

**NIAGARA COUNTY WORKFORCE  
2000:  
PHASE 1 RECOMMENDED OPPORTUNITIES  
AND NEXT STEPS**

Prepared for:

**Niagara County Legislature**

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**Center for Governmental Research Inc (CGR)**  
**Mission Statement**

CGR is an independent, nonprofit research and management consulting organization that serves the public interest. By developing comprehensive perspectives on issues facing communities, CGR distinguishes itself as a unique professional resource empowering government, business and nonprofit leaders to make informed decisions. CGR takes the initiative to integrate facts and professional judgment into practical recommendations that lead to significant public policy action and organizational change.

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# **NIAGARA COUNTY WORKFORCE 2000:**

## **PHASE 1 RECOMMENDED OPPORTUNITIES AND NEXT STEPS**

March, 2000

### **Summary**

In July 1999, Niagara County issued a Request for Proposals for a “Staffing Assessment Study” (which has become popularly called the “Workforce 2000 Study”). The RFP stated that the purpose of the study was to identify ways “to achieve the maximum level of efficiency, productivity and cost effectiveness” for the County government.

CGR (The Center for Governmental Research Inc.) was engaged to complete Phase 1 of the study. Phase 1 was designed to provide the County Legislature with CGR’s overview assessment of County government and its priority recommendations of functions and issues the County may wish to consider for more detailed study in subsequent phases. These recommendations were to be based on CGR’s assessment of the important strategic issues and environmental factors that are shaping or have the potential to shape County service delivery and workload/workforce issues in the near future.

Because of the very nature of this overview Phase 1 report, CGR focused on “big picture” functional and strategic opportunity areas facing the County, and did not try to identify specific department or division level improvements which would lead to immediate cost savings. More detailed “efficiency” studies are intended as Phase 2 projects. In fact, it is clear that many of the County’s current managers have already developed the “mindset” to constantly seek new, less costly ways to carry out their current functions. The notion that County departments should be continuously trying to do “more with less” is prevalent among County employees, and many departments have saved money through productivity improvements.

However, from CGR’s perspective, County leaders need to build on that constructive mindset and recognize and accept the crucial difference between making small, continuous improvements in operations and making significant “order of magnitude” changes which have the potential to truly change the cost and service provision structure of County government.

If County government focuses only on making incremental improvements to existing operations, under a best-case scenario the County might be able to achieve annual reductions in the real property tax of perhaps \$1,000,000, which would equate to roughly a 2% reduction. Even the best companies in the world typically do not achieve more than 2% annual operating cost reductions year after year. This is not meant to imply that the County should not continue its efforts to achieve continuous efficiency improvements, because every dollar saved is

important. However, it does suggest that, if the County is serious about wanting to make significant improvements in its cost structure, County leaders will have to take a different approach to facing the future.

CGR believes that in order to make the kinds of changes needed to have a significant (i.e., 10% or greater) impact on real property tax dollars, County leaders need to consider making structural changes to County government which will impact directly how it does business. This report presents a number of such potential changes for consideration, which include these with the highest priority:

- Develop a strategic planning perspective.
- Develop quantifiable performance measures.
- Break the cycle of incremental budgeting.
- Develop a systems thinking approach with the greater community.
- Shift the tax burden away from local taxpayers as much as possible.

**1. *Develop a strategic planning perspective.*** This report provides numerous examples of the types of improvements which could be made if County leaders were to adopt a more proactive, strategic approach to the challenges facing County government. The types of improvements range from encouraging the development of time horizons which stretch beyond one to two years, to developing comprehensive capital plans which address the entire range of infrastructure needs, to identifying how government investments can drive economic development.

**2. *Develop quantifiable performance measures.*** CGR found that there is currently no strong requirement for County departments to link expenditures and programs to specific performance objectives. Basic management information which could be used to identify need and measure performance is often lacking. Core budget documents in most departments seem to be primarily expense-driven rather than performance-driven. Until the County develops ways and the commitment to link performance to expenditures, it will lack the ability to develop the type of benchmark comparisons which are crucial for identifying increased efficiency and productivity opportunities, and for evaluating the impact of improvements.

**3. *Break the cycle of incremental budgeting.*** The 1980 County budget bears a striking resemblance to the 2000 budget in terms of department structures and functional categories. Except for minor name changes, some additional summary information, and some program additions and deletions, the County budget format has remained essentially static for at least 20 years. This is a clear indicator that the County budget process is based on making incremental changes from year to year. This also indicates that past budgets have been built based upon a structural approach to County government. CGR believes that the County should adopt a more



*functional* approach in developing future budgets, at least for a few years, to drive the push for efficiencies. A functional approach is based upon identifying what objective is desired (i.e., what is the function), rather than on identifying what work could or should be done at what costs within an existing structure. Adopting a zero-based budgeting approach, which CGR recommends, would force the County to pursue “what if” questions that often lead to better ways to provide the desired function.

**4. *Develop a systems thinking approach with the greater community.*** Many of the County leaders CGR interviewed expressed an opinion which CGR wholeheartedly endorses – “There are too many layers of government doing the same thing. There has to be a better way of working together.” This report suggests a number of opportunities which CGR believes could result in reducing duplication across layers of government, or at least in having certain County government functions performed by other organizations in the region (or, conversely, consolidating certain functions at the County level), thereby leading to efficiencies and overall cost savings for Niagara County residents and businesses. The key to making these opportunities work, however, is to break out of the “protect your own turf” mentality and to develop a consensus about the most effective solutions from the point of view of the greater Niagara Frontier community.

**5. *Shift the tax burden away from local taxpayers as much as possible.*** Clearly one of the primary objectives of County leaders has been to keep the local tax burden as low as possible. Given this objective, CGR believes that there are opportunities to expand levels of reimbursement from other levels of government, and that the County should seriously study the benefits of raising the sales tax to 8%. This would simply bring Niagara County up to the level of surrounding counties in terms of sales tax, but it would have a significant impact on the local property tax. Because of the benefits of having Niagara Falls located in the county, a sales tax in Niagara County is the best type of tax for achieving the maximum benefit for its citizens with the least impact on the local taxpayer, given that, in comparison with most other counties in the state, a substantial portion of the additional penny in the sales tax rate would be paid by non-residents of the county. Increasing the sales tax to 8% could, under the existing revenue sharing formula, allow the County government to decrease property taxes by an estimated 12% to 14%, and also create a much needed economic development fund of \$1 to \$2 million per year. In addition, local city, town, village and school property taxes could decrease.

Many opportunities, both large and small, exist for Niagara County to “re-think” what County government should do, how it is organized and how it is funded. But focusing primarily on the small possibilities will limit the chances for making really significant improvements. By tackling some of the big challenges identified in this report, the County will be able to improve services, reduce costs, and move beyond the limitations of the present to the rewarding possibilities of the future.

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## **PART ONE: ORGANIZING PRINCIPLES FOR RE-THINKING NIAGARA COUNTY GOVERNMENT**

In July 1999, Niagara County issued a Request For Proposals for a “Staffing Assessment Study” (which has become known as the “Workforce 2000 Study”). The County Human Resources and Finance Committees, which issued the RFP on behalf of the County Legislature, stated the objective of the study very clearly: to identify ways “to achieve the maximum level of efficiency, productivity and cost effectiveness” for the Niagara County government.

The RFP focused on a broad overview of County government. The County Legislature recognized that undertaking a detailed analysis of all the County’s operating departments would be a significant undertaking, and that therefore a complete study would be done in several phases. The initial component of the project, known as Phase 1, was intended to create the framework for identifying how to proceed with more in-depth analysis in subsequent phases. CGR (The Center for Governmental Research Inc.) was engaged to complete Phase 1 of the study.

Two of the fundamental principles that form the foundation upon which CGR conducts its work shape the remainder of this report:

- CGR develops comprehensive perspectives on issues facing communities, to help government leaders make informed decisions; and
- CGR takes the initiative to integrate facts and professional judgment into practical recommendations that lead to significant public policy action and organizational change.

Beyond these principles, the key related starting point for any CGR project is that we have no preconceived ideas as to how it will turn out. Careful listening and objective analyses determine the outcomes. We have no interest in promulgating specific solutions or models other than those that work in a particular setting. Rather, our sole focus in this project is on working with Niagara County to raise the appropriate questions and to help prepare the County to develop pragmatic, cost effective solutions and initiatives which best meet both the short-term and long-term needs and unique circumstances of the County.

In that context, it became clear to CGR early in the project that County leaders need to consider a number of significant strategic issues and perspectives first, and that only by understanding and focusing on the strategic context and the County’s long-term interests can the County truly “achieve [its desired] maximum level of efficiency, productivity and cost

effectiveness.” Thus, this report raises a number of issues which CGR believes are important to discuss in the context of planning for the future, before focusing on individual departmental efficiencies.

While many opportunities exist to make incremental continuous improvements in the County’s day-to-day operations – and County officials, to their credit, have been doing so – CGR suggests that limiting the focus to only such “important, yet marginal” within-department improvements will not yield efficiency, productivity or cost effectiveness opportunities big enough to have an “order of magnitude” impact (i.e., at least 10%) on the costs of County government. A number of actions could significantly change County government in ways which could yield substantial savings for local taxpayers, while at the same time maintaining or even enhancing the integrity and quality of County government services. However, because many of these potential changes would represent a significantly different approach to County government, we believe that a clear rationale and context must be laid out before such changes are likely to be seriously considered by County officials.

Therefore, to help explain the context and underlying rationale behind various potential changes, in addition to describing the opportunities that could result from such changes, CGR has organized this report into two parts:

- Part One describes the project methodology and the organizing principles, or core perspectives and issues, that CGR believes County leaders need to consider in order to develop significant opportunities for changing and improving County government. Chapter 2 in Part One outlines the key practical and theoretical concepts which the County should consider in the process of “re-thinking” County government in order to understand when, how and why it should develop “outside the box” solutions to the challenges of the future.
- In Part Two, CGR applies the re-thinking principles to a wide range of priority opportunity areas which CGR believes are the key strategic issues and factors which are likely to shape Niagara County government over the next five to ten years. For each opportunity area, CGR presents a number of specific options and proposed action steps for County leaders to consider implementing in subsequent phases of Workforce 2000 in order to address these challenges. The opportunities and action steps are grouped into High, Medium and Low priority categories by CGR, based upon the likely benefits, costs, risks and probabilities of success associated with their potential implementation.

## CHAPTER 1. PROJECT BACKGROUND AND METHODOLOGY

More specifically, Phase 1 of the Workforce 2000 project was designed to: “identify departments or cost centers that have the most potential for selection to undergo a more thorough examination of their current workload versus the available workforce” and to recommend what actions the County should undertake in response. This resulting Phase 1 report provides:

- an overview assessment of Niagara County government, its services and functions, and any relevant strategic issues and environmental factors that are shaping or have the potential to shape County service delivery and workload/workforce issues in the near future; and
- CGR’s priority recommendations of opportunity areas, functions and issues the County may wish to consider for more detailed study in subsequent phases.

Our approach in Phase 1 has been driven by the County’s desire to develop a strategic framework to position County government to meet the needs, challenges and opportunities of the next century. Thus, rather than being limited by a focus on “what currently exists,” we have focused more strategically on “*what should be*” and the policy directions and functions necessary to meet the future challenges of County government. Because of the very nature of this overview Phase 1 report, CGR focused on “big picture” functional and strategic issues facing the County, and did not try to identify specific within-department or division level improvements which would lead to immediate cost savings. More detailed management or “efficiency” studies of that type are intended as Phase 2 projects, many of which are suggested for Legislature and departmental consideration throughout this report.

In fact, it is clear that many of the County’s current managers have already developed the “mindset” to constantly seek new, less costly ways to carry out their current functions. The challenge posed by this report is to help County leaders build on that constructive mindset and those continuous improvements in operations to make more significant “order of magnitude” changes which have the potential to truly change the cost and service provision structure of the Niagara County government of the future.

One additional factor was superimposed on the project as it was being initiated. In order to emphasize the strategic nature of the project and the intent to determine the most cost effective means of allocating the County’s human resources “without resorting to layoffs and terminations,” and to insure the active participation of County employees in suggesting new ideas



and initiatives for the future, the County Legislature passed a resolution stating its commitment that no employees would be terminated as a result of the findings of the study. CGR developed its work plan with this as a clear directive.

Phase 1 of the project required CGR to develop a comprehensive understanding of the major issues and opportunities facing Niagara County government. Therefore, as noted above, we specifically started the project with no predispositions or preconceived ideas as to what recommendations would be best and most appropriate for the County, and its workforce. From the beginning, CGR's intent has been to help the County develop pragmatic initiatives for the future which best address the opportunities facing Niagara County. Therefore, during Phase 1, CGR consciously attempted to develop its own comprehensive understanding of the major issues with the potential to shape the future of County government.

CGR utilized a diverse mix of resources in its analyses, including extensive information and ideas specifically obtained from Niagara County leadership; our analysis of historical expenditure, revenue and staffing patterns; trends in numbers served, workloads and caseloads; departmental stated accomplishments, goals and objectives; comparisons with other counties and other information obtained from sources outside Niagara County government; and CGR's experiences working with other county governments, applied to the unique circumstances of Niagara County.

CGR structured the project so that the wealth of knowledge, ideas and experiences of County employees and leaders would be incorporated in any recommendations for change. Clearly, as the County seeks to change and adapt to the challenges and opportunities of the future, the success of those efforts will be heavily dependent on the knowledge, skills, abilities, and willingness to adapt of the County's workforce.

Because the success of the entire project would be heavily dependent on the results of Phase 1, CGR designed its work to insure that a broad cross-section of County leaders were consulted. To accomplish this, CGR used three primary strategies for obtaining information from County employees:

- CGR coordinated the study through the Financial Management Group (FMG). FMG sponsored a meeting with all department heads at the start of the project, and a key sub-group of FMG (including legislative, department head and union representation) acted as the project oversight committee, to provide direction, assistance and feedback during the

project. Members of this subgroup were also interviewed individually. The ongoing assistance of key FMG members, in particular Sharon Sacco and her Office of Management and Budget staff, were critical in helping CGR make the contacts and collect the information needed for this phase of the study.

- CGR requested the opportunity to meet with any interested members of the Legislature. During the course of the study, about half of the Legislators agreed to be interviewed, including leadership from both political parties and key committee chairs. Those discussions were designed to identify issues of concern to the Legislators and also to provide CGR with an opportunity to test reactions to various issues which arose during the study.
- CGR met with all County department heads and many key division heads to discuss their operations, their perceptions about the entire County government, and issues shaping the future of the County and their individual departments. CGR asked a standard set of questions at each meeting, but the discussions were also designed to be free-form, to allow for an open exchange of ideas about what works well, and not so well, and what changes are on the horizon, or might be created, that could shape opportunities for positive change in the County.<sup>1</sup>

After completing the comprehensive round of interviews, CGR integrated the findings with other information collected during the project, and incorporated the findings with the extensive knowledge and experience of CGR's senior staff to write this Phase 1 report. A preliminary report outline was presented in mid-February to a small group of legislative leaders and an FMG representative, to preview the key concepts to be included. CGR then prepared a complete draft report. In early March we discussed with department heads who were directly affected by the report any findings and recommendations directly pertinent to their departments, in order to check the accuracy of our findings and conclusions, and to alert them to issues which could directly affect them. The Phase 1 report was then finalized and presented to the full Niagara County Legislature in mid-March.

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<sup>1</sup>Given the scope and nature of the Phase 1 project, and the study's timing and resource constraints, staff interviews were primarily limited to department heads and some division heads. These were supplemented by reviews of numerous departmental documents, annual reports, data, plans, and goals and objectives. If CGR is asked to be involved in more detailed studies of individual departments or functions in subsequent phases of the Workforce 2000 project, staff from all levels of the affected departments would be interviewed for their ideas and suggestions.

## **CHAPTER 2. ORGANIZING PRINCIPLES, PERSPECTIVES AND CONCEPTS**

In order to put Part Two's discussion of specific opportunity areas, strategic issues and potential action steps in context, it seemed important first to define some key perspectives and concepts which will be useful for framing the discussions about how the Niagara County government could change and improve. Some of these perspectives represent circumstances which already exist and simply need to be considered from different points of view. Others are factors on the horizon which the County may be able to head off or prevent from becoming problems, if it is prepared to respond. By identifying and describing what it believes to be a number of important perspectives and concepts that could shape the County's future direction, CGR hopes to insure that they are explicitly stated and understood by everyone involved in the change process.

### **A. External Factors Impacting on County Government**

A number of factors external to County government already are, or soon will be, having an impact on how the County will need to operate in the future, and the kinds of focus it will need to bring to certain types of functions and services. Among these factors that will need to be considered strategically by the County as it determines its mission and its service and spending priorities for the future are the following:

- the stagnating overall condition of the local economy, perceived by some to be exacerbated by a net out-migration of young people from the area, thereby compromising the future well-being of the community;
- the gradual aging of the population, both in terms of overall increased numbers and the anticipated longer life expectancies – and resulting potential increased needs for services – of the community's older residents;
- the fragmented nature of the community, with concentrations of populations and facilities in the three cities, and separate Chambers of Commerce and United Ways contributing to insufficient countywide, let alone regional, thinking about many issues;
- shifts in population within the county, such as from Niagara Falls into growing suburban towns, with potential implications for resource allocation and balance of power shifts;

- the rapid advances of technology, making possible higher degrees of productivity and speed and efficiencies in the workforce, albeit not without problems and upheavals in the workplace and even inefficiencies in some cases if not implemented properly;
- the increasing number of mandates placed on local government, often without accompanying funding support;
- the expansion of managed care, and the limits placed on specific services and the amounts of such services which can be provided, and on the levels of funding available to pay providers for those services;
- welfare reform and the opportunities it affords for increased self-sufficiency and reductions in public assistance rolls, along with the accompanying needs for new service-provision strategies by County agencies and the needs for expanded support services to make self-sufficiency and sustained viable employment possible for hard-to-place persons; and
- New York State reorganizations of departments and functions, and apparent increased openness to providing more flexibility for county governments to reorganize and restructure the delivery of certain services in more integrated ways.

## **B. The Focus on the Real Property Tax, Not the Total Budget**

Although the RFP stated that this study was intended to identify ways “to achieve the maximum level of efficiency, productivity and cost effectiveness” within County government, many of those interviewed suggested that the primary motivation for initiating the study was the desire to keep the County real property tax levy as low as possible. This is certainly understandable, since the real property tax level appears to be the key variable by which local taxpayers judge the effectiveness of the Legislature. And, since County legislators clearly use County taxes in their platforms, this is a standard that the elected legislators, the media and the public have a mutual stake in perpetuating.

This perspective can be described another way. If the entire County government were funded by revenues other than the County real property tax, it is likely that there would have been far less interest in conducting the Workforce 2000 study and/or reducing the costs of County government. While keeping overall costs as low as possible is certainly a goal of good government, keeping *local property tax costs* as low as possible clearly generates the greatest sense of urgency to identify cost efficiencies.

County leaders have clearly focused on keeping the real property tax levy as low as possible, and have successfully avoided property tax increases for the last six years. In fact, as shown in Table 1, the total Real Property Tax component of the County budget is lower in 2000, on a percentage basis, than it was in 1990 and 1995, and the total tax levy was lower by about \$2 million in 2000 than it was in 1995.

**TABLE 1**  
**NIAGARA COUNTY**  
**REAL PROPERTY TAXES COMPARED TO TOTAL COUNTY BUDGET**

Year	Total Budget	Real Property Tax	% Property Tax to Total Budget
1980	\$ 96,767,716*	\$ 15,649,169	16.2%
1990	\$ 151,915,050	\$ 39,096,632	25.7%
1995	\$ 187,110,415	\$ 53,067,376	28.4%
2000	\$ 202,816,940	\$ 50,917,376	25.1%

Source: Niagara County budgets.

\*NOTE: In order to be consistent with other years, the 1980 total budget figure includes JTPA/CETA, which was not included in the official County budget total of \$87,376,860 for that year.

Although the Real Property Tax trend line from 1980 to 1995 was reversed from 1995 through 2000, real property taxes, both in absolute amounts and as a percentage of the total County budget, are likely to increase in the future unless significant changes are made within County government. And, with assessed valuation virtually stable at between \$6.5 and \$6.7 billion since 1995, there is relatively little likelihood of significant expansion of the tax base in the near future. As is well known, other than County-imposed cost reduction strategies, the principal factors that drive changes in both County costs and revenues are by and large outside the immediate control of County government, as discussed next.

### **C. Major Revenues and Cost Drivers in the Next Five Years**

Niagara County government has done a good job over the last several years in taking a more proactive approach to sound fiscal management. Although the County currently lacks a

strong future planning focus, CGR is impressed by the strong fiscal leadership role that has been delegated to and accepted by the Financial Management Group (FMG). That group has identified a number of program and process changes which have resulted in both direct cost reductions and efficiency gains. These savings, along with the continuous operational improvements made by County division and department heads, in conjunction with their legislative oversight committees, have clearly helped control the overall cost of County government. Since 1995, total budgeted expenditures have increased by a total of only 8.4%, less than 2% per year, and the County property tax levy is now about 4% lower than it was in 1995.

However, it is important to realize that most cost management efforts by themselves result in savings that are not very significant when viewed in the context of the entire County budget. One million dollars in savings, as significant as that is, would only reduce the property tax levy by at most 2%, assuming that the entire savings came from 100% County-funded operations. Even with the cost-savings and efficiency efforts of the FMG and department heads, total County costs (covered by a variety of local revenues in addition to the property tax) increased by about \$9 million between 1995 and 2000, to just over \$90 million, despite the decrease in the property tax levy. This represents only an 11% increase over the five years (just over 2% per year), but it illustrates the difficulties in controlling costs through incremental operational improvements alone. This should in no way minimize the value of past and future attempts by departments to control costs within the context of their current operations. But it is clear that without major functional and systems changes in County government, as discussed in the sections below, County costs are likely to continue to increase. In particular, County leaders may be confronted directly by the potential impact of two variables which can be predicted to have a potentially large impact on future real property taxes. These are:

- The impact of the decision about the Somerset power plant. The Somerset plant accounted for approximately 7% of total County real property taxes in fiscal year 2000. Thus, any major downward change in that plant's tax status could have a significant impact on the County's ability to raise tax revenues and would likely cause a shift of the tax burden to the remaining taxpayers.
- The impact of a downturn in the economy. Both a major revenue and a major cost stream are interlinked with the state of the local economy. First, sales tax revenue is clearly a function of the economic well being of the county's citizens (although Niagara County is fortunate to have Niagara Falls as a world class tourist attraction, which generates sales tax dollars from non-county residents). Even in a relatively healthy

economy, sales tax revenues have been relatively flat, with budgeted decreases in annual sales tax revenues since 1997. Second, over the last few years, welfare costs have gone down, with a 43% reduction in the public assistance population since 1995, partly because of welfare reform legislation, but also due to the relatively healthy economy. However, the next economic downturn could create a compound effect on the County's finances – sales tax revenues may decline, and welfare roles may increase, thereby creating new cost pressures.

These variables have the potential to create revenue losses and cost increases in the millions of dollars per year, which would dwarf the ongoing FMG and department cost saving programs. If either of these scenarios occurs, the County will essentially be left with four basic options, given current circumstances:

- Obtain more revenues from the state or federal government (which is not something over which County government has much control);
- Raise property tax revenues;
- Increase the County sales tax; or
- Eliminate County programs and/or employees.

As suggested by recent revenue trends, shown below in Table 2, significant increases in revenues from any of these sources, short of increasing the local share of the sales tax, appear unlikely. Only a major re-thinking of County government – what it does, and how it pays for its services – is likely to have the impact needed to break the County's reliance on traditional forms of revenues.

**TABLE 2**  
**NIAGARA COUNTY**  
**TOTAL ESTIMATED REVENUES BY SOURCE: 1990, 1995, 2000**

	<b>2000</b>		<b>1995</b>		<b>1990</b>	
<b>Revenue Source</b>	<b>\$</b>	<b>% of Total</b>	<b>\$</b>	<b>% of Total</b>	<b>\$</b>	<b>% of Total</b>
Real Property Tax	\$50,917,376	25.1	\$53,067,376	28.4	\$39,096,632	25.7
Dept. Income	\$47,981,177	23.7	\$35,860,229	19.2	\$24,812,035	16.3
State Aid	\$41,644,321	20.5	\$39,904,575	21.3	\$32,314,586	21.3
Federal Aid	\$30,841,075	15.2	\$33,006,893	17.6	\$23,283,561	15.3
Sales Tax	\$24,788,388	12.2	\$23,299,196	12.5	\$22,200,000	14.6
Approp. Fund Bal/Misc.	\$ 6,644,603	3.3	\$ 1,972,146	1.1	\$10,208,236	6.7
<b>Total</b>	<b>\$202,816,940</b>	<b>100.0</b>	<b>\$187,110,415</b>	<b>100.0</b>	<b>\$151,915,050</b>	<b>100.0</b>

Source: Niagara County Budgets

## D. Re-Thinking County Government

It is important to emphasize the need for the County Legislature, departments, and FMG to continue to identify ways to improve current County operations. The discipline of continuous improvement is critical if the County is to continue providing cost effective services. CGR recommends that the County build on these important existing efforts by developing a more disciplined approach to identify and support continuous improvement efforts based upon measurable performance, quality and cost objectives (to be discussed in more detail later in this report).

However, as suggested in the previous section, this is not likely to be enough to respond to the County's future needs. Experience in both the private and public sectors over the last 10 years has shown that, in the best case, continuous performance improvements typically produce savings of 1% to 2% per year. Spread across the entire Niagara County budget, a best case 2% savings would be worth \$4 million per year. The impact of these savings on the real property tax



would depend on whether those savings occurred in high or low net-County-cost departments. At the current ratio of real property taxes to the total budget (roughly 25%), a 2% across-the-board savings would result in a reduction in real property taxes of roughly \$ 1,000,000 per year.

While a savings of a million dollars in real property taxes would be substantial, what if the County wants or needs to find \$5 million, or more, in real property tax savings? In order to develop a rational plan to achieve those types of savings, the County needs to consider a fundamentally different strategy than simply trying to make incremental improvements to its current operations.

One of the most respected experts on managing change and re-inventing organizations, Peter Drucker, has summarized this point clearly in his book *“Managing In A Time Of Great Change.”* In the chapter on Re-inventing Government, Drucker says, “Any organization... needs to change its basic structure if it significantly changes its size. Any organization that doubles or triples in size needs to be restructured.” And, as shown in Table 1, at least in terms of total costs, the County has more than doubled (real property tax local share has more than tripled) since 1980, and yet, as discussed below, the basic management structure of the County is essentially the same in 2000 as it was in 1980.

Drucker’s critical point is that organizations cannot effectively re-structure themselves by making only typical continuous improvement incremental changes, which only result in marginal gains. Typically, after 1% to 2% continuous improvement savings have been achieved, the next step along the path of cost reduction, when an organization has to really get “serious” about reducing costs, is “downsizing.” However, as the experiences of the last decade have shown time and time again, to quote Drucker, “Downsizing has turned out to be something that surgeons for centuries have warned against: ‘amputation before diagnosis.’ The result is always a casualty.”

What is the key to successfully re-structuring an organization? Drucker proposes that the truly successful companies “quietly, and without fanfare did turn themselves around, by re-thinking themselves. They did not start out by downsizing. In fact, they knew that to start by reducing expenditures is not the way to get control of costs. The starting point is to identify the activities that are productive, that should be strengthened, promoted, and expanded.” And, those activities which do not pass the organization’s criteria for being productive should be done in some other way, or not at all.

Drucker's most important lesson is this: "Every agency, every policy, every program, every activity should be confronted with these questions:

- 'What is your mission?'
- 'Is it still the right mission?'
- 'Is it still worth doing?'
- 'If we were not already doing this, would we go into it now?'

The overall answer is almost never 'This is fine as it stands; let's keep on.' But in some – indeed, a good many – areas, the answer to the last question is 'Yes, we should go into this again, but with some changes. We have learned a few things.'"

*CGR proposes that Niagara County should consider re-thinking itself if it wants to significantly change its cost structure. Many of the ideas presented in this report are intended to illustrate the type of re-thinking which could be applied to produce order of magnitude changes that will position the Niagara County government to meet the challenges of the future.*

## **E. The Four Key Management Concepts**

It is now clearly recognized that people and organizations are more inter-linked and interdependent than at any time in the recent past. The causes for this are well known – advances in transportation and computer technology and the impact of the information age. What is not so readily understood is the need to factor these changes into organizational management models.

The complexity of both societies and organizations requires managers to think along a number of dimensions in order to run efficient operations. The old management model based on building and protecting a specific structure to accomplish a given set of tasks is not always the most cost effective approach. The new thinking – demonstrated over and over within leading companies – is that organizations should only perform tasks that either:

- they can do more efficiently than anyone else, or
- they have to do because nobody else does them, or
- somebody else might do them, but the task is so critical to the organization's mission that it needs to be retained internally.

This is the theoretical basis for the concept of outsourcing, i.e., any function which does not fall into one of these three categories can most appropriately be done by some other organization. Or, perhaps, it may not need to be done at all. In effect, this assessment of tasks should be undertaken in the context of addressing Drucker's questions about each organization's mission. If the decision, following such an assessment, is that an existing task or function should be continued, only then, under such an approach, would the question shift to how to accomplish it most efficiently and cost effectively.

Successful companies and organizations use four key management concepts to identify and create opportunities to grow and improve:

- Use functional thinking and a systems approach to organize the work;
- Use an integrated planning model to focus the work;
- Empower people to define and do the work;
- Identify and collect the information needed to measure the work.

Niagara County government exists in a complex, multi-dimensional environment. The Niagara Frontier is facing virtually all of the challenges facing any metropolitan area. Fortunately, the area also has a tremendous wealth of resources that can be used to meet these challenges. Within this context, one of CGR's principal observations is that one of the key challenges for County leaders will be to embrace and apply these four key management concepts. If these concepts, along with the key questions and tests of appropriateness of tasks, become the cornerstone of how the County is managed in the future, CGR is confident that County leaders will be able to identify and implement many significant improvement opportunities.

## **Expanding Use of the Functional and Systems Approaches**

Using a functional and systems approach – as opposed to focusing simply on an existing department or organizational structure – is the best way for the County to identify meaningful opportunities for cost, process and/or quality improvements. A functional and systems approach helps to break out of the limitations inherent in structural thinking. In short, the functional and systems approach combines two interrelated elements which emphasize “function” rather than “form”.

First, functional thinking starts with the question “What needs to be done?” rather than “How does it get done?” The latter question becomes important and gets addressed only after

the first question has been systematically answered. Functional thinking focuses on outcomes, while structural thinking focuses primarily on inputs. Functional thinking encourages thinking of alternative ways to achieve desired outcomes. Structural thinking limits alternatives to those that fit within the existing organization.

Second, the systems approach seeks to identify all of the potential available resources that exist which could be used to achieve the desired outcome. Systems thinking recognizes the inter-relationship of various organizations and resources which, if aligned to focus on a common task, can achieve efficiencies that are beyond the capabilities of any individual organization. Systems thinking, like functional thinking, encourages the development of solutions which are not dependent on existing structures.

CGR found many examples where a functional and systems approach would likely lead to significant changes to the current structure of County government. A functional and systems perspective not only suggests many opportunities to re-think how departments are organized and staff deployed within County government itself, but also points out areas where, within the greater Niagara Frontier community, it may be possible to achieve significant efficiencies by eliminating redundancies and overlaps in how common functions are provided. Examples are presented in Part Two of the report.

## **Expanding Use of Integrated Planning**

The second key management concept which could be used more effectively by the County is integrated planning, especially for a three-to-five year time horizon. CGR was struck by the relatively few comprehensive planning documents used within County government. The saying “If you don’t know where you’re going, you won’t know how to get there” may be quaint, but it rings true.

Fortunately, a number of County leaders have, within the last few years, recognized the importance of collecting the data and developing the framework for creating planning tools for the future. But the County as a whole should consciously embrace longer-term planning as a critical tool for managing the use of government resources to accomplish broader community goals for the future, both within and across departments and functional areas.

Successful organizations understand that planning is a tool to help imagine or specify what a desired result would look like, and then identify what actions are required to achieve those

results. This process requires a conscious effort to identify the desired future, and an intentional plan to manage events to accomplish that future. CGR found many examples where a limited time horizon and/or absence of planning appears to be limiting opportunities to make significant improvements in County government. These are addressed in Part Two.

## **Empowering People to Do the Work: Incorporating the Broader Community**

While the immediate focus of County government is on its own employees, CGR suggests that significant change opportunities will be enhanced once the greater community – individuals and organizations outside County government – also are challenged to become involved. If there is a serious commitment to re-think County government in order to improve, simplify and re-focus the organization to achieve specific goals and operating efficiencies, we believe the broader community will have to become part of the solution.

To the extent that County leaders can motivate both County employees and others in the Niagara Frontier community who are involved in providing similar functions to work together to identify and implement ways to reduce overlap and eliminate redundancies, and to build community assets, this will lead to more cost effective government. CGR identified several possible opportunities for more effectively managing human resources, both within County government (e.g., expanded focus on staff development, cross-training and reallocation of staff) and in the greater community (e.g., mobilizing the community outside government to develop assets to strengthen the community, expanding collaborations between County government and non-profit organizations and other jurisdictions). Such opportunities could both expand community resources and make more efficient use of those already in place.

For example, various County departments currently provide a number of functions which might under certain circumstances be provided more effectively by non-profit or other service agencies in the area, or by some collaboration with various agencies, building on some collaborative efforts already in existence. As another example, several layers of government currently provide road maintenance services. New initiatives involving the County working with the cities, towns and villages may create opportunities to eliminate or reduce redundancy while insuring that the overall function of roadway maintenance is carried out efficiently and cost effectively. The County may also benefit from a coordinated approach to managing capital projects within the region, so that the expenditure of capital funds supports the economic development and growth objectives of the county.

Finally, the County may benefit from creating the opportunity for citizens to take a more active and coordinated role in shaping the County government of the future, and/or in building assets in other sectors of the community that help lessen the need for governmental intervention. To the extent that citizens can understand the importance of improving County government and creating other community resources or assets, their energies and ideas can be directed to help in the creative process necessary to initiate and implement worthwhile changes.

## **Collecting and Using Information to Manage More Effectively**

The fourth key management concept that could be used more effectively by the County is the discipline of identifying, collecting and using the information needed to better manage the County's functions. A simple but effective statement that captures the essential idea is this – "You can't manage what you can't measure."

While the County currently collects and uses standard financial analysis information through its accounting and budget systems, CGR was unable to identify cost and/or operational management information for a variety of cross functional activities, such as comprehensive facilities management and planning information, employee productivity measures, and performance benchmark information. Specific examples of the types of information the County should use to identify significant improvement opportunities are presented below in Part Two.

## **F. Timely Opportunities for Local Change**

With all members of the County Legislature having just successfully faced the voters in November, and no one facing re-election for almost two years, this is as close as local legislators can get to making decisions with long-range implications without having to worry about immediate electoral consequences. Thus if ever there is a time in the Niagara County legislative body's life when it can address difficult issues, with time to think creatively and plan for the future, and to explain the implications to the voters without fear of short-sighted rejection, this is the time.

In the context of the Legislature's recent decisions to streamline some of its approaches, thereby moving away from some of its detailed oversight of departmental administrative business, and to return more day-to-day responsibility to department heads to manage and be accountable for their operations, this may be a particularly opportune time for the Legislature and its committees to begin to engage in more strategic, future-oriented thinking about issues

affecting the County. Recent efforts to begin to reorganize the Legislature's committees may make such cross-functional, "big picture" discussions more feasible. Furthermore, on the heels of the recent completion of successful negotiations over bargaining unit contracts, the timing may be propitious for discussing and negotiating successful labor/management agreements to help address some of the issues recommended in the next chapter of this report. Thus a "window of opportunity" may exist for County officials to strategically plan for the future and have the next round of negotiations address and incorporate any resulting new structural changes and the needs of the County's employees.

To the extent that the report raises issues that go beyond County government itself, and that suggest opportunities to at least begin to consider various potential intermunicipal agreements and cross-jurisdictional or even regional approaches to selected issues, the fact that two of the county's three cities have newly-elected mayors may create opportunities for County and other local governmental officials to open discussions of possible new approaches without previous perspectives getting in the way and impeding progress.

## **G. When Values Conflict: The Impact of Strategic Planning**

Inevitably when a group such as a County Legislature engages in a strategic planning process and indicates a willingness to grapple with difficult issues of change and attempting to anticipate and prepare for the future, values and long-held perspectives and assumptions begin to collide and come into conflict with each other. For example, a fiscal conservative who wants to position the County to be financially strong in the future may have to wrestle with making some additional expenditures in certain initiatives up front, as an initial investment to create longer-term savings and well-being. Similarly, in order to continue to reach the valued goal of reducing welfare rolls and expanding ongoing employment opportunities, the equally valued goal of reducing costs may have to be deferred or tempered by the need to invest more money in the short run to assure that needed support services are in place to help insure that the person will have a reasonable opportunity to achieve self-sufficiency. A person who has advocated appointments to certain positions such as part-time attorney positions may find that the value of such positions may be in conflict with a desire to save County dollars.

Along the same lines, a Legislator who understandably values the ability to have considerable power and control over particular departments and services within the committee he/she chairs may need to be willing to give up some of that control to help facilitate cross-functional planning and problem-solving. A desire to protect County jobs or incumbents in those

jobs may appear to conflict with the need to cut costs, although effective use of retirements and other forms of attrition can help minimize this apparent conflict if done strategically. One who is comfortable in general with the status quo and the general form and focus of County government today may need to face the reality that desired increases in efficiencies and cost savings and non-County revenue enhancements will only occur if the status quo changes. And so on.

But the point is not to scare people off and suggest that it is impossible to resolve such conflicts, or that strategic planning is therefore a waste of time with little to show for the effort. To the contrary, a careful, objective, analysis-driven strategic planning process – in which big picture issues and visions, policies and decisions about core functions are developed initially and shape the more specific decisions which follow – can provide means of making decisions that reconcile and reduce if not eliminate the conflicts in values, and that help to create shared values across a legislative body and across other key County officials. Part Two below attempts to lay out a number of priority actions for the County to consider which can help to build consensus and shared values by creating “win-win” situations for all those affected by County government. By embarking on an agreed-upon plan with other colleagues, building on shared common ground of the same information and analysis of the implications of taking, or not taking, certain actions, County leaders should be able to reach consensus around the decisions that should be made consistent with agreed-upon values. CGR’s recommendations for finding those common values and reaching consensus as to the actions that are needed follow in the report’s concluding Part Two

## **H. Summary**

In this chapter, CGR has identified a number of perspectives about fundamental values and assumptions that will affect the County’s ability to change in the future. We have also described key concepts that can help the County develop the kinds of “outside-the-box” ideas that will help it to re-think the organization into a leaner, more focused, more cost effective government.

The formula for driving significant change is relatively simple in concept. But it requires a commitment of leadership to go through a process and implement the changes recommended as a result of that process. To manage change, County leaders should follow the four key concepts discussed above:



- Use a functional and systems approach to organizing the work,
- Use an integrated planning model to focus the work,
- Empower people to define and do the work,
- Identify and collect the information needed to measure the work.

And, while working through these concepts, County leaders need to keep asking Drucker's four key questions:

- What is your mission?
- Is it still the right mission?
- Is it still worth doing?
- If we were not already doing this, would we go into it now?

## **PART TWO: APPLYING RE-THINKING PRINCIPLES TO PRIORITY OPPORTUNITY AREAS**

In Part Two we apply the re-thinking principles discussed in Part One to a wide range of priority opportunity areas, and focus explicitly on steps needed to address a number of key strategic issues that are likely to have a major impact on how Niagara County government functions over the next few years. CGR believes that the opportunity areas/strategic issues addressed in Part Two represent exciting opportunities for the leaders of County government and the larger community to begin to develop creative solutions which will place local government and the residents and businesses of Niagara County in a position of strength to face the challenges of 2000 and beyond.

In the next two chapters, CGR lays out a number of possible options, directions and opportunities for County consideration in response to the strategic issues, and suggests next steps the County may wish to take if it chooses to engage in a serious process of analysis, change, and strategic long-range planning and decision-making. Proposed next steps are presented in relative orders of priority, along with their likely consequences and the departments likely to be affected.

In determining which opportunity areas, issues, analyses or functions should be examined further as part of this strategic planning process, and which should receive the highest priority for immediate attention if the County decides to proceed with subsequent phases of the study, CGR considered a number of criteria or factors. Those are listed in detail in the appendix.

After consideration of the various criteria, and the management concepts and key questions raised in Chapter 2, the ultimate decision as to how high a priority to assign an issue came down to CGR's assessment of the potential benefits of the specific recommendation and the likelihood it would result in positive changes if acted on, compared with the potential costs and/or risks associated with making or not making the changes. Particular emphasis was placed on our perception of the likely probability that recommended actions would lead to significant positive impacts on county residents and/or on various aspects of Niagara County government, in response to needs demonstrated during the study. In general, the high priority recommendations tend to be those that, in our judgment, need the most immediate attention and should be acted on in the near future (e.g., within the next 6 to 12 months). Decisions to implement particular recommendations should never be made in isolation, and should only be made after considering their potential consequences for the overall best interests of the County.

The specific recommendations that follow, based on our assessment of numerous possible areas for future action, are grouped into several broad strategic or functional opportunity areas. Within each of the areas, the recommendations are described and further subdivided into 1 (High), 2 (Medium) and 3 (Low) priorities. Even the third level (lowest) priority items are considered important enough to list, and therefore should ideally be acted on in our judgment, but CGR believes the higher priority recommendations are those with the greatest strategic importance for the County, and therefore should be given the most immediate attention.

Most of the opportunity areas discussed in Part Two are strategic issues that are cross-cutting in nature. That is, they transcend individual departments or units of County government, and have broad applicability to many of the departments, functions and decision-making processes of the County. Management or efficiency issues related to a specific department are considered for priority attention only if they have larger strategic implications relevant to some of the larger perspectives and issues raised in Part One (e.g., issues within a department related to whether a particular function should continue to be provided by the County).<sup>2</sup>

In Chapter 3, we include recommendations related to a series of opportunity areas that either are countywide in scope (i.e., affect all aspects of County government), cut across two or more broad functional areas within County government, or involve potential linkages between the County and other jurisdictions or community entities outside County government. Other opportunities that may involve two or more departments, but strictly within the same broad functional area, such as departments within Public Safety, are discussed later in Chapter 4.

Consideration by the County of the options and directions discussed below in Part Two would represent the conclusion of the first phase of the Workforce 2000 overview of County government. If we have been successful in this first phase project in defining key issues needing the County's attention, County leaders should be sufficiently engaged and encouraged to move forward in the second phase of the Workforce 2000 Project to act on at least several of the specific priority recommendations included in the chapters and sections which follow.

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<sup>2</sup>Thus some departments receive little or no attention in this report, not because they are not important, but because no major strategic opportunity areas related to those departments surfaced during the Phase 1 study. Phase 1 was not designed to be an in-depth management/efficiency study of each individual department. Instead, the focus was on functional, strategic issues that cut across departments rather than an intra-departmental management or efficiency focus. Some more detailed departmental management studies may be appropriate in subsequent phases of Workforce 2000, based on strategic recommendations made in this part of the report.

## **CHAPTER 3. CROSS-CUTTING/CROSS-FUNCTIONAL OPPORTUNITY AREAS**

### **A. Re-Thinking the Process of Governing the County: Developing a Strategic Planning Perspective**

In this section, we discuss a series of process recommendations concerning ways in which the County can improve its ability to make strategic decisions in the best long-term interests of the residents and employers of Niagara County. Except for some pro-active planning occurring within individual departments, most County activities now appear to be managed within a one-to two-year time horizon, with little evidence of long-term, strategic planning or budgeting. A number of procedural and structural aspects of County government, discussed below, contribute to the relative absence of strategic thinking across multiple functions and longer-term time horizons.

The issues we recommend in this section for further consideration by the County are designed to facilitate such long-range, “big picture” thinking, decision-making and policy determination by County leaders. In order to “re-think” the focus and nature of Niagara County government, CGR believes a number of changes need to be considered by the Legislature. Some would involve structural changes if adopted, while others would be more procedural in nature, and involve changing “mindsets” more than structure. Together they would involve a re-thinking by the Legislature of its role and how it can best provide policy direction and leadership for the Niagara County of the future. Several individual components of the larger issue are summarized below, but the issues should ideally be addressed together as part of an integrated, comprehensive reassessment of the function and purpose of the 21<sup>st</sup> Century Niagara County Legislature.

The core recommendations regarding improving the strategic decision-making process in the County are considered to be High Priority, because of their overall importance in helping to shape the County’s ability to make the types of strategic decisions emphasized throughout this report. Having processes and structures in place to facilitate strategic, long-range planning and policy-making is crucial to all that follows in the remainder of the recommendations. We believe the recommendations that follow in this strategic planning section, taken as a whole, have a high probability of success if implemented, have little risk or costs associated with them, and offer significant opportunities for improving the way Niagara County government operates in the future.

## Strategic Policy Direction Role of Legislature

In recent months, the Legislature has taken commendable strides to streamline its operations and reduce the numbers of relatively minor resolutions it must address, and to move away from a tendency to “micromanage” many of the details of County government. As an effective complement to its streamlining decisions, ideally the Legislature would take advantage of the potential afforded by these decisions to provide the opportunity to use its time (as a whole and through its committees) to do more focused long-range thinking and strategizing about issues facing the County, including issues that transcend departmental lines. To some extent, committees have begun to do so, and ideally each legislator and committee will increasingly adopt a strategic planning mindset as they more intentionally address “big picture” policy issues.

Even with recent changes, most issues before the Legislature tend to be processed as ad hoc items, in a relatively piecemeal fashion, as isolated issues with no coherent underlying focus or policy direction to give them meaning. Rarely are important issues facing the County debated by the entire Legislature, or even within committees, in the context of a clearly-defined set of approved policies or directions providing guidance as to what is ultimately in the best strategic and long-term interests of the County as a whole and its residents.

### *Recommended Actions*

- ❖ CGR recommends that over the next few months, the Legislature build on its recent constructive decisions and develop a comprehensive strategic planning process to address and make priority decisions about the core issues raised in this report. Such a process should include careful discussion and debate (ideally facilitated by someone outside County government) about the strategic issues and proposed action steps, and should result in clear goals and priorities, with specified timeframes, for addressing the key issues.

**Priority:** 1 (High)

**Rationale:** Such a process is crucial to shaping future County improvements, and to determining next steps and any future Workforce 2000 activities.

**Departments Affected:** Legislature, in conjunction with department heads.

- ❖ The Legislature should, as part of the strategic planning process, develop clear charges for each legislative committee and department. For example, each committee should have:

- broad policy oversight over its departments, boards, and agencies, including but not limited to the establishment of an annual work program to guide its activities and the types of issues that will shape its agenda for the year;
- annual or 6-month reviews with the heads of each agency of past, present and planned work programs and policy initiatives, and of performance against agreed-upon, measurable goals;
- discussions about future directions and external influences shaping or likely to shape each committee's areas of responsibility, and how to anticipate change and constructively prepare for it;
- periodic review and assessment of services and functions concerning their effectiveness and compliance with established legislative policies and directions;
- and perhaps most importantly, a clear focus on integrated, functional, cross-departmental approaches to issues, including bringing department heads together periodically to discuss cross-cutting issues that transcend departmental "silos" and seek to develop collaborative approaches and responses to issues facing the County.

Ideally, during 2000 each committee should incorporate two or more opportunity area recommendations from this report into its work program for action during the year. In general, the committees should be structured more around policy issues than around operations-oriented resolutions, with either significant portions of each meeting, and/or separate meetings, devoted to focused strategic, future-oriented types of policy and future direction discussions. In addition, to ensure broad cross-fertilization of ideas and creative re-thinking of the County's approach to its mission, some joint committee meetings should be scheduled periodically to foster truly cross-functional discussions.

***Priority:*** 1

***Rationale:*** Important part of the strategic planning process, and to the ability to re-think County government, to develop a functional approach to the County's mission, and to set priorities for needed changes and any future Workforce 2000 activities.

***Departments Affected:*** Legislature and department heads.

## Legislature Committee Structure

The Legislature may wish to consider further restructuring of its core committees. It has already taken a positive step in this direction at the beginning of this legislative session, by merging the Senior/Youth Services committee into the Social Services committee. Other restructuring might be considered to further facilitate the types of strategic policy-focused

discussion of issues suggested above. The current committee structure seems logical, but the Legislature may wish to make further consolidations to reduce the total number of committees from the current nine to seven or eight.

### ***Recommended Action***

- ❖ In conjunction with developing plans for undertaking a clearer policy direction role, the Legislature should re-think whether further modifications of its committee structure would be helpful in accomplishing the strategic planning function as it designs it. Although it should not be overly influenced by the committee structures in other comparable counties – given the distinctive circumstances of each county – the Legislature may nonetheless wish to compare how its structure compares with that of other counties, including the extent to which, and how, other counties focus on strategic, long-range policy issues amidst the other more routine aspects of governing.

***Priority:*** 1

***Rationale:*** This review should occur in the context of the Legislature's strategic planning process and reassessment of how decisions get made about the future of the County.

***Departments Affected:*** Legislature, in conjunction with department heads.

## **Composition and Terms of Office of Legislature**

Having the entire County Legislature up for re-election every two years creates a powerful incentive to focus primarily on short-term results. No elected leaders have the benefit of a longer term of office in which to push for policies or new directions which might have short-term costs but long-term benefits. With County legislators currently serving two-year terms of office, to some extent they are constantly running for office, never far removed from their next election. In order to make it more feasible for legislators to take long-range views on issues and to become more future-oriented in their thinking and voting patterns without being penalized by voters, the Legislature may wish to consider converting to four-year terms.

The added two years may enable legislators to strike an appropriate balance between competing values: the need to be accountable to the public; the provision of sufficient time for legislators to focus on issues of importance to them and their constituents and to define and advocate for a legislative agenda for action; and the provision of adequate time to be insulated from short-term special interests and political considerations and to focus more as statesmen to address longer-term issues in the County's best interests.

Nationally, the vast majority of counties elect legislators for four-year terms, as do most of New York's counties similar in size to Niagara. If the County considers such a shift, it may wish to also consider staggered terms of office, in order to provide a balance between continuity and stability on the one hand, and the need to provide more frequent accountability to the voters and the opportunity to have fresh faces in the Legislature – but not all starting at the same time.

Legislators may also wish to consider the possibility of having some legislative seats in the future elected on an at-large basis, with others remaining as somewhat larger district seats. Although at-large legislators would be somewhat less accessible to constituents, the offsetting potential advantage would be that these legislators would represent larger, more diverse constituencies and therefore would presumably be more encouraged to vote on issues with a broader countywide perspective in mind. Nationally, the majority of counties use either an exclusively at-large basis or a hybrid district/at-large approach to electing legislators.

### ***Recommended Action***

- ❖ CGR recommends that the Niagara County Legislature, as part of its review of its strategic role in the future, study the implications of modifying its composition and terms of office, to determine if any of the possible changes suggested above, or others that might also be considered, would enhance the Legislature's ability to be more effective as a strategic policy setting body making decisions in the best long-term interests of the County.

***Priority:*** 1

***Rationale:*** This is an ideal time to consider any restructuring of the Legislature, as any decisions to modify the composition could, if decided in a timely fashion, be implemented in conjunction with reapportionment following the 2000 Census.

***Departments Affected:*** Legislature.

## **Role and Appointment of Department Heads**

Clearly in a County with part-time legislators and no County Executive or County Administrator/Manager, the role of department heads is critical to the smooth functioning of the government, and it can be argued that the degree and nature of the leadership they provide becomes even more pivotal to the County's well-being and future than is likely to be the case in counties with strong, more centralized leadership. Niagara County appears to be blessed with a core of strong, committed department heads, many of whom have exhibited effective leadership



around both department-specific and countywide issues. However, their willingness to take risks and to focus on longer-term, cross-cutting issues may be compromised by the fact that the majority are appointed to serve “at the pleasure” of the Legislature, rather than for fixed terms of office. Furthermore, with some exceptions, the department heads have not typically been held accountable for “thinking out of the box” on a cross-functional basis, though many have done so on their own, and certainly most have been encouraged to think creatively within their departments in finding ways to minimize costs and increase internal efficiencies and productivity.

The County has recently begun to require department heads to submit their major accomplishments during the past year, and to submit goals for the following year. This represents a process that is promising and which can easily be improved on, in CGR’s judgment. As suggested above, setting these goals and the process of evaluating progress against them should be part of a thoughtful future-oriented process involving both the department head and his/her legislative oversight committee. In the future, such goals should not only address maintenance and routine performance operational goals, as some have in the past, but also focus on measurable policy-oriented, future-directed goals, ideally including ones that may involve cross-functional collaboration with other departments or community agencies. These performance goals and objectives should in turn be used in the process of making expenditure requests during the budget development process, as discussed further below.

In addition to closer working relationships between the Legislature and department heads in setting goals and being held accountable for their successful performance as part of an annual and ongoing review process (in which both the Legislature and the department head are mutually responsible for establishing and communicating about the goals and any issues that affect their accomplishment), legislative leaders should also convene all department heads periodically, and perhaps even more frequently should convene smaller groups of department heads with related, or potentially-related, functional responsibilities (e.g., all those responsible for providing services to children and families). These meetings, outside the normal committee meeting structure, would be designed to help the County focus on the development of a clear County vision around specific issues; to define common issues, needs and goals; to create a sense of teamwork around issues and challenges facing the County; to solicit fresh perspectives from department heads on issues they might not routinely focus on; and to provide consistent orientation and education concerning common issues facing all departments. To some extent the Roundtable provides a vehicle for at least some of this to occur, but this suggestion goes beyond the intent of those meetings to include at least occasional intentional joint meetings of legislative leadership with groups of department heads for discussion of broad countywide issues.

***Recommended Action***

- ❖ The Legislature, as part of its review of its role and focus in the future, should address the issues raised above concerning department heads, and should re-examine how to encourage and support department and division heads to take short-term risks in developing initiatives which have measurable longer-term benefits for the County. The Legislature should also encourage each of them to develop a more strategic, long-range mindset in thinking about cross-functional issues, much as the Legislature itself is being challenged to do. As part of that process, legislative leaders may wish to consider more longer-term appointments for department heads, and may wish to compare goal-setting and monitoring processes, and appointment and accountability practices, in comparable counties.

***Priority:*** 1

***Rationale:*** Both the Legislature and the department heads must work together to develop long-term policies for the County, and must challenge and hold each other accountable for doing so.

***Departments Affected:*** All.

**Strategic Planning in the Context of Zero-Based Budgeting**

To help the County more pro-actively manage costs so that they match up with revenues, and so that major cost requirements can be spread out over time so that they do not cause drastic fluctuations in the tax rate from year to year, CGR believes that the County needs to place a greater emphasis on both short-term and long-term budgeting issues.

The 1980 County budget bears a striking resemblance to the 2000 budget in terms of department structures and functional categories. Except for minor name changes, some additional summary information, and some program additions and deletions, the County budget format has remained essentially static for at least 20 years. This is a clear indicator that the County budget process is based on making incremental changes from year to year. Incremental budgeting is effective for creating a sense of stability and continuity. It is not, however, an effective way to drive the type of system-wide, significant structural changes needed within the County.

A key component of the current approach is that the budgets have been built based upon a structural approach to County government. CGR believes that the County should adopt a more

*functional* approach in developing future budgets, at least for a few years, to drive the push for efficiencies. A functional approach is based upon identifying what objective is desired (i.e., what is the function), rather than on identifying what work could or should be done at what costs within an existing structure.

Currently, County departments are not required to link expenditures and programs to specific performance objectives. Basic management information which could be used to identify need, quantify tasks/activities and workloads/caseloads, and measure performance is often lacking. Core budget documents in most departments seem to be primarily expense-driven rather than performance-driven. Until the County develops ways and the commitment to link performance to expenditures, it will lack the ability to develop the type of benchmark comparisons which are crucial for identifying increased efficiency and productivity opportunities, and for evaluating the impact of improvements.

The County should be commended for having committed the resources to develop a multi-year financial planning model ("Niagara County Financial Planning Model for the Fiscal Years 1999 - 2003"). This is an important tool that County financial planners can use to develop "what-if" scenarios by changing assumptions about various costs and revenues, to see the potential impact on the County real property tax rate. CGR believes the County should actively use this model to develop projections by changing some of the cost and revenue assumptions to show what might happen if some of the County's public policy priorities change, rather than just showing future estimates based on straight line projections of current expense and revenue patterns.

### ***Recommended Action***

- ❖ CGR recommends that the County break the cycle of incremental budgeting and, at least for the next few years, employ instead the zero-based budgeting approach. This approach should be implemented in conjunction with the development of quantifiable performance measures, which should be linked to the budget requests of each department and function. Budget submissions should more explicitly reflect the relationship of planned expenditures to the accomplishments of specific measurable goals; the inclusion of key performance measures and trends over time; the ability to compare staffing and funding patterns over time in relationship to such measures; and the ability to monitor County share of costs for each department and function over time.

***Priority: 1***

***Rationale:*** Taking a zero-based budgeting approach would force the County to pursue “what if” questions that often lead to better ways to provide the desired function. This would systematically encourage departments to begin to use a more functional systems approach to planning and budgeting.

***Departments Affected:*** All; Office of Management and Budget primary responsibility.

## **Strategic Planning in the Context of Comprehensive Capital Improvement Planning**

The County needs to increase its ability to do long-term financial planning. CGR found a lack of core data which is needed to provide the basis for rational long-term planning. As one example, the County does not have a readily accessible comprehensive database which lists all of its building facilities, including their current condition and future capital needs. Some of this data has recently been prepared by Buildings & Grounds in DPW; however, that listing is not all-inclusive. The County also recently hired an engineering firm to develop the information needed to develop a multi-year capital improvement program (CIP) for facilities. However, the amount of funding allocated to that study suggests that substantial additional follow-up work will be required to develop a *comprehensive* CIP.

The larger management challenge for the County is going to be how to develop a comprehensive capital improvement plan which truly takes into account all of the physical assets owned and maintained by local governments within the county at large. If Niagara County were run like a business, the County would know the value of its capital plant, and would develop a financial plan which properly maintained that current plant and factored in improvements. CGR found that there are pockets of long-term capital planning within the County. For example, both the County Water and Sewer Districts have fairly well developed multi-year capital plan projections. The County DPW department has collected basic road and bridge information, including projections of plans for other jurisdictions (towns, villages and the state). And the Department of Planning, Economic Development and Tourism has begun to collect basic capital planning information which could be incorporated into a comprehensive communitywide inventory.

However, some organization, which CGR believes should be the County, needs to develop a totally comprehensive inventory of all public infrastructure improvements, which would include water, sewer, roads, bridges, buildings, airports, parks, parking lots, utility lines, schools, the community college, etc. Once the inventory is completed, including a determination

of the value of these investments, a financial plan should be developed for maintaining these investments, and upgrading or adding to them where it makes sense to do so to meet the needs of the greater community.

One of the reasons the County appears to be in a reactive, catchup mode regarding spending on capital investments is that the information does not exist to understand what needs to be done. For example, the most recent Official Statement for the County notes that the assigned value for the County's General Fixed Assets is over \$181 million. It should be noted that this figure appears to be way too low. For example, the County is paying insurance for an insured value of \$318 million for facilities alone. This figure does not include any estimate for the value of the 284 miles of roads and 100 bridges in the County inventory. The Official Statement lists the current value of the Property, Plant and Equipment of the special districts as being over \$8 million. However, this does not include any estimate for the value of the miles of underground pipe.

Just to illustrate the point, if the County were only to take the clearly identified assets in general operations, at the current accounting value of approximately \$181 million, and assuming a best case scenario of a replacement cycle of 40 years, the County should consider budgeting an average of \$ 4.5 million per year, every year, just to maintain its existing physical plant. And, roads and bridges would be in addition to that figure. By contrast, although it is hard to pinpoint expenses which could be definitively classified as capital investments, CGR's review of recent budgets suggests that on average, less than \$1 million per year has been spent to maintain its capital plant (excluding roads and bridges).

This type of analysis, in addition to evidence which is apparent when driving around the greater Niagara region and talking with community and government leaders, suggests that the County has been significantly under-funding spending in its physical plant. This lack of adequate financial planning has the potential to create significant added costs in County budgets somewhere down the road.

It should be pointed out that the Annual County Budget does include a listing of proposed capital projects for six years. However, the list of projects clearly does not account for all County facilities. While the current list is a good starting point, CGR believes that the County needs to start off with a comprehensive list which prioritizes needs including all facilities, not just selected locations.

***Recommended Action***

- ❖ CGR recommends that the County develop a comprehensive capital plan which has as a starting point a complete inventory of all of the physical assets of Niagara County government at a minimum, and preferably all of the physical assets of all the public entities within the county borders. The County Planning department would be the logical agency to coordinate and develop such a plan. CGR believes the core information and the initial comprehensive five-year capital plan could be developed over a six-month period, i.e., in time for the 2001 County budget, if the project were conducted by an outside firm under the direction of County Planning and with the explicit cooperation of the municipalities within the county.

***Priority: 1***

***Rationale:*** The County, and all local municipalities, need to develop realistic projections of the financial impact of their capital improvement needs for the future in order to avoid large swings in taxes from year to year, and in order to identify possible revenue options. Development of a truly comprehensive community capital plan would provide an excellent opportunity for the greater community to develop a partnership approach to solving communitywide challenges.

***Departments Affected:*** Planning primarily responsible; Management & Budget, DPW, Parks & Recreation, Water, Sewer, Refuse, Data Processing, and municipalities in the county.

**Development of Key Performance Indicators**

Even if the County chooses not to implement a zero-based budget process in the next few years, CGR believes that it is important for departments to be required to develop some key measurable performance objectives, and to be required to compare actual performance to the stated objectives. Of course, setting performance objectives has to be a dynamic process which allows for changes required by a dynamic world. However, especially where the County invests dollars in anticipation of a measurable return, a process needs to be established to compare projected versus actual results.

As one example of how this principle should be applied, CGR looked at the 5-Year Vehicle Replacement Plan which was prepared by FMG and approved by the Legislature in 1997. This was an excellent roadmap for achieving cost efficiencies as a result of a comprehensive approach to planning small fleet equipment needs. What CGR did not find,

however, was any evaluation of whether or not the costs and revenues which were the basis of the plan were being monitored, to compare actual costs and revenues to the original plan projections. Although in actual practice it could be expected that the plan's projections for costs and revenues might not fall exactly in the period initially identified, the plan's financial projections should match up to actual numbers over time. CGR compared the projected Vehicle Replacement Costs and Estimated Auction Values (from sale of used equipment rotated out of the fleet) for the years 1998 and 1999 to actual expenditures and revenues. We found that although actual expenditures were under the plan projections by 4%, actual revenues from the sale of used equipment was under plan by 16%. This amounts to a shortfall of about \$15,000 over two years between costs and revenues. While that amount is not in and of itself significant, given that the size of the program is about \$2.5 million spread over five years, it may indicate a trend which is worth monitoring to insure that the original financial projections for the program are achieved.

### ***Recommended Action***

- ❖ CGR recommends that key performance indicators be developed for each department, division and major program and incorporated into the budget preparation cycle for future years, and into annual reviews by Legislative committees of departmental performance.

***Priority:*** 1

***Rationale:*** The County needs to develop performance indicators to determine what value is being achieved for a given level of expenditures.

***Departments Affected:*** All, with Office of Management and Budget as the lead.

## **Should the County Consider Changes in its Form of Government?**

In the context of making strategic decisions about the future of Niagara County government, and re-thinking the policy-setting role of the Legislature and department heads, this is the ideal time to also re-think the form and structure of that government. In the context of the previous discussion of the need for a more aggressive policymaking and strategic long-range planning role for the Legislature, we discussed the need to reconsider the composition, terms of office and committee structure of the Legislature. As decisions about those issues are being made, serious consideration should also be given to whether it is time to have a full-time person overseeing the affairs of the County on a day-to-day basis.

The Legislature, in its part-time role, has done a remarkable job of overseeing and managing what appears to be a well-run County, and has managed to hold the line on property taxes for six consecutive years. It has been aided in this process by a competent group of department heads and County employees, led in particular by the fiscal oversight efforts of the Financial Management Group (FMG). However, the County must ask itself if it can realistically continue to expect a \$200 million corporation to be managed effectively into the future by 19 part-time legislators, no matter how dedicated, and a decentralized structure that, despite the best intentions and leadership from dedicated public servants, cannot be expected in its current form to provide the overall “big picture,” comprehensive oversight, management and cross-functional leadership that a more centralized form of government should be expected to provide.

Niagara County is the largest county in New York State which is not a charter county and which does not have an elected County Executive. Moreover, it is also the only one of the 29 largest counties in the state to have neither an elected Executive nor an appointed County Administrator or Manager. Cayuga, the state’s 30<sup>th</sup> largest county in terms of the 1990 Census population counts, is the only other county in the state with more than 80,000 residents which has no Executive or Administrator/Manager.

Niagara is also the only one of more than 25 counties in the state with annual budgets in excess of \$90 million which has no centralized leadership in the form of either an Administrator/Manager or an elected Executive. While the County’s current status is a tribute to its leadership’s ability to manage its affairs and keep the lid on costs to local taxpayers, it is fair to ask how much more the County could do with an Executive or Administrator to help the Legislature control costs, improve services, make rational decisions affecting the future, and carry out the needed research and policy analyses to inform the Legislature so that it can make the best possible policy decisions about the County’s future.

Those opposed to creating a new Executive/Administrator/Manager position argue that the current situation works well and that it would simply add to County costs and add an unnecessary level of bureaucracy. On the other hand, proponents argue that the additional costs would be more than offset by improved productivity, efficiencies and direct cost savings as a result of having a full-time manager of the County’s business; more effective resource allocation management across County functions; better research on the implications of possible new policy initiatives; a more focused approach to developing solutions to unfunded and/or “flexible or discretionary” mandates; an increased likelihood of being able to expand non-property tax revenues for the County; less likelihood of fragmented approaches to County issues; more direct



oversight and encouragement of cross-functional activities and collaborative approaches; and more opportunity to explore regional, cross-jurisdictional initiatives.

It seems unlikely that the County would reconsider implementing the elected Executive form of government, and it is not clear that an elected official would even be needed, but in order to help facilitate much of what this report emphasizes, some form of an Administrator or Manager may well be helpful, and should at least be considered by the County.

While the Administrator or Manager form of government is a model which has a long track record of success, Niagara County might also be able to achieve the objectives of increasing emphasis on strategic planning, policy analysis, and long-range, cross-functional re-thinking by improving the legislative committee structure and creating an administrative management council. For example, the County could consider forming an executive committee made up of commissioners of major functional areas, plus the Director of OMB, who could serve as its head. This committee would be responsible for developing and submitting the annual budget to the Legislature. In addition, the Legislature could establish a committee structure to correspond to the functional areas and commissioners. One legislator proposed a similar plan in recent years. That plan, or one similar to it, could provide the framework for achieving these improvements.

### ***Recommended Action***

- ❖ As the County considers the strategic planning and policy-making roles discussed above, it should consider what form of government would be most effective to help bring about needed changes. It could decide to “leave well enough alone,” or it could decide to invest in the future by changing the structure of government by adding a management component that can help assure that comprehensive planning, policy analysis and long-range cross-functional re-thinking occur on a consistent basis across County government and between the County and other potential collaborators. This may be the appropriate time to explore other models in place in other counties and to examine their potential utility and applicability to the circumstances of Niagara County. CGR suggests that this review process be undertaken during the first half of 2000, with a final decision, one way or the other, made by the Legislature during this year.

#### ***Priority: 1***

***Rationale:*** CGR acknowledges that decisions to change the County’s form of government could involve taking some political risks and potentially adding some additional costs to County government, but the County needs to consider whether those

risks and costs are justifiable in light of the potential benefits that could result in the future.

***Departments Affected:*** Legislature primary responsibility; all departments ultimately affected.

## Exploring Reduced Duplication Across Layers of Local Government

Niagara County government exists as the largest of a substantial number of local governments situated within the county boundaries. In addition to the County government, three city governments, 12 towns, and five villages exist.

Throughout the county, the multiple layers of local government provide many duplicative services, such as several different police forces; four different dispatch services for fire, police and emergency services; multiple building inspectors/code enforcement officers; separate highway departments; and so on. Many proponents of local government argue that services are best offered and controlled by those closest to the people, and there appears to be no popular groundswell suggesting that these layers of local government should be abolished. On the other hand, even though it was not a focus of our study, we frequently heard unsolicited comments in our interviews about the unnecessary duplication of services across the multiple levels of local government. Several people commented on the costs to taxpayers of funding these various layers at a time when the economic circumstances within the county make unnecessary expenditures and taxes difficult to defend.

### ***Recommended Action***

- ❖ The County will have its hands full enough addressing policy issues over which it has direct control, and the probability of making major changes in the near future in the multiple levels of the local governmental structure seem rather slim. Thus we are not suggesting that taking action on the complex issue of reconfiguring local governments should be a top priority concern for the County at this time. On the other hand, if a core of community leaders were willing to come together to focus on the issue of reconfiguring some or all of the county's local governmental units, including looking at the implications and political realities of consolidating some of the smaller units of government, such an effort should not be discouraged. With recent changes in leadership in two of the cities, opportunities may exist to at least begin discussions to determine if there is any common

ground to build on. At the least, there may be opportunities to explore expansion of such things as sharing services across jurisdictions, joint purchasing, etc.

CGR suggests that if community leaders are interested in convening such discussions, the process is worth exploring, with little to be lost in initiating discussions and potentially much to be gained. At worst, nothing constructive would come from the discussions, and business would go on as is, but there is at least the possibility of ideas surfacing that could lead to future cost-saving opportunities in areas such as shared code enforcement, or shared uses of governmental facilities, or restructured dispatch functions or road maintenance operations.

**Priority:** 1 for addressing one or two selected high cost issues as test cases; 2 or 3 for a major study of local government restructuring

**Rationale:** As discussed further below, bringing together appropriate officials to study and consider the implications of cross-jurisdictional collaboration or consolidation in one or two high-cost and high visibility functional areas should be considered a high priority over the next year (e.g., road maintenance, dispatch, shared facilities).

**Departments Affected:** Legislature to make primary decisions; specific departments to be determined.

## B. Responding to Mandates

Niagara County has been directly affected by the increasing imposition, by state and federal levels of government, of mandated services and requirements, often with little or no accompanying funding support. Niagara and its fellow counties clearly have reasons to continue to fight the mandate battle with higher levels of government.

Perhaps most troubling to most of the County officials who expressed concerns about the mandates passed on from the federal and state governments are the unfunded mandates, or as one person described the process, “Passing the buck without passing the bucks.” In some cases, the mandates come with no accompanying funds at all, with the County expected to come up with 100% of the costs of providing the service and/or to absorb the mandated activity with existing organizational resources. In other cases, actual funding support has fallen far short of what was initially promised. For example, with mandated services for preschool children with special needs, the concerns have to do both with whether counties (as opposed to school districts) are best equipped to administer the program and with the fact that, although the state does pay the majority of the costs of the services, the level of reimbursement is far less than what was

promised when the initial legislation was passed, thereby costing the County about a million dollars a year over what it would pay if the original state reimbursement levels were adhered to.

But whether the mandates are 100% funded by others (relatively rare), partially funded (the greatest portion of mandated services), or completely unfunded, the County is not without options in responding to the mandates. While there is absolutely no doubt that substantial portions of the Niagara County budget are the direct result of mandates, our initial Phase 1 overview of County government suggests that the County, while certainly a victim of demands and requirements placed on it without its acquiescence, is not a powerless victim. It has ways in which it can respond to reduce the onerous aspects of these mandates.

Although the County may have little control over the *imposition* of the mandates or over many of the costs, it does, or at least could, have *significant and increased control over the impact* of many of the mandates. The initial information collected by the County's Mandates Task Force confirms that local governments and their departments have a significant amount of flexibility or discretion in the ways in which, and the extent to which, many mandated services are carried out. Although some mandates must be carried out with little flexibility – such as according to specific standards requiring responsiveness to certain demands within specific periods of time – preliminary data from County departments, and our experience with other counties, suggest that the majority of mandates allow counties considerable discretion in how they implement the requirements, and at what costs and levels of service. Particularly in the context of the strategic approach to issues recommended throughout this report, Niagara County is in a position to make conscious decisions about how it wishes to exercise that discretion in the future.

### ***Recommended Actions***

- ❖ CGR recommends that during 2000 the County combine its Workforce 2000 and Mandates Task Force efforts to undertake a second phase study, in which it builds on existing Task Force efforts, to categorize in a consistent format all mandates by service or function requirements, and measure the extent to which the mandates are currently being carried out. This second-phase study should examine in depth a selected sample of mandated services over which the County has some discretion (perhaps select those departments and mandated services with the highest direct costs to the County and/or where some alternative approaches to providing the services may already have been

suggested, e.g., by members of the Mandates Task Force or in subsequent sections of this report).

We recommend that this more in-depth study would determine, for each of the mandates included, an analysis of what is required at the minimum, and the total and County share of costs of those minimally mandated requirements; what and how much is done beyond the minimum, the costs of those discretionary services, and who pays those costs; whether alternative funding sources could be identified to eliminate or reduce the County's share of the costs; benefits of the discretionary services, including who receives the benefits; how the discretionary services are currently provided, what alternatives exist for future service delivery, and the costs and service implications of such alternatives; the implications (pro and con) of eliminating or significantly scaling back the optional services; and ultimate recommendations for the future of each of the discretionary mandated services.

**Priority:** 1 (High)

**Rationale:** The topic of mandates raises the ire of public officials throughout County government. A systematic and objective focus on the types of suggested questions would provide the County with realistic options as to what it can and can't do to respond, and the implications of various responses.

**Departments Affected:** To be determined by the Mandates Task Force, but potentially many departments could be affected.

- ❖ In addition, we anticipate that the Mandates Task Force will continue its efforts to identify areas where it believes focused advocacy efforts should be undertaken at the state or federal levels, presumably in concert with other local governments, to eliminate specific mandates in the future, or to at least increase the levels of state or federal reimbursement support to cover more, if not all, of the costs of the required services.

**Priority:** 1

**Rationale:** The results of the analyses conducted as part of the first recommendation would provide important information to help influence ongoing and future advocacy efforts by the County.

**Departments Affected:** To be determined by the Mandates Task Force, but potentially many departments could be affected.

## **C. Matching the Workforce to the Changing Needs and Technologies of the County**

### **Historical Stability in Size of County Workforce**

During the past 20 years, the size of Niagara County government, as measured by the budget, has grown substantially. The budget has more than doubled since 1980, to more than \$200 million, and it has increased by more than a third in the past decade alone. But during those same periods of time, the size of the County's workforce has remained remarkably stable, as the number of County employees has increased by only 8.3% since 1980 and by 4.3% since 1990. What growth has occurred in the workforce has primarily been among part-time staff. Positions reflected in the budget as part-time have increased by 74% since 1980, from 154 to 268, while the number of full-time staff increased by only 2.5%, from 1,728 to 1,771, and by only 1% in the last 10 years – an average increase of two full-time staff per year for each of the past 20 years.<sup>3</sup> These numbers may understate the actual numbers of part-time employees (and overstate the full-time numbers), as there appear to be other positions in some departments which are in fact part-time in nature, though not so indicated in the budget.

Even the slow growth in the numbers of County positions since 1980 was reversed in the past two years, as the total workforce of 2,039 reflected in the 2000 budget has declined by 23 positions since 1998 (a reduction of 30 full-time positions and an increase of seven positions labeled as part-time). The reduction in the past two years has been accomplished strictly through attrition, with no layoffs.

It can justifiably be argued that the County is to be congratulated for efficient management of growth, whereby staff have increased their efficiency and productivity markedly – managing a much larger County operation with only 43 more full-time employees in 2000 than existed in 1980, and indeed 30 fewer than existed just two years ago. On the other hand, its reduction in numbers of positions in recent years may not prove as efficient in the long run. While reductions without layoffs is admirable in reflecting the County's commitment to its workers, even as it was seeking to cut costs, several of those we interviewed suggested that the position cuts were not always done strategically, with sufficient regard to the long-term implications for tasks that

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<sup>3</sup>Number of staff include not only those covered under the General Fund, but also grant-funded positions, and those under the JTPA, Mount View, County Road, and County Road Machinery Funds.

needed to be accomplished, and that in some cases positions were eliminated that would not have been had more careful analyses been undertaken before the decisions were made.

## **Impact of Changing Needs and Technologies**

Another opportunity to assess the most appropriate allocation and use of the County's workforce is afforded by various changes brought about by upgraded technology and, in some cases, by other changing requirements of certain jobs. A number of those interviewed said that there are still too many working in the County in positions which could perhaps be eliminated in the future. Looking at staffing levels from that perspective, some argue that these changing requirements and technologies should actually be resulting in further reductions in the size of the County workforce over time, without seriously affecting County operations as a whole, or should at least result in reallocations of staff across functions to better meet changing needs. For example, the introduction of the PeopleSoft payroll/human resources system has significant implications for how a number of clerical support functions are provided throughout the County's departments. The introduction of laptop computers is in the process of impacting on how data are entered, and by whom, within the Health and Sheriff's Departments. Emerging or planned changes in billing procedures will impact the activities of staff within the Health Department. Other expanded uses of computers, e-mail and voice mail affect employees in all departments and levels of staffing Countywide.

In addition, changing mandated data collection and entry requirements affect nearly every public health nurse. Changes in the audit responsibilities, returning more of the previously-centralized audit functions to the departments, have implications for the tasks to be performed both by central Audit staff as well as by selected people in the other departments. Reductions in public assistance caseloads, coupled with expanded needs for other types of support services, have implications for how tasks and staff may need to be reallocated in the future within DSS. And so on.

These various developments offer opportunities to formally reassess how staff at different levels in departments throughout the County are deployed, and to potentially free staff from previous assignments to new tasks that have the potential to improve the quality of services and the productivity and efficiency of County staff as a whole. Indeed, it is illustrative to note that historically, a number of shifts have occurred within the County's workforce. The relative stability of the workforce over the past 20 years masks the fact that there have been significant

shifts in numbers of positions within and between departmental and functional areas, as shown for selected areas in Table 3 below.

**TABLE 3**  
**NIAGARA COUNTY**  
**CHANGES IN STAFF POSITIONS IN SELECTED DEPARTMENTS OVER TIME**

<b>Department</b>	<b>2000</b>	<b>1995</b>	<b>1990</b>	<b>1980</b>
Sheriff (non-jail)	162	148	140	120
Sheriff (jail)	188	118	97	56
District Attorney	33	31	28	22
Public Defender	24	18	17	14
County Clerk/DMV	65	54	76	79
Data Processing	15	9	9	NA
DPW Engineering	13	14	18	13
DPW Road Fund	56	56	70	74
Parks	39	40	77	84
Social Services	468	463	477	310
Health Nursing/LTHHCP	71	66	64	NA
Health Speech & Hearing	25	20	20	NA
Health Early Intervention	11	6	0	NA
Environmental Health	27	31	31	27
Mental Health	42	40	24	25
Nutrition Program	44	52	56	120
All Others	756	782	750	938
<b>TOTAL COUNTY</b>	<b>2039</b>	<b>1948</b>	<b>1954</b>	<b>1882</b>

Source: Niagara County budgets.

The greatest growth area has been in the public safety sector, and particularly within the Sheriff's Department, with by far the greatest growth occurring as a result of the construction of



the new jail. Mental Health, Data Processing, the District Attorney and the Public Defender's office have shown substantial patterns of growth over the past 10 to 20 years. Conversely, over the same period of time there have been substantial proportionate reductions in numbers of positions in Public Works, Parks, the Clerk's office, and the Nutrition program, and DSS has lost about 20 positions just since 1998. Within the Health Department, increases in recent years in the numbers of nurses, positions in the Speech and Hearing Center and in the Early Intervention Program have been partially offset with declines over the same period in the number of environmental health positions.

## **Potential Changes in Workforce Composition**

Looking to the future, as the baby-boom generation ages, it seems probable that significant proportions of the Niagara County workforce are likely, within the next five years or so, to be entering the phases of their careers where many will be starting to think seriously about retiring. It is important to develop specific data for Niagara County government estimating the projected numbers of employees who might reasonably be expected to consider retirement within the next few years; based on similar profiles in other counties, we suspect that the numbers are substantial enough to have significant implications for the County. It does not appear that the County has a clear plan for identifying and replacing these employees, or for defining the sets of experiences and skills that will be needed among the new hires, and what implications such questions pose for hiring strategies and for training and developing continuing staff. Nor does there appear to be a plan for determining the likely costs associated with "paying off" large numbers of employees with histories of accumulated benefits, and how that would be balanced against the potential for paying newer staff lower salaries. Considerable data would need to be compiled and analyzed by County officials, presumably based primarily on information available through the Human Resources/Personnel office, to begin to address these and related issues.

The possibility of significant turnover and retirements among the current County workforce of some 2,000 employees also provides the County with an ideal opportunity to re-think the structure and staffing of its various departments and functions, to do so strategically based on County needs, and to do so without the threat of anyone being removed from their job. If it proves true that large numbers of the current workforce are likely to be leaving their jobs over the next few years, any needed changes in reallocating resources or shifting personnel to other functions or tasks, or restructuring entire tasks and functions, might ideally be accomplished in the context of naturally-occurring changes within the workforce, with absolutely no reason for people to fear losing their jobs except by their own choice. The ability to accomplish many

needed changes through attrition and normal replacement practices should make it easier to initiate changes in the future structure of County government, knowing that the impacts on peoples' lives would be minimized.

## **Opportunities**

In short, the County has an emerging opportunity to take advantage of a number of interrelated circumstances and to develop a comprehensive strategic plan for matching the workforce of the future to the County's identified needs and available resources. First, as just discussed, opportunities may exist over the next few years to make changes through planned-for retirements of current staff. Secondly, changes in technology, and in requirements and expectations of certain jobs and functions, are also impacting on the ways in which staff spend their time, and are likely to have even greater implications in the future for how tasks are allocated. Meanwhile, the County established a Title Consolidation Group, a task force created to consider reducing the numbers of position titles used in the County's workforce, in order to provide the County increased flexibility in shifting individuals across similar jobs as needs change over time. Furthermore, ongoing and proposed analyses of mandates may also have implications for staffing patterns needed in the future. Finally, other strategic issues raised throughout this report, and their resolution, may well have implications for the number and types of staff needed in the future.

## ***Recommended Actions***

To address a series of issues related to possible changes in workforce needs of the County of the future, CGR recommends the following (to be undertaken in the context of other strategic decisions made by the County in response to other recommendations made throughout this report):

- ❖ Comprehensive management and staffing assessment studies should be undertaken in several key departments of the County (at least within the larger departments and/or those with substantial local cost implications) of the impact of changes in technologies and job requirements, and their implications for the future allocation of tasks and staff within or between departments and functions. Such studies should ideally be implemented in 2000 and/or 2001 and should assess the staffing implications of any shifts in County priorities resulting from this Phase 1 report; efficiencies possible and the changes likely in needs for certain types of skills and work activities; possible redistribution of tasks across staff

and departments; how required tasks should be best accomplished and by what levels of staff; possible cross-training needs; and the most appropriate staffing configurations to meet the tasking needs of the future as required responsibilities shift and technological changes occur.

**Priority:** 1

**Rationale:** Implications for possible reallocations of staff and tasks over the next three to five years should result. Details would of course need to be carefully worked out with Union and Civil Service officials.

**Departments Affected:** All would be affected; Human Resources responsible for oversight.

- ❖ The Human Resources Department should be responsible in 2000 for undertaking a study and profile of the current workforce, including information by functional areas on skills needed; estimates of potential retirement timing; and a profile of staff work experiences, skills and levels of education (perhaps including an indication of special interests that may be available from application forms or through special surveys conducted by Human Resources) that could be used to help County officials determine employees who might be appropriate and willing to be transferred and/or trained to meet particular job needs in the future.

**Priority:** 1

**Rationale:** Such an analysis, in conjunction with the staffing assessment studies, should be the basis for the development of a plan to help the County assess its overall personnel needs and opportunities, and to provide it with the flexibility needed to make the best use of its resources as future needs arise.

**Departments Affected:** All would be affected; Human Resources responsible.

- ❖ The Title Consolidation Group effort to consider reductions in the number of titles, and possible resulting job reclassifications, should be reactivated during 2000. Its efforts should be coordinated with the results of the management and staffing studies just described. One result may be the development of pools of people in the same or comparable job titles to share work across departments, subject to Union and Civil Service approval.

**Priority:** 1

**Rationale:** Important to determine how much flexibility will exist to make any needed personnel shifts and staff reallocations.

**Departments Affected:** All; Title Consolidation Group responsible.

## **D. Shifting the Tax Burden from Local Taxpayers**

Consistent with the County's demonstrated historical desire to limit the burden on local taxpayers, efforts should be made to shift, wherever possible, the costs of local government away from the local property tax. CGR suggests two primary ways of doing this: (1) raising the sales tax within the county to 8%, and (2) restructuring the way in which several services currently provided through various County departments are administratively organized so as to both improve functional service delivery and enhance the ability to maximize external revenues or reimbursements from other levels of government.

### **The Sales Tax**

Clearly one of the primary objectives of County leaders is to keep the local tax burden, and particularly the property tax burden, as low as possible. Given the likelihood in the future of the reduction in property tax revenues from the Somerset plant, given the fact that revenues from the sales tax and property tax are already flat, and given that the amount of county taxable assessed valuation has grown little since 1996, the County should seriously study the benefits of raising the sales tax to 8%. This would simply bring Niagara County's sales tax rate up to the level of surrounding counties, but it would have a significant impact on the local property tax. Such an option has particular appeal in Niagara County: Because of the benefits of having an international destination such as Niagara Falls located in the county, a sales tax is the best local tax for achieving the maximum benefit for its citizens with the least impact on the local taxpayer, given that, in comparison to most other counties in the state, a substantial portion of the additional penny in the sales tax rate would be paid by non-residents of the county.

Assuming a continuation of the current formula for distribution of the sales tax revenues collected by the County, increasing the sales tax to 8% could allow the County government to decrease County property taxes by an estimated 12% to 14%, with additional revenues available for the creation of an economic development fund of \$1 to \$2 million per year, and/or an expansion of the fund for repairing and maintaining local roads.

### ***Recommended Action***

- ❖ CGR recommends that the County establish a process during 2000 to study the impact of raising the sales tax from 7% to 8%. The study should result in a recommendation to the

Legislature concerning the future of the sales tax rate, including specific proposals for how an increase, if recommended, should be allocated.

**Priority:** 1

**Rationale:** Shifting a portion of the tax burden from the property tax to the sales tax could have many potential advantages which the County should at least consider.

**Departments Affected:** Legislature responsible for establishing process and making decision.

## **Potential Restructuring of Delivery and Funding of Selected Services**

The County may be able to improve services and save local taxpayers some money by restructuring several existing services into logical functional groupings which would also have the added benefit of possibly accessing new forms of state aid or other revenue sources not currently available.

For example, several opportunities may exist for bringing separate functions not now part of the Health Department into some more formal relationship to the Department in ways that would make them eligible for state public health aid. Some employment-related services provided through the Department of Social Services may be able to receive 100% federal funding if joined with the Employment and Training unit of County government. Some legal prosecutorial services concerning DSS cases which are currently provided by the County Attorney's office may be eligible for significant reimbursement from the state if they were to be more closely aligned with DSS. Beyond such suggestions, some services have the ability, if the County chooses, to charge fees or enhance the level of existing fees to offset some of their costs.

More specifically, CGR believes that some if not all of the following opportunities to reconfigure service delivery operations and accountability could be of direct benefit to County taxpayers by improving services and expanding the levels of reimbursement from other levels of government, although the issues would need to be researched in more detail to determine the legality, feasibility and benefits of making the proposed shifts:

- **Provision of Nursing Services in the County Jail.** Currently the jail has a supervising nurse, and one part-time and six full-time nurses, all of whom are providing various types of public health services to jail inmates, but none of whom generate any state aid for their services. A number of details would have to be worked out concerning supervisory

relationships, regulatory requirements, etc., but we believe it should be possible to devise a way in which the Health Department would provide the nursing services and a strong public health presence within the jail, and therefore become eligible for state public health aid. Preliminary calculations suggest that such an initiative could save the County taxpayers as much as \$100,000 each year through shifts to state revenues.

- **Provision of Nursing Services at Niagara County Community College.** Although NCCC was not part of our overview of Niagara County government, we understand that the college currently provides 1.5 FTE worth of nursing services. As with the jail, it may be possible to develop an arrangement whereby the college in effect contracts with the Health Department for these services, making some or all of the services eligible for state public health aid. It is possible that an arrangement with the Health Department could expand the public health educational role on campus and also eliminate the need for the college to have a part-time medical director, if that role could be subsumed by the Department. In the absence of the appropriate budget figures for the college, we estimate that this initiative could result in direct savings to County taxpayers of at least \$25,000 per year through shifts to state revenues.
- **Oversight of Coroners Function.** This function is currently nominally under the supervision of the Clerk of the Legislature's office, although it would seem to be more logical to have oversight of the function within the public health arena. As publicly-elected officials, the coroners would have to agree to any potential reorganizations. Several issues have been raised concerning the need for more effective use of forensic services, especially with regard to establishing cause of death in infant mortality cases, and it would appear that the Health Department could provide useful guidance in working as colleagues with the coroners in addressing issues of mutual concern. The budgeted cost of the coroners function for 2000 is about \$221,000, all of which is currently paid by County taxes. If agreements could be worked out to administratively reorganize this service so that it could become eligible for state aid, as we believe is possible, County taxpayers could save an estimated \$75,000 a year or more.
- **Oversight of Emergency Services Function.** Some counties in the state have incorporated at least a portion of their emergency management services under the operational oversight of the Health Department, both because of the public health implications of the function, and because of the state aid implications. It is uncertain at this point how much of the function would be viewed as falling under the public health

definitions and regulations, but we believe that a strong case can be made for making at least portions of the function eligible for public health reimbursement. Depending on the ultimate resolution that would result from further research on this issue, we estimate that relief to local taxpayers from increased state aid could range from as little as \$15,000 to as much as \$40,000 per year.

- **Assumption of Code Enforcement Oversight.** The County's Code Enforcement operation currently is budgeted to cost County taxpayers about \$42,000, after expected revenues are subtracted from the total appropriations for the office of about \$103,000. Because of the potential synergies between this office and the Health Department's environmental health unit, it may make sense to bring this function administratively under the Department. If this were to happen, and the function were thereby eligible for state aid, about \$15,000 could be saved for County taxpayers. (Other more comprehensive options related to more fundamental restructuring of the provision of Code Enforcement and Environmental Health services are discussed below. Those initiatives could have more far-reaching implications for the future provision and costs of such services.)
- **Integration of Family Court Prosecution and Disposition Responsibilities.** Currently the County Attorney has responsibility for prosecuting PINS and JD cases in Family Court, although DSS attorneys also become involved in many of the cases at a later stage. If part-time County Attorney positions devoted almost exclusively to Family Court cases were to be more closely aligned with DSS, and responsibilities combined, they could potentially become eligible for 75% state aid not now available. Based on preliminary data, we estimate that direct savings of between \$30,000 and \$60,000 or more per year could result for County taxpayers as a result of increased state aid. This does not include other savings discussed in the Human Services section in Chapter 4 which might result based on different types of placement decisions that could be expected under a closer County Attorney/DSS alignment that would benefit both the affected families and County taxpayers.
- **Merger of Employment Services Responsibilities.** The Department of Social Services maintains an Employment unit, at least part of whose responsibilities could be integrated with the separate Employment and Training function of the County. Although about 75% of the DSS costs are already covered by federal and state reimbursement, 100% of Employment and Training's costs are federally funded. Thus, if even as few as three

positions were shifted from DSS to E & T, County taxpayers would save at least \$25,000 per year through increased federal and state reimbursement.

### ***Recommended Action***

- ❖ CGR recommends that the County formally investigate the legal and practical feasibility, and service and cost implications, of each of these options. None of the seven possible initiatives described above are certainties. However, based on preliminary assessments, CGR believes that each may be possible in some form, and that there would be direct benefits to residents of the county in terms of enhanced, better coordinated and strategically-offered services, in addition to possible direct financial benefits. Composite savings to County taxpayers could, if all seven initiatives were implemented along the lines suggested, amount to as much as an estimated \$285,000 to \$340,000 per year.  
**Priority:** 1 given the potential value across a number of services; 2 if viewed as too fragmented to act on right away  
**Rationale:** Significant potential benefits may exist in pursuing these options, with no risks, and a relatively high probability of successful implementation.  
**Departments Affected:** Health, Sheriff, NCCC, Coroners, Emergency Services, Code Enforcement, DSS, County Attorney, Employment and Training.

## **E. Creating Cross-Departmental Function Approaches to Service Delivery**

As emphasized throughout this report, CGR believes that Niagara County will be better served, and will make better use of its available resources, if it adopts a more functional approach to the provision of services. Several possible ways of restructuring services along functional lines were described in the preceding section, in the context of options that might have the added benefit of accessing additional forms of state or federal reimbursement. Many other opportunities for restructuring services along functional lines, or across jurisdictional lines, exist within County government. Some are discussed in other sections of this report in the context of their functional areas of focus. In addition, in this cross-cutting section we cite some examples below of tasks now being carried out in what would appear to be completely different areas of responsibility of County government that may have the potential to be merged at some point in the future, or at least to be provided in a more coordinated, synergistic fashion than is now the case. Examples of potential functional restructuring opportunities include:



- **Sharing Engineering Staff Across Departments.** The County currently employs engineers in at least two seemingly-unrelated separate departments, DPW and the environmental health unit of the Health Department. In addition, it also has access to engineering expertise through Niagara County Community College. The engineering staff currently tend to specialize, which may preclude collaboration in most cases, but some tasks may be sufficiently generic that engineers could collaborate and assist each other, regardless of specialties, thereby making fuller use of existing staff to carry out tasks internally that otherwise may result in more costly contracting out of certain engineering jobs. For example, if staff are available, the County's environmental health engineers might be in a position at times to work with DPW engineers on various design projects that might otherwise have to be contracted out or delayed. In addition, it has been suggested that engineers from DPW, environmental health or the community college might be a resource that could be more frequently activated in the tourism and economic development areas. For example, they could potentially be helpful in consulting with the IDA on environmental reviews of potential sites before a prospective business is brought in to examine the sites for possible relocation to the county. Rather than hiring outside consultants at added costs, consideration should be given to accessing staff who are already paid for to conduct specific projects, to the extent that they are available at the time they are needed. We received differing reactions from those interviewed as to the ultimate practicality of such ideas, so the feasibility would need to be carefully assessed in more detail than was possible in Phase 1. Further exploration is needed to determine the extent to which some of these activities are already occurring, and to what extent they could productively be expanded.
- **Exploring Linkages Between Planning and Environmental Health Staff.** In addition to the Health Department's environmental health staff, the Planning Department also has two staff engaged in environmental issues: an Environmental Planner and an Environmental Management Assistant. Possible ways of coordinating services should be explored, as should the possibility of whether some of Planning's environmental tasks could be subsumed for state aid purposes under the Health Department.
- **Employment and Training Linkages with Economic Development.** As requirements and expectations change under the new Workforce Investment Act, the Employment and Training Department of the County will be expected to work more directly with employers to provide training and other types of supports designed to meet their specific needs. This potentially opens the possibility for E&T to play a more extensive role in the

future in working with the County's Economic Development staff to offer prospective employers, or those considering expanding operations within the county, the types of training and supports they indicate they need. The E&T function, backed by its 100% federal funding, should become a much more visible and effective force in helping to stimulate and support future economic development activities in the county.

- **Improving Code Enforcement Management and Oversight.** As noted above, linking the County's Code Enforcement function with the Health Department's environmental health unit was suggested both because of functional similarities in some of the tasks of each, and because of the potential financial benefits to the County. However, any decision about that possible option should be made in the larger context of a more comprehensive assessment of how the various code enforcement activities throughout the county's jurisdictions are being carried out. In addition to the County's code enforcement and inspection activities related to County and IDA properties, each city, town and village has its own building inspector and/or code enforcement staff addressing related issues within its jurisdiction. The County should consider whether it needs to continue to operate its own Code Enforcement function, and if so, if it should be brought under the Health Department and/or perhaps merged with Weights and Measures. If the County continues to provide the function, should the separate local jurisdiction functions be provided for a fee by the County, either through its Code Enforcement function or through the environmental health unit? Or the County could decide to no longer provide any code enforcement services directly, in which case one possibility would be to have all the code enforcement activities carried out by the local officers within each jurisdiction. A number of key questions should be addressed as part of this cross-cutting discussion. The potential exists for a more effective use across departments and across jurisdictions of a number of resources that currently have little or no connection with each other, but which carry out similar functions. As a final option, the County could simply "wash its hands" of all responsibility for code enforcement, in which case the responsibility for carrying out its code enforcement tasks could revert to the state, which would become legally responsible, but which may not provide the same level of service.

### ***Recommended Action***

- ❖ The potential implications of each of the above possibilities should be explored by the County as a means of assuring the most cost effective ways of delivering the required functions in the future. In addition, as various other Phase 2 assessments are undertaken,

other opportunities for such cross-functional, cross-jurisdictional linkages should be explored as they are identified.

**Priority:** 2 or 3

**Rationale:** The priority rating could be higher, but is downgraded mainly because the probability of successful restructuring in these areas is uncertain, as is the ultimate value in improved services or cost savings. On the other hand, there is no risk in pursuing these options, and enough benefits are possible, both in improved service delivery and in more cost effective allocation of the resources devoted to these activities, to warrant further exploration as circumstances permit.

**Departments Affected:** DPW, Health, NCCC, Planning and Economic Development, Employment and Training, Code Enforcement, Weights and Measures.

## F. Managing the Costs of County Facilities

The County spends a substantial amount of money to operate and maintain its facilities, which include not only buildings which house County employees or operations, but also parking lots, parks, utility rights of way and other structures such as the three fire towers. It was not possible for CGR to identify the total costs of operating County facilities. One reason is that the costs are distributed across multiple departments and budget codes. Another is that there is no readily available comprehensive list of all County facilities. Thus, CGR was unable to determine the County's average cost per square foot for building maintenance operations, or other standard performance benchmarks that could be used to help identify opportunities for improvement.

A few numbers, however, do put some of the facilities operations in perspective. First, as mentioned in Section A above in the discussion about capital planning, the total insured value for County facilities is \$318 million. This is a good indication of the huge investment in County facilities which has been made over the years.

Second, a review of operating expenses for County facilities for just supplies and consumables, not including any personnel, indicates that almost \$ 4.2 million was budgeted for FY 2000, in the categories shown below:

Repair & Maintenance	\$ .469 million
Utilities	\$3.590 million
Landscape/Grounds Supplies	\$ .054 million
Janitorial/Maintenance Supplies	<u>\$ .075 million</u>
TOTAL	\$4.188 million

In addition, CGR estimates that personnel costs for facilities maintenance add up to approximately \$2.3 million per year. Thus, the County spends about \$6.5 million per year for ongoing maintenance of facilities. This represents over 3% of the total County budget.

Many people interviewed by CGR observed that the County does not have a multi-year facilities plan to guide where improvements should be made. One of the key questions which needs to be addressed is how to predict the space needs of various departments. Buildings and Grounds is initiating an effort to obtain that information for the major County office buildings by initiating a space allocation study. However, an even more fundamental question which needs to be addressed is “what are the functions which need to be carried out, and what County agency will be carrying them out.” This question is raised at various places in this report. But raising it in the context of facilities planning shows once again how important this question is in terms of managing future County costs. For example, if, after going through the type of strategic planning process that CGR recommends, the County concludes that it does not expect to perform a particular function in the future, or expects to perform it in a scaled-back version and/or in a different location, then the resources currently allocated towards the facilities for that function can potentially be re-allocated.

A number of people also pointed out to CGR that it appears that the County could reduce its facilities costs significantly if it were willing to consolidate functions in fewer buildings, perhaps on one or two central campuses in different geographic areas of the county. Certainly, since utilities are budgeted at \$3.59 million, the County should be aggressively pursuing energy conservation measures, including by either closing down, or significantly renovating the older buildings it is currently operating.

A review of the budget and personnel titles indicates that the same or equivalent facilities and grounds maintenance titles exist in four separate departments. CGR found that departments do work cooperatively together to share both equipment and staff to even out peaks and valleys of the workload. Cross-departmental sharing is particularly evident for outdoor types of activities between Buildings and Grounds, Parks, and Highways crews. Nonetheless, the County may wish to explore taking a functional approach to maintaining the entire inventory of County buildings with one organization which specializes in that responsibility, as a possibly more cost effective approach in the future.

One additional cost savings worth considering would be more effective sharing of municipal facilities among various governments. For example, are there towns, villages or cities which have excess space in their existing municipal facilities which the County could use, or vice versa? A comprehensive listing of all municipal facilities throughout the county would provide a valuable reference which could help identify these types of opportunities.

### ***Recommended Actions***

- ❖ The County should develop a complete list of all of its facilities, which would include both buildings and the related grounds. This should then be used to identify the total actual cost to operate and maintain each facility, and who currently provides the staff to perform the tasks. This would provide the data for the County to pinpoint the high cost buildings and decide how to lower costs. It would also identify where there are common tasks which might be more efficiently performed through a single organization rather than spread across several departments. This action has already been initiated through the hiring of an engineering firm to develop a facilities capital plan. CGR believes the County should give this project a high priority, and allocate additional funds as needed to insure that all facilities are included in the engineering review, and to identify a cost allocation plan which correctly identifies all maintenance costs with each facility.

***Priority:*** 1

***Rationale:*** Identification of high unit cost buildings should drive decisions about where to direct management resources and fund improvements, where appropriate; to reduce operating costs; or to abandon the facility for one which is more cost effective.

***Departments Affected:*** All would be affected, though Buildings and Grounds would be the lead agency for developing the facilities listing and cost allocation plan.

- ❖ CGR recommends that a hold be put on acquisition of any additional property and/or buildings, and that no major new building renovations be funded, until a County strategic plan has been completed, as described elsewhere in this report. The space allocation needs study currently underway should be completed and used as a short term guide until the larger comprehensive plan can be completed.

***Priority:*** 1

***Rationale:*** Any significant expenditure of County resources in the future should be tied to a comprehensive facilities plan which is based on the County's strategic plan.

**Departments Affected:** All; Buildings and Grounds would be the lead data collection agency and would recommend any short-term improvements which should be made until the comprehensive plan is completed.

- ❖ The County should take the lead in developing a comprehensive inventory of all facilities operated and/or used by municipalities and schools within the county borders. This would serve as the prime resource to be used to identify opportunities for governments to share facilities in new ways in order to more effectively use existing space and reduce costs. This inventory could be done independently, but would more appropriately be done in conjunction with the overall physical asset inventory suggested above in Section A.

**Priority:** 2

**Rationale:** The County currently leases space to house several operations. If there are municipalities which have excess space in their facilities, the County might be able to save costs through a cooperative arrangement with other municipalities, or vice versa.

**Departments Affected:** All potentially. Either Planning or Buildings and Grounds would presumably be the lead agency.

## **G. Managing Labor Relations Issues and Contract Negotiations**

A number of issues were raised throughout this Phase 1 study concerning how well the County does in addressing differences between management and non-management employees. The perception frequently expressed, even by non-management employees, was that the unions are typically stronger and better represented and better prepared in grievances and in contract negotiations than are the County representatives, and that the County has a history of bowing to union demands and wishes. Some were relatively comfortable with such an approach, and saw such accommodations as a politically smart strategy on the part of the Legislature and other County representatives.

Others, however, were concerned that inordinate amounts of time get spent by department heads and other supervisory/management staff in addressing grievances and other personnel issues that arise because, in their views, the County has not made the effort to craft consistent strategies or to convey written personnel policies and guidelines to adequately and accurately interpret the contracts and to explain the impact of various grievances and policies that have emerged over time. Given routine turnover among management staff within the County, and

with relatively few consistent strategies or written guidelines to help supervisors apply consistent standards, many of those we interviewed complained that not enough effort goes into education of County employees and prevention of problems, through such things as developing consistent approaches and written guidelines, and that as a result, much time that could be spent much more productively gets “wasted” addressing after-the-fact complaints that could have been prevented or minimized with appropriate guidelines and policies in place.

In addition, strong concerns were frequently raised about what many perceived to be the County’s “relatively ineffectual role” in negotiating the contracts. The County is perceived to need a strong continuing labor relations presence on the County Attorney’s staff, or via a contractual relationship. The perception is that the contract negotiations focus almost exclusively on financial issues, and that typically there is too little effort to get agreements on work-related issues that in the long run may mean more to the County in terms of effective work relationships and productivity. Too often, it is perceived that key “what if” questions do not get raised until too late in the negotiations process, if at all, and the implications of certain proposed agreements, both financial and non-financial, are often not evaluated until after “the deal is done.”

### ***Recommended Actions***

- ❖ The County should strongly consider hiring a full-time person in the County Attorney’s office with expertise and experience in labor relations law. The need for a County Attorney or an Assistant CA with a strong labor relations background was cited as a major need to protect the County’s interests especially in contract negotiations, but also in addressing labor/management issues year-round.

***Priority:*** 1

***Rationale:*** The lack of a full-time presence and continuing guidance on labor relations matters and grievances was mentioned by several people as having cost the County money over time, due to decisions made that could have been avoided with more effective legal counsel in advance.

***Departments Affected:*** Legislature, County Attorney.

- ❖ The labor relations expert and the Human Resources Department (or the HR Department alone, if a labor relations expert is not hired) should begin to work closely with the Legislature’s Human Resources Committee to develop comprehensive policies and strategies for addressing various personnel matters and to develop written policies and guidelines to help in addressing and interpreting contractual language and other issues

prone to personnel grievances. Such materials should also provide written guidance based on decisions in previous grievances and arbitration cases. These materials should become the basis for a more aggressive approach by the Human Resources Department and the County Attorney's Office to educating the workforce on personnel policies and taking a more prevention-focused approach to human resources/personnel issues in the future. As the County faces future labor/contract negotiations, it should develop clear directions and strategies going into the negotiations around not only financial parameters, but also other issues it wishes to have negotiated in the process, and what its stance should be on such matters. Too often in the past, the perception is that there has been too little strategic direction or guidance for the negotiators on such matters. With such guidelines agreed to in advance, the County should assure that it has strong representatives willing and able to ask "what if" and "devil's advocate" questions at the bargaining table.

***Priority:*** 1

***Rationale:*** An expanded focus on labor relations issues, and a particular emphasis on education and prevention of personnel-related problems, should be among the highest priorities of the County Attorney and Human Resources in the immediate future. Emphasis should be placed on these and related issues now, well in advance of the next round of contract negotiations.

***Departments Affected:*** Legislature, Human Resources, County Attorney.

## **H. Effective Allocation of Attorneys Across Departments**

At least four departments employ their own attorneys: the County Attorney's office, the District Attorney, the Public Defender, and the Department of Social Services. The Health Department also has one of the Assistant County Attorneys allocated against its budget for reimbursement purposes, even though the person technically remains an official part of the County Attorney's staff. In addition, the Office for the Aging has separate budgeted legal assistance fees for clients of about \$22,000, and about \$140,000 are budgeted for legal fees in the County Refuse Disposal, Water and Sewer Districts.

Although the focus of the attorneys in the various departments varies considerably, nearly all have one feature in common: Except for the DA's office, the vast majority of the attorneys are hired by the County on a part-time basis, even though most are not reflected in the County budget that way, and nearly all split their professional time between County functions and private practice. In most cases, the part-timers are paid County salaries comparable to, or in some cases greater than, the salaries of at least some of the full-time attorneys, and they receive health care,



retirement and other benefits similar to those of other County full-time employees. Indeed, the benefits offered appear to be one of the prime reasons so many attorneys are attracted to the part-time arrangements.

However, despite the popularity of the part-time employment options among both the County and the attorneys, it is not clear that the part-time arrangements are necessarily cost effective for the County in the long run. Serious questions have been raised as to how these arrangements affect the quality, timeliness and consistency of the services received, and the accessibility of some of the attorneys. In support of the need for a more consistent labor relations legal perspective, examples were cited in which the County Attorney or Assistant CA in the past was not thought to have been properly prepared for negotiations or a grievance or arbitration hearing, with negative consequences for the County as a result. In addition, there may be more efficient ways in the future of deploying attorneys who are involved in Family Court prosecutions between the County Attorney's office and DSS, i.e., deploying attorneys based on functional affinities rather than traditional departmental affiliations, which in the process may also have beneficial reimbursement implications for the County.

Preliminary data suggest that the County may be able to save money by converting at least some of its part-time attorney positions into smaller numbers of full-time positions at less total costs. In many cases, it appears that one full-time attorney could be hired for considerably less costs to the County than the costs of two part-time lawyers. On the other hand, some proponents of the current system argue that it works well; that the flexibility it affords is a strength in such matters as covering evening courts; that the system enables the County to maintain a level of expertise, continuity and understanding of issues that would not be possible with full-time, but less experienced staff; and that changes in the system would work to the detriment of the County in the long run, even if some short-term savings were to result.

### ***Recommended Action***

- ❖ CGR recommends that the County should undertake a study of its legal services and how they should be provided in the future. The positive features of the current system should be carefully assessed, as should the perceived drawbacks, and the pros and cons of different alternative approaches should be outlined. Options to be explored should include the pros and cons of: (1) maintaining the current arrangements, (2) converting at least some part-time attorney positions to full-time, and (3) the use of contractual services or retainers on a more frequent basis for selected specialized services.

Differential costs of different options should of course be included in the analyses. Special needs unique to particular departments should be factored into the study, as should current working relationships between attorneys and different departments, and potential opportunities to structure working relationships in more helpful ways in the future. Such a study should ideally be undertaken during 2000 or early 2001, and should result in specific recommendations concerning legal services at the overall County level, as well as for specific departments.

***Priority: 2***

***Rationale:*** This issue directly affects several departments, and affects all departments at least indirectly. As such, this could be a high priority, but we assigned it a 2 (Medium) because of the potential that little change would result from the proposed study. However, given the importance of the role played by attorneys in several aspects of the County's operations, and the fact that most of the attorneys are paid by County tax dollars, we believe the proposed study should be undertaken.

***Departments Affected:*** Legislature, County Attorney, District Attorney, Public Defender, DSS, Office for the Aging, Refuse Disposal, Water and Sewer Districts; all other departments at least indirectly affected.

## **I. Long-Term Care Policy and Decision-Making**

With the population aging, and with various programs in different departments of the County offering an array of services to the older population, the County should consider whether it needs to have overall policies and guidelines to shape how decisions get made about what services are appropriate for what people under what sets of circumstances. The County currently operates a number of programs and services in different departments that provide long-term care of various types to county residents. Such services include, but are not limited to, home health nursing care, home health aide and personal care aide services, home-delivered meals to eligible homebound persons, the Health Department's Long Term Home Health Care Program, the Office for the Aging's EISEP program, and Mount View Nursing Facility.

For the most part, each department responsible for providing particular services or with decision-making responsibilities for part of the system (such as DSS's oversight of aide services) tends, understandably, to make decisions or advocate positions consistent with what is best from the perspective of its own responsibilities. This can lead in some cases to direct conflicts between departments, neither of which may be wrong, given the context of its responsibilities, but neither of which may be completely right if the combined "big picture" overall needs of both the

customer and the County were to be jointly considered. Even such things as differential rates paid to home health and personal care aides vary between different departments, thereby potentially affecting the ability of these departments to access aide services for their respective clients.

No central mechanism exists to help individual residents or families seeking guidance about the most appropriate level of care, or to help balance the individual/family needs with the needs of and resources available to the County. As the population ages and more and more people in the future will be considering various long-term care options, this is the appropriate time for the County to consider what its policies should be related to long-term care, and whether it should establish some form of a central screening and assessment approach to help assure that all who are seeking information about, or assistance in accessing, some type of long-term care services are directed to the most appropriate and cost effective option, which most effectively balances individual/family and taxpayer needs.

### ***Recommended Action***

- ❖ CGR recommends that during 2000, the County establish a task force to address the future long-term care needs of the County, and to recommend what the County's long-term care policies should be. Among other factors, the task force should consider relevant demographic trends; other changes in the social, political and economic environment that may affect long-term care demands and services in the future; services that currently exist now, and the extent to which they compete with or complement each other; services likely to continue in the future and others that may be needed; what the County's role should be with regard to direct provision of long-term care in the future; and likely future demand for and costs of specific types of services. Among the specific issues the proposed task force should address and be prepared to make recommendations about are:
  - the specific nature of what should be included in the County's long-term care policy of the future, if indeed one is needed;
  - how to address the current differential rates paid by different departments for identical services provided by home health and personal care aides;
  - whether and to what extent the County should continue to provide the direct long-term care services it currently offers and, if it should discontinue providing certain services, what should replace them;

- whether any additional services are needed in the County, and if so, who should provide them; and
- whether the County should establish some type of a gatekeeper or central screening and assessment mechanism to objectively assess and represent the County's overall needs (rather than those of individual departments) and to balance them with advice concerning the most appropriate level of long-term care services needed by the individual; and if such a mechanism is needed, how it should operate.

**Priority:** 1

**Rationale:** As the population ages, more and more older residents, and their families, will be directly affected, so the service and cost impacts of this issue make it a high priority for direct and immediate attention. This issue also affects several departments and needs to be addressed from a cross-departmental, functional perspective.

**Departments Affected:** Legislature, DSS, Office for the Aging, Health, Mount View.

## **J. Alternatives to Direct County Provision of Selected Services**

The County currently provides a number of programs and services, employing significant numbers of County employees, in functional areas which are not mandated or, if mandated, have considerable flexibility in the levels at which and ways in which the services may be provided. In either case, the County has opted in the past to provide a wide range of optional or discretionary services that it may wish in the future to at least reconsider providing, in the context of the strategic issues and factors discussed in this report. In some cases the decisions about the future of such services may be made on purely economic grounds; in others the decisions may be more value- or mission-driven, or a combination of both. To the extent that the County decides to reconsider the future of any or all of the possibilities suggested here, or others not mentioned, it is recommended that the decisions be made in the context of addressing the types of questions raised above in Chapter 2.

Among services or programs the County has historically chosen to provide that are not required, or to provide at levels that exceed what is mandated, are the following:

- Within the Health Department alone, the County offers a number of significant programs beyond what it is mandated to provide, including the Certified Home Health Agency (CHHA); Long Term Home Health Care Program; a small AIDS Case Management Program; the Speech, Hearing and Language Center; three new professional therapist and

speech pathologist positions to supplement its Early Intervention Program, and extensive environmental health services. Many of these operate, to some extent at least, in competition with other providers located within the county borders.

- The County operates Mount View Nursing Home, although it is not mandated to do so, and other nursing facilities exist in the community.
- The Department of Public Works provides various functions which could potentially be consolidated with other departments or perhaps even spun off to other jurisdictions.
- The County Mental Health Department, in addition to contracting for a wide range of services, also provides various services directly with County staff, although it is not required to offer such services directly.
- The Department of Social Services, in addition to its mandated services, has considerable choice in what level of services such as preventive services it chooses to offer, and what services it chooses to provide directly and what it opts to contract for. It also has options concerning the possibility of merging various services provided by the Department with potentially complementary services currently provided by other County entities.
- Although politically many residents may find it difficult to imagine giving up the function, the Sheriff's Department is not legally mandated to provide the road patrol function, nor must it offer a number of other services such as victim's programs, the school-based DARE program, welfare fraud investigation and enhanced domestic violence services.
- As discussed above, the County offers a small code enforcement program which it is not required to provide.
- Many departments offer services in a variety of different locations which have the virtue of making services more convenient and accessible to constituents, but which exceed the levels of services which are required.

In each of these cases, as well as in others that could be added to the list, the County has choices it can make. It could continue to offer all of these services, and perhaps even opt to expand some, with presumably solid justification. Our preliminary observations in this Phase I overview of County government suggest that each of these services, as currently provided, has merit, and that a solid case could be made for the continuation of each. On the other hand, the pros and cons of continuing each should ideally be reassessed, particularly in the context of the strategic and long-range issues facing the County, and as much data as possible should be brought to bear on any decisions that are made. Inclusion in the list above should in no way be considered to imply that CGR has concluded that some or all should be eliminated or scaled back as County functions. In nearly every case, Niagara County has good and extensive company in

other counties that have made similar choices. At the same time, other options have been explored and in many cases successfully implemented in other counties as well, and the alternatives should at least be examined in light of the specific circumstances that exist in Niagara County.

### ***Recommended Action***

- ❖ Although potential alternatives to these existing services often could involve other jurisdictions or other community resources, for the most part we have chosen not to address those issues in this cross-cutting section. Instead, the recommendations for how to address these optional services are typically presented in the context of the appropriate functional area discussions elsewhere in this chapter or in Chapter 4. Thus, for example, issues related to alternatives to the current provision of selected health and mental health services, DSS services, or Mount View are addressed in Chapter 4 in the Human Services functional area discussion, issues related to optional Sheriff's services are presented as part of the Public Safety discussions, and so on.

***Priority:*** See appropriate discussions elsewhere in report.

***Rationale:*** See appropriate discussions elsewhere in report.

***Departments Affected:*** As noted.

## **K. Building Assets Throughout the Community**

If Niagara County is to be able to truly re-think its approaches to local government, and to consider a full menu of alternative approaches to the role of government and to how needed services get provided in the community, a number of non-governmental assets or resources must be developed in the larger community. Many counties, including some of Niagara's neighbors, have begun to invest in the concept of assets development, particularly in the context of strengthening resources needed to build strong, self-sufficient families and youth. Nearby Genesee, Orleans, Cattaraugus, Wyoming and Monroe are among a growing number of counties throughout the state which have invested in this assets-building approach and which could provide guidance to Niagara should it decide to pursue this direction. A national body of literature and a network of resources around the country have developed in recent years, and considerable information is available to communities interested in pursuing the concept.

***Recommended Action***

- ❖ CGR recommends that the County investigate the possibility of investing in an assets development approach. Many counties throughout the state have become involved in such an approach, with the nature of the leadership varying from county to county. In some cases, the primary leadership has developed outside county government, although more typically the county has played the lead role, at least initially. Often that leadership has come from the Youth Bureau or Department of Social Services. In many counties in the state and throughout the country, the assets development approach has surfaced groups from the faith-based/religious community, from the business sector, from schools, from service clubs, and from a variety of other community groups which have begun to develop services and a variety of resources to supplement the responses of the public sector and of non-profit service agencies to community needs and concerns. It becomes much more realistic and feasible to re-think government if a strong network of alternative community assets is in place or being developed.

***Priority: 3***

***Rationale:*** Ideally, this should be a High Priority item, because it would be extremely cost effective in building resources not paid for by taxpayers. It is rated in the lowest priority category only because not everything in this report can be addressed right away, and it will take considerable initial leadership and oversight to stimulate such a broad-based community development effort. However, long-term, this effort should receive high priority attention, if strong community assets are to be developed to complement public sector efforts, and if real change is to occur to strengthen youth and families in Niagara County.

***Departments Affected:*** Legislature to provide oversight and assign someone to take primary responsibility for “jump-starting” and stimulating this effort.

## **L. Development of Incentives for County Employees**

An incentive plan (N.I.C.E.), and various other incentives developed over the years, have been put in place within Mount View. The N.I.C.E. plan offers the opportunity for employees to receive incentive pay if the operation is successful financially during a given year. Other departments have begun to consider whether similar incentives might be appropriate in their situations. Because this is an issue with implications across the spectrum of employees and different departments, it may be important for the County to provide some direction and guidance

to the efforts, in order to assure that any incentive programs being considered are fair to all, consistent, and meet the needs of both the County and its employees.

### ***Recommended Action***

- ❖ CGR recommends that the Human Resources committee of the Legislature and the HR Department provide leadership and guidance in working with any departments interested in considering the development of an incentive plan, and in studying any possible Countywide plans that might work across the workforce.

***Priority:*** 1 or 2

***Rationale:*** At this point there does not appear to be any major push for widespread implementation of employee incentive plans, but the County should be prepared to provide guidance in the future should this become a cross-cutting issue across departments. The issue of performance incentives could have a significant impact in the future on the County's ability to enhance productivity and improve performance-based measures. The County should begin to research the possibilities and any models that exist in other counties in order to provide appropriate guidance and direction if the Mount View experience begins to stimulate other groups of employees to seek similar opportunities.

***Departments Affected:*** At this point, primarily Mount View and the Human Resources Department and committee of the Legislature; others could become more involved in the future.

## **M. Reassessment of Inter-Departmental Agreements**

Various County departments have worked cooperatively on different issues in the past, including agreements for purchases of specific services that were presumed to provide valuable resources to one department in exchange for budget support for the other. For example, DSS has contracted with the Sheriff's Department to provide support for welfare fraud investigations. DSS has provided funds, and the Sheriff has provided deputy sheriff investigators to help investigate potential fraud by DSS applicants. DSS needed the investigative support, but is now at the point where it may not need as much support as it has in the past in order to deter fraud, and may need to reallocate some of the financial resources it has invested in fraud prevention and investigation to accomplish other purposes. This is simply one of perhaps many examples of inter-departmental agreements that exist, that have been effective in meeting mutual needs, and that as needs and circumstances change should be periodically reviewed and modified as needed.



### ***Recommended Action***

- ❖ CGR recommends that each County department periodically (e.g., annually or at some other agreed-upon reasonable frequency) review any such agreements it has with other departments, or any purchase of administrative support service agreements with private sector firms. These periodic reviews should be undertaken to determine if the need for the agreement still exists, or if the resources can be used in more appropriate or cost effective ways in the future. If the underlying reason for the agreement continues to make sense, the department should consider whether there may be more effective alternative ways of addressing the underlying need, or, if the basic approach is to continue, if any modifications or renegotiations are needed in the terms of the agreement.

***Priority:*** 3

***Rationale:*** It is not known at this point how many such agreements exist, or what impact they have overall, but it is assumed that their overall financial impact on the County is relatively small. Thus this was not deemed a high priority for significant attention, but where individual departments have such agreements, they should periodically spend some time reassessing them to determine if they are still relevant and, if so, if they should be improved upon in any ways.

***Departments Affected:*** Potentially all, to at least review if they have such agreements in place.

## **N. Potential Use of Niagara County Community College Resources**

In recent years, the County has substantially increased its contribution to the Niagara County Community College (NCCC). Since 1995, the annual budgeted contribution has risen from about \$5 million a year to \$6.5 million in 2000. The contribution has increased by about half a million dollars in each of the last two years. In exchange for the increases, the County may wish to discuss with NCCC officials ways in which the college can provide additional support services for County staff or constituents in the future.

### ***Recommended Action***

- ❖ CGR recommends that the County begin to negotiate with NCCC leadership concerning contributions the college can make to the County in return for its continuing generous financial support. Among the possible contributions or services the college may be able

to offer to the County are: staff development training for County employees, various types of computer training, OSHA training, shared engineering support, and shared use of buildings and grounds/facilities maintenance staff. There may well be others to be added to this list, but these are representative of some of the possible opportunities for accessing NCCC support that have been suggested during the Phase 1 study. The County should request NCCC to suggest the types of supports available through the college that could be made available in expanding needed services for County staff or constituents and/or in providing needed services at less cost than is currently possible. The County and college should negotiate how the college can most appropriately provide such services in the future.

**Priority:** 2 or 3

**Rationale:** This should not be a high priority issue to address, as the overall benefits to the County may not be large, but on the other hand, in exchange for the County's continuing strong support for the college, NCCC may be able to offer various support services at little or no costs that the County would otherwise have to provide itself or pay someone else to provide. As such, the issues are worth pursuing as time and opportunities permit.

**Departments Affected:** Legislature oversight committee.

## O. Regional Approaches to Issues

In some cases the best solutions to various issues may need to be developed at the regional level. Realistically, as hard as it is sometimes to develop countywide perspectives and solutions to issues, the difficulties are often compounded when crossing county borders. Thus from the perspective of time and resources spent for a demonstrated return on the investment, investing in regional solutions may seem to be hardly worth the effort. On the other hand, issues such as economic development and transportation can not be solved in a vacuum, and the most effective new initiatives over time are likely to be those that transcend county boundaries. The County has not historically invested heavily in economic development or transportation initiatives, and the various efforts of different groups to address the issues have been somewhat fragmented.

As one illustration of the value of regional thinking at a functional level, Niagara County has played a lead role in an eight-county regional consortium that has taken on some health-related issues that cut across county boundaries, and additional resources have been brought into the county (and to neighboring counties) as a result. These additional resources have not been brought directly into the Niagara County government, but rather have been integrated with other

health providers in the community. County Health Department officials have been instrumental in developing the new initiatives, but probably have received little or no credit for the efforts, and there is no clear evidence of any activity in the County budget, but the community's overall health care resources are stronger as a result. This represents an example of how quiet, persistent, patient behind-the-scenes efforts can pay off in expanding resources in a way that the County would not have been able to accomplish by itself.

### ***Recommended Action***

- ❖ As part of the strategic planning process of the Legislature and department heads, as discussed above, the County should decide which issues need to be addressed regionally and/or countywide, and decide how the County can play a role in any such regional approaches (from being part of existing regional groups to perhaps providing leadership to begin such approaches if necessary). Beyond such intentional efforts, County officials should remain alert to opportunities such as the regional health group, and to devote resources to such efforts where there is a perceived probable positive payoff for the County. Beyond that, it may be important for the County to be willing to make a significant contribution of local tax dollars to effect major systemic change, such as investing additional sales tax revenues into a countywide or regional approach to economic development (see below) or to jump-starting transportation solutions.

#### ***Priority: 1***

***Rationale:*** CGR believes that it is very important to identify at least one regional or countywide issue to be addressed within the next 6 to 12 months. As noted in the next section, one candidate for such an approach would be maintenance of roads and bridges. Another, mentioned earlier in the report, would be the development of a comprehensive regional comprehensive public facilities database and multi-year capital plan. Some have argued that regional or countywide issues may be less likely to get adequate attention until some of the other within-County government issues raised in this report are successfully addressed. Nonetheless, regional issues, particularly those mentioned, are clearly worth pursuing as time and resources permit.

***Departments Affected:*** Legislature to provide oversight; Health to continue its efforts, with other departments focusing on regional opportunities where they exist, and Planning and Economic Development to continue to pursue countywide as well as regional economic development opportunities.

## **P. A Countywide Approach to Maintaining Roads and Bridges**

One theme which CGR heard repeatedly during this study was “Is it possible to reduce the layers of local government, or at least reduce the inefficiencies inherent when a number of organizations carry out the same task?” This question becomes particularly compelling when considering a map of the roads and bridges located within the boundaries of Niagara County. A map of roads and bridges which are the responsibility of just the County DPW, superimposed on all the roads and bridges within the county, shows that five layers of government perform essentially the same tasks in the same geographic area: the state, the County, the cities, towns and villages.

The current system of who maintains what roads and bridges is primarily a function of the history of the region and how it was developed. One hundred plus years of making incremental decisions about building and maintaining the roads and bridges in the county has resulted in an overall system which would probably have been designed differently if the entire system had been developed as an integrated whole at one time. CGR believes that real efficiency opportunities could occur through the development of an integrated regional or countywide approach to designing, building and maintaining roads and bridges. This does not imply that individually the current transportation or public works departments in the County and its municipalities are not efficient. Indeed the existing organizations have done a good job of sharing equipment and trying to eliminate some of the overlaps. However, an integrated systems approach would clearly identify different ways of carrying out the road and bridge building and maintenance functions.

Three examples of how a functional approach might reorganize road and bridge programs will illustrate the potential. It should be noted that there is not necessarily only one “right” way to develop an efficient countywide or regional approach to a particular function. In some cases, consolidation and centralization may make sense, to eliminate unnecessary duplication and achieve economies of scale. On the other hand, for some operations such as snowplowing, the most efficient solution may be to have decentralized local fleet operations where equipment and drivers can respond to local conditions rapidly, and call-back and overtime costs can be minimized.

**Centralized Sign Shop.** First, although it is a fairly low-cost area (overall expenses are less than half a million dollars per year), it was pointed out to CGR that at least three government

operations make road and bridge signs within the county – County DPW and the cities of Lockport and Niagara Falls. What is the advantage of having duplicate operations to carry out what should be a common function which could serve every municipality within the county? This is an example of a function which could reasonably be centralized as a County operation.

**Decentralized Maintenance Operations.** Second, CGR believes it is reasonable to ask why the County owns and operates its own fleet of highway maintenance equipment to carry out the same functions that are provided by the towns and cities. A model which should be studied objectively would be for the County to become a coordinating agency, which collects revenues and sets performance standards for both maintenance and construction of roads and bridges, but contracts out for the actual work to be done within the local jurisdictions. Essentially, this is an example of where the current model of providing a centralized service may not necessarily be most efficient.

There is a good chance that distributing this work out to the local governments could result in efficiencies such as more effective use of equipment and personnel. For example, an in-depth study might show that the town highway departments might be able to do the work on County roads currently done by County crews by more effectively utilizing their own town equipment and crews, perhaps supplemented by redistribution of County staff and equipment, if there was the financial incentive for them to do so. Also, overall garage facilities costs might be lower if, for example, the towns could absorb any additional fleet equipment needed from the County to compensate for the additional work needed on County roads without having to expand their own garage facilities. Assuming that the net effect would be that the County highway garage could be eliminated, the County could save at a minimum the cost of utilities for that building, which totaled over \$30,000 in FY 1999.

It should be pointed out that in certain cases, however, it makes sense for the County to continue to provide some central agency services for road and highway maintenance. For example, certain types of high cost equipment can be shared by all municipalities and centrally administered through the County, such as a bucket truck. On the other hand, much of the County's current fleet of highway equipment is similar to, and duplicated by, equipment in the towns and cities.

**Centralized Planning and Coordination Services.** The third example of how a regional or countywide systems approach might create a different and more cost effective solution to meeting the County's needs involves reconsidering the approach to planning for and designing

the construction of roads and bridges. The starting point for this approach would be the comprehensive capital plan database discussed elsewhere in this report, which would include all roads and bridges in the county, including those in towns, villages and cities. For roads and bridges, it would make sense for the data to be stored and managed centrally, by County DPW. The County might be able to obtain an innovative State Archives and Records Administration (SARA) Business Process Improvement grant to create a digital imaging system which would permit all municipalities within the county to have on-site access to all the planning information. By seeing all the needs in one comprehensive database, it may be possible to identify ways to link and sequence projects which would otherwise have been undertaken independently, at greater costs. Once interlinking relationships are identified (e.g., identification that two different towns are planning to upgrade a road which crosses through both towns), it may be possible to share planning, design and construction resources in new ways which eliminate duplication of effort and achieve economies of scale.

### ***Recommended Action***

- ❖ CGR believes that developing a coordinated, cooperative approach to building and maintaining highways and bridges would be an excellent first project to undertake to show the benefits of working together in a region to reduce duplication across layers of government. Highways and bridges is potentially attractive as a countywide or regional project for a number of reasons:
  - A very good working relationship already exists among the DPW professionals in the county/region, so to some extent they may already be receptive to a systems approach.
  - There is clearly duplication of equipment and facilities among the villages, towns, cities and the County.
  - Public works activities lend themselves to being quantified, which makes it possible to develop good cost, capacity and performance measures which can be used to develop alternatives.
  - Opportunities appear to exist to make efficiency improvements by following several different strategies, i.e., some functions might be centralized at the County level, while others might be decentralized to local governments, or contracted out in different ways to other public agencies or the private sector.
  - Roads and bridges represent significant costs in both annual budgets and in capital investments.

***Priority:*** 1

***Rationale:*** Construction and maintenance of highways and bridges costs the County millions of dollars per year in both direct and indirect costs, and a regional/countywide approach to this function appears to have a good probability of gaining support across the different municipalities and reducing overall costs for these services.

***Departments Affected:*** The County Department of Public Works and presumably the Planning Department would provide joint leadership for this project.

## **Q. Enhancing Economic Development Initiatives**

Economic development was a theme which kept recurring in many CGR interviews. There is an almost universal recognition of the need to generate growth in the local economy. However, the role of local government in stimulating and maintaining economic growth in the region has been somewhat limited.

Local government can affect regional growth to some extent, however, both positively and negatively. The County's Department of Planning, Economic Development and Tourism has, over the last few years, clearly taken a leadership role in identifying and developing both the information and strategies needed to stimulate and manage economic growth. CGR believes that the County should consider putting even more resources into proactive economic development opportunities.

### **Capital Investments**

First, County leaders should recognize, measure and consciously monitor the impact that County capital improvement decisions have on both commercial and residential development within the county. The point is that the County government should be very intentional about directing its capital investments so that they support the type of economic development which is desired, rather than simply respond to disconnected ad-hoc demands.

The starting point for relating capital investments to desired growth objectives is to develop a map and listing of the capital investments which already exist within the county, i.e., the county's infrastructure. This should include all public improvements, funded by all layers of government (note: this recommendation duplicates the recommendation made in Section A in reference to the need for comprehensive capital planning).

Although CGR did not prepare an in-depth study of recent county infrastructure improvements, our initial assessment provided some interesting insights. For example, the core population centers are located to the west and south sections of the county. Major public investments in the sewer systems have occurred in those sections, and residential development growth has pretty much followed County sewer system improvements. On the other hand, the County's new investments in the water system have been towards the south and east, which is not complementary with the sewer system investments. Looking at major road improvement investments, those have been located all over the map. Major bridge capital investments are projected to be needed most in the eastern and northern parts of the county. In summary, there does not appear to be a strategic plan for directing County capital improvements in a way that encourages growth in any systematic manner. In fact, no current regional strategic economic development plan exists, and without one, it is difficult not to simply react to demands rather than create opportunities.

### ***Recommended Action***

- ❖ The County needs to develop a truly comprehensive capital plan, which incorporates existing capital investments and future needs at all levels of government, and then use that plan to direct at least a portion of future capital funding specifically towards projects which support economic development growth objectives.

***Priority:*** 1

***Rationale:*** Growing the local economy and regenerating a sense of belief in the vitality of the region have to be among the top objectives for County leaders.

***Departments Affected:*** Planning, Economic Development and Tourism would be the lead department, while clearly needing major support from Public Works, Parks and Recreation, and the Water, Sewer and Refuse Disposal districts, and all the other municipalities within the county.

## **Economic Development Pool**

Another initiative that County leaders should seriously consider is to create a pool of funds specifically allocated for economic development projects and/or incentives. County leaders may wish to create a Blue Ribbon panel, or obtain the perspective of a reputable outside source to identify the best way(s) to use public funds to attract and retain new businesses within the county. Whatever the findings, however, CGR is confident that any objective analysis will show that Niagara County currently cannot compete against municipalities in other parts of the country



who are giving multi-million dollar outright grants to attract businesses, in addition to making public infrastructure improvements.

### ***Recommended Action***

- ❖ The County should create a multi-million dollar pool of funds specifically targeted for improving Niagara County's ability to aggressively compete for new business development in the county. The specific size of and uses for the fund, as well as who would be responsible for administering it, should be determined by the County Legislature through some objective process such as creating a Blue Ribbon panel for that purpose. CGR proposes that, at least as an initial point of discussion, a portion of any sales tax increase should be dedicated for the economic development fund (see previous discussion about the sales tax).

***Priority:*** 1

***Rationale:*** As noted, growing the local economy and regenerating a sense of belief in the vitality of the region have to be among the top objectives for County leaders.

***Departments Affected:*** The County Legislature would presumably need to take the lead, perhaps assisted by the Department of Planning, Economic Development and Tourism.

## **Consolidate Economic Development and Tourism Efforts**

Economic development strategies appear to be somewhat fragmented in the county, with multiple agencies involved in different layers of government. CGR identified six different governmental economic or industrial development agencies or departments within the county boundaries. This is in addition to the multiple private sector partnerships devoted at least in part to business development. Also, two separate government agencies concentrate primarily on tourism – one in County government, as well as the Niagara Falls Convention and Visitors Bureau. While the focus and customer base of these agencies are somewhat different, an overarching commonality of purpose and function suggests that opportunities exist to both achieve significant internal efficiencies and improve external customer service through a consolidation of these agencies. CGR noted that recent newspaper articles about Erie County looking at how to consolidate and simplify economic/industrial development agencies show that county is also addressing similar issues.

***Recommended Action***

- ❖ County leaders should identify opportunities to simplify and re-focus the multiple agencies and departments within Niagara County that are primarily responsible for economic and/or industrial development and promotional activities within the county. This may be a task of the Blue Ribbon Committee suggested above.

***Priority: 2***

***Rationale:*** Coordinating and simplifying agencies and departments would be an improvement, but the specific activities of the revised agency(ies) should be driven by the regional development plan, which needs to be prepared, and the economic development fund should be created as a tool to make the agency(ies) more effective.

***Departments Affected:*** The County Legislature would presumably be the lead agency, and the Department of Planning, Economic Development and Tourism and the County IDA would also clearly be affected.

## **R. Reconsidering the County's Fiscal Policies**

One clear and overarching policy direction has been evident in the 20-year span of County government that CGR has reviewed. That is – the Legislature has adopted and maintained a policy of strong fiscal conservatism. Two key indicators of this policy are:

- The specific directives to departments to meet total spending targets directed by the Legislature based upon the goal of holding the line on real property taxes;
- The extremely low long-term debt incurred by the County, and the corollary that the County pays cash for almost everything, even most capital expenditures.

The following table, while it uses numbers from 1997 (the most recent data published by the State Comptroller), illustrates that Niagara County has the lowest actual and proportional general fund debt of any of the comparison counties.

**TABLE 4**  
**NIAGARA COUNTY'S USE OF DEBT**  
**COMPARED TO OTHER COUNTIES – AS OF 12/31/97**

<b>County</b>	<b>Total Debt Outstanding Subject to Debt Limit</b>	<b>% of Constitutional Debt Limit Used</b>
Monroe	\$ 416,918,000	22%
Onondaga	\$ 189,310,000	17%
Broome	\$ 74,823,000	16%
Ontario	\$ 36,965,000	13%
Chautauqua	\$ 32,588,000	12%
Erie	\$ 256,400,000	12%
Schenectady	\$ 40,972,000	10%
Oswego	\$ 32,870,000	7%
Rockland	\$ 81,681,000	7%
<b>NIAGARA</b>	<b>\$ 27,280,000</b>	<b>6%</b>

Source – Comptroller's Special Report on Municipal Affairs For Local Fiscal Year Ended in 1997

Clearly, there are different philosophies about the role of government in a community, and about how to pay for governmental services. And, the fact that the County is fiscally prudent and has a high credit rating can be used as an indicator of success. However, CGR believes that the County should debate the merits of adopting a different approach to the role of County government within the broader community, and how to finance that role. Specifically, the County Legislature should consider what might happen if it took a more pro-active role in shaping the economy of the region.

To pose one hypothetical question, for example: What if the County were to embark on a massive capital improvement campaign for the next five years to address infrastructure repairs and other community needs, as discussed above? It might have to issue debt, which would clearly have an impact on future tax rates. However, there is plenty of evidence that the physical infrastructure of the County could use significant additional investment. As mentioned previously, no comprehensive inventory currently exists of all of the investments in infrastructure

made by all layers of government in the county, let alone in the County government itself. Development of such an inventory is a pre-requisite to rational capital planning for the future.

This is not meant to imply that CGR necessarily endorses undertaking a major capital program, or going heavily into debt. But it is important to understand that while Niagara County has essentially held total capital spending flat over the last five years – with the exception of two specialized projects, the jail and NCCC – the rest of the country has taken advantage of the booming national economy to drive improvements in the local infrastructure. The national perspective can be summarized by a quote in the February 7, 2000 NEWSWEEK: “Miami of Ohio political scientist Michael Pagano estimates that in the nation’s 50 biggest cities, capital expenditures have been rising 9 percent every year – nearly five times faster than operating expenses.”

Another question which CGR believes should be raised is whether or not to increase the sales tax from 7% to 8%, as discussed above. Clearly, further study is required to identify the pros and cons of raising the sales tax, and the actual potential for raising revenues after factoring in the potential loss of business from people who come into the county to shop because it has a lower sales tax than surrounding counties. However, there appear to be enough advantages to a sales tax increase that it warrants serious discussion within the community.

Because County government can have a significant impact on the local economy, CGR believes that County leaders need to re-examine whether their fiscal conservatism is limiting the ability to make creative improvements in County government and to the larger community well-being. In particular, if, for example, a comprehensive communitywide capital plan indicates that major capital investment is called for in order to enhance economic development opportunities, County leadership will need to address whether, and if so how, to raise the funds for such an initiative.

### ***Recommended Action***

- ❖ The County Legislature and the County Treasurer should develop a joint statement about the fiscal policies and strategies needed to fund County operations over the next five years. This should be undertaken as part of the strategic planning process proposed in Section A above.

***Priority:*** 1

***Rationale:*** CGR believes that fiscal policies should be periodically reviewed by the Legislature since they are a critical part of the overall strategic plan for County government.

***Departments Affected:*** The County Legislature and County Treasurer.

## **S. Central Management Issues**

While the broader issues of how to organize the County for more effective central management leadership were addressed earlier in Section A, two additional opportunities should be considered to improve the central management of County operations.

### **Merging Payroll with Human Resources**

CGR believes the County should consider moving the payroll function out of the County Treasurer's office and into Human Resources (HR). This could involve shifting of as many as four people. There would be no immediate direct cost savings from carrying out this transfer. However, having payroll located directly in HR would create the type of cross-functional, systems approach to managing personnel that has been advocated throughout this report. As discussed in Section C above, CGR believes that the County should pursue several opportunities to more effectively manage and utilize its workforce. Many of these changes will require collecting, managing and interpreting employee data which is typically needed for and maintained by the payroll function. Thus, CGR believes it is very important to the success of future workforce management efforts for all of the administrative functions which relate to the County workforce to work as an integrated team, and receive direction from a single manager.

While payroll is still sometimes found in Finance or Treasurer operations in other counties around the state, CGR's experience is that where changes have been made, they have often been to shift payroll into the HR operations, since the synergies which result from having payroll and employee management operations are clear and compelling. Further, there is no obvious reason to have payroll located within the Treasurer's Office. The function of auditing and producing payroll checks would of course remain in the Treasurer's Office. However, the employee and data management function of the payroll operation would be moved to HR. The County would need to do a more detailed study to determine exactly how many positions would shift to HR, and how many would need to stay with the Treasurer for the actual processing of checks.

***Recommended Action***

- ❖ The County should do a small study to verify what specific payroll functions currently carried out in the Treasurer's Office should be moved to HR, and then move those functions and personnel into HR.

***Priority:*** 1

***Rationale:*** Strengthening the HR and Labor Relations operations should be a high priority, since personnel costs are such a large component of overall County costs. Moving the core payroll functions to HR would be an important part of improving the HR function.

***Departments Affected:*** County Treasurer, Human Resources.

**Changing Role of Auditor**

CGR recommends that the County Auditor should play an increasingly important role in ensuring that the County is spending its money wisely. Currently, the primary task of the Auditor is to carry out the accounts payable function for the County. However, as staff time in this department is freed up – as a result of decentralizing services and the increased benefits of automating the purchasing, receiving and accounts payable processes – County leaders should support efforts of the Auditor to review County operations in more detail, and to identify potential cost efficiencies and process improvements, especially for services provided by outside contractors who bill the County. In particular, the Auditor could provide technical assistance upon request by County departments in developing performance objectives and measuring how well they are being met, and how they relate to County expenditures.

***Recommended Action***

- ❖ The County Auditor should be involved, insofar as time permits, with the development of performance objectives which departments would incorporate into their budget process, and during the year the Auditor should help departments measure their performance objectives. To the extent that meeting performance objectives affects a department's budget evaluation, the Auditor could provide an independent perspective to the Director of Management and Budget.

***Priority:*** 2

***Rationale:*** CGR believes that a very important management tool for the County is to more closely link costs with performance objectives. The County Auditor should have

the technical training and aptitude to be a key element in the County's ability to set performance objectives and measure results.

***Departments Affected:*** County Auditor.

## **CHAPTER 4. REALLOCATING HUMAN SERVICES AND PUBLIC SAFETY RESOURCES: OPPORTUNITY AREAS**

The issues discussed in Chapter 3 represented a wide range of opportunity areas and strategic issues, each of which cut across and affected some combination of the following: the entire Niagara County workforce, or a very substantial portion of it; all county residents and taxpayers (either directly or indirectly); County departments whose functional responsibilities cut across two or more broad functional responsibility areas; and/or potential linkages between the County and other jurisdictions outside County government.

In Chapter 4, by contrast, the focus narrows somewhat. Although the opportunity areas that surface in this chapter still represent priority issues that for the most part transcend individual departments, the focus narrows to those issues related primarily to the broadly-defined human services and public safety functions of County government. For the most part, these are the two broad functional areas of County government that relate most directly on a day-to-day basis to individual “customers,” providing direct and often ongoing services to them. Often the services are designed to help strengthen individuals or families or help them cope in some way with problems facing them – often providing various support to help them become more self-sufficient. Or the services help assure the public safety of the community’s citizens and respond when their safety is threatened or disturbed.

Despite the somewhat narrower focus than in the previous chapter, the emphasis remains primarily on strategic issues and opportunity areas that need to be addressed across departmental lines. As indicated in the previous chapter, this Phase 1 study was not designed to provide in-depth management studies of each individual department. Any issues related primarily to individual departments are given priority consideration only if they are perceived to have larger strategic or policy implications beyond a simple management issue that the department head could address.

As in Chapter 3, the discussions that follow attempt to frame or describe each of the issues or opportunity areas, followed by specific recommended actions for County officials to consider; a high, middle or low (1, 2, or 3) priority designation; and a statement about the rationale for focusing on the issue and the likely implications and probable impact if the recommended actions are taken.



## A. Expanding Service Integration Opportunities

The various human services and public safety departments of Niagara County government have a history of collaborating with each other and with many community-based organizations on a wide range of issues. Much of the collaboration and cooperation is on an informal basis, and other efforts involve being “at the table” to plan and discuss issues more formally. Many of the efforts involve coordination of individual cases to assure that those cases and individuals do not “fall through the cracks,” and to assure that they receive the appropriate levels of service, without costly and unnecessary duplication. Some of the most effective collaborative efforts have involved coming together around a specific grant application or to address a particular issue, such as the recent efforts to develop the community’s response to the recently-enacted “Kendra’s Law.”

As important as these constructive efforts have been over the years, and as much positive impact as some of them have had in strengthening services in the community, few have led to formal reconfiguring of service delivery along functional lines in the county, or to major reallocations of resources from one department to another to improve services and efficiencies across governmental units. Service delivery improvements have indeed occurred, but the core administrative/organizational structural groupings of departments and community agencies have remained relatively constant despite the various collaborative efforts. And few of those efforts have resulted in the creation of formal processes or structures through which long-range planning, policy determination, and cross-functional, systemic direction-setting could occur on an ongoing basis. That conclusion should in no way undermine or lessen the importance of what has been accomplished through the community’s many collaborative efforts, but it does suggest opportunities still available for consideration and implementation, given appropriate County leadership. This section suggests some of those opportunities. The following models are meant to suggest the range of possibilities, but certainly not to exhaust them.

- **Legislative Committee and Department Head Group Discussions.** Three of the Legislature’s committees have responsibility for the human services and public safety areas: Health Services, Social Services, and Public Safety. As suggested in Section A of Chapter 3, periodically each of those committees should bring the department heads who report to them together for strategic planning discussions of cross-cutting strategic issues that they should be addressing as a group. Ideally such discussions should occur at least quarterly, if not monthly. Beyond that, at least the Health Services and Social Services committees and department heads should meet jointly on a regular basis to discuss and

develop policies and new approaches around the many issues that affect all of them (some occasional meetings might also bring in the Public Safety committee and department heads). These within-committee and cross-committee discussions, by involving both legislators and department heads together, should be instrumental in focusing attention on some of the types of strategic questions and “big picture” opportunities discussed in Chapters 2 and 3, and are likely to lead to new ways of thinking about ongoing and emerging issues facing the County.

- **Integrated Department Head Planning.** Whether or not the first option is implemented consistently, all department heads involved in provision of services to children, adults and families could meet on a periodic basis to discuss cross-functional strategic opportunities and develop goals on which some or all of them can collaborate. A number of counties around the state are beginning to do this as part of formal state Integrated Planning grants, with new initiatives beginning to emerge from those processes, but the value of such group meetings is not limited to those counties with such grants. Such meetings typically occur monthly, have the full support of County leadership, and include at least the following department heads on a regular basis: Health, Mental Health, Social Services, Aging, Probation, Employment and Training, and the Youth Bureau.
- **Creation of Functional Area Commissioners.** Some of those we interviewed have suggested, and some counties have implemented, more formal groupings of departments along functional lines, brought together under a commissioner. For example, one approach might be to bring all of the departments under the Social Services Committee (Social Services, Aging, Youth Bureau, Employment and Training, Veteran’s Services) under a commissioner, with a broad focus on what these departments can do individually and collectively to enhance self-sufficiency and the skills needed for independent living and asset building within and across their traditional constituency groups. Or an even broader grouping could be established, by incorporating the departments under the Health Services and Social Services committees under an expanded “human services umbrella super department” and commissioner for service delivery and strategic planning purposes. A commissioner position could either be newly created, to work full-time on cross-functional policy and strategic planning issues, or, to avoid additional costs and an additional layer of bureaucracy, it could be an existing department head who would spend a portion of his/her time addressing such issues, in addition to regular department head matters. A variety of “commissioner type” models exist in other counties that could be examined by the Legislature or in a Phase 2 study for their possible relevance to Niagara.

- **Create Children and Family Services Team.** Several counties have developed various approaches to integrated planning and service delivery for children and families as a means to providing holistic, cost effective, comprehensive services under a “one stop shopping approach” that blends different services, funding streams and staff together to best meet the needs of the children and family units. A number of models exist around the state which could be examined by Niagara County, should it be interested. Such approaches may be less needed in Niagara than in some other counties, since agencies appear to work well together under existing circumstances, but the ability to establish more formal working and staffing relationships in settings that encourage collaboration and the development of “out of the box” new approaches may be worth exploring by the County.
- **Merge Youth Bureau and Veterans’ Services with DSS.** At the state level, youth services and the equivalent of the local DSS Services units have already merged administratively. Many counties are merging their Youth Bureau and DSS Services planning processes and written plans. In Niagara County, the Youth Bureau has a small staff which could easily be incorporated under the DSS Services unit within County government, with savings to the County over time in reduced staff, or alternatively, the ability to redirect more of existing Youth Bureau staff efforts to expanded direct services, as a result of efficiencies possible through a merger. Both the Youth Bureau and DSS currently are responsible for monitoring shelter facilities, and elimination of duplication of such tasks could result if the two staffs were consolidated.

DSS already provides some support services for the County’s Veterans’ Services office, and support services for veterans may be able to be offered more efficiently and at less overall cost by blending the agency under DSS. Each county in the state must provide a Veterans’ Services unit, but our initial inquiries suggest that it need not be a free-standing office. The possible merging of both the Youth Bureau and Veterans under the DSS Services division potentially creates a number of opportunities for staff synergies, service enhancements, and cost savings over time – although further research is needed into the financial, service and legal implications before any final decisions are made.

- **Merge DSS Employment Unit with County Employment and Training.** It is conceivable that the entire Employment and Training Department of the County could be merged with DSS, as a means of strengthening the functional focus on employment-related activities so important under Welfare Reform and under the new Workforce

Investment Act mandates (see below). But as an agency which is 100% federally funded, there may be restrictions that could preclude that possibility, which would need to be researched further if the County were interested. On the other hand, even if a formal merger were not feasible, another option would be to merge at least a portion of the DSS employment unit with Employment and Training (it may also make sense to split some of the DSS unit into other DSS divisions as well, given other service needs within the department). Either way, given the E&T funding, shifting at least a portion of the DSS employment staff to Employment and Training should strengthen service delivery and help assure some funding advantages to the County, as suggested earlier in Chapter 3.

### ***Recommended Actions***

- ❖ CGR recommends that the County investigate the formal merger of the Youth Bureau and the Veterans' Services office with the DSS Services division. A number of questions need to be investigated further concerning funding streams within the Youth Bureau, staffing patterns, service delivery implications, state requirements, supervisory patterns, DSS state aid implications if any, and so on. But our experience with other counties and our preliminary conversations with knowledgeable officials suggest strongly that both of these opportunities to improve services and reduce costs over time should be actively explored by the County.

***Priority:*** 1

***Rationale:*** Even though these are not big departments with a lot of money at stake, they serve important constituencies, and the opportunity exists to assure enhanced services to both, and to do so more efficiently and cost effectively in the future as a result of being able to access DSS support services. Equally important, the services offered by both organizations are functionally compatible with services provided within DSS. We see no reason why explorations of these options should not begin early in 2000.

***Departments Affected:*** DSS, Youth Bureau, Veterans' Services, with the Legislature of course making the ultimate decisions.

- ❖ We recommend also that options related to a future affiliation, in whole or in part, between DSS and Employment and Training be actively explored. The functional value of such an option, including how services to clients could be enhanced, should be part of the investigation, in addition to the funding questions. This would appear to be a logical opportunity to create a single functional unit providing similar services, and strengthening the overall impact of both in the process, while also saving local taxpayers money.

**Priority:** 1

**Rationale:** This, along with other shifts under consideration within the DSS employment unit, should help reduce overlapping services and enable needed core services to be provided for all in need at less overall costs and with improved efficiency.

**Departments Affected:** DSS, Employment and Training, with the Legislature of course making the ultimate decisions.

- ❖ The Legislature should investigate the other options discussed above, and any other similar possibilities, concerning ways of enhancing strategic planning and decision-making between legislators and department heads. At least some combination of joint legislative committee and department head meetings, integrated department head planning, and perhaps other more formal groupings noted above, should be adopted and put in place to ensure new ways of thinking about opportunities and challenges facing human services and public safety policy-makers and service providers.

**Priority:** 1

**Rationale:** Collectively, the services provided in these functional areas have the greatest impact on County taxpayers, and the services affect thousands of residents of the county, making the ability to provide them in the most creative, beneficial, high quality and cost effective means possible a top priority for the County.

**Departments Affected:** Legislature, all human service and public safety-related departments.

## **B. Expansion of Preventive Services**

During the Phase 1 study, CGR heard a mixture of views concerning preventive services, but our tentative conclusion, though more work would be necessary in the future to verify it, is that expanded preventive services are needed countywide in the future.

Some described the community as “rich in preventive services for a county of this size.” Others described a variety of services available in the classrooms, especially for elementary school children, and added that the challenge is to coordinate those services so that teachers and students aren’t overwhelmed by too many similar and potentially overlapping preventive programs. Indeed, between DARE presentations by law enforcement officers, a variety of drug-free schools presentations, and numerous organizations doing different substance abuse prevention and other presentations in schools, much activity is in place.

However, over and over we heard about the increasingly difficult and intractable problems of children and families being served by various agencies, and that the agencies are asked to intervene “much too late in the process. We needed to be involved much earlier.” We frequently heard people saying that the County must begin to place much more emphasis on, and invest in, early intervention and preventive services at early stages in the life of a child and family. Despite the various services and classroom-based educational programs in the schools, schools themselves report patterns of early attendance problems with young children and difficulties teaching many of their students, given the variety of societal and family dysfunctional problems many bring with them into the classroom.

Rather than, or in addition to, having a plethora of group presentations in the schools, many of those we interviewed argued for more direct hands-on resources to work with children and families in the early elementary and middle school years, supplementing the efforts of teachers and school social workers. Many spoke of the need for increased outreach and follow-through with both the children and their families – in settings prior to, and less confrontational than, when a child protective report has been filed or when a child is facing possible foster home placement or the family is facing potential termination of parental rights.

As the numbers of individuals and families on temporary assistance/welfare rolls decline, the focus of the Department of Social Services needs increasingly to shift to more emphasis on preventive services within its internal staffing configuration and in contractual services within the larger community. Consideration needs to be given to reallocating resources within DSS and, beyond DSS, to expanding broad-based youth services in the community, to increasing the focus on expansion of developmental assets for youth and families in the community (as described in Chapter 3), and to expanding preventive (and probably non-billable) “mental health” services for children and families in non-clinic settings, including schools. Also, although technically not preventive services, there appears to be a need for expanded aftercare services to work with children and families during and post-placement to help expedite the child’s return to the community and to prevent future out-of-home placements. *In the long run, reductions in costly placements and the lengths of stay in foster care facilities will reduce the substantial funds spent on such placements, thereby freeing up resources to invest in preventive and early intervention services. But this is of course a catch-22 situation, because in the meantime, the need is now to invest resources in such services.*

Options appear to exist for County consideration, and for the consideration of other institutions in the community. All have potential roadblocks, typically in the form of dollar signs, attached to them, but options do exist, as suggested in the recommended actions below:

### ***Recommended Actions***

- ❖ As suggested in Section A above, providers of children and family services need to continue to come together to think creatively and strategically about new cross-departmental, holistic preventive approaches to serving children and families. The County should consider establishing an integrated youth services planning approach and a children and family services team for developing a comprehensive preventive services model or models for the community. Models have been developed that are working elsewhere in the state, and the County may wish to explore them for their potential applicability to the circumstances of Niagara County. Such a model would need to consider funding options and needed staffing and resource reallocations, assuming the need to build solutions, for the most part at least, on shifting existing staff into new service-provision practices and settings. Such an approach would coordinate services available through a variety of existing County resources, such as the DSS Services unit, Mental Health, Probation youth services, Youth Bureau, Health Department, schools, etc., and make sure that the resources available through each build on and complement each other.

#### ***Priority: 2***

***Rationale:*** Ideally, this should be assigned the highest priority, but this type of approach will take considerable time to organize and develop an agreed-upon model approach. We gave it a medium priority ranking in recognition of the fact that so many other priorities are laid out in this report, and that at least some of what we suggest here can and will happen on a more informal basis without creating a formal process, given the leadership of the key affected departments. However, these more informal efforts, including some mentioned in the next recommendation, should be carefully monitored, and if little progress results over the next year or so, a more formal process to address these issues should be established.

***Departments Affected:*** Legislature broad oversight, plus DSS, Health, Mental Health, Probation, Youth Bureau.

- ❖ In the meantime, department heads should begin to discuss within their departments and in joint meetings, such as those recommended in Section A, the possibilities of converting

additional resources into preventive, hands-on types of early intervention services for children and families. Among the possibilities:

- School districts should be challenged to enter into agreements with the Youth Bureau, DSS, Mental Health, etc. to help underwrite the costs of expanded preventive services in the schools. As an example, one school district has contracted with DSS to provide four outreach/caseworkers to work in its schools. For what it would cost the district to hire one social worker on its staff, it is paying the local matching share of state-reimbursable services, and the district is thereby able to obtain the services of four staff at no direct costs to the County.
- DSS should seek to reallocate staff as much as possible from areas in which services are less in demand into more preventive services (see section on reallocation of staff below). As part of that reallocation process, it should (as it is beginning to do) seek ways of *using unspent TANF dollars for preventive services, rather than underspending and risking sanctions for the County. Rather than saving the money, the County should view such expenditures as investments in the prevention of future problems.*
- DSS and Probation should discuss ways they can be more creative in providing and funding services of mutual interest. Because of its considerably more favorable state reimbursement formula, DSS should consider contracting with Probation to provide the PINS intake services Probation is already providing, at a 28% reimbursement rate from the state, vs. about a 75% potential DSS reimbursement rate. Several other counties are already doing this. Conversely, Probation is becoming more aware of the value of contracting for more counseling and social work types of services beyond the direct services provided by its Probation Officers. It is already making many referrals for such services, but is likely to need to do more of this in the future, providing supervision and enforcement to help assure that the services are activated, but relying on others to provide them. To the extent that some of those services can be considered reimbursable preventive services contracted for by DSS, some of their costs may be provided at relatively little costs to the County.
- To the extent possible, Mental Health should continue to use Community Reinvestment funds to initiate as many youth-oriented preventive services as possible, with little direct costs to County taxpayers.

**Priority:** 1

**Rationale:** If it is not realistic or feasible for the previous recommendation (for integrated youth services planning) to be acted on in the near future, it becomes even



more critical that these separate efforts be undertaken. Individually and collectively, they have the potential to significantly expand the preventive resources available in the community, through reallocation of resources and creative use of other sources of funds, without adding to the County taxpayer burden.

***Departments Affected:*** DSS, Mental Health, Probation, Youth Bureau, Health.

## **C. Pooling of Transportation Resources**

Transportation, or the lack thereof, was consistently mentioned as among the most intractable, vexing, and seemingly unsolvable problems facing the County. Many of those we interviewed cited transportation problems as among the most significant barriers to the ability to access good jobs. Those knowledgeable about the employment situation in the county suggest that many who could otherwise access decent-paying jobs are unable to do so because of inaccessible or inconvenient transportation, and that it is a significant barrier for many of those seeking to make the transition from welfare to work. The problem discussed elsewhere in the report of the difficulty in finding sufficient home health and personal care aides is exacerbated in some cases by the inability of aides to access transportation to be able to get to clients in need of services.

Transportation difficulties were also frequently cited among the problems many in need of specific services have in accessing those services in a timely fashion. The Office for the Aging has significant transportation resources, but they can only be used to access nutrition sites and home-delivered meals services, and can't be used to access other services unless the potential user has first been at a nutrition site. However, the numbers of users of nutrition centers have been declining. Moreover, regardless of whether a person has been at a nutrition site, the transportation services cannot be used under any circumstances to access medical care. Meanwhile, children with special needs are expected to access more than \$1.7 million this year in transportation services, the costs of which seem uncontrollable, having gone up almost \$200,000 in just one year, despite the best efforts of Health Department officials to control the costs.

Most human services agencies have budgeted transportation dollars for client use and/or vans or other resources. However, the transportation is typically limited and expensive, and can't always be activated in a timely fashion.

Despite the acknowledged deficiencies in transportation services in the area, and perhaps as a direct contributing factor, the County transportation budget has dwindled from about \$648,000 in 1990 to about \$527,000 in 2000 (a 19% reduction), and the actual County contribution toward the costs of a limited NFTA bus system has consistently amounted to just over \$490,000 (not counting significant additional transportation support for access to services scattered in various departmental budgets). Even with additional budgeted transportation access funds, especially for children with special needs, the systemic transportation problems are not being addressed within the County to any significant degree.

### ***Recommended Actions***

- ❖ The County should consider hiring a transportation coordinator/expert to work with the County and its agencies to craft a plan to maximize the ability to access jobs and services more effectively than is now occurring. The most important focus should be on working with employers, service providers and the transit authority to devise a plan to pool resources that increase opportunities for more people to find and maintain stable jobs, particularly those attempting to make the transition from welfare to work. Because of increased flexibility in the use of Employment and Training funds under the new Workforce Investment Act, and the existence of unused TANF funds, one of the opportunities to investigate should be whether more of those federal funds may be available to use for transportation purposes to access jobs. The proposed transportation coordinator should also be prepared to work closely with both public and non-profit agencies to determine what transportation vehicles and other resources exist, and what might be available for broader uses at different times of the day and evening for priority community access beyond the purposes of the individual agency. The coordinator should also be available to work with the Health Department and DSS in evaluating transportation problems related to the provision of home health and personal care aide services, and related to reducing future costs associated with accessing medical services and services for children with special needs.

***Priority:*** 1

***Rationale:*** Given that there are significant transportation costs scattered throughout the County budget that may not be yielding a good return on the dollars invested, given that jobs are not filled and people remain on welfare as a result of transportation problems, given that many county residents are apparently inconvenienced in many ways by the lack of adequate transportation, and given that transportation resources do exist within agencies that could, with the appropriate leadership and direction, be used more cost

effectively, it may be a wise investment for the County to hire a transportation expert to develop a coordinated transportation plan designed to make better use of available resources, and to seek available supplemental grant or federal/state transportation resources to make local transportation resources as accessible and useful to residents as possible.

***Departments Affected:*** Legislature to make initial decision, perhaps coordinated under Planning Department; would also affect such departments as Health, Mental Health, DSS, Employment and Training, Office for the Aging.

## **D. Toward Self-Sufficiency: Placing the Hard-to-Place**

The numbers of people on welfare rolls, both temporary assistance and safety net, have declined dramatically in the past five years in Niagara County. However, it is generally acknowledged that those remaining on the rolls tend to be the more hard core welfare recipients, many with mental illness and substance abuse histories, and little or no work history. By this time in 2001, many of these individuals, if still on the rolls, will become safety net recipients, with added cost implications for the County, which will then have to pay 50% of their public assistance costs, compared with 25% of temporary assistance (TANF) costs. Therefore it behooves the County to make every effort to find ways to make those who have the potential to work actually employable in stable work situations.

Fortunately, a number of resources are available to the County to help in that effort. Employment and Training has an additional \$1 million in its 2000 budget to provide various types of employment-related assistance to individuals and employers. The Workforce Investment Act creates expanded opportunities to work more closely with employers to find ways to meet their needs and provide resources to help them retain and support new employees. TANF dollars are available to provide various types of support services, and additional financial resources are available in the form of grants, such as a vocational rehabilitation grant administered by Mental Health to mobilize DSS, VESID, Employment and Training and various providers to help screen, place and provide supports to help sustain unsubsidized employment for those primarily now in various types of sheltered employment settings.

Nonetheless, despite these and other resources, much remains to be accomplished if the community is to maximize its efforts to move as many people as possible toward self-sufficiency. Based on a statewide screening device, DSS and Mental Health are collaborating to screen and assess people with substance abuse problems to determine their employability needs. However,

no such screening mechanism is in place to identify those with mental illness concerns who might have the potential to be employed with appropriate supports. Also, problems exist in terms of determining eligibility for federally-funded SSI for those who are not considered appropriate for work. There is also the need to develop sustainable career opportunities for many of those entering the workforce, which creates challenges for employment staff to work with employers to help develop opportunities while on the job for employees to receive needed training once hired in order to develop skills to build on their existing employment and sustain future career opportunities. The additional resources available through Employment and Training and through new Workforce Investment expectations may make such opportunities more likely than in the past. To aid in that process, the consolidation of employment units between E&T and DSS, as noted above, needs to occur. In addition, support services are likely to need to be expanded to help those with various vocational rehabilitation-related needs enter and remain in the work force.

To help build on the County's existing resources, while assuring that some of the service gaps now in place get filled, CGR makes the following recommendations:

### ***Recommended Actions***

- ❖ The County should build on the partnership already in place between Mental Health, Employment and Training, DSS, VESID and others to assure that all support services are in place to maximize the work opportunities for as many hard-to-place persons as possible. These supports include the previously-mentioned needed improvements in access to transportation, as well as access to child care where appropriate. In addition, some welfare recipients may need to be counseled to separately apply for Medicaid eligibility to provide continuing health insurance coverage during the transition from welfare to work.

Among the other priority issues that need to be addressed are the development and implementation of a screening and assessment mechanism to “flag” people on welfare rolls who are mentally ill so that they can be screened for their potential employability. Some of these individuals will also need to be actively encouraged to seek work where appropriate and will need to be supported with counseling, job coaching, support groups or in other ways to follow through and make successful transitions to work settings. The County also needs to make sure that procedures are in place to assure that those who are deemed to be unemployable qualify as much as possible for SSI coverage, in order to minimize their continuation on safety net rolls at 50% cost to the County and maximize

their transition to federally-funded SSI rolls. Careful attention should also be given to developing close working relationships, as well as strategies, approaches and incentives for working with employers to maximize their cooperation in creating employment opportunities for the hard-to-place, and for generating their cooperation in welcoming ongoing training and development opportunities for their new employees. County Employment and Training resources can also be helpful, if used wisely, in conjunction with Economic Development and IDA efforts to help identify employer needs and to translate those into appropriate training programs and emphases to assure that current and potential employer needs can be met to the maximum extent possible.

***Priority:*** 1

***Rationale:*** In order to continue to build on the County's successful efforts to reduce the welfare rolls, to enhance the probability of successful transitions to work and self-sufficiency, and to avoid costly transitions to expanded safety net rolls a year from now, the efforts outlined above need to receive priority attention, as is beginning to happen.

***Departments Affected:*** Much of the focus will be on Employment and Training, Mental Health, and DSS.

## **E. Direct County Provision of Selected Services: What is the Appropriate Mix?**

Among the County's primary human service providing agencies, four in particular offer a range of services provided directly by County employees, supplemented by a number of services for which the department contracts out and/or has purchase of service agreements with a number of providers, both individual and corporate, and both for-profit and not-for-profit. Those departments are DSS, Health, Mental Health and Office for the Aging. By contrast, the Youth Bureau provides few if any direct services, and passes funds through on a contractual/purchase of service basis to a number of direct service providers. Probation provides in-house supervision and support services to youth and families as part of its efforts to divert as many PINS cases as possible from Family Court petitions and from out-of-home placements. It makes referrals to other agencies as well, though it has few if any direct contractual agreements with other providers to which it makes referrals.

Regardless of the patterns of each department, rarely if ever do these departments, or anyone at the County level, formally assess how well the in-house vs. outside contractual services are provided, or what the appropriate mix of such services should ideally be.

Some selected services currently provided directly by County employees could, under some future scenarios, neither be provided in-house nor by contract. That is, the County could opt out of the business of providing certain services directly, and rather than contract out the service, could simply sever all ties with the program and discontinue the service completely, presumably in expectation that someone else in the community would pick up the responsibility for absorbing the program services. In each of these cases, the services being provided are optional in terms of whether the County needs to offer them at all, or even be responsible for them on a broad oversight basis. Thus the County could at any time choose to divest itself of one or more of those programs.

These types of issues were raised in general terms in Section J of Chapter 3. They are raised in a bit more detail in the next two sections, with specific recommended actions following.

## **Direct vs. Purchased Services**

Presumably human services departments, or the County as a whole, have made conscious decisions over the years as to what services to provide directly vs. which would be contracted out or purchased from other providers. Decisions that may have made sense at one time may or may not be made the same way if they were made today. It should be noted that no questions surfaced during this Phase 1 study about the quality or reputation of any of the services mentioned below. Therefore, there is no reason to question the integrity or nature of the services provided, either in-house or by contract. On the other hand, in the light of the strategic questions raised earlier in the report, it is at least appropriate to put the question on the table as to what should be the future direct services vs. contractual mix of these services, and to ask what can be determined about the most appropriate means of delivering specific services, if they continue to be needed at all, in the future. For each of the departments noted above, the following profile summarizes briefly what each offers directly via County employees and what is purchased from other providers.

- **Mental Health.** The department is responsible for broad oversight over an array of mental health, mental retardation, and substance abuse programs and services in the county. It is not obligated to provide any services directly, and not all mental health departments in the state do. However, most offer at least some services directly, and Niagara is no exception. Although it contracts out a wide range of services, including many funded through state Community Reinvestment funds, it provides adult clinic, drug abuse and methadone maintenance services directly, using County employees. It is

reluctant to take on more direct services, preferring to rely on community-based services to meet the majority of other service needs. On the other hand, it is reluctant to consider closing any of the existing County-provided services, for fear that other providers may not maintain the same commitment to providing the services in the future (with considerable supporting evidence to support such concerns). Thus the department views its direct services as “safety net” programs that will always be available to the community as long as the County continues to offer them. Although CGR has suggested that more preventive mental health services may be needed for children and families in the county, the department is reluctant to approach County leaders for resources to add such services in-house. If any expansion of such services occurs in the future, it seems most likely to occur through a purchase of services arrangement via Community Reinvestment funding. But if no other agency is willing to provide the services, is there a point at which the County should consider offering needed services directly? CGR believes that that option should at least be considered.

- **Health.** In addition to various mandated public health services, the Health Department offers a number of optional services directly. Several of these are discussed in the section below in the context of whether they should continue to be operated in the future by the County. In addition, the department presently contracts out for aide services in the Long Term Home Health Care Program and via the Certified Home Health Agency (CHHA). It also contracts for a number of services in the children with special needs program area. On the other hand, the department also provides direct services within each of those programs, as well as in the environmental health area. Depending on the answers to the questions raised below concerning whether the County should continue to stay in certain businesses at all, it may need in the future to consider the possibility of hiring at least some aides directly, rather than contracting for them, given the difficulties of being able to be assured that aides hired via contract will appear when and where they are scheduled to provide services.
- **Social Services.** DSS contracts with an array of providers, as well as offering direct child protective, preventive and adult protective services, in addition to various eligibility, investigative and child support enforcement services. It is mandated to provide child protective and adult protective services, and it is hard to imagine it being able to operate without a network of contractual service providers to supplement its in-house services. The major question for the department at this point appears to be one of how to reallocate internal resources to enable it to meet its direct service staffing needs.

- **Office for the Aging.** In addition to contracting for a number of aide services as part of its EISEP program, it provides a number of services directly, using a mixture of part-time and full-time staff to cook and provide meals for the home-delivered meals and nutrition programs, as well as providing various direct services to older residents remaining in community-based settings. It is currently facing a question of whether some of its direct nutrition-related services may be taken over, in part at least, through the kitchen facilities at the new jail, thereby potentially changing, to some extent at least, the historical nature of that program.
- **Youth Bureau.** Historically, services provided under the auspices of the Youth Bureau have been contracted out to various providers, with little or no direct services provided by Youth Bureau staff. If the Bureau were to be affiliated in some way with the Department of Social Services, as at least suggested above, the staffing configuration likely to result could offer the possibility of either expanding direct services, or perhaps adding additional contracted services to the current mix without additional costs to the County.
- **Probation.** As indicated above, Probation provides some services directly, with a number of referrals made to other County departments and community agencies as appropriate. However, Probation as a department has begun to consider the possibility that more direct counseling and social work types of services may in the future be appropriately “farmed out” to other providers.

### ***Recommended Actions***

- ❖ CGR recommends that for each of these departments, a study be undertaken of the mix of in-house vs. contractual services currently offered, with recommendations made as to whether any changes are needed in that mix in the future. Part of such a study should be to examine the performance measures used to assess how well given programs and services are doing, and to recommend any measures that should be added or modified in the future in order to effectively assess the value of the various contractual and in-house programs.

***Priority:*** 1

***Rationale:*** Because of the importance of these departments and the variety of programs they offer and the numbers of people they serve, often providing very sensitive services, it would be useful for the County to have an objective assessment of the mix of services



currently in place, and of what can be said about their performance, given the dollars invested in the programs. Even though proportionally the County may not spend a lot of money in each of these programs, since most are leveraged with significant state aid and other forms of reimbursement, the cumulative effect of the County costs of these services, direct and contractual, is substantial, as are the numbers of people served.

*Departments Affected:* Those listed.

## Potential Alternatives to Direct Services

In addition to the above choices as to what services are provided directly vs. by contract, the County has also chosen to provide selected services that it may not need to offer at all, either directly or by contract. As indicated above, it could decide that other providers in the community could pick up any of these services now offered by the County, and simply discontinue any County relationship to the program and the services offered. Each of the programs or departments listed below appears historically to have generally been well run, and some may even generate net revenues to the County, depending on what costs get assessed against the programs. Thus there does not appear to be any evidence of strong historical movement to close any of these programs. However, in each case, it makes sense in the context of a strategic review of County services to take formal stock of whether the status quo makes sense for each program, or whether changes should be considered, and if so, under what circumstances. The programs are briefly summarized below, along with an indication of the key types of questions that should help frame any analyses undertaken about each one's future with the County. The first four program areas are in the Health Department, and the fifth is Mount View.

- **The Certified Home Health Agency (CHHA).** This program operates as part of the Health Department's nursing division. Although the County is not mandated to provide this service, and there are two other non-public CHHAs operating within the county boundaries, County leaders over time have opted to continue to offer the County program as a cost effective option which they believe helps subsidize other public health nursing services which are mandated. In part, this decision appears to have also been influenced by an implicit, if not explicit, mission to serve as a "provider of last resort" of quality home health care for those in the community whom other providers may choose not to serve. Numerous changes are occurring in the CHHA, including the introduction of laptops for nurses, additional data reporting and entry requirements by the state, and a forthcoming prospective payment system that could fundamentally change the nature of how the unit does its business in the future. Some of these changes will also affect the

CHHA's competitors as well. Some believe these changes will benefit the public CHHA, while others are less certain. Thus a careful assessment will be needed of the program's core mission, and how well it can be carried out under the rapidly changing new environment. A careful assessment of the program and how well it adapts to the changes, and how well it compares under the new environment to its competitors, will be needed to determine its future. Historically, the program has been viewed as an asset to the County, but in the context of a strategic review of County government, it would be irresponsible not to reassess the viability and future of the CHHA in the context of the existing and pending changes.

- **The Long Term Home Health Care Program.** This program is provided by the County as an alternative form of comprehensive home health care for those with disabilities and various chronic illnesses. Two other non-profit providers offer a small number of slots in similar programs to county residents, but this is by far the largest such program in the county. Furthermore, it has historically not only *not* been a financial burden on County taxpayers to operate this program, but its revenues appear to have consistently exceeded the program's costs, thus generating a net "surplus" most years for the County. However, the numbers of people in the program have been declining and have remained well below its capacity in recent years. Some of the same issues facing the CHHA are likely to face this program as well, although it has less viable competition for comparable services. DSS, which shares responsibility for making decisions about admission to the program, appears to have a perspective about the program that is different from that of the Health Department. That perspective, plus any directions that might come out of a consideration of a County long-term care policy, as suggested earlier in the report, might have a significant affect on the future viability of this program. Its future should clearly be assessed in the context of any long-term care discussions and adopted policies.
- **The Speech, Hearing and Language Center.** This Health Department program is a comprehensive diagnostic and treatment center offering various services and special programs for people of all ages with a variety of communications disorders. Few county governments operate such a center with county personnel. In most counties, the types of services offered by the Niagara County Center are offered by many private sector providers in decentralized settings or, if such a comprehensive center exists, it is typically operated in the non-profit sector. However, no such comprehensive alternative existed in Niagara County, so historically the County has chosen to operate the Center, with an emphasis on providing a wide range of high quality services to fill the void, even though

it means directly competing with private sector providers. Should the decision be made to continue to operate the Center as a County program, a related question should be to what extent the Center will be allowed by County officials to aggressively compete for customers with the private sector. At this point, it has not been aggressive about promoting itself, but if a decision is made to continue the Center under County auspices, it may need to be given the authorization to try to capture private pay customers to help offset more of the program's costs (the County share is currently about \$160,000 per year).

- **Environmental Health Services.** The County has historically chosen to offer extensive environmental health services to its residents, including some services that are also offered, typically at higher costs, by the private sector. The County's share of the costs of providing these services total about \$750,000 annually. Although the County must offer a core environmental health program in order to maximize its public health state aid, it has chosen over the years to provide additional non-mandated environmental services and to offer various core services more frequently or at a more intensive level than is required, apparently in part at least because of the county's status as a tourist attraction. Even with recent reductions in environmental health positions, the level of services continues to exceed requirements, and to emphasize an aggressive prevention and deterrent environmental health approach to protect county residents and tourists. The level at which environmental health services are provided in the future, with what implications for the public health, and how much the County charges for some of its services, if they are to continue, would need to be important parts of any review of these services. In general, County environmental health services tend to be more intensively provided than in comparison counties, and fees charged for certain services tend to lag somewhat below the norm.
- **Mount View.** Along with most of the counties in New York, Niagara has historically provided a county nursing facility. About five years ago, a study examined the facility and raised the question of its future viability. The recommendation at that time was to have the County continue to operate Mount View, even if it meant an annual subsidy from local tax dollars. Since then, an infusion of additional state revenues, along with continual increased internal efficiencies and reductions in expenditures, has significantly improved the financial profile of the facility, and indeed it typically now "returns" money to the County each year, and has even in the past two years generated incentive payments to its employees for exceeding cost savings targets. Thus it seems unlikely that a different

decision would be made about the future of the facility than was made when its future appeared less bright. On the other hand, it would be important to assess Mount View's future in the context of the County's long-term care policy, if one is adopted, as recommended earlier in the report. Furthermore, if the decision is to continue with the facility, other questions should be raised, such as what does it need to do to continue to be competitive with several competing nursing homes within the county? Are physical improvements needed to make the facility more attractive to prospective residents? Should the small day care program operated at the facility be continued or not? Should any other uses of the facility, such as a dementia unit or assisted living component, be considered? These are among the important questions which should be raised concerning the future of the Mount View facility.

### ***Recommended Actions***

- ❖ CGR recommends that for each of these programs and departments, a formal study be undertaken of the current and projected future viability of the County's continuing to operate and provide funding for the services. Each study should consider alternative scenarios, their implications for current and potential users of the services, the impact of competitors and of changes in the environment in which the program operates and will operate in the future, etc. In the case of the Health Department programs, implications for other services within the Department should also be taken into consideration. Recommendations should be made concerning the future of each of the programs and, if they are to continue under County auspices, with what staffing implications and with what implications for promoting their services against their competitors.

***Priority:*** 1 or 2

***Rationale:*** Most of these programs or departments have not recently or historically represented a large drain on local taxpayers, and thus it could be argued that there is little need to reassess their future, since they generally appear to be operating well. But there are reasons: There could be other alternate uses for the Mount View facility. The strategic significance of Mount View and of some of the Health Department programs could be significantly affected by any long-term care policies that might be adopted by the County. A number of changes shaping the context in which the programs operate could change their cost effectiveness and the ways in which they need to operate in the future, and similar changes may affect the future of their competitors. And so on. Thus it seems to make sense to undertake a strategic analysis of each of these, or at least of any where change seems most likely to raise important questions about the program's future.

*Departments Affected:* Health, Mount View.

## **F. Redistributing Resources to Meet Strategic Objectives**

Beyond the issue raised in the previous section of what combination of selected services should be provided directly by the County vs. by others outside County government, this final section focuses on several functional areas and departments where consideration should be given to the internal redistribution of resources to best meet changing needs and opportunities. For the most part, these involve specific departments, and functional areas of responsibility within, or cutting across, those departments. As noted above, in general we have not focused on department-specific issues in this Phase 1 overview report, and have not conducted in-depth management studies of individual departments. However, the issues raised in this section are noted because of their larger strategic considerations that go beyond simple internal departmental management issues.

### **Services to the Elderly**

Most importantly, as discussed in Chapter 3, given the aging of the population and the changing needs of the county's older citizens, CGR recommends the establishment of a process to develop a long-term care policy for Niagara County. Many of the same issues that suggest the need for the creation of such a policy also have implications for the future mission and activities of the County Office for the Aging (OFA) and the agencies with which it interacts.

With attendance at senior nutrition centers having been declining in recent years, the historical significant focus of the OFA and its staffing patterns on activities related to the nutrition centers may need to change. With more and more seniors living longer and maintaining their independent living status in the community, it may be increasingly important for the Office to place more of its emphasis in the future on promoting and offering recreational, nutritional/diet, and physical fitness programs and educational efforts to help seniors maintain healthy lifestyles that enhance their levels of independence and self-sufficiency. Transportation services geared primarily to accessing services through the nutrition centers need increasingly to be targeted, to the extent possible, to helping seniors access medical services and other important activities and services, without being limited to users of nutrition centers. In short, it makes sense for the County and the Office for the Aging, in the context of thinking about long-term care, to also begin to re-think the central mission of the Office itself. Such a process would include developing strategies focused on how it can adapt, within its funding constraints (and how it can

work to change any such constraints), to becoming less facility or center-oriented in its programming and staffing, and more flexible in the range of supports it provides to help seniors maximize their independence.

The process of re-thinking how the County serves its older residents will also be affected, to some extent at least, by its decision concerning the possibility of consolidating the OFA's kitchen facilities with the County jail's kitchen. Such a move, currently under consideration as this is written, would seem to make sense from both an efficiency and cost-effectiveness perspective, saving money on an ongoing basis, and eliminating the one-time costs of renovating the existing OFA kitchen facility. This decision may affect the staffing and financial resources the OFA has historically devoted to the preparation of meals, both for the nutrition center and its home-delivered meals program, and may free up resources to be redistributed to other purposes, such as those suggested above.

In addition, consideration of the possible centralization of kitchen facilities also provides an opportune time to consider the possible consolidation of the County's home-delivered meals program, which serves the non-city areas of the county, with the similar but separately-operated Meals on Wheels program, which is offered by a non-profit agency to seniors living in the county's three cities. An assessment of these programs was not part of this study, but it would make sense for the County to at least take advantage of the possible centralization of kitchen facilities to examine whether there might be further opportunities to create efficiencies and to reallocate overall community resources devoted to providing meals to seniors in their homes.

Beyond these issues related most directly to the Office for the Aging, the Office should of course also be integrally involved in efforts to establish long-term care policy initiatives for the County, and should play a key role, along with the Health and Social Services departments, in developing new policies related to how home health care and personal care aide services are provided and paid for in the future.

### ***Recommended Action***

- ❖ The County Legislature and its Social Services Committee and the Office for the Aging Director should work closely together to develop a process to strategically re-think the department's mission, and what adjustments it needs to make to address the issues raised above and any other shifts in responsibilities that may emerge.

***Priority:*** 1 or 2

***Rationale:*** Although the OFA is not among the larger departments of the County, more than \$600,000 of local tax dollars are spent on the department's activities. More importantly, OFA efforts focus on a segment of the population which will continue to increase substantially in future years, and it makes sense to assure that its programs and services are as relevant and accessible as possible to those who can benefit from them. If the County focuses on the development of long-term care policies, as suggested earlier, it makes sense during the next year or two to also take advantage of the opportunity to focus on the larger issue of services designed to minimize the extent to which people need to access more costly long-term care services.

***Departments Affected:*** Legislature's Social Services Committee, working closely with the Office for the Aging.

## **Social Services**

Scattered throughout the report have been various references to cross-cutting, cross-functional issues affecting the Department of Social Services, including such issues as the opportunity to expand the County's focus on preventive services, long-term care, integration of services to children and families, reducing out-of-home placements for youth, creating employment opportunities and expanded focus on self-sufficiency, and so on. All of these strategic opportunities, and many others, have implications for how DSS is staffed and internally organized. Among the structural and staffing reallocation issues that need to be addressed in order to effectively address the larger strategic opportunities are the following:

- Despite recent elimination of positions within the department, for the most part the positions were not deleted as part of a strategic analysis of where staff resources are, and are not, needed to carry out the department's functions now and over the next few years.
- DSS maintains its own employment unit, offering services which to some extent duplicate those of the County's Employment and Training department. It also operates an Independent Living unit for young adults which could profit from job coaching and other employment-related services not now readily accessible through the Independent Living unit. Preliminary discussions concerning combining or at least efficiently and cost-effectively linking the efforts of these separate units of County government should continue and result, in the near future, in decisions designed to assure the improvement of services that will enhance the self-sufficiency of as many adults and young adults as possible.

- The potential consolidation of the Youth Bureau and Veterans' Services with DSS could help create staffing efficiencies with possible implications for reallocation of resources in the future.
- Significant declines in welfare rolls have been accompanied by increasing needs for support services to help those seeking work to make successful transitions to employment and to become self-sufficient over time. In turn, out-of-home placement rates and costs remain high, and the demand for preventive services and aftercare services continues to outpace the County's ability to provide them at adequate levels. Yet historical DSS staffing configurations remain in place to a significant extent, suggesting substantial mismatches between too many staff in some areas, and not enough in others.
- As noted earlier, DSS contracts with the Sheriff to provide welfare fraud investigative support, but the value of or need for that support, at least at the current level, may be declining, suggesting the possible need to re-think how those resources should be best allocated in the future.
- The Child Support Unit of the department currently has an estimated \$10 million in child support payments in arrears on public assistance cases – payments which are theoretically owed directly to the County. It is likely that, with additional staff support, a significant proportion of those funds could be tracked down and converted into direct reimbursement to County government. In addition, other ways of enhancing direct child support payments to county residents, and incentive payments to the County, are at stake on an ongoing basis, and could potentially be affected with different allocations of staffing resources within the department.
- The types of shifts in responsibilities and needs mentioned above, as well as many other issues not noted, suggest significant implications for how clerical support functions may also need to be redistributed in response.

### ***Recommended Action***

- ❖ The County should take advantage of the opportunities noted above, the insights and the willingness of the top leadership existing within the department to address these issues, and the forthcoming hiring of a new Commissioner for the department, to undertake an extensive internal study of the department's organization and staffing patterns, leading to



specific recommendations as to the types of staffing allocations best designed to meet the strategic needs of the department and the County over the next few years.

**Priority:** 1

**Rationale:** Almost a quarter of the County's employees work for DSS, and more than \$36 million in County taxes support the department's efforts. Even if the County's share of Medicaid is excluded from that figure, more than \$14 million of County resources remain. In the context of welfare reform, the County and DSS have an opportunity to creatively re-think how the department uses its resources most productively in the future. If the department's mission is increasingly to help more people become more self-sufficient, and to help prevent or reduce the incidence of out-of-home placements and various dysfunctional and non-productive behaviors among youth and families, the way in which it allocates its staff and financial resources becomes critical, and needs to be assessed as objectively as possible, leading to the most mission-driven, efficient, and productive staffing patterns possible.

**Departments Affected:** Legislature's Social Services Committee, working closely with DSS.

## Public Safety/Sheriff

Although not a mandated service, the Sheriff's road patrol accounts for a significant portion of the department's budget, and represents the most visible focus of the services provided by the Sheriff. Yet over time, other demands for services and resulting staffing patterns within the department may have led to a slight mismatch between the need for road patrol staffing and the numbers of deputies available to meet the need. Although CGR was not able to undertake in Phase 1 a detailed analysis of the demand for services, the actual number of reported requests for road patrol services has increased steadily in recent years, without a corresponding increase in deputies available for road patrol duty.

A number of factors have contributed to the possible shortage of road patrol deputies at this point. Although not an all-inclusive list, the following are illustrative of circumstances that limit the number of deputies available for road patrol at any given time.

- Considerable time is spent in transporting jail inmates either to other locations around the state, or just to various court appearances within the county. The Sheriff's department is consciously attempting to have these transportation functions provided as much as possible by corrections officers, using backup part-time COs to the extent possible, but

the need to use deputy sheriffs for this task continues to exist, with direct consequences for the road patrol resources available at any given time. Other uses of part-time and/or seasonal deputy and marine deputy resources may help resolve this transportation issue, but it is not likely that those resources alone would resolve the issue. Although there are many issues of appropriate training, deputizing, accountability, supervision, etc. that would have to be worked out, CGR believes that the County should at least consider the possibility of having the Sheriff contract with a private firm to provide at least a portion of the transport services, at less costs than under current arrangement, thereby freeing up more of the existing staff for concentration on road patrol functions.

- A few deputies have over time needed to be assigned primarily clerical support duties, thus removing them from road patrol duty. Other staff are primarily deployed into community service programs such as DARE.
- The department currently has more sergeants than it needs. Through promotions and attrition, it should be possible to reduce the number of sergeant positions, and to reconstitute at least some of those eliminated sergeant positions as road patrol deputies.

### ***Recommended Action***

- ❖ The County Legislature and its Public Safety Committee and the Sheriff should work closely together to develop a process to carefully document the staffing needs throughout the department, to determine what staffing adjustments are required to meet the needs, and to develop a planned approach over time to make any necessary changes. It is anticipated that any needed adjustments can be made without adding staff through careful redistribution of existing tasks. We suggest that this process include an objective assessment of the feasibility and practicality of contracting out some portion of the transport function.

***Priority:*** 2

***Rationale:*** Although this is an important issue to address, we suggest that this be considered a medium level priority that does not necessarily need to be addressed right away. There is no immediate crisis, and necessary tasks continue to be carried out, at some reasonable level. However, over time (perhaps during 2001), a process should be in operation for determining and putting in place a clear plan for addressing these issues.

***Departments Affected:*** Legislature's Public Safety Committee, working closely with the Sheriff.

## Central Dispatch/911

Niagara County currently has four separate dispatch functions, each processing calls for police, fire, and emergency medical services/ambulances. Each of the three cities has its own call-taking and dispatch functions, with the County Sheriff's office covering these functions for the remainder of the county's geographic areas. Under the current system, considerable duplication and inefficiencies exist across the four separate operations, although some cooperation and sharing of data have begun to occur across some of the units.

Ideally, a community the size of Niagara County would have a single centralized dispatch center covering the entire county, with all police, fire, and emergency medical services calls coming into and being dispatched from one central location through a single centralized staff. A consolidated 911/dispatch function would be likely to save dollars for all local taxpayers, be more efficient, and ultimately provide improved services to county residents. Any transition from the current system to a centralized system in the future could be managed in such a way as to ensure that no one would be laid off or lose his/her job, through a combination of attrition and reallocation to other functions.

Apparently the County has established an ad hoc committee to explore the concept of a centralized dispatch/911 function, but it is not currently active. At least one of the cities has expressed little or no interest in participation in a consolidated dispatch function, although the other two are thought to be at least willing to consider the option.

### ***Recommended Action***

- ❖ CGR recommends that the committee established to explore the possibility of creating a centralized dispatch function be reactivated, and that serious consideration be given to establishing a countywide unit. The committee should explore the feasibility and the practical political, service, timing, staffing and cost implications of implementing a centralized function and, if it proves feasible, it should develop a practical implementation plan and timetable for phasing in such a unit, including assurances that no one would be laid off as a result. CGR suggests that even if one of the cities is not interested in participation at this time, consideration should be given to proceeding to develop a plan to include the County and any interested cities, with an option for any missing city to be incorporated in the future, should it subsequently become interested.

***Priority: 2***

***Rationale:*** County taxpayers are currently paying for duplicate dispatch functions. The potential exists to develop a more rational approach which involves cooperation between jurisdictions and layers of government, which improves services and response time to county residents, and which reduces costs to taxpayers over time. This should not be the highest priority for County attention, given other needs addressed in this report, but the issue should be addressed as an example of cost effective intergovernmental cooperation and potential service enhancement.

***Departments Affected:*** Sheriff and Emergency Services

## **Augmented Emergency Medical Services**

County residents are currently heavily dependent on volunteers to provide emergency rescue and medical services and, where necessary, ambulance service. Emergency services within the cities are provided by a combination of municipal agencies and commercial services, while the balance of the county is served by volunteer agencies. Volunteer respondents consist of 29 volunteer fire companies, all of which provide emergency rescue and medical stabilization services, and 19 of which also provide transporting or ambulance services. Non-city areas not covered by fire company ambulances are served by two volunteer ambulance companies.

In recent years, there has been a clear trend to place more training demands and other requirements on emergency service volunteers. There is evidence that it is increasingly difficult to recruit volunteers to provide such emergency services under any circumstances, and the increased time demands required for expanded training has the practical effect of adding an additional barrier to the ability to recruit and retain the volunteer network upon which the emergency services system is built.

As a result, it has become increasingly difficult to provide complete emergency services coverage in all non-city areas of the county with volunteers alone, especially during the day when most volunteers hold paid jobs. It is apparently not unusual in emergency situations to have to make several calls to volunteer companies before a volunteer is reached who can respond to the emergency. Valuable response time can be compromised in such situations. Thus the County's Director of Emergency Services is seeking ways of augmenting the volunteer system to assure that timely coverage is always available to provide initial first responder medical stabilization in response to emergency calls. Other counties in the state have also begun to recognize the need to supplement the network of volunteers by providing a backup professional support system, and

such a system may need to be considered for Niagara County, given the realities of relying on a timely volunteer response that cannot always be guaranteed.

Preliminary consideration is being given to the development of an advanced life support service system that would include having a small number of professionally-trained paid staff strategically located in key locations around the county who would always be available to respond immediately to any emergency calls. These professionals would supplement, and not replace, the volunteer resources already in place, by assuring that someone would be instantly accessible and able to provide crucial first responder emergency coverage on a timely basis. This service would provide initial medical stabilization, but would not provide any transportation/ambulance coverage. The Director of Emergency Services anticipates that this supplementary service could either be provided by County government or by a non-profit corporation, and that most if not all of the costs would be covered by fees from various types of third party billings for the services rendered.

### ***Recommended Action***

- ❖ CGR recommends that the need for the development of such an augmented support system be further investigated. Such an investigation should document the need for such a system, including verification of the extent to which volunteers cannot fully meet the needs for emergency services in a timely fashion, and the implications of developing such a support system vs. the consequences of continuing with the current approach. The potential for service enhancement of a new system, the potential costs, the ability to cover the costs through third party reimbursements, and the relationship of the proposed supplemental service system to the existing volunteer system (including assurances that it would not ultimately become a replacement for the volunteer system) are among the key issues that would need to be explored in any feasibility study.

#### ***Priority: 3***

***Rationale:*** This is not as high a priority need as many of the other recommendations in this report, in large part because a system, albeit with flaws, is currently in place to respond to emergency service needs. However, this is an issue which may become exacerbated over time, as more pressures are placed on a potentially-dwindling pool of volunteers. Therefore, over time, it will be important to determine what changes will be needed to strengthen the existing volunteer-based system in ways which assure timely provision of emergency services throughout the county.

***Departments Affected:*** Emergency Services.

## **Appendix: Organizing Principles and Criteria for Setting Priorities**

In determining which issues, analyses or functions should be examined further as part of this strategic planning process, and which should receive the highest priority for immediate attention if the County decides to proceed with subsequent phases of the study, CGR considered a number of criteria or factors. In general, we placed greater emphasis for the next phase of the project on the cross-cutting or cross-functional issues, rather than purely internal administrative/management issues or opportunities germane only to a specific department or unit. On the other hand, if issues pertinent to a particular department are relevant to some of the larger perspectives and issues raised in the earlier chapters, they were considered for priority attention in our recommendations (e.g., issues within a department related to whether a particular function should continue to be provided by the County). The criteria or factors we considered were:

- Total expenditures of a given department or function, including trends over time (in general, the larger the expenditures, the higher the priority for future attention).
- Numbers of employees affected, including trends over time (in general, the more people affected, the higher the priority).
- Total County share of the costs of providing particular services or functions (typically, higher share = higher priority).
- Mandated vs. non-mandated services, and the degree of local flexibility associated with each (in general, the more local discretion, the greater the priority for future action).
- Potential to be positively affected by technological changes.
- Plausible alternative options to the status quo appear to exist, and are deserving of consideration and analysis as part of the County's willingness to re-think how it operates.
- Current or likely changes in national or state legislation, policies or regulations, or other changes in the context in which services are provided, that are likely to affect future operations and delivery of the services or functions.
- Functions that, even if relatively small in size of staff and budget, have significant impact on many aspects of County government, and particularly whose actions can have a stimulative effect on other departments (e.g., Human Resources, Data Processing).
- Potential to generate new revenues for County government.
- Need exists for analyses that could help lead to new approaches, productivity increases, efficiencies, reduced costs, increased revenues, service improvements, etc., but where data must be collected and analyzed before additional steps or final actions can be responsibly taken.

- Perceived County needs and changes (e.g., the stagnant economy, demographic changes, etc.) vs. the potential ability to respond positively to them.
- The potential to strengthen the County's workforce and organizational structure in the context of providing priority services and functions.
- The urgency and timeliness of the issue and the perceived need for action.
- The potential of any recommendations to result in positive changes, i.e., the potential benefits and estimated probabilities of success likely if certain changes are made.
- The potential costs and/or risks associated with possible changes (or of not making changes).

After consideration of the various criteria, the ultimate decision as to how high a priority to assign an issue came down to CGR's assessment of the potential benefits of the specific recommendation and the likelihood it would result in positive changes if acted on, compared with the potential costs and/or risks associated with making or not making the changes. In general the high priority recommendations tend to be those that, in our judgment, need the most immediate attention and should be acted on in the near future (e.g., within the next 6 to 12 months).

The specific recommendations, based on our assessment of numerous possible areas for future action against the above criteria, are grouped into several broad strategic or functional categories. Within each of the categories, the recommendations are described and further subdivided into 1 (High), 2 (Medium) and 3 (Low) priorities. Even the third level (lowest) priority items are considered important enough to list, and therefore should ideally be acted on in our judgment, but CGR believes the higher priority recommendations are those with the greatest strategic importance for the County, and therefore should be given the most immediate attention.

In addition to assessing possible recommendations and next steps against the previously-stated criteria, we also attempted to keep in mind, and invite the reader to do so as well, the questions and concepts raised in Chapter 2 concerning the mission of each County function and whether the mission is still worth doing and would still be important to do, even if starting from scratch. Related to those questions, when considering alternative approaches it is also important to ask if the County is best equipped to carry out a function, either because of its mission, or because it is needed and no one else is carrying it out, or because the County can do it more efficiently than others. Finally, we kept in mind the four management concepts noted in Chapter 2: focus on functional and systems approaches, use integrated planning to focus tasks, empower people to define and carry out the work, and identify and collect the information needed to make

decisions and measure the work. Once the functional and systems issues have been considered, then structures can be designed or modified to perform the desired/needed functions. It is also important to recognize that even if a function remains the same, technology or various market variables may suggest changes in the structure of how that function should be performed. Keeping all this in mind, our Phase 1 recommendations for future action by the County appear in Chapters 3 and 4 of the report.