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Local Government Officials' Conference
Shared Services
March 9, 2012

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Purpose

- Increase understanding and awareness of shared services
 - May help find ways to improve service delivery and reduce costs in your local governments
- Background of AOS work
- Theory
- Sources
- Examples



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Background of AOS Work: Phase 1

- Summit on Local Government Sustainability – Strategies and Solutions in a Time of Fiscal Crisis
 - November 19, 2009
- Conducted research and compiled data in a spreadsheet



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Background of AOS Work: Phase 2

- Spreadsheet converted to searchable database
 - Partnership with Kent State University
- Database maintenance and updates
- Speaking Engagements – continuous



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The Nature of the Problem

- Current economic climate creates the need to reassess practices and service delivery
 - Declining or stagnant revenues
 - Escalating costs
 - Reduction in Local Government Funding



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Traditional Options

- Across-the-board reductions
- Cut staffing
- Reduce services
- Increase taxes



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“New” Options

- THINK OUTSIDE THE BOX
 - Shared Services
- Measure and reward effectiveness
- Focus on causes
- Be a copy-cat
- Sacrifice sacred cows



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Benefits

- According to the International City/County Management Association (ICMA) Report (2006), shared services:
 - Eliminate duplication of services
 - Provide services that otherwise could not be provided
 - Create increased flexibility
 - Achieve economies of scale
 - Help reduce costs
 - Lead to improved service quality and effectiveness



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Basic Types (ICMA, 2006)

- **Joint service agreement:** Two or more local governments may cooperate to conduct an activity.
- **Delegated agreement:** One or more local governments may designate another jurisdiction to conduct an activity under their oversight.
- **Transfer of functions:** One or more local governments may transfer in entirety an activity to the responsibility of another local government.
- **Consolidation of services:** One or more local governments may transfer in entirety an activity to a new separate entity created to handle the activity.



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Sources for Information - AOS

- Performance Audit Section
- Database of Examples
- Skinnyohio.org
- AOS Survey of Ohio GFOA members
- Local Government Consolidation Reports



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Sources for Information - Ohio

- Office of Budget and Management
 - Shared Services Survey



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Sources for Information - Ohio

- EfficientGovNow
- House Bill 153
- The Government Cooperation and Efficiency Project (Hamilton County)
- The Ohio Commission on Local Government Reform and Collaboration
- Ohio Department of Development - Local Government Services and Regional Collaboration Grant Program (2008-09)



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Sources for Information - National

- ICMA: (Interlocal Service-Sharing Agreements, 2006)
- New Jersey's Sharing Available Resources Efficiently (SHARE) Grant Program Handbook (2006)
- Somerset County, NJ
- New York: Local Government Efficiency Grant Program



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Recent Examples Performance Audits

- Woodmere Village Police Department
 - Woodmere, Pepper Pike, Moreland Hills and Orange merger study
- City of Mansfield – Dispatch
- City of Seven Hills – Dispatch



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AOS Database of Examples: Shared Services Idea Center

- www.auditor.state.oh.us/sharedservices/default.htm
- Search by county and/or subject area.
- Governments can submit new examples.
- Another internal database with nationwide examples.



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Skinnyohio.org

- Auditor Yost Initiative
- Share best practices
 - Planning and Financial Management
 - Human Resources
 - Fleet
 - Facility
 - Operations
 - Technology



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AOS Survey

- Survey administered to members of the Ohio GFOA
- Open from August 14 to August 28, 2009
- Conducted to collect and share examples, benefits, and obstacles of shared services



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AOS Survey Results: Key Elements for Success

- Open communication and honesty
- Iron out particulars and structure it properly
 - Need for contracts to leave no gray areas
- Both parties need to benefit
- Depends on circumstances to be effective
- Advances in technology should allow for more shared service options



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AOS Survey Results: Perceived Barriers

- Ability to absorb additional personnel and overhead costs
 - If unable, increased risk of becoming over-tasked
- Revenue sharing disputes
- Decision-making
- Relative size and budget
- Loss of control
- Unions
- Politics (more rational thinking needs to prevail)



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AOS Survey Results: Overall Rating

- How would you rate your organization's experience with the shared services agreement?

Rating	# of Respondents
5 – most favorable	11
4	7
3	4
2	0
1 – least favorable	0



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State Budget Bill (HB 153)

- Intergovernmental Shared Services
 - Grants authority for political subdivisions to enter into contracts with one another to provide services.
- Local Government Innovation Program
 - ORC Chapter 189
 - Provides \$45 million in FY 2013 to award competitive grants for qualified innovation projects.
 - Applications should demonstrate one or more of the following: Efficiency, Shared Services, Coproduction, and Merger.



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The Government Cooperation and Efficiency Project – Hamilton County

- Voluntary process
- Use of a consulting firm
- Existing and emerging collaborative efforts: Bulk Road Salt Purchasing, Bulk Fuel and Daily Fuel Purchasing, Bulk Office Supply Purchasing, Training and Professional Development, Human Resources, Information Technology Services, Grant Coordination and Acquisition, Equipment Sharing / Contracting, Specialized Training, Fleet Maintenance, Fire Hydrant Maintenance, and Street Signs and Markings.



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Public Safety

- Westshore Council of Governments
 - Regional dispatch center
 - Working toward regional Fire and EMS
- Stark County awarded funding through EfficientGovNow for Countywide Dispatch
 - Annual Savings: \$6.5 million



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Public Safety

- **Police:** Village of Lakemore contracts with Springfield Township.
- **Joint Fire District:** Villages of Genoa and Clay Center, and Allen and Clay Townships
- **Combined Fire Department:** Granville Township and the Village of Granville
 - Funded by a township property tax
- **Centralized Dispatch:** Liberty and Brookfield Townships
 - In process; could serve other communities



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Public Safety

- Allegheny County's (Pittsburgh) 130 municipalities are patrolled by 104 police departments.
 - Cuyahoga County's 60 communities are patrolled by 59 departments.
- There are 33 regional police departments in Pennsylvania, each serving multiple communities.
- For the past 40 years, Pennsylvania has used state and federal money to help merge local enforcement agencies.
- **Source:** Plain Dealer/Cleveland.com



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Public Works

- Northeast Ohio Regional Sewer District is responsible for wastewater treatment facilities and interceptor sewers for the City of Cleveland and all or portions of 60 suburban municipalities in Cuyahoga, Summit and Lorain Counties.
- Mifflin Township, Jefferson Township, and City of Gahanna share vehicle maintenance services at the Gahanna service garage (for police, fire, and road departments).
- City of Monroe provides public works services to Lemon Township (in addition to police and fire).



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School Administration

- Orrville CSD and the Rittman EVSD
 - Share Superintendent, Treasurer, and other staff from Administrative Team
 - Share teachers, order a larger volume of supplies, and share buses for field trips



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Lorain County Community Alliance

- Council of governments
- Explore more effective levels of public service, develop mechanisms to save money, and benefit the member communities and the region in ways that could not be achieved separately.
- Some recent issues: transportation, water quality, storm water management, land use, railroad congestion, bulk purchasing, digital infrastructure, and utility concerns.



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Technology

- Ashland County
 - \$80,000 grant to study the implementation and maintenance costs of providing a collaborative high-speed Internet service for Ashland County and its other local governments.
 - Increase opportunities for economic development, provide more efficient emergency management, and better access to public services (e.g., county web sites and GIS systems).



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Economic Development

- Northeast Ohio Joint Office of Economic Development
 - Ashtabula, Columbiana, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Wayne counties
 - Guiding principles
 - The Foreign-Trade Zone program – Recognized as a "Best Practice"
- The City of Kent and Franklin Township: JEDD
 - Since 2007, the JEDD has generated \$270,550 for Franklin Township and \$330,672 for the City of Kent



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Transportation

- Geauga County
 - Building (2009) a transportation facility to serve the fleets of the Board of DD and the West Geauga LSD.
 - One-time cost savings of \$1.0 million with ongoing cost savings of \$140,000 per year.
- Trumbull County Fuel Agreement
 - All local governments and school districts in Trumbull County have the opportunity to piggyback off the county's fuel price.
 - Trumbull County Roundtable – joint purchasing opportunities.
- County-wide (Shelby) public transit system administered by the City of Sidney.



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Parks and Recreation

- City of Westlake, Fairview Park and Rocky River share a park.
- Granville Township (OH) joined with the Village of Granville and the Granville Exempted Village School District to create a Joint Recreation District. Six more townships will participate.



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Health Services

- On January 1, 2011, the Akron Health District combined with the Summit County General Health District in an effort to provide optimal access to the highest quality public health services in the most cost-effective manner to all who live in and visit the City of Akron and Summit County.
 - Projected Annual Savings: \$206,000



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QUESTIONS AND DISCUSSION



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