



SCCOG Board Meeting

Shared Services Opportunity Study Final Report

January 17, 2018

Project Background

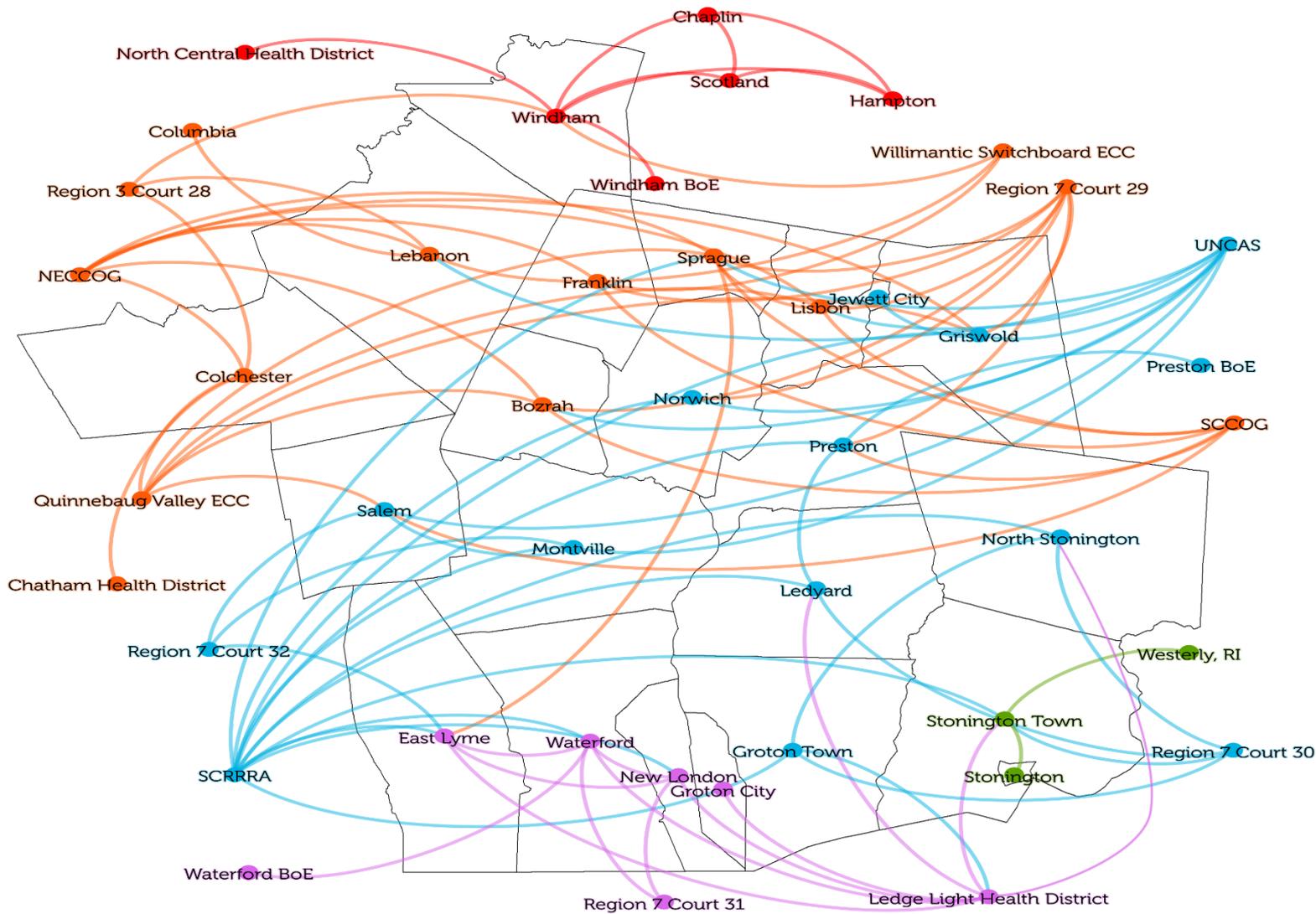
- **Assessment of shared service opportunities among SCCOG municipalities**
- **Funded by Regional Performance Incentive Program grant from State OPM**
- **Key objectives**
 - Examine current examples of shared services in region
 - Identify and evaluate potential impact of new shared service opps
 - Provide a “process template” that can be transferrable to other regions and municipalities in Connecticut

SCCOG's Shared Services Ecosystem

- **Opportunities build on a reasonably strong foundation**
- **There is a mosaic of existing collaborations that demonstrates a long-standing *and* ongoing willingness**
- **CGR identified 33 existing shared arrangements spanning 15 service areas**
- **Every SCCOG member is party to at least one**

SCCOG's Shared Services Ecosystem

- **The region is characterized by five “sharing communities” that can serve as a foundation for expanding existing sharing *or* introducing new shared frameworks**
 - They involve common partners
 - They are geographically concentrated (i.e. neighbors tend to share with neighbors)
 - They differ in size and the extent (i.e. density) of their connections
 - They often rely on non-municipal / third party service providers as “connective tissue” on specific services, such as health





OBJECTIVES

Engage stakeholders to build information baseline

- Services delivered
- Methods used
- Staffing levels
- Resource (\$) allocation
- Service similarities / diffs
- Existing shared services

Document shared service partners, duration, estimated \$ value and basis

- FYE 2017 budgets
- Service/organizational data
- Audited financial statements

Interviews with chief elected officials and select regional service providers

Identify most promising shared service opportunities

Assess potential for impact

- Cost Savings
- Service Enhancement
- Improved Sustainability

Document implementation key considerations

- FYE 2017 and 2018 budgets
- Data questionnaire

Focus groups with service directors and managers

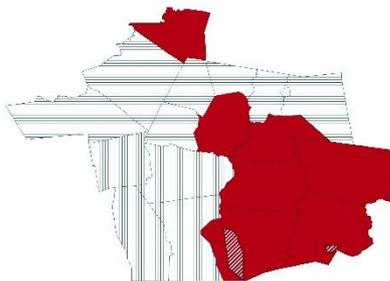
+ Interviews with select regional service providers

DATA/INFO SOURCES

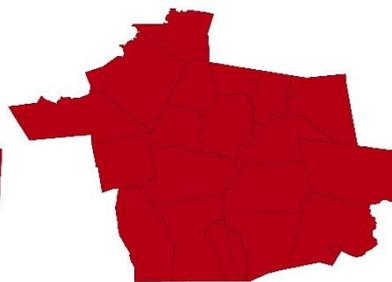


Municipal Services in SCCOG

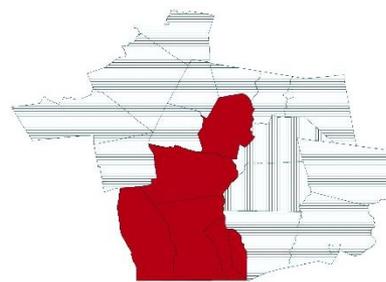
- **Local governments deliver services using a variety of different methods**
- **Some services are widely shared (e.g. animal control, emergency dispatch), while others are rarely so (clerk, finance)**



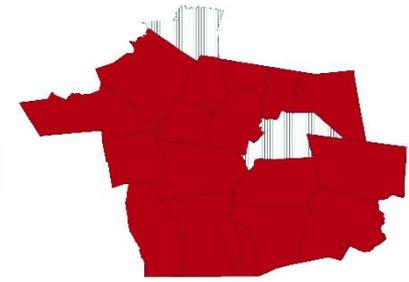
Animal Control



Clerk



E-911 Dispatch



Finance

Municipal Services in SCCOG

- **Some services are quite similar across local governments (e.g. tax assessment)**
- **Other services show wide variation across local governments, reflecting differences in community size, land area, density, workforce size, population needs / wants / expectations, technological sophistication, etc.**

Format of Report

- **Project overview**
- **Presentation of baseline review**
 - Existing conditions data on services delivered, method, cost, staffing, current shared service frameworks, etc.
- **Presentation of options review**
 - Discussion of primary opportunities to share services, and consideration of their potential impact(s) and key implementation considerations

Key Context

- Reasonably strong foundation of existing collaboration
- Some shared svcs have been in place for decades; others are more recent
- Some involve 2 governments working together; others span more than a dozen and transcend COG boundaries
- Some are municipality-to-municipality; others involve non-municipal third party service providers (e.g. health districts, SCCOG, NECCOG)
- Some have high financial values; others involve minimal exchange of \$

No two recommendations are the same

- Some low hanging fruit, some more challenging
- Some have potential \$ benefits that can be quantified; others cannot be quantified at the present time
- Some offer no direct financial benefit but rather opportunities to improve inter-municipal connections, service levels and / or service sustainability
- Some are municipality-specific (e.g. health); others are system-wide opportunities (e.g. tax assessment, public works)

Summary of Opps & Recommendations

- **CGR examined each opportunity through three lenses**



– **Potential cost savings**

(e.g. cost reduction, economy of scale)



– **Potential service enhancement**

(e.g. shift from part-time to full-time, deeper staff capacity)



– **Potential improvement in service sustainability**

(e.g. address long-term succession challenges)

Opps & Recommendations

- **Health**

- Shift remaining local health departments into regional districts



- **Animal Control**

- Add small / mid-sized communities to regional animal control service via NECCOG



- **Planning**

- Increase number of municipalities contracting with SCCOG for planning services



Opps & Recommendations

- **Tax Assessment**

- Share assessment operations to achieve combined account portfolios of 10,000 or more
- Jointly bid revaluation services for municipalities on common schedules



- **Public Works**

- Convene public works directors on regular basis to share best practices, opportunities
- Expand group purchasing of services and expand to joint specifications / purchase of capital equipment



Opps & Recommendations

- **Public Works (continued)**

- Investigate technology to improve the efficiency of public works operations
- Explore selling / swapping unique services across SCCOG municipalities
- Share seldom-used or specialty equipment across public works agencies



- **Recreation**

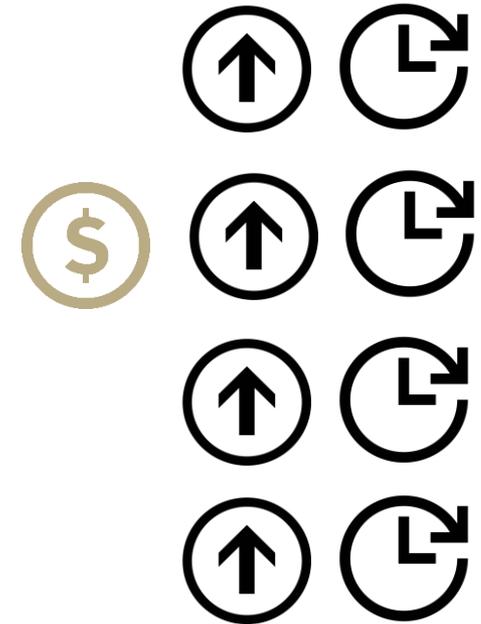
- Pursue shared marketing through use of a common website for scheduling and registration



Opps & Recommendations

- **Recreation (continued)**

- Develop a regional recreation strategic plan that evaluates overlaps / gaps, combines offerings
- Share equipment purchasing, technology programs and training opportunities
- Increase collaboration with schools, human service programs and youth bureaus
- Explore formation of municipal / metropolitan district to administer recreation functions



Opps & Recommendations

- **Administrative Services**

- Establish “user groups” of officials in four key disciplines (finance, purchase, HR, IT)

- **Finance**

- Evaluate alignment of municipal-BOE financial software; jointly license / migrate to common system
- Consider feasibility of migrating to a single ERP system across SCCOG municipalities
- Consider jointly procuring a common document management system



Opps & Recommendations

• Purchasing

- Small and mid-sized governments should consider jointly pooling the purchasing function
- All SCCOG members should join the Capitol Region Purchasing Council



• Human Resources

- Share common municipal-BOE human resource functions; pursue integrated HR offices
- Small and mid-sized governments should outsource HR services where possible; jointly bid



Opps & Recommendations

- **Information Technology**

- Joint bidding and procurement through the CRPC IT Services Cooperative



Implementation Pathways

- **Subject to specific opportunity, but all are feasible**
 - **Some leverage pre-existing service contracts**
(e.g. health districts)
 - **Some only require a modest annual fee**
(e.g. joint purchasing through CRPC or IT Service Cooperative)
 - **Some may require new inter-municipal agreements**
(e.g. tax assessment, public works shared services / equipment)
 - **Some require action only within (rather than across) communities**
(e.g. municipal-BOE human resources and financial system licensing)
 - **Some are more complex**
(e.g. municipal recreation district, regional ERP system)

Concluding Thoughts

- **We found the region is characterized by four elements that support expanded cooperation**
 - A shared services record that is at least on par with peer regions
 - A reasonable level of trust among officials, particular elected leaders, that can serve as a powerful catalyst for expanded collaboration
 - An openness to consider (and willingness to pursue) new shared services
 - The broader fiscal environment (e.g. state budget challenges) – a large majority of elected officials acknowledged that the delivery of services has gotten more difficult in the past 5-10 years and fiscal uncertainty represents a challenge to the *status quo*