

## County-wide Shared Services Initiative 2018 Guidance Document

Posted on April 25, 2018

#### **Table of Contents**

Program Overview	1
Participants	1
Plan Development and Submission	2
2017 Plan Revision Process	2
Plan Development Timeline	3
Plan Contents	6
Plan Submission	6
State Support	7
State Matching Funds - Application Guidelines and Parameters	7
County-wide Shared Services Property Tax Savings Plan Summary 1	2

#### Program Overview

In 2017, Governor Cuomo introduced the County-Wide Shared Services Initiative (the "Initiative"), establishing a Shared Services Panel (the "Panel") in 57 counties, outside of New York City, chaired by the Chief Executive Officer of the County. The Panels work to develop, and ultimately approve, a County-Wide Shared Service Property Tax Savings Plan (the "Plan") through intergovernmental cooperation to find new opportunities to share and coordinate services.

In year one, 34 counties submitted plans that, if implemented as described, will create actual and demonstrable property tax savings. Local governments may be eligible for a one-time match of the net savings resulting from new actions implemented pursuant to these plans.

The following 2018 Guidance applies to the County-wide Shared Services Law adopted by the Legislature and approved by the Governor in 2017 (Part BBB of Chapter 59 of the Laws of 2017), and thus applies to shared services plans to be developed, adopted and submitted by county shared services panels in 2018. The guidance is intended to assist the remaining 23 counties that will be adopting and submitting a plan in 2018, as well as those counties that choose to revisit their 2017 plan in 2018.

As part of the SFY19 budget adoption, the Legislature and the Governor signed into law an extended County-wide Shared Services Law (General Municipal Law, Article 12-I). This new law does not alter the requirements of Part BBB of Chapter 59 of the Laws of 2017, but rather calls for additional county-wide shared services actions in calendar years 2019, 2020 and 2021. DOS intends to issue a new guidance document in the Fall of 2018 addressing General Municipal Law Article 12-I and its requirements. In addition, a separate guidance document is scheduled to be released in the Summer of 2018 that will describe the process to apply for state matching funds.

#### **Participants**

The Panel Chair and Panel Members are required to participate in the development of the County-Wide Shared Services Property Tax Savings Plan, as described in the table below. Panel meetings should comply with New York State Open Meetings Law.

Panel Participants	Composition	Duties
Panel Chair (the	The county executive, county	Responsible for the proper
Chief Executive	manager, county administrator	creation, development and
Officer (CEO) of the	or other chief executive of the	submission of the County-
County)	county, or, where none, the	Wide Shared Services
	chair of the county legislative	Property Tax Savings Plan.
	body.	The CEO is permitted to
		identify and invite the
		participation of Optional

		Panel Members (see below).
Required Panel Members	Mayors of every city and village, and supervisors of	Participate in development of the Plan. Vote on the
	every town, within the county.	Plan.
Optional Panel	One representative of the	Participate in development
Members	governing body of any school	of the Plan. Vote on the
	district, board of cooperative	Plan.
	educational services	
	(BOCES), and/or special	
	improvement district in the	
	county, upon receipt and	
	acceptance of an invitation to	
	participate in the Panel from the Panel Chair (CEO).	

#### Plan Development and Submission

The goal of the county-wide planning process is to save property taxpayers money, by identifying collaborative opportunities for shared services between as many local governments as possible.

Below outlines the 2017 plan revision process that is optional for the 34 counties that submitted plans to the state last year, followed by an outline of the development timeline and submission process that all counties must follow to submit 2018 plans to the state.

# 2018 Plan Submission Option for Counties that Submitted in 2017

Counties that have developed, adopted and submitted a county-wide shared services property tax savings plan in 2017 to the Director of the Division of the Budget (Director) in accordance with part BBB of Chapter 59 of the Laws of 2017 (Law) may elect to develop, adopt and submit to the Director a new or revised plan in 2018. In such a circumstance, the 2018 plan rather than the 2017 plan may be deemed eligible for one-time state matching funds in accordance with this guidance.

Any county CEO who submitted a county-wide shared services property tax savings plan in 2017 that intends to withdraw the submitted 2017 plan, submit a new or amended 2018 plan, and seek one-time state match funding for the 2018 plan, must provide a letter to the Director on or before September 15, 2018. This is the same day that all 2018 plans are due to the Director.

This letter must include a justification for the county's decision to withdraw the 2017 plan, provide an explanation demonstrating why such withdrawal is in the best interest of county taxpayers, and address whether such decision has been made for the

purposes of identifying, developing and including new or expanded actions in a 2018 plan. The letter must also include evidence showing that withdrawal of the 2017 plan and commitment to the development and submission of a new or amended 2018 plan to the Director was approved by a vote of the majority of the members of the county's shared services panel (this may be in the form of a resolution approved by vote of the panel, or by enclosing panel meeting minutes showing an affirmative vote of the panel on the measure). The letter should be publicly disclosed and should make clear that the county CEO will work with the county's shared services panel to produce an approved 2018 plan in accordance with the Law.

Following submission of the letter to the Director, the previously submitted 2017 plan will no longer be considered eligible for one-time state match. If a 2018 plan is developed, adopted and submitted to the Director in accordance with the Law and this guidance, the 2018 plan may be eligible for the one-time match, subject to available funding.

The development of any amended or new 2018 plan for submission to the Director must comply with the processes and deadlines established in the Law for convening the county's shared services panel, which includes but is not limited to holding at least three public meetings on the plan, submitting a 2018 plan to the county legislative body (for review by August 1, 2018), certifying and transmitting an approved 2018 plan to the Director (by September 15, 2018), and publicly presenting such plan (by October 15, 2018).

Actions previously listed in a 2017 plan may be included in a 2018 plan, but savings generated from such actions will not be eligible for State match of savings achieved from the implementation of the 2018 plan unless: 1) those 2017 plan actions are also included in the 2018 plan and are first implemented between January 1, 2019 and December 31, 2019; and 2) actual and demonstrable savings from those newly implemented actions are achieved between January 1, 2019 and December 31, 2019. Only demonstrable savings realized from actions taken between January 1, 2019 and December 31, 2019, in accordance with an approved 2018 plan, will be eligible for the state match of savings.

#### Plan Development Timeline

The following Plan development timeline outlines responsibilities and important dates. It is intended to help facilitate the creation of the 2018 County-Wide Shared Services Plan.



	CEO shall convene a Shared Services Panel within the county. CEO may invite to participate on the Panel: School Districts, BOCES, and/or Special Improvement Districts.	Creation of the Panel The CEO shall serve as chair of the Panel. In addition to the CEO, the Panel must consist of the mayor of every city or village within the county, and the supervisor of every town within the county. Upon invitation by the CEO, the governing body of the invited entity may accept the invitation by selecting, by a majority vote, a representative of the governing body to serve on the Panel.		
	No Later Than August 1, 2018			
		Development of the Initial Plan		
	<u>CEO shall</u> consult with, and take recommendations from Panel representatives.	The CEO shall regularly consult with, and take recommendations from all the representatives of the Panel as well as the representative of each collective bargaining unit of the county and the cities, towns, and villages and other optional invited panel members.		
		Submission to the County Legislative Body		
	<b>CEO shall</b> submit the plan to the county legislative body. The plan must be accompanied by a certification as to the accuracy of the property tax savings.	CEO shall submit the plan to the county legislative body. The plan must be accompanied by a certification as to the accuracy of the property tax savings. The following certification may be used: "By my signature below, I hereby certify that the savings identified and contained herein are true and accurate to the best of my knowledge and belief". Thereafter, the county legislative body shall review the Plan, and may, by a majority of its members, issue an advisory report with recommendations to the CEO.		
No Later Than September 15, 2018				
	The CEO may modify the Plan in response to any advisory report issued by the county legislative body.	Upon receipt of an advisory report from the county legislative body, the CEO may modify the Plan. If modified, the CEO shall produce an updated certification as to the accuracy of the property tax savings.		

	<b>CEO shall</b> arrange three or more public hearings to occur within the county.	The CEO, the county legislative body, and the Panel shall accept input and testimony on the Plan from the: public, civic, business, labor, and community leaders. To facilitate such input, a minimum of three public hearings shall be held within the county. All such public hearings shall be conducted prior to the submission of the county-wide shared services property tax savings plan to a vote of the Panel. Public notice of all such hearings shall be provided at least one week prior in the manner prescribed in subdivision 1 of section 104 of the Public Officers Law. This process should begin as early as possible, as at least three public hearings must be conducted prior to the Panel vote.	
	Panel shall vote on the Plan submitted by CEO.	A majority vote of the Panel is required for approval of the Plan. Each Panel Member must state in writing the reason for his or her vote. However, prior to the vote each member of the Panel may remove any proposed action that affects their local government. Written notice of the removal will be provided to the CEO prior to the Panel-wide vote.	
<u>lf the F</u>	Plan is Approved:		
	<u>The CEO shall</u> final	ize the Plan.	
	<b><u>The CEO shall</u></b> submit to the Director of the Division of the Budget a certification of the Plan and its property tax savings plan.		
		eminate the Plan to residents of the county in a concise, clear, and ng words with common and everyday meanings.	
If the Plan Fails or is not Voted on:			
	The CEO shall release, to the public, a report on the proposal, including the vote of the Panel, the vote of each Panel Member and the reasons for their vote.		
No Later Than October 15, 2018			
	The CEO shall conduct a public presentation of the Plan, if it was approved.	Public notice of such public presentation shall be provided at least one week prior in the manner prescribed in subdivision 1 of section 104 of the Public Officers Law.	

#### **Plan Contents**

County-wide Shared Service Property Tax Savings Plans should include, but are not limited to, shared and coordinated actions that can be implemented during the subsequent calendar year.

The proposals in the Plan must be among: the county, cities, towns and villages within the county, as well as any participating school districts, BOCES or special improvement districts.

The Plan must contain new recurring property tax savings to be achieved through actions such as, but not limited to, the elimination of duplicative services, shared services, the reduction of back-office administrative overhead, and the improved coordination of services.

If the Plan contains a proposed action that by law is otherwise subject to a procedural requirement such as a public referendum, then the planned action will not be operative until said procedural requirement occurs.

The Plan must begin with the summary document (APPENDIX A) when it is publicly disseminated and when it is submitted to the Director of the New York State Division of the Budget (DOB). There is no prescribed format for the individual proposals contained within the plan, but they must be written in a concise, clear, and coherent manner using words with common and everyday meaning. A certification of the Plan and the property tax savings set forth therein is required when the final Plan is transmitted by the CEO to DOB (APPENDIX A, Certification). The Panel Chair may obtain individual certifications from any local governments within which savings will be attributed from such local government.

#### Plan Submission

Plans approved as part of the County-wide Shared Services Initiative (CWSSI) must be transmitted to the New York State Division of the Budget by September 15, 2018. The Shared Services Law also requires that the Plan be submitted with a summary cover sheet and a signed certification of savings, as illustrated in Appendix A of this guidance document.

Finalized plans, including the required Plan summary and signed certification, must be emailed to the Division of the Budget at: <u>CWSSIPIanSubmission@budget.ny.gov</u>. An email confirming receipt of the plan will be sent by the end of the next business day. If you do not receive this confirmation, please email <u>CWSSIPIanSubmission@budget.ny.gov</u> and someone will assist you with your plan submission.

For additional information on the Initiative, including guidance and FAQs, please visit the Shared Services section of the Governor's website, located here:

<u>https://www.ny.gov/programs/shared-services-initiative</u>. To contact the Department of State for questions or assistance related to Plan content, please use the following email: <u>countywidesharedservices@dos.ny.gov</u>

#### State Support

The Department of State will provide technical assistance to local governments engaged in this Initiative. FAQs along with the 34 plans submitted in 2017 are available on the Governor's website. Please check regularly at https://www.ny.gov/programs/sharedservices-initiative for additional updates and assistance opportunities. The Department of State has established an email address (<u>countywidesharedservices@dos.ny.gov</u>) through which questions and requests may be submitted.

Participation in other grant programs supporting local government consolidation does not disqualify entities for the one-time match under this initiative.

#### State Matching Funds - Application Guidelines and Parameters

The County-Wide Shared Service Property Tax Savings Plan (County-Wide Shared Services Initiative) Law authorizes funding from the State to match one calendar year (2018 or 2019) of net savings achieved from the implementation of each new action and proposal that are included in an approved Shared Services Plan (State matching funds). An application will be developed for County CEOs (applicants) to use to apply for State matching funds. Prior to submitting an application to the State, each County CEO must have already met the specific thresholds and statutory requirements, which include, at a minimum:

- creation of the Shared Services Panel;
- development of a Shared Services Plan in consultation with Panel Members and the bargaining units of the County, and each city, town, and village, and any school district, BOCES, or special improvement district that accepted the CEO's invitation to participate on the Panel;
- holding a minimum of three public hearings;
- finalization of the Panel-approved Plan by September 15<sup>th</sup>, and submission of such Plan to the State Division of the Budget and,
- presentation of the approved Plan to the Public by October 15<sup>th</sup>.

To commence the process to receive State matching funds, each County CEO must submit a completed application to the Department of State (the Department). The application will be available on the Department's website.

Counties are eligible to receive State matching funds for net savings achieved in one "match year", either from: 1) new actions included in approved 2017 Plans that have been implemented between January 1, 2018, and December 31, 2018; or 2) new actions

included in approved 2018 Plans that have been implemented between January 1, 2019, and December 31, 2019. As such, the Department would not anticipate receiving applications from counties until after December 31, 2018, when the first "match year" has concluded and County CEOs have calculated and reconciled the various savings and expenditures for each new action in the approved Plan that was implemented. This application timeline will allow Counties to provide savings for the match year that are "actually and demonstrably realized."

Updated guidance related to the County-wide Shared Services Initiative Law and information related to the application process to receive State matching funds are available at https://www.ny.gov/programs/shared-services-initiative.

The following bullets reflect important notes and considerations related to State matching funds:

- Any application for State matching funds must be submitted by a County CEO. The CEO for each of the 57 counties outside of the City of New York with a Shared Services Plan that has been approved by the County Shared Services Panel and submitted to the Division of the Budget by September 15, 2018 (statutory deadline) can apply for State matching funds if net savings have been achieved from the implementation of one or more Plan action in 2019.
- 2. Only the first year (or applicable match year) of net savings achieved from each new implemented action are eligible for matching funds from the State. For Plans approved by the 2017 statutory deadlines, only net savings achieved from each new Plan action implemented during the first year (or applicable match year) of January 1, 2018, and December 31, 2018 are eligible for the one-time match of net savings from the State. For Plans approved by the 2018 statutory deadlines, only net savings achieved from each new Plan action implemented during the first year (or applicable match of net savings from the State. For Plans approved by the 2018 statutory deadlines, only net savings achieved from each new Plan action implemented during the first year (or applicable match year) of January 1, 2019 through December 31, 2019 are eligible for the one-time match of net savings from the State.
- 3. Any savings resulting from a County's match calculation for each new implemented action must be "actually and demonstrably realized" to be eligible for the match. Actual and demonstrable net savings achieved in the applicable "match year" may be different than what was expected in the Shared Services Plan that has been approved by the Shared Services Panel and submitted to the State Division of the Budget by September 15, 2017, or September 15, 2018;

4. Savings that can be matched by the State must be from new actions included in an approved Plan that was implemented. For Plans approved by the 2017 statutory deadlines, the Plan action is new if the action was implemented after January 1, 2018, but before December 31, 2018. For Plans approved by the 2018 statutory deadlines, the Plan action is new if the action was implemented after January 1, 2019, but before December 31, 2019.

If a Plan includes an expansion to an existing action (e.g., a new local government joins a purchasing cooperative that existed before January 1st following the Plan's approval), only the net savings achieved during the match year, from the expansion of the action, are eligible; the base savings, regardless of whether a new agreement is formed, would not be eligible for State matching funds.

- 5. Savings included in the calculation must be from shared services between two or more participating local government entities. Plans may include actions that are not shared services between two or more participating local government entities. However, net savings from internal efficiencies or any other action taken by a local government without the participation of another local government entity are not eligible for matching funds.
- 6. Only net savings are eligible for matching funds. For example, if Town A saved \$5 million by discontinuing a service and transferring the service to Town B, and Town B increased its programmatic costs by \$4 million to accommodate Town A's needs, the net savings would be \$1 million, not Town A's \$5 million gross savings.
- 7. One-time costs associated with one-time savings to be matched by the State are to be reasonably amortized. For example, if a shared services agreement requires a one-time cost of \$500,000 for purchasing equipment that is expected to last 10 years, the savings would only be reduced by \$50,000 reflecting one-tenth of the cost.

Conversely, if a shared services agreement would enable a one-time savings of \$500,000 by not having to purchase equipment that is expected to last 10 years, the savings should only be \$50,000 - reflecting one-tenth of the savings for the first year/applicable "match year" only.

8. Implementation costs covered in-part or fully by State (or Federal) government funding or "efficiency grants" that are disbursed during the applicable "match year" must be properly accounted for in calculating net savings. Receipt of such funds does not preclude or disqualify the County from applying for State matching funds. However, the receipt or availability of an "efficiency grant" will NOT reduce the value of the implementation costs associated with the action.

Start-up/implementation costs associated with the "match year" (amortized as applicable) must be netted against the "match year" savings, irrespective of which funds are used to offset implementation costs.

For example, two local government entities will combine water department operations. Amortized first year/applicable "match year" costs are \$400,000 for equipment and consultants, and first year savings are expected to be \$900,000. The initiative receives \$300,000 in State "efficiency grant" funds. The full \$400,000 must be netted against the \$900,000 for net savings of \$500,000. The \$300,000 State grant will NOT offset/reduce the first-year costs to make net savings increase to \$800,000.

- 9. Savings from each new Plan action implemented in an applicable match year must be related to activities supported by property taxes. Net savings from services supported by fees are not eligible for matching funds from the State unless the participating local government entities can demonstrate that the existence of such savings would reduce existing property taxes or preclude the need for additional property taxes.
- 10. Net savings from each new, implemented Plan action does not have to reduce property taxes, but can reduce what property taxes would have otherwise risen to if not for the implemented action. If an application for State matching funding can reasonably demonstrate that the net savings achieved through implementation of a new shared services action has enabled the levy for each participating local government to remain stable or that the percentage growth for each levy is less than it otherwise would have been absent implementation of that action (even if the levy is still increasing year to year), the difference in estimated/potential levy versus actual levy can be counted as savings. Documentation would need to be provided to the Department showing that the levy would have increased without implementation of the action(s) in the subject Plan, which was approved by the statutory deadlines.
- 11. Avoided costs may be eligible for State matching funds, however the application to the State for such funds must clearly demonstrate that the avoided costs certified as savings would have been incurred but for the action's implementation. For example, if one local government entity assumed that costs for asphalt were going to increase by five percent annually and the local government entity enters into a shared service agreement with other local government entities that would allow for asphalt purchase at a two percent cost increase, the local government entity that anticipated a five percent cost increase must conclusively demonstrate that it would have paid the additional three percent

(five percent less the two percent increase) if not for the shared service agreement.

12. The County and all the local governments within the County that are part of an approved Plan must collectively apply for the matching funds and agree on the distribution and use of funds that the State approved as a one-time match.

Each local government entity that has implemented a Plan action for which savings were achieved during the applicable match year must enter into an agreement for distribution and use of State matching funds related to that action. The County CEO's application to the Department for funds from the State to match such savings must attach the applicable use and distribution agreement(s).

If the County is notified by the Department that a use and distribution agreement is no longer valid, such as because the amount of funds that the State approved as a one-time match is less than the savings projected in the approved County Shared Services Plan and was demonstrated in the application for State matching funds (due potentially to disqualification of individual actions and resulting savings that don't meet the statutory and administrative criteria), the County and the local government entities that implemented the action will be required to resubmit an updated use and distribution agreement to reflect the new match amount that was approved by the State.

13. The application for State matching funds will require documentation demonstrating the achievement of any claimed net savings among local governments from the implementation of each new shared service action included in the application, and must include attestations from the involved entities as to the accuracy of the savings amount claimed.



## APPENDIX A

## County-wide Shared Services Property Tax Savings Plan Summary

Count	ty of			
County Contact:				
Conta	Contact Telephone:			
Conta	ict Email:			
	Partners			
Row 2	L – (total # of) Cities in Co	ounty		
	Participating Cities	Panel Representative	Vote Cast (Yes or No)*	
1.				
2.				
3.				
4.				
5.				
6.				
	- litional sheets, if necessary. ritten justification provided by each Panel Represent	- ative in support of his or her vote on the Plan is attached here	eto, as Exhibit 1.	
Row	2 – (total # of) Towns in C	ounty		
	Participating Towns	Panel Representative	Vote Cast (Yes or No)*	
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				



**County-Wide Shared Services Property Tax Savings Plan** 

## **APPENDIX A**

10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
	litional sheets, if necessary. 'itten justification provided by each Panel Represent	ative in support of his or her vote on the Plan is attached here	eto, as Exhibit 1.	
Row 3	B – (total # of) Villages in	County		
Row 3	B – (total # of) Villages in Participating Villages	County Panel Representative	Vote Cast (Yes or No)*	
<b>Row</b> 3			Vote Cast (Yes or No)*	
			Vote Cast (Yes or No)*	
1.			Vote Cast (Yes or No)*	
1. 2.			Vote Cast (Yes or No)*	
1. 2. 3.			Vote Cast (Yes or No)*	
1. 2. 3. 4.			Vote Cast (Yes or No)*	
1. 2. 3. 4. 5.			Vote Cast (Yes or No)*	
1.   2.   3.   4.   5.   6.			Vote Cast (Yes or No)*	
1.   2.   3.   4.   5.   6.   7.			Vote Cast (Yes or No)*	
1.   2.   3.   4.   5.   6.   7.   8.			Vote Cast (Yes or No)*	



#### Row 4 -(total # of) School Districts, BOCES, and Special Improvement Districts in County Participating School Districts, BOCES, and **Panel Representative** Vote Cast (Yes or No)\* **Special Improvement Districts** 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 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 5 The sum total of property taxes levied in the year 2018 by the **2018 Local Government Property Taxes** county, cities, towns, villages, school districts, BOCES, and special improvement districts within such county.

## APPENDIX A



## APPENDIX A

Row 6	
2018 Participating Entities Property Taxes	The sum total of property taxes levied in the year 2018 by the county, any cities, towns, villages, school districts, BOCES, and special improvements districts identified as participating in the panel in the rows above.
Row 7	
Total Anticipated Savings	The sum total of net savings in such plan certified as being anticipated in calendar year 2019, calendar year 2020, and annually thereafter.
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 2019 as a percentage of the sum total in Row 6, calendar year 2020 as a percentage of the sum total in Row 6, and annually thereafter as a percentage of the sum total in Row 6.
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 2019, calendar year 2020, and annually thereafter if the net savings certified in the plan are realized.
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 2019, calendar year 2020, and annually thereafter if the net savings certified in the plan are realized.
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 2019, calendar year 2020, and annually thereafter if the net savings certified in the plan are realized.



### APPENDIX A

#### CERTIFICATION OF PLAN AND PROPERTY TAX SAVINGS TO DIRECTOR OF BUDGET

By my signature below, I hereby certify that the County-Wide Shared Services Property Tax Savings Plan submitted herewith is final, that it was completed in accordance with the requirements of Part BBB of Chapter 59 of the Laws of 2017, and that the savings identified and contained herein are true and accurate to the best of my knowledge and belief.

(Print Name)

(Signature)

(Date)

**County Chief Executive Officer**