INTERGOVERNMENTAL COLLABORATION IN ULSTER COUNTY

Shared Municipal Services Feasibility Study for Ulster County

Funded by New York State Department of State - Local Government Efficiency Grant Program

JULY 2010

AN ACTION PLAN FOR MOVING FORWARD

Jonathan Drapkin Pattern for Progress

Also Reference Separate Reports :

- Summary Report
- Identifying Opportunities for Highway Service Cooperation
- · Shared Municipal Services Study Report on Justice Courts
- · Options for Shared Planning and Economic Development

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PATTERN FOR PROGRESS

ULSTER COUNTY

2010 Shared Municipal Services Grant: An Action Plan for moving forward.

In 2009, the County of Ulster, acting in partnership with thirteen of the county's twenty-three other general purpose governments, sought and received support from the NYS Department of State to explore shared services among its municipalities. In a competitive process, the County selected for this work a team of consultants led by Pattern for Progress, a mid-Hudson regional planning and policy organization. Joining Pattern was the Center for Research and Regional Education and Outreach (CRREO-SUNY New Paltz), researchers at Rockefeller College of Public Affairs and Policy (Intergovernmental Studies Program at Albany), Binghamton University (College of Community and Public Affairs) and local consultant Peter Fairweather. This was an ambitious undertaking and considered the largest study of shared services in New York State.

The County specified three critical areas for study and recommendations: Highways, Courts and Economic Development. Ulster later requested that the study team seek to identify other potential areas in which collaboration might improve local governments' performance and save taxpayer dollars. Integral to the County's expectations was that the results of this work include potential next steps.

In order to make their efforts most useful, the consultants approached and successfully included all of the county's general purpose governments in the study. Four reports were submitted to Ulster in compliance with the terms of the study. In addition, this summary identifies potential action items to assist the county with future implementation.

Throughout the study period, there was constant testing of opinions held by municipal leaders to gauge their predisposition for engaging in shared services. In the spring of 2009, all 24 municipalities were surveyed for an overview of services currently provided. In November and December, each municipal leader was interviewed again to specifically test their willingness to explore shared services in the three core areas and several other targeted categories. Interviews were granted confidentiality in order to gather the most candid information possible.

Additionally, Pattern frequently attended meetings of the Ulster County Association of Town Supervisors and Village Mayors to keep officials updated and to occasionally assess their reactions to specific subject matter.

It bears noting that while the reports provide careful analysis of information, the County and the consultant team realized that good research alone would not provide the wherewithal for putting recommendations to work. Throughout New York State, literally hundreds of research projects have been undertaken but many have not resulted in successful implementation.

Due to difficulties in accurately gauging the ability of elected officials, key administrators and other stakeholders to change the way a service is delivered, Pattern and Ulster County agreed to

test recommendations from one of the reports in order to help guide future implementation in all subject areas. Absent direct practical experience, such as politically consequential factors and the degree of citizen involvement, support could not be calibrated sufficiently to predict outcomes.

Therefore, given the complexities of this shared services study, the County of Ulster chose one of the targeted service areas – highways – to tackle immediately in order to learn more about the benefits and potential pitfalls to be encountered during implementation. Having examined the draft reports of the consultants, the County decided that the best opportunity for change and potential for savings was to seek a major restructuring in delivery of road maintenance services. Moreover, based upon the round of interviews conducted in November and December, chief elected officials rated highly their willingness to explore shared services in highways under a decentralized format.

Highway Plowing and Maintenance

Counter to preconceived notions, the County Executive boldly chose to use the consultant report as a starting point to decentralize the County's department of public works as a means to avoid duplication of efforts in road maintenance throughout the county. The previously mentioned interviews with town supervisors also suggested a strong inclination to explore this area.

The consultant highway report pointed out that the County maintains 11 highway department substations to maintain county roads within Ulster's 20 townships. The towns in turn each maintain their own separate highway departments. Implementation efforts for the new paradigm focused initially on reducing overlapping efforts of different levels of government regarding winter snow removal from roads. In particular, the County Executive sought to reduce the practice of towns lifting their plows when traversing county roads while clearing roads of snow and ice ("plows up").

If the county could achieve a breakthrough in the sharing of plowing of roads then according to the consultant report, additional savings could be achieved by having towns perform routine summer maintenance as well. In fact during interviews with the supervisors, several indicated that this would be the best way to structure such a relationship. Ulster County would then be positioned to redesign its own department, to provide key services now beyond the means of most towns, i.e. engineering. In sum, this arrangement appeared to provide the basis of a "win win" for the two levels of government.

Following the decision to pursue this area of service delivery, Ulster County asked Pattern for Progress, to serve as facilitator in meetings among the interested parties – the county, its senior employees, town supervisors and the town highway superintendents. The goal was to determine how best to move forward with implementation. After the submission of the draft highway report, eight weeks of mediated sessions were conducted. The county supplemented these meetings by visiting and speaking to each town highway superintendent and town supervisor individually. It became clear that support for implementation would not be achieved solely on the basis of the logic of a report.

Pattern suggested that in addition to the fiscal and operational merits of the proposed changes, it was essential that all parties be engaged in negotiating a fair fee for service and crafting intergovernmental agreements that protected the needs of all parties. Only by "testing the waters" could the county really develop an understanding of the practicalities of implementing shared services. The county then set about calculating a fee, drafting a contract and answering dozens of emerging questions.

Pattern also provided additional information regarding practices in other counties in New York State. Pattern revealed that approximately 30 counties had agreements with towns to provide some amount of snow plowing services. Within the Hudson Valley alone, Westchester, Sullivan, Dutchess and Orange all already have developed relationships between county and town highway departments. The records also revealed how rare it is for a county to achieve such a relationship with 100% of the towns within its boundaries.

Despite best efforts on all sides, an impasse was reached in the mediation process that the underlying report could not have anticipated. Negotiating a single fee for service separately with multiple jurisdictions proved complex due to local differences and need. Moreover, there was reluctance on the part of both the County and town highway departments to make public their cost per mile data in the event their costs would appear less efficient than neighboring municipalities. Highway plowing costs are subject to many factors in a town, e.g. concentration of commercial activity might lead to the need to replow roads more often and therefore increase the cost per mile for road clearing. In some cases, a department could be unjustly perceived as inefficient.

Once this was understood, it became apparent that the best initial approach was for the county to propose a fee and create a model contract and let each individual town department respond.

Ulster County is now well underway with negotiations. The Towns of Saugerties and Gardiner have agreed to contract with the County, joining Hardenburgh, which already provided this service to the county on a fee for service basis. This "test case" has enabled the consultant team to provide further suggestions as to how best to move forward on other fronts.

Implementation in Other Policy Areas

Commencing in August, Pattern recommends that Ulster County form a shared services implementation team to further examine the possibility of collaborations between and among two or more general purpose governments in the areas of opportunity identified in the consultants' reports. The team should consist of members of the County Executive staff, representatives of the Ulster County Supervisors Association, the League of Women Voters, Pattern for Progress and CRREO as well as other representatives selected by the County Executive to participate in the process. Under the auspices of this team, working groups can be organized to focus upon specific opportunities, within defined time frames and in conformance with a process for achieving progress. Using the underlying reports as jumping off points, working groups may then bring in other stakeholders to identify any critical impediments that may not have been apparent during the initial research phase.

Achieving Collaborations – Some Guiding Principles

Based upon a review of early experiences under the New York State Department of State's Shared Municipal Services program, a set of guidelines for conditions under which the likelihood of a successful shared services effort could occur were suggested by members of the consulting team Gerald Benjamin and Michael Hattery. These were then considered in the context of discussions and interviews undertaken by Pattern for Progress and CRREO with municipal leaders in Ulster County. Applying insights from the reports as well as lessons learned from the initial efforts in highway services, Pattern suggests the following concepts be applied to selected fields of concentration:

- (1) Nurturing Local Leadership. While many services were discussed with the Town supervisors and Village mayors, individuals varied in their enthusiasm to collaborate in specific service areas. Moreover, the highway discussion demonstrated that initial levels of support can be tempered as different constituencies weigh-in, additional information is obtained or political pressure applied.
- (2) Encouraging Engagement. For successful shared services, the community at large beyond just the local leadership must become supportive of the idea. In the case of highways, only a few local organizations have voiced their support of the initiative. More are anticipated as the concept is presented to the local town boards. (Seeking support for the broad range of concepts reviewed has not been undertaken yet as it was beyond the parameters of the initial study.)
- (3) Creating a Venue where Collaboration is a Core Focus. In Ulster County, there exist several opportunities for championing ideas. Based upon the consultants' interviews, some concepts could be encouraged by the Ulster County Association of Town Supervisors and Mayors, while others might be better examined by the Intermunicipal Collaboration Council created under the Ulster County Charter. Interviews with the town supervisors indicated a willingness to use their forum as a discussion center for shared services and other collaborative approaches. At the conclusion of the county-led efforts to examine the restructuring of highway services, the Association should recommend what the next priority area might be.

In some circumstances the benefit may flow from the presentation of information regarding a particular service where collaboration may occur. Examples of this include the cooperative purchase of insurance, energy or health benefits. The survey of municipal leaders showed a very strong desire to hear more on these issues through presentation at the Association.

(4) *Developing Expertise*. The consultant team ascertained the willingness of local officials for a discussion of shared services in specific areas, and for testing the opportunity and potential for both savings and efficiencies. In some circumstances, while there may not be a clear dollar savings, more efficient ways to deliver improved services might be demonstrated.

- (5) "Collaborating not Controlling." There often must be a willingness to subordinate a larger institution's apparent control for the greater good of the collaboration. Ultimately successful collaborations may take time to win a "war of attrition." An alignment of the right leadership, or the retirement of officials who oppose the sharing of services may eventually lead to a better climate for adjusting the delivery of services than exists today. This was often expressed by the town officials as in "wait for _____ to step down or retire" and then there will be a better chance of success.
- (6) Building Constituencies for Change. So far in Ulster, the local media and the League of Women Voters, along with a small number of taxpayers, have stepped forward to endorse the highway collaboration. A broader base of support is essential. As expressed earlier, when the public is fully engaged in a debate over local control versus the potential for less costly, more efficient services, the latter should win the day.
- (7) Picking Low Hanging Fruit. In the abstract, very few of the concepts studied produced smooth or obvious paths to implementation. Change does not come easily. While some services offered opportunities for savings, action in all faced impediments to be overcome. The county's decision to start with the decentralization of highway services was not "low hanging fruit" but rather one perceived to offer great potential for savings when fully implemented. Similar to other services, this recommendation has constituencies that prefer the status quo. Due to the county's diminished revenues, it was essential that Ulster test an area with the greatest likelihood of generating savings. Less controversial ideas like co-purchasing energy may generate less opposition but may present much lower expectations for savings.
- (8) Getting Started by "Opting In" and Avoiding Veto Situations. This was immediately perceived as the right approach in highways. Not every town needed to commit to sharing services. If the county achieves collaboration with 5-10 of the 20 towns, it will be a major step forward. If proven successful, additional towns can be expected to become part of the initiative in succeeding years. This is also true for the court study as certain actions could be taken between two or more towns or between a town and a village to demonstrate the opportunity for savings and efficiencies. Eventually, regional approaches may show potential savings for the county but will require campaigns to build public support.

It is well anticipated that despite the high ratings for the potential sharing of services for courts, similar to the experience with highways, vested interests may immediately object. We strongly recommend that a variety of forums be held to allow for dialogue that will demonstrate the support shown in the survey and provide an opportunity for a full and fair hearing of opportunities for cost savings. For instance, the sharing of underutilized court facilities without reduction in court personnel is a great place to start this discussion.

OTHER CONCEPTS INCLUDE:

Overcoming Barriers

Municipalities should anticipate and prepare for a number of considerations on their way to achieving shared services. The Hattery/Benjamin list identified the following guidelines for dealing with barriers: demand consistent ethical behavior; be aware of requirements in State constitution or law; address the lack of co-terminality of local boundaries, understand that those potentially (or perceived as) disadvantaged will resist; and know the local history and experience.

The list needs to be expanded to include:

Be aware of the culture of an organization and measure its ability to engage in shared services:

Every government organization has a culture unto itself, whether a two person assessor's office or a thirty member highway department. There are civil service rules as well as the basic concepts for how to accomplish the organization's mission and 'its culture.' Think of the phrases "But that is the way we have always done things" or "That's our interpretation of the law or the union's agreement" and one begins to understand what is meant by organization culture. Until the culture of the organization is understood it is hard to accomplish shared services.

Taking a lesson from the current efforts to share services in the area of highways, it is essential to peel away several layers to understand how any given organization actually works. Initial research is necessary to create a baseline but any implementation plan will eventually run up against the culture of an organization. For example, reliance upon part time versus full time employees comes from somewhere. Is it the preferred approach to getting the job done ... or saving dollars ... or giving more people jobs ... or span of control ... or saving the cost of benefits? The list goes on. To approach a shared services initiative effectively, the culture of the organization must be understood.

What's in it for me?

This is not as selfish as it sounds. Yes, sometimes it pertains to the loss of jobs or benefits. But for some, it really is about producing irrefutable evidence that shared services will be more efficient and cost taxpayers less. While that in and of itself should be enough to motivate local officials, it often is not, as it runs against the culture of the organization. Regardless of the data or results of analyses, an official in charge of a particular service may balk, insisting that "it won't save any money." What they are really saying is they do not want to change the way they have always done something in the past, or that they fear they will be assuming more work and responsibility without any additional pay. Even when faced with the prospect of substantial benefit to the taxpayer, some officials will resist the change in service delivery because of a reluctance to change their own familiar mode of operation and behavior. The mediation over the decentralization of highways provided illustrations of this phenomenon.

Who wins... Who loses?

When someone proposes a shared service, the concept is often translated into terms favoring one municipality over another. To be successful, participants must recast this into the classic "Win-Win" otherwise, it may be political "if we change then you win and I lose "or "if we change, others will think I have been doing it wrong for years." These human reactions must be anticipated and addressed. This is why a retirement can create opportunity. In many cases, a strong, win-win scenario can prevail over time.

What this report suggests is that the level of government that can be shown to provide the best, most cost efficient service is the preferred provider. It is doubtful that anyone at the inception of the project would have predicted that the county would suggest the decentralization of its highway department. In other counties, e.g. much smaller ones geographically, it might make sense for a more centralized approach. The point is, remain open to what works best and avoid sticking to theories that may no longer apply.

A PRIORITY AGENDA

Highways. This initiative is well underway. However, neither the County nor its consultants could have foreseen the amount of time and resources that seeking this important change would require. The recommendation is for the county to prioritize efforts to move toward full implementation of this plan and then seek new areas to explore. County representatives should continue to visit with the various towns and make the case. Everyone should understand that garnering the collaboration of five or six towns in year one would be excellent and not a rejection of the concept.

The county is now looking at level one – winter maintenance with level two – summer maintenance which officials indicated would make it easier to negotiate level one. Level three will consider what specialized functions should be centralized under the county such as engineering. Finally, level four would be to vastly expand the joint purchasing of equipment and the sharing of personnel on a town-to-town basis.

Additional analysis for action should consider the location and potential for sharing salt sheds and facilities among villages, towns, county and the state. Opportunities for sharing were identified in the Highway Report, however issues to be overcome include the use of different mixtures of sand and salt as well as quantifying actual usage from a shared storage shed. Such issues are not insurmountable and resolution would lead to greater accountability and sharing of new 'best practices.'

Courts. There appear to be several opportunities for shared services in this area as outlined by the consultant report. Some are as direct as two towns sharing the creation of a new court facility. Others are more complex, such as the regionalization of criminal court functions. Still others could reduce overall personnel requirements by instituting circuit riders for small towns connected through technology.

The goal would be to pilot the delivery of these court services in a sub-region of the county. In addition to town supervisors, boards and judges, such county level officials as the sheriff, prosecutor, public defender and probation director might be asked to join the discussion to determine a more efficient structure to the court system of delivering services. Sharing of space could also be entertained.

The Office of Court Administration (OCA) has expressed an interest in piloting a project that would lead to a more collaborative approach to the delivery of court services.

If requested by those taking the lead in this area, Gerald Benjamin will explore the potential of shared services implementation with OCA. Jonathan Drapkin is exploring opportunities for sharing of court facilities. Further, Pattern seeks to continue to help educate parties involved in court service to promote greater understanding of the roles of each stakeholder. Lack of understanding has hindered the ability to move forward with innovative approaches.

Again it is critical to remember that the initial reaction will be opposition to change. That is fine as long as a format for a constructive dialogue is created. State agencies, such as the Office of Court Administration, unintentionally have sent conflicting messages: they state that there are too many small courts and yet they fund grants to assist each and every one of them.

GENERAL SERVICE DELIVERY:

Regionalization of Transfer Stations. The CRREO consultant summary report showed the benefits of combining transfer stations. Town supervisors are skeptical about constituent interest, but this approach has been working for Saugerties, Woodstock and Shandaken. It deserves greater public review as the opportunity for savings is clear. Based upon the survey, it may be possible to create a few regional locations among those willing to explore whether there are cost savings.

Code Enforcement. While an individual town's zoning may be specific to that community, its building code largely relies on state law. Further it is believed that a more fair system of implementation might be achieved if individuals responsible for code enforcement were NOT from the community and could just enforce the state rules. The research performed by consultants Fairweather and Benjamin showed that there is a considerable amount of money expended on building code enforcement. The opportunity to find some savings and share officers makes this ripe for further exploration.

Sharing of Planning Professionals. Some towns feel that special circumstances and the competitive nature of economic development require them to have their own independent advisors. Others believe strongly that if two or more towns would band together they could share the cost of professionals such as planners and engineers. To many, this approach would leverage the sophistication of services provided and in all likelihood, save money. If towns, and the villages within them, can move past occasional friction, the benefits to working together on economic development and other professional services are obvious.

The matrix attached at the end of this Action Plan illustrates, there are a number of other areas for possible sharing that were raised by more than one town during interviews conducted by Pattern. A list for further exploration includes: Insuring local consistency with new DEC regulations; establishing a coordinated response for processing sludge (e.g. Kingston has capacity); and the sharing of assessors (this was not an endorsement of countywide assessment but of expanded regional sharing of personnel).

INVOLVEMENT OF THE ULSTER ASSOCIATION OF TOWN SUPERVISORS AND MAYORS

The consultant report provides an agenda for ongoing consideration of opportunities at the monthly meetings of the Ulster Association of Town Supervisors and Mayors. With agreement of the Association, Pattern will assist in arranging program presentations that could reduce costs and improve service through intermunicipal collaborations.

As mentioned above, local officials surveyed expressed an interest in presentations on the following subjects: the shared purchasing of utilities such as electric (through MEGA/Municipal Electric and Gas Alliance); discussion of solid waste and waste water management (CRREO and the Ulster Resource Recovery Authority); information about NYMIR/New York Municipal Insurance Reciprocal; comparison of collective bargaining agreements and license agreements; examination of a consortium purchase of healthcare (Tioga County model); shared management information systems; and discussion of the capacity to provide a countywide system for the delivery of emergency medical services.

Creation of a Town/Village Committee

During the course of this review, it became apparent that there was some amount of shared services already between the villages and the towns in which they are situated and that the possibility of greater savings through sharing exists. The latest example of this is the vote to dissolve the police force in the Village of Saugerties. A Committee within the Association of Town Supervisors and Mayors from these six municipalities should be created to facilitate greater levels of shared services. This is especially important as the finances of villages in Ulster continue to erode. Similarly, opportunities for the City of Kingston should be examined.

Intermunicipal Collaboration Council Action

The County Executive may wish to explore further involvement of the charter-created council to help coordinate next steps in collaboration and to facilitate success in shared services. According to the Ulster County Charter, the Intermunicipal Collaboration Council's "purpose is to advance communication, coordination and collaboration among the local governments in Ulster County so as to achieve greater economy, efficiency, equity, effectiveness and responsiveness of public service." Council meetings may provide a useful forum for discussion of the implementation of proposed initiatives.

ULSTER COUNTY SHARED SERVICES MATRIX

3=High Level of Interest Index:

2=Medium Level of Interest

1=Low Level of Interest o= No Interest

New rules for burning leaves Assessors, tax collectors, salt Health Insurance and fuel Sludge and burning leaves Health Insurance, GIS Reduction in council Space for Records Sludge and police Health Insurance purchasing members Assessors Assessors Assessors Sludge Sludge Police Police Other shed Energy Cost Repository-Contract Transfer Station Enforcement Facilities NYMIR Sharing 0 0 0 0 0 Shared 0 0 0 Code Garbage -0 0 0 0 Highways Courts Planning 7 M ¥ NA 67 N O D O S F D E F L M

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Ulster County Shared Services Matrix

From November through December 2009, Pattern for Progress surveyed Supervisors and Mayors to better understand the likelihood of them supporting shared services. The first three topics discussed with them were the major focus areas (highways, justice courts and economic development) of the Ulster County Shared Municipal Services study. Below is a matrix of the municipalities and the services under consideration and a numerical rating as to the level of interest in exploring intermunicipal collaboration.

To insure confidentiality and candor, the chief elected officials were given assurances that their municipalities would be identified by a code letter rather than by name on published charts. The opinions expressed are initial reactions based on limited information and not upon full studies as to the impacts upon an individual town or village. The responses from these chief electeds do, however, provide the basis for a road map as to where the greatest potential may exist and where efforts at implementation should be directed first.

One other comment should be made as to the number of participants in the surveys. Originally, there were 13 municipalities that passed resolutions to join the County of Ulster as part of a NYS Department of State funded study to look at the potential of shared services. Pattern for Progress ultimately obtained the participation of 100% of the communities within the County (20 towns, 3 villages and 1 city.) The first round of general interviews took place with the SUNY New Paltz Center for Research, Regional Education and Outreach (CRREO) in the spring of 2009. These interviews were extremely informative as to the overall nature of service delivery in the various communities but were not designed to ask "are you supportive of a particular service being shared?"

With the advancement of the core study areas – highways, courts and economic development – Pattern went back to interview the municipal leaders a second time to discern their opinions for moving forward with shared services. However, during the November elections four supervisors lost their positions. While Pattern interviewed the four incoming supervisors for the purposes of better informing future initiatives, their comments are not factored into the current matrix. At the time of the interviews, the supervisors-elect had yet to be sworn in. As a result they had limited opportunity to discuss shared service strategies within their communities.

The matrix reflects a simple rating system of 0-3 to measure interest in sharing services in a particular category. A "3" signifies a high level of interest, a "2" a medium level of interest, a "1" a low level of interest and a "0" predicts that there is no likelihood of seeing shared services in that category. A rating of "2" or "3" also may have been assigned in cases where efforts to share services already have begun or collaboration already exist. Conversely, in some instances, a "0" was assigned if the Supervisor or Mayor expressed personal interest in sharing a particular service but believed it would be impossible to initiate. An example of this was the concept of regional or intermunicipal transfer stations. Conceptually, supervisors acknowledge that significant savings could be realized through shared transfer stations but they believed that their constituents would react negatively if elimination of a station meant traveling further to dispose of their waste or recyclables.

14 municipalities out of 20 indicated a high level of "3" or "2" in support of the county's initiative to decentralize highway services. This made highways the priority area to explore. The very low ratings for the sharing of economic development consultants showed that this was not an area to spend a great deal of time on.

The courts also rated very highly for the potential of sharing everything from a courthouse where the facility may be used one or two days a week to the sharing of personnel. It is important to note that these opinions should be read in conjunction with the court study that showed that many courts are not realizing the revenues that the towns anticipated and as a result municipal officials are looking for ways to save money. Three different sets of municipal officials would be willing to share buildings without reducing personnel.

Ratings in the last three categories: NYMIR or New York Municipal Insurance Reciprocal, energy cost sharing with organizations like MEGA and a shared repository for labor contracts, are included to demonstrate an interest in an organization like the Ulster County Association of Town Supervisors and Mayors to provide presentations on how collaborative actions may lead to cost savings.

Finally, the column labeled "Other" includes areas suggested by the municipal officials as worthy of consideration. While some information can be found in the CRREO report, there was not sufficient time to fully research every aspect of service delivery and so these remain topics for future review.