

SHARED SERVICES & CONSOLIDATION EXPERIENCE

Leaders in many communities are looking for ways to reduce government costs by sharing services or consolidating whole governments. Founded in 1915, the nonprofit Center for Governmental Research (CGR) has extensive experience in identifying alternative ways to organize local governments or operations to provide effective and efficient municipal services.

In the past four years alone, CGR has worked with local governments from Ohio to New Jersey, and been involved in studies for more than 25 communities. Studies have been funded by various sources, including the Local Government Efficiency (LGE) program in New York and the Sharing Available Resources Efficiently (SHARE) program in New Jersey. This brochure highlights a number of these studies, a related government cost study for a 16-county region in Northeast Ohio, a relevant study on Long Island, and a wide range of earlier studies we've conducted.

For additional information on CGR's shared services experience, see www.cgr.org, click on Research, and select Shared Services/Consolidation. (Or go directly to http://www.cgr.org/research_shared.aspx).

Report for NY Commission on Local Government Efficiency & Competitiveness



The Commission examined ways to strengthen and streamline local government in New York and focused attention on service sharing, consolidation and regional governance. Prior to making a final report to the NYS governor in 2008, the Commission engaged CGR to analyze local city and town governments in the Oneonta, Norwich and Cortland areas and evaluate opportunities to share services and/or consolidate. Our report highlights three themes: 1) there is no need for the state to require a "one-size-fits-all" solution; 2) shared services agreements or consolidations must be perceived as being equitable in order to succeed over time; and 3) to consolidate entire municipal entities, creative solutions are needed in order to overcome challenges of outdated borders, embedded procedures, legal constraints and historical differences.

Cost of Government Study for Northeast Ohio

A 2008 CGR study dramatically increased awareness of the cost of local government – and the degree of fragmentation of local government – in economically challenged Northeast Ohio. Encompassing Cleveland, Canton, Youngstown and Akron, the region is home to the Fund for our Economic Future, which is dedicated to regional economic transformation. With financial support from six funders, the Fund engaged CGR to assess the cost of local government services and compare them with peer regions. A previous Fund initiative had identified encouraging local governments to work together or combine services to reduce duplication as a regional challenge. For the project, CGR built a comprehensive cost and revenue database for local governments in the Northeast Ohio region and five comparison regions. We put this "data dictionary" into an interactive, user-friendly web format.



Chester Township & Borough Consolidation Study



In New Jersey, the governing bodies of Chester Township and Chester Borough received state approval in 2009 to create a joint consolidation study commission and establish a process for a consolidation study. The joint commission assessing the feasibility of consolidating the municipalities into a single governmental unit engaged CGR as its consultant. CGR is currently

analyzing the full range of government services and administration of the township and borough; preparing a consolidation implementation plan; and advising the commission regarding the benefits and liabilities of consolidation. For details, see www.cgr.org/chester.

City and Town of Batavia Consolidation Plan



In 2009, CGR played a key role in the development of a plan for consolidating the City and Town of Batavia NY into one government. The plan, a first-of-its-kind for a city/town pair in NYS, recommends that elected officials approve a joint charter commission and take steps to hold a public vote on a new city charter in November 2011. Assisted by CGR, a joint study committee projected cost savings of \$943,000 in year one of consolidation; finalized a report of model options for the combined community; posted committee reports and supporting information on a project website (www.cgr.org/bataviaconsolidationplan); held public forums; and delivered a final plan to the city and town. Elected leaders are currently discussing approving a joint charter commission.

A Comparative Analysis of the Cost of Local Government in Long Island and in Northern Virginia

In 2007, CGR conducted a landmark comparison of local governments on Long Island with a comparable area in northern Virginia (NVA). Local government services, including schools, cost 44% less in NVA, although the level of services and citizen satisfaction with those services appear comparable. A detailed comparison of school districts and fire departments showed that NVA manages those services on a countywide/regional basis, whereas Long Island's 127 school districts and 179 fire departments create a fragmented management structure that restricts cost-effective use of resources and thus is a significant contributing factor to high costs and high taxes for government in New York.

County Assessments: How to Reform Local Property Tax Systems

New York State recently provided grant funds to encourage counties to study how to streamline their local assessment and/or tax administration programs to promote efficiency, equity and transparency for taxpayers. In 2009 CGR completed four studies (for Albany, Wayne, Chemung, and Orleans counties) funded by the NYS Centralized Property Tax Administration Program (CPTAP), which was initiated by the NY Office of Real Property Services. Final reports are available at www.cgr.org.

Village of Johnson City Dissolution Study

The Village of Johnson City, which has a population of nearly 15,000 and an annual budget of about \$22 million, is located in a fiscally stressed area of New York's Southern Tier region. The village was petitioned by residents to hold a referendum on the question of dissolving the village and merging operations in the Town of Union. CGR was engaged by the village board to assist a jointly appointed village/town committee in conducting the study. The committee developed a dissolution plan, which included a 29% property tax reduction for village taxpayers. In November 2009, Johnson City voters rejected 2,256 to 2,216 dissolving the village and consolidating with the town.



Dissolution Plans for the Villages of Seneca Falls, Perrysburg and Port Henry



In March 2010, voters in the Village of Seneca Falls, population, 6,700, voted to dissolve their village, making it the largest NY village to approve dissolution. The Village of Perrysburg, population 380, also voted to dissolve. Voters in the Village of Port Henry, which is in the Adirondack Park, rejected dissolution. For all three communities, CGR assisted joint village/town study committees with dissolution studies and plans and hosted project websites. After dissolution takes effect on Dec. 31, 2011 in Seneca Falls, located in the Finger Lakes region, and Perry-

burg in western NY, responsibility for providing services will be assumed by the town in which each village is located. To view project websites, go to http://www.cgr.org/research_shared.aspx.

Village of Albion, Town of Albion & Town of Gaines Shared Services / Consolidation Study

CGR recently conducted what is believed to be the first study in NYS to explore the issues involved in developing service options for a village that is split between two towns. The Village of Albion, Town of Albion and Town of Gaines, located in the heart of New York's Orleans County, asked CGR to identify viable options for sharing services, up to and including full consolidation of all three governments. The study illustrates our understanding of issues that cut across multiple municipal boundaries and the opportunities for various combinations of shared service/consolidation arrangements involving different combinations of governments. In 2008 the oversight committee recommended elected leaders pursue dissolving the village, thereby reducing the number of governments from three to two. The village board decided not to pursue a vote on dissolution.

Thinking Beyond Municipal Boundaries: Cost Reduction Opportunities



CGR prepared a report in 2003 for a group of Buffalo-area businesses looking at opportunities to manage municipal service delivery on a sub-regional basis to achieve cost efficiencies. The key strategy identified is to focus on functions within the urbanized area without being constrained by artificial municipal boundaries. The report identified opportunities to save from \$8.2 million to \$9.9 million by developing a sub-regional approach to managing refuse, street lighting and information systems operations.

Studies Involving Consolidation of Police Departments

CGR has been engaged in numerous studies evaluating the potential to consolidate police departments. For example, the Village and Town of Lancaster NY consolidated their police departments in 2003, following a CGR study that showed how costs would change, and taxes impacted, if the departments were consolidated. CGR also evaluated whether or not it would be beneficial to merge the Village of Angola and Town of Evans NY police departments. The study found that annual savings of \$140,000 per year could be achieved, depending on the terms of the final service agreement. The town and village subsequently received a \$126,000 NYS grant to create a single police department in the town.



City of Elmira, Blue Ribbon Commission on Fiscal Stability

In 2006, CGR was engaged by the City Manager of Elmira NY to assist the City Manager's Blue Ribbon Commission on Fiscal Stability to analyze all city operations, review city finances, and assist the commission in crafting recommendations to help the city stabilize its finances. Strategies presented included restructuring some city operations, and developing cross-government regional approaches for providing fire, police and public works services.

City of Buffalo – No Handout, No Bailout



CGR prepared a report for the Buffalo Comptroller in 1997, funded by a business group, that developed a different model for delivering City of Buffalo services, potentially saving city taxpayers \$14 million-\$20 million and reducing the local tax levy by 9%-13%. The model showed how the city structure could be re-engineered, whereby the city would provide core governance, administrative and other key services, while contracting out for those services that could be provided by other governments or the private sector at lower cost. This report was central to discussions about the roles of Erie County and the city in the late 1990s.

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April 2010