



# Onondaga County Legislature

**DEBORAH L. MATURO**  
Clerk

**J. RYAN McMAHON, II**  
Chairman

**KATHERINE FRENCH**  
Deputy Clerk

401 Montgomery Street • Court House • Room 407 • Syracuse, New York 13202  
Phone: 315.435.2070 Fax: 315.435.8434

[www.ongov.net](http://www.ongov.net)

## CONSENSUS REVIEW ADVISORY COMMITTEE

May 25, 2017

**KEVIN HOLMQUIST, CHAIRMAN**

**MEMBERS PRESENT:** Mr. Sgromo, Mr. Kinne, Mr. Ulatowski, \*Ms. Hudson

**MEMBERS ABSENT:** Mr. Whorrall, Ms. Boyle

**ADVISORY MEMBERS PRESENT:** Mr. Knapp

**ADVISORY MEMBERS ABSENT:** Mr. Jordan, Mr. Carnie

**ALSO ATTENDING:** Chairman McMahon, *see also attached list*

Chairman Holmquist called the meeting to order at 9:05 a.m. He stated that water was mentioned at every one of the meetings, and is a high area of interest.

### **1. Questions and Answers with Mike Hooker, Executive Director – Onondaga County Water Authority – Michael Hooker, Executive Director**

Mr. Hooker introduced Bob Andrews, Government Affairs Officer; Jeff Brown, Legal Counsel/Communications Officer; Geoff Miller, Chief Operating Officer; Curt Marvin, CFO, and noted that they are water works professionals.

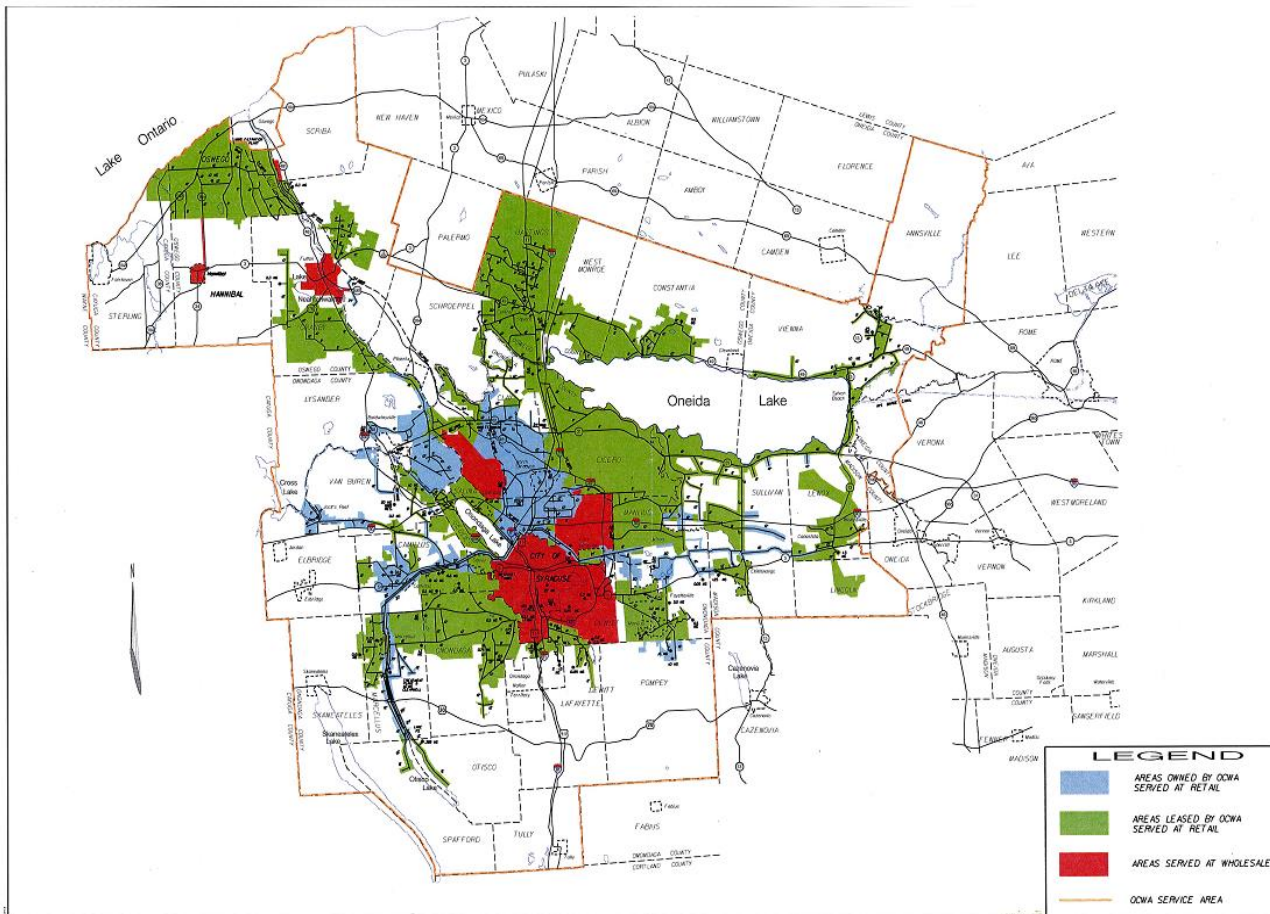
Mr. Hooker distributed a packet of information (*on file with Clerk*) and provided a history of OCWA.

- Formed in 1951 by State legislation; started operating in Dec. 1955 when assets were bought from NY Water Supply Corp.
- 1955 – 9,199 accounts – had Dewitt water system at the time, but OCWA didn't have a lot of money and sold it to Dewitt – would like to get it back someday; 134.8 miles of main, 403 hydrants, Otisco Lake was sole source of supply; average was 4.62 million gallons/day
- Today – 102,670 accounts including 101,302 metered services; 2,104 miles of main; 13,134 hydrants, 54 storage tanks, 41 pump stations, 3 sources of supply with combined capacity of 83 million gallons/day of which can move 73 million gallons/day into Onondaga County
  - Lake Ontario Plant - 60 MDB facility; can move 50 million gallons/day to Onondaga County from that plant
  - Otisco Lake Treatment Plant – gravity fed, 20 million gallons/day
  - Agreement with City of Syracuse – can take up to 3 million gallons/day – purchase from City of Syracuse to serve people in the southern part of the county, south of the city
- 1993 (year he started) – had 60,175 accounts
- Increase in accounts is 42,495; 20,000+ accounts is conversion of existing customers that were being served as wholesale, joined the OCWA system and now served by retail
- Other systems came to them that had their own existing supply, or people with private wells going bad and formed water districts – they built facilities and leased them to OCWA – about 10,000 account, 23.4%
- Remaining growth, 12,000 accounts, customers added through developer main extensions or town water districts scenarios that were already being served
- Looks like phenomenal growth, but really is conversion of systems,
  - i.e. East Syr. had its own water supply, considered to be ground water with influence – meant they had to either put in a treatment plant or find another source of supply. Danny Liedka was Mayor and came to OCWA; a deal was worked about and OCWA took over the operation/maintenance of that system
  - Recently took over Town of Camillus – they were facing a great deal of capital work; a deal was worked out. Part of the deal was that all of their employees go to OCWA. OCWA put a hiring freeze on – when Camillus people came on board they actually filled vacant positions – there wasn't added people. By doing that, it created

a pay back and use Camillus rate payers' money to build Camillus rate payer facilities, about \$3.5 million investment. In time it will be shared with aggregate and reinvested throughout the system.

- Minoa – Dick Donovan was Mayor – had the same people taking care of sewer, plowing snow, and taking care of water; OCWA took over the system and operations and those employees still work there
- Jan. 1, 2017 – consolidation with MWB, but over the years had been taking over MWB's facilities – East Hill tank in Marcellus, pump station tank and facilities were leased to OCWA over 25 years ago; same thing for Indian Hill tank
- 2008 – Metropolitan Eastern/Western Reservoirs were open – they were under order to cover them. Tanks were turned over to OCWA who built covered storage to replace them with OCWA funds – received recovery money, the last project funded in the State, and saved \$6 million to rate payers
- Plant upgrade done around the same time and received Environmental Facility Preparation State Revolving fund money for it – saved the rate payers about \$2.5 million in interest over 20 years
- 1955 – had 34 employees represented approx. 270 customers/employee
- Pre consolidation, Dec. 31, 2016 – had 139 full time equivalent employees, serving 734 customers per employee
- Post-merger – budgets were done separately before merger – done as if still buying water and planning for employees that way; Agreement was signed Dec. 30<sup>th</sup>. Figured combined staffs for the two organization budget wise would be 180 people. With additions and downsizing, are projected by the end of next year to get down to 172. This year will probably be 174.5 full time employees; currently today have 166 full-time equivalents.
- Filling positions this year are all in distribution/maintenance department – putting in a night crew to do specific valve operations, and specific maintenance; adding a few people into the department – only department that is growing; with technology have been able to keep the other departments about the same size
- On line payments system--34% of bills are paid on line or on the phone – basically has the same number of service reps today as did 24 years ago serving 60k customers, now serving 100k customers
- Post consolidation – mapped out some plans:
  - Jan 1<sup>st</sup> – had 33 more employees, Lake Ontario facility and, Administration facility, Terminal Reservoir, by Jan. 6<sup>th</sup> – techs converted all of their SCADA system to our OCWA SCADA system – took all the operators from their operating center and brought them to the Northern Concourse operating center
  - Feb - All people assigned to the administration building were moved to Northern Concourse building
  - Have essentially moved all materials out – except sample ports at operating station – they have to be moved to a separate location and had to wait till Spring to do it. By end of June – will be completely out of that facility; will turn it back to the county. The county is going to repurpose it.
  - Transfer of people – i.e. Metro had a storekeeper, OCWA had a position open and that person went into that position on OCWA payroll; a couple of other people did the same thing
  - Subsequently – a couple retirements, a couple of plans, a break here and there; all operators have moved into different jobs; 8 people of the 33 are now filling OCWA positions; 23 remaining from Metro are doing Metro Lake Ontario work; 12 -13 at water plant, the rest are in engineering or maintenance.
  - Going really well – did a proforma of the budget to cost and track everything
  - Shooting for \$1 million of savings by end of 2<sup>nd</sup> year, pretty confident will see it by the end of the 1<sup>st</sup> year
  - Have been some bumps in the road, but staff is up to it and addressing it.

Mr. Hooker referred to the map:



- In 5 counties, serving 50 communities, most retail. In Onondaga County – Clay is still wholesale, part of Town of Dewitt is still wholesale;
- Provide water to City of Syracuse as the need it on an emergency basis
- Wholesale - serving Town of Hannibal, Oswego Co.

Chairman Holmquist:

- Do you or your organization have any prioritization/opinion on Consensus report recommendations?

Mr. Hooker:

- Will look and consider everything; it's not a negotiation, it's a business decision
- I.e. Minoa, Camillus – had 3 or 4 iterations with them – it wasn't right for them or OCWA at the time financially, and we didn't do it. For every system OCWA takes over, wants them to be contributing to the bottom line to put into the capital program; averaging over \$10 million/year reinvestment into our system
- 1993 OCWA had about \$80 million in assets, today have about \$360 million in assets
- Only borrow about 1/3 of that money, the rest is cash invested in the system
- It is a business decision – has to be right for both entities

Chairman Holmquist:

- It is already happening, continues to happen; this is just an additional spotlight on what we are already doing in local government – this is not new

Mr. Hooker:

- Agreed – has been going on for quite some time
- Background – came out of private sector, Consumer Water Company (now Aqua America), where part of his job then was assisting in consolidations; when OCWA hired me, they wanted OCWA to run like a private company, that had the benefit of not paying taxes, so that everything made goes back into the system, which is what they have been doing – trying to keep rates reasonable
- On purpose industrial rates are at the bottom 10% nationally, below the median for residential use nationally
- Average customer pays about \$21/month, \$63/quarter – part of that money is all going into the reinvestment
- This year doing a \$9.3 million cash budget – not borrowing money; last year did about \$9.7 million cash budget – borrowing last year was to defease an older bond to save \$12 million over 20 years
- Our bottom line is next year's capital budget

- Had a 20 year capital budget of around \$250 million, and a 20-year budget of Metro of about \$400-\$500 million – going to try to cash fund as much of that as we can
- Water plant at Lake Ontario is 50 years old, they are making parts because they can't get them for the old equipment. Getting ready to put an RFQ on the street for qualified people to provide proposals for that plant design. Want to try to phase it in over a 4 year period. Tanks and electrical to be dealt with, the ultimate will be the water plant itself

Mr. Sgromo:

- For full disclosure – does some work with OCWA and the city
- One Consensus recommendation is the OCWA take over city system and then work towards taking over the towns; compare rates of the city, a typical OCWA customer, and Dewitt – how do residential rates compare

Mr. Hooker:

- Not sure about the Dewitt system
- City – with 2017 proposed rates, a typical OCWA customer of about 12,500 gallons/quarter pays about \$5/month more than City of Syracuse customer
- Thinks Clay is a little bit lower

Mr. Ulatowski:

- We are lower.

Mr. Hooker:

- They have water main services and hydrants; don't have the pump station or the tanks

Mr. Sgromo:

- How do source systems compare – Skaneateles comes through by gravity; pumping out of Ontario, etc.

Mr. Hooker:

- Because the rates are down so low this year, the \$2 million estimated electrical budget looks like it will be less than \$1.5 million
- Right now it is a blended rate, averages \$.03/day – down substantially from a year ago

Mr. Sgromo:

- Grant procurement – hardships are huge factor; if OCWA took over the city, would it negatively impact the ability to procure grants to do some of that infrastructure work within the city

Mr. Hooker:

- Does not know, but thinks that if you were serving the city... (referenced past examples, i.e. State revolving fund, Dept of State Grant for consolidation between \$3.7 and \$4.4 million based on upfront costs and projected savings); in process now LEA Grant program – pursuing projects with the county on generators – have the avenues

Mr. Sgromo:

- If you get a hardship – City of Syracuse applying for a grant for water infrastructure vs. the county, it may be a different weighted system, scoring; curious if we would be missing opportunity if county and city systems merged for the city to go and procure some of that huge pool of money for infrastructure work

Mr. Hooker:

- Does not know the answer specifically, but on the the big issues right now with EPA and the State is that they look at capacity. They look at OCWA's capacity, have been working with us, so thinks that would work in their favor.
- They now look specifically at the project – look at City of Syracuse with mean household income – would work in favor of funding as opposed to against

Mr. Sgromo:

- Could the city, or compartments of the city be boxed out?

Mr. Hooker:

- They have been compartmentalizing and looking at the specific project and not looking at the system as a whole.

Mr. Sgromo:

- Consensus says it is saving \$30 million, concern is are we giving up \$30 million in water system grants that we won't be able to procure because all of a sudden, i.e. Dewitt, Manlius, and everybody else gets weighed in with the city and the hardship isn't there

Mr. Hooker:

- With other grants, OCWA was given a very short window to turn it around and were able to put the application in, and convene a special board meeting, and do something in two weeks.

Mr. Sgromo:

- It's a definite efficiency of an authority

Mr. Hooker:

- We can be very opportunistic; deadline for these programs going on now is June 23 – have 4 or 5 to pursue – already have the SEQRA declaration done and are working toward being shovel ready; have been successful

Mr. Kinne:

- Referred to the map - why is the orange line the service area; how was it picked?

Mr. Hooker:

- Enabling legislation originally started out with specific towns in Onondaga Co.; every time we went into a new town it was a home rule issue they have to go to the state legislature to be added, the whole town is added on
- We outline the towns that we serve, but the areas served are colored in

Mr. Kinne:

- You can't serve Fabius?

Mr. Hooker:

- We are not serving in Fabius right now. It mostly because of physical ability – it's up hill.

Mr. Kinne:

- How many water department are there in Onondaga County?

Mr. Hooker:

- OCWA, City, Baldwinsville, small system in Tully, small system in LaFayette, Clay, Dewitt
- Used to be over 30

Mr. Kinne:

- Asked Mr. Ulatowski – why is it cheaper to have your own department?

Mr. Ulatowski:

- Doesn't know that he has the answer – are buying water wholesale, marking it up for cost of delivery and maintenance; economics work out that it is between 8%-10% cheaper than retail from OCWA

Mr. Hooker:

- They don't have any pump stations – they use our pump stations and tanks – they don't have the cost of operating or maintaining a system

Mr. Kinne:

- Does selling them water cover the cost of OCWA pump stations?

Mr. Hooker:

- Yes; they are contributing towards our capital program as well.
- Will do a cost of service study to re-evaluate it next year – by doing so it tells us what we should be charging

Mr. Kinne:

- City is the biggest area served as a whole – what would be the disadvantages to taking it over

Mr. Hooker:

- A couple of things to consider--it's an old system that needs a lot of work; they are losing about 55% of their water – a lot of breaks to be addressed.

Mr. Kinne:

- Aren't most of the leaks coming from Skaneateles Lake?

Mr. Hooker:

- Not privy to that – knows it is between Skaneateles and the customer – losing 55%/day
- Did the math – if comparable, our daily demand before we sold any water to customers would be 80 million gallons/day, which we don't have
- Would need 120 million gallons of facilities vs the 83 million gallons that we have
- There is a lot of loss – probably \$200-\$300 million of investment there
- The other thing hanging over their head the the filtration avoidance permit – they have a permanent waiver right now, but if for some reason they wound up losing that waiver, would be looking at a \$100-\$200 million water treatment plant – a huge capital investment
- Always have to continue to look at change in regulations
- Read a couple of years ago that the Mayor estimated \$400-\$500 million investment in the system, that is probably not too far off – a huge lift for everybody

Mr. Sgromo:

- Why would you want to take it over

Mr. Hooker:

- In time one unified system for the county is probably the way to go
- There are some duplications – might be able to generate some savings there, but there is also the issue of funding for different things that the city does – Sewer and Water Dept. – that's a big issue
- There's a lot to be worked out; it's a business decisions – would have to be right for the city and for OCWA to do it
- Have looked at it some, but haven't really gotten into the detail

- When we do a consolidation review, we look at what it is going to cost to operate it and what it is going to take capital-wise over the next 20 years.

Mr. Sgromo:

- The recommendation that is in the Consensus report says that OCWA should take over the city – nobody has done the real numbers yet, long-term
- For disclosure – I have property in the City and Dewitt – have 3 water bills: Town of Dewitt, OCWA, & City of Syracuse Water – one way or another I will get impacted
- When you think about it, and how much it takes to replace water mains, it is a big, monumental task
- This is very nice, and everyone wants you to decide this in the next month, and are talking \$200, \$300, \$400 million impact to somebody. How do you decide that in a month?

Mr. Hooker:

- It will be a \$200 - \$300 million impact to somebody whether consolidation happens or not.
- You can't keep going on the path you are on; you have to reinvest in the system
- Could drop \$400 million on the city tomorrow, and it will take 20 years to fix it – can't dig up every street at the same time
- When you look at the I-81 and Rt. 690 work going on, you'd come to full gridlock; would need a lot of coordination and planning to get that work done. OCWA has been doing it for 23 years and have invested \$250 million in the system and have a lot more to go.

Mr. Sgromo:

- When reading it, he marked the page “makes total sense” and something to be discussed right off the bat
- But it is all in how do you make this work, who gets impacted and are we losing grant money

Mr. Hooker:

- It's a big question – it is something where we can talk to the officials to make sure that it wouldn't be a negative impact

Mr. Sgromo:

- Could everybody run the number on this in the next month, or between now and November, when somebody is asking to send this thing out to a vote?

Mr. Hooker:

- It would take some time.

Mr. Sgromo:

- It's a monumental task.

Mr. Hooker:

- Quite frankly, the ultimate way to go would be a community-wide comprehensive water plan; not done by Syracuse or OCWA – needs to be done by a 3<sup>rd</sup> party – so it doesn't look like we have specific interests; it needs to be done by the community with input from everybody

Mr. Sgromo:

- I agree 100%.

Chairman McMahon:

- Regarding are we leaving any grants at the table – we are. The City of Syracuse hasn't successfully received any grants over the last 12 years. There is clearly a need; if they are trying to do it, they are doing a bad job.
- City of Syracuse raids the water fund each year \$2.3 - \$2.4 million to give it to their general fund.
- When you hear a lot of the debate about investing in the infrastructure, even if the \$400 million came right away you couldn't get it all done at once - would be spent over decades
- Money taken from the water fund to pay for people at City Hall - \$2.4 Million is a \$50 million bond; would have a stronger argument to the grant source and say that we are going to put \$50 million in, you put another \$50 million in and then you go at it
- One of the reasons to consider it is that we are losing 55% of the most valuable natural resource our region has.
- In the next 10-30 years, there could be war swells over water.
- The fact that we have it and are losing it, is that we are losing an economic opportunity that would benefit everybody.
- Asked Mr. Hooker - knowing the factors we know, have you looked at a model that might be different than a full takeover – maybe a management of the City Water Dept. where maybe find savings through attrition

Mr. Hooker:

- Not really
- When you think about it, the system is really kind of a contract operation.
- If the money is going to general fund, and then looked at some consolidation, you might be able to fund a great deal of capital with their existing monies without having a major impact on rates. Could be done in a way where you phase in rate increases over time so it gets to be an equivalent of Syracuse and OCWA rates; phase it in over time to lessen the impact

- Get a lot of the work done with the existing money from the existing customers

Mr. Sgromo:

- I picked it up in the minutes about the money going to the general fund – to me is a huge “no no” – you are balancing your budgets in a real fictitious way
- They do a great job managing their system, have the staff – my concern it’s got to be done right
- It’s hard enough to do a town district merge with OCWA, now trying to do this massive thing; it’s not that I don’t think it should be done – I think it should be done and done in the right way
- If losing 20% of the grants – maybe we should merge the grant writing system – making sure the city is utilizing every grant available to them
- There is huge money out there for water systems right now; if the city can’t get grants for their water system, then something is amiss

Mr. Hooker:

- At the state and federal level there is finally some recognition that there needs to be some money going into water infrastructure

Mr. Sgromo:

- If we miss this cycle, we are going to be in trouble with the city.

Mr. Hooker:

- Nationally, GOA says that water and wastewater combined over the next 20 years there is approximately a trillion dollars of reinvestments – it’s substantial and they are finally taking some steps to do that - new programs to provide low cost funding and grants; the timing is right to start attacking the issues

Chairman McMahon:

- Has talked to the supervisor before about Clay – essentially they don’t have a lot of the infrastructure, legacy costs that require debt service. Right now it makes sense for them to do what they are doing – at some point it might change.
- Dewitt – don’t they have more infrastructure they have to maintain?

Mr. Miller:

- They have pump stations and tanks – not sure what conditions they are in; at some point they will need improvements.

Mr. Hooker:

- That’s what happened with Camillus – review was done and they were told they needed to \$3.5 million in capital improvements

Chairman McMahon:

- There is an immediate opportunity in Dewitt – leadership there may say they like it the way they are and willing to pay more
- Guesses that the Consensus group put in the report what they did because there is a dire need for infrastructure in the city, but it is a bigger apple and you need to know what you are doing when you get into it
- It should be studied and something should be done; maybe people in the community don’t feel comfortable giving the whole thing over to OCWA, but maybe it is some sort of management agreement
- I think Consensus may have missed an immediate opportunity here by looking at Dewitt, which has the infrastructure.
- Have heard debate in the community on whether the merger (MWB/OCWA) saved money or didn’t – it clearly saved money.
- Had a \$50 million request for capital at MWB that would have raised rates tremendously, but because of this merger now OCWA will be able to make those improvements without passing it out to the rate payer. It was a tremendous success.
- Are those types of opportunities there for Dewitt – is that the immediate one we could point to; do real planning on the bigger one. By then Clay may be ready too because it may be years down the road.

Mr. Hooker:

- Supervisor Ulatowski and I had talked 5 years and ago, and I had a talk with Dewitt over 20 years ago.

Mr. Ulatowski:

- We have a regular dialogue and when it’s right, we will pull the trigger.

\*Ms. Hudson arrived at the meeting.

Chairman McMahon:

- Supervisor Ulatowski can justify to his constituents all day long why they aren’t doing it – it’s not the right business decision.



- But if it is the right decision and can save rate payers in Dewitt money, and for whatever reason, they just don't want to do it, then it's good to have that debate.

Ms. Hudson:

- Agrees with comments that City infrastructure needs repair
- City is actually making money with water – trying to think this through and figure it out

Mr. Sgromo:

- From a budgeting standpoint, I'm not sure you are even allowed to do that. If it's water, it's water; if it's sewer, it's sewer – it's like the city is fixing one hole from the other – kind of letting the roof of your house fall apart while taking care of the other immediate crisis.
- Concerned from a long-term standpoint. Not maintaining the water system, while making money at it, it is getting worse every day

Ms. Hudson:

- To a degree – right now we are actually repairing in Skaneateles; there are things that are happening

Mr. Sgromo:

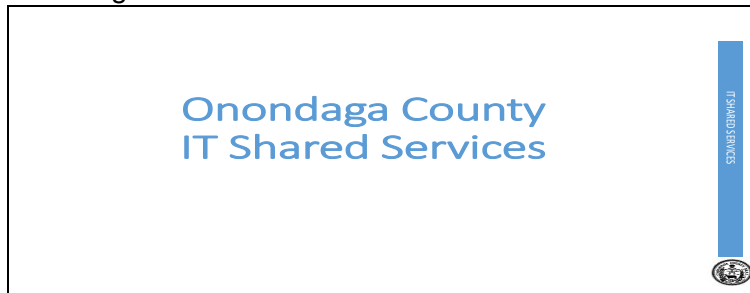
- There are other problems – we haven't talked about the other problems that are forcing you to do stuff like that.

Chairman Holmquist:

- It's a big problem; it sounds like it's not going to be solved by August 1<sup>st</sup>.
- Appreciates all of the OCWA representatives coming in and thanked them

**2. Questions and Answers with Kevin Sexton, CIO – Onondaga County Department of Information Technology**

Kevin Sexton provided the following:



Mr. Sexton:

- Came from private sector – coming to the county there is a big emphasis on project management
- IT teams exist to support the business, specifically business processes; our job is to not only support them, but to make them more efficient
- County has pretty big team with diverse skill sets – opportunities there from economies of scale to promote some of these services to other sites, department, external entities as needed
- IT in the county has been in the business 30 years – have expanded it quite a bit over last few years
- Big opportunities for cost savings – seeing it across the board; benefits more than county – the entities that receive our services



# High Level Service Catalog

Category	Service
Software	Software Distribution, Licensing, Implementation, Licensed Software, Web Developer Tools, Consultation, Procurement
Support and Training	FAQs, Online Help, Training Programs, Teaching and Learning, Knowledge Sharing
Networks and Connectivity	Wi-Fi, VPN, LAN, WAN, Network Monitoring
Messaging and Collaboration	Email, Instant Messaging, Mailing Lists, Calendar, File Sharing, Fax
Voice	Mobile, Telephone, Audio Conferencing, Video Teleconference, Radio
Accounts and Access	Identity Management, Guest Accounts
Cloud Services	Provisioning, Consultation
Data Center	Off-site Storage, Facility Management
Hosted Services	Web Hosting, Database, Data storage, Backup Services, Content Management
Security	Security and Privacy Policy, Disaster Recovery, Network Monitoring, Penetration Testing, Training,
Video	Audio and Video Equipment, Television, Monitors
Print	Printing, Copy, Printer Maintenance
Infrastructure	Web Services, Wiring Services, Load Balancing, Mainframe, Wireless Access Points
Hardware	Desktop PC, Laptop, Mac, Mobile Device, Server, Accessibility Resources, Tape Management
Professional Services	Strategy, Planning, Project Management, Document Management, Application Integrations, Digital Asset Management

IT SHARED SERVICES



- Supports various aspects of these services

## County IT Service Requests

- Services between 700 – 800 Helpdesk / Service Tickets Monthly
- Supports around 32 County Departments
- 60 Plus County sites
- Supports dozens of agencies,
- Supports 19 Towns & 18 Villages

IT SHARED SERVICES



## County IT Application Services

C2 – Criminal History Arrest & Incident Records System (formerly CHAIRS) –

- support about 40 Law Enforcement Agencies

IT SHARED SERVICES



Chairman McMahon asked if we support villages from other counties. It was noted that there are only 15 villages in Onondaga County. Mr. Sexton said that we are not – that number is incorrect.

- Re-wrote and implemented it over a year ago – a much more modernized system now
- Critical application – not only for their protection but also in support of how they do their job, how efficiently they are able to track down criminals, crimes, and those on warrants

### County IT Application Services

C2 – Criminal History Arrest & Incident Records System (formerly CHAIRS)

- support about 40 Law Enforcement Agencies

Taxes

- Print School Taxes
- Print Town & County Taxes
- Print Village Taxes
- Process Delinquent Taxes

IT SHARED SERVICES

### County IT Application Services cont.

County Clerk Records Application

- Abstracts & Deeds, Real Property Data for Assessors & Abstractors
- Abstracts & Deeds for 19 Towns
- Public Access to:
  - Mortgage
  - Deeds
  - Litigation Pending (Lis Pens)
  - Judgements
  - Liens, etc.

IT SHARED SERVICES

### County IT Hosting & Enterprise Services

Syracuse Airport

- Purchasing

City of Syracuse

- Budget, Financials, Purchasing, Receivables, Payables

Otsego County

- Purchase, Budget Check, Suppliers

Oswego County – coming soon

- Purchase, Budget Load, Budget Check, Suppliers

IT SHARED SERVICES

- PeopleSoft Financial System:
  - 3 years ago brought on Syr. Airport to do their purchasing – it runs internal on our application at the county – requisitions come through & processed at the county; purchase orders go out; county handles all of the purchasing for them- been a successful model
  - City of Syracuse – biggest shared service in this space – county hosts their financial systems; leverage the licensing, save them an initial investment of \$2,000 plus they didn't have to hire systems administrators, database administrators and supporting staff – county does that based on economies of scale – already doing that; confident that going forward we save them \$200-\$300,000/year just in staff and maintenance cost for hardware/software
  - Otsego Co. – brought on last year to do their purchasing – use our system to submit purchase requisitions – our purchasing team does the purchasing for them; successful model. Initially a little bump on their side – they changed their business model re: threshold in terms of dollar amount needed to dispatch a PO.
  - Oswego Co. – working on now – similar model to Otsego, but may possibly load the budget onto our system so we can do a budget check for them

### County IT Enterprise Services

Syracuse City School District

- Purchasing (via SCSD's PeopleSoft System)

Towns & Villages

- Sharepoint in the Cloud for Contracts Documents

IT SHARED SERVICES

- School Dist. Already had PeopleSoft – our staff works on their system and handles the purchasing

Ms. Hudson said that the City pays for PeopleSoft also and asked what the difference is. Mr. Sexton said that you pay for the user licensing; you saved money—didn't have to get Oracle database licensing, didn't have to pay for computer servers, and PM ware licensing.

Mr. Sgromo asked if every computer/seat that has PeopleSoft on it has to be paid for by each group-they buy it separately. Mr. Sexton said that is goes by the user, but that's how it works out in the end.

- Towns/Villages – working on initiative now - sharing contracts with them

### County IT Print Services cont.

Graphics, Specialized Print Services (upon request)

- Libraries
- School District
- Towns, Villages

IT SHARED SERVICES

- On occasion provide for the above based on requests; have sophisticated print shop – can do pamphlets and special brochures

Chairman Holmquist asked if it the City School District or all of the school districts in the county, or any that comes to you. Mr. Sexton said that it is anyone that requests – is not aware of all the ones that work has been done for – will provide that data.

### County IT Consultation Services

- Software, Hardware research, recommendations
- Cloud, Subscription Based Services
- Wireless, Wifi Access
- Workflow analysis
- Solutions recommendations
- RFP Review, recommendations
- Scan, Document Management Services
- Voice, Phone Services
- Internet Services
- Web Content, Image Management

IT SHARED SERVICES



- Not only for our county resources, but on occasion vendors need our assistance, and other entities when working with us


- Helped Town of Clay recently with an RFP recently – looking for technology services

### County AV / Presentation Services

Mainly for Vendors, Customers, etc.

- Projectors
- Audio
- Video, Video Recording
- Online Streaming
- Posting to the Web – Outlook, Facebook as requested

IT SHARED SERVICES



### Future Shared Services Opportunities???

For Towns, Villages, School Districts other Regional Municipalities:

- Financial Services
- Tax Collection
- Timekeeping, Hours Worked, Time Off
- Payroll Processing
- Helpdesk, PC, Device support
- Share / Host Server, Virtualization, Storage
- Voice Phone Services
- IT Purchase, Acquisitions
- Leverage existing Licenses – Databases, Enterprise
- Network
- Internet Services

IT SHARED SERVICES



- A lot of opportunities for towns and villages
- Modernizing payroll system – have had inquiries from other municipalities on providing that service –not there yet but feel it can be provided shortly down the road
- Helpdesk/PC/Device Support – stand up successful model – bringing on town or village is realistic
- Hosting servers/virtualization, storage – existing model we do for PeopleSoft can apply on other applications
- Voice Phone Svcs- rolling out sites all of the time- adding on a town/village is not a problem
- Internet Services – stood up 60+ sites

Mr. Sexton:

- These are opportunities; it's a win/win – actually more of a win for a town/village – use our expertise and save money, and have a team that has been successful in all of these skill sets

Mr. Ulatowski:

- Is PeopleSoft the driver between most, if not all, of your software?

Mr. Sexton:

- It's a driver behind all of our financial processing; it will become a driver around HR, payroll, and benefits

Mr. Ulatowski:

- You are still integrating PeopleSoft into more and more applications throughout the county

Mr. Sexton:

- Correct, but we support/host a lot of application environments
- Our law enforcement applications are written in JAVA – different technology, but interface wherever we need to
- Have interfaced PeopleSoft with a number of applications – have developed new applications – have just implemented a time/entry application so people can track their time against projects and amount of hours they spent working for other departments so we can interdepartmentally bill other department and report on that

Mr. Ulatowski:

- For future of shared services – if the Town of Clay were to get on board fully with this, we wouldn't just have PeopleSoft handling all of our software need. It would be additional programs or applications that would also have to integrate to our system.

Mr. Sexton:

- If you chose to use those services. If you chose financials, it would be using PeopleSoft. If you chose another application, you would use that.

Mr. Fisher:

- Budgeting would be one example--the same vender, Oracle, provides Hyperion and we build our budgets in it; we then load it into PeopleSoft, but you could load it into whatever accounting package you have

Mr. Ulatowski:

- We do water billing, invoicing through Highway Dept, and taxes – all different proprietary systems from the vendor we have had for years
- If I were to embrace this concept, would I have to re-configure all of those different applications to make sure it worked with your system, or would your system handle it?

Mr. Sexton:

- For those specific proprietary systems, they would have to run somewhere
- You would have to decide if you would want them to run on premise at your site or with the county
- Could see it as the County having to host that application for you
- If you have very specific needs, i.e. we don't have any water processing applications

Mr. Fisher:

- The City does, and the City still runs their water bills, but they bring them into the general ledger through what County IT hosts for them
- There was some work that IT had to do with their vendor; Oswego will have to do work to interface – a core competency the Mr. Sexton has

Mr. Sexton:

- Wherever integration is needed to bring that financial information in on the GL, we'd have to create the integration point – have done it over and over – fairly straight forward for us
- Decision has to be made from town/village – to run the application on premise, if so we can port data over to us over the network, or can host it for you
- Other Non-PeopleSoft examples: SharePoint – Microsoft's biggest document management software; also can administer email; let all application environments work together as need or as not needed.

Ms. Hudson:

- City has spent quite a bit of money on PeopleSoft – do you see it as being stable; the University was suing it and went away from it – not sure why they left

Mr. Sexton:

- University is still using PeopleSoft, but went away from it for their academic application
- PeopleSoft has a big market share; are going to be a big player in the game forever, for the unforeseen future; they have a great application model; have the ability to easily leverage other applications and business processes
- We are into it for the long haul; have gotten support from Oracle, the parent company, that they are going to support this thing down the road
- We have a lot of other counterparts that are PeopleSoft and are big believers in it and are doing the best to make it work for them

Mr. Sgromo:

- Is it very expensive compared to other programs

Mr. Sexton:

- It's not cheap

Mr. Sgromo:

- We use programs that aren't cheap either, and have such a big market share and such a lock in things that there is no choice, i.e. AutoCAD

Mr. Sexton:

- There is a big upfront investment, not only in terms of funds, but resources too, but it is so configurable and so customizable that you can tailor it to your work load. That is why it has been a success for all of these years and been adopted by thousands and thousands of organizations.
- We all know there is a lot of work that has to go into it to get it to work.
- We feel that PeopleSoft Financials is working very well for us now. It took a while to get there, but it is a success story for us now.
- We have to do the same for the payroll side as well.

Chairman Holmquist:

- On PeopleSoft, as this process goes forward, you are obviously likely to get lots of questions on it.
- To go back before Mr. Sexton was here, in the county budget go through the presentations started back in 2012 or so, we were told we were going to get so many modules for this much money.
- Every year it didn't hit the target, and now it's over budget millions and millions of dollars
- There is a high sense of frustration I believe on everybody's part for that, understanding what you said – there is going to be a natural push back – because of that history. It is going to be have to be proven to everybody that there are good reasons why it was millions and millions of dollars over budget, and reasons why we only have this many modules implemented, when we were told we are going to have this many.

- The story changes every single year. At some point when does this type of stuff end and are we actually going to get what we were promised in a budget, Intermunicipal agreement, or however it pans out in the future. That is the number one obstacle we are likely to face.

Mr. Sexton:

- I know that PeopleSoft has been the dirty word.
- It took a couple of years, but at least with the financial module, we are starting to see that return on the investment. It took a number of years to get there – 3 or 4 years, took a lot of resources to configure it to the point that it is functioning well – the auditing is working well, the reporting is working well, it's doing what it needs to do and is proven for other entities.
- We need to do the same for some of the other modules, specifically, the human capital management module. I agree, that it has taken way too long, and we had some mistakes.
- We had an implementation that cost a lot of money that didn't work for us; we are still reeling, but are moving in a positive state and getting very close. I know that it will be very successful once it is in, but has taken a longer time to realize that return on investment, but I know we are going to get there.
- We are actively looking at some of the other modules that were purchased and whether there is a need for them still or if there is an opportunity to get a credit back for those and put them towards other modules that we know we are going to use. It's not going to be wasted money, not entirely anyway.

Chairman Holmquist:

- Other than the PeopleSoft push back issue, what other issues do you encounter when you are approaching other municipalities; what other objections or reasons are they given to why they aren't utilizing the IT services

Chairman McMahan:

- Do they know? What are we doing to get this presentation out to all of our partners? I had no clue we did all of this for towns/villages.
- There is a lot of anxiety in the community over the state mandated shared services, but this seems like something pretty easy that you can go to that committee with.

Mr. Fisher:

- We have been trying to get our own house in order, and we made a change in leadership in the IT Dept.; we think we are in a strong position now; didn't want to get ahead of ourselves when we really weren't doing as well internally.

Chairman McMahan:

- That's good; this is news; I'm not being critical. We have built the infrastructure, invested all of this money in the county, and if the county doesn't directly save the money, but we may, through IMA's, be able to document savings to villages and towns.

Mr. Fisher:

- Through Oracle, for example, we have licenses for the budgeting system, PeopleSoft system for all of the towns and villages.
- We also negotiated on behalf of the city to get them a really good deal. Most of the money goes to system integrators that came in and worked for you (city), but the money that goes into the database and application we negotiated off of our bulk purchase. For the towns and villages, we got theirs for free. That's been our model. They don't really sell to villages; they like to stay in counties, so they are willing to throw in for free to get our business.

Mr. Sexton:

- I think we want to prove some of these models and make sure we are effective in providing these shared services. Now, we start looking at it like, "hey we are already doing this."

Chairman McMahan:

- Payroll – there is probably real human capital with that – real opportunities there for some real savings for municipalities
- There are some interesting things – if you are ready to go, then make that happen; these are great services to some of our partners.

Mr. Sexton:

- Payroll model – we are not there yet, but know we are going to be there. We are transitioning the system. That one we will probably need to table, but have had inquiries from other municipalities on it. They like the idea of us possibly administering it down the road.

Mr. Knapp:

- A quick shout out to Mr. Sexton – has don't a lot of work with some of the more rural towns on high speed internet access, in a lot of areas where there is none.
- GIS arena - a lot of work has been done and could be expanded. The Planning folks have done a lot of work already.

Mr. Sexton:

- Thinks it's a great idea; there is probably great benefit on the county's side too to have those resources shared. They are working on that system continually for all of the new additions within the county. The Planning team is really good at it.
- I want to have follow up meetings with the legislature on the next phase of broadband. Don's team (Jordan, SOCPA) was instrumental in giving us great maps of the locations within the county that are either unserved or underserved. Seeing how well that was put together, thinks it's a great idea for the towns & villages and whoever else has these types of services to share resources.

Mr. Knapp:

- The assessors, planning folks, etc. could benefit.

Ms. Hudson:

- Is NYS on PeopleSoft?

Mr. Sexton:

- NYS has PeopleSoft.

Mr. Fisher:

- That is one of the advantages
- It is a complex system; it is expensive; it takes longer and more money than you would expect.
- The City School District runs it, the State Financial Operations with over 1,000 people run it; City of Syracuse is running financials. SU was looking to move away to Work Day, but decided to stay with PeopleSoft and upgrade to the latest version.
- We now have meetings every other month with the City, City School Dist., SU, and County. A shared services panel is looking at things and standardizing many.
- It doesn't matter if it is PeopleSoft or something else; running 5 of these things is bad.
- Whether we picked the right one or not is immaterial now because we all did it, but we can benefit by sharing knowledge, practices, consultants, buying and everything else.
- Whenever looking at shared services, standardizing across the towns, village, school districts, can be a savings in itself.

Chairman Holmquist:

- Referred to the graphics and specialized print services that we provide for libraries, school districts, towns & villages--do we charge for those services?

Mr. Sexton:

- We charge for those at a very competitive rate; in fact, it comes in a lot cheaper.
- Our team is great about saying "You know what, Kinkos can do this cheaper than we can." That is how up to speed they are on this stuff.
- There have been a lot of things that we can deliver at a half or a quarter price too.

Chairman Holmquist said that the guest speaker for the next meeting (June 8<sup>th</sup> at 9:00 a.m.) has not been finalized; it will be based upon availability from the list that everyone had provided. There are two pre-scheduled meetings in June. He asked people to start thinking about the June 22<sup>nd</sup> meeting, where the committee will start formalizing some recommendations. There will be a third meeting in June if necessary, depending on how together we are in the recommendations. He asked member to start reviewing the minutes and putting thoughts together and any recommendations to have in print on the 22<sup>nd</sup>.

Mr. Sgromo asked if these will be recommendations on everything or on what we have actually discussed around the table. Chairman Holmquist said that they don't have to be on just the guest speakers that we have had – anything in the report is open. We all took our lists to do the low hanging fruit--we are focusing on "the what", and "the who", and "the how" is going to be up to the affected municipality. We are not going to tell the city, or the town, or the village "this is how you should do it." It is a process, not an event, and we are advisory. It's not "Hey, I think we should have a metropolitan police force"; it's what we think we can actually get done in short term for purposes of this committee to be productive and move the ball forward.

The meeting was adjourned at 10:20 a.m.

Respectfully submitted,

DEBORAH L. MATURO, Clerk  
Onondaga County Legislature

ATTENDANCE

COMMITTEE: *Consensus Review*

DATE: *5/25/17*

NAME	DEPARTMENT/AGENCY
<b>PLEASE PRINT</b>	
<i>Kevin Sexto</i>	<i>OC IT</i>
<i>Bob Andrews</i>	<i>OCWA</i>
<i>Geoff Miller</i>	<i>OCWA</i>
<i>Jeff Brown</i>	<i>OCWA</i>
<i>Curt Marvin</i>	<i>OCWA</i>
<i>Mike Holzer</i>	<i>OCWA</i>
<i>Darcie Lesniak</i>	<i>LEG</i>
<i>Nick Paris</i>	<i>LEG</i>
<i>Arthur Karpinski</i>	<i>WSP</i>