Shared Municipal Services Program

Program Guidelines | December 2008
Section I – General Information

A. Authority for Grants
   1. The Shared Municipal Services (SMS) Program was created by the passage of Act 78 of 1970, amending Section 2501-C of the Administrative Code.
   2. The purpose of the program is to promote cooperation between municipalities and to foster increased efficiency and effectiveness in the delivery of municipal services at the local level.
   3. The Shared Municipal Services Program is administered by the PA Department of Community and Economic Development’s (DCED) Governor’s Center for Local Government Services.

B. Eligible Applicants
   Any group of two or more municipalities, or a body authorized to act on behalf of two or more municipalities, is eligible to apply for funds.

C. General Project Categories
   1. Intermunicipal Organization Start-up
      Grants may be awarded to newly formed Councils of Governments (COGs) or similar organizations formed for the purpose of undertaking programs of intermunicipal cooperation to defray the cost of initial administrative expenses.
   2. Shared Services
      Grants may be awarded to groups of two or more municipalities acting in concert to defray the cost of performance of any local government function.
   3. High Impact Projects
      These are proposals involving multi-municipal projects that have significant administrative or service impact for a larger geographic area and/or large population base. Multi-county initiatives are encouraged as well as combinations of municipal governments working in concert to provide administration or services on the basis of a formal partnership. Projects meeting this description will receive priority consideration for funding. Upon staff review, a reduction in required cash match may be awarded.
   4. Vehicles
      Applications for shared funding for vehicles (automobiles, trucks) must demonstrate that the vehicle is either necessary for startup of a new intergovernmental initiative such as a regional police or public works project or the expansion of a previously established but expanded regional organization where added vehicles are demonstrated as necessary to provide increased services. Applications for vehicles as replacements for existing equipment absent any expansion of a regional effort will be evaluated on a case-by-case basis and availability of funds. All applications for vehicles must propose a full 50% cash match and the maximum grant shall not exceed $25,000.
   5. Motorized Equipment
      Applications for motorized equipment such as asphalt pavers, bucket trucks, sewer vacs and other specialized equipment will be evaluated on an individual basis. Applicants must clearly demonstrate
that a formal partnership has been created to address the proposed use and maintenance of the equipment. Awards will be based upon demonstrated impact and availability of funds. All applications for motorized equipment must propose a minimum 50% cash match. The maximum grant shall not exceed $50,000.

6. **Boundary Change**

Applications for funding for financial analyses, feasibility studies, public outreach and education programs for proposed boundary change will be considered as priority applications. Applications for those projects shall provide a minimum of 25% match in-kind, cash or a combination of both. If boundary change is approved by voters, transition costs may be funded with a waiver of match requirements, based upon staff review and recommendations.

7. **Act 47 Communities**

Applications identifying any Act 47 community as a partner will receive priority consideration with reduced match requirements consistent with provisions of the Act. Depending upon the nature of a request, an Act 47 municipality or municipalities shall provide a combined minimum 10% of match and any partnering non-Act 47 municipality or municipalities shall provide a combined minimum 25% match. Any match can be cash, in-kind, a combination of the two or cash match from any third party organization or government entity. A waiver of match requirements for any Act 47 municipality may be approved based upon staff review and recommendations.

**D. Project Examples**

1. Typical projects for which funds may be awarded include:
   - Combined police records administration.
   - Shared technology initiatives.
   - Municipal insurance pooling.
   - Shared public works operations.
   - Regional recreation activities.
   - Shared code enforcement operations.
   - Shared motorized equipment.
   - Merger/consolidation of volunteer fire companies (start-up costs). A municipality must serve as the applicant, acting on behalf of the merged/consolidated volunteer fire companies.
   - Shared planning operations.
   - Shared service delivery.

2. Any authorized municipal function accomplished jointly is an eligible activity and may be included in a grant application with the exception of the purchase, renovation or construction of buildings and/or infrastructure, which are not considered eligible activities.

**E. Grant Allocation and Limitation**

1. Grant funds are usually used to finance up to 50% of the total project cost. Local share may be provided in cash or by municipal labor or other in-kind services; however, the matching share for shared personnel projects must be in cash.

2. Upon approval of an application, a grant contract shall be executed between the DCED and the applicant for the amount of the grant.
Section II – The Application Process

A. General

1. Effective September 1, 2008, the Department of Community & Economic Development (DCED) will require all funding applications to be submitted using the Electronic Single Application. Paper applications will no longer be accepted.

2. Access the Electronic Single Application at: www.esa.dced.state.pa.us.

3. The original signature page must be forwarded to the DCED at the address listed below. Please reference the Web ID number on any documentation sent with the signature page. Additionally, any supplemental/addenda information that is not submitted as an electronic attachment in the Electronic Single Application should be forwarded to:
   DCED Customer Service Center
   Commonwealth Keystone Building
   400 North Street, 4th Floor
   Harrisburg, PA 17120-0225.

4. General inquiries pertaining to the completion and/or submission of the DCED Single Application should be directed to the DCED Customer Service Center at (800) 379-7448. Questions that are project specific or are in reference to the program guidelines should be directed to the DCED regional local government services representative in which the applicant is physically located (refer to page 7 for contact information). Applicants may also call the Governor’s Center for Local Government Services, 400 North Street, 4th Floor, Commonwealth Keystone Building, Harrisburg, PA 17120-0225, (888) 223-6837 for assistance.

5. Applications may be submitted at any time.

6. It is recommended that prior to submission of an application, an applicant should contact the Governor’s Center for Local Government Services to discuss a project and determine eligibility and viability of a proposed project. Please refer to page 7 for contact information for your region or contact the Governor’s Center for Local Government Services directly at the number listed above.

B. Additional Requirements

1. Project Narrative
   Summarize the overall goals the applicant expects to attain through the use of this grant. The narrative should address the requirements of the Single Application provided on the back of page 4, as well as the evaluation criteria for the Shared Municipal Services program, and provide at a minimum the following information:
   • What is the need, objective, and outcome of the project?
   • Describe the process by which this project will be accomplished.
   • Describe and provide support for the local commitment for the project.
   • Provide sufficient detail to clearly explain the project’s financing.
   • Provide an estimate of the cost savings the project will achieve.
2. **Type of Local Match**  
Indicate whether local match will be provided in cash, in-kind services or a combination of both. Please note that documentation for all project match must be maintained by the applicant. DCED reserves the right to request documentation of match at any time.

3. **Participating Municipalities**  
Provide a list of those counties, cities, boroughs, towns, townships and school districts participating in the project. List only those municipalities participating in this particular project.

4. **Project Budget**  
Complete the project budget in the Single Application. Attach additional pages to the narrative that provide a detailed project budget. The total of all income sources should equal the total of all expenditures. In-kind contributions should be clearly labeled as such, specified by municipality, the nature of the contribution, the value of each and should be reflected as both income and expenditure items. Local match should be equal to or more than the grant requested. If other state and/or federal funds are being proposed as match for the project, please discuss eligibility requirements with a Governor's Center for Local Government Services representative.

5. **Income Sources**  
Income sources should include:

- Amount of Shared Municipal Services project grant. **Please make all grant requests in even hundred dollar amounts. Do not use cents.**
- Amount of municipal cash contribution by municipality.
- Value and identification of in-kind contribution by municipality.
- Other state or federal funds, identified by agency and program.
- Other revenues with identification of each source.

6. **Expenditures**  
Expenditure items should include:

- Project personnel costs.
- Project administration costs.
- Materials and supplies (itemize if more than $500).
- Equipment purchases or rentals (specify the type, amount and cost of each).
- Capital purchase costs (specify by item) (construction prohibited).
- Any other items (specify each).

7. **Execution**  
Provide an original signature. Typed, printed, photocopied, stamped, signed in lieu of, or facsimile signatures are not acceptable.

8. **Documentation**  
The following documentation is required to accompany applications.

   a. For Councils of Governments and similar organizations:
      - A letter certifying the COG’s active status per Attachment A.
      - A resolution authorizing the filing of the application per Attachment B.
b. For other intermunicipal projects:
   - A Resolution for each of the governing bodies of participating municipalities as per Attachment B.

C. Assistance for Persons with a Disability

Any person with a disability who wishes to submit an application in accordance with the provisions stated herein, requires assistance with that application or requires copies of this notice in an alternate format (large type, braille, etc.) should contact Harry Krot, Governor’s Center for Local Government Services, 400 North Street, 4th Floor, Commonwealth Keystone Building, Harrisburg, Pennsylvania 17120-0225, (888) 223-6837 to discuss how the Department may best accommodate your needs.

Section III – Evaluation Criteria

All applications will be evaluated by criteria indicated below. The submission of an application does not guarantee funding.

A. Overall Quality of Project. Does the project appear to be well planned and ready for implementation? Does it address a real need of the region? Will municipalities actually be working together, or merely performing independent tasks concurrently? Will the project strengthen the capacity of participating municipalities to provide for basic municipal services? Will the project explore a new area of intergovernmental cooperation? Will the project address long-term solutions to service delivery issues?

B. Cost Savings Potential. Can participating municipalities expect to reduce expenditures or increase revenues as a result of the project? Will it contribute to the financial efficiency of local government?

C. Local Commitment. Will applicant municipalities be participating both financially and otherwise in the project? To what extent? What partnerships have been established as part of the project? Does the project reflect a broad community commitment to the proposed activity? Are documents included that reflect broad community/regional support for the project?

D. Funding Adequacy, Source and Timetable. Is the amount of money applied for and the grantee contribution a reasonable amount to complete the project? Is the amount reasonable in terms of the program’s total allocation? Are alternative means or sources of funding available? Does the project outline an implementation time schedule? Is it a reasonable project within the contractual time frames of the program?

E. Past Performance. If the applicant has received previous SMS grants, how have the grants benefitted local municipalities? Have grant funds been spent properly? Have projects been implemented and completed in a timely manner? (Applicants who have not received funding in the recent past will receive a neutral score.)

F. Financial Disadvantage. Will the project benefit municipalities identified by the DCED as disadvantaged under its Early Warning System?

G. Keystone Principles. The elements of the Keystone Principles shall be included as part of the evaluation criteria for any SMS project. The Keystone Principles are included in Attachment D.
Section IV – Award Selection and Contract Execution

A. Award Selection

1. Projects selected for funding will be announced by letter from the DCED Secretary. The contact person specified in the application will be sent the letter. Specific actions to be taken upon receipt of this letter are outlined in this section.

2. Disbursement of grant monies by the DCED for this program is contingent upon the availability and release of funds.

B. Contract Execution Procedures

1. Fully Funded Projects
   - Approved applicants will be sent one copy of the contract. Sign the contract signature pages and return the contract to the specified address.
   - Submit a Payment Requisition (Attachment C) to the Governor’s Center for Local Government Services at the address indicated on the form.

2. Partially Funded Projects
   - Applicants will be notified by their Governor’s Center for Local Government Services assigned Account Manager if they are being offered a grant award in an amount less than what was requested. The Account Manager will advise the applicant as to what revisions will need to be made to their respective application in order for the project to be deemed acceptable for further processing.
   - Submit a Payment Requisition (Attachment C) to Governor’s Center for Local Government Services at the address indicated on the form.

3. Provisions Concerning the Americans with Disabilities Act
   
a. During the term of this contract, the Contractor agrees to comply with the provisions of the Americans With Disabilities Act, 28 C.F.R. §35.101 et seq. The Contractor further agrees to comply with the “General Prohibitions Against Discrimination,” 28 C.F.R. §35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act.

b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor’s failure to comply with the provisions of the paragraph.
Attachment A – Letter of Certification

I hereby certify that the (Name of COG) is actively operating and meeting on a regular basis at the present time. The following municipalities are active members of the (Name of COG).

(List all participating municipalities)

(Signed)
(Title)

(Signed)
(Attest)
(Date)
Attachment B – Resolution

Name of Municipality
Resolution Number _____

WHEREAS THE (LIST OF PARTICIPATING MUNICIPALITIES OR COG NAME) will be operating an intermunicipally, cooperative project to (NATURE OF PROJECT), AND

WHEREAS THE (MUNICIPALITY) wishes to participate in said intermunicipally, cooperative project.

AND WHEREAS THE Pennsylvania Department of Community and Economic Development makes available grants-in-aid to such projects through the Shared Municipal Services program,

NOW THEREFORE, BE IT RESOLVED that the (GOVERNING BODY) of the (MUNICIPALITY) hereby authorizes the (NAME OF LEAD MUNICIPALITY OR COG) to make application for such a grant on our behalf.

AND BE IT FURTHER RESOLVED that the (GOVERNING BODY) of the (MUNICIPALITY OR COG) hereby allocates municipal resources in the amount of (AMOUNT OF LOCAL SHARE) to said project.

Adopted this (DATE) (GOVERNING BODY)

Attest (SIGNED) (MUNICIPALITY)

(SIGNED) (PRESIDENT/CHAIRMAN)
# PAYMENT REQUISITION – SHARED MUNICIPAL SERVICES PROGRAM

1. **Grantee Name and Address**
   
2. **Grantee Federal ID#**
   
3. **Submission Date**

4. **Contract #**
5. **Vendor #**
6. **Requisition #**

7. **Requisition Amount**
   - [ ] Partial
   - [ ] Final

8. **Contact Person (Name and Phone #)**

9. **Project Description (Purpose of Grant)**

10. **BANKING INFORMATION:**

    Please note that ALL payments will be made by ACH electronic funds transfer. You MUST complete the following banking information regarding where you would like your grant funds electronically deposited.

    - [ ] X Bank Name/Address________________________________
    - [ ] X Bank Routing/ABA #__________________________
    - [ ] X Bank Account #s_____________________________

**Instructions**

1. Enter the complete name of the grantee as stated in the contract and the complete address.
2. Enter the Grantee Federal I.D. #s as found on the signature page of the contract.
3. Enter the date of this request.
4. Enter the Contract #as found in the right Hand corner of the contract.
5. Enter Vendor #s.
6. Indicate which requisition this is: 1st, 2nd, 3rd, etc.
7. Enter the payment amount that is being requested and whether this is the total DCED grant amount or a partial payment.
8. Enter the name of contact person and phone #s.
9. Project description (Purpose of Grant).
10. Banking Information: ALL payments will be made by ACH electronically deposited
11. I certify that the information provided on this form is correct.

**Signature of Authorized Official** ____________________________ **Name and Title (Typed)** ____________________________

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**This Section for Commonwealth Use Only**

**Account Code**

**DCED Approval**

**Comptroller Use**
Attachment D - Keystone Principles

Keystone Principles

The Keystone Principles & Criteria for Growth, Investment & Resource Conservation were adopted by the Economic Development Cabinet May 31, 2005. They were developed by the Interagency Land Use Team, a working group of the Cabinet over two years. The Principles & Criteria are designed as a coordinated interagency approach to fostering sustainable economic development and conservation of resources through the state's investments in Pennsylvania's diverse communities.

The Principles lay out general goals and objectives for economic development and resource conservation agreed upon among the agencies and programs that participated in their development. The Criteria are designed to help measure the extent to which particular projects accomplish these goals.

The Criteria do not replace agency program guidelines or criteria. Rather, at the agencies’ discretion, they will either be integrated into the agencies existing criteria (preferable) or used as additional, favorable considerations in the scoring or decision making process. The Principles and Criteria are designed to encourage multifaceted project development that will integrate programs and funding sources from a variety of state agencies into a comprehensive strategy to address issues affecting whole communities. There are two categories of criteria:

Core Criteria, where relevant, should be given primary consideration in all investment decisions made by Commonwealth agencies when making grants or loans to public or private projects using agency funds.

Preferential Criteria should be used by Commonwealth agencies in all programs to which they are applicable to evaluate projects and make decisions on grants or loans using agency funds.

Projects are to be evaluated with the recognition that rural, suburban, and urban areas have different characteristics and needs, and that what might work in an urban area might not work in a rural area (the "Be Fair" standard).

Commonwealth of Pennsylvania Keystone Principles for Growth, Investment & Resource Conservation Principles

1. **Redevelop First.** Support revitalization of Pennsylvania's many cities and towns. Give funding preference to reuse and redevelopment of "brownfield" and previously developed sites in urban, suburban, and rural communities for economic activity that creates jobs, housing, mixed use development, and recreational assets. Conserve Pennsylvania's exceptional heritage resources. Support rehabilitation of historic buildings and neighborhoods for compatible contemporary uses.

2. **Provide Efficient Infrastructure.** Fix it first: use and improve existing infrastructure. Make highway and public transportation investments that use context sensitive design to improve existing developed areas and attract residents and visitors to these places. Provide transportation choice and intermodal connections for air travel, driving, public transit, bicycling and walking. Increase rail freight. Provide public water and sewer service for dense development in designated growth areas. Use on-lot and community systems in rural areas. Require private and public expansions of service to be consistent with approved comprehensive plans and consistent implementing ordinances.
3. **Concentrate Development.** Support infill and "greenfield" development that is compact, conserves land, and is integrated with existing or planned transportation, water and sewer services, and schools. Foster creation of well-designed developments and walkable, bikeable neighborhoods that offer healthy lifestyle opportunities for Pennsylvanians. Recognize the importance of projects that can document measurable impacts and are deemed “most-ready” to move to successful completion.

4. ** Increase Job Opportunities.** Retain and attract a diverse, educated workforce through the quality of economic opportunity and quality of life offered in Pennsylvania’s varied communities. Integrate educational and job training opportunities for workers of all ages with the workforce needs of businesses. Invest in businesses that offer good paying, high quality jobs, and that are located near existing or planned water & sewer infrastructure, housing, existing workforce, and transportation access (highway or transit).

5. **Foster Sustainable Businesses.** Strengthen natural resource based businesses that use sustainable practices in energy production and use, agriculture, forestry, fisheries, recreation and tourism. Increase our supply of renewable energy. Reduce consumption of water, energy and materials to reduce foreign energy dependence and address climate change. Lead by example: support conservation strategies, clean power and innovative industries. Construct and promote green buildings and infrastructure that use land, energy, water and materials efficiently. Support economic development that increases or replenishes knowledge-based employment, or builds on existing industry clusters.

6. **Restore and Enhance the Environment.** Maintain and expand our land, air and water protection and conservation programs. Conserve and restore environmentally sensitive lands and natural areas for ecological health, biodiversity and wildlife habitat. Promote development that respects and enhances the state’s natural lands and resources.

7. **Enhance Recreational and Heritage Resources.** Maintain and improve recreational and heritage assets and infrastructure throughout the Commonwealth, including parks & forests, greenways & trails, heritage parks, historic sites & resources, fishing and boating areas and game lands offering recreational and cultural opportunities to Pennsylvanians and visitors.

8. **Expand Housing Opportunities.** Support the construction and rehabilitation of housing of all types to meet the needs of people of all incomes and abilities. Support local projects that are based on a comprehensive vision or plan, have significant potential impact (e.g., increased tax base, private investment), and demonstrate local capacity, technical ability and leadership to implement the project. Coordinate the provision of housing with the location of jobs, public transit, services, schools and other existing infrastructure. Foster the development of housing, home partnerships, and rental housing opportunities that are compatible with county and local plans and community character.

9. **Plan Regionally, Implement Locally.** Support multi-municipal, county and local government planning and implementation that has broad public input and support and is consistent with these principles. Provide education, training, technical assistance, and funding for such planning and for transportation, infrastructure, economic development, housing, mixed use and conservation projects that implement such plans.

10. **Be Fair.** Support equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning to ensure social, economic, and environmental goals are met. Ensure that in applying the principles and criteria, fair consideration is given to rural projects that may have less existing infrastructure, workforce, and jobs than urban and suburban areas, but that offer sustainable development benefits to a defined rural community.
Implementing the Keystone Principles

I. Core Criteria

1. Project avoids or mitigates high hazard locations (e.g., floodplain, subsidence or landslide prone areas).

2. Project/infrastructure does not adversely impact environmentally sensitive areas, productive agricultural lands, or significant historic resources.

3. Project in suburban or rural area: Project and supporting infrastructure are consistent with multi-municipal or county & local comprehensive plans and implementing ordinances, and there is local public/private capacity, technical ability, and leadership to implement project.

4. Project in “core community” (city, borough or developed area of township): Project is supported by local comprehensive vision & plan, and there is local public/private capacity, technical ability, and leadership to implement project.

5. Project supports other state investments and community partnerships.

II. Preferential Criteria

1. Development/Site Location
   - Brownfield or previously developed site.
   - Rehabilitation or reuse of existing buildings (including schools and historic buildings).
   - Infill in or around city, borough, or developed area of township.
   - If greenfield site, located in or adjacent to developed area with infrastructure.
   - Located in distressed city, borough or township.

2. Efficient Infrastructure
   - Use of existing highway capacity &/or public transit access available.
   - Within ½ mile of existing or planned public transit access (rail, bus, shared ride or welfare to work services).
   - Use of context sensitive design for transportation improvements.
   - Use/improvement of existing public or private water & sewer capacity and services.

3. Density, design, and diversity of uses.
   - Mixed residential, commercial & institutional uses within development or area adjacent by walking.
   - Sidewalks, street trees, connected walkways & bikeways, greenways, parks, or open space amenities included or nearby.
   - Interconnected project streets connected to public streets.
   - Design of new water, sewer & storm water facilities follows Best Management Practices, including emphasizing groundwater recharge & infiltration, and use of permeable surfaces for parking and community areas.
4. Expand Housing Opportunities

- Adopted county and multi-municipal or local municipal plans include plan for affordable housing; and implementing zoning provides for such housing through measures such as inclusion of affordable housing in developments over a certain number of units (e.g., 50), provision for accessory units, and zoning by right for multifamily units.
- Project provides affordable housing located near jobs (extra weight for employer assisted housing).
- Project adds to supply of affordable rental housing in areas of demonstrated need.

5. Increase Job Opportunities

- Number of permanent jobs created and impact on local labor market.
- Number of temporary jobs created and impact on local labor market.
- Number of jobs paying family sustaining wages.
- Increased job training coordinated with business needs & locations.

6. Foster Sustainable Businesses

- Sustainable natural resource industry improvement or expansion: agriculture, forestry, recreation (fisheries, game lands, boating), tourism.
- Business or project is energy efficient; uses energy conservation standards; produces, sells or uses renewable energy; expands energy recovery; promotes innovation in energy production and use; or expands renewable energy sources, clean power, or use of Pennsylvania resources to produce such energy.
- Project meets green building standards.
- Project supports identified regional industry cluster(s).

7. Restore/Enhance Environment

- Cleans up/ reclaims polluted lands and/or waters.
- Protects environmentally sensitive lands for health, habitat, and biodiversity through acquisition, conservation easements, planning and zoning, or other conservation measures.
- Development incorporates natural resource features and protection of wetlands, surface & groundwater resources, and air quality.

8. Enhance Recreational/Heritage Resources

- Improves parks, forests, heritage parks, greenways, trails, fisheries, boating areas, game lands and/or infrastructure to increase recreational potential for residents & visitors.
- Historic, cultural, greenways and/or opens space resources incorporated in municipal plans and project plan.
- Makes adaptive reuse of significant architectural or historic resources or buildings.

9. Plan regionally; Implement Locally

- Consistent county and multi-municipal plan (or county and local municipal plan) adopted and implemented by county and local governments with consistent ordinances.
- County or multi-municipal plan addresses regional issues and needs to achieve participating municipalities’ economic, social, and environmental goals. All plans (county, multi-municipal, and local) follow standards for good planning, including:
  1) Is up-to-date.
2) Plans for designated growth and rural resource areas, and developments of regional impact.

3) Plans for infrastructure, community facilities, and services, including transportation, water & sewer, storm water, schools.

4) Plans for tax base and fair share needs for housing, commercial, institutional, & industrial development.

5) Identification of high hazard areas where development is to be avoided.

6) Identification of and plans for prime agricultural land, natural areas, historic resources, and appropriate mineral resource areas to be conserved.

7) Open space plan for parks, greenways, important natural & scenic areas and connected recreational resources.

- County and local ordinances implement the governing plans and use innovative techniques, such as mixed use zoning districts, allowable densities of 6 or more units per acre in growth areas, and/or clustered development by right, transfer of development rights, Specific Plans, and tax and revenue sharing.