

2018 County of Orange County-wide Shared Service Property Tax Savings Plan
Summary of Process

The FY 2018 New York State Budget included a County-wide Shared Services Initiative (CWSSI) designed to generate property tax savings by facilitating collaboration between local governments. The CWSSI established a Shared Services Panel of the mayor of every city and village and supervisor of every town, within the county, chaired by the County Executive. The Panel is developing and will ultimately approve a County-wide Shared Service Property Tax Savings Plan with the **goal of saving property taxpayers' money by identifying collaborative opportunities for shared services between at least 2 municipalities. The County does not have to be a partner in the costs savings projects.**

The FY 2019 Budget includes \$225 million to fund the State's one-time match of net savings from new shared services actions implemented and achieved among more than one municipality included in County property tax savings plans. The Budget also continues the county-wide shared services panels for another three years.

The Orange County Shared Services Panel, chaired by County Executive Steven Neuhaus, has been meeting monthly since July of 2017 and aims to submit a plan to the Orange County Legislature for their review by July, but no later than August 1, 2018. The Legislature will review the plan and make any recommendations through an advisory report by September 15, 2018. The County Executive will hold 3 public hearings on the plan before September 15. The County Executive and the Panel can modify the plan based on the recommendations. The plan will be finalized by the County Executive and the Panel will vote to approve or disapprove of the plan. The County Executive will submit the plan to the NYS Director of the Division of Budget by September 15 and will disseminate and present the plan to the public by October 15, 2018.

For more information regarding the Shared Services Initiative visit the Shared Services section of the NYS Dept. of State website: <https://www.ny.gov/programs/shared-services-initiative>

What projects should be included in the plan?

- 1- Shared Services Law does not prohibit any specific actions from being proposed or included within a Plan. The proposal or inclusion of actions within a Plan does not guarantee that such actions will ultimately be implemented or that such actions will be eligible for one-time match funding.
- 2- If an action prevents an increase in property taxes that otherwise would have occurred, such action(s) can be included in the Plan.
- 3- Include any state and county bids/contracts that are piggybacked on from municipalities.
- 4- Include any agreements that are currently informal, but will be formalized through an inter-municipal agreement and any inter-municipal agreement among 2 or more counties.
- 5- Include in the plan any joint RFP's for procurement of services or equipment.
- 6- As possible, include an appendix listing all current shared service arrangements in the county
- 7- As possible, include an appendix of all potential shared service projects with impediments to implementation
- 8- There are no deadlines for the implementation of actions called for in the Plan.

Determining Cost Savings for projects included in the plan:

- 1- The certifications of Plan savings should be based on the estimated new savings that are expected to accrue from implementation of the individual proposals that are contained within and comprise the Plan. Such new savings will be assessed based on the current cost of providing the services individually, and then comparing that amount to the service delivery cost of the consolidated or shared proposal.
- 2- If the county offers anything for free to municipalities, for example, GIS tax map services or trainings, include this in the plan, along with the savings incurred by the municipalities.
- 3- A Shared Services Plan may include actions that do not directly reduce the property tax. For instance, a Shared Services Plan can include the creation of a utility purchasing program organized by one or more governments that is available to residents in the county either directly or through an opt in by a municipality. However, such a program will not be eligible for the state matching funds because it does not reduce property taxes. If a Shared Services Plan provides for a reduction in government utility bills, either as part of a broader program that offers savings to residential and/or business customers or savings just to governments, that action can both be included in a Shared Services Plan and to the extent it reduces governmental utility bills, it may be eligible for the state matching grants.
- 4- While Plan approval may occur prior to the implementation of actions that are included within the Plan, the implementation of an action occurs once the applicable legal prerequisites to the action's implementation have been satisfied by the participating local governments or jurisdictions. It is anticipated that actions and component actions contained in a plan may be implemented at different times following plan approval, as each action or component action may carry with it unique and varying legal prerequisites. All applicable legal prerequisites to implementation of any action or component of an action contained within a final, approved Shared Services Plan must be satisfied in order for that action or component of an action to properly take effect.
- 5- For purposes of calculating savings, an action called for in the Plan that is implemented in the 4th quarter of 2018 that results in tax savings in 2019 should be included in the Plan's listing of anticipated savings. However, it should be noted that the Shared Services Law does not authorize a one-time match for savings achieved through the implementation of a shared service action in the 4th quarter of 2018. Therefore, saving resulting from an action implemented in the 4th quarter of 2018 would not be eligible for one-time match.
- 6- Cost savings in the Plan are a projection and should be based on numbers the local governments can justify and are comfortable using pursuant to generally acceptable standards. Many local governments utilize multi-year financial planning, which could be used to help estimate a future year's budget.