

County-Wide Highway Shared Services Plan

Contract No. T-098844

FINAL REPORT



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COUNTY OF SCHENECTADY LGE HIGH PRIORITY PLANNING GRANT 2011

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I. Executive Summary

The stated goal of this project is to develop a plan for cost reduction and the realization of operational efficiencies related to public works/highway department functions for municipal entities within Schenectady County. The County includes the City of Schenectady, the Towns of Duanesburg, Glenville, Niskayuna, and Rotterdam, and the Villages of Delanson and Scotia. The **Schenectady County-wide Public Works/Highway Shared Services Plan** project will explore shared services through cooperative agreements between municipalities in the County to facilitate improved financial performance through more efficient use of resources. [It should be noted that the County is under an intergovernmental agreement to provide services to the Town of Princetown and the Town of Duanesburg is providing public works services to the Village of Delanson.]

In this report we have developed a plan to address cost reduction and the realization of operational efficiencies related to public works/highway department functions for municipal entities within Schenectady County. This is not an isolated concern of Schenectady County. Local governments across the United States are experience a fiscal crisis and are seeking solutions that reduce costs while maintaining acceptable levels of municipal services. Nor is this an original idea. As stated in our “Public Works Management Review,” Local governments have long shared services when the sharing has proven to yield obvious benefits to all parties involved.¹

a. Background Information

This project is an expansion of previous efforts by Schenectady County communities to initiate shared services. All Schenectady County communities previously passed resolutions in 2006 allowing for inter-agency cooperation and shared highway services. This act has resulted in sharing of equipment,

¹ Thomas Zechman, Public Works Management Review: Shared Services among Local Government Departments of Public Works, BSCA Report, 2012, p.1.

and some contracting of services between the County and several of the communities. In emergency situations, the municipalities are authorized to mobilize their staff to aid their County neighbors. Although Schenectady County communities have recognized the potential benefits of shared services within the County, the true potential for cost savings and increased efficiencies remains largely untapped.

The grant had several financial and operation analysis aspects as expected goals of our analysis which are discussed below:

Financial benefits:

According to Zeckman,

The benefits of shared utilities are primarily economic. Communities can join together to provide services at a lower cost than if each provides the service independently. However, the benefits also come in the form of increased value. With shared service comes shared expertise and experience. All of the communities within a cooperative effort derive the benefit of the most experienced, the most knowledgeable, and the most innovative party in the group.²

There is no objective data across political jurisdictions that can adequately measure use of roads or conditions of roadways, or construction differences. Although Schenectady County has some documentation of traffic volumes and conditions of roadways, the County is the only entity within the possible consortium to have very detailed and accurate unit-cost information. Following many meetings, and sharing information from NYS DOT and the

² Zechman, p.2.

Capital District Transportation Committee, we have come to the regrettable conclusion that there are no fully comparable databases for the majority of the non-NY State and Federal roads within our jurisdictions. It is hoped that in a subsequent phase of this grant that deliberate research and standardization efforts should be able to unearth reliable and comparable data.

We have looked carefully at potential property tax reductions and we have found that Intra government cost reductions such as in the City and the County are occurring and it is very possible to increase the level of cost-efficiencies, but apart from the on-going continued model of intra-governmental agreements to share costs, it is a very obscured picture of how these governments can actually cut costs and cut taxes. The City and County DPW departments are using internal shared work resources to homogenize the work-force to be able to have all employees within the departments to do many tasks. The City and County have been managing their complex operations with deliberate and well focused Best Practices and unit-cost performance metrics to permit them to do more with less money [not necessarily reflected is smaller budgets]. Governments can manage their business with good management techniques, high level of accountability, and with the art of doing more with less.

We are using four words in a non-interchangeable manner:

- **COST-SAVINGS** to yield lower property taxes and smaller budgets.
- **COST-CONTAINMENT** to maximize resources
- **COST-AVOIDANCE** to find means to avoid (not just defer) procuring new equipment or hiring more employees

- **COST-DEFERRAL** is postponing the inevitable and probably increasing the future remediation costs as compared to on-going and premeditative upgrading and maintenance

When one uses the word “reductions” it implies that there will be less money expended in the governmental budgets. Realistically, we do not envision in the near-term major cost-savings or potential property tax reductions beyond the reductions that have already been accrued through both internal tight management and inter-governmental cost-sharing within the County and City Highway and DPW operations. However, with an assertive effort to share services, resources, and purchases, all of the agencies should be able to accrue “cost-containment” and “cost-avoidance” individually and as a group. It should be noted that the normal business of government in New York State is battered by unfunded mandates from the State, Federal Agencies, and courts, for which, added services, accountability, and reporting of such mandates are an ever-increasing demand on the already overburdened workforce.

- **COST-CONTAINMENT** is a means to contain or hold current expenditures constant while being able to maximize the staff, equipment, and purchasing power of the group of governments considering more shared services
- **COST-AVOIDANCE** would mean the process of extending the useful life of equipment by extensive preventative maintenance [i.e., washing snow plow truck after each storm to remove salt, sand blasting the snow blades to keep them clean and sharp, thus extending their useful life. Delaying robust routine

maintenance on roads, culverts, buildings, and street signing is NOT a cost avoidance mechanism, but is rather a cost-procrastination attempt. Delaying upgrading of equipment or lack of maintenance of equipment is a ticking-time-bomb that will have extremely deleterious impacts down the pike with much more expensive repudiations in the future.

- **COST-AVOIDANCE** to find means to avoid (not just defer) procuring new equipment or hiring more employees. This is a justifiable model to either extend the usability of equipment such as trucks and snowplows by deploying careful and deliberate programmed on-going maintenance. Similarly, if via better management and more use of technology to replace hardcopy paperwork, it may be possible to get more productivity from the current employees without having the need to hire new employees to get work done on time.
- **COST-DEFERRAL** is postponing the inevitable and probably increasing the future remediation costs as compared to on-going and premeditative upgrading and maintenance. Cost-deferral is a pass-aggressive modality wherein a department puts their heads in the sand as does an ostrich and would then hope the cost would be deferred well beyond their time at the helm. This approach has been too often used as the normal model and is one of the reasons so many governments are being impaled with excessive costs just to replace totally deteriorated equipment or infrastructure.

The governments can institute common Best Practices to manage to do more with less or to mutually share people and resources

within and among all of the County Municipal jurisdictions.

However, actual cost-savings cannot accrue unless there are:

- 1) Less expenditures for Personnel or Equipment
- 2) A reduction in the level of service expectation from the citizens [i.e., elimination of the black-road policy for snow and ice control]
- 3) A reduction in the quantity of services, such as collecting trash once a week instead of three times a week, or passive maintenance of parks and recreation facilities.

Zeckman observes that dollar savings are not the only potential benefit of shared services:

Shared activities vary in their visibility. It may be an administrative function that is virtually unseen by the general public. Examples of this are pavement assessment and management programs, and regional traffic studies. In contrast, the activities might be tasks that are acutely visible to the general public, such as combining forces for snow and ice removal....

Though cost savings are generally the targeted goal of sharing services, there may also be an increase in the quality of service, and even in public perception.

Shared services also vary in size. A small-scale activity could be two communities sharing one brush-chipper for cleaning up public parks. The big projects might include combining multi-million dollar annual paving contracts.³

There should be an effort by all agencies to create more elasticity to share their resources with the County and City and then in turn, over time, they may be able to optimize their staff and equipment and everyone in the region would benefit. For example, there are

³ Zechman, p.4, 5.

often many trucks or other pieces of equipment laying idle in one jurisdiction and there is no easy means to identify the idle equipment or staff to better and more fully utilize them elsewhere. The issue is more procedural than literally identifying vehicles, however, the jurisdictions could utilize GIS [Geographic Information Systems] and AVL [Automatic Vehicle Locator] technologies. It is folly to staff a DPW operation for the 5-foot snow storm which only occurs maybe 2% of the time during a year.

Both within the City and County and among them and some other Towns, there is a pooling of people and an optimizing of equipment and bulk purchases [joint purchasing]. There needs to be both an incentive and an easing of bargaining unit restrictions to permit an easier sharing of resources and services.

There are recommendations in this report that address community-wide resource sharing for many functions, but one that is conspicuous is snow plowing. If it were determined that with “x number of” level one trucks, and “y number of” level two trucks, and “z number of pick-up truck with plow mounts could plow all of the roads, streets, driveways, and other public areas. But to translate the regional plan to all of the individual governments such that each would agree NOT to buy any more vehicles if there is available resources outside of their town and available in another town. It may be that pooling mechanics into a regional service provider to all of the agencies will permit better optimization of people, testing equipment, repair equipment, and idle inventory of parts. But, in order to have actual projected savings, there must be a will to propel the County DPW operations to operate like a single army of resources to best serve all of the citizens. Zeckman makes this point unambiguously: “The nature of the political process under which local government operates does not lend itself to

innovation and new ideas.”⁴ All of the counting, and accounting that demonstrates the value and efficiency of share services is for naught unless County and regional leaders can find the political will to make share services a reality.

Actual Cost-Savings can only occur if:

- Employees are eliminated by:
 - Retirement
 - Quitting
 - Furlough
 - Firings
 - Reductions in Force
- Employees benefits are reduced
- Implementation of Lower Level of services
- Reductions in the scope of services offered to citizens
- Lights are turned off at night
- Services and costs are shifted to another revenue source

It should be noted that efficiencies can reduce costs, but if employees and collective bargaining contracts make it difficult for a government to actually eliminate positions, then in spite of increased efficiencies, the budget dollar amounts may not be sufficiently reduced to be able to reduce the taxation levels. Standardization, technology, and legal relief could permit all of the departments to better manage resources and staff. The actual cutting of costs without adversely impacting the quality and quantity of services to the public is not out of reach for the county as a region. Increasing shared services will eventually reach a limit of effectiveness without the political and communalizing of offering services to the citizenry.

There are many legal issues unique to New York State local governments which must be addressed. The New York State

⁴ Thomas Zechman, p.7.

Public Employees Fair Employment Act — The Taylor Law and the accompanying 1982 Triborough Amendment are labor law statutes that impact New York State governments in terms of agreements and disputes about labor union contracts.

As defined in the New York State Governor's Office of Employee Relations [GOER] notice, The Public Employees Fair Employment Act, commonly known as the Taylor Law, is a labor relations statute covering most public employees in New York State — whether employed by the State, or by counties, cities, towns, villages, school districts, public authorities or certain special service districts. It became effective September 1, 1967 and was the first comprehensive labor relations law for public employees in the State, and among the first in the United States. It is the legal foundation used by GOER in its negotiations with New York State's public employee unions. One of the aspects of the Taylor law was to establish a state agency to administer the law – The Public Employment Relations Board [PERB).

There are two aspects of the Taylor law that impacts local government consolidation efforts: “Exclusivity” and “Conflicts”. As part of the Appendix entitled Legal Review by Jim Roemer, Mr. Roemer had written a Memorandum called General Municipal Law §199-o (Municipal Cooperative Activities) and Exclusivity of Bargaining Unit Work].

EXCLUSIVITY: The issue of **exclusivity** has been addressed to PERB numerous times, and PERB has set forth a fairly bright line rule. In determining whether a **unilateral transfer of work** violates the Public Employees' Fair Employment Act ("Act"), two questions must be answered:

- 1) was the at-issue work performed by unit employees exclusively for a sufficient period of time to have become binding; and
- 2) was the work assigned to non unit personnel substantially similar to that work?

If there has been a significant change in job qualifications, a balancing test is applied, weighing the interests of the public employer against those of the bargaining unit. Manhasset Union Free Sch. Dist., 41 PERB 3005; County of Westchester, 39 PERB 4588. In sum, **a public employer may not assign tasks of unit employees to non unit employees unless the tasks or the qualifications for the job have been substantially changed.**

Central to the determination of exclusivity is the definition of work and what is meant by the occasional performance of unit work by nonunit employees. Occasional has come to mean limited in time and scope when compared to the manner in which unit employees perform unit work.

Honeoye Cent. School Dist., 39 PERB 3003, 3011 (2006). In County of Westchester, it was determined that the performance by nonunit employees of unit work when unit employees were unavailable, were already engaged in the at-issue work, or were short-staffed was sufficient to breach the union's exclusivity. County of Westchester, 38 PERB 3032 (2005). Even without a closer look as to the number of occasions when nonunit employees were utilized, the Board found that such a performance of unit work by nonunit employees was not limited or insignificant. Id. It follows then that even if the Town was using County employees for a short amount of time or for limited circumstances it would still violate.

In connection with the Article 5-G, § 119-o of the GML, if the County employees are assisting the Town employees in the same job or task, and they have separate specific bargaining units and not doing a substantially different then the work being done by the Town employees they are taking away exclusive work. Essentially, the only difference between the

workers is the bargaining unit. The additional workers or support that is coming from the municipal agreement is less substantial in work load than the established Town employees, but it still violative of the Act, even if the work is to a lesser extent.

CONFLICTS: One can easily recognize that there is an inherent conflict between the GM [General Municipal Law] support and encouragement in these municipal sharing agreements, and the PERB decisions regarding exclusivity in the bargaining units.

A recent case decided by PERB touched upon this conflict. In Town of North Castle, there was an Inter-Municipal Agreement where the two municipalities agreed to share resources. 44 PERB 4584 (2011). The facts state that the Agreement was silent regarding whether the Town could allow employees from other Westchester municipalities to perform the work that was exclusively CSEA. Id. In June 2010 the Town allowed two Town of Mount Pleasant employees to perform the work of bagging and chipping in North Castle for one day; they were supervised by North Castle foreman and worked with other North Castle employees. Id. The Mount Pleasant employees were members of the Teamsters bargaining unit, and CSEA asserted that bagging and chipping was exclusive to them. Id. There were two occasions, however, where different employees were used but that was for emergency services in severe weather. Id.

The language of Agreement between the Town and CSEA states that "Work usually performed by the employees in the bargaining unit will not be contracted out if it will result in loss of employment including normal overtime to the employees covered by this Agreement, except under emergency conditions and in

other situations which, in the discretion of the Town Board, require an additional work force." *Id.*

The ALJ [Administrative Law Judge] determined that "the mere existence of an IMA [Inter Municipal Agreement] does not somehow sanction what is otherwise unlawful subcontracting." *Id.* The *ALJ* also recognizes this conflict by stating, "while the Town may have the legal ability to enter into an agreement to share resources with another municipality, that does not negate or alter its obligations under the Act. In other words, having reached such a shared use agreement, the Town still has to abide by the Act regarding subcontracting. *Id.*

The language in the agreement between the Town and CSEA provides "a broad grant of authority to subcontract so long as the conditions set forth therein are met." *Id.* There was testimony that there was no loss of work or overtime, and from that the ALJ decided that it was not a violation of the Act because the subcontracting was part of the negotiated terms.

This case is important because it discusses an agreement between the municipalities, but the ALJ outright states that it is not a defense to the actions, and the only reason that it is not a violation of the Act is because the language of the contract between the Town and CSEA has a broad grant of authority and that was not violated.

As municipalities continue to utilize ways to save costs and share resources, similar cases are likely to appear. The agreement between the bargaining units and the Towns will need to grant broad authority to subcontract, therefore letting the municipal sharing agreements stay intact when they use employees from another municipality and bargaining unit.

Zeckman is unambiguous about the fact that

Savings from shared services invariably are the result of a reduced workforce. As much 70% to 80% of government operating budgets may be comprised of labor costs. To significantly impact a budget, the labor costs must be reduced. While prudent administrators can often save valued employees through attrition and reassignment of tasks, it must be understood from the outset that effective shared services may cost a community jobs.⁵

In our opinion that if our legal suggestions or other political changes do not come to the fore in the near future, it is almost impossible to expect cost-**saving** and property tax reductions across municipal boundaries without some changes to the Taylor Law and the Tri-Borough Amendment or some reduction in either the **level** of services or the **itemization of specific** services being rendered to the citizens.

a. Objectives and Goals

This project was intended to allow the municipalities to explore and identify areas within the Public Works/Highway Departments that can provide increased shared service and cost reduction opportunities. Some of the initial priorities would be public works functions such as maintaining highways, fleet utilization, and snow removal.

Project Issues & Opportunity to be Addressed in Our Analysis⁶

Schenectady County has already embarked upon containing costs, cost avoidance, and identification of revenue enhancements. According to the 2012 County Budget

⁵ Zechman, p.8.

⁶ Schenectady County-wide Public Works/Highway Shared Services Plan RFP

document,⁷ “We have again reduced the non-mandated sections of the budget in order to fund mandated costs. We have also implemented cost containments within our control in mandated cost centers. Cost containment has been the central theme for the past six years. Purchasing requests are reviewed and approved centrally by the Finance Department. Only essential purchases and equipment are procured. All services are re-evaluated on an ongoing basis to identify potential for efficiencies and savings. More than \$6,000,000 in additional cuts, cost avoidance and revenue enhancements are incorporated into the 2012 budget plan and annual estimated savings.”

It is challenging to measure unit-costs and program-specific-costs government to government. The budgets documents of each government are so complicated with merging and segregating of the general fund and other defined funds, local taxpayer or fee-supported activity versus state or federal project pass-through funding, and of course buried costs not identified in each activity, project, or task.

⁷ 2012 Schenectady County Budget

b. Methodology

To gather independent information, BSCA followed the following methodology:

Task 1: To Profile Current Operations and Services as a means to realistically and effectively evaluate shared-services and merger opportunities. The initial task engagement was to send questionnaires to each of the nine entities [The County includes the City of Schenectady, the Towns of Duanesburg, Glenville, Niskayuna, and Rotterdam, and the Villages of Delanson and Scotia.] The questionnaires were hand delivered to every Director or Supervisor of Public Works or Highway Departments. Every department responded to the questionnaires, followed up by dozens of interviews on-site at each agency and also at the County Public Works offices. There were intensive interviews with each of the directors and supervisors as well as many meetings with County, Town, and Village finance and elected officials. The questionnaires were designed to obtain background and supporting information such as:

- Any adopted mission, goals, objectives, performance standards, etc. of the departments as they relate to the operations and service delivery
- Position descriptions and organization charts.
- Current and prior year's budgets (previous 3 years), year-end revenue/expenditure printouts, and audit reports.
- Staffing levels, including resource allocation and utilization.
- Any management reports and other tracking documents used to monitor department performance.
- Administrative and financial policies, procedures

- and practices.
- Personnel policies, procedures and practices.
 - Any purchasing and property disposition records, including fixed assets and equipment inventories.
 - Existing capital improvement and other comprehensive plans.
 - To the extent available, current workload and workload trend information.
 - The services and service levels of each functional unit, including detailed performance measures, if available.
 - Operating statistics and other information systems reports.

Task 2: Field Visits and Interviews

The next activity was to schedule and deploy Interviews With Key Staff and Stakeholders. The consultant team visited each of the nine municipal governments and public works operations to initially prepare the stakeholders for the deployment of the questionnaires, and then we met with each of the key stakeholders at their offices and reviewed their operations. The goal of these interviews was to identify concerns, clarify duties and position responsibilities, document current practices, solicit input, answer specific questions regarding agency organization and operations, and to ensure that a variety of community concerns and perspectives are identified, considered and evaluated.

Task 3: Analyze Data

Once the responses to the questionnaires were reviewed and tabulated the consulting team endeavored to identify common standards among the various agencies – few were found.

c. Project Findings

Following exhaustive one-on-one and group meetings with all of the stakeholders, we were confounded with the reality that no two agencies utilized standard business processes, same unit-costing methodologies, the same inventory or supplies inventories, or the same detailed accounting

As with the traffic volumes and conditions of roads, after exhaustive meetings, research and review, it is apparent that for this phase of this engagement there is no reliable means to secure comparative information from which to draw any valid conclusions or projections. It is hoped that in a subsequent phase of this analysis that deliberate research and standardization efforts should be able to unearth reliable and comparable data.

II. Current Structure

There is no consistency among the various jurisdictions, although several have created some intergovernmental agreements to provide for shared services.

Shared Services

Annette Kingsbury has observed that:

Public works focuses on maintaining and building the public infrastructure, typically roads, pathways, street lighting, parks and grounds, facilities, water, sewer, storm drain systems and fleet services. Under an inter-local agreement, service requests may include personnel, equipment, facilities, materials and any other resources available that are common to public works operations.⁸

⁸ Annette Kingsbury, Rochester Media, Rochester, Minnesota

In Schenectady County the major public works/highway department tasks and functions are provided by the City and County governments. Based upon rough estimates using the agency budget documents, it seems that the City and County constitute approximately 70% of the total public works/highway department functions within the eight governmental jurisdictions. Attempting to compare actual comparable costs or total unit costs of activities across and among all of the budget documents of the eight jurisdictions is not an easily comparable or discernable task. For example the County DPW has a very sophisticated cost accounting system that gives them a far more granular detailing of specific costs and activities than any other jurisdiction. Many of the other jurisdictions have various types of systems to track and maintain data about projects, staffing, unit-costs, and work orders.

To facilitate a tighter working relationship with the County and the City Public Works and Highway Departments, a spin off entity such as an organization that is structured along a Water Authority-model or a “virtual county” model could be created. In this model the elected officials of the County and the City could appoint members to a DPW/Highway Authority Board of Directors or in the virtualized model, it would be a replication of the existing county government municipal corporation model. As part of any such agreement, a careful review should ensue of all of the labor bargaining units, labor agreements, and meetings in a public participation model [i.e., form of mediation or sharing of thoughts and feelings] to foment a consensus about the most reasonable means to work together and to address the transition path toward a consolidated operation.

As for the other six municipal entities, a slower process may need to be considered. Since many the districts have elected constitutional superintendents, the governmental entity would have to proceed through a due-process to legally change the “elected” positions to “appointed” positions. Also, after the key pillars (as described below)

are in place between the County and City, then formats, procedures, service-level standards, and cost-allocations could be put in place as a baseline for each of the jurisdictions to more easily evaluate the menu of service options and procure them via a simple purchase order as would be the case for any outsourcing vendor. Otherwise, the on-going intergovernmental agreement arrangements can proceed as has been the case.

Shared Services Agreements

Government	Government	Shared Services Agreement
County	Town Duanesburg	Shared services, equipment, & supplies
County	Town Pricetown	Control of Snow and Ice, and Other Repairs and Maintenance Services on Town Highways
County		Inter-municipal cooperative agreement for shared services, equipment and supplies
County		Exchange of Snow and Ice Routes
County	City	Mechanical Repair and Preventative Maintenance of City Vehicles and Equipment
County	State of NY	Agreement to Extend Indexed Lump Sum Municipal Snow and Ice Agreement
County	Schorie County or City, Towns, Villages in Schenectady County, and Towns and Villages in County	Renting, lending, leasing, exchanging or borrowing of machinery and equipment with or without operators.
County	City, Towns, and Villages within County	Shared Highway Services
County	City, Towns, and Villages within County	Control of Snow and Ice and Other Repairs and Maintenance Services on Town Highways
County	City, Towns, and Villages within County	Paving Operations on Certain Village Roads
County	City, Towns, and Villages within County	Culvert Cleaning Operations
County	City	Covered Storage for Road Salt

Table 1: Existing Shared Services Agreements

All of the jurisdictions above are currently utilizing detailed written Intergovernmental Shared Services Agreements, and bartering or having handshake agreements, to share some equipment, services, and resources.

These current arrangements can and should be continued and expanded on an agreement by agreement basis.

As a common mode for communications, there should be a continued use of the existing Schenectady County Public Works Shared Services Group, which consists of all of the superintendents of the public works departments across the county as well as delegated officials representing each community. Other key stakeholders including municipal leaders, fiscal officers of the municipalities, and additional public works/highway department and staff will provide input as needed.

III. Current Budget Data and Analysis

Fiscal Analysis of DPW Expenditures

It has been challenging to compare apples-and-apples dollars accurately.

This section is a work-in-progress and will be shared with the entire group of DPW managers in a few weeks wherein we hope to have interactive discussion to verify and ratify the numbers being submitted in this report.

Planned meetings with the Schenectady County Public Works Shared Services Group will use this draft document as a public participation discussion baseline for all of the key stakeholders to come to their consensus as to how they wish to plan to go forward with an intentional goal of reducing costs and controlling or reducing the tax burdens of the citizens.

This fiscal analysis section of this report is key, yet opaque. The goal of the BSCA consultants is to forge a meaningful dialogue as the primary deliverable of this engagement. A consultant report or plan is of a marginal value if the stakeholders are not encouraged to define and commit to the ground rules to be laid out by the Shared Service Group. Unfortunately, since some of the participants have major water, sewer, storm sewer, parks, leaf collections and so forth; yet others are more equipment intensive and budget their resources differently than their counterparts. Some allocate, appropriate, and expense moneys out of different funds, different accounts, and in different mannerisms. For example, the City has a preponderance of

streets, narrow and winding driveways, gulleys, sidewalks, water and sewer utility, and parking lots, where much of the County and towns have more work on open paved major highways, dirt roads, open culverts, and either no water utilities or a much less demanding infrastructure to support. Thus, coming up with basic budgetary information has been challenging, but as we work through the discussions with all stakeholder members, we will refine our baseline budget data and in much more focused manner define attainable targets and plans to actually cut costs and reduce taxes.

The following chart is for maintenance of road and bridges and ice and snow removal. Not included in the calculations below are debt service, parks, recreation, and water or sewer operations.

BUDGETS for Schenectady County DPW Jurisdictions							
	County	City	Niskayuna	Rotterdam	Glenville	Duanesburg	Scotia
DPW, Roads, Bridges, Mechanics, Equip, Ice & Snow [millions]	4.00	3.03	1.89	2.14	1.85	0.62	0.55
POPULATION	155000	66000	9000	20000	28000	6000	8000
percent of county		43%	6%	13%	18%	4%	5%
Cost per resident	\$26	\$46	\$210	\$107	\$66	\$103	\$69

Table 2: Budgets for Schenectady County DPW Jurisdictions

Due to various jurisdictional definitions, classifications and detailed cost-accounting differences, the numbers above represent the most comparable data that was provided by the individual agencies. These numbers have not been independently audited or verified. For example, the County of Schenectady has a very detailed cost-accounting procedure that allocates separately charge backs for equipment, and separately allocates capital improvements. Other agencies are not as deliberate and fastidious about segregating all of their costs in a unified cost accounting systems consistent among all of the governments.

Budgets for Schenectady County DPW Jurisdictions [Graphed]

Using the information in the budget chart above of , the following graphic presentation of the costs per resident:

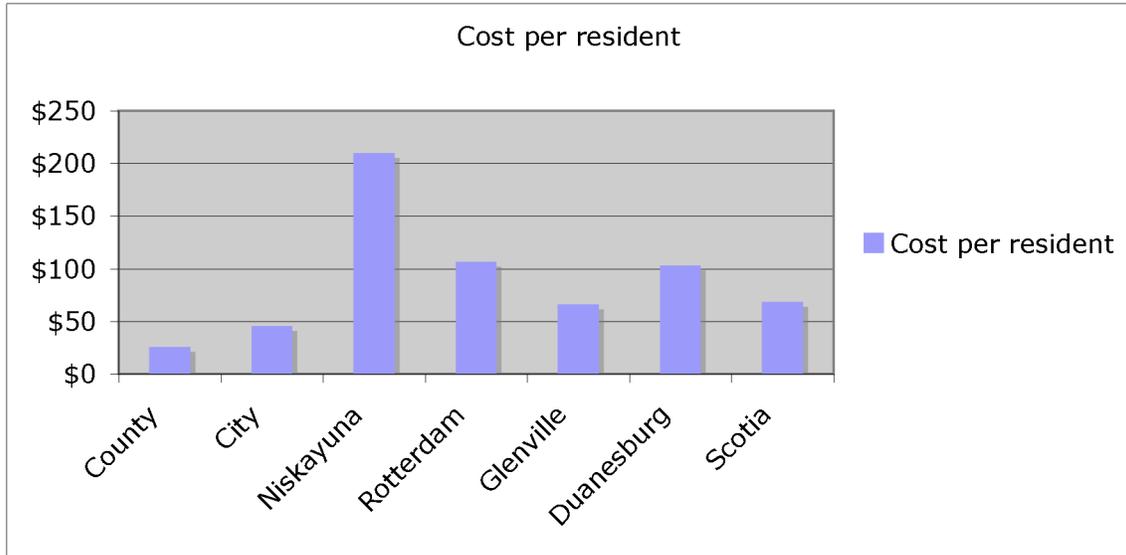


Table 3: Budgets for Schenectady County DPW Jurisdictions (Graphed)

Budget Information By Jurisdiction and By Activity

This chart represents a compilation of data provided by each of the entities. This information still needs to be checked, verified, and validated before it becomes an official representation:

Highway Data - Miles							
CHIPS miles	highway enterline lane mileage	square miles	Maintenance of Roads and Bridge Fund Costs	Maintenance of Roads and Bridge Cost Per Centerline Mile	Ice and Snow Removal Fund Costs	Ice and Snow Removal Cost Per Centerline Mile	Totals Cost Per Centerline Mile
County Highway	225	208	\$2,138,860	\$9,506	\$1,860,383	\$8,268	\$17,774
Town of Duaneburg	42	70	\$313,391	\$7,462	\$308,495	\$7,345	\$14,807
Village of Delanson	3	1					
Town of Princetown	4	24					
Town of Rotterdam	111	36	\$999,328	\$9,003	\$1,139,524	\$10,266	\$19,269
Town of Glenville	96	49	\$811,749	\$8,456	\$1,036,228	\$10,794	\$19,250
Town of Niskayuna	83	15	\$993,349	\$11,968	\$892,934	\$10,758	\$22,726
City of Schenectady	173	11	\$1,469,008	\$8,491	\$1,558,488	\$9,009	\$17,500
Village of Scotia	26	2	\$355,408	\$13,670	\$189,615	\$7,293	\$20,962

Table 4: Costs per Centerline Mile

In order to have some context of the relativity of Maintenance Cost per centerline mile, the following may be of value. It is an excerpt from the NYS Comptroller's Office:

Based on aggregate highway spending reported in 2009, the average statewide cost of maintaining a lane mile was \$13,841. Cities and counties tend to have higher costs per mile of road maintained (\$21,966 and \$20,260, respectively), followed by villages (\$18,536), while towns tend to spend the least per lane mile (\$9,985).

Governments located in the Mid-Hudson and Long Island Regions spent \$20,807 and \$20,492 per lane mile, respectively, in 2009. These governments maintain 26 percent of county, city, town and village roads statewide, but account for nearly 40 percent of total highway spending. In contrast, Southern Tier governments spent \$8,255 per lane mile, maintain 14 percent of the municipal roadways across the State, and are responsible for less than 9 percent of statewide highway expenditures. (Local Government "Snaps" from the NYS Office of the Comptroller)

Cost per Centerline Mile

It should be noted that County road and Town Road are not normally equal when it comes to maintenance and snow plowing. It is much more expensive to maintain a road with 18,000 vehicles per day verses one at 50 vehicles per day.

Highway Data - Miles	
CHIPS miles	Ice and Snow Removal Cost Per Centerline Mile
County Highway	\$8,268
Town of Duanesburg	\$7,345
Town of Rotterdam	\$10,266
Town of Glenville	\$10,794
Town of Niskayuna	\$10,758
City of Schenectady	\$9,009
Village of Scotia	\$7,293

Table 5: Ice and Snow Removal Annual Cost per Centerline Mile

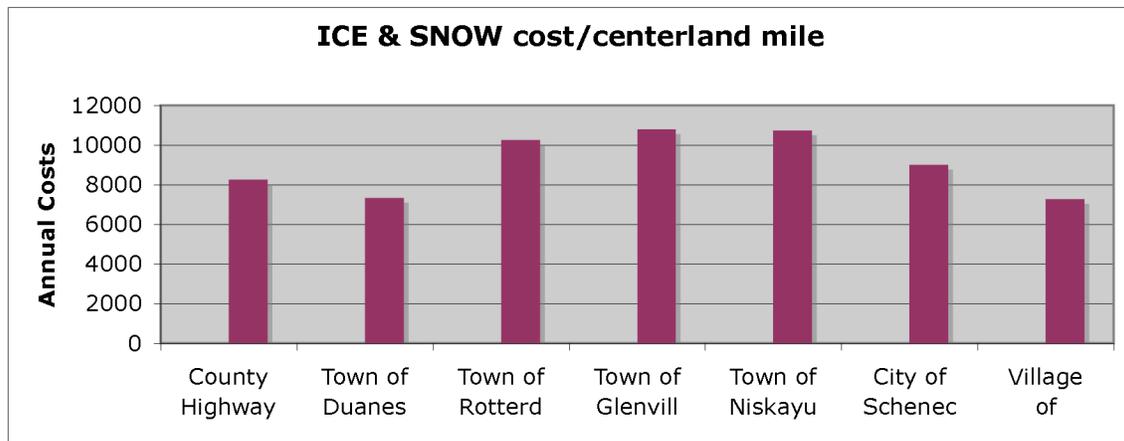


Table 6: Ice and Snow Removal Annual Cost per Centerline Mile (Graphed)

MAINTENANCE OF ROADS AND BRIDGES

Table 7: Roads and Bridges Annual Cost per Centerline Mile

Highway Data - Miles	
CHIPS miles	Maintenance of Roads and Bridge Cost Per Centerline Mile
County Highway	\$9,506
Town of Duanesburg	\$6,813
Town of Rotterdam	\$9,003
Town of Glenville	\$8,456
Town of Niskayuna	\$11,968
City of Schenectady	\$8,491
Village of Scotia	\$13,670

Table 6: Roads and Bridges Annual Cost per Centerline Mile

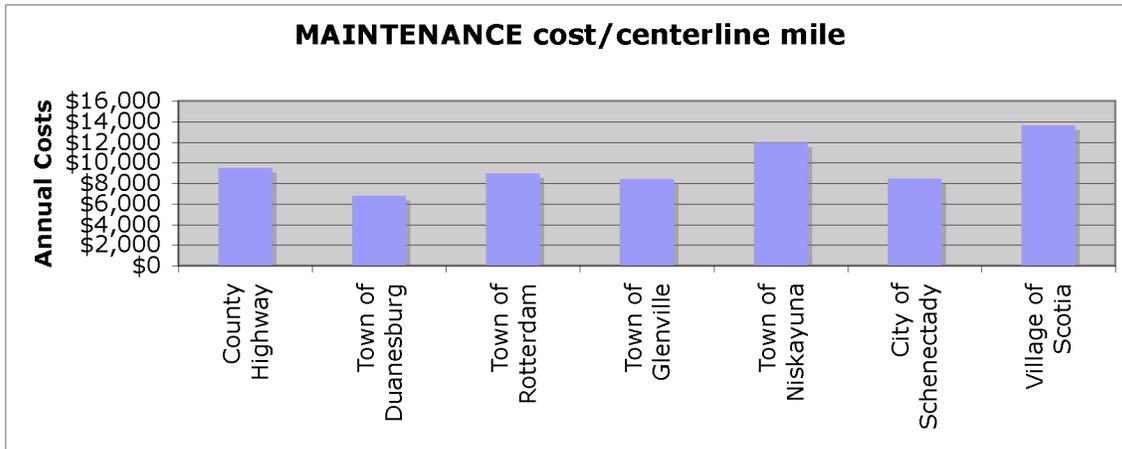


Table 7: Roads and Bridges Annual Cost per Centerline Mile (Graphed)

IV. Recommendations

1. Recommendations for Inter-Governmental Cost-Savings

It is admirable to continue the cost-sharing agreements that have been managed over the years. There is great value in shared resources for snow removal, municipal fleet maintenance and yard waste/leaf pickup, [just to name a few areas of shared resourcing] but any required component of the development of the Schenectady County-wide Public Works/Highway Shared Services Plan **must** be the **triggers for savings**. Although there are many opportunities and agreements in place to bring to fruition increased efficiencies, “efficiencies” do not automatically translate into cost savings or budget reductions without some form of shared labor and shared procurements with offsetting impacts in jurisdictional budgets. We will be working with the Schenectady County Public Works Shared Services Group as a means to have joint participation for them to evolve on a consensus of planning and measurable outcome commitments.

Apart from internal good management of departments and the continued on-going development and utilization of cost-sharing intergovernmental agreements or more of the following suggestions will become a key to actual expected future cost-savings and tax reductions:

- 1) Reduction in Level Of Service to Taxpayers
- 2) Reduction in Number or Quantity of Services to Taxpayers
- 3) Intergovernmental Standardization

All departments must migrate to their consensus-targets to begin the standardization process that would better permit future savings in costs and enhancements in quality and quantity of service delivery.

- Standardized Best Practices and Procedures
 - Standardized Equipment Purchases
 - Standardized Common Procurements
 - Standardized Parts and Equipment Rental List and Rates
 - Taylor Law and Tri-Borough Amendment exemptions
- 4) Standardized Shared Services for Cost Sharing
There must be a shared digital [not an Excel spreadsheet] common database sharing of everything from basic inventory of equipment, parts, and tools, to a common methodology for sharing and accounting of shared resources [i.e., people, equipment, salt, crushed rock, etc.] There is no single digital database integration among any of the agencies.
- 5) Taylor Law and Tri-Borough Amendment exemptions

1. **Personnel and equipment requirements**, including staff optimization. After exhaustive meetings, research and review of all of the data we were able to secure, it is apparent that for this phase of this engagement there is no reliable means to secure comparative information from which to draw any valid conclusions or projections. It is hoped that in a subsequent phase of this analysis that deliberate research and standardization efforts should be able to unearth reliable and comparable data.

It is anticipated that by the end of the year only three DPW departments will be managed by an elected supervisor, thus opening the door for more movement towards integration and sharing of resources.

Directors/Supervisors of Public Works
Elected Superintendents Town of Duanesburg [Handles Village of Delanson's DPW] Town of Rotterdam Town of Glenville
Non-elected Positions City of Schenectady County of Schenectady [Handles Town of Princetown's DPW] Town of Niskayuna Village of Scotia

Table 8: Directors/Supervisors of Public Works

2. Inter-municipal cost sharing agreements

Cost sharing agreements are discussed in the Pillar section of this report.

3. Legal and union considerations

Our legal team has provided his legal review of our issues, especially, General Municipal Law §199-o (Municipal Cooperative Activities) and Exclusivity of Bargaining Unit Work. The City and County seem to have worked out means to provide pooled labor resources with each jurisdiction, however, there may be bargaining unit issues when sharing resources among various governmental entities. These issues can be worked out by one of the following means:

a. Continue to Manage Shared Services Agreements

The City and County have many shared agreements in place that are working very smoothly and cooperatively. There are many inter-municipal agreements with the city, county, towns, and villages. Continuing this modality to expand one by one for more and more shared services is an excellent model to continue. There is wording in the County/City contract that could serve as a model to mitigate against any labor agreement conflicts:

“In order to mitigate the impact of these actions upon County and City employees, the parties hereby agree to the following:

- 1) Newly created positions which are necessary as a result of this Agreement shall be offered to qualified applicants on the following basis:
 - Current County employees will be considered first in accordance with contract;
 - City employees whose position is eliminated as a result of this Agreement will be considered for such a newly created position upon their application. The final determination to hire any such applicant and the evaluation of such applicants’ qualifications shall be made by Joseph Ryan, Director of Public Works of the County of Schenectady. Such employee, if hired, will be required to have a probationary period as a new employee.
- 2) Any City employee hired by the County as a result of such application shall be treated as a new County employee for bidding purposes or purposes where his or her seniority is considered vis-à-vis current County employees and for the purpose of calculating entitlement to health insurance in retirement. However, any such employee’s prior service with the City of Schenectady shall count for purposes of calculating pay, calculating vacation, sick, or other leave accrual entitlement, and for purposes of calculating the contribution, if any, for health insurance.”

b. Negotiate New Labor Terms and Agreements

On an individual basis, the parties can negotiate new or expanded contracts one-by-one as the need arises. Also as defined in the Pillars of Cost Sharing section of this report, there are several processes, products, and services that should be standardized permitting a each member government the

opportunity to pick and choose pre-defined products and services. The key will be to be constantly vigilant of the various bargaining unit limitations, wherein, mediated arrangement may be negotiated as addendums to existing contracts to permit further cost-sharing arrangements.

c. Secure State Pilot Project Status to Amend Contracting Out Provisions

Predicated upon the Taylor Law and the Triborough Amendment, there are many legal obstacles to cost sharing and wholesale consolidation of DPW departments. As has been explained in the earlier parts of this report and in the Jim Roemer Legal Appendix, the Taylor Law and Triborough Amendment statutes are only applicable in New York. Most states do not have many of the legal barriers to cooperation that exist in New York. In the appendix of this report we have cited many consolidation efforts throughout the nation.

Since the grant for the project is under the auspices of the NY State Department of State under a state program, Schenectady may be an excellent opportunity to experiment on consolidation, cost-sharing and labor pooling of resource to increase the efficiencies and effectiveness of public works and highway department operations within Schenectady County.

One option that should be explored would be to request the NYS Assembly, Senate, and Governor to consider creating a pilot Taylor Law and Tri Borough Amendment exclusion zone wherein just the DPW organizations within Schenectady County.

The following imbedded provision in the City Trades Union contract needs to be amended, altered or reworked to provide for intergovernmental consolidation efforts or increase sharing efforts: “The Employer does not contemplate any change in

policy of contracting out work normally performed by employees of the bargaining unit. However, in the event that the Employer does contract out any work normally performed by employees of the bargaining unit which requires the lay-off of employees, the Employer agrees to absorb into other employment with the City on the basis of seniority as covered in Article 10 as many employees as possible and will make every effort to provide for the orderly transition to other employment of the remainder of the displaced employees.”

4. **Implementation strategy and logistics of proposed options**

The implementation strategy must be to continue to incremental expansion of shared services between agencies. We suggest that NYS DOS consider a phase two of this grant to provide a base to begin to foment the cost sharing and consolidation efforts; begin the capture metrics and develop standards for road conditions, road quality, vehicle per day ratings, unit-costs for equipment, parts, supplies, and vehicles; a means to have a unified accounting system; and a blueprint for action vis-à-vis legal and bargaining unit issues. As part of any implementation program, the County has to be empowered and funded to initiate a common GASP or similar measured ratings program for all County, City, Township, and Village roads.

Strategy #1: Plan for a Full County Consolidation Effort

Phase Two Projected Tasks and Costs									
	Standardization						Accounting	Legal	
	Best Practices	Equipment Purchases	Common Procurements	Parts/Equip. Rental Rates	Shareed Services	Use SIMS GIS	Unified Accounting	Bargaining Unit Issues	
Work with Schenectady County Public Works Shared Services Group to develop consensus agreements	\$800	\$800	\$800	\$800	\$800	\$800	\$2,000	\$2,000	\$8,800
Develop or explore prototypes of each of the standardization, accounting, and legal issue requirements	\$500	\$500	\$500	\$500	\$500	\$500	\$2,000	\$500	\$5,500
Work with each department to prepare to implement best practices and agreed upon standardization methodologies	\$3,000	\$3,000	\$3,000	\$3,000	\$1,100	\$3,000	\$3,000	\$3,000	\$22,100
Build draft policies, methodologies, and templates for all of the department to begin deploying	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$6,400
Provide pilot-test analytics for each department to establish benchmarks and metrics to measure their unit-cost and infrastrucur conditions	\$700	\$1,000	\$800	\$1,200	\$700	\$700	\$1,400	\$700	\$7,200
	\$5,800	\$6,100	\$5,900	\$6,300	\$3,900	\$5,800	\$9,200	\$7,000	\$50,000

Table 9: Strategy #1: Plan for a Full County Consolidation Effort

The above estimated consultant costs per task is predicated upon estimated preparation hours, meeting hours with the Shared Service Group members, and follow up documentation of the agreed upon findings or conclusions.

The Explanations of Charted Tasks

Phase Two Projected Tasks and Costs	
	Explanations
Work with Schenectady County Public Works Shared Services Group to develop consensus agreements	Although there are many Shared Services Agreements in force, the Shared Services Group would endeavor to push the envelope to work out the details for more shared services agreements. One of the goals will be to have consensus agreements wherein all of the members of the Shared Services Group will be able to participate in reciprocal interactive agreements.
Develop or explore prototypes of each of the standardization, accounting, and legal issue requirements	The Shared Services Group needs to begin to explore and document prototypes for mutual agreeable models for standardization . Standardization could range from standards for plowing highways to culvert cleaning standards. Accounting standards and a common accounting system(s) are critical elements if two or more of the agencies plan to have shared costs for labor, equipment or supplies. There must be a seamless and easy to use means to share integrated common chargeback systems to each agency. The legal issues is a major set of milestones that need to be addressed with the Group and work out with James Roemer of Roemer Wallens Gold & Mineaux. <u>Three of the consultant suggested models</u> that need to be explore are: <u>Legal Consolidation</u> methodologies to "consolidate" or to facilitate union agreements if two or more DPW Agencies addressing also the related taxation, governance, and operations rules of engagement; Taylor Law & Triborough Amendment possible waivers as a special State approved pilot project for just the Schenectady Public Works and Highway Departments to permit greater creativity in net cost reductions in budgets and in jurisdictional tax decreases.
Work with each department to prepare to implement best practices and agreed upon standardization methodologies	Since there is such a broad range of sizes and complexities among the Shared Service Group members, there will need to be mutually agreed upon Best Practices and acceptable methodologies to bring the Best Practices to successful fruition. Personnel and equipment requirement optimization across jurisdictional boundaries must be addressed and planned for successful deployments.
Build draft policies, methodologies, and templates for all of the department to begin deploying	Once the Best Practices and associated methodologies are defined, then there must be a dedicated effort to build draft policies and templates for all of the Shared Service Group members to embrace the new models for more effective and efficient DPW and Highway operations.
Provide pilot-test analytics for each department to establish benchmarks and metrics to measure their unit-cost and infrastructure conditions	Unit-cost calculations must be defined and standardized among all of the members of the Shared Services Group member organizations.

Strategy #2: A County and City Consolidation

The complexities to undertake a business plan to fully integrate or consolidate the County of Schenectady and the City of Schenectady could be a three year endeavor and could cost as much as \$400,000. There are many legal issues that would have to be negotiated among the various labor bargaining unit entities. There is such a broad range of options, ranging from full consolidation into one of the exiting entities as an expanded version of the existing County DPW operations; or the creation of a new entity which could have a Board of Directors appointed by the City and County and funded by the City and County; or a new entity with its own tax levy rights to raise funds for the new entity.

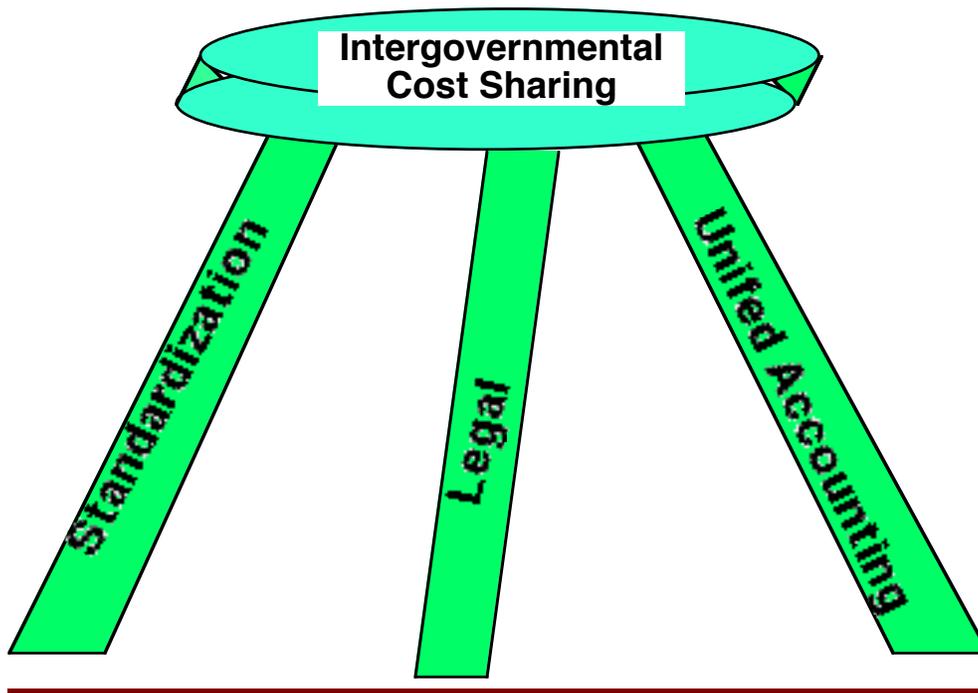
Since it has been stated above that we were unable to secure accurate, comparable, or measurable information from all of the jurisdictions,

the consultants cannot honorably state any true cost benefit analysis at the conclusion of this engagement.

Any strategy, short term or long term must consider what we defined as the **Intergovernmental Cost Sharing Pillars** [more fully defined and explained in the attached Appendix].

APPENDIX: Intergovernmental Cost Sharing Pillars

Intergovernmental Cost Sharing
Pillars

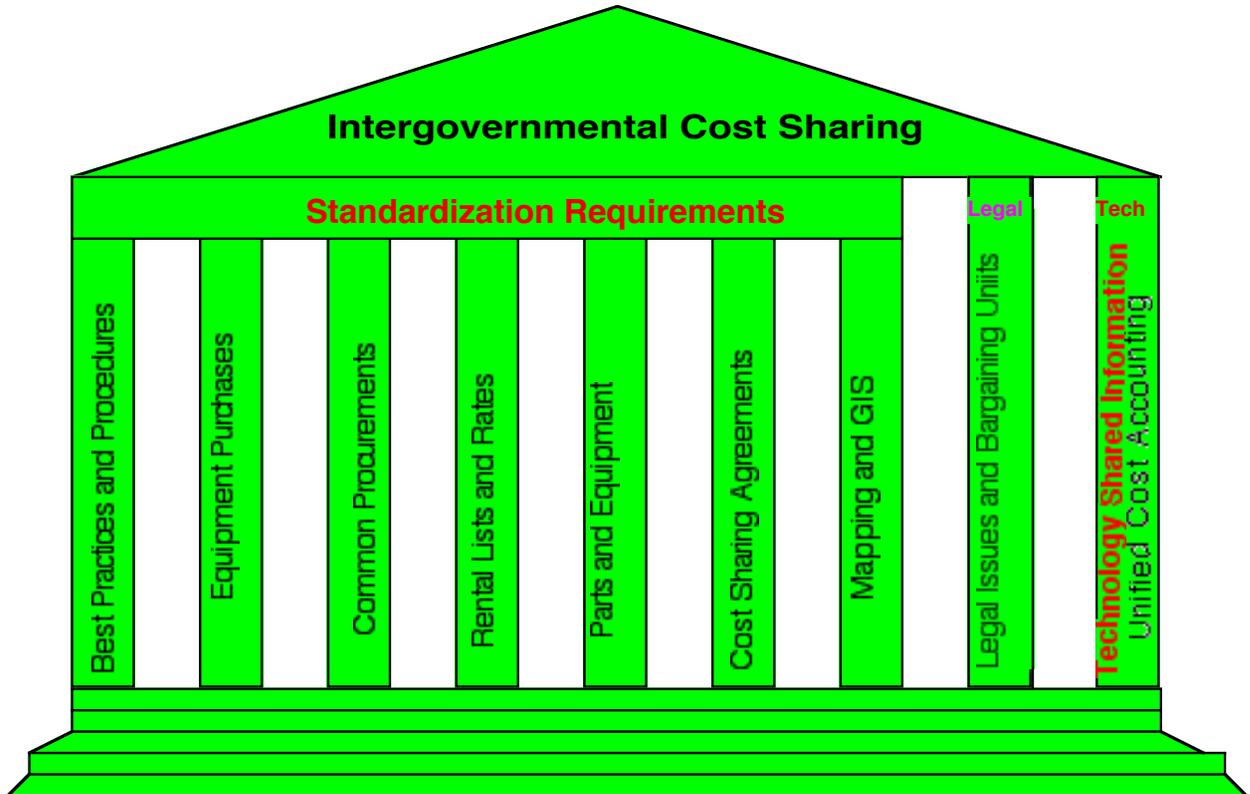


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September 8, 2012

Pillars of Shared Services

Another graphic projection of defining the pillars of shared services could be depicted in the following drawing:



Pillars of Shared Services

However, if there is to be a more streamlined and reasonable means to share services there are several issues, which we define as “pillars” to building a long lasting business arrangement, that need to be addressed as a precursor to developing a easy to use shared services arrangement. Most of our defined Best Practices require “**standardization**” as much as is possible among all of the agencies planning to share services, resources, or equipment.

PILLARS

The pillars of a shared services program are:

- Standardization
- Unified Accounting and Technology
- Legal Issues

Standardization

1. Standardized Best Practices and Procedures
2. Standardized Equipment Purchases
3. Standardized Common Procurements
4. Standardized Parts and Equipment Rental List and Rates
5. Standardized Shared Services for Cost Sharing
6. Use of Schenectady Mapping [SIMS GIS]

Each of these pillars will be critical to the success of any future shared services endeavors or any migration or movement towards any consolidation of services.

Unified Accounting and Technology

There needs to me some common mechanism for all of the departments to be able to track according to fiduciary account standards to cost-utilization of people, equipment, purchases, inventory, and facilities. At a minimum, a commonly agreed upon work orders and cost tracking in a paper format would be an initial first step.

Standardized Common Information-Backbone and Standardized and Unified Cost Accounting. **Standardized Common Information-Backbone** The present situation of processing unit-costs within the County jurisdictions is

very complicated and not digitally transparent. There would be great value and a more seamless sharing of cost data if the Shared Services Group developed a standardized and unified cost accounting system to process the management of information for functions such as:

- Financial transactions [tracking down to unit-costs]
- Purchasing of Materials, Supplies, or Equipment
- Capital Projects and Capital Account Tracking
- Road Segment and Expenditure Tracking
- Daily Work and Snow Audits
- Payroll, Overtime, Out of Class
- Operations by Road
- Transactions by Operation
- Detailed Inventory of all Vehicles and Rolling Stock [700 vehicles]
- Inventory of Supplies [not vehicle supplies]
- State and County Storm cost tracking]

There must be a common electronic digital means of sharing information for shared services or resources. First, there needs to be some single system all users can utilize. Basic billing and reporting standards must be established to provide for a seamless, auditable, accurate, and timely sharing of:

- Information to bill, charge, and handshake shared services
- Information on a common digital backbone for payroll, AP, inventory, and accounting
- Mapping information shared to identify common geospatial
- information on a common attribute database and a common graphic projection of a map

Legal

There needs to be a strategic legal plan of action to explore and to agree in a consensus-building model a means to encourage increased shared services, shared resources, and to facilitate means for each of the governments to accrue savings, contain costs, or cost avoidance. There should be a Business Plan to Integrate or Migrate Collective Bargaining Units. Some sharing of personnel among and between governmental

units may have labor union contract restrictions. Such limitations can be overcome by:

- Renegotiating labor agreements. This is a long-term time-consuming process that is possible, but could be problematic.
- A mediated union stakeholder meeting to facilitate coming to consensus by developing a shared business plan to integrate or migrate collective bargaining unit agreements to common and shared understandings.

Three **strategies which could serve as a basis of proceeding** would be:

- a. Continue to Manage Shared Services Agreements
- b. Negotiate New Labor Terms and Agreements
- c. Secure State Pilot Project Status to Amend Contracting-Out Provisions

Pillars of a Shared Services Program

Standardization

1. Standardized Best Practices and Procedures

One of the Best Practices to manage a public works or highway operation is to have an agreed upon definition of what constitutes each of various service levels for each activity. A “service level” establishes the priorities for tasks, and sets response times for each priority level. The level of service is transparent to the customer and the service provider, and there are points of escalation when service stalls or fails. In addition, service levels produce accountability by reporting regularly on the provider’s success in meeting the service deadlines. At the conclusion of this Best Practice exercise endeavor, individual services can be defined with cost matrixes tied to specific “service level” determinations.

In addition, there needs to be a well defined means to determine “unit costs” for all agencies. Unfortunately, there is no current, universal and commonly used “unit cost” determination built in to the operations of each government. Upon reviewing the various governmental agency budgets, in our opinion the individual budget line-items are not sufficient indicators of total net unit costs. For example, some governments bury indirect costs in their budget documents, such as utilities, employee fringe benefits, building costs and maintenance, as well as shared resources that are used by several departments within the municipality.

It will be necessary to use other metrics to tease out costs on a task-by-task basis to decide how to effectively share services. This will require talented auditors who can make such determinations. A preliminary example is to understand the responsibility for highway miles/square miles distributed amongst the local government entities:

Using highway data mileages a baseline, as illustrated in the table that follows, clearly Schenectady County and the City of Schenectady are the primary maintainers of highway mileage among the various governments within the County, which would make them the primary targets of increased shared services or some other migration towards a more intense consolidation effort. Close behind these two governments would be the Towns of Rotterdam, Glenville and Niskayuna, which would be probable secondary targets of more regional shared services arrangements. Using specific measures and tasks for each service will provide a framework for analyzing the varied unit costs borne by each municipality for the service.

Highway Data - Miles		
	highway mileage	square miles
County Highway	219	208
Town of Duanesburg	43	70
Village of Delanson	3	1
Town of Princetown	3	24
Town of Rotterdam	114	36
Town of Glenville	91	49
Town of Niskayuna	79	15
City of Schenectady	217	11
Village of Scotia	25	2

Mileage was rounded up or down to closest whole number

Highway Map of
Schenectady County,
Schenectady County Planning
Dept. 2002

[Note: For the City of Schenectady the 217 highway miles contains 37 miles of alleyways. This difference yields a total of 180 miles which is the CHIPS identified highway miles] Note: These miles are slightly different than the NYS CHIPS miles. The data for this chart came from County Planning and it includes driveways and other non-highway comparable miles.

Standardized Equipment Purchases

If all of the entities could agree upon specific vehicle vendors for each class of truck, street cleaner, tractor, mowers, and so on, there could be a more intensive sharing of parts and equipment in a more seamless manner. Similarly, if there were fewer brands amongst entities, there could be more bulk buying and bulk or shared service of vehicles and rolling stock. The Schenectady County Public Works Shared Services Group needs to begin the process of on a ten-year replacement of items they can commonly agree upon. This would be a constantly changing and iterative process in which each year a new item may be agreed upon to be the next item on the list. For example if a standard Ford, GMAC, or other brand of trucks were only be purchased, then sharing vehicles and staff to manage different vehicles and pieces of heavy equipment could be shared more conveniently.

Standardized Common Procurements

Westchester County, New York created a list of possible common procurements that could be useful for all jurisdictions within Schenectady County to consider. These items could be procured in

common via a common contract, or just-in-time deliveries, or common warehousing such as:

- Antifreeze and Synthetic Oil Recycling
- Standard Uniform Contracts and Design Agreements
- Fleet Management
- Green Cleaning Products
- Highway Signage
- Pavement Management Rating System
- Public Bidding for Salt Brine

The Schenectady County Public Works Shared Services Group needs to begin the process of a ten-year replacement of items about which they can commonly agree. The process should commence with the 80-20 rule in which those items that have high turnover, high volume, and constitute 80% of the routine cash flow should be the focus of immediate attention. Some unique items that may fall in the 20% part of the rule may have a much more complicated decision-matrix as to standardizing them. Everything may not be a candidate for standardization, but if the Shared Service Group could begin to develop the 80% targeted items, that initiative could reap immediate benefits without requiring complex research.

Of special consideration in Schenectady County, there should be two or three central locations for all eight entities to both store and pick-up:

- Salt for highways [if there were two or three major salt distribution systems, each jurisdiction could save money in being part of a bulk purchase operation. Also, since County trucks may traverse many jurisdictions during a single snow plowing run, as is done in the shipping industry, empty truck could be filled to bring salt on a return run to a specific jurisdiction in need. This is a project already funded elsewhere by NYS DOS. The City of Schenectady, together with Schenectady County and the Towns of Rotterdam and Niskayuna, received a grant to construct a new salt storage

facility to be used by the applicants. It will also be used as a backup facility for the Towns of Princetown, Glenville, and Duanesburg and the Village of Scotia. The facility is located at the city's highway department complex.

- Gasoline [any centralized common dispensing system should have a common gas dispensing system such as Petrovent™, GasBoy™, or other fuel dispensing system that would identify each vehicle, the miles on the vehicle, and the individual person securing the gasoline. [Petrovent™ is used in the County and it has a key for each vehicle, and then the user has a code and he/she enters the mileage.] Such a system should be digitally connected to a common computer system that will register all of the information and provide automated diagnostic metrics such as vehicle "x" has been getting 4 miles per gallon, or person "A" may have filled up five vehicles in a single day.] Although Petrovent™ is digitally connected to Dossier™, neither is electronically linked to the Cost Accounting system or any of the other Countywide information systems.

Standardized Parts and Equipment Rental List and Rates

There is a New York standard rental rate for equipment and services that is used by the County and could be shared as a baseline for intergovernmental charge-backs for shared services. There should be a set of standard forms on a web-enabled services web site where the sharing of resources, equipment, or services would be a simplified menu as is used in an Internet based store access, such as Staples™, Amazon™, or LLBean™. Instead of the complex legal documents that are now executed every time one or more jurisdictions share services, there should be one master agreement executed each year to authorize each jurisdiction to have access to the services. The master agreement would define who the authorized personnel would be and would establish permissible limits for the authorized person to execute and there would be pre-agreed upon payment terms and conditions. For example, if

the Town of Rotterdam needs 20 tons of salt from the County, there would be a description, price, and terms of delivery for the salt and the Rotterdam authorized person would just put the service into web-enabled “cart” for processing to the County or other jurisdiction. Procedures, such as a confirming letter from the County Director of Public Works may be needed before the order is accepted. Payment terms and means should be easily available on the web site to provide for instantaneous payment for the services or supplies.

In addition to the New York State Inter-municipal shared highway services and equipment list and rental rates, the Schenectady County Inter-municipal Highway Shared Services Group should meet and develop the additional terms and conditions for an intra-governmental shared services agreement. It would be better if there were a common Cost Accounting System for all entities to share.

2. Standardized Shared Services for Cost Sharing

There are many Opportunities for Shared Services. There are endless resources, services, and equipment that could be easily shared and made sharable with an electronic service order request system. The following is a list of DPW regular tasks and purchases that might be considered in any agreement for shared services. This list is not exhaustive, and many of the items are not reasonable for all entities, however, anything should be open for discussion.

Shared Equipment⁹

- Asphalt Zipper
- Backhoe
- Brush Chipper
- Bucket Truck
- Crack Seal Machine

⁹ Zechman, p.11, makes mention of several of these equipment items.

- Crane Truck
- Dozer [large or small]
- Dump Truck [single, tandem, or other axles]
- Excavator
- Fifth Wheel
- Grader
- Hydro-Seeder
- Loader
- Maintener Small Paver
- Mower [various sizes and descriptions]
- Paver
- Post Pounder
- Roller
- Salt Shed or Park Shed Construction
- Sewer Televising and Cleaning Equipment
- Sewer Truck
- Skidsteer
- Sno-Go
- Specialized mowing equipment - slope mower, boom mower
- Street Sweeper
- Stumper
- Sweeper
- Trailer
- Wide-path heavy-duty mowers

Shared Equipment and operations

- Sewer System¹⁰
- Highway Maintenance and Repair
- Snow and Ice removal
- Sign shop
- Traffic signal maintenance and bucket-truck

¹⁰ Since the City sewer system was built for a population of over 100,000, with a population of only 60,000, there is an excess capacity which could possible serve as a launch pad for a common sewer system initially with Rotterdam.

- Asphalt paving equipment
- Portable Asphalt patching equipment
- Carpentry: building street barriers, wooden kiosks and sheds, fences, etc.
- Asphalt paving equipment
- Composting Facility Fees
- Conduit Camera System/Equipment
- Culvert Cleaning Operations
- Exchange of Snow and Ice Routes
- Fuel Truck Availability
- Grant Funding Opportunities
- Portable Asphalt patching equipment
- Processing and Disposal of Construction Aggregate/Asphalt
- Salt Storage
- Surplus Equipment and Auction Coordination
- Tree Crew
- Tree Plant and Plant Material Availability
- Truck Wash Facility
- Unified Cost Accounting
- Vehicle Body Repair
- Waste Water Treatment Options
- Leaf pick-up, compacting, and composting
- Yard Waste Collections

Shared Operations

- Fleet maintenance
- Fuel purchase and dispensing
- Hazardous materials collection and disposal
- Recycling collection
- Solid waste collection

Shared Administrative tasks

- Information Technology and Records Management
- Standardized bid documents
- Twenty-four hour dispatching for emergency call-outs
- Shared Health Care Services

Shared Utilities

- Sewer line preventative maintenance, cleaning and repair
- Storm water Management
- Wastewater Treatment
- Water Treatment

Consolidated Purchasing

- Centerline striping
- Chemicals for Utilities
- Concrete, asphalt, gravel, topsoil
- Herbicides, pesticides and fertilizer for parks and golf course
- Road salt and brine

Following a meeting of the Shared Services Group a survey was sent to each member to prioritize their desires for each of the above listed shared services. Eighty percent of the agencies completed the survey and some of the conspicuous findings were:

BSCA County DEPW Survey Results

“Q” represents the number of a question in the survey document. This short list is the list that everyone ranked as highest or high priority for cost sharing. We overlaid the yellow highlight to indicate “services” as opposed to non-equipment or products.

- Q35. Highway Maintenance and Repair
- Q48. Portable Asphalt Patching Equipment
- Q51. Surplus Equipment and Auction Coordination
- Q60. Fleet Maintenance
- Q61. Fuel purchase and dispensing
- Q65. Information Technology and Records Management**
- Q66. Standardized bid documents**
- Q69. Storm Water Management
- Q74. Concrete, asphalt, gravel, topsoil
- Q76. Road salt and brine
- Q77. Shared employee health -care services**

The next group of high priority items most agencies wanted were:

- Q11. Dump Truck (single, tandem, or other axels) Q12. Excavator
- Q16. Loader
- Q17. Maintener Small Paver
- Q25. Skidsteer
- Q27. Specialized mowing equipment (e.g., slope, mower, boom mower)
- Q28. Street sweeper
- Q34. Sewer system
- Q36. Snow and Ice Removal Q37. Sign Shop
- Q39. Asphalt paving equipment
- Q40. Portable asphalt paving equipment
- Q47. Grant Funding Opportunities**
- Q50. Salt Storage
- Q52. Tree Crew
- Q55. Unified Cost Accounting**
- Q62. Hazardous materials collection and disposal
- Q67. Twenty-four hour dispatching for emergency call-outs**

Use of Schenectady Mapping [SIMS GIS]

The goal to use SIMS GIS is one means to provide a mapping solution to shared plowing or paving arrangements among the governments. Interestingly, the possibility of using an integrated plowing shared services is already physically mapped out on paper and could be very easily implemented without the need for more sophisticated GIS resources. Schenectady County currently has an effective GIS program in place that is a benefit to the county as a whole, and to the individual entities who chose to utilize the system. According to the county website:

“Our GIS has grown in to a state-of-the art system with an extensive list of computer-generated themes. The GIS is an important tool for County administrators-providing assistance in the information requests, creation of maps and demonstrations for various projects. The GIS staff also provides technical assistance to local municipalities, public organizations and private businesses within Schenectady County. Some of the issues studied with the GIS are economic development, land use and zoning changes, natural resource inventories, agricultural preservation and riverfront development.”

<http://www.schenectadycounty.com/FullStory.aspx?m=144&amid=563>)

The SIMS-Lite (Schenectady Internet Mapping System) provides limited access to the general public, and extensive access to approved users. It has well developed land use and transportation overlays, in addition to many other traditional applications. New digital attribute layers would be available if a shared services plan is adopted. For example, a shared services agreement might include snow and ice removal. If the agreement resulted in public entities having responsibility for highways not specifically within the limits of each entity, a layer could be added to the county map showing all highways, and the organization responsible for maintenance. It is likely that many other advantages would be available as a result of the excellent GIS program already in place. The system will be a tool used to help implement and monitor any approved shared services program within Schenectady County.

What to Expect From Shared Services

If the basic pillars suggested for shared services can be implemented and function effectively and efficiently, the communities which buy into a shared services model should be able to accrue several benefits:

A. Cost Containment to increase efficiencies and contain or reduce cost. It should be noted that in a County and some of the other jurisdictions are lean in staff in some areas, thus it is not probable that there would be immediate staff reductions due to the advent of less paperwork and greater efficiencies. However there are two mitigating realities which need to be noted:

Inefficiencies Have Created Added & Unnecessary Workloads

As a consequence of the lack of end-user tools and inability to secure timely and workable data, the county, city, town, and village staff have been forced to undergo much extra work in finance, payroll, human resources, public works, and highway maintenance. This extra work is in having to maintain paper or electronic spreadsheet databases, or the staff has to re-key information from one system into another just to maintain some means to control information. It is always difficult to accurately quantify a dollar amount of containment of costs, but it is not very common to experience a ten to twenty percent increase in productivity with the advent of robust end-user technology such as single data entry of information only once into one system, digital diagnostics to analyze past and present data quickly and efficiently, and easy to use ad hoc report generation capabilities, electronic exporting and importing to and from MS Excel, and automated mail merge letter generation.

Normal Increased Workloads Can Be Offset

For the County/City to just keep up with the on-going demands of its customers as well as state and federal mandates, it is not unreasonable to plan for a 10% increase in reporting and paperwork mandates and requirements. Over five years that could translate into a 50% increase in clerical staffing just to keep up with the mandates. With contemporary software innovations it is reasonable to expect any government to double the staffing productivity by 50% over the next five years and thus possibly preclude the need to hire additional staff [cost-avoidance].

B. Streamline Operations to increase the productivity of existing personnel and provide policy makers with essential management information. We routinely see that the newer systems [as opposed to the multiple computer systems, re-keying, faxing, and email of data] can better manage information with transparent access to reliable, timely, and accurate data from their financials, time and attendance, work orders, and chargeback data streams.

C. Enhanced Service to provide employees with the tools to effectively analyze data and for effectively and efficiently deliver the various tasks of the governments. With a shared information system, much of the redundancy of entering and sharing data can be significantly reduced in volume and enhanced in quality, accuracy, and timeliness. The workload on various agencies' staff would be greatly reduced. It should be noted that the level of optimal business operations in the city, county, towns, and villages is so lean, that no one should surmise that the increased productivity would translate into immediately reducing staff.

D. Accountability to provide clear cost and service justifications for services provided to citizens and taxpayers. A shared information system not only reduces paperwork and paper shuffling, but it makes each employee more accountable for their processing of information and each government charge backs and citizen payments becomes more accountable because payments of bills are more trackable and accountable.

Shared Services among Departments of Public Works

Local governments have long shared services when the sharing has proven to yield obvious benefits to all parties involved. The benefits of shared utilities are primarily economic. Communities can join together to provide services at a lower cost than if each provides the service independently. However, the benefits also come in the form of increased value. With shared service comes shared expertise and experience. All of the communities within a cooperative effort derive the benefit of the most experienced, the most knowledgeable, and the most innovative party in the group.

More recently, shared services have become popular for activities that do not accommodate political boundaries. For example, when the federal government passed the Water Quality Act of 1987, and subsequently began enforcement in 1990, local governments became subject to regulations regarding the monitoring of storm water runoff. Natural storm water drainage basins, by their very nature, are regional, and not subject in any way to political boundaries. Thus many communities found it advantageous to join with other local political subdivisions to form districts with the expressed intent to share the costs and receive shared benefits in complying with the regulations. Again, such districts are operating today in most states. Furthermore, communities have joined together in the past to realize economies of scale by forming purchasing co-ops. Smaller communities reduce costs by jointly purchasing large quantities of commodities such as road salt, water treatment chemicals, or insurance.

As legislators are faced with added budgetary pressures from ever increasing costs for labor and supplies, and especially with dwindling revenues in recent times, there has been a renewed interest in sharing services well beyond the scope of public utilities and safety. Local departments of public works (DPW) have begun to consider ways that sharing services can reduce costs and increase overall operational efficiency.

Shared activities vary in their visibility. It may be an administrative function that is virtually unseen by the general public. Examples of this are pavement assessment and management programs, and regional traffic studies. In

contrast, the activities might be tasks that are acutely visible to the general public, such as combining forces for snow and ice removal. Shared services also vary in size. A small-scale activity could be two communities sharing one brush-chipper for cleaning up public parks. The big projects might include combining multi-million dollar annual paving contracts.

Goal of DPW Shared Service Agreements

Though cost savings are generally the targeted goal of sharing services, there may also be an increase in the quality of service, and even in public perception. Snow and ice removal presents a unique challenge for local governments. It is possible for a city, a county, a township and a state department of transportation to all have the maintenance responsibility for different sections of the very same highway. When that is the case, a snow plow driver will intentionally lift his or her blade while driving on a road to access that portion of the highway for which he or she has responsibility. Even though this “lifting the blade” is reasonable, even totally appropriate, it looks bad to the public! It looks especially bad if the lifted plow is traveling on a section of roadway that has not yet been cleared. A well written shared service agreement can greatly reduce, if not totally eliminate, instances of inefficiency that are so apparent, and so obtuse, to motorists driving on untreated pavement.

While a case can be made that sharing services is an obvious tool to help reduce local government costs, many entities have not embraced wholesale sharing of services, and many are unlikely to embrace sharing in the near future. The nature of the political process under which local government operates often does not lend itself to innovation and new ideas.

Despite the obvious political obstacles, for Schenectady County and the local governments that operate within it, the essential elements that can ensure the success of this project are straightforward from a business and change management perspective:

- An inter-organizational structure that supports consensus between governments, departments, bargaining units, and

citizens about authority, business processes, logistics (such as order of response, mutual aid coverage), infrastructure, and inventory;

- Understanding of, and effective implementation of geographical and fiscal logistics, financial and business process integration, and work task flow;
- Resolution of legal issues, including personnel contracts, that provide for fiscal relief and includes reasonable transition of human resources;
- Supported by the inter-organizational structure, effective communication and decision-making between municipal entities at every level, operational improvements through the use of GIS and central dispatching, and the integration of information systems that support such decision-making and provide for fiscal control and noticeably improved public services.

Simply put, the task at hand for any group of local governments considering sharing services is to design a specific, detailed plan. The purpose of the meeting is to garner the impressions the stakeholders, evaluate strengths and weaknesses within the community, and identify specific opportunities for cost savings.

A meeting of all of the stakeholders should be individuals with access to information, and individuals who hold positions of responsibility. Stakeholders may include elected officials, appointed administrators, representatives of collective bargaining organizations, and the public. Excessive public participation can slow down a process at the onset, but it definitely heads off delays at the implementation stage. Once decisions are made and a plan is formulated, it can only come about with buy-in by all entities.

The next step is an examination of data. Detailed budgets must be presented and analyzed so that opportunities for savings can be quantified. Business plans and work plans must likewise be evaluated, and collective bargaining agreements reviewed.

A draft plan is then formulated, with estimated cost savings to given entities. The stakeholders reconvene to review the draft plan, make adjustments, and ultimately endorse the concept of a shared services agreement.

Finally the details of the plan are compiled and agreements drawn up. The details of a shared service agreement vary greatly. The format of the actual agreement also takes many faces. According to the “***SHARED Best Practices Handbook***” published by the State of New Jersey:

“Shared Services takes many forms. There are informal handshakes or courtesy agreements between local units that allow borrowing equipment or supplies on an as needed or project basis. Some are formalized through a memorandum of agreement that serves as the basis for periodic sharing for recurring needs. Other efforts, such as cooperative purchasing and joint insurance funds, operate by creating special purpose systems or units that provide the shared services.”

However, the most advisable instrument for a shared service agreement is a resolution passed by each governing body, and then the signing of an approved contract.

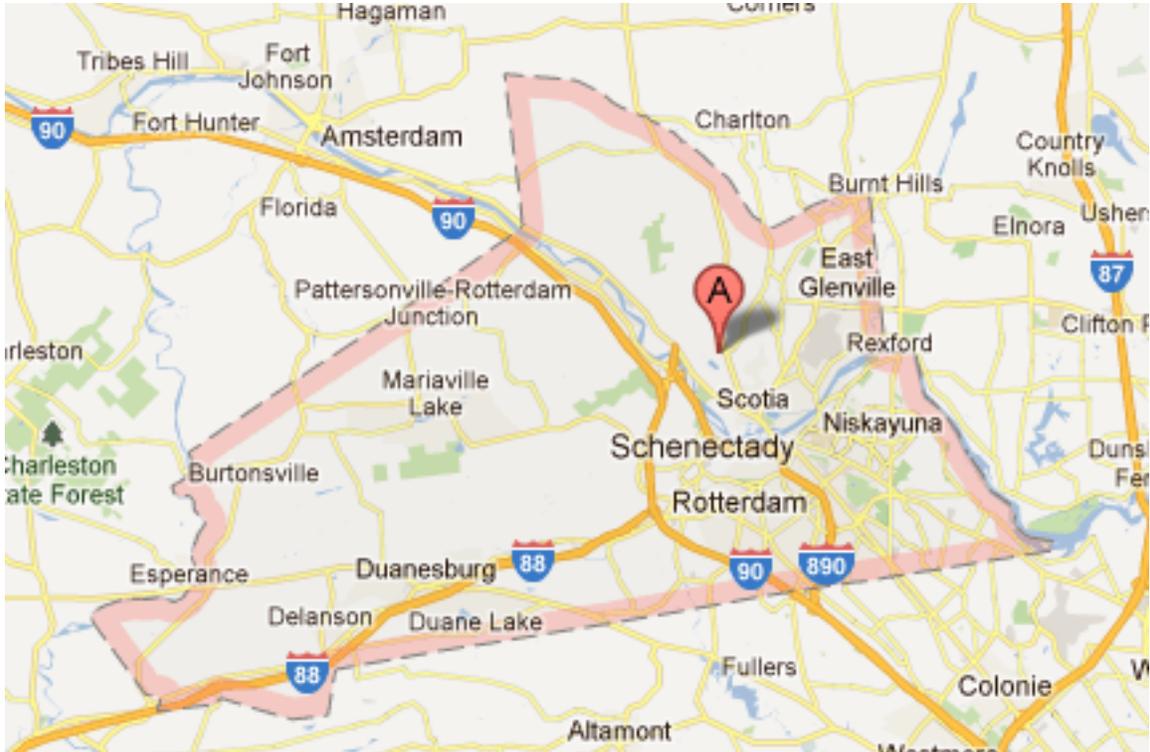
Currently, there are many shared services agreements. They are not always well received by the public. But when they are delicately prepared, passionately embraced, and deftly implemented by all of the stakeholders, they can yield tremendous benefits to the tax paying public.

It is critical that all current shared services agreements which have been developed utilizing the NYS Department of the State Comptroller, should be update and revised to keep them both maintained and responsive to any changes which may have evolved since there were first initiated and negotiated.

BACKGROUND INFORMATION

Map of Schenectady

The following map¹¹ is a simplified map projection from Google Maps that shows the governments within the County jurisdiction.



¹¹ Google Maps

MAP OF CITY OF SCHENECTADY



- FIRE HOUSES
- ADMINISTRATION BUILDINGS
- POLICE STATION
- DPW GARAGES
- PUMP STATIONS
- STORAGE BUILDINGS
- RESERVOIR
- DUMPING AREAS
- WASTE WATER TREATMENT

Census Population Breakdowns							
Community	2000	2010	2020	White	Black	Asian	Other
County Sch.	136,555	147,938	148,694	88%	7%	2%	1%
City of Sch.	61,821	60,922	60,104	77%	15%	2%	3%
Tn. Glenville	21,183	28,608	29,085	97%	1%	1%	0%
Tn. Rotterdam	28,316	28,462	28,776	97%	1%	1%	0%
Tn. Niskayuna	20,295	21,543	21,888	91%	2%	6%	0%
Tn. Dueanesburg	5,808	6,130	6,435	98%	0%	0%	0%
Tn. Princetown	2,132	2,274	2,406	99%	0%	0%	0%
Vlg. Scotia	7,957	7,832	7,741	95%	1%	1%	0%
Vlg. Delanson	385	379	374	95%	1%	0%	0%
From Capital District Regional Planning Commission							

Appendix: Legal Review by Jim Roemer

Appendix: Sample of the Initial Survey Documents

Appendix: Survey Results of Preferences for Shared Services