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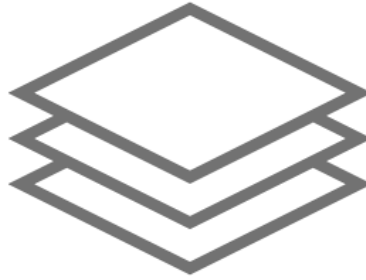
**The Eight-Point Albany
County Shared Services &
Property Tax Savings Action
Plan**

September 14, 2017

The Rockefeller Institute of Government
The Benjamin Center
On Behalf of the Albany County Panel

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The Eight-Point Albany County Shared Services & Property Tax Savings Action Plan

Contents

The Albany County Shared Services Panel.....	2
Introduction	4
Past Shared Services Successes	5
Final Savings Estimates	7
The Eight-Point Albany County Shared Services and Taxpayer Savings Action Plan.....	9
Adopted Proposal 1	9
Adopted Proposal 2	10
Adopted Proposal 3	11
Adopted Proposal 4	12
Adopted Proposal 5	14
Adopted Proposal 6	14
Adopted Proposal 7	15
Adopted Proposal 8	16
Legal and Regulatory Barriers to Shared Services	16
Appendices	19
Appendix A. New York State Shared Services Worksheet.....	19
Appendix B. The Project Team	23
Appendix C. Albany County Municipal Boundaries	25
Appendix D. Some Examples of Shared Equipment	28
Appendix E. The Legal Process and Public Hearings	30
Roles of Municipal Elected Officials	31
Endnotes.....	32

The Albany County Shared Services Panel

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Mayor, City of Watervliet

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Introduction

On September 13, 2017, the Albany County Shared Services and Taxpayer Savings Panel (the panel) adopted, by a 20-0 vote, the following Eight-Point Shared Services and Property Tax Savings Action Plan (the plan). The plan was required by [Part BBB of Chapter 59 of the State Laws of 2017](#), known as the “County-Wide Shared Services Initiative.” Under the law, every county had to convene a shared services panel to develop a Shared Services and Taxpayer Savings Plan (For a full summary of the law’s requirements, see [Appendix E](#)).

Leading up to the adoption of the plan and beyond, the team assembled by Albany County has been working tirelessly to gather and analyze ideas from all the county’s local government chief executives, other stakeholders, and public in order to finalize the plan. The state’s process, which began in mid-May, provided a tight timeframe within which to conduct a comprehensive audit and review of potential avenues for shared services and taxpayer savings. Two factors, however, made the task easier: the cooperation of all the stakeholders that participated in the process; and earlier collaborative efforts undertaken by the municipalities within Albany County over the past several years. Now, the county, local municipalities, and school districts will enter the implementation phase.

Albany County Executive Daniel P. McCoy headed this effort and served as chair of the panel. As required by state law, County Executive McCoy convened the panel, made up of the chief executives of the county’s cities, towns, villages, and school districts.

Further, County Executive McCoy brought in the Rockefeller Institute of Government to help facilitate the process, analyze the ideas and recommendations, and draft the county’s plan. The Rockefeller Institute has decades of experience and expertise in this area. For assistance, the Rockefeller Institute called upon another expert group in this area, the Benjamin Center at SUNY New Paltz.

We would be remiss if we did not mention the extraordinary effort and assistance provided by County Executive Dan McCoy’s staff under the leadership of Deputy County Executive Philip Calderone, including Michael McLaughlin, George Penn, Matthew Cannon, Christine Quinn, and Mary Rozak.

The County Executive’s office specified that our approach to this task had to be one that was driven from the bottom-up, and that every community had to be heard. We believe that an inclusive, bottom-up process is reflected in the adopted plan.

In all, the team spoke individually¹ to each chief executive (and also staff members, in many cases) from every town, village, city, and school district in the county, conducted in-depth research of the county and local municipality finances, and held special forums to discuss cost savings and efficiency topics. We consulted with subject matter experts in local finance, health care, insurance, and other local government issues. In addition, as required by law, we sent every collective bargaining unit in the county, local municipality, and school a summary of activities and ideas. Finally, we led the state-required three public hearings to discuss the draft plan and to solicit additional ideas and information. For more information on the public hearings, including links to the presentations, transcripts, and video of the hearings, please see [Appendix E](#).

Past Shared Services Successes

Albany County has within it an array of local governments diverse in size, character, and demography — ranging from the City of Albany to the hill towns. Likewise, there are various types and sizes of school districts. Previous collaborative efforts between and among these jurisdictions provided a foundation for our work. Over the past several years, the county and local municipalities have worked closely together to share services and improve service delivery for residents. Three studies evidencing these efforts are: the 2017 [*PFM report on Financial Options for the City of Albany*](#); the 2015 [*Albany Countywide Government Efficiency Plan \(GEP\)*](#), and the 2014 [*Albany County Countywide Shared Highway Study*](#).

The 2017 state law that is the basis for this plan does not allow inclusion of previous shared services and efficiencies efforts. The numerous examples of shared services and resulting efficiencies currently underway in Albany County municipalities, however, confirm a consistent commitment to intergovernmental collaboration. The 2015 GEP plan identified more than \$15 million in savings through efficiencies and shared services that would be fully implemented by 2019 in Albany County.

Specific examples of collaboration and shared services among cities, towns, villages, and school districts in the county include:

- Bethlehem combined highway and parks maintenance, restructured tax collections and consolidated ambulance districts — reducing town expenditures by more than \$2 million annually.
- A major savings and service improvement is being realized through shared acquisition by Albany County and the Towns of Bethlehem and Colonie of an emergency services system, including Computer-Assisted Dispatch, field reporting, and records management (CAD/RMS). This shared acquisition saves Bethlehem taxpayers \$150,000 annually and Colonie taxpayers \$200,000 annually. This is in addition to the \$900,000 annual savings realized through the consolidated dispatch by Albany County and Coeymans, Cohoes, Green Island, and Watervliet.
- There is a mutual aid agreement among Troy, Watervliet, Green Island, the City of Albany, and Cohoes for fire calls and for mutual aid for EMS calls during major fires among Colonie, Guilderland, and Albany County Sheriff's EMS.
- The City of Albany combined training of new firefighter recruiting class with the cities of Troy, Watervliet, Saratoga, Amsterdam, Rensselaer, Gloversville, and the Albany International Airport.
- All of Albany County's municipalities share crews and equipment with their neighboring municipalities through MOUs or informal agreements. For example, the Towns of Knox, Berne, Rensselaerville, Westerlo, and Guilderland regularly share equipment and personnel.
- In another example, the Town of Colonie performs fire inspections for the Village of Menands.
- Seven school districts — Bethlehem, Cohoes, Green Island, Guilderland, Ravena-Coeymans-Selkirk, South Colonie, and Voorheesville — purchase health insurance collectively through the Capital Area Schools Health Insurance

Consortium (CASHIC). The consortium recently negotiated a revised prescription drug contract, resulting in significantly lower average wholesale prices.

- The Voorheesville, Guilderland, and Berne-Knox-Westerlo school districts collaborate on transportation.
- The Capital Region BOCES operates a Pharmacy Purchasing Coalition serving school districts in Albany County which has reduced their members' prescription drug costs between 10 and 25 percent.
- The county shares fueling stations at their main shop in Voorheesville. The county Department of Public Works (DPW), Soil and Water Department, Voorheesville School District, Cornell Cooperative Extension, Weatherization Department, and City of Albany Water Department all share the county fueling stations at the County's main shop in Voorheesville.
- The county has a shared service agreement with state Department of Transportation (DOT) pertaining to snow removal/winter road maintenance.
- The Town of Bethlehem converted lights to more energy efficient models and saved 35 percent at their Town Hall, highway, and DPW sites. The town also replaced pedestrian area lighting fixtures, and 32 decorative light fixtures which will reduce energy use by 27,630 KWh/year and save the town an estimated \$2,700 on energy bills. The town will reduce its maintenance costs for the lights, as well.
- The City of Albany has a 27-point energy plan to reduce carbon emissions by 20 percent, including a city-wide LED lighting retrofit program that is estimated to save \$110,000 annually.
- The Village of Voorheesville installed solar panels at their garage and fire house.
- The Town of New Scotland and the Village of Voorheesville have developed a comprehensive plan for LED lighting for streetlights that will save \$65,000 annually.
- Currently the City of Albany is in very early stages of purchasing 10,300 streetlights from National Grid, with plans to convert all of them to LEDs. A GIS inventory and audit of streetlights is expected to be completed by early August 2017; this information will provide detailed data regarding fixture type and wattage.
- The Town of Knox converted 25 street lights to LED with an anticipated savings of up to \$600 annually.
- The county converted to LED lighting in the social services building, the Times Union Center garage, the Mental Health building, and County office buildings with a projected annual savings of \$91,861.

Additional efforts can be found throughout this report. It is a testament to the collegiality and ongoing cooperation among the governments within the County.

What's more, and often overlooked, is that shared services among local governments is not entirely contained within counties. In fact, we received a number of examples where municipalities in Albany County were in shared services arrangements with towns in other counties, and some with towns in other states.

Final Savings Estimates

After working with municipalities, school districts, and subject-matter experts, we were able to reach consensus on eight proposals and fine-tune their final savings estimates. Proposals included in the approved plan must include overall tax savings estimates, which will eventually be certified by the state. In accord with the bottom-up approach, the plan is constructed as an opt-in model: where municipalities are able to voluntarily adopt, but are not required to participate in, specific recommendations.

This final adopted plan deliberately uses conservative estimates to create a baseline. Even with the careful estimates, this plan contains \$9,715,500 in total annual savings when fully implemented. Over time, with more complete data, additional participating municipalities, and with the addition of proposals not yet formally adopted by the panel, we expect the savings to grow considerably.

The adopted plan contains \$9,715,500 in total annual savings when fully implemented. As municipalities opt in, savings will likely grow.

Final Savings Score Card			
Proposal	2018 Savings	2019 Savings	Fully Phased in Savings
(1) Creation of the Albany County Community Choice Aggregation Energy Program	\$106,000	\$1,000,000	\$1,500,000
(2) Create a County Health Consortium	—	\$1,500,000	\$3,000,000
(3) Creation of a County-Wide Centralized Shared Specialty Equipment Program	\$300,000	\$525,000	\$525,000
(4) Shared Personnel through a Centralized Process Organized by the County	\$425,000	\$800,000	\$1,300,000
(5) Create Additional Joint Purchasing Agreements and Centralized Contracts for Equipment, Materials, Services, and Supplies	\$500,000	\$600,000	\$600,000
(6) Consolidate Vehicle Maintenance and Repair Services Within the County and Combine County, Town, and School District Vehicle Maintenance Facilities in Voorheesville, Berne, Knox, and Westerlo.	—	\$1,990,500	\$1,990,500
(7) Consolidate Interpretation/Translation Services Within County	\$50,000	\$50,000	\$50,000
(8) Retrofitting Lights to High Efficiency LED Lighting	\$175,000	\$250,000	\$750,000
	\$1,556,000	\$6,715,500	\$9,715,500

As we stated in the draft report, we hope this plan marks a step in a continuing process, not an end point. There were plenty of good ideas offered that could not be fully developed at the time and hope there is momentum to continue this effort. One product of this process is an organizational infrastructure to continue collaborative efforts, even after the statutory obligation has been fulfilled. If history is our guide, the municipalities and school districts within the Albany County will continue to work together to provide more efficient and affordable services to its residents.

The Eight-Point Albany County Shared Services and Taxpayer Savings Action Plan²

There follows a list of proposals approved by the panel. For the specific methodologies of how the savings estimates were determined, see the endnotes.

Adopted Proposal 1 Albany County Will Create the Community Choice Aggregation Energy Program³

There was significant interest in reducing a sizeable and growing cost for local governments — energy consumption. Not only did the panel members raise this as an issue, the public raised energy issues time and time again at our public hearings — in costs as well as going greener.

As a start, the county will work with state energy offices (e.g. New York State Energy Research and Development Authority, New York Power Authority, and the Public Service Commission) to facilitate a state energy audit for any municipality or school district wishing to lower its overall energy costs, and use additional renewable sources of energy. Although many have had recent audits done, given the numerous state programs, there may be additional programs — and funding — available for municipalities.

In 2016, the New York State Public Service Commission (PSC) issued an order authorizing the establishment of Community Choice Aggregation (CCA) programs by municipalities (see [PSC Case 14-M-0224](#)). A CCA allows municipalities to use their collective purchasing power to enter into an energy contract to lower prices and/or increase usage of renewable energy supply. Under the program, each municipality must pass a local law to participate; and once they do, the government and local residents, are entered into the program. Residents and businesses may opt out of the program at any time.

Westchester County created a CCA program that attracted the participation of 17 of its 20 municipalities with 90,000 residential and small business customers. A multi-county CCA has been created by the Municipal Electric and Gas Alliance (MEGA) program to serve some 500,000 residents in 11 counties from the Finger Lakes to the Hudson Valley. The City of Albany participates in the MEGA program.

Reports have projected up to 20 percent annual savings in energy costs by entering into a CCA and to start we have projected a more conservative overall estimate of 10 percent.

Albany County will begin working with municipalities in 2017 to have pass the requisite local laws to establish the CCA program. It will also begin to develop and request for proposal for providers.

2018 Savings	2019 Savings	Fully Phased in Savings
—	\$1,000,000	\$1,500,000

Participating: Cities of Albany, Cohoes, Watervliet; Towns of Bethlehem, Berne, Coeymans, Colonie, Guilderland, Knox, Green Island, New Scotland, Westerlo; Villages of Altamont, Green Island, Menands, and Voorheesville; School districts of Albany, Berne-Knox-Westerlo, Cohoes, Guilderland, North Colonie, Coeymans-Ravena-Selkirk, South Colonie, Voorheesville, and Watervliet.

Adopted Proposal 2 Albany County Will Create a County Health Consortium

Municipalities were concerned about exploding costs of fringe and other benefits. In fact, we heard from various speakers at the public hearings that these costs are now outpacing the overall growth of salaries in the county. Therefore, municipalities had interest in developing a county health consortium, like some school districts have done with the Capital Area Schools Health Insurance Consortium which currently includes the Albany County school districts of Bethlehem, Cohoes, Green Island, Guilderland, Ravena-Coeymans-Selkirk, South Colonie, and Voorheesville.

Most municipalities and school districts want to maintain their current health benefits; few had interest in having a standard countywide set of benefits. A 2012 study, done before the complete implementation of the Affordable Care Act, offered three different options under current law that the County could use to form a health insurance consortium (see [ALBANY COUNTY HEALTH CARE FEASIBILITY STUDY by the Segal Group](#)— November, 2011 (Revised March 2012)). The 2012 study recommended three different options under current law the county could use to form a health insurance consortium:

- **Article 47 — Municipal Cooperative Health Benefits Plans.** This article of the Insurance Law allows a municipality, school district, BOCES, or fire district to share in the costs of self-funding employee health benefit plans. This is an alternative approach to: stabilize health claim costs; lower per unit administration costs; and enhance negotiating power with health providers by spreading such costs among a larger pool of risks.
- **Article 44 Welfare Funds.** This article of the Insurance Law allows medical benefits to be provided through an “employee welfare fund.” This is a trust fund maintained by one or more governmental employers with one or more labor unions, directly or indirectly through trustees. The benefits can be provided through the purchase of insurance or otherwise.
- **Establishing a County Trust Fund.** This would allow municipalities, school districts, fire districts, and BOCES to obtain desired health care coverage, care management, risk and administrative arrangements through that trust. This is the

approach used by area school districts to form the Capital Area Schools Health Insurance Consortium.

The Capital Region BOCES created the NYS Benefit Corporation, a 501(c)(3) nonprofit brokerage entity to purchase and manage health insurance through a pooled arrangement, but could only get six school districts to join, which was not enough buying power. However, the entity still exists and could be a vehicle to purchase health insurance for Albany County municipalities and school districts.

In 2011 Tompkins County created the Greater Tompkins County Municipal Health Insurance Consortium (GTCMHIC), an Article 47 municipal cooperative health benefits plan that creates hospital, medical, surgical, and prescription drug plans, collects premiums, and pays medical and pharmaceutical claims for its covered members. The consortium began its operations with 13 municipal partners and now has 28 municipal partners covering approximately 2,350 employee and retiree contracts and more than 5,000 covered lives. What is unique about this consortium is its ability to experience rate municipalities with less than 50 employees. These smaller units of government are generally subject to community rating under New York State Department of Financial Services’ regulations which greatly increases their health insurance costs. Since 2011 GTCMHIC’s premiums have averaged to be 4 percent lower than the comparable small group rates that municipalities would have paid. Since 2015 GTCMHIC’s rates have averaged 7 percent lower and in 2017 they were 9.5 percent lower. We believe that Albany County’s municipalities can match these savings if it formed a similar consortium, especially its smaller municipalities.

Starting this year, Albany County will begin developing a health consortium modeled off the Tompkins County plan that will hopefully be operational sometime in 2019.

Finally, municipalities were interested in reducing prescription drug costs. One option is encouraging all municipalities and school districts that self-insure for their prescription drug benefits to join the Capital District BOCES Pharmacy Purchasing Coalition which has reduced their members’ prescription drug costs between 10 percent and 25 percent. Another option is in January 2019 New York State is planning to offer all local governments and school districts to join its just prescription drug program which could also significantly lower their prescription drug costs.

2018 Savings	2019 Savings	Fully Phased in Savings
—	\$1,500,000	\$3,000,000

Participating: All except Village of Ravena; and School districts of Bethlehem, Guilderland, Menands, and Ravena-Coeymans-Selkirk — all of whom (except Menands) are members of the Capital Area Schools Health Insurance Consortium.

Adopted Proposal 3 Creation of a County-Wide Centralized Shared Specialty Equipment Program⁴

Virtually every municipality and school district was supportive of sharing specialty equipment with one another, either with the county, or among local governments and school districts.

In many cases, there are informal agreements in place between municipalities to share equipment. For instance, the Towns of Westerlo, Rensselaerville, and Knox share equipment. Rensselaerville also shares equipment with the Town of Durham in Greene County. There are also examples of shared equipment and services between school districts and municipalities. The Village of Menands assists the Menands School District with snow removal.

The county will create a formal shared equipment program MOU as a way for municipalities to more easily share specialty equipment with one another within the county, including school districts. Over the course of our outreach there were specific requests to share various equipment. Some examples are listed in [Appendix D](#).

While the County would maintain the list of equipment, this does not mean the county would purchase all the equipment. Rather, the county will act as the clearinghouse. The county will start the program in 2018.

2018 Savings	2019 Savings	Fully Phased in Savings
\$300,000	\$525,000	\$525,000

Participating: Cities of Albany, Cohoes, and Watervliet; Towns of Bethlehem, Berne, Coeymans, Colonie, Guilderland, Green Island, New Scotland, Rensselaerville, and Westerlo; Villages of Altamont, Green Island Menands, and Voorheesville; School districts of Albany, Berne-Knox-Westerlo, Cohoes, Guilderland, North Colonie, Coeymans-Ravena-Selkirk, South Colonie, Voorheesville, and Watervliet.

Adopted Proposal 4 Shared Personnel through a Centralized Process Organized by the County⁵

The *2017 PFM* report recommended that the City of Albany work with other local governments to determine whether a county-wide approach could provide equal or better services and more competitive rates on contracted services. Generalizing from this, there was considerable interest among municipalities in sharing specialty personnel, especially in cases where there was not in-house staff or expertise. Therefore, starting in 2018, the county will create a central database to allow municipalities to facilitate personnel sharing — e.g., construction crews, abandoned property maintenance, lawyers, animal control officers, assessors, financial advisers, and engineers. In addition, the county will create a list of pre-approved contracts for engineering, attorneys, payroll services, land remediation, roofing, plumbing, HVAC, and the like, modeled on BOCES practice.

There were many examples, where a centralized process of available shared staff and/or a centralized list of private sector specialty contractors (HVAC, electricians, and asbestos abatement) would be valuable. The Guilderland School District has only two grounds maintenance workers to cover seven schools. The City of Albany has planned to increase the use of Department of General Services (DGS) employees, especially the landfill crew, to complete smaller construction projects for other municipalities and departments. In addition, Menands wanted to enter into a cooperative agreement with a nearby locality to share DPW manpower to complete mid-sized special projects that

cannot be completed due to limited year-round staff size, and therefore must be contracted out to a private company. Many municipalities have shared personnel arrangements already. The Town of Bethlehem Highway Department has informal arrangements with Albany County DPW, which includes equipment relocation, paving and maintenance of equipment, and with Bethlehem Central School District for shared road salt storage. Watervliet City School District specifically called for sharing people to do construction, roofing, plumbing, and electrical work.

There was interest by several municipalities for a shared animal control program. In many cases, there were already shared arrangements among municipalities, like the Village of Altamont using the Town of Guilderland’s officer, the Village of Menands using the Town of Colonie’s, and the Town of Rensselaerville sharing an officer with the Town of Berne. The Albany Police Department planned to share animal control services with other municipalities in the county. The county will create a central shared animal control program where municipalities will share this function, if needed.

Several municipalities use private engineering firms, like CS Arch and the Laberge Group. Many were happy with the service and arrangement. However, there was great interest in having the county create a shared engineering services program; for many this shared service was a high priority. Therefore, the county will allow municipalities to opt-in to use Albany County’s engineering services, specifically a list of pre-approved outside private firms. Moreover, the county will centralize a list of engineers from other local municipalities that could be available for projects.

In addition to the centralized database and contractor list, there were some potential individual shared service arrangements identified, like the Cohoes City School District sharing staff with the City of Cohoes.

Response time was a concern raised by many municipalities and school districts, so the county will work to ensure timely responses to meet service needs.

In addition to sharing personnel and creating centralized contracts for services a recommendation from the *2015 GEP* would create a county-wide workforce database that would include data for all employees that currently work for Albany County and its municipalities. This would facilitate collaborative workforce management and improved succession planning among local governments and across the range of local government functions. This project is under way with financial support from the county but has been hampered by the lack of workforce data provided by municipalities. If the county could get better workforce data from the City of Albany and get data from Guilderland the database would be able to better achieve its initial goals. It would be even better if all Albany County municipalities shared their current workforce data. This tool could generate annual savings of one million dollars when fully phased in in 2020 depending on how widely the database is used to identify employees willing to retire and work at other part-time jobs in Albany County government and its municipalities.

2018 Savings	2019 Savings	Fully Phased in Savings
\$425,000	\$800,000	\$1,300,000

Participating: Cities of Albany, Cohoes, and Watervliet; Towns of Bethlehem, Coeymans, New Scotland, Menands, Westerlo, Rensselaerville, and Green Island;

Villages of Altamont, Green Island, Voorheesville, and Guilderland; School districts of Albany, Bethlehem, Berne-Knox-Westerlo, Cohoes, Guilderland, North Colonie, Coeymans-Ravena-Selkirk, South Colonie, Voorheesville, and Watervliet.

Adopted Proposal 5 **Create Additional Joint Purchasing Agreements for Equipment, Materials, Services, and Supplies⁶**

Beginning in 2018, Albany County will create a centralized purchasing system for all municipalities, including piggybacking on existing state, county or local contracts with the best price for such items and services as: medical supplies, software, computer hardware, equipment, telecommunication systems, gasoline, diesel fuel, waste removal, recycling, electrical, plumbing, HVAC, and asbestos removal. For instance, the City of Watervliet said a joint purchasing system could save the municipality \$50,000 for shared fuel and up to \$5,000 for information technology.

There were many examples of these activities already, including various county municipalities piggyback on the state fuel contract.

Starting in 2017, the county will convene a working group to develop a process for local municipalities and school districts to help lower costs for services, supplies, and equipment as they see prices change and opportunities arise, including piggybacking on existing county contracts if the terms and pricing are better. As an example, the county will allow local municipalities to use their wireless contract.

2018 Savings	2019 Savings	Fully Phased in Savings
\$500,000	\$600,000	\$600,000

Participating: All except Village of Ravena.

Adopted Proposal 6 **Consolidate Vehicle Maintenance and Repair Services Within the County and Combine County, Town, and School District Vehicle Maintenance Facilities in Voorheesville, Berne, Knox, and Westerlo⁷**

The county will offer maintenance repair services and body work to municipalities and school districts (in certain instances). Several smaller districts and municipalities have expressed an interest in this. Specifically, municipalities would have access to the county Department of Public Works (DPW) stations for servicing of their vehicle fleets through a MOU or other formal arrangement. The county would assess a fee for the service. However, capacity issues and implementation still need to be worked out. The county will also explore with interested municipalities and school districts developing a centralized contract for vehicle maintenance and repair as well as a centralized contract to purchase vehicles and vehicle parts. It is possible a centralized contract for vehicle service and maintenance could supplement a county service. We estimate that this will net a savings of \$106,000 annually.

Currently there are nine vehicle maintenance and/or storage facilities in the hill towns. Albany County has its facilities in Berne, Knox, Westerlo, and Voorheesville. The Towns of Berne, Knox, and Westerlo have their own facilities as does the Voorheesville

and Berne-Knox Westerlo school districts. All of these jurisdictions' facilities are outdated and need to be replaced or significantly renovated. These jurisdictions are interested in consolidating their nine current facilities into four vehicle maintenance facilities. The Berne-Knox-Westerlo school district is interested in an arrangement with the county and town to lease or rehabilitate a consolidated facility at the Town of Berne's current facility. A possible component of the vehicle maintenance facility consolidation in Berne is the consolidation of the Berne highway department with the county highway department. Such a consolidation, and the savings it could generate, will only be realized if Berne residents pass a referendum in 2018 approving such a consolidation.

The Voorheesville School District is also interested in moving the storage and maintenance of their buses and equipment to the county's New Scotland facility in 2018. It would cost \$5 million to build a new school facility, of which \$3 million would have to be provided locally — after state aid. The school district is unsure how much it would cost to rent and rehabilitate the needed space from the county, but it would almost certainly be significantly less expensive than the local costs of building a new facility.

2018 Savings	2019 Savings	Fully Phased in Savings
\$106,000	\$1,990,500	\$1,990,500

Participating: Cities of Cohoes, and Watervliet; Towns of Berne, Bethlehem, Knox, Westerlo, Coeymans, and Green Island; Villages of Menands, and Voorheesville; School Districts of Cohoes, Guilderland, North Colonie, South Colonie, Berne-Knox Westerlo, and Voorheesville.

Adopted Proposal 7 Consolidate Interpretation/Translation Services Within Albany County Government⁸

There are many new federal and state requirements to translate materials into languages other than English. As population diversity grows, translation needs will continue to grow. Budget lines for this service are often exhausted (or not included), nor is there in-house expertise to complete this new task. Therefore, starting in 2018, the county will offer a centralized translation service to all municipalities, by either performing it or connecting to providers or other government entities to do so. The county may charge a fee for service, but by aggregating the function, there would be better service and savings.

2018 Savings	2019 Savings	Fully Phased in Savings
\$50,000	\$50,000	\$50,000

Participating: All except the Town of Knox and the Village of Ravena.

Adopted Proposal 8 Retrofit Lights to High Efficiency LED Lighting⁹

Another area which had considerable support was the conversion of lighting to light-emitting diode (LEDs). LED lights use about 75 percent less energy than traditional incandescent lights and by 2027 the U.S. Department of Energy believes they could result in more than \$30 billion in electricity cost savings nationwide. These high efficiency lights save significant money in the long run and are worth the capital investment.

However, even with the potential for using more efficient and less costly lighting, as a result of difficult interactions with utility companies, municipalities and school districts have developed concerns about whether it is better to lease or sell the equipment, the specialized maintenance of the lights, and overall capital costs.

Beginning in 2018, the county will run a centralized process to work with municipalities and schools to install additional LED lights in addition to the projects currently underway, including serving as the point on negotiating with the utilities (since working with the utilities was one of the major complaints by municipalities in upgrading to LED). Moreover, the county will work to develop a team of shared maintenance personnel for those municipalities that need assistance with upkeep, since several municipalities raised ongoing maintenance as a concern.

The projections for this proposal is low given the number of new projects already in the pipeline that would not qualify under this plan, but there is an opportunity for significant future savings as new projects emerge. Many municipalities have already replaced many of their lights with LED lighting for consideration cost reductions.

2018 Savings	2019 Savings	Fully Phased in Savings
\$175,000	\$250,000	\$250,000

Participating: All except village of Ravenna.

Legal and Regulatory Barriers to Shared Services

In our discussions with municipal leaders and school superintendents, a number of barriers to sharing services between municipalities and school districts were identified. These include:

- School districts cannot obtain power from solar facilities located outside school district boundaries. This makes it difficult for school districts in urban areas to take advantage of solar power. It also makes it impossible for solar collaborations between neighboring school districts and municipalities when economy of scale can result in greater energy cost savings.
- Under current state regulations there is great confusion over whether health insurance consortiums organized under Article 47 of the insurance law can cover municipal employers with under 50 employees without subjecting them to

community rating, which increases their cost of insurance. The only county that has been able to organize such a consortium and experience rate these small municipalities is Tompkins county. This confusion, and the current difficult barriers to overcome, effectively denies small municipalities (who need the most help in keeping their health care costs down) the advantage of entering into health care consortia. These consortia try to pool risk so that the pool including smaller municipalities can be experience rated rather than community rated. Local governments should work with the state Department of Financial Services to find ways to streamline its current regulations and provide technical assistance so that it is easier for counties to form such consortia and reduce health insurance costs for its municipalities and school districts.

- Under current state law and regulations, a public-sector health insurance brokerage, like the New York Municipal Benefits Corporation, cannot refund commissions to the municipalities and school districts that are part of their consortium. This has the effect of increasing the cost of health insurance to municipalities and school districts in a consortium. Insurance Law §4224(c) should be amended to exempt public entities and entities wholly owned or controlled by public entities from the anti-rebating law. In addition, Education Law §1950 should be amended to expressly authorize a BOCES to create a subsidiary public benefits corporation.
- The property tax cap's adjustment for transfers of function (General Municipal Law Section 3-c (3)(d)), as currently interpreted by the State Comptroller's Office, has created a disincentive to shared service or functional consolidations. Any budget cut made by a local government counts towards meeting the property tax reduction target, unless that expense reduction is based on a transfer of function — in which case the amount saved by a partnering local government is subtracted from its tax cap levy limit. The local government gets no credit for having implemented such a change for the purposes of the tax cap. Layoffs, spending down reserves, or deferring maintenance all count for the purposes of the cap, but transfers of functions which truly reduce recurring expenditures do not.

This interpretation in implementation is a flaw, because the tax cap and the property tax freeze credit laws were intended to encourage transfers and/or consolidations of functions. In his policy document published in 2010, [THE NEW NY AGENDA: A PLAN FOR ACTION](#), Governor Andrew Cuomo made this intention clear when he wrote:

Exceptions or adjustments [to the property tax cap] would apply to consolidations of services (so that the cap would not discourage a county or town from taking on consolidated services from other localities or special districts). In fact, the cap may well encourage cost saving consolidations, where existing arrangements prove to be too expensive for the new discipline (p. 44).

- Given the current low-interest rate environment, there was an idea to allow the county to offer municipalities an option to consolidate and pool debt. Recent data from the Office of the State Comptroller shows that municipalities within Albany County have nearly \$1 billion of existing debt. Many municipalities have

refinanced and consolidated their debt on their own, lowering interest rates, and therefore overall annual costs. For instance: The Town of Knox has approximately \$487,000 in debt and recently refinanced the debt with a low interest rate of 0.88 percent. Many municipalities have much higher interest rates. However, upon working with the county bond counsel counties are prohibited from doing so. Therefore, local municipalities should work with the state to find ways to provide more flexibility to refinance local debt.

- Under current state education law shared services purchased from a county are not eligible for state education aid reimbursement. There was support to have the state and counties work together to allow shared services purchased from a county to be eligible for reimbursement (just as it is for BOCES) as long as the shared service is for the same or lower cost than the cost available from BOCES.
- The shared services law creating this process provides financial *disincentives* to municipalities to complete the plan this year since the law only allows the state match for savings achieved in year one. Given the difficulty in implementing big shared services savings proposals that will significantly reduce property taxes in one year, especially creating a countywide health insurance consortium, which is difficult under current state regulations, the panel supports changing the process to allow financial incentives in 2018 and 2019, especially for those municipalities that got their Shared Services Taxpayer Savings Plans in immediately.

Appendices

Appendix A. New York State Shared Services Worksheet

County-Wide Shared Services Property Tax Savings Plan Summary Appendix A			
County of Albany			
County Contact: Michael McLaughlin, Director of Policy and Research			
Contact Telephone: 518-447-7040			
Contact Email: Michael.McLaughlin@albanycountyny.gov			
Partners			
Row 1 – (total # of) Cities in County			
Participating Cities		Panel Representative	Vote Cast (Yes or No)*
1.	Albany	Kathy M. Sheehan, Mayor	Yes
2.	Cohoes	Shawn M. Morse, Mayor	Yes
3.	Watervliet	Michael Manning, Mayor	Yes
Row 2 – (total # of) Towns in County			
Participating Towns		Panel Representative	Vote Cast (Yes or No)*
1.	Berne	Kevin Crosier, Supervisor	Yes
2.	Bethlehem	John Clarkson, Supervisor	Yes
3.	Coeymans	Philip A. Crandall, Supervisor	Yes
4.	Colonie	Paula A. Mahan, Supervisor	Yes
5.	Green Island	Rachel A. Perfetti, Supervisor	Yes
6.	Guilderland	Peter G. Barber, Supervisor	Yes
7.	Knox	Vasilios Lefkaditis, Supervisor	Yes
8.	New Scotland	Douglas LaGrange, Supervisor	Yes
9.	Rensselaerville	Valerie Lounsbury, Supervisor	Yes
10.	Westerlo	Richard H. Rapp, Supervisor	Yes
11.			
12.			
13.			
14.			
15.			
16.			
17.			

**County-Wide Shared Services
Property Tax Savings Plan Summary
Appendix A**

18.			
19.			
20.			

Use Additional Sheets if necessary

***The written justification provided by each Panel Representative in support of his or her vote on the Plan is attached hereto, as Exhibit 1.**

Row 3 – (total # of) Villages in County

Participating Villages		Panel Representative	Vote Cast (Yes or No)*
1.	Altamont	Kerry A. Dineen, Mayor	Yes
2.	Colonie	Frank A. Leak, Mayor	Absent
3.	Green Island	Ellen M. McNulty-Ryan, Mayor	Yes
4.	Menands	Megan Grenier, Mayor	Yes
5.	Ravena	William Misuraca, Mayor	Absent
6.	Voorheesville	Robert D. Conway, Mayor	Yes
7.			
8.			
9.			
10.			

Use Additional Sheets if necessary

***The written justification provided by each Panel Representative in support of his or her vote on the Plan is attached hereto, as Exhibit 1.**

Row 4 – (total # of) School Districts, BOCES, and Special Improvement Districts in County

Participating School Districts, BOCES, and Special Improvement Districts		Panel Representative	Vote Cast (Yes or No)*
1.	Albany City School District	Kaweeda J. Adams, Superintendent	Absent
2.	Berne-Knox-Westerlo Central School District	Timothy Mundell, Superintendent	Absent
3.	Bethlehem Central School District	Jody Monroe, Superintendent	Absent
4.	Cohoes City School District	Jennifer Spring, Superintendent	Absent
5.	Green Island Union Free School District	Teresa Snyder, Superintendent	Absent
6.	Guilderland Central School District	Marie Wiles, Superintendent	Absent

**County-Wide Shared Services
Property Tax Savings Plan Summary
Appendix A**

7.	Menands Union Free School District	Maureen A. Long, Superintendent	Yes
8.	North Colonie Central School District	D. Joseph Corr, Superintendent	Absent
9.	Ravena-Coeymans-Selkirk Central School District	Brian Bailey, Superintendent	Absent
10.	South Colonie Central School District	Jonathan A. Buhner, Superintendent	Absent
11.	Voorheesville Central School District	Brian Hunt, Superintendent	Yes
12.	Watervliet City School District	Lori S. Caplan, Superintendent	Absent
13.	Capital Region BOCES	Mark Jones	Absent
14.	Capital Region BOCES	Dale Breault	Absent
15.			
16.			
17.			
18.			
19.			
20.			

Vote Total (With County Executive): 20-0

Row 5

**2017 Local Government
Property Taxes**

The sum total of property taxes levied in the year 2017 by the county, cities, towns, villages, school districts, BOCES, and special improvement districts within such county.

\$710,893,499.32

Row 6

**2017 Participating Entities
Property Taxes**

The sum total of property taxes levied in the year 2017 by the county, any cities, towns, villages, school districts, BOCES, and special improvements districts identified as participating in the panel in the rows above.

\$695,929,615.32 (minus fire districts and Village of Ravena)

**County-Wide Shared Services
Property Tax Savings Plan Summary
Appendix A**

Row 7

Total Anticipated Savings

The sum total of net savings in such plan certified as being anticipated in calendar year 2018, calendar year 2019, and annually thereafter.

\$1,556,000 (2018), \$6,715,500 (2019), \$9,715,500 (fully phased in)

Row 8

Anticipated Savings as a Percentage of Participating Entities property taxes

The sum total of net savings in such plan certified as being anticipated in calendar year 2018 as a percentage of the sum total in Row 6, calendar year 2019 as a percentage of the sum total in Row 6, and annually thereafter as a percentage of the sum total in Row 6.

0.22% (2018), 0.96% (2019), 1.40% (fully phased in)

Row 9

Anticipated Savings to the Average Taxpayer

The amount of the savings that the average taxpayer in the county will realize in calendar year 2018, calendar year 2019, and annually thereafter if the net savings certified in the plan are realized.

\$10.58 (2018), \$45.65 (2019), \$66.04 (fully phased in)

Row 10

Anticipated Costs/Savings to the Average Homeowner

The percentage amount a homeowner can expect his or her property taxes to increase or decrease in calendar year 2018*, calendar year 2019*, and annually thereafter if the net savings certified in the plan are realized.

*Factors in growth under tax cap (avg increase of 1.5%)¹⁰.

1.28% (2018), 0.54% (2019), 0.10% (fully phased in)

Row 11

Anticipated Costs/Savings to the Average Business

The percentage amount a business can expect its property taxes to increase or decrease in calendar year 2018*, calendar year 2019*, and annually thereafter if the net savings certified in the plan are realized.

*Factors in growth under tax cap (avg increase of 1.5%).

01.28% (2018), 0.54% (2019), 0.10% (fully phased in)

CERTIFICATION

I hereby affirm under penalty of perjury that information provided is true to the best of my knowledge and belief. This is the finalized county-wide shared services property tax savings plan. The county-wide shared services property tax savings plan was approved on September 13, 2017, and it was disseminated to residents of the county in accordance with the County-wide Shared Services Property Tax Savings Law.

Daniel P. McCoy

County Chief Executive Officer

(Print Name)

September 14, 2017

(Signature)

(Date)

Appendix B. The Project Team

Jim Malatras, President of the Rockefeller Institute, led the project. Dr. Malatras held several high-ranking positions in New York State Government and is an expert in local governmental policy. Most recently, he served as Director of State Operations to Governor Andrew M. Cuomo, where he managed the day-to-day operation of state government and served as the Administration's point person on policy. In addition, he previously served as Deputy Secretary for Policy Management to Governor Cuomo and as Deputy Director of Policy on Governor Cuomo's successful campaign for Governor. Dr. Malatras also previously served as Executive Directive of Legislative Affairs and State Policy to Attorney General Cuomo and Legislative Director to former Assemblyman and current RIG Board member, Richard L. Brodsky, who chaired the Environmental Conservation and Corporations, Authorities and Commissions Committees in the New York State Assembly.

Thomas Cetrino, of the Benjamin Center, advised on the project. Mr. Cetrino graduated from SUNY New Paltz in 1973 with a BA in Political Science and continued his education at SUNY Albany where he earned a MA in Criminal Justice. He has worked in several different leadership positions in the NY State Division of Criminal Justice Services, the Office of New York State Senate Minority Leader and the New York State Public Employees Federation. His work has led to the enactment of several laws including the establishment of the Community Dispute Resolution program within the Office of Court Administration and the Contract Disclosure Law of 2001.

Mr. Cetrino is currently a member of SUNY New Paltz's Benjamin Center Advisory Board and serves as a research consultant on many of the Center's local government projects. He recently was the chief staff researcher and writer in assisting Albany County in the development of its 2015 Government Efficiency Plan.

Gerald Benjamin, Director of the Benjamin Center, advised on the project. Dr. Benjamin is one of the foremost experts on local government policy. He previously served as Director of the Center for the New York State and Local Government Studies at SUNY's Rockefeller Institute of Government in Albany. While in that post, between May of 1993 and March of 1995, Dr. Benjamin served as Research Director of the Temporary State Commission on Constitutional Revision appointed by Governor Mario Cuomo. Earlier he was Principal Research Advisor to a New York City Charter Revision Commission that achieved the most extensive structural changes in the government of that city in recent history. Between 2004 and 2006, by unanimous bipartisan action of the county legislature, Benjamin was appointed to chair the Ulster County Charter Commission. The work of this commission resulted in approval at the polls of the county's first charter. That charter went into effect in January of 2009. In 2007 Associate Vice President Benjamin was appointed by Governor Spitzer to the State Commission on Local Government Efficiency and Competitiveness that in 2008 proposed wide-reaching reforms in local government in New York State.

Between 1981 and 1993 Gerald Benjamin was an elected member of the Ulster County legislature. He served in legislative leadership as both Majority Leader (1985-91) and Chairman (1991-93). Ulster County during this time has no elected executive; the legislative chairman was therefore the County's Chief Elected Officer. Under his leadership the Benjamin Center has provided studies on government restructuring,

redistricting and intergovernmental collaboration for counties, cities, towns and villages in the Hudson Valley and elsewhere in New York State.

Urška Klančnik, Research Scholar, at the Rockefeller Institute of Government. She holds a M.A. in Intercultural Communication and European Studies from Hochschule Fulda — University of Applied Sciences, Germany, and a B.A. in English and American Studies from University of Salzburg, Austria. In the course of her bachelor studies, she spent a year at the Bowling Green State University, Ohio as an exchange student.

Michael Quintman, Research Assistant at the Benjamin Center. Michael graduated with a BA in Political Science and History from New Paltz in May.

Michael Hattery, Director of Local Government Studies for the Rockefeller Institute, worked with Dr. Malatras on the overall management and completion of the final plan. Dr. Hattery has a range of experience as a student of state and local government in New York. He has conducted applied research, community-based technical assistance and developed educational programs for state and local officials. His research interests are centered in the areas of public finance, local government organization and service delivery. Dr. Hattery has also worked in the areas of management capacity building and the analysis of intergovernmental service delivery options — particularly among smaller governments in New York's nonmetropolitan regions. He has served as an elected governing board member for village, town and county government.

Appendix C. Albany County Municipal Boundaries

Albany County has 3 cities, 10 towns, 6 villages, 12 school districts, 20 fire districts and 53 special town-run districts (lighting, sewer, etc.). The map shows the geographic overviews of the various municipalities and schools districts. The total population of Albany County is 309,381 with 147,116 full-year resident taxpayers.

Figure 1.
County
Boundary

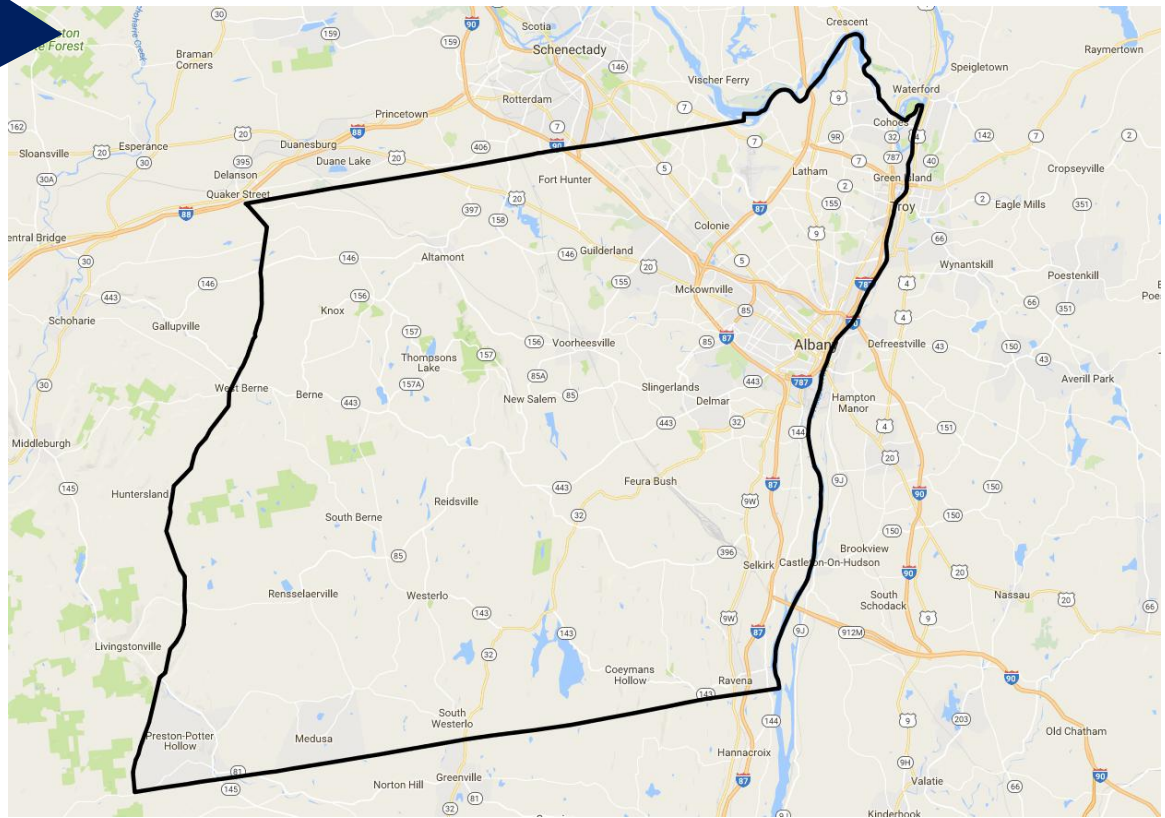


Figure 2.
County,
Town, City,
and Village
Boundaries

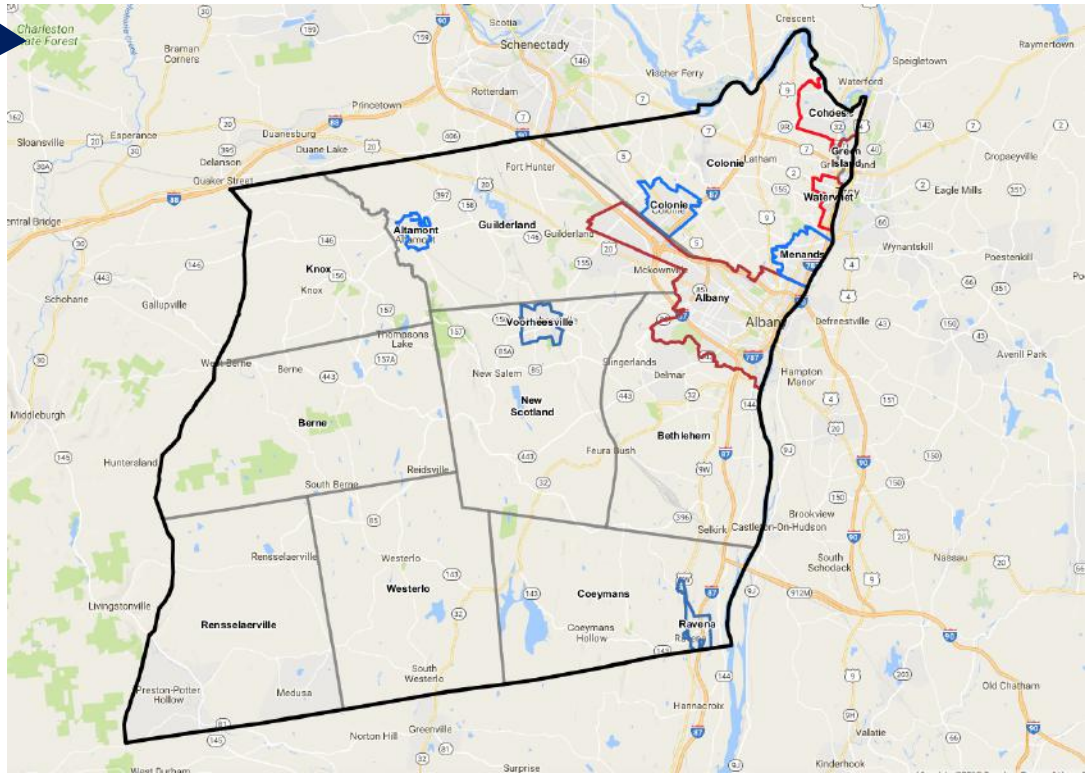
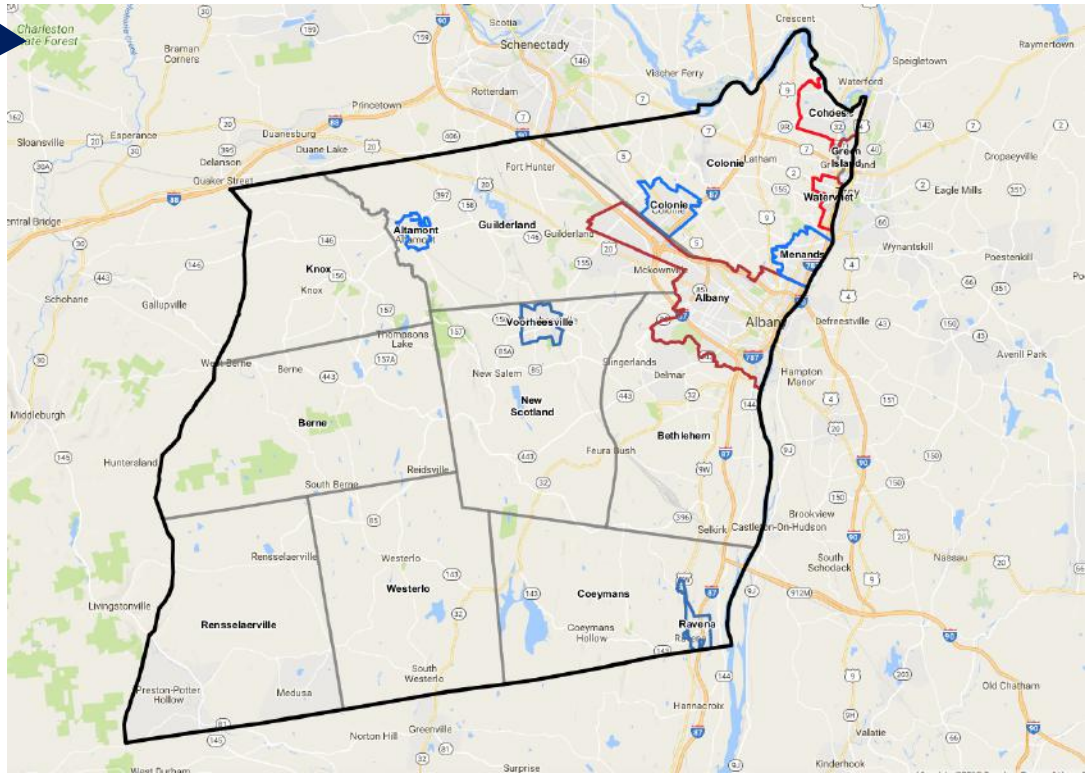
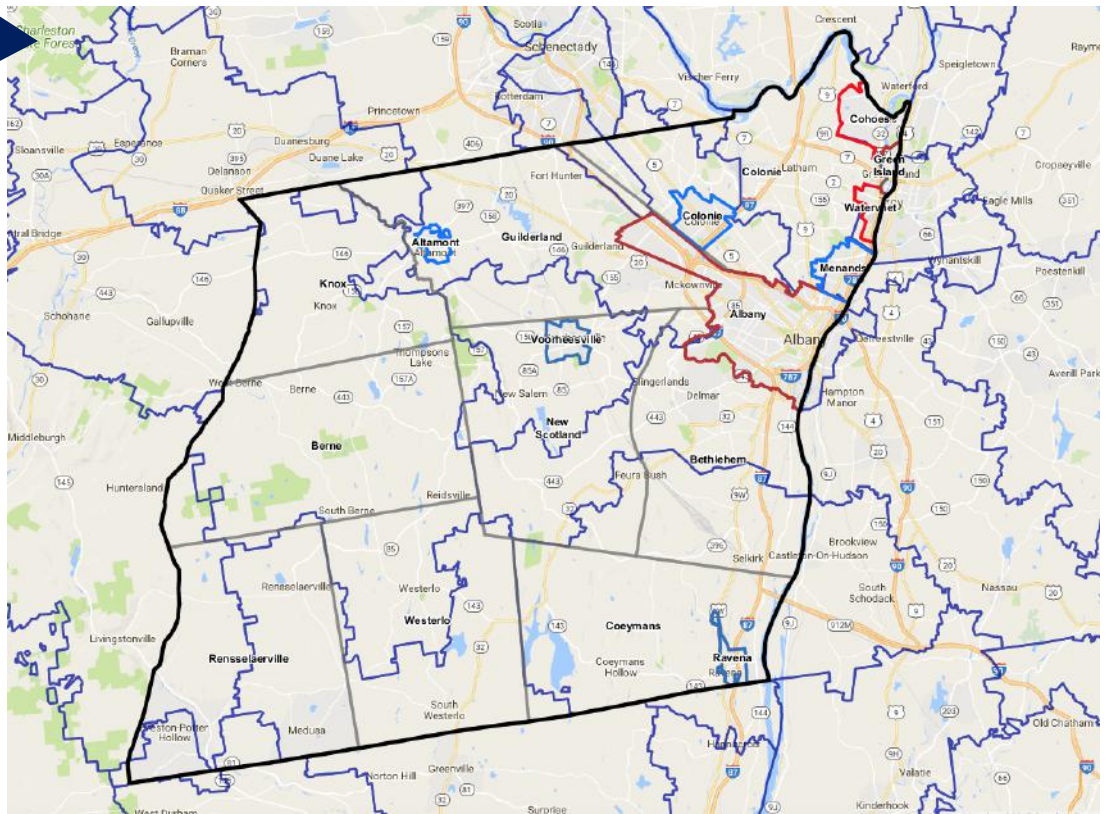


Figure 3.
County,
Town, City,
and Village
Boundaries



**Figure 4.
County,
Town, City,
Village,
and School
District
Boundaries**



Appendix D. Some Examples of Shared Equipment

Table 1. Some Examples of Equipment Need and Availability		
Municipality	Need	Available
Green Island	<ul style="list-style-type: none"> • Pavers • Vacuum trucks • Asphalt milling machines • Street sweepers • Camera machine (for inventorying things like sewer pipes) 	
Town of Knox		<ul style="list-style-type: none"> • Paver • Excavator • Guardrail equipment • Backhoe • Roller • Trailer <p>(willing to share with neighboring municipalities subject to board approval and discussion with highway superintendent)</p> <ul style="list-style-type: none"> • CAT Wheeled Excavator • CAT Roller • Over the Rail Mower
Voorheesville School District	<ul style="list-style-type: none"> • Snow removal during heavy snow • Lifts 	
Town of Westerlo	<ul style="list-style-type: none"> • Shoulder machine 	
Altamont		<ul style="list-style-type: none"> • Loaders • Generators • Backhoes • Brush Chipper • Dump Truck with Plows • Mowers
North Colonie School District	<ul style="list-style-type: none"> • Cherry picker 	
Village of Voorheesville	<ul style="list-style-type: none"> • Trench box for shoring during water breaks 	<ul style="list-style-type: none"> • Mini excavator • Small backhoe • Skid steer • Garbage packer • Trailers

Table 1. Some Examples of Equipment Need and Availability

		<ul style="list-style-type: none"> • Road miller • Speed sign
Town of Bethlehem	<ul style="list-style-type: none"> • Portable Pipeline Video Camera 	<ul style="list-style-type: none"> • Paver, Roller, and Gradall • Fusion Machine (for water pipe infrastructure).
City of Albany		<ul style="list-style-type: none"> • Dura-Patcher (pothole machine) • Backhoes • Loaders • Dump Trucks • Foam Trailer (fire)
Guilderland Central School District	<ul style="list-style-type: none"> • Loader w/snow pusher (large) • Loader w/snow pusher (medium) 	
Watervliet City School District	<ul style="list-style-type: none"> • Lift 	
City of Watervliet	<ul style="list-style-type: none"> • Cherry picker truck or lift 	<ul style="list-style-type: none"> • Brush hog cutter • Street sweeper • Bucket loader • Backhoe
Town of Colonie		<ul style="list-style-type: none"> • Various DPW (highway, water, sewer) equipment <p><i>Emergency situations</i></p>
County of Albany		<ul style="list-style-type: none"> • Graders • Gradalls • Road Wideners • Skid-Steers • Bulldozers • Excavators (both tracked and wheeled) • Wheel loaders • Tree truck • Low-boy • Dump trailer • Paver • Rollers • Backhoes • Hydro-seeder • Wood chippers • Water pump.

Appendix E. The Legal Process and Public Hearings

- **Draft Savings Plan Submission to County Legislature.** On August 1, 2017, we presented the County Legislature with a draft plan.
- **Public Hearings.** The law required three public hearings prior to September 15, 2017.
 - On July 31, 2017, the County Executive held the first public hearing in the Cahill Room of the Albany County Office Building at 2:00pm in order to gather input from the public in preparation of the draft plan.

The transcript of the public hearing is at

http://www.albanycounty.com/Libraries/County_Executive/20170731-SharedSvcs.sflb.ashx.

A video of the public hearing is at

https://www.youtube.com/watch?time_continue=1&v=kEayOshSxaw.

- A second public hearing was held on August 7 at 5:30pm at the Crossings in Colonie.

A copy of the presentation is at

http://www.albanycounty.com/Libraries/County_Executive/20170807-AlbanyCountySharedServicesPresentation.sflb.ashx.

The transcript of the public hearing is at

http://www.albanycounty.com/Libraries/County_Executive/20170807-SharedSvcs.sflb.ashx

A video of the public hearing is at

<https://www.youtube.com/watch?v=0EQpx5RfxFc>.

- A third public hearing was held on August 29 at 5:30pm in the Bethlehem Town hall.

A link to the video of the public hearing is at

<http://bethlehetownny.igm2.com/Citizens/Media.aspx>

County Legislature Review of Draft Plan. After the County Executive submits a draft plan on behalf of the panel, the County Legislature shall “review and consider the county-wide Shared Services Plan.” There is no other mandatory requirement of the County Legislature though they *may* by majority vote issue an “advisory report” making recommendations as deemed necessary. The County Legislature submitted a report on August 15, 2017 to the County Executive that was supportive of the draft plan. That report can be found at http://www.albanycounty.com/Libraries/County_Executive/20170815-LegResponse-SharedSvcs.sflb.ashx. There was no legal requirement that the County Executive or panel incorporate those findings.

- **Modification of Draft Plan by the County Executive.** The law does authorize the County Executive to modify the plan based upon such recommendations prior to the submission of the final plan to the panel for a final vote. Modifications were made to the draft report based on the input from the public hearings and members of the panel.

- **Adoption of Final Plan.** The vote on the final plan was held on September 13, 2017 and the plan was submitted to the New York State Division of Budget by the County Executive on September 14.
- **Public Notification of Final Adopted Plan.** The County Executive will publicly disseminate the plan and hold a public presentation on it by October 15, 2017.

Roles of Municipal Elected Officials

- **Local Opt Out.** Before the final vote by the panel, members were authorized to opt out of any action in the draft plan that would impact their county, city, town, village, school district, BOCES, or special improvement district. However, if such action includes multiple other units of local government, the action can still go forward for other members of the panel who have not opted out. Albany County has decided to use a more positive opt-in approach recognizing that not all shared services options are in the best interest of all municipalities and school districts in the county.
- **Role of Municipal Legislative Boards.** The Shared Services Property Tax Savings law does not provide for a specific role for town and village boards or city councils in the development of the plan. The chief executive of a city, town, village, or school district is empowered and authorized by state law to determine if their community should opt out of a plan option and to vote for or against a plan.

There may be circumstances where local officials are bound by their governing documents, like a local government charter, to follow certain protocols before they can take an action on behalf of the local government. In such circumstances, it is the duty and power of a municipal official who is serving on the panel to determine such application based upon the governing documents that are applicable to such municipality or school district.

It should be noted, however, that implementation of the panel-approved shared services contained in the plan are NOT binding on municipalities and their elected boards. All applicable legal prerequisites to the implementation of any action or component of an action contained within a final, approved plan must be satisfied in order for that action or component of an action to properly take effect in any municipality or school district.

Endnotes

- 1 After repeated requests, the Village of Ravena chose not to participate in the process.
- 2 There were many proposals that were raised during the course of the process, and many had merit. Given the timeframe, they were not included in the final plan, but are things the county and municipalities should explore, including civil service consolidation, consolidation of records clerks, workers' compensation and liability insurance consortia, consolidated dispatch operations, municipal payroll operation consolidation, regional SWAT teams, construction of anaerobic digesters to turn waste into energy, and the creation of a joint enterprise resource planning system.
- 3 Virtually every municipality expressed interest in moving forward with Community Choice Aggregation program. We arrived at the estimate by doing the following:

We estimated a 10 percent overall reduction in energy costs for those interested municipalities. Some municipalities did not provide their electric costs to us in time for the final report. In those cases, we estimated their total cost of electricity based upon existing budget documents or costs from similar municipalities. The CCA proposal alone could save up to 20 percent on electricity costs. See Matt Coyne, "Westchester communities join to seek lower energy bills" (May 16, 2015) at <http://www.lohud.com/story/news/local/westchester/2015/05/16/community-choice-aggregation-energy-savings/27443009/>. Although other municipalities have noted a 20 percent savings, we estimated a more conservative estimate of 10 percent because some municipalities and school districts, like the City of Albany, were already part of other energy consortia. Some municipalities were more interested and provided their energy costs of which we took 10 percent from their actual 2016 data to arrive at a total year one savings. Those municipalities and school districts were: Voorheesville Central School District (\$24,910.74), Guilderland Central School District (\$87,000), Watervliet City School District (\$20,509.61), City of Watervliet (\$22,943), Village of Altamont (\$1,500), City of Albany (\$64,180.30), Town of Bethlehem (\$78,458.60), Town of Rensselaerville (\$3,600), Village of Voorheesville (\$13,933.70), Albany County (\$257,610.40), Town of Knox (\$950), Town of Colonie (\$284,121.50), Town of Guilderland (\$64,872.66), Town of New Scotland (\$3,884.37), Town of Westerlo (\$3,909.10), City of Cohoes (\$74,900), and Village of Green Island (\$500).

For the second year, we took the remaining municipalities and schools districts and estimated their savings based on the similar size of municipalities that submitted actual data. For example, we based the savings estimates for the Towns of Berne, Green Island, and Rensselaerville on the actual data provided by the Town of Knox. Though not a perfect measure, it gave a conservative estimate for which the team was comfortable.

- 4 Most municipalities expressed interest in a centralized shared equipment plan, with the exception of a few, like Village of Colonie and Town of Knox. This methodology used to get the initial estimate was based upon a percentage of the total purchase price of several of the pieces of equipment needed by municipalities cross-walked to the same equipment made available by another municipality or where there was a need for a new machine for several municipalities that, if purchased, could be shared.

We took 30 percent of a typical cost of equipment and added those rough savings, though we could have taken a bit more in savings up front, knowing this would be an ongoing process. The initial breakdown is as follows:

Pavers cost around \$100,000 see <http://www.equipmenttrader.com/Construction-Equipment/Asphalt-Pavers-For-Sale/search-results?category=Asphalt+Pavers%7C2000240>; (given number of requests factoring at least two) \$60,000 in savings

Backhoes cost around \$90,000 see <http://www.costowl.com/b2b/backhoe-loader-cat-cost.html>; (given number of requests factoring at least two) \$54,000 in savings

Street sweepers cost around \$100,000 see <http://www.commercialtrucktrader.com/Sweeper-Trucks-For-Sale/search-results?type=light,medium,heavy&category=Sweeper%7C2001720>; \$30,000 in savings

Mowers cost around \$10,000 see <http://www.equipmenttrader.com/Farming-Equipment/Mower-For-Sale/search-results?category=Mower%7C2003524>; \$3,000 in savings

Dump trucks cost around \$150,000 see <http://www.commercialtrucktrader.com/Heavy-Duty-Dump-Trucks-For-Sale/search-results?category=Dump+Truck%7C2000609&type=heavy>; \$45,000 in savings

Loaders cost around \$350,000 see <http://www.rockanddirt.com/equipment-for-sale/CATERPILLAR/wheel-loaders>; (given number of requests factoring at least two) \$70,000 in savings

Cherry pickers cost around \$10,000 see <https://www.alibaba.com/showroom/new-cherry-pickers-for-sale.html>; (given number of requests factoring at least two) \$6,000 in savings

Industrial chippers cost around \$30,000 see <http://www.equipmenttrader.com/Farming-Equipment/Chipper-For-Sale/search-results?category=Chipper%7C2012692>; \$3,000 in savings

Rolling fusion pipe machines cost around \$300,000 see <https://www.machinerytrader.com/listings/construction-equipment-for-sale/list/?Manu=MCELROY>; \$30,000 in savings

We only estimated data of equipment needs that were specifically provided. Given the overall interest and need was significant, we factored in a 75 percent growth in the program when fully up and running. We set year two's savings as the fully implemented savings, given that older equipment would continually need to be repaired or replaced. Again, this is a conservative projection.

- 5 Although many municipalities and schools expressed interest, we note there were a handful that were not, including Village of Colonie, Menands School District, Bethlehem School District, Green Island, Voorheesville School District, City of Cohoes, Town of Colonie, and Village of Altamont.

The savings methodology used was a rough estimate of services that municipalities said they would be open to sharing.

The savings methodology for the workforce database is as follows. Based on 2016 data Albany County and its municipalities had 19 full-time Tier 1 employees and 643 full-time Tier 2 employees. Their 75-percentile salary for these tier 1 employees is \$65,530 (since there is a lot of variation in these salaries and we are looking for the older employees we believe this is the correct salary to use rather than the median which is \$49,131) and their health insurance, dental, vision and pension costs is 50 percent of their salary or \$32,765 (based on the NY State Comptroller's state employee fringe benefit rate; municipal employees fringe benefit rates are probably higher than the state's). Assuming four Tier 1 employees can be enticed to retire if offered a part-time job elsewhere in the county the savings would be the difference between their 75-percentile full-time salary (\$65,530) and the maximum salary for retired state and local government employees who work for state and local governments which is \$30,000. The salary savings is \$35,530 (rounded). That savings plus the fringe benefit savings equals \$68,295 per employee (\$35,530 + \$32,765) times four employees equals \$273,180 or close to the \$250,000 minimum savings we estimate for 2018.

Based on 2016 data Albany County and its municipalities have 643 full-time Tier 2 employees. Their 75-percentile salary for these tier 2 employees is \$102,213 and their health insurance, dental, vision and pension costs is 50 percent of their salary or \$51,106. Assuming that 2 percent of the Tier 2 employees (13 employees) can be enticed to retire if offered a part-time job elsewhere in the County the savings would be the difference between their 75-percentile full-time salary (\$102,213) and the maximum salary for retired state and local government employees who work for state and local governments which is \$30,000. The salary savings is \$72,213. That savings plus the fringe benefit savings equals \$123,319 per employee (\$72,213 + \$51,106) times 13 employees equals \$1,603,147 in savings above the \$1.5 million savings we estimate for 2019 (\$500,000 in savings) and 2020 and annually thereafter (\$1 million in savings).

- 6 We arrived at the savings estimate in two ways: (1) by taking the total cost of services like IT, fuel, and the like provided by municipalities and school districts and projected a 10 percent savings through greater centralization of contracts or (2) by the actual cost of savings provided by the municipality. For example, using municipalities that were specifically interested in the proposal:

City of Watervliet provided \$56,873 in potential savings for IT/fuel/telecom

City of Albany could save \$413,885.80 on IT upgrades assuming 10 percent savings

Town of Colonie could save \$15,575 on IT/telecom assuming 10 percent savings

Watervliet City School District could save \$750 on telecom

Village of Altamont could save \$544 on telecom

We assumed conservative growth in savings in year two. The cost would likely be greater when each municipality and school district submits their equipment needs and availability to the county.

- 7 We arrived at the savings estimate by taking the total vehicle maintenance costs provided by municipalities and school districts that provided information (less than half) and estimated a very conservative 4 percent reduction in their overall costs.

Currently there are nine vehicle maintenance and/or storage facilities. Albany County has its facilities in Berne, Knox, Westerlo, and Voorheesville. The towns of Berne, Knox, and Westerlo have their own facilities as does the Voorheesville and Berne-Knox Westerlo school districts.

The *2015 Highway Study* estimated the savings for the county and Knox sharing a facility at \$320,000 and we assume the same savings for a joint Albany County-Westerlo facilities for a total savings of \$640,000. We also assume that these facilities have a 30-year life expectancy. Based on the state's regulations regarding amortizing savings we subtracted 1/30 (3.3 percent) of this savings (\$21,120) for a total savings of \$618,880 (rounded up to \$619,000) for these joint facilities. We estimate that half of these savings (\$309,500) can be realized in 2019 and the remainder in 2020.

The Voorheesville School District estimated it would save \$3 million by forgoing building its facility and using the county's facility. We assume Berne-Knox-Westerlo would save the same amount for a total of \$6 million in savings, which must be reduced to account for the cost of leasing, building and or renovating these facilities. We are assuming that this cost would reduce this savings by between \$2 million and \$4 million for a total net savings of between \$2 million and \$ 4 million. We are assuming that these facilities have a 30-year life expectancy. Based on the state's regulations regarding amortizing, 1/30 (3.3 percent) was subtracted from this savings (\$66,000 if \$2 million and \$132,000 if \$4 million) for a total savings of between \$1,934,000 and \$3,868,000 (rounding down to \$1,900,000 and \$3,800,000) for these joint facilities. We used the midpoint of this savings range which is \$2,850,000. We estimate that half of these savings can be realized in 2019 (\$1,425,000 and the remainder in 2020). This underestimates the savings because there will be annual operational savings, especially in energy costs, in operating four vehicle maintenance facilities rather than nine facilities but those savings cannot be calculated at this time.

We estimate that just allowing municipalities and school districts to use the county maintenance facility in Voorheesville for repairs would save \$106,000 annually beginning in 2018. In addition, we estimate that an annual savings of \$150,000 will be realized if Berne residents pass a referendum in 2018 to consolidate their highway department with Albany County's department. Absent both a resolution explicitly stating intent by the Berne Town Board and referendum passed by the citizens of Berne, Albany County will be unable to implement this proposal. We added those figures to the 2019 savings calculated for building the joint maintenance facilities which is \$309,500 plus \$1,425,000, plus \$106,000 plus \$150,000 which equals \$1,990,500 in 2019 and another \$1,990,500 in 2020.

- 8 This estimates that seven municipalities will enter into a contract with a third-party service provided by the county. For instance, certain packages are upwards of \$8,000 per contract (see <https://www.strakertranslations.com/translation-pricing/>) and our conservative estimate subtracts a fee to run the program by the County.
- 9 Many municipalities have aggressively pursued LED lighting projects that have already saved considerable savings. Given so many are in the pipeline, this is a rough estimate of those who have yet to begin projects, though ultimately the savings, we believe, will be much higher. LED lighting conversion alone could result in even greater savings so we believe a 10 percent overall cost reduction is a conservative and reasonable estimate.
- 10 We assumed a 1.5 percent annual property tax increase based on historical increases over the past several years. The property tax cap has a greater allowance this year (approximately 1.8 percent), but some municipalities will be cutting their overall property tax levy and others will exceed 1.8 percent so the historical number was deemed a more appropriate estimate.