could be a model for routine, non-emergency service and equipment sharing in Jefferson County.

We are also aware of an arrangement in Monmouth County, New Jersey, under which the county offers its DPW equipment and equipment operators for charge to municipalities that may be seeking specialized services (such as street striping or tree removal) but do not wish to purchase the equipment themselves. While a municipality also could opt to contract for the service with a private sector entity, Monmouth County often is able to offer a better price. The county has established a special web page that municipalities can use to make requests and determine the availability and cost of county equipment and services.

Jefferson and other Wisconsin counties already are moving toward such partnerships, encouraged by state law. Under Wis. Stats. 59.03(2), counties have broad authority to provide many local public works services – such as water, sewers, streets and highways and others – to municipalities within their border by request. Further, Wis. Stats. 66.0301(2) also authorizes counties and local governments to contract with each other for services. For example, Jefferson County currently performs chip sealing and signing in other counties, while Dodge County has a paint line machine that is used by surrounding counties and municipalities. These collaborative efforts provide a base for further cooperative service enhancements between Jefferson County and the communities, should they so choose.

Using our six-factor assessment tool, **Table 31** identifies our assessment of service sharing potential for public works.

**Table 31: Public works service sharing potential**

FACTOR	RATING
High cost of new technology	
Pending retirements/organizational changes	
Cost inefficiency/redundancies	
Potential for service enhancements	
Single municipality providing service beneficial to the larger region	
High capital replacement costs	

Our review shows some potential for these communities to enhance public works services through greater sharing and collaboration, though it is important to note that the notion of fully consolidating one or more municipal public works departments is not supported by our analysis. We give positive ratings with regard to the following criteria:

**Pending retirements/organizational changes:** Several of the Jefferson County communities anticipate vacancies in key leadership positions either through retirements or staff moving on to other opportunities. The challenge of replacing this institutional knowledge may allow the municipalities to consider sharing engineers, mechanics, and other key staff in order to limit the cost and operational impact on each DPW.



**Cost inefficiency/redundancies:** The similarity of public works operations in each community suggests there may be opportunities to gain efficiencies through service sharing in certain areas. For example, although municipal sewer utilities were outside the bounds of this review, one staff member said all communities may benefit by sharing a backup standby staffer should a locality need assistance after hours with overflows, sewer backups, or other emergencies (provided the problem is not a countywide flooding event). Also, if weather trends continue or state rules require more sludge storage in the future, a regional storage or processing agreement might be an idea worth pursuing.

Further, county and municipal DPW officials agree they are currently not making full use of their GIS capabilities to access information and plan work efficiently because they lack staff expertise. While each department may not require full-time GIS staff, they have also had a difficult time contracting for that service and may wish to share a GIS position (or positions) with neighboring jurisdictions, again including municipal sewer utilities.

**Potential for service enhancements:** As mentioned above, there may be opportunities for the municipalities to consolidate certain specialized DPW skills in one department and to have that department contract those services with other jurisdictions. This could not only address staffing challenges, but also produce improved service in communities that currently lack certain expertise. For example, some DPWs might have highly-skilled mechanics, while others might have staff with strong skills in engineering, construction, road design, water main replacement, etc. Each municipality could identify particular areas of expertise and pool and leverage that expertise for their mutual benefit.

**High capital replacement costs:** The high value of DPW equipment also may present service sharing opportunities that could lower costs, either through joint purchasing, sharing specialized pieces of equipment, or more efficient fleet management generally, such as storage of backup equipment at the county level in the event of a mechanical breakdown. To be sure, not every vehicle can be shared; snow usually needs to be plowed in multiple jurisdictions at the same time, for example, which would preclude the sharing of snow plow equipment. However, the departments did identify machinery that could possibly be shared, including: brine makers (the county currently uses its brine maker to sell brine to some municipalities), leaf suckers, street sweepers (if they could be transported), cherry-pickers, pavement markers, sewer cameras and televising trucks, excavators, easement machines, and chip spreaders, to name a few.

The county also could play a role, similar perhaps to Monmouth County. For example, one of the municipalities indicated it would look to perform its own infrastructure replacement if it could borrow large construction equipment owned by the county highway department, with or without an operator.

Overall, this general, high-level assessment does reveal some possibilities for service sharing among the municipal DPWs, provided they are able to reach formal agreements by which the communities could identify, leverage, and allocate these resources collectively with an eye toward greater efficiency and service enhancement. Of course, any arrangements to share or co-own equipment among the communities would need to include provisions for managing availability, accountability, and costs of maintenance.

# CONCLUSION

The intent of our broad scan of municipal services among the largest local governments in Jefferson County was to provide initial guidance for local government officials in the region, who are facing service-related challenges of varying degrees. While the study was limited to seven municipalities, our sense is that the other municipalities in the region share similar operational challenges and may benefit from inclusion in any service sharing activities that may be pursued.

Implementation of comprehensive forms of service sharing or full functional consolidation takes considerable planning and negotiation. Conversely, basic service sharing can be relatively easy to implement, often depending on the extent to which formal agreements need to be reached to share costs. We hope this analysis will provide insight to local officials as to which functional areas lend themselves to more intense planning, as well as where relatively simple service sharing initiatives may bear fruit.

Overall, our analysis reveals two opportunities with high potential for comprehensive service sharing or consolidation, as well as two areas with narrower opportunities for functional service sharing. The four functions for which we would recommend further analysis are **fire, dispatch, police, and public works**. These are the only services we reviewed that received three or more affirmative ratings on items in our assessment tool, as shown in **Table 32**.

**Table 32: Fire, dispatch, police, and public works service sharing potential**

FACTOR	FIRE	DISPATCH	POLICE	PUBLIC WORKS
High cost of new technology				
Pending retirements/organizational changes				
Cost inefficiency/redundancies				
Potential for service enhancements				
Single municipality providing service beneficial to the larger region				
High capital replacement costs				

For each of the four service areas, we gave affirmative scores with regard to potential to reduce cost inefficiency/service redundancies, potential for service enhancements, and mitigation of high capital replacement costs. The opportunity to provide more efficient service at reduced cost is a strong benchmark for service sharing consideration. Our analysis suggests that in Jefferson County, capital replacement costs could be more easily borne under a scenario in which multiple communities share in the acquisition, maintenance, and use of expensive vehicles and equipment.

These four service areas all involve core services that are relatively consistent across municipalities. They also involve activities that do not logically end at municipal borders. For example; fire service routinely requires assistance from neighboring communities; and dispatch services are in some



cases provided by both municipalities and the county. The fundamental nature of these similarly-provided services make them ripe for consideration of intergovernmental sharing or consolidation.

Finally, fire, police, and public works services (as well as dispatch to a lower degree) require staff with special levels of training and knowledge that often are in short supply for local governments in a tight labor market. Consolidation or service sharing could enhance both recruitment and retention of staff in these areas by providing a more robust work environment with diverse opportunities for professional fulfillment and increased possibilities for advancement.

It should be noted that of all these services, fire and dispatch have the highest number of “thumbs up” scores for service sharing or consolidation potential, and each would benefit from further analysis that would aid in developing detailed options and implementation plans. Such an analysis may exceed the capacity of any individual municipality to conduct on its own and may benefit from outside assistance.

Police and public works services have similarly affirmative scores, but the areas where we find potential for service sharing or consolidation are more limited and likely do not extend to consideration of full consolidation. Consequently, the research and facilitation required to ensure consideration of options would be less comprehensive in nature and might be conducted solely by departmental staff among the municipalities and/or the county.

In addition to the four functional areas we have identified that hold potential for further study and consideration of service sharing options, we find other municipal service areas where more limited (but still valuable) potential exists. For example, our analyses of property assessment and inspections suggests possible benefit from joint procurement of contracted service providers as a means of securing better pricing and/or efficiencies in contract monitoring. Other functional areas not covered in this study may also benefit from joint contract procurement.

Also, certain technology-related needs might be considered for sharing both among multiple governments and among multiple functions within those governments. GIS and various other data collection and information technology activities may be ripe for position sharing, and the benefits of such sharing could be spread among various functions – like law enforcement and public works – that have need for advanced services like mapping and rigorous data collection and analysis.

Identification of service sharing or consolidation potential for various municipal service areas is only a first step. Far more time intensive and politically difficult steps that would move these functional areas toward consolidation or enhanced service sharing may include advanced data collection and analysis of cost centers and service standards; research on state law and potential impacts on state funding streams; consideration of human resource policies and labor contracts; and development of cost sharing methodologies and governance structures.

The daunting nature of those steps should not preclude further consideration of the promising opportunities for greater intergovernmental cooperation that exist within Jefferson County. Indeed, as this report has conveyed, leaders already have expressed interest in working more closely together on a range of issues. This report should be seen as an encouraging sign that such opportunities exist and as an impetus for further action.