

SPECIAL SESSION – MARCH 26, 2015

The Legislature convened in special session on Wednesday, March 26, 2015 in the Legislative Chambers with Legislator's Montgomery and Dunn absent.

CGR representatives Joseph Stefko and Paul Bishop presented a summary of the Shared Services Study that they performed for Schuyler and Yates County. A copy of the summary is below.

It was explained how this study came to be, what the potential savings if any there are, along with some of the state hurdles that would have to be taken into consideration. A detailed copy of the report can be found at www.cgr.org/schuyler-yates.

Mr. Stefko explained the Yates- Schuyler Steering Committee would have to meet again to decide what actions if any they would like to take.

Mrs. Percy moved to enter executive session to discuss contract negotiations, seconded by Mr. Banach.

Meeting adjourned at 8:07p.m.

Assessing Shared Service & Consolidation Options at the County Level

Schuyler and Yates Counties March 2015

- **Project Background/History**

- March 2013: Counties initiate effort to explore potential benefits of further collaboration, up to and including merger
- November 2013: NYS awards a Local Government Efficiency Grant to underwrite project costs
- February 2014: Counties issue RFP to select consultant for project analysis
- May 2014: Committee selects and contracts with CGR to serve as project consultant
- October 2014: Baseline review is completed documenting existing services, operations and finances
- February 2015: Options review is completed to evaluate financial impacts of potential efficiencies and consolidation feasibility

- **Project Approach/Key Steps**

- Phase 1: Baseline Review
 - Document what already exists today in both counties
 - How are the counties alike? How are they different?
 - Who provides which service, how and at what levels?
 - What are the costs and revenues?
 - What are the staffing levels?

- What are key service / structural differences?
- Phase 2: Options Review
 - Evaluate efficiency opportunities on a function-by-function basis
 - Determine options for sharing services vs. consolidating services
 - Estimate the potential budgetary and fiscal impact of changes
- **Baseline Review / Approach**
 - Review quantitative data
 - Population / socioeconomic data
 - Budgets and tax rates
 - Fund balances and debt levels
 - Collective bargaining agreements and fringe benefit
 - Staffing allocations (by department)
 - Collect qualitative data
 - Establish understanding of who does what, how and where
 - Identify any key differences in services between the counties
 - Interviews with every department head in each county
 - Workload volume and work flow
 - Interaction / Interdependence with other departments
 - Extent to which collaboration is feasible
- **Baseline Review / Key Takeaways**
 - Considerable similarity between the counties
 - Population: Schuyler 18,460 vs. Yates 25,156
 - Land Area: 328 mi² vs. 338 mi²
 - Density: 56 persons/mi² vs. 75 persons/mi²
 - Median Household Income: \$47,869 vs. \$48,245
 - Per Capita Income: \$23,952 vs. \$24,124
 - Homeownership Rate: 81% vs. 78%
 - Number of Towns: 8 vs. 9
 - Organizational similarities as well
 - Spending Levels: Schuyler \$40.8m vs. Yates \$41.8m
 - General Fund: \$35.9m vs. \$35.5m
 - Employee Benefits: \$6.9m vs. \$6.5m
 - Sales Tax Revenue Generated: \$10.2m vs. \$10.3m

- FT Employees: 204 vs. 220
- PT Employees: 48 vs. 58
- **Baseline Review / Service Reviews**
 - Review where county services are similar or different
 - How does each county provide each service?
 - Is the service statutorily required?
 - What level of service is provided in each county?
 - How is each service area staffed?
 - What material differences exist between the counties?
 - Service type and area served
 - Service level
 - Staffing allocation
 - Expenditure
 - Governance structure
 - Use of outside vendors
- Baseline Review / Key Takeaways
 - Service areas that are substantially similar

<ul style="list-style-type: none"> • Administrator • Clerk • District Attorney • Information Technology • Legislature • Records Management • Social Services 	<ul style="list-style-type: none"> • Buildings & Grounds • County Attorney • Emergency Management • Highway • Probation • Sheriff • Veterans Services
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 - Service areas that are different in key aspects
 - Treasurer
 - Real Property Tax Services
 - Human Resources / Personnel & Civil Service
 - Community Services / Public & Mental Health
 - Senior Services
 - Planning
 - Purchasing
- Options Review /Approach
 - Focus on identifying potential organizational and staffing efficiencies based on service levels, workload I workflow and statutory requirements
 - Models present shared service and / or consolidated opportunities and impacts

- In cases where shared service is not feasible (e.g. Legislature), only the consolidated model is presented
- In many cases, the fiscal impact under a shared services model is identical to the impact under a consolidated model
- Options Review / Key Assumptions
 - Continuity of existing services
 - Services provided by one or both counties today are assumed to continue into the future (even non-mandated services)
 - Current sales tax levels and sharing arrangements
 - Schuyler currently distributes 20% of its sales tax to town governments; Yates does not distribute any sales tax; In the event of consolidation, this is a significant "unknown" that would have to be resolved by the new government
 - Our fiscal impact model assumes the current amount shared (\$2.0m) continues to be shared in the event of consolidation, just spread over additional towns
 - Impact of consolidation on revenue
 - Review of current revenues for both counties finds that existing major revenue streams would likely continue in the event of consolidation
 - Property taxes would be "normalized" between the two counties, with the combined levy spread across all properties under a common rate
 - State aid for specific services might be at risk, however
 - Example: Article 6 of NYS Public Health Law provides for each county to receive a base grant for public health services. Whether the State would limit this amount to that of a single county under a merged Schuyler-Yates is unknown.
- Options Review / Efficiency Savings
 - Under a consolidated model, cost savings of \$1.45 million could be generated
 - Largest cost center impacts include Employee Benefits, Sheriff, County Administrator and County Clerk
 - In terms of the property tax, that translates to a combined net rate of \$6.99 per \$1,000 assessed value
 - Schuyler County's average property tax rate would drop 16%
 - Yates County's average property tax rate would increase 2%
 - Yates County's increase is due primarily to the assumption regarding sales tax sharing

with town government

- Removing the sales tax sharing assumption results in savings for both counties

- **Study Website:** www.cgr.org/schuyler-yates