

Indian River School District Shared Fuel Facility Case Study

Contents:

1. Municipal Characteristics (names, population, size, fiscal metrics)
2. Project Description and Impetus
3. Proposal(s) and Proposed Funding
4. Legal Foundation and Legal Checklist
5. Views on the Issue
6. Results (adopted, amended, rejected etc)
7. Implementation
8. Expectations vs. Implementation
9. Factors contributing to success or failure/Lessons Learned
10. The 10 Step Program
11. Technical Assistance
12. List of documents
13. Additional comments/suggestions/helpful hints
14. Contact Information

1. Municipal Characteristics

Indicators	Indian River School District	Town of Philadelphia	Jefferson County	Town of Pamela	Village of Evans Mills
2000 Population	12,565	2,140	111,738	2,897	605
Land Area (sq. mi.)	284.00	37.60	1272.00	33.96	0.79
Assessed Value Fully Taxable	\$273,187,212	\$37,215,229	\$3,390,422,518	\$116,931,649	\$14,695,593
Full Valuation Taxable Real Property	\$280,201,105	\$37,215,229	\$3,735,374,716	\$116,931,649	\$14,695,593
Total Tax Levy	\$1,828,474	\$383,811	\$38,067,642	\$375,677	\$111,275
Total Debt Outstanding	\$40,672,774	\$24,168	\$2,820,500	\$4,610,908	\$60,000
Total State Aid Revenue	\$33,936,159	\$17,756	\$18,736,942	\$113,939	\$20,380
Total Revenue w/ State Aid	\$50,409,059	\$647,411	\$138,439,456	\$1,497,842	\$372,113
Debt Service	\$5,356,980	\$23,123	\$2,460,144	\$257,504	\$13,500
Total Expenditures w/ Debt Service	\$52,122,683	\$598,897	\$146,879,823	\$1,386,665	\$407,208

2. Project Description & Impetus

In the early 1990s, the Indian River School District was experiencing rapid growth of its student population. This was due in a large part to the expansion at the Fort Drum Military Base. The school district needed to make improvements to buildings and grounds to meet the demands of the increasing numbers of students. Transportation became a critical element as the fleet of 40 buses was going to need to grow to 80. The school district needed to replace its 2-bay garage with a new facility large enough for repair and maintenance of the larger fleet as well as housing the growing staff.

Indian River School District received a \$16,000 grant from the NY State Education Department to study the feasibility of sharing vehicle maintenance, storage, and fuel depot. The school engaged Transportation Advisory Services (TAS) of Fairport, NY to perform the study beginning in September 1995. In addition to the school district, the New York State Department of Transportation, the Town of Philadelphia, and the Village of Philadelphia participated in the study.

The Town of Philadelphia, whose facilities are located across the highway from the high school was interested in possibly sharing a facility. They brought the NYS Department of Transportation into the discussion since some NY State equipment is stored in the Town Barn. The Village of Philadelphia wanted to consider renting space if the cost was not too high. Although not significantly involved in the early stages of the project, the Town of Pamela and the Village of Evans Mills joined the project after the fuel depot became available.

3. Proposal(s) and Proposed Funding

The proposal was to construct a shared maintenance, storage and fuel depot facility. The school district planned in paying for the construction with state aid for most of the cost.

4. Legal Foundation and Legal Checklist

There have been no lawsuits or legal actions regarding this issue.

The Indian River School District was awarded a \$16,000 grant from the State Education Department to conduct a feasibility study of building a new transportation center complete with fuel depot and if sharing services with nearby municipal governments would benefit the school and community. Funding for this program was covered by a provision of Section 3602(14)(h) of NYS Education Law allowing school districts to request funds to conduct efficiency studies. Such studies may be joint efforts with other school districts, human service agencies, or local governments

On May 13, 1999, the Indian River School Board of Education approved motions for endorsement of an inter-municipal agreement for lease of vehicle storage and maintenance facility and a fueling facility. The Indian River School District and the Town of Philadelphia signed an inter-municipal agreement for lease of vehicle storage and maintenance. The inter-municipal agreement for lease of the fueling facility outlines terms for the use of the fueling depot by the school district, Town and Village of Philadelphia. In addition there is an intergovernmental agreement between Jefferson County and the Town of Philadelphia relative to garage facilities for county equipment.

Indian River School District consulted their attorney Marc H. Reitz regarding the agreement of May 1999. The school had modeled their contract after samples of similar agreements provided by their consultants, Transportation Advisory Service (TAS). Mr. Reitz [states] that the NYS General Municipal Law itemizes the appropriate elements of the inter-municipal agreement in Article 5-G 119.0. The law provides the municipal corporations the power to enter into such agreements and lists the contents of such agreements:

- the formula for payment equitability,
- personnel jurisdiction,
- supervision and administration of project,
- purchasing authority,
- operation of property,
- state aid,
- designation of a fiscal officer and audit protocol,
- liabilities,
- periodic review,
- disputes and/or termination of agreement.

Where inter-municipal agreements with school districts get complicated is in factoring in projected state aid that is available to schools. The parties involved would do well to designate whether that will be part of the school's contribution or reduce the total cost of the project. Mr. Reitz suggests schools use a consultant such as Questar III's State Aid and Financial Planning Service to navigate the state aid issues.

5. Views on the Issue

Arguments pro:

The school district and the town had a long history of cooperation. Both were extremely positive about the shared facility. Public meetings were held jointly with the town and the school. All feedback was positive as this was seen as a cost savings to the taxpayers.

The school district staff felt very positive about the new facility. As their bus fleet was growing and other construction projects were happening they looked forward to their new facility.

The Town of Philadelphia was invested in the new facility because they had been included in the planning from an early stage. The Philadelphia Town Board agreed in June, 1995 to be part of the study for shared services. By the time the facility was ready to be occupied in 1999 and the proposal was presented, town employees already perceived the facility as their new home.

The State Department of Transportation was in favor of the proposal since it would mean better accommodations for the state equipment located in the town. State and county vehicles are moved to another facility for maintenance. Vehicle maintenance staff reported being able to get the equipment inside for small tasks may mean fewer problems over time.

Considerations

School - The Indian River School District knew that they would build a new facility. They investigated the possibility of including other entities to help determine the size and features of the new facility. Advantages of a shared facility included building a bigger facility than their current size warranted and taking advantage of the economy of scale for purchases. Since the town and school would both need to expand their facilities, perhaps one project could satisfy both needs for the taxpayers. The school officials reported it was not so much a question of whether a shared facility would save money as how to document the savings.

The school district was interested in including a fueling depot where the new facility was located. One concern for the school district was the underground fuel storage tanks at their existing site. Regulations were changing, which would require these tanks be replaced within a few years. Another benefit to building a new fueling center would be to remove it from the immediate vicinity of two school buildings. The old facility is located between the middle school and the high school buildings. The proposed building site is several hundred feet

down the road. Moving the facility would mean less traffic in the school parking lots and less risk of fuel spillage near the school buildings.

Town - Vehicle maintenance facilities for the Town of Philadelphia were formerly housed in a town barn that had been purchased from a car dealership. The facilities were small and inadequately heated. Most notable was the sheet of ice that covered the floor making it hazardous and uncomfortable for the workers during the winter. In addition, the maintenance staff performed all maintenance without a lift or pit. Some of the maintenance work had to be sent out because the town's facilities would not accommodate the work. Employees in the offices in the front of the building could sometimes smell fumes from the trucks inside the garage. The town was not in a financial position to upgrade its facility, but felt a new facility would be more efficient. Moving vehicle maintenance to the school's facility was an attractive possibility.

Arguments Con:

Town officials discussed the potential problem of separating the vehicle maintenance from the town offices and salt barn. This concern was quickly dismissed due to the close proximity of the new facility which would be located just across the highway. The only real concern raised about joining the school in a shared facility was that they would have to move back to their old barn if it didn't work out.

Local News Media Positions

A number of articles were published in the Watertown Daily Times chronicling the school's purchase of property, discussions of when and what to build. Most of the seventeen articles published discuss phases of the project or opportunities for the community to attend meetings with town, village, and/or school officials to learn about the project or voice concerns. No editorials could be located or recalled by any of the officials.

6. Results (adopted, amended, rejected etc)

An agreement was signed by the school district and the town of Philadelphia. The town then acts as "property manager" for its share and has agreements with the other entities (Village of Evans Mills and Town of Pamela). This simplifies the agreement for the school and ensures the town has enough access before other groups.

The Village of Philadelphia participated in the study but decided not to join in the shared facility. Cost and location were the two major obstacles. With a crew of 4 workers responsible for all the Department of Public Works projects they did not feel they had the staff to provide in-kind services. Sharing the new facility would have meant paying their share in cash. They felt they could not justify a cash outlay when they already had adequate facilities within the village limits. Currently, [the Village] DPW is centrally located in the village. Their facility is small but adequate since a significant amount of their vehicle maintenance is done offsite. Although the Village entered into an agreement for the shared fuel facility, they elected not to use the shared fuel depot because their current contract with a local gas station in closer proximity was suitable.

7. Implementation

Since there was interest from several local municipalities, the Indian River School District proceeded with the construction of the Transportation Center including the fuel depot. Once the facilities were completed in May 1999, the Town of Philadelphia and Indian River School District entered into the inter-municipal agreement. The school district and town agreed to share the project costs over what was reimbursed by state aid. The agreement describes the previously agreed on plan to lease 49% of the space in the facility to the Town of

Philadelphia, who could then sublet to other entities with approval from the school. The town agreed to provide in-kind services to the school district in lieu of cash payment for capital costs and/or quarterly operating costs after state aid. The school and town agreement is for the time period of ten years beginning May 13th 1999. Thereafter the agreement may be extended for five-year periods.

Once the building could be occupied, the town highway superintendent took over some of the building management duties with its sub-lessees. The town has made agreements with the state and county departments of transportation, the NY state police, and fire and rescue squads from the Town of Pamela and the Village of Evans Mills for either space in the garage and/or fuel depot privileges. Jefferson County has an intergovernmental agreement with the Town of Philadelphia for two bays in the transportation center. The town also makes available its office equipment, tools, and on-site satellite service. The county pays the town \$6000 per year plus provides in-kind services to the town in the amount of \$4500 per year.

The town reports that weeks before they moved into the facility they had already started assisting the school with road maintenance. They have continued to provide this service, mostly in the form of snowplowing in the winter and road paving and maintenance in the warmer months. The Town Highway Superintendent says that the town employees could be available for a variety of labor if needed because this is such a valuable relationship between the town and school.

Fuel Depot: Fuel is purchased by the school through a standard bid process. Users of the fuel depot facility are issued a key by the school district transportation supervisor for tracking purposes. A computerized system maintains a record of agency, driver, vehicle, amount, and cost of fuel dispensed. The school district delivers a monthly bill to the Town of Philadelphia. The Town of Philadelphia Highway Superintendent receives a monthly statement for the fuel depot. This statement lists all the information for all non-school vehicles. The superintendent then distributes a portion of the statement to the county, other towns, and villages to request payment. These statements have made record keeping much simpler as each vehicle and driver is itemized by the computer thus eliminating the need for drivers to keep notes in the vehicles.

Shared Space: The building was divided between the school and town at 51% and 49% respectively. The division of the building is clear, being divided into front and back halves. Ample outside parking was identified for both.

In-kind payment: It was agreed that the town and possibly others could provide in-kind services as a substitute for cash payment. The partners had a longstanding tradition of “handshake agreements” for trading and cooperation. A tracking system would need to be established that would itemize services so as to satisfy accounting. It was determined that the town would charge a rate similar to what it charges the county. For example, a rate per mile of road maintained or trees removed. Services would be evaluated yearly.

The school has been able to convert the old bus garage into a shipping and receiving center for the school. The space in the high school previously occupied by that department has been converted to instructional space much needed in an ever-growing school district.

8. Expectations vs. Implementation

All parties expected the new facility to provide a working environment that was more comfortable and efficient. In addition, occupying adjoining spaces could foster more cooperation in knowledge, skills, and tools.

An article in the Watertown Daily Times on February 21, 1999 lists many benefits of the new transportation center. The assistant school superintendent, school transportation supervisor, school mechanic, town

supervisor, NY DOT resident engineer are all quoted listing reasons that the new facility will be an improvement. The biggest improvements were expected to be in work conditions and more efficiency for the taxpayers.

Measurable results were seen in the first few months of sharing the new transportation facility. The facility is warm, dry and well lit, providing workers a comfortable pleasant workspace. All occupants, including the contracted bus drivers, report the facility contributes to high morale and attendance. Anecdotal evidence is reported for fewer injuries and illness due to the improved working conditions.

Local officials consider this cooperative effort to be an overwhelming success. The Watertown times reports the following comments, "It's a beautiful arrangement for everyone involved," Philadelphia Town Supervisor Cheryl K. Horton said. "We're providing services they don't have, and they're providing space we don't have. It's an excellent example of intermunicipal cooperation that has been the thrust of communications from the state down to the local level." School officials report satisfaction in receiving services such as snowplowing, road maintenance and information sharing. The transportation supervisor can get an immediate report directly from a plow driver coming in off the roads. Because plowing the bus parking lot is performed by the town plows, the school staff can focus on early morning building issues. Later in the day, school staff use pickup trucks outfitted with V-plows to "clean up" the smaller areas not plowed by the town.

Cheryl Horton, the Town Supervisor, described the many uses the previous town barn has taken on including providing a home for an early childhood education program in the office space at the front of the building. This is a valuable community service that could not have been provided if the barn was still being used for vehicle maintenance. When maintenance occupied the building people in the front could often smell fumes. They would not have been able to make those offices available. She cites this as an example of a way the program has exceeded their expectations.

Since 1999 the school has outgrown the space it occupies at the transportation center. Some of its bus fleet is now being parked at another school due to space and plug-in shortages. Without the inter-municipal agreement, the school could have simply expanded into other areas of the new building. School officials report they anticipate resolving the space shortage with their next capitol project rather than terminating the agreement with the town.

9. Factors contributing to success/failure/Lessons Learned

Communication: The school board president, the school business manager, and the town highway superintendent all report communication is integral to the success of this venture. Everything from getting cost-saving information out to the taxpayers so they can see the value of the arrangement to the computer printouts making fuel billing simple are important.

Long-Range Vision: Being able to foresee benefits in the future and being able to wait to realize those benefits made it possible for the school to assume the risk of constructing this facility. This is a long-term venture, one that pays off over time but not necessarily month by month.

[Valuation:] The Town of Philadelphia pays with services in-kind; the value of services needs to be determined and re-evaluated periodically.

[Documentation:] Documentation was difficult at first. School officials report they were confident they were getting their money's worth but needed a mechanism to document the savings.

Trust: [The partners] have to trust that when a need arises their partners will come through. They cite as a model for this the long history of cooperation between North Country neighbors. When a farmer is able to provide assistance to a neighbor he or she may not know how or when the assistance will be repaid.

Financial Management: Fuel is purchased in large quantities. Each time a driver refuels a vehicle, two keys and a PIN allow the computer to record the date, time, driver, vehicle, fuel amount, and fuel cost. The school district pays for the fuel deliveries and then bills the Town of Philadelphia for all non-school categories. The town is responsible for billing the various users. The school is able to wait a month for its payment because the fuel expense is a small part of its large operating budget. It was suggested that smaller municipalities might need to require a prepay system. Having to pay in advance might make sharing the fuel depot less attractive to a small fire and rescue team who might elect to gas up at a commercial pump thus paying more per gallon.

10. The 10 Step Program

The parties involved in the Indian River School District Shared Transportation Center followed the 10 steps closely. Their use of a consultant (TAS) who had extensive experience was a great help to them. They could possibly have spelled out more details regarding how to measure their success against their expectations.

11. Technical Assistance

No technical assistance was reported beyond the information provided by Transportation Advisory Service who was hired to do the initial exploration of a shared facility. The school and town both said they wished they could have talked with others about an already completed project.

Mr. Reitz [attorney] suggests schools use a consultant such as Questar III's State Aid and Financial Planning Service to navigate the state aid issues

12. List of documents

1. 13 May 1999 Indian River CSD Board of Education Minutes with Endorsement of Inter-municipal Agreements
2. Inter-municipal Agreement for Lease of Vehicle Storage and Maintenance Facility, 13 May 1999
3. Inter-municipal Agreement for Lease of Fuelling Facility, 13 May 1999
4. Intergovernmental Agreement between Jefferson County, NY and the Town of Philadelphia NY Relative to Garage Facilities for County Equipment
5. TAS Shared Maintenance Facility Study
6. Map of Philadelphia and Vicinity

13. Additional comments/suggestions/helpful hints

Helpful Hints:

There were some design flaws and oversights in the construction of the facility. This caused some additional add-ons during construction and some retrofitting afterward. There were some minor differences from early plans regarding what office equipment and services could be provided to the town by the school. A written agreement earlier in the process may have helped define expectations.

The early and continuous positive exposure in the media helped keep everyone's eyes on the goal of having a great facility at a cost savings to the taxpayers.

This endeavor was founded on the positive relationship between the school district and local governments. The individuals involved were instrumental to its success.

The Village of Philadelphia elected not to move their vehicle storage and maintenance to the new facility due to location and cost. While the location outside the village limits was attractive to the school and town it would not work out for the village. Officials need to carefully consider the location of existing facilities and the areas they serve when evaluating a new location.

Additional Comments:

No formal written agreements for the transportation facility existed until the building had gone through all phases of design and construction. Although both the school district and town had input into the design and construction, there was no legal relationship created until the town became a tenant. When asked if there was ever a concern that the other party would not follow through local officials pondered why either party would do that. Clearly in this case the relationship between the town government and the school district and their belief that projects like this are “just common sense,” are a much stronger force than legal contracts.

14. Contact Information

Municipal Contact:

Jim Koch
Business Manager
Indian River Central School District
32735 County Route 29
PO BOX 308
Philadelphia NY 13673
315-642-3441

Academic Institution Contact:

J. Patrick Turbett
Potsdam Institute for Applied Research
4th Floor Van Housen Extension
SUNY Potsdam
44 Pierrepont Avenue
Potsdam NY 13676
315-267-2718

Other Contacts:

Jim Koch
Business Manager
Indian River Central School District
32725 County Route 29
PO BOX 308
Philadelphia NY 13673
Phone: 315-642-3441
Fax: 315-642-3738

Don Brumfield
School Board President
32725B County Route 29
PO BOX 308
Philadelphia NY 13673
Phone: 315-642-3441
Email: donbrumfield@mail.ircsd.org

Cheryl Horton
Town Supervisor
Town of Philadelphia
33019 US Route 11
PO BOX 297
Philadelphia NY 13673
Phone: 315-642-3421

Mark Leeson
Highway Superintendent
Town of Philadelphia
33019 US Route 11
PO BOX 297
Philadelphia NY 13673
Phone: 315-642-3421

Christopher Andrews
Transportation Advisory Service
100 Turk Hill Park
Fairport NY 14450
Phone: 800-233-3251
Fax: 716-223-6813

Phil Hughes
Department of Public Works
Village of Philadelphia
56 Main St
Philadelphia NY 13673
Phone: 315-642-3452

Marc H. Reitz
Ferrara, Fiorenza, Larrison, Barrett & Reitz, P.C.
5010 Campuswood Dr.
East Syracuse NY 13057
Phone: 315-437-7600
Fax: 315-437-7744