

“Regionalization – A Guide to a More Efficient Government”

Tony Roselli, Partner
Roselli, Clark & Associates, CPAs
Woburn, Massachusetts
www.roselliclark.com
troselli@roselliclark.com
March 14, 2011

Resource Material

- Report of the Regionalization Advisory Commission. (a)
- Results of the Online Municipal Services Survey – Franklin Regional Council of Governments. (b)
- Municipal Advocate – Massachusetts Municipal Association – Volume 25, No. 3
- The Future of Small Town Computing. A “Cloud” or a “Digital Divide” (c)

(a) www.mass.gov/governor/regional

(b) www.frcog.org/

(c) City and Town

Summary

- What is regionalization?
- Why regionalize?
- Role of the Division of Local Services
- Municipal Partnership Act
- Regionalization Advisory Commission
- Committee reports and recommendations
- Franklin Regional Council of Governments
- Survey summary

What is Regionalization?

- Regionalization is a process by which two or more communities collaborate on a distinct service or bundle of similar services; the delivery of which is done in a more effective and efficient manner.
- First regionalization movement in Massachusetts was in the 1970's (regional schools).
- Regionalization comes in a number of service sharing options.
 - Share services with equal effort between two communities – (i.e. jointly forming a school district.)
 - Share services through an informal arrangement between two or more communities.
 - Share services with one community as the lead or provider and the other (s) as the receiver (s) through a formal intermunicipal agreement. Normally the receiver is assessed a fee for the goods or services.
 - Create a host agency that all collaborating communities purchase goods and services from.
- Consolidation of departments, while not a regional collaboration is also a part of this family of processes.

Why Regionalization?

- The economy's adverse impact on the annual budget process.

(Decreasing or capped revenues combined with escalating pension, health and other costs have seriously stressed the budget process in many communities.)

- Share costs, thus savings will result.

- Preserve critical services and meet required responsibilities.

- Provide easier access to specialized/expert services.

- Spread service effort.

- Achieve parity with other States of similar size and population.

(e.g. Massachusetts holds 2% of the country's population but accounts for 12% of the country's public health offices.)

Division of Local Services' Role

- Member and staff for Regionalization Advisory Commission and Municipal Cabinet.
- Work with the Governor's Office to promote projects and develop policies that encourage shared services and regionalization.
- Actively investigate and try to facilitate computer based strategies that could result in successful implementations of internet-based financial applications that can be secured at an affordable cost by a number of small communities. (The "Cloud" concept)
- Produce City and Town newsletter with regional focus.
- Produce reports from communities on the effectiveness of shared services.

Municipal Partnership Act

- Allows Towns by local option, to participate in the Group Insurance Commission (GIC). Currently over 30 communities participate.
- Requires Pension Systems whose actuarial liabilities are under 80% funded, and who have underperformed PRIT by 2.25% or more over a 5-year period to transfer their assets to PRIT.
- Section 35 creates a Special Commission to investigate methods for providing incentives for best municipal fiscal practices and **regionalization** of municipal services.

Regionalization Advisory Commission

- Birth child of the Municipal Partnership Act
- Created by Chapter 60 of the Acts of 2009
- 19 member Commission commenced July 1, 2009 and concluded April 30, 2010
- Lieutenant Governor Murray served as Chair
- Designees from all executive offices
- Senate President designee
- Speaker of the House designee
- Three gubernatorial appointments with local service backgrounds

Regionalization Advisory Commission

- Responsible for reviewing all aspects of regionalization
- Broken into 11 subcommittees
- Required to conduct a six-month review
- Required to publicize a report of their research on April 30, 2010

Regionalization Advisory Commission – General Recommendations

- Organize and execute a statewide regionalization conference on an annual basis
- Replicate existing successful programs
- Centralize existing regionalization resources
- Leverage existing state grant programs to encourage collaboration
- Fund pilot programs
- Develop incentive and support programs for the future
- Identify and develop outside funding streams
- Further study municipal governance issues
- Further study human resources-related matters
- Further study of regional governmental entities and state service delivery regions

Regionalization Advisory Commission – Subcommittees

- Public Health
- Veteran's Services
- Elder Services
- Public Safety
- Municipal Finance
- Transportation and Public Works
- Education
- Library Services
- Information Technology
- Green Communities
- Housing and Economic Development

Public Health - Subcommittee

- Protection of public health is mandated by law to be provided at the local level.
- Massachusetts Department of Public Health oversees compliance.
- In a City, a Board of Health is appointed and must consist of 3 members including a physician.
- In a Town, they may be elected or appointed.
- A community may also accept MGL 111, Section 26E and create a Public Health Department.



Public Health - Subcommittee

- **Massachusetts ranks 13th in the country in population, but it has more local health departments than any State in the Country.**
- Funding is through local revenues, as State funding is currently not available.
- Health care requirements are escalating at an epidemic rate.
- Lack of funding, escalating health care requirements and large number of public health departments have caused public health care compliance to slip as communities have begun prioritizing the requirements, thus some requirements are being ignored.
- Communities become exposed to legal liability.



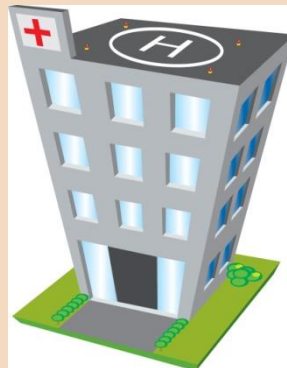
Public Health - Subcommittee

- Chapter 529 of the Acts of 2008
- Barriers to cooperation are removed.
- Cities may hire co-health directors.
- Boards of Health may now vote to form public health districts.
- New communities may now join existing public health districts.
- A legal basis for State funding is provided.
- Protects civil service, retirement and compensation rights of employees who are transferred into public health districts.



Public Health - Subcommittee

- Belmont and Lexington – share public health nurse position
- Melrose and Wakefield – combined public health departments
- Beverly, Danvers, Marblehead, Peabody and Salem exploring a collaboration of public health
- Nashoba Boards of Health – 14 towns
- Barnstable County Department of Health and Environment – 15 towns
- Quabbin Health District – 3 towns



Veterans' Services - Subcommittee

- Chapter 471 of the Acts of 1972 requires a full-time veteran's agent for communities over 12,000 in population that are not members of a district.
- Chapter 115, Sections 10 – 15 allows two or more communities to form a district for the purposes of providing veteran's services. The regulation only allows for one City to be included in the district and the communities must be contiguous.
- The Regionalization Advisory Committee recommends that in order to accommodate the creation of veteran's services districts, the restrictions above should be legislatively removed.



Elder Services - Subcommittee

- Currently 349 Councils on Aging exist in Massachusetts.
- Many services are provided by separate elder services.
- Motivation to work in conjunction with public health and veterans' services, since there are inherent overlaps of users.
- Opportunities to collaborate appear most beneficial in transportation, and this should be a target area.



Public Safety - Subcommittee

- Enabling regionalization legislation for public safety:
 - Fire District Chapter 48, Sections 60 – 80
 - Police District Chapter 41, Sections 99B – 99K
 - Police Mutual Aid – Chapter 40, Section 8G
 - Fire Mutual Aid – Chapter 48, Section 59A
 - Consolidated municipal department – Chapter 43C, Section 15



Public Safety - Subcommittee

- Dispatch services
- Massachusetts - 1 dispatch center for each 24,000 of population
- Maryland – 1 dispatch center for each 233,000 of population
- Trend in Massachusetts towards regional dispatch centers
- Support and incentive grants available to engender motivation
 - \$7.5M – fiscal 2009, \$8M – fiscal 2010, and \$12M – fiscal 2011
- Feasibility studies, structural improvements and equipment
- Currently 13 projects involving 87 communities



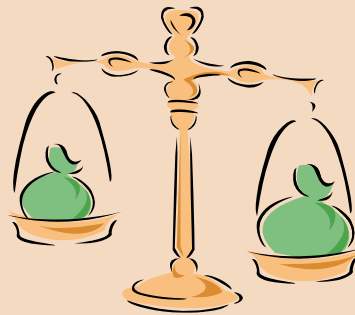
911

Public Safety - Subcommittee

- Eastham/Orleans/Wellfleet
 - Study performed by MMA Consulting Group Inc. on consolidating the 3 Police Departments
 - Suggests savings of \$1 Million annually
 - Eliminate duplication of administrative services, command positions and dispatch services
 - Reduce staff by 8 full-time personnel including the elimination of 2 police chiefs
 - One-time implementation costs of 80 – 200K

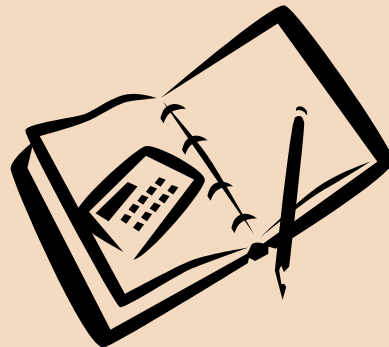
Municipal Finance - Subcommittee

- Municipal Finance consists of the Accountant, Treasurer, Collector, Assessor, and Information Technology function.
- The committee investigated the creation of host communities to provide these services to a group of small communities.
- The idea is for the member communities to be assessed a fee for the services with the goal being that the service cost would be less than hiring a dedicated individual.



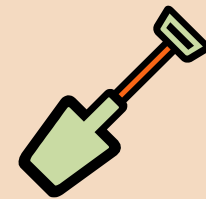
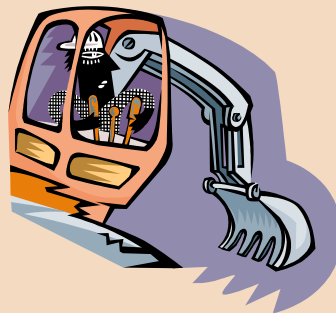
Municipal Finance - Subcommittee

- Franklin Regional Council of Governments (accounting, software and cooperative purchasing)
- The Computer Software Consortium (tax software)
- Northeastern Connecticut Council of Governments (revaluation services)
- Merrimack Valley Planning Commission (GIS Services)



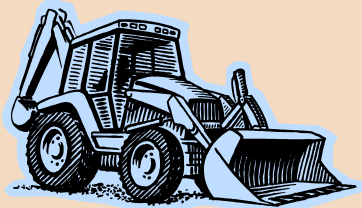
Transportation and Public Works - Subcommittee

- Encourage group purchasing
- Share public works equipment and storage facilities
- Share key employees
- Consider consolidating all public works departments
- Regionalize handling of solid and hazardous waste



Transportation and Public Works - Subcommittee

- Franklin County Solid Waste Management District
- Quincy/Braintree/Weymouth trash alliance
- Devens Regional Hazardous Products Collection Program
- Cape-Wide Municipal Solid Waste Disposal Alternatives Analysis
- DLS Hamilton-Wenham Analysis, Re: Public Works
- Regional Services Consortiums

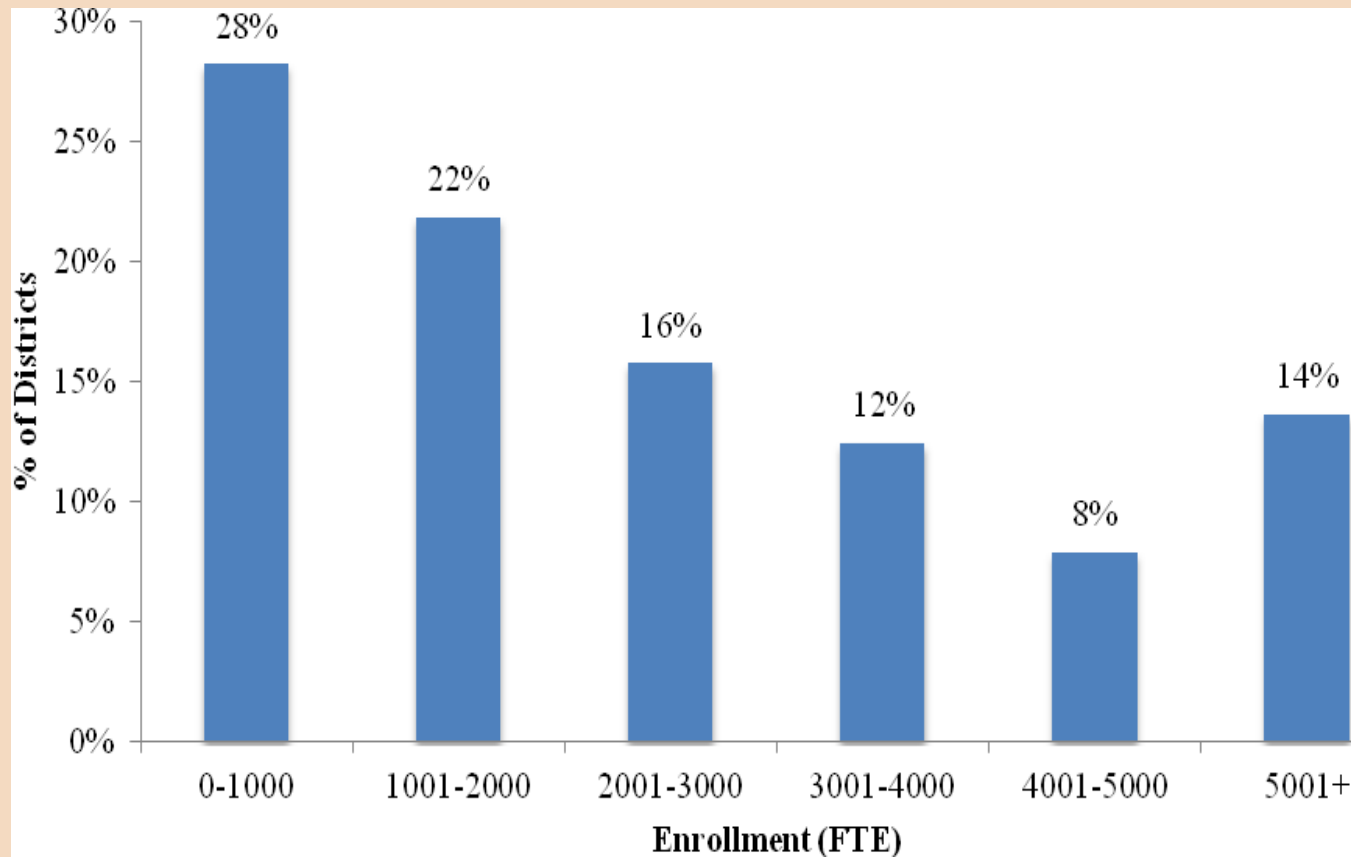


Education - Subcommittee

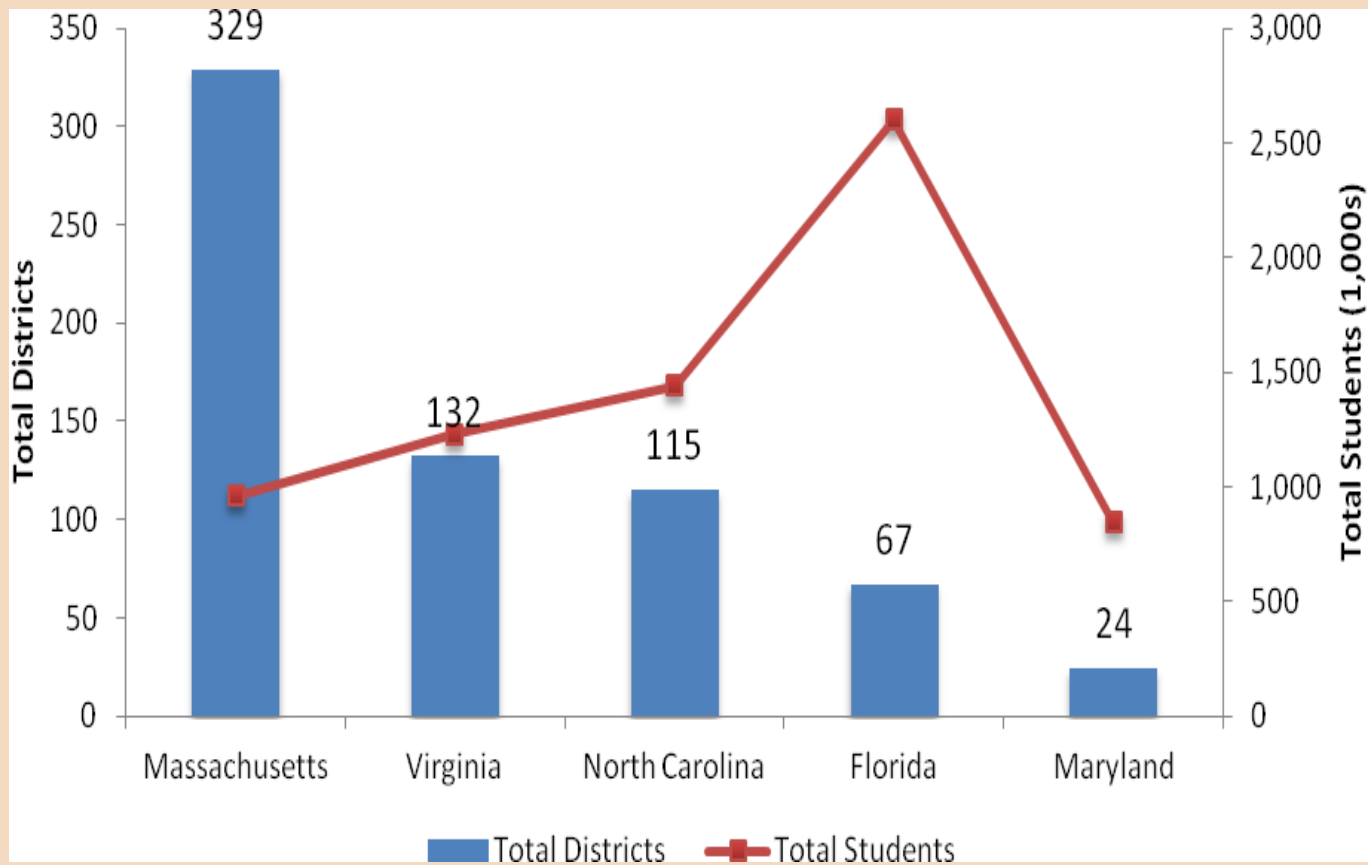
- Massachusetts has 391 school districts.
- Over 50% enroll fewer than 2,000 students and about 30% enroll fewer than 1,000 students.
- 53 school districts have less than 500 students.
- Other States have far less school districts per student.
- Florida educates almost 3 times as many students but only has 67 districts.



Education - Subcommittee



Education - Subcommittee



Education - Subcommittee

- MSBA supports regionalization by awarding up to 3 extra reimbursement points to communities whose regionalization discussions have been successful.
- In 2009, the Department of Elementary and Secondary Education awarded 12 regional planning grants.
- This resulted in a successful school regionalization effort for the Towns of Ayer and Shirley. Regionalization was passed by the voters in March 2010.
- Other collaborative considerations include joint bidding and purchasing as well as the use of educational collaborative for programming. (i.e. special education)



Education - Subcommittee

■ Benefits of regionalization

- Increased collaboration and regionalization can enable school districts to have a sufficient number of highly qualified staff members in the central office, which would allow district administrators to devote sufficient and much-needed time to instructional activities.
- School districts can have greater capacity to support high-quality instruction and promote high levels of achievement for all students in all schools.
- School districts can have greater capacity to offer a broader range of high-quality academic opportunities and enriching programmatic options to all students.
- Education dollars can be spent more effectively across the Commonwealth, and school districts can realize operational efficiencies and economies of scale.
- A smaller number of organizational units could promote greater coherence and alignment of initiatives across the state.

Education - Subcommittee

■ Challenges

- Loss of control
- Appropriate representation of member towns
- Local allocation of contribution to the budget
- Reconciling collective bargaining agreements
- Consolidating central office functions
- Resolving debt obligations

Library Services - Subcommittee

- MGL Chapter 305 of the Acts of 1851
- Regionalization is already working effectively at the library level, and it could be used as a model for other services.
- Board of Library Commissioners was created in 1890 to advise local libraries.
- Statute requires Board of Trustees “to have custody and management of the library.”
- Regional library systems have existed since the 1960s and exist to provide shared services to member libraries.
- Automated Library Resource Sharing Networks serve 305 libraries since 1980.
- Co-operative buying through Infotrac and Massachusetts News Stand. Cost of the program is in aggregate \$1M. If this service was done individually it would cost \$24M.
- Bibliotemps – temp service for libraries, began in 2006.
- Supplies purchasing cooperative
- Materials purchasing cooperative



Library Services - Subcommittee

- Town of Washington is purchasing library services from the Town of Becket.
- Medway and Franklin share a Library Director.
- Hamilton and Wenham maintain a joint library.
- Possibility for further regionalization exists through shared facilities and employees.



Information Technology - Subcommittee

- Franklin Regional Council of Governments IT Tech Support
- Merrimack Valley Planning Commission GIS Service
- The Computer Software Consortium
- Consider opportunities to consolidate within a community's operations such as the finance office and school business office.
- City of Greenfield
- Town of Andover
- Consider opportunities to collaborate on support services.



Information Technology - Subcommittee

- Findings of DLS survey
 - Small town defined as under \$16K budget
 - Lack of professional IT staff (100%)
 - Lack of security (over 50%)
 - Lack of disaster recovery (over 50%)
 - Reliance of outdated hardware (50%)
 - Lack of Broadband (12%)
 - Privacy – red flag (64%)
 - Lack of Computer Committee (87%)

Information Technology - Subcommittee

- Remedies are not affordable to small communities.
- Cloud computing – internet based applications.
- DLS is working to develop an affordable strategy.
- Regionalize with the State acting as a direct host or privatizing the host.
- Develop a UMAS package that accomplishes what the Computer Software Consortium is planning with internet based applications.
- CSC and FRCOG are considering joint applications for regionalization grant funding if it becomes available in the 2012 State budget.
- It remains in the exploratory stage.

Green Communities - Subcommittee

- Chapter 169, Acts of 2008 - Green Communities Act
- New concept, therefore encourages regional applications
- Numerous grants and subsidies available
- Cape Light Compact – aggregator servicing 21 towns on the Cape and islands



Housing - Subcommittee

- Affordable housing initiatives
- Community Preservation Act – 10% must be used for affordable housing
- Affordable housing trusts
- Housing authorities
- 247 serve 310 communities
- 44% manage under 100 units and 76% manage under 200 units
- Federal consortiums to receive HOME funds
- Some communities utilize redevelopment authorities
- Regionalize housing authorities
- No legislation to regionalize redevelopment authorities
- Presently need special legislation like River's Edge (Malden/Medford/Everett).

Franklin Regional Council of Governments

- A host agency that provides a wide array of services to 26 communities in Franklin County
- Serves a population of 72,000
- Covers 725 square miles
- Created in 1997
- Operates 12 programs with 40 staff
- 29 member council
- \$3 million operating budget

Franklin Regional Council of Governments

- Administration and Regional Services
- Community Coalition for Teens
- Cooperative Purchasing Program
- Economic Development and Planning
- Emergency Preparedness
- Cooperative Inspections
- Geographic Information Systems
- Land Use Planning and Zoning
- Natural Resources Planning
- Regional Health
- Town Accounting Program
- Transportation Planning

Franklin Regional Council of Governments

- Conducted online regionalization survey
- Results presented at the second annual Regionalization Tool Kit Conference in September, 2010
- Opened by 300 individuals
- Completed by 187 individuals
- Results are available at <http://www.frcog.org/>
- Results suggest overwhelming trend towards investigating regionalization opportunities

Franklin Regional Council of Governments

RESPONDENT	RATIO
Manager/Administrator/Executive Secretary	30.5%
Municipal Department Head (includes finance)	23.1%
Other Municipal Official/Committee Member	12.4%
Selectmen	8.9%
Mayor	1.8%
Alderman/Council Member/Town Meeting Member	1.8%
Other	21.5%

Franklin Regional Council of Governments

■ Strong areas of desired regionalization:

- Inspectional Services (building, health, electrical, plumbing and weights and measures)
- Animal Control
- Ambulance
- Dispatch
- Council on Aging – staffing
- Cooperative Procurement (revaluation, recreation, IT support, highway equipment and operators and energy savings contracts)

Franklin Regional Council of Governments

■ Other areas suggested:

- Fire services
- Veterans
- Bus transportation
- Legal Counsel
- IT/Web service
- Water Mains
- School Superintendent

Franklin Regional Council of Governments

BARRIERS TO REGIONALIZATION	Ratio
Loss of local control	6.22%
Institutional resistance	5.67%
Differences with neighbors	5.55%
Funding	5.32%
Getting started	4.87%
Timing	4.72%
Collective bargaining	4.71%
No local interest	4.61%
Labor issues	4.46%
Easy programs done	2.58%

Franklin Regional Council of Governments

■ Direct survey results:

- 88% favor sharing Dispatch services
- 84% favor sharing EMT/Ambulance services
- 83% favor sharing Public Health services
- 85% favor sharing Animal Control services
- 83% favor sharing Weights and Measures

Franklin Regional Council of Governments

- 81% favor sharing highway equipment
- 79% favor sharing Police services
- 76% favor sharing Inspectional services
- 70% favor sharing Engineering services
- 69% favor sharing a Conservation Agent
- 67% favor sharing Library services
- 66% favor sharing Recreational services

Franklin Regional Council of Governments

- 64% favor sharing Council on Aging staff
- 63% favor regionalizing Housing Authorities
- 63% favor sharing Assessing services
- 61% favor sharing a Town Planner
- 54% favor sharing Accounting services
- 84% of communities wanted to share services outside of their community either with a host agency or another community as lead.

Franklin Regional Council of Governments

- Areas of assistance:
 - Feasibility studies
 - Funding for transition costs
 - Facilitation of planning process
 - Legal help

Franklin Regional Council of Governments

- FRCOG recommends for Cities and Towns
 - Expand cooperative procurement
 - Make use of available grant opportunities
 - Motivate/encourage communities to take lead roles in hosting services

Franklin Regional Council of Governments

- FRCOG recommends for legislatures
 - Continue District Local Technical Assistance Program
 - Offer incentive/pilot funding for shared services
 - Clarify host agency standards
 - Create motivation/incentives for communities to step as leads/hosts for shared services
 - Address legal barriers