

# MOVING THE BAROMETER!

## Overcoming Barriers to Shared Services in Local Government

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It's easy to jump on the shared services and government efficiency bandwagon, but when it is time to act, are you ready to overcome the barriers?

### Introduction

Every level of government in New York State is responding to the repercussions of a slow economic recovery, forced to develop municipal budgets that must account for unfunded mandates and increasing demand for quality services, all while keeping the budget under the tax cap. Shared service strategies have become increasingly critical to help municipalities meet these demands and have evolved from rhetoric to a standard of practice.

For some time, state and local officials have been aware of the high costs of duplicated government services, and they have responded by encouraging innovative solutions through intermunicipal cooperation. As economic conditions continue to strain the budgets of many local governments, discussions about consolidation and shared services agreements have flourished.

It is well known by those working in the day-to-day efforts of local government that resource sharing

is not a new concept in New York State. Many local municipalities have been working together and sharing resources for decades on an informal basis. The current challenge is to identify new areas for sharing, both where savings are possible and barriers can be overcome to take advantage of these opportunities. The goal is simple – to maintain or improve delivery of service while achieving cost savings. While many local government leaders cite increased efficiency and/or the decreased costs as the primary shared service goal during a fiscal crisis, the process often leads to a further discussion about equity, quality and local control.

### Government Do-Over Day

If you had a chance, what changes would you make on a **Government Do-Over Day**? We all have ideas that fall under the same goal – improve delivery of services while simultaneously lowering the cost to taxpayers. But if it is so easy, why isn't everyone doing it? What

[See: Proper Planning on Page 15](#)

# From Page 14: Proper Planning for Successful Shared Service Agreement Includes Understanding the Barriers that can Complicate Sharing Services

are the drivers for change, and what are the obstacles or barriers in our way?

The theory behind Government Do-Over Day is simple – if you had one chance to start over, would you establish the same government that exists today? Would you have one county, three cities, six villages, and 10 towns all providing the same services in the same manner, or would you change the way services are provided? Do municipal boundary lines established hundreds of years ago still encourage the efficient delivery of services?

Government service delivery is often redundant, inefficient and non-standardized. Regionalized service delivery is often considered unresponsive, detached and inflexible. In the current climate, spending of any kind is under the microscope, and the pressure to cut back is intense. Government leaders are being asked to do more with less, run their community like a business, keep a lid on tax increases in the face of government policies and mandates, and to do so while grappling with an increased need or expectation by their residents for a concierge level of service. So where do we go from here?

## Identifying the Barriers

Sharing services is a proven way to lower costs and increase fiscal and operational efficiency. Cooperating with a neighboring municipality, school district, or quasi-public agency can produce direct cost savings to services that can be shared. Savings can be the result of economizing on the scale of shared purchases, consolidating staff, or reorganizing service delivery routes to increase productivity and efficiencies (i.e. winter maintenance or sanitation). A shared service approach that charges a fee based on actual utilization can also reduce service delivery costs, as can functional or full consolidation. These approaches, because of their potential for cost reduction, improved services and increased efficiencies, have quickly gained support among local leaders across the state.

In preparing to enter into the planning of shared services, it is important to understand the barriers. Fear of change often paralyzes local leaders or staff members. The barriers to successful shared services are often political and center around the level of service provided, personnel management issues and fiscal

impacts.

First and foremost is the fear of a loss of political power and control. Communities may have different political allegiances, making sharing services a challenge. There likely will be internal politics associated with who will be in charge of the shared services program, the location and type of service delivery, and the budget and cost allocation of the services rendered. While sharing services and yielding cost savings is the goal, municipalities aim to control their direct ability to address their unique needs and conditions. This is one of the most critical barriers for sharing.

In addition, if there is a shared management team, how the roles will be shared between the two or more entities at times results in having to rise above trust issues that may exist between the entities. To overcome these issues, it is important for local authorities to carefully consider their agreements and not to rush into a situation that may not be the right fit.

A second batch of obstacles comes equally from elected officials and residents alike – a fear of the degradation of the level of services provided. While many municipal functions are provided similarly (e.g. highway or DPW services, assessment, purchasing,

See: Shared Service Plan on Page 16



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## From Page 15: Several Elements – Including Communication and Cooperation – Can Lead to a Successful Shared Service Plan

licensing, billing, IT technology, public safety and fire services), the level and response rates often vary across boundaries and even across regions. In some communities, residents receive, or expect to receive, concierge level services. This may come in the form of rear yard pick-up of garbage, vacation police checks or in sidewalk snow plowing and is often a key obstacle in increased sharing of services.

A third group of barriers arises from staff. Sharing services typically means consolidating resources and personnel into a shared function, and so there are potential job losses and foreseeable interest and participation of unions. Often, this is the most significant barrier to shared services, and much care must be taken to evaluate the positions and services to be involved in sharing agreements and to preserve the rights and future of our valued municipal employees.

Finally, while potentially less volatile and/or emotional than the aforementioned barriers, the fiscal concerns and obstacles are very real. Compatibility of equipment, training, staff and facilities can be a sticking point in negotiations, especially when communities have different resources. In addition, municipal treasurers and comptrollers will all have questions regarding the repayment of debt, potential loss of revenues and the long-term cost of services. Each of these can be negotiated in good faith.

### Overcoming the Barriers to Shared Services in Local Government

To overcome the barriers identified above, it is important to have strong leadership, a clear vision and to promote the four “Cs” to shared services:

- Communication
- Coordination
- Collaboration
- Cooperation

Successful shared services are built upon committed and cooperative leadership, and have a major bearing on the success of any initiative, particularly where service realignment and potential staff reassignment is concerned. Effective collaborative working is first and foremost a human resources and political challenge. Leaders must build trust – with other local officials, with the staff and employees, and with the general public. A case for change must be developed and well articulated, and community buy-in for change is a

## IDENTIFYING THE BARRIERS

- LOSS OF POLITICAL POWER
  - WHO'S IN CHARGE
  - SEAL/LOGO
  - COMMUNITY IDENTITY
- CONTROL
  - BUDGET
  - TIMING OF PROVISION OF SERVICES
  - STAFFING – HIRE/FIRE
- LEVEL OF SERVICE
  - CONCIERGE SERVICES
  - FREQUENCY
  - POLICE/PUBLIC SAFETY
  - RESPONSE TIME
  - DEGRADATION OF SERVICE PROVISION
- UNIONS
  - BENEFITS
  - TITLES
  - LONGEVITY
  - JOB LOSS
- FISCAL
  - COST
  - STAFFING
  - FACILITIES
  - REVENUE
  - COMPATIBILITY OF CAPITAL ASSETS

requirement for success.

Begin with identifying the “low-hanging fruit.” Areas of potential small projects may be found in the back office functions of purchasing, information technology, billing, receiving of taxes and human resources. Larger more visible changes or opportunities for shared services may be found in joint fueling and/or equipment sharing, joint winter and summer maintenance, or in the consolidation of special districts, courts and public safety.

“The definition of insanity is doing the same thing over and over again and expecting a different result,” Albert Einstein once said. Now is the time to set a clear vision, identify the opportunities and the barriers to success and cooperatively plan for **Government Do-Over Day**. □