

SHARING SERVICES AND SAVING TAX DOLLARS

*A Senate Report on
Intermunicipal Agreements*



Senator Elizabeth O'C. Little
Chair, Senate Local Government Committee
December 2005

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TABLE OF CONTENTS

I.	Introduction	Page 1
II.	History of Local Government	Page 3
III.	Reasons and Opportunities for Shared Services	Page 5
IV.	Results of Conversations	Page 8
V.	Recommendations	Page 11
VI.	End Notes	Page 15
VI.	Bibliography	Page 16
VII.	Appendix	
	A) Shared Service Success Stories	
	B) Proposed Legislation	
	C) Existing Legislation	
	D) Sample Intermunicipal Cooperative Agreement	

Introduction

At this time, in New York State we have a myriad of local governments. According to the Comptroller's 2005 *Annual Report on Local Government* there are 4,218 total local government units.^[1] This includes 1,604 general purpose local governments (counties, cities, towns and villages) and 1,562 special purpose units (school districts and fire districts). In addition, there are nearly 1,052 public authorities and other special purpose entities. State statutes that provide the legal framework for these municipalities vary from one type of local government to the next.

These local government units also provide many of the same services for their residents. For instance, in one county you can have county highway departments, town highway departments and village highway departments. If you reside in a village all three of these types of highway departments would be providing you with the same service within their jurisdiction; repair, construction and maintenance of roads.

“Combining the institutional knowledge, experience, and buying power of municipal governments through shared services agreements allows local governments to provide the programs and services that many residents depend on at a lower cost. As every level of government looks to reduce its overall spending, shared services certainly provide a viable alternative to program cuts and tax increases.”

-- Rensselaer County Executive Kathleen M. Jimino

Over the years there have been various attempts to consolidate different levels of local governments. Although it is legal to consolidate or merge governments in the New York State there have been few instances in which this has occurred. According to a report by the New York State Comptroller, the major obstacles to consolidations and mergers has been:

- labor concerns regarding job elimination, loss of seniority and reclassification;
- local officials' resistance when it means relinquishing their own control;
- community opposition because of the belief it will undermine government responsiveness and accountability and belief there will be a loss of community identity.^[2]

What has been successful in many communities across the State has been a shared services or an intermunicipal cooperation approach. In this instance no local government has to dissolve. Instead, two municipalities agree to merge their services (e.g., two towns form one highway department or highway departments share equipment) or one government unit provides a service to another (e.g. a village provides sewer line to a town). The New York State Attorney General asserts that: *whatever any village, town, city, improvement district, school district, B.O.C.E.S. or county has the authority to do individually, it has the authority to do jointly with another village, town, city, improvement district, school district, B.O.C.E.S. or county, so long as each of the individual entities joining together has the authority to act alone.*¹³¹

This past Spring, Senator Elizabeth O’C. Little sent out a brief survey asking cities, towns and villages if they shared services with other municipalities. Of the 1,547 surveys mailed, 229 responses were returned indicating the sharing of some type of service. Subsequently, Senate staff spoke with 60 of the local officials who responded to gain more information about their experiences. From those conversations a working group of local officials was formed and they met with Senator Little and helped to formulate the proposals put forth later in this report.

This report summarizes the history of local governments in the State in order to better understand our local structure today, presents the problem of increasing local government expenditures and property taxes, provides examples of municipal governments that have had success in sharing services and presents proposals to increase the amount of shared services and intermunicipal cooperation.

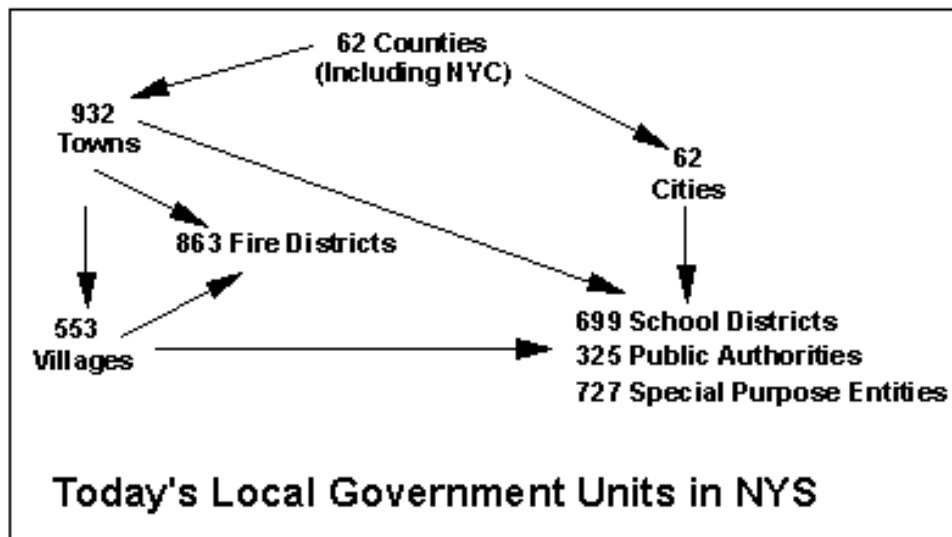
As a result of the research, conversations with municipalities and discussions with the shared services working group the following recommendations are incorporated in legislation included in the appendix. In addition, the current Shared Municipal Services Incentive program should be expanded from its current \$2.75 million in funding to \$30 million. This will demonstrate the State’s commitment to shared services.

- revise state laws which govern local governments through the Law Revision Commission;
- create a highway shared services incentive program; and,
- provide technical assistance to local governments who wish to share services through the creation of a statewide assistance clearinghouse.

History of Local Government in New York

It is important to understand how local government evolved in New York State. The origin of the State of New York and its local governments -- counties, cities, towns and villages -- predates the founding of the nation itself by well over a hundred years.

Since Henry Hudson first laid his sight on the shores of the lands which became the State in 1609, how the Colony of the Dutch and ultimately the State would be governed evolved into what has become a State of 62 counties, 62 cities, 932 towns and 553 villages, not to mention over 2,000 school districts, fire districts, improvement and other special districts.^[4]



The first city to be recognized as such was the City of New York in 1653. The first county created was Albany in 1683. Towns outlasted even cities and counties, with Brooklyn dating back to 1623.^[5]

With the adoption of the first New York Constitution in 1777, the State Legislature's primary objectives were (1) to encourage the initiative of local governments; (2) to adopt a basic policy of decentralization of governmental responsibilities; (3) to enhance local popular control and responsibility; and (4) to stimulate the economic development of the state and local governments.^[6]

Since New York became a state in 1777, local government developed by the creation of counties, cities, towns and villages, although it is clear that such growth in the number of local government was not done by means of any comprehensive plan. In

1777, there were 14 counties.^[7] Two of those counties eventually became part of Vermont. All the additional 50 counties were created by acts of the State Legislature.

As for towns, many predated the State's first constitution, but many were created by the State Legislature as counties were created. Towns range in size from the Town of Webb (Herkimer County) with 451.2 square miles to the Town of Green Island (Albany County) with 0.7 square miles.^[8] With the exception of the City of New York, which is co-terminus with 5 counties, counties contain cities and towns. Villages are all part of a town or towns and occasionally more than one county.^[9]

Villages first developed in the 1790s and were created by acts of the State Legislature. Commencing in 1874 as part of the "Home Rule" movement, the State Constitution was amended to prohibit the incorporation of villages by special act of the Legislature, making the only method of village creation through voter petition pursuant to the Village Law.^[10]

In the case of cities, the majority were created by the Legislature and chartered before 1900 with the last city created being the City of Rye in 1942.^[11] Due to constitutional amendments regarding home rules, cities, beginning in 1923, gained the power to adopt and modify their charters without State Legislative approval.^[12]

The end result of local government development in New York is that there are towns such as Islip (Suffolk County), that have over 320,000 people, and towns, such as the Town of Clare (St. Lawrence County), that has less than 120.^[13] In addition, the Town of Hempstead has a population of 755,924 and would be New York's largest city outside of New York.^[14] More than half of all villages are less than 2,400 population and over 70 villages are located in more than one town, as well as seven located in more than one county.^[15]

One county has as little as three towns and another has as many as 32.^[16] Towns are classified as first and second class, and a separate classification is made for suburban towns. These classifications are based primarily on population^[17], but amendments to the Municipal Home Rule Law in the past 40 years have authorized all towns by home rule to make organizational changes that have blurred classification distinctions.^[18]

In addition to formal municipal government, over the years, the State of New York has been divided into school districts. Towns have also established fire and fire protection districts and various improvement districts for such purposes as water, sewer, drainage and parks.^[19] All of these entities may have the power to impose real property taxes and to have employees.

Reasons and Opportunities for Shared Services

Local Government expenditures have been increasing as a result of many factors including higher pension costs, rising insurance costs and, most recently, volatile energy prices. These factors may lead to a disruption of services, layoffs of experienced employees, or increased taxes. For local governments, intermunicipal cooperation is a way to control property tax growth while maintaining a high level of services. While bigger is not always better, shared services can be an effective tool to help mitigate the rising cost of operating municipalities in New York State.

Local Government Expenditures

In SFY 2005-06 the State helped mitigate some expenditure growth by capping the counties share of Medicaid and paying the full share of the Family Health Plus program and increasing municipal revenue sharing payments. However, many localities still face expenditure growth as a result of the rising cost of providing government services. The following table illustrates the changes in expenditures for counties, cities, towns and villages excluding New York City which have a direct effect on the property taxes. Total local government expenditures include current operations, equipment, capital out law and debt service.

Total Local Government Expenditures (excluding NYC)				
(billions of dollars)				
	Counties *	Cities	Towns	Villages
1993	12.8	2.7	3.9	1.4
1998	14.4	2.9	4.4	1.6
2003	17.4	3.6	5.6	2
10-Year Percentage Increase	36%	35%	43%	48%
*County expenditure changes are effected by health facilities transferred from Counties to Public Authorities/Percentage changes are based on actual figures not rounded numbers Source: New York State Comptroller's 2005 Annual Report on Local Governments				

Property Taxes in New York State

According to the New York State Comptroller's 2005 *Annual Report on Local Governments* property taxes are the largest source of revenue, accounting for 30 percent of all local government revenue. In addition, property taxes were also the fastest growing source of revenue from 2002-2003, increasing by 9.7 percent over the 2002 total of \$29.3 billion to reach \$32.2 billion in 2003. Over a ten-year period from 1993 to 2003 property taxes for counties, towns and villages grew by 26 percent. During the late 1990s, counties, towns, villages and cities were able to keep their annual tax levy increases below the inflation rate.^[20] The table below illustrates the percentage change in these tax levies over a 10-year time period.

Total Percent Change in Tax Levy				
	Counties	Cities	Villages	Towns
1995 to 2000 (annualized)	-0.6%	0	2.4%	1.7%
2000 to 2001	0.8%	1.9%	3.1%	5.0%
2001 to 2002	5.5%	1.5%	4.2%	4.3%
2002 to 2003	14.4%	5.7%	5.0%	6.0%
2003 to 2004	9.4%	5.8%	6.9%	6.0%
2004 to 2005	7.3%	6.8%	6.0%	Not Yet Available

Source: New York State Comptroller's 2005 Annual Report on Local Governments

Local Government Retirements

Local governments will soon have to contend with an aging workforce which will result in massive retirements. This may present problems in terms of a "brain drain" for these municipalities as talented and experienced employees leave service. By sharing services, those local governments losing employees may be able to benefit from neighboring municipalities' experienced workforce.

"Far from opposing shared services, Canton's experience has been that municipal employees will support it if their work conditions and compensation are positively impacted. In fact, some of the best suggestions for delivering better constituent services have come from the employees themselves."

-- Supervisor David T. Button and Mayor Robert N. Wells, Jr., Town and Village

As discussed in the introduction, one of the main objections to consolidating governments is the fear of public employee layoffs. The conclusion reached after

speaking with various localities is that layoffs are not necessary for localities to share services. According to the *New York State and Local Retirement System Comprehensive Annual Financial Report* the number of State and local employees between the ages of 45 and 54 in the Employee Retirement System comprise roughly 37 percent of all employees, and those between the ages of 55-64 account for approximately 19 percent of this total workforce. Thus, there may be opportunities to reduce municipal employees through attrition.

Results of Conversations with Local Elected Officials

In Spring 2005, Senator Little sent out a survey asking city, town and village officials in New York State whether they shared services with other municipalities. Of the 1,547 surveys sent out, 229 responded that they did indeed share some type of service. Senate staff reached out and spoke to 60 of the localities that responded.

These conversations helped: identify participants for the working group, provided insight into existing shared services agreements and ultimately helped formulate the recommendations in this report. These conversations were conducted over the summer and early fall. In addition, the working group members traveled to Albany to participate in an informal roundtable discussion, highlights of which are included in the following section of the report.

"What was once perceived as a controversial and 'risky' threat to local control over vital public safety functions has now become an established element to the area's infrastructure."

-- Richard W. Hannon, Deputy Mayor of Rochester

Local governments with whom we spoke are sharing a wide range of services including:

animal control
assessor services
building and code enforcement
court facilities
dispatching
economic development
fire services
highway services and equipment
joint town/village halls
planning and architectural services

police services
purchasing
real property tax systems
recreation and park services
recycling
sanitation services
support staff for justice courts
water and sewer
youth commissions

The most common shared service agreements were between town and village highway departments. The conversations with local officials revealed that there was no set standard arrangement for sharing. For example, one municipality might share only highway equipment, while other municipal departments are virtually merged. Some

municipalities have very formal agreements while others adopt town and village resolutions, which allow their highway departments to do work in the other municipality.

In some cases the agreement is a simple barter arrangement. In one instance, the town provides space for the county highway department trucks and the county provides a specific amount of salt to the town. Under another type of arrangement, one municipality provides the service to another municipality for a fee.

When beginning this work, there was a sense that savings for taxpayers was the general reason for undertaking such joint projects. Through our conversations it was learned that not only do shared service agreements result in savings, improvements in delivering services to the public is often a second benefit. This is well documented in the shared services experience told by the Town Supervisor and Village Mayor of Canton.

Documenting savings related to shared services is a difficult task. That is because the sharing of services vary in scope and localities contributing to the report generally did not track exact savings attributable to their cooperative efforts. However, many local officials believe that sharing services has enabled them to hold down costs, in turn, providing some property tax relief. Later in this report, it is proposed that a system of technical support through universities be created to assist local governments that want to share services. A more formal approach taken by these organizations could ensure that savings are documented, which could provide helpful information for future cooperative efforts.

Most participants shared more than one service. They indicated that once they started cooperating it was easier to share more services. A significant factor in these agreements is trust. For example, the Village and Town of Lake George have been sharing services for over 30 years to the point where the town provides most of the services for the village. A major reason for this successful cooperative agreement is the positive relationship of the Village Mayor and the Town Supervisor. We have also found that many communities meet on a regularly scheduled basis, and some town and village boards conduct joint meetings to discuss how they can work together.

"Overall, we have given both villages a well respected police department with huge savings being passed on to the taxpayers of both villages."

-- Chief George Bell,
Cambridge-Greenwich Police Department

Opportunities for shared services can present themselves in many ways. One way is through attrition. The experience with the police department in the Villages of Cambridge and Greenwich highlights how attrition can help facilitate shared services and/or mergers by allowing the mergers to take place without layoffs. Their story is included in the appendix. In the next few years, many local government personnel will be reaching retirement age and this could play an important factor in encouraging more cooperative agreements throughout the State.

The process for implementing a shared service agreement generally took most municipalities anywhere from three months to one year. Since the complexities vary in the types of services shared and differences in localities' needs, there seems to be no specific set of rules. This may be one of the reasons why more localities do not enter into intermunicipal agreements. There is no set guidebook that a locality can follow. For example, the sharing of a sewer and water system may require a study by an engineer, bond counsel services and amendments of local laws. In contrast, sharing animal control services may require only a simple arrangement drafted by the municipal attorneys and authorized by the respective local boards.

One of the stumbling blocks to cooperative agreements, brought up by several local officials, was current New York State Law. Although pursuant to these statutes local governments are authorized to share services, the law is not consistent in regard to the authority of different types of municipalities and the law does not always facilitate intermunicipal agreements. For example, villages are allowed to set speed limits on all roads within their jurisdiction, but towns are not. This could be a problem when deciding whether to dissolve a village and merge with a town.

In speaking with the local officials, many of them indicated that they would share more services if the State; provided better technical assistance including sample resolutions and model language for local laws; offered greater financial assistance in the form of an incentive system to encourage communities that share services and reward those that already do so; and, revised State laws, which govern local governments, to make it easier to cooperate.

Recommendations

As a result of the research, conversations with municipalities and discussions with the shared services working group, the following recommendations are incorporated in legislation included in the appendix. In addition, the current Shared Municipal Services Incentive program should be expanded from its current \$2.75 million in funding to \$30 million. This will demonstrate the State's commitment to shared services.

1. Revise state laws which govern local governments through the Law Revision Commission

The State Legislature in the case of the State's local governments, has enacted general consolidated laws that empower local governments. The last complete review of all the laws was in 1909. The County Law was last revised in 1950, the Town Law in 1932 and the Village Law in 1972. The General City Law and the General Municipal Law have not been completely revised since 1909.

The question arises whether the present law and structure of local government has kept pace with emerging technology and demographic shifts as well as the evolving need for more services for our citizens. In the Interim Report of the Legislative Commission on State-Local Relations almost 20 years ago, it was recommended that the State encourage local governments to become more flexible in responding to the needs of its citizens.^[21]

It is the responsibility of the State Legislature to insure that the general laws under which municipalities operate are clear, concise and make sense in the 21st century. Local officials, in interviews, stated that they found the myriad of state laws confusing, sometimes contradictory and unnecessarily complicated. The local general consolidated laws have been amended thousands of times in the last 30 years often to make exceptions for a certain municipality to exercise a certain power that is not provided in the general statutes and which cannot be done under home rule authority. This patchwork approach has created a number of legal anomalies. For example, a small city with a population of less than 10,000 might have more power in certain areas of service than a large suburban town that has a population eight times as large. While a city or a village can establish its own fire department, a town cannot. Towns also cannot set their own speed limits, but village can within certain limitations.

The Law Revision Commission was created by the State Legislature in 1934. The role of the Commission is to examine the existing law the purposes of discovering defects and anachronisms and recommending to the Legislature needed reforms, by integrating the ideas of government officials as well as all interested persons including bar associations and academics. It would be the appropriate agency to review any state laws.

2. Create a Shared Highway Services Program- State funding: \$15 million

In conversations with local governments it became clear that highway services have been successfully shared by a number of municipalities through formal agreements and, more often, informal arrangements. This involves the sharing of equipment and facilities, personnel or just trading off on specific road maintenance jobs. In the working group meeting it was pointed out that highway services account for a large amount of towns' budgets.

According to the data in the Comptroller's 2005 Annual Report on Local Governments, highway budgets account for roughly 18 percent of the total general purpose expenses and interest on debt. Town highway expenses have grown 35 percent between the years 1993 and 2003.^[22] Counties, towns and villages operate highway departments providing the same service: construction, repair and maintenance of roads. There are from 20 to upwards of 70 highway departments for just one county. Many of these roads that various governments maintain intersect and merge with one another.

As a result of the conversations with local governments and the working group discussions it was decided that the State should provide incentives for counties, towns and villages to share highway services through a shared services highway program. Last year's State Budget included \$2.75 million for shared services grants to municipalities. These grants, up to \$100,000 per municipality, are for any type of service a municipality could jointly do with another municipality. This concept was initially proposed by Senator Little in 2004.

This new highway shared services program, which would build on the established program, should be funded for an amount of \$15 million in the first year. Specifically funds for up to \$300,000 per municipality would be made

available to localities that either share equipment, merge highway departments or provide highway services to other municipalities. This grant program would be operated by the New York State Department of Transportation.

The proposed highway incentive program will encourage local governments to share a service for which there is an overlap. This in depth focus on highway services will allow the State to analyze the resulting tax savings and service improvements achieved through highway shared equipment and/or services in order to determine how to best move forward with a more extensive incentive program in other municipal service areas. Currently, much of the funding in the local government portion of the State Budget is in the form of unrestricted revenue sharing. This pilot incentive program would provide a different approach to assisting local governments, one based on creating incentives for increased efficiency.

3. *Provide Technical Assistance for Local Governments- State funding: \$5 million*

The fact that shared service contracts in New York need not follow any particular form is both a benefit and a deterrent. It is a benefit because cooperating municipalities may be creative in their approach to developing the intermunicipal agreement, allowing the agreement to cover various unique contingencies as well as special concerns or considerations of individual municipalities. Without a standard format, the drafting of the contractual language, however, can take considerable time and research. For example, attorneys must ensure that the subject covered in each section of the agreement is fashioned in a manner that is legal and enforceable.

Creating a statewide clearinghouse or databank of existing shared service agreements can help rectify the situation. This clearinghouse could offer a beneficial source of ideas for creative types of cooperation. In addition, the ability to model language from existing agreements could save a significant amount of time and money. It would save municipalities and their attorneys from having to “reinvent the wheel” for each type of “new” shared service agreement. Using available technology, a web-based clearinghouse makes sense as a cost-effective means of sharing available information.

Local officials and municipal attorneys also need available technical assistance teams available across the State who can provide various services in support of accomplishing meaningful and efficient shared services agreements. The technical assistance function might best be accomplished through partnerships with academic institutions who have existing infrastructure and programs already committed to working with state and local governments. The Government Law Center at Albany Law School, the Institute for Local Governance and Regional Growth at the University of Buffalo, and the Michaelian Municipal Law Resource Center at Pace University are but a few examples of the resources that presently exist from Western New York to the Capital Region and the Hudson Valley.

A collegiate-based network, coordinated through the New York State Department of State, could provide the following needed services:

- Develop and maintain a web-based clearinghouse of sample agreements;
- Develop a handbook with annotated forms containing model language for municipal officials and attorneys;
- Hold on-site workshops for municipal officials and attorneys to provide training on the development and monitoring of shared services agreements;
- Provide meeting facilitation/negotiation services to assist groups of two or more municipalities who desire to develop a shared services agreement;
- Provide assistance with responding to individual questions from municipal officials and drafters of shared services agreements on technical/legal issues;
- Review upon request of draft shared services agreements to make certain that from a legal perspective the agreement is valid; and
- Track and provide information on savings associated with intermunicipal cooperation.

The network coordinator would coordinate the development of an annual report detailing the services requested and provided during the year.

End Notes

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APPENDIX

Success Stories

Cambridge-Greenwich Police Department
By: Chief George Bell

In April 2004, I attended a meeting with my police committee from Cambridge and two Trustees from the Village of Greenwich. The purpose of this meeting was for both Villages to explore the feasibility of shared law enforcement services in order to offset the rising costs of maintaining various departments and ultimately pass the savings on to the residents. In June, after several meetings, the Village of Greenwich entered into a contract with the Village of Cambridge for police protection and hence the Cambridge-Greenwich Police Department was formed.

Over the past year, I purchased an additional patrol car that is used by myself to travel back and forth between the two villages, this was a substantial savings not only for the cost of the car, but it is saving wear and tear on the other cars that I used to share with the other officers. In September 2004, a basic police school was held in Fort Edward and I was able to send six officers from the Cambridge-Greenwich Police Department to that school and I am pleased to say that in May 2005 all six officers graduated with honors. We gradually outfitted all the officers from both departments in the same uniforms, badges, collar brass and created a new shoulder patch to identify all the officers as members of the newly formed Cambridge-Greenwich Police Department. We then changed all the decals on the police vehicles and made them all to be uniform looking and marked them accordingly with the Cambridge-Greenwich Police Department emblem.

Throughout the past year we have worked vigorously to make this a viable and working police department, we have been able to mirror both police stations in both villages so that both stations are basically identical in the fact that all the paperwork is the same, computer entries are the same and tickets and all reports that are sent to the State of New York reflect the unified Police Department.

In the fiscal year 2004-2005, as a result of this effort, I believe we have saved the residents in both villages in the area of at least \$100,000 and have given both villages the best possible police protection that both villages so desire and we continue to save both villages money in our daily operations. We have just implemented a ten hour workday schedule that if it works out, will save both villages in this fiscal year an additional several thousand dollars and has the potential in the 2006-2007 fiscal year of saving both villages about \$15,000 and have increased the coverage to basically a twenty four hour a day operation. Overall, we have given both villages a well respected police department with huge savings being passed on to the taxpayers of both villages.

In the coming year, we are working on a more in-depth consolidation of the police department that we firmly believe will save taxpayers even more by consolidating budgets, operations, equipment, office space, etc.

In closing, I firmly believe that this was a worthwhile adventure.

Village and Town of Canton

By: Mayor Robert N. Wells, Jr. and Supervisor David T.

The Scope of Our
Cooperation

The Town and Village of Canton (St. Lawrence County) have a combined population of slightly more than 10,000 people, with a slightly higher concentration of the population in the Village than the Town. They have shared services for a number of years, first with the construction of a building housing both municipalities in 1964 and a short time later with recreation. But it was not until the late 80s that the process began to accelerate with economic development, some sewer, and code enforcement. In the past few years, assessing and justice court administration have been added. Furthermore, both Village and Town appoint the same historian and the same dog control officer.

Because of the numbers and success of shared services between the Town and Village of Canton, a climate of support for more has been created amongst our constituents and employees, such that elected officials are constantly considering how to do their respective functions more efficiently and cooperatively. Far from opposing shared services, Canton's experience has been that municipal employees will support it if their work conditions and compensation are positively impacted. In fact, some of the best suggestions for delivering better constituent services have come from the employees themselves.

Factors Contributing to the Growth of Shared Services

1. As home to a private and state university, as well as to county government, Canton has a high amount of tax exempt property;
2. There is a porous wall between Town and Village elected officials, resulting in a less dichotomized relationship between the two entities;
3. The municipalities co-habitate in the same municipal building, and
4. The workforce of both entities is comprised largely of constituents who also pay taxes and are also looking for the best bang for the buck, tax wise. (The

elected officials always publicly credit the employees with making shared services a success.)

Advantages of Shared Services

1. Both parties enjoy considerable cost savings;
2. When the participating municipalities combine two mediocre paying positions into one well-paying position that provides a competitive wage, better professional development and growth potential for the incumbent, the municipalities enjoy workforce stability;
3. A standardized procedure for unit performance is greatly enhanced;
4. Joint activity lessens the burden of administration if one entity (instead of two) has the responsibility for administering the activity, and
5. Constituents enjoy a better level of service. Neither municipality – acting independently – could afford to provide the services it does without acting in concert with the other. What follows are just two examples.
 - A. The Town and Village have joined forces to promote economic development, and in so doing, they have been able to recruit other private business/organizations to contribute toward the work of that office. When the two municipalities work together, it builds confidence in the community at large.
 - B. Prior to the consolidation of justice court administration, constituent complaints about office hours were frequent. Many people would come to the office during lunch hour or at the fringes of the workday. Oftentimes, the Village Court Clerk and the Town Court Clerk would take lunch at the same time, leaving no one in the office. One Court Clerk might flex her schedule to attend a child's soccer game in the afternoon, requiring a constituent who came to pay a fine the same afternoon to return the next day because the Court Clerk from the other municipality was not authorized/trained to receive the fine for the first municipality. By making all Court Clerks the employees of one municipality, the administrative municipality could coordinate workload, training and office hours to ensure that fringe hours were adequately staffed. Whereas, at one time both municipalities received frequent complaints about the court offices, neither municipalities receive them now. The joint administrator was able to convert – after the retirement of one Clerk – a two person office into a full time and part-time employee, saving a considerable amount on pay and benefits.

Impediments to Further Sharing

1. Territorialism has occasionally been a problem, although the flow of elected leadership between the two Boards helps to reduce friction;
2. Oftentimes, towns and villages use the same department titles to describe widely varying functions. The administrator of the shared service must insure that employees who are being asked to join this unit have the same skills, training and pay;
3. There have been times when organized units have balked, but that has usually happened when the elected officials have done an inadequate job on consultation with the affected employees;
4. If the leadership of the participating entities begins to send mixed signals to employees of a shared unit, those signals can undermine the work of that unit and further cooperation. In cases where oversight of the unit's activity is provided by a joint committee, these problems have been lessened considerably;
5. Unless the elected officials do a good job of explaining the benefits to their constituents, one group of constituents may think that it is being disadvantaged to provide the constituents of the other group with an advantage, and
6. Legal concerns are becoming increasingly burdensome and have actually led to a discontinuance of shared services among some groups in New York State. Liability is a key concern, and many smaller municipalities cannot afford the professional advice necessary to protect itself and also share services.

Opportunities for Further Cooperation

The Town of Canton and the Village of Canton have never engaged the Canton School District or the Village of Rensselaer Falls (the other village in the Town) in shared activity. However, discussions are currently underway that might result in a cooperative effort to deliver seamless road maintenance/construction amongst all four entities. It will begin by centralizing all such activities at a facility on school property that will allow for enhanced services while using less equipment, enjoying lower oil/fuel/material costs and creating a skunkworks approach by the employees that results in more efficient operations for all parties.

Town and Village of Lake George
By: Mayor Robert Blais

The Town and Village of Lake George (Warren County) have a combined year-round population of 3,900 residents. The Village of Lake George (pop. 985) is located wholly within the Town.

The heavy influx of seasonal residents and tourists during summer months create a demand for great fluctuations in employees, seasonal services and sizing of the infrastructure to accommodate a seasonal population of 20,000 to 25,000 inhabitants.

The Town and Village of Lake George has had a considerable success in sharing services with each other, the State of New York and Warren County.

Why the need? A History:

The Village of Lake George was incorporated in 1903 and during World War I created a municipal sewer system, wastewater plant, water system, fire and police department. There was no need or demand for those services within the sparsely populated area of the Town-Outside of the Village.

In 1963 growth in the outlying areas increased, a large resort was planned for construction and seasonal properties along the lake had failing septic systems and seasonal above ground water lines.

The Town and Village began sharing sewer and water services, cutting capital construction costs for the Town and reducing operation and maintenance costs for the Village by an intermunicipal agreement.

The success of those two services led to exploration and implementation of many such agreements since 1977.

Factors Contributing to further growth of Shared Services:

1. Continuous scheduling of Joint Town-Village Board meetings and Standing committees to foster ideas and relationships.
2. Municipalities share common land and parking for municipal offices.
3. Small turnover in elected officials on both Boards (Village is Bi-Partisan community)
4. Central location of Village within Town.
5. History of successful inter-governmental relations and projects that citizens and employees trust and encourage.

Advantages of Sharing Services-Some examples:

1. Town utilizes Village Wastewater Treatment Plant to treat effluent from Town District-cost savings, certified employees, avoided duplication.
2. Dog Warden, Assessor, Court Clerk, Justice-avoids duplication, consistency of service, able to pay competitive wages, makes positions more attractive
3. Fire Service-Village department protects Town Fire District-avoid duplication of equipment and buildings. Substantial cost savings and allows for a budget adequate to purchase the best equipment available.
4. Water Service-Village pump stations and filtration plant services-users outside Village-avoids costly duplication, users have choice, Town avoids costs altogether.

Possible Sharing Roadblocks:

1. Change in leadership, department heads, elected superintendents, organized units
2. Political boundaries, political party loyalty, territorialism
3. Inequality in similar position salaries, lack of communications

Making Plans to Share:

1. Schedule joint meetings on a regular basis to create an atmosphere of continuous discussion.
2. Appoint Standing committees from both municipalities to continually assess the need, particularly in water, sewer, streets, etc.
3. Set aside funds to hire a professional independent firm to study possible opportunities, including outright consolidation, dissolution, merger, etc.
4. Keep the public and employees informed with facts, hold informational meetings
5. Try sharing one lesser service first. E.g. Animal Control and build on the success of savings, working together, quality of service and duplication.

Town and Village of Cobleskill

**By: Michael Montario, Supervisor, Town of Cobleskill
William Gilmore, Mayor, Village of Cobleskill**

The Town and Village of Cobleskill have created joint relationships in a variety of service areas that support the residents of the community. These service areas are as follows:

- Registrar of Vital Statistics
- Animal Control Officer
- Shared space for the Town and Village Court system
- Shared cost of the Court Clerks
- Joint Town and Village Highway staff
- Shared cost of the purchase of select Highway Dept. equipment
- Shared expense of Highway Dept. building expenses
- Shared cost of the Recreation and Youth Commission program

The aforementioned joint relationships have allowed the community at large to have better service without duplication of effort. This is a critical issue in this rural area with its limited economic vitality. We have limited the number of staff that must be employed and have therefore saved on salary and benefit costs that would have otherwise been incurred.

A recent example of the savings to be realized was in the purchase of a backhoe for \$70,000 to be used by both municipalities. The savings was also \$70,000 as both municipalities were in need of replacing old worn out equipment from the former days of separate purchasing. We now have one piece of machinery that will address our mutual needs at half the expense to the tax payer.

The slow but continual expansion of our communities has caused us to look at joint Comprehensive Plans and begin to consider the discussion of Planning and Code Enforcement activity at some joint level. This will work to streamline the process for approval of projects to be developed within our communities and to insure that we are thinking in the same terms as to what our community should look like.

We have initiated a meeting of Town and Village representatives to discuss the potential growth of water and sewer systems and to consider the combining of office services into one location that will more conveniently serve the community. As we have begun these discussions, it is apparent that there is a good deal to learn relative to the differences in legal responsibilities and obligations as defined by statute for both the Town and the Village. While we are unsure of the advisability to combine into one entity, we are sharing services that work to better meet the needs of the public.

Rochester's Perspective

By: Richard W. Hannon, Deputy Mayor

Rochester is New York State's third largest city, with a population of 219,773 and an annual operating budget of \$403,423,800. Rochester is a "full-service" municipality with an authorized workforce of 2,984 full time positions. City services include a full-time, professional fire department (520 sworn members), a police department (705 sworn members), public works, water supply and distribution, refuse collection and disposal, snow and ice control, community and economic development, parking garages, public cemeteries, public assembly and convention facilities, libraries, neighborhood code inspection and enforcement offices, recreation centers, parks, and a four-season public market. The City is also responsible for levying taxes and borrowing funds on behalf of its dependent school district, but it exercises no control over the District's programming and use of those funds.

Rochester is governed under the Mayor - Council form of government ("strong mayor"), with a directly elected mayor, who is the City's chief executive officer and administrative head, and a legislative branch composed of a nine-person council. The mayor and members of council serve four year terms. Five at-large (i.e., city-wide) council members serve terms coincident with the mayor's. Four district council members serve terms offset from those of the others by two years. A president elected by the members of City Council presides over the council. The Rochester City School District is governed by a seven-person board of education. Education commissioners serve four year terms and are elected on a city-wide basis. The board commissioners elect the board's president from the board's membership and appoint a superintendent to serve as the district's chief executive officer and administrative head.

Notwithstanding a partisan political environment consisting (with immaterial exceptions since 1974) of a city government controlled by Democrats and a county government and most of the suburban towns and villages controlled by Republicans, the City has been an enthusiastic supporter of and participant in intermunicipal cooperation and shared service ventures.

The City critically examines opportunities for shared services through various "screens." Foremost is the probability of enhancing the efficiency and / or effectiveness of services to the City itself. Also of concern is the avoidance of any diminution of benefit to the City. If an opportunity passes one, the other, or both of these screens, situations are explored in greater detail by the City Administration and may be advanced for implementation. Implementation in many cases requires the concurrence of the City Council (and the executive and legislative bodies of the other municipality(ies)).

Some of the joint ventures have become so thoroughly institutionalized that they almost escape notice. Some are undertaken on a recurring basis, subject to demand, the availability of resources, and evaluation of performance in a prior period. Some are virtually one-shot affairs, particularly those involving capital improvements. And some, despite promising prospects and good intentions, have failed to materialize.

Several examples of Rochester's shared services initiatives:

Emergency Communications. At one time, virtually every public safety organization in Monroe County funded and operated its own call-taking and dispatch services. These organizations included Rochester Police and Fire, private ambulance services, town and village police departments, volunteer fire and ambulance services, and the County Sheriff. Coincident with the development of 9-1-1 call technology, a centralized emergency communications system evolved. At present, all public safety services within the County are served by a central call-taking and dispatch service. The City operates the service on behalf of all participating units, taking 1.2 million calls per year and dispatching nearly the same number of responses. Monroe County funds 98% of the \$11.3 million annual operating expenses, with the City providing the balance (expenditures relating to the City-owned facility that houses the operation). Non-building related capital expenditures (e.g. telecommunication equipment) are borne by the County.

Operational procedures are established by an intermunicipal Operating Practices Board (OPB), which also monitors and evaluates center operations. The 164 staff of the Emergency Communications Department are City of Rochester employees, with all but management staff represented by the City's major civilian bargaining unit. Employees receive compensation and benefits in accordance with City labor contracts and policies. The Department's director is appointed by the Mayor, subject to confirmation by the OPB composed of representatives from the subscriber organizations.

Participation / subscription grew gradually over time, as some municipalities, fire companies, etc. were initially reluctant to relinquish control of these vital functions. As the competence and professionalism of the operation developed and became recognized, and as attrition reduced the number of incumbent employees that would be subject to displacement, additional subscribers joined the system, to the present point of full participation throughout Monroe County. What was once perceived as a controversial and "risky" threat to local control over vital public safety functions has now become an established element of the area's infrastructure. Funding of the service is now distributed over the broader and relatively robust tax base of the County (supplemented by surcharges on certain telecommunications accounts) and is no longer dependent upon small, more vulnerable bases. So well accepted has 9-1-1 become, few people would point to it as an example of intermunicipal cooperation or service sharing.

Property Inspection. In the course of providing shelter for its indigent population, Monroe County routinely had to pay substantial sums to landlords who claimed that social services clients, while housed in the landlords' rental units, had caused damage above and beyond normal and acceptable wear and tear. At the same time, the City of Rochester (the municipality in Monroe County in which a large number of those rental units were located) was enhancing its code enforcement and property inspection functions.

Discussions between City and County staff and the endorsement of a County Executive-appointed citizens Commission to Analyze Savings and Efficiency (CASE) led to the creation of the innovative Move In / Move Out program under which the County pays for 10,400 hours per year (approximately five full time position equivalents) of City property inspector services. Those hours are dedicated to the inspection of apartment units rented to social service clients prior to and following their occupation. The inspections, following protocols jointly developed by the City and County, determine and document baseline conditions at the time the client moves in against which any deterioration attributable to abuse at the time the client moves out can be compared.

The benefits to the County are substantial. Once the program was fully deployed, the number of landlord claims filed, the number of claims paid, and the value of dollars disbursed declined by 69%. Recoveries from clients causing damages increased by 43%. The net financial benefit to the County (claims avoided plus recoveries made, less payment to the City) is approximately \$1.3 million per year. The benefit to the City is the additional inspectors on staff and the scheduling flexibility that these additional personnel provide to meet both City and County needs.

Water Supply. The City owns two fresh water lakes located to the south of the City that produce potable water sufficient to meet the needs of the City. The Monroe County Water Authority (MCWA) draws its water from Lake Ontario to supply Monroe County's towns and villages. While the two systems are separate and distinct from one another, they are linked hydraulically, operationally, and financially with one another. Strategically located metered connections permit water from one system to flow into the distribution grid of the other system, and the systems routinely buy and sell water to and from one another in order to minimize operating costs. The City's system possesses an operational advantage in that it is gravity fed, whereas the Authority system requires water to be pumped uphill. The County's advantage is the virtually unlimited supply of Lake Ontario, whereas the City is limited by the production capabilities of the two upland lakes. During times of drought, exceptional demand, contamination, and repairs / maintenance that takes conduits or pumping facilities off-line, the systems' ability to exchange water is a valuable characteristic that ensures continuous supply at the lowest possible cost to the entire greater Rochester community. In 2004 - 2005, the City provided more water to the Authority than it purchased (net revenue to the City of

approximately \$400,000). A key element of the City / MCWA agreement is the Authority's cost-sharing contribution to the maintenance of the upland water facilities (excluding the City's lakeside water treatment plant). In accordance with the terms of the agreement, the Authority reimburses the City 54% of the annual debt service on capital improvements to conduits and other elements of the facilities. This amounts to approximately \$1.2 million per year.

Fire Protection. Rochester maintains a full service, professional fire department. The towns and villages surrounding the City are served primarily by volunteer companies (some of which are augmented with small numbers of professional firefighters). In recent years, many volunteer companies have experienced difficulty in attracting sufficient numbers of personnel. One area experiencing that problem was the western portion of the Town of Brighton, a suburb adjacent to the City's southern border.

Following a careful analysis of calls for service and other risk factors in southern Rochester neighborhoods and those of western Brighton, an agreement was established designating City fire forces as the first to be dispatched for fire calls in a defined area of the suburban town. In return, the City receives an annual payment of \$100,000 and indemnification by the town for injuries suffered by any City personnel while responding. The City equipment and personnel dispatched serve a City neighborhood that has relatively few calls for service, thus permitting them to be utilized in what otherwise might be idle time. The City added no additional staff or equipment in fulfilling this agreement. As is always the case when one fire station is responding to a call, other City forces rotate to ensure coverage of the vacated station's area.

Capital Improvements. Highland Avenue, a relatively straight east - west arterial street, roughly defines the boundary between the City of Rochester and its adjacent suburb, the Town of Brighton. The actual municipal boundary is odd combination of zig-zagging lines; one passes from the City to Brighton and back again to the City several times while traversing the length of Highland Avenue. When, in 1995, it was necessary to rehabilitate Highland Avenue, the City and the Town agreed to design and administer a single capital improvement project to accomplish this task. Under the terms of an intermunicipal agreement, each municipality designed with in-house engineering staff the improvements that were required in their respective sections of roadway. In order to minimize public disruption and cost, the Town agreed to permit the City to administer all aspects of the construction project and reimbursed the City for all costs associated with the Town's portion (\$332,400 of a total \$1,214,400 project). Cost savings for combining two projects, each of which would have involved disconnected portions of Highland Avenue, into a single, continuous roadway project were estimated at \$240,000.

City / City School District Service Consolidations. The City and the District are two of the largest public entities in the area, with budgets in excess of \$400 million and \$600 million respectively, staffs that number in the thousands each, and major physical

plants for their operations. Unsurprisingly, the institutions separately perform many identical tasks: building maintenance, vehicle maintenance, purchasing, accounting, etc. Certain other, perhaps less obvious, services are also replicated (e.g., libraries).

Notwithstanding control of both entities by the same political parties, notwithstanding the pre-existing linkages between the two institutions (levying of taxes and bonding), notwithstanding meeting after meeting ostensibly focused on accomplishing City / School District service consolidations, and notwithstanding an allocation of \$1.2 million in a previous City budget to facilitate those consolidations, little of meaningful consequence has been accomplished.

General Lessons and Observations. Rochester's successes and failures suggest the following:

Partisan political considerations are not particularly meaningful. Some of "Democratic" Rochester's brightest successes have been with "Republican" entities (Monroe County, Monroe County Water Authority). Some of the most egregious failures have been with institutions also controlled by Democrats (Rochester City School District).

"Trust" is especially meaningful (particularly at the level of staff-to-staff communications). Staff from different institutions who share similar responsibilities can establish professional respect for, confidence in, and trust in one another. Trust will assist in making the initial "leap of faith" possible. Opportunities that permit staff to mingle with and get to know one another prior to any specific consolidation / sharing initiative discussions will generally be time well spent.

Time works in favor of successful ventures; haste dooms them. This is particularly so when, as is often the case, legislative approval is required. County legislatures, city councils and town boards work on cyclical schedules. When two or more municipalities are attempting to work in concert, time must be permitted to get into the legislative cycle at the appropriate time. Many legislators become particularly resistant if something is being rushed before them.

Clear metrics and performance standards are essential. The City - County Move In / Move Out program works at one level because the inspections address very specific items in the rental units and the standards of documentation are very clear. It works at another level because it was possible to demonstrate to the County Legislature and the City Council that there were benefits to be gleaned for both parties.

Change is hard; that which displaces or discomforts incumbent staff is very hard. The growth of the central 9-1-1 emergency communications program tracked in an inverse pattern to the attrition of telecommunicators and dispatchers in the various towns,

fire companies, etc. The deployment of City firefighters to incidents in the Town of Brighton went as well as it did, in part, because of the absence of any firefighters in that section of the town.

The endorsement of an outside, ostensibly independent, entity can help sell a community on a project. The recommendation of the CASE Commission helped advance the prospects of the Move In / Move Out program.

At the same time, no amount of endorsement or public clamor can make a bad deal palatable. Many have called for an outright merger of the City water system and the Monroe County Water Authority. Inasmuch as the City's water enterprise transfers approximately \$6 Million per year to the City's General Fund, relinquishing City control of this without proper compensation will not occur.

"Small stuff" can derail a good project; if possible, let the small stuff slide. Another City - Monroe County venture (not described in the preceding) involved the County reimbursing the City for most staff at the Central Library. The City opted to extend "domestic partner" fringe benefits to same sex couples and their families. The County did not, at that time, do so, and, through legislative action, withdrew funding equal to that required to pay for those benefits. Rather than unravel a cooperative agreement for library services that served the community well, the City decided to pick up the de inimus expense associated with this benefit.

It is worth doing. Simple as that ...

Previously introduced legislation which supports shared services or mergers

- S.724 (Little)- Provides for the designation of hamlets upon the consolidation of 2 or more towns within the same county (Passed Senate)
- S.725 (Little)- Provides that court clerk of a village of less than 10,000 or of a town of less than 20,000 need not be a resident of such village or town (Rules committee)
- S.733 (Little)- Provides that certain part-time village and town employees need not be a resident of such village or town (Rules committee)
- S.1353 (LaValle)- Allows for contracting with fire corporations for joint fire training centers (Passed Senate)
- S.2171 (Farley)- Provides for the establishment of a statewide municipal cooperation program (Local Government committee)
- S.2321 (Meier)- Relates to authorizing shared purchasing contracts for political subdivisions (Passed Senate)
- S.2622 (Larkin)- Allows local governments to merge their corporate structure through local initiative (Passed Senate)
- S.2885 (Rath)- Provides that two or more municipalities, may, by majority vote of their governing bodies, enter into agreements to share all or part of specified tax revenues (Local Government committee)
- S.3313 (Rath)- Authorizes an agreement for municipal cooperative activities to include a formula based on an increase in sales taxes or other specified taxes (Passed Senate)

[1]Office of the New York State Comptroller, 2005 Annual Report on Local Governments, p.39.

[2]Office of the New York State Comptroller, Intermunicipal Cooperation and Consolidation, November 2003, p.3.

[3]State of New York Office of Attorney General, Making Government Work, Revised 2005, letter from Attorney General Eliot Spitzer.

[4]Office of the New York State Comptroller, 2005 Annual Report on Local Governments, p.35

[5]For an excellent discussion of the history of local government in New York see New York Directions for Local Home Rule, New York State Senate Standing Committee on Cities, December 1986, pp. 22-45 hereinafter referred to as the Flynn Report.

[6] Flynn Report, p. 29.

[7] State of New York, Local Government Handbook (2000), Chapter V, p.2

[8] Local Government Handbook, Chapter VII, p.2

[9] Local Government Handbook, Chapter VIII, p.3

[10] Local Government Handbook, Chapter VIII, p.2

- [11] Local Government Handbook, Chapter VII, p.2
- [12] Local Government Handbook, Chapter VII, p.4
- [13] 2000 Federal Census
- [14] 2000 Federal Census
- [15] Local Government Handbook, Chapter VIII, p.3
- [16] Local Government Handbook, Chapter VII, pp.2 - 3
- [17] Local Government Handbook, Chapter VII, p.4
- [18] Local Government Handbook, Chapter VII, p.5
- [19] Local Government Handbook, Chapter VII, p.12
- [20] Office of the New York State Comptroller, 2005 Annual Report on Local Governments, p.10
- [21] An interim Report of the New York State Legislative Commission on State-Local Relations, New York's State-Local Delivery System -- Legal Framework and Services Provided, May 1987, p. 337.
- [22] 2005 Annual Report on Local Governments, Office of NYS Comptroller, p.76.