



County-Wide Shared Services Property Tax Savings Plan Summary

Appendix A

County of Tompkins			
County Contact: Joe Mareane			
Contact Telephone: 607-274-5551			
Contact Email: jmareane@tompkins-co.org			
Partners			
Row 1 – (total # of) Cities in County			
	Participating Cities	Panel Representative	Vote Cast (Yes or No)*
1.	Ithaca	Svante Myrick	Yes
2.			
3.			
Row 2 – (total # of) Towns in County			
	Participating Towns	Panel Representative	Vote Cast (Yes or No)*
1.	Caroline	Mark Witmer	Yes
2.	Danby	Ric Dietrich	Yes
3.	Dryden	Jason Leifer	Yes
4.	Enfield	Ann Rider	Yes
5.	Groton	Don Scheffler	Yes
6.	Ithaca	William Goodman	Yes
7.	Lansing	Edward LaVigne	Yes
8.	Newfield	Jeffrey Hart	Yes
9.	Ulysses	Elizabeth Thomas	Yes
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Use Additional Sheets if necessary

*The written justification provided by each Panel Representative in support of his or her vote on the Plan is attached hereto, as Exhibit 1.

Row 3 – (total # of) Villages in County

	Participating Villages	Panel Representative	Vote Cast (Yes or No)*
1.	Cayuga Heights	Linda Woodard	Yes
2.	Dryden	Reba Tayler	Yes
3.	Freeville	David Fogle	Yes
4.	Groton	Chris Neville	Yes
5.	Lansing	Donald Hartill	Yes
6.	Trumansburg	Martin Petrovic	Yes
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Use Additional Sheets if necessary

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Row 4 – (total # of) School Districts, BOCES, and Special Improvement Districts in County

	Participating School Districts, BOCES, and Special Improvement Districts	Panel Representative	Vote Cast (Yes or No)*
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Row 5

2017 Local Government Property Taxes	The sum total of property taxes levied in the year 2017 by the county, cities, towns, villages, school districts, BOCES, and special improvement districts within such county.
	92,829,387

Row 6

2017 Participating Entities Property Taxes	The sum total of property taxes levied in the year 2017 by the county, any cities, towns, villages, school districts, BOCES, and special improvements districts identified as participating in the panel in the rows above.
	92,829,387

Row 7

Total Anticipated Savings	The sum total of net savings in such plan certified as being anticipated in calendar year 2018, calendar year 2019, and annually thereafter.
	2018=\$145,975; 2019-\$281,037; 2020+=\$288,918

Row 8



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<p style="text-align: center;">Anticipated Savings as a Percentage of Participating Entities property taxes</p>	<p>The sum total of net savings in such plan certified as being anticipated in calendar year 2018 as a percentage of the sum total in Row 6, calendar year 2019 as a percentage of the sum total in Row 6, and annually thereafter as a percentage of the sum total in Row 6.</p>
	<p>2018 Savings=0.16%; 2019 Savings=0.30%; 2020+Savings=0.31%</p>

Row 9	
<p style="text-align: center;">Anticipated Savings to the Average Taxpayer</p>	<p>The amount of the savings that the average taxpayer in the county will realize in calendar year 2018, calendar year 2019, and annually thereafter if the net savings certified in the plan are realized.</p>
	<p>Dollar Savings are: 2018=\$4.13; 2019=\$7.95; 2020+=\$8.17</p>

Row 10	
<p style="text-align: center;">Anticipated Costs/Savings to the Average Homeowner</p>	<p>The percentage amount a homeowner can expect his or her property taxes to increase or decrease in calendar year 2018, calendar year 2019, and annually thereafter if the net savings certified in the plan are realized.</p>
	<p>2018=+3.0%; 2019=+2.9%; 2020=+2.85%</p>

Row 11	
<p style="text-align: center;">Anticipated Costs/Savings to the Average Business</p>	<p>The percentage amount a business can expect its property taxes to increase or decrease in calendar year 2018, calendar year 2019, and annually thereafter if the net savings certified in the plan are realized.</p>
	<p>2018=+3.0%; 2019=+2.9%; 2020=+2.85%</p>

CERTIFICATION

I hereby affirm under penalty of perjury that information provided is true to the best of my knowledge and belief. This is the finalized county-wide shared services property tax savings plan. The county-wide shared services property tax savings plan was approved on September 6, 2017, and it was disseminated to residents of the county in accordance with the County-wide Shared Services Property Tax Savings Law.

<p>Joe C. Mareane</p>	<p style="text-align: right;">County Chief Executive Officer</p>
<p>(Print Name)</p>	
	<p style="font-size: 1.5em;">9/13/17</p>
<p>(Signature)</p>	<p>(Date)</p>

Tax savings worksheet

	2017	2018	2019	Thereafter (2020)
Row 5 and Row 6: Expected Property Tax Increase/Decrease to Homeowners Without Actions	92,829,387	95,762,487	98,788,263	101,909,644
Anticipated Savings				
TCCOG Training Academy	-	17,000	17,340	17,687
Service Modernization Plan	-	50,600	51,612	52,644
Financial Software Purchasing Pool	-	1,000	1,020	1,040
Countywide Mass Notification System (Avoided Cost)	-	-	-	-
LED Streetlighting Initiative	-	42,500	173,400	176,868
Health Benefits Consortium				
Town of Newfield	-	34,875	37,665	40,678
Town of Homer	-	-	-	-
Row 7: Total Anticipated Savings	-	145,975	281,037	288,918
Adjusted Levy	92,829,387	95,616,512	98,507,226	101,620,726
		3.002%	3.023%	3.161%
Row 8: Anticipated Savings as a Percent of Participating Entities Property Taxes				
Anticipated Savings		145,975	281,037	288,918
2017 Levy of Participants (all), i.e., Row 6	92,829,387	92,829,387	92,829,387	92,829,387
Percent Savings		0.16%	0.30%	0.31%
Row 9: Anticipated Savings to Average Taxpayer				
Anticipated Savings		145,975	281,037	288,918
Total Taxable Parcels		35,342	35,342	35,342
Savings per Taxpayer		4.13	7.95	8.17

Row 10: Anticipated Costs/Savings to Average Homeowner

	2018	2019	2020
Expected Property Tax Increase/Decrease to Homeowners without Actions (Based on 5-year average growth)	3.16%	3.16%	3.16%
Anticipated Savings as Percentage of Participating Entities Property Taxes (From Row 8)	-0.16%	-0.30%	-0.31%
Expected Property Tax increase/Decrease to Homeowners with Action (Levy growth after netting out savings)	3.00%	2.86%	2.85%

State guidance: This can be calculated by estimated the percentage that property taxes are expected to increase for all local governments participating in the plan, using reasonable assumptions that could be described later in the Plan (5-year average) and reducing these percentages by the "Anticipated Savings as a Percentage of Participating Entities Property Taxes", i.e., Row 8

Row 11: Anticipated Costs/Savings to Average Business
Same as Row 10

Introduction: Local governments within Tompkins County have a well-earned reputation for innovation. Two generations ago, municipal and county leaders took the unprecedented step of consolidating the property tax assessment function at nearly the same time as Tompkins and Cortland Counties came together in a unique partnership to form Tompkins-Cortland Community College. Since then, public safety communications, public transit, records management, law enforcement technology, geographic information systems, water and wastewater treatment, and employee health benefits have been brought together under common organizational structures. A recent report by graduate students in the Cornell University Institute for Public Affairs and Johnson Graduate School of Management documented annual savings of \$4 million from just a few of these pioneering ventures.

Over the past several years, as a companion to its 2012 imposition of a property tax cap, New York State has “discovered” the benefits of shared services, and has launched several initiatives to compel local governments to share services or consolidate. The latest, the 2017 “County-wide Shared Services Property Tax Savings Plan Law”, gives counties until September 15, 2017 to identify shared services that will result in new property tax savings. The process is aided by an advisory panel of mayors and supervisors (who must also approve the final Plan), and informed by public employee unions, civic leaders, and the general public.

As in earlier State initiatives, the 2017 Shared Services Law doesn’t account for the past performance of counties like Tompkins. The expectations placed on Tompkins County are the same as in communities considering innovations such as centralized assessment or a health benefits consortium for the first time.

In meetings spanning three months, the Tompkins County Shared Services Panel considered a variety of shared services possibilities that would meet the State’s test of producing new property tax savings, and the State’s timeline that requires a report with certified savings by September 15th.

This report summarizes the Panel’s findings and recommendations, and is the County Administrator’s Shared Services Plan for review by the County Legislature.

Shared Services Panel’s Findings and Recommendations

Findings: The Panel did not find any “low hanging fruit” that would produce significant, recurring new property tax savings. In fact, examples cited by the State for consideration by counties read like a list of accomplishments already made in Tompkins County: health benefits consortia (GTMHIC), energy purchasing consortia (MEGA), shared insurance cooperatives (NYMIR), shared plowing (County contracts with towns for snow plowing), shared highway equipment (informal arrangements throughout the County), reduction in back office overhead (centralized assessment.)

The Panel did find merit in several relatively small shared service candidates, and agreed to stay together as a group to delve deeper into a few larger shared services possibilities that require more careful analysis and consideration than can occur within the deadlines set by the State.

Recommendations: The Panel recommends including the following shared services proposals in the County's Shared Services Plan:

1. The creation of a **Tompkins County Council of Governments (TCCOG) Training Academy** to serve as a vehicle to provide affordable, high-quality training to all local governments within the County. The Training Academy would be operated by Tompkins Cortland Community College and offer a curriculum of training desired by, and beneficial to, all local governments regardless of size. Building on the existing Supervising For Success program, this program would offer a variety of courses currently beyond the reach of smaller governments, or that carry a higher cost when secured individually rather than collectively. Examples of training include Customer Service, Cultural Competence, Compliance, Hazardous Materials Handling, Code Enforcement, De-Escalation, Safety Training, municipal accounting/financial software training, meeting management for staff and for public officials, and certain mandatory trainings. A steering committee comprised of municipal human resources officials, elected officials, and TC3 officials would monitor the program to ensure that course offerings remained in keeping with the training desired by local governments within the County.

Savings Estimate: \$17,000. Based on survey results from seven municipalities that represent approximately 90% of the municipal employment in the County, local governments are now spending approximately \$170,000 for training (excluding police and fire training for the City and County). It is estimated that the centralized approach to training will save 10% of the cost of training, or \$17,000 of recurring annual savings. Although not easily quantifiable, reducing the cost and proximity of training will make it more likely that local governments will send staff to training, thereby resulting in improvements in the quality of service and efficiency of delivery.

2. The creation and maintenance of a **Service Modernization Plan** by the County for use by all municipalities. The Plan would use LaserFische software, already in place to store and manage municipal records, to automate a multitude of routine paper-intensive tasks currently done by hand. These tasks could include processing FOIL requests, building permits, marriage licenses, demolition permits, work orders, anonymous tips, sealed court cases, and many more. The automated systems would generate a database that will result in user-friendly reports for the municipal clients. Tompkins County would provide access to the system, training, and data storage.

Savings Estimate: \$50,600. It is estimated that town and village clerks will save an average of two hours per week in processing time after these applications are in operation. At an average salary of \$45,000 plus a 50% fringe benefit factor, the hourly cost of a clerk averages \$32.45. There are 15 clerks and 52 weeks in the year. Therefore, a two hour per week savings for clerks is valued at \$50,614 ($\$32.45/\text{hour} \times 104 \text{ hours per year} \times 15 \text{ clerks}$).

3. The creation and management of a **purchasing pool** to facilitate the lowest-cost acquisition of contemporary **financial software**. Many municipalities are relying on “workhorse” financial systems that are reliable, but not as user-friendly or versatile as they desire. Moreover, as unit prices often vary with volume, the cost of a financial software system may go down if multiple municipalities pool their demand and issue a common bid. In consultation with municipalities, the County’s Finance Department and Information Technology Services (ITS) department will serve a facilitation role by helping to prepare and release an RFP for a standardized, contemporary financial software that may later open the door for a more centralized approach to functions such as payroll, accounts payable, purchasing, and tax collection. County staff would also work with municipalities to negotiate a final contract with the successful vendor.

Savings Estimate: \$1,000¹. The primary benefit of the joint purchasing approach is not to realize an immediate cash savings, but to enable all municipalities to exercise their collective buying power to attract vendors of various financial software products who may offer attractive features not currently available, or affordable, to smaller governments. Additionally, the joint purchasing approach may result in a common financial software platform that may help open the door to future shared services.

4. The acquisition and operation of a **countywide mass notification system** available to all municipalities in the County. The system will enable local governments to alert all residents within a specific geographic area to matters of urgent importance (e.g., floods, hazardous waste spills), and to advise residents who chose to be notified of matters of consequence to them (e.g., brush pick-up, parking restrictions, etc.) in a highly efficient and consistent manner. Alerts are issued via telephone, text messages, faxes, and social media. The system will take the place of multiple means of communicating, often requiring hours of staff work, that may not reach all of those who need to be, or want to be, alerted. Instead of each municipality purchasing a mass notification system (the City and Town of Ithaca are already contemplating such a purchase), Tompkins County will acquire and operate the system, and allow municipalities to tailor the system to their needs and priorities through the granting of administrative rights.

Savings Estimate: \$6,500 per year vs. cost if the largest of the individual municipalities (City, Town of Ithaca, County) purchased their own systems.

5. The creation and management of a **purchasing pool to facilitate the conversion of street lights to high efficiency LED fixtures**. There are significant greenhouse gas reduction benefits and cost savings associated with the conversion of conventional street lights to LED fixtures. It is estimated that the cost of maintenance and energy drops 75% when a streetlight is converted to LED; a savings that allows a rapid 5-6 year payback on the initial investment in re-lamping. A collaborative approach, led by the City of Ithaca which has already undertaken extensive exploratory work on a transition, could vastly accelerate the transition to LED streetlights across the county, allowing both environmental and economic savings to be realized much sooner than

¹ Savings attributed to 2019 in Appendix A calculations.

if each municipality approached the project on its own. Additionally, it is estimated that the installation cost for smaller municipalities would drop by approximately 10% if the project was a part of a single countywide bid.

Savings Estimate: \$170,000 annually², net of the cost to amortize the installation of 3,000 new lights. Additionally, towns and villages are expected to save \$30,556 on the cost of installation by being a part of a single countywide bid for an installation contractor. It is estimated that the implementation will occur in the 4th quarter of 2018.

6. Expansion of the **Greater Tompkins County Municipal Health Insurance Consortium**. In 2018, current municipal members of the Consortium intend to accept at least two new municipalities on the “pooled risk” arrangement. The expansion of membership will require a re-constituted Consortium, an amended Municipal Operating Agreement, and re-calculation of “ownership shares,” i.e., a virtually new organization. Accordingly, this initiative is incorporated in Tompkins County’s shared services plan, as well as the shared services plans of the new members, and will generate an annual savings of approximately \$1.75 million shared by members of the Consortium.

Savings Estimate: \$1.75 million annually, based on 2015 study of shared services and efficiency in Tompkins County by graduate students at Cornell University Institute for Public Affairs and Johnson School of Management.)

- 6a. **Town of Newfield (Tompkins County) Entrance into Tompkins County Municipal Health Insurance Consortium.** The Town of Newfield has committed to join the Consortium in 2018.

Savings Estimate: Based on 2017 premium prices, the Town of Newfield will save a minimum of \$34,875 in ongoing health benefit costs in 2018 by purchasing its employee and retiree health benefits through the Consortium.

- 6b. **Town of Homer (Cortland County) Entrance into Tompkins County Municipal Health Insurance Consortium.** The Town of Homer has committed to join the Consortium in 2018.

Savings Estimate: Based on 2017 premium prices, the Town of Homer will save a minimum of \$14,166 in ongoing health benefit costs in 2018 by purchasing its employee and retiree health benefits through the Consortium.

Recommended Areas for Additional In-Depth Review:

1. Back-Office Administrative Services, including:
 - Payroll
 - Purchasing

² Savings are pro rated between 2018 and 2019 in Appendix A calculations.

- Accounts Payable
- Tax Collection,
- IT Support

If certain administrative/overhead functions could be performed with quality, responsiveness, and at a lower cost by a central entity, municipalities could focus on direct core services. The TST BOCES Central Business Office (CBO) model could serve as a template for a similar centralized administrative services unit hosted by the County. BOCES provides member school districts with administrative services that include accounts payable, payroll, tax collection, and information technology. In a municipal version of the CBO model, the County would establish a stand-alone unit dedicated to providing specific administrative services on contract to municipalities.

As a potential alternative, TST BOCES is legally authorized, and appears to have the capacity, to extend its current services to include municipalities on a contract/fee-for-service basis. Because the organizational infrastructure has already been developed at TST BOCES, this is a viable alternative and should be considered alongside a County model.

- Panel discussions have clearly shown that many municipalities would value expert IT support and access to contemporary software systems that could be provided by the County's ITS department. As office automation technology moves rapidly toward "Virtual Desktop" technology that provides central software and support to office automation in multiple locations, an expanded County ITS role in supporting municipalities should be possible at a relatively low cost. The greatest barrier will be the lack of high speed access to municipal facilities in the rural parts of the County.

Additionally, a fee-based sharing of County GIS services is of particular interest to several municipalities, and should be pursued expeditiously.

- Centralized tax collection is viewed as the most "politically" difficult change to implement and carries a risk of increasing the distance between governments and those they serve. However, as BOCES has shown, the efficiencies gained through a centralized approach can be significant. The County Administrator recommends a review of the benefits and costs of BOCES assuming this function.
 - A variation on the back office theme would provide administrative support to town and village highway departments, particularly in identifying and writing grants for infrastructure projects.
2. Code Enforcement. The Panel found that while the code enforcement function has links to the land-use authority of municipal governments, centralization of the function may result in cost and quality benefits similar to that followed centralization of the assessment function.
 3. Fleet Maintenance. There may be savings associated with a centralized approach to fleet maintenance similar, in some respects, to the centralized back office services concept. Here, a

centralized maintenance facility could repair trucks and heavy equipment used by multiple governments and related agencies, such as fire districts/departments.

4. **Law Enforcement Shared Services.** The County is currently engaged in a shared services study involving the City of Ithaca and Villages of Cayuga Heights, Dryden, and Groton. The Study is underwritten by the NYS Municipal Restructuring Grant managed by the NYS Department of State. As options emerge from the study, the governing bodies of each participating municipality will determine how they choose to proceed.

Other Areas Following A Collaborative/Shared Services Approach and Worthy of State Support:

In addition to the items above, the Panel discussed two major issues that are being approached in a collaborative fashion. While neither now requires the involvement of all of the mayors and supervisors who serve on the Shared Services Panel, the members believe that cost savings and improvements in quality will accompany a shared services approach to the following projects, and that New York State should incentivize these large-scale shared services activities through the provision of grant funds offered through the NYS Department of State or other agencies:

- **Wastewater Treatment.** A collaborative approach to optimizing the capacity of the Cayuga Heights and City of Ithaca Wastewater Treatment Plants by the six entities served by those facilities. As contemplated in a 2003 agreement, the six entities will come together to find solutions to deal with stormwater issues taxing the capacity of the Cayuga Heights facility which are more cost effective than a \$5 million expansion of the plant. These discussions have already begun, but will continue beyond the timelines established by the Shared Services Initiative law.
- **Stormwater Management.** The requirements associated with stormwater management are expected to increase and include greater discharge monitoring and culvert maintenance. This is being approached from a regional perspective, with the participation of multiple governments. The Panel supports these inter-governmental efforts and believes the scope of these challenge warrants grant assistance from the State.

Conclusion

The Tompkins County Shared Services Panel is pleased that its deliberations have helped identify or accelerate several promising shared service initiatives. While the anticipated savings are not on the magnitude of the many consolidations and collaborations undertaken earlier in Tompkins County, we note the savings produced by our recommendations will be in addition to the several millions of dollars being saved each year as the result of those prior efforts.

We encourage the Tompkins County Legislature to review the proposed Shared Services Plan and to offer any comments it may have by September 1, 2017, so the Panel may comply with State Law by voting on a final plan before September 15, 2017.

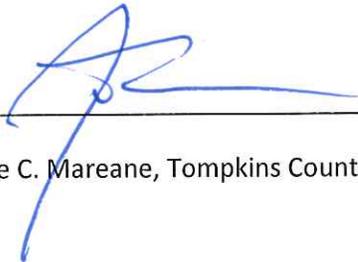
Representations

The development of this Plan followed the guidance provided by the State and required by Law, namely:

- A panel of mayors and supervisors was convened and participated fully in the development of the Plan;
- School District representatives were invited to participate, but chose not to;
- Bargaining Unit leadership of all participating municipalities, including the County, was invited to submit recommendations and perspectives either directly to the Panel or through a dedicated email address established for this purpose. No comments were received;
- Three public hearings were held after due public notice. Hearings occurred on June 21, 2017, July 19, 2017, and September 6, 2017;
- A dedicated webpage was created to inform the public and policy makers about the activities and discussions of the Panel;
- The Tompkins County Legislature fully reviewed the Draft Plan and, by Resolution, unanimously endorsed the Plan on August 15, 2017;
- The Shared Services Panel reconvened on September 6, 2017 and unanimously approved the Plan as contained in this document.

Certification of Property Tax Savings

By my signature below, I hereby certify that the savings identified and contained herein are true and accurate to the best of my knowledge and belief.



Joe C. Mareane, Tompkins County Administrator

Shared Services Panel Members

Supervisors

Mark Witmer, Caroline
Ric Dietrich, Danby
Jason Leifer, Dryden
Ann Rider, Enfield
Donald Scheffler, Groton
Bill Goodman, Ithaca
Ed LaVigne, Lansing
Jeff Hart, Newfield
Elizabeth Thomas, Ulysses

Mayors

Linda Woodard, Cayuga Heights
Reba Taylor, Dryden
David Fogel, Freeville
Chris Neville, Groton
Svante Myrick, Ithaca
Don Hartill, Lansing
Martin Petrovic, Trumansburg

County Administrator

Joe Mareane, Chair

Staff

Paula Younger, Deputy County Administrator
Marcia Lynch, Public Information Officer