

Final Project Summary: The New Paltz Government Efficiency & Effectiveness Project

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Overview of the New Paltz Government Efficiency & Effectiveness Project

This document provides a summary overview of the work completed for the New Paltz Government Efficiency Project. This is a simple summary of the tasks completed, and is not intended to be a summary report on the project results. The full report of the steering committee and other supporting documentation will be available at the Town of New Paltz website.

This overview summarizes the two major components of the project: recommendation of a single consolidated government for the community of New Paltz and recommendations for shared services.

The Proposed Consolidation of the Town & Village of New Paltz:

The Government Efficiency and Effectiveness project is a joint study of new municipal governance and service delivery models by the Town and Village of New Paltz. The goals of the study included the following objectives, as outlined in the original grant proposal for the project:

1. Public engagement and participation in the study process
2. Achieve efficient and responsive utilization

The Options for Merging Local Government Considered by the Committee:

1. **Dissolution of Village**
Requires unilateral action by the Village & its voters to dissolve the Village
2. **Creation of a City**
Requires a special act of State legislature
3. **Merger of the Town and Village (Coterminous)**
A joint decision between Town and Village, approved by voters from both places, resulting in a new municipal unit

- of Town and Village assets
3. Review the short- and long-term impacts of governance and service delivery models
4. Develop a plan and supporting legal documents to implement the study recommendations
5. Plan for evaluation of the efficacy of the chosen municipal governance structure or service delivery model
6. Share key strategies, lessons learned and implications with other communities
7. Identify and seek funding to support implementation

The Recommended Form of Consolidation—A Coterminous

Town/Village: Following 16 months of work, at its meeting on October 31, 2011, the Steering Committee approved the following motion by a vote of 8 to 1:

“The New Paltz Government Efficiency Project Steering Committee recommends the creation of a consolidated government as a coterminous Town/Village, acting principally as a Village, under the condition that the initial consolidated budget has no increase in taxes due to government consolidation.”

Under a Coterminous Town/Village structure the two municipalities would share the same geographic area and function as one municipality under a single governing board. To achieve a Coterminous Town/Village, there must be a joint consolidation agreement, approved by a separate vote of Town and Village residents. A sample joint consolidation agreement is included in the full report.

The following pages provide an overview of what that consolidation might look like and how it is likely to affect taxpayers in the village and town outside of the village. For a more detailed explanation of this study and results, the committee's full report can be found on the project website, newpaltz.ning.com.

are maintained through special public benefit districts through which the properties receiving the services are the properties paying for those services.

The Two Scenarios for Creating a Coterminous Town/Village

Scenario 1 (the Committee's Recommended Scenario): Decentralized Services & Taxes

This model attempts to mimic the current structure of taxation and service delivery by using special districts. As an example, a special district would be established for sidewalk maintenance in the Village, creating a tax that only Village residents would pay. The creation of special improvement districts in the former Village area would keep the tax rates in both the Town and Village similar to their current state.

Scenario 2: Unitary Services & Taxes

The second scenario is the polar opposite of the first. All special districts would be eliminated and all services would be provided through a single, central structure. This means that Village and Town residents would share equally in all the costs associated with things like sidewalk maintenance, street cleaning, and park upkeep.

Fairness as an Important Selection

Criterion: Within the Coterminous Town/Village structure, there are still many different ways to deliver basic municipal services (like street maintenance, planning and zoning, and fire protection). *One of the important considerations for the committee was to ensure that any consolidated government met an essential test of fairness: people should pay for the services they receive and people should receive the services they pay for.*

The study examined two very different ways to provide services. These two scenarios (see above) are not the only possible models, but are intended to illustrate the opposite ends of a range of possibilities. Among the questions considered in this study were if New Paltz were to consolidate, which approach would serve the community best? Should a consolidated government create a mix of both service scenarios? As shown in the tables below, Scenario 1 meets this criterion most closely. Specialized services such as sidewalk maintenance

Comparing the Alternative Approaches to Consolidation:

The table below is from Appendix F of the steering committee's final draft report. It provides a summary comparison of the relative advantages and disadvantages of each of the full consolidation options identified in the final report. The options are listed in columns, labeled along the top. Each criterion for evaluation is listed in a separate row, with labels along the left.

NOTE: Items marked with an asterisk (*) are majority recommendations from the Steering Committee, but are not required by law. These impacts may be changed by modifying the appropriate scenario for full consolidation. Also note that the red-shaded cells in each row represent the favored configuration of the Steering Committee as expressed by votes during a meeting on September 26, 2011. These selections are subject to change based on any additional information and after gathering input from the public.

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#	Evaluation Criteria	Scenario 1 – Coterminous T/V (Decentralized – Special Districts)	Scenario 1a – Consolidated Town (Village Dissolved)	Scenario 2 – Coterminous T/V (Unitary – No Special Districts)	Status Quo
1.	How many governing boards are there?	Single governing board for Coterminous T/V	Two boards: one for Town, one for Fire District	Single governing board for Coterminous T/V	Two boards: one for Village, one for Town
2.	What is the structure of the Governing Board?	One Board with 7 members (5 at large, 1 from Ward based upon Village ED, 1 from Ward based on Town ED); one at large member is Chief Elected Officer*	Town Board with 7 members (all at large); one is Supervisor	Village Board with 7 members (all at large); one is Mayor*	Separate 5-member Town and Village Boards with Supervisor and Mayor
3.	What happens to the position of Clerk?	One Clerk; appointed*	One Clerk; appointed*	One Clerk; appointed*	Two Clerks; Village appointed, Town elected
4.	What happens to the position of Highway Superintendent?	One Superintendent; appointed*	One Superintendent; appointed*	Position eliminated; combined with DPW*	One Superintendent; elected
5.	What happens to the position of DPW Superintendent?	Position eliminated; combined with Highway, Buildings & Grounds, Sewer, Water*	Position eliminated; combined with Highway, Buildings & Grounds, Sewer, Water*	One Superintendent; appointed*	One Superintendent; appointed
6.	What happens to Law Enforcement (Justice Court, Police)?	No change	No change	No change	No change
7.	Who is responsible for financial management?	One Financial Officer (separate from Executive officer); appointed*	One Financial Officer (Supervisor is CFO); elected	One Financial Officer (separate from Executive officer); appointed*	Two Financial Officers (Village appointed, Supervisor is Town CFO)
8.	Who runs elections?	County*	County*	Village*	Town = County, Village = Village
9.	Can Gross Utilities Receipts Tax be collected?	Yes	No	Yes	Yes (Village only)

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10.	Who provides Fire Protection?	All areas of the Town/Village are covered by Village Fire Department*	Fire District formed; Town contracts with Fire District to provide service to all areas of Town	All areas of the Town/Village are covered by Village Fire Department*	Village areas are covered by Village Fire Department. Town-Outside covered by Village Fire Department through contract.
11.	How are Water/Sewer services provided?	Separate districts remain, with additional districts for former-Village area, all under Town Board; differential rates continue*	Separate districts remain, with additional districts for former-Village area, all under Town Board; differential rates continue	Consolidated Sewer and Water districts formed and operate under Village Board; rates equalized (Village rates go up, Outside users go down)*	Separate districts in Town under Town Board, consolidated districts in Village under Village Board; differential rates for inside/outside users.
12.	How are other "urban amenities" (e.g. sidewalks, streetlights, etc) provided?	Separate districts remain, with additional districts created for former-Village area; costs covered by benefited properties*	Separate districts remain, with additional districts created for former-Village area; costs covered by benefited properties*	Incorporated into Village general budget; cost shared equally by all residents of Town/Village*	Separate districts in Town; general budget in Village.
13.	How are Inter-Municipal Agreements (IMAs) affected?	No IMAs between T/V required	No IMAs between T/V required	No IMAs between T/V required	IMAs are in place for a number of services, including Sewer/Water, Parks, etc.
14.	How is Land Use and Zoning Code affected?	Transition (over 2 years) to single code that comprehensively establishes land use patterns with uniform terminology	Transition (over 2 years) to single code that comprehensively establishes land use patterns with uniform terminology	Transition (over 2 years) to single code that comprehensively establishes land use patterns with uniform terminology	Separate code and land use terminology
15.	How are new Sewer/Water connections approved?	Single board reviews and approves	Single board reviews and approves	Single board reviews and approves	Two boards must approve (currently requires annexation)

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16.	How is municipality affected by 2% tax cap?	Maximum dollar increase per year is approximately \$200,000	Maximum dollar increase per year is approximately \$200,000	Maximum dollar increase per year is approximately \$200,000	Maximum dollar increase for Town is approximately \$140,000; maximum for Village is approximately \$60,000
17.	Is additional Incentive Aid available from NYS? How much?	Not currently (may or may not be available in future budget years); potentially = \$1M per year	Yes currently (may or may not be available in future budget years); estimated aid = \$1M per year	Not currently (may or may not be available in future budget years); potentially = \$1M per year	No
18.	Is the project eligible for Implementation Grants through the NYS DOS Local Government Efficiency Program?	Yes (maximum \$400,000)	Yes (maximum \$400,000)	Yes (maximum \$400,000)	No
19.	How are overall local property taxes expected to change for TOWN-OUTSIDE residents?	Worst case estimate = 6.1% increase*	Worst case estimate = 6.1% increase*	Worse case estimate = 12.1% increase*	No change
20.	How are overall local property taxes expected to change for VILLAGE residents?	Best case estimate = 11.2% decrease*	Best case estimate = 11.2% decrease*	Best case estimate = 25.6% decrease*	No change
21.	What would the new consolidated municipality be called?	Community of New Paltz	Town of New Paltz	Community of New Paltz	Town of New Paltz; Village of New Paltz

Members of the Steering Committee of the New Paltz Government Efficiency Project

Gerald Benjamin
SUNY New Paltz Representative
Kitty Brown
Town Board
Nancy Cohen
Town Representative

Peter Healey
Village Representative
Toni Hokanson
Town Supervisor
Richard Linden
New Paltz Central School
District Representative

Sally Rhoads
Village Trustee
Ellen Rocco
Village Representative
Carol Roper
Town Representative
Jason West
Village Mayor

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22.	How would eligibility or competitiveness for future grants (e.g. Sewer & Water improvements) be affected?	Small Cities/CDBG grants are competitive and awarded based on a point system. One aspect of the scoring is based on poverty rate of the applying municipality. A Coterminous T/V would suffer slightly due to lower community-wide poverty rate. USDA rural development grant guidelines have changed recently to exclude towns/villages with population above 10,000. A town over 10,000 could be eligible if it was applying for a hamlet within it that was a distinct community (was a Census Designated Place, had its own Post Office, etc.)	Same as Scenario 1	Same as Scenario 1	If no change is made to the current municipal structure and boundaries, the Village's eligibility for these grants would be unaffected.

Impacts on Budgets & Taxpayers

Fiscal impacts are the effects that consolidation is expected to have on the financial position of the Town and Village, and, as a result, on the tax levies and tax rates paid by property owners in the Town and Village.

combined tax rates for residents in the current Village area and Town outside of Village area under both scenarios 1 and 2 (remember, Scenario 1 is the Coterminous Town/Village option as recommended by the Steering Committee).

NOTE: our study methodology purposely tends to produce conservative estimates when it comes to savings from consolidation.

By using the current cost of services as an estimate of the cost of those services following consolidation, our current service disposition scenarios assume no efficiencies are gained from consolidated services.

Based on these projected changes in the tax rates in the Town and Village, the chart on the following

The chart at right translates the changes in tax levies described above to potential changes in the associated

Estimated Tax Rates Resulting from Consolidation					
Comparison of Combined Tax Rates Combined - Scenarios 1 and 2					
		Current	Scenario 1	Scenario 2	
COMBINED Village Taxpayer Rate		\$11.91	\$10.58	\$8.85	
CHANGE			-\$1.33	-\$3.05	
% CHANGE			-11.2%	-25.65%	
COMBINED TOV Taxpayer Rate		\$7.90	\$8.38	\$8.85	
CHANGE			\$0.48	\$0.96	
% CHANGE			6.1%	12.10%	
Tax Rate is per \$1,000 of assessed value, only includes applicable Village and Town taxes, and is calculated based on service cost estimates.					

page describes the potential impact on the property tax bill for taxpayers in the current Village area and Town outside of Village area. In each case, a range of assessed values is given on the left, and the corresponding estimated dollar change in the tax bill for a property at the given assessed value is provided for each scenario.

Consolidation affects not only property tax rates/bills, but also some other important components of the town and village fiscal picture. Specifically, if a Coterminous Town/Village of New Paltz proceeds to fully consolidate its sewer and water systems, differential rates currently charged to village and town users would cease, with all system users paying the same amount for the supply of water.¹

Based on figures provided by the Village of New Paltz for the 2010-2011 fiscal year, we have calculated that the typical Village user's bill for supply charges now is \$563. The typical Town outside Village user's bill for supply charges now is \$855. If the rate per gallon for supply is equalized, in order to generate the same total revenue, each user would pay, on average, \$634. That represents a

¹ It is important to note that consolidation of sewer and water districts only affects part of the cost of sewer and water for users. User bills comprise two parts: a portion that covers the cost of supply (purchasing water), and a portion that covers the cost of operations and maintenance of water/sewer infrastructure. If consolidated, the operation and maintenance costs would remain separate for users in each of the current districts. Only the supply charges would be equalized.

Estimated tax impact of consolidation on properties in Village and Town Outside Village					
Taxpayer Impact by Assessed Value - Scenarios 1 and 2					
		Estimated Decrease in Combined Local Property Tax Bill for Village Taxpayers		Estimated Increase in Combined Local Property Tax Bill for Town Taxpayers Outside Village	
		Scenario 1	Scenario 2	Scenario 1	Scenario 2
	Assessed Value* of Your Home				
	\$100,000	(\$133)	(\$305)	\$48	\$96
	\$150,000	(\$199)	(\$458)	\$72	\$143
	\$175,000	(\$233)	(\$535)	\$84	\$167
	\$200,000	(\$266)	(\$611)	\$96	\$191
	\$225,000	(\$299)	(\$687)	\$108	\$215
	\$250,000	(\$332)	(\$764)	\$120	\$239
	\$275,000	(\$365)	(\$840)	\$132	\$263
	\$300,000	(\$399)	(\$916)	\$145	\$287
	\$350,000	(\$465)	(\$1,069)	\$169	\$335
	\$400,000	(\$532)	(\$1,222)	\$193	\$382
* Assessed value is the basis for calculation of tax bills, and it may vary from your home's appraised value or market value. Check with your local assessor's office to determine your taxable assessed value.					
NOTE: certain exemptions that reduce the assessed value may apply.					

\$71.50 increase per year for Village users, and a \$221 decrease for Town users outside of the Village.

Finally, a Coterminous Town/Village of New Paltz may lose access to the USDA rural development grants that provide funds to improve municipal sewer and water systems.

The Village of New Paltz indicated during this study that it intends to seek a grant in the amount of \$600,000 from this program. If consolidation occurs, these funds must be secured from other sources, which most likely would take the form of a municipal bond. If the Village secures a bond for \$600,000, at a rate of 4% per year, for a term of 20 years, the annual debt payment (including principal and interest) would be approximately \$44,000. Adding this amount to the current supply costs allows us to determine the total fiscal impact to taxpayers and water/sewer users, inclusive of new borrowing required due to ineligibility for anticipated grants. These figures are reported in the table below. Using these figures, we can recalculate these impacts, though we should note that the table below applies

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only to residents who now are connected to the water/sewer system., either in the Village or in one of the Town Water Districts (#1, #2, #3, and #4).

Note: the consolidation of the Village and Town of New Paltz does not affect the New Paltz Central School District in any substantial way. The table above, and all other analyses in this report that discuss changes in the property tax rate for Village and Town residents do not include the School District portion of the total tax bill.

The analysis indicates that the expected fiscal impact of consolidation is an increase in taxes for residents in the current Town outside of Village area, and a decrease in taxes for residents in the current Village area. This is a common outcome in consolidations that involve a Village and a Town. Given that this outcome is likely to raise concerns for a large portion of the New Paltz community, it is important to provide additional analyses that help to put these concerns into context.

Getting to "No Tax Increase" Due to Consolidation: A "breakeven" or "no tax increase" outcome is achievable if the property tax levy in the consolidated municipality is decreased by \$586,000 (about 5 percent) under scenario 1 or \$1,172,000 (about 10 percent) under scenario 2. This analysis does not propose a means for achieving this level of decrease in the tax levy, but simply reveals the magnitude of the challenge if the goal is to avoid tax increases for all taxpayers.

Since the service disposition scenarios presented in the full report do not assume any savings in the cost of individual services that are consolidated in the coterminous town/village, the resulting fiscal

impacts can be considered a worst-case scenario. It is likely that some savings will accrue when the services provided by the Town and Village are

Estimated cumulative impact on properties in Village and Water Districts 1-4 of consolidation, equalization of water rates and bonding for \$600,000 in improvements

Taxpayer Impact by Assessed Value - Scenarios 1 and 2					
Assessed Value* of Your Home		Estimated Decrease in Combined Local Property Tax AND Sewer/Water Bill for Village Taxpayers		Estimated Increase in Combined Local Property Tax AND Sewer/Water Bill for Town Taxpayers Outside Village	
		Scenario 1	Scenario 2	Scenario 1	Scenario 2
	\$100,000	(\$19)	(\$192)	(\$131)	(\$83)
	\$150,000	(\$86)	(\$345)	(\$107)	(\$35)
	\$175,000	(\$119)	(\$421)	(\$94)	(\$12)
	\$200,000	(\$152)	(\$497)	(\$82)	\$12
	\$225,000	(\$185)	(\$574)	(\$70)	\$36
	\$250,000	(\$219)	(\$650)	(\$58)	\$60
	\$275,000	(\$252)	(\$726)	(\$46)	\$84
	\$300,000	(\$285)	(\$803)	(\$34)	\$108
	\$350,000	(\$352)	(\$955)	(\$10)	\$156
	\$400,000	(\$418)	(\$1,108)	\$14	\$204

* Assessed value is the basis for calculation of tax bills, and it may vary from your home's appraised value or market value. Check with your local assessor's office to determine your taxable assessed value.

combined, even if the precise level of savings is difficult to predict.

Given the difficulty in predicting the precise level of savings from service consolidation, but in recognition that some savings are possible, the tables below shows how varying levels of savings would affect the tax rates for taxpayers in the current Village area and Town outside of Village area following consolidation.

UPDATE, January, 2013 (by Peter Fairweather): This analysis presumed that New Paltz would not be eligible for the Citizens Empowerment Tax Credit provided by New York State to offset costs of consolidated municipalities. Since the original publication of this report, special legislation has passed enabling co-terminous governments to receive the Citizens Empowerment Tax Credit. Thus, should New Paltz receive a \$1million tax credit, the coterminous Scenario 1 described in this report can be achieved with no additional budget cuts and would produce no tax increase for Town taxpayers while maintaining the significant tax savings for Village taxpayers.

Figure 1 - Impact of Reductions in Future Tax Levy on Tax Rates - Scenario 1²

Impact of Reductions in Future Tax Levy on Combined Tax Rates - Scenarios 1 and 2					
Estimated Tax Levy After Consolidation ^a	Percent Reduction in Levy ^b	Reduction in Tax Levy	New Estimated Tax Levy ^c	Percent Change in Tax Rate - Current Village Taxpayer ^d	Percent Change in Tax Rate - Current TOV Taxpayer ^e
Scenario 1 \$10,354,849	0%	\$0	\$10,354,849	-11.2%	6.0%
	1%	\$103,548	\$10,251,300	-11.9%	4.9%
	2%	\$207,097	\$10,147,752	-12.6%	3.9%
	3%	\$310,645	\$10,044,203	-13.3%	2.8%
	4%	\$414,194	\$9,940,655	-14.0%	1.8%
	5%	\$517,742	\$9,837,106	-14.7%	0.7%
	6%	\$621,291	\$9,733,558	-15.4%	-0.4%
	7%	\$724,839	\$9,630,009	-16.1%	-1.4%
	8%	\$828,388	\$9,526,461	-16.8%	-2.5%
	9%	\$931,936	\$9,422,912	-17.5%	-3.5%
	10%	\$1,035,485	\$9,319,364	-18.2%	-4.6%
	15%	\$1,553,227	\$8,801,621	-21.7%	-9.9%
Scenario 2 \$10,940,757	0%	\$0	\$10,940,757	-25.7%	12.0%
	1%	\$109,408	\$10,831,349	-26.4%	10.9%
	2%	\$218,815	\$10,721,942	-27.1%	9.8%
	3%	\$328,223	\$10,612,534	-27.9%	8.6%
	4%	\$437,630	\$10,503,127	-28.6%	7.5%
	5%	\$547,038	\$10,393,719	-29.4%	6.4%
	6%	\$656,445	\$10,284,312	-30.1%	5.3%
	7%	\$765,853	\$10,174,904	-30.9%	4.2%
	8%	\$875,261	\$10,065,496	-31.6%	3.0%
	9%	\$984,668	\$9,956,089	-32.3%	1.9%
	10%	\$1,094,076	\$9,846,681	-33.1%	0.8%
	15%	\$1,641,114	\$9,299,643	-36.8%	-4.8%

a - This figure is the combined levy of funds that cover the whole territory of the coterminous town/village. It does not include the levy for any special district funds.

b - Range for Percent Reduction goes from 0% (no change) to 15%. Highlighted cells represent the assumed values from the Full Consolidation report for this scenario.

c - Taking the reduction into account, this is the hypothetical new tax levy of the funds that cover the whole territory of the coterminous town/village. New Tax Levy = Column 1 (Estimated Tax Levy) minus Column 3 (Reduction in Tax Levy)

d - The Percent Change in Tax Rate - Current Village Taxpayer is the anticipated fiscal impact for current Village residents after consolidation and realization of the assumed levy reductions.

e - The Percent Change in Tax Rate - Current TOV Taxpayer is the anticipated fiscal impact for current Town residents outside of the Village after consolidation and realization of the assumed levy reductions.

Part 2: Study of Options for Enhanced Shared Services

Study Goals and Methodology

Alongside the study of full municipal consolidation options, the Government Efficiency and Effectiveness Committee determined early in the study process that the project should also look into opportunities for enhanced shared services. With the overarching goal of improving efficiency and effectiveness of local government, and recognizing the important roles that the New Paltz Central School District and SUNY New Paltz might plan in achieving that goal, the Committee sought to identify opportunities for shared services involving all four parties.

This section of this report summarizes the process used to study enhanced shared services options, the options that have been identified, their anticipated impacts, and next steps toward implementation of enhanced shared services.

Step 1 – Select Study Target Services

The first step in the Shared Services study was to identify a small number of services on which the study would focus. The process of studying shared services involves in depth review and discussion of opportunities and challenges that requires a high degree of focus. Within the parameters of the NPGEP, it was not feasible to study all services provided by the Town, the Village, the School District and SUNY, so Fairweather Consulting worked with the Steering Committee to identify a small number of services that appear to hold promise for enhanced shared services.

The selection process involved several criteria. First, Fairweather Consulting prepared an inventory of services provided by the Town and the Village of New Paltz, including an estimate of the cost of each service.

Using these service cost estimates, we were able to identify the most costly services that the Village and Town provide. Further, we were able to identify services that appear to overlap across the Town and the Village, which signals a higher likelihood that opportunities exist for cooperating in the delivery of those services.

A final consideration when it comes to selecting target services for the shared services study involves the distinction between front-line and back-office services. Front-line services are those municipal services that are provided for the consumption of the municipalities' residents, for example snow removal, building inspection, and fire protection. These services are often the ones that receive the most attention from residents, since they are most visible. And while there often exist overlaps in the provision of these services (e.g. both the Town and the Village provide building inspection services), these overlaps typically signal either a) unique populations that are being served (such as Town outside village versus Village residents) or b) qualitatively different services that are being provided (such as highway and streets maintenance, where the service of maintaining roads varies in important ways between a rural highway network versus a dense village street grid).

Taking these factors into consideration, the Steering Committee identified two services for investigation as part of this shared services study:

- Highway/Streets Maintenance, and
- Equipment Planning, Purchasing and Maintenance.

Based on this selection, the remainder of this report focuses primarily on these two services/functions.

Step 2 – Identify Opportunities/Challenges for Shared Services

Once the services of focus for the study were selected, Fairweather Consulting set about the task of conducting the shared services study. This process began with a meeting with department heads from the Town, Village, School District and SUNY New Paltz. At the initial shared services meeting, the group discussed opportunities and challenges related to enhanced shared services, and identified a list of potential shared services initiatives. This list is provided in the Study Findings section below.

During the initial meeting and in subsequent conversations with the Town Highway Superintendent and the Village DPW Superintendent, several challenges related to enhanced shared services were raised as well. Challenges related to governance under a shared services structure were foremost in the minds of the department heads, as were concerns about the added effort and cost involved in formalizing existing arrangements that work well already. Additionally, concerns about the practicality of some of the shared services opportunities identified were expressed, given the differing needs, priorities and capabilities of the Town, the Village, SUNY and the School District. Additional information on the challenges and barriers identified is provided in the Study Findings section below.

Step 3 – Analyze Feasibility of Shared Services Options

Once opportunities and challenges were identified through conversations with department heads, Fairweather Consulting proceeded to review the legal and operational feasibility of promising opportunities. This review involved identifying the appropriate legal statute that would allow for implementation of each shared service opportunity, as well as additional conversations with department heads to identify the impact that the options would have on department structures and operations.

Step 4 – Assess Impact of Shared Services Options

At this stage, we attempted to gauge what impact, if any, shared services would have on service governance, employees, contracts, assets and debts, and department budgets. An important aspect of this stage of the study methodology was the investigation of potential cost-reductions through shared services. Additionally, the conversations with department heads sought to identify non-fiscal impacts, such as possible improvements in the quality of services delivered by the departments. These impacts are discussed below, in the Impact of Recommended Structures section.

Step 5 – Recommend Options for Implementation

Drawing on the work completed during the previous steps, the shared services study concludes with a set of recommendations for implementing new, enhanced shared services arrangements in the areas of Highway/Streets Maintenance and Equipment Planning, Purchasing and Maintenance. These recommendations are supported with draft agreements/local laws that can serve as the basis for implementation, should the Steering Committee and relevant municipal/district boards determine they are in the best interest of residents.

Study Findings

This section highlights the results of the shared services study. Through the study were identified promising opportunities for shared services, some of which are expanded upon and included in the Recommendations section below, while others are simply documented here for future reference, should situations warrant revisiting their feasibility. Also identified in this section are the specific barriers and challenges identified by department heads, which must be attended when and if implementation of enhanced shared services is attempted. Finally, this section documents the study's findings regarding the potential impacts of shared services alternatives on the cost of services. This specific finding is included in order to shed light

on the more detailed impact analysis that follows, in the Recommendations section.

Opportunities for Enhanced Shared Services

During an initial meeting with department heads from SUNY New Paltz, the New Paltz Central School District, and the Town and Village of New Paltz, participants were asked to identify opportunities for enhanced shared services. This discussion set the stage for further investigation of existing opportunities, and ensured that the study focused on those opportunities with support on the ground. The following is a list of the opportunities for shared services that were discussed during the meeting:

- Shared mechanic
- Shared cooking
- Shared classroom space
- Contracting/sharing paving
- Shared snow removal/plowing
- Shared equipment use
- Surplus equipment sales
- Shared salt delivery/storage
- Shared vehicle & washing
- Shared fuel (bio and diesel tank)
- Shared vehicle storage
- Shared back-office-bidding (custodial supplies)
- Consolidating Town function
- Consolidating T/V function

Barriers and Challenges to Enhanced Shared Services

While many opportunities for shared services were identified, there are often significant barriers or challenges that prevent these opportunities from being realized. The following table summarizes several of the key barriers and challenges that were identified by participants in the shared services discussions.

In addition to these general challenges, it should be noted that there are a number of reasons that

several specific opportunities identified early in the process are not singled out for recommendation in this report. Generally speaking, the most promising opportunities are ones for which each potential partner shows a significant interest in pursuing implementation. Options that may appear promising to one partner may not be particularly helpful to the others, which often means that there simply is insufficient will to establish a new shared service structure.

Impact of Shared Services on Cost of Services

A key finding of the shared service study is that there are unlikely to be major immediate cost-reductions from any of the proposed shared services arrangements. For the consolidation of Highway/Streets functions, the general opinion is that such consolidation is unlikely to cause any immediate reduction in personnel costs, which are the major share of the combined Town/Village budget for road maintenance. In the case of shared equipment planning, purchasing and maintenance, the savings are uncertain given the current state of equipment inventories and long-term capital plans. It is impossible to show savings on future purchases when those purchases have yet to be identified and assigned de facto costs. As inventories are established, it will be possible to identify discrete savings possible through joint purchases.

Recommendations

While the shared services options identified appear unlikely to generate short-term savings, there are other potential benefits that warrant a general recommendation to proceed with implementation of shared services initiatives in the two functions examined in this study. The possibility of long-term savings through more efficient allocation of staffing and equipment are one promising incentive for enhanced shared services. Additionally, when it comes to Highway/Street Maintenance, our recommendation goes beyond the initial scope of the study to suggest a consolidation of DPW

functions across the entire Town and Village. This has the added benefit of streamlining the approval of new sewer and water customers, since following a functional consolidation new users would likely require approval from only one municipal board. Quality of service is one indicator of a more effective local government. The most important potential benefit of enhanced shared services is an overall increase in the quality of services as artificial barriers that hinder service delivery under the current structure are removed.

Highway/Streets, Buildings and Grounds, Sewer and Water, and Recycling

As alluded to above, we are recommending a functional consolidation of all DPW-like services across the Town and Village. The current Highway, Buildings & Grounds, Sewer, Water and Recycling Center departments in the Town would all be replaced with a single DPW, with each of these functions preserved as divisions within the department. The resulting DPW would also incorporate the functions of the current Village DPW, including Street Maintenance, Buildings & Grounds, Sewer and Water. The consolidated DPW could operate either as a Town department, with any related tax levy for services not paid through user fees assessed against all properties in the Town. Alternately, the consolidated DPW could operate as a Village department, providing service to the area of the Town outside the village through a contract with the Town Board. The latter arrangement, however, could introduce new challenges related to the governance of services, since services provided in the Town area outside of the Village would be subject to routine renegotiation through the service contract.

Recommended Actions

1. Convert Town Highway Superintendent to appointed position (requires referendum)³
2. Town Board adopts a resolution to consolidate all DPW functions (including Highway, Buildings & Grounds, Sewer, Water and Recycling Center) under a new Department of Public Works
3. Town and Village Boards develop a joint consolidation agreement or intermunicipal agreement to merge the Town and Village DPW into a single department (may require referendum)

Equipment Planning, Purchasing and Maintenance

The recommendations for shared equipment planning, purchasing and maintenance are more modest. Initially, we recommend that the Village and Town conduct a concerted effort toward developing comprehensive inventories of all equipment, machinery and vehicles, including the purchase date, purchase price, useful life and fair market value of all items. Additionally, for major equipment, machinery and vehicles (e.g. cost greater than \$10,000) average annual and peak utilization rates should be documented in an equipment utilization schedule.

Once inventories are complete, the Town and the Village should each develop a five-year capital plan, identifying all anticipated major new purchases or replacements over a five-year period. This capital plan should be updated on an annual basis to reflect changing circumstances and purchases made.

With a detailed inventory and a capital plan in place, the Town, Village, School District and SUNY should

³ This step is required per NYS Law Article 4, Sect. 64, para 21-a, which states, in part: "The town board of any town... in which town the office of town superintendent of highways is an appointive office, may adopt a resolution establishing a department of public works."

establish a schedule of periodic meetings, no less than annually, to review planned purchases for the coming period and to discuss opportunities for joint purchasing. Separate from the efforts to establish a process for joint equipment planning and purchasing, it has been suggested that the School District may have the capacity to operate a mechanic shop that could be used by the Village, Town and possibly SUNY. This possibility warrants further investigation regarding the initial cost of equipment and facilities to house the scale of operations required.

Recommended Actions

1. Town and Village develop equipment inventories
2. Town, Village, SUNY and School District develop five-year capital plans
3. Town, Village, SUNY and School District conduct meetings (at least once per year) to review planned purchases and discuss opportunities for joint purchasing
4. School District prepares proposal for shared mechanic shop and identifies costs required to establish facilities and purchase equipment; Town, Village and SUNY assess fiscal benefit of contracting with School District for equipment maintenance.

NOTE: We recognize that simply holding annual meetings to review opportunities for joint purchasing is not sufficient to improve the effectiveness or efficiency of service delivery. These meetings are valuable only if the Town, Village, School District and SUNY each are diligent in preparing detailed equipment inventories and five-year capital plans. Without these resources, annual meetings are unlikely to yield any beneficial results, since the four organizations will be unable to identify shared needs and potential purchasing opportunities.

Impact of Recommended Structures

The anticipated impacts of the recommendations discussed above help to identify the potential benefits and costs of implementing new shared services structures. As in the Full Consolidation study summarized above, the full report separates the impacts into several categories, including Governance/Political Structure, Employees, Contracts/Laws, Assets and Debts, and Budgets and Taxpayers.

Next Steps for Enhanced Shared Services Options

Assuming that the Village, Town, SUNY New Paltz and School District wish to proceed with one or both of the recommendations for enhanced shared services, there are important first-steps that should be taken. As described above, the following are the initial action steps for the Highway/Streets consolidation and the Joint Equipment Planning, Purchasing and Maintenance structure:

For Highway/Streets Maintenance: Review sample local laws for consolidation of services within the Town. Convert Highway Superintendent to appointed position by local law (requires referendum). Develop and adopt a local law consolidating Highways, Buildings & Grounds, Sewer and Water and Recycling. Continue conversations between Town and Village regarding full or partial consolidation of DPW functions.

For Joint Equipment Planning, Purchasing and Maintenance: Review and revise MOU for shared equipment planning, purchasing and maintenance. Develop policies and procedures for shared maintenance operations (including capital equipment/building upgrades required). Develop detailed inventories of machinery, equipment and vehicles to facilitate long-range capital equipment planning and shared purchasing.