

Transportation Cost Reduction Strategies

The Department of State, through its Local Government Efficiency program (LGE), has identified a range of cost reduction strategies at the county, town, village and department level in highway and transportations services.

Countywide Provision of Highway Services

Some County Highway Departments perform services for municipalities within their jurisdictions, such as snow plowing, right-of-way maintenance and paving.

- Less need for municipalities to rent or own specialized equipment
- Efficient deployment of personnel and equipment
- Flexibility to adjust service levels for changing local conditions over time
- Coordinated equipment purchases, vehicles, commodities and supplies to serve multiple municipalities
- Reductions in costs related to salaries and benefits

Consolidation of Highway Departments – Functional reorganization and consolidation of highway departments and public works departments

- Eliminates duplicative operational and administrative costs
- Returns property to tax rolls and reduces urban blight
- Reduces environmental impacts to air and water
- Expenditures for equipment are shared rather than duplicated
- Election of highway superintendents precludes dissolution of town highway departments

Chemung County's Highway Services Board (HSB) explored opportunities and ways to coordinate and share services or consolidate services among all the county municipalities. They have developed a service delivery hybrid model containing three components. The first component is to centralize services such as engineering and bridge work to be done by the county for all municipalities. The second is to decentralize certain services to towns and villages, like mowing, ditching, and pothole filling for all municipal and county roads within their boundaries. The third step is to create the Consolidated Urban Highway Services Area (CUHSA) model, which, when completed, will consolidate all highway services in the urban area.

The CUHSA consists of the urban municipalities in the County: the City of Elmira, the villages of Elmira Heights and Horseheads, the Towns of Horseheads and Elmira, and Chemung County. In January of 2011, the CUHSA entered into an inter-municipal agreement and began integrating their highway services. The anticipated savings is about \$2.7 million annually and includes \$1.9 related to equipment, \$734,000 in facilities, and \$66,000 in personnel.

Sharing Infrastructure – Municipalities may share transportation infrastructure such as highway garages.

- Avoids duplicative capital expenditures
- Cost-effective way to upgrade deficient buildings
- Municipalities retain measures of control and accountability through intermunicipal agreements

The Town of Newstead is implementing the recommendations of the Town of Newstead and the Village of Akron Joint Works Facility Feasibility Study by constructing a Joint Highway Facility that is saving the town and village an average of more than \$75,000 per year in staffing, equipment and resources, and may lead to consolidation of both highway departments. The project emphasizes shared space, shared equipment and vehicles, and shared maintenance costs. Other best practices include a shared office manager with one standardized system for purchasing responsibilities for both municipalities, replacing two antiquated methods and systems.

Contracting for Services: Municipalities with excess capacity and lower costs may contract with other municipalities to provide services.

- Allows municipalities to be relieved of operating and capital costs of providing services.
- Additional revenue stream for the service provider.
- Contractor receives service at lower cost than if it provided the service itself.

The Ulster County shared services program decentralizes highway services including snow and summer maintenance, from the county to the towns for a fee. The program reduces duplication and provides better services and safer roads. The county has found that the shared services program saved the county an estimated \$2.3 million compared to the previous year's budget.

Cooperative Service Agreements – Municipalities agree to share resources, such as personnel and equipment, to provide or improve services.

- Avoids duplicative capital costs for highway equipment.
- Easy to implement; municipalities retain independence.
- May be a first step towards functional consolidation.