

## **Pros and Cons of Using a Host Agency**

*Providing municipal services through a  
COG: Linda Dunlavy, Franklin Regional  
Council of Governments*

*The Connecticut model of regionalization:  
Lyle Wray, Capitol Region Council of  
Governments*

Sept. 2, 2010



# Pros and Cons of Using a Host Agency

## the Franklin Regional Council of Governments



Regionalization Toolkit Conference  
Holy Cross College  
September 2, 2010

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### What is a Council of Governments?

- A COG is authorized to provide all services that a municipality can.
- Most COGs have a governance structure of chief elected officials or their designees.
- COGs that are former counties retained all powers of the County Commissioners (albeit that wasn't very much).
  - No regulatory authority.
  - Adjudicatory responsibility of county roads, dogs, verifying regional elections.

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### How is a COG different than an RPA?

- By law, RPAs are to provide regional planning services.
  - Economic development; land use; natural resources; transportation.
  - Many RPAs have expanded the original definition of "planning".
- Most RPAs have a governance structure of muni planning board members or their designees.
- FRCOG is the RPA for Franklin County.

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## FRCOG Region

- Franklin County most rural county in MA.
- 72,000 people, 725 square miles, 26 towns.
- Greenfield – 18,000 residents; Monroe – 93 residents.
- 23 of 26 towns have population under 5,000; 18 under 2,000.
- Municipalities have long recognized that they are too small to go it alone; larger voice as a region.




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## FRCOG History

- Formerly the Franklin County Commission.
- 1997 Franklin County voluntarily abolished itself and FRCOG seamlessly created.
- In the transition from County to COG, financial structure changed.
  - Membership assessment is as low as possible and pays for administration, advocacy and special projects.
  - Participation in municipal service programs is voluntary and is paid for separately.
  - Federal and state grants fund other programs and are pursued to fund local and regional initiatives.

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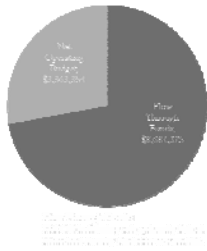
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## FRCOG 2010

- **Number of Employees:**
  - 25 Full-time
  - 19 Part-time
  - 38 Full-Time Equivalents
- **Total Budget – \$12m**
- **Net Operating Budget – \$3.4m**
- **Source of Funds of Estimated Net Operating Budget:**
  - 6% Regional Services Assessment
  - 68% Grants (state and federal)
  - 11% Fee for Service Program Assessments
  - 13% Misc. fees, interest, financial services, county road reimbursements, etc.
  - 2% Statutory Assessment




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### Membership and Assessment

- With 1997 Charter, all Franklin County towns committed to 3 years of membership. Thereafter, towns can leave the FRCOG at any time with a one year's notice.
- Member towns pay an annual assessment.
  - The assessment is based on a formula of 90% of a Town's Equalized Value (EQV) and 10% of its population
  - The membership assessment is broken into two parts: Statutory Assessment and Regional Services Assessment

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#### Statutory Assessment

- Must be paid whether a Town is FRCOG member or not.
- Pays for the unfunded liability of the Franklin County Retirement System.
- Pays for FRCOG retiree health insurance costs.

#### Regional Services Assessment

- Membership portion.
- Used to finance FRCOG regional advocacy, special projects, and administration.

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### Pros and Cons of FRCOG Structure: Membership

#### Pros

- FRCOG must be accountable and provide quality service to every town every year.
- Dissatisfied towns can leave or threaten to leave the FRCOG.
- Governance structure encourages the FRCOG to know its Select Board members and Select Board members to know the FRCOG.

#### Cons

- Annually proving the COG's worth takes time away from service, especially if a town is threatening to leave.
- New Select Board members every year; FRCOG orientation has to start over.

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**Pros and Cons of FRCOG Structure:  
Assessment**

Pros

- The formula of EQV and population balances the needs of low population/higher EQV towns with towns that have high population/lower EQV.
- Because of governance and membership structure, FRCOG is very careful to keep assessment as low as possible (FY 11 is 9.3% lower than FY01).

Cons

- Hard to explain/understand assessment changes with EQV as a factor.
- Difficult to continually lower assessment and also provide more and better service each year.
  - increases dependency on grants.
  - decreases discretionary funding for special projects.

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**FRCOG Municipal Service Programs**

- Accounting
- Cooperative Inspection
- Cooperative Purchasing
- Regional Health Inspection
- Regional Public Health Nurse
- Engineering and IT

Note: The FRCOG also operates three grant-funded programs: planning, teen health, regional preparedness.

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**FRCOG Host Agency Model**

- All programs are voluntary; only towns that want the service get and pay for the service.
- Programs are expected to be financially self-sustaining.
- Municipal Service Program staff are FRCOG employees.
- Towns have an annual service contract with FRCOG that automatically renews.
- Towns pay an annual assessment for service.

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**Pros and Cons of Host Agency Model:  
Staffing**

Pros

- COG can create full-time benefited positions with competitive salaries.
- Better employee retention.
- FRCOG assumes responsibility for personnel, quality of service, coverage.
- Efficiencies achieved by instituting same policies and procedures in all towns.

Cons

- Employees sometimes struggle with multiple bosses.
- Towns sometimes wary of/resistant to new policies and procedures.
- For some programs, staff are rarely at the FRCOG, always in towns.
- FRCOG has liability of worker's comp, retirement, etc.

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**Pros and Cons of Host Agency Model:  
Service Contract**

Pros

- Termination clause in most contracts of 60 days for either party.
- Clarifies responsibilities and expectations of the FRCOG and the Town.

Cons

- Contracts are fiscal year-based but some programs are not.
  - Accounting Program termination clause requires the FRCOG to close the books before leaving.
- 60-day termination clause can make staff and budget planning for host agency difficult.

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**Pros and Cons of Host Agency Model:  
Assessment**

Pros

- Assessment usually based on historic or projected service needs.
- In some programs, towns choose from a suite of services and pay only for those they want.
- Like the membership assessment, FRCOG has pressure to keep increases as low as possible from year to year.

Cons

- Basing assessment on service from past years can result in large fluctuations in assessment from year to year.
- Can be hard to balance budget and staffing from year to year.
- FRCOG has pressure to keep increases as low as possible from year to year.

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**Host Agency Model  
Other Realized Benefits**

- FRCOG is audited annually to ensure all financial management practices meet state and federal standards.
- FRCOG procurements meet Chapter 30B requirements for participating municipalities.
- Host Agency is neutral, which is not always the case with lead town model.

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**Host Agency Model  
Other Lessons Learned**

- Hourly fee for service programs are unpredictable and unstable.
- Towns, not the host agency, should identify new program needs.
- Start-up grant funding is helpful at a program's inception to test the assessment, structure, etc. but is not widely available.

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**Questions to ask before  
contracting with a Host Agency**

- How will the city/town have input into the governance structure of the program?
- How is the budget developed and decided upon each year?
- What is the cost allocation method?
- What are the expectations of the municipality and the host agency?
- What is the contract term and the termination clause?

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## Who can serve as a Host Agency?

- COGs
- County Governments
- RPAs
- Cities/Towns
- Education Collaborative
- School Districts
- Community Development Corporations
- Other Service Agencies

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For more information, visit our  
website at [www.frcog.org](http://www.frcog.org)



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# THE CONNECTICUT MODEL OF SERVICE SHARING

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Lyle D. Wray, Executive Director  
Capitol Region Council of Governments  
**Second Annual Regionalization Toolkit  
Conference**  
Worcester MA September 2 2010

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## Outline for Today

1. CT background
2. Shared service models
3. Opportunity that presented itself
4. Host agency roles
5. Host agency issues
6. Lessons learned
7. Challenges going forward

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## CT Background

- CT has 3.5 million residents
- 16 regional planning organizations of differing forms: COGs, CEOs, RPAs
- Counties abolished entirely in 1960
- Town home rule enshrined in the state constitution
- Myriad of "intermediate layers" between state and towns that overlap and are not coordinated as in many states
- More than 100 public safety answering points
- Limited state policy, data, performance measurement oversight
- Predicted state deficit looming of \$3.4 billion dollars

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### CRCOG is Involved a wide Range of Service Sharing

- Purchasing Council (including natural gas/electricity)
- EZ IQC (master contract for small public works)
- Central Connecticut Solid Waste Authority
- CAPTAIN mobile data public safety system
- Homeland security grants implementation
- Regional GIS system

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### CRCOG Track Record

- Joint purchasing council for 80+ jurisdictions
- CAPTAIN MDT system for half the state
- Regional GIS system
- Regional solid waste management planning
- Public safety and homeland security joint planning and implementation
- Information Sharing and Brainstorming around Service Sharing
  - Committees and groups within CRCOG (Policy Board, Municipal Services, Public Safety, CT e-Government Initiative)
  - Events (January 2007 Service Sharing Symposium with David Osborne)

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### Several Shared Service Models

- **Sell surplus on the margin** -- Counties or other large regional organizations (waste water, special purpose authorities) selling surplus service capacity at marginal cost which becomes lucrative for both buyer and seller
- **Inter-municipal service sharing** – that leads to myriad complexity of numbers in relationship (two towns or more), one service to many, etc.
- **Service Bureau or Consolidation** – Ohio state shared services as a case in point

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## CRCOG Opportunity

- One time Regional Performance Incentive Grants \$8 million statewide
- CRCOG secured \$5 million for ten projects
- Project list on CRCOG website ([www.crcog.org/service\\_sharing/index.html](http://www.crcog.org/service_sharing/index.html))
- Learning from our Towns (Summer 2010 Listening Sessions)
  - Feasibility: High savings and value with low resistance and political fall out
  - Build success for future efforts
    - High level of trust necessary for any project (build it or capitalize on it)

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### Project Specific Information

Information relevant to the 10 Regional Performance Incentive Grants that were awarded to CRCOG from OPM can be accessed through the links below.

[Animal Control](#)

[Digital Health Departments](#)

[IT Application Sharing and Development](#)

[Enhancement of Regional GIS](#)

[GIS Flight and Mapping Data \(OrthoFlight\)](#)

[Farmington Valley Trail Maintenance](#)

[Regional Traffic Team Investigation Unit](#)

[Regional Law Enforcement Data Sharing](#)

[Regional Law Enforcement Training Center](#)

[Updated Scope of Services](#)

[Regional Emergency Operations Center](#)

Please contact Jennifer March-Wackers ([jwackers@crcog.org](mailto:jwackers@crcog.org)) if you have any questions.

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### Service Sharing Documents and References

#### Principles of Service Sharing

- Any willing community should be able to participate
- Political will must be present
- Sharing should be practical and show perceivable benefit
- Project should be scalable (either duplicated or expanded)
- Document, document, document

#### Applications of Service Sharing

- **Joint services agreement** – 2 or more governments cooperate
- **Delegation** – one government designates another to conduct an activity but continues to provide oversight
- **Transfer of function** – one government transfers responsibility for an entire activity to another
- **Consolidation** – government transfers an activity to a new, separate entity

#### Connecticut Statutes that Enable Service Sharing

- 7-148cc (Joint Performance of Municipal Functions)
- 7-339 (Interlocal Agreements)
- 7-277a (Police Mutual Aid)

#### Templates and Documents

- **Fee for Service Template for Municipal Sharing of Staff and/or Resources**
- **CRCOG Legal Opinion and Sample Service Sharing Resolution**

#### Examples of Service Sharing

##### In Connecticut

- **Avon, CT - Canton, CT Service Sharing** (Assessment, Social Services, Animal Control)
- **East Granby-Granby-Hartland-Suffield MOU** (Building Officials)

##### Outside Connecticut

- **Massachusetts Mutual Aid**
- **Lewiston-Auburn, Maine**
- **New Hampshire Technology Transfer Center**

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### CRCOG Host Agency Roles

1. **Convening:** Originally solid waste management
2. **Joint planning and resource allocation:** Public safety and homeland security for disaster planning
3. **Joint procurement:** large number of commodities including gas, electricity, fuel oil
4. **Technical assistance and support:** 911 call center mergers
5. **Incubate and spin off:** Now a Central Connecticut Solid Waste Management Authority with staffing for 6 months
6. **Direct service provision:** regional GIS, CAPTAIN mobile data terminals for police

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### CRCOG Host Agency Roles

- CRCOG's roles as a host agency for service sharing goes back more than 30 years
- Roles extend from relatively "low intensity" as convener all the way through "direct service provision" with many intermediate steps
- "One size does not fit all" in terms of host agency roles
- Change over time
- Change with maturity of approach or technology
- Change with political shifts

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### CRCOG Host Agency Issues

- Funding for hosting
- Technical assistance, training and support
- Very complex projects in some cases such as regional online permitting systems – technically and small p political
- Always much more time consuming than expected
- Community resistance, project complexity, multiple actor delays

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### Lessons learned ...

- In many cases, towns can save significant dollars and get much higher capabilities by taking a regional approach
- Regional approach is harder and takes longer but can be successful
- Need early involvement from subject matter experts
- Once the institution is built, it is easy to expand in scope (additional functions/modules) and scale (additional towns/cities)

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### Challenges Going Forward

- Town home rule culture versus lack of information on the "go it alone" price premium -- lack of policy capacity to drive data informed decisions
- Self-funding models by towns: commission, fee for service, joint venture (scale, culture and history issues)
- Enterprise fund for innovation: source of funds, parameters (increase revenues or decrease costs)
- Flexible host role and flexible approach

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Thank you!  
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