



Shared Services and Municipal Consolidations in Western New York – *Challenges and Opportunities*

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Our Background

- ▶ CGR (Center for Governmental Research)
 - ▶ founded in 1915 by George Eastman
 - ▶ non-profit, non-partisan, independent
 - ▶ provides consulting and research to help local governments deliver effective, cost-efficient services
- ▶ Since 2006, CGR has conducted 18 shared services or consolidation studies for villages, towns, cities, counties, and school districts
- ▶ Goal of the studies – consolidate functions (operations) or whole governments to reduce costs

What Are the Objectives of Consolidation?

- ▶ Structural Change – if we had a clean slate, no one would design the current system of 4,720 local entities in New York

- ▶ Hypothesis:
 - ▶ Having fewer government entities will result in efficiencies
 - ▶ Efficiencies = cost savings
 - ▶ Cost savings = lower taxes

Key Consolidation Assumptions

- ▶ Long Island Index Study in 2007 provides strong evidence that single-county model is more efficient than the multi-government NY model
 - ▶ Fairfax and Loudoun counties, VA
 - ▶ Nassau and Suffolk counties, NY
- ▶ Intuitively people sense that scale and eliminating redundancies and overlap will create efficiencies
- ▶ Thus – the push to begin the journey assuming that - **FEWER is BETTER**

Three Major Conceptual Problems

1. No one has designed a model for the most efficient form of local government in NY.
 - ▶ Problem – the DESTINATION has not been well defined
2. Efficiency and cost savings are not the same
 - ▶ Problem – many people want efficiencies to reduce costs but are unwilling to change the largest cost factors
3. A decision to change involves both the head and the heart
 - ▶ Problem – 5%, 10%, 30%, 50% tax reductions are still not large enough to convince folks to give up what they have

Moving Ahead – Challenges (1)

- ▶ Voters have to approve structural change: **consolidation** and/or **dissolution**
- ▶ What residents look for:
 - ▶ How to demonstrate believable, achievable savings
 - ▶ How to translate the savings into tax savings
 - ▶ How to overcome fears of loss of service and/or representation
 - ▶ How to guarantee that promises made will be kept

Moving Ahead – Challenges (2)

- ▶ The consolidation and dissolution process laws changed in March 2010
- ▶ There are many issues with little or no case law for guidance
- ▶ Ultimately, driving change becomes a political process

Lessons from the Trenches

- ▶ All communities have unique issues within what appears to be a common framework
- ▶ Starting point – are community leaders driving the discussion? Pro-active or reactive?
 - ▶ Friendly merger?
 - or
 - ▶ Hostile takeover?

Shared Services – The Path of Least Resistance

- ▶ Many communities feel they cannot bear the pain associated with loss of identity of one government or the other
- ▶ Thus, the push for shared services
- ▶ Some shared services save money and require sharing identities. Example – Cobleskill DPW
- ▶ Problem is you don't eliminate oversight duplication of effort. Multiple layers still exist.

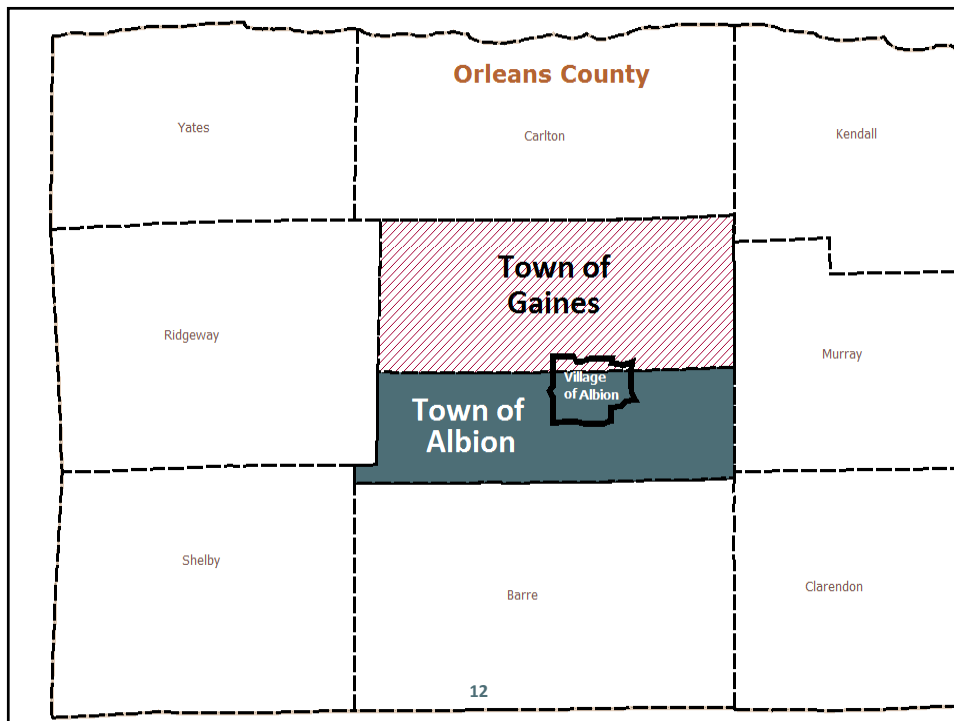
Common Problems – Individual Solutions

- ▶ Wide range of size and complexity issues
- ▶ Lessons from small communities -
 - ▶ Limestone – voted to dissolve 71 to 26 in October 2009
 - ▶ Perrysburg – voted to dissolve 60 to 9 in March 2010
- ▶ More complex communities have more change variables
 - ▶ Albion, Seneca Falls, Batavia, Johnson City community profiles illustrate the range of variables

Albion

	Population *	Land Area (sq. miles)	When Founded	Expenditures Budget
Village of Albion	5,548**	3.0	1828	\$5,575,122
Town of Albion	8,516	25.4	1875	\$1,748,283
Town of Gaines	3,621	34.4	1816	\$1,580,986

*2008 Census Estimates
 **Village included in Towns



Seneca Falls

	Population *	Land Area (sq. miles)	When Founded	Expenditures Budget
Village of Seneca Falls	6,629**	4.6	1831	\$6,924,752
Town of Seneca Falls	9,071	27.4	1829	\$3,356,015

*2008 Census Estimates

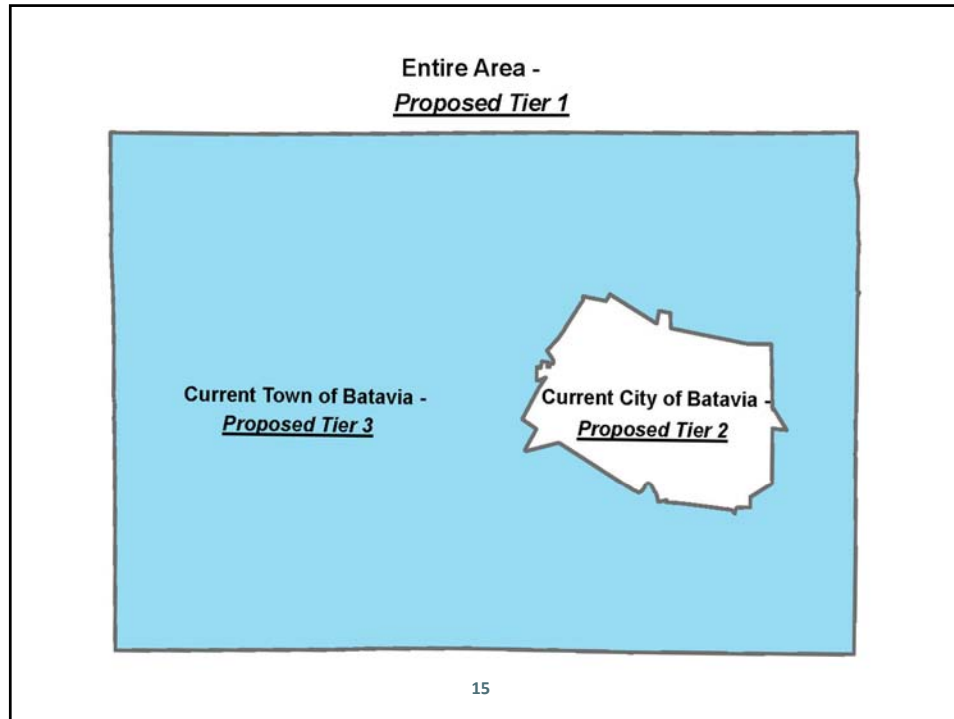
**Village included in Town

Note – Seneca Falls voted to dissolve 1,198 to 1,112 in March 2010

Batavia

	Population *	Land Area (sq. miles)	When Founded	Expenditures Budget
Town of Batavia	5,987	48.5	1802	\$5,951,333
City of Batavia	15,202	5.2	1915	\$24,068,832

*2008 Census Estimates



Johnson City

	Population *	Land Area (sq. miles)	When Founded	Expenditures Budget
Village of Johnson City	14,727**	4.6	1892***	\$22,062,323
Town of Union	54,116	35.8	1791	\$18,451,795

*2008 Census Estimates

**Village included in Town

***Originally incorporated as the Village of Lestershire, in 1916 renamed as Johnson City

The village voted against dissolution - 2,256 to 2,216 in November 2009

Examples of Change Activities

- ▶ Village Dissolutions
- ▶ Other Shared Services/Consolidation Efforts
 - ▶ Consolidation of City and Town of Batavia
 - ▶ Creation of a Central Business Office for Sullivan BOCES
 - ▶ Shared Services/Consolidation of Highway operations within Herkimer County
 - ▶ Town of Clay Police Services with County Sheriff
 - ▶ Many Village/Town Court consolidations
 - ▶ Shared Assessors
 - ▶ Central Dispatch – 911 Centers

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Impact of the New Law (1) – GML 17-A

- ▶ Effective March 21, 2010
- ▶ Consolidations can be
 - ▶ Board initiated
 - ▶ Citizen initiated by petition
- ▶ Citizen petitions require 10% of the voters
- ▶ If petition is valid, consolidation must be approved by voters of all entities
- ▶ If approved, a Plan to consolidate must be developed
- ▶ If another petition signed by 25% of the voters is presented, the Plan must be approved by referendum

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Impact of the New Law (2)

- ▶ Who is included?
 - ▶ Villages
 - ▶ Towns
 - ▶ Fire Districts
 - ▶ Special districts
 - ▶ NOT – school districts, cities
- ▶ Counties can also develop plans to consolidate entities

Conclusions

- ▶ Many communities across the state are now trying to invent a new future for themselves
- ▶ They recognize the need to change the way business is being done, but the future is murky
- ▶ Citizens now have a larger role than ever – they can initiate petitions to dissolve and consolidate local governments
- ▶ Future historians may look at this moment in time and decide that what we are doing now is the tipping point for reinventing local government in New York