



Re-Inventing Local Government for the Town and Village of New Paltz

Communities



Town of
New Paltz, NY



Village of
New Paltz, NY

New Paltz Government Efficiency & Effectiveness Project
Committee Meeting

September 16, 2013

9:00 AM

Presented By

**FAIRWEATHER
CONSULTING**
SPECIALISTS IN STRATEGIC CHANGE

This research for this document was prepared with funds provided by the New York State Department of State under the Local Government Efficiency Grant Program.





New Paltz Government Efficiency & Effectiveness Study Summary of Final Report & Recommendations

☐ Background and Purpose of the Study

☐ The Study Process

☐ The Study Results

☐ Shared Services

☐ Full Consolidation Revisited

☐ What Happens Next?



New Paltz Government Efficiency & Effectiveness Study

The Project Steering Committee

☐ **Current Members**

- Gerald Benjamin
- Kitty Brown
- Nancy Cohen
- Pete Healey
- Toni Hokanson
- Richard Linden
- Sally Rhoads
- Ellen Rocco
- Carol Roper
- Jason West

☐ **Past Members**

- Terry Dungan
- Kevin Harp
- Shari Osborn

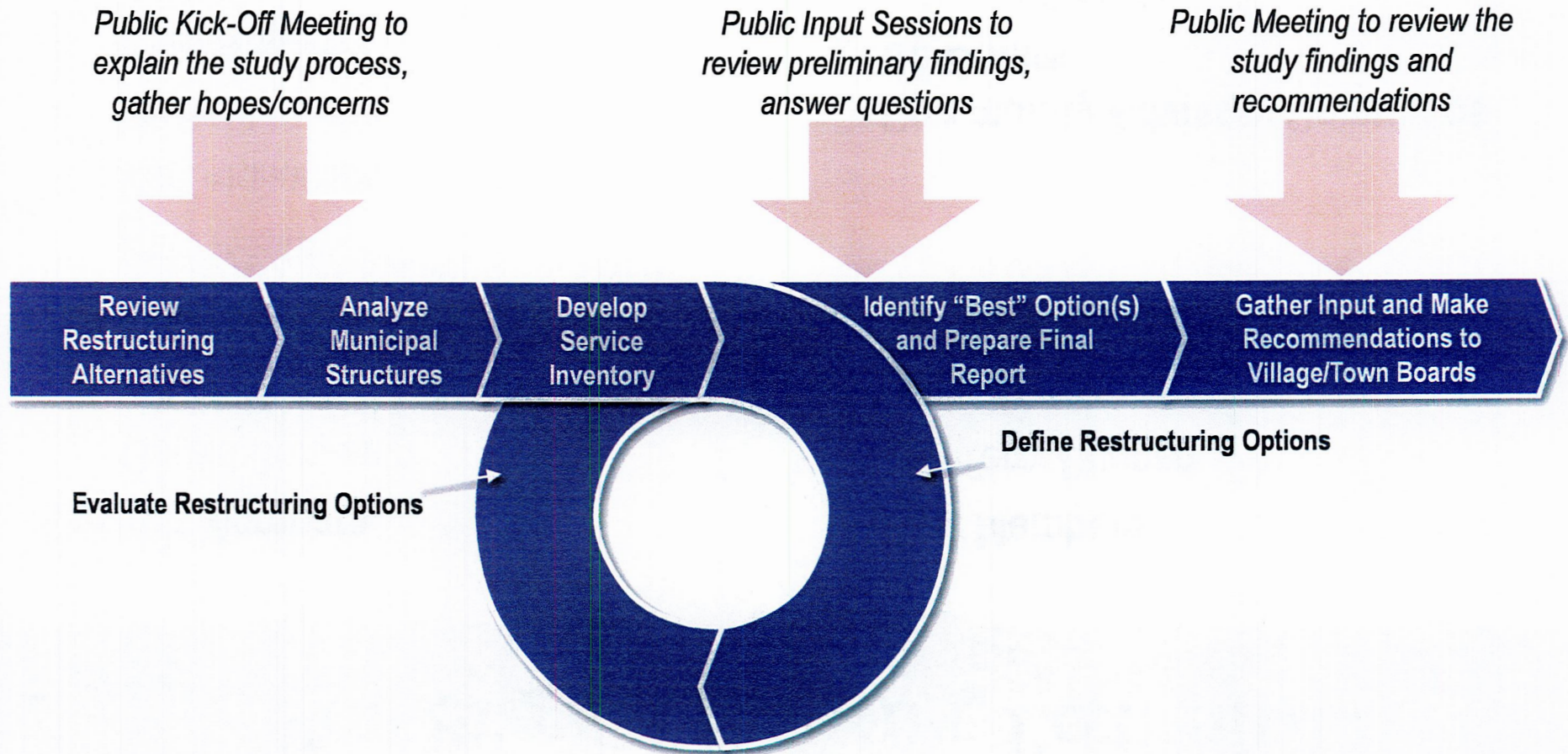
☐ **Community Advisory Committee Co-Chairs**

- Gail Gallerie
- Chris Robins



New Paltz Government Efficiency & Effectiveness Study

The Overall Study Process





New Paltz Government Efficiency & Effectiveness Study

The Heart of the Study

- ☐ **Based on Extensive Interviews with Staff, the Service Inventory describes the services that each municipality provides**
 - Name of service, expenditures/appropriations for service, revenues from service, personnel associated with service, assets associated with service, debts/liabilities associated with service, etc.
 - Redundant services (i.e. different departments do exactly the same thing) and Complementary services (i.e. do similar things, but different geographic areas)
- ☐ **The Steering Committee and Fairweather Consulting reviewed services and how they would be affected by restructuring**
 - Would the service be consolidated with another service, eliminated, or left unchanged?
- ☐ **Using the Service Inventory, Fairweather Consulting constructed model budgets**
 - Model budgets describe how restructuring is expected to affect total cost of service



New Paltz Government Efficiency & Effectiveness Study

What Are the Key Questions the Study Answers?

☐ **Can restructuring work operationally?**

- If services are consolidated, is it likely to generate short- or long-term savings?
- How might the quality or level of service be affected?

☐ **Can restructuring be made to work financially?**

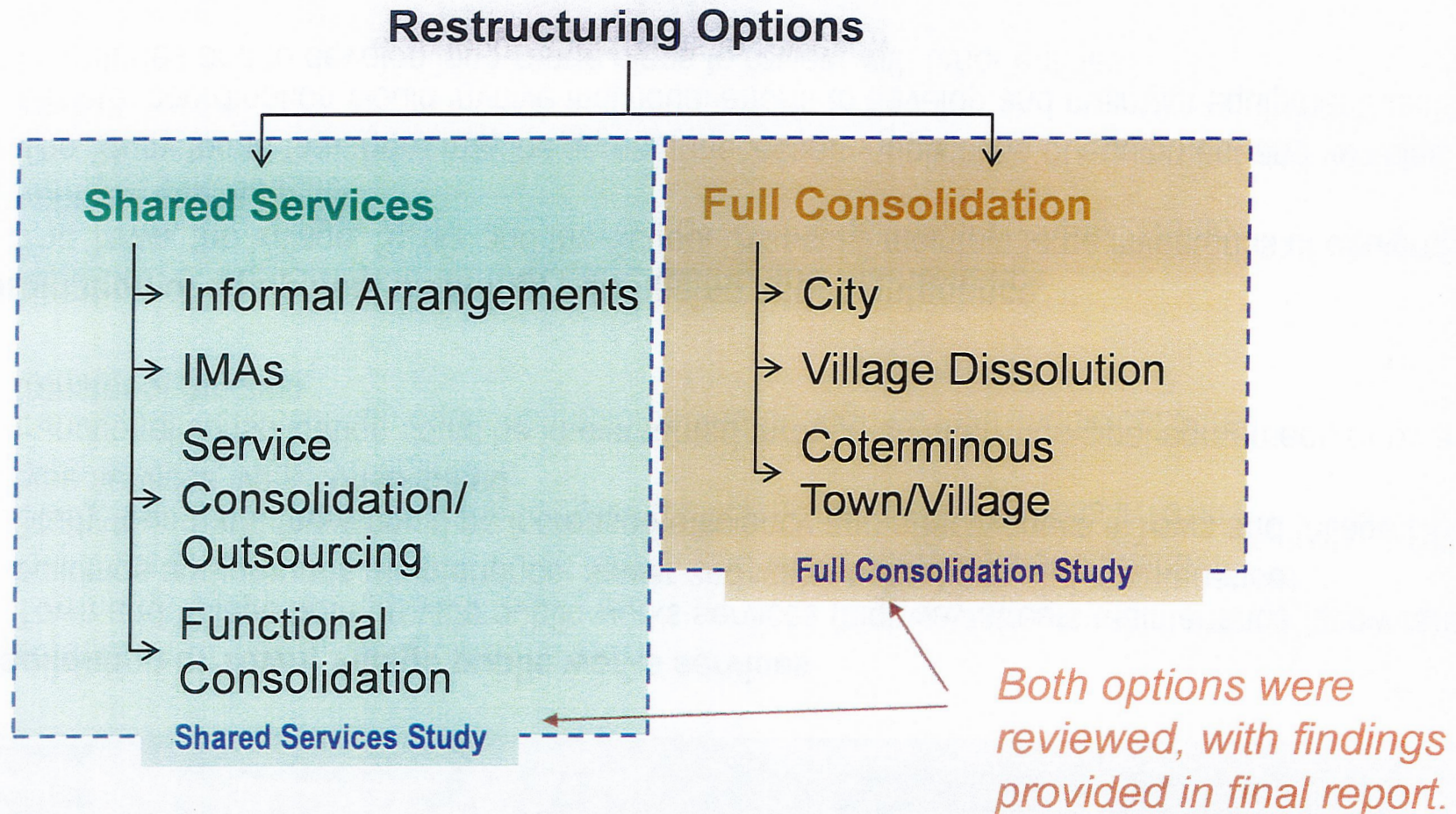
- How does restructuring shift the cost of services between Village and Town residents?
- How does restructuring affect existing revenue sources, or open up new ones?
- What cost-reductions are needed if restructuring is to reduce the tax burden?

☐ **What are the challenges that have to be met if the community wants to pursue restructuring?**



The Study Results

Available Restructuring Options for Improving Efficiency & Effectiveness





Shared Services Study

Opportunities for Enhancing Service Delivery Through Shared Services

□ Consolidation of Town, Village public works services

- Town and Village both provide public works services (highway/streets maintenance, snow removal, buildings and grounds maintenance, sewer and water operations and maintenance)
- Study found that there could be increased efficiency and effectiveness if Town and Village DPW-type services were consolidated
- Functional consolidation could be implemented through an inter-municipal agreement, or by a transfer of function

□ Coordination of equipment planning, purchasing and maintenance

- The Town, the Village, SUNY and the School District all maintain large inventories of equipment, vehicles and supplies
- The Study found that there may be some unnecessary duplication of equipment and vehicles
- Greater coordination would involve individual efforts to develop and maintain equipment/vehicle inventories and to develop long-range plans to review with other entities

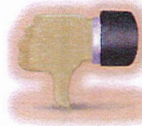
□ These were the two areas of focus in this study, though there are likely other opportunities for enhanced shared services



Full Consolidation Study

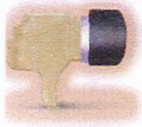
Coterminous Town/Village Option

Appeared Best for New Paltz



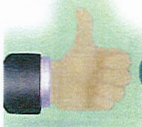
Dissolving the Village of New Paltz

- Typical process makes it difficult for Town and Village to cooperate
- Final decision rests solely with Village voters (Town-Outside residents can't vote)
- Can result in significant shift of tax burden from Village to Town-Outside residents



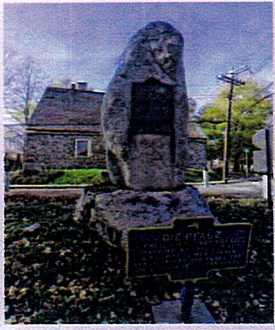
Creating a City

- Requires an act of the NYS Legislature
- Carries significant political baggage due to impacts on surrounding Towns and County
- Adds cost of maintaining State Highways



Creating a Coterminous Town/Village

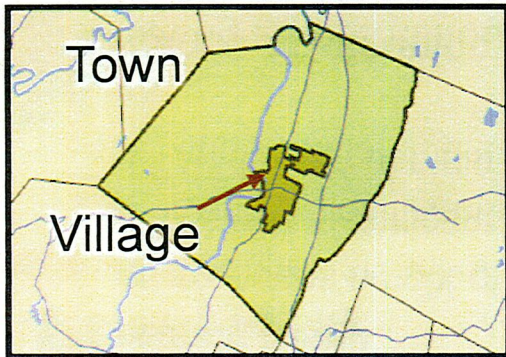
- Preserves both government entities, though they function as one
- Allows flexibility in governance and service delivery structure (mix of town and village structures)
- Provides nearly all the benefits of consolidation with few of the normal drawbacks
- NOTE: The Dept of State and Div of Budget don't see this option as a true consolidation, which may preclude additional state aid



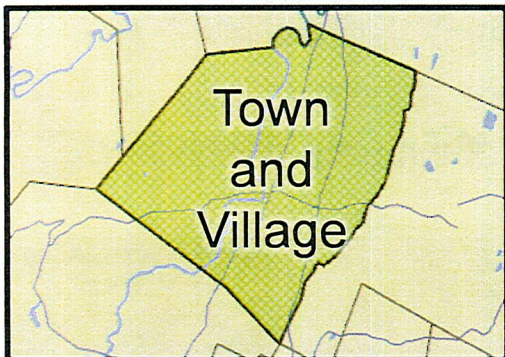
Full Consolidation Study

What is a Coterminous Town/Village?

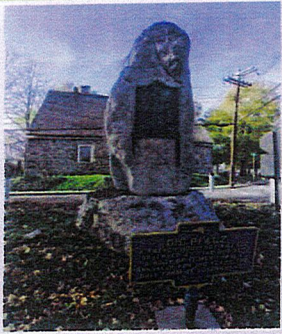
Current Structure



Coterminous Structure



- ☐ In NYS, Villages are separate entities that overlap with one or more Towns.
- ☐ NYS recognizes a third type of municipality, called a Coterminous Town/Village, which is a hybrid of a Town and a Village.
- ☐ A Coterminous Town/Village operates primarily as either a Town or a Village, but retains the powers and authorities of both (e.g. operating a Fire Department, etc.).
- ☐ As the name implies, a Coterminous Town/Village requires a Town and a Village with precisely the same geographical boundaries.
- ☐ The combined municipality operates under a single governing board, creating opportunities for functional consolidation.



Full Consolidation Study Revisited

The Problem with Coterminous Town/Village

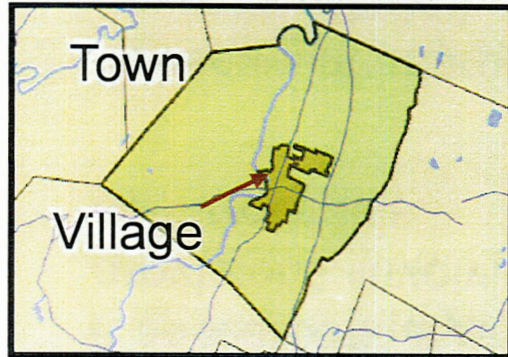
- ☐ Prior to the New Consolidation Law (Article 17-A), creating a coterminous government was a difficult process, requiring lands outside the village area to be annexed first (with votes held for residents of areas being annexed) & then creation of Coterminous government
- ☐ It appeared that Article 17-A allowed Coterminous government under its provisions, involving a vote by the effected municipalities. At the time, NYDOS confirmed this.
- ☐ Subsequent interpretations of Article 17-A by NYSDOS disallowed coterminous governments to be formed under those provisions.
- ☐ However, Article 17-A does allow municipal consolidation.



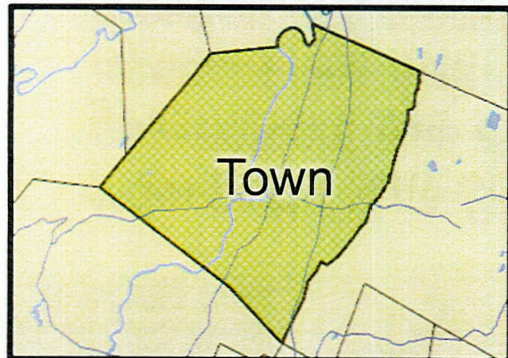
Full Consolidation Study Revisited

What is Municipal Consolidation?

Current Structure



Consolidated Structure



- ☐ Under 17-A, a Town and Village can jointly agree to form a consolidated government (i.e., **merging the village into the town**)
- ☐ The Town and Village boards must approve placing a plan before their voters.
- ☐ If voters from both jurisdictions approve, the Village is merged into the Town.
- ☐ Unlike Dissolution, both municipalities have a say in the process.
- ☐ Like Dissolution, **the result is a single Town government and a separate Fire District** (Towns can't have Fire Departments)



How Consolidation Changes Things

Changes in Elected Officers

	Current Situation	Committee's Recommendation
How many governing boards are there?	Two boards; one for Village, one for Town	Single governing board for Coterminous Town/Village, operating PRINCIPALLY as a Village
What is the structure of the governing board?	Separate 5-member Town and Village Boards with Supervisor and Mayor	One Village Board with 7 members (5 at large, 1 from Ward based on Village area, 1 from Ward based on Town), one at large member is Mayor
What happens to the position of elected Town Highway Superintendent?	One Superintendent; elected	Position changes to appointed

CHANGE UNDER CONSOLIDATION: Town Instead of Village; Supervisor replaces Mayor



How Consolidation Changes Things Changes in Key Positions

	Current Situation	Committee's Recommendation
What happens to the positions of the Clerks (Village and Town)?	Two Clerks; Village appointed, Town elected	One Clerk for Coterminous Town/Village; appointed
What happens to the position of DPW Superintendent?	One DPW Superintendent; appointed	Position eliminated; department combined with Highway, Buildings & Grounds, Sewer, Water under appointed Highway Superintendent
Who is responsible for financial management?	Two Financial Officers (Village appointed, Supervisor is Town CFO)	One Financial Officer (separate from Executive officer); appointed

CHANGE UNDER CONSOLIDATION: Town must designate separate fiscal officer, if it can.



How Consolidation Changes Things

Changes in Key Functions

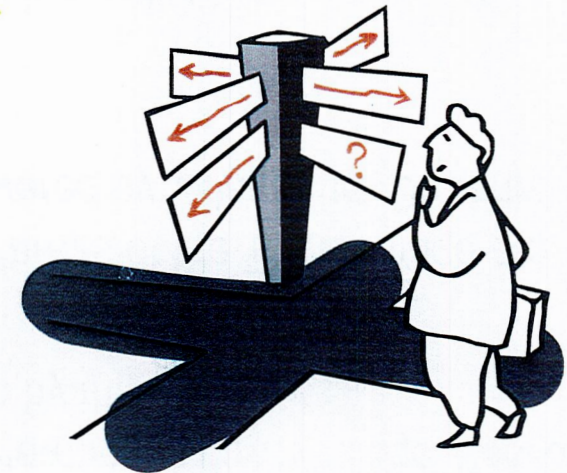
	Current Situation	Committee's Recommendation
Who runs elections?	Town elections are run by the County, Village elections are run by the Village	Coterminous Town/Village elections run by the County
Who provides Fire Protection	Village areas are covered by Village Fire Department. Town-Outside covered by Village Fire Department through contract	All areas of the Town/Village are covered by Village Fire Department
How are Water/Sewer services provided?	Separate districts in Town under Town Board, consolidated districts in Village under Village Board; different rates for inside/outside users	Separate districts remain, with additional districts for former-Village area, all governed by the Village Board; rate differential continues
How are other "urban amenities" (e.g. sidewalks, streetlights, etc.) provided?	Separate districts in Town; general budget in Village	Separate districts remain, with additional districts created for former-Village area; costs covered by benefited properties
CHANGE UNDER CONSOLIDATION: Elections run by County. Fire District created.		



How Consolidation Changes Things

What Are the Potential Drawbacks?

- **Impact on Services, Employees, Contracts & Laws, Assets & Debts**
 - Over time, consolidated government may drive reduction in workforce, but the study recommends eliminating only a couple of positions in the short-term
- **Impacts on Budgets & Taxpayers**
 - In the worst case, consolidation could drive a 12% increase in Town taxes for TOV residents
 - In the best case, with a 5% cut in the total budget, there is no increase in taxes for TOV residents
 - In either case, Village residents see savings of 11% - 26%
 - Citizens Empowerment Tax Credit would eliminate the tax increase for TOV residents.





How Cons What i

Scenario 1: Special services previously provided to Village (sidewalks, street lighting, etc.) are financed through benefit districts limited to former Village boundary.

Scenario 2: Special services previously provided to Village are funded as part of Town-wide tax levy.

September 16, 2013

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%

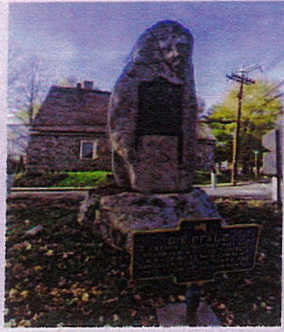
Figure 12 - Impact of Reductions in Future Tax Levy on Tax Rates - Scenario 1²



How Consolidation Changes Things

What Are the Potential Benefits?

- **Consolidation can reduce the long-term costs of government**
 - Research shows that smaller municipalities (population <20,000) are more likely to achieve long-term savings through consolidation
 - Eliminates costs of interaction that's necessary with two governments instead of just one
- **Consolidation improves government responsiveness**
 - More visible and accountable to the community
 - Provides the community with a single voice when lobbying Albany and Washington
 - Less likely for local issues to "fall through the cracks" between Town and Village government
 - Opportunity to introduce greater professional management of administrative functions
- **Consolidation protects community character**
 - Avoids sprawl since it can simultaneously plan for both the urban and rural parts of the community.
 - Manage environmental resources better by treating the community as a single ecosystem.
 - Economic development can occur more effectively since developers need only deal with one local government (& developers can't play one government off the other)
 - Fosters "smart growth" more effectively by focusing development where it can occur with the highest long-term benefits and lowest long-term costs



How Consolidation Changes Things **What Is the Bottom Line?**

- ☐ It is only a change in *governance*, not service delivery
- ☐ Immediate Changes in Local Government are **VERY MINOR**
 - Two Governing Boards are Merged into One
 - Clerk & Highway Superintendent become Appointed
 - Separate Fire District Created
- ☐ **EVERYTHING ELSE REMAINS UNCHANGED**
 - Staffing
 - Service provision, etc
- ☐ It Creates the Possibility for Gradual, Comprehensive Structural Reform

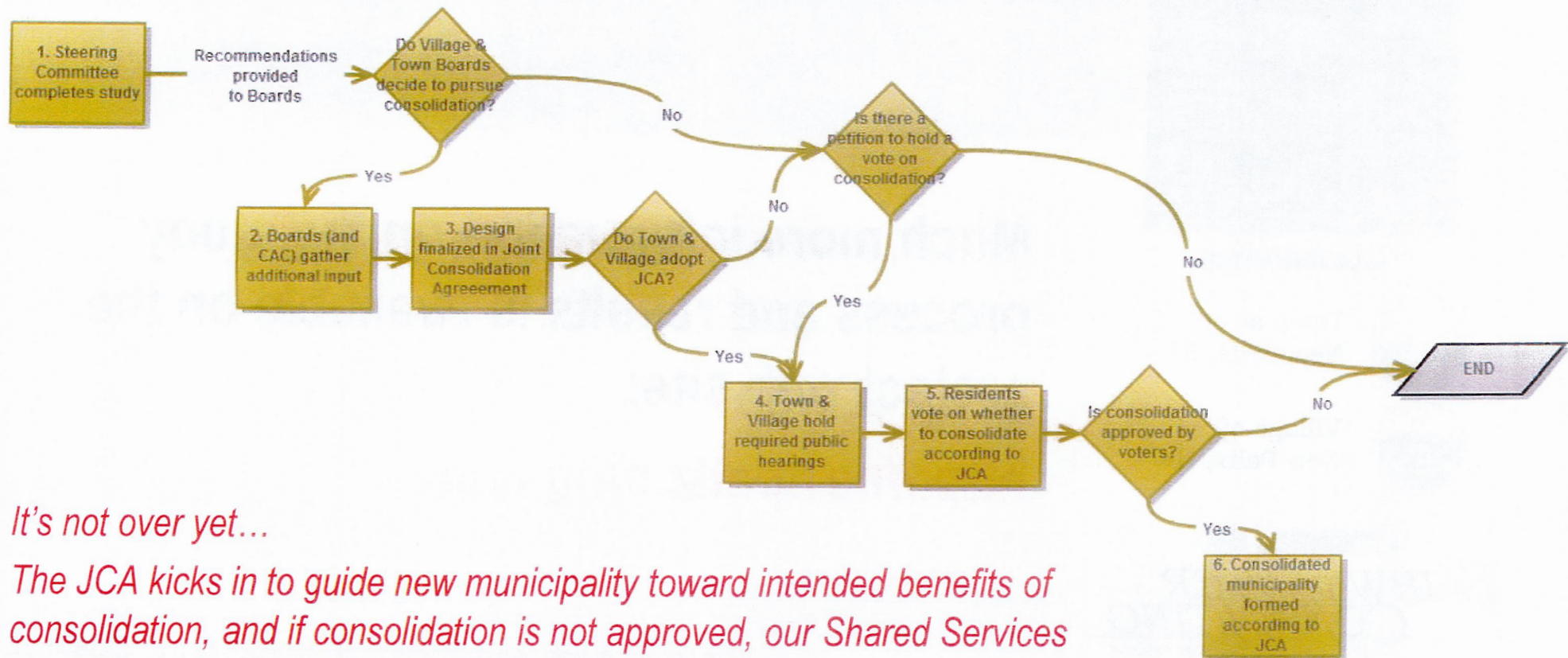


How Consolidation Changes Things Why Bother?

- ☐ **It Creates the Possibility for Gradual, Comprehensive Structural Reform**
- ☐ **Village residents see savings of 11% - 26% with no change in services**
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- ☐ **Citizens Empowerment Tax Credit eliminates the increase in Town Taxes and “buys time” for Gradual, Comprehensive Structural Reform**
- ☐ **New Paltz can respond to challenges/opportunities holistically, unconstrained by artificial boundaries.**

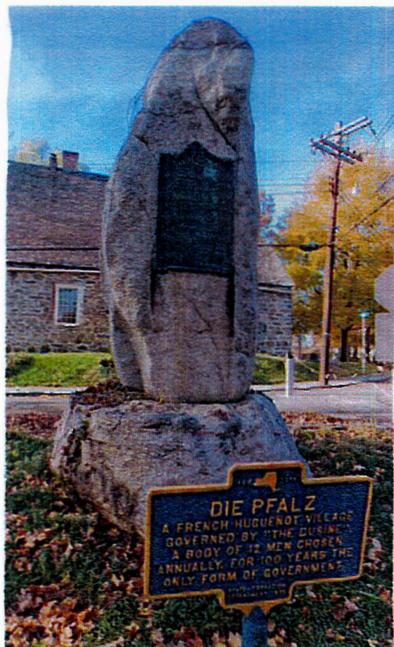


Full Consolidation Study What Happens Next?



It's not over yet...

The JCA kicks in to guide new municipality toward intended benefits of consolidation, and if consolidation is not approved, our Shared Services study presents some alternatives for improving efficiency and effectiveness



Communities



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Village of
New Paltz, NY

Presented By

**FAIRWEATHER
CONSULTING**
SPECIALISTS IN STRATEGIC CHANGE

Government Law Center

ALBANY LAW SCHOOL • 80 NEW SCOTLAND AVENUE, ALBANY, NEW YORK

Questions and Comments

Much more information on the study process and results is available on the project web site:

<http://newpaltz.ning.com>

This document was prepared with funds provided by the
New York State Department of State under the Local
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Full Consolidation Study Next Steps?

- Recommend that the Town & Village develop a JCA for Consolidation with the following conditions:
 - Clarify if Consolidation Option can include:
 - Partisan elections
 - Appointed Clerk & Hwy Super.
 - Separate CFO
 - Fire District Creation
 - Town Board Composition/Wards/Number
 - Use of CETC for Tax Abatement
 - Finalize Joint Consolidation Agreement for Consideration by Municipal Boards
 - Provide a Specific Proposal for the Public to Consider and Vote On