

## NYS Department of State

### Division of Local Government Services

## Local Government Performance and Efficiency Program

### Request for Applications # 12-LGPEP-01

#### Questions & Answers

*The responses to questions included herein are the official responses by the Department of State to questions submitted by potential applicants and are hereby incorporated into RFA # 12-LGPEP-01 issued on May 17, 2012. They are intended to directly answer the questions as posed, and support a potential applicant's decision to submit a project. Local Government Performance and Efficiency Program (LGPEP) applicants should review the answer to a question and use this information to determine how their project fits with the intent of the program. LGPEP was conceived to recognize significant and innovative actions that are producing quantifiable and recurring financial savings which, in turn, directly translates into reduced expenditures. Awards will be made in order of highest ranking applications based on the evaluation criteria set forth in the RFA. Actions that reduce expenditures solely by reducing services may not score well enough to qualify for an award.*

*(In the event of any conflict between the RFA and these responses, the requirements or information contained in these responses will prevail as the true and correct requirements.)*

- Q1: Under sub-header Eligible Project: 'To qualify for an award, actions must have commenced on or after January 1, 2010 and must be fully implemented at time of application.' Can you please provide clarification or more of an explanation of what is meant by "actions"?
- A1: An 'action' is a project or clearly defined phase of a project that is producing recurring reductions in expenditures. A large project may have multiple actions.
- Q2: Can you please provide clarification or more of an explanation of what is meant by "fully implemented"?
- A2: The new or modified action is complete and operational.

Q3: Could we apply for a project that was begun in 2009 but not complete until 2011?

Would it be possible if the program was started before January 1, 2010, however not fully implemented until after that date? The program was rolled out in phases, and it was not until after the fully implemented was the cost savings to the taxpayer fully realized.

A3: The RFA states 'To qualify for an award, actions must have commenced on or after January 1, 2010, and must be fully implemented at the time of application.'

Q4: If a project is a phased approach or an improvement of past initiatives, will that be eligible for LGPEP?

A4: Singular projects with multiple phases may apply as phases are completed and showing reductions in expenditures appropriate or commensurate with each phase.

Q5: Under Part 2 – Local Government Performance and Efficiency Award, letter E. Local Government Performance and Efficiency Application Information (page 17), there is no corresponding information request. What, if anything, is needed for this section?

A5: No additional information is required for this section of the application.

Q6: For the local Performance Grants the PDF form cannot be typed in with the General information. Is the applicant required to create their own form with that information included or is there another form that can be used?

A6: A Microsoft Word document has been provided along with a fillable pdf.

- Q7: The Town has completed two actions which appear to qualify for consideration under the LGPE Program. One action was replacement of high bay lighting at the Town Highway garage and the related, recurrent savings. The second action was administrative reorganization of Town Managers resulting in staff reduction and the related, recurrent savings. Should the Town submit an application for each action, or may these activities be combined in a single application?
- A7: Applicants should submit separate applications for each individual action or project. See the RFA, page 3, "Eligible Applicants."
- Q8: Does the action apply towards the award anytime a position is eliminated but service remains the same (i.e. instead of an actual consolidation doing more or the same with less, sic cost)?
- A8: Any action that eligible municipalities take which reduces expenditures is an eligible action.
- Q9: Do capital savings as a result of an action count towards the grant?
- A9: To be eligible, capital savings must result in recurring reductions in expenditures.
- Q10: Would construction of a single building housing several departments while utilizing centralized support staff and purchasing be eligible?
- A10: If the project is providing recurring reduction in expenditures it would be eligible.
- Q11: Do you have to provide an amortization of capital costs to net against savings, i.e. implementation of solar panels to achieve energy savings would you have to count the cost of the panels against the savings? Would you also have to do this if the local capital costs had grant revenue thereby negating any investment cost by the local municipality?
- A11: Only if there was a recurring expenditure, such as annual loan payments, would the capital cost be netted against the reductions in expenditures.

- Q12: How do we determine the value of an asset we are not purchasing anymore as a result of a cost savings action? Do we use the depreciated cost based on industry standards for that particular year which the action was implemented?
- A12: Reduction of a theoretical expense is not eligible. However, if a project results in reductions in expenditures from cost avoidance, there must be a reduction in an actual line item in the budget using industry standards.
- Q13: Are cash capital funds eligible towards savings if the funds were earmarked outside of the applicable time period (2009) for a particular piece of equipment, but that piece of equipment was never purchased due to the cost saving action that occurred during the applicable time period? i.e. the equipment cost is reduced due to the cost saving action.
- A13: A one-time reduction in expenditures realized from capital cost avoidance must clearly produce future, quantifiable recurring reductions in expenditures. A singular cost avoidance action is not eligible.
- Q14: Can we add a line on the Appendix A-Award Savings worksheet to account for Cash Capital savings in the category that the cost saving action took place (e.g. add a line under Fire Protection for cash capital savings of eliminating 2 midis)?
- A14: You may add any reductions in expenditures into the appropriate line item on the Appendix A - Award Savings worksheet; however reductions in expenditures must be recurring.
- Q15: Does the grant apply only towards non-enterprise funds? For example, the Library Fund is a separate fund but is supported by property tax. If an efficiency or consolidation was completed in the Library Fund that resulted in less needed property tax support, would this be applicable towards the award?
- A15: Individual funds under the control of the governing body would be considered as part of the total expenditures of the municipality.
- Q16: In the example of sharing services between a highway fund and a park fund, whose expenses are used for the calculation, the highway fund, park fund, departmental level?
- A16: All municipal expenditures are used in the calculation of fiscal impact.

Q17: When you talk about impact on expenditures, at the Town level do total expenditures include special revenue districts?

A17: All municipal expenditures are used in the calculation of fiscal impact. This would include expenses for all special districts under the control of the governing body.

Q18: To clarify, if our town eliminated services in the human services department within the general fund, do I count all of my special revenue funds in the expenditure calculation totals?

A18: All municipal expenditures are used in the calculation of fiscal impact. This would include expenses for all special districts under the control of the governing body.

Q19: Awards are based on a percentage of budgetary expenditures. This clearly puts counties at a disadvantage as the bulk of our budgets are dedicated to state expenditures. Is there any allowance for that disparity?

A19: All expenditures are used in the calculation of the per capita award. The county population will factor into the final award amount.

Q20: Does the action have to be exclusively in non-enterprise funds? For example residential refuse is in the enterprise fund but residents do not have a choice to use any other refuse service other than the city's, therefore they are forced to pay refuse even though it is not actually part of property tax.

A20: No.

Q21: Does the total expenditure calculation include all expenses, i.e. payroll, debt service, fringe benefits?

A21: Yes.

Q22: Does an action apply towards the award if it is not a property tax but is on the tax bill? For example, residents are required to pay 100% of their local works charge when paying their property tax. If sidewalk snowplowing was eliminated this would reduce the citizens' tax bill but not the actual property tax. Would this apply towards the award?

- A22: Services listed on a tax bill would be part of total expenditures, but funded as a charge instead of a tax, so changes to these services are an eligible action. Simply reducing or eliminating services to reduce expenditures is not the sole focus of the program.
- Q23: Would privatization of a function be an eligible project?
- A23: If a municipality has completed an action or project that has reduced expenditures by using privatization, it would be an eligible action.
- Q24: If a municipality takes over a service from New York State, thus saving the state money is there a way to capture this as a cost savings measure?
- A24: No, State savings are not counted. However, if the project results in a reduction of local expenditures, those reductions are eligible.
- Q25: If bonus points are awarded, does the project that receives the bonus points have to go forward?
- A25: All successful awardees will be required to enter into multi-year contract based on the information provided in the application. The contract would include terms based on the application, including the use of the award funds. Please refer to page 11 of the RFA. Applicants are not obligated to accept grant funding.
- Q26: Would an Intermunicipal Agreement sharing an Assessor and or Comptroller qualify for an efficiency grant?
- A26: If the project is providing recurring reductions in expenditures it would be eligible.
- Q27: If recommendations from a study completed using State Local Government Efficiency Grant funds were implemented, may we receive a Local Government Performance and Efficiency Program award?
- A27: Yes. If the recommendations from a previous study have been fully implemented after January 1, 2010, and are showing recurring reductions in expenditures, the action would be an eligible project.

- Q28: Would consolidating two administrative positions, say Chief of Staff and Corporation Counsel into one position qualify for funding?
- A28: If the consolidation provides recurring reductions in expenditures it would be eligible.
- Q29: Regarding a grant for single municipality, if the savings is from consolidation of services between general fund and a park district (special district), can the Town apply?
- A29: If the consolidation is providing recurring reductions in expenditures it would be eligible.
- Q30: If we contract for fire service with a local town, the town would save a certain amount of expenditures and the city would increase revenue. Would this scenario be applicable?
- A30: If the contract is providing recurring reductions in expenditures it would be eligible. Reductions in expenditures will be aggregated between the town and city.
- Q31: If we have savings through an appeal process as in the reclassification of salary for insurance purposes to lower premium classification, would those savings be applicable?
- A31: If the reclassification is providing recurring reductions in expenditures it would be eligible.
- Q32: Would revenue enhancement activities also be eligible as opposed to cost cutting activities?
- A32: No. Increases to revenues would not be shown in the expenditures, so there would be no fiscal impact on the expenditures.
- Q33: We have done a study which indicates that if we implement a change in the water meters to a radio emitted meter reading it can save \$75 – 90,000 in labor and related time and benefits. We have completed the analysis but the cost to implement is excessive. Can we apply and receive some funding to initiate the start of the program?
- A33: No. Implementation funds are not available through the Local Government Performance and Efficiency Program. The Local Government Efficiency grant may be able to provide this funding. Please contact the Department of State directly for additional information.

Q34 Does the elimination of services count as efficiency?

A34: If the elimination of services is providing recurring reductions in expenditures it would be eligible.

Q35: We hired a firm to do a comprehensive master plan for our village. Based upon the outcome of this plan, we will be making some changes that would improve our village and attract local business. Would this be an eligible expense?

A35: Only if the changes produce recurring reductions in expenditures, then it would be eligible. The project must have been fully implemented by January 1, 2010.

Q36: Would the sale of taxable municipal property to the State of New York be an eligible project?

A36: If the sale of municipality property produces recurring reductions in expenditures, it would be an eligible project.

Q37: Do revenue generating actions qualify for the grant?

- a. e.g. The City did an RFP for a new ambulance contract and a requirement in the RFP was a \$300,000 franchise fee. The new ambulance contract was effective April 1, 2012 and we started receiving the yearly \$300,000 franchise fee in May 2012.
- b. e.g. crematorium upgrade- the City is realizing additional revenue due to the ability to do more cremations.

A37: No, revenue is not considered for this application.

Q38: In 2011-12 (July 1, 2011-June 30, 2012) the city did a retirement incentive. Does the cost of the retirement incentive combined with the savings of the new Tier 6 qualify as a cost saving action? It was timed appropriately so the City got a free year out of the retirement cost because the people left before the March retirement bill.

A38: Reductions in expenditures must be recurring and must be the result of a local action. Local reductions in expenditures generated by actions of the State are not eligible.

- Q39: The City has a hiring freeze. Through the hiring freeze we eliminated a number of vacant positions instead of laying people off. Would the positions that were eliminated through the hiring freeze during the applicable time period qualify for the LGPEP?
- A39: Reductions in expenditures realized through changes to the staffing plan would be eligible under this funding opportunity. However, elimination of funded vacancies would not produce recurring reductions in expenditures since the municipalities have not expended the funds in previous years.
- Q40: Our 311/One Call to City Hall Center assisted Assessment during our reevaluation that happens every four years. 311 saved Assessment overtime through the reevaluation that happened during the applicable time period. Even though this savings recurs every four years as opposed to every year, does this qualify?
- A40: One time reductions in expenditures are not eligible since the reductions in expenditures must be recurring on an annual basis. However if the 311 program helped you evaluate a program and make changes which now provide annual reductions in expenditures it would be eligible.
- Q41: Borer Ash Program – The City injected trees at a cost of \$ X; if we would have taken the trees down to replace them it would have cost Y (theoretical expense). Does taking an action that eliminates a potential expense qualify?
- A41: No. Actual reductions in expenditures must be shown and be a recurring reductions in expenditures. Reduction of a theoretical expense is not eligible.
- Q42: A Fire District, a separate municipal entity, is governed by the Board of Fire Commissions, whose membership is the Town Board rather than a separately elected body. There are few, if any, fire districts in a similar situation. In keeping with the Governmental Accounting Standards Board (GASB) Statement No. 14 and 39, the town reports the district in its Annual Financial Report Update Document to the NYS Comptroller. As such, the district's results of operations are part of the financial data reported at [www.openbooknewyork.com](http://www.openbooknewyork.com). To include this information in the calculation for the grant award would put the town at a disadvantage. Please review this situation and let me know if we can amend the figures to reflect just the town's expenditures.
- A42: All municipal expenditures are used in the calculation of fiscal impact. This would include expenses for all special districts under the control of the governing body.