

# Village of Brockport Forum on Dissolution

Village of Brockport June 2, 2010

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N.Y.S. Conference of Mayors
General Counsel



### Village of Brockport Forum on Dissolution

#### Village Dissolutions

Union - 1921 La Fargeville -1922 Marlboro - 1922 Eastwood - 1926 Newfield - 1926 Pleasant Valley - 1926 Sound Avenue - 1927 Belleville - 1930 Northville - 1930 Jamaica Square - 1931 Henderson - 1933 Old Forge - 1936 North Bangor - 1939 Forestport - 1940 Village of the Landing - 1940 Downsville - 1950 Amchir - 1968 Prattsburg - 1972 Fort Covington - 1975 Pelham - 1975

North Pelham - 1975 Friendship - 1977 Rosendale - 1977 Savannah - 1979 Elizabethtown - 1980 Bloomingdale - 1985 Pine Hill - 1986 Woodhull - 1986 Pine Valley - 1991 Westport - 1992 Ticonderoga - 1993 Fillmore - 1994 Schenevus - 1994 Mooers - 1995 Andes - 2003 Pike - 2009 Limestone - 2010 Perrysburgh - 2011 Randolph - 2011 East Randolph - 2011 Seneca Falls - 2011

#### <u>Villages Currently or</u> Recently Studying Dissolution

Lake George **Cherry Valley** Schuylerville Macedon Medina Speculator Waddington Wellsville Port Henry Corinth Candor Dansville Windsor North Collins Albion Allegany Ellenville Johnson City Port Henry Alden Cobbleskil Camilus Lewiston



### **NYCOM's Position**

- 1. Villages Are Not Merely Multipurpose Taxing Districts
- 2. Village Are Not a Third Layer of Government
- 3. Villages Are New York's Form of Incorporated Cities



# Village of Brockport Forum on Dissolution

### **NYCOM's Position**

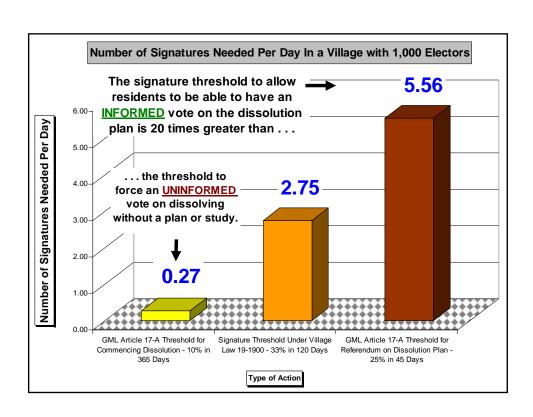
- 4. Residents Should Have the Ability to Petition to Create & Dissolve Villages
- 5. Village Boards Should Have the Ability to Initiate Dissolution
- 6.Neither For Nor Against
  Dissolving Brockport (or Any
  Particular Village)

### CEM

# Village of Brockport Forum on Dissolution

# What Will Happen If the Village Dissolves?

- Village Residents' Taxes Will Go Down How Much?
- On June 15<sup>th</sup>, You Are Voting on Whether to Dissolve the Village, NOT To Study Dissolution





# Each Village Dissolution Is Unique & Must be Considered on a Case-By-Case Basis

- 1. The Services Villages Provide Varies From Village to Village
- 2. The Services Towns Provide Varies From Town to Town
- 3. Different Economic & Demographic Characteristics



### Village of Brockport Forum on Dissolution

Each Village Dissolution Is Unique & Must be Considered on a Case-By-Case Basis

Can't We Just Use the 1974 Dissolution Study?



Center for Government Research www.cgr.org/brockport/index.aspx

NYS Department of State www.dos.state.ny.us/lgss/index.htm

NYS Office of the State Comptroller www.osc.state.ny.us/localgov/index.htm

NYS Office of the Attorney General www.oag.state.ny.us

Commission on Local Government Efficiency www.nyslocalgov.org



### Village of Brockport Forum on Dissolution

#### **Prior Local Government Commissions**

Local Government Restructuring Project (Rockefeller Institute, a.k.a. Riley Commission) (1990-1992)

Commission on Consolidation of Local Governments (Cuomo, 1990-1993)

Commission on Local Government Reform (Pataki, 2002-2004)

Commission on Local Government Efficiency & Competitiveness (Spitzer, 2007-2008)



### **General Municipal Law Article 17-A**

- Signed into Law on June 24, 2009
- Chapter 74 of the Laws of 2009
- Effective 270 Days After Enacted
   Effective March 21, 2010

### COM

# Village of Brockport Forum on Dissolution

- Stated Reasons for the Act
  - 1. "There are 10,521 overlapping government units, providing duplicative services creating needless, wasteful bureaucracies."



#### Structure of New York's Local **Governments 101**

- Counties
- Cities & Villages
- Towns
- Town Special Districts
  - + Town Board Managed
  - + Board of Elected Commissioners
- Fire Districts & Fire Protection **Districts**

### Village of Brockport **Forum on Dissolution**

### **Number of Local Government Entities** in Monroe County

**★County - 1 ★Fire District - 23** 

**★City - 1 ★ Fire Protection - 15** 

**★Town - 20 ★Park District - 45** 

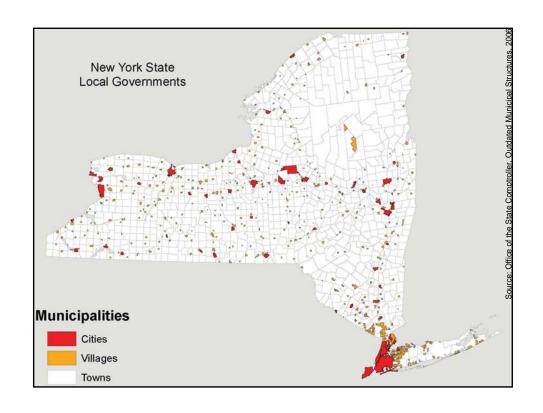
★Village - 10 **★Refuse District - 14** 

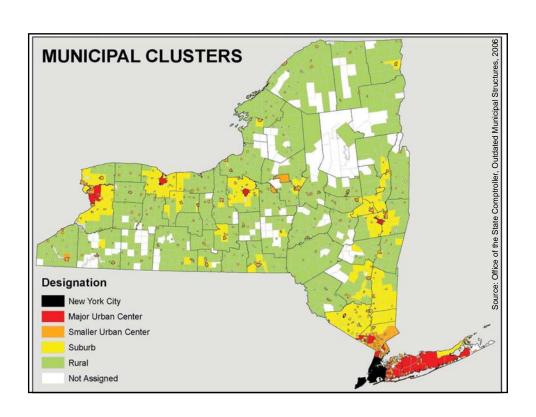
**★School District - 18** ★Sewer District - 62

**★Lighting District - 161 ★Water District - 98** 

**★ Drainage District - 102★ Other Districts - 54** 

| Total Town Special Districts - 551







### Structure of New York's Local Governments 101

City of	City of	Village of	Village of
Sherrill	Little Falls	Potsdam	Brockport
3,147 People	<b>5,188</b> People	<b>9,425</b> People	8,103 People
1,573	1,367	2,148	3,683
Per Sq Mile	Per Sq Mile	Per Sq Mile	Per Sq Mile
1,309	2,646	2,705	2,589
Housing Units	Housing Units	Housing Units	Housing Units
654	697	616	1,198
Per Sq Mile	Per Sq Mile	Per Sq Mile	Per Sq Mile



# Village of Brockport Forum on Dissolution

**Number of "Cities" by State** 

California = 458

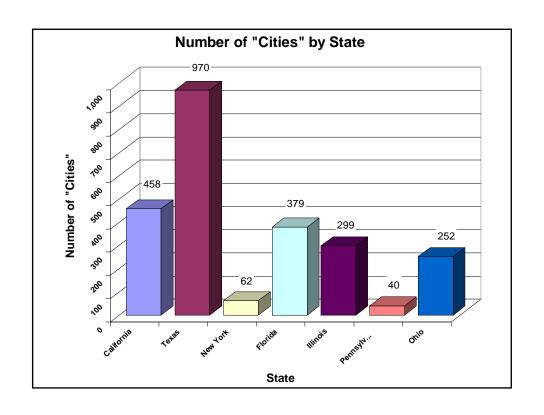
**Texas = 970** 

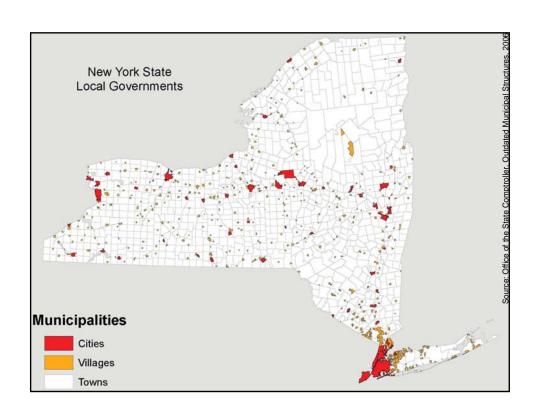
New York = 62

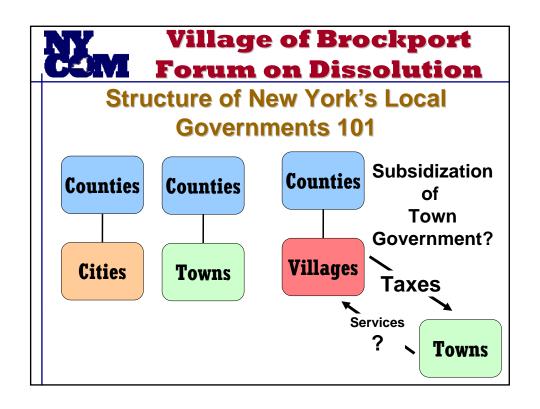
**Florida = 379** 

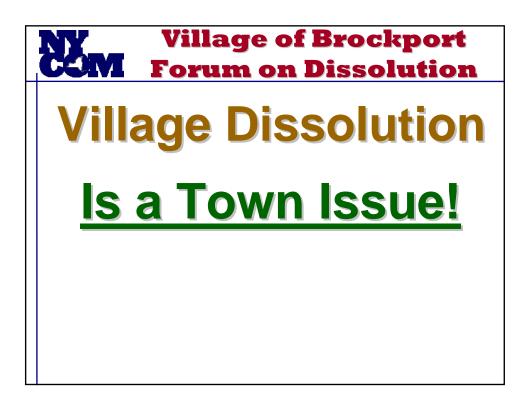
**Illinois = 299** 

Ohio = 252











# The Town Budget Four Parts

- General Fund
  - A. Town-Wide
  - **B. Town Outside of Village**
- Highway
  - A. Town-Wide
  - **B. Town Outside of Village**



# Village of Brockport Forum on Dissolution

### The Town Budget

Budgeted Expenditures, 2010-11
Village of Brockport and Town of Sweden
(Dollars in millions)

	Village	Townwide	TOV	Combined
General	\$5.129	\$2.572	-	\$7.701
<b>General TOV</b>	-	-	\$0.500	\$0.500
Highway TOV	-		\$1.349	\$1.349
Total	\$5.129	\$2.572	\$1.849	\$9.550

Source: 2010-11 Village budget and 2010 Town budget

Source: CGR May 26, 2010 Presentation



#### **Recommended Reading**

Outdated Municipal Structures www.osc.state.ny.us

<u>The Evolution Of New York State's Local</u> <u>Government System</u> by Prof. Gerald Benjamin <u>www.nyslocalgov.org/pdf/BenjaminEvolution.pdf</u>

Redrawing Local Government Boundaries: An International Study of Politics, Procedures and Decisions by John Meligrana



### Village of Brockport Forum on Dissolution

The Evolution Of New York State's Local Government System by Prof. Gerald Benjamin, SUNY New Paltz

"[A]fter American independence towns in New York State, like counties, were involuntary (that is, created without local request or action) and universal. In 1788 there were already 119 towns in New York's sixteen counties. The legislature divided all territory in counties outside cities and Indian reservations into towns under provision of the state constitution as new counties were created. In 1830 counties were given the power to create towns and later, to alter their boundaries."

### CEM

# Village of Brockport Forum on Dissolution

The Evolution Of New York State's Local Government System by Prof. Gerald Benjamin, SUNY New Paltz

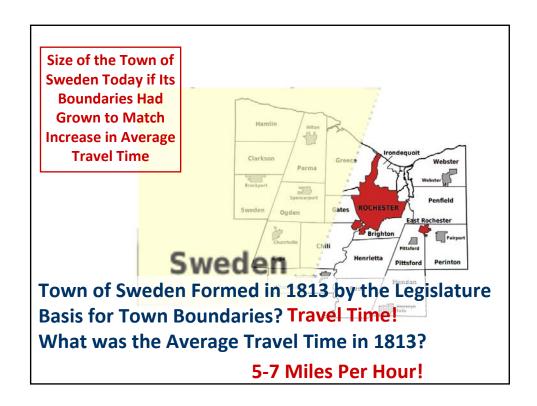
"The general powers of town government reflect their rural preoccupations. They could improve common land and regulate its use; erect and maintain fences and oversee fences built and maintained by private citizens; provide animal pounds and regulate animals at large; destroy noxious animals and birds; and 'prosecute or defend the common rights of such town."



### Village of Brockport Forum on Dissolution

The Evolution Of New York State's Local Government System by Prof. Gerald Benjamin, SUNY New Paltz

- + 1788 Towns Created Throughout New York
- + 1830 County Given Power to Create Towns
- + 1890 Town Law Town Board Still Not a Legislative Body
- + 1898 Power to Buy Water Works
- + 1900 Power to Create Water Districts
- + 1901 Power to Create Sewer Districts
- + 1932 Broad Powers Given to Town Boards
- + 1963 Constitutional Home Rule Amendment Extended Home Rule to Towns

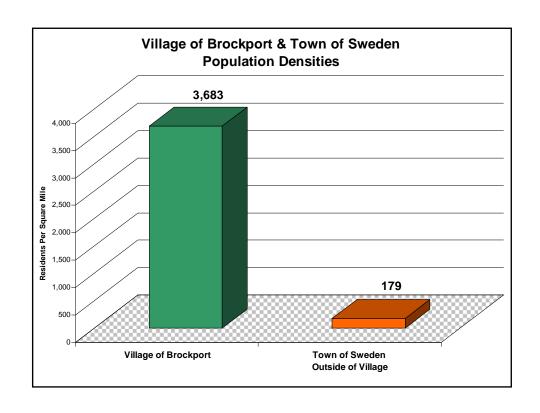




# What About the Village Boundaries?



NY	Villa	ige of Br	ockport
COM	Foru	<mark>m on Di</mark> s	solution
	Village of Brockport	Town of Sweden Outside of Village	Difference in Population, Area, & Density
Population	8,103.00	5,613.00	2,490.00
Area	2.20	31.30	14.23
Density	3,683.18	179.33	20.54

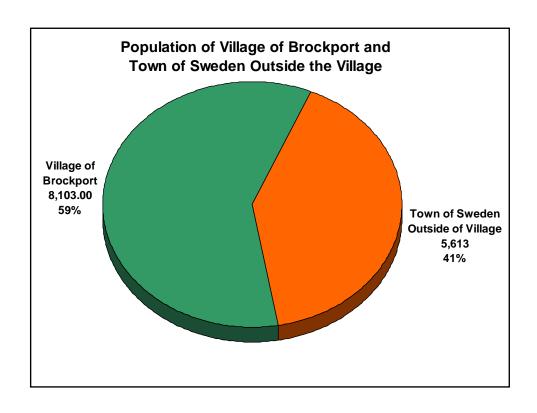


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# Village of Brockport Forum on Dissolution

### **Demographics**

- Urban U.S. Census Bureau
  - ★ Population of 2,500 with Core Census Block Groups or Blocks That Have a Population Density of at Least 1,000 People Per Square Mile, &
  - ★ Surrounding Census Blocks That Have an Overall Density of at Least 500 People Per Square Mile

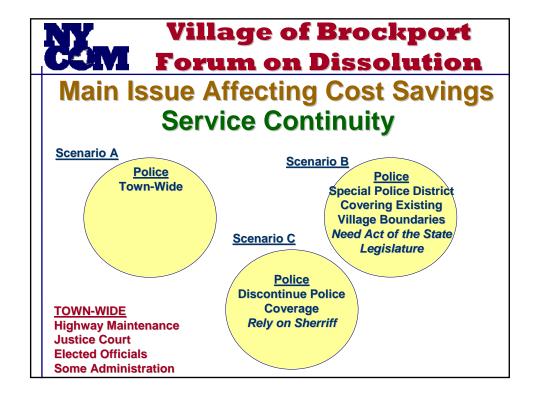


- 1. Efficiencies Economies of Scale
- 2. Discontinuing Services
- 3. Restructuring Services
- 4. Elimination of Elected Officials
- 5. Increased Aid from the State
- 6. Village Residents No Longer Paying Town Taxes for Services They Do Not Receive



# Main Issue Affecting Cost Savings Service Continuity

- 1. Town-Wide Function;
- 2. Continued but Limited to & Financed by Area Less Than the Entire Town (District); or
- 3. Terminated as a Governmental Activity









### **General Municipal Law Article 17-A**

- **★ General Issues** 
  - **❖ Districts & Cost-Structures**

Village of S	Seneca Falls Diss	olution Plan - Fi	re Protection
Cost of Village Provided Service	Cost of Town Fire Protection District Pre- Dissolution	Cost of Town- Wide Fire District Post- Dissolution	Difference in Cost for Village Residents
\$0.59	\$1.18	\$0.97	64%

### **Village of Brockport** Forum on Dissolution

- **★ General Issues** 
  - Districts & Cost-Structures

Village of No	orth Collins Disso	lution Plan - F	ire Protection
Cost of Village Provided Service	Cost of Town Fire Protection District	Wide Fire	Difference in Cost for Village Residents
\$1.03	\$1.34	\$1.26	22%
	With 1	Debt	
\$2.31	\$1.34	\$1.26	124%



### **General Municipal Law Article 17-A**

- **★ General Issues** 
  - Districts & Cost-Structures

Village of Nor	th Collins Dissol	ution Plan - Gai	rbage Collection
Cost of Village Provided Service	Cost of Town Refuse District	Cost of Town- Wide Refuse District	Difference in Cost for Village Residents
\$144	\$192	\$173	19%

### SOM

# Village of Brockport Forum on Dissolution

- \* Are There Alternatives?
  - a. Shared Services
  - **b. Village Annexation**
  - c. Co-Terminous Town-Village
  - d. Consolidation of the Town with Neighboring Towns
  - e. Charter Village as City
  - f. Exempt Village From Town Taxes
  - g. Discontinue Services

### **General Municipal Law Article 17-A**

- **★ Source of Savings for Villagers** 
  - a. Efficiencies Economies of Scale
  - **b. Discontinuing Services**
  - c. Restructuring Services
  - d. Elimination of Elected Officials
  - e. Increased Aid from the State
  - f. Village Residents No Longer **Paying Town Taxes Services Not** Received

### Village of Brockport Forum on Dissolution

- 1. Increased Efficiencies Through Improvement In Economies of Scale
  - \* As a General Rule. Some **Economies of Scale Achieved**
  - **Generally Relatively Nominal & Account For Only a Small Percentage of the Total Savings to Village Residents**

# Dissolution Studies – Sources of Cost/Tax Savings

- 2. Cost-Savings Resulting From Discontinuing a Service(s) to Village Residents
  - ★ Village of Seneca Falls Dissolution Proposal – No Town Police Service, Rely on County Sheriff
  - Something Village Could Do on Its Own Without Dissolving

# Village of Brockport Forum on Dissolution

- 3. Restructuring How Services Are Provided
  - ★ Village of Johnson City Dissolution Proposal, Form a Special District & Contract With County Sheriff to Provide the Services
  - / Village Could Do This Without Dissolving

# Dissolution Studies – Sources of Cost/Tax Savings

- 4. Cost-Savings From Eliminating Elected Officials
  - Whether Elimination of Elected
    Officials Is Efficient Depends on
    Whether It Creates a Less
    Accountable, Less Democratic
    Local Government

# Village of Brockport Forum on Dissolution

- 5. Incentive Aid From the State
  - ★ New York State Created Incentive Program For Consolidating & Dissolving Local Governments
  - ★ When Local Governments Dissolve or Consolidate, Remaining Local Government Is Entitled to an Increase In Aid From the State

### **Consequences of Village Dissolutions State Incentivizing The Creation of Districts**

Village	Districts Created Total Number of Entities (10,521)	Increase In State Aid
Village of Pike	4 Districts (10,524)	\$67,200 Per Year (Current - \$9,474 Per Year)
Village of Limestone (Effective 12/31/2010)	3 Districts (10,526)	<b>\$58,280 Per Year</b> (Current - \$14,283 Per Year)
Village of Seneca Falls (Effective 12/31/2011)	4 Districts (10,529)	\$506,000 Per Year
Village of Perrysburg (Effective 12/31/2011)	2 District (10,530)	\$73,000 Per Year
Village of East Randolph (Effective 12/31/2011)	3 Districts (10,532)	\$79,550 Per Year
Village of Randolph (Effective 12/31/2011)		\$120,568 Per Year

# Village of Brockport Forum on Dissolution

- 5. Incentive Aid From the State
  - Incentive Aid is a Substantial Part of Every Village Dissolution Study Discussion
  - Cost-Savings to Attributable to This Aid Has Nothing to Do w/ Increased Efficiency
  - **State Aid Is Not Guaranteed!**

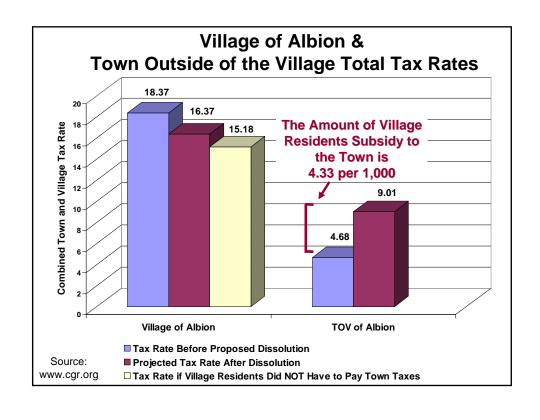
# Dissolution Studies – Sources of Cost/Tax Savings

- 6. Village Residents No Longer Subsidizing Town Operations
  - ★ Village Residents Pay Town-Wide Taxes, Frequently Receiving Little or No Services From the Town
  - ★ This Is a Subsidization of Town Operations by Village Residents

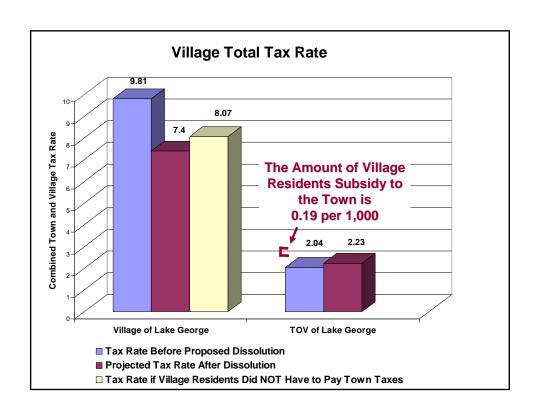
# Village of Brockport Forum on Dissolution

- 6. Village Residents No Longer Subsidizing Town Operations
  - ★ Many Dissolutions Studies Have Shown That, While Village Residents' Taxes Will Go Down as a Result of Proposed Dissolution, Taxes of Residents of Town Outside of Village Actually Go Up

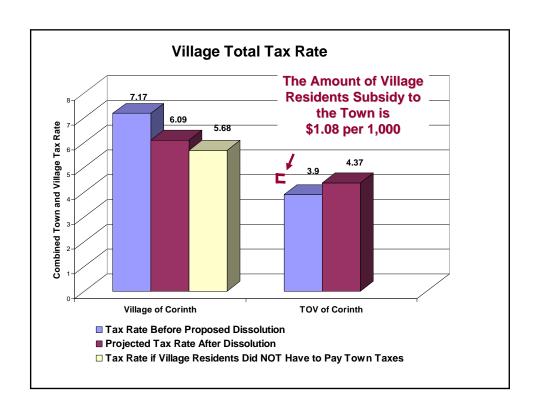
#### Village of Brockport **Forum on Dissolution** Dissolution Studies -**Sources of Cost/Tax Savings** 6. Village Residents No Longer **Subsidizing Town Operations** Tax Rate\* Before Tax Rate\* if Village Projected Tax Rate\* Proposed **Residents Did NOT After Dissolution** Dissolution **Pay Town Taxes** Village of 16.37 18.37 15.18 **Albion** TOV of 4.68 9.01 Albion Source: CGR Study, available at www.cgr.org \* Mil Rate, per \$1,000 of assessed value.



Village of Brockport Forum on Dissolution Dissolution Studies – Sources of Cost/Tax Savings 6. Village Residents No Longer Subsidizing Town Operations			
	Tax Rate Before Proposed Dissolution	Projected Tax Rate After Dissolution	Tax Rate if Village Residents Did NOT Pay Town Taxes
Village of Lake George	9.81	7.4	8.07
TOV of Lake George	2.04	2.23	?



<b>OM</b>	Forum	e of Broo on Disso on Studie	olution
		ost/Tax S	
•		ts No Long <u>yn Operatio</u>	
	Tax Rate Before Proposed Dissolution	Projected Tax Rate After Dissolution	Tax Rate if Village Residents Did NOT Pay Town Taxes
Village of Corinth	\$7.17	\$6.09	\$5.68
TOV of	\$3.90	\$4.37	?



# Dissolution Studies – Sources of Cost/Tax Savings

- 6. Village Residents No Longer Subsidizing Town Operations
  - ★ Example of Equitable & Judicious Allocation of Town Taxes on Village Residents = Village of Johnson City?



# Village of Brockport Forum on Dissolution

### **Problems with Districts**

- Districts Potential to be Undemocratic & Unaccountable
  - 1. Districts w/ Elected Commissioners
    Have Extremely Low Voter Turnout
    for District Elections
  - 2. Town Administered Districts Subject
    District Residents to Control of
    Officials Elected by Residents
    Outside of the District



#### **Problems with Districts**

- Less Accountable than Village Government
- Can Result in an Unfair
   Distribution of Costs –
   Free Riders



### Village of Brockport Forum on Dissolution

# Factors That Determine Democratic Local Government Arrangements

One Factor In Determining Local Government Boundaries Is That They Should be Based, at Least In Part, Upon Ability of Resulting Governing Body to Address Local Preferences & Needs

- Geography Professor Ronan Paddison



#### **ALTERNATIVES TO DISSOLUTION**

- **A. Shared Services**
- **B. Village Annexation**
- C. Co-Terminous Town-Village
- D. Consolidation of the Town with Neighboring Towns
- E. Charter Village as City
- F. Exempt Village From Town Taxes
- **G. Discontinue Services**



# Village of Brockport Forum on Dissolution

#### **Shared Services**

- Any Thing a Municipality Can Do by Itself, It Can Do With Another Municipality
- General Municipal Law Article 5-G
- Many Municipalities Are Already Sharing Services



### **Shared Services**

Many Villages Considering Dissolution Won't See Significant Cost Savings Because Existing Shared Services Have Already Lowered Village Expenses



# Village of Brockport Forum on Dissolution

### **Co-Terminous Town-Village**

- Town & Village Share Exact Same Boundary & Function as a Single Unit of Government
  - a. Mount Kisco
  - b. Harrison
  - c. Scarsdale
  - d. Green Island
  - e. East Rochester



### **Co-Terminous Town-Village**

Town & Village Share Exact Same Boundary & Function as a Single Unit of Government Why?

No Duplication of Taxation. Village Residents Don't Pay Town Taxes.



# Village of Brockport Forum on Dissolution

**Co-Terminous Town-Village** 





### **Co-Terminous Town-Village**

Administering Town-Village
A. Village Law Article 17
B. Referendum - Voters Must
Decide Whether Local
Government Will Operate
"Principally as a Village" or
"Principally as a Town"



# Village of Brockport Forum on Dissolution

### **Co-Terminous Town-Village**

Administering Town-Village C. After Referendum, One Unit of Government Will Exist, Which Will Function as Either a Town or a Village



### **Municipal Annexation**

- **❖** General Municipal Law Article 17
- Alteration of the Boundaries of a County, City, Town or Village Which has the Effect of Adding Territory to It



# Village of Brockport Forum on Dissolution

### **Municipal Annexation**

- Petition of Residents in Territory to be Annexed
- Approval of Both Municipal Boards
- Vote of Residents in Territory to be Annexed



### **Municipal Annexation**

- **∜Why?** 
  - Village Currently Providing Services Outside Its Boundaries?
  - Free Riders?
  - ➤ Could Village Provide Services to Properties Outside Boundaries More Efficiently Than an Existing District



### Village of Brockport Forum on Dissolution

#### **Consolidation of Towns**

- Will Not Result in Creation of Districts
- Only Option Likely to Result in a Reduction of Taxes for Both Village Residents & Residents of the Town Outside the Village



### **Charter Village as City**

- Act of the State Legislature
- Village Would No Longer be Part of the Town
- Village Residents Would No Longer Pay Town Taxes
  - **Last Charter Granted by the**State was in 1942



### Village of Brockport Forum on Dissolution

### **Exempt Village From Town Taxes**

- **❖Special Act of the State**Legislature Needed
- **●\* Opposition from Town Because** of Loss of Revenue
- ! But Village Dissolution Likely to Result in Increase in Taxes of Residents Outside of Village



#### **Discontinue Service**

❖ Village of Johnson City Dissolution Study – Discussion of Converting from Paid Fire Dept. to Volunteer Fire Dept.

**But Could the Village Discontinue** the Service without Dissolving?



### Village of Brockport Forum on Dissolution

- Key Provisions
  - 1. Consolidation Part
    - a. Governing Board Initiated
    - **b. Electorate Initiated**
  - 2. Dissolution Part
    - a. Governing Board Initiated
    - **b. Electorate Initiated**
  - 3. County Initiation



### **General Municipal Law Article 17-A**

- Consolidation
  - **Not Likely to Occur Because of Systemic Obstacles** 
    - a. Requires Coordination of Multiple Interest Groups
    - b. Leveling Up Unless Efficiencies Achieved Are Sufficient, Someone's Taxes Are Likely to Increase



### Village of Brockport Forum on Dissolution

- Dissolution
  - Termination of the Existence of a Local Government Entity
    - **●**\*Towns Are Excluded
    - What About Districts?
      - **№** Not Practical
    - Used Only to Dissolve Villages



### **General Municipal Law Article 17-A**

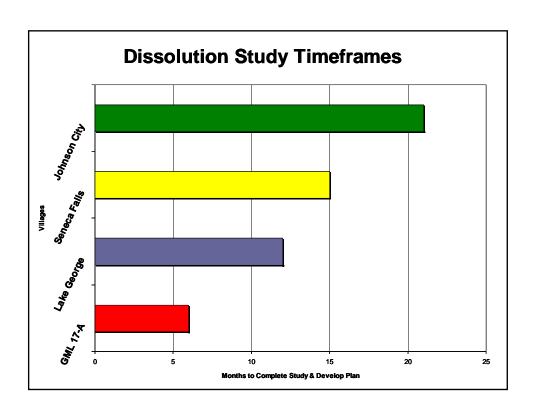
- Dissolution
  - **Methods for Initiating**
  - 1. Governing Body Resolution, Subject to a Referendum
  - 2. Elector Initiative



# Village of Brockport Forum on Dissolution

- Elector Initiated Dissolution
  - A. Referendum
    - i. If it Fails, No Dissolution for 4 Years
    - ii. If it Passes, Then Must Develop Dissolution Plan

- Elector Initiated Dissolution
  - **B.** Developing Dissolution Plan
    - Board Must Meet within 30 Days of Vote Approving Dissolution
    - ii. 180 Days to Prepare a Plan
      - **◆\* Time Period is Impractical**
    - ii. Study Committee & Consultant
      - **6**<sup>∞</sup> Not Referenced in the Act, but Generally Necessary





#### **General Municipal Law Article 17-A**

- Elector Initiated DissolutionC.Developing Dissolution Plan
- a) Name of Village to be Dissolved:
- b) Village's Territorial Boundaries;
- c) Type &/or Class of the Village;
- d) Fiscal Estimate of Dissolution Cost;
- e) Any Plan for Transferring or Eliminating Positions of Public Employees;
- f) Village's Assets, Including Real & Personal Property, & Its Fair Value;
- g) Village's Liabilities & Indebtedness, Bonded & Otherwise, & Its Fair Value;
- h) Any Agreements Entered Into With the Town(s) In Which the Village Is Situated In Order to Carry Out the Dissolution;
- Manner & Means Municipal Services Will Continue to be Provided Following the Village's Dissolution;
- j) Terms for Disposing of Village's Assets & Liabilities & Indebtedness, Including Levying & Collecting of Taxes & Assessments Necessary to Pay Off Any Liability or Indebtedness;
- k) Whether Any of the Village's Local Laws, Will Remain In Effect After Dissolution's, GML § 789 provides for 2 years, - Town May Amend/Repeal at Any Time;
- I) Dissolution's Effective Date;
- m) Time & Place or Places for a Public Hearing(s) on the Proposed Dissolution Plan Pursuant to GML § 784; &
- n) Any Other Matter Desirable or Necessary to Carry Out the Dissolution.



# Village of Brockport Forum on Dissolution

- Elector Initiated Dissolution
  - C. Plan Goes Into Effect, Even if Democratically Elected Board Recommends Against It, <u>Unless</u>
    - Petition Is Filed No Later Than 45
       Days After Dissolution Plan Is
       Approved

- Elector Initiated Dissolution
  - C. Plan Goes Into Effect, Even if Democratically Elected Board Recommends Against It, *Unless* 
    - ii. Petition Must Contain Signatures of at Least 25 % or 15,000 of Village's Electors, Whichever Is Less
      - **★** This is a HUGE hurdle
      - **6**<sup>™</sup> Dissolution by Default

