

ResearchBrief

OFFICE OF THE NEW YORK STATE COMPTROLLER

DIVISION OF LOCAL GOVERNMENT AND SCHOOL ACCOUNTABILITY

Shared Services Among New York's Local Governments Best Practices and Tips for Success

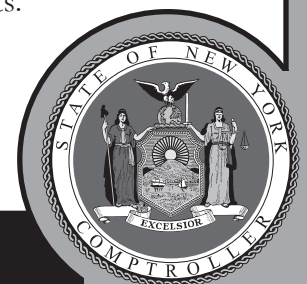
With the economy in a prolonged recession and many major revenue sources in decline, there is a heightened interest in exploring innovative ways to control local government and school district costs by eliminating duplicative services. Although the concepts of shared services and functional consolidation are not new, they are receiving greater attention in the media and from taxpayers and policy leaders at all levels of government. In addition, there is a greater emphasis on exploring approaches to providing services at a regional level. Given the fact that New York has 3,175 local governments, including counties, cities, towns and villages, school districts and fire districts,¹ shared services present a viable option for reducing costs or slowing growth in spending without necessarily impacting service quality.

The concepts of cooperation through shared services and consolidation of government functions have been well studied. Many of the obstacles to successful outcomes have been identified and legislation to remove certain barriers to cooperation is regularly proposed. Equally important, however, is to “get the word out” on success stories in local communities. This report highlights some of the activities that are occurring around the State and in so doing, reinforces the importance of cooperation and consolidation in achieving local cost efficiencies, especially during these times of fiscal uncertainty. The report also provides tips to local officials interested in exploring greater degrees of cooperation with other local governments, promotes further exploration of service delivery on a regional basis and lists many resources available on these topics. The Office of the State Comptroller (OSC) can provide specific training and web-based data to assist local officials in exploring opportunities for their communities.

Potential Savings from Shared Services

Several recent studies have examined and measured the potential for savings through cooperative activities and shared services.² In particular, certain administrative and “back office” central business office functions appear to hold promise because there is both the potential for savings and they are often easier to implement; the table on the following page lists these areas. Greater sharing of these functions could potentially save up to \$765 million statewide. Many municipalities around the State are already cooperating in these areas either through formal or informal arrangements.

In addition, new shared services models are being developed (such as consolidating school business offices through BOCES or consolidating certain services at the county level) that also appear to hold promise. Many of these models are supported by the Department of State's Local Government Efficiency Grant program.



Thomas P. DiNapoli • State Comptroller

Counties, cities, towns and villages spent nearly \$4.3 billion on these types of general government “back office” services in 2008. Most studies to date have identified savings of between two and five percent from shared services efforts in these areas. If such efficiencies were achieved statewide, this would translate into roughly \$85 million to \$215 million in potential savings. For school districts outside New York City, the potential savings is much larger. School districts spent approximately \$7.3 billion on these types of administrative activities; applying a savings factor of two to five percent produces another \$145 million to \$365 million in potential savings. In total, while the savings factor appears modest, the actual dollar amounts (\$230-\$580 million) are significant.

Administrative Functions
Accounting functions (staff, payroll processing, software) Procurement Real property tax collection and assessment Records management
Health Insurance
Health insurance cooperatives
General Operations
Equipment sharing Fuel facilities – cooperative fuel agreements
IT Functions
IT administration IT asset management (procurement, maintenance, support) IT security

In addition to examining the potential benefits of cooperative administrative efforts, we examined the spending on joint programmatic activities reported by various municipal governments in 2008 (these include recreation services, water and sewer, and sanitation services and are discussed in more detail in the next section and listed on the chart on page 5). If a 5 percent savings factor were applied to these types of expenditures statewide, another \$185 million in potential savings may be possible.

Obviously, the actual savings achieved in any particular shared service venture could vary to a greater or lesser degree depending on such things as personnel costs, collective bargaining agreements, etc. But the potential for up to \$765 million in statewide savings – and future cost avoidance if such cooperative ventures also better contain costs – appears to be worth the effort by both the State and local governments to establish and support expanded shared services.

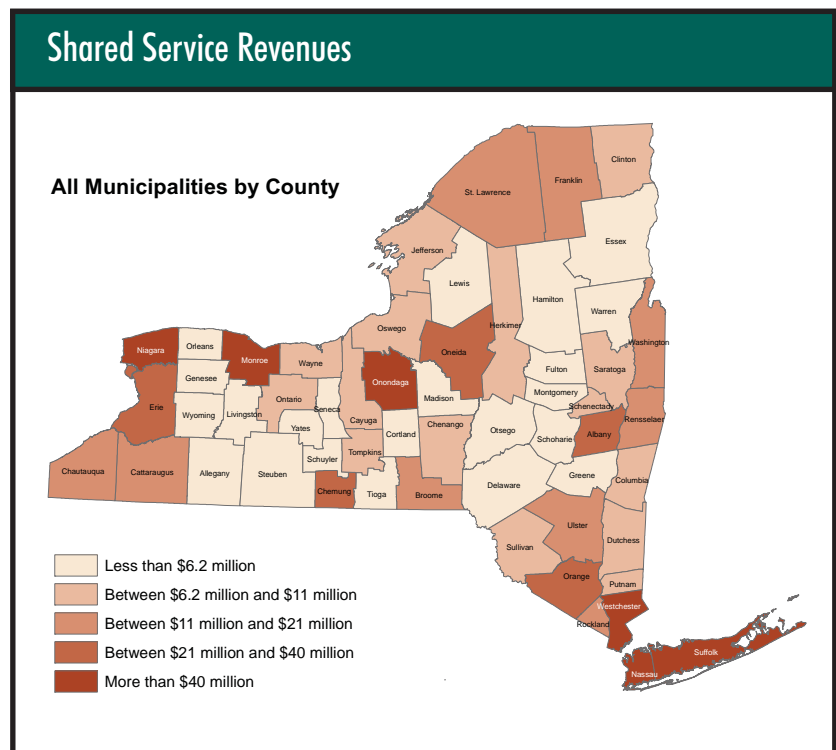
Some Measures of the Extent of Cooperative Efforts

The success stories and cases highlighted in this report represent only a small sample of the shared service activities occurring in communities around the State. Many communities engage in shared services without formalizing that activity or reporting it. Further, financial data reported by local governments to OSC only captures some activities, and does not represent the entirety of shared service activity taking place throughout the State.

There are numerous statutory provisions that authorize specific types of cooperative activities.³ General Municipal Law, Article 5-G, however, provides broad authority for municipal corporations and districts to enter into cooperative efforts with each other. Under Article 5-G, municipal corporations and districts are authorized to, among other things, enter into intermunicipal cooperation agreements in which one municipal corporation or district provides a service to another (sharing agreement), or in which two or more municipal corporations or districts perform a joint service (joint activity arrangement). When municipalities

elect to share services through the use of a joint activity arrangement, the determination as to whether such an arrangement is preferable to a sharing agreement occurs only after a case-by-case assessment of the proposed project, consultation with legal counsel and a review of the provisions set forth in the General Municipal Law (Article 5-G).

Generally speaking, joint activity arrangements occur when two or more municipal corporations or districts share in the performance of a function (e.g., creation by town and village of joint police department; joint purchase of sand or salt) or the construction of a building (e.g., joint construction of a building by a town and a fire district to be used as a town hall and fire station; joint construction and operation of a neighborhood recreation center by a group of municipalities). Typically, one of the participants is tasked with the duty of meeting all reporting requirements for the group and for collecting any fees.

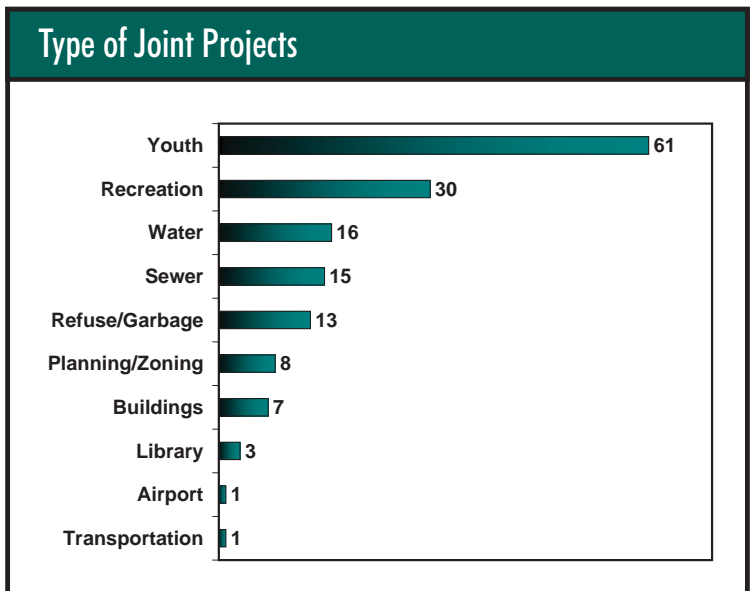
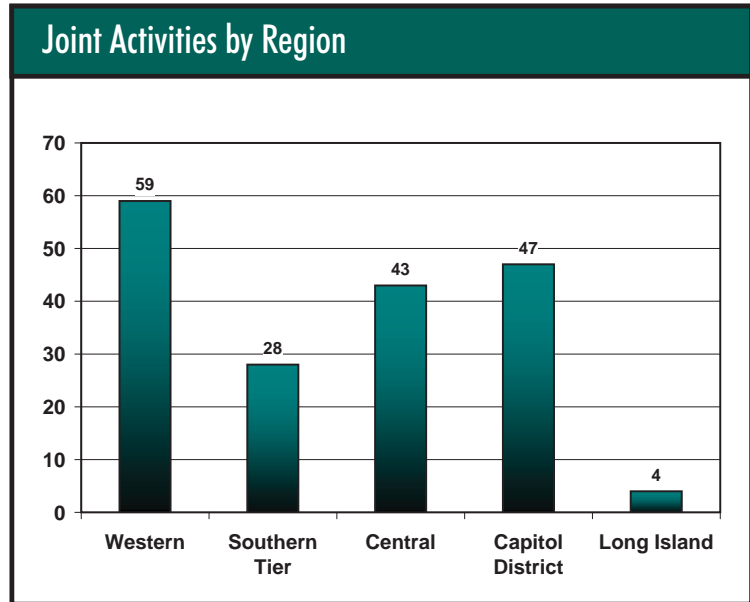


In 2008, 181 joint activities were reported around the State. Projects span a variety of areas including youth programs, water and sewer, refuse and garbage, planning and zoning, library, transportation, etc. By far, the most popular type of joint activity involves youth activities—over 33 percent. Generally, the number of participants involved in a joint activity is five or fewer. In a handful of cases however, the number of participants for a single project reaches well into the double digits: 35 for a project in Jefferson County, 35 for a project in Erie County, and 29 for a project in Essex County.

On a regional basis, the Western Region of the State reported the largest share of joint projects—59 out of 181 statewide. Central New York and the Capital District were not far behind, with each region reporting 47 and 43, respectively. Appendix C includes additional details related to joint activities by county.

The revenues generated through joint activity arrangements amounted to nearly \$65 million in 2007.

Another way to measure the level of sharing at the local level is to examine the data reported to OSC as *Revenues Received from Other Governments*. These are revenues that one local government receives from another local government in return for providing a service.



As displayed in the table below, these revenues have increased in recent years, with the largest percentage growth in community services and general government categories. Local governments reported \$674 million of such revenue collected for local fiscal year 2002. By 2007, this figure increased to \$881 million – a gain of nearly 31 percent. Clearly, shared service activity appears to be growing steadily.⁴

Type of Service	2002	2007	Percentage Change
	Revenue Received (in millions of dollars)		
COMMUNITY SERVICES planning services	\$1.1	\$2.5	127.3%
CULTURE AND RECREATION CHARGES cultural, library, programs for aging, youth recreation.	\$29.5	\$30.5	3.4%
DEBT SERVICE CHARGES	\$16.7	\$11.1	-33.5%
EDUCATION CHARGES community college capital costs, tuition from other states, operating costs chargebacks	\$22.9	\$26.1	14.0%
GENERAL GOVERNMENT CHARGES civil service, data processing, election, and general service charges	\$42.0	\$55.7	32.6%
HEALTH CHARGES health services for other govts, Narcotic control services	\$34.4	\$42.7	24.1%
MISCELLANEOUS INTERGOVERNMENTAL CHARGES misc. revenue (other govts), participants' assessments	\$254.6	\$386.6	51.8%
PUBLIC SAFETY CHARGES dog control, fire protection, jail facilities, and public safety charges	\$99.1	\$117.3	18.4%
SANITATION CHARGES refuse & garbage, sewer services other govts.	\$74.7	\$92.5	23.8%
SOCIAL SERVICES CHARGES economic assist., social services	\$2.8	\$3.4	21.4%
TRANSPORTATION CHARGES roads & bridges, snow removal, transportation services	\$83.8	\$106.2	26.7%
UTILITY CHARGES service other govts., water rents and services.	\$10.6	\$5.1	-51.9%
Sum(rounded)	\$674.0	\$881.0	30.7%

Cooperation and Consolidation Activities in New York State

More and more shared service activity is taking place among local governments as the need to achieve efficiencies in service delivery increases. The following section offers a sampling of related activities occurring around the State.⁵

Public Safety

Consolidation of municipal police departments can be difficult to achieve because residents may be concerned that when combining police forces with a larger municipality, there will be a reduction in service. However, two recent projects that resulted in consolidation have shown that substantial savings can be obtained without sacrificing public safety.

- The **Town of Clay** estimates cost savings in excess of \$16 million over the next decade as a result of consolidating the Town's police force with the Onondaga County Sheriff. This represents a 20 percent reduction in costs without affecting service levels.
- The **Town of Evans** and the **Village of Angola** completed a consolidation agreement under which the Town assumed responsibility for police services in both the Town and Village, eliminating \$460,000 from the Village's annual budget. The project began four to five years ago, when the Village commissioned a feasibility study to look at the potential benefits and disadvantages of a merger. An opportunity to implement the findings from the study came about when the Village police chief retired. Village residents were concerned about people losing jobs and police coverage. Hearings to gather public input and concerns were conducted. Once the consolidation took place, the former Village officers became part of the Town police force. The Village now has the benefit of better equipment and training, as well as the financial savings from the elimination of the position of the Village police chief.
- The **Town of Lancaster** and the **Village of Lancaster** began their drive for police consolidation in the early 1990s. The two municipalities had a long history of working together to provide police services, and it was becoming increasingly difficult for the Village to maintain its force due to a declining population and tax base and increasing personnel costs. After an initial effort to consolidate with the Town's police department failed because of community concerns, elected officials worked with residents and unions to address their concerns.⁶ Erie County was brought in to provide support and contributed \$700,000 to the Village of Lancaster to compensate the Village for the costs associated with the transfer of its police functions to the Town. The proposal was adopted in 2003 and the Village police force was abolished. It is estimated that the consolidation of the two forces will save taxpayers between \$730,000 and \$750,000 annually.
- A number of communities across the State are currently pursuing police consolidations, including the following, which are receiving State grants to study the issue, **Chautauqua County** and the **City of Jamestown**, **Broome County** and the **Village of Johnson City**, **Village of East Syracuse** and the **Town of DeWitt**, and the **Town of Chester** and the **Village of Chester**.

Facilities

One of the most popular shared service arrangements involves the sharing of facilities. These agreements are an easy and convenient way to share resources, with both municipalities receiving benefits and savings.

- In 1995 **Indian River School District** received a \$16,000 grant from the State Education Department to study the feasibility of sharing vehicle maintenance, storage, and a fuel depot. The **Village of Philadelphia** and the **Town of Philadelphia** were interested in sharing the facility, and the **Town of Pamela** and the **Village of Evans Mills** joined the project after the fuel depot was available. This arrangement enabled the governments to build a larger building and take advantage of economies of scale for purchases. Residents supported the initiative based on the cost savings. The Village of Philadelphia participated in the study, but was not part of the actual project due to cost and location. However, the Town of Philadelphia signed the agreement with the school district and acts as the property manager for the Town of Pamela and the Village of Evans Mills. The improvement of working conditions in the new depot has been one of the biggest benefits realized. The new facility is warmer, well-lit, and drier. The cooperative effort has also resulted in greater efficiency through shared services, as Town highway workers are assisting the school district with snow plowing and road maintenance, and the school district is able to provide the town with needed space in the form of the new and expanded depot.

Public Works

Public works projects tend to be very costly for municipalities due to the infrastructure and labor costs that are usually involved. Cooperative agreements can provide significant cost reductions to taxpayers.

- The **Town of Cape Vincent** and the **Village of Cape Vincent** were both in need of new water tanks and combined their efforts to purchase a single 500,000 gallon tank to serve both municipalities. The joint effort has produced \$1 million in savings by eliminating the need for tanks in both the Village and Town water districts. It also reduced the average cost per household in the water districts by approximately \$200 per year. The cost per user to build two tanks was estimated at approximately \$1,000 for town residents. Under the joint purchase, the costs were cut to \$600 per resident. Village residents originally were opposed to the plan because they did not want to pay for Town residential use. However, it was explained to Village residents that the costs for them would be less, and they would have a long-term solution instead of temporarily repairing the old water tank. Also, the new tank was larger, which provided better residential water pressure and better fire protection. This project was recognized by the Central New York Branch of the American Public Works Association as an environmental “project of the year.”

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- The **Town of Eden** along with **five other municipalities** in **southwest Erie County** originally partnered with the **Erie County Water Authority** to develop a study that would find a regional solution to inadequate water supply in the municipalities. Eden secured a \$4.2 million grant from the U.S. Department of Agriculture Rural Development to extend an existing pipeline from the Authority to the Town. Although the other municipalities eventually chose not to participate at this time, they have the ability to do so in the future. The bidding process for the construction phase of the project is underway and is expected to be completed by the end of August 2009, with actual construction estimated to be complete by early 2011.

Justice Courts

Consolidation of town courts and abolishment of village courts is an area which has been discussed as a way to reduce government costs, especially in smaller municipalities. Uniform Justice Court Act Section 106-a, as amended by Chapter 237 of the Laws of 2007, authorizes two or more towns that form a contiguous geographic area within the same county to form a single justice court.⁷

- The **Shelby-Ridgeway Town Court** merger was designed to reduce the cost of government. Both towns operated a separate justice courts, employing two justices and clerks each. Both towns passed separate resolutions to establish a single justice court for the two towns. The successful merger of these two courts reduced personnel costs by one-half, with combined savings estimated at about \$20,000.
- The **Town of Malone** and the **Village of Malone** began discussions to consolidate their individual courts (i.e., abolish the Village court) in fall 2007 as part of the State initiative to encourage shared services. Each jurisdiction had two justices. The Village Board voted to abolish their two justice positions, resulting in the Town Court eventually having jurisdiction of all Village cases. A resolution, subject to permissive referendum, was passed which eliminated the two Village judicial seats at the expiration of the justices' current terms of office. Under the terms of the resolution, one justice position was eliminated in 2008 and the second justice position will be eliminated in 2010.

School Business Office Functions

In an effort to reduce expenditures, school districts across the State have begun looking for shared service arrangements, either through BOCES or with neighboring districts that have common needs. Payroll, technology and utility purchases, and food delivery and sports programs are some of the areas in which school districts have been examining functional consolidation.

- The **Nassau County** School and Municipal Savings Initiative—a joint project of the County government, school districts and the Nassau BOCES is pursuing several approaches to reduce school and county expenses through an increase in shared services. The project would give Nassau BOCES and/or the County Government a significant role in many “back-office” functions of the 56 school districts in the County. An initial study identified potential savings of up to \$5 million in five key areas: information, technology and telecommunications; cooperative purchasing; audit services; debt issuance; and legal services. The project has been awarded a \$1 million grant award to help the County, BOCES and school districts streamline administrative functions.
- The **Cayuga-Onondaga BOCES**, along with the **Auburn City School District** and **eight other area school districts** have received a New York State Local Government Efficiency Grant award to conduct a feasibility study for creating a Regional Operations Center (to streamline food operations, transportation and centralized purchasing). The grant award is for \$45,000 with a \$5,000 match from the grantee. The consolidation concept began over two years ago with the creation of a shared business office to process payroll and accounts payable through the BOCES.
- This year overall, at least 21 Local Government Efficiency Grants are supporting central business office studies, school-municipal service sharing activity or other school service sharing activities.

Purchasing

- In March 2002, the **Counties of Dutchess, Rockland, and Ulster**, along with the **City of New Rochelle** and the **Town of Cortlandt** created the Hudson Valley Municipal Purchasing Group (HVMPG), a purchasing cooperative. Since the formation of this group, additional municipalities have joined and today there are over 25 municipalities participating. The group has identified opportunities for cooperative bidding among its members. The formation of this cooperative effort has led to the lowering of purchasing costs and saved its members bidding costs. It is estimated that participating members will save a total of \$130,000 in 2009 on copy paper alone. It has also optimized the procurement process by reducing the need for duplicative procurement contracts, establishing best practices and creating product standards.

Property Assessment

New York State Real Property Tax Law Section 579 allows two or more assessing units within the same county or adjoining counties to establish a coordinated assessment program. All municipalities that enter into a coordinated assessing agreement are then considered one assessing unit. Currently, there are two counties with countywide assessing responsibilities: Tompkins and Nassau counties.

- **Tompkins County** established countywide assessing in 1970 by County Charter. Countywide assessing removes the responsibility of property assessment for tax purposes from the municipalities and places it with the county. Under this process, the County passed a local law and then put the issue to a County referendum. By consolidating assessment through the County, the local governments became a single assessing unit, with a single equalization rate calculation based on the aggregate assessed-value-to-market-value ratio of the entire county. Local governments within Tompkins County have saved on personnel costs and have been able to rely upon professional assessors for property valuation.
- The Office of Real Property Services operates the Centralized Property Tax Administration Program (CPTAP), which encourages county and municipal officials to study reform opportunities for their local property tax systems. Currently, 52 counties are participating in the CPTAP, with \$50,000 available through two grants.

Records Management

Municipalities and school districts are working together on projects to allow each jurisdiction to house records in a centralized facility and reduce facility and staffing costs.

- **Schuyler County, the Watkins Glen Central School District, the Town of Hector, the Town of Dix and the Village of Watkins Glen** formed a partnership to develop a central records management facility within the County. The need for increased space for record storage and management created an opportunity to forge a cooperative agreement among the municipal partners. The School District dedicated space for record storage and management. The space has been retrofitted and will be maintained and staffed under the terms of an intermunicipal agreement. The partners were awarded a \$100,000 grant through the State's Shared Municipal Services Incentive (SMSI) program for needed space renovations.⁸ As a result, several part-time positions have now been consolidated into a single, full-time records officer, responsible for all records of the participating municipalities. Savings have been estimated at \$50,000 per year.⁹

Regional Collaboration

Municipalities are increasingly looking beyond their borders to engage in regional collaborations and find innovative solutions to common needs across their communities.

Health Care

The Western New York Care Coordination Program (WNYCCP)

The WNYCCP is a six county consortium that has developed an innovative mental health program dedicated to improving patient outcomes and reducing the incidence of arrest and hospitalization.¹⁰ The WNYCCP runs as a collaborative effort among **Monroe, Erie, Genesee, Wyoming, Chautauqua, and Onondaga counties**, along with the New York State Office of Mental Health, providers and consumers. The goal of the program is to create a system that is responsive to consumers, ensures access to high quality services and promotes recovery. As a result, based on a survey conducted in 2004, emergency room visits had dropped 77 percent. The average hospital stay per recipient in each quarter was down to 2.7 days from the previous 6.6 days and suicides and arrests all saw significant reductions.

The Western New York Public Health Alliance (WNYPHA)

The WNYPHA is a regional public health alliance comprising eight county health departments in Western New York: **Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans and Wyoming**.¹¹ The group's mission is to develop public/ private partnerships and collaborations to better coordinate health care delivery to Western New Yorkers. The Alliance has placed an emphasis on addressing emergency preparedness and the health implications of urban citizens evacuating to the surrounding rural and suburban communities.

Tompkins County Health Care Consortium

Tompkins County and 16 of its municipalities are pooling their resources to develop a health care consortium that can provide employee health insurance at a lower cost than is currently available. Under this initiative, the County will create a self-insured health insurance pool administered by a third party, overseen by a board of directors made up of municipal officials. Significant savings are expected from lower administrative fees, elimination of insurance company commissions, broader spreading of risk and the ability to invest excess funds in reserve accounts. The initial investigation into this arrangement was made possible through a grant from the State's Shared Municipal Services Incentive program. The consortium is expected to be in operation by January 2010.¹²

Tug Hill Commission

In 1972, the New York State Legislature created The Tug Hill Commission.¹³ It serves the region's 2,100 square mile area between Lake Ontario and the Adirondacks, and addresses the environmental and economic needs of the region's 100,000 residents and provides technical assistance to the region's local governments and organizations with a focus on land use planning, economic development and natural resource management. The Commission helps villages and towns through the use of "circuit riders" who provide itinerant services to its members. Most of the towns and villages also belong to one of the five local councils of government (COGs).¹⁴ Some of the dozen local projects the Commission and the local COGs have been involved in include:

- **Downtown Revitalization** - the **Village of Carthage** and the **Village of West Carthage** joined to promote greater marketability and quality of life for residents of both villages. Their revitalization plan examines the contiguous Main Street corridor spanning both communities and addresses the needs of local businesses and adjoining neighborhoods. It focused on four areas: land use, buildings, circulation and streetscape. The plan's implementation is designed over five or more years covering various stages. The plan also lays out potential funding through both federal and State grants. In addition, the two villages are developing a waterfront plan which includes the acquisition of waterfront property in the Village of West Carthage. Finally, the two villages are working on a feasibility study on police consolidation.

- **Zoning** - the towns of **Florence, Montague, Osceola, Pinckney, and Turin** formed a cooperative Zoning Board of Appeals (ZBA). Pursuant to Section 284 of the Town Law and Article 5-G of the General Municipal Law, towns can establish a cooperative ZBA through an intermunicipal agreement.¹⁵

Long Island Community Leads the Way

With 107 municipal entities within its borders, the Town of North Hempstead has focused its attention on consolidation and providing efficient government services. In 2006, the Town created the Office of Intermunicipal Coordination (OIC). Its mission was to improve the way Town and other municipal corporations worked together to provide local services. In the past three years, the Town has saved its villages, special districts and school districts over \$1 million. Highlights of the program include:

- The production of over 600 signs for other municipal entities by the Town Highway Department
- A shared fuel depot facility and a shared salt/sand storage facility
- 54 intermunicipal agreements that include equipment sharing, plowing, street sweeping services, snow removal and repaving services
- A 311 centralized call center which links residents and local government
- A recycling initiative between the Town, school districts and the Long Island Railroad

Metropolitan Planning Organizations (MPOs)

The Federal-Aid Highway Act of 1962 included a provision which required urban transportation planning in response to the construction of the Interstate Highway System. The Act required that transportation projects in urbanized areas with populations over 50,000 be part of a comprehensive urban transportation planning process undertaken cooperatively by the states and local governments. This gave rise to the formation of Metropolitan Planning Organizations (MPOs) that encouraged local governments to address transportation problems in a regional context.¹⁶

New York has thirteen designated MPOs throughout the State. One MPO, the Greater Buffalo-Niagara Regional Transportation Council (GBNRTC), is responsible for transportation projects in **Erie** and **Niagara counties**. It focuses on providing a coordinated transportation process for projects in the region. The Council provides a method for the allocation of millions of dollars in annual federal funding to improve transportation related to public transit, walking, bicycling and automobiles.

Other Regional Collaboration

- **Oneida County** has proposed the formation of a city-county consolidation committee to consider ways of improving efficiency with the cities of **Rome, Sherrill** and **Utica**. The committee, which will be made up of representatives of the County and the three cities, will look at ways of sharing services and merging efforts in hopes of eliminating duplication.
- The **Town of Southampton** has completed the first phase of a study to evaluate alternative transportation as part of the “East-End Transportation Rail-Bus Network.” The Town and other local municipalities in the area hired a consulting firm to complete an Existing Conditions Report which will serve as the foundation for future studies into regional transportation alternatives.

Village Dissolution

Formal consolidation of governments may reduce costs and duplication of services. However, consolidation is often difficult to attempt because of community concerns and sometimes the identified cost savings can be small. Nonetheless, it may make sense in certain circumstances to explore dissolution, and grants for studying village dissolution are available through the Department of State’s the Local Government Efficiency Grant (LGEG) program. The Aid and Incentives for Municipalities (AIM) program also provides incentive aid for municipal consolidations, including village dissolutions, equal to 15 percent of the combined property tax revenue of consolidating localities. The incentive is continuing aid that goes to the town following village dissolutions and is capped at \$1 million annually. In addition, recent changes to the General Municipal Law now make it easier for citizens to initiate a village dissolution procedure.

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- The **Village of Pike** was located within the **Town of Pike** in Wyoming County. In recent years, due to the loss of major industry and population, the Village explored formal dissolution into the Town. The Village applied for and received a grant to examine the feasibility of dissolution. The study analyzed the tax implications and concluded that rates would be 4.7 percent lower in the Village and 5.3 percent lower in the Town outside the Village.¹⁷ The Village Board developed a dissolution plan and put the proposal before the voters; it passed by an 86 percent to 14 percent margin. The Village of Pike will officially dissolve on December 31, 2009.

Resources for Local Governments

Local governments seeking shared service opportunities have a number of resources at their disposal, including a menu of services offered by the Office of the State Comptroller and funding from the Department of State. In addition, there are two Commissions that have issued study reports related to municipal shared services.

Assistance from the State Comptroller

The Office of the State Comptroller can provide technical and legal assistance as well as data for cost-benefit analyses to local governments interested in exploring shared services or other cooperative arrangements. In addition, OSC provides information on “best practices” utilized by other local governments, specific training for local officials and publications that inform local officials and the public. For example, the Local Government Management Guide on the topic of shared services provides specific “how-to” guidance for local officials interested in exploring and pursuing shared service opportunities.

OSC has created three shared services training modules, targeting board members, local leaders, department heads and attorneys. These modules are crafted to meet the specific needs of shared service stakeholders. Participants analyze available data and examine case studies relevant to their consolidation proposal. If your organization would like more information about this training opportunity, please contact OSC’s Local Official Training Unit.¹⁸

In 2009, State Comptroller Thomas DiNapoli created the Local Government Leadership Institute, which provides local government officials the opportunity to engage each other and OSC staff on issues of mutual concern. OSC has created an Institute website that contains numerous resources on shared services.¹⁹

Funding from the Department of State

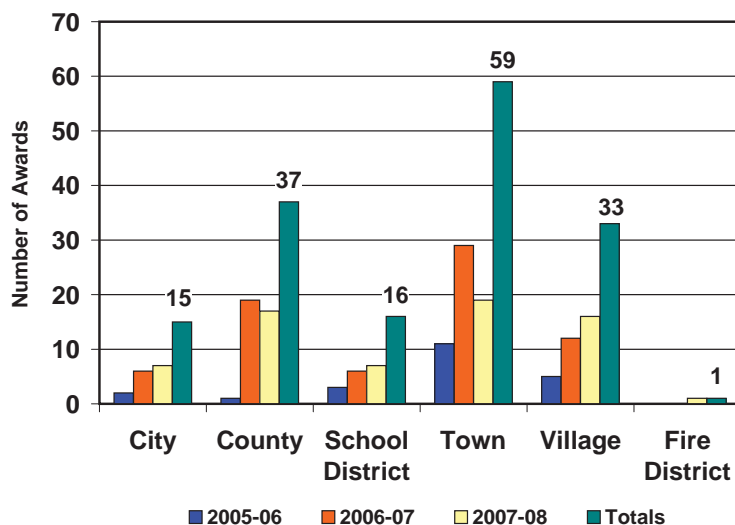
The New York State Department of State provides funding for shared services to local governments through an incentive grant program, as well as training and technical assistance on a variety of topics.

Local Government Efficiency Grant Program

First enacted in State Fiscal Year (SFY) 2005-06, the Shared Municipal Services Incentive grant program encourages municipalities to develop and pursue cost-saving opportunities through shared services by making funding available to assist with feasibility studies or implementation costs. Since its creation, the program has undergone several changes in funding levels, participant eligibility, award categories and even program name (it is now known as the Local Government Efficiency Grant program).

A total of 161 grant awards totaling nearly \$30 million have been made in this program in the three years since its creation.²⁰ According to a Department of State progress report, the number of consolidation grant awards increased from nine in SFY 2005 to 15 in SFY 2006 and in 2007. At the same time, awards for shared services projects increased from 13 in SFY 2005 to 52 in SFY 2007.²¹

Grant Awards by Level of Government



Four Types of Local Government Efficiency Grants

General Efficiency Planning Grants help identify and study opportunities to improve local government efficiency and achieve cost savings.

Efficiency Implementation Grants assist applicants in implementing plans to improve efficiency and increase savings.

21st Century Demonstration Grants promote large-scale changes in municipalities which can be used as model projects for municipal innovation.

High Priority Planning Grants are available to any local government for projects that include studies of municipal mergers, consolidations or dissolutions, countywide shared services, multicounty or regional services and charter revisions.

In 2009, the Department of State announced 36 High Priority Planning Grant awards. The awards totaled \$1,628,398 and ranged from \$29,000 to \$50,000. The regional breakdown of the 36 awarded grants was as follows: Western (4), Mid-Hudson (3), Central (2), Finger Lakes (8), North Country (5), Long Island (2), Mohawk Valley (1), Southern Tier (2) and Capital Region (9).

Information on all LGEG awards is available on the Department of State website.

Each year, awards have tended to cluster in transportation (e.g., the Town of Southampton’s proposed rail and bus network) and home and community services (e.g., the City of Niagara Falls and the Town of Wilson’s shared assessment services project). On average, more than 70 percent of the funds in the three grant years were concentrated in those two functional categories.²²

Commission Reports

The Commission on Local Government Efficiency and Competitiveness was created to make recommendations for improving government efficiency, including the promotion of shared services and functional consolidation. The final report was released in April 2008. The recommendations made by the Commission focused on providing changes in state incentives, regionalizing services, mainly through county governments, and expanding the ability of local governments to enter into shared service agreements.

The Commission on Property Tax Relief was charged with examining the factors contributing to the State’s high property taxes and making recommendations to reduce property tax growth. In its final report, the Commission recommended numerous proposals related to providing mandate relief. A number of shared service ideas were also highlighted in the Commission’s recommendations, including the potential for consolidating certain school district administrative and operational responsibilities.

Appendix B lists an inventory of resources established to assist in shared services efforts.

Tips for Getting Started

As local governments face the challenges of closing budget deficits now and in the foreseeable future, shared service opportunities should be closely examined, particularly where service duplication can be eliminated without risking a decline in the level or quality of public services that citizens demand.

Shared service discussions can get sidetracked by concerns over local identity, loss of jobs, diminished control and quality of service. It is important to recognize that efficiencies can materialize in a variety of different forms. Given the current pressure on all levels of government to find budget savings, local officials can often begin by creating an inventory of potential areas of opportunity where their municipality could share services with one or more local governments – perhaps a new piece of equipment needs to be purchased or a vacancy is about to be created. These opportunities are a good first step for local governments interested in exploring shared services. Appendix A lists other potential areas for local officials to consider, and Appendix C lists current joint activities by county.

Keys to Success

For a shared service agreement to succeed, there are several key elements in the planning and implementation stages that local officials should understand. Some of the most critical are:

Identify realistic opportunities. First and foremost, local officials should begin by identifying opportunities to share services in areas where there is a realistic chance that the initiative will be supported and implemented. Successful collaboration is built on trust between participating local governments. Therefore, attempting a small project initially, may be more prudent than approaching a neighboring local government about consolidating a major function.

Establish clear goals and objectives. The service to be shared should be well described, the responsibilities of each participating local government clearly defined and expectations about cost savings or service delivery improvements clearly communicated.

Educate the public. It is vital that citizens are properly informed on the benefits of the initiative (e.g., savings that will result for them as property taxpayers) and assured that the quality of the service will be maintained.

Look for “striking moments.” Local officials should also watch for opportunities such as retirements or attrition of key personnel that make proposals for shared service arrangements involving personnel more feasible.

Plan for roadblocks. Lastly, local officials should remain open-minded and flexible in dealing with obstacles along the way. Expect that turf issues, personality conflicts and other implementation issues will arise.

Conclusion

As local governments move forward in this uncertain economy, the need to streamline and modernize service delivery at the local level will only grow. Clearly, there is already a good deal of cooperation among local governments, and more importantly, there has been a marked increase in the level of support for those efforts. This report has highlighted success stories that are occurring in communities across New York State. These efforts can serve as models to help other communities begin similar initiatives or seek out new partnerships.

The Office of the State Comptroller will continue to support shared services through increased training and technical assistance in order to help guide officials through the sometimes complicated process of putting shared services into practice. In addition, the Comptroller will continue to advocate for changes to State laws and regulations that currently act as barriers to these efforts.

Shared Services in Other States²³

New Jersey – The Department of Community Affairs' SHARE program provides information to local governments on ways to share services in order to lower costs and improve efficiency in government service provision. Using SHARE implementation grant assistance, Collingswood Borough and Woodlynne Borough implemented a joint police services project. As a result, Woodlynne residents received a higher level of service at a reduced cost.

Cape May was awarded the first grant under the COUNT program, which specifically targeted county governments and offered aid to establish new shared service programs. Cape May used the funds to establish a shared services position. The individual filling this position will focus on identifying and analyzing new opportunities for county shared services.²⁴

New Jersey's Local Unit Alignment Reorganization and Consolidation Commission (LUARC) was created in March 2007. Over time, LUARC will study cost structures, optimal service levels and best practices and will recommend specific consolidations and shared services for specific municipalities, which will then go to local voters.

Pennsylvania – Pennsylvania has demonstrated a continued interest in intermunicipal cooperation:

- In the 1970s, Councils of Governments (COGs) were formed on a nationwide basis to improve efficiency and communication among municipalities through general and technical aid. COGs also facilitate agreements and cooperation among their members on specific projects.
- Since reform of the Municipalities Planning Code, there have been more than 700 municipalities that have utilized new planning provisions with neighboring jurisdictions to prepare comprehensive land use plans.
- As of 2006, more than 100 communities were participating in 33 consolidated police agencies, as well as others who were sharing services through contractual arrangements.

Maine – Maine enacted legislation in 2007 requiring each school district to have at least 2,500 students, with exceptions for certain isolated areas where the minimum is 1,000 students. Districts which do not meet those minimum requirements face consolidation or state aid cuts. The goal is to reduce Maine's school districts from 290 districts down to 80 or fewer. The Governor has argued that it is inefficient to have to pay for a superintendent and support positions in many small districts. In order to meet this requirement, the new law provides school districts with a variety of plans from which to choose. Residents in the specific school units must approve a reorganization plan or face financial penalties beginning on July 1, 2009. So far, 82 percent of students are in school districts with approved plans.²⁵

Indiana – In 2007, a blue ribbon Indiana Commission for Local Government Reform was established. In its final report, the Commission recommended the provision of services at a county level and the alignment of elections to facilitate voter turnout and accountability.

Indiana is also known for the consolidation of the City of Indianapolis and Marion County in 1970, which became the largest consolidation of government conducted since the consolidation of the five boroughs to make New York City in 1898. Under UNIGOV, Indianapolis and Marion County were combined under a single legislature. The Executive Branch was formed under a Mayor, with six deputy mayors appointed by the mayor to oversee six departments. Sixteen towns chose not to be included in the original consolidation. The Governor introduced UNIGOV 2.0 earlier this year, which proposes to consolidate government further. UNIGOV 2.0, if enacted, would consolidate fire service, emergency communications, property tax administration and local poverty relief services. In November 2008, Marion County also voted to support Township Assessment Services. The new proposal has not yet been passed by the Indiana State Legislature.²⁶

Appendix A – Shared Services Opportunities

One easy way to think about shared service opportunities is to first think about the various functional areas of local government operations and group them according to areas where the approach and/or guidance for cooperation may be similar. The table below is a good starting point for thinking through this process.

Administrative Functions

- Accounting functions
(staff, payroll processing, software)
- Administrative services
(clerical support, data entry, janitorial services)
- Investment
- Procurement – function, commodities
- Real property tax collection
- Records management
- Research, studies
- Training and education
- Utility services (billing and collections)

Human Capital Management

- Health insurance cooperative
- Human resources/personnel
(employee benefits management)
- Professional Services
(engineering, architectural, legal services)

General Operations

- Equipment sharing
- Facilities maintenance – buildings, grounds
- Fuel facilities – cooperative fuel agreements
- Motor pool – maintenance, equipment, operation
- Parks - maintenance

IT Functions

- IT administration
- IT asset management
(procurement, maintenance, support)
- IT security

Infrastructure

- Parks - facilities
- Physical plant sharing (e.g. municipal building)
- Solid waste (landfills)
- Utility infrastructure
(maintenance and construction)

Public Safety Services

- Emergency management/coordination
- Fire services
- Jail facilities
- Police services

Constituent Services

- Aging - programs for seniors
(meals, transportation, facilities)
- Real property assessment

Other Services

- Highway services - snow plowing contracts, vendor contracts
- Public transportation (existing operations)
- Solid waste (collection)
- Youth programs

Regional Development

- Airports
- Public facilities – cultural centers, libraries, museums, monuments
- Economic development
(operation of Business Improvement Districts)
- Planning and/or zoning – activity, administration
- Tourism
- Transportation system
(highway design, traffic control, public transportation)

Consolidation

- Annexation
- Consolidation
- Dissolution

Appendix B – Shared Services and Consolidation Information Resources

OSC is a source of fiscal information for municipalities and school districts that are considering consolidation or shared service agreements. OSC will continue to work with municipalities, special districts and school districts who want fiscal information and assistance in making decisions related to shared service agreements and consolidation of services. Visit www.osc.state.ny.us/localgov/index.htm

Other sources of information include:

1. New York State Department of State’s Local Government Services – The Department of State has expanded their Local Government Efficiency Grants program. The agency also provides sample Intermunicipal Agreements on their Local Government website.
2. New York State Attorney General’s Office – Provides information on legal issues facing communities which want to consider entering into a Shared Service Agreement or are considering consolidation of a village or special district.

In December 2008, the Attorney General introduced “The New York Government Reorganization and Citizen Empowerment Act,” which was enacted. This law establishes uniform procedures for consolidation and dissolution of villages, towns, fire districts and other special districts. These new procedures do not apply to school districts, counties or cities.

3. New York State Association of Counties (NYSAC) – Provides information helpful to counties which are seeking to develop Intermunicipal Agreements (IMAs), including sample IMAs.

Appendix C – Joint Activities

The following table includes a list of all joint activity projects occurring (by county), across the State. The table also includes the name of the activity and the number of local government participants involved.

County	Name of Joint Activity	Total Number Participants
Albany	Heritage Park Recreation	2
Total Joint Activities	1	
Allegany	Angelica Youth	2
	Bolivar Joint Youth	2
	Almond Municipal Building	2
	Amity Fuel Farm	3
	Wellsville Joint Fuel Farm	3
Total Joint Activities	5	
Broome	Binghamton Sewer Board	2
	Broome County Economic Development Zone	3
Total Joint Activities	2	
Cattaraugus	Limestone Youth	3
	Cattaraugus Youth	4
	Gowanda Activity Fund	5
	Randolph-East Randolph Sewer	2
Total Joint Activities	4	
Cayuga	Meridian-Ira-Cato Youth Program	4
	Moravia Youth Activity	5
	Cayuga Recreation	2
	Brutus Recreation Commission	4
Total Joint Activities	4	
Chautauqua	Clymer/French Creek Joint Youth Recreation	2
	Ellery Joint Youth Recreation Fund	2
	Sherman Youth Recreation	3
	Busti-Lakewood Recreation	2
	Pomfret Program For Aging	2
Total Joint Activities	5	
Chenango	Greene Joint Recreation Commission	3
	Sherburne Community Park	3
Total Joint Activities	2	
Clinton	Champlain Joint Youth Program	3
	Dannemora Youth Commission	3
	Keeseville Recreation	3
Total Joint Activities	3	
Cortland	Cincinnatus Youth Commission	4
Total Joint Activities	1	

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County	Name of Joint Activity	Total Number Participants
Delaware	Delhi Summer Recreation Program	3
	Middletown Joint Youth	4
	Franklin Recreation Commission	2
	Sidney Recreation Commission	3
	Harpersfield Transfer Station	6
Total Joint Activities	5	
Dutchess	Poughkeepsie Joint Water Board	2
	Pawling Joint Sewer Commission	2
	Tri-Municipal Sewer Commission	2
	East Fishkill Landfill	2
Total Joint Activities	4	
Erie	Concord Joint Youth	2
	Glen Park Recreation	2
	Northeast-Southtowns Management	35
	Concord Joint Van Fund	4
Total Joint Activities	4	
Essex	Elizabethtown Youth	2
	Port Henry Sewer	2
	Adirondack Park Local Government Review Board	29
Total Joint Activities	3	
Franklin	Malone Joint Recreation Fund	2
	Moira Youth Recreation Program	2
	Chateaugay Lakes Water Level District	3
Total Joint Activities	3	
Fulton	Broadalbin Youth Commission	2
	Northville Youth	2
	Gloversville-Johnstown Joint Wastewater	2
Total Joint Activities	3	
Genessee	Elba Youth Recreation Program	3
	Oakfield Youth Recreation	3
	Pavilion Youth Recreation	3
	Pembroke Recreation	4
	Glow Region Solid Waste Management	4
Total Joint Activities	5	
Greene	Athens Youth Commission	2
Total Joint Activities	1	
Herkimer	West Winfield Youth and Elderly	5
	German Flatts Landfill	3
	Dolgeville-Manheim Public Library	2
Total Joint Activities	3	

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County	Name of Joint Activity	Total Number Participants
Jefferson	Clayton Youth Commission	2
	West Carthage Water	2
	Carthage/West Carthage Water Pollution	2
	North Country Joint Village Association	11
	Village/Town of Adams Joint Municipal Building	2
	Jefferson Town and Village Health Benefits	35
	Philadelphia Joint Police Substation	8
	Philadelphia Development	2
Total Joint Activities	8	
Lewis	Harrisville Youth	4
	Greig Childrens Recreation Program	4
	Lowville Recreation Committee	2
Total Joint Activities	3	
Livingston	Lima Joint Youth Program	2
	Nunda Youth Recreation	3
	York-Leicester Youth Program	3
	Nunda Joint Police Department	2
Total Joint Activities	4	
Madison	Cazenovia Joint Youth Recreation	4
	De Ruyter Youth Program	4
	Hamilton Youth Recreation	3
Total Joint Activities	3	
Monroe	Mendon Recreation	2
	Hamlin-Kendall Joint Water Districts	2
	Seymour Tri-Municipal Library	3
Total Joint Activities	3	
Montgomery	Fort Plain Youth Recreation Commission	3
	Fonda-Fultonville Joint Wastewater	2
Total Joint Activities	2	
Nassau	Kings Point Joint Fire House	3
	Hempstead Aircraft Safety	11
	Great Neck Cable Commission	9
	Old Brookville Police Activity Fund	5
Total Joint Activities	4	
Oneida	Waterville/Sangerfield Recreation	2
	Mc Connellsville Joint Water District	2
	E Oneida Lake Water Pollution Project	5
	Southwest Oneida County Joint Garbage Metal and Refuse Disposal System	8
	North Oneida County San. Landfill	5
Oneida-Herkimer Counties Planning	2	
Total Joint Activities	6	

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County	Name of Joint Activity	Total Number Participants
Onondaga	Fabius Youth	2
	Southern Onondaga County Joint Garbage	4
	Marcellus Environmental Commission	2
Total Joint Activities	3	
Ontario	Boughton Park	3
	Canandaigua-Farmington Water District	2
	Manchester-Shortsville Joint Sewer	2
Total Joint Activities	3	
Orange	Goshen Joint Recreation	2
	Monroe Joint Park and Recreation Commission	2
	Moodna Basin Joint Operation and Maintenance Commission	13
Total Joint Activities	3	
Orleans	Murray Youth Commission	3
	Medina Joint Recreation Commission	5
	Oak Orchard Small Watershed Protection District	2
	Kendall-Yates-Carlton Local Waterfront	3
Total Joint Activities	4	
Oswego	Hannibal Area Joint Youth Recreation	4
	Central Square Youth Recreation	2
	Lacona Joint Youth Recreation	3
	Sandy Creek Lacona Joint Waterworks	2
	Salmon Rivers Cooperative Planning Board	6
	Sandy Creek Regional Planning Board	2
	North Shore Cooperative	4
Total Joint Activities	7	
Otsego	Laurens Summer Recreation Program	2
	Otego Youth Recreation	2
	Unadilla Youth Recreation	2
	Pittsfield/Burlington Transfer Station	2
Total Joint Activities	4	
Putnam	Continental Village Park Recreation	3
Total Joint Activities	1	
Rensselaer	Schaghticoke Youth Activity	2
Total Joint Activities	1	
Rockland	Haverstraw Regional Sewerage Board	2
	South Nyack/Grandview Police	2
Total Joint Activities	2	

Appendix C – Joint Activities

County	Name of Joint Activity	Total Number Participants
Saint Lawrence	Edwards Russell Youth	3
	Fine Youth Commission	2
	Morristown Youth	2
	Brasher-Stockholm Recreation	2
	Canton Joint Recreation	2
	Massena Joint Recreation Commission	2
	Waddington Recreation	2
	Canton Joint Municipal Building	2
	Clifton-Fine Arena Building	2
	Clifton-Fine Golf Course	2
Total Joint Activities	10	
Saratoga	Burnt Hills-Ballston Lake Summer	3
	Saratoga Youth Recreation	3
	Ballston Spa Recreation Commission	4
	Schuylerville/Victory Board of Water	2
Total Joint Activities	4	
Schenectady	Schenectady Intermunicipal Watershed	3
Total Joint Activities	1	
Schoharie	Cobleskill Youth Commission	2
	Sharon Springs Joint Youth Recreation	2
	Schoharie Park Recreation	4
	Central Bridge Water District	2
	Central Bridge Sewer District	2
	Middleburgh Joint Ambulance Fund	4
	Central Bridge Lighting District	2
	Total Joint Activities	7
Schuyler	Odessa Joint Youth Recreation	5
	Watkins Glen Sanitary Landfill	9
	Montour Assessing Unit	5
Total Joint Activities	3	
Seneca	Romulus Joint Water	2
	Romulus Sewer District Fund	2
	Romulus Joint Assessment Group	5
	Seneca Falls Joint Assessment Fund	2
Total Joint Activities	4	
Steuben	Southern Tier Central Regional Planning Board	3
Total Joint Activities	1	
Suffolk	Seaview-Ocean Bay Park Garbage District	2
Total Joint Activities	1	
Sullivan	Callicoon Youth Program	3
Total Joint Activities	1	

Appendix C – Joint Activities

County	Name of Joint Activity	Total Number Participants
Tioga	Newark Valley Joint Recreation Program	4
Total Joint Activities	1	
Tompkins	Groton Joint Recreation	2
	Southern Cayuga Lake Intermunicipal Water Commission	5
	Cayuga Lake Watershed Intermunicipal Organization	1
	Ithaca Area Wastewater Treatment Plant	3
	Tompkins Consolidated Area Transit	2
Total Joint Activities	5	
Ulster	Ellenville Recreation	2
	High Falls Water District	2
Total Joint Activities	2	
Warren	Lake George Youth Commission	2
	Lake Luzerne Joint Youth	3
Total Joint Activities	2	
Washington	Fort Ann Youth Commission	3
	Cambridge Youth Commission	4
	Fort Edward Municipal Activity	2
Total Joint Activities	3	
Wayne	Wayuga Recreation Program	6
	Wolcott Adult Recreation	5
	Galen Lyons Landfill	2
Total Joint Activities	3	
Westchester	Cortlandt Youth Recreation	4
	Rye Town Park Commission	2
	Northern Westchester County Water Works	2
	Westchester Joint Water Works	3
	Larchmont-Mamaroneck Joint Garbage Disposal Commission	2
	Mount Pleasant Public Library	2
	Bedford Drug Abuse Prevention	3
	Larchmont-Mamaroneck Cable TV Franchise	3
Total Joint Activities	8	
Wyoming	Gainesville Youth	3
	Perry-Warsaw Airport	2
	Silver Lake Water Commission	4
	Castile Commission On Land Use	3
	Warsaw Village Joint Municipal Bldg.	2
Total Joint Activities	5	
Yates	Flint Creek Small Watershed Protection District	3
Total Joint Activities	1	

Appendix D – Listing of Statutes Governing Intermunicipal Cooperation

The following is a listing of many of the statutes that, in addition to General Municipal Law, Article 5-G, authorize intermunicipal cooperation for particular functions or activities:

Commemoratives/Memorials

GML Sections 72-b and 72-i:	Acquisition of lands and erection of memorial buildings by towns and villages.
GML Section 77-a:	Construction and maintenance of memorial building or monument by county or city.

Education

GML Section 99-i:	Participation in certain programs to promote progress and scholarship in the humanities and the arts.
Education Law Article 126:	Community colleges and State-aided four-year colleges.
Education Law Section 255:	Establishment of a joint public library.
Education Law Section 1950:	Establishment and operation of boards of cooperative educational services (BOCES).

Environment

GML Section 99-j:	Control of aquatic plant growth.
GML Section 119-p:	Projects relating to the use of atmospheric water sources.
GML Section 120-x:	Agreements for joint acquisition, construction and operation of public docks.

Health

GML Section 126-a:	Joint hospitals for cities, towns or villages.
Public Health Law Section 320:	Joint appointment of local health officer.
Public Health Law Section 341:	Abolishment of city, town, village or consolidated health districts and assumption of powers and duties by county health district.

Police/Fire/Emergency

Executive Law Section 226:	Town/village contract with State Police.
GML Section 91-a:	Arson investigation.

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GML Section 97:	Power of municipalities in certain counties to furnish and contract for fire and police communication system.
GML Section 121-a:	Creation of joint village and town police department in certain towns and villages.
GML Section 122-b:	General ambulance services and emergency medical services.
GML Sections 209 and 209-a:	Calls for assistance by local fire departments, companies and airport crash-fire-rescue units.
GML Sections 209-b and 209-d; Town Law Sections 176(22) and 184;Village Law Section 4-412(3) (9); and County Law Section 225-a:	Contracts for outside service by volunteer fire departments and companies and emergency rescue and first aid squads.
GML Section 209-j:	Mutual aid programs in counties.
GML Section 209-m:	Outside service by local police; civil disturbance control.
GML Section 209-p:	Relay of fire and emergency calls.
GML Section 209-s:	Contracts between municipalities and fire districts for joint fire training centers.
GML Section 209-t:	Contracts for joint fire alarm systems.
GML Section 209-y:	Establishment of county hazardous materials emergency response teams.
GML Section 431:	Establishment, operation and maintenance of jails.
Town Law Article 11-A; and Village Law Section 22-2210:	Joint fire districts.

Procurements and Competitive Bidding

GML Section 103(3) and County Law Section 408-a:	Extension of county contracts to political subdivisions.
GML Section 104:	Extension of state contracts to political subdivisions.
Executive Law Section 837(8-c):	Extension of New York State Department of Criminal Justice Services contract relating to fingerprint identification system-related materials, equipment and supplies, and authority for cost-sharing arrangements relating to criminal justice data communications.

Appendix D – Listing of Statutes Governing Intermunicipal Cooperation

Public Improvements

Highway Law Section 133-a:	Rental or hiring of county highway machinery, tools or equipment.
Highway Law Section 135-a:	Control of snow and ice conditions on county roads.
Highway Law Section 142-b:	Removal of snow and ice, making of repairs, and rental of town highway machinery – school and other districts; emergency use of town highway machinery by other municipalities.
Highway Law Section 142-c:	Removal of snow and ice from streets and repair of sidewalks in villages.
Highway Law Section 142-d:	Rental or hiring of town highway machinery, tools or equipment to other municipalities within the county.
GML Section 72-j:	Parking garages and parking spaces, public off-street loading facilities.

Recreation and Youth Programs

GML Section 244-b:	Joint playgrounds or neighborhood recreation centers.
GML Section 244-d:	Joint recreation commissions.
Executive Law Section 422:	Establishment, operation and maintenance of youth programs.

Solid Waste

GML Section 99-a:	Use of municipally operated dumping ground by another municipality.
GML Section 120-w; Town Law Section 221:	Contracts and agreements for solid waste management, collection and disposal.

Transportation

GML Section 98-a:	Acquisition and lease of railroad facilities.
GML Section 119-s:	Participation in Federal and State assistance programs for mass transportation and airport and aviation projects.
GML Section 353-a:	Joint airports for counties, cities, towns or villages.

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Water/Sewer/Public Utilities

GML Section 99-f:	Comprehensive sewer and water studies.
GML Article 5-B:	Provision of common water supplies.
GML Article 5-C:	Development of excess water supply for sale to public corporation or improvement district.
GML Article 5-D:	Development of excess sewage capacity.
GML Article 5-E:	Construction and development of excess drainage capacity.
GML Article 5-F:	Provision of common drainage facilities.
GML Section 120:	Contracts for purification of water and sewage.
GML Sections 120-a - 120-s:	Contracts for sewage disposal.
GML Section 120-t:	Town and village water service.
GML Section 120-u:	Mutual aid for water service.
GML Section 120-v:	Contracts for disposal of sewage outside the state.
GML Section 361:	Provision of surplus public utility service beyond territorial limits.
Town Law Section 198(1), (3); Village Law Articles 11 and 14; and County Law Article 5-A:	Contracts for outside water, sewer service.

Zoning/Planning

GML Section 99-c:	Agreements for jointly engaging building inspectors.
GML Article 5-J:	Intermunicipal cooperation in comprehensive planning and land use regulation.
GML Article 12-A:	City and village planning commissions.
GML Article 12-B:	Metropolitan, regional or county planning boards.
GML Article 12-C:	Intergovernmental Relations Councils.
Village Law Section 7-741; Town Law Section 284; General City Law Section 20-g:	Intermunicipal cooperation in comprehensive planning and land use regulations.

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Miscellaneous

GML Section 99-h:	Participation in Federal programs.
GML Section 99-r:	Contracts for certain services with State agency, public benefit corporation, SUNY.
GML Section 251:	Agreements between municipal corporations regarding lost and found property.
GML Article 3-A:	Cooperative investments.
GML Article 12-C:	Intergovernmental relations councils.
GML Article 14-G:	Interlocal agreements with governmental units of other states.
GML Article 19-A:	Cooperative operation of business improvement districts.
Real Property Tax Law Section 523:	Agreements between municipal corporations within county for hearing of complaints when there is a conflict.
Real Property Tax Law Section 576:	Assessment under cooperative agreements.
Real Property Tax Law Section 972:	County collection of real property taxes in certain circumstances.
Insurance Law Article 47:	Municipal cooperative health benefit plans.

Public-Private Cooperation²⁷

GML Section 119-s-1:	Provision of mass transportation (Tompkins County).
GML Section 119-000:	Inclusion of Cornell University as a party to a municipal cooperation agreement for water system and distribution in Tompkins County.
Public Health Law Section 2803-a and GML Section 103(8):	Public and private hospitals and other health-related facilities joint purchasing and joint services.

Appendix E – Opinions of the State Comptroller

The following is a compilation of many of the advisory legal opinions rendered by OSC dealing with the application of Article 5-G and other municipal cooperation statutes:

Capital Improvements

- 1996 Ops St Comp No. 96-19: Joint construction by fire district and town of building to be used as fire station and town hall.
- 1989 Ops St Comp No. 89-57: Town improvement of village street.
- 1986 Ops St Comp No. 86-27: Construction of town sidewalk by village.
- 1981 Ops St Comp No. 81-359: Financing project owned by another local government.
- 21 Ops St Comp, 1965, at 163: Joint construction and operation of building as town and village hall.

Computer Services

- 1981 Ops St Comp No. 81-89: County providing computer services to other municipalities.
- 34 Ops St Comp, 1978, at 1: BOCES and school district may jointly purchase, own and operate computers.

Insurance²⁸

- 1997 Ops St Comp No. 97-2: Authority for joint self-insurance plan to provide health care benefits (see also, *Rice v Cayuga-Onondaga Plan*, 190 AD2d 330, 599 NYS2d 344).
- 1988 Ops St Comp No. 88-64: No authority for joint agreement between municipality and public housing authority to provide employee health and dental benefits.
- 1985 Ops St Comp No. 85-67: Joint contract for administrative services on liability and casualty self-insurance.
- 1982 Ops St Comp No. 82-109: Joint purchase of single health insurance policy by BOCES and school districts.

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1980 Ops St Comp No. 80-72: Joint purchase of student accident insurance and joint participation in risk prevention program by BOCES and school districts.

1977 Ops St Comp No. 77-429: Joint purchase of liability insurance in connection with joint recreation program.

Investments

1988 Ops St Comp No. 88-46: Cooperative investments (see GML, Article 3-A [Sections 42-45] enacted by the Laws of 1998, Chapter 623).

Joint Indebtedness

1985 Ops St Comp No. 85-23: Statutory requirements.

Parks and Recreation/Youth Programs

1991 Ops St Comp No. 91-36: Use of village park trust fund moneys to develop facilities in town park.

1988 Ops St Comp No. 88-40: Delegation of immediate control and supervision of joint youth program.

1983 Ops St Comp No. 83-207: Need for joint ownership of real property in connection with joint playground or recreation center (see also 1991 Ops St Comp No. 91-36).

1981 Ops St Comp No. 81-279: Expenditure of village general fund moneys to maintain and operate park facilities on town property.

1980 Ops St Comp No. 80-777: Joint contract between town and school districts to provide youth programs.

Appendix E – Opinions of the State Comptroller

Police and Fire

2000 Ops St Comp No. 2000-21:	Procedures for creation of joint fire district.
1998 Ops St Comp No. 98-21:	Article 5-G does not provide authority for town and fire district to jointly contract with private ambulance company.
1996 Ops St Comp No. 96-7:	Authority for fire districts to jointly implement advertising campaign to recruit volunteer firefighters.
1993 Ops St Comp No. 93-6:	Article 5-G does not provide authority for town to enter into protection contracts (but see Town Law Section 184).
1988 Ops St Comp No. 88-78:	Provision of police protection by town police department upon abolishment of police department in village.
1983 Ops St Comp No. 83-241:	Use of training facility of one fire district by another.
1980 Ops St Comp No. 80-284:	Additional police protection to village by county sheriff.
1979 Ops St Comp No. 79-415 and 1979 Ops St Comp No. 79-415-A:	Village supplying police protection to neighboring village.
1979 Ops St Comp No. 79-5:	Cooperative use of storage space by two fire districts.
1978 Ops St Comp No. 78-613:	Creation by town and village of joint police department (see also 1986 Ops St Comp No.86-60).
1977 Ops St Comp No. 77-423:	Joint ownership, operation and maintenance of fire hall.

Appendix E – Opinions of the State Comptroller

Procurement and Competitive Bidding

- 2004 Ops St Comp No. 2004-9: Purchases on behalf of municipal hospital or nutrition program pursuant to joint arrangement under PHL Section 2803-a.
- 1991 Ops St Comp No. 91-1: Cooperative bidding for public work (see GML Section 103[3] and County Law Section 408-a, as amended by the Laws of 1996, Chapter 620).
- 1989 Ops St Comp No. 89-57;
1983 Ops St Comp No. 83-201;
1981 Ops St Comp No. 81-104: No need for competitive bidding where one municipality provides a service to another.
- 1980 Ops St Comp No. 80-19: County supplying blacktop to town and village.
- 32 Ops St Comp, 1976, p 120: Joint purchase of sand and salt for winter highway use.

Public Improvements

- 1989 Ops St Comp No. 89-57: Town improvement of village street.
- 1980 Ops St Comp No. 80-396: Use of town equipment and personnel to install equipment at school district.
- 1980 Ops St Comp No. 80-578: City and school district sharing use of snow plowing equipment.
- 33 Ops St Comp, 1977, p 78: Town assisting village in the repair and improvement of the village water system.
- 1976 Ops St Comp No. 76-794: Town and village renting highway equipment to each other.

Senior Citizen Programs

- 1980 Ops St Comp No. 80-764: Town and city jointly operating meals on wheels program for senior citizens.
- 1979 Ops St Comp No. 79-713: Town and village cooperative operation of senior citizens center.

Zoning and Planning

- 1984 Ops St Comp No. 84-50: Authority of town and village to jointly engage a building inspector.

Appendix E – Opinions of the State Comptroller

Miscellaneous

2002 Ops St Comp No. 2002-12:	Combining street, water and sewer departments of two villages.
2001 Ops St Comp No. 2001-14:	Intermunicipal agreement does not constitute a “contract” for conflict of interest purposes.
2000 Ops St Comp No. 2000-24:	No requirement that participating municipalities be contiguous.
1998 Ops St Comp No. 98-1:	County contracting with public authority for transportation of Medicaid clients.
1994 Ops St Comp No. 94-10:	Establishment of joint townwide-village human rights commission.
1979 Ops St Comp No. 79-244-A; 1976 Ops St Comp No. 76-1241:	Joint preparation of payroll by several municipalities
33 Ops St Comp, 1977, p 139:	Town school crossing guards performing services for village.
1976 Ops St Comp No. 76-929:	County and towns acting jointly to clean and dredge lake

Copies of the full text of Opinions of the State Comptroller since 1988 are available on the State Comptroller’s website at www.osc.state.ny.us. Individual copies of other opinions may be obtained by written request to the Division of Legal Services, 14th Floor, 110 State Street, Albany, New York 12236, or by fax to 518-474-5119. Note that each opinion represents the views of the Office of the State Comptroller at the time it was rendered, and may no longer represent those views if, among other things, there have been subsequent court cases or statutory amendments that bear on the issues discussed in the opinion.

Notes

- ¹ This does not include other special purpose entities such as public authorities, public libraries, regional planning boards, soil and water conservation districts, etc. These entities totaled approximately 1,113 as of July 2008.
- ² See for example Duncombe, William and Yinger, John, “*Does School District Consolidation Cut Costs?*”, Center for Policy Research, Maxwell School of Citizenship and Public Affairs Working Paper No. 33 (January 2001); Boyd, Donald, “*Layering of Local Governments & City-County Mergers*”, A Report to the New York State Commission on Local Government Efficiency and Competitiveness (March 2008); The University at Buffalo Regional Institute, “*School Limits: Probing the Boundaries of Public Education*”, (June 2009).
- ³ See Appendix D.
- ⁴ These reported revenues represent only a *minimum* level of collaborative activity since they do not include informal agreements, cooperative efforts included in separate joint activity annual financial reports and some school district data. A small portion of the total may also include mandatory chargebacks.
- ⁵ The examples highlighted in this report are for illustrative purposes only. Not all arrangements are appropriate for all types of local governments. OSC has not reviewed the shared service agreements, or made a determination that the shared services referred to are in compliance with New York State Law. Local officials should pursue shared service projects only after seeking legal counsel.
- ⁶ www.dos.state.ny.us/lgss/sharedservices/smsicasestudiespage.html
- ⁷ Office of the State Comptroller. September 2007. *Justice Court Consolidation in Villages and Towns*. www.osc.state.ny.us/localgov/costsavings/justicecourtbrochure.htm
- ⁸ New York State Department of State. Local Government Shared Services Progress Report 2005-2007.
- ⁹ New York State Department of State. Monthly Update, Vol. 1 Number 1. May 2009.
- ¹⁰ Western New York Care Coordination Program, www.carecoordination.org
- ¹¹ Western New York Public Health Alliance, www.wnypha.org/home
- ¹² New York State Association of Counties. *NYSAC News Magazine*. Spring 2009.
- ¹³ www.tughill.org/region.
- ¹⁴ The Tug Hill Commission consists of the following Council of Governments (COGs): Cooperative Tug Hill Council (CTHC), North Shore Council of Governments (NorCOG), Northern Oneida County Council of Governments (NOCCOG), River Area Council of Governments (RACOG), Salmon River Council of Governments (SRCG).
- ¹⁵ Cooperative Tug Hill Council website, www.tughillcouncil.com.
- ¹⁶ Association of Metropolitan Planning Organizations. www.ampo.org.
- ¹⁷ New York State Department of State. Monthly Update, Vol.1 Number 1. May 2009.
- ¹⁸ localtraining@osc.state.ny.us
- ¹⁹ www.osc.state.ny.us/localgov/lgli/index.htm
- ²⁰ New York State Department of State. Local Government Shared Services Progress Report – 2005-2007.
- ²¹ Awards for the 2008-09 cycle are not included in this analysis. The NYS Department of State has information about LGEG awards here: www.dos.state.ny.us/lgss/sharedservices/awards.htm.
- ²² New York State Department of State. Local Government Shared Services Progress Report – 2005-2007.
- ²³ While these practices have proven to be successful in other states, local government officials should always consult their municipal attorneys to ensure these programs are legal in New York State.
- ²⁴ New Jersey Department of Community Affairs, “Sharing Available Resources Effectively” Best Practices Handbook 2006.
- ²⁵ Maine Department of Education, “Summary of the Reorganization Law” Updated 5/19/08. www.maine.gov/education/reorg/lawsummary.html.
- ²⁶ Presentation for the Quality of Life Council. “The Path of Reform in Indiana: A cursory review and brief history of governance and structural reform initiatives in Indiana culminating with the Kernan-Shepard Report.” March 6, 2009. www.nwiqlc.org/attachment/download/126979.ppt.
- ²⁷ There is no general authority analogous to Article 5-G for cooperative ventures between municipal corporations and private entities.
- ²⁸ It may be advisable to consult with the State Insurance Department prior to entering into certain cooperative agreements relating to insurance contracts or self-insurance; see also Article 47 of the Insurance Law, relative to “shared funding” municipal cooperative health benefit plans.

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