



Options for Local Government Consolidation and Service Delivery Efficiency

New York State Department of State

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Overview

- Local Government Reorganization
 - Government Reorganization & Citizen Empowerment Act
- Reorganization Outcomes
 - SMSI and LGE Grant Funded Projects
- Alternatives to Reorganization
 - Functional Consolidations
 - Shared Services




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Local Government Efficiency Program (LGE) (Municipalities Gaining the Advantage)



- Improving services
- Reducing local costs
- Coordinating solutions
- Focusing resources



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Mission

- Increase community competitiveness through cooperative efforts
- Identify and implement sustainable reductions in local costs through efficiencies in service delivery



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Increase Competitiveness

Current Disadvantages


- Perception of Poor or Inefficient Service
- Reduction in Resources
- Limited Resources
- Further Degradation of Service

Gaining the Advantage

- Perception of Quality Service and Value
- Coordinated Efforts for Creative and Sustainable Solutions
- Focusing of Resources
- Improved Service



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Value of the LGE Program

- For consolidation and dissolution studies
- Help communities find new competitive advantages
- Objective information for voters and officials to evaluate and consider
- Seeks to reduce local costs

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How can LGE help?

- Grant assistance for studies and implementations
- Technical assistance
- Past studies and experiences from other communities

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LGE Grant Program

- Eligibility
 - Counties, cities, towns, villages, school districts, BOCES, fire districts, special improvement districts, library districts, regional planning boards, water and sewer authorities
- Funding
 - Up to \$50,000 for planning
 - \$200,000 per applicant, up to \$1,00,000 for implementation




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Local Government Efficiency Grants

Grants	FY 05	FY 06	FY 07	FY 08	FY 09
Awards	22	72	67	88	21
Amount	\$2.446 M	\$13.622M	\$13.695M	\$11.322M	\$4.110M
Estimated Savings	N/A	\$160.42M	\$84.73M	\$106.54M	\$66.67M
Savings Ratio	N/A	\$11.78/1	\$6.19/1	\$9.29/1	\$16/1

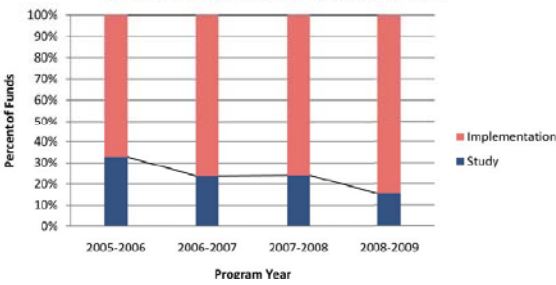
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All LGE Awards



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Planning Studies vs. Implementation Grants



Program Year	Study (%)	Implementation (%)
2005-2006	32	68
2006-2007	25	75
2007-2008	25	75
2008-2009	15	85

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LOCAL GOVERNMENT REORGANIZATION

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Reasons for Reorganization Study

- Loss of population...
- Decreased civic engagement...
- Concern with taxes and costs...
- Assumptions of lower taxes...
- Increase efficiencies...

In the end, DOS believes that a study provides a good, objective analysis – business decision.

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Government Reorganization & Citizen Empowerment Act

- Effective March 21, 2010
- Amends or Repeals State Laws including:
 - Municipal Home Rule Law Section 33-a
 - Town Law Article 5-B and other sections
 - Village Law Article 19 and other sections
 - Local Finance Law Section 2, Subdivision 21-a

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Local Government Consolidation

- Can result in either:
 - Elimination of the original local governments and the formation of a new local government, or;
 - One surviving governmental entity with the others absorbed into it.

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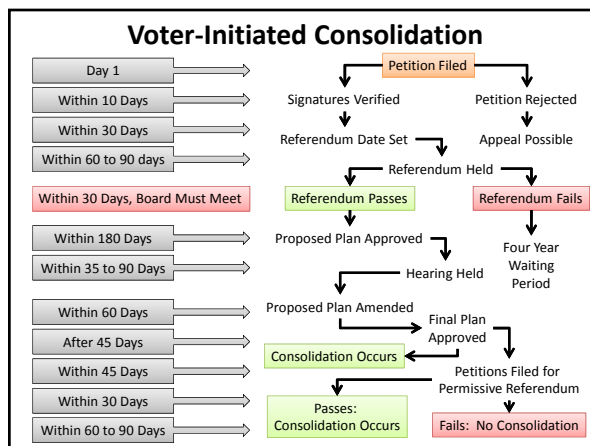
Consolidations and Dissolutions

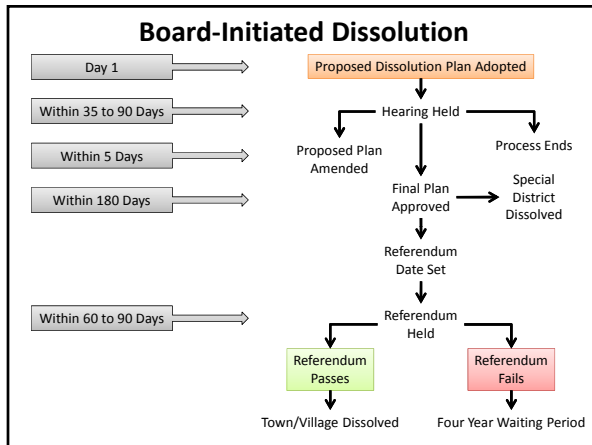
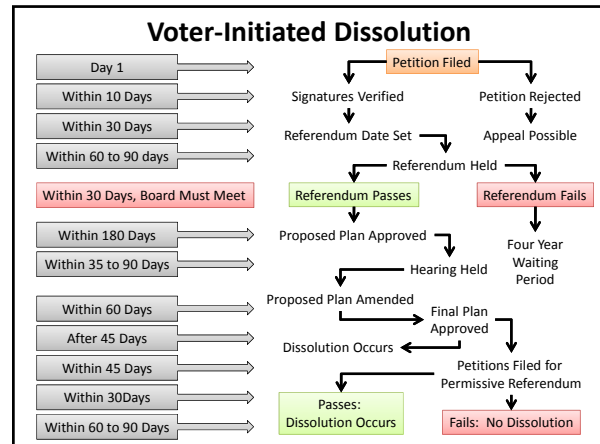
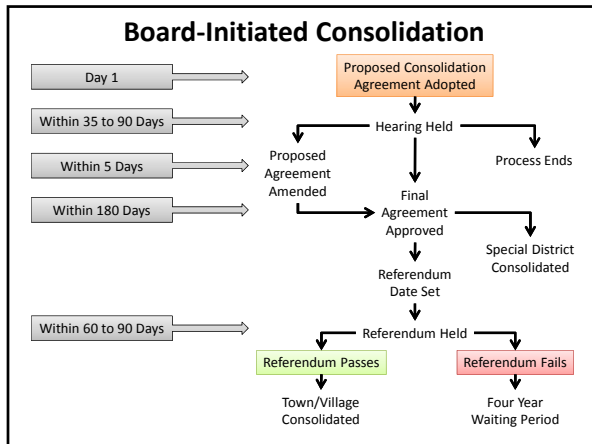
- GML Article 17-A: Towns, villages, fire districts, fire protection districts, fire alarm districts, improvement districts, library districts and other special districts
- EXCLUDES: school districts, city districts or count special purpose districts
- Became effective on March 21, 2010

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Consolidations and Dissolutions

<p>Board Initiated</p> <ul style="list-style-type: none"> • Initiated when a resolution endorsing a proposed consolidation agreement or dissolution plan is adopted • Referendum is held for town or village consolidation • No referendum for district consolidation 	<p>Voter Initiated</p> <ul style="list-style-type: none"> • Vote petition initiates: <ul style="list-style-type: none"> – Lesser of 10% of voters or 5,000 signatures – 20% of voters where there are 500 or fewer registered voters • Consolidation petitions must be coordinated • Forces referendum • Plan subject to permissive referendum
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Recommended Dissolution Study

- Department of State recommends a dissolution study prior to presetting a plan to voters.
- The recommended study includes
 - Dissolution Feasibility Study (foundation)
 - Fiscal impact analysis
 - Dissolution Plan (option)
 - Alternatives to Dissolution (option)

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County-Initiated Dissolution

- Amends Municipal Home Rule Law Section 33-a
- Counties already have the ability to transfer functions or duties of one local government within the county to another local government.
- This new law extends county governing board authority to allow them to abolish a unit of local government when the level and quality of ongoing services of all their functions or duties are transferred.

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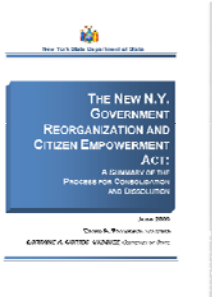
County-Initiated Dissolution

- A county local law to abolish one or more government units or to transfer the functions of one or more government units must be approved by county voters at referendum.

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NYS DOS Resources

- Government Reorganization and Citizen Empowerment Act
 - Complete Guide
 - Summary of the Process
- The Citizen's Guide to Petitioning for Local Government Consolidation or Dissolution



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REORGANIZATION OUTCOMES

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Consolidation/Dissolution

- Findings can vary and are community specific
- Lake George Dissolution Study
 - Village Taxes ↓ while Town Taxes ↑ (Projected)
- Speculator Dissolution Study
 - Village Taxes ↓ while Town Taxes ↑
- Studies often lead to an increased level of communication between town and village.
 - e.g Evaluation of town taxes on village area



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Lake George: Project Summary

- Town of Lake George, Warren County
- \$45,000 High Priority LGE Grant (2008-2009)
- Dissolution Plan pursuant to Article 19 of Village Law
- Final cost \$48,889.22 – LGE grant \$44,000.30
- <http://lakegeorge.ning.com/>

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Lake George: Challenges

- Due diligence effort by village board
- Study to determine if there was a benefit to dissolution
- No petition circulate to trigger action
- Village dissolved police; use County Sheriff
- Shared service for fire protection with town

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Lake George: Solution

- Analyzed dissolution scenarios and impacts
 - Included a co-terminus town/village option
- Greatest financial benefit to village residents was a dissolution
- Plan would provide for transfer of village employees to town
 - Excluded Mayor, Trustees, Fire Clerk, Historian, Attorney

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Lake George: Outcome

- At the time of the study:
 - 31% decrease for village residents in town and village combined taxes
 - 9% increase for town residents in town tax
- Next referendum opportunity: March 2011

	TOV	Village
Median Home Value	\$168,000	\$168,000
Avg. Tax Bill Was	\$343	\$1,648
Avg. Tax Bill Becomes	\$375	\$1,143
Net Change	+\$32	-\$504
Percent Change	9%	-31%



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Seneca Falls: Project Summary

- Shared building & services study determined most savings for village taxpayers would come from dissolution vs. shared service
- Net annual savings of \$706,000 town/village
- Village savings of \$8.11 per \$1,000 AV, or \$810.69 for village home assessed at \$100,000
- <http://www.cgr.org/senecafalls>

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Seneca Falls: Challenges

- 2008 shared building/service study revealed a potential savings if village dissolved
- Study also found that a majority feels their Village taxes are too high
- Historic preservation concerns in village
- Village prefers to retain police protection whereas town does not want a town wide police force

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Seneca Falls: Solution


- All functions and services become a town responsibility
- Buildings and other assets to the town
 - If unnecessary, sold to pay village debt
- Fire district with 2 companies
- Special districts for lighting, water and sewer
- Goal: Unified zoning code, maintain historic area strategies

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Seneca Falls: Outcome

- Final Count: 1,198 for and 1,112 against
- Village government will cease on 12/31/11
- Tax impact on a home assessed at \$100,000:
 - Village: \$882.31 (-\$810.69)
 - Town: \$718.43 (+\$439.02)

	TOV	Village
Home Value	\$100,000	\$100,000
Tax Rate per \$1,000 AV	\$1.63	\$16.93
Tax Rate Becomes	\$7.18	\$8.82
Net Change	+\$5.55	-\$8.11
Percent Change	157%	-48%




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Johnson City: Project Summary

- In 2007 the Village Board received a petition for dissolution with approx 2,600 signatures
- With a population of 15,500 the Village of Johnson City is larger than 25 of New York's 62 cities; it is the largest village in NYS to go through the dissolution process
- <http://www.cgr.org/johnsoncity/>

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Johnson City: Challenges

- Providing equitable service
 - Village: Career Fire and Police Departments
 - Town: Pay scale for workers in comparable positions within the public works department and clerk's office was less than the village

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Johnson City: Solution

- Fire, water and sewer districts
- Use of county sheriff to replace village police
- Sale of village hall to pay village debt
- Village responsibility for joint sewer treatment to transfer to the town
- Transfer of many village employees to other municipalities; net reduction of 32 positions

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Johnson City: Outcome

- Results
 - November 3 2009: 2,215 for & 2,257 against
- Possible Options and Ideas:
 - Shared fire services agreement with Endicott
 - Joint planning & zoning
 - Unified zoning ordinance
 - Joint or consolidated court operation

	TOV	Village
Tax Rate per \$1,000 AV	\$15.91	\$304.14
Tax Rate Becomes	\$15.22	\$221.43
Net Change	-\$0.69	-\$82.71
Percent Change	-4.3%	-27.2%



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Pike: Project Summary

- Co-Applicant: Town of Pike
- Awarded \$83,700 grant from 2006-2007 Shared Municipal Services Incentive Program
- Deliverables:
 - Dissolution Study
 - Dissolution Plan
- <http://www.gflrpc.org/>

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Pike: Challenges

- Population decline due to departure of commercial and manufacturing base
- Difficulty finding people to serve on boards; already sharing positions with Town
- Village could no longer effectively provide public services and was no longer necessary

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Pike: Solution

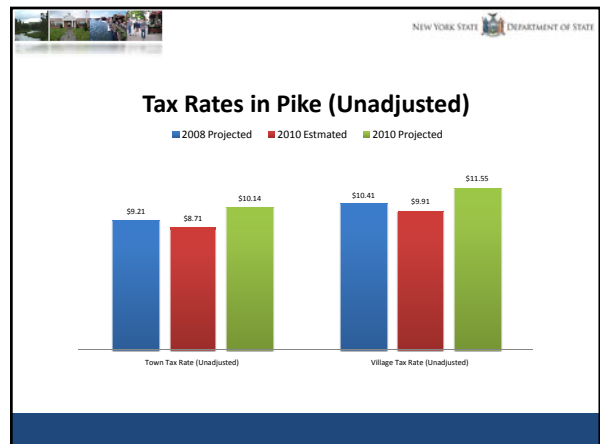
- Assistance from Genesee Finger Lakes Regional Planning Council
- Services Inventory Report to assess post-dissolution delivery of services
- Mayor and Board of Trustees abolished, all Village property turned over to Town
- Special districts for water, sidewalks and lighting
- Tax impact: Reduction of \$0.49 per \$1,000 of assessed value for Village taxpayers

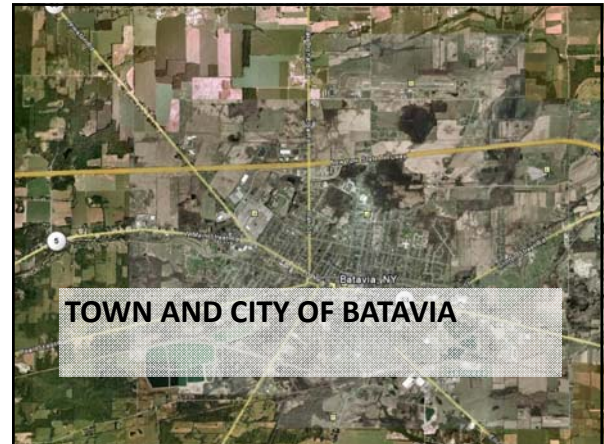
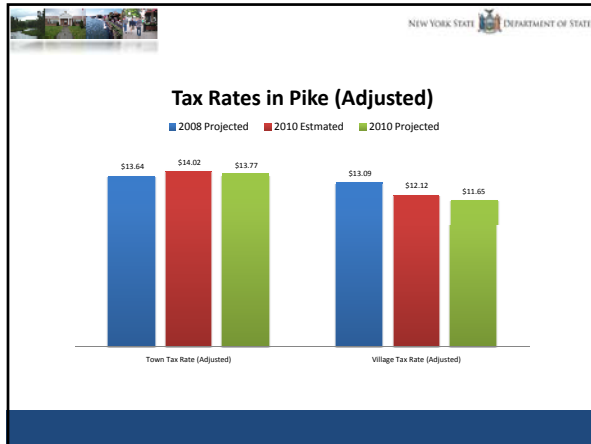
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Pike: Outcome

- Referendum held March 18, 2008
- Out of 36 votes cast, 31 voted for dissolution
- State law mandated dissolution at the end of the year following vote
- Dissolved December 31, 2009

	TOV	Village
Tax Rate per \$1,000 AV	\$9.21	\$10.41
Tax Rate Becomes	\$8.72	\$9.91
Net Change	-\$0.49	-\$0.49
Percent Change	-5.3%	-5.7%





- ### Batavia: Project Summary
- Co-Applicant: Town of Batavia
 - Awarded \$93,670.12 grant from 2007-2008 Shared Municipal Services Incentive Program
 - Plan for consolidation with Town – would be first city/town consolidation in New York State
 - <http://www.cgr.org/bataviaconsolidationplan>

- ### Batavia: Challenges
- Businesses relocating from City to Town, pressuring City's property tax rate
 - City required to submit annual plan to Office of State Comptroller to restore fiscal stability
 - Increased commercial activity in Town creates need for more community services

- ### Batavia: Solution
- Three-tiered tax structure to reflect different levels of services
 - Taxpayer Impact: \$943,000 per annum or \$1.10 per \$1,000 assessed value (equalized) for all City and Town residents savings
 - Consolidated as a city: Greater organizational flexibility and ability to collect sales tax

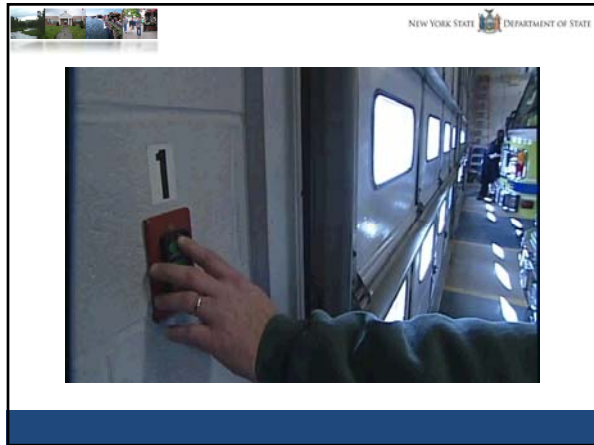
- ### Batavia: Outcome
- Created commission to draft new charter for consolidated City of Batavia
 - Must seek Legislative authority under Municipal Home Rule Law to authorize vote
 - Upon approval, City and Town would hold referendum, possibly in November 2012



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NGFD: Project Summary

- Grant Applicants:
 - Town of N. Greenbush for the DeFreestville FPD
 - NGFD #1
- Consolidation of fire protection under a single municipal entity
- Preservation of the existing fire departments
- Streamline the cost of fire protection



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NGFD: Challenges

- Fire protection provided by two departments
- Cost for fire protection collected by a fire district and a fire protection district
- Department response territory not organized by district boundaries

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NGFD: Solution

- 2009 study recommended a single fire district
- Results in a single town-wide fire district
- Town dissolves the DeFreestville FPD and expands the NGFD #1
- Preserves the two individual departments
- Effective January 1, 2010

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NGFD: Outcome

- Original NGFD planned increase in fire protection cost (6 vs. 3%).
- Original DeFreestville residents to expect a 40% reduction in fire protection cost
 - 2010: \$1,000,000
- Overall savings of \$165,000 over 5 years.

Savings of \$165,000 over 5 years.

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North Greenbush Fire District #1

Before



After



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NYSDOS: Outcomes

- Municipal consolidations can save up to 20 percent
- Household tax reductions of almost 15 percent can be achieved through shared services
- Level of service is often unchanged through service cooperation

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ALTERNATIVES TO REORGANIZATION

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Countywide Projects

- Onondaga County CNYLEADS ('06)
 - Countywide criminal information system
- Franklin County Shared Equipment ('07)
 - 16 participating municipalities
- Herkimer County Road Consolidation ('07)
 - 2 co-applicants, expanded to 11
- Oneida County ('07)

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Countywide Projects

- Jefferson County EMS Planning Initiative ('08)
 - Develop a single county-wide EMS cooperative
- Lewis County Water and Sewer ('08)
 - Study for a county water & sewer authority
- St. Lawrence County Highway Services ('08)
 - Analysis of shared local facilities
- Washington County Snow Removal Optimization ('08)

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General Government

- The Town of Wilson and City of Niagara Falls cooperative assessment program.
- The Town contracted with the City of Niagara Falls to perform assessments for a fraction of the cost of a full-time assessor.

Partners	Annual Cost Savings	Percent of Tax Levy (Town)	Annual Household Savings
Town of Wilson City of Niagara Falls	\$18,510	1.7%	\$7.41

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Public Safety

- Village of Saugerties will dissolve their police department, with the Town of Saugerties assuming police protection for Village.

Total Savings	\$4,461,981
NYS Return on Investment	11:1
Taxpayer Impact per \$1,000	
Town of Saugerties	(\$0.32)
Village of Saugerties	\$3.70

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Highway/DPW Consolidation

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COMMUNITY DEVELOPMENT PROGRAMS

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Department of State Community Development Programs

- Local Government Efficiency Program - LGE
- Local Waterfront Revitalization Program - LWRP
- Brownfield Opportunity Area Program - BOA
- Appalachian Regional Commission Program – ARC
 - Northern Border Regional Commission

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Environmental Protection Fund Local Waterfront Revitalization Program (LWRP)

Sustainable Community Development

- Protecting resources
- Developing local waterfronts
- Revitalizing hamlets and main streets
- Improving water quality
- Enhancing water-based recreation

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LWRP Program

- Eligibility
 - Coastal and inland waterway communities
- Funding
 - Annually
 - 50/50 matching grants
 - No individual cap
 - Implementation tied to planning

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Brownfield Opportunity Areas Program (BOA)




Community-based planning for the revitalization of neighborhoods effected by the presence of brownfields and economic distress

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BOA Program

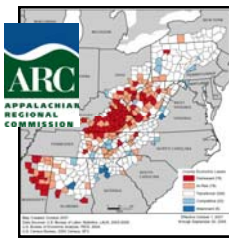
- Eligibility
 - Municipalities and community based organizations
- Funding
 - Continuous applications
 - 90/10 matching grants



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Appalachian Regional Commission


- Increase job opportunities and income
- Strengthen community capacity
- Develop and improve infrastructure
- Reduce isolation



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Appalachian Regional Commission

- Eligibility
 - Municipalities and non profits
- Funding
 - Continuous applications
 - 50/50 matching grants
 - Planning and implementation



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