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1st DRAFT Tompkins County Shared Services Plan

Introduction: Local governments within Tompkins County have a well-earned reputation for innovation. A generation ago, municipal and county leaders took the unprecedented step of consolidating the property tax assessment function. Since then, public safety communications, public transit, the community college, records management, water and wastewater treatment, and employee health benefits have been brought together under common organizational structures. A recent report by Cornell University graduate students documented annual savings of \$4 million from 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 (that 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 candidates 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 that is desired by, and beneficial to, all local governments regardless of size. Building on the Supervising For Success program, this two-semester per year program would offer a variety of courses that are 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 Inspection, De-Escalation, Safety Training, municipal accounting/financial software training, meeting management for staff and for public officials, certain mandatory trainings, and the like.

Savings Estimate: \$20,000 annually. Savings projection based on estimated class size of 20, savings of \$100 per participant vs. alternative training, 5 training classes per semester, 2 semesters ($20 \times \$100 \times 5 \times 2 = \$20,000$).

2. The creation and maintenance of a Service Modernization Plan by the County for use by all municipalities. The Plan would use LaserFische software 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 data base 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: \$ annually. Saving projection based on municipal clerks' estimate of savings in time now required to manually process

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. Plus, the cost to purchase a single system may be higher than if multiple systems were purchased together. In consultation with municipalities, the County's ITS department will serve a facilitation role by preparing and releasing 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 ITS staff would also work with municipalities to negotiate a final contract with the successful vendor.

Savings Estimate:

4. The acquisition and operation of a countywide mass notification system available to all municipalities in the County. Rather than 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: \$X per year vs. cost if individual municipalities purchased their own system.

5. The creation and management of a purchasing pool to facilitate the conversion of street lights to high efficiency LED fixtures. In consultation with municipalities, the County would assess interest in converting existing street lights to LED fixtures, determine the availability and amount of grants to offset the cost of such conversions, prepare and distribute a bid document, and negotiate a final contract with vendors. (The City of Ithaca is underway with an exploration of transitioning to LED streetlights and may therefore be positioned to take the lead in this project.)

Savings Estimate:

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 municipalities from outside Tompkins County to the "pooled risk" arrangement. The expansion of membership will require a re-constituted Consortium, an amended Municipal Operating Agreement, and recalculation 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 Cornell University graduate student study.

Recommended Areas for Additional In-Depth Review:

1. Back-Office Administrative Services including payroll, purchasing, accounts payable, tax collection, and IT support. To the extent that administrative/overhead functions could be performed with quality 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. Under this model, municipalities would decide whether to contract with County CBO for specific administrative services. Alternatively, TST BOCES is legally authorized, and seems to have the capacity, to extend its current services to include municipalities on a contract/fee-for-service basis.
 - 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 was narrowly focused on providing 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, the centralization of the function could result in cost and quality benefits similar to that followed the centralization of the assessment function.
 3. **Wastewater Treatment.** A collaborative approach to optimizing the capacity of the Cayuga Heights and City of Ithaca Wastewater Treatment Plants by the six entities that are served by those facilities. As contemplated in a 2003 agreement, the six entities will come together to find solutions to dealing with stormwater issues that are taxing the capacity of the Cayuga Heights facility that 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.
 4. **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.
 5. **Stormwater Management.** The requirements associated with stormwater management are expected to increase and include greater discharge monitoring and culvert maintenance. As these requirements come into clearer focus, the development of a response plan should include consideration of the benefits of a centralized approach.