

# Final Report of the Commission on Local Government Modernization

February 2017



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Onondaga County Town Supervisors  
Onondaga County Village Mayors

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A very special thank you to our volunteer Chief of Staff, Kathy "Murph" Murphy Pietrafesa. Her extraordinary ability to organize, analyze, convene multitudes, prod, understand stakeholders and cheerlead, all with an indefatigable spirit and grace, was a key factor in making the Consensus process work.

Thank you to everyone who helped along the way, and in particular thank you to the many citizens who took the time to share their thoughts and ideas with the Commission. The work is a result of a three-year community conversation.

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# Overview

This is the final report of Consensus, the Commission on Local Government Modernization. Since January 2014, the Commission has shepherded a process to develop a roadmap for more efficient and effective governance in the Syracuse-Onondaga community. The set of recommendations contained in this report is the product of multiple reports, hundreds of meetings, thousands of public comments, reams of analyzed data, and countless hours invested by volunteer Commissioners and residents, all with a common goal: To take steps within our region's control that position us to be more collaborative, cooperative and competitive.

The report is also, most importantly, the product of feedback the Commission received from you. Residents and stakeholders throughout the community offered feedback to our "options" report early in 2016. We heard you. We heard what you liked and did not like; what energized you and concerned you; and what you wanted – and did not want – in our final recommendations.



**This report is, most importantly, the product of feedback we received from you. You asked for more information and challenged us to dig deeper, reevaluate our recommendations and balance competing interests. From the entire Commission, *thank you.***

We heard the passion of thousands of commenters, and witnessed the engagement of thousands of forum attendees. Your feedback challenged the Commission to dig deeper, reevaluate our preliminary recommendations, and balance competing interests. Your engagement was surpassed only by your passion for our region, and our shared desire – all of us – to create a region our children and grandchildren will be proud and able to call home.

From the entire Commission, thank you.

When the Commission was launched, it established three fundamental goals. First, **better governance**. Second, **economic growth**. And third, **responsive and**

**inclusive representation.** The recommendations offered in this report are true to those goals. At the same time, the Commission’s work has been honest in identifying the tradeoffs inherent in change. Perhaps the most obvious conclusion of the Commission’s work has been the realization that there are no “easy solutions” to the challenges facing our region. Were the fixes easy, we would not be 294<sup>th</sup> in economic performance. Or 1<sup>st</sup> in extreme poverty concentration. Or with more than half of our region losing population. Or with an average wage level 20 percent lower than that of the nation. Or with fewer jobs today in both our city and suburbs than 25 years ago.



**The Commission began its work with three goals: Better governance, economic growth, and responsive and inclusive representation.**

As was noted in the Commission’s previous report, our region’s truth – that too many economic opportunities have gone elsewhere, too many residents have left, and too few of our children and grandchildren are in a position to remain here – is uncomfortable. But it doesn’t make it any less truthful.

In our previous report, we argued the Syracuse-Onondaga community can do better. In this report, we argue that we must.

Here is our reality.

Both the City and suburbs have seen their employed labor force shrink over the past 26 years.

We have 24,500 fewer working residents today than in 1990 – 18,000 fewer in the City, and 6,500 fewer in the suburbs.

Rankings of our economic performance – both nationally and globally – are alarming.

Since the trough of the recession, the number of full- and part-time jobs in our community has increased at one-quarter the national rate; gross product output has increased at half the national benchmark.

We have lost nearly one percent of our population since 1970. And between 2000 and 2010, more than half of our communities lost residents.

Our region's current economic and fiscal path is not sustainable, absent change. Moreover, the challenges are exclusive to neither the city nor the suburbs. The challenge facing our central city – our region's economic hub – are well chronicled and widely known; the challenges facing our suburbs and rural neighbors may be less chronicled, but no less fundamental to our region's future. Our towns and villages face a shrinking economic base, stagnant population levels, and increasingly difficult decisions on how to sustain quality, dependable and essential public services.

For these reasons, the set of recommendations contained in this report call for change and sacrifice from every level of local government in our community. Not just the county or the city, but every level. To be sure, some recommendations will get greater attention, or be more challenging to implement, or offer greater potential benefit. But each is an opportunity to move the needle on our efficiency, effectiveness and competitiveness. Together, the recommendations work in concert to support the three fundamental goals discussed above. Viewing them in á la carte fashion is short-sighted and would result in us leaving opportunities on the table – something we simply cannot do.

The Commission is realistic. We know it is likely that nobody will naturally embrace every recommendation in this report. Some will support recommendations others oppose, and oppose recommendations others support. That is what makes the status quo so powerful, and progress difficult. But make progress we must. The opportunities to strengthen our region's future are on our side, and time is not.

Our future must begin now.

## Summary of Potential Impacts

Although modernization is about more than just financial impacts, the Commission recognizes that the dollars and cents of the recommendations contained in this report are an important part of any informed consideration.

At the same time, the Commission also recognizes that it is impossible to put a *specific* dollar figure to all of our recommendations. Yet-to-be-made decisions on structures, service levels, management approaches, financial resources and other elements – decisions that will *need to be made by elected officials and public employees as the modernization process moves forward* – will undoubtedly affect savings levels.

But as our community considers how to prioritize and pursue these recommendations, some frame of reference for savings potential is critically important. For that reason the Commission has attempted to “size” the savings possibilities associated with individual recommendations where we believe that potential is material.

In some cases they are **informed estimates** (e.g. “approximately \$0.5 million”), while in others they are **estimated ranges** (e.g. “between \$0.5 million and \$0.9 million”). The estimates are based on our nearly three-year detailed review of how services are provided and structured today, a sense of how workload would be impacted by our recommendation, and a review of the different levels of cost already present across our community in common service areas.

In sum, we find the following:

- **Service level recommendations** capable of producing annual savings of \$7.9 to \$9.9 million, and
- **City-County combination recommendations** capable of producing annual savings of \$8.7 to \$22.9 million.

Additionally, we find that a City-County combination could enable additional savings by mitigating cash flow borrowing needs and enhancing credit ratings. Further, we believe a bold effort to modernize would better position our community to advocate for revenue enhancements through programs such as the Citizens Empowerment Tax Credit (CETC) initiative and Aid and Incentives to Municipalities (AIM).

# Street and Highway Maintenance

## OVERVIEW

Street and highway maintenance is among the most visible services any local government provides, especially in a community that receives average annual snowfall of 12 feet. From plowing and salting roads seasonally, to repairing drivable infrastructure year-round to ensure access, safety and commerce, high quality public works services are essential to the quality of life, sustainability and growth of our community.

Today there are 36 separate street and highway maintenance service providers in the Syracuse-Onondaga community. There are vast disparities in the scale at which they provide service. For example, land area responsibilities range from less than one square mile to 780 square miles; populations served range from fewer than 400 to more than 468,000; and centerline miles covered range from 1 mile to 794 miles.

## RECOMMENDATION

1. Create a coordinated core highway services area that integrates the City of Syracuse and more densely developed suburban communities to its north, east and west, in order to leverage highly consistent service delivery menus, equipment needs and the public works service similarities that result from density. This coordination should include the following:

- Standardize equipment
- Shared services
- Coordinated capital planning for equipment and infrastructure
- Revised operational plans to address municipal border areas where services often “dead head”
- Standardized contracts

2. Deliver common specialized / technical functions on a shared countywide basis instead of within each agency, via intermunicipal agreement. These services should include the following:

- Engineering
- Purchasing
- Pavement marking and striping

- Bridge and culvert maintenance
- Sign fabrication and maintenance
- Sewer cameras
- Streetlight repair bucket trucks
- Salt storage and equipment barns
- Insurance, human resources, development and training

3. Transfer (or maintain, where applicable) routine seasonal maintenance on County-owned infrastructure outside the core highway services area to municipal street and highway departments, building on the precedent of County-municipal snow removal agreements that are already in place.

4. Establish a model intermunicipal agreement to facilitate additional collaborations and mitigate planning / implementation barriers.

5. Appoint a highway advisory services committee to provide oversight countywide.

6. Move to appointed street and highway administrators instead of elected officials.

### **RATIONALE**

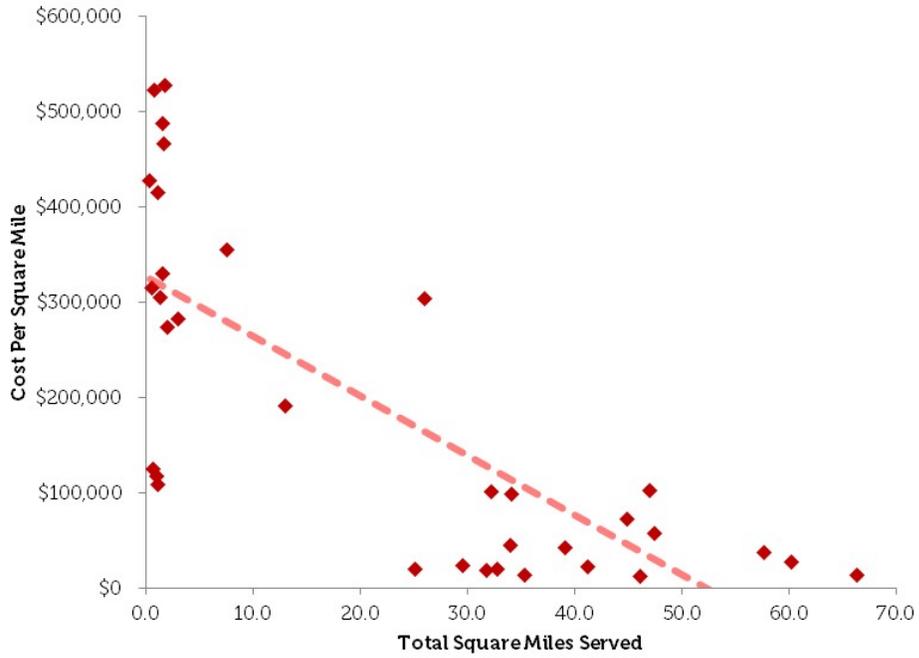
Street and highway maintenance services are among the most important functions municipalities provide. And by virtue of the fact that they are labor- and capital-intensive, they also tend to be among the most expensive. Such is the case in the Syracuse-Onondaga community, where street and highway maintenance is the third-highest cost function countywide.

Every general purpose local government in the community has its own street and highway maintenance function, resulting in 36 separate service providers countywide – independent workforces, fleets, staff experts and planning processes. This results in some duplication of staff, expertise, facilities and capital equipment.

Data from our community show that there is a clear “entry cost” to street and highway maintenance services, with unit costs dropping when the service is provide at higher scale. As a result, the smallest-scale departments tend to have the highest unit costs. This is demonstrated in the graphs below, where 2014 street and highway maintenance costs are plotted against square mileage, population served and centerline miles for each service provider. As scale increases, unit cost decreases.

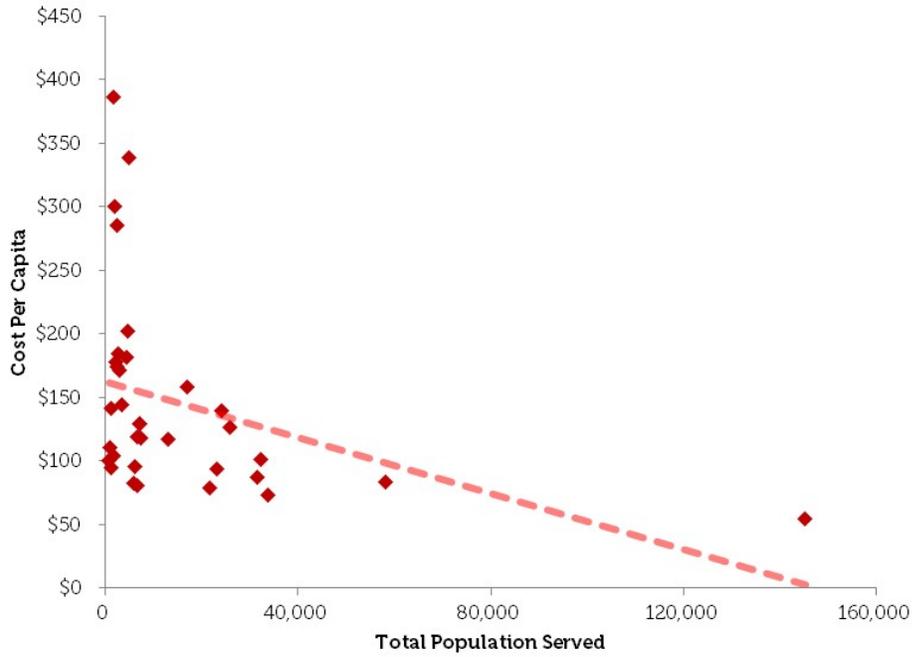
### DPW Costs Per Mi<sup>2</sup> vs. Total Mi<sup>2</sup>

(Municipalities Only; Excludes Onondaga County DOT)



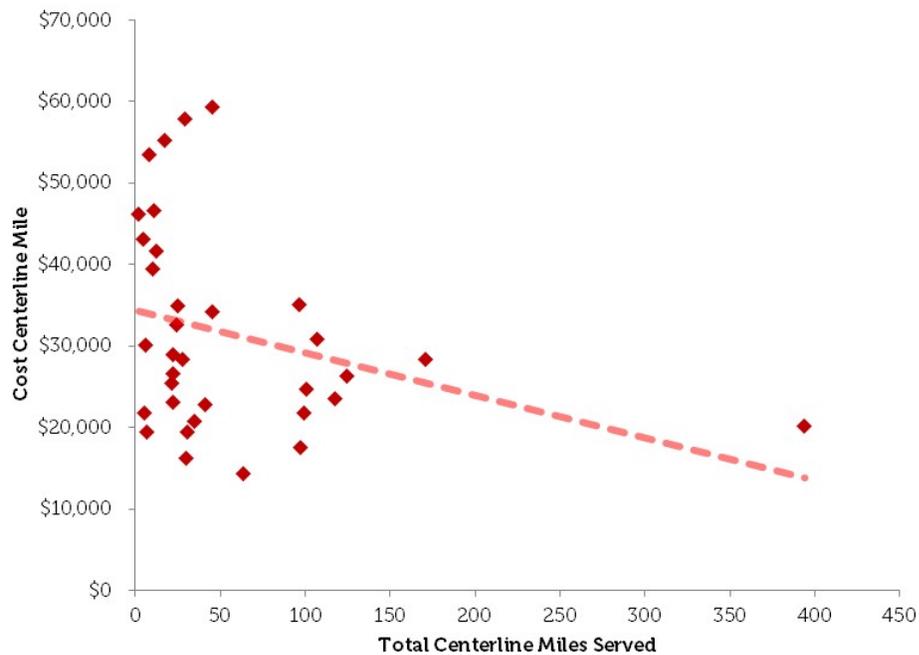
### DPW Costs Per Cap vs. Total Population

(Municipalities Only; Excludes Onondaga County DOT)



## DPW Costs Per CLM vs. Total CLM

(Municipalities Only; Excludes Onondaga County DOT)



When the data points are split in half – i.e. the “larger” half and the “smaller” half – consider the following: The unit costs of the larger departments are 72 percent lower than the smaller departments on a per square mile basis, 55 percent lower on a per capita basis, and 23 percent lower on a per centerline mile basis.

The rationale for change goes beyond unit costs. Public works agencies that serve communities with smaller tax bases can find it more difficult – if not cost prohibitive – to fund larger infrastructure investments, regardless of their essentiality.

There is also the issue of service “dead heading,” where legal boundaries dictate service areas and routes more than considerations of efficiency and responsiveness (e.g. snowplow blades being lifted at the municipal line and service routes drawn according to municipal boundaries rather than service demands alone).

## POTENTIAL IMPACT<sup>1</sup>

The fundamental variables that drive our street and highway maintenance costs will not change as a result of these recommendations. We will still have the same number of square miles, bridges, centerline miles and streets requiring repair, plowing and upkeep. The workload will remain, and so must appropriate levels of personnel and equipment capacity to offset it. What will change, however, is the efficiency with which our community delivers these important services.

For example, if the “smaller” half agencies’ cost levels were adjusted to those of the “larger” half agencies by increasing the scale at which current services are delivered, savings of \$5 to \$7 million would result. Savings of \$2 to \$3 million are achievable through implementation of the core highway services area and a centralization of common specialized functions on a shared basis, rather than agency-by-agency.

A core highway services area focused on the northern (and most densely-populated) half of the county could span as many as 19 municipalities – the city, nine towns and nine villages. Together the street and highway maintenance agencies in these municipalities account for \$88 million in direct spending – more than half the countywide total.

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<sup>1</sup> Per capita scale comparison was generated by using 2015 street and highway expenditures as reported to the Office of the State Comptroller (OSC), divided by 2015 population estimate for each municipality; related savings estimate was derived by bringing bottom-half scale entities to mean cost level of top-half scale entities. Per square mile comparison was generated the same way, but instead using square mileage as the divisor. Per centerline mile comparison was generated the same way, but instead using centerline miles as the divisor. Centerline mile data was obtained from the Highway Mileage Report for New York State, published by the New York State Department of Transportation. Savings for the CHSA was calculated as follows: Determine total 2015 street and highway spending as reported to OSC for all categories (highways, services to other governments, transportation facilities, transportation ancillary and miscellaneous transportation); identify most likely contiguous CHSA municipalities and their total spending (\$88.2 million), totaling 19 including the City of Syracuse; reduction / position downgrade of up to 10 public works directors in CHSA; further 3-5% cost reduction from elimination of boundary deadheading within CHSA only. No additional facility savings assumptions have been included in estimates. Replacement of public works facilities in coordinated fashion would produce additional cost avoidance. The **Preliminary Options** report discusses the current distribution of public works facilities countywide.

**Estimated annual savings of \$2 to \$3 million are achievable through creation of a core highway services area and centralizing specialized functions countywide. Remapping routes across the broader, more densely populated northern half of the county would also result in more efficient delivery of street and highway services that currently span 19 municipalities and effectively dead-head at nearly three dozen municipal borders.**

And while indeterminate at the present time, a more coordinated approach to both capital / fleet equipment replacement and facilities will also likely result in some degree of future cost avoidance.

#### **ACCOUNTABILITY PARTNERS**

County, city, towns and villages; highway superintendents and public works superintendents

# Water

## OVERVIEW

Water is a major economic resource for our community. Its importance to the region's vitality is heightened by water access challenges that are increasingly impacting other parts of the United States. Ensuring access to clean, cost-effective water is critically important to our future economy and quality of life in the Syracuse-Onondaga community.

Today there are three main entities, including two major retail providers, that have primary responsibility for providing water services in our community. The Metropolitan Water Board (along with the Onondaga County Water District), the Onondaga County Water Authority and the City of Syracuse Water Department collectively supply about 90% of residents. Additionally, some parts of the county are served by local municipal wells or individual wells.

## RECOMMENDATION

1. OCWA has been incrementally taking over the assets and operations of water districts within the region. This process should continue and be expedited.
2. Combine OCWA and the City Water Department to leverage internal efficiencies in administration and operations, and to broaden the ratepayer base.
3. Digitize the entire countywide system to provide a basis for planning in a more regionally-comprehensive way.
4. Develop a countywide comprehensive plan for water infrastructure.

## RATIONALE

The current water infrastructure network in our community faces significant and growing needs, and deferred maintenance has compromised the system's integrity. During one recent five-year period, the City itself experienced nearly 1,200 water main breaks. While the precise cost associated with that maintenance is difficult to determine, we know our region faces the same challenges with its drinking water infrastructure peer regions do. A 2008 analysis by the Department of Health pegged statewide infrastructure cost needs at nearly \$39 billion. Simply extrapolating that figure to Onondaga County's share of statewide population yields a cost of nearly \$1 billion.

At the same time needs have grown, federal funding assistance has waned. Federal spending has declined since the 1980s, falling from \$17 billion in the late 1970s to \$4 billion in 2014 (in 2014 dollars). That has left state and local governments responsible for a larger share of water infrastructure spending. Still, overall from 2010 to 2014 total

federal, state and local government spending on water (and wastewater) utilities declined 8%.<sup>2</sup> As a result, funding responsibility has fallen on state and local governments that have less fiscal capacity to fund projects at the necessary scale.

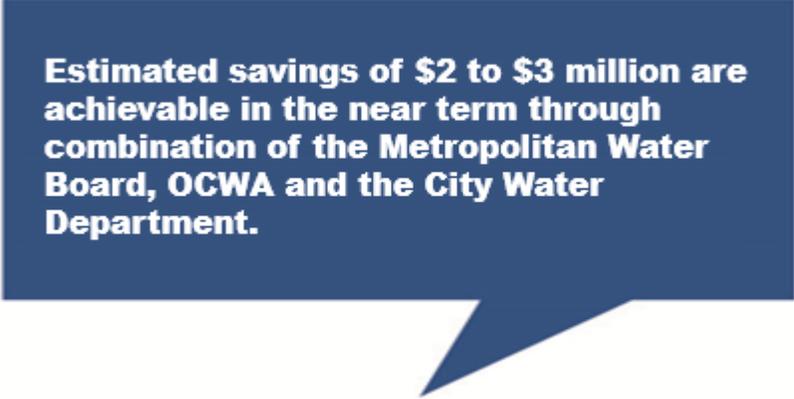
Related, the fragmentation of the ratepayer base among suppliers and districts can make major investments – even when necessary – cost prohibitive and exacerbate deferred maintenance problems.

Finally, there is functional duplication across the region’s two major retail providers in terms of administration, meter reading, billing and treatment plant operations.

### **POTENTIAL IMPACT<sup>3</sup>**

The fundamental variables that drive our water service costs will not change as a result of these recommendations. Consumption, treatment requirements and infrastructure needs will remain the same. Our ability to pay those costs in a sustainable manner will improve, however.

A recent Onondaga County merger of OCWA and the Metropolitan Water Board estimates as much as \$1 million in recurring savings potential. We concur. Further, a broader combination that includes the City Water Department alongside the region’s other major retail provider has the potential to generate additional efficiencies of \$1 to \$2 million as currently-separate administrative, billing, treatment, human resources, financial administration and meter reading functions are combined.



**Estimated savings of \$2 to \$3 million are achievable in the near term through combination of the Metropolitan Water Board, OCWA and the City Water Department.**

This combination is about more than efficiency savings, however. Bringing together our major retail providers – and smaller water districts in the region – provides an opportunity to better address infrastructure needs at a larger scale of fiscal capacity.

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<sup>2</sup> <http://efcnetwork.org/four-trends-in-government-spending-on-water-and-wastewater-utilities-since-1956/>

<sup>3</sup> Savings estimates include the estimated \$1 million in savings already identified by the County as part of the merger of OCWA and the Metropolitan Water Board. Additional savings focus generally on financial functions and water treatment services, where current-year City Water Department expenditures are approximately \$600,000 (including benefits) and \$13.5 million (including benefits), respectively.

Consider: The Office of the State Comptroller in 2004 estimated that Onondaga County had more than 140 town-based water districts.<sup>4</sup> These districts are of varying sizes – some with hundreds or thousands of customers, others with far fewer. The smaller the district, the lower the financial capacity to generate the funds needed to reinvest in our aging infrastructure. Individual municipalities find it inherently more difficult to meet capital requirements on their own. Continued efforts to bring our districts together and “unify” the ratepayer base deepens our collective capacity to make essential investments.

### **ACCOUNTABILITY PARTNERS**

County, city, towns, Metropolitan Water Board and Onondaga County Water Authority

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<sup>4</sup> <https://osc.state.ny.us/localgov/pubs/research/townspecialdistricts.pdf>

# Wastewater

## OVERVIEW

The proper functioning and maintenance of our network of pipes and treatment plants is critically important to our community's economic vitality, as well as our environment and quality of life.

Today, wastewater treatment for most parts of our community is provided by the County Department of Water Environment Protection. WEP operates 6 treatment plants and more than 150 pumping stations in the Consolidated Sanitary District (CSD). County sewer service, which is confined to the district, includes all (or portions) of 21 municipalities. Beyond the CSD, five villages own and operate their own sewage treatment plants.

In addition to being one of the most critical services, wastewater treatment is also among the costliest. Reflecting the Consolidated Sanitary District, county government is responsible for approximately 88% of wastewater expenditures in the community.

## RECOMMENDATION

1. Improve our capacity to plan for wastewater infrastructure investments *countywide* by accessing a New York State Department of State planning grant. This will enable a countywide system audit and the development of an asset management plan for treatment and collection systems.
2. Develop a plan to retire and / or assume debt carried by smaller districts that are not already part of the CSD.
3. Shift engineering, system planning / design / construction and map maintenance to County WEP.
4. Our wastewater infrastructure needs attention. Much of our wastewater collection system suffers from excessive inflow of surface water and infiltration of groundwater, stressing the process capacity of our treatment plants and increasing operating costs. It is recommended that infrastructure improvement grants be procured through NYSDEC and matching local funds be set aside to assist our towns and villages to upgrade those segments that are found to be problematic. It is also recommended that Onondaga County WEP provide the necessary technical support.
5. Create a single countywide basis for billing.

## RATIONALE

Enhancing our capacity to plan for wastewater infrastructure on a truly countywide basis positions us to address several issues. First, our community is not currently

structured to meet the EPA's "Ten Attributes for an Effective Wastewater Utility,"<sup>5</sup> which includes elements such as infrastructure stability, operational optimization and financial viability. This creates issues not only for the sustainability of our infrastructure – both in capital and financial terms – but regulatory compliance risks as well.

A 2008 analysis by the State Department of Environmental Conservation pegged statewide municipal wastewater infrastructure cost needs at \$36 billion.<sup>6</sup> Extrapolating that figure to Onondaga County's share of statewide population yields a cost of more than \$850 million.

Other elements compromise our ability to address wastewater infrastructure on a countywide basis. First, there is a growing number of pump stations in the community. In the past ten years alone the number of stations has increased by more than one-third, while population (and the ratepayer base) has remained relatively flat. Second, there are eight towns in the county that are not contained within the CSD. Third, there is a wide range in the scale of sanitary districts – the smallest one covers just 19 homes and a pump station.

Similar to water infrastructure, pressure is increasing to upgrade collection and treatment infrastructure, and towns and villages are being pushed to meet more stringent (and costly) standards. Aging collection infrastructure has more extraneous groundwater infiltration and inflow, increasing the cost of treatment and general operating expenses.

There is also some functional duplication across sewer districts, with each in the county billing independently. This results in a diversity of approaches and process redundancy countywide.

### **POTENTIAL IMPACT<sup>7</sup>**

As with water, the fundamental variables driving wastewater service costs – volume, utilities, treatment – will not change as a result of our recommendations. However, we see clear opportunity to move toward the EPA's model of an "effective wastewater utility" in several areas. For example:

Operational Optimization: A single countywide basis for billing would eliminate process redundancy and inconsistency.

Infrastructure Stability: Regional asset mapping and system audits would position us to better understand the condition and costs associated with these critical infrastructure assets.

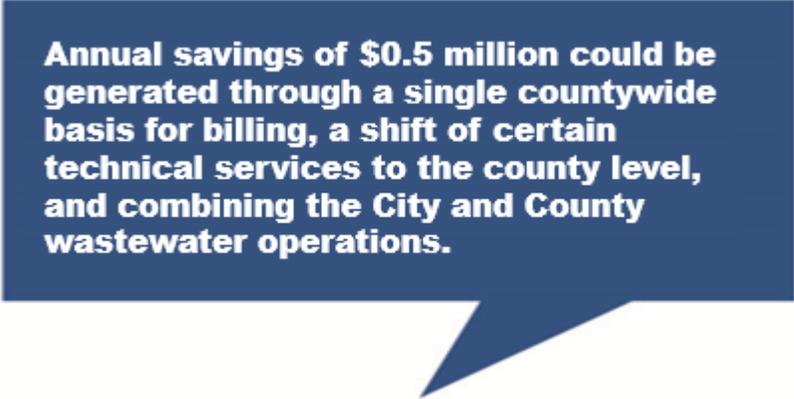
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<sup>5</sup> Effective Utility Management: A Primer for Water and Wastewater Utilities," U.S. Environmental Protection Agency, 2008.

<sup>6</sup> [http://www.dec.ny.gov/docs/water\\_pdf/infrastructureerpt.pdf](http://www.dec.ny.gov/docs/water_pdf/infrastructureerpt.pdf)

<sup>7</sup> Savings estimate is addressed in in **Governance: A New Structure** section of this report, along with current-year expenditures for both the City Sewer Fund / Department and County Water Environment Protection.

Moving to a single countywide billing basis; shifting engineering, system planning and map maintenance to the county; and bringing together the City and County's wastewater operations (as discussed in a later recommendation) would generate annual savings. We estimate that total to be approximately \$0.5 million.



**Annual savings of \$0.5 million could be generated through a single countywide basis for billing, a shift of certain technical services to the county level, and combining the City and County wastewater operations.**

Beyond the savings, however, is the issue of sustainability. Planning for investment in our wastewater infrastructure is best done at a countywide level at minimum, rather than in fragmented fashion.

#### **ACCOUNTABILITY PARTNERS**

County, city, towns, villages

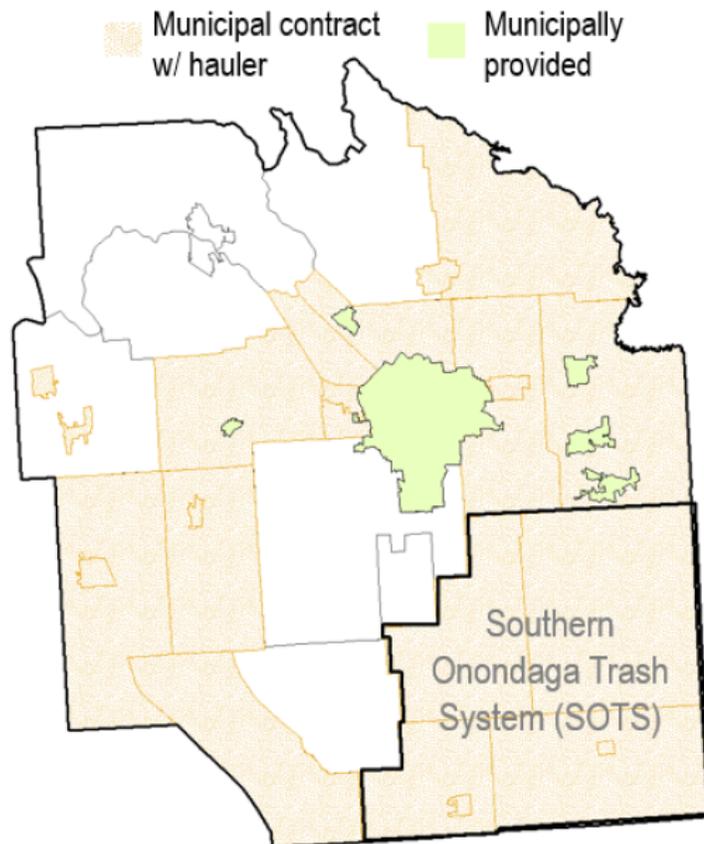
# Solid Waste

## OVERVIEW

Sanitation services are critically important to the quality of life and environment in our community. Today, municipalities handle refuse collection in a variety of ways across Onondaga County.

- Some provide the service directly with their own employees and equipment.
- Some contract with a private service provider, essentially acting as a “broker” on behalf of their residents and levying the cost back in the form of district-based fees or property taxes.
- Some have no involvement in the function at all. In these communities, property owners can directly contract with private haulers on their own or self-transport their waste to a landfill.

### Map of Solid Waste Service Delivery Models in Syracuse-Onondaga



Collectively, the City of Syracuse, towns and villages that directly spend on solid waste collection expended more than \$20 million in 2015. It is important to note, however, that the true cost of solid waste services is higher in the region, as many property owners have individual contracts with private haulers in communities where the municipality is not involved in the service. Those individual contracts can range from approximately \$150 to \$500 or more per year per property, depending on vendor and level of service.

## **RECOMMENDATION**

1. Expand the Southern Onondaga Trash System into contiguous towns that already have contracts with private haulers.
2. Pursue bulk bidding of hauler services across multiple municipalities to increase collection volume, enhance the attractiveness of the overall bid opportunity, and drive down unit costs.
3. And in towns where there is no current municipal involvement in the service, develop service districts and bid-out collection services. It is highly likely that this will drive down costs for individual property owners who are currently paying direct to private haulers on a property-by-property basis.

## **RATIONALE**

The community already has a model regional cooperation framework in the area of solid waste. OCRRA, the Onondaga County Resource Recovery Agency, is a public benefit corporation created in 1981 under state law and given responsibility for implementing the County Solid Waste Management Program, as well as the construction, operation and availability of solid waste management and recycling facilities for municipalities. The Commission supports OCRRA's mission and what it does on a cooperative regional basis to support our communities.

But outside of OCRRA and the Southern Onondaga Trash System (SOTS), a multi-town consortium in the county's southeast quadrant that jointly contracts for service, there is little intermunicipal coordination in solid waste.

The diversity of approaches and lack of coordination compromises economies of scale that could otherwise yield lower costs. Cost benchmarking completed by the Maxwell School has demonstrated that municipally-brokered services (i.e. contracted to a private vendor to serve all properties) is the least costly approach. By contrast, communities where the municipality had no involvement in the service (i.e. residents separately contract with a vendor on a property-by-property basis) were the most costly – roughly twice as expensive.<sup>8</sup>

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<sup>8</sup> "Residential Trash Collection in Onondaga County," Maxwell School of Citizenship and Public Affairs, 1999.

Consider two scenarios.

In one, there are neighboring towns each contracting with a vendor for service. Each town's service volume is 3,000 properties. Bidding them as a combined 6,000 properties makes the bid increasingly attractive (and higher-value to potential vendors), and may have the impact of driving down unit costs as vendors compete for higher-volume contracts.

In another, residents live in a town that is not involved in the delivery of solid waste services. Instead, they contract individually with private haulers and pay directly to the vendor on a monthly or quarterly basis for the service – which could range as high as \$500 depending on location and level of service. This figure is in addition to their property tax. And since the vendor may only service a portion of properties on a given street, their base cost of delivering the service to a neighborhood is necessarily higher (and spread across fewer properties). Creating a service district and “bulking” the cost of delivering the service in a single vendor – again, leveraging competition among potential contractors – would likely drive down unit costs for residents. Further, municipalities concerned about burdening their property tax with these costs have the option of assessing service district fees instead. It holds the municipal budget harmless and drives down the cost to residents for an essential service.

### **POTENTIAL IMPACT<sup>9</sup>**

There are at least two potential impacts from these recommendations.

The first – and likely most significant – affects property owners in those municipalities where the government is not currently involved in providing or contracting for the service. Were those municipalities to assume a role in bidding and contracting for the service, there is potential annual savings of at least \$2 million off the individual property contract rates currently paid by property owners to private vendors (which we estimate to be as much as \$14 million).

The second affects those in non-SOTS municipalities that are contiguous to SOTS, but where the municipality is already involved in contracting with private vendors. If those municipalities were to join SOTS and expand the System's footprint (and service volume), it would make SOTS' service bid even more attractive and likely drive down unit costs further. Actual savings would depend on which (and how many) neighboring

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<sup>9</sup> Savings estimate based on a determination of the number of residential properties in Onondaga County municipalities that currently have no involvement in providing or brokering solid waste collection services. The source for property counts was New York State Office of Real Property Services Municipal Profiles, 2015 Annual Assessment Rolls, Parcel Counts by Broad Use Category. We estimate that those properties currently served by a private vendor are paying \$350 per year. Savings estimates are based on potentially reducing that unit cost to \$250 to \$300 per year through a bulk approach. Regarding the potential impact of expanding SOTS, savings estimates are generated by determining the number of residential properties in contiguous municipalities (same data source as above), with the range of impacts estimated at \$25 to \$50 per property per year.

municipalities participated in an expanded SOTS, but we find that savings of up to a half-million dollars is reasonable.

**A coordinated approach to solid waste could save property owners \$2 million in communities where the government is not currently involved in the service, and up to \$0.5 million by expanding the reach of SOTS.**

#### **ACCOUNTABILITY PARTNERS**

Towns, villages, SOTS

# Fire Protection

## OVERVIEW

Fire protection is not only one of the most visible services provided by local government, but one of the most essential. A robust and effective response system is necessary to protect life and property.

Today our community is served by 54 separate fire protection agencies.<sup>10</sup> In 2013, they collectively responded to more than 55,000 requests for service, the equivalent of about 150 calls per day or one call for every 8.4 residents. Fifty percent of the calls were answered by the City of Syracuse, the community's largest department in our largest population center. Nineteen percent were answered by the next 8-busiest departments in the neighboring suburbs, each of which receive more than 1,000 calls per year. Twenty percent of calls were handled by 18 departments that handle between 400 and 1,000 calls per year. The remainder were handled by smaller agencies who, on average, respond to about a call per day or less.

The agencies serving our community represent a variety of types. There are municipal departments, fire districts, and fire protection districts. Each has different governance and funding frameworks. In cities and villages, fire protection is funded through the municipal property tax; in fire protection districts, the town levies a property tax on areas served in order to fund a contract with a service provider; and in fire districts, the district itself sets and levies its own tax, subject to public vote.

## RECOMMENDATION

### Initial Step: Establish a Countywide "Operations Support Organization"

Over the next three years, create a Metro Fire / Rescue Operations Support Organization that will provide a broad range of services to all fire departments serving the community. The new organization would operate with the advice and oversight of a board that represents the diverse stakeholders of the fire and rescue service, including elected officials representing the County, City, towns and villages (selected by the Village Mayors' Association and Town Supervisors' Association); the Syracuse Fire Department Chief; representatives of the County Fire Chiefs Association; and the County Commissioners of Emergency Management and Emergency Communications. A recruitment and selection subcommittee of this board would participate in the process of selecting the head of the Operations Support Organization.

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<sup>10</sup> At the time the Commission released its Preliminary Options report, there were 57 fire protection agencies serving Onondaga County. The number has since been reduced to 54 with the merger of Spafford / Borodino, Warners / Memphis and Baldwinsville / Lysander (Northwest Fire District). Although the Northwest Fire District was previously established, it now has a single FDID number, making it a single entity in the view of the State Office of Fire Prevention and Control.

We recommend the Operations Support Organization be built upon the framework of, and reside within the Syracuse Fire Department (SFD). The SFD is uniquely positioned to serve this role initially because of its size and scale. Moreover, it is an ISO-1 rated department that currently serves approximately 30% of the County population and, as noted, responds to about half of the total calls for service in our community.

**A new Metro Fire / Rescue Operations Support Organization could serve as the framework for greater sharing and collaboration among the community's fire agencies.**

Services to be provided by the Operations Support Organization would be developed by the SFD in collaboration with representatives of all fire departments and the County Departments of Emergency Management and Emergency Communications. Start-up funding might also be sought from the Upstate Revitalization Initiative funds earmarked for Consensus implementation. Ongoing costs could be paid through a fee for service or other cost sharing mechanism.

We envision the following services being provided by the Operations Support Organization:

1. Recruitment, Retention and Training

- Facilitate recruitment and retention efforts of both career and volunteer departments.
- Construct and maintain state of the art, strategically located and centrally managed training facilities for both career and volunteer personnel.
- Centrally coordinate group purchase of insurance policies and health care benefits for volunteer and combination fire departments.

2. Fleet Management

- Lead development of standard specifications for fire apparatus (i.e. trucks, engines and specialized vehicles / equipment).

- Purchase all apparatus in bulk through the County Purchase Department to achieve volume discounts.
- Provide and / or purchase fleet maintenance services on a consolidated basis in order to achieve economies of scale and volume discounts.
- Develop and maintain inventory of apparatus across all departments to maximize sharing, reduce duplication and determine the appropriate numbers of spare trucks, engines and specialized vehicles needed to provide fire and rescue services throughout the community.

### 3. Equipment Management

- Lead development of standard specifications for equipment and turnout gear (i.e. personal protective equipment), hoses, SCBAs (i.e. self-contained breathing apparatus), computers, software, radios and related items.
- Develop and maintain central inventory of equipment. Monitor and share information on performance and effectiveness of equipment with all departments and suppliers.
- Purchase all equipment in bulk at discounted prices. Similarly, purchase / provide equipment maintenance in bulk to reduce costs.

### 4. Special Operations

- Centrally coordinate and fund the provision of specialized fire / rescue response assets such as hazardous materials, confined space, high angle and trench rescue. The SFD already performs many of these functions for other departments.
- Lead fire and emergency ground operations in response to widespread emergencies and disasters that span multiple municipal boundaries across the community.

### 5. Administration

- Maintain a call list of career and volunteer firefighters and rescue personnel as selected by fire chiefs from across the county and assign, upon request, to departments / agencies who are unable to meet the response criteria of the National Fire Protection Association (NFPA).

- Implement and administer data collection, analysis and performance management systems, using generally accepted performance standards and measures from NFPA, ISO (Insurance Services Organization) and others. Provide reports on a regular basis to fire departments, municipalities and the public. This would be done in conjunction with the County Departments of Emergency Management and Emergency Communications.
- Write grants for state and federal funding of apparatus and equipment, training, special programs, etc.

## 6. Facilities Management

- To support municipal planning and decision-making on large scale capital expenditures:
  - Using data from 911 Center on types, locations and volumes of calls and response times, and ISO-prescribed standards for distance of calls from fire stations, determine the optimal location for new stations (or consolidation of existing stations) to better meet the needs of the public.
  - Coordinate development of standard specifications for construction of new (or renovated) fire stations and provide standard estimates for costs to design / build facilities.

NOTE: Decisions on siting future fire stations should be made with a broad geographic perspective (i.e. they should not be constrained by current municipal boundaries, but rather should achieve the goal of building a fire protection system that best serves the entire County).

## 7. Fire Prevention

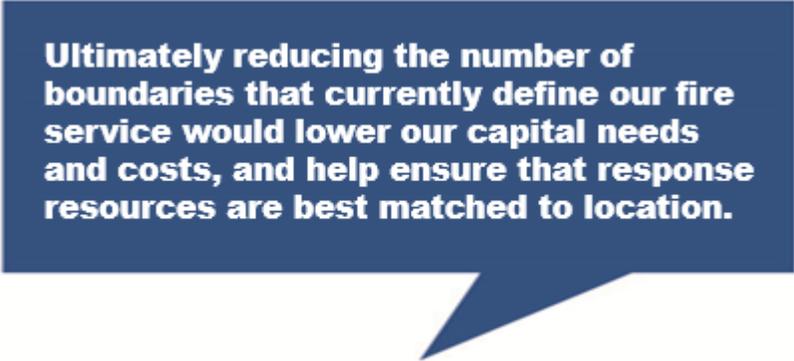
- Coordinate development of fire prevention inspection and education programs, materials, website, social media and other forms of communication for delivery by all fire departments in the community.
- Develop education programs for residents, contractors, architects and homebuilders on the value of residential sprinkler systems.

### Intermediate Steps: Reduce Districts and Boundaries Separating Service Areas

Reduce the number of separate government and taxing jurisdictions among the agencies serving ex-urban portions of the County. This could be accomplished through a merging of fire districts and / or towns redrawing fire protection district boundaries. Some districts which may no longer be viable as all-volunteer departments could be

consolidated with the Metro Department, which heretofore provided only operations support services.

Others in the outer suburbs could be consolidated in a way that results in a quadrant-type district system outside of the city / urbanized area. Reducing the number of separate districts would improve upon two issues. First, fewer districts reduces capital and apparatus needs (e.g. ladder trucks) by planning over a larger geography. Second, it would mitigate the current reality that response resources are not always effectively matched to location. That is, occasionally the system responds to calls with something other than the closest fire / rescue / EMS service simply because of the territorial boundaries created when the area was sparsely populated.



**Ultimately reducing the number of boundaries that currently define our fire service would lower our capital needs and costs, and help ensure that response resources are best matched to location.**

NOTE: Under this option, fire departments could choose to retain their current names to foster tradition and community connection. Operations support services and assignment of supplemental career and volunteer personnel would continue to be provided upon request to outlying districts by the Metro Operations Support Organization.

#### Long-Term Steps

While certain departments are an exception, most volunteer fire departments are currently facing a long-term decline in the number of volunteers and, consequently, have a growing difficulty responding to emergencies safely and effectively. For the most densely populated, commercially developed suburban areas adjacent to the City of Syracuse, a transition to a predominantly career, centrally managed metropolitan department may be the best solution. This alternative would need to provide a higher level of service to the community, because labor costs would be higher.

In the outlying areas, the strategic allocation of career and volunteer resources from the Metro department would augment the existing volunteer fire departments until such time as volunteers can provide full staffing to a given department, or a decision is made that a given department is no longer viable.

The long-term option would be an opt-in system whereby municipalities could choose to join based on their ability to sustain their current all-volunteer or combination career/volunteer operations.

## **RATIONALE**

The Commission's Public Safety Committee reviewed all aspects of the departments that deliver fire and rescue services in the community. It completed extensive cost and performance data collection and analysis; interviewed municipal officials and leaders of volunteer, career and combination (i.e. both career and volunteer) departments; and held in-depth discussions with the County Departments of Emergency Management and Emergency Communications (i.e. 911 Center). The Committee also reviewed service delivery models of other fire departments in New York State and best practice departments in other states.



**Fire agencies serving our community have made great progress in sharing resources and providing mutual aid. These recommendations offer ways to further build on that progress.**

The Committee fully recognizes that the fire departments serving our community have made great progress in sharing of resources and providing mutual aid. All departments are faced with ever-rising costs of equipment and operations, increasing administrative burdens, and more stringent training / certification requirements. Additionally, the volunteer departments have growing difficulty recruiting and retaining volunteer firefighters. This same difficulty drove most EMS providers throughout the community to transition from volunteer to paid career EMTs and Paramedics.

These recommendations will streamline and consolidate fire operations and support services in a way that will help sustain and support the volunteer system, as well as improve fire and rescue services for the entire community. The recommendations have been designed to achieve the following goals:

- Improve quality of service as measured by responsiveness and outcomes;
- Enhance safety of both the public and fire / rescue service personnel;
- Reduce costs through standardization and bulk purchasing of apparatus and equipment;

- Improve expertise, skills and effectiveness of fire personnel;
- Reduce duplication of services and equipment by maximizing sharing of resources;
- Build teamwork across departments; and
- Facilitate the exchange of ideas, experience, lessons learned and best practices.

### **POTENTIAL IMPACT<sup>11</sup>**

The potential impacts of these recommendations are more focused on the level and sustainability of our fire protection services than on cost savings. Arguably the biggest challenge facing our departments today – especially our volunteer agencies – is the recruitment and retention of firefighters. Building greater connections among our fire agencies and linking our countywide resources to countywide needs can help alleviate that pressure. This would help sustain quality fire services into the future.



**The potential impacts are more focused on the level and sustainability of our fire services than on cost savings. Still, it is highly likely that savings would be generated from group equipment specification and bulk procurement.**

To be sure, we would expect to generate some level of savings from a more coordinated approach to equipment specification and purchasing. Of the independent fire districts serving our community that reported their spending the Office of the State Comptroller in 2015, \$5.2 million was spent on equipment and capital outlay; extrapolating that capital figure to the other fire agencies that do not publically report, we estimate independent fire companies spent an additional \$8.5 million. And the City itself will spend approximately \$1.5 million in the current year, exclusive of bonded

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<sup>11</sup> Savings estimates for bulk procurement are based on a determination of all fire agencies' 2015 capital outlay and equipment costs. Data for the Syracuse Fire Department is drawn from the 2017 budget; data for all reporting fire districts in the County is derived from information submitted to the Office of the State Comptroller for 2015. The average figure for reporting fire districts was extrapolated to all non-reporting independent fire companies in order to generate a countywide total.

apparatus costs. Saving even 5% of those expenditures through bulk procurement would generate approximately \$750,000 in cost reduction.

**ACCOUNTABILITY PARTNERS**

County, City, towns, villages, fire districts and independent fire companies

# Emergency Medical Services

## OVERVIEW

EMS is a distinct public safety service provided by a combination of agencies in our community. Those agencies include commercial services, non-profit entities, combination paid / volunteer services (including fire departments), and completely volunteer organizations (primarily in rural parts of the community). The system has evolved to a point where very few calls in our community are handled by purely volunteer organizations.

Our EMS providers responded to nearly 73,000 calls in 2013, the equivalent of 200 per day or one per every 6.4 residents. Sixty percent of calls were handled by Rural Metro Medical Services, while another 20% were serviced by three large non-profit ambulance companies that have substantial paid staff.

More than 90% of calls in the community were answered by agencies that bill for service and pay at least a portion of their staff. Advanced life support capability is present throughout our community.

Under current law, volunteer fire departments with emergency rescue squads are not authorized to bill charges for service, unlike municipalities with paid fire departments. Municipalities should have the option to establish a schedule of fees for emergency medical and transport services rendered by members of a volunteer fire department or fire company.<sup>12</sup>

A substantial number of paid staff are spread throughout the community, with most of them purely EMS professionals employed by private non-profit or commercial organizations. The remainder are dual EMT-firefighters employed by municipalities, who are more expensive than single purpose employees.

## RECOMMENDATION

Our recommendations are based on the recognition that our EMS system has already been evolving to become more efficient and improve operations, both because of market forces and changes in funding streams.

1. We recommend creating a countywide system in which there are fewer service providers serving larger territories. Preferably the future agencies would be independent non-profits, private commercial agencies (under contract to local governments with specific performance criteria) or a combination.

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<sup>12</sup> See Memorandum in Support of A. 3721 / S. 1914, An act to amend the general municipal law and the town law in relation to authorizing fees and charges for emergency medical services, New York Conference of Mayors and Municipal Officials, April 27, 2015.

2. Group specification and purchasing of equipment, ambulances, insurance coverage, billing for service and benefits on a countywide basis. This could be accomplished under the existing organizational structure using the County Division of Purchase.

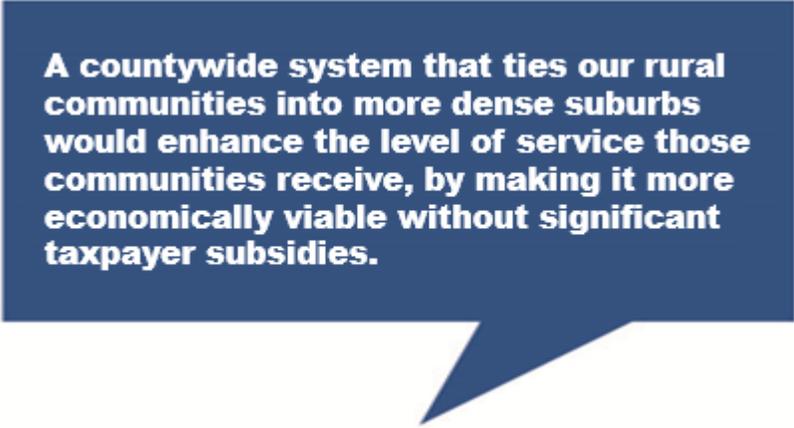
3. Establish performance standards for response times, call coverage, staffing minimums and adequate training.

### **RATIONALE**

A sample countywide model could involve dividing the County outside the City into quadrants. Each would be served by a single large organization that would benefit from economies of scale, efficiencies in management, resource allocation and planning across a broader geography and population. A central coordination entity would set levels of service and provide essential support such as purchasing, human resource management and fiscal planning.

A single provider for the whole County would face challenges in maintaining adequate staff. The existing system functions because individual EMS workers work for multiple employers, allowing employers to limit benefit and overtime costs.

To address the challenges of serving rural areas, the opportunity exists to “tie” the rural areas to more dense suburbs by reducing the number of boundaries through use of the quadrant system. Coverage challenges abound in the outlying areas precisely because their limited call volume does not make a robust service economically viable for any service provider absent a subsidy (or significant taxpayer expense).



**A countywide system that ties our rural communities into more dense suburbs would enhance the level of service those communities receive, by making it more economically viable without significant taxpayer subsidies.**

As part of this system, the primary source of funding should be fee-for-service with municipal funding being limited to support areas that need a subsidy to provide appropriate service.

**POTENTIAL IMPACT**

While there would likely be economy of scale benefit through group specification and purchasing of common equipment that financial impact is difficult to project at this time. The greater potential impact, however, involves level of service. The Commission believes that connecting the more rural areas of the County to our denser suburbs through a countywide model has the potential to enhance levels of service in areas where a robust EMS service is currently not as economically viable.

**ACCOUNTABILITY PARTNERS**

County, City, towns, villages, fire companies, non-profit and commercial ambulance providers

# Law Enforcement

## OVERVIEW

Our community is served by 14 local law enforcement agencies<sup>13</sup> spanning two levels of government: The County Sheriff's Office, and those municipalities that maintain and fund their own departments. Among the municipal agencies, the City of Syracuse's Police Department is the largest in force size, budget and call volume.

Our law enforcement agencies, including the State Police, respond to approximately 400,000 calls per year. That translates to more than 1,100 calls per day and about 870 calls per 1,000 residents. The three busiest agencies – Syracuse Police, Onondaga County Sheriff and State Police – handle roughly two-thirds of those calls and serve as primary responder for more than 60% of our population.

Though law enforcement is among our most costly service areas, it is routinely cited as one of our most essential. Particularly at the municipal level, village and town officials reported to the Commission that their departments' rapid response time and detailed community knowledge are valued by residents.

All taxpayers in our community pay taxes to support law enforcement services at the County level (Sheriff's Office) and state level (State Police). Individual municipal departments are property tax-funded in addition to paying for those other two levels.

**All taxpayers in our community fund multiple levels of law enforcement – the state, the county, and in areas with their own municipal force, a local department.**

All law enforcement agencies are dispatched through the Onondaga County 911 Center, and all law enforcement vehicles have automatic vehicle locator technology. This technology works in parallel with computer aided dispatching and a mutual assistance agreement to ensure that the closest police agency is dispatched to high priority calls.

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<sup>13</sup> This number has declined by one since the Commission began its work. The Village of East Syracuse dissolved its police department in 2015, following a referendum in 2014. Under the plan, the Village contracted with the Town of DeWitt for service.

## RECOMMENDATION

1. Consistent with the County-City recommendation detailed later in this report (see **Governance: A New Structure**), a consolidation of the Sheriff's Office and the City of Syracuse Police Department into a single agency would allow for a larger pool of resources, especially personnel, to be deployed more effectively. Eliminating managerial positions through consolidation would free up money to put more officers on the street and acquire technologies (such as more street cameras and information systems) to aid in solving crimes.

A key tenet should be that the number of police personnel patrolling needs to keep pace with the calls for service in the community. Also, specialized units could be consolidated and strengthened. The remaining local police forces would be encouraged to join this combined agency.

It is important to acknowledge that moving toward this option would have substantial challenges, including different labor unions, competing political interests and separate work practices.

Additional interim actions were identified as being helpful to improve the law enforcement environment. Additional resources should be deployed including an emphasis on community policing and targeted patrolling of high crime areas. This can be accomplished by additional hiring of sworn officers, increasing sworn staff through reassignment of tasks to non-sworn personnel, and temporary task forces. Another tool that may assist in this area is expanding the use of technology to both deter and solve crime. A further recommendation is to expand and enhance the sharing of resources between law enforcement agencies including coordinated grant applications. Additionally, the creation of a single police training academy to serve all law enforcement agencies in the community – County, City, towns and villages – could be done as an initial step and serve as a building block for future collaboration.

Alongside these steps, the Commission recognizes that we must shape our law enforcement workforces to better reflect the community it serves by evaluating the existing screening process for potential biases and taking further proactive steps in recruiting qualified candidates from underrepresented groups.

## RATIONALE

Our law enforcement agencies are facing headwinds. The total number of sworn officers in our community decreased by 10%, or 102 officers, between 2007 and 2016. The City's force shrank by 8%, or 38 officers over the same period, and the County Sheriff's Office lost 11%, or 29 deputies. The total loss of officers for every other department in the community was 13%, or 35 officers.

At the same time, the number of calls for service has remained relatively steady. The result of flat demand and declining staff has been an increased workload for remaining officers – an increase of about 10% as measured by calls per officer. The increase has

been greatest in our towns and villages, where calls per officer have grown nearly 28%.

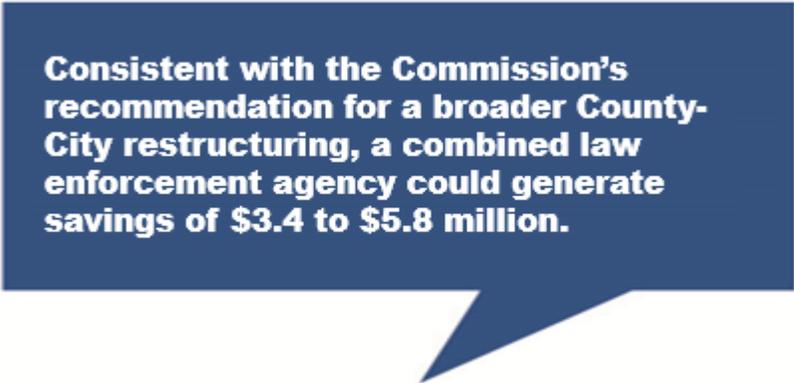
The result is that officers are spending more time responding to calls and less time conducting proactive police work such as foot patrols or establishing community rapport.

The number of reported violent crimes in the City has dropped in recent years, from a long-term average of about 1,400 incidents per year. Reported crimes in 2014, for example, were 28% below 2005. In the rest of the County, the rate of reported violent crime has remained essentially flat for the past 25 years.<sup>14</sup>

Notwithstanding reduced force sizes, the cost of providing law enforcement in the community continues to climb at a steady rate that exceeds inflation.

### **POTENTIAL IMPACT<sup>15</sup>**

As noted, this recommendation is consistent with the County-City recommendation detailed later in this report (see **Governance: A New Structure**). All fiscal impacts related to that overarching recommendation are also presented in that section.



**Consistent with the Commission's recommendation for a broader County-City restructuring, a combined law enforcement agency could generate savings of \$3.4 to \$5.8 million.**

Regarding law enforcement specifically, the current fiscal year budgets of the City and County include a total of \$158.6 million in total law enforcement spending.<sup>16</sup> Of that total. As presented in the Governance section, a combined County-City police agency could generate \$0.6 to \$1.8 million in general services / administrative bureau savings over time, and \$2.8 to \$4.0 million in uniform bureau savings.

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<sup>14</sup> For additional data on crime rates over time and the number of calls per sworn officer, see the Commission's **Preliminary Options** report.

<sup>15</sup> Savings estimate is addressed in **Governance: A New Structure** section of this report, along with current-year expenditures for both the City Police Department and County Sheriff's Office.

<sup>16</sup> This figure includes the entire Sheriff's Office budget, which also contains the custody and civil administration / process divisions. The police division-only total is \$33.5 million.

**ACCOUNTABILITY PARTNERS**

County, City

# Corrections

## OVERVIEW

The County is exclusively responsible for providing and administering corrections and incarcerations in our community. However, there are inefficiencies created by the County's operation of two separate corrections departments – one by the Sheriff for prisoners that have not yet been sentenced, and another by the Department of Corrections for prisoners that have been sentenced.

While there are separate facilities, inmates from the Sheriff's Justice Center are routinely moved to Jamesville when there is overcrowding, or when other special inmate requirements cannot be met at the Justice Center.

Additionally, the Commission notes that New York's policy of incarcerating 16 and 17 year-olds as adults is both a cost driver and issue of social justice. Other than North Carolina, New York remains the only state to prosecute youth as adults starting with their 16<sup>th</sup> birthday.<sup>17</sup>

## RECOMMENDATION

1. A single organizational structure, placed under the Sheriff's Office, should be responsible for operating both County facilities and holding all prisoners. By State Constitution, the Sheriff must maintain a jail. The new organization will maintain two separate workforces and two separate union contracts under a unified management structure.

## RATIONALE

Onondaga is the only county in the state that has not unified its prison operations. The County operates separate facilities and administers them across separate departments, despite the functional similarity. The Sheriff's Office has 287 personnel assigned to different roles in its Custody Division; the Department of Corrections has 189.

While there is cooperation with certain shared administrative tasks, including using the same records management system, human resources, purchasing, food service and correctional health, there are key differences. One involves separate union agreements, with the Corrections staff earning less than Sheriff's deputies. While the Corrections staff and deputies that directly work in custody of prisoners have similar training, union rules prevent them from being assigned at the other facility.

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<sup>17</sup> See [www.raisetheagency.com](http://www.raisetheagency.com).

The routine moving of inmates between the facilities evidences their inherent synergies. We would expect this practice to continue under the new organizational structure.

**POTENTIAL IMPACT**

In the near term this recommendation would not produce substantial cost savings as the size of the workforce supervising prisoners (and the prisoner count itself) would be unlikely to change. But there would be efficiencies to gain with increased flexibility in assigning the workforce to both locations (which would enable some overtime savings) and through a single capital plan.

**ACCOUNTABILITY PARTNERS**

N/A (County only)

# Tax Assessment

## OVERVIEW

An effective and equitable tax assessment system is the basis for funding many of our municipal services. This is because property taxes are a critically important revenue source for local governments. The extent to which local governments rely on property tax revenue to fund their operations differs in Onondaga County. Town governments, where property taxes on average account for about two-thirds of all revenues, are the most reliant. Villages (27%), the City of Syracuse (10%) and the County (12%) follow.

Today there are 17 separate tax assessment units in our community, including the City of Syracuse and 16 town-based providers. Although villages have the authority to run their own assessment operations, none in our community do. Each village's assessment function is effectively consolidated within its surrounding town, and village taxes are levied using the town-derived assessment for each property.

There is also already some sharing of assessment services. In three cases, multiple towns have merged their assessment functions into Coordinated Assessment Programs (CAPs), under authority granted by the State Real Property Tax Law.

## RECOMMENDATION

1. Expand shared services across towns by creating new Coordinated Assessment Programs (CAPs) and / or expanding existing CAPs to include neighboring towns, since a reduced number of units would result in greater consistency, enable sharing of limited expertise across municipalities, mitigate the challenge of finding a sufficient number of trained assessors in the future, and allow a sharing of "back office" capacity needs and costs.

Potential CAP opportunities might include:

- Expanding the Pompey-Fabius CAP to include Tully, Otisco, Spafford and Lafayette, creating a combined assessing unit of 12,944 parcels;
- Expanding the Camillus-Elbridge CAP to include Marcellus and Skaneateles, creating a combined assessing unit of 20,690 parcels; and
- Creating a Geddes-Onondaga CAP that would have a combined 16,960 parcels.

2. Create a centralized approach to tax certiorari lawsuit defense, since these proceedings often require specialized and costly legal counsel and create substantial burdens for smaller towns.

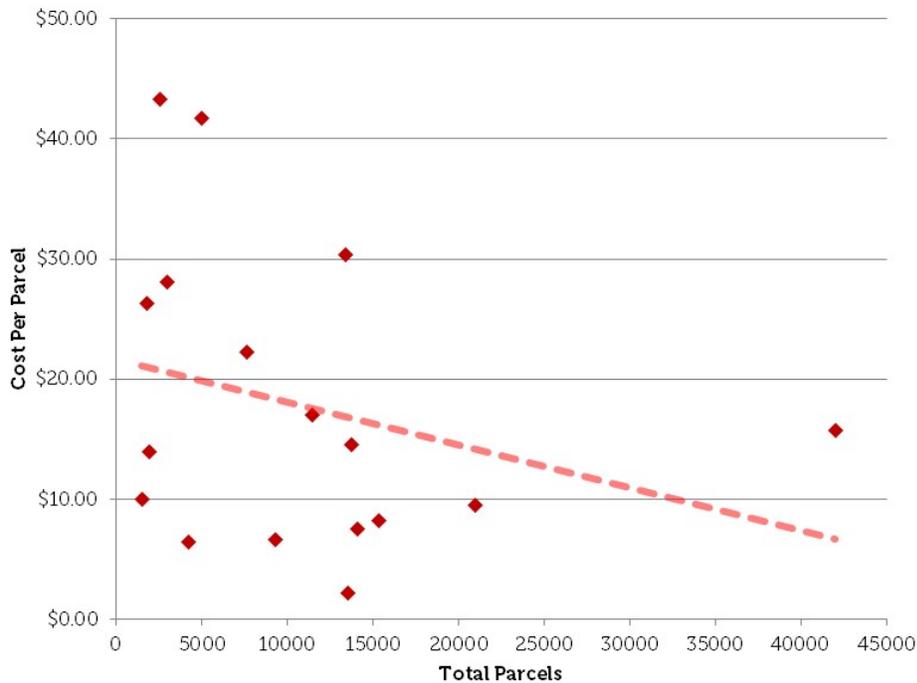
## RATIONALE

There are broad scale differences in the jurisdiction of the 17 tax assessment units serving our community. The City is the largest, maintaining assessments on more than 42,000 parcels. By contract, the smallest unit administers 1,500. In total, eight units handle more than 10,000 properties each, while five units handle fewer than 3,000 properties each.

This results in functional and administrative duplication across separate assessment units, particularly in the “back office” capacity that is required by each office. A diversity of approach is also evident in the variability of levels of assessment across the community, and equalization rates ranging from as low as 2% to as high as 100%.

There is a correlation between scale and unit costs in the community. Assessing units that serve the most parcels have lower unit costs; those that serve fewer parcels have higher costs.

**Assessment Costs Per Parcel vs. Total Parcels**



Local governments also face succession challenges. Municipalities have expressed that the technical expertise required to administer accurate, equitable assessments is in limited supply beyond the current group of assessors in the community.

Finally, a number of municipalities expressed the financial burden of tax certiorari lawsuit defense. In cases where assessments are challenged, the legal costs to municipalities can be significant. The burden is especially great on the smallest localities, where a robust defense may be cost prohibitive. In those cases, the

municipality is often forced to forego a vigorous defense, adjusting assessments downward and placing an even greater burden on other property taxpayers. A joint approach to tax certiorari defense would improve the community's overall capacity to defend equitable and accurate assessments.

### **POTENTIAL IMPACT<sup>18</sup>**

The fundamental variables that drive our tax assessment service costs would not change as a result of these recommendations. Most notably, the number of parcels requiring regular, accurate and equitable assessments would remain the same. However, delivering assessment services in more shared fashion would allow for a more efficient allocation of administrative / clerical costs that are common to all assessing units, and would help address the succession challenge.

As noted, the larger assessing units in our community have lower unit costs on average. In 2013, the 8 assessing units with more than 10,000 parcels had a weighted average per parcel cost of \$13.26. By contrast, the 9 assessing units with less than 10,000 parcels had a weighted average cost of \$20.34, more than 53% higher.



**More use of Coordinated Assessment Programs and shared services could save up to \$0.5 million.**

In aggregate operating cost terms, the amount of that difference is approximately \$500,000. In other words, if all sub-10,000 parcel assessing units were brought to the weighted average cost of the above-10,000 parcel units in the community, savings of a half million would be achievable.

A shared approach to tax certiorari defense would not necessarily reduce costs, but would prevent tax shifts within communities. This is because when a property owner successfully challenges an assessment, their liability is reduced and the remaining tax levy is spread across the remaining properties.

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<sup>18</sup> This is based on a calculation of 2013 assessment costs per assessing unit. Costs were drawn from individual municipal budgets, while total parcel counts are drawn from the State Office of Real Property Services. The weighted average parcel cost for units with more than 10,000 properties was compared to those units with less than 10,000 properties. Savings estimates reflect the cost reduction that would be realized if units with fewer than 10,000 properties had their average parcel cost adjusted downward to the average parcel cost of the larger units.

**ACCOUNTABILITY PARTNERS**

Towns, Coordinated Assessment Programs (CAPs)

# Financial Administration

## OVERVIEW

Strong financial administration is critically important the prudent fiscal management of our local governments. This is especially the case in light of the budgetary challenges municipalities continue to face.

Today, financial administration is handled in a decentralized way across our local governments. The largest municipalities tend to have a separate finance department and generally spend the most, a function of their greater complexity. In many smaller governments, there is not a stand-alone finance department. Rather, the function may be borne by the town supervisor or village mayor's office, with input from department heads who oversee specific functions.

In addition to ensuring accuracy of financial reporting, the "check and balance" role of financial administration makes some level of local oversight important. How this gets implemented varies, however. In some instances (e.g. the County), the finance department serves a financial management role, while a separately-elected Comptroller is tasked with independently overseeing finance and audit functions.

Another area where local governments differ is in the level of technological capacity, something that is important for financial management generally and the data that supports it.

## RECOMMENDATION

1. Migrate local governments to a common financial accounting system with the goal of consolidating finance administration. A common financial accounting system would enable shared services and create efficiencies while improving effectiveness.

Notably, the County is willing to host the PeopleSoft Enterprise Resource Planning application at no cost to municipalities. Municipalities would continue to administer their own finances and would incur implementation costs under this option.

Further, the County is willing to assume the financial administration function for municipalities under an intermunicipal agreement.

While there would likely be implementation costs associated with this migration, given that it is likely to lead to material long-term savings and service impacts we would hope it could be considered for financial support through the Upstate Revitalization Initiative.

2. Centralize information technology to ensure at least a base level of service to all local governments in the community. Jointly purchase hardware / software, and provide information technology support via shared service. This is something BOCES

(Board of Cooperative Educational Services) is already doing in order to provide more cost-effective IT procurement for municipalities and school districts.

## **RATIONALE**

These recommendations are intended to deepen the capacity of the financial administration function, rather than generate significant savings. There is, at present, no standard financial software system in use across our local governments. This creates a threshold challenge to sharing services such as procurement, payroll processing, tax collection and others. Within procurement, processes are generally handled separately by each local government, except for occasional purchases made off state or county bids (and with the exception of the County, City and School District's joint procurement framework).

Further, some local governments have very limited information technology capacity – especially in smaller municipalities where the investment may be cost prohibitive. But a base level of technology is essential to running any financial administration function – especially one in which public transparency is essential. The challenging roles of budgeting and financial management would benefit from enhanced technology and data management.

## **POTENTIAL IMPACT<sup>19</sup>**

As noted, these recommendations are more about improving the sophistication and capacity of our financial systems, and less about saving money. That said, the data do suggest that there are cost efficiencies to be gained by handling financial administration functions at higher scale.



**Increasing our scale through collaboration could save up to \$0.2 million, but more importantly could deepen our capacity to engage in a range of other shared services.**

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<sup>19</sup> Using data reported to the Office of the State Comptroller for 2015 in the “General Administration” category (which includes finance), per capita costs were determined for each municipality. Municipalities were then stratified by population size, and weighted average per capita costs were determined for communities above 10,000 population vs. below 10,000 population. Savings estimate conservatively reflects 10% of the difference that would be realized if the weighted average cost of the larger municipalities were applied to the smaller municipalities.

For example, among our towns and villages, general administrative costs (i.e. not only financial administration) for the ten largest municipalities are **half** what they are for the remaining municipalities (\$35 vs. \$70 per capita). Even a modest reduction of 10% of the combined town and village expenditure on financial administration would be achievable based on these scale differences. That would amount to approximately \$200,000.

But the key to our recommendations is viewing financial administration as a threshold opportunity. Deepening our capacity and aligning our systems across municipalities would open the door to a host of other related shared services.

### **ACCOUNTABILITY PARTNERS**

County, towns, villages

# Courts

## OVERVIEW

The organization of New York State's court system results in different levels of local government having different responsibilities. Today, our community has 19 town courts and 9 village courts – all of which are locally-funded by taxpayers net of fees shared with the state. At the city and county level, courts are state funded.

As noted in Consensus' initial report, total judicial costs in the community exceed \$18 million. The County – which is also responsible for mandated services such as district attorney and public defender – accounts for approximately 80%. Town and village costs account for about 17% of the total, and the City 3%.

Every town government in the community operates its own court; 9 of our fifteen villages do as well. For the villages that do not maintain their own court, proceedings are handled by the surrounding town's court.

Town and village justice courts do generate some revenue to offset a portion of their local cost burden. The state receives the majority of justice court fee / fine revenue, however. According to the Office of the State Comptroller, in 2015 town and village justice courts in Onondaga County generated \$7.2 million in fine revenue. Consistent with revenue distributions provided for in state law, the state received \$4.3 million of that total, or 60%. Towns and villages retained only \$2.4 million, or 34%. The remainder was remitted to the county.

## RECOMMENDATION

1. Aggressively pursue shared services to reduce the number of separate justice courts in the county and serve larger populations.
2. Migrate the remaining village justice courts into the court of their surrounding town to leverage common administrative and "back office" needs / resources, as well as to increase the scale of populations served by each court.
3. Continue exploration of a regional court system, as well as doing arraignment court on a regional (e.g. quadrant) basis.
4. Increase the share of fine revenue that municipalities can retain. Such an adjustment would require change in state law.

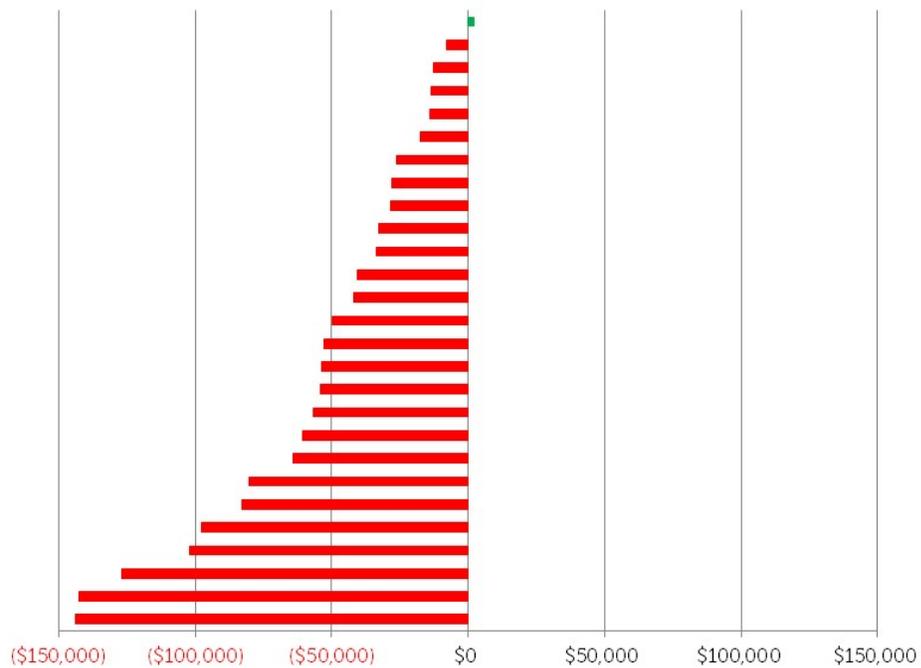
## RATIONALE

"Convenience" is one of the justifications offered in favor of every town and village having its own justice court – i.e. a justice court in each municipality makes it easier for

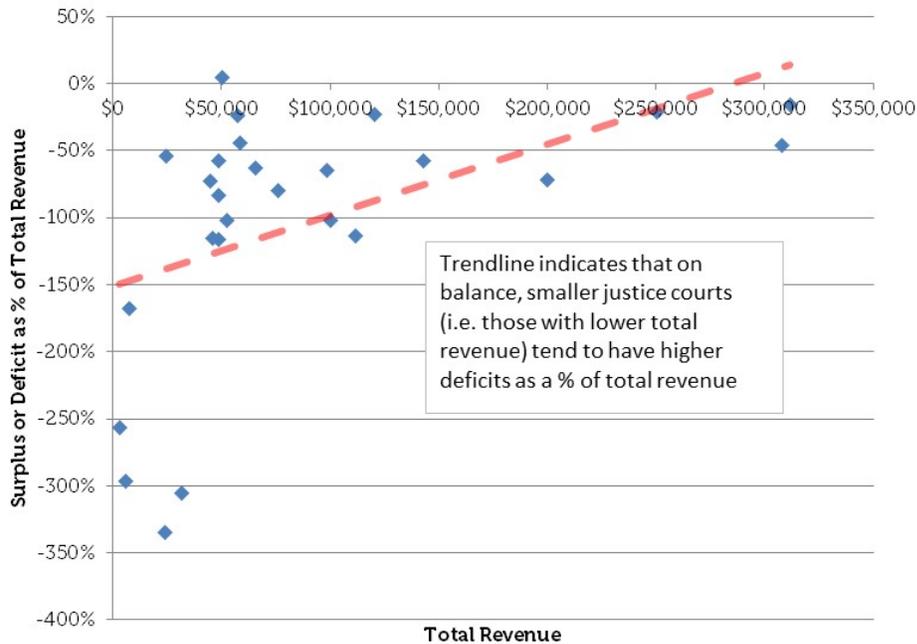
those who have to conduct court business to attend. However, we need to recognize that there is a cost and level of inefficiency resulting from that convenience.

There is a correlation between scale and financial balance across the community's justice courts. While nearly all justice courts in the community operate in deficit, the smallest courts (measured by caseload and revenue) have the highest deficit as a percentage of revenue. The following two graphics reflect this relationship. The first shows how, in 2013, all but one justice court in the community operated in deficit; the second shows how the scale of deficit was smallest in the largest-volume courts.

### **Net Cost of Onondaga County Justice Courts (2013, net of Revenue)**



## Justice Court Deficits as % of Total Revenue vs. Total Revenue



In 2013, the average net-of-fines deficit for town and village justice courts in the community was \$54,000; the cumulative deficit was more than \$1.4 million. That deficit is funded by local taxpayers.

While there is limited intermunicipal sharing of administrative capacity, justices or facilities across the community's justice courts today, state law does permit sharing:

- The Uniform Justice Court Act (UJCA) Section 106 and General Municipal Law (GML) Article 5G allow for sharing court facilities;
- UJCA Section 106-b allows for electing a single judge to preside over multiple justice courts;
- UJCA 106-a provides a process for merging courts; and
- Village Law Section 3-301 allows for abolishing village justice courts, since, unlike towns, villages are not required to have a justice court.

In addition to operating costs, municipalities have expressed a real and growing concern regarding justice court facilities. Adequate space – for court business, security and storage – is difficult for some local governments and is making it more difficult for courts to run effectively and safely.

## POTENTIAL IMPACT<sup>20</sup>

The fundamental variables that drive justice court costs in our community – especially caseload – will not change as a result of these recommendations. However, these steps will put our community in a better position to share costs that are critical to running an effective and safe justice court system.

**Sharing court functions in a form already provided for in state law could produce a minimum annual savings of \$0.2 million, reducing by 15% the operating deficits currently funded by town and village taxpayers.**

Justice courts – whether they handle many cases or few – require certain “threshold” administrative functions. Court administrators, justices and technology supports are not inexpensive, even for justice courts that operate at lower scale. Sharing those costs across multiple municipalities would result in a more sustainable and cost-effective approach.

The eight justice courts in Onondaga County that generated over \$100,000 in locally-retained revenue in 2013 averaged deficits of 56 percent of net revenue; the other justice courts averaged deficits of 124%. The relationship was even greater at the smallest scale, with the five smallest revenue-generating courts averaging deficits of 236%. Adjusting the sub-\$100,000 courts upward to the average deficit of the largest justice courts would reduce the taxpayer-funded shortfall by \$250,000.

## ACCOUNTABILITY PARTNERS

Towns, villages

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<sup>20</sup> Justice costs for 2013 were drawn from municipal budgets and compared against justice court fund revenue data reported by the Office of the State Comptroller for the same period. Locally-retained revenues were isolated (apart from the revenue that gets retained by the state and county). Operating surplus / deficit was then determined for each justice court, both in dollar terms and as a percentage of revenue. The average percentage operational balance was then determined for the largest justice courts (i.e. the 8 with local revenues exceeding \$100,000), and compared to that of the smallest justice courts (i.e. those with local revenues below \$100,000). The savings estimate reflects the difference that would be realized if the smallest courts' deficit percentages were adjusted to the lower deficit percentages of the largest courts.

# Code Enforcement

## OVERVIEW

Code enforcement is critically important to ensuring the health and well-being of persons and property. Today, nearly every municipality in our community handles its own codes function, investigating and enforcing state laws and local ordinances regarding building standards and property use.

Code enforcement responsibilities span both the State Uniform Code (which is the same for all local governments equally) and specific provisions of the municipal code (which is different across municipalities and often reflects certain quality of life matters the local community wants to focus its enforcement efforts on). On balance, the state-established Uniform Code covers about 90% of enforcement responsibilities; local ordinances represent the other 10%.

That other 10% is important in that it reflects a local community's preference. And not all municipalities will identify the same quality of life issues to focus on. This is one of the arguments often put forward against regional code enforcement. While technically feasible, some feel it could compromise local governments' desire to focus enforcement on specific issues of local concern. That said, it should be noted that municipalities can legally opt out of enforcing the Uniform Code, in which case state law requires the county government to handle enforcement functions.

## RECOMMENDATION

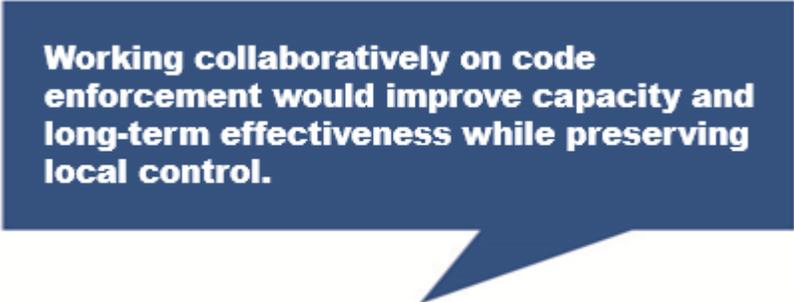
1. Leverage opportunities to share "back office" functions across neighboring code offices.
2. Pursue shared / contracted code enforcement services between and among neighboring municipalities where development density, type and code issues are relatively similar.
3. Increase interaction between code enforcement officers in contiguous municipalities to ensure rational and consistent application of codes at municipal borders and "gateways."
4. Integrate code enforcement information into the Real Property Tax System.
5. Create an educational program for code enforcement officers to ensure an adequate succession pool going forward. Training should be coordinated and centralized.

## RATIONALE

These recommendations would deepen the capacity of our code enforcement function and improve its long-term sustainability. We do not expect them to generate significant savings. But an absence of material savings should not stop efforts to improve.

For example, notwithstanding the importance of code enforcement services to public safety, many municipalities find it cost prohibitive to operate a full service office, even on a part-time basis. There is an “entry level” cost to operating a codes office, including personnel, computer systems, administrative support and transportation. Even a small office requires a base level investment to be functional, and that cost can be material – especially for smaller municipalities. Shared codes departments offer an opportunity to combine the resources of multiple municipalities and support a full-service office covering more than one community.

Code enforcement expertise and staff capacity is limited, again particularly in smaller municipalities where the function is typically less than full-time. And there are succession challenges. The technical expertise required to implement effective code enforcement is in limited supply, creating staff challenges beyond the current group of code personnel in the community.



**Working collaboratively on code enforcement would improve capacity and long-term effectiveness while preserving local control.**

The Commission also found that there are disparities in technology utilization for record keeping across municipal code offices. This is in part due to the “entry level” cost of technology cited above. Sharing codes would enable municipalities to pool their resources, enabling joint funding of technology assets that would otherwise be too expensive for any single municipality.

## POTENTIAL IMPACT

As noted, these recommendations are more about improving the capacity and long-term effectiveness of our code enforcement function, and less about saving money. Working more collaboratively across municipalities can enable shared investments in technology, more efficient distribution of the “back office” costs required by every codes office, and a smarter long-term allocation of the limited pool of code enforcement expertise we have in the community.

**ACCOUNTABILITY PARTNERS**

City, towns, villages

# Clerk

## OVERVIEW

The clerk's office is often the "face" of our local governments. Every local government in our community has one, and it is often the first place we go when transacting business with our municipality. Duties of the clerk's office often include licensing, collection of fees, and maintaining the books, files and records of the local government.

There are 36 separate clerk's offices in our community. In many cases, the clerk is supported by a deputy clerk and / or clerical personnel, particularly in the larger local governments where the volume of transactions is higher.

In the County, the clerk is an elected position in accordance with State County Law. In the City, it is an appointed position, per City Charter. In the towns, clerk positions are almost always elected, although some towns in New York State have sought to convert the position to an appointed one in recent years. In villages, clerks are appointed by the mayor and village board, in accordance with State Village Law.

## RECOMMENDATION

1. Pursue shared efforts to enhance information technology sophistication and deliver more services (e.g. licenses and permits) via the Internet.
2. Create a shared digitized system of public records with access to all municipalities.

## RATIONALE

As long as separate independent municipalities exist, the concept of shared or consolidated clerks' offices does not appear feasible. This is because the clerk function is responsible for maintaining the books and documentation of each government, and is further complicated by the role clerks often play as municipalities' primary public interface.

However, the Commission does find that there are opportunities to enhance the capacity and service level of the clerk function in our community. For example, although progress has been made, local governments are not yet making optimal use of online / electronic opportunities for the filing and permit processing responsibilities clerk offices typically handle. Migrating as many of those services online as possible would be an improvement in the level of service and convenience provided to residents.

Related, there is a wide range of information technology capacity in place across clerk offices. Some have significantly more robust capabilities than others.

## **POTENTIAL IMPACT**

These recommendations are more about improving the quality and level of service than about saving money. However, collaboration can open the door to technology investments that would benefit every clerk's office in the community – and by extension, the public.



**With collaboration, there are opportunities to enhance the capacity and technology of clerk's offices throughout the community.**

## **ACCOUNTABILITY PARTNERS**

County, City, towns, villages

# Social Services and Health

## OVERVIEW

Social services and public / mental health are among the largest local government cost centers in our community. Although much of the programming is determined by the state, the County is primarily responsible for administering and delivering these functions. In 2015, Onondaga County itself spent \$311.7 million in social services and health, according to the Office of the State Comptroller. Medicaid accounted for \$98.5 million of that total, while other large categories included financial assistance (\$58.1 million), non-Medicaid medical assistance (\$47.7 million) and mental health services. Administrative costs alone were significant – social service administration cost \$52.2 million and public health administration cost \$3.1 million.

Caseload numbers for these services within the community are significant, evidencing the level of need. In 2014, the County's Department of Social Services – Economic Security served over 143,000 unduplicated residents through programs such as Temporary Assistance, SNAP (Food Stamps), Subsidized Child Care, Heating Energy Assistance Program (HEAP), Child Support and Medicaid.

And caseloads are growing in certain areas. From 2007 to 2015, the County reported a 17% increase in Temporary Assistance applications, including increases of 58% for families (Family Assistance) and 97% for singles (Safety Net Assistance). Over the same period there was an 80% increase in the number of individuals and families applying for Food Stamp assistance; a 30% increase in the number of working families receiving subsidized child care assistance; and a 35% increase in the number of individuals receiving Medicaid.

## RECOMMENDATION

1. The New York State Department of Health has taken over approximately 25% of the administrative function of Medicaid eligibility from the County. This move has allowed the County to reduce staffing in Medicaid. The state's intention is to take over all of Medicaid administration by March 2018. However, the state's current progress in this assumption of responsibilities appears to be behind its established timeline. The local savings, though, is not commensurate with the total cost of the positions because of the state share of Medicaid costs.

The state has not announced any additional plans to assume responsibility for other public benefit programs. However, once the Medicaid technology platform is completed, SNAP (Food Stamps) could logically be considered for takeover by the state since there is no face-to-face interview requirement.

Regarding the Medicaid program broadly, the Commission notes that New York remains the only state in the nation that passes significant cost sharing

responsibilities onto local taxpayers through county government. This is one reason why New York's Medicaid cost burden ranks among the nation's highest. Although the state has picked up increases in Medicaid costs, counties are still responsible for a significant share. In Onondaga County alone, the local share of Medicaid accounts for \$98.9 million, or approximately 70% of all property tax revenue.

The Commission sees a potential restructuring of this cost sharing as a pathway to a new partnership between our community and the state. Specifically, we would welcome the state assuming even more of the Medicaid cost burden as our community moved ahead with the restructuring recommendations contained in the Commission's report. Doing so would create additional incentive to drive innovation and improvement locally.

### **RATIONALE & POTENTIAL IMPACT**

Social and health services in our community are already effectively consolidated at the county level, pursuant to state law. Thus, seeking improvements or efficiencies through shared services or consolidation do not apply. There are opportunities to reduce the cost burden through decisions at the state level, however.

Notably, that partnership between the state and County has already been changing. Due to work of the Medicaid Redesign Team, the state enacted a "global cap" on state-share Medicaid spending beginning in 2011-12. The cap's goal was to limit total Medicaid spending growth to no greater than the 10-year average rate for the long-term medical component of the Consumer Price Index (CPI). As part of implementing the cap, the state Department of Health and Division of Budget monitor and report spending on a monthly basis to determine if spending growth exceeds the cap. Where spending is projected to exceed the cap, state agencies are authorized to develop and implement Medicaid Savings Allocation Plans to bring spending in line. The Plans can include actions such as modifying or suspending reimbursement methods and modifying program benefits.<sup>21</sup>

The state's takeover of Medicaid administration is another byproduct of the Medicaid redesign that, although progressing slower than originally planned, will provide additional relief to local costs. These are critically important steps, and more can be done. A review of benefits and eligibility should be undertaken in an effort to identify / implement cost controls without compromising the safety net.

### **ACCOUNTABILITY PARTNERS**

State, County

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<sup>21</sup> Full information available at [https://www.health.ny.gov/health\\_care/medicaid/regulations/global\\_cap/](https://www.health.ny.gov/health_care/medicaid/regulations/global_cap/).

# Libraries

## OVERVIEW

Library services in our community are already essentially consolidated under the Onondaga County Public Library (OCPL). The product of a 1976 merger of the Syracuse Public Library and the nonprofit Onondaga Library System, OCPL is one of 23 public library systems chartered by the New York State Board of Regents. It is responsible for providing library development and resource sharing support across the system's member libraries, as well as an integrated records system that links member libraries.

Today, OCPL operates a Central Library downtown, 8 branch libraries within the City, 2 satellite libraries and 12 independent suburban member libraries.

The libraries within OCPL are a variety of different types, which impacts their governance structure and funding frameworks. The types include public school district libraries, public special legislative district libraries, association libraries and public / municipal libraries.

## RECOMMENDATION

1. Pursue opportunities for regional purchasing and materials sharing within a broadened framework that includes libraries at higher education institutions.
2. Create a statewide library card system.
3. Waive library fines for children.

## RATIONALE & POTENTIAL IMPACT

These recommendations will not generate material savings. However, the Commission views them as opportunities to enhance the type and level of services being provided at our libraries today. Further consolidation of the current structure would be feasible, though politically difficult in that local independent libraries may lose governance authority and, in some cases, current funding vehicles that are tied to their legal structure. Further, efficiency improvements through such a restructuring would likely be minimal, given the hybrid system already in place under OCPL.

## ACCOUNTABILITY PARTNERS

OCPL, member libraries, State Board of Regents

# Economic Development

## OVERVIEW: “WE MUST DO BETTER”

Through our Economic Development Committee, the Commission focused on the community’s economic competitiveness, its nexus with local government services / policy, and the extent to which issues like land use and fiscal growth capacity impact our ability to grow and thrive.

Framing all of the Commission’s work (and the community’s consideration of our recommendations) is the reality that, by any objective measure, economic performance in our community continues to lag the state and nation.

**Both the City and suburbs have seen their employed labor force shrink over the past 26 years. Overall, we have 24,500 fewer working residents today than in 1990.**

The employed labor force in Onondaga County is smaller today than it was in 1990. In total, there were 24,500 fewer employed residents in our community as of October 2016 than in 1990, a reduction of 10.3%.

And this is community-wide challenge. Indeed, both the City and its suburbs have lost employed residents over that period. The City’s employed labor force is down 18,000, or 24.6%. The balance of the county is down 6,500, or 4.0%. By contrast, New York State is up 9.9% and the USA is up 27.8% over the same period.

Population growth in our community has been anemic. Since 1970, we have lost nearly 1% of our population, compared to 8.2% growth in New York State and 55.4% growth nationally. And this is a community-wide challenge. Indeed, between 2000 and 2010, 19 of the 35 municipalities in our community lost population.

**More than half of our region actually lost population between the 2000 and 2010 Census.**

Despite our population decline since 1970, urbanized land area over that time period has increased 92%. The result is that fewer people are spread across a larger area, creating new infrastructure investment and maintenance demands that need to be borne by a smaller number of residents.

Our weak economic performance is validated by a host of rankings. Brookings Institution's Metro Monitor ranked the metropolitan area 96<sup>th</sup> out of the nation's 100 largest for its economic growth from 2013-2014. Our jobs growth rate ranked 97<sup>th</sup>, our gross metropolitan product ranked 83<sup>rd</sup>, and our aggregate wages ranked 92<sup>nd</sup>. Since the trough of the recession, the number of full- and part-time jobs in our community has increased at only one-quarter the national rate, and the gross product output has increased at half the national rate.



**Brookings' most recent metropolitan benchmarks reveal our community's economy as 96<sup>th</sup> of 100 nationally and 294<sup>th</sup> of 300 globally.**

The rankings are worse when you compare our metropolitan area internationally. Brookings' Global Metro Monitor, which benchmarks international economic performance, ranked our community 294<sup>th</sup> out of 300 from 2013-2014, a decline from 276<sup>th</sup> from 2009-2014 and 279<sup>th</sup> from 2000-14.

Brookings' own work on the 2013 CenterState Agenda for Economic Opportunity found that "the CenterState region lag(ged) the nation in most critical indicators of economic performance" from 2000-2012, including change in economic output, change in employment, output per worker and household income.

We must do better.

## **THE FISCAL REALITY FACING LOCAL GOVERNMENT**

It is abundantly clear that all municipalities – not just those in our community – face a fiscal imperative: As the cost of delivering public services rises, the need for each local government to have sustained, recurring revenue growth also rises. Where revenues cannot keep pace with natural cost increases, it becomes difficult (or in some cases, impossible) to sustain the quality, essential services we all depend on.

But there are mitigating factors.

First, not all communities have the same revenue growth capacity, meaning some can offset cost increases more easily than others. One byproduct of this capacity

differential across a region like ours is the potential to create “pockets” of relative wealth and need from a local government standpoint. Where that occurs, some municipalities are capable of continuing to invest in services and offset cost growth, while others cannot.

**Not all of our municipalities have the same revenue growth capacity, and our current structure incentivizes us to compete against one another in a “zero sum” fashion.**

Second, because all local governments face the same revenue imperative, it creates the potential for an intra-regionally competitive framework where “Town A” competes with “Town B,” “Town C” and the City for the same investment. And because the local government share of property tax revenue flows only to the host municipality, this can create a “zero sum” revenue growth environment. That is, local governments have incentives to compete against one another for the same investment since the direct fiscal benefit is largely confined to whichever community “wins” it. This challenge is further exacerbated when economic investments migrate from one part of the region to another, as opposed to wholly new investments in our community.

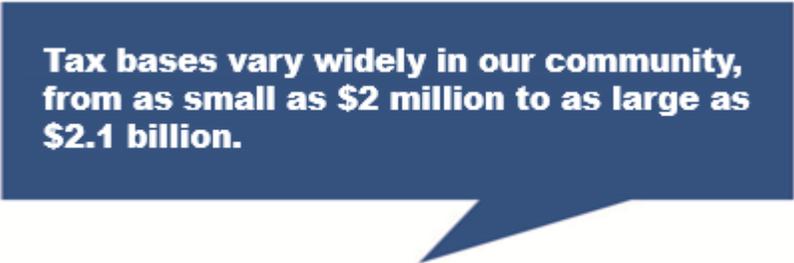
**Our current system creates incentives for one part of our community to compete for growth and investment with other parts of our community: A zero-sum competition with ourselves.**

A community’s revenue growth capacity is impacted by a host of factors. One may be the degree to which it is already built out: Communities with less developable land have lower revenue growth capacity.

Another may be its distance from the region’s core: Communities that are further from our commercial corridors and transportation hubs may have lower revenue growth potential.

Still another may be the degree to which a community wishes to remain undeveloped: Areas that wish to retain “community character,” greenspace or other natural public spaces and make policy decisions to do so create real financial impacts, one of which is opting to have lower fiscal growth capacity.

Our Economic Development Committee examined revenue growth capacities of the municipalities in our community by applying a measure used in the Twin Cities Region<sup>22</sup> of Minneapolis and St. Paul, Minnesota. Known as “relative fiscal capacity,” the measure plots municipalities within the region based on a calculation of the hypothetical revenue that would be produced if the mean countywide tax rate were applied to each municipality. The measure reflects the range of tax base capacities across the individual local tax bases in a region.



**Tax bases vary widely in our community, from as small as \$2 million to as large as \$2.1 billion.**

Within our community, municipal tax base sizes (excluding the County) range from as small as \$2 million to as large as \$2.1 billion, a difference of more than 1,000 times. The same tax rate applied in these two different contexts, therefore, produces hugely different property tax revenue levels – and, by extension, revenue capacity.

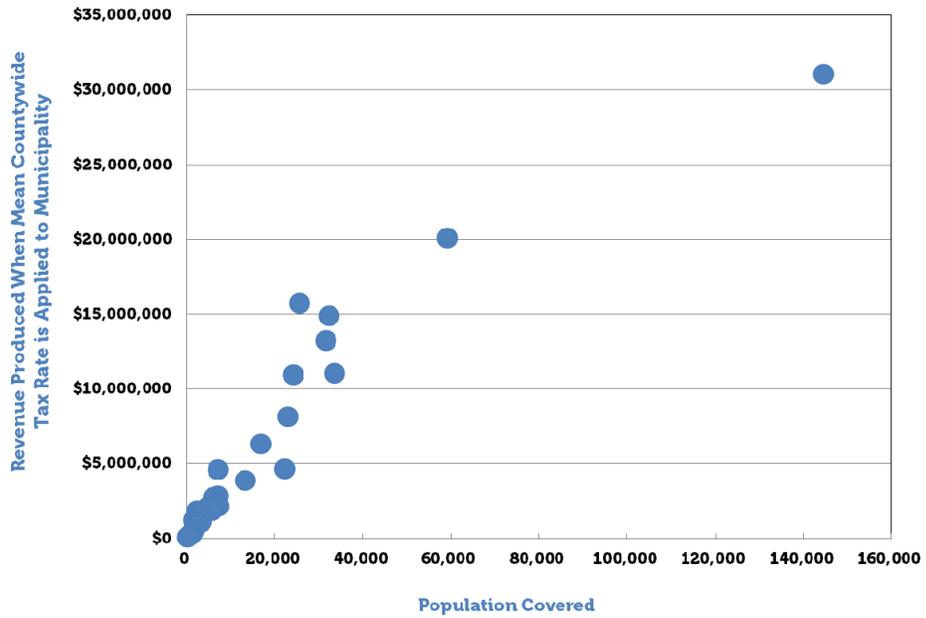
The following graphics plot relative fiscal capacity vs. population covered for each of our community’s local governments. The first graphic includes the City plus all towns and villages; the second graphic shows only towns and villages.

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<sup>22</sup> <http://www.metrocouncil.org/Communities/Planning/Local-Planning-Assistance/Fiscal-Disparities.aspx>

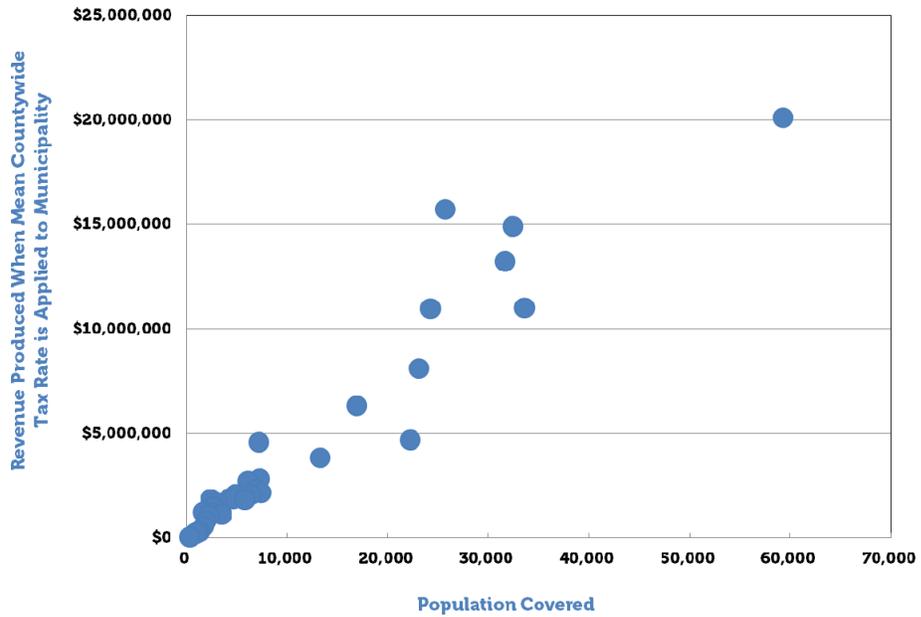
### Relative Fiscal Capacity vs. Population Covered

(City, Towns and Villages)



### Relative Fiscal Capacity vs. Population Covered

(Graph Excludes City, Shows Towns and Villages Only)



Not surprisingly, the tax bases covering larger numbers of residents tend to be larger, and thus capable of producing more sheer dollars when the mean countywide property tax rate is applied in this hypothetical analysis.

As important, however, is the capacity challenge facing those municipalities with a smaller relative property tax base. Where the base is smaller, overall capacity is lower, rates may need to be higher to generate the same amount of money than would otherwise be the case with a larger tax base, and the burden is concentrated on a smaller number of residents and property taxpayers.

## **UNEVEN REGIONAL GROWTH**

Another factor impacting fiscal growth capacity is the rate of growth within a municipality. In order to assess growth patterns in the Syracuse-Onondaga community, the Economic Development Committee analyzed place-based residential building permit data from the U.S. Census Bureau for the period 2005-2014. This offers a proxy measure for where development has occurred at the fastest rate.

Over the entire period, countywide residential construction totaled approximately \$1.3 billion. The Town of Clay ranked first with 17% of the total, followed in order by the Towns of Camillus (11%), Lysander (9%), Onondaga (8%), Cicero (7%), and the City of Syracuse (7%).

But as important as where this construction occurred is finding where it did not occur. Many local governments experienced little to none of that development, compromising their ability to offset cost increases and sustain essential services. Consider:

- 20 of the 35 municipalities in our community had residential construction growth shares that represented less than 1% of the countywide total;
- 9 of the 35 municipalities in our community had shares that were less than their share of countywide population. The greatest disparity was in the City of Syracuse, which, notwithstanding that it ranked 7<sup>th</sup> among all municipalities with 7% of the construction value, has 31% of the countywide population; and
- Villages in our community were generally not beneficiaries of new residential construction. Ten of the 15 villages claimed less than 1% of the countywide share, and 3 others claimed only 1% each. This had the effect of keeping the average village property tax base capacity low, and compromising villages' ability to offset cost increases and maintain critical services.

## **CREATING A SHARED GROWTH APPROACH**

The same fiscal imperatives and byproducts of intra-regional competition led the State of Minnesota to adopt the "Fiscal Disparities Program" in 1971 for the Minneapolis and St. Paul region. The core element of the program is a tax base

sharing framework designed, first, to create regional incentives to growth, and second, to bridge differences in fiscal capacity.<sup>23</sup>

**A program enacted in Minneapolis and St. Paul, Minnesota in the 1970s has helped address the same challenges of growth capacity and competition.**

The policy applies to new economic investments that occur in the community, such as a new business starting or an employer moving into the region from outside. Under the program, 60% of all new property tax growth that results from such investments remains in the “host community,” defined as the municipality in which the investment actually occurs. The other 40% is directed to a regionally-shared pot that is distributed to municipalities throughout the overall community by formula. The “shared” pot grows over time as new investments are made anywhere in the region. Since 1971, the shared portion of Minneapolis-St. Paul’s tax base has grown to represent more than one-third of the total commercial / industrial tax base, and 10% of the overall tax base (including residential).

The goals of Minnesota’s program are cross-cutting:

- Shifting economic development away from a “zero sum growth” framework, and into one that is beneficial to the overall community;
- Providing a way for local governments to share in resources generated by the region’s growth without removing any existing resources they already have; and
- Bridging fiscal capacity gaps among communities in the region.

Under Minnesota’s system, the shared portion of the tax base is distributed by formula to municipalities based on their respective fiscal capacity, defined as equalized market value per capita.<sup>24</sup> This means that:

- A municipality whose fiscal capacity is equal to the regional average gets a payout equal to its share of total population;

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<sup>23</sup> <http://www.metrocouncil.org/Communities/Planning/Local-Planning-Assistance/Fiscal-Disparities.aspx>

<sup>24</sup> It is important to note that under the Minnesota framework, market values per capita are regularly recalculated to ensure the fiscal relationships remain current. Over time, some net “recipients” have even become net “contributors” to the regionally shared funds. Such was the case with the City of Minneapolis, which has become a net contributor to its suburban neighbors over time.

- A municipality whose fiscal capacity is greater than the regional average gets a payout that is smaller; and
- A municipality whose fiscal capacity is less than the regional average gets a payout that is larger.

An analysis of market values per capita within our community finds that the net “recipients” of such a tax sharing arrangement – that is, those with the lowest market values per capita – would be the City and the majority of village governments.



**Such a policy here would reduce zero sum competition, create incentives to locate investments where they make most sense, and give our entire community a stake in every economic growth opportunity.**

Another net beneficiary would be those communities that, under the current system, feel significant pressure to compromise their character or quality of life in order to pursue new revenue. For example, those parts of our community that are more rural and undeveloped face a pointed challenge: Reduce greenspace in order to develop and add to the tax base, or forego that development and risk not having the funding for critical municipal services.

Under the Minnesota framework, that municipality would now be able to benefit from economic investment that occurs elsewhere in the region – ideally in more developed corridors – while not compromising its community character. At the same time, more developed parts of our community would benefit by seeing that economic investment occur in their municipality instead of on greenspace elsewhere.

This would reduce zero sum competition, create direct incentives to locate economic investments where they make most sense, and make every corner of our community a “cheerleader” in the economic growth of every other corner of the community.

## **LAND USE PLANNING**

The land use and planning function is spread across all local governments in our community. Generally speaking, there are three boards per municipality involved in planning and zoning-related decisions. Jurisdiction varies by municipality, but most typically municipal boards handle zoning changes, ordinance changes, local laws, comprehensive plan adoptions, moratoriums and, occasionally, subdivisions;

planning boards are responsible for site plans, subdivisions, special permits, recommendations to the municipal boards on certain actions, and appeals of administrative decisions; and zoning boards of appeal adjudicate use and area variances and, occasionally, special permits. Municipal boards are elected; planning and zoning boards are generally appointed by the municipal board.

**More than 550 board members are involved in land use and planning activities in our community – more than the U.S. Senate and House of Representatives combined.**

The disaggregation of these functions across all local governments requires professional / paid staff capacity in each. At the town and village level, planning staff work and budgeting often occurs alongside code enforcement activities, and staff capacity is sometimes shared across the two functions. The level of staff work is highly dependent on the caseload, which varies greatly by community – some boards see less than 10 cases per year, while others review hundreds. Some planning and zoning board members are paid, while in other communities they are not. Boards also generally retain attorneys and engineers to advise on matters that come before them.

In total, we estimate that more than 550 board members are involved in land use and planning activities across Onondaga County – nearly 200 municipal board members, 195 planning board members, and 169 zoning board members. Each municipality possesses its own zoning ordinance and subdivision regulations, and other local laws / ordinances related to planning. Each is also required to promulgate and enforce its own ordinances and policies (though state General Municipal Law dictates that public notice must be given to neighboring municipalities of certain planning and zoning actions).

This disaggregation of planning and zoning powers countywide creates challenges. Notwithstanding that part of SOCPA's (Syracuse-Onondaga County Planning Agency) mission is to coordinate countywide planning activities and cooperate on local planning matters, the reality is that our community lacks an enforceable regional land use plan. And most importantly, the absence of an enforceable regional land use plan has exacerbated the incentives to engage in zero sum fiscal growth. In addition to encouraging intra-regional competition, it has also resulted in urbanization and new infrastructure development despite our stagnant population growth.

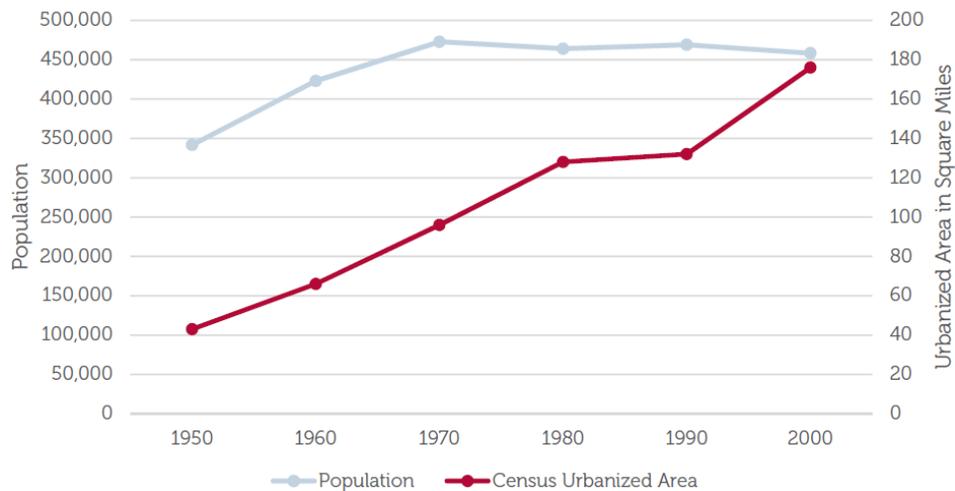
**The absence of regional coordination in our land use has resulted in major infrastructure expansion and zero sum growth, despite flat population.**

For example, from 2001-2008, while population remained essentially flat our community added:

- 144 miles of new water mains;
- 57,201 feet of new sewer lines; and
- 61 miles of new road.

And during the 1990s, our community's urbanized area grew by approximately 50 square miles.

**Increase in Urbanized Area vs. Population Growth, 1950-2000**



**RECOMMENDATION**

1. Create a countywide shared tax base framework- a **Municipal Development Fund** – modeled on the Minneapolis-St. Paul program, designed to:

- Reinforce the community-wide benefits of economic development;

- Mitigate the fiscal imperatives to development facing every municipality, which can result in us competing with ourselves; and
- Incentivize future development into developed parts of the region in a way that preserves fiscal benefit for all municipalities.

2. Establish a countywide land use plan that provides for consistent and enforceable planning on a countywide basis.

- Provide for countywide coordination among municipalities' individual land use plans.
- Retain zoning and planning functions within individual municipalities but leverage the countywide plan to ensure consistency; encourage growth in a way that optimizes existing infrastructure and urbanized area; and reduce the creation of new infrastructure that will require ongoing maintenance and long-term investment.

3. Combine the City and County Industrial Development Agencies and economic development offices to create one professional, fully accountable and transparent economic development agency.

## **RATIONALE**

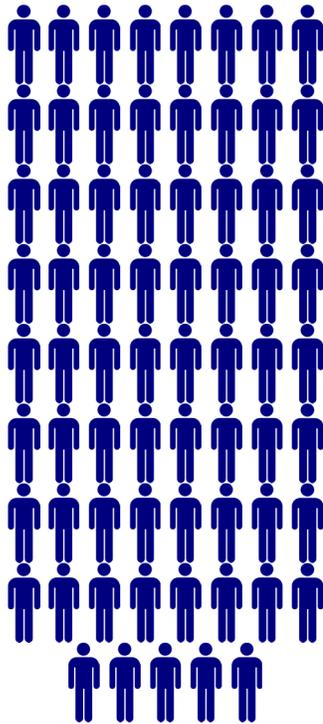
The very existence of individual local government units in our community – in *any* community – often leads to viewing us in terms of our component units. For example, city-town-village, or urban-suburban-rural.

But in many ways, these component units are intimately tied to one another. Although our community's local government units have been the focus of Consensus' work, it is critically important to acknowledge the broader economic connections that exist among us.

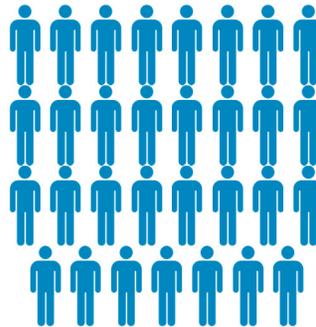
Local governments are legally separate entities, each with its own elected leadership and service delivery framework, but they each serve communities and constituents that are vital parts of a broader economic marketplace. Indeed, academic research (and not to mention, the economic development strategies of our competitor regions) has increasingly stressed the interconnectedness of municipalities within larger communities. Acknowledging those connections and viewing each of our municipalities in a broader context is critical to changing our long-term trajectory.

Of every 100 employed residents  
in Onondaga County...

69 work in a DIFFERENT  
municipality than they live



31 work in THE SAME  
municipality they live



One example of our strong economic connections is our commuting patterns. As illustrated in the Commission's baseline report, the overwhelming majority of residents in Onondaga County work in a community other than the one in which they live. More than 69% of workers leave their "home" village, town or city to travel to work. The rate is considerably higher in many municipalities – 9 out of 10 employed residents of Otisco work outside the Town, for example. And in 20 of our 35 municipalities, more than four out of every five employed residents works in a different village, town or city than they live in.

The 69% of us that already work in a different municipality than we live in conduct billions in economic activity on this broader community-wide basis. In fact, more than \$4.3 billion in personal income is already generated among those of us who live in one Onondaga County village, town or city but work in another.<sup>25</sup> And that is before we spend our recreation, culture, sporting or entertainment dollars.

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<sup>25</sup> Estimate is based on the 2008-12 American Community Survey, which showed 69.1% of residents work in a jurisdiction other than the one in which they live. Applying that percentage to the 2012 monthly average Onondaga County employed labor force figure, and then multiplying that by per capita personal income, produces an aggregate figure of \$4.3 billion.

**We are already economically connected.  
Now let's modernize our structures in a  
way that reflects those connections and  
positions us to be more competitive.**

Simply put, we are already economically connected. Now it is incumbent on our community to modernize its structures in a way that reflects those connections and positions us to be more competitive.

Adopting a shared tax base approach will make every corner of our region – *all of us* – champions in our community's overall growth: Reducing zero-sum competition, driving investment to already developed areas, providing a more sustainable fiscal pathway for those municipalities that cannot (or desire not) to develop, and bridging our fiscal differences in ways that ensure no part of our community is left behind.

Establishing a countywide land use approach will provide us with capacity to address a reality we already face: That decisions regarding land use in one part of the community already impact others in the community. More coordination will help us balance local issues and desires with community-wide concerns, and give us a more rational framework for matching our infrastructure growth to our population growth.

And finally, combining the City and County industrial development agencies and economic development departments will create a “one stop” approach to recruitment, retention and expansion among our community's two largest entities. Consistent with other recommendations offered in the Governance section of this report, merging the functions between City and County will better position us to speak with “one voice” and present a united front to prospective investors. In the global competition for economic investment, jobs and prosperity, we cannot afford anything less.

In sum, these recommendations are not intended to generate material savings. They are not about savings at all, in fact. What they are about is the economic future of our community – every municipality, household and resident. Modernizing our incentives, approach to land use and development agencies is a significant step toward reclaiming our region's position as an innovative economic player.

## **ACCOUNTABILITY PARTNERS**

State, County, City, towns, villages, industrial development agencies

# Governance: A New Structure

## OVERVIEW

Much of the Commission's focus has been on the overall structure of local government in our community – its boundaries, how responsibilities are allocated across levels of government, and similarities / differences across local governments – in order to assess the degree to which structure impacts efficiency and effectiveness.

In particular, we have considered how the current structure helps or hinders the ability of our community to make policy and manage investments that are in the overall community's best interest.

Several key themes emerged in our discussions:

- The broader impacts on our community of population loss and stagnation;
- The local fragmentation of service delivery, administrative responsibility and policy making authority on certain issues that are truly countywide in nature;
- The fiscal and service sustainability of the City of Syracuse, which serves as the region's economic engine and population hub; and
- The similarity of function and scale that exists between the City and County governments.

Our work was framed by the reality that, by any objective measure, economic performance in our community has lagged for at least a generation. A smaller employed labor force, higher levels of poverty and stagnant population growth have increased the management challenge for all our local officials – city, suburb and rural – and concentrated the cost burden on those residents and businesses who remain.

So, too has the emergence of confounding policy challenges that, in very real ways, are cross-cutting and transcend municipal boundaries. Issues like poverty, economic development and unemployment do not stop at the City's edge, but rather affect our entire community in fundamental ways.

Yet our structures are not always designed to address such dynamic challenges, nor capitalize on regional assets in truly regional ways. The County and City's current boundaries date to 1825; the towns' and villages' to as far back as the late 1700s.

Although over the years lines have been adjusted and municipal powers reconfigured, the reality is that the basic structure of local government we have in place today is nearly two centuries old. The needs, challenges and opportunities facing our community have changed radically since.

## A NEED TO THINK BIGGER

The Commission studied models and interviewed representatives of a number of communities in the U.S. that have pursued regional innovations in the past half-century, including Indianapolis, Louisville and Minneapolis. We found that there are a number of consistent rationales behind the push to “think bigger” and beyond our municipal-level structures.

- **Cost Savings:** Efforts are often motivated in part by a desire to realize efficiency savings through the elimination of duplicative structures, services and positions.
- **Service Improvements:** Efforts are often motivated by a desire to improve or sustain the quality of services in ways that are more difficult to achieve when communities are not collaborating with one another.
- **Economic Imperatives:** Efforts are often motivated by a desire to promote regional competition and shift the paradigm from one where the community competes with itself, to one where it competes more effectively with other regions.
- **Policy Realities:** Efforts are often motivated by a realization that policy issues – especially those that bear most strongly on a community’s economic health and well-being – no longer stop at centuries-old municipal boundaries.
- **Fiscal Connections:** Efforts are often motivated by data that demonstrate the economic ties between all parts of a region – urban cores, their surrounding suburbs, and rural communities. Research shows that, on balance, healthier cities beget healthier suburbs, and that there is a positive statistical relationship between changes in suburban and urban per capita personal income.

We have concluded that each rationale applies to our community as well.

There are cost savings to achieve. Nearly all of the service-level recommendations presented in this report, which would impact **every level of government in our community**, can produce savings through more sharing, better collaboration and modernized approaches to how we deliver critical services. And as shown later in this section, consolidation of our two largest local governments can produce significant annual savings by leveraging common services and scale.

There are service improvements to achieve. Thinking – and addressing – the service issues affecting all of us in a more regional fashion can better position us to maintain services and infrastructure in ways that do not create excess burdens on smaller communities or narrow tax bases. Collaboration opens up opportunities that fragmented service delivery models preclude.

There are economic imperatives to address. Our employed labor force is smaller today than it was 25 years ago – in **both the City and the suburbs**. We are lagging our state peers and national competitors. More than half of our communities have experienced recent population decline. And our national rankings of economic performance have been abysmal.

There are policy realities to address. **So many of the issues we face as a community – infrastructure, poverty, education, taxation, public safety, health, and others – do not stop at the arbitrary boundaries that divide us.** Worse, those boundaries result in a disaggregation of our resources, a concentration of our costs, and inconsistent policy approaches. In order to address the bigger challenges facing our region, there is a need to think, act and make policy over a broader geographic area.

There are fiscal connections to acknowledge and build on. As noted, our population stagnation is not only a City problem. Similarly, our employed labor force contraction is not only a City problem. So it should not surprise us that **long-term fiscal stability is not only a City problem**, either. Baseline trends from the past decade suggest that our town and village partners face challenging financial headwinds over the next ten years absent change.

The following graphs illustrate these baseline trends for towns and villages. Here is how they were developed. Every local government annually submits financial data to the Office of the State Comptroller, which makes it publicly accessible online.<sup>26</sup> In order to estimate where our local governments are today – and more importantly, **where they are trending** – the Commission produced baseline projections of expenditure growth rates for each.

For each town and village we determined the average annual expenditure increase from 2004 through 2015, and extrapolated that increase forward at the same rate.<sup>27</sup>

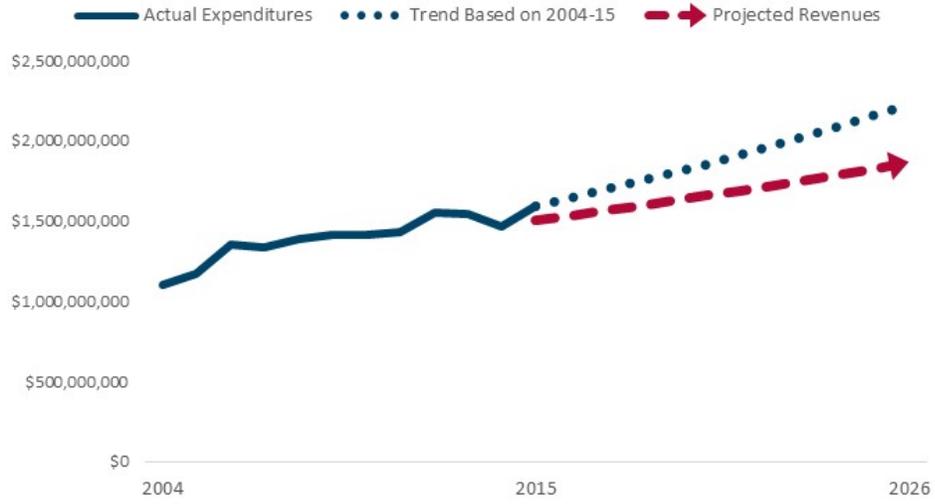
On the revenue side, we began with each government's self-reported 2015 actual revenue figure and extrapolated it forward at an assumed annual growth rate of 2%. That percentage was selected to link to the property tax cap imposed by New York State in 2011.

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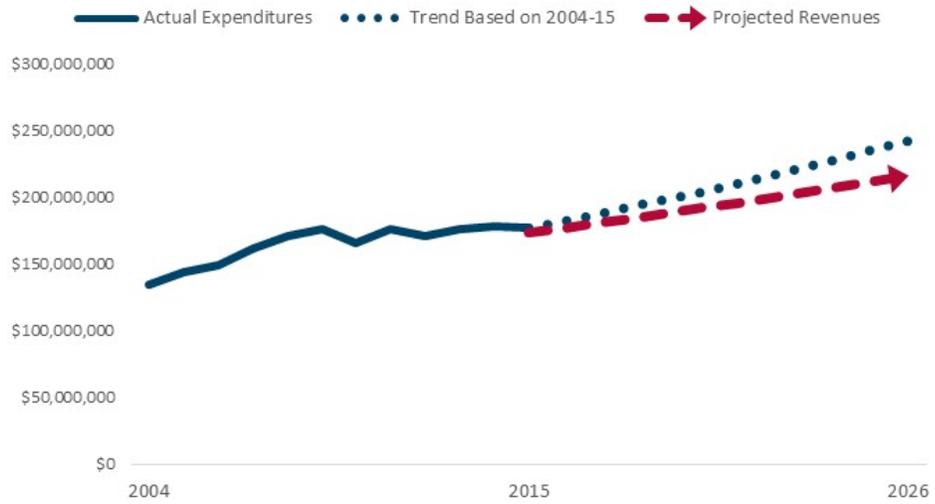
<sup>26</sup> The full dataset from 1996 to 2015 is available at [https://www.osc.state.ny.us/localgov/datanstat/findata/index\\_choice.htm](https://www.osc.state.ny.us/localgov/datanstat/findata/index_choice.htm).

<sup>27</sup> In order to adjust for anomalous years and achieve the truest baseline trend, the single largest year-to-year increase and decrease was removed from the calculation of the average annual change for both the town grouping and village grouping.

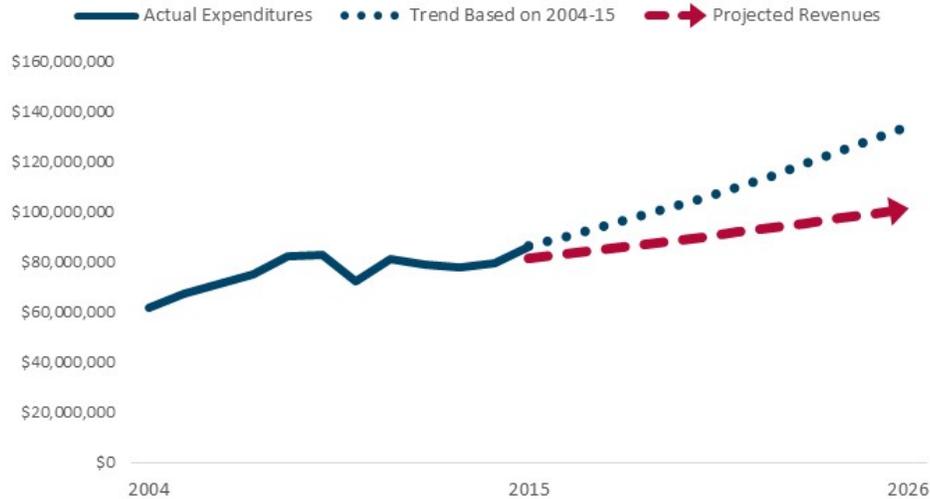
### City of Syracuse and Onondaga County



### All Towns, Onondaga County



## All Villages, Onondaga County



This pressure is not new. We heard loudly and clearly from municipal officials throughout our community that governing in a cost-conscious way while sustaining high quality services has become increasingly difficult. In some municipalities, officials pointedly expressed that they cannot see a long-term pathway to prosperity within our current system.

### RECOMMENDATION

The systemic challenges facing our community call for systemic solutions. And the process of modernizing how we “do” local government requires change on the part of all our governments. Every unit of government must bear the challenge of change – in how we make policy, deliver critical services and plan for the future.

The full series of recommendations contained in this report sets forth a framework for that change. They call for change from every level and type of local government in our community. Through collaboration and service reorganization, they offer a pathway to help address the shared economic and fiscal challenges facing us.

**Our recommendations call for change from every local government. This is not – indeed, it cannot be – about just the County and City, especially when our towns and villages face challenges as well.**

This is not – indeed, cannot – be about just the County and City. The majority of our towns and villages will see baseline deficits in the next decade. **They cannot be bystanders in our efforts to modernize.** Doing so would ignore the data, the opportunities, and the perspectives they shared with the Commission about how the job of managing their municipalities has grown increasingly difficult.

This report offers service level recommendations for every town and village in the community – from public works and public safety, to municipal operations and infrastructure. Some of these recommendations will get greater attention, or be more challenging to implement, or offer greater potential benefit. But each is an opportunity to move the needle on our efficiency, effectiveness and competitiveness. Our towns and villages cannot afford to ignore them.

At the same time, we see unique opportunity at a higher level: **An opportunity to create a new municipal structure that brings together our community’s two largest governments.**

**We recommend that the County and City governments be combined into a new service delivery and governance structure that leverages their functional and scale similarities.**

Together, the County and City represent approximately 85% of all local government spending in our community. Together, the County and City govern and service both our entire community and our largest urban area, economic engine and population center.

Together, County and City can lead the way; establish “proof of concept” that our new government will be inclusive, representative and cost-effective; and create the formal mechanism by which other municipalities in our community can join over time by referenda of their own.

**We recommend combining the County and City into a new service delivery and governance structure. The two governments can lead the way, establish proof of concept and create a formal mechanism for other municipalities to join by referenda of their own in the future.**

## **THE NEW STRUCTURE**

One of the most common themes of feedback the Commission heard after release of our Preliminary Options report was for “more detail.” That was specifically the case for what became known as “Recommendation 51,” the creation of a new county-city government.

The request for more details was twofold.

First, you wanted more information on how the new government would be *governed*. What would it look like? How representative would it be? How many districts would it have? How would it be an improvement over what we have today?

In response, the Commission spent months considering a series of governance options and their tradeoffs. **Our full recommendation and rationale on governance structure is presented in the next section of this report (Governance: A New Legislature).**

Second, you wanted more information on how a combined county-city would look *structurally*. What functions are similar and could be most naturally combined? What is the range of potential savings that could result? What non-service financial opportunities could result? What would the impact be on City-specific components such as the Syracuse City School District and City-owned debt?

We focus on those structural elements below.

**In presenting these structural recommendations, the Commission is proposing a framework. It is not our intent to endorse specific staffing levels, service scopes, programmatic elements or facility needs. Those would be, in the first instance, the responsibility of the new legislative body, and ultimately, the**

**prerogative of department heads and public servants to implement on a day-to-day basis. Our recommendations are therefore structural, not managerial.**

The Commission has identified three categories of impact that could result directly or indirectly from the creation of this new government:

- Service efficiency
- Cost avoidance
- Revenue enhancement

Each area is presented in greater detail below.

### **IMPACT AREA 1: SERVICE EFFICIENCY**

In envisioning the service delivery structure of the new government and determining its potential financial impact, we assume that:

- FIRST, any service areas that are common to both the City and County would be blended into a single department, with unified administration and a combined staff structure; and
- SECOND, any service areas that are unique to either the City or County would be retained and continue to operate as part of the new government.

Of course, the greatest opportunities for service efficiency will occur in those functional areas that are common to both the City and County. To identify and scale those, the Commission completed a functional mapping of the City and County's fiscal year 2017 budgets. That is, each functional area / cost center in the City was examined in context with the County's functional areas / cost centers to determine the extent of like expenditures.

To get a high-level sense of the service menu similarity between the City and County, consider: When the current City budget is held up against the current County budget, we find more than \$131.4 million in City expenditures that have a corresponding service area in County government.

**There are a series of similar cost centers in the City and County. In the current year budget, more than \$131 million in City expenditures have a corresponding County cost center.**

In completing the functional mapping, the Commission sought to identify areas of *substantial similarity*, rather than complete overlap. For example, the Syracuse Police Department and Onondaga County Sheriff's Office are substantially similar in the form of service they provide (e.g. administration, patrol, criminal investigation, evidence). However, there are also certain functions within each department that are performed only by that department (e.g. the Sheriff's Office operation of the Corbett Justice Center).

Each recommendation presented below identifies the department that would be consolidated, the affected departments in the City and County as of today, and the respective budgeted expenditure for each for the current fiscal year (2017). The recommendations are based on the Commission's determination of which City and County functions are substantially similar and how they would most likely be combined in a new government.

**Potential annual savings of \$8.7 to \$22.9 million are achievable, subject to decisions on service type, level and staffing that would be made by the new government.**

In estimating the financial impacts of such a reorganization, below we present a range of potential savings for each service area. The Commission opted to present ranges because, although we find there are savings opportunities in many of these areas, the actual impacts will be subject to decisions that would be made by the newly elected governing body and department heads in the new government. Our goal is therefore to present potential order of magnitude savings, both as a frame of reference for what is *possible* and to focus attention on those areas with the greatest potential.

In determining savings potential, the Commission did not complete detailed management or workload studies of each service area. Rather, it examined the primary functions of each department, division or bureau in City and County government; determined the extent to which service types / levels may be materially different; reviewed current staffing levels, particularly at the administrative level; and documented current expenditure levels and trends over the past several fiscal years for each cost center.

The Commission then considered what each common cost center *could* look like in the context of a single government structure. That consideration was informed by several determinations. Among them:

- Would workloads be impacted?
- Would administrative and / or managerial-level staffing capacity requirements be impacted?
- Are there certain “threshold” costs that are required to be duplicated by two separate departments, which could be mitigated within a single department?

In developing these order of magnitude savings, the Commission presents a “low-to-high” range for each area. We are not endeavoring to make specific staff-level or service delivery recommendations. Those are decisions that would be the ultimate responsibility of the new government’s elected leaders and department heads. And those decisions will undoubtedly impact the eventual savings. However, we do find that there are opportunities to reduce costs through combining common functions.

At the low end, we find that potential annual savings to be \$8.7 million; at the high end, \$22.9 million.

RECOMMENDATION: Establish single legislative governing body by combining the following:

**City Department: Common Council**

FYE 2017 Est. Cost = \$674,826

**County Department: County Legislature**

FYE 2017 Est. Cost = \$3,217,574

Range of Potential Savings: N/A (No estimated savings are shown for the legislature since, as noted in the following section, the Commission calls for a legislature that would be slightly larger than a combined Common Council and County Legislature)

RECOMMENDATION: Establish single executive office by combining the following:

**City Departments: Office of the Mayor + Office of Administration**

FYE 2017 Est. Cost = \$795,852<sup>28</sup> + \$226,503

**County Department: County Executive**

FYE 2017 Est. Cost = \$1,650,133

Range of Potential Savings: \$0.7m to \$1.0m

RECOMMENDATION: Establish a single budget department by combining the following:

**City Department: OMB / Division of Budget**

FYE 2017 Est. Cost = \$606,500

**County Department: Management and Budget**

FYE 2017 Est. Cost = \$1,424,778

Range of Potential Savings: \$0.1m to \$0.3m

RECOMMENDATION: Establish single purchasing department<sup>29</sup> by combining the following:

**City Department: OMB / Division of Purchase**

FYE 2017 Est. Cost = \$67,944

**County Department: Purchase**

FYE 2017 Est. Cost = \$2,064,325

Range of Potential Savings: \$0.0m to \$0.1m

RECOMMENDATION: Establish single personnel department by combining the following:

**City Department: Office of Personnel and Labor**

FYE 2017 Est. Cost = \$848,489

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<sup>28</sup> City costs presented in this section include an estimate for fringe benefit costs. This is because the City budget – like many municipal budgets – accounts for fringe benefits such as pension and health insurance for all employees in an “undistributed” line at the end of the budget, rather than on a department-by-department basis. To estimate the true cost of each department, the Commission took the base cost of each, isolated the salary-only component, applied a 50% multiplier, and added that total to the overall departmental budget. In the case of the Office of the Mayor, then, although the gross cost of that line in the budget is \$562,568, we estimate that the “true” cost of the department is \$795,852 once its fringe benefits are accounted for. No similar adjustment is required on the County figures, since the County budget already allocates fringe benefit costs on a department-by-department basis.

<sup>29</sup> The City and County (along with the Syracuse City School District) have already combined certain purchasing services. Estimated financial savings are related to the marginal additional impact of further consolidating them into a single entity.

**County Department: Personnel**

FYE 2017 Est. Cost = \$3,966,239

Range of Potential Savings: \$0.2m to \$0.4m

RECOMMENDATION: Establish single information technology office by combining the following:

**City Department: Bureau of Information Technology**

FYE 2017 Est. Cost = \$1,750,360

**County Department: Information Technology**

FYE 2017 Est. Cost = \$13,646,391

Range of Potential Savings: \$0.4m to \$1.3m

RECOMMENDATION: Establish single treasury office by combining the following:

**City Department: Bureau of the Treasury**

FYE 2017 Est. Cost = \$952,649

**County Department: Treasury**

FYE 2017 Est. Cost = \$294,550

Range of Potential Savings: \$0.2m to \$0.7m

RECOMMENDATION: Establish single accounts office by combining the following:

**City Department: Bureau of Accounts**

FYE 2017 Est. Cost = \$1,043,601

**County Department: Financial Admin / Operations**

FYE 2017 Est. Cost = \$5,851,439

Range of Potential Savings: \$0.3m to \$0.7m

RECOMMENDATION: Establish single clerk's office by combining the following:

**City Department: City Clerk**

FYE 2017 Est. Cost = \$468,354

**County Department: County Clerk**

FYE 2017 Est. Cost = \$3,836,600

Range of Potential Savings: \$0.1m to \$0.3m

RECOMMENDATION: Establish single audit division by combining the following:

**City Department: Audit**

FYE 2017 Est. Cost = \$249,810

**County Department: Comptroller**

FYE 2017 Est. Cost = \$3,050,631

Range of Potential Savings: \$0.1m to \$0.2m

RECOMMENDATION: Establish single real property and assessment office by combining the following:

**City Department: Assessment**

FYE 2017 Est. Cost = \$772,885

**County Department: Real Property Tax Services**

FYE 2017 Est. Cost = \$1,365,179

Range of Potential Savings: \$0.0m to \$0.2m

RECOMMENDATION: Establish single law department by combining the following:

**City Department: Law**

FYE 2017 Est. Cost = \$2,507,890

**County Department: County Attorney / Municipal Legal**

FYE 2017 Est. Cost = \$3,656,956

Range of Potential Savings: \$0.5m to \$1.4m

RECOMMENDATION: Establish single community and business development office by combining the following:

**City Department: Neighborhood and Business Dev**

FYE 2017 Est. Cost = \$405,692

**County Department: Community Development**

FYE 2017 Est. Cost = \$6,986,322

Range of Potential Savings: \$0.0m to \$0.2m

RECOMMENDATION: Establish single contract compliance office by combining the following:

**City Department: Contract Compliance / Minority-Women Business**

FYE 2017 Est. Cost = \$58,541

**County Department: Purchase (Compliance Only)**

FYE 2017 Est. Cost = \$189,424

Range of Potential Savings: \$0.0m to \$0.05m

RECOMMENDATION: Establish single engineering office by combining the following:

**City Department: Engineering / Technical Services**

FYE 2017 Est. Cost = \$2,080,761

**County Department: Transportation (Engineering Only)**

FYE 2017 Est. Cost = \$1,509,530

Range of Potential Savings: \$0.2m to \$0.6m

RECOMMENDATION: Establish single public works administration office by combining the following:

**City Department: Public Works Main Office**

FYE 2017 Est. Cost = \$2,004,650

**County Department: Transportation (Admin Only)**

FYE 2017 Est. Cost = \$12,430,684

Range of Potential Savings: \$0.6m to \$1.3m

RECOMMENDATION: Establish single buildings and facilities division by combining the following:

**City Department: Public Works Building Services**

FYE 2017 Est. Cost = \$5,239,644

**County Department: Facilities Management**

FYE 2017 Est. Cost = \$24,300,879

Range of Potential Savings: \$0.5m to \$1.3m

RECOMMENDATION: Establish single road maintenance division by combining the following:

**City Departments: Public Works Street Repair + Snow / Ice Control**

FYE 2017 Est. Cost = \$1,662,355 + \$4,724,551

**County Department: Transportation (Road Maint Only)**

FYE 2017 Est. Cost = \$30,693,592

Range of Potential Savings: \$0.1m to \$1.0m

RECOMMENDATION: Establish single fleet maintenance division by combining the following:

**City Department: Public Works Motor Equip Maintenance**  
FYE 2017 Est. Cost = \$4,469,315

**County Department: Transportation (Machinery Only)**  
FYE 2017 Est. Cost = \$6,893,051

Range of Potential Savings: \$0.2m to \$0.7m

RECOMMENDATION: Establish single law enforcement department by combining the following:

**City Department: General Services Bureau + Uniform Bureau**  
FYE 2017 Est. Cost = \$12,548,133 + \$57,998,780

**County Department: Sheriff's Office**  
FYE 2017 Est. Cost = \$88,035,020

Range of Potential Savings: \$3.5m to \$5.9m

RECOMMENDATION: Establish single parks and recreation division by combining the following:

**City Department: Parks + Parks Administration**  
FYE 2017 Est. Cost = \$4,841,666 + \$835,389

**County Department: Parks and Recreation**  
FYE 2017 Est. Cost = \$17,008,577

Range of Potential Savings: \$0.7m to \$1.8m

RECOMMENDATION: Establish single water provider by combining the following:

**City Department: Water Fund / Water Department**  
FYE 2017 Est. Cost = \$18,752,755 (operating costs net of debt)

**County Department: Metropolitan Water Board**  
FYE 2017 Est. Cost = \$3,019,780

Range of Potential Savings: \$1.0m to \$2.8m<sup>30</sup>

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<sup>30</sup> The County's 2017 budget already provides for a consolidation of the Metropolitan Water Board with the Onondaga County Water Authority. Consistent with that action, and consistent with the recommendation presented in the Water Infrastructure section of this report, this additional step would combine the City Water Department into OCWA. Savings shown are in addition to the \$1 million anticipated savings already incorporated in the County budget from the MWB-OCWA merger.

RECOMMENDATION: Establish single wastewater service provider by combining the following:

**City Department: Sewer Fund / Sewer Department**

FYE 2017 Est. Cost = \$4,891,677 (operating costs net of debt)

**County Department: Water Environment Protection**

FYE 2017 Est. Cost = \$88,094,503

Range of Potential Savings: \$0.2m to \$0.7m

Order of Magnitude Savings Estimates by Cost Center		
	Low-Range Estimate	High-Range Estimate
	(in \$ million)	
Executive	\$0.7	\$1.0
Budget and Finance	\$0.1	\$0.3
Purchase	\$0.0	\$0.1
Personnel and Labor	\$0.2	\$0.4
Information Technology	\$0.4	\$1.3
Treasury	\$0.2	\$0.7
Accounting	\$0.3	\$0.7
Clerk	\$0.1	\$0.3
Audit	\$0.1	\$0.2
Real Property Assessment	\$0.0	\$0.2
Law	\$0.5	\$1.4
Business Development	\$0.0	\$0.2
Contract Compliance	\$0.0	\$0.05
Engineering	\$0.2	\$0.6
Public Works Admin	\$0.6	\$1.3
Buildings and Facilities	\$0.5	\$1.3
Streets and Roadways	\$0.1	\$1.0
Fleet Maintenance	\$0.2	\$0.7
Law Enforcement	\$3.5	\$5.9
Parks and Recreation	\$0.7	\$1.8
Water	\$0.1	\$2.8
Sewer	\$0.2	\$0.7
<b>Total</b>	<b>\$8.7</b>	<b>\$22.9</b>

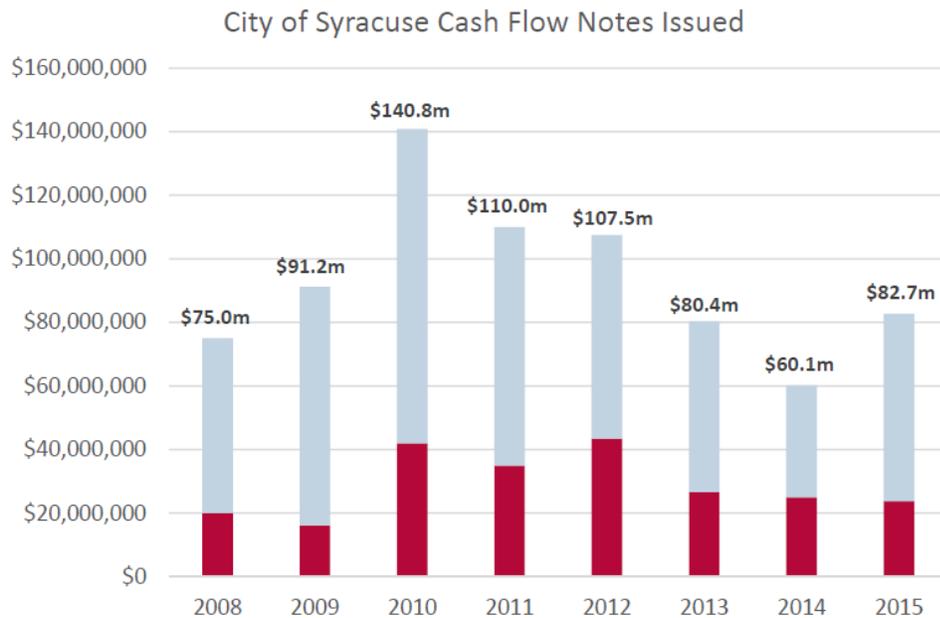
## IMPACT AREA 2: COST AVOIDANCE

In addition to the savings opportunities presented above, the Commission finds that there are certain opportunities for cost avoidance through this restructuring. Two such examples involve capital borrowing costs.

### CASH FLOW BORROWING

The City of Syracuse typically requires annual cash flow borrowing support. Cash flow borrowing is short-term, and generally paid back within less than a year. The need results in large part from the timing of payments received from the state, especially state aid, and the non-synchronous fiscal years between the City and state. By conducting a cash flow borrowing earlier in its fiscal year, the City has the necessary cash resources to function until it receives its state aid, which happens late in the fiscal year.

From 2008 through 2015, the City borrowed an average of \$93.5 million for the cash needs of both city government and the Syracuse City School District. The following graphic shows the annual amount (City amount in Red, School District amount in Blue).



By contrast, the County does not need to conduct cash flow borrowing.

A “pooled” approach to cash flow management within a single government would be better able to make use of larger combined cash / fund balances and offset the ebbs and flows in cash. At minimum, this would **reduce** the city’s need for cash flow

borrowing. At most, it would **eliminate** the need altogether. Eliminating the need for annual cash flow borrowing would generate savings of \$1 to \$1.5 million per year.<sup>31</sup>

## CREDIT RATING

The better a municipality's credit rating, the lower its borrowing costs. Increasingly, credit rating agencies have looked at restructurings, consolidations and modernizations as "credit positives" that can improve a community's rating and lower its borrowing costs.

One recent example involves the municipal consolidation in Princeton, New Jersey, that state's largest such merger in nearly a century. Following the community's 2012 vote to consolidate, Moody's called it a "credit positive merger," noting that it "allows for cost savings, as a larger municipality can more effectively capitalize on economies of scale. The merger reflects the increasingly creative ways local governments throughout the nation are dealing with ongoing budgetary stress. We expect more localities to explore mergers."<sup>32</sup>

The consolidation of Louisville, Kentucky and Jefferson County, which took effect in 2003, also resulted in rating increases by both Moody's and Fitch.

Syracuse and Onondaga County have different credit ratings today. In both cases where the City and County are rated by common rating agencies, the City's rating is slightly lower than the County's. As shown in the following graphic, where Moody's rates the County at a double-A level (Aa2), it rates the City at a single-A level (A1). Similarly, Fitch rates the County AA+ and the City at A.

Although both are A-level credits and provide access to the capital markets for borrowing purposes, credit rating differentials have a financial impact. All else being equal, the City's rating results in it paying more than the County when it borrows money. And while the City has an option to "enhance" its credit rating to a higher level through bond insurance, that results in additional cost.

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<sup>31</sup> This figure is subject to interest rates and actual amount borrowed.

<sup>32</sup> Moody's Weekly Credit Outlook, 14 November 2011, "Merger of New Jersey's Princeton Borough and Princeton Township is Credit Positive."

## MOODY'S

## STANDARD & POOR'S

Aaa1			AAA+
Aaa2			AAA
Aaa3			AAA-
Aa1		Onondaga County	AA+
Aa2			AA
Aa3			AA-
A1		City of Syracuse	A+
A2			A
A3			A-
B			BBB
C			BB
...			B
...			CCC
...			...
			...

Though savings levels are subject to actual bond amounts, term and market rates, it is reasonable to assume that an estimated \$1 million or more could be saved annually through a merger-enhanced city credit rating. At minimum, a single combined annual debt issuance between the County and City would likely alleviate any need to purchase bond insurance to enhance the underlying rating, saving several hundred thousand dollars over the life of bonds.

### IMPACT AREA 3: REVENUE ENHANCEMENT

The Commission believes that this combination of County and City government can yield certain revenue enhancement opportunities not available otherwise.

FIRST, New York State provides incentive funding to local governments that consolidate two or more local governments. The Citizens Empowerment Tax Credit (CETC) is codified in Article 4-A Section 54 of the State Finance Law. This annual aid to local governments is equal to 15% of the combined amount of real property taxes levied by all of the municipalities involved in the consolidation or dissolution. It applies to municipal consolidations or dissolutions that have occurred on or after April 1, 2007. At least 70% of such aid must be used as direct property tax relief while the remaining amount may be used for general municipal purposes.<sup>33</sup>

Under the CETC, annual consolidation incentive awards are capped at \$1 million. However, the Commission believes that in capping the award, it is likely the state

<sup>33</sup> <http://www.dos.ny.gov/press/2011/1215grants.html>

never envisioned a consolidation opportunity with the scale of a county-city combination. For that reason, we would strongly advocate seeking a waiver from the CETC cap in order to provide a combined county-city a full CETC benefit. A consolidation of the county and city as proposed here would generate a minimum CETC of \$1 million per year (if subject to the cap), and a maximum of \$26.3 million per year<sup>34</sup> (if the cap were waived), with \$18.4 million going directly to property tax relief.

SECOND, New York State provides local government revenue under the Aid and Incentives to Municipalities (AIM) program. Under the funding, aid is provided to all cities (except New York City), towns and villages. In the state's 2016-17 fiscal year, \$714.7 million is being provided.

Although AIM funding is not provided on a per capita or formula basis, population offers one way of comparing the revenue amounts received by communities. In the City of Syracuse's case, its \$71.8 million allocation in 2017 amounts to approximately \$496 per capita. Contrast that with the City of Buffalo, which receives \$161.3 million, or \$623 per capita. In combining our county and city governments, the Commission believes, our community would be showing the state a willingness to make a significant investment in change and our region's future to warrant further investment on the state's part. Achieving AIM parity with Buffalo would be one such avenue to that investment. If the state provided Syracuse AIM funding at a per capita level commensurate with Buffalo, our community would receive an additional \$18.3 million annually.

### **CITY-SPECIFIC COMPONENTS**

If the County and City were to combine in the manner envisioned by this recommendation, certain accommodations would be required in areas such as debt and education.

FIRST, the City's pre-existing debt and long-term liabilities (e.g. post-employment benefits) should remain the City's responsibility. It should not become the burden of the County or any other municipality in our community. New York State law provides clear precedent on this issue. In the case of a consolidation or dissolution, "debt districts" are typically used to pay any pre-existing debt until it is fully retired. In this way, even though two entities may combine functions and governance, separate tax rates can be established to segregate pre-existing debt. In the event of consolidation, the former City should remain a debt district to fund this obligation on its own. Just as the City should not be responsible for any town or village's debt, neither should the towns or villages be responsible for the City's.

SECOND, under state law the Syracuse City School District is a "dependent" district of the City of Syracuse. This means that, unlike non-dependent districts, SCSD does not

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<sup>34</sup> This is calculated using the County's full property tax levy for 2017 (\$141,096,060) and only the General City portion of the City's levy (\$34,287,711), rather than the full City and SCSD levy.

have the power to levy its own taxes. Nor can it issue debt on its own. Rather, it relies on the City to levy property taxes and do capital borrowing on its behalf. SCSD is one of five such districts in New York State (along with Buffalo, NYC, Rochester and Yonkers).

In the event the County and City combine, a legal accommodation would be required to ensure both a) the SCSD's local property tax revenue / debt access remains and b) that property tax burden remains only in the former City (i.e. it does not extend to the rest of the County).

# Governance: A New Legislature

## OVERVIEW

From the start, Consensus has focused on opportunities to improve local governance across Onondaga County. Two of the fundamental goals established by the Commission at its inception – **better governance** and **responsive and inclusive representation** – emphasize the importance of producing recommendations that would yield a system that was, in the words of the Constitution, “more perfect.”

With the Commission’s recommendation of a new government that combines the city and county, the focus on improvements to governance take on even greater importance. Indeed, the creation of a new government offers a unique opportunity to form a governance framework that is truly better, more responsive and more inclusive.

In this section, the Commission outlines a recommended legislative governance model for the new government that would result from combining the city and county. We articulate the process that was undertaken to develop the model, the goals we sought to optimize, and the tradeoffs we made in the process.

Acknowledging those tradeoffs is key. No single legislative governance model identified, developed or considered by the Commission optimized every goal. And on occasion, certain goals even work against one another. That is the reality.



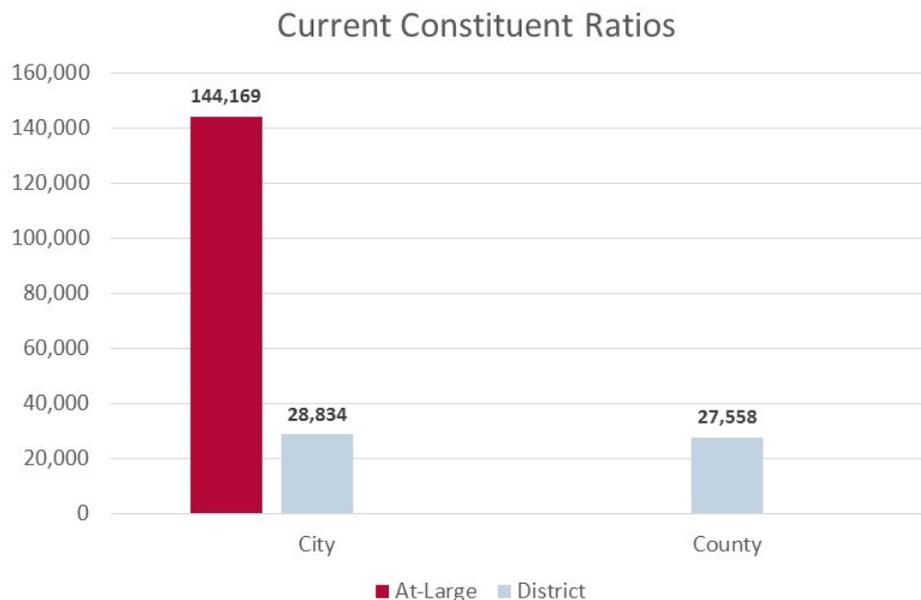
**A new government offers a unique opportunity to enhance our structure of governance – especially its effectiveness, responsiveness and inclusiveness.**

But so, too is the recognition that a new government offers a unique opportunity to enhance our structure of governance – especially its effectiveness, responsiveness and inclusiveness. The new government recommended by the Commission demands a legislature that effectively balances regional considerations with neighborhood concerns, ensures resident access to their representatives, and provides a clear pathway for all diverse voices in our community to be directly, robustly and equitably represented at the ballot box and the governing table.

## WHAT WE HAVE TODAY

The City of Syracuse and Onondaga County today have separate legislatures. The City’s Common Council is comprised of a president and nine members. The president

and four members are elected on an at-large (i.e. city-wide) basis for a term of four years; the other five members are elected on a district basis, representing their respective portion of the city for a term of two years. By contrast, the County Legislature is comprised of 17 members, all of whom are elected to represent specific districts. There are no at-large seats in the County Legislature. Districts do not conform to municipal boundaries, with certain districts representing multiple towns and villages, or in some cases, portions of the city and neighboring towns. Of the 17 districts, two are located entirely within the city; eight are located entirely within the suburbs; and seven include portions of the city and its neighboring towns. All members serve a term of two years.



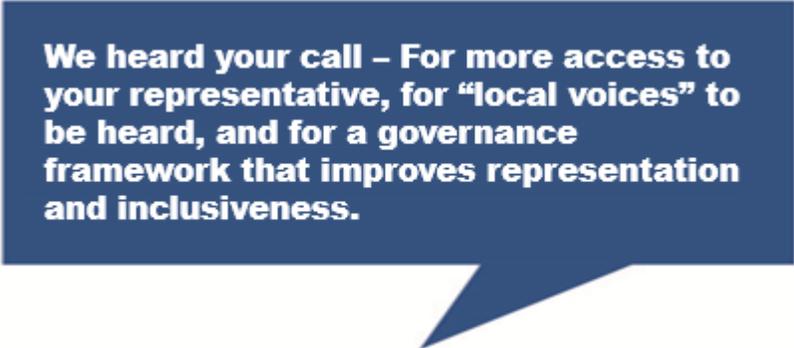
One way of measuring the “connection” between legislators and those they represent is the constituent ratio. The higher a ratio is (i.e. the more constituents a legislator represents), the lower the “connection” between the voter and representative. As shown in the preceding graph, the average City Council district representative has 28,834 constituents; the City Council at-large representatives are citywide representatives, and thus have the entire city population (144,169) as constituents. In the County Legislature, the average district representative has 27,558 constituents.

### **PRINCIPLES OF THE “IDEAL” GOVERNANCE MODEL**

As noted above, among the overarching goals for the Commission’s work were **better governance** and **responsive and inclusive representation**. But how, exactly, do those goals get operationalized in a new legislature? And how do they get

supplemented by additional goals that are critically important in designing a truly modern structure for our community?

A number of key themes framed the Commission's work to define the ideal governance model. And several of those themes were put forward by you, the residents and stakeholders of our community during our public engagement phase in 2016. **We heard you!**



**We heard your call – For more access to your representative, for “local voices” to be heard, and for a governance framework that improves representation and inclusiveness.**

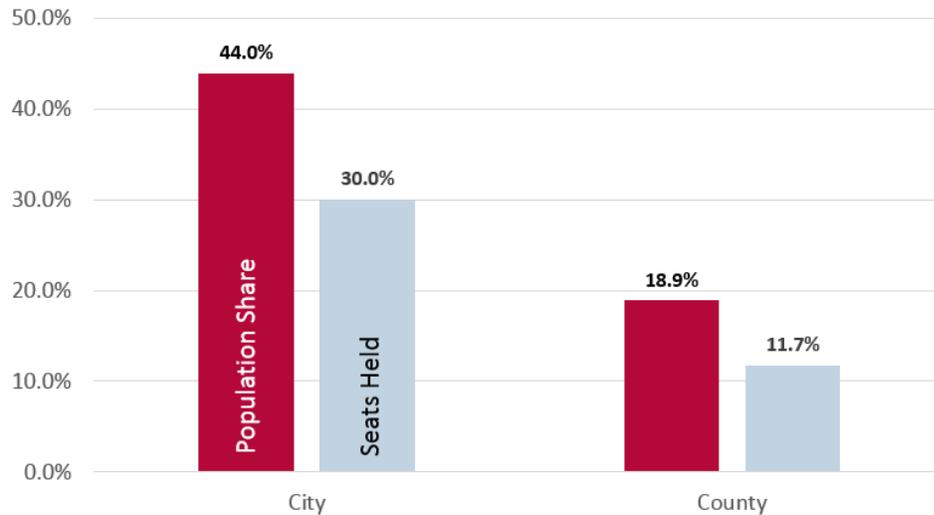
First, **you demanded access to your representative.** You want an elected official you can connect with, and who knows and can give voice to your wants and needs in the governing process. A big part of this is moving your representative “closer,” you noted. Figuratively speaking, this means having a legislator that represents fewer people, smaller districts and local issues. Today, district representatives in the City Council represent 28,834 constituents on average; in the County Legislature, they represent 27,558 on average. The Commission sought to improve on the *status quo* by bettering those constituent ratios.

Second and related, **you demanded that your “local voice” be represented in the governing process.** You do not want overwhelmingly large districts. Rather, you want smaller districts that ensure elected officials are directly in touch with local concerns, preferences and desires and are empowered to represent them robustly at the governing table.

Third, **you demanded any new governance framework improve representativeness and inclusiveness.** Specifically, you want to see a framework that ensures a diverse government that reflects the diverse communities it represents and serves. A critical element of this involves creating electoral pathways for traditionally underrepresented communities such as racial and ethnic minorities. You said that smaller districts – ones that leverage the power and potential of our neighborhood and community diversity – are a way to accomplish this.

And as shown in the following graph, racial minorities currently occupy a lower percentage of legislative seats than their population share on both the City Council and County Legislature.

### Current Population Share vs. Seats Held by Underrepresented Groups



Beyond these elements put forward by you, and which the Commission fully endorses and commits to, we identified several other core principles that would define an ideal framework.

**The framework must adhere to the requirement of “one person, one vote.”** Our new government must be fair and equitable – on the one hand ensuring a voice for every resident of our community, while on the other ensuring that no single voice or community is greater than any other.

**The framework must create incentives for our representatives to work together across the entire community.** Our new government must encourage collaboration and sincere cooperation among all parts of our region – urban, suburban and rural. Our government should represent local issues in a context that is mindful of the entire community.

**One person, one vote. Incentives to work together. Accounting for all parts of our region. Beyond the city-suburb paradigm.**

**The framework must ensure a balanced policymaking process that takes into account all parts of our region.** Our new government must be nimble enough to

address local issues in local ways, and regional issues in ways that acknowledge urban, suburban and rural perspectives.

And finally, **the framework must help us change the dichotomous city-suburb paradigm that can, on occasion, serve to “pigeonhole” how we approach the policymaking process.** Our new government must elevate our thinking as a broad community, and help us recognize that while we may not always agree, our mutual engagement on a range of truly community-wide issues is essential to our community’s future progress.

### **BEING CLEAR ABOUT THE TRADEOFFS**

Our Governance Committee dedicated more than six months to reviewing options, testing alternatives and considering models. One conclusion we reached early in our work was that there was no “silver bullet” model that optimized all of these goals and principles simultaneously. There are, plain and simple, clear tradeoffs in designing the ideal governance structure.

Acknowledging those tradeoffs is key. Being clear about where certain goals offset or work against one another empowered the Commission to clarify what was most important.

The tradeoffs became abundantly clear when the Commission began asking questions like, How many seats should the legislature have? Or, how large should districts be? Or, should the legislature include some at-large seats, or be comprised entirely of district representatives?

A governance option that enhances one goal can detract from one or more other goals. In this way, the Commission’s review of potential models was an iterative process that involved careful consideration and weighing of goals.



**Being clear about where certain goals offset or work against one another empowered the Commission to clarify what was most important in creating the “ideal” governance structure.**

To illustrate the point, consider the **size of the legislature** (i.e. how many seats). Some models considered by the Commission had a large number of seats. They offered clear advantages consistent with our goals: Geographically smaller districts, better constituent ratios, legislators more in touch with local issues and preferences,

and greater opportunity to ensure the diversity of our neighborhoods is reflected at the governing table.

But these same models offered drawbacks as well. A larger legislature, for example, would mean more representatives, making each legislator's voice less powerful and "one among many." Also, a larger legislature may cost more than a smaller one and be viewed as inconsistent with the idea of efficiency and modernization.

Similar tradeoffs were explored for models with a smaller number of seats, all-district models, and models that included at-large seats. The respective tradeoffs of each category are presented below.

### A Legislature with a Larger Number of Seats



Geographically smaller districts  
that are "closer" to residents

Better constituent ratios

Legislators more "in touch" with  
neighborhood issues

Maximize diversity



Each representative's voice is  
only "one among many"

Higher cost

### A Legislature with a Smaller Number of Seats



Each voice is "louder" and  
mathematically more meaningful

Lower cost

Large districts span bigger areas,  
lend to regional perspective



Large districts may dilute local  
views and preferences

Lower chance of having a  
diverse governing body

## A Legislature with Only District-Based Seats



Legislators more “in touch” with local, neighborhood issues

Maximize diversity

Better constituent ratios



Encourage district-based thinking instead of regional perspective

City is already familiar with at-large seats and would lose that

## A Legislature with Some At-Large Seats



At-large representatives are accountable to all voters in the community – urban, suburban and rural

At-large representatives may be electorally incentivized to have broader regional perspectives



Lower chance of electing diverse candidates to at-large seats based on demographic distribution countywide

May disproportionately benefit smaller, geographically disparate single-issue groups if they are electorally well-organized

### A PROPOSED GOVERNANCE MODEL

The Commission and its Governance Committee developed and considered a range of potential legislative models – **a dozen in total**. Cognizant of the tradeoffs, and seeking to optimize the goals articulated above, we examined legislatures ranging in size from 17 seats to 34 seats; district-only legislatures and hybrid legislatures with some at-large seats; and the concepts of both “weighted voting” and “cumulative voting.”

Each model was an exercise in tradeoffs. But in the end, the Commission and its Governance Committee identified a model that we believe can be the modern structure our new government deserves. A model that:

- **Balances local voices with regional considerations;**
- **Preserves neighborhood representation while incentivizing community-wide cooperation;** and
- **Creates a clear pathway for increasing the diversity and inclusiveness of our governing body.**

As we reviewed tradeoffs, we concluded that some goals and principles – **especially those offered by you during the public engagement process** – deserved primacy.

While we wanted to optimize all our goals, we needed to maximize the three we heard most often from the public:

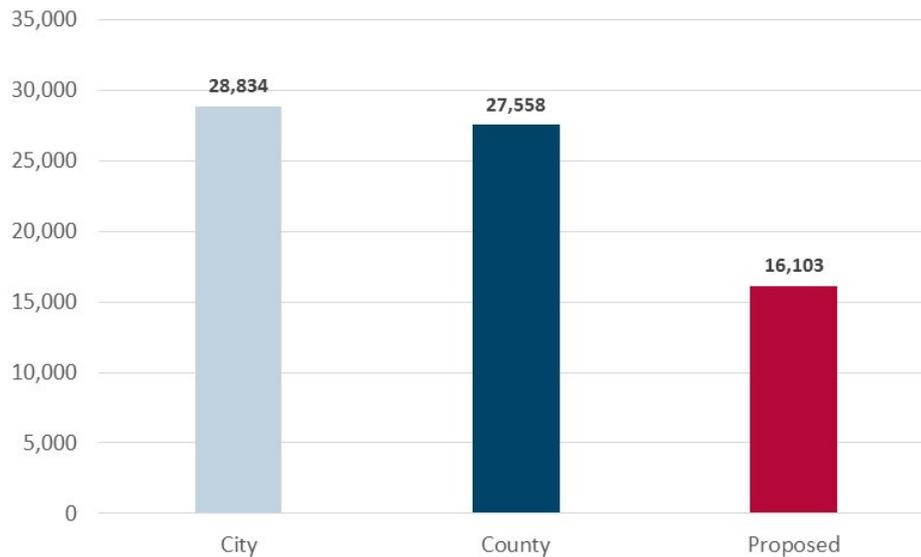
- Access to your representative, with legislators representing fewer people and local issues;
- Ensuring the “local voice” is represented in the governing process, through more districts that are directly in touch with local concerns, preferences and desires; and
- Improving the representativeness and inclusiveness of our government, creating electoral pathways for traditionally underrepresented groups.

Our recommended model has the following key characteristics.

**Thirty-three (33) seats:** Moving to a legislature of this size makes a significant positive impact on constituent ratios, bringing individual representatives “closer” to those they serve and ensuring local and neighborhood issues have a place at the governing table. Our model would improve constituent ratios from the current 28,000 per legislator to approximately 16,000 – a government closer to the people.

**Geographically smaller districts:** A higher number of seats ensures geographically smaller districts. This positions our entire community to leverage the power and potential of our diverse neighborhoods, and will offer greater electoral pathways for traditionally underrepresented communities.

District Constituent Ratios, Current vs. Proposed



**A combination of districts and at-large seats:** We recommend twenty-nine (29) districts and four (4) at-large seats. Including at-large seats ensures that there is a group of legislators who are simultaneously accountable to every voter and resident of the entire county, with an incentive to have a broader perspective, working alongside district representatives committed to local and neighborhood issues.

**A large number of districts that cross the city-suburb line:** We recommend nine (9) combined city-suburb or “hybrid” districts. Drawing nine of the 29 districts in this fashion would ensure we leverage the density, service, demographic and economic similarities that already exist among these neighborhoods and help shift our dichotomous city-suburb paradigm by working together across traditional borders. We are already familiar with the concept of hybrid districts in this community, as the Onondaga County Legislature currently has seven. A larger governance framework allows for more. Moreover, the current hybrid districts in the County Legislature have clear population advantages for either the suburbs or city. We believe all nine districts in our recommended model can be drawn with roughly equivalent 50-50 population shares.

**Adherence to the requirement of “one person, one vote”:** Our analysis of population data suggests that a legislature of 15 suburban districts, 5 city districts, nine “50-50” hybrid districts and 4 at-large seats would conform to the legal principle of one person, one vote. District populations would range from +5% to -7% of the average district size, an improvement over the current County Legislative districts which range from approximately +5% to -14%. By compressing this range, we would in effect make district voters’ voices even more equal than they are today.

**Policymaking that requires input from all parts of our community:** A legislature of this size, and comprised of this number of city districts, suburban districts, hybrid

districts and at-large seats, will drive compromise and collaboration. Achieving a majority – needed to pass any law – will require cooperative policymaking. Urban districts will need the support of suburban districts; suburban districts will need the support of urban districts; and both will need the support of at-large representatives that serve all residents of our community. This will incentivize coalition, compromise and collaboration.

The development of a genuinely representative legislative body is the cornerstone of any effective democratic system. Consensus' Governance Committee devoted much of its effort to this foundational element of a new, unified system that accurately reflects voices from across the community. Beyond the operations of an effective legislature, there are several elements to be considered as part of an effective governance model.

**Development of Legislative Districts:** Modern governments require modern approaches to carry out the will of their citizens. Recognizing this, the Commission strongly recommends that legislative districts for a unified city-county government be developed through an independent, non-partisan third party. For example, when creating its Metro Council, the residents of Louisville and Jefferson County, Kentucky enlisted independent geographers from the University of Louisville to draw new districts to most equitably represent the public. The Commission believes a similar approach would best serve the residents of Syracuse and Onondaga County.

**Executive Leadership:** Just as the legislature of a unified city-county government must closely reflect the voice of its citizens, so must the day-to-day executive leadership. The Commission examined several potential executive models as part of its review. We recommend that the new government be led by a chief executive who is directly elected at-large by the voters.

**Issues Unique to the Central District:** Adoption of a unified city-county structure requires transition. With this in mind, the areas inside of what are the current boundaries of the City of Syracuse, will, no doubt, have unique local needs. The Commission recommends the new model include a Deputy Executive focused on the community's central district. Among the issues that Deputy Executive should be charged with overseeing are matters of legacy costs in the former city, debt-related issues, city schools, and other issues as appropriate.

### Comparison of Governance Model "Finalists"

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Total # of seats	29	33	29	29	33	29
# of district seats	29	29	25	29	29	25
# of at-large seats	0	4	4	0	4	4
# of city districts	6	6	6	5	5	5
# of suburban districts	17	17	14	15	15	13
# of combo districts	6	6	5	9	9	7
City-based legislative voting power	41%	36%	38%	48%	42%	41%
Avg residents per district	16,103	16,103	18,680	16,103	16,103	18,680
District population range from avg	+2% to -4%	+2% to -4%	+8% to -10%	+5% to -7%	+5% to -7%	+9% to -10%

## Implementation: What Happens Next?

We know the recommendations contained in this report will not be easy to implement. They will not naturally occur, especially insofar as they challenge the *status quo* and the “way things have always been done.” Their successful implementation will require diligence, leadership, transparency and public support. They will also require a dose of “healthy pressure” from the public – all of us, as residents, businesses, organizations, institutions and stakeholders in this community.

### **CREATE A CONSENSUS RESOURCE TEAM**

Our recommendations will also, no doubt, require consistent oversight, coordination and public reporting on progress. The Commission recommends the creation of an independent resource team to assist in the implementation and funding of these recommendations. As envisioned, the team will assist and coordinate the convening, writing and action plans based on priorities recommended by the Commission, in collaboration with the accountability partners. Funding for the team can be sought through the Upstate Revitalization Initiative or other funding streams as identified.

### **TRANSITION COSTS**

This report has identified areas of potential efficiency, and in so doing has focused on the savings and improvements that could be generated. The Commission recognizes, however, that the process of restructuring services and governments is likely to create certain transition costs. The extent of those transition costs, and when they are incurred, will be subject to specific decisions made during the implementation process. The Commission notes two points, however.

FIRST, transition costs are generally one-time, whereas the potential savings and improvements identified in this report are generally recurring.

SECOND, the State of New York has already provided our region with critical seed funding to offset some of the transition costs associated with moving Consensus’ recommendations forward. The Central New York Regional Economic Development Council’s (CNYREDC) submission in the Upstate Revitalization Initiative, entitled “CNY Rising,” included the Commission on Government Modernization among its “signature investments.” CNYREDC’s plan, which included an estimated \$25 million to ensure the success of Consensus, earned one of three \$500 million awards. Further, the State continues to support local efforts to modernize through programs such as the Municipal Restructuring Fund, which helps develop and implement transformative projects that drive property tax reductions.

## **IMPLEMENTATION PATHWAYS AND TIMEFRAMES**

In terms of implementation, there are two important points to note.

FIRST, not all recommendations have the same implementation pathway. Some would require formal public referendum. By contrast, others can be implemented today through intermunicipal agreement (IMA) between or among local governments. Still others may or may not require referendum depending on at what point in the overall implementation process they are addressed. And across all categories, state action might be required to enable parts of recommendations.

The following list identifies those recommendations that require referendum, those that do not, and those for which the referendum requirement is dependent on where in the overall process they are addressed. As noted earlier and regarding the city-county combination, a formal mechanism should be created whereby other municipalities in our community can join over time by referenda of their own.

### **RECOMMENDATIONS REQUIRING REFERENDUM**

#### **Streets and Highways**

- Shift to appointed street and highway administrators instead of elected

#### **Courts**

- Reduce number of separate justice courts through shared services
- Migrate village justice courts into their surrounding town courts

#### **Governance**

- Combine County and City into single government
- Create new 33-seat legislature

### **RECOMMENDATIONS NOT REQUIRING REFERENDUM**

#### **Streets and Highways**

- Create core highway services area
- Deliver common specialized / technical functions on countywide basis
- Transfer routine seasonal maintenance on County-owned roads to municipalities
- Establish model intermunicipal agreement
- Appoint highway advisory services committee to provide oversight countywide

#### **Water**

- Combine OCWA and City Water Department
- Digitize entire countywide system
- Develop countywide comprehensive plan for water infrastructure

#### **Wastewater**

- Access planning grant to complete system audit and asset management plan
- Shift engineering, planning / design / construction, mapping to County WEP

Seek infrastructure improvement grants to upgrade problematic segments  
Create a single countywide basis for billing

### **Solid Waste**

Expand SOTS into contiguous towns that have contracts with private haulers  
Pursue bulk bidding of hauler services across multiple municipalities  
Develop service districts and bid out in towns with no current involvement

### **Fire Protection**

Create Metro Fire / Rescue Operations Support Organization

### **Emergency Medical Services**

Create countywide system with fewer service providers serving larger territories  
Group specification and purchasing of equipment, ambulances, insurance and billing  
Create performance standards for response, call coverage, staffing and training

### **Law Enforcement**

Combine County Sheriff's Office and City Police Department

### **Corrections**

Combine County Sheriff's Custody Division with Department of Corrections

### **Tax Assessment**

Expand shared services by creating new Coordinated Assessment Programs  
Create centralized approach to tax certiorari lawsuit defense

### **Financial Administration**

Migrate local governments to a common financial accounting system  
Centralize information technology

### **Courts**

Continue exploration of regional court system  
Increase the share of fine revenue municipalities can retain

### **Code Enforcement**

Share back office functions across neighboring code offices  
Share and / or contract services among neighboring municipalities  
Increase interaction between code officials in contiguous municipalities  
Integrate code enforcement data into Real Property Tax System  
Create educational program for code officials to address future staff needs

### **Clerk**

Pursue shared efforts to enhance information technology sophistication  
Create a shared digitized system of public records

**Social Services and Health**

Continue state Medicaid administrative takeover; consider other opportunities

**Libraries**

Pursue regional purchasing and material sharing, incl. higher education libraries

Create statewide library card system

Waive fines for children

**Economic Development**

Create countywide Municipal Development Fund shared tax base framework

Establish countywide land use plan

Combine City and County IDAs and economic development departments

**RECOMMENDATIONS THAT MAY / MAY NOT REQUIRE REFERENDUM****Water**

OCWA takeover of assets and operations of water districts

**Wastewater**

Develop plan to retire and / or assume debt of smaller districts outside CSD

**Fire Protection**

Reduce the number of districts and boundaries separating service areas

Long-term opt-in of volunteer departments to Metro department

SECOND, not all recommendations have the same implementation timeline. Some involve specific process steps that lengthen the timeline; others can be implemented more or less immediately. Further, some recommendations involve near-term, mid-term and longer-term components that position our community to build toward an end goal.

The following graphic provides a timeline the Commission believes is most appropriate, in light of the overall set of recommendations and how they fit together.

	2017	2018	2019	2020	2021
<b>GOVERNANCE</b>	State legislation; ballot question; referendum	Transition year	First year of new city-county + regional council	...	...
<b>STREET AND HIGHWAY MAINTENANCE</b>	Appoint Highway Advisory Services Committee; establish model IMA	Implementation plan for city-county DPW and creation of CHSA	First year of city-county DPW; transfer routine maintenance on county roads to municipalities	First year of CHSA	...
<b>WATER INFRASTRUCTURE</b>	...	Implementation plan for merger of OCWA and City Water; digitize countywide system	First year of merged water retailer; create countywide comp plan for water infrastructure	...	...
<b>WASTEWATER INFRASTRUCTURE</b>	Initiate process of preparing countywide Asset Management System + system audit	Shift planning, design, construction, mapping to WEP; identify single basis for billing	Complete countywide Asset Management System + system audit	...	...
<b>SOLID WASTE</b>	Implementation plan for bulk bidding across participating municipalities	...	...	...	...
<b>FIRE PROTECTION</b>	Create Metro Fire / Rescue Operations Support Organization and implementation plan	Initiate group specification/purchasing of apparatus and equipment countywide; regionalize training/education; develop countywide performance measures and standard public reporting protocols; centrally coordinate and fund specialized fire assets			Long-term steps --->
<b>EMS</b>	...	Implementation plan for reducing the number of service providers and increasing the geographic area each serves in the County; evaluate how to "quadrant" the ex-urban portion of the County in ways that tie rural areas to more dense suburbs			...
<b>POLICE</b>	Create implementation plan for unified police training academy	Implementation plan for city-county Police Department; implement unified police training academy	First year of city-county Police Department	...	...

<b>CORRECTIONS</b>	Implementation plan for merging County holding centers	First year of merged holding center	...	...	...
<b>TAX ASSESSMENT</b>	Implementation plan for creating coordinated/ consolidated assessment units (eligible for state aid) and centralized approach to tax cert defense		...	...	...
<b>FINANCIAL ADMINISTRATION</b>	Implementation plan for migrating local governments to PeopleSoft Enterprise Resource as common financial accounting system		...	...	...
<b>JUSTICE COURTS</b>	Implementation plan for dissolving remaining village courts	Implementation plan for shared services across town-level justice courts countywide		...	...
<b>CODE ENFORCEMENT</b>	Initiate CEO education and training opportunities to address succession challenges	Implementation plan for shared CEOs across municipalities, as well as shared back office	...	...	...
<b>CLERK</b>	Implementation plan for tech sophistication and delivery of Web-based services	...	...	...	...
<b>ECONOMIC DEVELOPMENT</b>	Combine SIDA and OCIDA; implementation plan for shared city-county econ dev office	First year of city-county econ dev office; Implementation plan for Metro Development Fund	First year of Metro Dev Fund; initiate creation of land use plan	...	...

## A Note on Education

Since the Consensus effort was launched in January 2014, one of the most common questions we have received has focused on education. Just as our community faces economic, fiscal and service delivery challenges, so too do many of our school districts. Simply put, our schools face more stringent mandates and tighter financial constraints than ever before.

The Commission decided at the start of this process to focus its efforts initially on general purpose local government. That decision did not stem from a determination that public education was less important, but rather the recognition that education demanded its own modernization effort, separate from our look at local government. After all, schools have a different mission than general purpose local government. And achieving that mission is as important as anything to our community's future vitality.

As the Commission delivers to the community this final report on local government modernization, we strongly recommend that a similar Consensus effort be established within the next six months to begin a similar examination of our public education system.

# Commission Members

(with titles and affiliations as of the start of our process in 2014)

## Co-Chairs

**Cornelius B. Murphy** | Retired President, SUNY ESF  
**M. Catherine Richardson** | Retired Member, Bond Schoeneck & King PLLC  
**James T. Walsh** | Former U.S. Representative, 25<sup>th</sup> Congressional District

## Members

**Aminy I. Audi** | CEO and Chairman, L & J.G. Stickley Inc.  
**Laurence G. Bousquet** | Member, Bousquet Holstein PLLC  
**William Byrne** | Chairman, Byrne Dairy Inc.  
**Dr. Donna DeSiato** | Superintendent of Schools, East Syracuse Minoa Central School District  
**Bethaida “Bea” Gonzalez** | Dean, University College of Syracuse University  
**Darlene Kerr** | Retired President, Niagara Mohawk  
**Patrick M. Kilmartin** | Onondaga County Legislature, 11<sup>th</sup> District  
**Melanie Littlejohn** | Director of Community and Customer Management, National Grid  
**Andrew Maxwell** | Director, Syracuse-Onondaga County Planning Agency  
**Stephen “Steve” Meyer** | President and CEO, Welch Allyn Inc.  
**Dr. Dennis Nave** | Greater Syracuse Labor Council  
**Mark A. Nicotra** | Supervisor, Town of Salina / Town Supervisors Association  
**Mark A. Olson** | Mayor, Village of Fayetteville / Village Mayors Association  
**Sharon F. Owens** | CEO, Syracuse Model Neighborhood Facility  
**Ann Rooney** | Deputy County Executive for Human Services, Onondaga County  
**Chad Ryan** | Syracuse Common Council, District 2