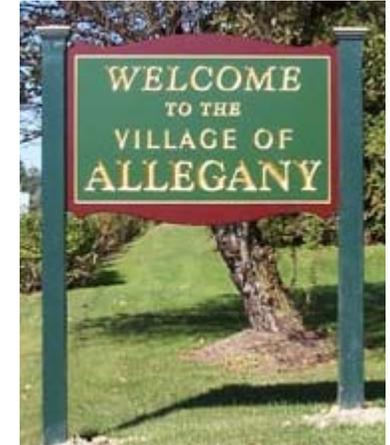


Village & Town of Allegany

Shared Services Study



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CGR *Inform and Empower*

Who We Are

- CGR, founded in 1915, non-profit, independent and nonpartisan
- Informs & empowers decision-making – through fact-based research, analysis, and experience
- 8 similar studies now – Albion, Cobleskill, Cortland, Lake Placid, Norwich, Oneonta, Seneca Falls, Speculator
- Prior Village dissolution study – Village of Wellsville
- We won't dictate what you should do – role is advisory

Tonight's Agenda

- Why this Study for Allegany?
- The Study Process
- Shared Services – Options and Issues
- The Allegany Communities in Context
- CGR/Committee Approach
- What We Know About Town/Village Functions
- Public Input Process – Next Steps

Why a Study for Allegany?

- NYS program – Shared Municipal Services Incentive Grant
- Town and Village applied for the grant
- Save \$\$, reduce taxes while maintaining quality service
- Identify opportunity for more equity across greater community
- Structure government differently in order to be able to make smart decisions about future use of resources

Study Process

- Village and Town Created 7-person Study Committee. Members: Jason Crisafulli, Cheri Giardini, Dan Gleason, Jim Hitchcock, Larry Kardos, Melissa Meyers, Rena Flynn (staff liaison).
- CGR
 - reviewed all Village and Town operations (not fire and library)
 - interviewed department heads and staff with responsibility for key functional areas
 - met with Committee in summer and fall to share findings

Shared Services (1)

- Shared services can be informal, formal or consolidated
- There are many examples of informal service sharing
- Specific formal shared services are:
 - Sewage treatment w/City – Town agreement w/Village
 - Water rate schedule agreement dates to 1996
 - Police “emergency services” agreement
 - Lease agreement for River Park
 - Equal contribution to Allegany Library
 - Village police provide court security in Town court

Shared Services (2)

- Consolidated: recreation, assessment
- Formal sharing requires inter-municipal cooperation agreements
- Requires re-thinking how services are provided
- Would shift responsibility to the Town or Village
- Should be designed for most cost-efficient delivery to keep taxes as low as possible

Shared Services Issues Raised (1)

- Facilities:
 - What to do about the Town Hall – age and condition
 - Village DPW Buildings – condition and location
 - Expansion of Town Court
- Operations:
 - Duplication of DPW/highway equipment
 - Current DPW/highway staff efficiencies
 - No or limited backups for court clerks, clerk-treasurer/comptroller, code enforcement officers
 - Police operations

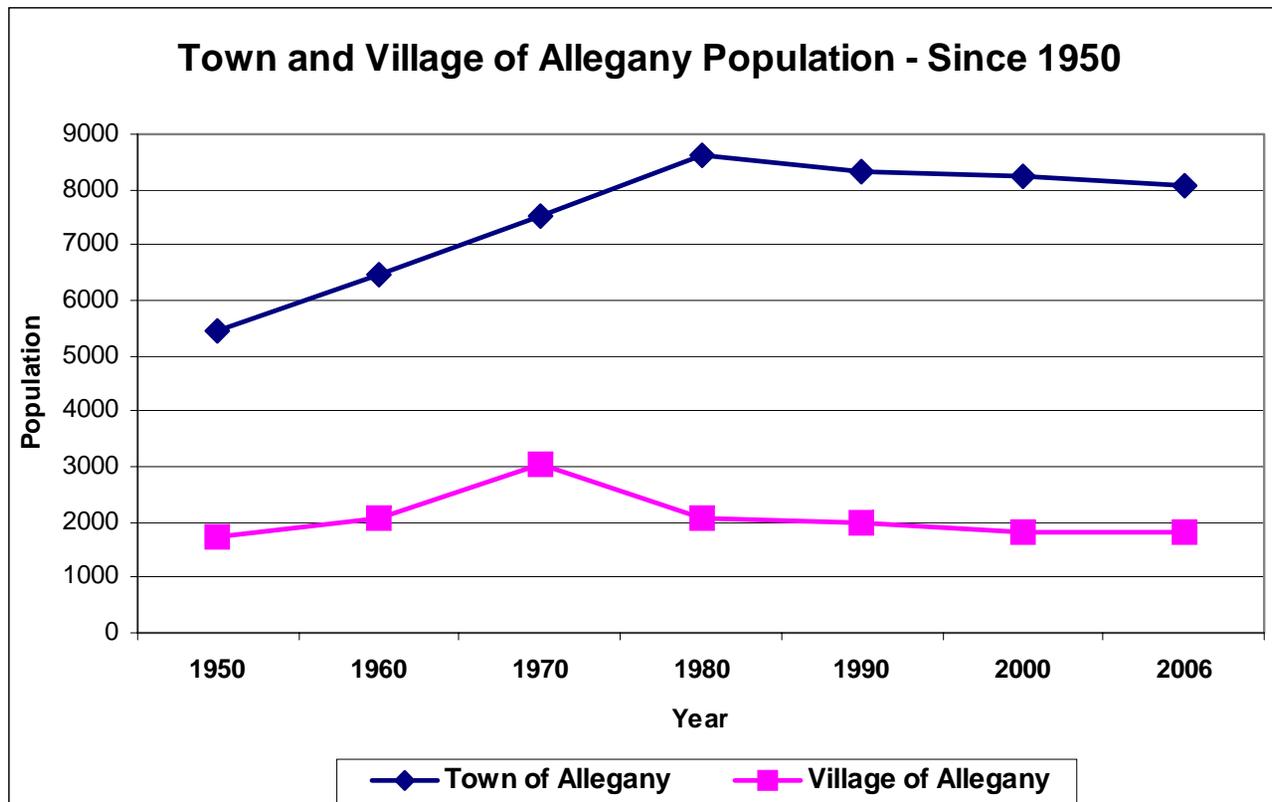
Shared Service Issues Raised (2)

- Water system issues:
 - Water and sewer rates differential between Village and Town
 - 26% water loss in system – not billed
 - Expansion of water into rest of Town – Village system only at 40% capacity now
 - Water operations integrated into DPW operations

Allegany Communities in Context

	Town (inc. 1831)	Village (inc. 1906)	Total
Population (in 2000)	6350	1880	8230
<i>T-O-V to-Village Ratio</i>	3	1	
Land Area (Sq. Miles)	71.7	0.7	73.1
<i>Town-to-Village Ratio</i>	100	1	
Street Miles Maintain	73	7.15	80.15
<i>Town-to-Village Ratio</i>	10	1	

Context: Population Trends



Context: Village Population as % of Town Population – per Census

- 1950 32%
- 1960 32%
- 1970 40%
- 1980 24%
- 1990 24%
- 2000 22%
- 2006 22% (Census estimate)

Context: Change in Equalized Taxable Valuations

Equalized Taxable Valuations of Real Property (in millions of dollars)		
	TOWN	VILLAGE
1998	\$197.1	\$46.6
1999	\$196.6	\$49.8
2000	\$219.7	\$49.9
2001	\$220.5	\$55.8
2002	\$218.5	\$55.9
2003	\$222.0	\$55.9
2004	\$230.4	\$56.1
2005	\$268.3	\$56.2

*Approximately 57% of the total Town property is taxable.

Context: Town & Village Revenue & Expenses 00-06 (in 1000s of dollars)

	TOWN		VILLAGE		TOWN-to-VILLAGE Ratio	
	Revenue	Expense	Revenue	Expense	Revenue	Expense
2000	\$2,199	\$2,071	\$1,287	\$1,276	1.7 to 1	1.6 to 1
2001	\$2,401	\$2,227	\$1,408	\$1,158	1.7 to 1	1.9 to 1
2002	\$2,222	\$2,492	\$1,375	\$1,087	1.6 to 1	2.3 to 1
2003	\$2,392	\$2,205	\$1,295	\$1,204	1.9 to 1	1.8 to 1
2004	\$2,636	\$2,518	\$1,330	\$1,323	2 to 1	1.9 to 1
2005	\$2,637	\$2,518	\$1,404	\$1,448	1.9 to 1	1.7 to 1
2006	\$2,705	\$2,888	\$1,523	\$1,294	1.8 to 1	2.2 to 1

Context: Town & Village Fund Balances 00-06 (in 1000s of dollars)

TOTAL FUND BALANCES			
	Town	Village	Town-to-Village Ratio
2000	\$651	\$432	1.5 to 1
2001	\$822	\$682	1.2 to 1
2002	\$550	\$969	0.6 to 1
2003	\$769	\$1,059	0.7 to 1
2004	\$908	\$1,067	0.9 to 1
2005	\$898	\$1,023	0.9 to 1
2006	\$798	\$1,119	0.9 to 1

Study Approach: Compare \$\$ Reported to NY – Most Recent FY

	Town	Village	Town-to-Village Ratio
Board	\$24,000	\$9,600	2.5 to 1
Mayor/Supervisor	\$13,000	\$6,000	2 to 1
Clerk/Treas & Clerk & Comptroller	\$101,000	\$25,000	4 to 1
Police	\$14,000	\$148,000	1 to 10
Courts	\$52,000	\$22,000	2.4 to 1
Code Enforcement & Building/Zoning	\$76,000	\$17,600	4.3 to 1
Water	\$278,000	\$214,000	1.3 to 1
Sewer	\$187,000	\$278,000	1 to 1.5

Approach: Compare \$\$ Reported to NY – Most Recent FY (Streets)

STREETS	Town	Village	Town-to-Village Ratio
Administration	\$59,000	\$17,000	3.5 to 1
Maintenance	\$437,000	\$174,000	2.5 to 1
Snow Removal	\$244,000	\$13,000	13 to 1
Parks	\$27,000	\$1,500	18 to 1
Storm Sewers		\$22,000	
Street Cleaning		\$11,000	
Machinery	\$256,000		
Brush & Weeds	\$24,000		
Streets - All Areas	\$1,047,000	\$239,000	4.4 to 1

Approach: "What Exists"

CGR Discussed with Study Committee:

- Expense & revenue matrix
- Services provided (grouped in functional areas)
- Personnel (costs per budget & also per time spent)
- Outstanding debts 2006: T = \$583,000; V = \$187,500
- Fund balances 2006: T = \$798,000; V = \$ 1.1 million
- Fixed assets
- Agreements and contracts (formal & informal)

Approach: Focus on 8 Functions (Those Not Currently Merged)

- Courts
- Police
- Water
- Clerk
- Code Enforcement
- Comptroller
- Sewer
- Streets

Approach: Personnel Costs

- Determined two ways:
 - Based on what is budgeted
 - Based on time spent by personnel involved in delivering services for each of the 8 functions
- Benefit costs were not calculated for each function, but for most recent fiscal year:
 - Town, add 44%
 - Village, add 45%

COURTS – Key Indicators

Services: justice & court clerk duties/paperwork

	Town	Village
Revenues - 2006	\$210,000	\$114,000
Revenues Retained Locally	\$52,000	\$67,000
PT Justices	2	1
Justice Total Annual Hours in Court	120	105
Main Staff Involved	1	1
Personnel Costs* - Budget	\$42,000	\$19,000
Personnel Costs* - Time Spent	\$46,000	\$30,000
* Excluding benefits		

Courts: 2 Options

1. Maintain status quo

- Service issue – staff “backup” inadequate

2. Town becomes responsible for court

- Eliminate Village justice, make other changes
- CGR estimate: potential savings up to \$7,600/year
- Service improvement: builds in clerk “backup”
- Cost/service questions: location of single court, revenue impact

POLICE – Key Indicators

- **Primary finding** – a very part-time department
- Chief's time split between policing and DPW
- 1 Full-time officer covers 5 eve/night shifts, 11 part-time officers work other day/eve/night shifts
- Avg. calls for service: 11-12 per day
- Calls for service in Town: 8-10% per year
- Personnel costs excluding benefits:
 - \$124,000 (budget)
 - \$142,000 (time spent)

Police: 4 Options

1. Status quo

- Service issue: Chief also DPW Superintendent

2. Create Town-wide police force

- Minimum Personnel Changes:
 - Chief becomes full-time
 - Add 1 FT officer
 - Cost/service questions: increased cost, appropriate size of force, added services to the Town

Police: 4 Options (cont)

3. Village Eliminates Police Service

- Sheriff assumes full responsibility
 - No cost to the Village or Town

4. Contract with Cattaraugus County Sheriff

- Sheriff provides full-time patrol car in the Town/Village
 - Would involve cost - Sheriff is assigning patrol car
- Cost/service questions: requires research outside scope of this study

WATER – Key Indicators

- **Services:** Village operates system & each municipality does maintenance (Town in T-O-V) & both bill customers
- **Current volume:** 191 million gallons per year
- **Unaccounted (not billed):** 26% of current volume
- **Village ability to meet demand:** 61% capacity is unused
- **Number invoiced per quarter:** T = 250; V = 800
- **Usage:** 1/3 Village; 2/3 T-O-V
- **Customers:** Village = 2500; St. Bona = 2600; 5 Town districts = 1200

Water – Key Indicators (cont)

- **Rates**

- Village = \$13.85 per 1,000 cubic feet
- Town = \$20.78 per 1,000 cf (150% of Village rate)
- Above are typical rates for most customers
- Water rates agreement unchanged since 1996

- **Growth in demand – past 5 years & future**

- Significant commercial growth in Town's east end
- Future growth will be in west end of Town

Water – Key Indicators (cont)

- Personnel Costs (excluding benefits)
 - Town - \$23,000 (budgeted); \$27,000 (time spent)
 - Village - \$68,000 (budgeted); \$53,000 (time spent)
- CGR: to actually provide water services Town-wide = 88% of what is budgeted for personnel overall
- Village & Town both have personnel w/required licenses
- Village needs Town personnel for major line work

Water: 3 Options

1. Status quo – leaves many issues unresolved:

- T-O-V residents remain frustrated re: higher rates
- Village residents concerned are paying for leaks
- Village and Town both do water billings
- Village and Town both involved in maintenance

Water: 3 Options (cont)

2. Town becomes responsible for water function

- Assumes Town takeover because Town owns equipment
- 1 Village DPW water certified staff moves to Town
- Savings: minimal
- Service improvement: integrates operations, allows for focused planning re: future growth
- Could standardize rates
- Cost/service questions: requires transfer of one employee, will need to do rate study

Water: 3 Options (cont)

3. Take “Ticonderoga approach” following dissolution of their village in 1993)

- Former village now “central” district
- Water staff intact – do billing for all districts T-wide
- Each district has own O&M and debt service budget
- Oversight by committee (supervisor, engineer; water superintendent, chief sewer treatment operator)
- Cost/service questions: need to develop new rates for consumption and property tax

CLERK – Key Indicators

- **Town clerk services:** resident inquiries; marriage licenses (30 yr); dog licenses (800 yr); register death certificates (40 yr); hunting/fishing licenses (400 yr); tax collector (busy 3 months yr); board minutes, keeper vital stats, misc.
- **Village clerk/treasurer services:** budget prep, vouchers, payroll, reports to state, general ledger, banking, Library financial paperwork, police dispatch for calls made to V Hall, board mtg. minutes, water/sewer billing, misc.

Clerk – Key Indicators (cont)

Costs (excluding benefits) for all personnel, including PT, associated with these services

- Town – \$44,000 (budgeted & time spent)
- Village – \$23,000 (budgeted); \$30,000 (time spent)

Clerk: 5 Options

1. Status quo

- Service issue: calling on “backup” in tax season & at other times leaves another function (code enforcement) in Town without sufficient support

2. Make Town clerk position appointed, not elected

- 40 towns have appointed clerks in NY
- Improvement: more staff w/in-house finance expertise
- Savings: none identified
- Cost/services questions: change would require referendum

Clerk: 5 Options (cont)

3. Dissolve Village, merge T&V Clerk duties in Town, have appointed Town Clerk

- Town clerk duties expand to include some comptroller function duties & fewer hours of paid support for clerk (due to having more personnel on-site in Town)
- Estimated savings: \$30,000
- Improvement: more built-in financial expertise
- Expanded personnel improves response to residents – “one stop”
- Cost/service questions: change would require referendum

Clerk: 5 Options (cont)

4. **Same as previous (dissolve village, merge clerk functions) except continue with elected Town clerk**
 - Estimated savings: \$3,000
 - Improvement: enhances financial expertise in-house in Town office
 - Cost/services questions: Town clerk duties unchanged
5. **Same as above, but drop Deputy Town Clerk/Deputy Tax collector position – to save estimated \$9,000**

CODE ENFORCEMENT – Key Indicators

- **Services provided**
 - Building inspections
 - Village has peak periods re: St. Bona student move-ins
 - Enforcement – bldg, fire, local, zoning codes
 - Town – 911 and flood plain coordinator, fire marshal
- **Activity indicators – based on revenue**
 - Zoning fees: T = \$2,700; V = \$3,700
 - Bldg. permits: T = \$30,000; V = \$1,000

Code Enforcement- Key Indicators (cont)

Costs (excluding benefits) for all personnel, including PT, involved in providing services

- Town – \$68,000 (budgeted & time spent)
- Village – \$16,000 (budgeted & time spent)

Code Enforcement: 2 Options

1. Status quo –

Routine backup remains an issue for officer in Town, staff support inconsistent

2. Town becomes responsible for code enforcement

- Requires 1.36 FTE code officers and part-time staff support
- Savings: minimal
- Service improvements: built-in routine backup for officers and increases responsiveness - 3 people familiar with codes
- Cost/service questions: likely shift of work for other staff

COMPTROLLER – Key Indicators

- Services provided in Town, excluding utility billings
 - payroll, vouchers, banking, bookkeeping, budget, taxes, special districts, human resources
- Town personnel costs, excluding benefits, associated w/services
 - Budgeted – \$51,000
 - Time spent – \$41,000

Comptroller: 2 Options

1. Status quo

- No built-in back up

2. If Town Clerk appointed – would affect Comptroller

- Expanded Town Clerk duties (i.e., finance skills)
- Current PT deputy comptroller position would be eliminated
- Savings: \$3,300
- Improvement: more “built-in” finance expertise in T
- Cost/service questions: change would require referendum

SEWER – Key Indicators

- **Services re: sanitary sewer system**
 - Both municipalities involved in maintenance of own areas (Village or T-O-V), and do own billings
 - Sewage treatment is by City of Olean
 - Village contract is with Olean
 - Town contract is with the Village
- **Invoices:** Each quarter, T = 175, V= 800
- **Rates = 200%** of water rates

Sewer – Key Indicators (cont)

Costs (excluding benefits) for all personnel involved in providing services (e.g., DPW & Highway, comptroller, clerk/treasurer, etc.)

- Town – \$9,000 (budgeted); \$19,000 (time spent)
- Village – \$52,000 (budgeted); \$36,000 (time spent)

Sewer: 3 Options

1. Status quo

- T-O-V residents' frustration re: higher rates unchanged

2. One government assumes responsibility sewer function

- Assumes person overseeing is individual w/most functional expertise (now a Village DPW staff person)
- Service improvement: streamlines delivery of services, especially maintenance
- Savings: minimal
- Cost/service questions: having two governments split water and sewer operations likely to be inefficient

Sewer: 3 Options (cont)

- 3. Take “Ticonderoga approach” following dissolution of their village in 1993**
 - Same model as for water presented earlier

STREETS – Key Indicators

- **Services provided (per reporting to NYS):**
 - Village – street maintenance, snow removal, park maintenance, storm sewer and street cleaning
 - Town – street maintenance, snow removal, machinery, brush & weeds, park maintenance
- **Miles maintained:** Town = 73; Village = 7
- **Garages:** about 1 mile apart
 - Village facility is not optimal – buildings in poor condition and facility located in a flood plain

Streets – Key Indicators (cont)

Costs (excluding benefits) for all personnel, including administrative and pt staff & summer help

- Town – \$441,000 (budgeted); \$432,000 (time spent)
- Village – \$106,000 (budgeted); \$101,000 (time spent)

Town & Village personnel costs to actually provide services that are part of streets function = \$533,000. This does not include Water and Sewer personnel costs.

Opportunity: largest \$ total, by far, of 8 functions

Streets: 2 Options

1. Status quo – continues inefficiencies, such as:

- 2 sweepers, costing > \$100K each, used total of <300 hours a year
- On Union St. & Maple Ave. – both plowing parts of these streets
- Duplication – a single consolidated operation likely to eliminate need for backhoe, sweeper, 2 pickups, 1-ton truck, blacktop roller
- All equipment/staff could fit in Town garage if duplicate equipment is sold off (estimate = \$300,000)
- Village DPW building heating & electric = \$9,500/year

Streets: 2 Options (cont)

2. Town becomes responsible for Streets function

- Assumes recent supt. retirement led to 1 FTE Hwy staff reduction
- 1 other hwy. dept retirement occurs in 2008 and position not filled
- 3.6 FTE Village DPW staff move to Town highway dept.
- Village Police Chief/ DPW Supt. shifts FT to police
- Personnel savings, excluding benefits: \$42,000
- Other savings (i.e., equipment, just 1 bldg.) additional

Streets: 2 Options (cont)

- Other savings:
 - 1 time equipment sales: \$300,000
 - Eliminate Village DPW buildings costs for utilities = \$9,500 annually
- Cost/service questions: potential staff structuring challenge related to code enforcement officer, question of service issues relative to differences between Village and Town requirements

Town and Village Hall Issues

- Village hall debt/interest to be paid off: \$240,000
- Town hall has to be rehabbed/upgraded
- Village and Town administrative operations could be merged into a single building
- Requires a building engineer study to determine optimal building size and costs.
- Could apply to state for SMSI funding to upgrade/create a single administrative building

Consolidation Option

- A comprehensive approach to achieving efficiencies would be to merge Village and Town services completely
- Two approaches:
 - Village could continue to exist as a shell and contract with the Town to provide all major/primary services
 - Village could dissolve

Consolidation Option (cont)

- Consolidating the Town and Village estimated to save \$78,000 to \$195,000 per year, plus one-time benefit of selling surplus DPW equipment.
- Tax savings spread equally across all taxable properties in the town would represent property tax savings of from 7% to 15%.

Consolidation: Maximum Personnel & Cost Impact (Excluding Benefits)

Major Reductions	Amount (est.)
Village Mayor	\$5,600
Village Board	\$9,700
Village Attorney	\$7,000
Village Justice	\$7,650
Village Court Clerk OT	\$2,000
Deputy Town Comptroller	\$6,450
Clerk Function	\$30,000
Village Clerk PT Support	\$3,000
Town Clerk PT Support	\$6,000
Option A: Highway Personnel (2)	\$85,000
Option B: Highway Personnel (1)	\$42,500
 Major Addition	
Police Officer	\$38,000
Total with Option A	\$200,400
Total with Option B	\$157,900

Summary: 3 Key Points

1. This presentation is intended to provide a foundation for focusing on ways to improve the operations of local government
2. There are many options open to the community
 - Improvements can be made over time on a function-by-function basis
 - Total consolidation of the Town & Village is not required (i.e., it is not necessary to dissolve the Village in order to improve local government operations)

Summary: 3 Key Points (cont)

3. In making future improvements, the Village and Town can reach agreements to ensure fair and equitable distribution of resources, existing assets and future services

Public Input Process – Next Steps

Before Study Committee asks CGR to draft a report, want community input, based on information shared in this presentation:

- Surveys available at Village and Town halls, the Allegany Library & online at <http://live.cgr.org/Alegany>
- Return to CGR by Feb. 20

Your input is important!!