



## Shared Service Options in Addison, NY

School District, Village & Town

Report prepared with funds provided by the NYS Dept of State  
under the Local Government Efficiency Grant Program



### Study Objectives

- ▶ Examine opportunities for the School District, Village and Town to work together more effectively in three areas
  - ▶ Administrative facilities
    - ▶ *Would a shared facility be more cost-effective and provide better service to residents/taxpayers?*
  - ▶ Fueling
    - ▶ *Would joint purchasing or a shared fueling station create cost savings through economies of scale?*
  - ▶ Vehicle maintenance
    - ▶ *Is a shared approach to maintaining vehicles practical and cost-effective?*

## Study Origins

- ▶ Effort began in fall 2008 with initial discussions between the School District and Village; Town invited to join
- ▶ The group applied to the State's Local Government Efficiency Grant program and was awarded money to study the issue
- ▶ Following a public RFP process in late 2009, CGR was selected to perform the analysis
- ▶ A steering committee of representatives from the District, Village and Town provided project oversight

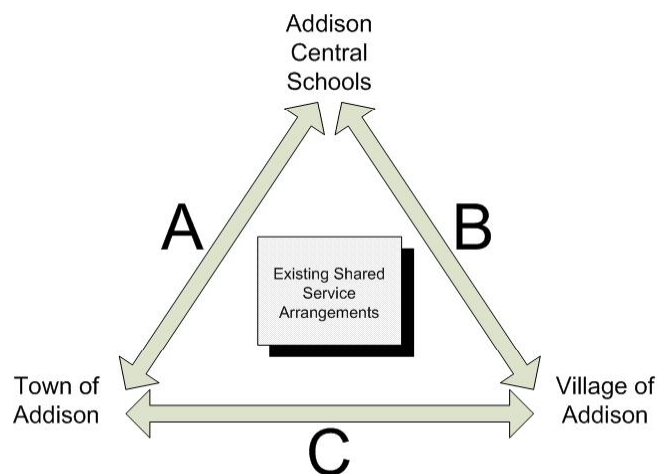
## Steering Committee Objectives

- ▶ As defined in the state funding application:
  1. *To identify options for shared administrative office facilities, to increase operating efficiencies and improve public access and service delivery; and*
  2. *To identify options for shared fueling and maintenance of fleet vehicles, to produce cost savings.*

## Study Approach

1. "Baseline Review" of what exists currently
  - ▶ Site visits
  - ▶ Interviews w/ key administrators and operations staff
  - ▶ Review critical data components (inventory of existing office space and its deployment; inventory of capital fleet apparatus; inventory fueling facilities, capacities and usage; budget data regarding facility maintenance and capital costs; staff allocations for maintenance of facilities and fleet vehicles)
- ▶ Identify potential options for collaboration
- ▶ Analyze cost/benefit and implementation issues for each potential option

## History of Shared Services



## Administrative Facilities: *Baseline*

---

- ▶ Village Hall @ 35 Tuscarora
  - ▶ Old facility
  - ▶ 6,600 square feet (2 floors)
  - ▶ Some un/under-utilized space
  - ▶ Utilities cost \$6,400/yr
  - ▶ Key issues:
    - ▶ ADA compliance (impact of federal grants)
    - ▶ Pending capital repairs (exterior brick, roof, energy efficiency)

## Administrative Facilities: *Baseline*

---

- ▶ District “Annex” @ 7787 State Route 417
  - ▶ Built in 1970s as manufacturing facility
  - ▶ 16,900 square feet (2 floors)
  - ▶ Some un/under-utilized space
  - ▶ Utilities cost \$6,500/yr
  - ▶ Key issue:
    - ▶ Most recent building conditions survey revealed a lengthy list of deficiencies (fire escapes, roof, alarm/smoke detection system, mold)

## Administrative Facilities:

### *Baseline*

---

- ▶ Town Hall @ 21 Main Street
  - ▶ Originally constructed as street-front retailer
  - ▶ 6,000 square feet (main floor + basement)
  - ▶ Some un/under-utilized space (entire basement)
  - ▶ Utilities cost \$4,000/yr
  - ▶ No issues cited by Town officials

## Administrative Facilities:

### *Options Analysis*

---

- ▶ District and Village have stated concerns about current administrative facilities, and are seeking options
  - ▶ Potential for capital cost avoidance on current facilities?
  - ▶ Potential impact of selling current bldgs, returning to tax rolls?
  - ▶ Potential implementation issues/opportunities?
  - ▶ Potential size efficiencies through common space, reduction of unused space?
  - ▶ Potential benefit for residents?

## Administrative Facilities: *Options Analysis*

- ▶ **Cost avoidance:** District and Village facilities face estimated \$1.4 million in capital maintenance
- ▶ **Fiscal impact:**

### Fiscal Impact Projection, Village Hall Property

	Village	Town	Schools	County	TOTAL
Sale Price	\$334,900	-	-	-	\$334,900
Gross Tax Stream (20 yr)	\$80,577	\$25,118	\$135,969	\$60,885	\$302,549
<i>NPV Tax Stream (20 yr)</i>	\$59,939	\$18,684	\$101,144	\$45,291	\$225,058

### Fiscal Impact Projection, School District Annex Property

	Village	Town	Schools	County	TOTAL
Sale Price	-	-	\$345,238	-	\$345,238
Gross Tax Stream (20 yr)	\$83,064	\$51,648	\$140,167	\$62,764	\$337,643
<i>NPV Tax Stream (20 yr)</i>	\$61,789	\$38,410	\$104,266	\$46,689	\$251,164

### Fiscal Impact Projection, Town Hall Property

	Village	Town	Schools	County	TOTAL
Sale Price	-	\$69,900	-	-	\$69,900
Gross Tax Stream (20 yr)	\$16,818	\$5,243	\$28,379	\$12,708	\$63,148
<i>NPV Tax Stream (20 yr)</i>	\$12,510	\$3,900	\$21,111	\$9,453	\$46,974

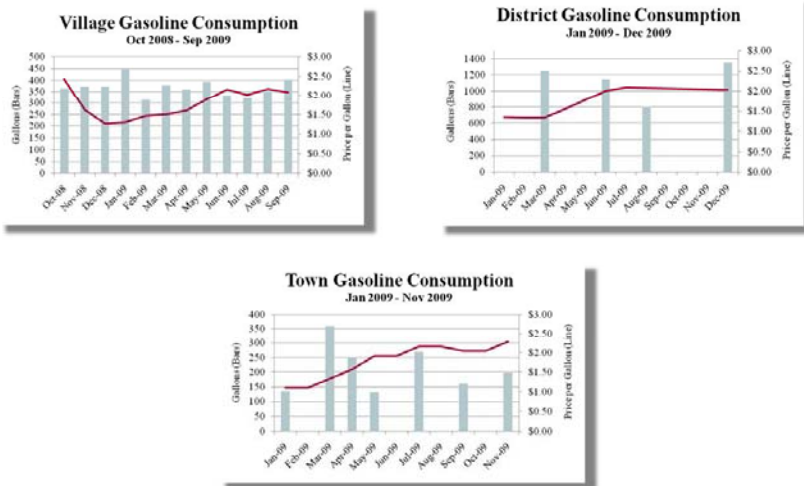
## Administrative Facilities: *Options Analysis*

- ▶ **Implementation opportunities:** District already owns strategically-located property on Main Street; no need to remove additional properties from tax rolls
- ▶ **Size efficiencies:** Combined District/Village facility can be *smaller* in aggregate size than current combined sizes of Annex and Village Hall (up to 40% smaller)
  - ▶ Eliminate un/under-utilized space
  - ▶ Shared spaces (conference room, restrooms, public area, etc.)
  - ▶ Creates other efficiencies: utilities, maintenance, e.g.
- ▶ **Public benefit:** "One-stop shop" for transacting more public business

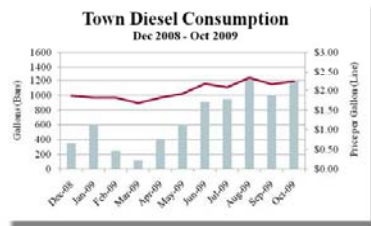
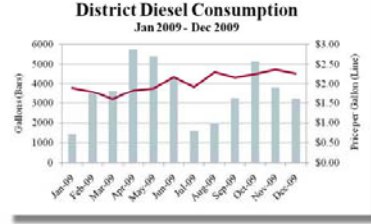
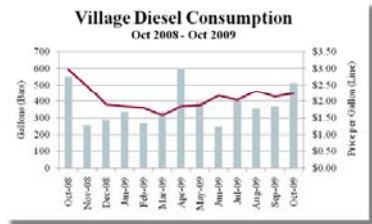
## Fueling: Baseline

- ▶ Each have their own gasoline and diesel tanks
  - ▶ District – located @ Transportation Dept on Cleveland Dr.
  - ▶ Village – located @ DPW facility on Steuben St.
  - ▶ Town – located @ highway facility on John Rial Rd.
- ▶ District and Town handle procurement for their own tanks; Village handles its own diesel tank, but Steuben Co. administers its gasoline tank
- ▶ Per month, the entities consume 970 gal. of gasoline and 4,600 gal. of diesel

## Fueling: Baseline

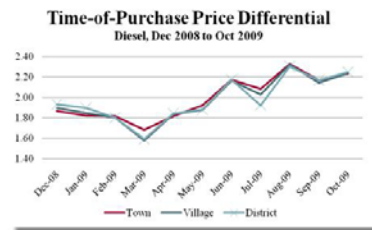
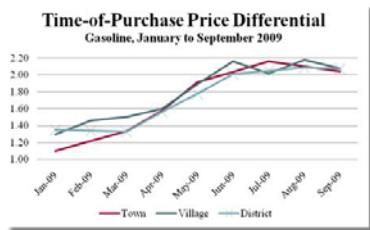


## Fueling: Baseline



## Fueling: Options Analysis

- ▶ Economy of scale benefit: *De minimus*, since each entity already purchases its fuel off state contract





## Fueling: *Options Analysis*

- ▶ Fueling facility considerations:
  - ▶ There may be greater benefit through capital cost avoidance over the long term by operating a shared fueling facility
  - ▶ Handful of NYS communities have already done so in recent years
    - ▶ Mount Morris (Town/Village)
    - ▶ Indian River (School/Town/Village)
    - ▶ Lake Placid (School/Town/Village)
  - ▶ Current tanks are not “new” (range in age from 10-20+)
  - ▶ Consider compliance/repair costs at 3 facilities vs. 1
  - ▶ District’s fueling facility ideally-located and sized to accommodate a shared arrangement

## Vehicle Maintenance: *Baseline*

- ▶ District does almost *all* required maintenance (general and specialized); Town and Village do basic work, but pay outside vendors for more complex jobs
- ▶ District has full-time mechanic staff (director, head mechanic, three line mechanics)
- ▶ Town and Village public works staff handle mechanic duties as necessary (not their primary responsibility)

## Vehicle Maintenance:

### Options Analysis

- ▶ Shared arrangement would only make sense if District could absorb outsourced Town and Village work, since it has the largest full-service maintenance dept
- ▶ Low potential for benefit, however
  - ▶ Town and Village are not currently spending significant amounts with outside vendors (limited cost base)
  - ▶ In-housing certain repairs to District could require addition of more mechanic staff (not cost effective)
- ▶ The “juice” is likely not be worth the “squeeze” to create a shared service arrangement in this area

## Conclusion

- ▶ Public comments will be summarized and included as an appendix to this report
- ▶ Comments can be submitted through July 15th
  - ▶ Email [jstefko@cgr.org](mailto:jstefko@cgr.org)
  - ▶ Website [www.cgr.org/addison](http://www.cgr.org/addison)
  - ▶ Fax (585) 325-2612
  - ▶ Mail to CGR  
c/o Joseph Stefko  
1 S. Washington Street, Suite 400  
Rochester, NY 14614
- ▶ **Thank you!**