

Intergovernmental Cooperation and Local Tax Policy **Results of Attitude Survey**

In August of 2006, the Local Government Academy launched a survey of municipal managers and elected officials in southwestern Pennsylvania on intergovernmental cooperation, shared service delivery, and tax policy. The survey was administered to a sample of 200 municipalities in southwestern Pennsylvania.

A total of 50 responses from 44 municipalities were received. Of these respondents, 84% were a Manager or a Chief Administrative Officer, and 90% were either a Manager or a Council President/Chairman. Two-thirds of respondents have a degree in public administration, two-thirds work full time at their municipality, and about 70% have at least ten years experience in municipal governance.

The survey results reflect an overall feeling that intergovernmental cooperation can be beneficial for the delivery of many services, but its likelihood is low.

The respondents favored an increase in sales tax over an increase in earned income tax as a tradeoff for municipal property tax, and reported that a regional tax base sharing system would be very unlikely to be accepted by most municipalities.

The types of intergovernmental cooperation that were reported as having the potential for being highly beneficial were: selected cooperation with other municipalities and the county without contracting, and jointly providing a service with another municipality with no fee-for-service contract.

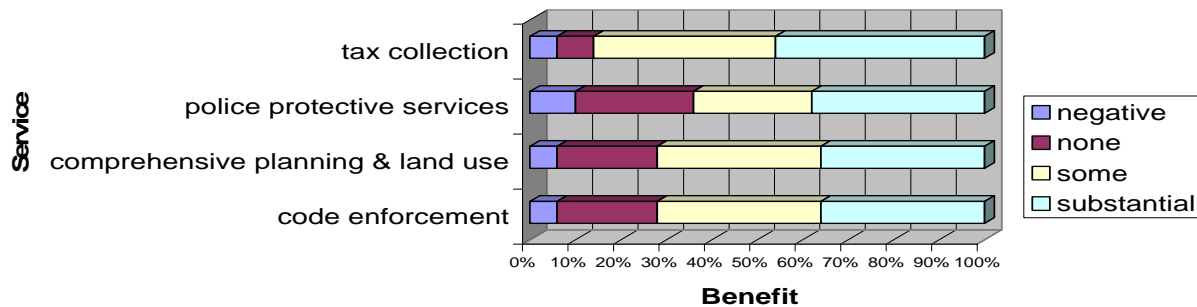
Survey responses regarding Intergovernmental Cooperation are presented, for the committee's information, below.

Intergovernmental Cooperation and Services

8. How BENEFICIAL do you believe intergovernmental delivery of the following services are or would be to your municipality's overall package of services?

| | Negative benefit | No benefit | Some benefit | Substantial benefit |
|-----------------------------------|------------------|------------|--------------|---------------------|
| Animal control | 2% | 10% | 52% | 36% |
| Code enforcement | 6% | 22% | 36% | 36% |
| Comprehensive planning & land use | 6% | 22% | 36% | 36% |
| Computer/tech support | 0% | 26% | 36% | 38% |
| Recreational/community programs | 4% | 12% | 46% | 38% |
| Police dispatch | 4% | 12% | 26% | 58% |
| Police protective service | 10% | 26% | 26% | 38% |
| Police records | 4% | 22% | 39% | 35% |
| Recreational facility | 2% | 12% | 51% | 35% |
| Tax collection | 6% | 8% | 40% | 46% |
| Waste water collection | 6% | 17% | 29% | 48% |

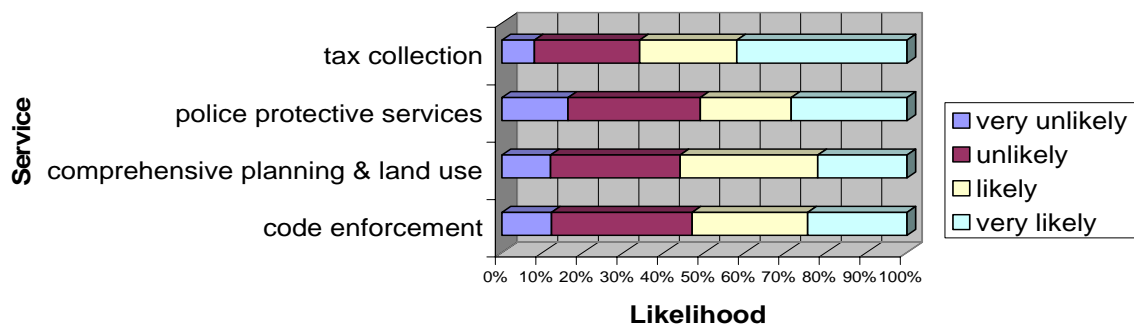
Benefit of Intergovernmental Service Provision



9. How **LIKELY** do you think your municipality would be to enter into an intergovernmental agreement for the delivery of the following services?

| | Very unlikely | Unlikely | Likely | Very likely |
|-----------------------------------|---------------|----------|--------|-------------|
| Animal control | 6% | 6% | 42% | 46% |
| Code enforcement | 12% | 35% | 29% | 24% |
| Comprehensive planning & land use | 12% | 32% | 34% | 22% |
| Computer/tech support | 8% | 26% | 38% | 28% |
| Recreational/community programs | 2% | 22% | 48% | 28% |
| Police dispatch | 14% | 14% | 20% | 51% |
| Police protective service | 16% | 33% | 22% | 29% |
| Police records | 8% | 31% | 25% | 35% |
| Recreational facility | 2% | 20% | 44% | 34% |
| Tax collection | 8% | 26% | 24% | 42% |
| Waste water collection | 6% | 24% | 24% | 46% |

Likelihood of Intergovernmental Service Provision



(8 & 9) a. How beneficial do you think it would be to your municipality for the intergovernmental delivery of code enforcement to be included in your municipality’s overall package of services? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|--------------------------------|-------------------|---------------|-----------------|
| 0-5,000 | 85% | 71% | 14% |
| 5,001-10,000 | 68% | 47% | 21% |
| 10,001-20,000 | 54% | 27% | 27% |
| 20,001-34,000 | 83% | 83% | 0% |
| Median Household Income | Beneficial | Likely | Variance |
| 15,000-24,999 | 100% | 100% | 0% |
| 25,000-34,999 | 91% | 66% | 25% |
| 35,000-49,999 | 69% | 53% | 16% |
| 50,000-74,999 | 55% | 35% | 20% |
| 75,000-99,999 | 100% | 100% | 0% |

Overall, municipalities agree that the intergovernmental delivery of code enforcement would be beneficial to their municipality, regardless of demographic characteristics, with a response of 72% for some benefit or substantial benefit. It appears likely that their municipalities would accept this at 53% for likely or very likely responses.

Population does not seem to be a strong indicator of whether a municipality would find the intergovernmental delivery of code enforcement beneficial or not.

It seems that municipalities with lower median household incomes would find the intergovernmental delivery of code enforcement more beneficial and more likely to be accepted than municipalities with higher median household incomes.

(8 & 9) b. How beneficial do you think it would be to your municipality for the intergovernmental delivery of comprehensive planning and land use to be included in your municipality’s overall package of services? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|--------------------------------|-------------------|---------------|-----------------|
| 0-5,000 | 78% | 57% | 21% |
| 5,001-10,000 | 78% | 57% | 21% |
| 10,001-20,000 | 63% | 54% | 9% |
| 20,001-34,000 | 50% | 66% | 16% |
| Median Household Income | Beneficial | Likely | Variance |
| 15,000-24,999 | 100% | 100% | 0% |
| 25,000-34,999 | 100% | 83% | 17% |
| 35,000-49,999 | 76% | 46% | 30% |
| 50,000-74,999 | 50% | 40% | 10% |
| 75,000-99,999 | 0% | 100% | 100% |

Overall, municipalities surveyed feel that it would be beneficial for comprehensive planning and land use be included in their service delivery, regardless of demographic characteristics, with 72% of some benefit or substantial benefit responses. It appears likely that their municipalities would accept regional planning with 56% of likely or very likely responses.

Population does not seem to be a strong indicator of whether a municipality thinks intergovernmental planning would be beneficial or likely; all population brackets feel that it would be both beneficial and likely to be accepted.

Municipalities with lower median household incomes seem to find it more beneficial and likely to engage in intergovernmental planning. Although the highest income group does not think intergovernmental planning would benefit their community, they think it likely that their municipality would accept it.

(8 & 9) c. How beneficial do you think it would be to your municipality for the intergovernmental delivery of police protective service to be included in your municipality's overall package of services? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|--------------------------------|-------------------|---------------|-----------------|
| 0-5,000 | 71% | 64% | 7% |
| 5,001-10,000 | 68% | 52% | 16% |
| 10,001-20,000 | 63% | 27% | 36% |
| 20,001-34,000 | 50% | 50% | 0% |
| Median Household Income | Beneficial | Likely | Variance |
| 15,000-24,999 | 100% | 100% | 0% |
| 25,000-34,999 | 83% | 66% | 17% |
| 35,000-49,999 | 69% | 61% | 8% |
| 50,000-74,999 | 50% | 25% | 25% |
| 75,000-99,999 | 0% | 0% | 0% |

Overall, municipalities seem to think that it would be moderately beneficial and likely for the intergovernmental delivery of police protective service to be included in their services, with 64% of some benefit or substantial benefit responses and 51% of likely or very likely responses. However, it seems less likely to be accepted with larger populations and higher median household incomes.

As the population in municipalities gets larger, the perceived benefit of intergovernmental police service declines, although remaining at 50% or above for municipalities of each population bracket. The perceived likelihood of this happening seems to decline as well with larger populations, except for the highest bracket which finds a 50% likelihood as well as a 50% benefit of intergovernmental police service.

Municipalities with lower median household incomes would find intergovernmental police service more beneficial and more likely to be accepted than those with higher median household incomes. This could also be related to levels of crime in the municipalities.

(8 & 9) d. How beneficial do you think it would be to your municipality for intergovernmental tax collection to be included in your municipality’s overall package of services? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|--------------------------------|-------------------|---------------|-----------------|
| 0-5,000 | 71% | 64% | 7% |
| 5,001-10,000 | 89% | 63% | 26% |
| 10,001-20,000 | 90% | 72% | 18% |
| 20,001-34,000 | 100% | 66% | 34% |
| Median Household Income | Beneficial | Likely | Variance |
| 15,000-24,999 | 100% | 100% | 0% |
| 25,000-34,999 | 83% | 83% | 0% |
| 35,000-49,999 | 84% | 46% | 38% |
| 50,000-74,999 | 85% | 60% | 25% |
| 75,000-99,999 | 100% | 100% | 0% |

Overall, municipalities have very high percentages for the perceived benefit of intergovernmental tax collection with 86% of some benefit or substantial benefit responses. They also see it as likely to be accepted with 66% of likely or very likely responses, although the do not see the benefit as strongly as they see the benefit.

Although all population brackets have a response rate of at least 70% reporting that intergovernmental tax collection would be beneficial, it seems that municipalities with higher populations feel that it would be more beneficial. All seem to think it would be at least 60% likely to be accepted in their municipalities.

Median household income does not seem to be a good indicator of how beneficial a municipality would find intergovernmental tax collection, but the middle class seems to think it would be less likely to be accepted than the lower income levels and the upper level.

Service Delivery Method

Municipalities are not opposed to coordinating with other municipalities or the county for the delivery of services, and they are not opposed to jointly providing a service with another municipality, but only if they are not entering into contracts to do so. Municipalities would rather primarily provide services themselves with select coordination and cooperation with other municipalities or the county, instead of entering into a contract to provide services for a fee or tax revenue.

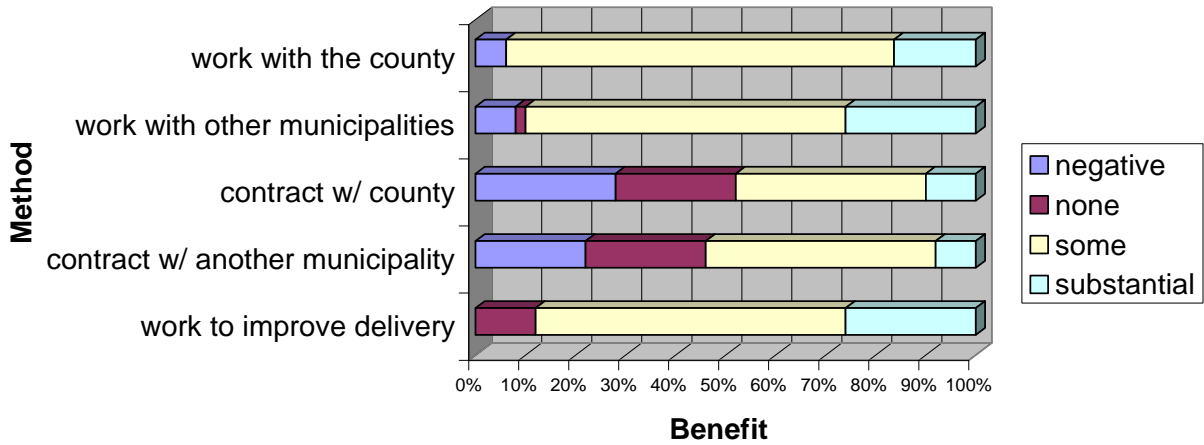
When it comes to service delivery, municipalities are not opposed to coordinating with other municipalities or the county in service delivery, nor are they opposed to jointly providing a service with another municipality. In fact, the percentages of their beneficial and likely responses almost equal the responses for the status quo, or continuing to provide an existing service through one's own municipality while working to improve service delivery. Although the status quo has a 95% reported likelihood of being accepted overall, primarily providing a service through one's own municipality with selected coordination with other municipalities and the county still reported a 94% benefit and an 80% likelihood of being accepted overall. Jointly providing a service with another municipality reported a 70% benefit and likelihood.

Municipalities are not opposed to coordinating with other municipalities or the county for service delivery and would even find it likely to be accepted. However, they do not think it would be as beneficial or likely to be accepted in their municipality to contract with another municipality or the county to provide a service for a fee or for tax revenue.

How BENEFICIAL do you think each of the following methods would be to improving an existing service your municipality offers?

| | Negative benefit | No benefit | Some benefit | Substantial benefit |
|---|-------------------------|-------------------|---------------------|----------------------------|
| Continue providing the service independently through your municipality and work to improve its delivery internally. | 0% | 12% | 62% | 26% |
| Contract with another municipality for the service to be provided for a fee. | 22% | 24% | 46% | 8% |
| Contract with the county for the service in exchange for fees or tax revenue. | 28% | 24% | 38% | 10% |
| Enter into an agreement to jointly provide the service with other municipalities. | 8% | 2% | 64% | 26% |
| Primarily provide the service through your municipality with selected coordination with other municipalities or the county. | 6% | 0% | 78% | 16% |

Benefit of Service Delivery Method



11. How LIKELY do you think your municipality would be to use each of the following methods to improve an existing service that it offers?

Continue providing the service independently through your municipality and work to improve its delivery internally.

Contract with another municipality for the service to be provided for a fee.

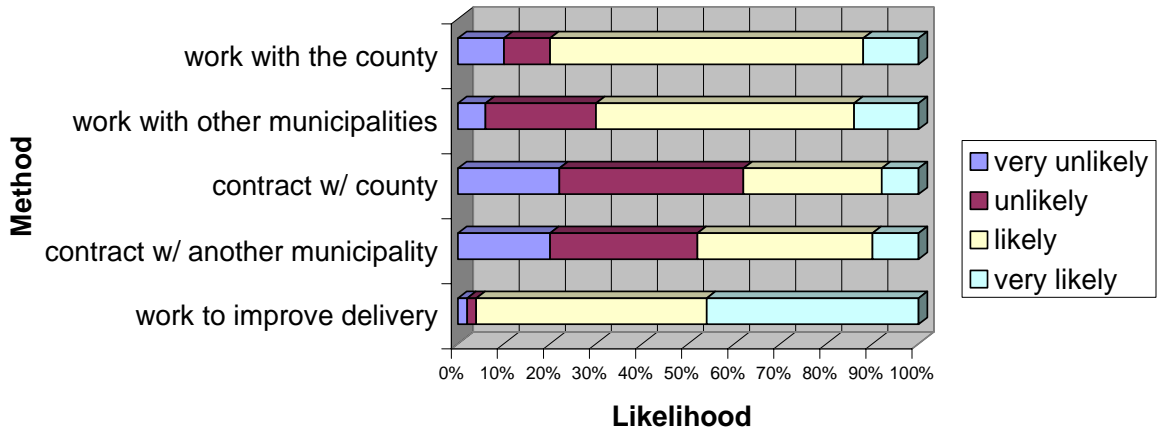
Contract with the county for the service in exchange for fees or tax revenue.

Enter into an agreement to jointly provide the service with other municipalities.

Primarily provide the service through your municipality with selected coordination with other municipalities or the county.

| | Very unlikely | Unlikely | Likely | Very likely |
|---|---------------|----------|--------|-------------|
| Continue providing the service independently through your municipality and work to improve its delivery internally. | 2% | 2% | 50% | 46% |
| Contract with another municipality for the service to be provided for a fee. | 20% | 32% | 38% | 10% |
| Contract with the county for the service in exchange for fees or tax revenue. | 22% | 40% | 30% | 8% |
| Enter into an agreement to jointly provide the service with other municipalities. | 6% | 24% | 56% | 14% |
| Primarily provide the service through your municipality with selected coordination with other municipalities or the county. | 10% | 10% | 68% | 12% |

Likelihood of Service Delivery Method



(10 & 11) a. How beneficial do you think it would be to your municipality to continue providing an existing service independently through your municipality and work to improve its delivery directly? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|-------------------------|------------|--------|----------|
| 0-5,000 | 92% | 92% | 0% |
| 5,001-10,000 | 78% | 94% | 16% |
| 10,001-20,000 | 100% | 100% | 0% |
| 20,001-34,000 | 83% | 100% | 17% |
| Median Household Income | Beneficial | Likely | Variance |
| 15,000-24,999 | 100% | 100% | 0% |
| 25,000-34,999 | 83% | 91% | 8% |
| 35,000-49,999 | 92% | 92% | 0% |
| 50,000-74,999 | 85% | 100% | 15% |
| 75,000-99,999 | 100% | 100% | 0% |

All municipalities surveyed reported overwhelmingly that it would be beneficial and very likely to continue providing an existing service through their municipality while working to improve its delivery directly,

regardless of demographic characteristics. Responses totaled 88% of some benefit or substantial benefit. Likely or very likely responses totaled 96%.

Population and median household income do not seem to be strong indicators of whether or not a municipality thinks it would be beneficial or likely to continue providing and working to improve existing services on their own.

However, for most categories in the demographic breakdowns, the percentage of municipalities reporting that it would be likely that their municipality would accept providing and improving existing services themselves is higher than the percentage reporting that it would be beneficial.

(10 & 11) b. How beneficial do you think it would be to your municipality to contract with another municipality for an existing service to be provided for a fee? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|--------------------------------|-------------------|---------------|-----------------|
| 0-5,000 | 57% | 50% | 7% |
| 5,001-10,000 | 52% | 42% | 10% |
| 10,001-20,000 | 54% | 45% | 9% |
| 20,001-34,000 | 66% | 83% | 17% |
| Median Household Income | Beneficial | Likely | Variance |
| 15,000-24,999 | 100% | 100% | 0% |
| 25,000-34,999 | 66% | 66% | 0% |
| 35,000-49,999 | 46% | 30% | 16% |
| 50,000-74,999 | 50% | 40% | 10% |
| 75,000-99,999 | 0% | 100% | 100% |

About half of the municipalities surveyed think it would be beneficial to contract with another municipality to provide an existing service for a fee with 54% of some or substantial benefit responses. However, the likelihood responses were more influenced by demographic characteristics. Overall the likely or very likely responses totaled 48%.

The highest population bracket thinks contracting with another municipality to provide a service for a fee would be moderately beneficial but very likely, with responses of 66% and 83% respectively. The other three brackets think that it would be moderately beneficial and slightly less likely.

Those municipalities with lower median household incomes think that this approach would be more beneficial and likely to be accepted than the middle tier of median household incomes. The high income stratum does not think this would be beneficial but sees it as likely to be accepted.

(10 & 11) c. How beneficial do you think it would be to your municipality to contract with the county to provide an existing service for fees or tax revenue? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|--------------------------------|-------------------|---------------|-----------------|
| 0-5,000 | 57% | 42% | 15% |
| 5,001-10,000 | 36% | 26% | 10% |
| 10,001-20,000 | 54% | 45% | 9% |
| 20,001-34,000 | 50% | 50% | 0% |
| Median Household Income | Beneficial | Likely | Variance |
| 15,000-24,999 | 75% | 75% | 0% |
| 25,000-34,999 | 50% | 50% | 0% |
| 35,000-49,999 | 38% | 30% | 8% |
| 50,000-74,999 | 50% | 30% | 20% |
| 75,000-99,999 | 0% | 0% | 0% |

Almost half of the municipalities surveyed think that contracting with the county to provide an existing service for fees or tax revenue would be beneficial with 48% of some or substantial benefit responses. Overall, respondents find it less likely to be accepted in their municipalities with 38% of likely or very likely responses.

Population does not seem to be a strong indicator of whether a municipality thinks it would be beneficial to contract with the county to provide an existing service for fees or tax revenue.

The municipalities with lower median household incomes reported that contracting with the county would be more beneficial and likely than the middle income municipalities. The top income bracket does not think that it would be beneficial or likely to be accepted in their municipalities.

(10 & 11) d. How beneficial do you think it would be to your municipality to enter into an agreement to jointly provide an existing service with other municipalities? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|----------------------|-------------------|---------------|-----------------|
| 0-5,000 | 85% | 64% | 21% |
| 5,001-10,000 | 94% | 78% | 16% |
| 10,001-20,000 | 81% | 54% | 27% |
| 20,001-34,000 | 100% | 100% | 0% |

| Median Household Income | Beneficial | Likely | Variance |
|--------------------------------|-------------------|---------------|-----------------|
| 15,000-24,999 | 100% | 100% | 0% |
| 25,000-34,999 | 91% | 75% | 16% |
| 35,000-49,999 | 92% | 84% | 8% |
| 50,000-74,999 | 85% | 60% | 25% |
| 75,000-99,999 | 100% | 100% | 0% |

The survey respondents overwhelmingly reported that it would be very beneficial to their municipalities to jointly provide an existing service with other municipalities, regardless of demographic characteristics, with 70% of some or substantial benefit responses. They also see this as likely to be accepted in their municipalities overall with 70% of likely or very likely responses.

Population does not seem to be a strong indicator of whether a municipality thinks it would be beneficial or likely to jointly provide a service with another municipality. All of the municipalities in the highest population bracket said that this would be both beneficial and likely to be accepted.

Median household income does not seem to be a good indicator of whether a municipality thinks it would be beneficial or likely to jointly provide a service with another municipality.

Jointly providing a service with another municipality seems to be more beneficial and has a better likelihood of being accepted in most municipalities than contracting with another municipality or the county to provide services for a fee or tax revenue. This option appears to have a lot of support. The percentages of beneficial and likely responses are about the same as sticking with the status quo of providing the service through one's own municipality while working towards improving delivery. The values are also similar to the option to primarily provide the service with selected coordination with other municipalities or the county.

(10 &11) e. How beneficial do you think it would be to your municipality to primarily provide an existing service through your municipality with selected coordination with other municipalities or the county? How likely do you think it is that your municipality would accept this?

| Population | Beneficial | Likely | Variance |
|--------------------------------|-------------------|---------------|-----------------|
| 0-5,000 | 78% | 78% | 0% |
| 5,001-10,000 | 100% | 89% | 11% |
| 10,001-20,000 | 90% | 63% | 27% |
| 20,001-34,000 | 100% | 100% | 0% |
| Median Household Income | Beneficial | Likely | Variance |
| 15,000-24,999 | 100% | 100% | 0% |
| 25,000-34,999 | 75% | 75% | 0% |
| 35,000-49,999 | 100% | 92% | 8% |
| 50,000-74,999 | 95% | 70% | 25% |
| 75,000-99,999 | 100% | 100% | 0% |

The respondents also overwhelmingly reported that primarily providing an existing service through their own municipality with selected coordination with other municipalities or the county would be beneficial to their municipality with 94% of some or substantial benefit responses. However, it is slightly less likely to be accepted by all municipalities, with 80% of likely or very likely responses.

Population does not seem to be a strong indicator of whether a municipality would find it beneficial and likely to primarily provide a service themselves with selected coordination with other municipalities or the county. However, municipalities with 10,000-20,000 population reported that it would be less likely than the others at 63%.

Median household income does not seem to be a strong indicator of whether a municipality would find it beneficial and likely to primarily provide a service themselves with selected coordination with other municipalities or the county.

This option also has a lot of support, with high instances of favorable responses, and it has about the same percentages of beneficial and likely responses as the status quo and jointly providing the service with another municipality.

Characteristics of Respondents

Demographic Characteristics for the 44 Municipalities Surveyed Based on Municipal Class:

Total Population:

| | |
|-------------------------|---------|
| First class townships: | 156,295 |
| Second class townships: | 156,129 |
| Boroughs: | 116,217 |
| Cities: | 7,116 |

Median Household Income:

| | |
|-------------------------|--------|
| First class townships: | 49,118 |
| Second class townships: | 46,370 |
| Boroughs: | 35,440 |
| Cities: | 19,766 |

Average of Median Household Incomes per class:

| | |
|-------------------------|--------|
| First class townships: | 54,358 |
| Second class townships: | 44,569 |
| Boroughs: | 38,848 |
| Cities: | 19,766 |

Median Owner-Occupied Home Value:

| | |
|-------------------------|---------|
| First class townships: | 107,300 |
| Second class townships: | 108,100 |
| Boroughs: | 81,900 |
| Cities: | 33,300 |

Average of Median Home Value per class:

| | |
|-------------------------|---------|
| First class townships: | 118,433 |
| Second class townships: | 102,911 |
| Boroughs: | 86,258 |
| Cities: | 33,300 |

Average Percentage of Owner-Occupied Housing:

| | |
|-------------------------|-------|
| First class townships: | 80.7% |
| Second class townships: | 67.4% |
| Boroughs: | 59.0% |
| Cities: | 48.0% |

Frequencies of Demographic Indicators for the 50 Survey Responses:

Population:

| | |
|----------------|----|
| 0-5,000: | 14 |
| 5,001-10,000: | 19 |
| 10,001-20,000: | 11 |
| 20,001-34,000: | 6 |
| Total: | 50 |

Median Household Income:

| | |
|----------------|----|
| 15,000-24,999: | 4 |
| 25,000-34,999: | 12 |
| 35,000-49,999: | 13 |
| 50,000-74,999: | 20 |
| 75,000-99,999: | 1 |
| Total: | |

