

A Review of Collaborative Options for Functions and Facilities

City of Tonawanda &
Tonawanda City School District

January, 2009

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Prepared for:
**City of Tonawanda &
Tonawanda City School District**

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SUMMARY

In 2007, the City of Tonawanda and Tonawanda City School District were awarded a grant through New York State's Shared Municipal Services Incentive (SMSI) program, with the goal of reducing costs and improving service quality through a more collaborative working relationship.

Following a Request-for-Proposal (RFP) process in early 2008, a steering committee of City and School District representatives selected the Center for Governmental Research (CGR Inc.) to complete the shared services study. The committee engaged CGR to review current City/District processes in three functional areas: Purchasing, Maintenance and Technology. In addition, the committee asked CGR to explore the cost/benefit of potential collaborative opportunities in the use of City and District facilities.

This report summarizes CGR's analysis of the three functional areas, and presents cost/benefit analysis for a series of potential collaborative facility options. Key findings and recommendations include:

General

1. Establish a joint intergovernmental cooperation committee, co-chaired by the Mayor and School Superintendent, empowered to meet regularly and identify, analyze and develop implementation plans for opportunities to work collaboratively.

Purchasing

2. Consider aggregating the separate City and School District heating, ventilation and air conditioning contracts into a single bid package.
3. Incorporate at least a portion of the School District's refuse collection into the City's solid waste program.
4. Explore the potential for consolidating health insurance offerings through a single carrier, and bid them as a single package.
5. Consider centralizing the City's internal purchasing process, perhaps vesting it in the Treasurer's office, to provide a front-end coordinating mechanism capable of administering all procurement.
6. The City should immediately explore energy procurement options available through existing intermunicipal utility pools.

Maintenance

7. City Public Works should provide a single snowplow run through District bus loops as part of its normal plowing routes through neighboring streets.
8. Consider reinstating the former cooperative fee-for-service arrangement for basic maintenance of School District vehicles by City Public Works.
9. Standardize supplies and equipment used in facility maintenance to enable economy of scale opportunities through bulk procurement.

Technology

10. Consider a service agreement between the City and School District to provide the former with network administration and tech support on an as-needed basis.

Facilities

The City and School District also asked CGR to review a series of potential options regarding public facilities. CGR found the following:

- Relocating the football stadium to the High School, making it state-aidable and opening the current site to development, would cost \$1.4 to \$2.1 million;
- Relocating a new City Hall elsewhere in the City would cost \$7.9 to \$10.9 million, but would produce property tax benefits through redevelopment of the current site;
- Consolidating from four elementary schools to a single elementary campus would cost \$17.1 to \$32.7 million (depending on option chosen), but would produce operational savings of nearly \$1 million per year; and
- Redeveloping current elementary school properties as residential could produce cumulative 20-year property tax impacts of \$2.2 to \$3.4 million per site.

In considering any school capital costs, it is important to note that certain facility expenditures incurred through any option would not necessarily be borne entirely by local taxpayers. The District would be eligible for certain state building aid, an expense-driven reimbursement of capital facility costs that, according to the District, is currently reimbursing at a rate of nearly 89 percent. Second, the District intends to seek voter approval for a capital reserve in May 2009. The reserve, which is already fully funded at \$500,000 and which the District intends to additionally fund in future years, would serve as another offset to any capital construction costs.

Acknowledgements

CGR acknowledges the many individuals interviewed for this study. Their candid assessments of the issues, and suggestions for improvement, evidenced a strong commitment to Tonawanda and its residents. In particular, we acknowledge the work of the project steering committee: Peter Michaelson, Ron Pilozzi, Sam Iraci, Jim Weber, Barbara Peters and Don Witkowski. We also thank members of the public who attended the public forum to offer input on this study and Tonawanda's future.

Staff Team

Joseph Stefko and Scott Sittig were the primary researchers and report authors.

Lewis Childs Architect provided detailed analysis of the facility options.

TABLE OF CONTENTS

Summary	i
Table of Contents	v
Introduction	1
Study Approach	1
The Community in Context	3
Fundamental Trends	4
Population	4
Enrollment	5
Aging	6
Building on the Past: City and School District Collaboration	6
School Resource Officer Program	6
Cooperative Facility Usage	6
Civil Service	7
Public Works	7
Other Examples	8
Improved Outcomes through Collaboration in Three Areas	8
Establishing a Foundation for Collaboration	9
Functional Area #1: Purchasing	9
What Exists in the City	10
Overview	10
Conclusions	11
What Exists in the School District	12
Overview	12
Conclusions	14
Opportunities for Shared Services	15
Analysis of Commodities and Vendors	15
Enhanced Internal Centralization	20
Functional Area #2: Maintenance	21
What Exists in the City	21
Overview	21
Conclusions	23
What Exists in the School District	23
Overview	23
Conclusions	25

Opportunities for Shared Services	26
Functional Area #3: Technology	28
What Exists in the City.....	28
Overview	28
Conclusions.....	30
What Exists in the School District.....	30
Overview	30
Conclusions.....	32
Opportunities for Shared Services	32
Shared Services and Liability	34
City and School Facilities	35
Options Reviewed	36
Notes Regarding Capital Cost Calculations.....	37
New Football Stadium, New City Hall.....	38
Cost/Benefit of New Football Stadium at High School.....	40
Cost of New Relocated City Hall.....	41
Fiscal Impact Analysis of City Hall Site Redevelopment	42
Creating a Single Elementary “Campus”	44
Cost of an Elementary Campus	45
Operational Savings from a Single Campus.....	47
Enriched Educational Opportunity	49
Fiscal Impact of Redeveloping Elementary Schools.....	49
Redeveloping Mullen Elementary.....	50
Redeveloping Riverview Elementary.....	51
Closing One Elementary School	52
Operational Savings.....	52
Fiscal Impact of Redeveloping Elementary Schools.....	53
Redeveloping Mullen Elementary.....	53
Redeveloping Riverview Elementary.....	53
Redeveloping Fletcher Elementary	53
Converting Elementary School to a Community Center.....	54
Redevelopment of Kohler Site	55
Relocating Senior Center.....	56
Appendix: Interviews	57
City of Tonawanda.....	57
Tonawanda City School District	57

INTRODUCTION

In 2007, the City of Tonawanda and Tonawanda City School District were awarded a grant through New York State's Shared Municipal Services Incentive (SMSI) program, with the goal of reducing costs and improving service quality through a more collaborative working relationship.

Following a Request-for-Proposal (RFP) process in early 2008, a steering committee of City and School District representatives selected the Center for Governmental Research (CGR Inc.) to complete the shared services study. The committee engaged CGR to review current City/District processes in three functional areas: Purchasing, Maintenance and Technology. In addition, the committee asked CGR to explore the cost/benefit of potential collaborative opportunities in the use of City and District facilities.

This report documents CGR's review of those issues and identifies opportunities available to the City and School District. The intent of this report is to provide the leaders of the City and School District, and residents of the Tonawanda community, with a comprehensive collection of facts. Leadership will ultimately decide what courses of action are in Tonawanda's best interests. Certainly, not all decisions will be driven strictly by savings. In some cases, leaders and residents may well opt to pay higher costs in exchange for a specific outcome; in others, cost will be the primary factor.

As the two largest public institutions in Tonawanda, it makes sense that the City and School District collaborate where possible and seek to maximize resources through cooperation. Indeed, there are some options available to enhance efficiency and improve services—as well as optimize facility usage—through a closer working relationship between the City and School District. This report presents the options found during this study and, where applicable, assesses their respective costs/benefits in relation to the *status quo*. In this way, the community will be positioned to make decisions on these issues with more complete information than has been available in the past.

Study Approach

CGR's approach to the study can be summarized in three components. First, a **baseline analysis** was completed regarding the City and District's purchasing, information technology and maintenance processes, as well as public facilities, to fully understand the relevant history, issues, resources and challenges in each area. Second, CGR **identified opportunities** to enhance effectiveness and/or efficiency, where possible. Third, CGR completed high-level **cost/benefit analyses** of opportunities to provide the

community with information as to the likely impacts of any one opportunity. The impact analysis is of particular importance to CGR's review of facilities options.

CGR's approach collecting data and information involved reviewing City and District processes related to purchasing, maintenance and technology; interviewing department heads and key stakeholders; conducting first-hand site tours of major public facilities; and reviewing prior information and reports on both the City and District.

Specifically, the project team did the following to inform its analysis, identify opportunities and derive cost/benefit calculations:

- Reviewed a series of prior reports, including the *City of Tonawanda Comprehensive Plan*, as well as the *Tonawanda City School District Long-Range Plan* and *Long Range Facility Plan*, to fully understand the fundamental issues facing the community and place the current study in its proper historical context;
- Interviewed sixteen City department heads, officials and employees, selected by the steering committee and representing every City department and employee bargaining group;
- Interviewed seventeen School District administrators, officials and employees, selected by the steering committee and representing every District building, department and employee group;
- Completed site tours of major City and School District facilities, including City Hall, Police Headquarters, Fire Headquarters, Kohler Youth Center, Public Works Garage, Senior Center, District Central Offices, Central School Building, Riverview Elementary, Highland Elementary, Fletcher Elementary, Mullen Elementary, High School/Middle School Complex and Clint Small Stadium;
- Reviewed detailed City and School District budgets for the past three fiscal years;
- Reviewed City and School District procurement and vendor information for a two year period;
- Reviewed comprehensive property and facility inventories for the City and School District;
- Collected and reviewed basic demographic and enrollment data to better understand the fundamental trends affecting the City and School District and their delivery of quality services;

- Reviewed building condition surveys for all School District facilities to understand potential capital improvement/renovation needs and costs; and
- Reviewed organizational charts to understand staffing numbers/ratios, function and deployment by location.

THE COMMUNITY IN CONTEXT

This study is unique in that the two government entities share the same boundaries—they serve the same constituents, draw off the same revenue base and confront many of the same issues. In CGR’s experience, this is the first SMSI project in New York State where the respective entities’ boundaries are coterminous.

While the City and School District overlap jurisdictionally, they are both large, complex operations in their own right. On a combined basis, they spend nearly \$50 million per year, generate over \$18 million in revenue from City property taxes, own more than 100 properties citywide, operate 26 municipal facilities, employ more than 460 staff members and pay more than \$21 million in salaries and wages.

Table 1:

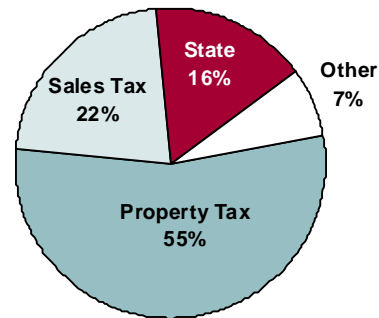
Total Expenditures

(Source: Office of the State Comptroller)

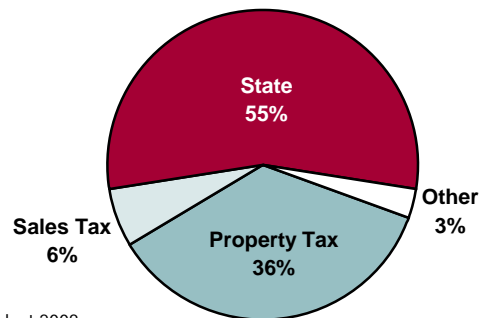
	City	School District
2000	\$19,513,533	\$22,287,100
2001	\$20,655,095	\$26,966,988
2002	\$22,371,217	\$41,461,811
2003	\$18,240,594	\$35,965,631
2004	\$19,043,426	\$28,695,143
2005	\$18,181,896	\$28,866,184
2006	\$18,652,774	\$30,092,539

As Figure 1 shows, the City’s revenue base is comprised primarily by property tax revenues. The City’s share of county sales tax represents 22 percent of budgeted revenues, while State revenues—the largest component of which is unrestricted aid—accounts for 16 percent.

Figure 2 shows the District’s revenue base. More than half of the School District’s revenue comes from State aid, while 42 percent comes from locally-generated sales and property taxes.

Figure 1: City of Tonawanda Revenues

Source: City Budget 2008

Figure 2: Tonawanda City School District Revenues

Source: TCSD Budget 2008

Fundamental Trends

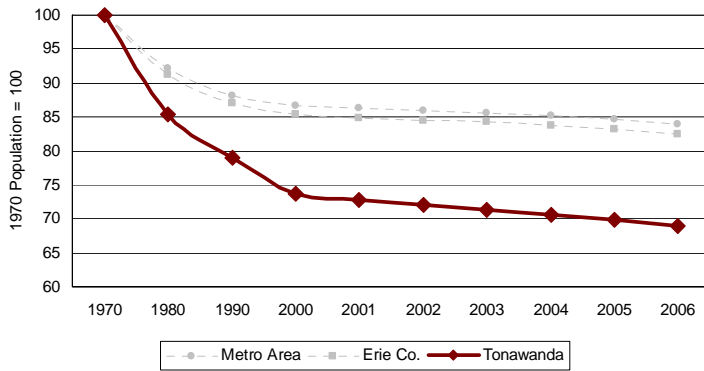
This study occurs at a critical point for the City and School District. The Tonawanda community faces many of the same economic and demographic challenges confronting the larger Western New York region. These changes and challenges have prompted the City and School District to reassess the delivery of services to Tonawanda residents, to ensure optimal cost-effectiveness and efficiency within financial realities.

The following appear to be the most fundamental trends affecting the City and School District, and the policy, service and budget context in which both will be operating for the immediate future.

Population

From 1970 to 2006, the City of Tonawanda's population declined by nearly 6,800 residents, or 31 percent. And based on current population estimate figures from the U.S. Census Bureau, the trend shows no signs of abating. From 1970 to 1980, population declined by 14 percent. And while the rate of decline stemmed somewhat in the 1980s (down 7 percent

Population Change Since 1970



from 1980 to 1990), current estimates show the number of City residents down 6 percent—roughly one percent per year—from just 2000 to 2006. In total, the City’s rate of population decline over the period, and since 2000, exceeds that of both Erie County and the Buffalo Niagara Metropolitan Area. Sustained population decline has obvious implications for economic health and local revenue generation capacity, especially in terms of property taxes and sales taxes.

Enrollment

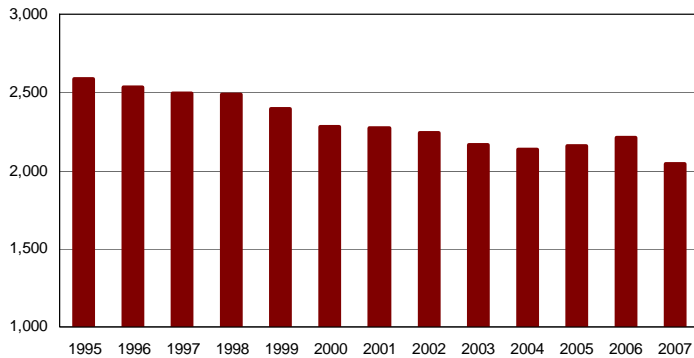
The number of students enrolled in the Tonawanda City School District has declined at a substantial rate. The District currently has slightly more than 2,000 students, down more than 20 percent from the mid-1990s.

Occasional “bubbles” of new students and larger entering classes have stemmed the rate of decline in some years, but a general downward trend exists. Further, each enrollment projection analysis completed for the District in recent years suggests a continued downward trend, and School officials have suggested that the 2008-09 school year may find the District below 2,000 students.

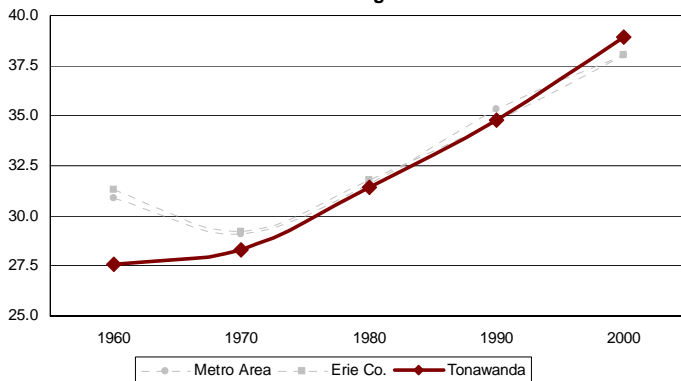
While some have suggested that the enrollment decline may be leveling and that there remain opportunities for enrollment growth (*e.g.* renovation of public housing adjacent to Fletcher Elementary), the fact remains that the District has experienced consistent enrollment decreases.

In addition to the enrollment decline, it is important to note that the socioeconomics of the District continue to change. According to the State Department of Education, the

District Enrollment Since 1995



Median Age



percentage of Tonawanda students eligible for free or reduced priced lunches grew from 26 percent in 1999-00 to 34 percent in 2006-07.

Aging

Related to the enrollment decline is a general aging of Tonawanda's population. Since 1960, the City's median age has grown more than forty percent—from 27.6 years to 40.9 years. And while the City's increase mirrors that of the broader Western New York region, Tonawanda's rate of increase is actually greater than both the City of Buffalo and the Buffalo Niagara Metropolitan Area. This reflects, in part, a shrinking number of younger residents and as a result, fewer families with school-aged children.

BUILDING ON THE PAST: CITY AND SCHOOL DISTRICT COLLABORATION

The idea of collaboration to improve efficiency and service outcomes for the community is not new in Tonawanda. For years, the City and School District have been working together in specific functional areas. Reflective of the challenges inherent in municipal collaboration, those cooperative arrangements have had a mixed record of success. However, the following list suggests a desire to explore collaboration where there are clear shared interests: reducing costs, avoiding functional duplication and/or improving service quality.

School Resource Officer Program

One successful example of collaboration between the City and Schools involves safety and education. In recent years, the City and School District have collaborated to enhance school safety and educational opportunities through the "School Resource Officer" program. The initiative placed a member of the City's Police Department within the District, based at the secondary complex. Although the grant funding for the Resource Officer program was cut, the District and Police Department continue their collaboration through the maintenance of a Youth Services Detective's office in the High School. The Youth Services Detective is on-site in the District an average of three days per week, and both the City and District seek to gain funding for a reinstatement of the SRO program.

Cooperative Facility Usage

One of the most common and easiest forms of intergovernmental cooperation involves facility sharing. In Tonawanda, there is an

established history of joint facility usage for specialized programs between the City and School District. For example, the High School uses City-owned athletic fields maintained by the City's Department of Parks and Recreation. The District also currently uses City tennis courts due to an issue involving renovation of the District's own courts. In return, the City makes regular use of certain District facilities. For example, the City's Department of Parks and Recreation uses District athletic fields, playgrounds, gymnasiums and auditorium space for its programming, and City Police, Fire and Civil Service occasionally use District facilities for training and testing. During the 2007-08 school year alone, the District granted sixteen City requests to use facilities for recreation, training and testing purposes, many of which provided weekly facility access throughout the school year.

For a full accounting of City usage of School facilities during the 2007-08 school year, see the Appendix.

Civil Service

Although not highly visible to the public, one essential service is already fully consolidated between the City and School District: civil service. For at least thirty years, the City's civil service office has served both City government and the School District, effectively eliminating duplication. The Civil Service Executive Secretary handles all civil service exams for both entities and coordinates testing schedules between the City and District. The joint arrangement also facilitates usage of District facilities (typically at no charge) for civil service testing purposes. The City funds the department's \$26,000 budget, with the District reimbursing proportionally based upon its usage of the office. In 2007-08, the District is budgeted to reimburse \$9,000.

Public Works

Efforts to pursue collaboration in City/School public works have had a mixed record of success. For example, there are agreements in place for shared usage of the City's fuel and salt storage facilities, eliminating the need for the District to maintain separate facilities. Under current contract, the District purchases its own salt off State bid and has it delivered to the City storage facility. The District pays a nominal annual fee to the City to cover maintenance, repairs and accounting, and proportionally shares any larger capital expenses relating to the facility. The City's Public Works crew also paints crosswalks at certain District facilities.

By contrast, an example of a collaborative venture that proved unsuccessful is vehicle maintenance. Until two years ago, the City's Department of Public Works provided maintenance services for certain

District vehicles (as it already does for City vehicles), with the City charging the District only for direct labor and parts. However, the cost-effective arrangement ultimately dissolved due to disagreements over adherence to maintenance schedules and service turnaround time.

Other Examples

In addition to these examples, the City and District have worked together to improve services and leverage coordination in several other areas. They recently collaborated on a grant funding effort seeking to invest in a large-scale sidewalk project. The District continues to provide computer connectivity to the City's Youth Center, which serves as a vital resource for the Center's after-school homework assistance program. And both entities came together in seeking State funding for the Shared Municipal Services Incentive program.

In short, the current effort builds on a history of cooperative efforts between the City and School District.

IMPROVED OUTCOMES THROUGH COLLABORATION IN THREE AREAS

The first phase of the study focused on three functions in City government and the School District: *Purchasing*, *Maintenance* and *Technology*. The analysis proceeded in a series of sequential steps.

First, CGR sought to establish “what exists?”—that is, how do the City and School District provide those functions within their own operations, why is that the approach, and how has it evolved?

Second, CGR assessed the relative strengths and weaknesses of the current functional approaches in the City and School District, identifying assets and weaknesses.

Third, CGR pinpointed where efficiency enhancement opportunities exist, as well as potential obstacles to implementation.

CGR attempted to synthesize its stand-alone analyses of the City and School District's purchasing, maintenance and technology operations to identify cooperative strategies by matching one entity's assets to the other's liabilities.

Successful intergovernmental cooperation is often challenging enough in one functional area, let alone three. However, the City and District's interest in exploring these three functional areas simultaneously represents a valuable opportunity to achieve better outcomes. It creates the potential

for one entity to *get* more in one functional area than it *gives*, because it has assets where the other has liabilities. In exchange, the relationship can be reversed in a separate functional area where the first entity has liabilities vs. the other's assets. In sum, seeking cooperative arrangements in multiple functional areas, while inherently more challenging, gives more opportunity for comprehensive solutions that are universally “win-win.”

Establishing a Foundation for Collaboration

CGR's first recommendation is based on the City and School District administrations' clear commitment to finding new areas in which to cooperate:

Recommendation 1: Establish a joint intergovernmental cooperation committee, co-chaired by the Mayor and School Superintendent, empowered to meet regularly and identify, analyze and develop implementation plans for opportunities to work collaboratively.

The Mayor and School Superintendent have an opportunity to “set the tone” at the top of both organizations and ensure their respective staff share their commitment to seize upon opportunities to enhance efficiency, reduce costs, and optimize community resources. The committee should include key administrative staff for both entities, along with representation from the City Council and Board of Education, and meet on a regularly scheduled basis. As one official told CGR, “Everyone in the City and School District wants to do shared services, but the ‘nitty gritty’ has proven difficult.” Establishing this joint committee would be a significant step toward working through the ‘nitty gritty’ of cooperative proposals.

FUNCTIONAL AREA #1: PURCHASING

Very often, organizations look for ways to reduce the cost of purchased goods and services through cooperative purchasing opportunities. CGR assessed the potential for savings between the City and School District by reviewing both commonality of products and services purchased, and commonality of vendors.

What Exists in the City

The City's purchasing process is largely decentralized. Although the Treasurer's office does process all vouchers for payment, decisions are made at the departmental level on what to buy, how much, and where to procure it.

Overview

The City's purchasing process is decentralized for the most part. Individual departments make the lion's share of procurement decisions, including what to purchase and from where to buy it. If there is one common factor to the process, it is the City Treasurer's office, which handles the vouchering and payment process for nearly all City purchasing.

The Treasurer's office administers the City's accounting software package (provided through KVS Information Systems Inc.), but is typically just handling payment for purchases made separately by the individual departments. Departments have access to certain components of the KVS system, with departmental clerical staff entering requisitions for purchases. If a department's budget has insufficient funds available for a particular purchase, the requisition cannot be entered at the departmental level and requires action by the Treasurer's office. Otherwise, vendor purchase requisitions are entered by the respective department.

Once products/services are procured by a department, the department receives the invoice, records a purchase order in the accounting system, and the Treasurer's office processes the voucher for payment. Thus, while all purchases flow through the Treasurer's office, its role is typically confined to the tail-end of the procurement process, rather than at the front-end where coordination and standardization might yield more coordination and economy of scale benefits.

There are two exceptions to the City's decentralized process. First, basic technology equipment—mainly computers—is procured for all City departments by the computer services administrator out of an annual budget line of approximately \$20,000. All computer purchases are made from State Office of General Services (OGS) bid offerings.

The second exception involves office supplies, which are budgeted in a centralized manner (under the "Municipal Building" budget code) and administered through the City Clerk's office. However, beyond this centralized budgeting, the actual purchasing process for departmental office supplies is relatively decentralized.

A review of the evolution of office supply purchasing in the City may be instructive as to why the overall process is so decentralized. Officials

point out that the purchasing process for office supplies has been in place for at least ten years. Previously, the City had done purchasing in bulk for all departments, aggregating purchases to achieve economies of scale on common supplies. Over time, however, departments developed specific preferences for certain supplies. As a result, items purchased in bulk would go unused, and departments would supplement their inventory with supplies more specific to their own needs and preferences. Officials contend that the City addressed this issue by giving more purchasing control and product discretion to individual departments.

Regarding bidding procedures, the City requires that purchases valued at \$1,000 or above require a minimum of three verbal quotes. Up to \$10,000, three written quotes are required. Otherwise, the City is required to operate in accordance with State General Municipal Law.

Conclusions

1. The current process is adequate to the City's needs.
2. Individual departments order exactly what they want when they want it, selecting vendors and product specifications.
3. Except for basic office supplies, there is no centralized process or mechanism in the City to standardize and aggregate purchasing of common items, and/or negotiate better prices on common items. To the extent that individual departments are purchasing common items, or functionally similar items that could be standardized, the City is potentially sacrificing economy of scale benefits.
4. The decentralized process effectively means each department must have some staff resources directed toward the procurement process—identifying products and vendors, comparing prices and ordering supplies. This creates duplicative responsibilities across departments and may take departmental staff away from more central tasks. Indeed, at least one department head noted the process takes “too much time” in its current form.
5. The City Treasurer's office already acts as de facto purchasing agent (although its involvement in the process typically focuses on payment for services/commodities procured by individual departments), and is well-positioned to assume a more central and front-end role in the purchasing process. Where applicable, relieve departmental staff of pricing, purchasing and bid-related responsibilities (e.g., writing, advertising and opening), especially on standard products/services, while ensuring departments continue to be involved in designing specification requirements for specialized products/services.

6. A more centralized process would enable the City to identify similar purchasing already taking place across its own departments (and more easily identify such purchases between the City and District), and aggregate those items to achieve economies of scale and negotiate better product/service pricing.
7. Product standardization and purchase aggregation increases the possibility that the City will be able to negotiate product/service pricing even below State bid offerings. For example, the fact that multiple City departments independently procured large copier leases from multiple vendors (e.g., IKON for City Clerk, Xerox for Building Inspector, Eastern Copy for Police and Delage Landen for Parks and Recreation) represents a potentially lost opportunity to have aggregated leases and achieved a more cost-effective rate.

What Exists in the School District

The School District's purchasing process is a hybrid: part centralized, part decentralized. Certain items common to all school buildings are procured centrally, and final authority rests with the Assistant Superintendent of Business and Finance. However, individual school buildings maintain a certain degree of autonomy in deciding what to purchase—and how much—within budget parameters established by the central administration.

Overview

Purchases within the District are of two basic types: Centralized, and facility-based. Standard items—such as textbooks and technology equipment—are typically procured on a districtwide basis, coordinated by the central office with input from individual school buildings. Many of these purchases are made from cooperative bid lists, such as those offered through the State Office of General Services (OGS) or the Erie Board of Cooperative Educational Services (BOCES). By using these cooperative bid opportunities, the District is securing competitive product pricing and gaining efficiency, since it avoids having to issue its own requests-for-bid and review vendor responses. At the same time, the District maintains certain specialized bid lists of its own to ensure flexibility to tailor commodity purchases to its own needs. There is also a formal contract with Staples for the purchase of office supplies.

A significant number of District purchases, however, are initiated by individual school buildings through discretionary funds provided in the budget. Each year, non-salary budget allocations are determined for each school building on the basis of per student (or per FTE) formulae set by the District administration. For example, in 2008-09, buildings receive a “Basic Allocation” at the rate of \$110/student at the high school and

middle school levels, and \$80/student for elementary school level. They also receive a “Textbook Allocation” at a rate of \$58.25/student; “Equipment Allocation” at \$50/student; a “School Improvement Allocation” at \$100/FTE; a “Computer Software Allocation: at \$14.98/student; a “Field Trip Allocation” at \$6.50/student; a “Library Book Allocation” at \$6.25/student; and a lump sum allocation to support music-related programming.

Development of the building allocations is a collaborative process. Within each building, a site-based staff team (typically department chairs and principals) develops supply lists and a purchasing plan for their particular building, identifying items they expect to need during the upcoming school year. Information is compiled by the school principals and forwarded to the Assistant Superintendent for Business during the budget development process.

The District requires that purchases of textbooks, computer software and photocopiers be coordinated through the central office, but the remainder is spent at the discretion of the building principal according to specific building needs. Individual buildings’ discretionary budget allocations have declined since 2000, but still account for more than \$300,000 in total.

Table 2:
Budget Allocations for Schools
Purchases only – Excludes salary amounts
(Source: TCSD Finance Office)

	Total	Discretionary Amount
00-01	\$673,316	\$403,495
01-02	\$698,270	\$426,448
02-03	\$613,890	\$424,766
03-04	\$579,818	\$386,075
04-05	\$563,545	\$369,176
05-06	\$523,966	\$349,558
06-07	\$506,003	\$339,423
07-08	\$505,383	\$343,187
08-09	\$493,646	\$334,607

Table 3:
 Budget Allocations by Building, 08-09
 Purchases only – Excludes salary amounts
 (Source: TCSD Finance Office)

	Building Total	Discretionary Amount
Senior High	\$187,837	\$132,519
Middle School	\$120,998	\$84,676
Fletcher	\$37,593	\$24,399
Highland	\$44,922	\$27,754
Mullen	\$53,237	\$34,798
Riverview	\$49,059	\$30,461
Total	\$493,646	\$334,607

Routine purchases out of these allocations go through a building-based requisition and purchase order process. Items are entered into the Finance Manager accounting system by building staff—often the principal’s secretary—and require online approval by the principal. Assuming the requisition is consistent with the purchasing plan and sufficient funds remain, the principal will approve the requisition and it is transmitted to the central office—the Assistant Superintendent for Business—for pricing, processing and assignment of a purchase order number. Following central office approval, the requisition is sent back to the building principal in the form of a purchase order, authorizing them to proceed with the purchase. Approximately 2,000 purchase orders are issued annually through this process, with a majority coming in the summer months (July and August) preceding the school year.

While building-based purchases occur pursuant to the budget allocation grid, principals do retain some discretion to shift funds across accounts during the year.

Conclusions

1. To a degree, the current process combines the advantages of central administration, bulk purchasing of (some) common items, and individual building-by-building preference.
2. Use of State and BOCES bid opportunities enhance efficiency, ensure competitive pricing and cut down on internal resources that otherwise would be devoted to administering the bidding process.
3. The approval process for building-initiated purchasing can be slow and cumbersome, meaning opportunities for advantageous pricing can be missed at times.

4. Since individual buildings maintain some discretion on what supplies and quantities to purchase, certain common items may be purchased separately by multiple buildings, resulting in a loss of potential economies of scale.
5. With the existing process and new Finance Manager accounting system, the framework is already in place to benefit from a more centralized—yet flexible—purchasing process. The new software enhances control, accountability and opportunities for identifying common purchases.

Opportunities for Shared Services

Purchasing is in many ways “low hanging fruit” of shared municipal services. It often represents an opportunity to drive down certain unit prices and typically does not engender the sort of opposition of more formal or larger-scale consolidations. However, in order to capitalize on economies of scale through joint purchasing, there needs to be overlap in commodity and/or vendor. A purely municipal cooperative, or one comprised exclusively of school districts, is likely to have more such opportunities than a municipal-school district cooperative, just by nature of commodity needs and the types of purchasing that occur. Simply put, cities and school districts have different purchasing needs. While there are low-level opportunities to purchase in bulk for common items like office supplies and fuel, the vast majority of purchasing is unique and reflects the City and District’s different service delivery responsibilities.

As the following section explains, CGR’s review of purchasing data revealed little direct overlap between the City and School District that would represent immediate opportunity for economies of scale. While there is vendor overlap between the two entities—in fact, significant overlap in certain instances—the types of purchases are different.

Analysis of Commodities and Vendors

Reviewing commonality of *purchases* is one way to identify pricing variations which can be utilized to reduce costs. At the same time, reviewing commonality of *vendors* is a way to identify whether volumes can be combined to achieve volume discounts. CGR assessed the potential for savings by reviewing both commonality of products and services purchased, as well as commonality of vendors, between the City and School District.

CGR based its analysis upon purchases made by the City and School District for calendar years 2006 and 2007. During that time period, the City and District made \$49.4 million in aggregate purchases.

As a starting point, CGR compared vendors to determine the extent of commonality. Cross-referencing all City and School District vendors, CGR found 138 instances where both entities procured commodities or services from the same vendor. In this sample, 11 percent of the vendors used by the City were also used by the School District; 8 percent of those used by the District were also used by the City. The aggregate amount of expenditures made over the period from common vendors was \$28.2 million.

Table 4:
Same Vendor Spending Over \$25k, Years 2006 and 2007
(Source: City Treasurer, TCSD Finance Office)

	School District	City	Total
Independent Health	\$275,941	\$7,570,825	\$7,846,766
Blue Cross Blue Shield	\$5,008,249	\$2,039,379	\$7,047,628
M&T Bank	\$2,720,897	\$3,986,221	\$6,707,118
National Grid	\$402,850	\$2,716,117	\$3,118,968
Erie County Water Auth	\$84,691	\$686,483	\$771,174
Kurk Fuel Company	\$14,874	\$328,561	\$343,435
Noco Energy Corp	\$89,826	\$197,617	\$287,443
National Fuel Gas	\$87,255	\$160,614	\$247,869
Ford Motor Credit Company	\$22,721	\$133,625	\$156,346
Dobmeier Janitor Supply Co	\$63,718	\$71,647	\$135,365
Staples Business Advantage	\$65,325	\$26,296	\$91,620
Home Depot	\$14,982	\$70,597	\$85,579
Nextel Communications	\$28,676	\$53,243	\$81,919
US Postal Service	\$3,569	\$75,040	\$78,609
Tops Market	\$49,925	\$32,356	\$75,280
Napa Auto Parts	\$105	\$54,035	\$54,140
Follett Inc.	\$48,250	\$1,963	\$50,213
Buffalo Tractor & Implement	\$1,914	\$48,130	\$50,044
GE Capital Corp	\$28,658	\$21,159	\$49,816
Mark's Plumbing Services	\$24,017	\$18,787	\$42,804
Twin City Glass Corporation	\$4,881	\$36,919	\$41,800
Grainger Industrial Supply	\$34,782	\$6,731	\$41,513
Hodgson Russ	\$21,110	\$17,984	\$39,094
Erie County Medical Center	\$33,094	\$43,118	\$36,212
Hewlett Packard	\$28,737	\$2,290	\$31,027
Rotella Grant Management	\$9,438	\$20,596	\$30,034
Riverside Chemical Co	\$4,860	\$25,072	\$29,932
Sodexo Inc.	\$29,016	\$420	\$29,436
Greater Niagara Newspapers	\$6,034	\$20,522	\$26,556
White's Turf Crew	\$4,164	\$21,960	\$26,124

Of course, not all of these instances present immediate (or even long-term) opportunities to aggregate purchasing power. In fact, many of the largest purchases from common vendors were for things such as bond

administrative fees and utilities. Further, in many cases where vendor overlap occurs, spending is not equally distributed between the two entities. This suggests that a cooperative City-District procurement approach with these vendors is not likely to yield significant shared cost savings.

Vendor overlap is only one avenue for volume discount opportunities. Another is through aggregation of common commodities purchased from different vendors. However, CGR reviewed a sample of detailed invoice/purchase order information from the City and District's accounting systems for calendar years 2006 and 2007, and found limited instances of "apple-to-apple" overlap. In general, both entities received different discounts and prices based upon the item purchased, the timing of the purchase, and the commodity specifications. Both organizations follow the public bidding requirements of the General Municipal Law, and both take advantage of either State bid opportunities or, in the case of the School District, BOCES bid opportunities, where appropriate. For those purchases, there is no obvious cooperative opportunity.

However, within these limitations, CGR identified several common purchasing areas worthy of consideration for a joint approach.

First, both the City and School District have outside vendor contracts to cover maintenance and repairs to their heating, ventilation and air conditioning (HVAC) systems, including boilers. The City's contract is with Building Controls & Services Inc. The service agreement is renewed every six months, at a cost of just under \$10,000. In addition, the City pays for individual service calls as needed. The all-in cost to the City in calendar years 2006 and 2007, covering the renewal six-month agreements and nearly forty separate calls for service work on City facilities, was just over \$100,000.

The School District's contract has been with Siemens Building Technologies, but shifted during 2007 to HVAC Helpers. In fiscal year ending 2006, the District spent nearly \$84,000 (all with Siemens). In FYE 2007, it spent \$39,000 with Siemens and \$55,000 with HVAC Helpers, for a total of \$94,000. The higher figure is reflective of the District's greater aggregate square footage than the City's facilities.

At an aggregate annual cost approaching \$200,000, CGR considers the HVAC maintenance contract a ripe opportunity for joint City-School bidding. While the City and School District would each continue to pay their respective portion of repair and maintenance costs, the bid aggregation has the potential to reduce hourly cost. A bulked bid has the potential to provide a 5 to 10 percent reduction in the aggregate cost of the maintenance contract.

Recommendation 2: Consider aggregating the separate City and School District heating, ventilation and air conditioning contracts into a single bid package.

A second potential opportunity involves garbage collection. The City's Department of Public Works provides full-service refuse and recycling pickup to properties in the City, except for school facilities. The School District outsources its solid waste collection at a taxpayer cost of approximately \$25,000 per year. Its current contract is with Modern Disposal Services, and the contract is bid out annually to give the District maximum flexibility. For recycling, the District participates in a charitable program for all items except cardboard, which it discards as garbage.

The High School / Middle School complex has two 8 cubic yard waste containers that are serviced daily; each elementary school and Central School has its own 8 cubic yard container that is serviced twice weekly. This produces a total volume of approximately 28,000 gallons of waste per week, or the equivalent of approximately 300 of the City's typical ninety gallon garbage totes. (Note: This is likely a conservative number, since school facilities are not fully operational three months out of the year and are producing significantly less solid waste during those periods. In fact, the District's twelve-month contract provides for a much reduced pick-up cycle in July and August.)

How would the City's garbage pickup function be impacted by absorbing the School District? Based on figures provided by the City, the Department of Public Works collects refuse from approximately 6,500 "totes" on a weekly basis citywide. The overwhelming majority (92 percent) are the standard ninety gallon totes; the others are sixty gallon totes. Collectively, this produces a total weekly volume of approximately 570,000 gallons.

Incorporating the School District's volume into the City's current weekly levels would increase citywide volume by roughly 4.9 percent. The base number of totes serviced would increase by 4.8 percent.

Recommendation 3: Incorporate at least a portion of the School District's refuse collection into the City's solid waste program through the use of totes.

Another potential option available to the City and School District but requiring additional cost analysis might include the retrofitting of a City garbage truck to service dumpsters, or accommodating this capability with the City's next garbage truck purchase.

Joining the City's recycling program may also yield cost benefits for the community as Tonawanda's recycling tonnage is increased. It is noteworthy that the School District does not presently have a recycling program in place for its cardboard—it is discarded as waste. Incorporating the District's cardboard to the City's recycling program has potential to drive up the City's recyclable volume. Impacts are likely to be limited (e.g. total City recycling revenue is approximately \$10,000), but it would capture a potential revenue the community is currently foregoing.

Recommendation 4: Incorporate the School District's cardboard waste into the City's recycling program.

Another potential area of opportunity is health insurance. Over the past several years, public sector employers across the state have sought to realize economies of scale through aggregation of health insurance bids. In many entities, this has involved providing identical benefit offerings across multiple collective bargaining groups and bidding the offerings as a single package. In other cases, municipalities and school districts have gone even further by aggregating both *within* and *across* employers to further leverage bids with health insurance carriers.

While the School District has taken steps to consolidate its own health offerings in recent years, the City currently provides a variety of benefit plans through different carriers. The City offers employees plans through Independent Health, Community Blue and Univera; the District offers Independent Health's iDirect plan, along with (at employee expense) Independent Health Encompass C.

Although consolidating health benefit plans would likely require time to implement on a bargaining unit by unit basis—perhaps as long as two to three years for negotiating with each bargaining unit—the long-term savings potential is significant. Reducing the aggregate health insurance cost of the City and School District by five percent, in line with recent experience, would produce savings of at least \$500,000.

Recommendation 5: Explore the potential for consolidating health insurance offerings through a single carrier, and bid them as a single package.

Enhanced Internal Centralization

In general, critical components of any effective cooperative purchasing strategy are first, a process within each entity that reasonably centralizes purchasing, and second, a mechanism (*i.e.* a specific department or staff member) with the capacity and authority to administer the process and actively identify common purchases.

In addition to the opportunities identified above, the City itself may benefit from a “tightening up” of its internal purchasing process. The current decentralized approach is not conducive to maximizing efficiency within the City’s purchasing operation. While most purchases are made from State bid lists, the decentralized nature of the process requires involvement of each department. A more centralized approach would be more efficient, relieving individual departments of having to devote time to pricing, purchasing and bid-related responsibilities. Done properly, a centralized approach can ensure departments continue to be involved in designing specification requirements for specialized products/services.

Recommendation 6: Consider centralizing the City’s internal purchasing process, perhaps vesting it in the Treasurer’s office, to provide a front-end coordinating mechanism capable of administering all procurement.

Finally, while CGR did not complete an in-depth analysis of utility costs for the City and School District, we noted that the City is currently purchasing electricity and natural gas as a stand-alone customer as opposed to participating in a consortium. There are two immediate options available to the City to purchase its energy through a pool arrangement. First, Erie County’s Department of Public Works administers a large intermunicipal energy procurement pool that almost certainly is achieving through economies of scale better energy pricing than the City is as a stand-alone customer.

Contact: Jerry Sentz, Commissioner
Erie County Department of Public Works

(716) 858-8300

Second, the School and Municipal Energy Cooperative (SMEC), administered by the Board of Cooperative Educational Services, procures energy for 86 school and municipal members in Western New York and the St. Lawrence region. SMEC estimates savings off retail prices of 6-10 percent for natural gas and 3-5 percent for electricity. At even conservative savings rates, the City stands to realize approximately \$20,000 in annual savings.

Contact: John Montesanti
School and Municipal Energy Cooperative
 (716) 821-7069

CGR strongly recommends the City commence discussions with these pools.

Recommendation 7: The City should immediately explore energy procurement options available through existing intermunicipal utility pools.

FUNCTIONAL AREA #2: MAINTENANCE

What Exists in the City

The City's facility and grounds maintenance function is broken into two components and administered out of separate departments. Although lines of responsibilities are occasionally "fuzzy" between the two departments, the level of service is adequate to the City's needs.

Overview

The City's building and facility maintenance function is split across two departments: the Clerk's office and Parks/Recreation. Consistent with this separation, the City has two discrete staff teams handling maintenance. The team administered by the City Clerk's office provides basic custodial services, while the team housed in the Parks/Recreation Department is responsible for larger maintenance and grounds work.

The custodial function has been run out of the Clerk's office since 1996. There are presently three custodians, all of which are civil service

positions. This group is responsible for basic cleaning work at most major City facilities: City Hall, Police Headquarters, the Public Works garage, the Senior Center and the Kohler Youth Center. The lone exception is Fire Headquarters, where Fire staff clean and maintain their own building during times when they are not responding to emergency calls.

Table 5:
City Maintenance Costs
(Source: City 2008 Budget)

Dept	Item	Total Cost
Clerk	Salary: Custodial	\$108,670
Clerk	FICA: Custodial	\$8,313
Parks/Recr	Salary: Sr. Maintenance	\$83,907
Parks/Recr	Salary: Maintenance	\$156,998
Parks/Recr	FICA: Maintenance	\$18,428
Parks/Recr	Overtime: Maintenance	\$20,000
Parks/Recr	Longevity: Maintenance	\$11,325
Various	Miscellaneous (non-staff)	\$80,950
Total		\$488,591

The custodial team is assigned by facility and shift. One custodian attends to Police Headquarters and court facilities from 6 am – 2 pm; one works in City Hall from 9 am – 5 pm; and one handles night cleaning (3 pm – 11 pm) in the Public Works facility, and also locks up City Hall each evening. The Senior Center is cleaned an average of three days per week by the custodian assigned to Police Headquarters. Similarly, the Youth Center is handled as needed (two or three days per week) by the City Hall custodian. The City’s other large facility—Fire headquarters on William and Fletcher Streets—is maintained by fire personnel during times when they are not on emergency calls.

Any facility work beyond basic cleaning is the responsibility of the Parks/Recreation building maintenance team. Currently, the City has six maintenance staff plus two year-round tree trimming staff handling this function. Unlike custodial personnel hired through civil service, maintenance staff are initially hired as laborers and shift into maintenance titles over time.

The building maintenance team is responsible for general grounds work, including cutting grass, weeding, landscaping, parks maintenance (including parks facilities, such as bathrooms), and City athletic facilities. There is already a certain degree of grounds maintenance sharing in place with the School District; the City maintains some ball fields used by the District, and the District maintains soccer fields used in part by the City’s Recreation Department.

While much of the maintenance team’s responsibilities are outdoors, it will also address basic non-electrical facility repairs at City facilities, including floors, walls, heaters and minor roof leaks. The City has a contract with Tonawanda-based BCS (Building Controls & Services Inc.) to handle HVAC maintenance and service in its facilities. During 2006 and 2007, the City paid BCS approximately \$100,000 for this service.

One complication of the current bifurcated approach is that there are occasional “grey lines” between responsibilities of custodial and maintenance staff, and inconsistency regarding where responsibilities begin and end. One example illustrates the point: Custodial staff responsibilities are limited to basic cleaning work, while maintenance staff focuses on larger facility and grounds issues. However, at City Hall, custodial staff is responsible for lawn and shoveling work, which are functions carried out by the maintenance team at all other City facilities.

Conclusions

1. Current service level is adequate to the City’s needs.
2. The system is administered out of two different departments, despite the functional similarity between custodial and maintenance services.
3. There is occasional confusion over custodian vs. maintenance responsibilities, even among some City officials.

What Exists in the School District

The District’s maintenance function involves a team assigned to each building, along with a districtwide staff of maintenance personnel that “floats” to facilities on an as needed basis. School principals generally give high marks to the quality of the custodial and maintenance operation.

Overview

The District’s maintenance function is administered by the Director of School Facilities and Operations and structured around individual facilities. Each facility has its own maintenance staff, with personnel numbers driven primarily by building size. The five school facilities have an engineer supervising a team of custodians and cleaners. The High School/Middle School also has a head custodian, given the size of the operation. In addition, the District has a general mechanical/electrical staff that services more specialized needs across District facilities.

Table 6:
District Maintenance Staff
(Source: TCSD)

Facility	Title	Number of Personnel
Fletcher	Engineer	1
	Custodian	1
	Cleaners	2
Riverview	Engineer	1
	Custodian	1
	Cleaners	2
Mullen	Engineer	1
	Custodian	1
	Cleaners	2
Highland	Engineer	1
	Custodian	1
	Cleaners	2
High/Middle	Engineer	1
	Head Custodian	1
	Custodian	6
	Cleaners	8
Central	Custodian	1
	Cleaners	1
Not Assigned	Maintenance	4
	Mechanic/Electrician	1
Total		39

Individual facilities are maintained by stationary engineers, custodians and cleaners. Staff have a fairly streamlined understanding of the differentiation, much of which is attributed to title descriptions contained in labor contracts.

Engineers are licensed by the state to perform general maintenance on boilers; they will also generally maintain major mechanical equipment related to their facility's operations. The supervising engineer is always present when the building is open, oversees the work of the custodian and cleaning staff, and handles administrative duties such as ordering supplies for the facility. Engineers also carry out lawn mowing, snow shoveling, plumbing and basic boiler responsibilities at each building. To the extent that major boiler repairs are required, the District maintains a private vendor contract.

Custodians and cleaners perform all cleaning responsibilities and maintain the general décor of each facility. This includes sweeping, mopping, washing walls/lockers, dusting and emptying trash. It is important to note that cleaner staff generally perform "lighter" work not requiring climbing or lifting. Further, cleaners perform no work on grounds outside of District facilities. Their responsibilities are strictly inside. Custodians, by contrast, will perform heavier tasks both inside and outside the facility.

The remaining maintenance workers not assigned to a specific facility act essentially as “floats” from building to building as needed. In so doing, they will perform lawn maintenance, furniture moving and storage responsibilities, as well as help with snow removal in the winter months. It is important to note that much as the City’s grounds responsibilities extend to park areas, the District also has large swaths of lawn to maintain at some of its buildings—the High School/Middle School, Riverview and Fletcher, in particular.

Table 7:
School District Maintenance Costs
(Source: TCSD 2008-09 Budget)

Category	Item	Total Cost
Custodial Services	Support Staff Salaries	\$1,127,602
Custodial Services	Equipment	\$8,810
Custodial Services	Contractual Expenses	\$132,545
Bldgs & Grounds	Supplies and Materials	\$106,550
Operation & Maintenance	Support Staff Salaries*	\$247,084
Operation & Maintenance	Equipment	\$9,000
Operation & Maintenance	Contractual Expenses	\$142,894
Operation & Maintenance	Supplies and Materials	\$55,000
Total		\$1,829,485

* Includes Director of Facilities

Each school building stores its own supplies. For the most part, custodial and cleaning supplies are purchased off of a standard list. The District’s facilities director has established a standard purchase list for common items, off of which engineers order specific quantities for the year. Engineers and custodians retain some discretion to request specific, non-standard items through the facilities director, but by and large supplies and equipment have been standardized over the past several years. Any capital equipment required—such as lawn mowers or floor scrubbers—must be requested through the facilities director.

In addition to maintaining school facilities and adjacent grounds, the District also maintains Clint Small Stadium. As it is detached from a school facility, the stadium presents unique maintenance and cost challenges. One maintenance staff member is essentially assigned year-round to the facility, and its overall maintenance costs (including salaries) are estimated at \$70-75,000. As a stand-alone facility, the stadium is not eligible for state aid that is otherwise available for certain operating and capital costs in District facilities. More importantly, officials note the stadium’s capital needs—such as bleachers and turf—are significant.

Conclusions

1. Current service level appears adequate to the District’s needs.

2. A further centralization of the purchasing process can capitalize on economies of scale for common maintenance supplies and equipment, where available. The District has spent approximately two years standardizing its bid list to reduce separate purchasing. It has also created a central warehouse at Central School to further reduce overstocking and ensure shorter lead times for critical supply needs. Notwithstanding these efforts, custodial staff believe the purchasing process could be further streamlined by eliminating what is seen as unnecessary building-level discretion to use specific cleaning products—for example, Murphy’s Oil Soap.
3. While the District’s capital equipment portfolio is generally sufficient to meet everyday needs, it lacks larger pieces of equipment (*e.g.* dump trucks, paving equipment, plows) that the City has for specialized jobs. For example, the District contracted out nearly \$12,000 in 2007 for parking lot striping and paving.
4. Stand-alone football stadium property presents unique challenges and exempts facility from state aid reimbursements.

Opportunities for Shared Services

As noted, there is already a degree of grounds maintenance sharing in place between the City and District. Certain District programming utilizes City-maintained ball fields, and the City’s Recreation Department uses District-tended soccer fields. Further, there is occasional equipment sharing between the City and District grounds crews. The City and School District also contract to share a fueling station and salt storage facility. And recognizing the capital equipment resource advantage the City has over the District, the City’s Public Works Department provides occasional snow clearing of the “island” areas inside District bus loops. This ensures District students can safely navigate parking lots and entrances without having to deal with “blind spots” caused by snow buildup.

Beyond the existing sharing arrangements, there do not appear significant additional “cost savers” through City/District collaboration on maintenance. Though certain officials suggested having the District take over responsibility for City facility maintenance, based on CGR’s review the savings potential of such a change appears limited at best.

While not significant cost savers, CGR believes there are several opportunities to improve the current maintenance function. As noted in the previous section, CGR recommends the City and School District aggregate their currently separate bid/contract for heating, ventilation and air conditioning work. Further, CGR recommends the City and District consider how even a portion of District waste could be incorporated into

the City's garbage function, and bring the District's corrugated cardboard waste into the City's recycling stream.

In addition, CGR recommends the City assume some responsibility for plowing of bus loops at the District as part of its routine plow routes. Incorporating this into the City's normal route schedule will provide the District, its staff and students with greater ease of access to schools, while not adding noticeable time or effort to the City's plowing function. The additional time required is minimal, given the City crews already plow the streets to which the loops are connected. With one more turn of the steering wheel and minimal cost/effort, the City can provide a valuable service for the District.

Recommendation 8: City Public Works should provide a single snowplow run through District bus loops as part of their normal plowing route through neighboring streets.

CGR would not recommend the City pick up responsibility for plowing District parking lots given the additional time required. Further, the City should not assume primary responsibility for the lots as needed. Rather, it should plow bus loops as part of its normal route.

Another area of potential maintenance-related cooperation involves vehicles. In previous years, the City and District cooperated to provide basic maintenance to the District's small vehicle fleet. The arrangement dissolved two years ago—the City cites the District's failure to abide by maintenance schedules; the District points to issues of turnaround time for work on its vehicles. Regardless, the District has since outsourced the vehicle maintenance function at a higher price.

CGR believes the cooperative arrangement makes sense and would reduce the price premium the District is currently paying. Under such an arrangement, the District and City should agree on basic maintenance schedules for servicing the District's fleet, and the District should pay the City on a per-job basis.

Recommendation 9: Reinstate the former cooperative arrangement for basic maintenance of School District vehicles by City Public Works.

CGR also believes there is merit in standardizing supply and equipment lists for maintenance between the City and District. Although purchasing data provided by the City and Schools contained insufficient detail to pinpoint specific product/equipment overlaps, there are likely to be opportunities to achieve savings through economies of scale in the procurement of cleaning supplies, for example. The District has developed a comprehensive facilities bid list, which might serve as a starting point for this initiative. Developing a similar comprehensive supply procurement list for the City would be an appropriate next step, followed by a facility representative from each entity identifying commonalities.

Recommendation 10: Standardize supplies and equipment used in facility maintenance, to enable economy of scale opportunities through bulk procurement.

To the extent standardized supply/equipment purchasing might require additional storage space, District officials cite the possibility of expanding their current central storeroom.

FUNCTIONAL AREA #3: TECHNOLOGY

What Exists in the City

The City's technology framework appears adequate, although capital and support are limited. It would benefit from additional technology expertise and a more dedicated tech support net.

Overview

The City has approximately seventy-five computer and printer nodes across its buildings. Each department has at least one computer terminal, many staff have computers on their desks, and certain departments run specialty programs to meet their specific needs. The overall system is administered on a part-time basis by one individual whose primary responsibilities are in another department (building inspection).

The City's main buildings are connected by Fractional T1 lines, with service provided through Level 3 Communications. There are twelve T1

lines in total. The City has no formal contract with Level 3 Communications, but its computer administrator is comfortable that it has always paid a reasonably low price for this service. Officials are reluctant to put this out for bid and put the current low rate at risk.

The City's communications lines are largely centralized in City Hall. Both Internet access and email service come into City Hall and are divided up for the other City buildings. This structure enables the network administrator to monitor and/or control usage if necessary.

A single, small server room is maintained within City Hall. While the server room has little excess space, it appears sufficient to the City's space needs at the present time. Located within that room are multiple servers administered by the computer services director: an email and proxy "splitter" server, network devices ("snap servers") for both Public Works and the Kohler pool facility, and a separate server for storage of secure Police data. The City also maintains a Fire server within Fire headquarters on William and Fletcher Streets. In addition to these servers maintained by the City, the City Hall server room contains a box that is entirely operated and maintained by Erie County Central Police Services (CPS), which runs all arrest, ticket and related data into the regional law enforcement system.

The overall cost associated with the City's technology efforts is a relatively small component of the budget. The current year budget contains \$20,000 for computer equipment, an increase over the \$18,000 budgeted in 2007 and \$14,462 actually spent in 2006. Additionally, the City pays its building inspector a \$5,500 stipend to serve simultaneously as computer services director and provide basic technical support to the City's network. As noted, this is the sole staff member assigned to administer the City's network. In his absence, major hardware or network problems would represent a risk to the City's technology operations.

The process for purchasing technology equipment is part centralized, and part departmental. General basic hardware, such as computers and desktop printers, are purchased by the computer services director for the entire City and replaced as needed. Larger items, such as leased printers/copiers, are procured by individual departments as needed. There are at least three such large machines in City Hall—one shared by the engineer and building inspector, and one each in the Police Department and Clerk's office—and another in Fire Headquarters. In each instance, the individual department leased the printer/copier independently off of State bid.

Conclusions

1. At an annual cost of \$20,000 in computer equipment and \$5,500 in tech support stipend, the function is relatively inexpensive.
2. The City's tech support net is largely informal, staffed exclusively by one person whose primary responsibilities are in another department.
3. With technical support responsibilities vested in one person, the City has no backup. In this individual's absence, the City's technical vulnerability is raised. Further, the possible retirement of the computer administrator in the next 5-to-10 years will force a "change point" on the City, as there does not appear to be sufficient in-house expertise to continue the current informal approach.
4. The City lacks a formalized, proactive capital replacement program, seeking rather to replace equipment as needed when it breaks. At the same time, certain offices are struggling with outdated, obsolete machines and seek better and more modern equipment.
5. The City would benefit greatly from a formalization of its technical support function and improved technical expertise. Further, the building inspector that currently handles network administration already faces substantial workload in his primary function.
6. The decentralized nature of procurement and leasing, especially in terms of copier machines, may be sacrificing some economy of scale that could be realized through better purchasing coordination across departments.

What Exists in the School District

The School District maintains an expansive technical infrastructure serving classrooms and staff. In addition to its own IT staff, the District contracts with the Board of Cooperative Educational Services for a dedicated IT person to assist in network administration, tech support and hardware/software maintenance.

Overview

The School District's computer network and related hardware are considerably more expansive than the City's. There are approximately 1,200 stationary computers districtwide, with an additional 440 computers deployed in school buildings on mobile laptop carts that move from classroom to classroom. Each teacher has a desktop computer in his/her

classroom, and all schools have at least one laptop cart. Many classrooms also have TV monitors with capability to show computer video and central video feeds. All end-users in the District work off the Windows XP operating system.

The District's extensive server network is located entirely at the High School and fed by fiber optic cable. There are more than a dozen file, application, Novell and email servers combined. There is a Novell server for the High School / Middle School; a Novell server for the District office; a consolidated Novell server for the elementary schools; elementary and High School library (*i.e.* card catalog and inventory) servers; a district-wide building controls server for heating, ventilation and air conditioning; an email server; application servers for specific programs such as LabVolt and Read180; a bus transportation software server; a dynamic host configuration protocol (DHCP) server; and servers for antivirus, email and the District's telephones. All servers and mainline infrastructure related to phones, Internet and email were migrated to the High School during the last major capital project.

As noted, the District's lines are fiber optic cable. The phone system was installed—and is maintained—by IP Logic; fiber for the phone system is through Choice One. The Central School building on Clinton Street—much of which is leased space—is on the network but on a separate phone system.

The extensive nature of its network and sheer number of users demand the District have a formal technology support operation. Presently, two individuals provide full-time tech support, both network administration and end-user support for individual computers. One is an employee of the District, and the other is an employee of the Erie I Board of Cooperative Educational Services (BOCES). The District contracts directly with BOCES for this position and related technical training at an annual cost of approximately \$260,000. In the 2008-09 District budget, an additional 0.4 full-time equivalent has been added to the tech support operation. District officials note that current technology staffing levels are insufficient to meet ongoing purchases, and options to add staff are under discussion.

The technology support office is located at the High School along with the technology infrastructure hub. Tech support staff are “on call” and will deploy to other buildings within the District as needed, but their home base is at the High School. The number of support calls can become overwhelming at times with turnaround time as high as two days, but the demand for assistance at the end-user level is generally met without noticeable delay. Support staff report that the majority of their work is at the “micro level,” addressing individual computer problems, printer issues, end-user hardware and wireless connectivity, as opposed to major

network issues. The two support staff also draft specifications for District technology purchases, as required.

Each District facility has also designated at least one staff member with the technical skills to provide basic assistance to staff in the building. Referred to as “sys ops,” these individuals support minor hardware/software questions that may arise, providing an additional layer of technical support for staff in each of the District’s buildings. In many respects, the District’s “sys op” function mirrors the role that the part-time building inspector plays in the City’s IT operation—that is, someone with technological “know how” provides assistance as needed, in addition to their primary duties. However, the District uses the “sys op” approach as a complement to the formal safety net; the City relies on it exclusively.

Conclusions

1. The District’s technical support function is formalized, adequately staffed to the level of need, knowledgeable and capable of handling virtually any system or end-user issues.
2. The “sys op” concept provides individual buildings with technology “know how” to get quick fixes on basic issues, freeing up the formal tech support system to be available for larger issues.
3. The centralization of technology / server infrastructure in the High School enables the tech support team to address many issues remotely.
4. The contract with BOCES for additional tech support staff provides the District with valuable expertise and staff resources.

Opportunities for Shared Services

Perhaps more than any other functional area, technology represents an area where the resources of one partner (the District) far outweigh those of the other (the City). Because it has a significantly more expansive computer network and user base, the District brings resources to bear on network administration and end-user support that the City simply cannot.

While the City does not need a tech support net as broad and deep as the District, it would significantly benefit from an upgrade of the current approach for two primary reasons: First, the City employee currently tasked with part-time network and end-user support responsibilities is, first and foremost, the City’s building inspector with a not insignificant workload already; second, vesting the responsibility in one person on a part-time basis makes City technology systems vulnerable in that person’s absence.

Fortunately, there are already examples—albeit minor examples—of the City and School District collaborating on technology. One such example involves District computers being used for the after school program run out of the City’s Kohler Youth Center by the Department of Parks and Recreation. Another involves the Police Department monitoring security cameras in school facilities, a functionality that was set up by the District’s tech staff.

Formal collaboration between the City and District in the technology function would make perfect sense, were it not for the District’s relationship with BOCES. At the present time, New York State has not authorized BOCES to provide services to municipalities. Shared services procured by school districts through BOCES are typically eligible for state aid that reimburses a portion of the cost, up to a maximum of 90 percent (depending on school district wealth). Because such an aid framework is not in place for municipalities, most BOCES and municipalities have determined that BOCES services are available exclusively to school districts.

There are, however, efforts underway across the state to modify BOCES’ traditional role. Given the inherent benefits provided by BOCES through coordinated purchasing and intermunicipal contracting for service, some communities are looking to expand its role to local governments. One such example is in Nassau County, where certain technology infrastructure sharing is already occurring, and the current County Executive is advocating for BOCES to assume a greater role in “back office” operations for schools, municipalities and the county.

Were BOCES authorized to provide such services to municipalities, CGR could envision the City of Tonawanda partnering on technology equipment purchases with the District. Moreover, the City might be able to assume a portion of the costs of the District’s BOCES tech support contract, to bring greater expertise into the City’s system and lead to greater synergies between the City and District tech functions.

Still, short of these approaches, there are opportunities to strengthen the City’s technology support function and reduce its vulnerability. One such idea involves the City contracting with the District for technical support services. Given the issues outlined above, it is likely this arrangement would have to involve the District’s own tech support staff members rather than the staff member contracted through BOCES.

Recommendation 11: Consider a service agreement between the City and School District to provide the former with network administration and tech support on an as-needed basis.

Such an arrangement would bring greater technological sophistication to the City's IT operation, tap into the District's comparatively resource-rich technology support net, and mitigate the vulnerability caused by the City's current approach.

In order to enable this type of service agreement to work most effectively, the City would likely have to consider shifting its network hub to the District. If the City's servers were housed alongside the District's at the High School, it would enable technology staff to remotely address many IT issues and facilitate a shared arrangement.

Given ongoing discussions across the state about expanding BOCES' role—as a result of the reports from the Suozzi Commission and Commission on Local Government Efficiency and Competitiveness—it makes good sense for the City and District to begin discussing potential IT collaborations now. Empowering BOCES to provide services directly to municipalities, or even to municipal/school district partnerships, would greatly benefit Tonawanda.

SHARED SERVICES AND LIABILITY

During the course of CGR's interviews with City and District personnel, several officials raised concerns regarding the legal liability of service sharing. It is apparent that in certain instances, fear of legal liability has led to an avoidance of otherwise common sense cooperation. For example, if the City were to fill potholes on District property, does the City assume additional liability for future injuries that may result from an improper or incomplete "fix"?

This is a standard issue in intergovernmental agreements, and is typically addressed through legal language in a contract which insulates the service provider from future liability. Mutual aid agreements, which are common contracts among neighboring governments to assist one another in the event of emergencies, consistently include such language. While a full legal analysis would be required to ensure the City and School District have properly mitigated such risks, the following language—drawn from an existing inter-municipal contract in New York State—could serve as a starting point in resolving the liability question:

“...each party agrees to indemnify and hold harmless the other party (or parties) from any and all damages, suits, claims and causes of action of every kind and nature arising out of any negligence or intentional tortuous acts of its employees, agents and servants as a result of this agreement...”

In fact, there is preexisting language to this effect in the current cooperative agreement contract between the City and District pertaining to storage and loading of road salt.

CITY AND SCHOOL FACILITIES

CGR was also asked to examine the issue of City and School District facilities. Specifically, CGR was tasked with exploring the potential cost/benefit of using—or redeploying—public facilities in a way that enhanced service quality or provided cost savings.

Facilities play a critical role in City and School District operations. The School District maintains seven facilities—soon to be six, with the sale of its Central Offices facility at 202 Broad Street—with an aggregate assessed value of \$15.1 million. The City has nineteen facilities in total, the largest of which are the highway garage on Fillmore Avenue, the fire station on William Street and City Hall on Niagara Street. The aggregate assessed value of these City properties is \$10.9 million.

As critical as Tonawanda’s public facilities are, their condition, use and deployment have received a great deal of community attention in recent years. Residents, committees and officials have engaged in a series of dialogues regarding City and School facilities.

Without question, the highest profile of those discussions was “Tonawanda 2000,” an effort to capitalize on additional State reimbursements and invest in the District’s school buildings. The capital measure passed with 60 percent of the vote, and resulted in \$26.1 million in capital upgrades. The investment marked a return to the concept of “neighborhood schools”; instituted a pre-K through grade 5 elementary structure; and created a distinct 6th to 8th grade middle school within the High School/Middle School complex.

Aside from “Tonawanda 2000,” the community has continued to have discussions of how best to deploy and use its public facilities. Planning processes such as those producing the *City of Tonawanda Comprehensive Plan* and the *Tonawanda City School District Long-Range Plan* have considered not only how facilities are used, but suggested ideas for rethinking community facilities. Some ideas have been in the abstract; others have been specific. In most cases, however, the facility suggestions

have not been analyzed as to their potential impacts on the community and the operations of the City and School District.

In this section, CGR reviews the potential financial, operational and development costs/benefits of a series of suggested facility and land use options. These options are not exhaustive, and should not be seen as such. Rather, they are ideas that presented themselves in the City's comprehensive planning process; the District's long-range planning process; CGR's interviews with officials and stakeholders; and/or the community forum CGR held in Tonawanda City Hall on July 21, 2008.

The intent of this section is not to advocate or make recommendations for a specific facility usage or deployment option(s). Rather, the intent is to provide the Tonawanda community—taxpayers and leaders alike—with analytical perspective on the impacts of alternative facility options they themselves have presented in recent years. It is an exercise in bringing facts and analytical perspective to bear on the “hypothetical” options identified by the community in recent years.

CGR draws no conclusion about which option(s) is “best,” and recognizes that what constitutes “best” is wholly dependent upon the evaluation criteria used. Whereas cost reduction or avoidance may be the primary criterion to one resident, service quality or historical/emotional attachments may be primary to others. The final discussion/decision on whether to alter the current public facility deployment—and if so, which path(s) to pursue—rests solely with the Tonawanda community.

Options Reviewed

The following facility options were selected for more detailed review in this section:

- 1A. Relocate Clint Small Stadium to the High School
- 1B. Redevelop City Hall campus elsewhere in the City
- 2A. Consolidate existing elementary schools into a single campus at Fletcher, opening existing sites to residential development
- 3A. Consolidate one or more elementary schools, opening existing sites to residential development
- 4A. Convert Highland Elementary into a community center
- 4B. Relocate senior center, opening existing site to development
- 4C. Relocate youth center, opening existing site to development

Again, these do not represent all of the options available to the City and School District. These specific alternatives were included because, in keeping with the parameters of this shared service study, they represent a collaborative arrangement between the City and School District; enable certain one-time or recurring cost savings; and/or would likely enable an enhancement in the quality of services provided to the community.

As noted, CGR did not “reinvent the wheel” in identifying which options to analyze. Options were drawn from the following sources and approved for more detailed review by the project steering committee:

- *City of Tonawanda Comprehensive Plan (2000);*
- *Tonawanda City School District Long-Range Plan (2005);*
- *Long Range Facility Plan: Tonawanda City School District (2008);*
- Interviews conducted by CGR with City and School District officials, department heads, employees and bargaining units between April and July 2008; and
- Suggestions and comments offered by members of the public at a presentation and forum held by CGR in Tonawanda City Hall on July 21, 2008.

Notes Regarding Capital Cost Calculations

The capital construction costs estimated in this section are based on replicating existing facilities, in like and kind, with new construction (except as noted). Each of the scenarios is treated as a stand-alone project. Cost projects reflect certain unknowns:

- Final design;
- Implementation timetable;
- Furniture, fixture and equipment needs;
- Final land needs and costs;
- Material costs at the time of implementation; and
- Control over the bid process and environment.

Capital cost projections do not include costs for programming and design; studies and investigations; asbestos or lead abatement; demolition; professional design fees; in-house administration, oversight or construction manager; land costs; financing costs; or operating costs. Where applicable, operating cost impacts are presented separately.

Capital projections are based upon experience and on the 2009 ENR Costbook, which relies upon 2008 actual data.

While it may be possible to save certain costs through a combination of projects under one project umbrella, that is not assumed herein.

*** Note regarding school capital costs:** It is important to note that certain facility expenditures incurred through any option would not necessarily be borne entirely by local taxpayers. The District would be eligible for certain state building aid, an expense-driven reimbursement of capital facility costs that, according to the District, is currently reimbursing at a rate of nearly 89 percent. Second, the District intends to seek voter approval for a capital reserve in May 2009. The reserve, which is already fully funded at \$500,000 and which the District intends to additionally fund in future years, would serve as another offset to any capital construction costs.

New Football Stadium, New City Hall

During interviews and the public forum, CGR was repeatedly told to explore the cost/benefit of building a new football stadium at the High School. The idea of relocating the facility—Clint Small Stadium—has been suggested for many years. It was suggested in the District’s 2005 long range plan that Tonawanda “consider selling Clint Small Athletics Field and provid(ing) similar athletic facilities at the high school.” The suggestion has also been proposed by the current Mayor of the City of Tonawanda.

The reasons put forward in support of moving the stadium have been numerous:

- The current stadium is old and the accompanying facilities aging;
- Its current and likely future capital needs are growing and will place additional costs on taxpayers;
- The current location, detached from a School District building, renders it non-aidable under State Education guidelines and means the District is forgoing aid that would otherwise be available;
- The detached location also makes it difficult to achieve equipment efficiencies between the stadium and other School athletic facilities;
- Student athletes must walk approximately one mile from the High School/Middle School in order to get to the stadium; and
- Parking is extremely limited.

While many have suggested a relocation of the stadium makes sense, there is no denying that many in the Tonawanda community have clear and strong emotional ties to the current Clint Small Stadium. Generations of teams and players have called the current stadium location home, contributing to its iconic status with some residents. Largely because of these emotional ties, discussions of relocating the stadium have not gotten past the “brainstorming” phase.

At the same time the community has considered the stadium’s future, it has also contemplated the potential value in relocating City Hall. The current site, at 200 Niagara Street, sits adjacent to Niawanda Park, a waterfront vista overlooking the Tonawanda Channel and Grand Island. The City’s 2002 comprehensive plan noted that the “City Hall/Police Station and the Water Treatment Plant are situated in a prime development location,” and included reference to a “relocation and redevelopment of the current City Hall.” Further, the current Mayor has repeatedly noted the potential fiscal benefit to the City of selling the parcel, returning it to the tax rolls and enabling private development on a likely-to-be-demanded site.

In the past three years, some higher-end residential development has occurred in neighboring waterfront properties. Since 2005, eight property transactions on Niagara Shore Drive have exceeded \$250,000 in price, more than three times the City’s median home value. Four of those sales have exceeded \$300,000.

Supporters of both a new football facility and relocated City Hall have suggested the possibility of a “land swap” between the City and School District. Under this scenario, the District would provide the current stadium site on Main Street to the City for development of a new City Hall; the District would build its new football stadium at the High School track; and the City would provide additional space to the District at the former Little League fields (bordered by Rogers Avenue and Fletcher Street) to address any spillover space needs associated with the new stadium.¹

A land swap is not essential to the relocation of City Hall. A new facility could certainly be built elsewhere in the City. However, there are inherent advantages to building the new facility at the Main Street site, among

¹ Some officials raised concern about locating the public safety functions at a central City Hall campus at the current Clint Small Stadium site. The site’s proximity to railroad tracks—particularly an abrupt curve in the tracks—is considered by some a vulnerability of the site. Beyond noting the synergies between the City Hall and stadium proposals in this section, CGR makes no formal recommendation on the merits of the Clint Small Stadium site as the appropriate location for a City Hall campus.

them the property's central geography within the City and not needing to remove another property from the tax rolls.

Cost/Benefit of New Football Stadium at High School

The project team estimated the costs of constructing a new football facility at the High School complex, to be located on the infield of the existing track. Estimates provided herein are based on the assumption of all new construction at the High School site, and no removal, recycling, resale or salvage at the existing location of Clint Small Stadium. The base cost also assumes new home and visitor locker rooms. If home, or home and visitor locker rooms already exist in a convenient and accessible location within the High School, capital costs can be adjusted accordingly.

Table 8:
Capital Costs for New Football Facility at High School

(Source: Lewis Childs Architect)

Item	Lower Bound	Upper Bound
Artificial Turf Infield	\$800,000	\$1,110,000
Lighting w/ Four 70-Ft Masts	\$160,000	\$195,000
Score Board	\$6,000	\$10,000
Stadium w/ Home and Visiting Stands, Locker Rooms, Press Box, Maintenance Garage, Public Toilets, Concession Stand and Entry Control	\$509,000	\$795,300
Total	\$1,475,000	\$2,110,300
<i>Deduct for Home Lockers in HS</i>	<i>\$125,000</i>	<i>\$145,000</i>
<i>Deduct for Both Lockers in HS</i>	<i>\$237,600</i>	<i>\$290,000</i>

A portion of the costs associated with the relocated stadium may be offset by State facility aid (see **Note** on p 38). CGR discussed the project concept with the New York State Education Department and was informed that building aid would likely be available up to the incidental cost allowance associated with the current High School/Middle School, provided that the new structure was not deemed a "new facility." Turf and grandstands associated with the field would likely be considered aidable; concession stands, garage bays and press boxes would not. According to SED regulations, to enable building aid in the year that the stadium project was constructed, the High School/Middle School would also have to engage in on-site general construction of at least \$10,000. An estimate of

total potential building aid for the project is not currently available, and will be subject to incidental cost allowances and the structure of the state's building aid program at the time of construction. CGR recommends the District work closely with SED on any planning process related to the stadium initiative.

There are likely to be at least three additional indirect impacts of a relocated stadium. First, the District would avoid certain capital improvements that will be required at the current Clint Small Stadium in coming years. District facility staff acknowledge the pending requirements are significant, including lighting and stands. Work may also be required to the grass field, given its age, drainage issues and deteriorating quality. The cost of those capital upgrades would have to be borne completely by City taxpayers, since the current location is not state aidable.

Second, locating the stadium at the High School would make certain aspects of it state aidable in ways Clint Small Stadium is not. Ongoing capital maintenance would be eligible for at least partial reimbursement, relieving City taxpayers from paying the full share (as they currently do at Clint Small).

Third, the District presently incurs annual staff costs of approximately \$64,000 to service the field and locker rooms at Clint Small Stadium. Given the stadium's stand-alone location, it requires dedicated personnel deployment and cannot easily be serviced by crews maintaining other District athletic fields. Relocating to the High School would enable a synergy with existing grounds personnel, and eliminate some of the duplication that is otherwise necessary with the stadium in its current location. While elimination of this staff position could enable annual savings of \$64,000, the District may opt to incorporate the position within its existing grounds staff, allowing it to redeploy in an increasingly efficient way that allows it to do more with the same resources.

Cost of New Relocated City Hall

The project team estimated the costs of reconstructing City Hall elsewhere in the City, thereby opening the current site to potential future development. The programming of the new City Hall is assumed to be in line with what currently exists, including City, court and police functions. In addition, cost estimates are provided for construction of a fire facility at the new City Hall site, as the concept of a "municipal campus" was suggested by several officials during the interview process. The programming of the fire facility is based upon the report issued by Bergmann Associates in 2007 (*i.e.*, full program size), but is priced upon the basis that the facility would be built all new at the proposed campus. Further fire programming and staffing research may call for deletion or

addition of certain spaces, as needs may have changed since the 2007 report. Also, training conducted outside the building may impact some program sizes.

Table 9:
Capital Costs for New Relocated City Hall Campus
(Source: Lewis Childs Architect)

Item	Lower Bound	Upper Bound
Municipal Building , w/ Court and Police Facilities (26,520 sq ft)	\$4,400,000	\$6,200,000
Fire Facility (19,717 sq ft)	\$3,500,000	\$4,700,000
Police Garage (1,800 sq ft)	\$10,000	\$15,000
Total	\$7,910,000	\$10,915,000

Fiscal Impact Analysis of City Hall Site Redevelopment

With a relocated City Hall freeing up the current parcel to development, what impact might new construction have? The current City Hall site is bordered by some of the community's best parkland and waterfront development. To its west is Niawanda Park, a 2.3-acre strip of community green space overlooking the Niagara River. To its east is Niagara Shore Drive, a circular road that provides access to a peninsula-like area bounded by the Niagara River and the Erie Barge Canal.

Reflective of the market and demand in the community for waterfront residential, property sales on Niagara Shore have fetched relatively high amounts in recent years. The single most expensive residential real estate transaction in the City since 2004—and nine of the ten-most expensive—occurred on Niagara Shore. It therefore seems reasonable to consider the potential fiscal impact of opening the City Hall site to development.

For the purposes of this analysis, CGR made two assumptions: First, that the City Hall site would be opened to residential development, given the impressive market for waterfront residential on Niagara Shore in recent years; Second, that any resulting development would be fully taxable.

From a fiscal perspective, there would be two basic impacts of opening the City Hall site to residential development—the initial sale, and the ensuing property tax generated by any new development. The most recent property transaction involving residential vacant land on Niagara Shore

Drive occurred in November 2006—272 Niagara Shore sold for \$350,000. This represents a good comparable in that it is the closest Niagara Shore parcel to the current City Hall site; however, the need to remove the City Hall facility before redeveloping the property is likely to impact the sale price. Still, the City Hall property is considerably larger than 272 Niagara Shore, which would likely offset some of the pricing impacts of the current facility needing to be removed. In order to determine the likely market value of the City Hall property, a formal appraisal would most likely be required, taking into account the true impact of the existing facility on sale price.

Based on a cursory space review, the City Hall site appears capable of accommodating at least four residential properties of the type seen on Niagara Shore Drive. It should be noted that this is the most conservative assumption to make regarding redevelopment of the City Hall site. The City is considering rezoning the area from R-2 to commercial, which would produce significantly greater fiscal impact. According to City officials, R-2 has a height and density restrictions that would affect the site's true redevelopment value. A commercial rezoning similar to the City's central business district would remove those restrictions; permit uses like mid-rise, mixed-use commercial, retail and residential; and enhance the site's construction and assessed value impacts.

(Note: The City is also investigating title issues for the City Hall site to determine if there are any deed restrictions/covenants that would impact its ability to develop the property or offer it as an RFP development opportunity.)

Table 10:

Top Property Sales on Niagara Shore Drive
Non-Vacant Property, One-Family Residential Since 2004
(Source: NYS Office of Real Property Services)

Number	Sale Price	Assessed Value
240	\$321,000	\$129,000
220	\$310,000	\$152,100
148	\$310,000	\$140,900
4	\$275,000	\$120,900
184	\$275,000	\$121,250
152	\$265,000	\$149,100
208	\$250,000	\$128,440
Median	\$275,000	\$129,000

What would be the long-term property tax impact on the City of residential development on the site? CGR computed single-year and cumulative impacts over 20 years assuming full redevelopment into four residential units within five years; a flat City homestead tax rate at the

2008 level of \$22.17 per thousand, school tax rate of \$24.10 and county tax rate of \$7.88; and annual AV growth of 3 percent from a current level of \$129,000. It should be noted that the calculations assess only property tax revenue generated from development of the site; no consideration is given to additional costs that might be borne from adding to the City's population (*e.g.* additional school-aged children attending Tonawanda schools), nor to infrastructure issues that might need to be addressed for any proposed redevelopment of the site.

Table 11:
Property Tax Impact Over 20 Years
Adding Four Residential Units on Current City Hall Site
(Source: CGR Calculations)

Year	City	Schools	County	Total	Cumulative Impact
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0
4	\$0	\$0	\$0	\$0	\$0
5	\$12,876	\$13,996	\$4,576	\$31,448	\$31,448
6	\$13,262	\$14,416	\$4,714	\$32,392	\$63,840
7	\$13,660	\$14,849	\$4,855	\$33,363	\$97,204
8	\$14,069	\$15,294	\$5,001	\$34,364	\$131,568
9	\$14,491	\$15,753	\$5,151	\$35,395	\$166,963
10	\$14,926	\$16,226	\$5,305	\$36,457	\$203,420
15	\$17,304	\$18,810	\$6,150	\$42,264	\$402,783
20	\$20,060	\$21,806	\$7,130	\$48,995	\$633,899

*Net present value of City/School property tax impact only
@ 1% = \$475,831, @ 4% = \$329,012*

Redevelopment of the City Hall site into four residential parcels would produce more than \$600,000 in cumulative property tax revenues over twenty years. The vast majority—over \$540,000—would accrue to the City and School District, with the remainder paid to Erie County. On an annual basis, the additional revenue is worth roughly 0.14 percent of the City's tax levy and 0.13 percent of the District's levy. To the extent the site can accommodate additional residential development, each unit beyond the four assumed in this analysis would increase the twenty-year cumulative total by approximately \$160,000. Similarly, to the extent that assessments rise at 5 percent rather than the 3 percent assumed in the analysis, the cumulative total would increase by \$170,000.

Creating a Single Elementary “Campus”

One opportunity mentioned repeatedly in CGR's interviews and in previous long-range planning dialogue involves development of a single elementary campus. The concept is consistent with the Long-Range Plan

developed for the District by the Western New York Educational Service Council (WNYESC) in February 2005, and an updated Long-Range Facility Plan produced by Erie I BOCES in April 2008.

Of course, the District has made a substantial investment in the operation of four separate elementary schools. Since the “Tonawanda 2000” initiative, elementary capital upgrades have totaled \$9.4 million for all four elementary schools. Those investments notwithstanding, there is acknowledgment that reorganizing the elementary capital portfolio could produce certain staffing and operational efficiencies. A March 2007 staffing study prepared for the District by WNYESC concluded that “continuing to operate four elementary schools is, from a staffing/cost perspective, inefficient. Two or even a single elementary school, perhaps with a K-2 and 3-5 structure, would lead to reductions in staff without affecting class size ceilings.”

The District already has a living, breathing example of school consolidation. Its High School/Middle School complex combines 6th through 12th graders in a single facility, enabling certain operational savings that would otherwise be unavailable. The example has proven the District can successfully maintain class sizes and service levels in a single campus, without sacrificing quality.

Cost of an Elementary Campus

(Costs associated with this option would not necessarily be borne entirely by local taxpayers, due to the availability of state building aid and the expected creation of a capital reserve fund within the District. For more information, see the **Note** on p 38.)

As noted in the 2008 Long-Range Facility Plan, “the school district at present does not have any separate potential site or sites for new schools. However, Fletcher Elementary and Riverview Elementary have adjacent land available for building expansion or new buildings.” As a result, this analysis is based on the assumption that the District would convert an existing elementary school into the consolidated campus, rather than acquiring additional land and building a brand new facility.

While the actual site selected does not necessarily impact the following cost analysis, there are natural benefits to locating at the current Fletcher site. The availability of District property on which to expand the current facility, and the ability of the District to consolidate its facilities portfolio in a single part of the City (across from the High School/Middle School) are primary benefits of the Fletcher site.

The project team estimated the construction costs of a new combined elementary campus at the current Fletcher Elementary site. Estimates

were developed in two parts: First, for rehabilitation to the existing Fletcher facility which would be required for additional build-out, and second, for new construction adding onto the existing Fletcher facility.

Space assumptions were based on accommodating approximately 925 students—roughly 102.5 percent of the current elementary enrollment—plus staff. While certain existing facilities at Fletcher will likely not be suitable to serve the enlarged population, this approach does not anticipate the creation of specific nodes or buildings for distinguishable populations or groups. Rather, it envisions a single large school complex where shared elements can serve the whole population. For example:

- **Gymnasium:** The gym at Fletcher would be too small. One additional gymnasium/locker complex of approximately 2,800 square feet is included in the calculation. The result is two gymnasiums in one complex, versus the current arrangement of four gymnasiums across four schools.
- **Auditorium:** The auditorium at Fletcher would be too small. A new auditorium with capacity of approximately 1,040 would be able to serve full school events. The existing Fletcher auditorium could be retained for smaller events, rehearsals and practices. The result is one large and one small auditorium, vs. the current arrangement of four small auditoriums across four schools.
- **Music and Art:** Instrumental and vocal music programs are likely to grow in proportion to the size of the school, and the spaces in Fletcher, as now configured, are insufficient to handle that capacity. The same logic applies to art instruction. As such, the calculation assumes one additional music suite and one additional art classroom.
- **Cafeteria:** The cafeteria at Fletcher would be too small. Assuming that a single kitchen and food storage area is desirable, a new (or enlarged) cafeteria would be required. The existing cafeteria may be reused for special purposes, such as staff meetings or special programming, or it may be retrofit for educational use.
- **Special Services:** It is likely that space for special services at Fletcher would be insufficient. The calculation assumes an additional 1,100 square feet to support the following special services: Math Intervention, Reading, Resource Room, Speech/Language, Psychologist and Nurse.
- **School Administration:** Administration space at Fletcher would be too small. The calculation assumes an additional 1,000 square feet for the following purposes: Principal, Administrative Assistant, Secretary, Conference Room, Copy Room and Faculty Work/Lunch Room.

Of course, the option exists to demolish Fletcher and design the new complex from scratch. This would eliminate awkward small spaces and

provide a more efficient building—approximately 147,200 square feet—that is less costly to heat and maintain.

Table 12:
Capital Costs for Single Elementary Campus
(Source: Lewis Childs Architect)

Item	Lower Bound	Upper Bound
Option 1: Demolish and Build		
New Facility (Full elementary population, DNI demolition/asbestos costs)	\$26,700,000	\$32,700,000
Option 2: Augment Existing		
Fletcher Facility		
Rehabilitate Fletcher	\$1,600,000	\$2,300,000
Replacement Spaces (1-for-1)	\$13,800,000	\$16,900,000
Augmented Spaces	\$1,700,000	\$2,100,000
Total	\$17,100,000	\$21,300,000

Any alternative use of Highland Elementary would, of course, result in the loss of its swimming pool for school purposes. If the District opted to incorporate a pool into an augmented Fletcher facility as part of an elementary campus, the cost is projected to be \$775,000 to \$1,000,000. This is based on the assumption of a 25-meter x 5 lane pool with 3-foot shallow end and deep end for diving, with a 1-meter diving board. The cost projection assumes a 2,250 square foot pre-engineered structure with exterior finishes matching the new construction, and use of the same locker rooms that serve the gymnasium. The building would have moisture resistant interior finishes.

Operational Savings from a Single Campus

To what extent has the High School/Middle School structure enabled staffing efficiencies? In general, the student:staff ratios for non-teaching staff in the High School/Middle School are considerably better than the elementary schools. This is understandable, since stand-alone elementary schools require their own administrative and operational staff overhead. But it is illustrative of what staffing savings could be realized through a similar consolidated facility for grades PK-5. For example, the student:staff ratio for principals and clerical staff is 48 percent better at the High School/Middle School. It is nearly 300 percent more efficient for nurses and librarians, 200 percent more efficient for music instructors, and more than 100 percent more efficient for physical education teachers.

Using student:staff ratios for administrative personnel—and sf:staff ratios for maintenance/operations personnel—CGR derived the potential staff

savings that could be derived from a consolidated elementary facility. In so doing, CGR determined staffing ratios for each elementary facility and compared the average to current ratios in the High School/Middle School. Staffing ratios were determined *only* for non-grade teaching personnel, under the assumption that the District would choose to maintain current student:teacher ratios for those instructional staff in a new facility. If the District and community were inclined to revisit current student:teacher ratios, certain teaching staff efficiencies could be realized. The 2007 staffing study prepared by WNYESC suggested that closing even one elementary school could enable “2-3 teaching positions, as well as one principal’s position and some support staff positions.” That efficiency could be furthered by shifting to the single elementary campus concept.

The following table shows positions reviewed by CGR where staffing ratios in the elementary schools were below those of the High School/Middle School:

Table 13:
Current Staffing Ratios, Elementaries and HS/MS
(Source: TCSD Organizational Charts; CGR Calculations)

Position	Students:Staff (Elementary Avg)	Students:Staff (HS/MS)
Principal	215	319
Secretary	215	319
Nurse	215	638
Music	215	425
Librarian	215	638
Phys Ed	220	250
Position	Sq Feet:Staff (Elementary Avg)	Sq Feet:Staff (HS/MS)
Engineer	49,188	265,650
Cleaner	24,594	33,206

The following table shows the efficiency savings realizable through a consolidated elementary facility that adopted the High School/Middle School staffing ratios for these positions:

Table 14:
Annual Efficiency Savings at Consolidated Elementary Facility
(Source: CGR Calculations)

Positions	FTE Reduction	Salary Savings	Benefit Savings	Total Savings
Principal	1.3	\$112,333	\$39,317	\$151,649
Secretary	1.3	\$44,330	\$15,516	\$59,846
Nurse	2.7	\$80,107	\$28,037	\$108,144
Music	2.0	\$116,582	\$40,804	\$157,386
Librarian	2.7	\$137,520	\$48,132	\$185,653
Phys Ed	0.5	\$27,539	\$9,639	\$37,178
Engineer	3.3	\$131,650	\$46,077	\$177,727
Cleaner	2.4	\$51,266	\$17,943	\$69,209
Total		\$701,328	\$245,465	\$946,793

Cumulative 15-Year Savings @ 3% annual salary and 5% annual benefit growth \$18,340,721

Note 1: Benefit savings calculated as 35% of salary savings

Note 2: Analysis includes partial positions

In addition to potential staff efficiencies, a consolidated elementary campus has the potential to impact a variety of other cost centers, including shipping/receiving and pupil transportation. A point-of-service transportation analysis would have to be conducted to quantify the cost/savings impact of moving pupils to and from any consolidated elementary campus.

Enriched Educational Opportunity

More to the point of enriching educational opportunity, there are natural synergies to be gained from locating a consolidated elementary campus at the current Fletcher site. During the course of CGR's interviews, multiple officials noted the benefits gained from having an elementary facility across the street from the High School/Middle School. One official even referred to the relationship as a "learning laboratory," an example being middle school and high school students writing and reading their own literary works to Fletcher Elementary students. More synergistic opportunities like this would be enabled through an elementary campus at the Fletcher site and a formal partnership between the two schools.

Fiscal Impact of Redeveloping Elementary Schools

The question of existing facility re-use will accompany any proposal to create a single elementary campus. One idea suggested to CGR during the

course of our interviews is considered in a later section—retrofitting Highland Elementary as a community center, which might enable further facility savings to accrue to the City through a consolidation of the Kohler and Senior Center facilities.

For the purposes of this section and to inform discussions on the productive reuse value of the existing elementary locations, CGR completed a fiscal impact analysis that assumes the facilities at Mullen and Riverview redeveloped as residential property. CGR has applied this assumption for two reasons: First, both school buildings are in a residential area, therefore making residential redevelopment a natural for any reuse plan; and second, CGR was repeatedly told by stakeholders that the City of Tonawanda’s residential real estate market would benefit greatly from additional property inventory and new units.

Redeveloping Mullen Elementary

Since 2004, there have been ninety-four residential property transactions with sale prices over \$35,000 in the neighborhood immediately surrounding Mullen Elementary. For the purposes of this analysis, CGR defined that area as bounded by Delaware Street on the west, Cranbrook on the east, Canton on the south and Walter on the north, and including all or portions of the following streets: Amsterdam, Walter, Maldiner, Delaware Street, Canton, Dekalb, Ilion, Mullen, Syracuse, Utica and Linwood.

The vast majority of those transactions have involved single-family residential units (94 percent), with the remainder being two-family units. Though sale prices have ranged as high as the \$150,000s, the median sale price was approximately \$81,400.

The Mullen Elementary site is 4.8 acres. Based on the sizes of properties sold since 2004, the typical residential parcel in the neighborhood appears to be roughly 55 feet x 120 feet, or 0.15 acres. In other words, the existing Mullen site would appear large enough to accommodate approximately 25 residential parcels of the same size and density as the surrounding neighborhood.

Given the absence of new residential developments of this type in recent years in the City, there are not reliable benchmark data to suggest a likely absorption rate of new houses. The following analysis assumes three new residential units per year, beginning in year 3—allowing time for site clearing and preparation—until full build-out. All units are assumed fully taxable.

For the purposes of this analysis, a flat City homestead tax rate at the 2008 level of \$22.17 per thousand, school tax rate of \$24.10 and county tax rate of \$7.88; and annual AV growth of 3 percent are assumed.

Table 15:
Property Tax Impact Over 20 Years
Residential Redevelopment of Mullen Elementary
(Source: CGR Calculations)

Year	City	Schools	County	Total	Cumulative Impact
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0
3	\$5,744	\$6,244	\$2,041	\$14,029	\$14,029
4	\$11,832	\$12,862	\$4,205	\$28,899	\$42,928
5	\$18,280	\$19,872	\$6,497	\$44,649	\$87,577
6	\$25,105	\$27,290	\$8,923	\$61,318	\$148,896
7	\$32,322	\$35,136	\$11,489	\$78,947	\$227,843
8	\$39,951	\$43,428	\$14,200	\$97,579	\$325,422
9	\$48,007	\$52,187	\$17,063	\$117,257	\$442,679
10	\$56,511	\$61,431	\$20,086	\$138,029	\$580,708
15	\$65,512	\$71,215	\$23,285	\$160,013	\$1,335,505
20	\$75,947	\$82,558	\$26,994	\$185,499	\$2,210,521

*Net present value of City/School property tax impact only
@ 1% = \$1,650,519, @ 4% = \$1,122,624*

Redeveloping Riverview Elementary

Since 2004, there have been thirty-two residential property transactions with sale prices over \$35,000 in the neighborhood immediately surrounding Riverview Elementary. For the purposes of this analysis, CGR defined that area as bounded by Brookside Terrace on the west, Rogers on the east, Wadsworth Court on the south and Mitchell on the north, and including all or portions of the following streets: Brookside Terrace, Brookside Terrace West, Taylor, Wadsworth Court, Wadsworth, Hamilton, Bellinger, Karen, Baker, Plymouth, Mitchell, Hackett and Rogers.

All of the transactions occurring in that area over the past four years have involved single-family residential units. Sale prices have ranged as high as \$160,000, with a median sale value of \$90,500.

The Riverview site is 8.0 acres in size, making it the second-largest elementary school parcel in the District (following Fletcher). Based on the size of the properties sold since 2004, the typical residential parcel in the neighborhood appears to be 60 feet x 120 feet, or 0.16 acres. In other words, the existing Riverview site would appear large enough to accommodate approximately 40 residential parcels of the same size and density as the surrounding neighborhood.

Table 16:
Property Tax Impact Over 20 Years
 Residential Redevelopment of Riverview Elementary
 (Source: CGR Calculations)

Year	City	Schools	County	Total	Cumulative Impact
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0
3	\$6,386	\$6,942	\$2,270	\$15,597	\$15,597
4	\$13,155	\$14,300	\$4,676	\$32,130	\$47,727
5	\$20,324	\$22,093	\$7,224	\$49,641	\$97,368
6	\$27,911	\$30,341	\$9,921	\$68,173	\$165,541
7	\$35,936	\$39,064	\$12,773	\$87,773	\$253,314
8	\$44,417	\$48,283	\$15,787	\$108,488	\$361,802
9	\$53,374	\$58,021	\$18,971	\$130,366	\$492,168
10	\$62,829	\$68,299	\$22,332	\$153,459	\$645,627
15	\$118,359	\$128,662	\$42,069	\$289,090	\$1,805,697
20	\$140,728	\$152,979	\$50,020	\$343,728	\$3,427,093

*Net present value of City/School property tax impact only
 @ 1% = \$2,537,355, @ 4% = \$1,681,799*

Closing One Elementary School

Operational Savings

Much as a single elementary campus would enable certain efficiencies, shifting from four elementary schools to three would provide for efficiency opportunities. The existence of four elementary schools forces the District to support certain built-in “overhead” costs, such as a principal, nurse and maintenance staff at each facility. Reducing the number of elementary facilities by one would chip away at some of that overhead cost.

In calculating the potential staffing efficiencies from closing a single elementary school, CGR did not select a specific school. Rather, the staffing ratios are based on the average of current student:staff and sf:staff ratios of all four elementary schools. As such, were the District to pursue the closure of one elementary school, final savings figures would need to be refined based on exact enrollment and square footage.

Average enrollment across the four elementary schools is 215. The closure of one school would therefore result in a shift of 215 students to the other three elementaries. Assuming those students were equally distributed across the remaining schools, average elementary enrollment would increase to approximately 287 (*i.e.* 215 students ÷ 3 schools = approx 72 students per remaining school). As with the staffing analysis presented in the preceding section, ratios were determined *only* for non-grade teaching personnel under the assumption that current student:teacher

ratios would be maintained. In other words, the closure of one elementary school would result in the shift of existing teaching staff to the remaining schools.

The largest efficiency of shifting from four elementary schools to three involves administrative and maintenance staff. CGR estimates that one full-time equivalent position could be eliminated in each of the following areas:

- Principal
- Secretary
- Nurse
- Music
- Librarian
- Engineer
- Custodian

In addition, two FTE cleaners could be eliminated. The elimination of these nine positions would produce an estimated \$516,000 in potential annual salary and benefit savings for the District. The cumulative 15-year savings at an annual salary growth of 3 percent and benefit growth of 5 percent would be \$9,999,355.

Beyond direct staffing efficiencies, the District would realize some savings in utilities and capital maintenance. Capital maintenance savings are difficult to accurately estimate, and would be different depending on which facility were to close. As for utilities, the four elementary schools spent an average of \$65,000 each on combined natural gas and electricity in 2007-08. Closure of a single school would save at least that amount on an annual basis.

Fiscal Impact of Redeveloping Elementary Schools

Depending upon which elementary school was closed, there would be a potential fiscal impact from the sale and redevelopment of that property.

Redeveloping Mullen Elementary

(See Previous Section)

Redeveloping Riverview Elementary

(See Previous Section)

Redeveloping Fletcher Elementary

Since 2004, there have been thirty-three residential property transactions with sale prices over \$35,000 in the neighborhood immediately

surrounding Fletcher Elementary. For the purposes of this analysis, CGR defined that areas as bounded by Rogers Avenue on the west, Wheeler on the east, Morgan on the north and Schuler on the south, and including all or portions of the following streets: Fletcher, Hinds, Proy, Moyle, Wheeler, Morgan and Gibson.

The vast majority of those transactions have involved single-family residential units (94 percent), with the remainder being multi-family units. Sale prices have ranged as high as the \$130,000s; the median sale price was \$83,000.

The Fletcher Elementary site is 9.7 acres. Based on the sizes of properties sold since 2004, the typical residential parcel in this neighborhood appears to be roughly 60 feet x 130 feet, or 0.18 acres. The existing Fletcher site therefore appears large enough to accommodate approximately 50 residential parcels of the same size and density as the surrounding neighborhood. For this analysis, the same absorption and tax rate assumptions are used as in the previous section.

Table 17:
Property Tax Impact Over 20 Years
Residential Redevelopment of Fletcher Elementary
(Source: CGR Calculations)

Year	City	Schools	County	Total	Cumulative Impact
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0
3	\$5,857	\$6,366	\$2,082	\$14,304	\$14,304
4	\$12,064	\$13,115	\$4,288	\$29,467	\$43,772
5	\$18,640	\$20,262	\$6,625	\$45,527	\$89,299
6	\$25,598	\$27,827	\$9,099	\$62,524	\$151,822
7	\$32,958	\$35,827	\$11,714	\$80,499	\$232,321
8	\$40,736	\$44,282	\$14,479	\$99,497	\$331,818
9	\$48,951	\$53,212	\$17,399	\$119,562	\$451,380
10	\$57,622	\$62,639	\$20,481	\$140,742	\$592,122
15	\$108,550	\$118,000	\$38,582	\$265,132	\$1,656,053
20	\$161,332	\$175,377	\$57,343	\$394,052	\$3,407,900

*Net present value of City/School property tax impact only
@ 1% = \$2,515,061, @ 4% = \$1,651,454*

Converting Elementary School to a Community Center

The concept of converting an elementary school to a community center for residents of Tonawanda combines several elements heard by the project team during interviews and the public meeting. First, the community lacks a community center. Second, it was suggested that Highland Elementary could be an attractive facility to retrofit because it houses an

indoor pool. Third, and perhaps most importantly, the community center option might be part of a redevelopment strategy should the District opt to shift to a three- or single-campus elementary framework.

The project team estimated the costs of converting Highland Elementary to a community center for use by youth, seniors and residents generally. Current school spaces for offices, classrooms, gym, cafeteria and auditorium could be used for a wide variety of programs with only minor changes.

Table 18:
Capital Costs for Retrofitting Highland as Community Center
(Source: Lewis Childs Architect)

Item	Lower Bound	Upper Bound
Highland Rehabilitation	\$2,300,000	\$3,800,000
Parking / Landscape Rehab	\$40,000	\$58,000
Total	\$2,340,000	\$3,858,000

Redevelopment of Kohler Site

Were Highland converted to a community center, the City would be positioned to shed its Kohler Youth Center facility and consolidate the function into the renovated community center. The presence of a pool at the Highland site would make the Kohler pool dispensable. Assuming the Kohler site were made available for future development, property tax impacts to the City can be projected.

Since 2004, there have been twenty-six residential property transactions in the neighborhood immediately surrounding the Kohler Youth Center. For the purposes of this analysis, CGR defined that area as bounded by Fletcher on the north, Main on the south and east, and Franklin on the west, and including all or portions of the following streets: Nowak, Erie, Court, James, Franklin, Virginia, Kohler, Elmwood Park North and Elmwood Park South.

All of the transactions have involved residential-type properties—eighteen single family residential, five multiple family residential, two apartments and one vacant residential. Sale prices have ranged as high as \$141,000, with a median sale value of \$73,500.

The Kohler site is 4.0 acres in size, and includes a 3,800 square foot facility (with offices and activity space), an outdoor pool and baseball field. It fronts a residential neighborhood, and backs up to the City library and (across Main Street) Clint Small Stadium. Based on the size of properties sold in this neighborhood since 2004, the median residential parcel appears to be approximately 45 feet x 140 feet, or 0.14 acres.

[Note: This median value was calculated without including the 2006 sale of American Legion Tonawanda Post No. 264, since the dimensions of that parcel were significantly different from the residential transactions that occurred during the same timeframe.] In other words, the existing Kohler site appears large enough to accommodate approximately 28 residential properties with roughly same size and density of the surrounding neighborhood.

The following analysis uses the same absorption and tax rate assumptions as in the previous sections.

Table 19:
Property Tax Impact Over 20 Years
Residential Redevelopment of Kohler Center Site
(Source: CGR Calculations)

Year	City	Schools	County	Total	Cumulative Impact
1	\$0	\$0	\$0	\$0	\$0
2	\$0	\$0	\$0	\$0	\$0
3	\$5,186	\$5,638	\$1,843	\$12,677	\$12,677
4	\$10,684	\$11,614	\$3,797	\$26,094	\$38,762
5	\$16,506	\$17,943	\$5,867	\$40,316	\$79,078
6	\$22,668	\$24,642	\$8,057	\$55,367	\$134,445
7	\$29,186	\$31,726	\$10,374	\$71,285	\$205,730
8	\$36,073	\$39,214	\$12,822	\$88,109	\$293,839
9	\$43,348	\$47,122	\$15,407	\$105,877	\$399,716
10	\$51,027	\$55,469	\$18,137	\$124,633	\$524,349
15	\$69,013	\$75,021	\$24,530	\$168,564	\$1,314,134
20	\$80,005	\$86,970	\$28,437	\$195,412	\$2,235,911

*Net present value of City/School property tax impact only
@ 1% = \$1,665,501, @ 4% = \$1,124,449*

Relocating Senior Center

One clear opportunity to establishing a community center would involve relocating the City's senior center. Currently located at 35 Main Street, the center occupies a high-profile building in the middle of the City's downtown corridor. Relocating the senior center out of that facility and putting it up for sale could have a three-fold impact: 1) returning a key parcel to the tax rolls, 2) facility maintenance efficiencies by reducing the City's building portfolio, and 3) opening downtown space to potential economic development. (Note: During interviews, CGR was told that downtown office space was in demand and hard to come by. Opening the current senior center has the potential to feed that demand in the Main Street corridor.)

APPENDIX: INTERVIEWS

At the outset of this study, CGR requested the City and School District to identify a series of individuals to interview as background information for the analysis of purchasing, maintenance, technology and facilities. CGR thanks these individuals for participating in the interviews.

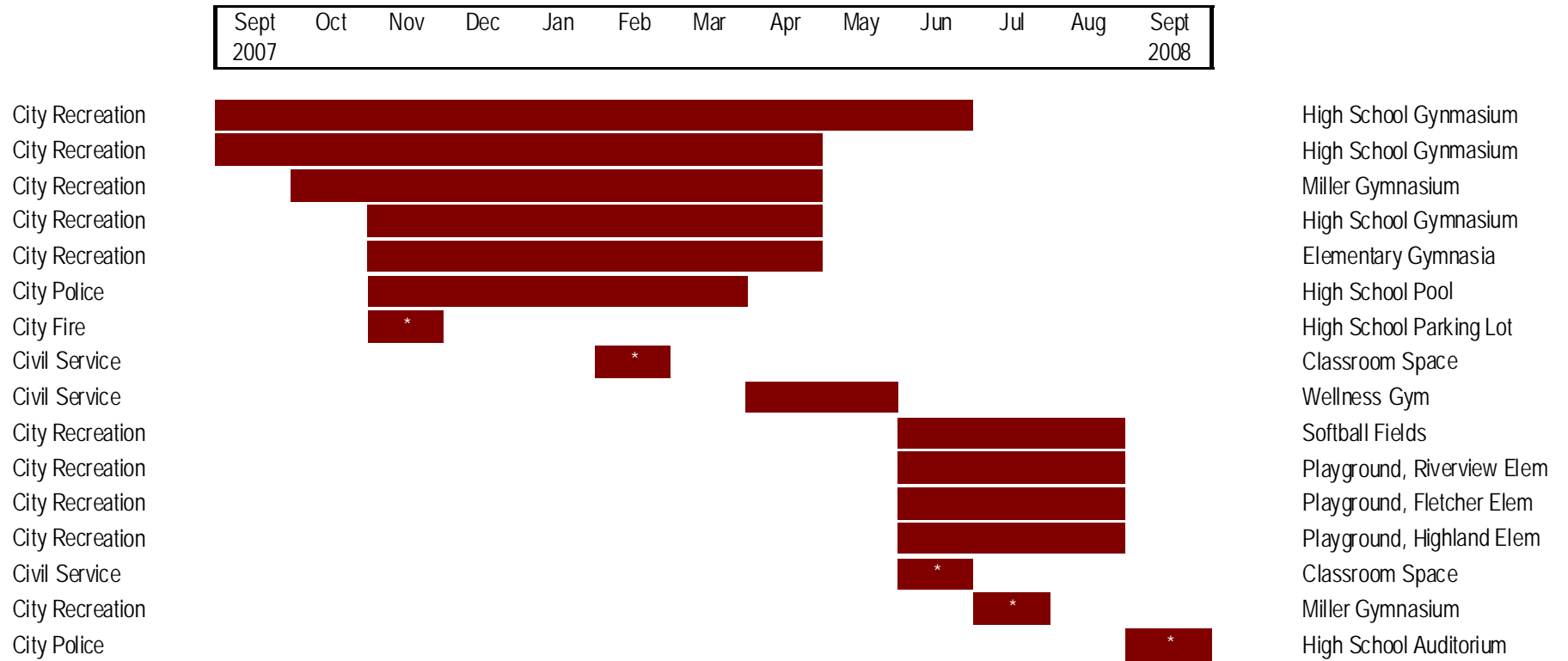
City of Tonawanda

Pat Bacon, Assessor
Jan Brodie, City Clerk
Linda Foels, Director of Parks and Recreation
Doreen Harris, Senior Citizen Director
Joe Hogenkamp, Treasurer
Jason LaMonaco, Engineer
Mike Lamp, Vice President of IAFF (Firefighters)
Neal Myers, Superintendent of Public Works
Coleen Overholt, President of CSEA (Clerical)
Ron Pilozzi, Mayor
Kevin Rank, Building Inspector and Computer Services Director
Diane Rusert, Civil Service Executive Secretary
Joe Scarpena, Secretary of PBA (Police)
Chuck Stuart, Fire Chief
Don Witkowski, Administrative Assistant to Mayor
Cindy Young, Police Chief

Tonawanda City School District

Larry Badgley, Assistant Principal of High School
Richard Caitlin, Fmr Bd of Ed Member, Co-Chair of Tonawanda 2000
Sue D'Angelo, Principal of Fletcher Elementary
Sue Dahl, President of SEIU (Cleaners)
Dave Fiebelkorn, Technology Staff Member (BOCES)
Dan Kasbaum, CSEIA (Clerical and Administrative)
Paul Maziarz, Director of Facilities and Operations
John McKenna, Principal of Mullen Elementary, President of TASG
Peter Michaelson, Assistant Superintendent for Business
James Newton, Principal of Middle School
Claudia Panaro, Principal of Highland Elementary
Barbara Peters, Superintendent
Lee Pierce, Principal of Riverview Elementary
Mary Beth Scullion, Interim Principal of High School / Assistant Supt for Curriculum
Kathy Tassy, Assistant Principal of Middle School
Jim Weber, President of Board of Education
Erin Wornick, Technology Staff Member

Approved City Usage Requests for School District Space, 2007-08 School Year



* Indicates single-day reservations; All others are recurring daily or weekly usage