



# Mary Taylor, CPA Ohio Auditor of State



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**Leading Practices =  
Sustainable Results  
Gaining Efficiencies Today  
to Eliminate Problems  
Tomorrow**

Presented by:  
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# OVERVIEW

- Provide approaches and examples of leading practices that could be applied to your government
  - Reduce costs
  - Improve efficiency and/or effectiveness
- Shared services could be one approach



# The Nature of the Problem

- Current economic climate creates the need to reassess practices and service delivery
  - Declining or stagnant revenues
  - Escalating costs



# Long-Term Outlook

- Taking steps now to implement strategies that reduce costs while maintaining or improving service delivery will improve governments' standing in the long-run.
  - Transform government to be more proactive



# Options

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



# Options

- New approaches
  - Measure and reward effectiveness
  - Focus on causes
  - Use alternative approaches and tools
  - Be a copy-cat
  - Sacrifice sacred cows



# A FEW FUNDAMENTALS

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# I know what we do.

- Inventory of programs
- Funding streams
- Required versus elective programs
- Inputs
  - Costs
  - Delivery methods



# I know how well we do.

- Performance is
  - Measured for key functions
  - Benchmarked against others
  - Communicated to citizens
  - Questioned when performance is suboptimal
- Each department has some measures in use and **they are** routinely reported.



# I know who does what.

- Clear and up-to-date staffing information
  - By department and function
- Skills inventory
- Opportunities to be flexible in using staff
- Opportunities to share staff



# Why Plan?

- It is thrifty to prepare today for the wants of tomorrow. *Aesop*
- Good plans shape good decisions. That's why good planning helps to make elusive dreams come true. *L.R. Bittel*
- And.... In preparing for battle I have always found that plans are useless, but planning is indispensable. *D. Eisenhower*
- Or... Adventure is just bad planning. *R. Amundsen*



# LEADING PRACTICES

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# Internal Consolidation

- Clerical
- Purchasing
- IT
- Fleet and Building Management
- HR Management



# Energy Efficiency

- Cost reductions of up to 30 % possible
- Initial steps can be low cost or “free”
  - Set back thermostats
  - Reduce small appliances
  - Turn off computers and lights



# Law Enforcement

- Sheriff's Office temporary staffing pool (naco.org)
- Be creative in jail management
- Hire
  - Retirees (Illinois)
  - Reserves (Arkansas)
  - Part-timers (Trotwood, Rossford)



# Fire Prevention and Suppression

- Use in-service crews to perform duties such as inspections, pre-fire planning, and training (berkshireadvisors.com)
- Use a part-time pool to staff shifts
- Step up code enforcement
- Use technology (dispatch, preempt signals) to improve response times



# Public Works – Snow and Ice Control

- Institute snow removal policy and procedures
- Take advantage of volume discounts on salt
- Use “sensible salting”



# Public Works - Streets

- Repair small problems before they grow
  - Use crack sealing and pothole patching
  - Take and annual inventory
- Employ leading practices in street sweeping (to improve storm water management)
- Evaluate right-of-way maintenance and foliage control practices



# Public Works – Solid Waste

- Contract carefully
- Promote recycling to reduce landfill costs
- Set limits and enforce municipal codes
- Segregate yard waste



# Utilities

- Bill for all services and use a collection agency
- Calculate cost of service provisions and evaluate corresponding rate structure annually.
- Ensure you know your water loss rate and seek to reduce it each year
- Automate meter reading and data collection
- When possible, automate wastewater treatment



# Where can I find more examples?

- ICMA
- NACO
- Professional Organizations
  - AWPA
  - IACP
  - FEMA, USFA



# SHARED SERVICES

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# SHARED SERVICES

- 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.



# 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.



# Sources for Information - Ohio

- Performance Audit Section of AOS
  - Performance Audits & Database of Examples
  - AOS Survey of Ohio GFOA members
- EfficientGovNow
- The Ohio Commission on Local Government Reform and Collaboration
- Ohio Department of Development - Local Government Services and Regional Collaboration Grant Program.
- The Government Cooperation and Efficiency Project (Hamilton County)
- Local Government Consolidation Reports



# 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 Shared Services Program
  - Local Government Shared Services Progress Report 2005-2007 (Department of State, 2008)



# 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



# 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



# 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)



# Database of Examples – Overall Breakdown

Status of Shared Services	Number
Already Occurring	217
Already Occurring and More Planned	22
Just Planned	74
N/A	4
<b>Total</b>	<b>317</b>



## Shared Service Examples: Public Safety – Westshore Council of Governments

- A district-wide Hazardous Materials & Technical Rescue Team
- A regional Fire Investigation Unit
- A regional approach to Fire and EMS training
- A regional dispatch center (opened in March 2006)
- Working towards regionalizing entire Fire and EMS operations for seven municipalities (awarded funding through EfficientGovNow)
  - Projected annual savings of about \$1.3 million.
- Regional Sewer and SWAT Team projects



# Shared Service Examples: Public Safety – Ohio

- The Village of Lakemore contracts with Springfield Township for policing services (one year trial period).
  - Estimated savings for Lakemore of \$250,000 annually.
- City of Monroe provides police, fire and public works services to Lemon Township.
- The Villages of Genoa and Clay Center, and Allen and Clay Townships formed a Joint Fire District.
- The City of Hilliard provides police protection and fire dispatching services for Norwich Township.
- The fire department is funded by a township property tax and serves Granville Township and the Village of Granville.



# Shared Service Examples: Public Safety – Pennsylvania

- 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



# Shared Service Examples: Public Works – Ohio

- 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.
- The 17 local governments in Lorain County are in the process of implementing a storm water management system.
- Mifflin Township, Jefferson Township, and City of Gahanna share vehicle maintenance services at the Gahanna service garage (for police, fire, and road departments).



# Shared Service Examples: Public Works – Other

- A 500,000-gallon water tank serves both Town of Cape Vincent (NY) and the Village of Cape Vincent.
  - Awarded Environmental “Project of the Year” (2007).
  - Avoided \$1 million cost for two separate tanks and reduced the average cost per household by approximately \$200 annually.
- The Town of Eden (NY) and five municipalities partnered with Erie County Water Authority to develop a regional solution to the problem of an inadequate water supply.
- Township of Woodbridge (NJ) provides trash collection and disposal services to the Borough of Carteret.



# Shared Service Examples: 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.
- The Northville Parks & Recreation (MI) is a shared service of the City of Northville and the Charter Township of Northville.
- Three cities (CA) (Lake Forest, Aliso Viejo, and Mission Viejo) partnered with the Saddleback Valley Union School District to address youth recreation and after-school programs.



# Shared Service Examples: Somerset County (NJ) Shared Services Network

- Created in 1993 and includes 31 governments that strive to save monies in several areas, such as:
  - Cooperative purchasing programs
  - Joint personnel training, personnel sharing, and specialty public works crews
  - County-wide geographic information system planning
  - Coordinated department of community affairs grant funding
- Other achievements:
  - Six-town Municipal Center for shared services
  - Somerset Ambulance Shared Service Alliance
  - Shared municipal court facilities, equipment, and staff
  - Shared municipal employee training



# Shared Service Examples: Technology Oakland County (MI)

- Collaborative Asset Management System
  - Includes the County Department of Information Technology (reports to county executive), Drain Commission (independently elected), Road Commission (independent county commission), and independent cities, villages, and townships.
- Courts & Law Enforcement Management Information Systems
  - Sharing of data between law enforcement agencies in a County-operated and maintained regional database.
  - Every law enforcement agency in Oakland County participates to some measure, as do other external agencies



# Shared Service Example: West Texas Regional Public Defender for Capital Cases

- Established at the end of 2007 as a collaboration of 65 counties in West Texas to provide legal defense services to individuals charged with capital murder offenses.
- Estimated savings of over \$300,000 in legal expenses.



# IN CONCLUSION

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# Plan, Measure, Do, Review

- Planning is essential at all levels
- Use measurement to drive decisions
- Know your operations inside and out
- Look for the better mousetrap
- Be willing to give (a bit)



# QUESTIONS AND DISCUSSION

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