

Warsaw/Winona Lake  
Consolidation of Municipalities

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Thesis Sentence: The enhancement of services, cost savings, and benefits of a larger demographic foot print resulting directly from of a merger of the municipalities of Warsaw and Winona Lake warrant that the issue be put before the people in a referendum.

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## Introduction

The idea of this paper originated from the second session of the 2004-2005 Kosciusko Leadership Academy where Ernie Wiggins, Warsaw Mayor; Brad Tandy, Kosciusko County Councilman; and David Wolkins, State Senator spoke about local, County and state government. The state budget crisis was discussed in general and its impact locally was discussed directly. This crisis caused all levels of government to reassess their budgets, consider all alternatives for cost savings, and to even question their structure and need for existence in this time. Indiana's local government structure dates to 1851. Warsaw was incorporated as a town in 1854 and by a vote of the registered voters of the town, 275 for and 200 against, was changed to a city in 1875. The Town of Winona Lake was incorporated in 1913.

The purpose of government to provide the services people need and want. The Services people desire are generally categorized:

1. General Government
2. Public Safety,
3. Health and Welfare,
4. Highway and Streets,
5. Conservation and planning, and
6. Culture and Recreation.

These services are provided in some manner by each: Town/City, Township (unincorporated areas), County, and State. The development of our State Constitution and the form of local government it mandates by statute was a natural evolution from the feudal system and predates all modern means of communication and transportation.

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The follow-up to the Indiana Chamber of Commerce Study, The Indiana Project for Efficient Local Government, “The Next Generation of the “99 COMPETE Study”, suggests that the smallest form of government in any county should be the county government and that the county and its residents should be free to choose the structure of their county’s government from among a list of governing types, each designed to maintain logical checks and balance between executive and legislative branches.

Our group considered the feasibility of consolidation at the county level and determined this to be beyond the realistic scope of this paper. However, in pursuing the theme of consolidation and considering other opportunities to exploit efficiencies between governing entities and to eliminate redundant governing systems, Warsaw and Winona Lake, because of proximity, are obvious candidates by all published measures.

### Historical Background, State and National

In the late 1960s, Indianapolis Mayor Richard Lugar established the Governmental Reorganization Task Force to investigate the potential for creating a unified county-city governance structure for Indianapolis and the surrounding municipalities in Marion County.

The consolidated city has six administrative departments below the mayor's office: Administration, Metropolitan Development, Parks and Recreation, Public Safety, Public Works and Transportation, and Public Health. Housed in the executive branch, these departments provide county wide services that had previously been performed by 16 independent special-purpose corporations. Six independent municipal corporations remain outside the consolidated city's direct control. These corporations tend to be

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single-function governments (the Health and Hospital Corporation, the Airport Authority, the Public Transit Authority, and the Public Library), but they also include the more broadly chartered Capital Improvement Board and the City-County Building Authority. Even though these remain independent corporations, the City-County Council has been given the power to review their budgets and appoint governing members to their boards. As the result of a 1970 consolidation between city and county government (known as "Unigov"), the city of Indianapolis merged most government services with those of the county. For the most part, this resulted in a unification of Indianapolis with its immediate suburbs. Four communities within Marion County (Beech Grove, Lawrence, Southport, and Speedway) are partially exempt from Unigov arrangement, and certain local services such as schools, fire and police remain unconsolidated. However, the mayor of Indianapolis is also the mayor of all of Marion County. Unigov has been operational in Indianapolis for 35 years. Consolidation has been done elsewhere, so it can be done here too.

New Jersey is another state that has looked into consolidation. They have the following local subdivisions of government: 567 municipalities, 611 school districts, 190 local authorities, 212 fire districts, and 21 counties. All of these entities have some form of taxing or assessing authority. A third of the municipalities have fewer than 5,000 residents; 20 percent of the towns have fewer than 2,500 people. They have five communities with populations under 100 and municipalities that are completely encircled by other towns. The numbers speak for themselves; there is too much governance in New Jersey and consolidation would be beneficial.

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One of the most recent attempts at regional government is the Pittsburgh area Allegheny Regional Asset District. Established in 1994, this governmental body was designed by the County Commissioners to address five policy objectives: improving and stabilizing funding for regional assets, correcting funding inequities for Pittsburgh, relieving over reliance on selected taxes (particularly property taxes), reducing fiscal disparities between rich and poor communities, and enhancing regional cooperation. The district has no direct taxing authority but receives 50 percent of the proceeds from the 1 percent county-wide local option sales tax. It uses these funds to support so-called regional crown jewels--amenities located in Allegheny County that benefit all residents.

Recently, in the State of Indiana the annexation of Allen County's Aboite Township by the City of Fort Wayne have captured wide exposure in regional print and broadcast media.

## Opportunities in Kosciusko County

### Municipal Services

	Warsaw	Winona Lake
General Government	City, Executive / Mayor elected, Council Elected	Town, Town Manager appointed by Town Council.
Public Safety	Police, Police Chief; Paid Fire Department; Multi-township EMS	Police, Town Marshall; Volunteer Fire Department, Multi-township EMS.
Health and Welfare, Education	Kosciusko Community Hospital, Warsaw Community Schools	Kosciusko Community Hospital, Warsaw Community Schools
Highway and Streets	Department controlled by City employees	Contracted to third-party
Water Service, Sewage Treatment, and Trash Removal.	Indiana American Water Company, Municipal sewage collection and treatment, staff trash removal.	Indiana American Water Company, Sewage treatment contracted to Warsaw, third-party trash removal.
Culture and Recreation, Parks	Full-time staff	Part-time staff

### Fire

There are well over one million firefighters in the United States. An estimated 75% of them are volunteers. Volunteer firefighters protect rural areas and small communities throughout the country. For the most part they have the same equipment as paid firefighters and often have the exact same training. Most volunteer fire departments are located in areas with lower populations. Although the area they cover may be much larger, the number of people and structures they protect is relatively small.

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Because of these factors volunteer fire departments typically have far fewer calls than paid fire departments. With a low number of emergencies to respond to it is simply not feasible to employ full time firefighters. Volunteers who have other full time jobs may only be able to respond to emergencies a few times a week and usually that is all that is needed of them.

Paid fire departments are usually found in larger urban areas with a much higher population. The larger number of people and structures leads to a much higher number of emergencies. Fire departments that respond to several emergencies every day cannot expect volunteers to be able to respond so often. Because of this it is necessary to employ full time firefighters.

Many areas also have combination fire departments. Combination fire departments usually employ a smaller number of firefighters and also rely on volunteers at the same time. A small number of firefighters on duty will be able to handle most emergencies; however when there is a larger emergency such as a large structure fire, the volunteers can be called in to assist.

Warsaw employs a paid fire department and Winona Lake is protected by a volunteer fire department. Currently, there is a reciprocal mutual-aid agreement whereby both departments respond to fires requiring greater effort. The property-owners of Winona Lake would presumably benefit in shorter response times and greater professionalism from the services provided by a full-time fire fighting staff. The additional budget flexibility would provide for better procurement, efficiency of equipment use, and less duplication of fire fighting equipment.



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## **Street**

The streets and roads are managed differently in each entity. Winona Lake employs the services of a third-party and Warsaw manages their streets and roads with a Street Department and their own employees. Economies of scale unquestionably favor the combining of these services. Employee staffed departments, in contrast to sub-contractors are more likely to be long-term and assume ownership in their work product. A combined entity would have cost savings in procurement, greater control for planning development, and synchronization of engineering. Given the layout of the communities and respective areas of employment and shopping it can be assumed that the citizens of Winona Lake currently benefit from the use of Warsaw's streets without having to support the Warsaw street department through taxation.

## **Sewer**

The city of Warsaw provides sewage treatment service to itself and to Winona Lake by contract. These services are already combined. Any inequities in the current contractual arrangement would be resolved by the merger of the municipalities of Winona Lake and Warsaw.

## **Water**

Indiana-American Water provides water service to Warsaw and, where water is provided, in Winona Lake. Again, any contractual inequities would be resolved through consolidation.

## **Police**

The police departments for both entities are managed and staffed by each municipality. They differ in size and scope. Warsaw's department consists of forty-three positions: twenty patrol officers, five dispatchers, five special services, four administrative, three detectives and the balance of the employees can be categorized in records, parking control, and a mechanic. Winona Lake police department employs eleven full-time employees consisting of a Town Marshall, a Deputy Town Marshall, and nine patrol officers. The additional staff provided in a combined entity would provide for greater ease in handling the time requirements of staffing three-shifts 24/7/365; and, provide for greater flexibility in meeting continuing education, vacation, and training requirements. The police already share the benefits of combined county-wide dispatching service.

## **Park**

The Warsaw parks are managed by a full-time director and two staff members.

Their website indicates:

“The City of Warsaw maintains an extensive Park and Recreation Department including 17 parks.... Warsaw, blessed with three natural lakes (Center Lake, Pike Lake and Winona Lake), affords the Parks and Recreation Department with the unique opportunity to maintain and continually develop recreational areas on some of the most aesthetically pleasing lands in northern Indiana.

Center Lake's Municipal Park, located along the shores of Center Lake near the downtown business district, offers a public beach, boat launch, lighted tennis courts, picnic area, and scenic playground (Kiddieland). It is a favorite destination for young and old alike.”

In contrast, Winona Lake's park and their summer recreation programs are managed by a part-time director. The Winona website indicates:

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“The Winona Lake Park is located on Park Avenue. There are tennis courts, a playground, beach area, pavilions and tables for picnics, and lots of beautiful trees and grassy areas – perfect for your family outing.”

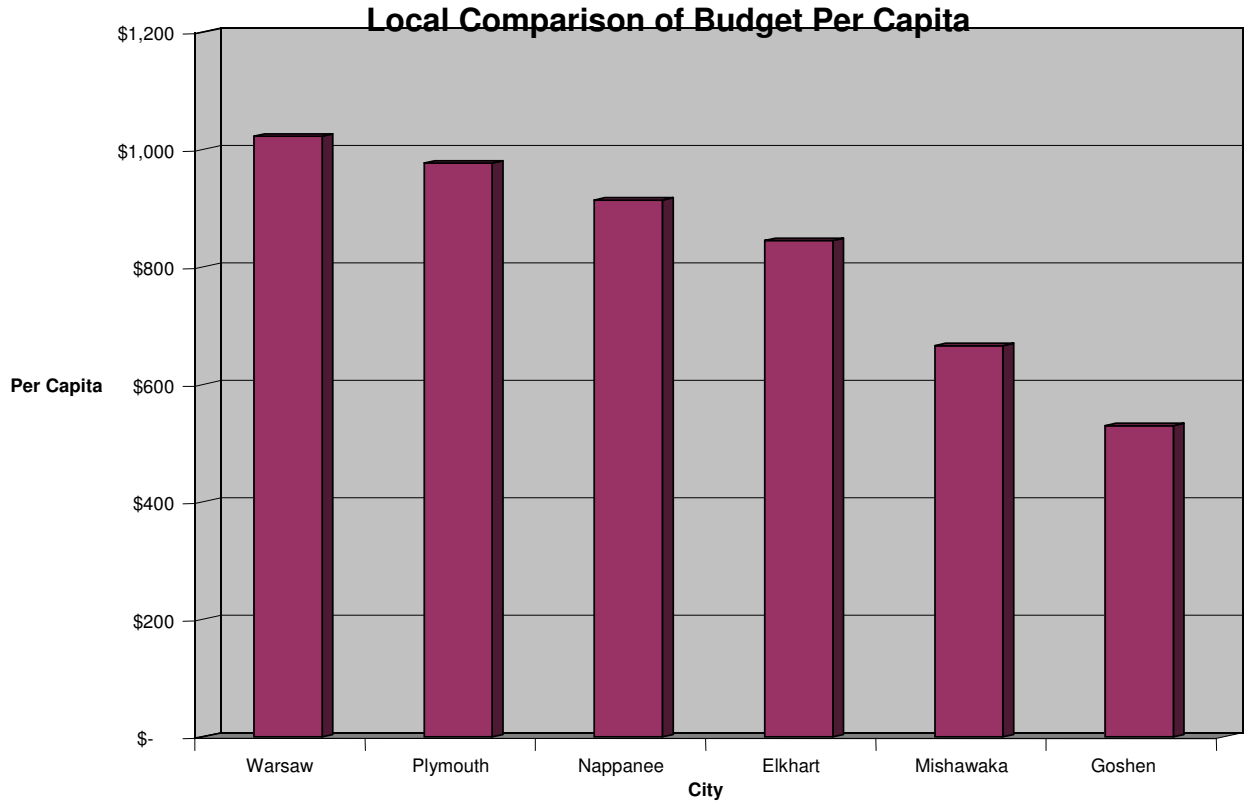
The citizens of both communities support each others’ park and recreation programs and to the extent the programs are tax subsidized there are inequities in the division of cost accordingly. The combined budget and promotional effort of a full-time staff would provide for better publicity and likely result in higher participation. The planned “greenway” project is an example of the mutual benefit of shared services to both communities. Furthermore, Warsaw/Winona Lake area benefits greatly from the programs, publicity, and activities of the Winona Restoration Corporation and their “Village at Winona” marketing campaign.

## Cost Savings

In determining potential cost savings for the taxpayers of Warsaw we looked at the per capita budgets of neighboring cities. By analyzing the per capita budgets and efficiencies in size it is determined that the Warsaw taxpayer have potentially considerable tax savings by increasing the population by combining Winona Lake and Warsaw. The current taxpayer of Warsaw could experience savings of approximately \$200 per capita adjusted yearly, assuming that Winona Lake’s budget is added to Warsaw’s without any reduction to expenses. If overlap issues are taken into consideration the savings could be substantially more.

The per capita budgets of neighboring cities; Goshen (\$530), Elkhart (\$845), and Mishawaka (\$666) indicate the efficiencies of larger populations. Efficiencies of

population or size of the user base results in spreading of the municipal operating costs to a larger tax base and the individual cost per resident would decrease.



## Change/Emotions

### Identity

In this day and age, perception, not facts, determine how a person, company, or community is viewed. If the only issue to consider regarding the merger of Warsaw and Winona Lake into a unified municipality was monetary savings, the conclusion to consolidate would be obvious. Each community has its' own identity and history, and neither community wants its' identity lost or tarnished. Warsaw has been twice named one of the Top 100 small towns in the U.S.A., it markets itself as the "City of Lakes" and

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“The Orthopedic Capital of the World”. The Town of Winona Lake prides itself on its’ “Rich Cultural Heritage” from its beginning as a Chautauqua-style religious resort in the late 1800’s to its current rejuvenated state. With Grace College as a religious cornerstone, the Billy Sunday Museum, and Reneker Museum, the restoration efforts and the commercial development of “The Village of Winona” all serve to identify Winona Lake’s unique character.

### **Resistance**

If it was as simple as dollars and cents, across the state, as well as the country, we would see municipalities and counties consolidating. However, the economic savings alone will not move the consolidation of Warsaw and Winona Lake along. The residents and elected officials of both communities need to understand and agree why consolidation is a positive and worthy goal.

From the Warsaw residents’ perspective the consolidation of the communities might be considered negatively. The Town of Winona Lake would add little to the consolidated commercial tax base. Many Winona Lake institutions are tax exempt. From the Winona Lake residents’ perspective, they may fear that the unique identity of their community will be lost.

### **Demographics**

By combining the communities, Warsaw can promote itself as a community of 16,788 inhabitants , rather than 12,688, which could help recruitment activities for local companies. Warsaw is currently recognized as a Micropolitan Statistical Area in the

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United States Census Bureau's Core Based Statistical Area records. There are 550 Micropolitan Statistical Areas in the United States. This increase in the demographic footprint would move the Warsaw community two deciles higher in the ranking of Micropolitan Statistical Areas by size. Being a larger community would enable Warsaw to apply for larger blocks of state funding for infrastructure, community, and economic development projects.

For the Winona Lake resident it is conceivable that sewer rates, trash removal, and property tax rates would decrease. From a pessimistic viewpoint, there is a fear of losing control of their towns' focus or direction, the elimination of jobs, and primarily the loss of identity. Steps will need to be taken to reassure the residents of Winona Lake that their issues and concerns will be heard and that they will have a voice in the new governmental entity.

While the Town of Winona Lake may disappear, its community atmosphere will never perish. This is largely due to the efforts of Grace College, The Village of Winona, and the current residents of Winona Lake. Together they have worked hard to improve the aesthetics, quality of life, historical aspects and landscape throughout the town. They have proven that change is good.

## **Legal Steps**

The Indiana Code of Laws provides for the merger of adjoining municipalities. It requires that the local election board conduct an election and that if a majority of the votes cast in each of the municipalities favor the merger, the municipalities are merged.

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The election can be agreed to by the legislative bodies of each entity or demanded by a petition of the people representing at least 10% of each municipality's registered voters.

-----See Addendum attached-----

## **Conclusion**

The change to a consolidated government that combines Warsaw and The Town of Winona Lake will improve communication, efficiency, and security to the entire community and will enable it to move to the future with a unified effort.

To serve the needs and expectations of modern society and recognizing the inadequacy of the historical system, The Indiana Chamber of Commerce's--COMPETE Project identified the following five tenants of local government. How would a Warsaw/Winona Lake combined entity do when compared to these tenants:

1. Would there be clear lines of accountability?

**Yes, there would be one recognized entity responsible for all services.**

2. Would the people who use services and infrastructure bear the cost?

**Yes, there would be shared benefits and costs for all citizens from both entities and current inequities would be resolved.**

3. Would economies of scale be achieved?

**Yes, to the maximum extent possible and duplication would be eliminated.**

4. Would fiscal responsibility be encouraged and rewarded.

**Yes, the consolidation process would bring greater awareness to the need for fiscal responsibility. Exceptional staff of both**

**communities would realize greater opportunities for professional growth.**

5. Would elected offices be filled with individuals with greater training and skills?

**Yes, the process of the referendum of the people, the petition, the public debate and vote should bring greater awareness to all the elected positions.**

This combination seems to be an obvious win-win situation for everyone with the exception of those individuals with a vested interest in a position employment or an elected office. It is logical that a reasonable compromise to provide a transition for all individuals directly affected could be found in the process of public debate of the issue. Public debate will inevitably occur with the required referendum. We have conducted interviews with leaders of both entities who support the combination. We have interviewed influential constituents of both entities who unanimously support the combination. Change is difficult. There will surely be opposition and there will be challenges. But the benefits clearly support the pursuit of the referendum, a public debate, and a vote of the electorate.



## **Sources:**

### **Formal Interviews:**

Ernie Wiggins, Mayor, City of Warsaw;

Jerry Clevenger, Winona Lake Town Board President;

Joint Interview of both of above.

Brent Wilcoxson, Partner Winona Restoration Corporation and former Winona Lake Town Board President, 1996 through 2000;

Dane Miller, Partner, Winona Restoration Corporation.

### **Articles and Books**

Altshuler, A. A., And R. D. Behn., eds. 1997. Innovation in American government: Challenges, opportunities, and dilemmas. Washington, DC: Brookings Institution.

Barzelay, M. 1992. Breaking through bureaucracy: A new vision for managing in government. With collaboration of B.J. Armajani. Berkeley, CA: University of California.

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Koehler, J.W. and J. M. Pankowski. 1996. Continual improvement in government: Tools and methods. Delray Beach, FL: St. Lucie Press.

Martin, J. 1993. Reengineering government. Governing 6, No. 6 (March)

Osborne, D. , and P. Plastrik. 1997. Banishing bureaucracy: The five strategies for reinventing government. Reading, MA: Addison-Wesley

Indiana Chamber, 2004. The Indiana Project for Efficient Local Government—the next generation fo the '99 COMPETE Study. Indianapolis, IN. Central Indiana Corporate Partnership.

Bridges, E., 1997. The Consolidation of Local Government-Assessing the Service and Financial Implicaitons of the Village of Fillmore Dissolution. Fillmore, NY. Municipal Partnership Demonstration Project.

### Web Sites Surveyed

Alliance for Redesigning Government-Reinventing Government Database	<a href="http://www.clearlake.ibm.com/Alliance">www.clearlake.ibm.com/Alliance</a>
Government Online: Best Practice Government Solutions	<a href="http://www.gol.org">www.gol.org</a>
Institute for Policy Innovation	<a href="http://www.ipi.org">www.ipi.org</a>
Local Government Institute	<a href="http://www.lgi.org">www.lgi.org</a>
Public Sector Continuous Improvement Site	<a href="http://www.deming.eng.clemson.edu">www.deming.eng.clemson.edu</a>
Village at Winona	<a href="http://www.villageatwinona.com">www.villageatwinona.com</a>
Rethinking Local Government: Trends and a National Perspective	<a href="http://www.bgr.org">www.bgr.org</a>
Metropolitan Statistical Areas and Components	<a href="http://www.census.gov/population/estimates/metro-city">www.census.gov/population/estimates/metro-city</a>
Micropolitan Statistical Areas Redefine Rural America	<a href="http://www.unitedcountry.com/micropolitan.htm">www.unitedcountry.com/micropolitan.htm</a>
Indiana Code 36-4-2	<a href="http://www.in.gov/legislative/ic/code/title36/ar4/ch2.html">www.in.gov/legislative/ic/code/title36/ar4/ch2.html</a>
Can Consolidation Improve Local Government?	<a href="http://www.wisctowns.com/CanConsoldation.html">www.wisctowns.com/CanConsoldation.html</a>
Don't Call it Unigov—A roundable discussion on consolidated local government.	<a href="http://www.FortWayne.com">www.FortWayne.com</a>

Local Government Shared Services and Municipal Consolidation: A report and an agenda	<a href="http://www.nj.gov/dca/lgshar2.htm">www.nj.gov/dca/lgshar2.htm</a>
One City From Three; A Case Study In Municipal Consolidation	<a href="http://www.strom.clemson.edu/opinion/ulbrich/pacolet.html">www.strom.clemson.edu/opinion/ulbrich/pacolet.html</a>
Issues in Local Government Consolidation	<a href="http://www.spa.msu.ru/cgi-bin/e-journal/view">www.spa.msu.ru/cgi-bin/e-journal/view</a>

### City and Town Home Pages

City of Warsaw	<a href="http://www.clearlake.ibm.com/Alliance">www.clearlake.ibm.com/Alliance</a>
City of Goshen	<a href="http://www.ci.goshen.in.us">www.ci.goshen.in.us</a>
Town of Winona Lake	<a href="http://www.gol.org">www.gol.org</a>

## **Addendum**

### **Resolution; election; notice; ballot; result; certified copies of agreement and result of election**

Sec. 2. (a) If the legislative bodies of two (2) or more adjoining municipalities each agree, by resolution, on:

(1) the date of an election to consider the merger of the municipalities; and (2) the name by which the municipality formed by the merger would be known; the municipalities shall certify the question to the county election board. The board shall conduct an election to consider the merger.

The election shall be held in each of the municipalities. (b) Notice of an election under this section shall be given in each municipality by publication in the manner prescribed by IC 5-3-1.

(c) An election under this section shall be held in each municipality in the manner prescribed by IC 3-10-8-6. The question shall be placed on the ballot in the form prescribed by IC 3-10-9-4

and must state "Shall \_\_\_\_\_ and \_\_\_\_\_ merge and become the (City or Town) of \_\_\_\_\_?".

(d) The election board shall report the results of the election to each legislative body, and a certified copy of the result of the election in each municipality shall be filed with the legislative body of each of the municipalities involved in the election. (e) If a majority of the votes cast in each of the municipalities is in favor of the merger, the municipalities are merged under the terms

prescribed by this section and sections 9 through 17 of this chapter. A certified copy of the agreement, and of the result of the election, shall be filed in the office of the recorder of the county or counties in which the new municipality is located. The agreement must be: (1) signed by the municipal executive; (2) attested by the clerk; and (3) sealed with the seal; of each of the constituent municipalities. Copies of the record shall be received in all courts and places as conclusive of the merger of the municipality under the name agreed on. *As added by Acts 1980, P.L.212, SEC.3. Amended by Acts 1981, P.L.45, SEC.13; P.L.5-1986, SEC.44; P.L.3-1987, SEC.554.*

### **IC 36-4-2-3**

#### **Petition; contents; affidavit**

Sec. 3. (a) If each of the clerks of two (2) or more adjoining municipalities receives a written petition:

(1) signed by at least ten percent (10%) of the qualified voters of the municipality, as determined by the vote cast in the municipality for secretary of state at the most recent general election; (2) requesting that a special election be held to determine whether the municipalities should be merged into one (1) municipality; and (3) stating the name by which the proposed municipality will be known; he shall deliver a certified copy of the petition to the clerk of every other municipality involved in the proposed merger, and the respective legislative bodies of the municipalities shall hold an election in each

municipality. (b) An affidavit of one (1) or more freeholders of the municipality, stating that the persons who signed the petition are legal voters of the municipality, must be attached to each petition filed under this section. An affidavit filed under this section is conclusive evidence of the facts stated in the affidavit.

*As added by Acts 1980, P.L.212, SEC.3.*

#### **IC 36-4-2-4**

##### **Election; date; notice**

Sec. 4. (a) If petitions are filed under section 3 of this chapter, the legislative body of each municipality involved in the proposed merger shall meet and by resolution fix a date for the election. The date must be the same in each of the municipalities, and may not be more than three (3) months after the date of the filing of the petitions. (b) Notice of an election under section 3 of this chapter must be given by publication in each municipality in the manner prescribed by IC 5-3-1.

*As added by Acts 1980, P.L.212, SEC.3. Amended by Acts 1980,P.L.73, SEC.4; Acts 1981, P.L.45, SEC.14.*

#### **IC 36-4-2-5**

**Petition proposing name of municipality; submission to electorate** Sec. 5. (a) If, at least thirty (30) days before an election held under section 3 of this chapter, voters of each municipality involved in the election file with each of their municipal clerks a petition signed by at least the number of voters required under IC 3-8-6-3 to place a candidate on the ballot in each of the municipalities and proposing a name for the new municipality, the election board shall place that name on the ballot for the election. The election board shall list names added to the ballot under this subsection in the order in which the petitions proposing them were received, but shall place them after the name included on the ballot under section 2 of this chapter. (b) The names proposed under this section shall be submitted as public questions in the form prescribed by IC 3-10-9-4 and must state "Shall the merged municipality be named \_\_\_\_\_?".

*As added by Acts 1980, P.L.212, SEC.3. Amended by Acts 1980, P.L.73, SEC.5; P.L.3-1987, SEC.555; P.L.12-1995, SEC.128.*