

Who Picks Up the Bill?

Problems With One-Sided Service Mergers

The Case of the Onondaga County Police Services Merger



Cornell University Shared Service Case Study, 2013 | By Eva Birk

SUMMARY: Towns and cities across New York State are looking to cut costs. Consolidation and Enhanced Service Agreements are one way to redesign the system, but these moves do not always benefit all parties involved. This brief outlines the story of the Town of Clay, New York's police service merger to draw important lessons about building shared service agreements that stick.

What is the Issue?

Enhanced Service Agreements (ESAs) are not a panacea. This brief reflects on a series of interviews with Onondaga County staff and elected officials to shed light on a failed police service merger between the County and the Town of Clay, New York. This case brings into question the long-term sustainability of voluntary Enhanced Service Agreements in upstate New York.

A Voluntary Agreement

The Town of Clay is the largest town in Onondaga County. A suburb of Syracuse, Clay is situated between the Seneca River and Oneida Lake. The 2000 census estimated Clay's population at approximately 60,000. In 2008 Clay was rated 59th of America's best places to live by Money Magazine. Like many towns and villages in New York, Clay's Town Board recently undertook a number of measures to cut costs in the face of slowed economic growth.

In 2008 the Town entered into a voluntary Enhanced Service Agreement (ESA) with the Onondaga County Sheriff's Office. The contract provided two uniformed officers dedicated to the town 24 hours a day at a cost of \$1.4 Million.¹ The new patrols were in addition to regular coverage the town receives from the Sheriff's Office. The same year, Clay residents voted by referendum to abolish their Town police department (budgeted then at \$3 Million). Estimates show that the town saved approximately \$1.6 million a year by entering into an ESA with the County, a figure that at the time represented an estimated 20% drop in property taxes.² Voters approved abolishing the department by sixty-nine percent.

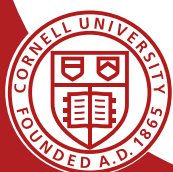


The Town of Clay, NY voted to abolish its local Police Department in 2008. Three years later they nullified an agreement for enhanced police services with Onondaga County. Photo by Dick Bloom/The Post-Standard.

Why Did Clay Consolidate Services?

According to former Town Supervisor Jim Rowley (now Onondaga County CFO), the current town police chief was set to retire and foresaw an immediate need to significantly expand the Town's force³. Mr. Rowley, a certified CPA, saw an opportunity to save the Town money without any decrease in service.

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1. Leo, Tom. *Clay Votes to Abolish Its Police Department*. (2008). *The Post Standard*. Monday, June 23rd, 2009. Available: www.syracuse.com/news/index.ssf/2008/06/clay_votes_to_abolish_its_poli_1.html
2. *Ibid*.
3. Interview. Jim Rowley. CFO, Onondaga County. May 1st, 2012.
4. Hall, Sara. *Clay PD Merger: The Facts Revealed*. *Liverpool Review*. June 5th, 2008. Available: http://www.cnylink.com/cnynews/view_news.php?news_id=t01212683110t48481366853ff

According to former supervisor Rowley, savings from the enhanced agreement were expected in the elimination of duplicated services, including, “administration and support staff, technology procurement, liability compensation and workers’ compensation.”⁴ The County Comptroller issued a third-party report at this time stating that the Town would indeed experience lower property taxes with an Enhanced Services Agreement (ESA). The report also assured that at a price of \$1.4 M the County would not be “subsidizing” Clay’s service in any way.⁵ However, the comptroller did advise officials to undertake a serious conversation about the use of overtime charges by the County Sheriffs Office.

When a Shared Service Process Fails, Who Loses?

In 2011 Clay’s newly elected Town Supervisor Damian Ulatowski recommended that to further cut costs, the Town should cancel their Enhanced Services deal with the Sheriff’s Office. Termination of this agreement saved the town an additional \$1.4 Million, according to a local news report.⁶ Ulatowski admits that this move was, “A tough decision...we had to look very closely at our budget. Without the elimination, we could have faced a double-digit tax increase.” Despite rumblings from residents complaining that voters were “fooled” into dissolving the town police department, Ulatowski saw the 5-year sheriff’s contract as a “successful project” overall.

Jim Rowley (as Onondaga’s CFO), estimates that the County Sheriff’s Office is experiencing roughly \$0.5 M in increased costs due to the contract cancellation. It is not clear whether the Sheriff will need to ask for a budget increase in the coming year specifically to cover Clay’s costs. Since the ESA cancellation in 2011 the department has been abnormally over budget.⁷ Meanwhile, a number of Clay residents are worried that they will fail to receive an adequate level of police service. Others are happy to be rid of a contract that they saw as “overpriced and unnecessary”.

A Sheriff Facing Tough Choices

Kevin Walsh, the Onondaga County Sheriff reports that his budget was already squeezed tight before the extra stress of patrolling Clay with little to no

additional help (that is, aside from the occasional state patrol).

According to Sheriff Walsh, combining the County’s new responsibilities in Clay with recent budget cuts that forced him to lay off forty-seven police has bred a situation where “maintaining the same level of police service is outside the realm of possibilities.”⁸

“The calls from Clay keep on coming,” remarked Walsh. Out of necessity, Onondaga County, like many police units across the US (Trenton, New Jersey recently laid off a third of their force), have begun to see small, worrying changes in service level over time. Staff noted that “low priority” tasks like policing frequently run stop signs are just not getting done. At a macro level this adds up to statistics like fewer DUI arrests in the last year.⁹ Other worrying trends include the ripple effects of towns and villages within Onondaga County that have cut most, if not all their investigatory and detective staff as a way to save money in the current fiscal climate. As a result the County is now responsible for investigating all sex crime and child abuse cases outside the city of Syracuse.



New Recruits receive training at the Onondaga Community College Police Academy. Photo by Dick Bloom/The Post-Standard.

5. Antonacci, Robert. Onondaga County Comptroller. (2008). *Modernization of Police Services: The Clay/Onondaga Merger*. PowerPoint presentation to the Onondaga County Chapter of Chiefs of Police, Inc. June 19, 2008.
6. Moses, Sara. (2011). “Clay Town Board Considers Ending Contract With Sheriff’s Office”. *The Post Standard*. Tuesday, October 04. Available: http://www.syracuse.com/news/index.ssf/2011/10/clay_town_board_considers_endi.html
7. Interview. Sheriff Kevin Walsh. November 23rd, 2012.
8. Interview. Sheriff Kevin Walsh. November 23rd, 2012
9. Interview. Sheriff Kevin Walsh. November 23rd, 2012

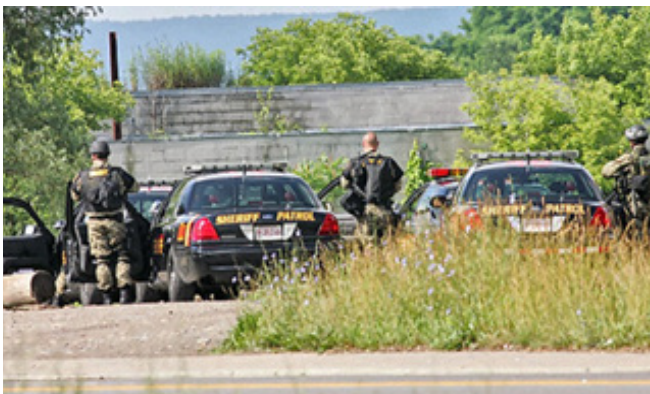
Lessons Learned

Pensions

Outside the issues mentioned above, pensions and other post-employment benefits (POBs) became a major stumbling block for ESA cooperation between the county and town. This suggests that entitlement and pension agreements must be explicitly dealt with in any MOU or ESA agreement in order to encourage long-term cooperation. Even if an initial “trial” agreement is only 5 years, pensions and healthcare benefits should be discussed in the context of a bigger conversation surrounding a long-term plan for quality, service delivery. An International Association of Police Chief’s (IACP) report from 2003 recommends that, “Salaries and benefits should be brought up to the higher of the two agency’s levels...the added costs may be split 50-50 between the city and county.”¹⁰

Overtime Pay

At the time of the 2008 Enhanced Service Agreement, a County Comptroller Report indicated that the Sheriff’s Office needed to decrease their usage of overtime hours.¹¹ It is unclear whether the police services merger increased or decreased usage of overtime pay during the short time it was in effect. In general, towns considering shared service agreements should be cognizant of what a new model for service delivery would do to shift their reliance on overtime shifts.



Onondaga County Police respond to a shooting incident in 2008. Photo by Dick Blume/The Post-Standard.

Looking Forward

How can Towns and Counties Build Shared Service Agreements that Stick?

Today the Town of Clay still pays through tax levy approximately 12% of Onondaga’s Sheriff Budget.¹² How could these tax dollars be best allocated to deliver flexible, quality police service? How can a certain base level and regularity of service be assured? Officials at both the town and county level agree that in order to fully address this question, police services need to be re-evaluated at a larger scale. In short a limited, short-term consolidation agreement failed to solve systemic problems with police services as a whole.

Determining the “Correct” Level of Service

Realigning functions of service delivery to the right level and scale of governance is essential. Robert Antinocci, Comptroller for Onondaga County suggests that parties considering entering into a shared service agreement should ask themselves the following questions:

- From which agency are the services best delivered?
- At what point do economies of scale exist?
- What level and type of service is expected/ needed?
- What infrastructure is already in place for service delivery?
- Can this infrastructure be adapted or used for another purpose?

10. Interview. Sheriff Kevin Walsh. November 23rd, 2012.

11. *Ibid.*

12. Need info from Dan Schuster, County budget analyst.*

13. International Association of Chiefs of Police.(2005). *Consolidating Police Services: An IACP Approach*. Downloaded November 15 2012. Available: www.theiacp.org/LinkClick.aspx?fileticket=fU9dovj4EGs%3D&tabid=87

Where is Stakeholder Involvement Important?

Unless stakeholders involved in the service delivery process undertake an open and serious conversation to address the questions above, inefficiencies will continue to exist. Comptroller Antinocci suggests that in Clay's case, the County is best positioned to facilitate this type of conversation.

Robust stakeholder engagement can help map existing strengths, capacities and flexibility within a given service delivery system. Police services, like many other complex government functions, involve a wide variety of agencies and actors, all with expansive deference to decide on the best method for service delivery within their given jurisdiction. The fact that this amount of flexibility exists suggests a large opportunity for agency actors to cooperate across jurisdictions for enhanced efficiency. It also presents a danger in the fact that each agency or jurisdiction has "veto" power to control certain aspects of service delivery within their own territory.

Lessons Learned

- Shared service agreements must be win-win. Simply "passing the buck" through consolidation can fail to maintain quality service delivery.
- Provisions for pensions, overtime pay and union interests should be clearly outlined at the outset of any voluntary shared service agreement.
- Understanding demand for different levels and types of service (i.e. patrol officers v. detectives) is central to rethinking regional systems for quality service delivery.
- Inventory both assets and level of flexibility in service delivery before reshaping service models. Stakeholder involvement is key to informing this process.

What Role Can County Government Play?

Onondaga County has been left fitting the bill, largely powerless to change the course of local political choices. Ironically, in many cases County government may be in the very best place to coordinate alternative service models. The hard work of cataloging various needs and capacities across multiple agencies and jurisdictions is no small matter. Leadership and facilitation at the County level could help municipal actors discuss and eventually choose from a wide variety of system-wide options. Pooling together on strategic planning efforts can also open doors to large funding opportunities such as HUD Community Development Block Grants. In the case of police services, county level officials in Onondaga hope to one day open a conversation regarding the following alternative police service models:

- Fee for Service
- Regional Force or "Quadrant" squads
- New ways to utilize the State Police force

Whether surrounding communities are willing to discuss these options is another matter. Long-held distrust in County government may stand in the way of utilizing this largely untapped space for facilitation and coordination of service delivery models that really work.

Conclusion

Voluntary Enhanced Service Agreements may not be the best option for quality police service delivery in Upstate New York. Despite the temptation to reap a quick cost-savings on the part of municipalities, Onondaga County's experience calls into question the sustainability of these agreements. The question remains: How do we craft shared-service agreements that really stick?

It is clear that understanding demand and capacity for different levels and types of service is critical. A robust stakeholder engagement process is also essential to any alternative service arrangement, considering the wide deference given to municipalities to decide exactly how (and with whom) they coordinate service.