



**NYS Department of State
Albany Law School/Government Law Center
Shared Municipal Services Technical Assistance Project
Case Study Template**

1. Community Identifiers

1. For "lead" municipality (listed first) and each participating municipality, the name and type of municipality (e.g. County of Albany; City of Schenectady; Town of Hempstead; Village of Scotia; Colonie Central School District);

<u>Participating Municipality</u>	<u>Type of Municipality</u>
Liberty	Town (Lead)
Liberty	Village

2. Most recent U.S. Census population and land area of each participating municipality;

<u>Participating Municipality</u>	<u>2000 Census Population</u>	<u>Land Area (sq. miles)</u>
Liberty, Town (Lead)	9,600 (5,625 without Village)	80.7
Liberty, Village	3,975	2.4

3. Fiscal metrics for each participating municipality taken from the Comptroller's local government data base for the most recent year available, including, but not limited to:

- Total taxable assessed and full value of real property;
Town - \$446,231,876 (Including Village Property), Village - \$131,454,554
Town, Outside the Village - \$314,777,322
- Total tax levy;
T\$4,756,140, V\$2,586,916
- Total debt outstanding;
T\$6,483,000, V\$3,205,789
- Total revenues, with total state aid shown separately;
T\$2,820,146 (Includes State aid of \$205,500, does not include tax levy shown above), V\$6,105,443
(Includes State Aid of \$34,519)
- Total expenditures, with total debt service shown separately; and
T\$7,735,146 (Includes debt service of \$523,329), V\$6,227,730 (Includes debt service of \$744,175)
- Total expenditures for the functional area involved (e.g. transportation, health, police, fire, etc.)

Town General:	2,697,914.00
Village General:	3,576,462.00
Town Highway	2,150,579.00
Village Highway	808,640.00
Town Lighting	45,208.00
Town Water	\$1,034,845
Village Water	\$425,957
Town Sewer	\$903,479
Village Sewer	\$594,020
Town Debt Service	\$523,329
Village Debt Service	\$744,175
Town Capital Reserve	\$379,800
Village Capital Reserve	0.00
Town Total	\$7,735,146
Village Total	\$5,405,079

All figures based upon the 2007-2008.

4. People involved in the case study should be identified and interviewed. This should include, but not be limited to the chief elected official of the municipalities involved, department heads and appropriate employees, municipal attorneys or attorneys hired by the municipality(s), other local officials, representatives from advocacy groups and the media, and others who may have played a critical role. (Please include their contact information in Appendix A).

The project was initiated and principally controlled by Town Supervisor, **Frank DeMayo**, with the support of Village officials. Other interviews were conducted with **Heinrich Strauch**, the Executive Director of the CDC, who has been heavily involved in regular discussions between the Town and Village governments, and former Village Board member, **Chris Gozza**, who championed efforts to discuss consolidation, and **Heather Brown**, Principal Research Analyst with the Sullivan County Department of Planning. An underlying survey was initiated by Town officials to determine the level of interest of residents in commissioning a merger study. The survey revealed that 83% of Village and 68% of Town residents favored the study. The survey also indicates the willingness of Town and Village residents to look at other ways to share services.

5. Outside agencies or individuals that provided technical assistance help should also be identified, and if appropriate, contacted to ascertain the nature and extent of assistance rendered. (Please include their contact information in Appendix A).

The Sullivan County Department of Planning aided in the development of the survey. Saratoga Associates, a private community development, planning and research group, assisted in the development of the RFP for the consultant to so the study of collaborative services. Saratoga Associates has provided previous assistance to Liberty, and has experience in local opinion surveys regarding government cooperation and consolidation.

2. Background on the Issue Addressed

1. Provide a clear description of the issue being addressed, and the where the impetus for the project came from.

- a. In 2004, Frank Demayo, a Democrat, was elected Supervisor of the Town of Liberty, making Democrats a clear majority on both the Village and Town Boards. Partisanship had previously caused delays and friction in communication between the two entities, although such instances have been reduced to isolated incidents and, with the majority of elected officials sharing the same party, and the creation of the CDC, there is more communication between the Boards, and local leaders interact and cooperate well. According to local officials, the Town and Village occasionally shared services before the election, but these efforts were often constrained due to political differences.
- b. There is some evidence that differing levels of ethnicity may play a role among resident's attitudes towards consolidation and sense of community, although census data shows little significant levels of varying ethnicity between the two. The Village shows a slightly higher population of minority residents, and this may be emphasized by the visibility of Village residents, with greater foot traffic in the far more condensed Village area of Main Street giving a false impression of a difference.
- c. Financially, the Village finds itself unable to maintain its expenditures, and is nearing its tax limitation. The New York Comptroller's 2006 Annual Report on Local Governments finds that the Village of Liberty of one of only three Villages in New York at 90% or more of their tax limitation – the Village is at 91%.
- d. Previous studies, such as the 1997 SMART review, resulted in limited change, but a lack of overall momentum towards collaboration or consolidation. At the time, New York State Comptroller, H. Carl McCall had a program to enable municipalities throughout the state to examine whether or not there were cost and programmatic efficiencies to be gained from alternative strategies for the provision of municipal services. A response letter to the comptroller's office indicated that the Town was willing to make the following changes:
 - i. Inter-municipal Cooperation/Justice Court – The Town was ready to start discussion with the Village of Liberty with respect to the consolidation of the Justice Courts. Increased revenues would allow the Town to offset the additional staff and other items needed for the increased case load.
 - ii. Joint purchasing and sharing of Bulldozer – Due to limited funds available for purchase of highway equipment the Town will not purchase a new bulldozer in the near future. If the purchase is necessary, the Town will contact the Village to discuss a joint purchase.
 - iii. Joint Consolidation and/or joint sharing of highway and salt storage facilities- At the present time (1997), the Town is developing a master plan for a new Town Barn Facility. During the planning process, the Town agreed to contact the Village to determine what part, if any, will or can be jointly used.
 - iv. Cooperative purchase of electricity – The Town, whenever possible, will purchase electricity with other municipalities when deregulation comes into effect.
- e. In regard to section III, above, the Village did not participate in the building of the new barn facility. Although the Town responded to the recommendations of the SMART review to the effect that the Village would be contacted in regards to the barn facility, no joint collaboration was undertaken. Village officials were not available for comment on this matter. Given all the potential areas of collaboration undertaken by the study,

this list covers the only areas of collaboration the Town was willing to entertain. The SMART review became yet another “report on the shelf.” While elected officials were willing to talk about shared services, there was, with few exceptions, little done to put any of it into action.

f. In 1999, “Sullivan 2009,” a County advocacy and incentive program promoting consolidation also did not achieve any notable results.

In 2004, with the Town Supervisor and Village Mayor willing to cooperate, and the fiscal conditions of the Village continuing to deteriorate, a joint consensus was formed that a study of shared services and a review of a full consolidation effort between the Town and Village were worthy of consideration. Initial concerns were largely based on the local opinion that the Town residents would oppose the study due to fear associated with assuming the costs from the Village if consolidation occurred. A random survey of residents’ opinions on consolidation of services for the Town and Village was undertaken by the County Planning Departments to verify the potential level of support for shared services. The results of the survey indicate a strong level of support to begin an examination of possible consolidation and increased collaboration in both municipalities, although support was higher within the Village. In general it is believed by the Town Supervisor that the lower level of support for consolidation within the Town is derived from a concern that costs will actually increase for Town residents, as the Village’s financial burdens. The Village has almost reached its statutory tax limit, which has created a greater willingness to consider consolidation.

h. Armed with the survey results, the Town and Village Boards submitted a joint application for a New York State Department of State, Shared Municipal Services Incentives Grant Program. This application was approved. However, the Town of Liberty only received a copy of the contract from the State on May 18, 2007, which will now allow the Town to release its RFP for a consultant to perform the study. Obviously, at this point, it is too early to see how the results of the SMSI study will manifest themselves in public support for potential outcomes.

j. While the Town and Village have been awaiting the approval of the grant and the release of funds, they have not been idle in their efforts to test potential areas for collaboration. Rather than creating a committee (as envisioned in the grant) to oversee the communication between the two entities, the recent formation of a Community Development Corporation (CDC) has been able to provide the forum necessary for dialogue between the two municipalities. The CDC was jointly funded by the Town and the Village. Additional funds for the organization were then matched by the Gerry Foundation; a Liberty based family foundation that supported this new initiative. The CDC has now been in operation for two years. During this period a number of potential areas of collaboration have been discussed. Based upon an interview with the CDC’s Executive Director, Heinrich Strauch, it was learned that the CDC has been designated the representative for economic development for both the Town and Village. In addition the organization has also explored the following areas of potential collaboration:

- i. A strategic plan for further integration of infrastructure, such as with sewer and water.
- ii. Combined efforts on beautification and discussions of how town parks and the recreation department can be helpful in aiding in the maintenance of facilities within the Village.
- iii. Development of housing, whereby as communities within the Town continue to explore moratoriums, the Village can offer to attract developers to build within their limits.
- iv. Discussion over who is the appropriate agency to address snow removal for the newly renovated sidewalks on the border of the Town and Village.

As a result of the collaborative leadership of the Town and Village, the pending SMSI study, the joint creation of the CDC, and the results of the survey, an atmosphere exists to test whether shared services concepts and consolidation of services are a workable solution, with resident support, for problems faced by both the Town and Village.

2. What is the legal foundation? Were there any lawsuits involved in the issue being addressed, local resolutions passed or intergovernmental agreements entered into? (Copies of all legal documents should be obtained and listed on Appendix B – List of Legal Documents)

The resolutions in favor of studying intergovernmental collaboration and consolidation between the Town and Village include resolutions to create and financially support the CDC, and the resolution in support of the SMSI application.

3. What were the arguments raised, both pro and con, in discussing the issue? Specifically look for policy, legal, fiscal, collective bargaining, political and emotional issues. Also, were there differences in organizational culture at play?

- a. While little opposition has been gathered to consolidation yet, there is a less favorable opinion of consolidation in the Town, outside the Village, because of the tax burdens and financial deficits of the Village, which would be partially transferred to the Town in the event of full collaboration. This may lead to friction among residents as the Study moves forward and attempts are made to act on its recommendations.
- b. The financial woes of the Village have played a key role in a renewed push to focus on collaboration and consolidation. The inability to revitalize the Village's downtown due to high taxation levels and the perception among residents that there are inefficiencies of service are looming concerns of Village residents and officials. A fear of bankruptcy remains as well, along with the various unknowns associated with its implications. Currently, the property tax rate in the Town of Liberty is \$44.00 per thousand of assessed value, while the Village rate is \$66.00 per thousand of assessed value, with the Village providing more services than the Town.
- c. Below is language from the Shared Municipal Services Incentive Grant Program, Grant Application, "Liberty Together," January 13, 2006, discussing the reasons for looking at this issue:

"The rates inhibit the ability for developers to develop, erodes potential disposable income from the middle class which in turn depresses the effect on economic development, simply makes home ownership for those on a fixed income (predominantly seniors) impossible and in general makes it more difficult to attract people and businesses to the area. All those concerned realize that the school district plays a big part in the high tax rates; however, in order to assist the school district we must increase revenue and hold the schools accountable in their fiscal management. An avenue to increase revenue is through development, especially in the commercial sector. The high taxes inhibit significant development, especially in the Village, and therefore make it difficult to attract developers. This in turn inhibits the ability to generate revenue and round and round we go.

The Town and Village of Liberty believe that, in order to contribute to a solution to the tax situation we must come up with innovative ways in which halt the increases and eventually have the ability to lower taxes. The belief and hope is that by consolidating governments, cost savings will eventually be realized, taxes will stabilize and the area will become more attractive for development, eventually leading to increased revenues. The governments realize this all must be done without compromising current services, eventually providing better services, all without an increase in taxes."

- d. While a collective bargaining issue did not precipitate the study, it should be noted that the Town's employees are not unionized while the Village's are, and may affect the ability of both entities to consolidate services and departments at certain times. The potential elimination of positions through attrition, utilization of existing facilities, potential new districts and reformulation of districts, and the distribution of services among governing bodies are all factors identified with possible consolidation. While political issues did not play a large role in previous collaboration, the alignment of political parties helped to facilitate easy and communicative relations between the Town and Village. The Supervisor will, additionally, be up for reelection this fall. The Village Mayor recently won reelection by a slim margin. In addition to fiscal security and efficiency issues, taxes, potential duplications in service, and change in general are considered "emotional issues" to both residents of the Town and Village.

4. Did the local news organizations (print, broadcast) take a position editorially? If so what was the position; and if not, why not?

N/A

3. The Proposal to Address the Issue

1. Describe the specific proposal(s):

a. Was the proposal adopted?

The Town/Village Consolidation Study for Liberty, New York was adopted by resolution of both the Town and Village Boards.^a The acceptance of a contractor for the RFP for the study will require a separate resolution of both boards. The RFP process will begin shortly now that the Town received the contract from the State for the funding of the grant.

b. Was it modified or amended prior to adoption? If yes, how was it changed?

The proposal was not modified.

c. If the proposal was rejected, explain the reasons why.

N/A

d. How was the proposal to be funded?

The proposal to undertake the consolidation study was funded through a grant from the Department of State's Shared Municipal Services Incentive Grant Program. The grant was awarded on August 28, 2006. However, the Town only recently received a copy of the contract for the grant on May 18, 2007.

e. Who was responsible for its implementation?

Both the Town and Village of Liberty are responsible for implementation. The Town was designated the lead agency. An RFP to do the study was prepared by Saratoga Associates^b and will be issued shortly.

2. Describe who was in favor of the proposal and why.

Both Town and Village Boards, local elected officials and the survey of the residents indicated a strong willingness to examine the issues. Further, the application^c contains letters of support from state and federal representatives, the County Planning Department and the local Community Development Corporation.

3. Describe who was opposed to the proposal and why.

There is no evidence of vocal opposition to performing the study.

4. Summarize the policy, legal, fiscal, collective bargaining, political and emotional results expected from adoption of the proposal. Were changes expected in organizational culture?

Not applicable at this time. The results will depend upon the outcome of the study, which has yet to begin. However, it is clear that the most important factor will be leadership. Even if the study shows tax savings and greater efficiencies in service delivery, it will be incumbent upon leaders on a Town and Village level to convince their respective citizenry and look beyond issues that are potentially divisive, e.g., ethnicity and economic conditions within the Village. The current Town Supervisor has adopted the position that a vibrant Village is in the best interest of the Town and its residents. Seeing a greater level of results than in previous efforts will require leadership, political acumen and the ability to convince Town residents that what happens to the Village matters to them.

The potential elimination of jobs, some of which may be unionized, and the potential for tax increases in certain areas while streamlining the system will make the role of municipal leader more difficult.

Finally, the State's inability to produce a contract for almost 10 months certainly effected momentum and could impact the leadership necessary to help gather public support for change. As previously mentioned, elected officials who supported the application were up for reelection. The mayor was reelected by a slim margin, and the Town Supervisor faces reelection this fall. Although the study was not a campaign issue, as reform projects and consolidation issues move forward, and the more prevalent "emotional issues" begin to come up for discussion or action, political leaders may face some heated opposition to their ideas or candidacies.

5. Describe what steps were taken, and what agreements were reached, to be able to measure results of enacting the proposal against the expectations.

Within the application, Saratoga Associates has suggested an approach to the study that emphasizes the need for exploration and the ability of the Town to effectively explore and work towards implementing recommendations based on the Town's previous track record.

4. What Was Actually Done

1. Describe if the proposal(s) was adopted, modified (how) and then adopted, or rejected.
2. Obtain copies, and describe any local resolutions, contracts, shared service agreements, memoranda and any other legal actions that may have been taken. (List these documents on Appendix B – List of Legal Documents)
3. Provide an analysis of how the proposal’s implementation results stacked up against the expectations. If the proposal has not been in operation long enough to determine outcomes, provide the set of expectations and the progress to date in meeting the expectations.
4. Meet with one or more of the municipal attorneys involved in the drafting of documents described in #2 above to develop the legal “checklist” for this type of case.

5. Summarize the Lessons Learned

1. Identify and discuss what the factors were that contributed to the ultimate success or failure of the project. Of particular importance are any impediments that were identified, and how they were overcome.

Not applicable at this time.
2. Discuss the expectations for results. How long until measurable results would be achieved?

We hope, now that the contract has been received that the study will begin as soon as possible.
3. Identify what specific forms of technical assistance were provided, or where technical assistance could have been helpful but was not available.
4. Any helpful hints for others considering such a project?
5. How did the process followed in this project stack up against the “Ten Step Program For Shared Service Arrangements - Appendix C?”
6. Provide any additional comments, materials or observations relevant to the case.

6. Provide a Contact Person for Follow-up (at both the lead municipality and the academic institution)

Municipal Contact:

Frank DeMayo – Town of Liberty Supervisor – (845) 292-5111 - supervisor@townofliberty.org
Heather Brown – Principle Research Analyst – Sullivan County Planning Department – (845)-292-8770
Chris Gozza – Former Village Board Member – Not available for further contact.
Heinrich Strauch – Executive Director of the CDC - (845) 292-8202 - hstrauch@liberty-cdc.org

Academic Institution Contact:

Jonathan Drapkin – CEO/President – (845) 565-4900 – jdrapkin@pfprogress.org, on behalf of SUNY New Paltz



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Case Study Template
Appendix A – List of Contacts

Contact Information

Please include all the following information for the municipal and project contacts.

<u>Name</u>	<u>Title</u>	<u>Mailing Address</u>	<u>Phone</u>	<u>Fax</u>	<u>Email</u>
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Municipal Contact:

Frank DeMayo – Town of Liberty Supervisor – (845) 292-5111 - supervisor@townofliberty.org
Heather Brown – Principle Research Analyst – Sullivan County Planning Department – (845)-292-8770
Chris Gozza – Former Village Board Member – Not available for further contact.
Heinrich Strauch – Executive Director of the CDC - (845) 292-8202 - hstrauch@liberty-cdc.org

Academic Institution Contact:

Jonathan Drapkin – CEO/President – (845) 565-4900 – jdrapkin@pfprogress.org, on behalf of SUNY New Paltz



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Appendix B – List of Legal Documents

Document List

Please list all documents that are relevant to the Case Study.

THE TEN STEP PROGRAM FOR SHARED SERVICE ARRANGEMENTS

1. Define problem and affected parties
 - Focus on the problem to be solved, working with experts, constituents and others with knowledge who can help devise options
2. Identify solutions and potential partners
 - Create options that can help solve the problem
 - Identify the potential partners who can help solve the problem
3. List and allocate financial impacts
 - Determine cost
 - Determine tax and debt limitations
 - Identify methods for financing, including potential federal/state aid
 - Assess impact on tax rate
4. Confirm legal authority
 - Check state statutes, including General Municipal Law articles 5-G and 14-G, as well as Town, Village, County and other related laws, and seek legislative authority if necessary
 - Adopt appropriate local authority
5. Plan the project
 - Document the need for services, determine costs and financing, prepare impact statements for constituents and on other services, develop plan for implementation and assessment
6. Collaborate with affected parties
 - Discuss plans with constituents, non profits, businesses, local organizations such as Chamber of Commerce, other governmental agencies, unions
 - Agree on roles of affected parties and how to assess impact, effectiveness and success
7. Negotiate the Agreement
 - Identify necessary terms to be included
 - Identify facilitator to assist negotiations
 - Finalize terms
8. Prepare Agreement
 - Whether written or oral, formal or informal, an agreement specifying the terms of agreement should be memorialized in some manner, especially regarding parties, nature of agreement, level of service, limits on service, charges/financing arrangements, organizational control and responsibilities, reporting, personnel matters, duration, termination, amendment, evaluation, continuation
9. Implement the Agreement
 - Initiate the programmatic elements of the project
 - Communicate as warranted with the town constituents
 - Document all aspects of the project for transparency and assessment
10. Evaluate the Project
 - Examine the implementation to ensure proper function using objective factors
 - Convene regular meetings to assess and share information
 - Prepare formal evaluation reports to ensure goals and processes satisfied

^a See Appendix – Attachment “E”

^b Saratoga Associates is a private community planning an developing group that has experience in community reorganization. The group has experience studying local communities, and assisted in developing the RFP. The group was brought in by local leadership, for the RFP, and has not been actively involved in further stages of the study thus far.

^c See Appendix – Attachment “G” – the application