

# One Size Does Not Fit All

## Chemung County's Hybrid Approach to Shared Highway Services

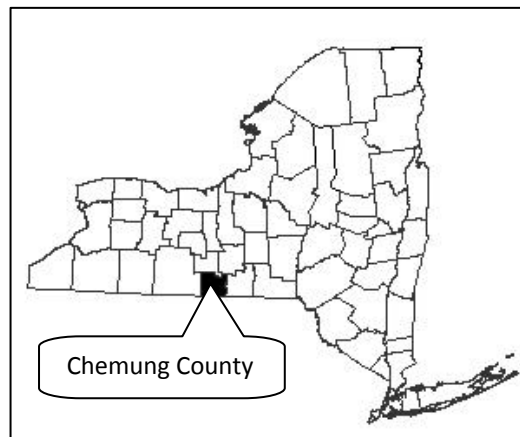
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In an era of declining municipal revenues and rising fixed costs, the importance of effectively managing the delivery of municipal services cannot be overstated. This is especially true of highway services, which encompass both significant human capital resources and a vast array of costly specialty equipment, all requiring skilled management in order to effectively meet the transportation needs of residents and business owners. Municipalities have a vested interest in maintaining their expansive transportation network. It is well-known that highway services are primarily the most costly of town services. Escalating costs of fuel and construction materials are also contributing factors to the tremendous growth in the cost to maintain local roads and highways.

These factors and others have driven upstate New York municipalities to look within their operations to see where potential savings and improved efficiencies could occur through shared highway services or consolidation of services among neighboring municipalities. New York State is a driving force behind this effort, as well as with the advent of the Shared Municipal Services Incentive Grant Program, and its successor, the Local Government Efficiency (LGE) Program, which both provide incentives to local governments for identifying cost savings solutions, through inter-municipal cooperation, consolidation, dissolution and/or regional service delivery of certain municipal functions. There is no one-size-fits-all solution to the bellowing cost of highway services. Over the past decade or so, the results of a variety of municipal service efficiency studies, (i.e.,

highway services, police and general government functions), have proven that there is no one-size-fit all model to solve the problem of rising costs of municipal services. There is also an assortment of common challenges, road-blocks so to speak, that point to the need for increased flexibility when attempting to implement change to the way services are delivered by local governments. These challenges are both locally unique and similar statewide, and require creative think-

### Case Study: Chemung County



ing and an open political mind to solve. To illustrate a unique model for highway services delivery, this article will use the *Chemung County Highway Services Study* as a case study.<sup>1</sup> Chemung County and its municipalities have been actively pursuing shared highway services opportunities for many years. Efforts have been underway since the early 1990s to grapple with the myriad of issues arising from the need to maintain the complex network of roads and highways through-

out the county. In November 2006, the Chemung County Legislature passed a resolution authorizing the formation of the Highway Services Board (HSB). The purpose of the HSB is to institute a collaborative environment for exploring the potential for shared highway services among all municipalities in the county. Recognizing the importance of keeping momentum in past efforts, Chemung County, in partnership with the City of Elmira and the local towns and villages in the county, applied for and received a Shared Municipal Services Incentive (SMSI) grant in 2008 to further research opportunities for increased sharing of highway services, maintenance, and equipment.

#### Chemung County: Proposed New Model for Model for Highway Service Delivery Regional Setting and Municipal Characteristics

Located in New York State's Southern Tier Region, Chemung County is comprised of 410 square miles and has a population of 88,331<sup>2</sup>. The county is predominately rural and comprised of 11 towns, 5 villages, and one city. The county seat is the City of Elmira with an estimated 29,310<sup>3</sup> residents, which accounts for more than one-third of the county's total population. More than 1,100 miles of roadways traverse the county, including 154 bridges – all maintained by state, county, town and village highway service or public works departments. Currently, there are 15 separate local DPW/Highway departments within the county providing similar services, with separate facilities, equipment and personnel. According to New York State Comp-

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troller data, between 2004 and 2008, all Chemung County municipalities cumulatively expended an annual average of approximately \$23.76 million on highway services, representing an average annual per capita of \$153 and \$16,187 per mile. County-wide, there are 173 total highway employees, roughly 611 total pieces of highway equipment and 16 municipal highway/DPW facilities, five within 4 miles of each other.

### **Overview of the Shared Highway Services Planning Process**

In early 2009, Chemung County engaged a consulting team composed of the Laberge Group, Hunt Engineering and the University at Buffalo Regional Institute to develop the *Chemung County Highway Services Study* (hereafter referred to as the study). The principal objective of the study was to identify potential areas of cost savings and efficiencies while maintaining the quality of common highway services for all municipalities. The residents of Chemung County currently receive high-quality highway services that are provided by a network of dedicated municipal highway employees. Cooperative efforts have already resulted in much efficiency in recent years. The study built upon those efforts and delivered an informative analysis describing areas where expanding highway services, sharing services between municipal highway departments, and/or consolidating highway services may result in positive outcomes, including a cost savings and enhanced services delivery for all Chemung County municipalities. The planning process consisted of the following project components:

- Inventory and Analysis of Existing Highway Services and Resources;
- Stakeholder Participation Process;
- Development of Preliminary Shared Services Opportunities and

Alternatives;

- Development of Cost Analysis of the Recommended Alternatives;
- Development of Implementation Strategies;
- Preparation of Draft Study;
- Public Hearings; and
- Preparation of Final Study.

From the beginning of the planning process, a few of the involved municipalities were uncertain of the intent of the study and initially approached the project with skepticism. As discussions with the stakeholders ensued, the players began to open up to many possible alternatives. A wide range of options were brought to the table, from small scale service sharing among neighboring municipalities, to a regional approach to highway services. The partners discussed the options and the barriers associated with each potential solution at length, and it became apparent that there was no one-size-fits-all solution. Over a two-year process, the stakeholders began to nurture ideas that eventually created a hybrid solution to the many challenges. The outcome of the study proved to be an interesting combination of functional consolidation of services among certain neighboring municipalities within the county, expansion of certain specialized county highway services, (a.k.a, centralization), and decentralization of certain highway services.

### **Overview of the Recommended Model for**

#### **Highway Service Delivery**

Culling all the feedback from the stakeholder outreach process, as well as a detailed inventory of the collective personnel, facilities and equipment resources county-wide, the consultant team compiled a Recommended Model for providing highway services in Chemung County that will improve efficiencies and maintain

quality services for county and local road networks. The team reviewed a number of different approaches to the delivery of highway services and concluded that a hybrid model, combining aspects of functional consolidation, centralization and decentralization had the potential for the greatest success in the county.

Although it is understood that all Chemung County municipalities have good working relationships with one another, sharing and trading highway services, equipment and personnel quite often, the Recommended Model of highway services will enable services to be performed in a more coordinated, planned and organized fashion, which will lead to widespread efficiencies across the county. Coordination of certain specialized services, facility rehabilitation and large equipment purchases will allow the county and local governments to provide highway services to all taxpayers, both equitably and in a more cost-effective manner. The Recommended Model includes three main components. Each of the three components will likely be implemented gradually in phases; however, the greatest efficiencies will ultimately be realized through the implementation of all three components:

- Component 1 - Consolidated Urban Highway Services Area: The integration of highway services between Chemung County, the City of Elmira, the Villages of Elmira Heights and Horseheads, and the Towns of Horseheads and Elmira, working toward a long-term goal of forming a unified Consolidated Urban Highway Services Area (CUHSA). Projected cost savings: \$14.2 million.

- Component 2 - Centralized Services: The centralization of certain common and specialized highway services to realize economies of scale. Chemung County will take the lead in organizing and deploying certain specialized highway services to all par-

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ticipating municipalities. There will be an initial focus on expanding technical engineering services, bridge and large culvert maintenance, sign fabrication and installation, tree removal, guide-rail installation, pavement marking, pesticide application and safety training. The Elmira-Chemung Transportation Council (ECTC), the Metropolitan Planning Organization (MPO) for the Elmira Urbanized Area, will provide valuable technical assistance and play an active role in implementing this component. Projected savings: From \$1.25 to \$2.5 million, over a five-year period.

- **Component 3 -Decentralized Services:** The transfer of certain highway services from the county to the localities to improve coordination of local road maintenance. The county will negotiate contracts with local highway departments for routine winter and/or summer maintenance and repair of county roads within the respective boundaries of each locality. Decentralized services may include, but may not be limited to, snow and ice removal, roadside mowing, brush cutting, pothole patching and ditching. Projected savings: Approximately \$270,000 per year, estimated for snow removal alone.

### **Future Challenges for Chemung County**

The following challenges and barriers were discovered in Chemung County and are common issues in other municipalities throughout New York State. Chemung County is currently working to identify step-by-step, creative solutions to these challenges.

- **Unions:** Negotiation among different collective bargaining units poses its own challenges, specifically

when discussions come down to job classifications and pay equity.

- **Job Classifications:** Various job descriptions and titles currently in use by County Civil Service and the local municipalities. When implementing a new model of shared municipal service delivery, there is often a need to redefine, classify and standardize the job descriptions and titles throughout the participating communities.

- **Pay Equity:** During the negotiation and job reclassifications,

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it may be determined that the staff being transferred will need to be compensated at different levels depending on years of experience, skills and certifications associated with the particular position. This often leads to higher personnel costs.

- **Labor Force Utilization:** Many case studies have revealed complexities and challenges of the multifaceted DPW operations currently provided by cities, towns and villages. Public works services are commonly provided with a system of shared employee labor hours with “cross-over” from one function to another, depending on the season and community needs. For example, a city’s Equipment Operator is often cross-trained to work on a variety of tasks and projects involving street maintenance, solid waste

removal, buildings and grounds, public water and sewer. This complicates matters since accounting for the cost of services among different municipal funds is different from municipality to municipality. The need for improving the consistency of budgeting and financial record keeping for cost accounting in highway services is apparent. Municipalities should pursue a standardized approach to project and activity costing as a means of comparing cost and improving productivity.

- **Maintenance Standards and Policies:** The need for development and coordination of maintenance standards and policies is necessary to implement a shared services model. The challenge is weighing/balancing “wish lists” with financial realities.

- **Asset Management:** In many cases, municipal highway operations are performed in a reactionary way, i.e., if it isn’t broken, don’t fix

it, rather than planning for the future. Highway managers are often forced to operate in this way because of budget fluctuations from year to year. A more efficient way of doing business involves long-term future planning for road maintenance and equipment purchases. Performing a Comprehensive Asset Management and Conditions Assessment System can identify the most efficient use of resources. A detailed inventory of assets maintained, including an assessment of asset conditions, is necessary to prioritize future funding. In addition, the results of this assessment will provide guidance for the scheduling of work assignments to be performed by the consolidated workforce and help determine the optimum level of service available within local resources. Again, the challenge is

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balancing demand for quality highway services with cost to implement, i.e., the decision to individually buy large, advanced and expensive pieces of highway equipment to keep for yourself, or share the cost with a neighboring municipality, get more 'bang for your buck' and limit idle time. Highway managers should be in the habit of looking for ways to best allocate their resources and where sharing opportunities exist to decrease costs.

The planning process provided an opportunity for highway managers to discuss their needs and evaluate the potential for sharing services to accomplish their goals for maintaining quality highway services. It allowed for open dialogue between the highway managers and the chief elected officials, who control the purse strings, to gain an understanding of areas for alternative highway service delivery that would make financial sense, and where it would not, by discussing the pros and cons of sharing highway personnel, equipment and facilities. In addition, these discussions led to the conclusion that certain municipalities are better equipped to provide certain specialized services on an expanded basis, and others can benefit from eliminating these services from their personal responsibility and trading or purchasing that service from another municipality. Most importantly, the planning process helped build consensus among key players, which is necessary to successfully implement the plan recommendations.

A crucial step in implementation is determining which shared highway services opportunities are politically ripe for immediate discussion and negotiation and how actions will be funded. The Local Government Efficiency Grant (LGEG) Program (NYS DOS) has a competitive grant program which assists municipalities in implementation steps. Embracing the findings and the Recommended Model for highway

service delivery, in November 2010, Chemung County, the City of Elmira, the towns of Horseheads and Elmira, and the villages of Horseheads and Elmira Heights applied for an Efficiency Implementation grant from the LGEG Program.

If awarded, the county and its local government partners intend to move forward immediately with many of the initial implementation steps outlined within the study. ❖

(Endnotes)

1 Visit the Chemung County Government website at <http://www.chemungcounty.com> to view a complete copy of the Chemung County Highway Services Study.

2 Chemung County population estimate according to the 2009 American Community Survey 1-Year Estimate.

3 City of Elmira population estimate according to the 2009 American Community Survey 1-Year Estimate.

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