



Shared Services and Local Government Efficiency





Laberge Group: Introductions

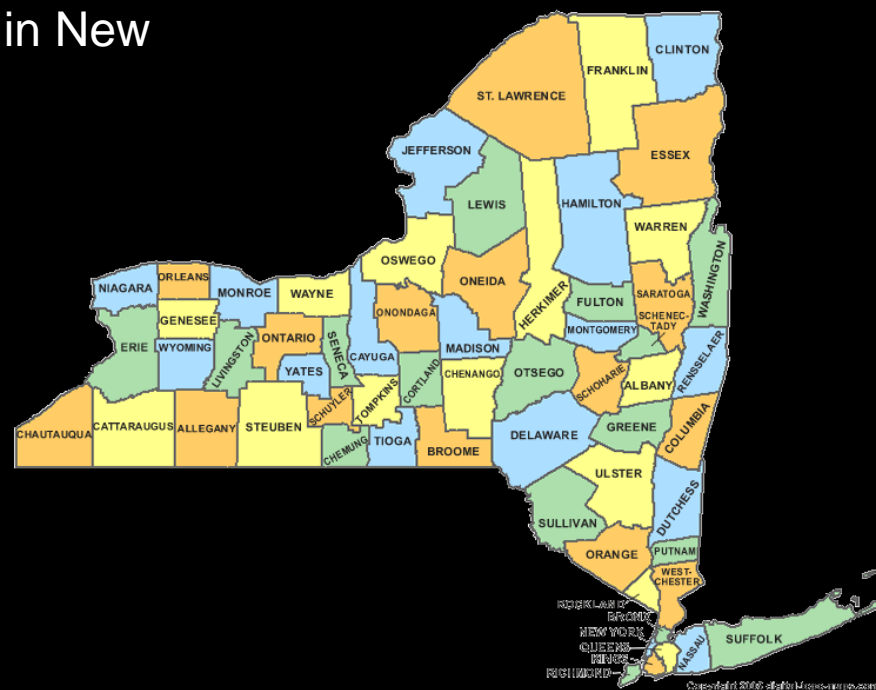
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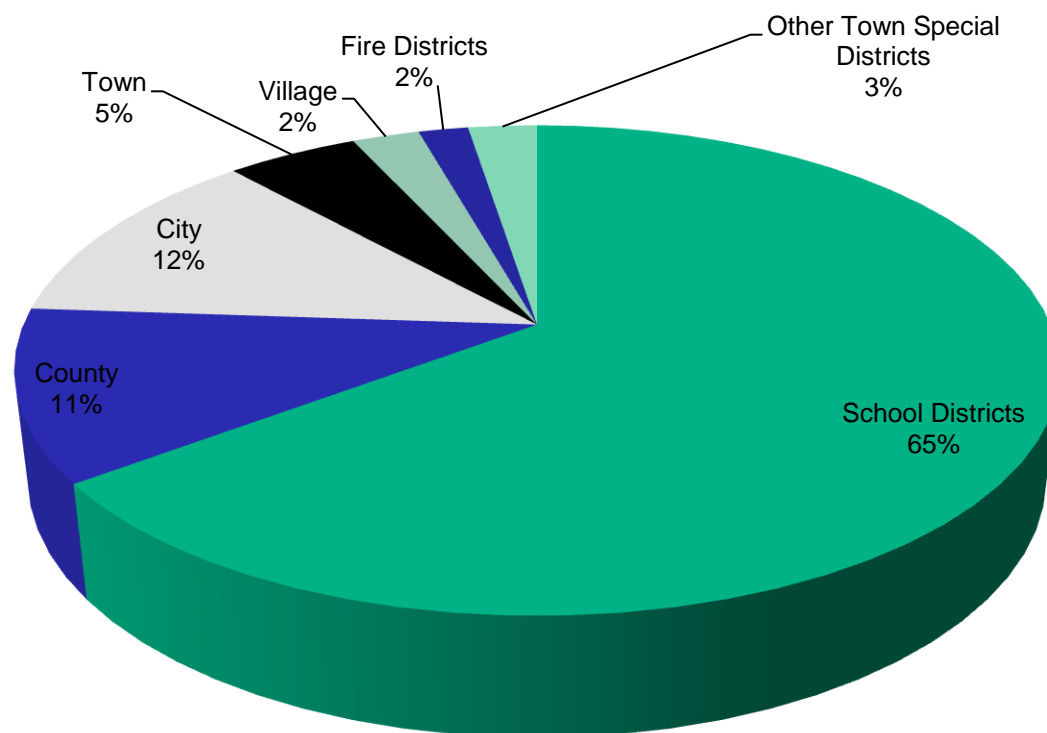
Why Shared Services?

- **Duplication of Services**
 - 10,521 overlapping government units exist in New York State
- **Growth in Service Demands & Cost**
- **Stagnant & Declining Tax Bases**
- **High Unemployment Rates**
- **Declining State Aid & Funding**





Where are the Greatest Opportunities for Cost Savings?



2008 Real Property Taxes

Source: Office of the New York State Comptroller, 2008 tax rates, Calculated as of April 30, 2009 . Chart provided by NYCOM.



What are Shared Services

- Arrangements by which officials of two or more jurisdictions coordinate plans, policies, and programs to address and resolve issues of mutual interest
- Forms of Shared Services
 - Communicating and sharing information
 - Intergovernmental agreements
 - Sharing equipment, buildings, staff, and revenue
 - Consolidating services or jurisdictions
 - Transferring service provision



Who Can Benefit from Shared Services?

➤ Units of Local Government that Can Benefit:

- Counties, Cities, Villages & Towns
- School Districts & BOCES
- Special Districts
 - Water
 - Sewer
 - Fire
 - Lighting

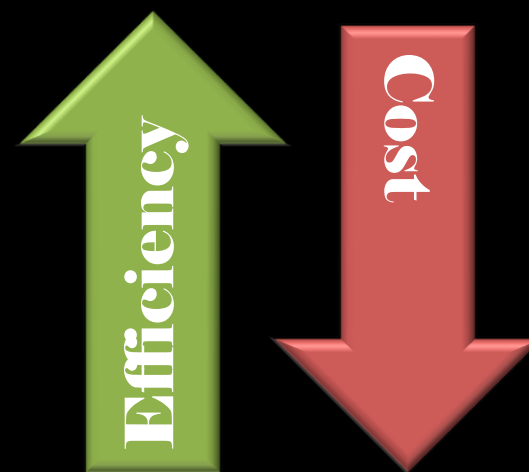


- ## ➤ The Department of State and Division of Local Government Services provides grant assistance to local governments for the development of projects and programs that will result in cost savings or improve the efficiency of services



Perceived Benefits of Shared Services

- **Cost Savings**
- **Improved Service to Citizens**
- **Addresses Regional Issues**
- **Encourages Trust**
- **Identifies Issues Early**
- **Improves Awareness of Other Communities' Needs and Priorities**
- **Consistency of Goals, Objectives, Plans, Policies and Actions**
- **Greater Predictability to Residents, Developers, Businesses and Others**





Real & Perceived Barriers: Recognize and Understand the Obstacles

*“If you do what you’ve always done, you’ll get what you’ve always gotten”
- Anthony Robbins*

- Fear of loss of control or community identity by one or more of the involved municipalities
- Fear of job loss if services are combined between municipalities
- Fear of degradation of service provision
- Fear of the unknown
- Compatibility of capital assets
- Increased interrelatedness



Real & Perceived Barriers: Recognize and Understand the Obstacles

➤ Collective Bargaining Agreements

- Accountability
- Pay scale
- Increased operational complexities or specializations
- Union representation

➤ Cost tradeoff

➤ Varying responsibilities, organizational structures and policies between departments

➤ The “perception of what is “lost” and what is “gained” by one municipality over another can be the largest barrier to working together



Keys to Making the Process Work

- It is our experience that successful shared services are built upon committed and cooperative leadership.
- Leadership must understand and promote the 4 “C’s” of Shared Services:
 - Communication
 - Coordination
 - Collaboration
 - Cooperation



Ten Step Program for Shared Services Arrangements

- **Define the problem:** *Make sure that there is a problem to be solved and never assume that sharing municipal services will always be more cost effective.*
- **Identify potential partners:** *Identify and include all affected parties and find a common ground. Shared services arrangements will only work if you have a common ground and agree upon a common goal.*
- **List and Allocate Financial Impacts:** *Determine the cost of current service provision and tax and debt limitations. Next, identify methods for financing, including potential federal/state aid. Then, assess the impact on the tax rate.*

*The Ten Step Program was developed by SMSI



Ten Step Program for Shared Services Arrangements

- **Confirm legal authority:** Consult state statutes, including General Municipal Law articles 5-G and 14-G, as well as Town, Village, County and other related laws.
- **Plan the Project:** Document the need for services, determine costs and financing, prepare impact statements for constituents and on other services, and develop a plan for implementation and assessment.
- **Collaborate with affected parties:** Discuss plan with constituents, non-profits, businesses and local organizations.
- **Negotiate the agreement:** Identify the necessary items to be included, identify a facilitator to assist negotiations, and finalize terms.

*The Ten Step Program was developed by SMSI



Ten Step Program for Shared Services Arrangements

- **Prepare the agreement:** *Terms should be memorialized in some manner regarding involved parties, nature of agreement, level of service, limits on service, charges/financing arrangements, organizational control and responsibilities, reporting, personnel, duration, termination, amendment, evaluation and continuation.*
- **Implement the agreement:** *Initiate programmatic elements, communicate with town constituents and document all aspects of the project.*
- **Evaluate the project:** *Examine the implementation to ensure proper function, convene regular meetings to assess and share information, prepare formal evaluation reports.*

*The Ten Step Program was developed by SMSI



What Would a Shared Services Study Include?

- **The following are examples of questions that a municipality should consider when conducting a shared services study:**
 - What organizational changes will take place? What is the impact on existing personnel? What positions would be eliminated or replaced?
 - What will the impacts be on personnel terminations, retention, pay policy benefits, etc.?
 - What are the benefits & the degree of efficiency that will result? What are the negative consequences?
 - Is there a measurable cost saving to residents from sharing services? What is the saving?
 - How is the taxing structure for residents going to be allocated?



Potential Outcomes of a Shared Services Study

- The ultimate goal of shared services is to enhance the provision of services while decreasing cost
- Additional favorable outcomes include:
 - Preserving services while lowering the cost
 - Enhancing services while stabilizing the cost



Steps of the Shared Services Study Process

Inventory & Analysis

Fiscal Review

**Shared Services Opportunities &
Alternative Models of Service Delivery**

Public Outreach

Recommendations



Inventory & Analysis

- **Decisions should be based on strong, detailed research**
- **The process should include:**
 - Review of Existing Plans, Studies and Visions
 - Review of Upcoming Capital Projects, Capital Plans and Budgets
 - Review of Organizational Staffing Plans, IMAs and Union Contracts
 - Review of Existing Intermunicipal Agreements
 - Inventory of Equipment, Facilities, Personnel and Other Resources



Inventory & Analysis (con't)

➤ Data Collection

- Municipal and Departmental Questionnaires
- Interviews with:
 - ❖ Elected Officials
 - ❖ Municipal Department Heads
 - ❖ Economic Development Organizations
 - ❖ Financial Representatives
 - ❖ Legal Representatives
- Roundtable Discussions





Fiscal Review

- **Fiscal Review Should Examine:**
- Total Taxable Assessed and Full Value of Real Property
 - Total Tax Levy
 - Total Debt Outstanding
 - Total Revenues and Expenditures





Shared Services Opportunities and Alternatives

- **Development of Shared Services Opportunities & Fiscal Impacts**
 - Identify the potential opportunities for shared services
 - Review the advantages and disadvantages of each
 - Identify Alternative models of service delivery
 - Evaluate fiscal implications and prepare cost/benefit analysis
- **Potential opportunities may include:**
 - Possible reductions in total costs
 - Savings in equipment and maintenance costs
 - Improvements to service delivery
 - Changes in organizational structure



Public Outreach

➤ Community Education and Outreach

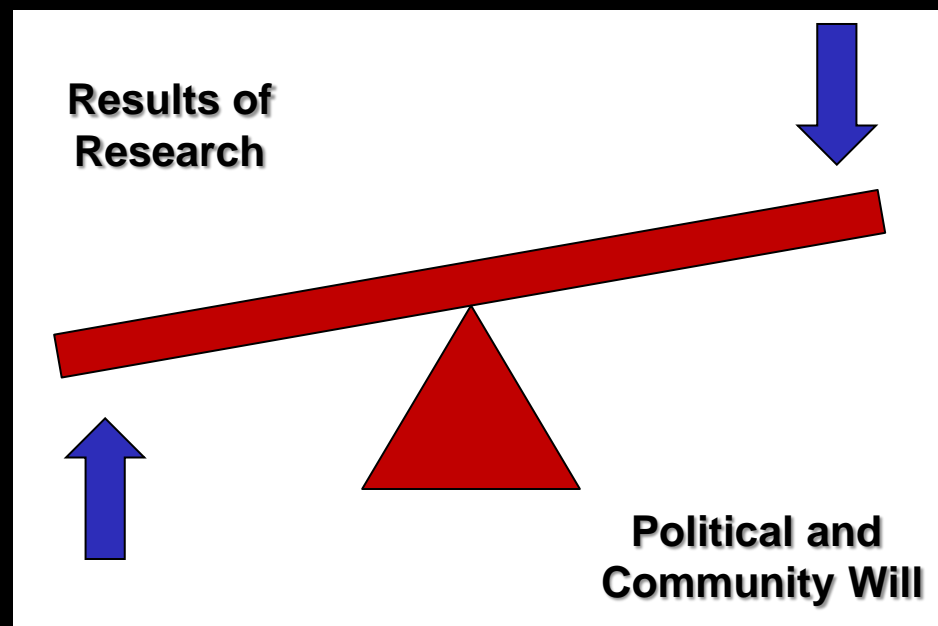
- Community Survey
- Community-wide Workshops
- Educational Seminars
- Public Hearings





Balanced Goals for Results

- Policies must be politically palatable
- A Two Pronged Approach to Goals & Strategies
 - Results of the Empirical Data
 - Political and Community Will
- Form logical geographic partnerships
- Develop shared services opportunities & fiscal impacts

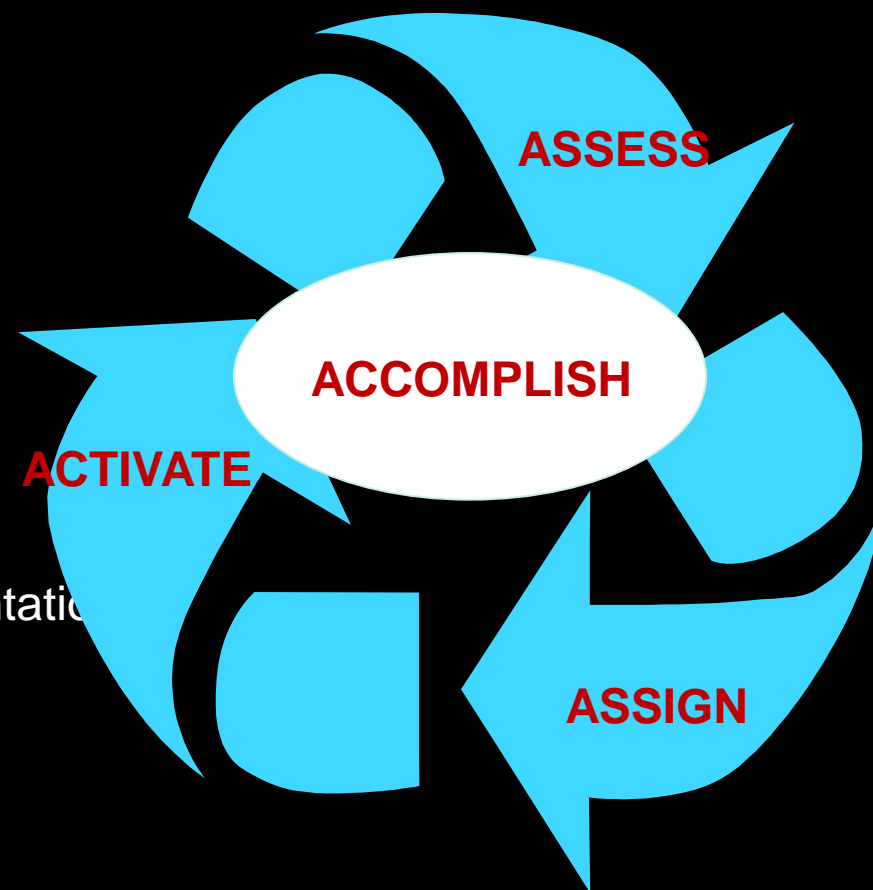




Plan for Implementation

➤ Set the Blueprint for Action in motion

- Prioritize goals and strategies
- Assign responsibilities
- Develop realistic time table
- Identify legal requirements
- Research available funding and resources
- Track required data for next stages of implementation





Recognize the Pitfalls

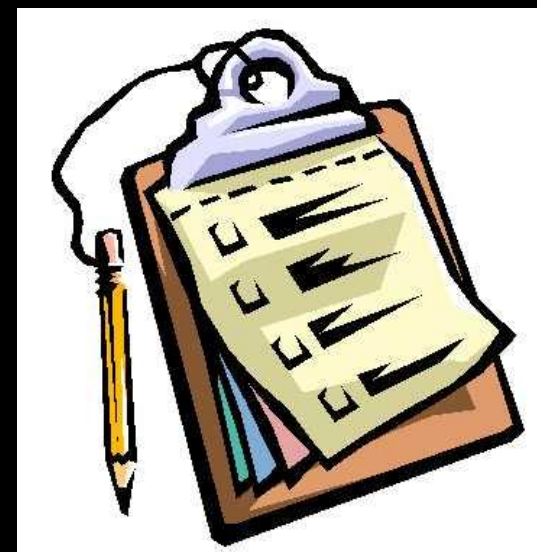
- Incomplete data
- Untruthful responses
- Inconsistent and inaccurate data
- “Colored” or “tainted” survey responses
- Incompatible data
- Non - corresponding duties, functions, titles, and job classifications between departments
- “Boys with their toys”





Overcome the Pitfalls

- **Collect data in a uniform manner**
- **Understand how budgets are made and how personnel is allotted**
- **Extend evaluation period if data is incomplete... Do not rush!**





Conclusions

- **Is it worth it?**
 - Yes, but tread carefully...
 - Shared services does not always equal cost savings
 - Not a one-size fits all approach
- **Focus on the greater good rather than geographical boundaries**
- **What changes would you make on a government “do-over” day?**





Questions and Answers...