Local Government Management Guide

Intermunicipal Cooperation

Table of Contents

Intermunicipal Cooperation

Introduction

Intermunicipal cooperation can help municipalities increase effectiveness and efficiency in the delivery of services. As municipal responsibilities become increasingly complex and demanding, municipalities should continually seek out the best way to provide the services needed by their communities.   One tool to assist in addressing this challenge is intergovernmental cooperation.

Overview

This chapter is intended to provide information on the following:

- A brief overview of the legal authority for cooperative ventures,
- How to get started on the "right foot,"
- How to conduct a cooperative study,
- How to keep the enthusiasm going,
- How to identify the "stakeholders,"
- How to effectively communicate with the participants,
- What to include in project reports,
- How our Office can help,
- Website references,
- Agencies that can provide assistance,
- How to develop a "mission statement."

Legal Authority

Article 5-G of the General Municipal Law (§§119-m through 119-oo) provides broad authority for "municipal corporations" and "districts" to cooperate with each other in carrying out their respective responsibilities. The term "municipal corporation" is defined in Article 5-G to include any county outside the City of New York, a city, town, village, board of cooperative educational services, fire district, or school district. A "district" refers to a county or town improvement district for which the county or town in which the district is located is required to pledge its faith and credit for indebtedness contracted for purposes of the district. Subject to the statutory requirements of Article 5-G, any combination of these entities is authorized to enter into cooperation agreements. In addition, other sections of law may provide authority for cooperative projects in specific areas (e.g., General Municipal Law, Article 5-B, relating to the provision of common water supplies). We recommend that you contact the *Division of Legal Services* of the State Comptroller's Office (518-474-5586) early in the process if you have questions as to the source of authority for any cooperation agreement.

What can we cooperatively perform?

Fundamentally, a municipal corporation or district may participate in a cooperation agreement only for the performance of those functions that it is empowered to perform individually. Each participant in the agreement must have statutory authority, independent of Article 5-G, to perform the function that is the subject of the cooperation agreement.

How do we get started?

Local governments should perform a "needs assessment" in order to determine if an existing function can be provided more cost effectively or more efficiently through a cooperation agreement. Finding a partner for a cooperation arrangement can be accomplished by contacting neighboring local governments that already provide the function or that do not provide the function but wish to do so. After finding a partner, the next step is to jointly study whether the cooperative arrangement is feasible.

I.   Recommended Practices

There are many practices that could lead to a successful cooperation agreement. The following practices were developed by the Governor's Center for Local Government Services of the Commonwealth of Pennsylvania. These practices are included in their publication entitled *Intergovernmental Cooperation Handbook*. The entire publication can be obtained from Pennsylvania's Department of Community and Economic Development electronically via the Internet (www.inventpa.com).

Start off on the "right foot"

Many intergovernmental cooperation efforts have been initiated, and promptly failed, because well-intended local officials did not lay a solid foundation for their cooperative efforts. If a program starts off on the "wrong foot," the lion's share of the effort is spent trying to get back in step, rather than proceeding with the program. Focusing on a good start will form the solid foundation necessary for success.

Be inclusive

Frequently, cooperative efforts start with a small core group.   Since a new idea may be developed carefully, it is often the tendency of such a core group to keep the effort to themselves until the plans are fully designed.   While well-intended, this closed effort may have the appearance of excluding municipalities and other officials who are outside of the core group, even though such exclusion may not be intended.   This exclusion could create animosity and resistance toward the cooperative program that may otherwise have considerable merit.

Therefore, it is better to be inclusive right from the start.   A self-selected group may be viewed with suspicion by those not included.   Let all potential participating municipalities and municipal officials have an opportunity to contribute to the development of the idea, or at least in the selection of a core working group.   A program developed with the

presumption that certain municipalities will participate and others might be included later if interested, may be perceived in effect, as excluding the latter group.   By including all potential participants right from the start, a cooperative program often has a better chance for success (See Part IV, "Stakeholder Identification," for additional information).

Involve elected officials

Often the impetus for a cooperative program comes from a planning commission, a recreation board, a community group, municipal staff or a local official.   It is very important that the involvement and support of the appropriate elected officials be obtained early in the process, even if the initiating group is to do the initial work to develop the program. Otherwise, a great amount of effort can be wasted on developing a program that may not get the required approval, including approval for funding, from the key decision-makers, the elected governing board.

Involve municipal staff

Cooperative programs are often perceived as impacting the responsibilities of municipal employees and sometimes even on the continuation of their jobs. In some cases these impacts are real; jobs may be lost and/or responsibilities altered as a result of a proposed cooperative agreement. In such cases, any collective bargaining agreements should be reviewed to determine whether they contain provisions pertinent to the proposal. Municipal officials should involve the affected employees whenever appropriate, and consider whether modifications to any collective bargaining agreements would be needed to implement the proposal.

Start with an easy project

In an area where there is a potential for a number of cooperative programs, it is best to start with a basic project.   A less complex project exhibits consensus among the participating municipalities, usually involves limited financial risk and may have a greater potential for success.   If such an opportunity exists, it is an excellent way to start off.   The municipal officials can see firsthand the benefits of a successful effort and build future cooperative efforts on this solid foundation.

Communicate effectively

Many good ideas for intergovernmental cooperation fail because of poor communication. If all participating municipalities and officials are not kept fully informed, the decisions about a cooperative program may be made on the basis of assumptions and perceptions rather than facts.   Newsletters, well-documented budgets, minutes of meetings and regular reports by municipal representatives are all good ways to communicate.   It is best to use more than one method of communication so the messages are reinforced.   Regular reports from municipal representatives are very important, but should not be relied upon as the sole means of communication. (See Part V, "Communication," for additional information).

Maintain a cooperative spirit

A positive, supportive attitude toward cooperation is often a key to success.   It can make officials much more willing to try a program, to give it a chance to work.   In this section, we will illustrate some elements characteristic of that cooperative spirit.

- **Be proactive.** Cooperation generally does not come to communities that are not proactive.   A cooperative spirit leads municipal officials to seek out opportunities for cooperation.   When potential cooperative programs are identified, the proactive community pursues the opportunity with its neighbors and works actively to develop the programs into success stories.

- **Be flexible.** There is seldom one absolutely right way to organize a given program for an activity. There are numerous ways to organize intergovernmental cooperation programs.   If municipalities are inflexible in this regard, a program might not get started or may be less effective. Cooperation relies on give-and-take.   Municipal officials should maintain openness to different solutions for different problems and may need to compromise along the way.   Since the municipalities will be neighbors for many, many years to come, there may be numerous opportunities to gain mutual benefits if a little flexibility is invested now.

- **Be patient.** Despite various pressures for prompt action, cooperative efforts usually take time and should be approached with patience.   As we noted earlier, it is often best to start off with a basic activity rather than plunging directly into a major sewer plant or departmental consolidation program.   A cooperative program also often takes longer to organize than an individual municipal program simply because there are more people involved and more approvals required.   A patient, step-by-step approach, with plenty of time for each step, should lead to more long-term success.

- **Think regionally.** Municipal officials frequently face decisions about new, expanding or changing municipal services.   If you ask yourself, "Is there a regional solution to this problem?" for every issue raised in municipal government, you may be surprised at the number of times the answer is "Yes." Remember, to maintain a cooperative spirit you should think regionally about the problems your municipality faces.

- **Brief newly elected officials.** The spirit of cooperation should be handed down to successor governing boards. Officials who initiate cooperative efforts are often enthusiastic supporters of regional programs and have a strong cooperative spirit. As those officials leave office, however, their replacements

may have little familiarity with the cooperative programs or with the underlying spirit needed for continuing support and participation. These newly elected officials should be briefed about the cooperative programs and the spirit of cooperation on which they are based. These officials may bring new perspectives and questions.

Proceed with care

As a municipality proceeds to develop and support intergovernmental cooperation, it should do so with caution. A headlong plunge into uncharted waters may be risky. Instead, a careful, thorough approach is often successful. In this section we will offer some suggestions on how to proceed with care.

- **Study options thoroughly.** There are numerous ways of organizing and funding intergovernmental programs. If the study is undertaken with diligence and a spirit of cooperation, it can lead to a more effective program. A thorough analysis and presentation can provide officials of the prospective participating municipalities the information needed to support the program. Remember, incomplete information may elicit a negative response.

- **Select realistic programs.** A companion to thoroughness is realistic expectations. A cooperative program that sounds great in theory but has little chance of success may not be worth pursuing. Those considering cooperative programs should have a sense of what is feasible from both a practical and a financial perspective. As an example, an attempt at joint purchasing that seems to follow the principles of bulk purchasing, but does not include the critical quantity thresholds necessary to effectuate anticipated savings through economics of scale, may end up not achieving all expected goals. A realistic assessment of the possibilities in practice as well as in theory is needed to build a successful program.

- **Pay attention to the little things.** Often, a terrific idea is presented and is quickly agreed to in principle by all participants. This is only part of the process and this should be followed up by a specific written document outlining the details —"dotting the i's and crossing the t's" — to minimize the potential for ambiguity because of misunderstandings. Insistence on working out these details in advance should be taken as a commitment to the long-term success of the program.

- **Watch out for the ease of informality.** When participants easily agree to an idea for a cooperative program, there is a tendency to accept the agreement informally as initially stated. This is the seemingly easy way to start a program: no documents, no formal actions, no lengthy debates about details.

Agreement in principle is all that is needed. Article 5-G requires the governing body of each participant to approve the agreement by resolution (GML § 119-o[1]). Unless the statutory requirements are followed, there is no agreement. Again, insistence on proper procedures should be encouraged as a commitment to the long-term success of intergovernmental cooperation.

Allocate costs fairly

Ideally, the cost of providing a cooperative service is less than the cost of each municipality providing the same service independently.   In this section we will suggest how to sort out the possibilities and help make your choices work.

- **Focus on cost savings.** A cooperative program should be a win/win situation for all participating municipalities. Each municipality should win, saving money through the cooperative approach, or achieving some other benefit through the cooperation agreement.

  If each municipality accepts and recognizes this principle, an equitable allocation of all costs of a cooperative program can be achieved more readily. A formula or approach that produces a winning situation for all participants in a cooperative program is a prime candidate for consideration.   Often, a combination of several methods is the best compromise (e.g., population, use of service, ratio of full valuation of real property, etc.).   All municipalities should gain from the cooperative approach rather than one municipality gaining at the expense of others. If the municipalities focus first on the overall cost savings, then the equitable allocation of costs can be worked out.   In other words, accept a reasonable compromise giving your municipality a fair cost savings when compared to the others. If all participants compromise fairly, then financial inequity should not be a problem.

- **Share total costs.** As noted, when a cooperative program is established, it is important to identify and share associated costs.   If there are hidden costs that arise at a later date, participants may be soured because they were unaware of the entire cost from the start. For example, the failure to recognize and share total program costs could arise in contract programs where one or more municipalities purchase a service from another. A provider municipality may start by offering the service at a cost that does not take all aspects of the service into consideration, such as overhead and support costs.   Once this is realized and the cost increases drastically, problems will occur. Sharing the total costs from the start is a good way to insure fairness and avoid problems later on.

- **Set up a positive cash flow.** Before beginning a cooperative program, a system assuring timely payment of municipal shares must be established. This system should provide payment in a way that does not impede the efficient operation of the program. The need for prompt payments from each

of the participants for their respective shares should be addressed in the cooperation agreement. Lack of cooperation in this respect may cause dissension and problems. Ideally, the participants will establish and stick to a payment schedule that insures a positive cash flow for the cooperative program.

- **Avoid over-dependence on grants.** State and federal grants are sometimes available to help offset the cost of cooperative programs. In some cases, such grant funds may even have a priority ranking for regional projects. While these grants can be instrumental in helping start a cooperative program, it may be a mistake to start a program simply because the funding is there.   A cooperative program should be started only after analysis determines it is financially feasible once the "seed" funding is terminated.   In this way an over-dependence on grants can be avoided.

Deal directly with problems

Since intergovernmental programs are voluntary and cooperative, municipal officials may believe the programs are also fragile and unable to survive problems.   As a result, a considerable effort is expended in attempting to avoid problems.   While planning to avoid problems is meritorious, participants also should be prepared to address problems directly. A program that is so fragile that it shatters when faced with a problem is probably not a very sound one.   In fact, the process of addressing and resolving problems often can be used positively to strengthen programs.   In this section, we will discuss some of the problems frequently faced in cooperative programs.

- **Learn from failures.** If an attempt at a cooperative program fails, municipal officials may become discouraged. This reaction may shut off many opportunities for future cooperation.   Municipal officials should use the failed attempt as a learning opportunity and try to make the next effort more successful by planning to deal with the problems that led to the earlier failure.

- **Address "turf" issues.** The term "turf" is generally used to describe the area of responsibility of a person or organization. Potential "turf" issues should be identified as part of the process of developing the cooperative program. Municipal officials or employees who perceive a threat to their turf from a cooperative program may become resistant to the cooperative efforts. Once these issues are identified, a strategy for addressing the concerns can be implemented. Many of these issues can be resolved or their impact minimized.

- **Respond directly to challenges.** There are several challenges frequently asserted as arguments against intergovernmental cooperation.   These challenges should be directly responded to as suggested:

Challenge: A cooperative program is just another level of government.

Response: A cooperative program pools the resources of the participating municipalities to provide those particular cooperative services in the most effective way possible. There is no additional governmental entity created.

Challenge: A cooperative program is a duplication of services.

Response: Absolutely not. In fact duplication, if any, exists when each municipality provides the same service.

Challenge: A cooperative program means a tax increase.

Response: A tax increase may or may not be needed to provide the services. However, generally, a cooperative approach should minimize costs. It is the service, not the cooperation, that requires funding.

Challenge: A cooperative program means we'll be (1) dominated by the largest municipality or (2) dragged down by the smallest.

Response: Since intergovernmental cooperation is voluntary, it should be engaged in only if the governing board of each participant determines it is of benefit to that municipal corporation.

II.   Conducting a Cooperative Study

Intermunicipal cooperation can be as simple as two towns sharing a piece of highway equipment. But often, the issues are more complex and it may be desirous for the governing boards to conduct a feasibility study to determine if cooperation is mutually beneficial. While the scope of each intermunicipal cooperative effort will vary from study to study, there are certain basic steps that generally are necessary to the success of a cooperative venture. We recommend that the following steps, or similar measures, be taken as appropriate:

Develop a Mission Statement and Goals

Often local officials will have focused their early thoughts and efforts on certain organizational options for providing services (e.g., consolidated water operation, joint operation of a resource recovery facility) rather than focusing on what they may be truly hoping to accomplish (e.g., more efficient and cost-effective services). If the "goal" for the study remains merely an organizational option, the study may be very narrowly focused and it may be difficult to achieve success. More than likely, what you hope to achieve has a broader purpose. Therefore, it is paramount to the success of the study that a clear, specific and attainable mission statement and set of goals (both long-term and short-term) be established.

The governing board(s) or CEO(s), as appropriate, should designate a group to develop the preliminary mission statement and goals (see Appendix D for developing a mission statement). The group's focus should be on the problems that require study and the objective of the study. Once the group has developed the mission statement and goals, they should be presented to the governing board(s) or CEO(s) for consideration. If more than one municipality is involved in the study, this could be done at a joint meeting. Throughout the study, the mission statement and goals should be used as a guidepost for decisions made on recommendations or specific courses of action.

The "3 Es" test can often be used to determine if a proposed idea or arrangement meets the established goals or objectives:

1. **Economy** – Will the proposed cooperative arrangement reduce the current program's costs?

2. **Efficiency** – Will the proposed cooperative arrangement improve the current delivery of program services?

3. **Effectiveness** – Will the proposed cooperative arrangement allow local governments to deliver needed services that are qualitatively improved or that each would find difficult to provide individually?

The group should be formed as an intergovernmental relations council pursuant to General Municipal Law §239-n. Among other things, an intergovernmental relations council is empowered to make surveys, studies and conduct research programs to aid in the solution of local government problems and provide a forum for local governments to explore and develop areas for municipal cooperative activities.

After you have decided on the mission and goals for the study and the process to be used to achieve them, it is important to accomplish some early successes if possible. The quick, successful completion of one or two basic projects can help convince everyone that the mission and goals are attainable and that the agreed upon process works. Without these early successes, the project may seem overwhelming to some participants, especially when it involves many complex issues.

Decide upon viable options that exist for accomplishing the mission and goals

After developing the mission and goals, a list of viable options that will enable participants to achieve the mission statement and goals should be developed. For example, if one of the goals is to make service delivery more efficient and cost-effective, some viable options might be to: (1) consolidate the services with other municipalities and perform them on a joint basis, (2) have one municipality perform the services for the other municipalities, or (3) designate a "lead participating municipality" to perform coordinating and administrative functions for the cooperative activity. To simplify the process, a list of viable options could

be developed by the group assigned to developing the mission statement and goals. However, if the list is not prepared by the governing board(s), it should be ratified by them before proceeding. As the study proceeds, one or more of these options may be determined to be no longer feasible or other viable options may be identified and added to the list. The identified options should be viewed as a means of accomplishing the mission statement and goals and not as an end unto themselves.

Agree on a process to accomplish the mission statement and goals

After you have decided upon a mission statement and goals, you should design a study process to achieve them. Some issues that should be considered include: the makeup of the "steering committee" (this group directs the study's efforts and reports back to the governing board(s) and CEO(s)), whether sub-groups should be used to study individual services, how the progress of the study will be communicated, whether reports will be issued and, if so, the format of these reports, time lines for completing the study's various stages and whether to use outside consultants to assist with the study and potential funding sources. Some of these issues are discussed more fully below:

- **Identify "stakeholders."** To help gain acceptance of recommendations resulting from the study, it is imperative that all major "stakeholders" (any individuals or groups that are impacted by, and can directly or indirectly influence the implementation of the recommendations of the study) are identified and that they or their representatives have an opportunity to participate in the study process. See section IV, "Stakeholder Identification," for further assistance.

- **Identify "Steering Committee."** An important component for a study is often the establishment of a steering committee that will receive, review and evaluate relevant information, and make recommendations to the governing board(s) or CEO(s), as appropriate. The steering committee should not be too large, but it should include key people with the necessary authority to direct the study. Steering committee members should plan to attend several meetings to help accomplish the study's mission and goals.

- **Identify whether sub-groups are needed.** Depending upon the scope of the study, it may be necessary for the steering committee to commission smaller sub-groups for the purpose of studying discrete service areas or issues. Requiring the steering committee to study several diverse issues and/or services simultaneously may be time-consuming.

- **Decide whether outside consultants are needed.** In addition to drawing from the knowledge and skills of various local officials and community members, it may become necessary to employ the assistance of an outside consultant. This is often necessary when technical knowledge or expertise in

a service area is needed to effectively study operations. In addition, an outside consultant could be used for more general types of services (e.g., to critique the study process and/or produce the report for certain service area sub-group studies) depending on the size of the study and the available resources. If local officials decide to employ an outside consultant, issues including compliance with each participant's procurement policy and procedures, and an agreement to share costs must be considered.   To minimize costs, explore options that already exist. For example, some state agencies will provide technical consulting assistance without cost to local officials (see Appendix B for a listing of some of these agencies).

- **The governing boards, working together with the steering committee, should create a proposed budget for the study.** Some of the items that should be included in this budget are funds needed for consultants, surveys, or mailings. Potential funding sources for the study should also be detailed in the budget. To minimize the impact of the study's budgeted costs on taxpayers, the steering committee should identify potential outside funding sources to supplement any municipal appropriations. Potential outside funding sources for the study include gifts from non-profit foundations and federal or state grants. For instance, "Efficiency Study Grants" may be available to school districts through the State Education Department.

- **Develop an organizational chart.** In a complex study, developing and using an organizational chart can help the members of the various study groups understand the study process and agreed to channels of communication. The organizational chart should be developed early in the process and made available to all members of the study and the community's identified stakeholders (see Appendix C for an organizational chart example).

- **Establishing a project time line.** Time lines are often essential in order to fulfill management's desire to complete the project in a timely fashion. Is there a "drop-dead" date by which the local officials need to get this project finished? The time line should be realistic enough to allow for a quality study, while considering these realities. Failing to set a project time line may make the study unnecessarily time-consuming and may cause participants to lose focus.

Watch for "striking moments"

There are often times during a study when an opportunity arises which makes it more feasible to study a particular area or idea. Such events are called "striking moments."

Once identified, these striking moments can make the difference between an idea and recommendation being accepted or rejected. It's important to remember that these striking moments can often be small windows of opportunity, which can quickly close if a study group does not capitalize on them. Striking moments can be present at the beginning of a study (often they may be the reason for the study), identified during a study, or expected to appear in the near future. An example of a striking moment is:

- A town's five-year lease on its municipal building is due to expire next year. Village officials have recently approached them about sharing office space at the new village complex.

Complete the study

Using the established process, the steering committee will be able to oversee the completion of the study's work. The steering committee should receive periodic reports on the study's progress from any sub-groups, monitor time lines and evaluate results and recommendations. If service area sub-groups are used, the steering committee should standardize the progress and final reports submitted by the sub-groups to ensure that the information needed to accomplish the mission statement and goals is developed. The steering committee will be responsible for issuing an oral and/or written report to the governing board(s) and CEO(s), as appropriate, when the work is completed. Developing this overall report may be time-consuming, especially when the various results and recommendations of service area sub-groups are considered, (see Part VII, "Report Writing" for additional assistance) but can be critical to the project's success.

III.   Keeping the Momentum

In order to maintain enthusiasm throughout the entire process, it is important to keep the initial momentum constant. The following are some ways that you can help keep the momentum strong:

- **Schedule Frequent Meetings.** The steering committee should meet at least monthly and maintain regular contact with each other and any sub-committees.

- **Circulate Agendas Prior to Meetings.** Whenever possible, a tentative agenda should be circulated prior to scheduled meeting dates to allow the group to come prepared to discuss relevant issues. Always allow enough time for input to be received back from the group and changes to be made if necessary (i.e., additional agenda items).

- **Keep Meetings Short and Within Specified Time Frames.** Whenever possible, project meetings should be short (two hours maximum) and productive. Consider using a skilled facilitator at the meetings to help ensure that they stay short and to the point. A skilled facilitator does not always mean a paid consultant. Look for current employees who are trained in facilitation techniques.

- **Set a Date for the Next Meeting.** An excellent method of maintaining momentum is to schedule the next meeting as the last agenda item. The group should be encouraged to come to meetings equipped with personal calendars and/or schedule books so that dates may be set for future meetings.

- **Keep Records and Minutes, and Circulate Them.** Designate a record keeper or minute taker at each meeting. Copies of the minutes should be circulated to the group (and any stakeholders deemed necessary) as soon as possible after a meeting to allow for comment and to remind the group of action items and assignments.

- **Communicate with Stakeholders.** Communication is vital to maintain momentum. Stakeholders must be brought in at the beginning of the process and kept informed of the project's progress throughout the study, even if they do not actively participate. Failing to keep the stakeholders informed and not providing them a forum for input may increase the risk of stakeholders developing a negative opinion of the steering committee recommendations. Once the stakeholders have formed a negative outlook about the project, it's less likely that the study's recommendations will receive a fair hearing (See Part V, "Communication" for further assistance).

- **Encourage Patience and Flexibility.** While this may sound simplistic, you should encourage everyone to be patient and flexible throughout the study. Often the sponsors of a study (i.e., governing boards) will have already decided that the topic in question is a "good idea." Without patience and flexibility, the sponsors may become frustrated with a process that they see as unduly time-consuming and going off in "unnecessary" directions. Obviously, the enthusiasm of the project sponsors is vital to ensure momentum.

IV.   Stakeholder Identification

Stakeholders can be defined as any individuals or groups that are impacted by, and can directly or indirectly influence, the implementation of the study.   It is important to note that the identification of stakeholders is often an evolving process.   As a study group considers additional options for achieving its goals, it may also identify additional stakeholders. The following is intended to assist study groups and local officials in identifying stakeholders:

- **Members of Governing Boards of Municipalities.** Very often, the members of a governing board will sponsor a study and appoint a study group/steering committee to make recommendations. While these sponsoring boards are certainly stakeholders, other governing boards that are not sponsors may also be stakeholders. For example, if two village boards resolve to study ways to more efficiently deliver services to their taxpayers, the results could be a

recommendation to discontinue the village's provision of one or more services, and let the town(s) provide the services. In this example, the town(s) would be greatly impacted and thus their governing board(s) becomes a stakeholder. By not involving all necessary governing boards early on, you risk spending a great deal of time developing recommendations that may not get approval from key decision-makers.

- **Key Employees and/or Department Heads.** As the study group begins to review various functional areas of local government operations, the need for input from key personnel and department heads becomes crucial. A very important component of any study is identifying potential pitfalls or barriers associated with various options considered during a study. The people involved in the daily operations of each particular functional area are best suited for identifying these problems and posing potential solutions. In addition, these same people are often the ones being asked to implement any changes that come about as a result of the study. For these reasons, their involvement from the very beginning can be vital to the overall success.

- **Municipal Attorneys.** It is important for governing boards to keep their local attorney(s) informed throughout the study to insure that the group's initiatives are in compliance with all applicable laws. In addition, since studies often result in the need for an intermunicipal agreement, an attorney should be involved in the preparation of such an agreement.

- **Local Community Groups and Organizations.** Many local service organizations, such as a chamber of commerce, are comprised of business people who may be impacted by the recommendations. In addition, many of these organizations are made up of people with valuable business and management skills and resources that could be beneficial to the study.

- **Local Community Members.** Since some of the study committee's recommendations may result in actions that are subject to either mandatory or permissive referendum, it is important that the community be involved and kept informed throughout the study.

- **Municipal Employee Union or Labor Representatives.** Since many actions will affect public employees who serve local governments, some mechanism must be fashioned early on to fully analyze the effects that any recommendation may have on collective bargaining and Civil Service requirements. This can be accomplished by including employee representatives on the general study committee or by setting up a separate labor-management committee.

While it is important to be mindful of not forming too large a study group, experience has shown that only those truly interested will endure the many hours of meeting and development time necessary to complete the charge of the study group. For that reason, it is important to make all study group members aware that studies such as these may involve a large time commitment. Through attrition, a seemingly too large of a group will sometimes be reduced to a more manageable size early on in the study. (See Appendix E for a form designed to assist study groups in identifying stakeholders).

V.   Communication

Effective communication is crucial to the success of any study. If all stakeholders are not kept fully informed throughout, the result is often that decisions are made based upon assumptions and perceptions rather than facts. Communication can come in many forms including departmental memos, newsletters, minutes of meetings, newspaper articles and public information forums.

The following is intended to demonstrate a chronological approach to employing effective communication tools throughout a study:

1.   The minutes of Village A's board meeting document the board's desire to contact Village B regarding a cooperation/consolidation study aimed at providing better services to area residents of both villages at the lowest possible cost.

2.   Village A and Village B decide upon a joint meeting to discuss the potential study and each prepares a public notice for the local newspaper announcing the time, date and purpose of this public meeting (all future meetings are announced in a similar way).

3.   After the first joint meeting, copies of the minutes are distributed to key village personnel and union representatives in both villages (minutes of all future meetings are distributed in the same fashion). In addition, since it was mutually decided at this meeting to go further with a study, a copy of the minutes attached to an introductory letter is sent to other neighboring municipalities that might be impacted by recommendations coming out of the study (i.e., town, school district, county). The letter should identify the study's sponsor (both village boards), members of the study group/steering committee appointed thus far and ask the other municipalities for a show of interest in participating (if they should be asked).

4.   If a decision is made to divide the study group/steering committee into smaller groups or teams to further study specific functional areas (police, fire, highway, etc.), a member of the study group/steering committee should be appointed to serve as a liaison to each team. The liaisons should serve as a

conduit for communicating between the team and the study group/steering committee. Each functional area team should keep minutes and, since some items of study are applicable to several function areas (e.g., buildings, employee benefits, etc.), it is often beneficial for the teams to distribute copies of their respective minutes to each other.

5. Functional area teams should be given a deadline for reporting back to the study group/steering committee and they should all employ a similar format for their final reports. Once these reports have been received, the study group/steering committee should announce a time (or times) for this information to be presented to the public. These public forums can serve as an opportunity to educate and inform the public as to what the study group/ steering committee has learned so far, and give the public an opportunity to voice their opinions and concerns. These public information forums are often crucial to the sucess of any recommendation(s) that require public referenda (mandatory or permissive) prior to implementation.

6. After receiving all necessary reports from each functional area team and input from the public, the study group/steering committee should make their final recommendation(s) to the study's sponsors (i.e., both village boards) in a written report. A copy of this report (or detailed summary) should also be made available to the public allowing for sufficient time for public input prior to any final decisions being made by the study's sponsor(s).

Open communication throughout any intergovernmental cooperation/consolidation effort can help insure that the merits of the study group's recommendations will be recognized by the intended audience.

VI. Transitional Meeting

The transition is the point at which the study has been completed, and the implementation process may begin. A transitional meeting should be conducted when the time comes to implement the cooperation proposal. The transitional meeting should occur after the steering committee has taken its report to the participants' governing boards, and has gained approval on one or more items. If the study does not unveil any opportunities for improvement through cooperation or if approval has not been gained in order to proceed, then a transitional meeting will be unnecessary. All members of the steering committee, sub-groups, and any individuals who will be involved in the implementation phase should attend the transitional meeting.

The following should occur at the transitional meeting:

• Introductions.

• Presentation of the history of the study, accomplishments, pitfalls, and results (to be made by one of the steering committee members).

- Discussion of the implementation phase.   It may be beneficial to put together an implementation team in order to keep the momentum of the study going, and to help ensure success. To give the team a starting point, an overall objective and three to five short term goals to work on throughout the year as they relate to implementation should be established.

- Reach consensus on an implementation team:
  - Is a team needed?
  - If so, who will participate?
  - What positions will be necessary?
  - Who will be the team leader?
  - What are the ground rules?

- Schedule next meeting of the implementation team (when, where) and establish a regular meeting schedule (discuss the importance of sending notices to the team, having an agenda and goal, and scheduling the next meeting).

VII.   Project Reporting

Project reports are discretionary based on the situation/needs of the local governments. Reports are a means of capturing important information. For example, if a study is done on a particular type of cooperative activity and the study clearly shows that an activity would or would not be a good idea, it is important to document this information for future reference. There are other advantages of preparing a report as well, including, but not limited to:

- Communicating results of the study, report recommendations and/or other outcomes of the study,

- Making the results less susceptible to misunderstanding,

- Making the results available for public inspection, and

- Facilitating follow-up to determine whether report recommendations have been implemented.

The format of the report should be adapted to meet the needs of the audience. Items that should be considered in developing the format should include, but are not limited to:

- Introduction - Background, Objective or Purpose, Scope and Methodology,

- Executive Summary - Results of Study, Recommendations, Cost Saving Ideas and/or Outcomes of the Study,

- Issues Needing Further Study (i.e., if there are such issues, and if it is appropriate, they should be disclosed along with the reasons why the issues need further study),

- Recognition of Key People/Organizations who were involved with the Study, and

- Proposed Legislative Changes (i.e., such proposed changes should be mentioned if needed to effect a cooperative activity).

The report should be complete, accurate, objective, timely and as clear and concise as the subject matter permits. The information contained in the report should be made available for timely use by management of the participating local governments.

VIII.   Implementation

The decision as to whether to implement any of the recommendations resulting from a cooperative study rests with governing board members. When a study results in recommendations that each governing board agrees to pursue, an implementation committee or team may be appointed. Some key issues for this group to consider include:

- How will the costs and revenues be allocated among the participants?

- Which chief fiscal officer will have custody of funds for the cooperative service?

- What will the scope of the cooperative service be?

- How will potential liabilities be handled?

- Who will own property and employ staff?

- Who will be responsible for financial reporting requirements and what will they be (internal and/or external)?

- Will implementation of the idea require a referendum or can you simply seek citizen input?

- What is the best time to begin implementation?

With the assistance of an attorney, the above issues and all the terms and conditions of the agreement should be formulated into an intermunicipal cooperation agreement. In addition to the issues discussed above, the agreement should address such things as contract term, procedures for proposing amendments and terms and conditions relating to termination of the agreement.

IX. Conclusion

As your municipal responsibilities become increasingly complex and demanding, you should constantly seek out the best ways to provide the services needed by your communities. Part of the solution to this challenge can be intergovernmental cooperation. Cooperation is in the future of many successful local governments. The question only you can answer is whether it is in the future of your local government.

X. How Can the Office of the State Comptroller Help?

In keeping with our desire to make the best use of our available resources while better serving local governments, the Office of the State Comptroller (OSC) has developed a service called Cooperation and Consolidation Consulting Service, or *3CS*. *3CS* is designed to help local officials eliminate duplication of effort and provide necessary services more economically and effectively, as well as to help remove any organizational and administrative barrier to economic growth through (a) cooperation within a local government (b) cooperation between two or more local governments or (c) consolidation. *3CS* is available to any New York State local government whose governing board has demonstrated a commitment to study ways in which to deliver more efficient and cost-effective services to its taxpayers. Requests for this service will be evaluated by each Regional Office and decisions regarding which municipality will receive this service will be made based upon available staff resources at the time of the request.

What Type of Help Can We Expect?

Throughout the cooperative study, OSC staff can assist the study group in a number of ways including:

- Identifying a process and viable options that may exist for accomplishing the mission and goals,

- Facilitate and/or attend meetings to offer technical assistance concerning finance-related issues,

- Share best practices compiled by our Office from other studies conducted by other municipalities, and

- Identify other agencies or resources that may be able to offer some expert assistance to the group.

These studies can be time intensive requiring many hours to be spent during and after meetings and can sometimes last for many months before any decisions or recommendations are made. In an effort to make the best use of our available resources so that we can offer this service to all local governments, OSC staff will not be able to commit to long periods of on-site field work similar to that spent during audits or $MART Reviews. It may be necessary for the local government(s) to enlist the aid of local officials, employees, and other outside agencies or consultants to perform much of the labor-intensive work associated with studies such as these.

APPENDIX A
COOPERATION-RELATED WEBSITES

(These addresses are provided for informational purposes only. Each local government must ensure that its agreement is in compliance with all applicable laws, rules and regulations.)

www.info.gov - Governmental information. Clearinghouse, searchable.

www.statelocal.gov - Local government information. Includes best practice articles and other topics.

www.dos.state.ny.us/lgss/inter.html - Intermunicipal cooperation guidelines (single document).

www.dos.state.ny.us/cnsl/newsl5g.html - Intermunicipal cooperation guidelines (single document).

www.state.ia.us/government/iitt/fullreport/ggfintoc.htm - Local government strategies.

APPENDIX B – AVAILABLE RESOURCES

AGENCIES, ORGANIZATIONS, & CONSULTANTS
Offering Assistance to Local Governments on Issues of Consolidation and Cooperation

NYS Division of Criminal Justice Services
Bureau of Municipal Police
4 Tower Place
Albany, NY   12203

Phone: (518) 457-6101
    (518) 457-1595

Contact: Ken Post

Provides assistance to municipal law enforcement agencies in setting up shared police services.

NYS Department of State
Office of Local Government Services
41 State Street
Albany, NY   12231

Phone: (518) 486-9888
    1-800-367-8488

Contact: Varies by topic

Offers assistance on planning and zoning. Cooperates in the Self-Help Program, which assists small governments with water and wastewater projects.

NYS Legislative Commission on Rural Resources
Legislative Office Bldg.
Albany, NY   12247

Phone: (518) 455-2544

Contact: Ron Brach, Executive Director

Addresses issues of importance to rural areas of New York State.

NYS Tug Hill Commission
317 Washington Street
Watertown, NY   13601

Phone: (315) 785-2570

Contact: Robert Quinn, Executive Director

Provides a variety of technical assistance to local governments.

Association of Towns of NYS
146 State Street
Albany, NY   12207

Phone: (518) 465-7933

Contact: Tom Bodden, Manager of Research

Assists towns with research and information on cost sharing and cooperation.

NYS Department of State Fire Prevention and
  Control Office
41 State Street
Albany, NY   12231

Phone: (518) 474-6746

Contact: Varies by topic

Offers assistance to municipal fire protection providers in looking at shared services and consolidation.

APPENDIX B – AVAILABLE RESOURCES

AGENCIES, ORGANIZATIONS, & CONSULTANTS
Offering Assistance to Local Governments on Issues of
Consolidation and Cooperation

Cornell Local Roads Program   Phone: (607) 255-8033
416 Riley-Robb Hall
Cornell University
Ithaca, NY 14853-5701   Contact: Lynn H. Irwin, P.E., Director

Provides assistance to local governments on consolidation/cooperation issues related to highways.

New York State Conference of Mayors   Phone: (518) 463-1185
119 Washington Ave.
Albany, NY 12210

Provides general information to member villages on cooperation and consolidation efforts around the State.

University of Buffalo Institute for Local   Phone: (716) 829-3777
    Government and Regional Growth
Beck Hall, Building 9
University of Buffalo
3435 Main Street
Buffalo, NY 14214-3004

Created in 1996 with the support of the NYS Senate Committee on Local Government, the Institute works on demonstration projects that show the benefits of local governments sharing or consolidating functional services and operations.

APPENDIX C – SAMPLE ORGANIZATION CHART

Village of Anywhere / Town of Anywhere Cooperative Study
Organization Chart

Steering Committee
Mayor, Supervisor, Board Members

Record Keeping / Public Information
Village and Town Clerks,

Agency Consultants / Experts
Office of the State Comptroller,
County Planning Dept.

Community Input / Review

Functional Areas of Analysis

Fire	**Police**	**Highway**	**Zoning**	**Utilities**	**Admin**	**Recreation**	**Health**
Fire Chief, Board Liaison, Citizen Rep	Chief, Board Liaison, Citizen Rep	Dept. Heads, Board Liaison, Citizen Rep	CEO, Board Chairman,, Citizen Rep	Dept. Heads, Water & Sewer Board, Citizen Rep	Clerks, Treasurer, Mayor, Supv, Citizen Rep	Dept. Head, Board Liaison, Citizen Rep	Health Board, Board Liaison, Citizen Rep

Community Input / Review

APPENDIX D – MISSION STATEMENT

What Should Be in a Mission Statement?

The statement should clearly state what your organization seeks to accomplish. This section of the mission statement usually includes two phrases:

- a statement that indicates a change, such as to increase effectiveness, to decrease waste,

- a statement that identifies a problem or condition to be changed.

An example would be "to increase efficiency in the provision of solid waste management services in the village and town." In defining purpose, focus on an outcome rather than the means to accomplish the goal.

Activities

This section sets forth the activities the municipalities choose in order to pursue their mission. For example:

- to cooperatively provide for refuse collection services,

- to educate the public concerning the provision of this service on a cooperative basis.

You may wish to elaborate on this statement by adding the words "by" or "through." For example: "To cooperatively provide for refuse collection services by jointly contracting with a service provider."

Values

Values are beliefs that the participants share and endeavor to put into practice. Examples of values include: a commitment to efficient services to taxpayers; a commitment to the prudent use of municipality resources.

How To Prepare a Mission Statement

There is no one way to state the collective goals of the participants. It is important, however, that a consensus be reached.

A free and open discussion can give the group confidence that the mission statement will include a consensus of common ideas.

After having a group discussion concerning global concepts, it may be beneficial to designate one or two individual group members to draft an initial statement to be disseminated to the group for comment.

APPENDIX E – STAKEHOLDER FORM

The following chart is intended to be used as a guide in helping local officials identify stakeholders who may be impacted or who can directly or indirectly influence the implementation of the prospective recommendations of the study.

After having identified stakeholders, local officials can use this chart to decide which stakeholder should be included in a study group or steering commitee.

GOVERNMENT OR COMMUNITY ORGANIZATION	Stakeholder		MEMBERS OF STUDY GROUP / STEERING COMMITTEE	
	YES	NO	NAME	Title
CHIEF EXECUTIVE OFFICERS (MAYORS, SUPERVISORS, ETC.)	☐	☐		
GOVERNING BOARD MEMBERS (Village Trustees, Town Board Members, School Board Members, etc.)	☐	☐		
PLANNING or ZONING BOARD MEMBERS	☐	☐		
MUNICIPAL OFFICERS OR DEPARTMENT HEADS (DPW Supt., Highway Supt., Village Treasurer, etc.)	☐	☐		

GOVERNMENT OR COMMUNITY ORGANIZATION	Stakeholder		MEMBERS OF STUDY GROUP / STEERING COMMITTEE	
	YES	NO	NAME	Title
NEIGHBORING GOVERNMENT OFFICIALS (County, City, Village, Town, etc.)	❒	❒		
FIRE DEPARTMENT REPRESENTATIVES	❒	❒		
POLICE DEPARTMENT REPRESENTATIVES	❒	❒		
LABOR UNION OR OTHER EMPLOYEE REPRESENTATIVES	❒	❒		
YOUTH REPRESENTATIVES	❒	❒		
COMMUNITY MEMBERS (Taxpayers or Taxpayer Groups, Business People, Service Group Reps, etc.)	❒	❒		

Division of Local Government and School Accountability

Regional Office | Directory

Steven J. Hancox, Deputy Comptroller (518) 474-4037
Cole H. Hickland, Director - Direct Services (518) 474-5480
Jack Dougherty, Director - Direct Services (518) 474-5480

ALBANY REGIONAL OFFICE – Kenneth Madej, Chief Examiner
22 Computer Drive West • Albany, New York 12205-1695
Tel (518) 438-0093 • **Fax** (518) 438-0367 • **Email:** Muni-Albany@osc.state.ny.us
Serving: Albany, Columbia, Dutchess, Greene, Schenectady, Ulster counties

BINGHAMTON REGIONAL OFFICE – Patrick Carbone, Chief Examiner
State Office Building, Room 1702 • 44 Hawley Street • Binghamton, New York 13901-4417
Tel (607) 721-8306 • **Fax** (607) 721-8313 • **Email:** Muni-Binghamton@osc.state.ny.us
Serving: Broome, Chenango, Cortland, Delaware, Otsego, Schoharie, Sullivan, Tioga, Tompkins counties

BUFFALO REGIONAL OFFICE – Robert Meller, Chief Examiner
295 Main Street, Room 1050 • Buffalo, New York 14203-2510
Tel (716) 847-3647 • **Fax** (716) 847-3643 • **Email:** Muni-Buffalo@osc.state.ny.us
Serving: Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Niagara, Orleans, Wyoming counties

GLENS FALLS REGIONAL OFFICE – Karl Smoczynski, Chief Examiner
One Broad Street Plaza • Glens Falls, New York 12801-4396
Tel (518) 793-0057 • **Fax** (518) 793-5797 • **Email:** Muni-GlensFalls@osc.state.ny.us
Serving: Clinton, Essex, Franklin, Fulton, Hamilton, Montgomery, Rensselaer, Saratoga, Warren, Washington counties

HAUPPAUGE REGIONAL OFFICE – Richard J. Rennard, Chief Examiner
NYS Office Building, Room 3A10 • Veterans Memorial Highway • Hauppauge, New York 11788-5533
Tel (631) 952-6534 • **Fax** (631) 952-6530 • **Email:** Muni-Hauppauge@osc.state.ny.us
Serving: Nassau, Suffolk counties

NEWBURGH REGIONAL OFFICE – Christopher J. Ellis, Chief Examiner
33 Airport Center Drive, Suite 103 • New Windsor, New York 12553
Tel (845) 567-0858 • **Fax** (845) 567-0080 • **Email:** Muni-Newburgh@osc.state.ny.us
Serving: Orange, Putnam, Rockland, Westchester counties

ROCHESTER REGIONAL OFFICE – Edward V. Grant Jr., Chief Examiner
The Powers Building • 16 West Main Street – Suite 522 • Rochester, New York 14614-1608
Tel (585) 454-2460 • **Fax** (585) 454-3545 • **Email:** Muni-Rochester@osc.state.ny.us
Serving: Cayuga, Chemung, Livingston, Monroe, Ontario, Schuyler, Seneca, Steuben, Wayne, Yates counties

SYRACUSE REGIONAL OFFICE – Eugene A. Camp, Chief Examiner
State Office Building, Room 409 • 333 E. Washington Street • Syracuse, New York 13202-1428
Tel (315) 428-4192 • **Fax** (315) 426-2119 • **Email:** Muni-Syracuse@osc.state.ny.us
Serving: Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence counties

Division of Local Government and School Accountability

Central Office Directory

(Area code for the following is 518 unless otherwise specified)

Executive 474-4037
   Steven J. Hancox, Deputy Comptroller
   John C. Traylor, Assistant Comptroller

Financial Reporting 474-4014
(Annual Financial Reports, Constitutional Limits, Real Property Tax Levies,
Local Government Approvals)

Information Services 474-6975
(Requests for Publications or Government Data)

Justice Court Fund 473-6438

Audits and Local Services 474-5404
(Audits, Technical Assistance)

Professional Standards 474-5404
(Auditing and Accounting)

Research 473-0617

Statewide and Regional Projects 607-721-8306

Training 473-0005
(Local Official Training, Teleconferences, DVDs)

Electronic Filing
          Questions Regarding Electronic Filing of Annual Financial Reports 474-4014
          Questions Regarding Electronic Filing of Justice Court Reports 486-3166

Mailing Address for all of the above:	**Office of the State Comptroller,** **110 State St., Albany, New York 12236** email: **localgov@osc.state.ny.us**

New York State
Office of the State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor • Albany, New York 12236