



Potential Impact of Village Incorporation

**Assessing Fiscal and Operational Impacts
in Edgemont, NY**

March 20, 2024



The project team

CGR

- Founded in 1915, CGR has been providing support to the public, nonprofit and private sectors for over a century
- Leading provider of strategic and technical guidance to local governments across the Northeast and beyond
- Our work encompasses municipal service, budgetary and restructuring studies; service delivery redesign efforts; and departmental and operations assessments

Sourced Municipal Solutions

- CEO Patricia Dwyer has 30 years experience as local government administrator in NYS, including 20+ years as a village manager/administrator in Westchester County

About today's presentation and upcoming report

- This presentation outlines the key issues of our report
- Our report follows the outline specified in the recently adopted law pertaining to village incorporations (though not required to)
- The report is in a draft phase and has been shared with representatives of the Town of Greenburgh and incorporation advocates
 - Leaders on both sides of the issue have been engaged throughout our process and provided information
- We will listen to and consider all feedback as we revise the report for an April 1 deadline

Project purpose



Impartial study funded through Sen. Stewart-Cousins's office so residents of both communities can see how incorporation would affect them financially



Sole purpose is to inform both the residents of Edgemont and the broader community of the likely impacts of incorporation on municipal services and finances and taxpayers



CGR is not making a judgment on the issue of incorporation or any recommendations

Matters of judgment



While we do not judge the issue of incorporation, we do make judgment calls in the course of creating our analysis



The judgment calls can and will be questioned



In the last 25 years, only three new villages have been formed in NYS



Some of the issues at play in Edgemont did not exist in those communities



This leaves us little precedent to work from in addressing some important questions

Level of uncertainty



There is significant uncertainty in estimating impacts for several reasons

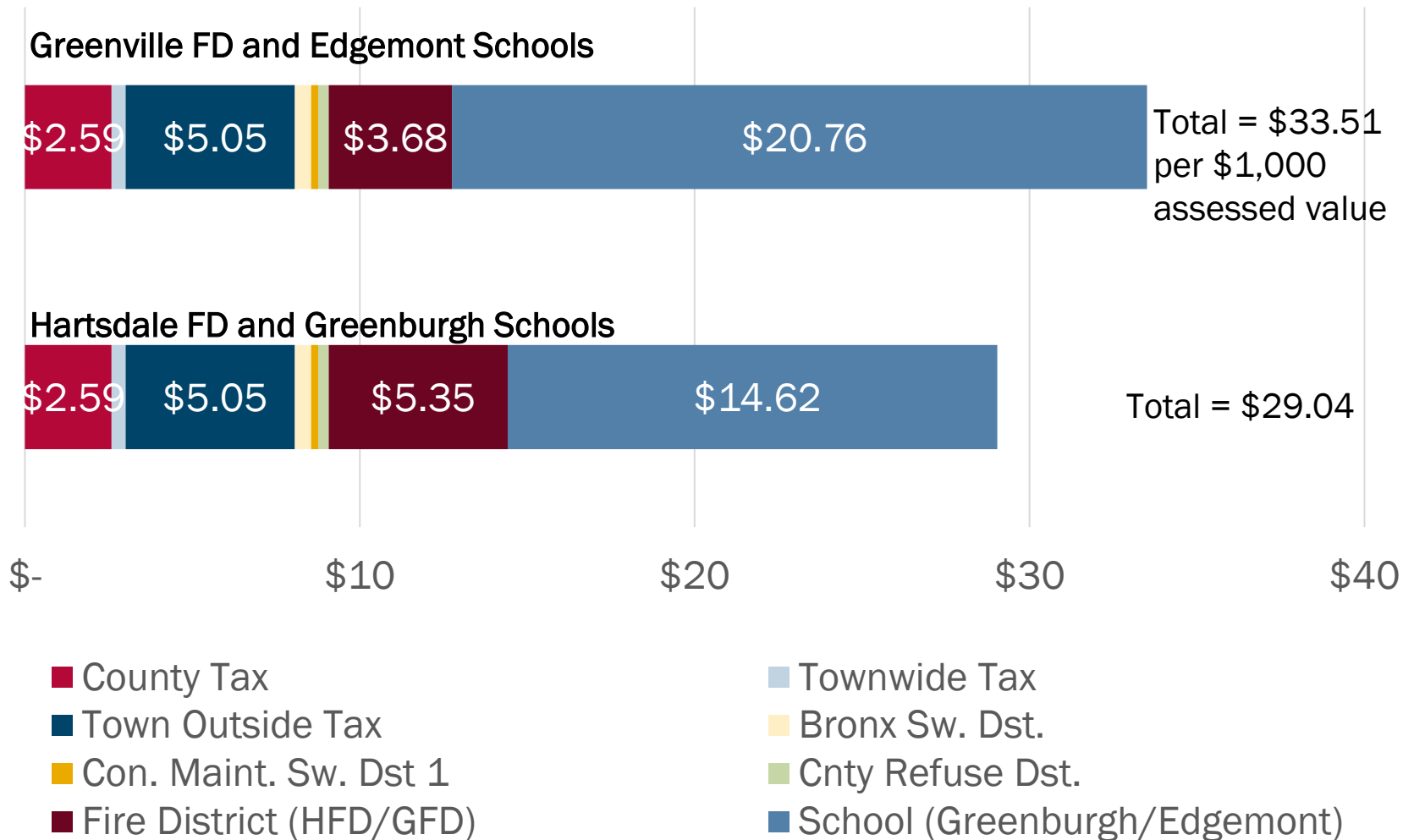


No Village exists and we do not know how an elected Village Board would constitute the Village



We do not know how the Village and Town would resolve significant disagreements over water and debt

Overall local property tax picture



The area in question



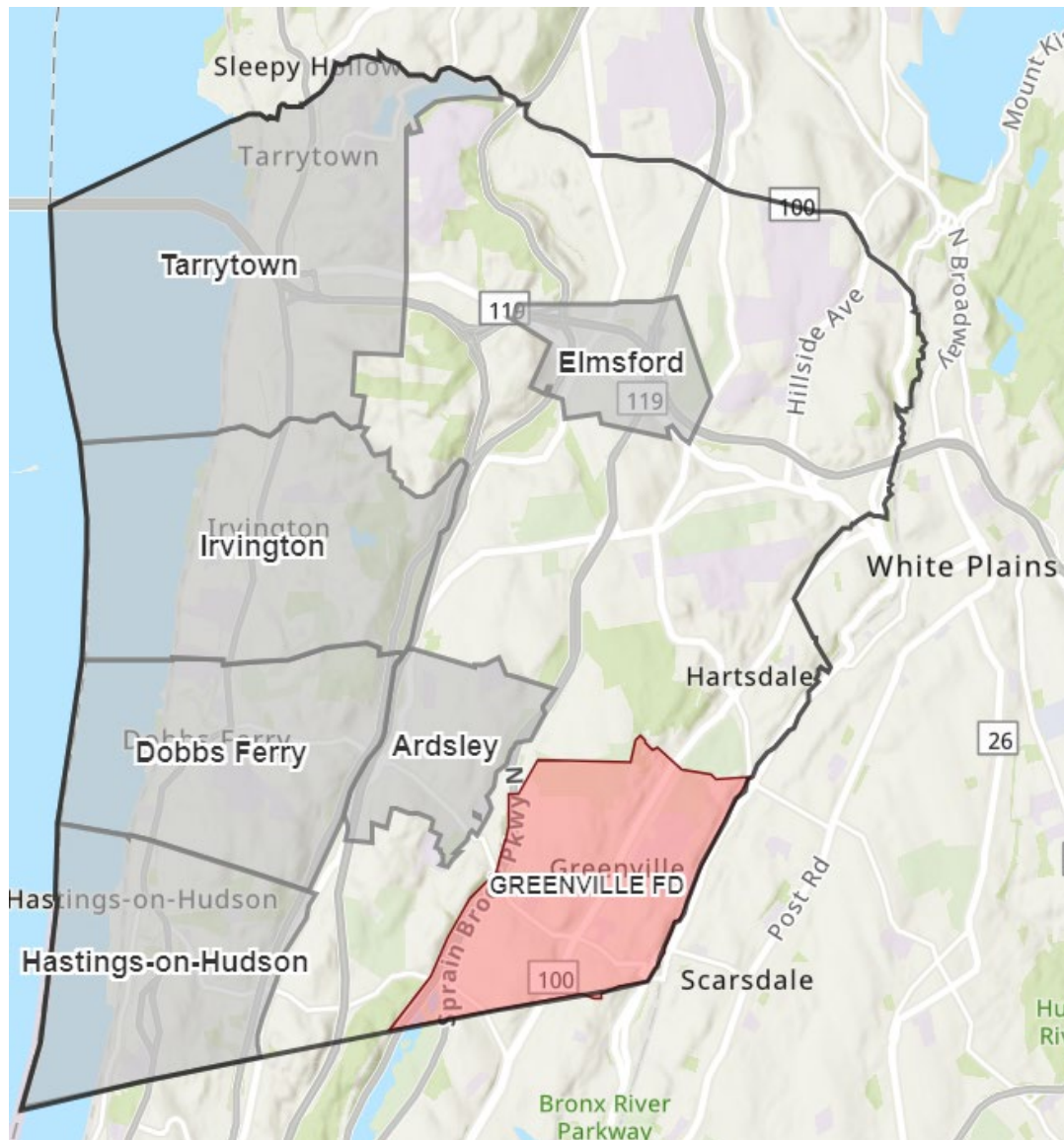
The area likely to be impacted by incorporation roughly follows the boundaries of the Greenville Fire District



The exact boundaries a proposed Edgemont Village are not yet known, as incorporation advocates have not yet filed a new petition that specifies them



The Edgemont school district is the closest available proxy for the population that would likely be in an incorporated Edgemont Village, according to the incorporation advocates



View an interactive, online map at: <https://www.cgr.org/edgemontimpact/map/>

Demographics

Population by Race/ Ethnicity	Edgemont School District	Unincorporated Town of Greenburgh (TOV)	TOV without Edgemont
Total Population	7,822	46,436	38,614
White alone	54%	46%	45%
Asian alone	32%	15%	12%
Hispanic	8%	17%	19%
Black or African American alone	2%	16%	19%

Socioeconomics

	Edgemont School District	Town of Greenburgh (entire town)	Ardsley Village	Dobbs Ferry Village	Elmsford Village	Hastings-on-Hudson Village	Irvington Village	Tarrytown Village
Median Age	44.1	42.3	43	39	35.1	45.3	41.1	42.9
Median Income	\$250,000+	\$145,468	\$243,594	\$144,000	\$120,301	\$161,908	\$184,569	\$109,945
Poverty Rate	1.9%	4.9%	1.7%	5.4%	8.7%	2.2%	1.8%	6.1%

Creating a hypothetical Edgemont Village

The Edgemont Incorporation Committee (EIC) has outlined a vision for a possible Edgemont Village that would use a “skinny” form of local government

Rather than create a full suite of village departments and services, Edgemont Village would contract with and receive services from outside entities for several major functions

We use the EIC’s vision to a degree

However, we also independently researched key issues, benchmarked EIC’s planned expenses against similar villages and applied our own judgment about what is most likely and feasible

Terms



TOV – Town outside Villages



B Fund – Main Town fund for TOV costs - \$106 million in 2024



Town Wide – across all of Greenburgh, including Villages



A Fund – Town fund for Town Wide costs - \$26 million in 2024

Area of Edgemont – current state



Receives most municipal services through Town of Greenburgh

Police, Ambulance and Advanced Life Support, Highway/Public Works, Building/Code Enforcement, Parks, Sanitation, Library, Planning/Zoning, Courts



Water - Town of Greenburgh's Consolidated Water District #1 through Town Department of Public Works (DPW)



Sewer - Westchester County sewer district and one of Town's sewer districts through Town DPW



Fire protection services and EMT first response - Greenville Fire District



Accesses parking for commuter rail through Hartsdale Public Parking District

Time frame for modeling

- Our model estimates costs and impacts for one year of Village when fully operational
- We note that start up costs in the first year would likely range from \$500,000-\$1.5 million
- We did not attempt to model multiple years due to unknowns and complexity

Base model for an Edgemont Village

Village creates its own administration (Board of Trustees including Mayor, Clerk, Treasurer)

Village creates Building Department and Planning and Zoning Boards

Village contracts with the Town of Greenburgh for highway/DPW, sanitation and library

Village receives police services through the Town of Greenburgh and its new Police Services Fund

Greenville Fire District becomes Village Fire Department

Costs

Village budget is \$23.06 million

- Includes \$11.4 million for Fire Department
- Includes \$4.9 million in contracted services with the Town of Greenburgh – highway/DPW, sanitation, library
- Includes \$2.9 million for share of Town debt for capital improvements
- 10 full-time Village employees

Village residents' share of Police Services Fund is \$7.8 million

Total general government costs: \$30.84 million

Summary of impact



Edgemont Village residents pay about the same level of taxes for general government services



Residents of the unincorporated Town of Greenburgh see a 0.6% increase in taxes for general government services



This is possible in this scenario if the Town cuts costs in all departments except highway/DPW, sanitation and library by 7%



Highway/DPW, sanitation and library remain at same level due to income from Edgemont Village

	Edgemont Village Area Property Tax		Tax Forecast for Home Valued at		
	Current	Post Incorporation	\$500,000	\$750,000	\$1,000,000
Townwide Tax	\$0.418	\$0.418	\$209	\$314	\$418
Town Outside Villages Tax	\$5.164	n/a	n/a	n/a	n/a
Police Services Fund	n/a	\$2.624	\$1,312	\$1,968	\$2,624
Village Tax	n/a	\$6.172	\$3,086	\$4,629	\$6,172
Fire District Tax (Greenville)	\$3.617	n/a	n/a	n/a	n/a
Refuse Disposal	\$0.310	\$0.310	\$155	\$233	\$310
Sewer Rate Avg.	\$0.520	\$0.520	\$260	\$390	\$520
Sewer Maintenance District	\$0.210	\$0.210	\$105	\$158	\$210
Town, Village, Fire Tax Total	\$10.239	\$10.254	\$5,127	\$7,690	\$10,254

An important note

- Water & sewer are set aside in the base model
- Enterprise funds for water & sewer are not included due to the uncertain picture regarding special districts (discussed a bit later)
- Bottom line – costs could go up for Edgemont residents based on how these issues are resolved

Caveats

Costs to Edgemont would be higher and could be significantly higher if did not remain in the existing water district and had to pursue an alternative

Similarly, Edgemont's burden would be heavier if the Town could successfully require it to help pay costs for:

General litigation (lawsuits)

Tax certiorari (refunds due to successful challenges of tax assessments)

Future OPEB (Other Post-Employment Benefits – mainly health insurance costs for Town retirees)

Impact on parks – a complicated picture

- Finneran Law (unique to Greenburgh) requires that parks in unincorporated Greenburgh are supported by and available to residents of unincorporated Town only
- Federal requirements supersede that in a few cases and require broader access
- In the event of Edgemont incorporation, Town is saying it would not support and would seek to divest from parks located in Edgemont because it could not afford to support them
- Affects Greenburgh Nature Center, Crane's Pond and Cotswald Park

Alternative scenario



Village does not contract with the Town of Greenburgh for services



Village could contract with another entity (municipal or private) or create its own department to handle:

Sanitation
Sewer
Highway/DPW



Ongoing operating costs likely to be similar though capital costs could be significantly higher



For library, Village could contract at a lower cost with another municipality such as Ardsley

Summary of impact – alternative scenario

- Edgemont Village residents could pay more or less for Village operations depending on contract amounts
- Capital costs and debt would likely rise if the Village formed its own departments for highway & sanitation
- Town of Greenburgh would not receive nearly \$5 million in contract revenue from the Village
- Residents of the unincorporated Town of Greenburgh see a 5.6% increase in taxes for general government services
 - Note that this still assumes budget cuts of 7%

Other scenarios we did not model & why

Village forms its own police department

- We believe highly unlikely since Town is required to provide service

Village has to obtain water in a way other than the existing district

- Legal uncertainty around Edgemont's ability to remain in the district
- There are several alternatives and significant complexity to modeling even one

Village must for share of Town of Greenburgh's litigation, tax certiorari, and future OPEB costs

- We did not find a precedent for this, nor outside experts who thought it likely

Why isn't the Town hurt more?

- The Town would not lose funding for police in either scenario
 - This accounts for about a third of the TOV budget
- The Town would cut key TOV budgets by 7%
- TOV residents would pay either a 0.6% or 5.6% tax increase, depending upon whether the Town is providing services to the new Village

What about large liabilities?

- Capital debt – both models have a Village of Edgemont paying about a quarter of the TOV debt
 - Incorporation advocates have indicated the Village would do this
- OPEB – this is “pay as you go” from operating budget
 - We reflect current costs in our model and in estimates of contract amount for Edgemont Village to receive Town services
- Future liabilities – as stated earlier, we didn’t find historical and legal grounds for Town imposing payments (~25%) for:
 - Future OPEB costs - \$275 million
 - Litigation costs - \$173 million in open claims
 - Certiorari settlements/refunds - \$10.3 million

More on the Police Services Fund

- Under Town Law Article 10, a town with a police department is responsible to provide law enforcement to a village as long as that village does not have a police department.
- GPD would continue to provide the services as it did before incorporation
- A specific fund would be established to manage the revenue and expenses for this specific area
- This fund contains all the expenses related to law enforcement operations of GPD that are in the current Town Outside Villages budget
- This is similar to an arrangement in Ramapo, Rockland Co

Special districts

- Are organized and created under Town Law to provide services within a defined area of a town
- Are supported by special assessments and/or user fees
- When the boundaries of a special district and village are coterminous, the district ceases to exist, and its assets automatically become village assets
- When boundaries are not coterminous, other than during a statutorily prescribed transition period, a town special district is not permitted to operate or exist within the borders of an incorporated village unless the village expressly consents
- Absent of consent, assets and liabilities of the district that are within the incorporated village are apportioned

More on water

EIC asserts Edgemont would have a right to remain in the current water district

Town of Greenburgh representatives dispute this and say they would want to see the village split from the district

From our review of laws and cases, this is not clear

Experts we consulted including NY Department of State and NY Conference of Mayors did not know

We did not find historical precedents that were helpful

Likely to be settled through litigation

Town requesting a non-binding Attorney General opinion is an option

Four scenarios with water

Town and Edgemont Village agree or are ordered to continue the services of the water district in its current footprint

Village becomes a wholesale customer of the district and enters into an agreement similar to the one between the district and Village of Irvington

Village makes a new arrangement with a different water system for its water services

Village manages its own water supply by reopening a connection to the Catskill Aqueduct, based on an agreement with NYC Dept of Environmental Protection

Impacts of alternative water options



Specific costs for alternative arrangements cannot be accurately projected



Most would involve negotiations and new contracts between multiple parties who are not willing to commit to any specific arrangements or pricing in advance of actual negotiations with an established Edgemont Village



We believe that those alternatives that differ from the existing status quo are likely to involve increased costs to Village residents, including for capital costs to maintain infrastructure

The Hartsdale Public Parking District

- HPPD exists as a legal entity separate from the Town's direct governance, management, and financial support
 - Though Town appoints HPPD commissioners
- The District extends beyond the proposed village's incorporated boundaries
- When boundaries are not coterminous, other than during a statutorily prescribed transition period, a town special district is not permitted to operate or exist within the borders of an incorporated village unless the village expressly consents
- Absent of consent, assets and liabilities of the district that are within the incorporated village are apportioned

The Hartsdale Public Parking District

- All operating revenue is derived from user fees
- Consists of six (6) separate parking sites, one site lying totally within the proposed incorporated limits and another 75% inside the proposed boundary
- Total parking spaces within the proposed boundaries are believed to be sufficient for Edgemont's parking needs

Two options under incorporation

- 1 - Village would take control of the parking site areas within its boundaries and operate them itself for the benefit of Edgemont residents
- 2 - Village would come to an arrangement with HPPD to extend the district back into the Village or operate the Village's properties pursuant to a contract
 - This would largely return to the status quo ante, as far as the public is concerned
- The latter option would likely be easiest for both parties

Questions

- The Town has indicated a 3-minute limit for questions
- We will answer what we can now and post questions and answers online at:
- <https://www.cgr.org/edgemontimpact/>