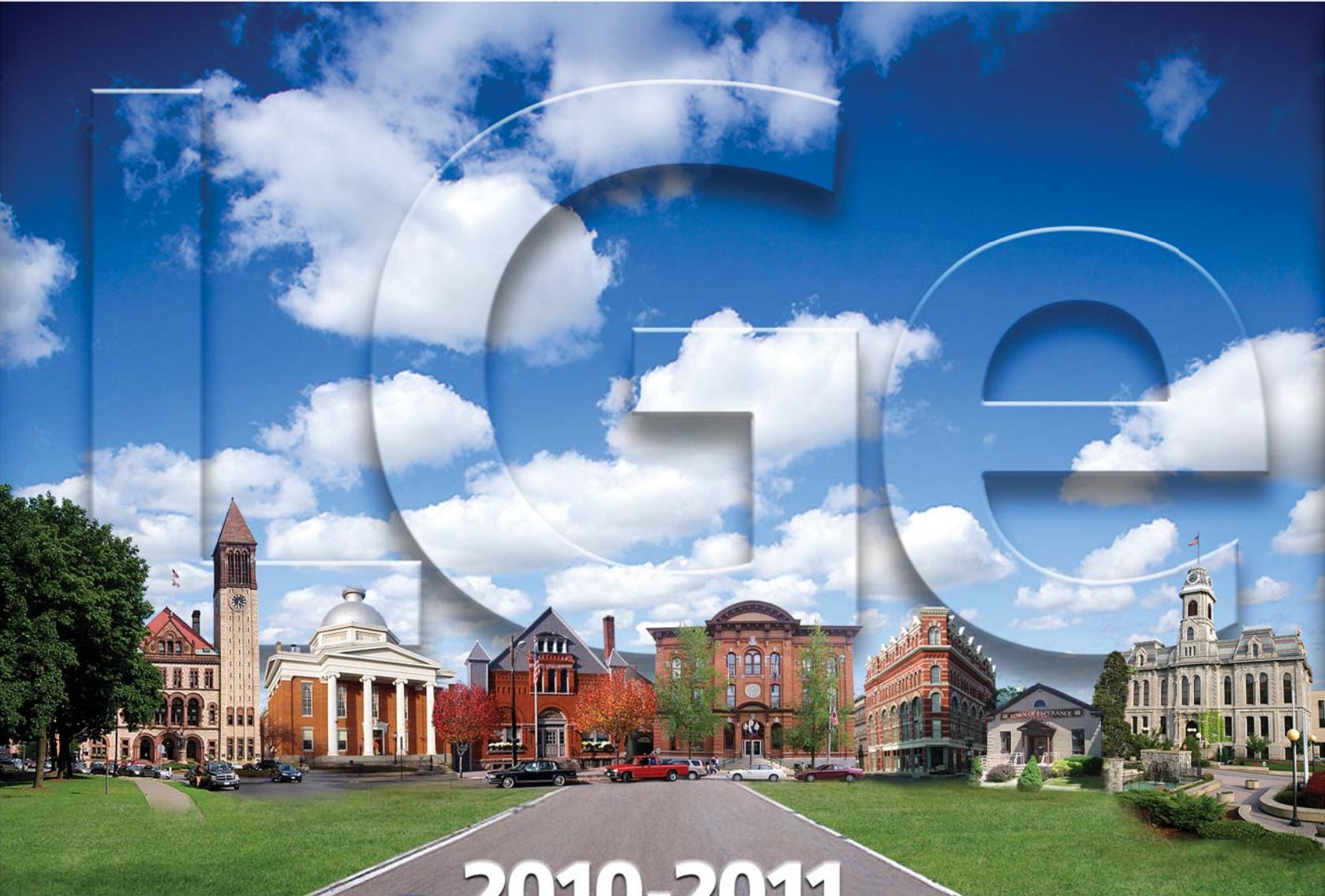


NEW YORK STATE



DEPARTMENT OF STATE



2010-2011

LOCAL GOVERNMENT EFFICIENCY PROGRAM ANNUAL REPORT

Andrew M. Cuomo
Governor

Cesar A Perales
Secretary of State





Message from the Secretary of State



Cesar A. Perales

Dear Colleague,

I am pleased to present the Local Government Efficiency (LGe) Program Annual Report from the New York Department of State's Division of Local Government Services. This report reflects the commitment of Governor Cuomo and the New York State Legislature to collaborate with local governments on shared goals.

Over the past year, local governments have completed 13 projects that have yielded a total taxpayer savings of \$3.5 million. Projects range from the creation of a centralized business office for the Otsego-Northern Catskills BOCES to the regional consolidation of water services in Erie County. These achievements demonstrate the potential for New York's local governments to find savings and improve service delivery for New Yorkers.

The New York Department of State has worked diligently during the past 12 months to help municipalities that are seeking to dissolve or consolidate their services. Under our guidance, two municipalities have completed the dissolution process pursuant to General Municipal Law Article 17-A, otherwise known as the New N.Y. Government Reorganization and Citizen Empowerment Act. This law streamlined the process through which citizens can petition for the consolidation and dissolution of layers of local government. The New York Department of State's LGe Program provides technical and financial assistance to local governments to help meet the requirements of the statute.

For 2011-2012, the LGe Program will be expanded and redesigned to reflect a more action-oriented approach to promoting local government efficiencies. Municipalities will be rewarded for completion of innovative actions that have resulted in sustainable taxpayer savings. Following successful municipal consolidations and other local government efficiency actions, taxpayers can expect to see real reductions in their property tax bills.

We look forward to continuing our work with you in the months and years ahead to build upon our successes and assist with new and transformative changes to local governance.

Sincerely,

Cesar A. Perales

Secretary of State



Executive Summary

The mission of the New York Department of State's Division of Local Government Services' Local Government Efficiency (LGe) Program is to restore the economic vitality of New York by supporting sustainable local governance.

- The New York Department of State received 60 applications for more than \$12 million in grant funding, more than two and one-half times the amount available under the LGe Program in 2010-11.
- The New York Department of State awarded 29 grants totaling \$4.7 million in 2010-11. Awardees estimate that these grants will save local governments and taxpayers more than \$66.7 million over 10 years, representing a savings of almost 20 times the initial state investment.
- During the year, 13 LGe grants, totaling \$4.1 million, were completed. As a result, local governments achieved \$3.5 million in annual savings, representing an 84% annual return on investment.
- As of July 31, 2011 local governments have realized annual cost savings totaling \$15.1 million as the result of 76 completed LGe Program projects. This represents an annual return of 88% on the State's one-time investments.
- Since the inception of the LGe Program, the New York Department of State has:
 - Received 1,233 grant applications requesting \$223 million in funding, more than three times the amount available.
 - Awarded 324 grants totaling \$51 million with projected cost savings of \$560 million.
- The New York Department of State has funded 13 village dissolution studies (two of which were initiated by petition under the New N.Y. Government Re-Organization and Citizen Empowerment Act), as well as a fire district consolidation.
- In Fiscal Year 2011-2012, \$79 million has been appropriated for the following three programs:
 - Local Government Citizens Reorganization and Empowerment Grants to local governments to study and implement consolidation and dissolution;
 - Local Government Efficiency Grants for planning and implementation of efficiency initiatives; and
 - Local Government Performance and Efficiency Program Awards to cities, towns and villages that have taken significant and innovative actions to reduce property tax burdens.



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Mission Statement

The mission of the Local Government Efficiency Program is to help restore the economic vitality of New York by supporting sustainable local governance.

Local Government Efficiency Program Overview

Who are our local governments?

New York State’s local governments, each with its own governing body and taxing authority, evolved in response to legislative initiatives enacted during a time when travel was arduous and residents wanted to be physically close to their elected representatives. In the digital information age, these considerations are no longer as relevant, yet we retain the legacy of a fragmented and unsustainable system of governance.

Local Government	Number of Units (as of 6/30/11)
Counties (outside of New York City)	57
Cities	62
Towns	932
Villages	556
School Districts	696
Authorities	991
Fire Districts	871
Total	4165

Source: New York State Office of the State Comptroller

What do we mean by local government efficiency?

Local governments are directly responsible to taxpayers for the delivery of services demanded by constituents. Over time, this has resulted in excessive and duplicative layers of local government that fail to improve and sometimes impede the provision of adequate services. To create a more efficient system, New York must align service delivery with the level of government that is most capable of providing services at the lowest possible cost without unduly compromising quality.

Why do we need to improve local government efficiency?

New York State has some of the the highest property taxes in the nation. Property taxes are one of the few avenues local governments have for raising revenues to pay for services. A recent survey found that three New York State counties (Westchester, Nassau and Rockland) are among the top five counties in the country in terms of absolute property taxes paid (Tax Foundation, “New Census Data on Property Taxes on Homeowners” September 28, 2010). Moreover, when tax burden is measured as the amount of property taxes paid as a proportion of home value, 13 of the 16 highest taxed counties are located in Upstate New York. Excessive property taxes are a problem for all New Yorkers.

Over the past 10 years, growth in property taxes has consistently outpaced growth in personal income and inflation. In 2009, this disparity became particularly pronounced as property taxes continued to escalate at the same time that personal income and inflation declined. These trends are clearly unsustainable.

New York State has some of the the highest property taxes in the nation.



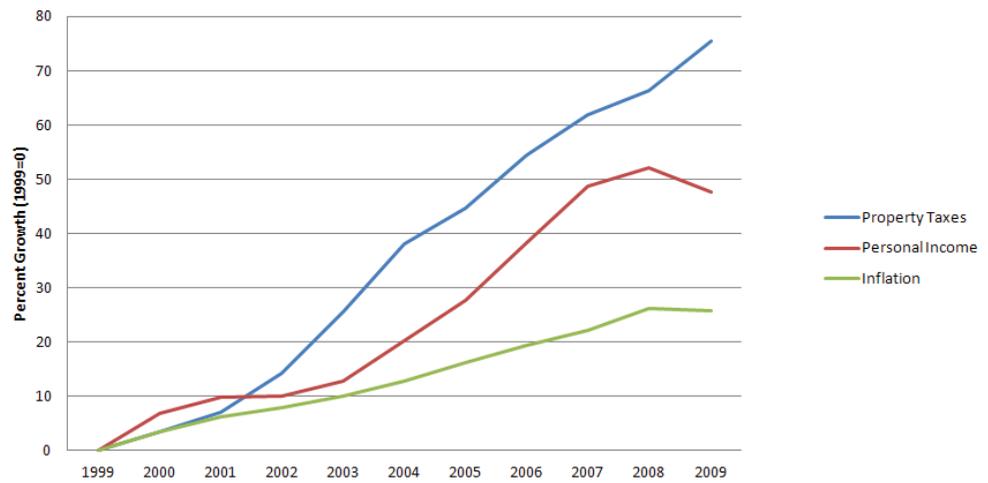
Village of Altmar: Dissolution

Voters of Altmar, NY approved the dissolution of the village effective as of June 1, 2013.



The New York Department of State plans to address voter concerns by providing expedited funding through the 2011-12 Local Government Efficiency Program for eligible municipalities that are petitioned by the electorate.

New York State Economic Indicators



Source: NYS Office of the State Comptroller and U.S. Department of Commerce Bureau of Economic Analysis

How can the Local Government Efficiency Program help?

The historical costly accumulation of layers of government resulted from laws prohibiting local governments from providing certain services. Communities have had to create additional levels of local government and special districts to provide these needed and desired services. The Local Government Efficiency Program reflects the state's commitment to improve and streamline service delivery, including support of government reorganization.

Government Reorganization

To facilitate structural reform, New York State implemented the New N.Y. Government Reorganization and Citizen Empowerment Act (General Municipal Law Article 17-A), which became effective on March 21, 2010. The Act simplifies procedures for consolidation or dissolution of towns, villages, fire districts and other special districts. Petitions require signatures from only 10% of the electorate, or 50,000 electors, whichever is less, instead of up to 50% required under previous laws. A voter initiated petition will trigger an automatic referendum on the issue of consolidation or dissolution. A majority vote in favor of moving the issue forward then requires the governing body to prepare and approve a consolidation or dissolution plan within 180 days of the meeting that follows a successful vote. If 25% of the electorate petitions for a permissive referendum and a majority votes in favor of the final plan, it becomes effective.

The New York Department of State funded two village dissolution studies following voter initiated petitions under Article 17-A.

Village Dissolutions Pursuant to GML Article 17-A			
Vote Date	Municipality	County	Referendum
2010	Altmar	Oswego	Approved
2011	Candor	Tioga	Defeated

The New N.Y. Government Reorganization and Citizen Empowerment Act provisions related to the elector-initiated dissolution process only requires a referendum prior to completion of a study or dissolution plan. The initial impact of the Act, therefore, is varied as a result of voters not knowing in advance the likely tax benefits or which services will continue to be provided following reorganization. The New York Department of State plans to address those concerns by providing expedited funding through the 2011-12 Local Government Efficiency Program for eligible municipalities that are petitioned by the electorate. Pursuant to changes in the Local Government Efficiency Program legislation, in cases where a petition for consolidation



or dissolution is filed with a local government under Article 17-A, the local government will be eligible to receive expedited funding to cover costs associated with the development and dissemination of information related to the reorganization question before the required referendum.

Residents often cite loss of community identity, unproven savings and loss of local control as reasons for rejecting consolidation and dissolution initiatives. For example, the Town of Scott in Cortland County rejected a proposed consolidation with the neighboring Town of Homer, despite Scott having a population of only 1,193 and potential savings of \$223 on a house valued at \$100,000. Scott's supervisor said the proposal was defeated because as "one, embedded community, we have a lot of seniors and stuff that are in this community and didn't want it to go away."

However, despite such defeats, communities often benefit from the discussions and analysis that go into a study. Areas with significant cost savings can be streamlined through functional consolidation, shared services or cooperative agreements. In some instances, a level of trust can be established through such arrangements that may result in consolidation being reconsidered at some time in the future.

Prior to 2010, government reorganization was subject to the provisions contained in various municipal laws. Consolidations or dissolutions could be initiated by governing bodies or by petition. Municipalities were required to draft a consolidation or dissolution plan, which was then subject to permissive referendum. If successful, the consolidation or dissolution became effective at the end of the year following the vote.

The New York Department of State funded 12 government reorganization studies that were initiated prior to the enactment of Article 17-A. The majority were to study the feasibility of village dissolution.



Herkimer County Highway Survey

"Herkimer County was fortunate to receive a grant to study our entire highway system. The study allowed Herkimer County to identify both a short term and long term strategy for all 31 municipalities. In a time when dollars are tough to come by this was a beneficial exercise for Herkimer County."

James Wallace,
Herkimer County Executive



Estimates of net cost reductions are \$875,000, or roughly 2.7% of the current \$35.5 million spent by municipalities across the county.



Consolidations and Dissolutions prior to GML Article 17-A

Vote Date	Municipality	County	Petition	Referendum
2008	Village of Macedon	Wayne	Yes	Defeated
2008	Village of Pike	Wyoming	No	Approved
2008	Village of Speculator	Hamilton	No	Defeated
2009	North Greenbush Fire District #1/ Defreestville Fire Protection District	Rensselaer	No	Approved
2009	Village of Johnson City	Broome	Yes	Defeated
2010	Village of Allegany	Cattaraugus	No	Tabled
2010	Village of Perrysburg	Cattaraugus	No	Approved
2010	Village of Port Henry	Essex	No	Defeated
2010	Village of Seneca Falls	Seneca	No	Approved
2011	Village of Edwards	St. Lawrence	No	Approved
2011	Village of North Collins	Erie	No	Tabled
2011	Village of Schuylerville	Saratoga	Yes	Defeated

Approximately half of these initiatives resulted in voter approval of consolidation or dissolution. Some of the results include:

- The Village of Pike dissolved on December 31, 2009 following voter approval in March 2008, saving taxpayers \$0.75 per \$1,000 of assessed real property value.
- On March 16, 2010, residents voted to dissolve the Village of Perrysburg. Once the dissolution becomes effective at the end of 2011, taxpayers can expect to save \$2.14 per \$1,000 of assessed real property value.
- The Defreestville Fire Protection District voted to dissolve into North Greenbush Fire District 1 on October 8, 2009, saving taxpayers \$1.34 per \$1,000 of assessed real property value.
- The Village of Seneca Falls, with a population of 6,861, is the largest village yet to approve dissolution, with residents expected to realize savings of \$8.11 per \$1,000 of assessed real property value once dissolution becomes effective on December 31, 2011.



Tompkins County: County Wide Consolidated EMS

“We are now an insurance company that establishes its own benefit plans, establishes its own premiums, and includes a meaningful role for labor. This collaborative and working relationship between many entities is the model for finding ways to improve government efficiency.”

Don Barber,

Chair, Greater Tompkins County
Municipal Health Insurance Consortium



The consortium hopes that its work paves the way for other health programs to achieve similar results.

The tax impact on the municipal entities surviving a consolidation or dissolution is not always straightforward. Although these entities must provide services to additional residents, they also benefit from a larger tax base. Government reorganization does not simply represent a “cost shift” from one set of taxpayers to another. In most instances there are real efficiencies gained through the elimination of duplicative government structures and services. In addition to these savings, the state provides financial incentives equal to 15% of the combined amount of real property taxes levied by all of the participating municipalities in the year following a consolidation or dissolution up to a million dollars. This incentive is often enough to mitigate the additional tax burden incurred by surviving municipalities.

Functional Consolidation, Shared Services and Cooperative Agreements

Functional consolidations, shared services and cooperative agreements are simple ways that municipalities can achieve efficiencies without full-scale government reorganization. By taking an inter-municipal or regional approach to service delivery, municipalities not only save money, but they also can provide more effective services. The New York Department of State classifies projects according to the functional categories of public service expenditures. The results from 76 completed grants reveals a wide range of outcomes (see Appendix 2).

Municipal Function	Total Annual Savings	Annual Return on Funds	Tax Impact Per \$100,000
General Government Support	\$383,490	49%	\$2.68
Education	\$1,006,453	56%	\$24.38
Public Safety	\$4,278,571	374%	\$48.17
Transportation	\$4,591,446	56%	\$23.23
Sanitation & Utilities	\$2,768,095	119%	\$105.40
Employee Benefits	\$1,254,305	245%	\$6.32

Sanitation and utilities projects have had the most significant tax impact as users are usually charged directly, minimizing the tax base over which costs are spread. Public safety projects have also yielded significant tax impacts. Investments in new technologies can dramatically increase the efficiency of police, fire and emergency services.

Transforming Local Government

Village of Altmar General Municipal Law (GML) Article 17-A Petition for Dissolution

On July 7, 2010, the Village of Altmar in Oswego County was presented with a petition for dissolution at its regularly scheduled board meeting. At the subsequent referendum held on November 10, 2010 voters elected to dissolve the Village by a vote of 80 to 74. The Village was required to complete a dissolution plan within 180 days of the first board meeting following the referendum.

The New York Department of State was able to help the Village of Altmar by providing funding to complete the dissolution plan within the limited timeframe available. A dissolution plan assesses the impacts of dissolution on village residents and the services that they will receive. The Village Board approved the dissolution plan on August 3, 2011. Village residents petitioned for a permissive referendum on the plan as permitted under GML Article 17-A. The plan was approved by voters on December 6, 2011 and the Village of Altmar will dissolve on June 1, 2013.

Village of Seneca Falls Dissolution

Voters in Seneca Falls approved dissolution of the Village, the largest such dissolution approved in New York. The New York Department of State provided a Local Government Efficiency grant to study the feasibility of consolidating office space, municipal services and government operations and found that dissolution was the most cost-effective solution.

On the basis of the study’s recommendations, the New York Department of State provided further assistance to the Village of Seneca Falls in the drafting of a dissolution plan. This document specified the



disposition of assets and services to be provided to former village residents. It also provided residents with an estimate of the tax savings that would result from dissolution so that voters could make an informed decision. A referendum held on March 16, 2010 resulted in approval of dissolution by a vote of 1,198 to 1,112. The dissolution will become effective December 31, 2011. The dissolution plan projects a tax savings for village residents of \$8.11 per \$1,000 of assessed real property value, a 48% reduction from existing rates. Some of these tax savings represent a cost shift to town residents. However, the municipalities expect to realize net savings in excess of \$780,000 per year.

Herkimer County Highway Services Consolidation

Herkimer County has a relatively high per capita cost to maintain roads and bridges due to its large size and small population. The New York Department of State assisted Herkimer County with an analysis of existing highway services and development of options to improve efficiency. The most cost-effective option proved to be consolidation of the 19 town and 11 county garages into eight zones, with the county contracting with the towns to provide summer and winter maintenance to county roads. Estimates of net cost reductions are \$875,000, or roughly 2.7% of the current \$35.5 million spent by municipalities across the county.

To institute this cooperative service, towns will need to consider changing the town highway superintendent from an elected to an appointed position. This change needs to be approved through a local referendum held in a non-election year. The New York Department of State will continue to be a resource provider and facilitator in this process.

Tompkins County Health Insurance Consortium

The Tompkins County Council of Governments has established a health benefits consortium which provides comprehensive employee and retiree health benefits to participating municipalities across the county. The county and its municipalities were spending in excess of \$30 million per year on health benefits costs and were facing double digit increases each year. The fragmented delivery structure consisted of 17 different health plans with a myriad of options that made it administratively inefficient. Furthermore, there was no uniformity in basic coverage throughout the county. The municipalities decided to create their own self-insured health insurance consortium that would be administered by a third party. This design would allow the municipalities to spread the risk over a larger population, lower the proportion of costs paid to premiums and save approximately 5% in administration costs.

A Local Government Efficiency grant allowed the County to hire an experienced health insurance consultant to help build the consortium and determine how savings could be achieved. Consortium bylaws and a Municipal Cooperative Agreement with a weighted voting system were ratified by 13 of the 17 municipalities. In October 2010, the consortium received its Certificate of Authority from the New York State Insurance Department, allowing it to officially begin operating on January 1, 2011. It is expected that this initiative will achieve cost savings of \$900,000 in 2011. Additional benefits include increased municipal efficiency and streamlined program delivery. The New York Department of State provided technical assistance in removing legal barriers to facilitate the creation of the consortium. The consortium hopes that its work paves the way for other health programs to achieve similar results.

Jefferson County Emergency Medical Services (EMS) Cooperative

Jefferson County needed to address critical EMS challenges while protecting and preserving local response capacity. Individual municipal EMS services had created a fragmented and unsustainable system of pre-hospital emergency medical services. With New York Department of State assistance, Jefferson County created an EMS agency business plan to guide the establishment of a single countywide cooperative system to eliminate unnecessary and duplicative services.

Jefferson County's goal was to find an effective way to support EMS operations while respecting the autonomy of individual response agencies. Creation of the plan was an inclusive process that encompassed a survey of squads, on-site one-on-one meetings with squad leaders, and regular monthly meetings with EMS leaders and stakeholders to discuss issues and debate structural frameworks. Jefferson County determined that it should act as the agent of a 501(c)(3) non-profit organization that would provide billing and other support to the management and operations of individual response agencies. Being free of these burdens will allow agencies to concentrate on serving patients. The New York Department of State will provide financial assistance to implement the business plan, which is expected to achieve annual savings of \$1.7 million or \$0.25 per \$1,000 of assessed real property value.

Jefferson County: County Wide Consolidated EMS

"This project will establish and implement... an innovative and replicable municipally-supported emergency medical services cooperative that can serve as a model for other areas of New York State and the United States."

Jean Bilow,
Director of Public Health



Jefferson County's goal was to find an effective way to support EMS operations while protecting and preserving local response capacity.



Lockport, NY: Consolidated Water Treatment Project

"I am very excited and pleased to receive this grant to continue the Tri-City Water Study between the Cities of Lockport, North Tonawanda and Niagara Falls. Sharing services, we believe, is the way to ease the burden of taxation on our residents as well as continuing to offer quality services."

Michael W. Tucker,
Mayor, City of Lockport



Consolidation has the potential to avoid replacement of aging infrastructure, thereby optimizing limited financial resources.

Tri-Cities Regional Water & Wastewater Project

The New York Department of State provided funding to investigate the technical and financial feasibility of consolidating water and sanitary sewer treatment services in the Cities of Lockport, Niagara Falls and North Tonawanda. This region has a legacy of excess capacity resulting from the loss of industry and population decline. Consolidation has the potential to avoid replacement of aging infrastructure, thereby optimizing limited financial resources. A financial analysis found that sharing water treatment services among the three cities would save up to 14% versus the status quo, while sharing services between Lockport and North Tonawanda could save up to 18%. Shared wastewater treatment was not financially feasible.

Due to the considerable capital expenditures associated with the three-city alternative, Lockport and North Tonawanda decided to proceed with a regional water treatment system. A water line will be extended from North Tonawanda to Lockport at an estimated cost of \$3.8 million, allowing Lockport to close its treatment facility. The New York Department of State will provide \$400,000 to the Cities of Lockport and North Tonawanda to assist with implementation of the project.

Town and Village of Saugerties Police Consolidation

The Town and Village of Saugerties in Ulster County received a Local Government Efficiency grant to develop recommendations for restructuring their police departments in order to reduce costs and improve the quality of public safety services. Key goals included developing a more efficient department structure and operations, including a single chief of police and chain of command, reduced administrative personnel, and standardization of procedures.

The study found that that a merger of police departments could result in combined annual savings of approximately \$500,000. The merger would be structured so that village taxpayers would realize savings of 21%, or \$1.97 per \$1,000 of assessed real property value, while town residents would see no change in their tax rate. The town and village agreed to move most of the village police department to the town. Village residents approved a dissolution of their police department at referendum and the merger was executed on December 31, 2010. The New York Department of State will provide additional financial assistance to implement the merger.

2010-11 Local Government Efficiency Grant Program

The 2010-11 Local Government Efficiency grant program received \$5 million for four separate programs available to local governments:

High Priority Planning Grants are non-competitive grants intended to initiate activities identified as having great potential for cost savings or structural change, such as city or county charter revisions, municipal mergers, consolidations or dissolutions, and countywide or regional services. Municipalities whose cost of police, fire and highway services are in the top 25% of comparable municipalities in New York State were also eligible to plan for sustainable reductions in the cost of these services.

General Efficiency Planning Grants are competitive planning grants for projects resulting in the functional consolidation or cooperative sharing of a municipal service. As with High Priority Planning Grants, studies are required to examine financial savings and management improvements.

Efficiency Implementation Grants are competitive grants for the implementation of a merger, dissolution or consolidation of municipalities, or the implementation of a functional consolidation or cooperative agreement.

21st Century Demonstration Projects are competitive grants designed to promote large-scale transformative change in municipalities that can be used as models for municipal innovation. This may include consolidation of services on a multi-county basis, consolidation of certain services countywide, the creation of a regional or city-county consolidated municipal government, BOCES-wide consolidation of school districts or school district services, or the creation of a smart growth compact or program.



2010-2011 Local Government Efficiency Program			
Grant Category	Individual	Maximum	Total Funding
High Priority Planning	Up to \$50,000	\$50,000	\$750,000
General Efficiency Planning	Up to \$25,000 for two municipalities plus \$1,000 for each additional municipality	\$35,000	
Efficiency Implementation	Up to \$200,000 per municipality	\$1,000,000	\$2,125,000
21st Century Demonstration	\$400,000 per municipality	None	\$2,125,000
Total			\$5,000,000

The New York Department of State released the Request for Applications on September 24, 2010 with a December 1, 2010 deadline for competitive grants and rolling monthly deadlines from October 20, 2010 through March 16, 2011 for non-competitive High Priority Planning Grants. The New York Department of State received 60 applications for more than \$12 million in grant funding.

Grant Category	Applications	Amount Requested	Awards	Amount Awarded
High Priority Planning	25	\$1,375,592	16	\$664,600
General Efficiency Planning	13	\$1,793,000	3	\$85,400
Efficiency Implementation	22	\$8,941,206	10	\$3,991,250
21st Century Demonstration	0	0	0	0
Total	60	\$12,109,798	29	\$4,741,250

Almost half of all applicants received an award. Because there were no applications for 21st Century Demonstration Grants, funds allocated to this category were made available for Efficiency Implementation Grants. Awardees estimate that Efficiency Implementation grants will save local governments an estimated \$66.7 million over 10 years – a savings of almost 20 times the initial state investment.

Local Government Efficiency Grant Program Award Status

As of July 31, 2011 almost 50% of all Local Government Efficiency projects have been completed. An additional 35% are in contract and 5% of awards were declined. Eighty-seven (87%) percent of funds awarded are under contract and 61% have been expended.

Grant Status	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Total
Completed	20	52	52	33	3	0	160
Active in Contract	0	16	13	52	33	0	114
Contract Pending	0	0	0	1	3	29	33
Declined by Applicant	2	3	2	2	7	0	16
Terminated by DOS	0	1	0	0	0	0	1
Total Awards	22	72	67	88	46	29	324

Town of Saugerties: Consolidated Police Services

"... the consolidation was put before the voters as a referendum and passed by a two-to-one margin. ... The consolidation proved to be a great move forward for this community. The combined Saugerties Police Department was able to provide better service to the community at a reduced overall cost to the taxpayers. In this economic climate, what more could we ask for?"

Chief Louis Barbaria Jr.,
Saugerties Police Department



Key goals included developing a more efficient departmental structure and operations, reduced administrative personnel, and standardization of procedures.



Awardees estimate that Efficiency Implementation grants will save local governments an estimated \$66.7 million over 10 years – a savings of almost 20 times the initial state investment.

The Future of the Local Government Efficiency Program

New York State and its local governments continue to deal with difficult economic conditions. Municipal budgets are strained by falling tax revenues coupled with declining federal and state aid. At the same time, the need for social services has increased as the result of a poor job market and an aging population. For too long, local governments have relied on ever-increasing property taxes to make up the difference. However, the recently enacted property tax cap will curb excessive increases going forward. Therefore, the best option is to improve efficiencies in the delivery of public services. The Local Government Efficiency Program will continue to play a significant role in helping municipal entities achieve this goal.

The 2011-12 State Budget dramatically increased funding for the Local Government Efficiency Program. New awards to municipalities that have implemented successful and sustainable cost reduction initiatives reflect a more action-oriented approach to promoting local government efficiency. In addition, government reorganization is incentivized by requiring that at least 70% of any tax credits received following a successful consolidation or dissolution be applied directly to property tax relief.

2011-2012 Local Government Efficiency Program			
Grant /Award	Individual	Maximum	Total Funding
Local Government Citizens Re-Organization Empowerment Grants	Up to \$50,000 for planning (\$25,000 on an expedited basis) and \$50,000 for implementation	\$100,000	\$35,000,000
Citizen Empowerment Tax Credits	Annual increase in state aid equal to 15% of tax levies of all participants	\$1,000,000	
Local Government Efficiency Grants	Planning: Up to \$25,000 per municipality Implementation: Up to \$200,000 per municipality	Planning: \$200,000 Implementation: \$1,000,000	\$4,000,000
Local Government Performance and Efficiency Program	Up to \$25 per capita for all participating municipalities	\$5,000,000	\$40,000,000
Total			\$79,000,000

Citizens Re-Organization Empowerment Grants replace High Priority Planning Grants. These grants are available to study and plan for municipal consolidation and dissolution pursuant to the new General Municipal Law Article 17-A. Assistance will be available to towns, villages and special districts, such as fire and library districts, but not to school districts. Grants may be used to cover necessary expenses related to reorganization analysis, planning and implementation. Expedited assistance will be provided following a successful petition for dissolution or consolidation to provide voters with as much information as possible prior to a referendum. A local 10% match is required.

Citizen Empowerment Tax Credits replace the incentives previously awarded under the Aid and Incentives to Municipalities (AIM) Program. Surviving municipalities are entitled to additional annual aid equal to 15% of the combined real property taxes levied by all municipalities participating in the consolidation or dissolution. Citizen Empowerment Tax Credits commence in the state fiscal year following the consolidation or dissolution and are capped at one million dollars. At least 70% of tax credits must be used for property tax relief and the amount of savings must be reported on individual property tax bills.

Local Government Efficiency Grants will continue to be available to counties, cities, towns, villages, special districts and school districts that wish to plan for and implement projects that reduce service delivery costs through functional consolidation, shared or cooperative services, and regionalized delivery of services. Local matching funds of 10% of total costs are required. In cases in which an implementation project results from a planning grant, local matching funds may be reduced by the amount of the local matching funds required by the successfully completed planning grant.



Local Government Performance and Efficiency Program Awards reward municipalities for undertaking significant and innovative actions that have quantifiable and recurring cost savings. Actions may be undertaken singly or jointly, and must have occurred after January 1, 2010 to qualify for an award.

The New York Department of State continues to better align the Local Government Efficiency Program with its other community development programs, including the Local Waterfront Revitalization Program (LWRP), Brownfield Opportunities Area (BOA) Program and Appalachian Regional Commission (ARC).

In addition, the New York Department of State is working with other agencies to integrate cost-efficiency into a variety of state programs and directives. Ongoing initiatives include consultation with the New York State Education Department on school district reorganizations and with the New York State Division of Criminal Justices Services on police consolidations.

With new programs and partnerships, the New York Department of State's Local Government Efficiency Program is in an excellent position to continue its mission of supporting the revitalization of New York's communities through sustainable local governance.

Appendix 1

Financial Status as of July 31, 2011

GRANTS							
State Fiscal Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Total
Original Appropriation	2,550,000	13,700,000	13,700,000	23,030,000	11,515,000	10,000,000	74,495,000
Amended Appropriation ¹	2,550,000	13,700,000	13,700,000	11,515,000	5,000,000	5,000,000	51,465,000
Grants Awarded ²	2,446,121	13,622,648	13,672,058	11,322,197	4,992,264	4,741,250	50,796,538
Grants in Contract ³	2,310,977	13,472,528	13,194,762	11,246,697	3,917,885	70,000	44,212,849
Funds Expended	1,934,403	11,227,637	10,620,951	4,920,328	2,057,014	0	30,760,333
Contract Balance	0	1,910,404	2,094,069	6,181,024	2,534,462	4,741,250	17,461,209
Appropriation Balance ⁴	615,598	561,960	984,980	413,648	408,524	258,750	3,243,460
ADMINISTRATION & TECHNICAL ASSISTANCE							
Original Appropriation	200,000	1,300,000	1,300,000	2,450,000	0	0	5,250,000
Amended Appropriation ⁵	200,000	600,000	220,000	500,000	0	0	1,520,000
Funds Expended	200,000	596,699	219,648	226,568	0	0	1,242,915
Appropriation Balance	0	3,301	352	273,432	0	0	277,085

¹ Following re-appropriation in SFY 2008-09, amended appropriation and re-appropriation in SFY 2009-10, and re-appropriation in SFY 2010-11.

² The LGE grant program funding is disbursed to municipalities on a reimbursement basis. After funding is awarded and contracts are approved, each contracting municipality may file for reimbursement once every 30 days, up to and including 90% of the original award. To receive the final 10% a municipality must provide program staff with documentation of the completed project.

³ Unpaid funds from grants in contract.

⁴ The Balance includes funds that have been returned from completed projects, awards that have not been encumbered by contracts, and uncommitted funds.

⁵ \$700,000 of the SFY 2006-07 funds and \$1,080,000 of the SFY 2007-08 funds were not sub-allocated to the Department of State.

The 2011-12 State Budget dramatically increased funding for the Local Government Efficiency Program.



Appendix 2 2010-2011 LGe Program Annual Report Supplement

Partners	Grant Award	Annual Savings	Return on Investment	Tax Impact Per \$1,000 Value
Consolidation & Dissolution				
1 Village of Pike	\$83,700	\$21,321	25.5%	\$0.75
Town of Pike				\$0.96
2 Village of Seneca Falls	\$58,500	\$393,000	671.8%	\$10.17
Town of Seneca Falls				-\$4.99
3 North Colonie CSD	\$36,387			
Maplewood-Colonie SD		\$300,000	824.5%	\$4.01
4 Town of North Greenbush				
North Greenbush Fire District #1	\$23,256	-\$49,634	102.2%	-\$0.19
Defreestville Fire Protection District		\$73,410		\$1.34
5 Village of Perrysburg	\$45,000	\$125,195	278.2%	\$2.14
Town of Perrysburg				\$0.36
General Government				
6 Schuyler County	\$100,000	\$16,000	66.0%	\$0.01
Town of Dix		\$12,500		\$0.06
Town of Hector		\$12,500		\$0.04
Village of Watkins Glen		\$12,500		\$0.12
Watkins Glen School District		\$12,500		\$0.02
7 Niagara County	\$275,321	\$164,900	59.9%	\$0.02
Erie County				
8 Town of Avon	\$200,000	\$4,540	4.5%	\$0.01
Village of Avon		\$4,540		\$0.03
9 City of Niagara Falls	\$74,681		24.3%	
Town of Wilson		\$18,150		\$0.06
10 Nassau County	\$89,113.00	\$115,360	129.5%	\$0.00
11 Town of North Hempstead	\$43,470.00	\$2,500	23.0%	\$0.00
Village of Great Neck Estates		\$2,500		\$0.00
Village of Lake Success		\$2,500		\$0.00
Great Neck Park District				
Great Neck School District		\$2,500		\$0.00
Education				
12 Le Roy Central School District	\$704,259			
Village of Le Roy		\$42,000	6.0%	\$0.28
13 Webster CSD	\$160,599	\$1,000	0.6%	\$0.00
Village of Webster		\$19,131		\$0.07
North East Joint Fire District				



Partners	Grant Award	Annual Savings	Return on Investment	Tax Impact Per \$1,000 Value
Education <i>Continued</i>				
14 Clyde-Savannah CSD	\$100,258	\$71,000	157.3%	\$0.35
Village of Clyde		\$86,750		\$1.62
15 Hamilton-Fulton-Montgomery BOCES	\$38,254			
Canajoharie CSD				
Mayfield CSD				
Wells CSD				
Piseco Common SD #1				
		\$140,293	366.7%	\$0.09
16 Lyons CSD	\$91,616	\$20,047	65.6%	\$0.09
Village of Lyons		\$20,047		\$0.20
Town of Lyons		\$20,047		\$0.11
17 Otsego Northern Catskills BOCES	\$216,651			
Andes CSD				
Charlotte Valley CSD				
Cherry Valley-Springfield CSD				
Jefferson CSD				
Milford CSD				
Oneonta City SD				
Roxbury CSD				
South Kortright CSD				
Stamford CSD				
Worcester CSD				
		\$37,684	17.4%	\$0.01
18 Tompkins-Seneca-Tioga BOCES	\$163,375			
Dryden CSD				
Ithaca City SD				
Lansing SD				
South Seneca SD				
		\$361,699	221.4%	\$0.06
19 Erie2-Chautauqua-Cattaraugus BOCES	\$182,895			
Ripley CSD				
Westfield Academy CSD				
Brocton CSD				
Fredonia CSD				
Silver Creek CSD				
Chautauqua Lake CSD				
		\$111,403	60.9%	\$0.04



Partners	Grant Award	Annual Savings	Return on Investment	Tax Impact Per \$1,000 Value	
Education <i>Continued</i>					
20	Corning Painted Post SD	\$72,000	\$65,353	90.8%	\$0.04
	Village of Painted Post				
21	Taconic Hills CSD	\$37,284	\$8,500	26.8%	\$0.00
	Town of Ancram		-\$500		\$0.00
	Town of Copake		\$2,500		\$0.00
	Town of Hillsdale		-\$500		\$0.00
Public Safety					
22	Town of Hamburg	\$89,027	\$183,597	1237.4%	\$0.06
	Town of Eden		\$183,597		\$0.40
	Town of Boston		\$183,597		\$0.36
	Town of Colden		\$183,597		\$0.71
	Village of Hamburg		\$183,597		\$0.38
	Village of Blasdell		\$183,597		\$1.76
23	Onondaga County	\$100,000	\$25,000	25.0%	\$0.00
24	Monroe County	\$300,000	\$2,610,860	870.3%	\$0.07
25	City of Batavia	\$255,393	\$202,068	79.1%	\$0.40
	Genesee County		-\$123,600		-\$0.05
26	Town of Evans	\$125,772	\$203,840	236.5%	\$0.23
	Village of Angola		\$93,600		\$1.20
27	Village of LeRoy	\$272,883	\$184,443	67.6%	\$1.24
	Genesee County		-\$19,222		-\$0.01
Transportation					
28	Livingston County	\$78,080	\$39,458	50.5%	\$0.01
29	Town of New Paltz	\$362,057	\$45,110	24.9%	\$0.04
	Town of Lloyd		\$45,110		\$0.04
30	City of Schenectedy	\$337,500	\$26,400	66.9%	\$0.01
	Schenectedy County		\$173,000		\$0.02
	Town of Rotterdam		\$26,400		\$0.01
	Town of Niskayuna				
31	Town of Rose	\$278,833	\$56,444	31.9%	\$0.66
	Town of Huron		\$23,544		\$0.10
	Town of Lyons		\$4,469		\$0.03
	Town of Galen		\$4,469		\$0.03
32	Town of Leicester	\$269,411	\$18,656	34.6%	\$0.19
	Town of Avon		\$18,656		\$0.05
	Town of Caledonia		\$18,656		\$0.09
	Town of Mt. Morris		\$18,656		\$0.13
	Town of York		\$18,656		\$0.11



Partners	Grant Award	Annual Savings	Return on Investment	Tax Impact Per \$1,000 Value
Transportation Continued				
33 Town of Cobleskill	\$300,000	\$9,006	5.4%	\$0.03
Village of Cobleskill		\$7,258		\$0.04
34 Steuben County	\$285,859	\$74,676	26.1%	\$0.02
35 Chautauqua County	\$291,960	\$532,800	182.5%	\$0.08
Town of Ellicott				
36 Village of Fair Haven	\$192,686	\$33,557	34.8%	\$0.43
Town of Sterling		\$33,557		\$0.18
37 Town of Chenango	\$432,000	\$55,200	29.1%	\$0.09
Broome County		\$70,400		\$0.01
38 Town of Montague	\$75,438	\$11,455	45.6%	\$0.50
Town of Harrisburg		\$11,455		\$0.53
Town of Pinckney		\$11,455		\$0.54
39 Town of Peru	\$63,000	\$5,400	34.3%	\$0.01
Town of Black Brook		\$5,400		\$0.04
Town of Ausable		\$5,400		\$0.04
Town of Jay		\$5,400		\$0.02
40 Town of Wheatfield	\$152,356	\$17,280	45.4%	\$0.02
Town of Pendleton		\$17,280		\$0.04
Town of Lewiston		\$17,280		\$0.02
Village of Youngstown		\$17,280		\$0.19
41 Town of Bangor	\$199,356		18.5%	
Town of Moira		\$18,459		\$0.25
Town of Fort Covington		\$18,459		\$0.35
42 Village of Bath	\$276,276	\$14,707	21.3%	\$0.08
Town of Bath		\$14,707		\$0.03
Village of Savona		\$14,707		\$0.78
Bath CSD		\$14,707		\$0.03
43 Town of Boston	\$204,444	\$192,968		\$0.38
Town of Collins		\$192,968		\$1.04
Town of Colden		\$192,968		\$0.75
Town of Concord		\$192,968		\$0.39
Town of Eden		\$192,968		\$0.42
44 Cayuga County	\$150,398	\$89,265	63.9%	\$0.02
Town of Sempronius		\$6,845		\$0.11
45 Town of Clarkson	\$173,536	\$14,033	28.9%	\$0.05
Town of Hamlin		\$12,033		\$0.03
Town of Parma		\$12,033		\$0.02
Town of Sweden		\$12,033		\$0.02



Partners	Grant Award	Annual Savings	Return on Investment	Tax Impact Per \$1,000 Value
Transportation <i>Continued</i>				
46 Town of Cuba	\$159,887	\$22,919	28.7%	\$0.16
Village of Cuba		\$22,919		\$0.50
Allegany County				
47 Town of East Bloomfield	\$336,205	\$114,525	41.4%	\$0.52
Village of Bloomfield		\$24,775		\$0.44
Bloomfield CSD		\$13,950		\$0.04
48 Franklin County	\$260,820	\$80,402	30.8%	\$0.02
49 Monroe County	\$185,955	\$83,336	44.8%	\$0.00
50 Village of Mount Morris	\$66,628	\$23,446	57.3%	\$0.26
Town of Mount Morris		\$14,726		\$0.10
51 Town of New Albion	\$242,133			
Village of Cattaraugus		\$11,800	4.9%	\$0.47
52 Village of Newark	\$134,291	\$54,767	60.6%	\$0.18
Town of Arcadia		\$24,947		\$0.05
Newark CSD		\$1,621		\$0.00
53 Oneida County	\$260,820	\$126,000	48.3%	\$0.01
54 Orleans County SWCD	\$43,470	\$101,640	233.8%	\$0.07
55 Town of Palmyra	\$449,758	\$27,217	50.1%	\$0.09
Town of Macedon		\$56,397		\$0.11
Town of Walworth		\$94,812		\$0.19
Village of Palmyra		\$46,897		\$0.42
56 Town of Russia	\$579,600			
Village of Poland		\$20,833		\$0.62
Village of Cold Brook		\$20,833	7.2%	\$2.26
57 Schuyler County	\$483,000	\$90,750	51.6%	\$0.08
Town of Dix		\$33,750		\$0.16
Watkins Glen School District		\$33,750		\$0.06
Village of Watkins Glen		\$90,750		\$0.84
58 Town of Shelter Island	\$213,003	\$27,760	14.0%	\$0.01
Village of Dering Harbor		\$1,160		\$0.01
Shelter Island CSD		\$928		\$0.00
59 Town of Sherman	\$288,206	\$30,870	21.4%	\$0.58
Village of Shernan		\$30,870		\$1.90
60 Vilage of Silver Creek	\$96,600	\$16,647	27.0%	\$0.20
Silver Creek CSD		\$9,398		\$0.03
61 Ulster County	\$260,820	\$550,000	211%	\$0.03



Partners	Grant Award	Annual Savings	Return on Investment	Tax Impact Per \$1,000 Value
Sanitation & Utilities				
62 Town of Ticonderoga	\$400,000		10.0%	
Town of Putnam (Black Point Sewer District)		\$40,000		\$4.85
63 Town of Fishkill	\$200,000	\$28,080	28.1%	\$0.01
Town of East Fishkill		\$28,080		\$0.01
64 Town of Ripley	\$92,250	\$12,500	54.2%	\$0.14
Village of Sherman		\$12,500		\$0.77
Village of Westfield		\$12,500		\$0.09
Village of Cherry Creek		\$12,500		\$1.10
65 Town of Eastchester	\$49,230	\$19,500	118.8%	\$0.00
Village of Bronxville		\$19,500		\$0.01
Village of Tuckahoe		\$19,500		\$0.02
66 Town of Eden	\$567,900	\$500,000	123.3%	\$1.08
Town of Brant		\$100,000		\$0.84
Town of Collins				
Town of North Collins				
Village of Angola				
Village of North Collins		\$100,000		\$2.97
67 Town of Cape Vincent	\$400,000	\$114,928	29.1%	\$0.34
Village of Cape Vincent		\$1,380		\$0.03
68 Village of Ellisburg	\$386,400	\$27,250	14.1%	\$3.73
Town of Ellisburg		\$27,250		\$0.12
69 Town of Glenville (Alplaus SD #1)	\$579,600	\$115,312	28.2%	\$2.59
Town of Clifton Park (Old Nott SD)		\$47,924		\$2.79
Niskayuna CSD				
70 City of Port Jervis	\$386,400	\$95,548	39.5%	\$0.18
City of Middletown		\$57,000		\$0.03
71 City of Rensselaer	\$400,000	\$43,285	21.6%	\$0.11
Town of East Greenbush		\$43,285		\$0.03
72 Town of Richland	\$386,400	\$26,000	13.5%	\$0.10
Village of Pulaski		\$26,000		\$0.29
73 Village of Blasdell	\$400,000	\$572,176	143%	\$5.47
Erie County Water Authority				
74 Town of Evans	\$400,000	\$666,097	167%	\$0.76
Erie County Water Authority				
75 Monroe County	\$212,000	\$121,060	57.1%	\$0.00
76 City of Albany	\$299,000	\$769,488	379.0%	\$0.15
Rensselaer County		\$363,757		\$0.03
	\$17,283,258	\$15,145,651	87.6%	



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