

Thank you, members of the Commission on Local Government Efficiency and Competitiveness, for the opportunity to speak to you today.

In 2004, New York State had the highest overall state and local tax burden in the country and our local property taxes were the fourth highest. Local governments are pressed now more than ever to deliver quality services to our residents as the costs of education, health care and other public needs spiral upward. At the same time municipalities face more and more expensive mandates from State and Federal governments. Pension and employee health insurance costs continue to grow.

All of these factors put pressure on our property taxpayers. To alleviate these pressures, municipal leaders must look for every opportunity to increase the efficiency of our operations and cut costs.

One of the most fruitful opportunities we have to generate those efficiencies is in the area of consolidation, cooperation and sharing of services between and among local governments. In an effort to explore those opportunities and develop concrete initiatives to deliver on the savings and service delivery improvements, I initiated an Intermunicipal Cooperation Forum among municipalities and other public entities within Albany County in early 2006. Quarterly meetings, which began in April, provided us an opportunity to discuss and highlight initiatives that are already underway, including vehicle fueling, snow and ice agreements, cooperative purchasing agreements, and information technology sharing. It also served as a forum to discuss common challenges and new opportunities to create solutions through shared services and other intergovernmental cooperation.

There are several cooperative initiatives that I would like to briefly discuss with you today starting with two initiatives that reflect regional cooperation among counties.

Albany, Rensselaer and Schenectady Counties, together with several State agencies, have developed a collaborative, intergovernmental initiative to meet the needs of children in crisis. The Child and Adolescent Mobile Crisis Team responds to child and adolescent behavioral health crises at families' homes and in the community throughout the three counties. The Crisis Team, created last year, responds to children's behavioral health emergencies to help avoid unnecessary psychiatric hospitalization. Several state

agencies and our neighboring counties came together to form this unique program to fill a major service gap in our communities.

The collaborative nature of the Crisis Team is unprecedented, blending funding at the local level obtained from a variety of sources and service systems. Each of the three counties has contributed equipment, automobiles, consultation and other support to the Crisis Team.

The three partner counties hope to expand the Crisis Team hours of operation and add additional treatment, case management, family support and respite service both in home and out of home. To date, the Crisis Team has been received with enthusiastic support by providers and family members.

A challenge we face moving forward with this innovative plan is securing ongoing funding. Although the Crisis Team has obtained a considerable amount of permanent funding for limited staff, as well as in-kind and financial contributions from the counties, the program currently faces a funding gap for 2007.

In the purchasing arena, Albany County is working with other governments to develop a statewide depository for all commodity and service contracts.

Albany County is pursuing an initiative in cooperation with other counties to create a statewide county contract data base and cooperative bidding collaboration tool. This online software tool will facilitate the cooperative bidding process throughout the state enabling political subdivisions to participate in the cooperative bidding process and to take advantage of the expertise of county procurement personnel.

The development of an online county contract database will have a local, regional and statewide impact on the cost of commodities and services purchased by local governments. All participating political subdivisions will benefit from lower prices.

We are also exploring ways to share services among local governments within Albany County.

Within the County, we have created an online cooperative bidding system that combines the purchasing power of all participating municipalities allowing us to purchase in larger quantities at lower prices and reducing or eliminating duplicative administrative expenses that would otherwise have to be borne by each municipality.

Albany County is the lead agency in coordinating the development of all cooperative purchases by providing research and coordination of services and preparation and presentation of the bid documents. This program promotes an exchange of management and technical information among area purchasing officials.

In an effort to combat the increasing costs of health care, Albany County is moving to develop a Countywide Health Insurance Consortium (CHIC). The consortium would engage municipalities in a cooperative health plan that pools risk and reduces overall health insurance premiums.

It is also anticipated that the Consortium will be the genesis of other cooperative efforts in the area of employee benefits, including but not limited to, disability insurance.

Overall, the Countywide Health Insurance Consortium will provide the participating municipal corporations with a cooperative medical plan designed to maintain or increase current insurance benefits/coverage and reduce overall health insurance premiums.

Finally, I would like to discuss an initiative to consolidate services. As part of the 2007 budget process, a proposal was presented to consolidate the Albany County Department of Public Works and the Town of Berne Highway Department. Analysis shows this collaboration would have delivered initial savings of \$400,000 and ongoing operational savings of more than \$300,000 annually.

The County and the Town both have public works field offices located in the Town of Berne whose primary functions are road maintenance and snow and ice control. The County owns a recently rehabilitated road salt storage dome, above ground fueling facilities, and a small office building in need of repair. The Town owns a large recently improved office building and below ground fuel storage tanks, and stores road salt in a very small shed. The consolidation plan combined the two field units and shared resources.

Despite the obvious tax relief, support from local editorial boards and a grant awarded by the New York State Shared Municipal Services Incentive Grant program, the consolidation plan was handily defeated by local lawmakers. It was contested by town residents and voted down by the Town Board. Consequently, the Town rejected a

proposal that would have included a two percent property tax decrease in lieu of the status quo which equated to a 28 percent tax increase.

A host of small issues accompany consolidation efforts and will be faced by other local governments as they explore the similar possibilities. They include political considerations, fear of the unknown, fear of losing control, desire for the status quo and developing trust among individuals. These issues affected the ability of the Town and County to successfully implement a relatively simple and clearly cost effective proposal. However, the Town Board is still considering the original proposal and additional shared services options.

New York's property taxes, among the highest in the nation, are driven up by government inefficiency and duplication of services. There are many ways to share services and eliminate inefficiency and duplication. Funding incentives such as the State Shared Municipal Services Incentive Grant program and the new State administration's focused attention on intermunicipal cooperation have already opened up new dialogue among local government officials. Additional State incentive funding, publicity and education about opportunities to implement efficiencies and cost savings solutions would add significantly to our efforts.

However, the road blocks we encountered in our efforts to combine town highway services and the apathy and opposition to other similar efforts, make it clear to me that much more needs to be done to encourage public officials to propose, support and implement solutions and to educate residents about the benefits to be reaped from combined government initiatives.

Despite these challenges, in Albany County we are committed to finding new ways to reduce costs by working together with other local governments.

“It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institutions and merely lukewarm defenders in those who would gain by the new ones.”

- Niccolò Machiavelli