

# Shared Services and Municipal Efficiencies

- Dr. Marc Holzer
- Dean, School of Public Affairs and Administration, Rutgers University-Newark
- Testimony to New Jersey Legislature, Shared Services Meeting, Aug. 30, 2006

# Shared Services Efforts in New Jersey

Recurring emphases over the last few decades:

- “Doing More With Less”
- “Resources Decreasing or Remaining Stagnant”
- “Achieving Efficiency and Effectiveness with Limited Resources”
- “Small, Inefficient Municipalities” in NJ: Less than 500 residents (12) /Less than 1/2 square mile (22)/Embedded Towns (10), etc.
- “Too Many Governmental Units” 1300+ governmental units: 566 municipalities/611 school districts, 212 fire districts, 190 local authorities, 21 counties...

# 2003 Rutgers/NCPP Study

- Shared services/Inter-local agreements have been experimented with widely in NJ. Examples:
  - Sharing Staff: Tax Assessor, Municipal Courts
  - Sharing Equipment: Ditchmaster
  - Sharing Internal Services: Animal Shelter
  - Sharing On-site Service Delivery: Health Services
  - Sharing Non-site Based Services: Emergency Services Dispatching
- Officials view such agreements positively.
- Savings are hard to document; perceived benefits to communities are commonly cited.
- Overall, there is a lack of good information about the benefits of sharing services. □

- Obstacles to more inter-local agreements include (DCA 2001):
  - Opposition of unions, management, civil service, tenured employees
  - Resident's concerns
  - Fear of loss of municipal identity and control
  - Ignorance as to benefits of inter-local agreements
  - Lack of documentation of real savings
- A key obstacle is the desire to protect specific employees; multiple, conflicting personnel policies are another barrier.
- Informal contacts by municipal administrators,
- and open communication, are key to progress

# Strategies for Municipal Efficiencies

- Performance Measurement
  - Benchmarking Against the Municipality's Own Accomplishments
  - Benchmarking Against Comparable Municipalities in the State
  - Benchmarking Against National Data

# Measurement Collection System

## NCPP Project: Funded by Rutgers and DCA

- This performance measurement data collection system will provide an easy mode of collecting key indicators of government performance.
- By incorporating Governmental Accounting Standards Board (GASB) performance measurement recommendations, this system provides a standardized framework for inputting data. Within the framework, flexibility is provided for users to make appropriate modifications.

# Measurement Collection System (Cont.)

- The technology used within this system will allow users the possibility of directly inputting data from larger databases or manually inputting appropriate data measures as they see fit.
- The data collected can easily be transformed into graphs and/or charts, allowing users to produce accessible reports for interested parties.

## Examples of Performance Measurement Form

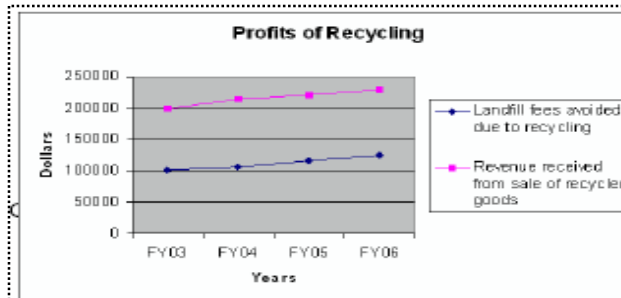
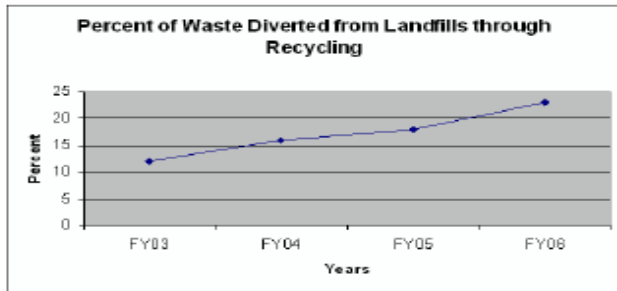
### Recycling

- 6. What was the percent of waste diverted from landfills through recycling?
- 7. What was the cost of landfill fees avoided due to recycling?
- 8. What was the revenue received from sale of recycled material?
- 9. What was the cost per household for recycling services?

|   | FY03    | FY04    | FY05    | FY06    |
|---|---------|---------|---------|---------|
| 6. What was the percent of waste diverted from landfills through recycling? | 12      | 16      | 18      | 23      |
| 7. What was the cost of landfill fees avoided due to recycling?             | 102,000 | 107,034 | 116,060 | 125,000 |
| 8. What was the revenue received from sale of recycled material?            | 200,060 | 215,034 | 222,087 | 230,000 |
| 9. What was the cost per household for recycling services?                  | 23      | 25      | 26      | 26      |

Performance Measures

Performance Data



Snapshots Comment

Comments

We were finally able to pay off our expensive street sweeping equipment. This has allowed us to decrease the cost for every citizen. This extra saving has allowed us to add another crew member making us much more efficient

# Police

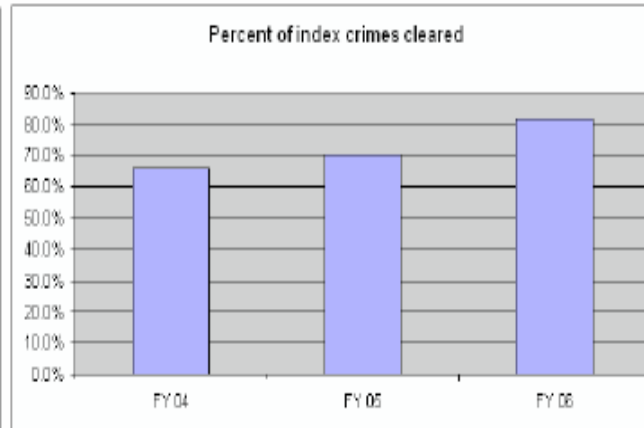
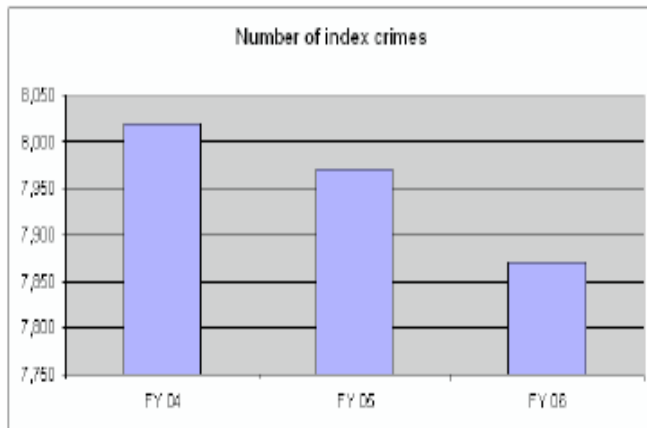
## 1. Number of index crimes\*

| Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec |
|---------|---------|---------|---------|
| 1,980   | 1,950   | 1,990   | 1,950   |

## 2. Percent of index crimes cleared

| Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec |
|---------|---------|---------|---------|
| 20      | 21      | 22      | 19      |

\* Based on federal Uniform Crime Reporting (UCR) standards. index crimes include criminal homicide, forcible rape, robbery, aggravated assault, burglary, theft/larceny, motor vehicle theft, arson.



# Strategies (cont.)

- Seeking Best Practices
  - Professional Organizations:
    - Intl. City Management Assoc.
    - American Society for Public Administration
    - Service Specific Networks/Assocs.
  - Awards Programs
    - Innovations Program/Kennedy School
    - NCPP Databases/NJ EXSL Awards

# Efficiency Strategies (cont.)

- Seeking Lessons Learned/Guidelines

Accessing:

- Magazines, News Articles
- Journal Articles
- The Web
- Networks

Via: Librarians/ Universities: Research Institutes/Schools/Centers

Examples from a recent search:

- Shared Municipal Services Incentive Program: NY
- Broome County Shared Services Summit
- Albemarle County Efficiency Report
- Operational and Efficiency Review Draft Report- Town of Chapel Hill
- City Town Shared Services Consolidation Meeting- Ithaca
- Results of Municipal Performance measurement Program- Markham Township 2003, 2004
- Manitoba Municipal Efficiency Program

# Strategies (cont.)

- Professional Education/Competencies
- -- Certificates (NCPPE Examples)
  - Public Performance Measurement
  - Business Improvement District Mgt.
- -- Masters Degrees:
  - Master of Public Administration
  - Master of Public Policy
  - Etc.

# Strategies (cont.)

- Regionalization
  - 311 Statewide System (NCPP)
  - County Model
  - Meadowlands Commission Model
    - Providing Assistance to 14 Municipalities
    - Separate Revenue Stream

# Strategies (cont.)

- Special Improvement Districts/Business Improvement Districts
  - Separate tax/revenue streams
  - Provision of basic services
  - External funding possibilities

# Strategies (cont.)

- Performance Measurement and Reporting Network (NCPN)
- Mission: Bring together all types of resources for government performance measurement, and link all stakeholders in a measurement and reporting network.
- Components of the Network: Lists of measures, direct access to hundreds of publications, case studies, handbooks and manuals.
- Conferences and online discussions/queries

# Conclusions and Recommendations

- Municipalities will resist forced sharing of services.
- Substantial efficiencies are possible through pervasive improvements in every service area. Estimated savings and cost avoidances are 3-5%/yr.
- Performance measurement will drive down costs and improve service delivery.
- Performance data must be publicly available.
- Decision makers and stakeholders need continuous access to best practices in NJ, nationally and even internationally.