



**Department
of State**

**SFY 2017-2018 ANNUAL REPORT:
ADMINISTRATION OF LOCAL GOVERNMENT
EFFICIENCY PROGRAM**

***PURSUANT TO SUBPARAGRAPH (X) OF PARAGRAPH 5 OF
SUBDIVISION 10 OF SECTION 54 OF THE STATE FINANCE LAW***

FOR SUBMISSION TO THE GOVERNOR AND LEGISLATURE

October 2, 2018

**Andrew M. Cuomo
Governor**

**Rossana Rosado
Secretary of State**

INTRODUCTION

The Local Government Efficiency Program (LGE) assists local officials in developing projects that reduce government expenses and builds their capacity to provide services efficiently.

This report is an assessment and overview of two incentive programs:

- The Local Government Efficiency Grant; and
- The Citizens Reorganization Empowerment Grant.

The LGE Annual Report is a requirement of subparagraph (x) of paragraph s of subdivision 10 of section 54 of the State Finance Law. It summarizes the Department of State (DOS) program activity of State Fiscal Year (SFY) 2017-18 in the two grant programs. The report also describes municipal service delivery improvements resulting from grant contracts closed in SFY 2017-2018.

LOCAL GOVERNMENT EFFICIENCY GRANT (LGEG) OVERVIEW

The LGEG, a competitive grant program, provides eligible entities falling within the term “municipality” with funds to undertake studies and implementation activities with the goal of reducing municipal expenses and property taxes. In the SFY 2017-2018 Budget, the State Legislature appropriated \$4,000,000 for this program. Municipalities – which term includes counties, cities, towns, villages, special improvement districts, fire districts, public libraries, association libraries, water authorities, sewer authorities, regional planning and development boards, school districts, and Boards of Cooperative Educational Services (BOCES), that advance joint applications are eligible for LGEG funds. Generally, two or more municipalities must apply cooperatively for an LGEG. In certain instances, however, fiscally stressed municipalities are allowed to apply to implement internal reorganizations or service delivery modifications.

Municipalities may apply for *planning awards* of up to \$12,500 per municipal entity, with a maximum not to exceed \$100,000 per project. The local project match is 50% of the project planning costs. Municipal co-applicants prepared to *implement projects* are eligible for up to \$200,000 per municipality, with a maximum cumulative project grant award of \$1,000,000. The local minimum project match is 10% for implementation projects. Upon full implementation of a *planning* project, municipalities that have received program funding for *planning and implementation* phases of a project may recoup up to 80% of the match expended during the *planning* phase.

CITIZENS REORGANIZATION AND EMPOWERMENT GRANT (CREG) OVERVIEW

The CREG is a noncompetitive grant that funds studies, plans, and/or implements the restructuring of local government entities under General Municipal Law Article 17-A, the “New N.Y. Government Reorganization and Citizen Empowerment Act,” which sets forth uniform procedures for the consolidation and dissolution of local government entities. CREG is also available for reorganization as a new coterminous town-village that operates principally as a town or a village but not as both a town and a village.

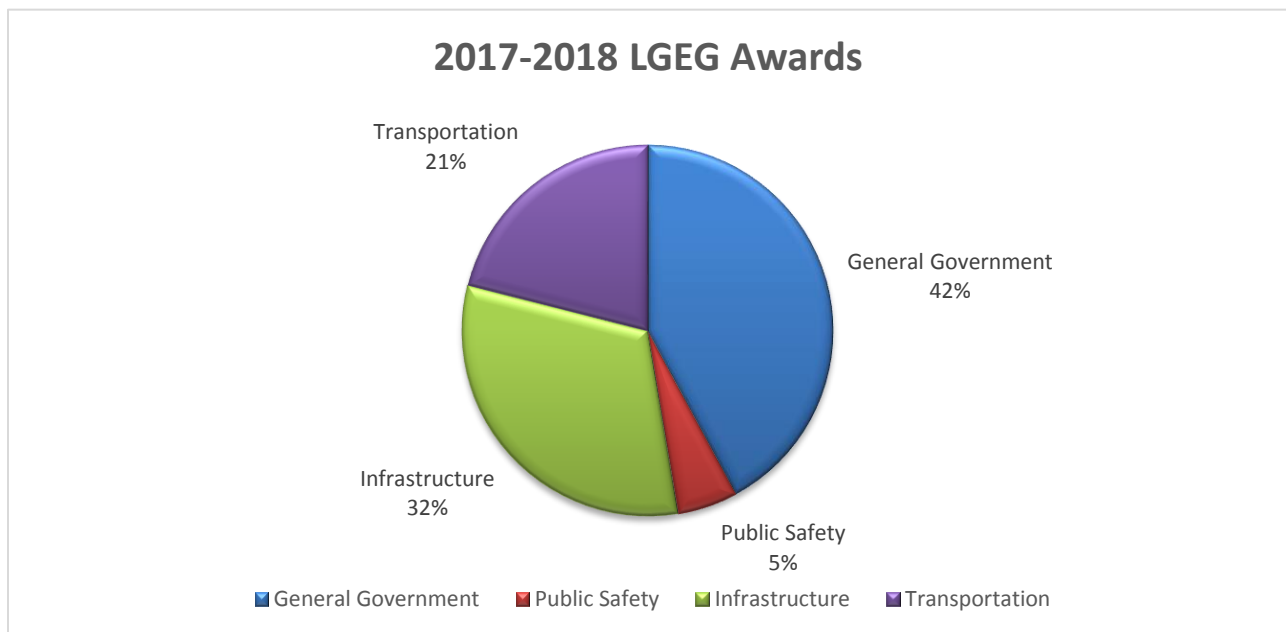
Local government entities eligible for CREG funding include towns, villages, fire districts, and special improvement districts. CREG program planning projects assist local officials in examining financial impact, potential management and service delivery changes, and other critical activities encountered during a municipal reorganization. Such planning projects also result in the identification of other potential options to achieve efficiencies, if a local government consolidation or dissolution

does not move forward.

Under CREG, a local government entity is eligible for up to \$100,000 for a project. This includes a maximum of \$50,000 for planning and \$50,000 for implementation. The local program match requirement is 10% for implementation, as well as planning activities undertaken in response to a citizen petition, and 50% for planning actions that have been initiated solely by local governing board resolution.

LGEG AWARDS APPROVED IN SFY 2017-2018

In December 2017, Governor Cuomo announced the approval of \$4 million for 19 awards for projects eligible for LGEG program funds. The pie chart below illustrates the awards by local government function.



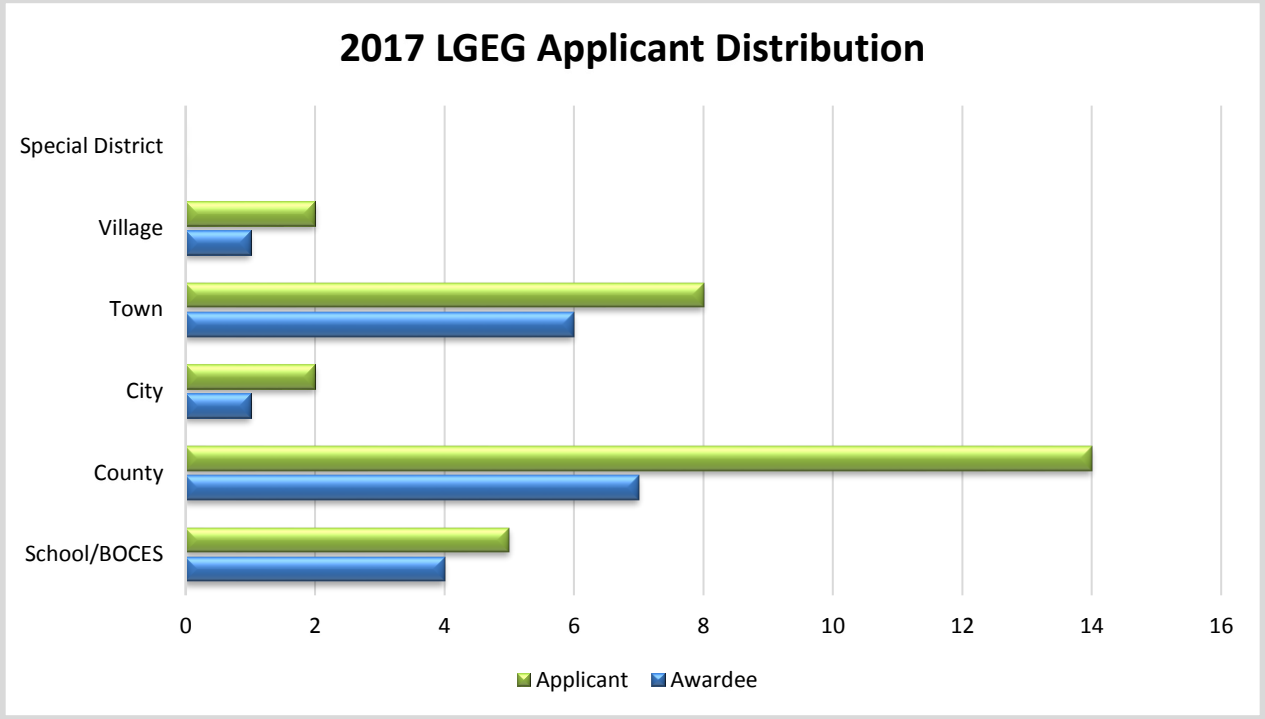
LGEG awards included:

- General Government - consolidation of municipal engineering departments, shared telecommunications, consolidated asset management, school and municipal shared services;
- Public Safety – fire district consolidation;
- Transportation – shared student transportation, highway services consolidation, department of public works consolidation planning; and,
- Infrastructure – regionalization of water infrastructure improvements, consolidation of water system metering and administration, and regional water supply interconnections.

Summary of Applications

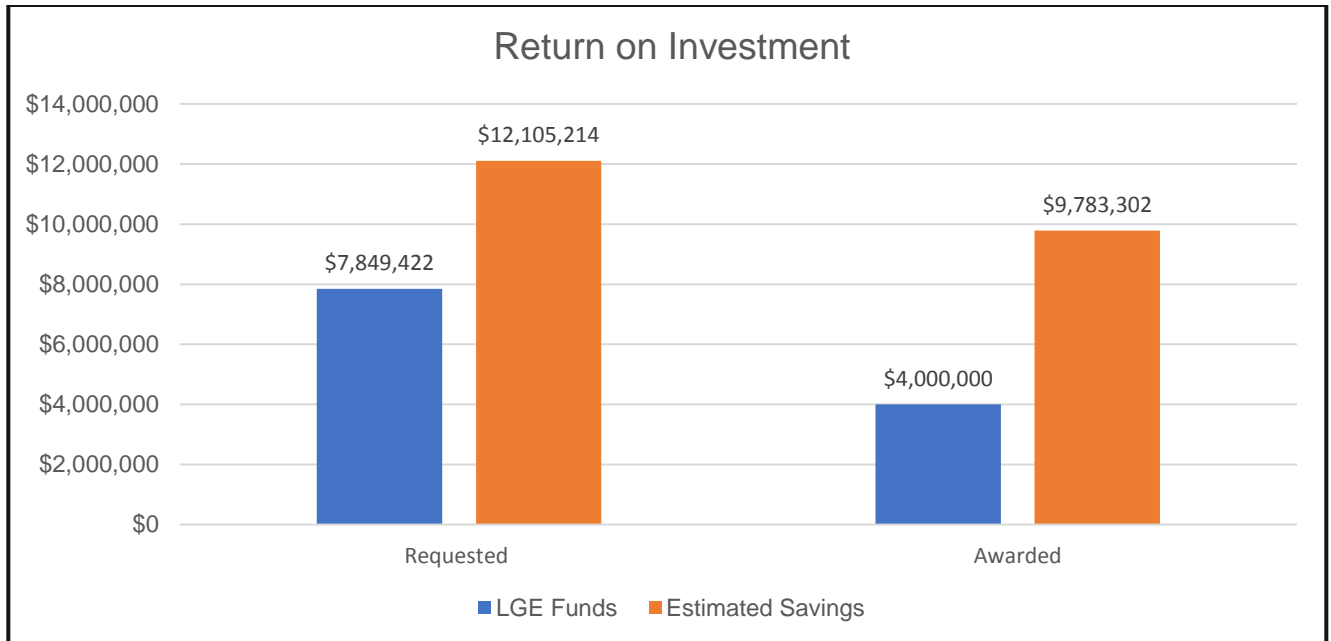
The LGEG program received 31 applications (29 were deemed eligible) in response to the SFY 2017-2018 solicitation. Applications were received from all four types of awards. The amount of

LGEG assistance requested for the 29 eligible applications exceeded \$7.677 million, with total anticipated local government savings projected at over \$12.139 million annually.



Summary of Awards

The LGEG program awarded funding to 19 projects for a total of \$4 million during the most recent round. This included awards to lead applicants from cities, towns, villages and counties. As reported by the applicants, the anticipated first-year savings to local governments after project implementation is estimated to be over \$9.78 million, producing a positive return on the initial state investment by year 2 of implementation. A list of the awarded projects can be found in Appendix 1.



CREG AWARDS APPROVED IN SFY 2017-2018

The CREG program accepts applications from municipalities monthly. During SFY 2017-2018, the Department received 12 applications for CREG funding. All applications were deemed eligible resulting in the awarding of \$492,345. These projects are listed in Appendix 2. A summary of actions included in these awards include:

- assistance to four villages for dissolution planning and analysis;
- assistance to three towns to implement village dissolutions;
- assistance to three towns for the consolidation of water districts;
- assistance to one town for sewer district consolidation: and,
- assistance to one town for the analysis of possible fire district and fire protection district consolidation.

PROJECTS CLOSED IN SFY 2017-2018

During SFY 2017-2018, a total of 16 (6 Local Government Efficiency Grants and 10 Citizens Reorganization and Empowerment Grants) contracts were recorded as closed.

Citizen Reorganization and Empowerment Grant

1) The Town of Corning (Steuben County) - The Town of Corning completed its SFY 2015-16 \$50,0000 project to develop a plan for the consolidation of five existing water districts with one set of water rates, rules and billing processes.

2) Town of Corning (Steuben County) – Following up on the plan for consolidation, the Town of Corning received \$25,000 in SFY 2017-18 to assist with the implementation of the consolidation of the fiver water districts and the operations and maintenance restructuring.

3) Village of Mastic Beach (Suffolk County) – In SFY 2016-17, the Village of Mastic Beach was approved for \$50,000 to assist with planning for the voter-initiated dissolution of the village. This

contract was closed in SFY 2017-18 before the dissolution of the Village of Mastic Beach became effective on December 31, 2017.

4) Village of Mastic Beach (Suffolk County) –Prior to the final dissolution, the Village was approved for \$50,000 in SFY 2017-18 to begin implementation activities before the transfer of services to the Town of Brookhaven.

5) Town of Brookhaven (Suffolk County) – The Town of Brookhaven completed its SFY 2017-18 award of \$49,448 to complete their role as the town partner to implement the dissolution of the Village of Mastic Beach.

6) Town of Salem (Washington County) – In SFY 2015-16 the Town of Salem was approved for \$50,000 to complete the transition of the Village of Salem’s affairs after the voter initiated dissolution. The Village of Salem dissolved March 31, 2016, and the contract was closed this program year.

7) Village of Port Henry (Essex County) - The Village of Port Henry was approved for \$50,000 in SFY 2015-16 to develop a dissolution study and plan. The Village dissolved into the Town of Moriah on March 31, 2017.

8) Town of Ramapo (Rockland County) - The Town of Ramapo closed its SFY 2011-12 award for \$45,000 to study the consolidation of three fire districts into a new joint fire district.

9) Village of Sherman (Chautauqua County) – In SFY 2016-17, the Village of Sherman received \$50,000 for costs associated with the referendum on village dissolution and the development and distribution of information by the village prior to the referendum.

10) Village of Cherry Creek (Chautauqua County) – The Village of Cherry Creek completed its SFY 2016-17 award to assist with planning and information gathering for the potential dissolution of the Village. The Village dissolved on December 31, 2017.

Local Government Efficiency Grants

1) City of Lockport (Niagara County) - The City of Lockport closed its SFY 2010-11 grant for \$640,000 that was provided to convert its raw water line to a finished waterline between the City of Lockport and the City of North Tonawanda, consolidating the two cities water treatment systems.

2) City of Peekskill (Westchester County) - The City of Peekskill completed its \$176,181 SFY 2012-13 grant to develop implementation strategies for the Mid-Hudson Regional Development Council’s Infrastructure and Sustainability Plan for regional economic development. Under this project, Peekskill along with the cities of New Rochelle, Mount Vernon, Beacon, Newburgh, Poughkeepsie, White Plains, Yonkers and the Village of Port Chester, worked to normalize development plans, regulations, and other initiatives to form consistency amongst the local governments in community development policy. The project developed best practices for municipal center revitalization, immediately replicable in other cities in the region and other parts of New York.

3) Onondaga County (Onondaga County) - Onondaga County completed its SFY 2012-13 contract for \$87,627 to begin implementation of the 6 county Central New York Interoperable Communications Consortium Shared Services Plan. In 2013 the participating member counties (Cayuga, Jefferson, Lewis, Madison, Onondaga and Oswego counties) spent more than \$34 million for public safety communications. This plan was developed to maximize efficiencies in the

delivery of this service amongst the counties.

4) Town of Catskill (Greene County) - The Town of Catskill completed an SFY 2016-17 project for \$12,000 to study the provision of shared code enforcement services for the town and the village resulting in developing multiple options from sharing responsibilities to full consolidation.

5) Jefferson County, (Jefferson) - Jefferson County closed its SFY 2010-11 contract for \$405,000 to implement the Emergency Medical Service County-Wide Cooperative. The project developed a multi-year, multi-stakeholder implementation process to implement the business plan developed under the DOS LGE Planning Grant to align fragmented and unsustainable pre-hospital emergency medical resources under a single, county-wide cooperative system that eliminates unnecessary and duplicative services.

6) Town of Rosendale (Ulster County) – The SFY 2013-14 contract to the Town of Rosendale for \$258,930 to create the Rondout Valley Municipal Community Center was closed. This project converted a vacant school building into office for 2 towns and opened spaces for community activities. The shared municipal facility has been a success, and has enabled the Town of Marletown to hold meetings in the shared facility that actually sits in the adjacent Town of Rosendale. (State Legislative approval was required for this action.) The shared facility enabled the partner local governments to avoid significant expenses related to upgrade previous facilities.

LONG-TERM PROGRAM IMPACT

The Department of State began providing funding to local governments for shared services, consolidations and other efficiency projects in 2005. Since that time total funding approved for reimbursement grants has exceeded \$94 million to cover 531 awards. While the program continues to modify and improve its analysis and tracking of the impact of project implementation, the initial estimates provided by local government applicants at time of application is in excess of \$639 million.

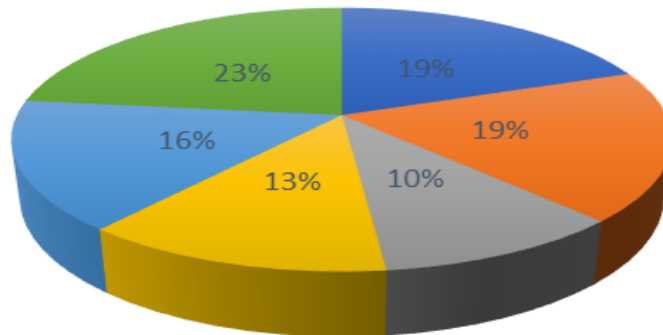
Total Awards

	Awards	LGEG Amount	Estimated Savings
Consolidation & Dissolution	103	\$5,180,505	\$10,040,983
General Government	98	\$19,771,300	\$148,660,517
Education	55	\$4,392,082	\$75,324,711
Public Safety	68	\$15,602,646	\$90,693,513
Transportation	84	\$18,020,272	\$85,749,639
Infrastructure	123	\$31,242,968	\$229,067,084
	531	\$94,209,773	\$639,536,447

Total Awards by Function

The pie chart below illustrates the overall comprehensiveness of the LGEG program in terms of the distribution of grant awards between consolidations and dissolutions, general government, water and wastewater infrastructure, transportation, public safety and education.

Awards by Function

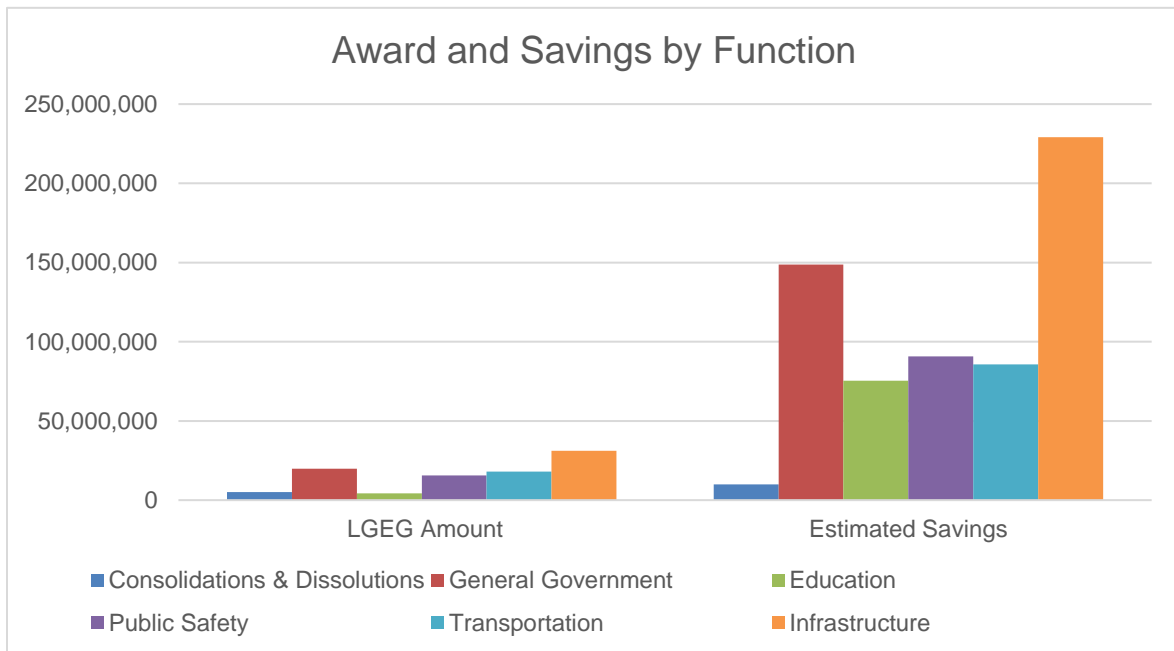


- Consolidations & Dissolutions
- General Government
- Education
- Public Safety
- Transportation
- Infrastructure

Award Amount and Estimated Savings by Function

The total grant funding and estimated savings by function is more varied, as the more capital-intensive projects often require more assistance for project implementation, and have the largest return from shared capital expenses. Savings accrue from the de-commissioning of systems, reduced need for maintaining multiple infrastructure systems. On the other end, the consolidation and dissolution awards are often focused on developing the planning to meet statutory compliance and have not reported the savings accrued from reorganization implementation.

Award and Savings by Function



CONCLUSION

This year has been a very important year for shared services across New York, as the Local Government Efficiency program has reinforced the theme of saving taxpayer dollars through local governmental cooperation. The grant funds that are available to local governments through the Department of State provide a critical financial incentive to local officials to creatively re-think and modernize the delivery of local services for the twenty-first century.

As this report summarizes, there are some themes that have developed from these state investments. Most notably is the desire of local officials to maximize the water and wastewater infrastructure through regional cooperation, the focus of towns to begin consolidation of special improvement districts that have proliferated over time, as well as the call by residents in local governments to require local leaders to consider the outright consolidation of local governments. We are also beginning to see more discussions about modifying the organization of fire and emergency services.

These are just a few examples of the transformational work being done throughout the State. We anticipate these discussions to continue and new projects to come forward. We look forward to continuing our work in support of our local government partners and the people of the State of New York.

APPENDIX 1: LGEG Awards

Implementation Awards

Town of Erwin (Chemung County) - \$400,000

The Town of Erwin will improve the infrastructure and capacity of the existing Town of Erwin's Waste Water Treatment Plant to expand existing capacity to accept the Village of Addison and the Town of Campbell's sewage discharge for treatment and disposal.

Town of Ellicottville (Cattaraugus County) - \$400,000

The Town and Village of Ellicottville will combine engineering departments under one supervising engineer, restructuring three-part time positions into one full time position, reducing the number and costs of external contractual services.

Capital Region BOCES (Albany County) - \$169,557

The Capital Region BOCES will coordinate a shared transportation system to bus students to out-of-district sites eliminating duplicative bus routes.

Southwestern Central School District (Chautauqua County) – \$138,585

Southwestern Central School District will partner with the Village of Chautauqua to construct a shared fuel station, enhancing capacity to 8,000 gallons of diesel and 2,000 gallons of unleaded fuel.

Village of Green Island (Albany County) – \$274,000

The Village of Green Island will partner with the Village of Watervliet to develop the Green Island-Watervliet Water Interconnect Project, providing a source of emergency water for both communities. The project will result in a stable, reliable, and predictable water pressure for current and potential future businesses.

Town of Victor (Ontario County) – \$239,400

The Village of Victor Fire Department and the Fishers Fire District were approved for funding to implement the consolidate and form the Victor Consolidated Fire District. The town-wide fire district would be staffed 24/7 by paid firefighters and set an equitable fire tax rate for town and village residents. (During the award process the Fishers Fire District voted against consolidation so the project is currently on hold.)

Livingston County – \$270,000

Livingston County, along with 9 villages and 17 towns, will continue efforts to develop its successful 1991 County Comprehensive Water Supply Study by expanding avenues for collaboration. Funding will be provided to update the plan that outlines current state of the water/sewer in the County, existing operations and management structure, budget and operations review, and an implementation matrix for infrastructure upgrades. This will also include the identification of needed equipment, purchase of leak detection equipment, GIS/mapping/survey, billing software, equipment purchases, and staff training that can be shared amongst the partner local governments.

Town of Smithtown (Suffolk County) – \$799,982

The Town and three villages will consolidate roadway maintenance and repair services including pavement, drainage, sweeping, roadside cleanup, bridges, and highway engineering, and adding 32 miles of new inventory to the Town's current 470 road miles. Restructuring these operations will improve the level of service for residents in routine and emergency situations.

Otsego County - \$94,071

Otsego County will implement a Highway Asset Management Program to inventory county and municipal-owned assets to aid strategic planning and budgeting. Field conditions and locations of culverts, signs and control devices will be logged into a county-wide ARCGIS online database for about 450 center-lane miles of county-owned highways. This partnership between the County and municipalities increases efficiencies, improves safety for the public and lowers the impact of asset failure.

Northville Central School District (Fulton County) - \$9,900

The Northville Central School District, the Town of Northampton, and the Village of Northville will create a single Internet network with Wi-Fi Hotspots, a VOIP phone service network and Internet improvements integrating repeater towers and equipment strategically placed throughout Northville and Northampton for reliability and capacity.

Lewis County - \$297,000

Lewis County and the Towns of Lowville, Watson, Denmark, and Martinsburg will form the Central Lewis County Water Program. The project will include preliminary engineering; needed capital improvements for individual systems and interconnections; operations, and management, and maintenance; cost estimates; and legal tasks necessary for the official formation of the Central Lewis County Water Program.

City of Cortland - \$400,000

The City and Village of Cortland will replace 6,450 mechanical meters with digital meters that, in real time, show water demand synchronized with production processes, system wide leak detection, optimization of water storage capacities and inter-municipal water transfers. In 2014, the Department of State grant funded the shared communication equipment, managerial and billing software that is now operational to service the digital meters.

Suffolk County - \$349,005

Suffolk County will share a Services Portal (SSP) technology platform with municipal governments. The SSP county-wide platform's key function is an on-line marketplace where municipalities list shared services, procure services, a chat environment or mass communication section to identify and compare costs. Training materials and performances measures will be integrated into the SSP platform to support resource sharing and collaboration on initiatives.

Planning Awards

Orleans County – \$50,000

Orleans County will assess the feasibility of developing a regional water system in place of the Village of Albion's water treatment plant that provides water to the Village of Albion and the Towns of Albion, Barre, Carlton, Gaines, Murray and Ridgeway. A regional system would improve the village treatment plant, and consolidate meter reading, billing, and water distribution system repairs.

Town of Lake George (Warren County) – \$25,000

The Department of Public Works (DPW) Consolidation/Joint Motor Pool Study will assess the feasibility of consolidating the Town and Village DPW's into one department and the merger of physical facilities.

Roscoe Central School District (Sullivan County) – \$37,500

Roscoe, Downsville and Livingston Manor Central School Districts will study shared services within the business offices, facilities and special education departments. The district policies and procedures developed through this process will serve as a roadmap for how shared programs, services, staffing, athletics, and extracurricular activities will improve operations.

Hamilton County - \$12,500

Hamilton County and 3 towns will study ways to collect, transfer, and market recyclables and solid waste disposal. The focus will be on sharing equipment, services, and personnel.

County of Rockland –\$25,000

The Town of Stony Point Police Department and the Rockland County Sheriff's Department will evaluate the feasibility of shared services. The project will study the possibility of, and provide cost estimates for, the consolidation of police dispatching services between the town and county. The Town of Stony Point currently utilizes full time police officers to staff the emergency dispatch center and would transfer this responsibility to the County Sheriff's dispatch center manned by a staff of volunteers and paid personnel.

Town of Brutus (Cayuga County) – \$8,500

The Town of Brutus and the Village of Weedsport will study the feasibility of new combined town and village hall in Weedsport to resolve long-term space needs. The study will compare the mechanical, security and functional relationships, and forecast of future personnel needs.

APPENDIX 2: CREG Awards

Town of Tupper Lake (Franklin County) - \$49,444

The Town of Tupper Lake received funding to assist with the consolidation of 17 sewer districts into 1 district. The consolidated sewer district will continue to be managed by the Town of Tupper Lake.

Town of Tupper Lake (Franklin County) - \$49,444

The Town of Tupper Lake received funding to consolidated 21 of 27 water districts into one. The consolidated water district will continue to be managed by the Town of Tupper Lake.

Village of Van Etten (Chemung County) - \$44,085

The Village of Van Etten, was petitioned for dissolution in August of 2017, with the dissolution vote set for December 2017. The Village applied for CREG funds to develop a report to inform the residents of the issues and opportunities related to dissolution and outline the steps required for potential dissolution implementation. The residents voted in favor of dissolution and the Village will dissolve effective December 31, 2018.

Village of Rushville (Ontario County and Yates County) - \$50,000

The Village of Rushville, which is in two towns and two counties, was petitioned to dissolve and a referendum was held in June of 2017. The Village received funding to assist with developing information about dissolution and the impact on services prior to the referendum. The dissolution referendum was subsequently rejected.

Town of Hanover (Chautauqua County) - \$49,998

The Village of Forestville dissolved into the Town of Hanover effective December 31, 2016. The Town of Hanover received CREG funding to finalize the transition of services and other affairs of the Village.

Village of Mastic Beach (Suffolk County) - \$50,000

In response to a dissolution referendum that was approved by its citizens in November of 2016, the Village of Mastic Beach was required to develop a plan for dissolution. The plan called for the dissolution to become effective on December 31, 2017. CREG funding was provided to assist the Village with the necessary steps for dissolution implementation.

Town of Brookhaven (Suffolk County) - \$49,448

The Town of Brookhaven received CREG funding to assist the Village of Mastic Beach with implement of the village dissolution plan, and prepare for the transfer and acceptance of Village services to the Town.

Town of Corning (Steuben County) - \$25,000

The Town of Corning received CREG funds for planning related to the consolidation of 5 water districts, to streamline operations and maintenance in managing the Town's infrastructure.

Town of Schodack (Rensselaer County) - \$35,000

The Town of Schodack received funding to study the consolidation of 5 fire districts and 2 fire protection districts in the Town. The analysis will outline the existing services and the financial and operational steps required for consolidation.

Town of Cherry Creek (Chautauqua County) - \$14,926

The Town of Cherry Creek received funding to assist with the dissolution of the Village of Cherry Creek, including the creation of special districts for water, sewer, lighting and sidewalk services.

The dissolution was effective on December 31, 2017.

Village of Barneveld (Oneida County) - \$25,000

The Village of Barneveld received funding to assist with the preparation of the village dissolution plan. The Village was dissolved effective December 31, 2017 and the grant contract was transferred to the Town of Trenton for final implementation.

Town of LeRay (Jefferson County) - \$50,000

The Town of LeRay received funding to consolidate administrative and operation activities of three hydraulically interconnected water districts. The consolidation will achieve operational efficiencies through the installation of necessary water distribution system components to enhance the systems hydraulic redundancy and operational function.