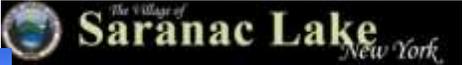




Saranac Lake Area Government Restructuring Project

Communities



Town of
Harrietstown, NY



Town of
St. Armand



North Elba

FINAL REPORT

VERSION 1.1

NOVEMBER 3, 2010

Consultants



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Saranac Lake Area Government Restructuring Project: Final Report

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Executive Summary

In May of 2009, the Towns of Harrietstown, St. Armand, and North Elba, and the Village of Saranac Lake began a study in order to explore different options and approaches to restructuring how the area’s governments are organized. To accomplish this task, a Government Restructuring Committee (GRC) was formed to identify the current methods for running the four municipalities, the process the municipalities take in delivering services to taxpayers, and the various levels of cooperation among each of the entities.

Through a contract facilitated by a grant from the New York State Department of State, Fairweather Consulting broke the project down into several tasks that would be completed within a timeframe of about 16 months. The major project tasks are outlined in the schedule below.

The primary project tasks involved Project Start Up, the Preliminary Analysis, the Feasibility Study and Comparative Analysis, the creation of the Final Report, and the creation of an Implementation Plan based on the project results. Throughout the project, regular meetings were held with the GRC (comprised of selected members of the community and local governments). Additional public outreach was facilitated through the creation of a project website; visits and interviews with village and town officials and staff; and two public meetings to discuss detailed reports exploring the feasibility of different options and possibilities to reorganize or restructure the municipalities.

Three main options for reorganization and restructuring were identified and evaluated through this project: village dissolution, the creation of a coterminous town/village and the incorporation of a City of Saranac Lake. A stronger emphasis on shared services among the four municipalities was also discussed, though this option was not considered in the same detail as the three primary options. After comparing the three primary options

and their various costs and benefits to the taxpayers and governments of each community, the study ultimately concluded that the third option—a proposal to create and incorporate a City of Saranac Lake—is the GRC’s preferred option, since it would yield the maximum amount of benefits with the least fiscal and logistical costs.

This recommendation reflects two important considerations by the GRC. First, while each of the three towns and two counties would be affected differently by the creation of the City of Saranac Lake, that option provided the greatest overall benefits when considered from the perspective of the community as a whole. Second, by eliminating the overlap between town and village governments, the City option would create a simpler platform for delivering local government services. Once established, this simpler structure would make it easier for the remaining governments to identify and pursue other options for shared services and increased efficiencies.



Figure 1 - The Government Restructuring Project Workplan and Schedule

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Once the involved communities decide on a course of action—either to follow the recommendations of the report or adopt some other restructuring option—Fairweather Consulting will work with the communities to complete an Implementation Plan. The plan will outline the necessary steps that the governing bodies of the municipalities will need to take for the selected course of action—and its resulting efficiencies—to come to fruition.

Project Background

The Government Restructuring Project is a joint study involving the Village of Saranac Lake and the three towns in which the village lies:

Harrietstown, North Elba and St Armand. The project is intended to identify ways to improve the quality of services and/or reduce costs through greater efficiency and effectiveness of local government service delivery.

With this broad statement of purpose in mind, the Town of Harrietstown and Village of Saranac Lake sought and received a grant through the New York State Department of State's Shared Municipal Services Incentive Grant Program (now known as the Local Government Efficiency Grant Program). A portion of the grant proceeds was used to contract with Fairweather Consulting, a professional services firm based in New Paltz, NY that specializes in government restructuring studies, and the Government Law Center at Albany Law School. The consultant team was tasked to guide the communities through a structured approach to evaluating the options for improving local government efficiency and effectiveness.

In order to guide the study through to completion, a Government Restructuring Committee, comprising members of all four communities, was formed in 2009. The members of that committee, as well as their community affiliations, are listed below:

- *Jeff Branch, Trustee, Saranac Lake*
- *Derek Doty, Town Board, North Elba*
- *Samuel Grimone, Deputy Supervisor, St Armand*
- *Molly Hann, Resident, Saranac Lake*
- *Ron Keough, Town Board, Harrietstown*
- *Thomas Michael, Resident, Saranac Lake*
- *Larry Miller, Supervisor, Harrietstown*
- *Joyce Morency, Supervisor, St Armand*
- *Webster Parker, Resident, Harrietstown*
- *Raymond Scollin, Resident, Saranac Lake*
- *Wayne Voudren, Resident, Harrietstown*

Staff support for the GRC's efforts was provided by three ex-officio members:

- *John Sweeney, Village Manager, Saranac Lake*
- *Jeremy Evans, Community Development Director, Saranac Lake*
- *Martin Murphy, Former Village Manager, Saranac Lake*

Over the course of the project, all of these members each contributed a significant amount of time and energy to identify goals and challenges that should be addressed in the study, and to review and make suggestions on numerous reports and analyses completed by Fairweather Consulting. A detailed record of the topics discussed by the GRC is provided through the project's web site: <http://saranaclakeny.ning.com>. The site includes presentations and other supporting materials from each of the GRC's regular meetings, which were held nearly monthly from mid-2009 through the early Fall of 2010.

This Final Report attempts to summarize all of the results of the study efforts to date. However, in order to balance brevity and clarity with a comprehensive account of the study process and findings, we have included much of the study materials as appendices to this main narrative document. Worthy of special note is Appendix F, which provides a glossary

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of terms relevant to the Government Restructuring Project. As noted previously, still more materials can be found on the project web site.

Problem Statement

Throughout the United States, there is a struggle for municipalities to find ways of providing necessary services to taxpayers at reasonable costs, while still allowing regional and community economies to grow and prosper. This problem so endemic to municipalities at the national level has been found to be of particular concern to communities within New York State because of the prevalence of multi-layered governments at the local level, with villages and towns often sharing borders, each levying the cost of services upon overburdened taxpayers. This issue was proving to be even more difficult for the municipalities of the Towns of Harriestown, St. Armand, and North Elba, and the Village of Saranac Lake. This difficulty stems in part from the fact that the Village of Saranac Lake—incorporated in 1892 and covering 2.78 square miles of land—covers a territory that extends into of all three aforementioned towns and across the boundary between Franklin and Essex counties.

The resulting overlap and duplication of municipal structures is complex at best and inefficient at worst. While the towns and the village each provide certain unique services to the taxpayers living in Saranac Lake, there are numerous duplicated or redundant services, such as justice court operations, planning and zoning departments, fire protection, licensing and permitting, code enforcement, and street/highway maintenance, just to name a few. Making things more difficult for residents is the inequality of the tax burden among the communities, which is often difficult to link directly back to differences in the services received by residents of each community. Add to this confusion the difficulties presented by the Village's overlap with three towns and the resulting confusion regarding local government accountability and transparency.

Needless to say, with the state's recent push for consolidation and sharing of services between municipalities, coupled with the ever-mounting pressure that the foundering economy has had on local government budgets, the Saranac Lake area's move to engage in a study of government efficiency and effectiveness couldn't have come at a more appropriate time.

Project Goals and Parameters

As the study began, the Government Restructuring Committee established simple goals, around which the study is based: the best solutions to maximize effective and efficient delivery of local government's core services are the ones that reduce the tax burden, reduce layers of government, and maintain or improve the quality of services. Throughout the study, these core goals became the GRC's primary method for evaluating the merits of possible restructuring approaches: how well does each option perform relative to the study's intended goals? This topic is discussed in greater detail in the Project Results section below.

Study Methodology

In order to meet the study's goals within the set parameters, the entire project was broken up into five major tasks. Task 1 involved the **Project's Start Up**, which resulted in the convening of a public meeting to kick off the study and introduce the project to interested members of the communities and municipalities at large. Additionally, the Government Restructuring Committee—composed of members from each of the four involved municipalities—conducted a community readiness exercise to consider alternatives to the municipalities' existing methods of delivering services. The creation of a website devoted to the project, which enabled committee and community members to have access to updates and information regarding the study, was the final component in Task 1.

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Task 2, the **Preliminary Analysis**, was composed of a few main steps, the first of which reviewed and defined the GRC's main priorities and concerns. Next, an inventory was taken of the various services being provided to residents; attention was given to determining which municipality was providing which services and to whom, as well as the costs associated with the delivery of those services. Furthermore, the consultants examined the legal requirements for achieving several different possible options to reorganize the municipalities' structures. Based on these steps, a comparative analysis of the high-level benefits and costs of various structural configurations was compiled so as to gauge their effects on the communities. The priority structural configuration options were determined based on these two analyses. Those priority configuration options, along with the completion of the service inventory compilation, led directly into Task 3.

The **Feasibility Study and Comparative Analysis** was compiled as a result of the time spent on Task 3, which called for a more in-depth dissection and examination of the priority options (village dissolution, a coterminous town/village, the incorporation of a city, and options for increased shared services). The creation of that report expanded on some of the preliminary analyses that took place during Task 2, but with far greater detail and depth. The consultant team conducted a **Legal Analysis of Priority Options**, which detailed the legal maneuvers necessary to achieve and implement each of the four reorganization options, while also delving into the potential legal roadblocks that could prevent their successful implementation. The **Operational Analysis of Priority Options** offered detailed information regarding the changes to how services would be provided or delivered by each municipality based on each option's different effects. The **Cost/Revenue Analysis of Priority Options** and the **Fiscal Impact Analysis of Priority Options** discussed the effects these changes would have on the bottom line of each affected municipality's budget, as well as the likely effects that the average taxpayer in each

municipality would experience after each option's implementation, respectively. The report also included an **Evaluation Matrix for Priority Options**, which summarized the results of these analyses and acted as a tool to provide a quick and comprehensive overview of the advantages and disadvantages of each priority option. Finally, meetings with both the Government Restructuring Committee and members of the governing boards from each of the involved Towns and the Village were held in order to present the report and garner comments to help guide the completion of the study.

Task 4 calls for the compilation of the findings and data from Tasks 1 through 3, which has culminated in this **Final Report** document. In addition to containing the above executive summary, final versions of both the **Preliminary Analysis** and the **Feasibility Study and Comparative Analysis**, as well as the matrix presentation of the priority options from the previous draft of this report, the Final Report will also contain educational and informative materials to help key stakeholders and the Saranac Lake-area community residents understand the study's findings and conclusions.

Once Task 4 is completed, Task 5—the **Implementation Plan**—will begin to take shape. The plan will be based on this Final Report and by direction from the GRC and the area's involved local officials. The Implementation Plan will define a step-by-step work plan and timeline for the legislative and administrative requirements from each of the participating municipalities and jurisdictions, which will likely involve the scheduling of public hearings, notifications, and more. The estimation and determination of costs that will be required by implementation, as well as the creation of an implementation budget, will also be a significant goal for Task 5's completion.

Project Results

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The primary purpose of this Final Report is to summarize the results of the Government Efficiency Project. In the sections that follow, we touch on the key findings and project results within each of the project's major tasks. We have attempted to present these results in a condensed manner, so as to avoid unnecessary detail that may lead to confusion. However, readers should note that a great deal of additional discussion and evaluation of potential restructuring options was conducted during the course of the study. Additional information not included in this narrative report can be found in this report's appendices or via the project web site.

Visioning and Readiness Assessment

The first major project task was to conduct a preliminary analysis of the current structures for municipal service delivery and the potential new options for structuring these services. Before getting underway with the Preliminary Analysis, though, Fairweather Consulting led the GRC through a Readiness Assessment. Six basic and relatively general questions were

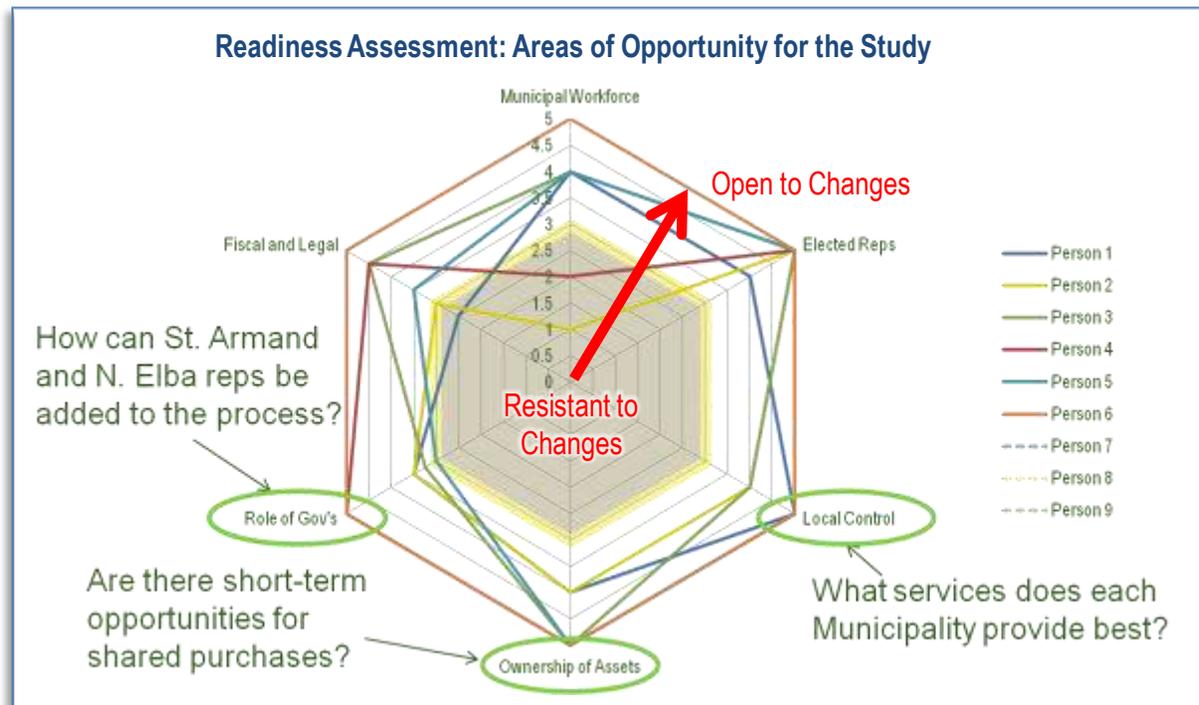


Figure 2 - Results of the Readiness Exercise show areas of potential opportunity for the Government Restructuring Project

formulated to gauge areas of potential concern or possible opportunities that should be explored further during the study.

Under any possible change or alteration to the government's workings, GRC members were asked to identify their level of support for changes in six primary areas: the **Municipal Workforce** and **Elected Representatives**; individual communities' **Control Over Local Services/Administration**

and their **Ownership of Assets**; and the potential changes to the **Roles of Other Governments** and the **Fiscal and Legal Impacts**. Input from the GRC was used as a guide for the consultant team to understand where a greater degree of focus and attention was required in order to provide the GRC with sufficient information for them to comfortably defend the study's findings.

As Figure 2 shows, the members of the GRC indicated by and large that the study should examine the benefits and drawbacks of restructuring even in the face of impacts to all six areas. Some resistance to change was identified in the areas of impacts to the Municipal Workforce and Fiscal and Legal impacts.

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The GRC also sought input from area residents during the study's first public kick-off meeting, held on July 20th, 2009. Approximately 30 residents attended. Participants were broken into groups of six to eight people and asked to discuss both their concerns and hopes for Government Restructuring, all of which were reported back to the group as a whole. This collection of information was simply the first step in the larger data-gathering task, which expanded after the kick-off meeting to include collection of financial data from each of the municipalities involved in the study.

Preliminary Analysis of Structures and Options

The Preliminary Analysis represents a first-cut effort to set project expectations, dispel myths about various restructuring options, and to help focus the remaining project work. In addition, this stage of the project provides important input and basic information that lays the groundwork for the rest of the study.

Inventory of Services

The various different services provided to residents by both the Village of Saranac Lake and the Town of Harrietstown were identified and listed in the Service Inventory (see Appendix A), the completion of which was the necessary first step toward understanding how to maximize service efficiency and identifying unnecessary or extraneous services.

It was found that, in addition to the standard set of services provided by the town—including property assessment, highway maintenance, water & sewer, the town justice court, parks and numerous others—Harrietstown also operates and administrates the airport, a unique asset and responsibility among the four municipalities. The Village of Saranac Lake, likewise, was identified as having a more or less standard slate of services which they provided to residents, including street maintenance, water & sewer, a separate village justice court, and parks and recreation. In

addition to those services, however, the Village also provides Police services, Fire Protection/Rescue services, extensive Community Development services, Street Cleaning and other unique services.

Based on even this preliminary analysis, it was clear that both municipalities offered their residents many of the same kinds of services, but that they also took on important and unique responsibilities to enhance the everyday standard of living in the area. Furthermore, it should be noted that though a detailed inventory of town services in North Elba and St Armand was not conducted, the general sense of the GRC was that the services provided by these two towns were quite similar to those provided by Harrietstown.

To see the specific services that were identified and included in the total inventory over the course of this study, please refer to Appendix A – Service Inventory.

Service Cost Analysis

Despite the illumination that the complete inventory of services provided regarding the operations and functionality of each of the municipalities, the study was still left with an incomplete picture. Simply put: how much did each service cost? Determining an answer to this question is never as simple as it might seem. Towns and Villages are required in New York State to prepare their budgets using a particular set of account codes, according to a strict set of rules that are designed to ensure accurate reporting. While the budget process serves both the municipalities and state regulators well, it does little to shed light on the cost of the services that each town and village provides. In order to make sound decisions about restructuring local government in the Saranac Lake area, a clearer picture of the services delivered, who provides them (and to whom they are provided), and the appropriations and revenues associated with those

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services was needed. The Service Cost Analysis was intended to provide this important information.

Once the Inventory of Services was compiled, the task of determining specific costs for each service provided by Harrietstown and Saranac Lake began. To develop this analysis, Fairweather Consulting first reviewed the most recent budgets for the Town of Harrietstown and the Village of Saranac Lake. Budget reviews were supplemented with department interviews that were conducted during the Fall of 2009, which helped to identify additional services not readily apparent in the town or village budget. The interviews, along with the budgets and the aforementioned Inventory of Services, provided the basis for the Service Cost Analysis.

In many cases, the budgets provided a useful overview of the services that are provided by each municipality, as well as who receives those services. Some budget items, however, were not easily assigned to a service. For example, employee benefits, which are typically grouped within each fund in the town and village budgets, must somehow be distributed among the services that the municipality’s personnel are responsible for providing. Each service’s true cost includes a portion of this unallocated cost.

A summary of the results of the Service Cost Analysis and a complete description of the specific costs and revenues allocated to each service—the detailed breakdown of service cost calculations—is provided in Appendix B – Service Cost Analysis.

Definition of Restructuring Options

From the beginning, the GRC expressed a strong desire to look at any and all possible restructuring options. The study began with conversations between the GRC and the Fairweather Consulting team that were intended to identify all possible options first, regardless of their feasibility or appropriateness given the limited scope of this study. The list below

provides a sense of the multiple options that were brainstormed at the study’s outset:

Option	Summary
County Boundary Adjustment	Move the boundary between Essex and Franklin Counties so as to situate the entire current Village within either one of the two.
Village Dissolution	Dissolve the Village of Saranac Lake into one or more of the three underlying Towns.
Coterminous Town/Village (Expanded)	Expand the boundaries of one Town to include all of the Village in order to facilitate the creation of a coterminous town/village form of government.
Coterminous Town/Village (Diminished)	Diminish the boundaries of the Village so that it is entirely within the Town of Harrietstown, in order to facilitate the creation of a coterminous town/village form of government.
Coterminous Town/Village (New Town)	Establish a new Town with boundaries equal to the current Village boundaries, in order to facilitate the creation of a coterminous town/village.
New County	Establish a new county that resolves the boundary issue in the Village.
City (Tri-Lakes Area)	Establish a new city that incorporates the current Villages of Saranac Lake and Lake Placid.
City (Expanded Saranac Lake)	Establish a new city that incorporates all of the Village of Saranac Lake plus outlying properties connected to the Village’s water/sewer systems.
City (Current Saranac Lake)	Establish a new city that incorporates only the properties within the current Village boundaries.
Shared Services	Explore a multitude of possibilities to expand shared services through the creation of enabling structures (e.g. Public Authorities, Councils of Governments, etc.)

Table 1 – Restructuring Options Identified by the GRC

While the brainstorming exercise helped to identify and record a wide range of restructuring options that have surfaced in many conversations

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about local government efficiency and effectiveness in the Saranac Lake area over the years, a quick review of the legal constraints on government restructuring helped to rule out some of these options. For instance, a Coterminous Town/Village form of government—wherein one set of elected officials acts as both the Town and Village officers—requires a town and a village with exactly the same boundaries, ruling out some concepts of nearly-coterminous boundaries. Similarly, while possible in theory, the County Boundary Adjustment option involves annexation at the county-level, a process that would be difficult and unlikely to have significant benefits at the local level.

Several of the options above were ruled out early in the process based on constraints related to the grant from the Department of State that supported the project. The creation of a Tri-Lakes area city, while interesting and perhaps worth discussion in the future, was deemed to be too broad given the scope of the project. The creation of a new county is subject to population requirements that mean the effort would have to involve a geographic area greater than Essex and Franklin Counties combined, making this option similarly too broad given this project’s limited scope.

Option	Reasons for Setting the Option Aside
County Boundary Adjustment	Ruled out as too difficult to implement and unlikely to achieve significant improvements.
New County	Ruled out based on population requirements and limited scope of this project.
City (Tri-Lakes Area)	Ruled out based on limited scope of this project.

Table 2 – First Round of Elimination of Restructuring Options

Prioritization of Remaining Restructuring Options

An initial review of the list of options listed in Table 1 helped to provide the GRC with a better understanding of the specific legal steps required to

implement each option. The legal steps for each remaining option were presented to the GRC, and are included as Appendix C of this report. While the legal roadmaps emphasize the complexity of some options (most notably the Coterminous Town/Village options), the GRC did not rule out any options simply based on legal complexity. The Committee’s consensus was that a basic sense of the possible fiscal benefits from each option should first be considered.

To respond to the GRC’s request, Fairweather Consulting completed a high-level fiscal analysis of each option, which, when combined with the legal roadmaps, helped the GRC arrive at a second round of elimination for restructuring options.

Option	Reasons for Setting the Option Aside
Coterminous Town/Village (Diminished)	The establishment of coterminous boundaries under this option would require the Village to be dissolved and reincorporated. Fiscally, the loss of the portions of the Village in North Elba and St Armand would place a high fiscal burden on residents in the new Coterminous Town/Village.
Coterminous Town/Village (New Town)	The process would involve highly complex legal maneuvers, but would provide virtually no financial benefit and would increase the number of local governments.
City (Expanded Saranac Lake)	While the legal process of an “expanded city” differs little from the “current city” option, the expansion of the city’s boundaries is likely to compound negative impacts on the towns, while increasing the new costs associated with maintaining state roads inside the city.

Table 3 – Second Round of Elimination of Restructuring Options

The results of the high-level fiscal analysis are presented in Appendix C.

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In the end, four specific configurations were settled upon for more in-depth study: village dissolution, a coterminous town/village encompassing Harrietstown and Saranac Lake (with the annexation of village territory currently within North Elba and St. Armand), the incorporation of a City of Saranac Lake, and the exploration of greater shared services among the four municipalities. Since it differs from the others in many important ways, shared services was not analyzed alongside the other three primary options.

Option	Summary
Village Dissolution	Dissolve the Village of Saranac Lake into one or more of the three underlying Towns.
Coterminous Town/Village (Expanded)	Expand the boundaries of Harrietstown to include all of the Village in order to facilitate the creation of a coterminous town/village form of government.
City (Current Saranac Lake)	Establish a new city that incorporates only the properties within the current Village boundaries.
Shared Services	Explore a multitude of possibilities to expand shared services through the creation of enabling structures (e.g. Public Authorities, Councils of Governments, etc.)

Table 4 – The Final List of Priority Options for Restructuring

The **Village Dissolution** option would result in the Village of Saranac Lake ceasing to exist as a municipal entity, with the responsibilities of providing services to residents falling onto the shoulders of the towns within which it currently sits.

The **Coterminous Town/Village** would combine two municipalities that share the same borders into one, which would function either as an independent village or town. Different nuanced versions of this option were explored as the study continued; one configuration called for a

diminished town/village that encompassed only Harrietstown’s borders; another configuration saw the creation of a new town encompassing Saranac Lake’s boundaries. Two other potential configurations called for an expanded town/village: one with a combination of Harrietstown’s and Saranac Lake’s boundaries, the other with St. Armand and Saranac Lake’s boundaries.

The option of **Incorporating a City** started by exploring the possibilities of a City of Saranac Lake, consisting of the properties within the village’s borders; an alternative version of this option explored the possibility of an expanded city that would also incorporate some or all of Harrietstown’s territory.

Informal shared services are already a frequent occurrence between the Village and the Towns. The **Shared Services** option, as defined by the GRC for the purposes of further study, involved the creation of formal structures that would support longer-term and more effective shared services agreements. Since this option does not require the consolidation or elimination of layers of governments, it was not investigated to the same level of detail as the other three priority options. However, additional information that may be helpful for future efforts to expand municipal shared services in the Saranac Lake area are included in Appendix E.

Detailed Feasibility Study & Comparative Analysis

Since the primary purpose of the Government Restructuring Project is to weigh the costs and benefits—both financial and otherwise—of the available restructuring options, most of the work conducted by Fairweather Consulting and the GRC has been toward identifying the various pros and cons of the priority restructuring options. This report describes in detail our findings regarding each option, with a focus on the legal, operational and fiscal feasibility and impacts. This section attempts

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to bring together the findings from the previous preliminary report in order to allow direct comparisons of the three primary options and their relative merits and drawbacks. It is hoped that this comparative analysis will inform future discussions among local governing boards and residents regarding the best future municipal structure for the Saranac Lake Area.

The Evaluative Framework

From the beginning of the project, it was envisioned that any available restructuring options would be compared across a variety of dimensions. Early on, the GRC identified the following important criteria that should be included in the comparative analysis, which are explained here. In the following sections, we summarize our analysis of each option in relation to these evaluation criteria and present a comparison of the primary options according to these criteria.

Implementation Factors

The first set of evaluation criteria have to do with the implementation process for each option. The GRC has identified the following criteria related to implementation, which are intended to show the relative ease with which the options could be implemented.

Complexity of legal process – Each option involves a legal process, which is defined in the Feasibility Study and Comparative Analysis (Appendix D). The complexity of this process is determined by the number of legal procedures involved, such as crafting and filing petitions, holding hearings, and conducting additional studies and analyses.

Difficulty of implementation – The difficulty of implementing each option involves more than just the complexity of the legal process. A simple process—such as the creation of a city—involves several difficult steps, including a local referendum and enactment of the city charter by the New York State legislature. In general, we define the difficulty of

implementation as the number of votes/referenda required, and the number of stakeholders involved in completing the implementation effort.

Cost of implementation – Each option is likely to involve a relatively significant cost in order to implement, including the cost of necessary hearings, announcements, votes, and legal fees. In some cases, such as the Village Dissolution option, additional studies may be required. This criterion attempts to estimate the relative cost of implementing each of the options based on initial assumptions regarding the implementation process.

Operational Factors

The next set of criteria for evaluating the options has to do with the resulting operational configuration. The fiscal impacts that result from changes to town and village operations (discussed at length in Appendix D) are identified as a separate factor, discussed below. However, some aspects of the operational structure following restructuring do not lend themselves to direct financial impacts. The following criteria are intended to shed light on the comparative strengths and weaknesses of the three options when it comes to the non-fiscal aspects of the resulting municipal structure.

Complexity of resulting municipal structure – This criterion measures the number of overlapping municipalities or districts resulting from the proposed future structure. The greater the number of overlapping districts and municipalities, the more complex the resulting structure.

Transience and variability of resulting municipal structure – An important consideration when weighing each option is the ease with which the hard work involved in implementing the change could be undone by future governing boards or officials. Greater preference is given to the options that minimize the likelihood that restructuring could be rescinded or dissolved in the future.

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Number of resulting municipal structures – While the complexity and variability of municipal structures is important, these criteria do not capture one of the primary goals set forth by the GRC at the beginning of the study: to reduce the number of governing bodies in the Saranac Lake Area. This criterion tracks to the total number of municipal entities and special districts following restructuring.

Financial Factors

Clearly, an important factor in the decision-making process regarding restructuring has to do with the cost burden that the new municipal structure places on residents in the Saranac Lake area, as well as the potential savings achieved through restructuring. This topic has been the focus of the fiscal impact analyses included in the Feasibility Study and Comparative Analysis, which are summarized in this report for the purposes of describing the study's final results.

As noted in the Feasibility Study and Comparative Analysis (Appendix D), all three options have the potential to save money overall, though the projected real savings from each option range from very little to only modest savings. However, the key finding of the study as it relates to financial factors has to do with the way in which savings or costs are redistributed following restructuring. These impacts are discussed in the sections below.

Finally, it is worth noting that the fiscal impact of each option is likely the most variable of the criteria presented here. Decisions regarding the boundaries of each option, the operational implementation of each option, and the distribution of revenues can impact the results of the fiscal analysis. Several specific assumptions that affect the fiscal analysis completed during this study are worth noting:

Assumption 1: In the City Option, we assumed that the City will not preempt sales taxes. We have determined that it is possible for the city to be

excluded from making pre-emptions through the chartering process. This assumption eliminates any potential new sales tax revenue from our calculation of this option's fiscal impact.

Assumption 2: In the Village Dissolution and Coterminous Town/Village option, we assumed that Police-related services would be expanded to include the entire area of the Town of Harrietstown outside of the Village. This assumption means that the cost of Police-related services would be spread across a larger tax base in the outside portions of the Town, resulting in a large tax increase to outside taxpayers.

Assumption 3: In the City option, we have incorporated input from the Towns that suggests that Town budgets are unlikely to decrease after the creation of the City. In particular, all of our analyses acknowledge that Harrietstown's Airport Fund, which levies its tax across the Town's full taxable assessed value, would see a decrease in its taxable assessed value and no decrease in its appropriations. As a result, the tax rate for this fund increases in our analyses.

Collectively, these assumptions have the effect of making our fiscal analysis a conservative estimate of savings and costs associated with each restructuring option. That is, we fully expect that the actual fiscal impact will vary from our estimates, but we are confident that if implemented in a manner consistent with the study assumptions, our estimates will provide a worst-case scenario. Actual savings are likely to be greater than, and actual tax increases less than, the estimates provided in this report.

As a further attempt to underscore the uncertain, but conservative nature of our analyses, tax impacts are presented as possible ranges rather than hard and fast dollar amounts. And while we believe that the assessment presented in this report is an accurate portrayal of the likely outcome of each restructuring option, we note that fiscal challenges alone should not be considered sufficient to eliminate any of these options. Rather, the

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fiscal impact of restructuring should be considered along with the other factors as a part of the decision-making process.

Other Factors

While the factors and criteria discussed above have been the GRC's primary focus so far in its evaluation of the three restructuring options, there are likely other factors that may be beneficial to consider. For instance, a fourth set of criteria involve the political feasibility of each of the proposed options. Without regard to party politics, there are important political ramifications and concerns related to each of the three options. To ignore these political realities would be a mistake, since they are perhaps among the most influential factors when it comes to getting the job done. Without significant political support, not one of these three ambitious options is likely to gain the momentum required to achieve implementation.

While our study did not investigate in detail all additional factors related to the chosen restructuring options, these other factors were discussed and considered by the GRC. Where relevant, the important other issues are summarized in this report.

Feasibility Study

Using these criteria, Fairweather Consulting completed a detailed Feasibility Study that looked at each restructuring option from a number of perspectives. In conducting this detailed study, the general approach was to begin by determining the disposition of village and town services under each restructuring option: which services would be unnecessary, which would continue, and who would provide those services after the restructuring was complete. This aspect of the study drew heavily on the results of the Service Inventory and the Service Cost Analysis, which are described above.

Given the number and wide variety of services provided by the village and the three towns involved in the study, a limited amount of attention was dedicated to each service individually. Fairweather Consulting did, however, assess areas of overlap in the services provided by the village and the towns, to determine which services would no longer be needed after restructuring. Very few services, such as elections and tax collection, are expected to be unnecessary following restructuring. The vast majority of services, though, are likely to be affected by restructuring, as the responsibility for providing those services—and likewise the decisions regarding the method of providing those services—would be altered following restructuring.

The provision of services following restructuring is one driving force behind the fiscal impacts of each restructuring option. As mentioned, though, the mere fact of restructuring should not be expected to dramatically alter the local government services that are provided in the Saranac Lake area. Instead, one of the key findings of the Feasibility Study is that the geographic boundaries of the resulting municipal structures is far more important when it comes to the fiscal impact of restructuring.

The table below summarizes the estimated fiscal impact of each of the three primary restructuring options investigated in detail by the GRC, through the Feasibility Study.

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Percent Change in Combined Municipal Tax Rate	Option 1: Village Dissolution	Option 2: Coterminous Town/Village	Option 3: City
Harrietstown Taxpayer (Outside Village)	↑ 88-92%	↑ 88-92%	↑ 4-17%
Saranac Lake Taxpayer (Harrietstown Portion)	↓ -(50-55%)	↓ -(60-65%)	→ -(2-6%)
North Elba Taxpayer (Outside Villages)	↑ 12-17%	→ 0-3%	→ 0%-1%
Saranac Lake Taxpayer (North Elba Portion)	↓ -(65-70%)	↓ -(51-56%)	→ -(2-6%)
St Armand Taxpayer (Outside Village)	↑ 22-27%	→ 0-2%	↑ 0-9%
Saranac Lake Taxpayer (St Armand Portion)	↓ -(47-50%)	↓ -(64-69%)	↓ -(24-29%)

Table 5 – Percent Change in Combined Tax Rates After Restructuring

The table above shows that Village Dissolution is likely to have the most dramatic impact on local tax rates, while the Coterminous Town/Village option causes more moderate changes and the City option, as specifically envisioned by the GRC, has the most mild impact on local tax rates. As mentioned above, this somewhat surprising conclusion is due not to striking differences in the provision of local government services—these services remain largely the same across all three options. Instead, it is who receives and pays for those services that drives the differences in fiscal impact. Following village dissolution, many towns see dramatic increases in their budgets as they become responsible for providing former village services. The City option proposed in this study, on the other hand, causes virtually no change in who receives municipal services and who pays for those services. Village residents, who now receive services from both the village and the town in which they reside, would continue to receive the same services, though town services inside the city would become the

responsibility of the city. Town residents outside the city would see no change in the services that they receive.

While the initial results of the Feasibility Study suggested that the creation of a city would have virtually no impact on town tax rates, representatives from each of the three towns involved in the study were quick to voice their concerns about this conclusion. It was noted that in some cases village properties provide the town with more in terms of property tax revenues than they consume in town services, a fact that if true means that the shift to a city would not likely result in any decreases in the budget for town services in the surrounding towns.

The Town of Harrietstown has also suggested that nearly all of its current costs are fixed costs, and that a reduction in the size of the town through the creation of a City of Saranac Lake would not afford the town any savings.

These concerns prompted Fairweather Consulting to modify its analysis. A summary of the impact that these new assumptions have on our analysis is provided in Appendix D, beginning on page D-73.

While the Towns’ concerns have been noted and the study results modified to reflect them, it should also be noted that the potential loss of revenue that the towns face is in many cases only a small percentage of the towns’ overall tax levy. The table below describes the estimated loss of property tax revenues for each town, given the proposed boundaries of the City of Saranac Lake.

	Harrietstown	North Elba	St Armand
Reduction in Property Tax Revenues Due to Creation of City	\$210,000	\$57,000	\$74,000

Table 6 – Maximum Loss of Revenue by Towns Under City Option.

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These amounts represent the *maximum* direct financial loss that each town would see from the creation of a city, assuming that there are no town cost savings that result when current village residents no longer receive any services from their current town governments.

The participation of the three towns throughout this study effort is laudable, and it suggests that the towns all continue to see the question of improving local government efficiency and effectiveness as an important goal. Concerns about the financial impact of the City option are not unexpected, and it is anticipated that these concerns will be resolved through negotiations with the towns as the process of implementing the city option unfolds.

The money-matters related to restructuring are an important part of the overall picture, but as described in the sections above, there are many other factors that the GRC took into consideration when weighing the various restructuring options. The results of the Feasibility Study as they specifically apply to other evaluation criteria, as well as more information on these financial figures, are provided in Appendix D.

Comparative Analysis

While the Feasibility Study involved a detailed review of each restructuring option and its pros and cons, the following table summarizes the comparative merits and drawbacks of the three restructuring options presented in this study.

	Option 1 Village Dissolution	Option 2 Coterminous (Expanded - Harrietstown)	Option 3 City
Legal/Implementation Factors ↓ = Low → = Medium ↑ = High			
Legal Complexity	→	↑	↓
Implementation Difficulty	→	↑	↑
Cost of Implementation	→	↑	↑
Operational Factors ↓ = Better → = Same ↑ = Worse			
Complexity of Structure	↑	→	↓
Transience and Variability	↑	↑	→
# of Districts/Municipalities	↑	↓	→
Detailed Fiscal Impact ↓ = Tax rates decrease → = No change ↑ = Increase			
Harrietstown (Outside)	↑	↑	↑
Saranac Lake (H'town)	↓	↓	→
North Elba (Outside)	↑	→	→
Saranac Lake (N Elba)	↓	↓	→
St Armand (Outside)	↑	→	↑
Saranac Lake (S Armand)	↓	↓	↓

Table 7 – Comparison of Restructuring Options Across all Criteria

On the basis of the factors related to implementation, the Village Dissolution option seems to be preferable. The legal process for Village Dissolution, though somewhat new now that the New N.Y. Government Reorganization and Citizen Empowerment Act has gone into effect, is still relatively straightforward. The process involves only one vote, which is a mandatory referendum of only the residents of the village. Anticipated costs related to implementation would include: the completion of a dissolution plan, the development of agreements with each of the towns regarding the transfer of assets and continuation of services/employees, and the conduct of the vote.

By comparison, the process for the coterminous town/village option, which involves 16 steps that include a petition, an election, a referendum, and (possibly) adjudication, is clearly more complex, more difficult and more costly.

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The creation of a city, while straightforward in process, requires a referendum, enactment of the city charter by the state legislature, and (possibly) home rule messages from each town, all of which suggest a more difficult and costly effort than the relatively simple dissolution option.

Turning to the operational factors, the city option appears to be the most preferable. Given the configuration of city boundaries discussed in this report, the resulting municipal structures would include all of the same structures that are currently present, with no reduction in the number of districts or municipalities. However, the resulting structure would eliminate the overlapping boundaries that exist currently among the towns and the village, effectively eliminating a layer of government for Village residents and simplifying the overall structure of local government in the region. Furthermore, the creation of a city is not as easily undone, and could prove to be the most stable and lasting of the options considered.

Finally, from a fiscal standpoint, the options each show potential benefits and drawbacks. As described the Feasibility Study and Comparative Analysis report (Appendix D), the net savings of the coterminous town/village option was the greatest, at approximately \$900,000. However, as the table above indicates, these savings are not spread equally among all area taxpayers. Residents of the Town of Harrietstown in the portions outside of the village would likely see a significant tax increase under the current configuration of services for this option. Residents in the other two towns are expected to see no significant impact to their tax bills, while village residents are likely to see all of the savings.

The city option represents the second-highest overall savings, at approximately \$40,000, and has the added benefit of a relatively equal distribution of these savings. No taxpayers are expected to see dramatic

increases (with the possible exception of Harrietstown Outside residents, who are projected to see increases up to 17%), while residents in the St Armand portion of the village could see a significant reduction (up to 29%) in their tax bill.

Committee's Recommendation: Establish a City

While the three options that have been outlined in this report each bring many possible benefits and costs, it is the recommendation of the Government Restructuring Committee and Fairweather Consulting, based on the results of the study, that the Saranac Lake, Harrietstown, North Elba, and St. Armand communities pursue the creation of a City of Saranac Lake. In examining the likely effects that each option will have on the four municipalities, the creation of a City of Saranac Lake brings with it the least drawbacks as compared to its potential benefits.

Benefits to the Whole Community

Throughout the process of compiling this and previous study reports, the GRC—which itself is comprised of representatives from each of the four municipalities—has consistently sought to view the study first and foremost from a community-wide perspective. Committee members all expressed a desire to make sure that the study results present a clear and compelling case for restructuring local government in ways that benefit the entire community. The GRC is a very diverse, fully representative group that sought continually to put aside parochial and private interests. As such, the group was unanimous in its decision: the creation of a new city comes out ahead of all other options because it will provide a greater net benefit to the entire Saranac Lake area community.

Based on calculations regarding the distribution of tax burden, the village dissolution option would present significant tax decreases for village residents, but residents of all three towns outside of the village would experience sharp increases in their taxes. Harrietstown outside residents

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in particular would see the largest increase in taxes – a whopping 90% spike. A slightly more balanced situation would occur if Harrietstown and Saranac Lake consolidated into a coterminous town/village. In this situation, too, however, taxpayers in the outside portions of Harrietstown would see a significant tax increase as they begin receiving (and contributing financially toward) services previously provided only in the Village.

When contrasting these two outcomes with pursuing the city option, where tax rate changes after incorporating a City of Saranac Lake are much lower (less than 10% in most instances), and significantly decreasing taxes for village residents in St. Armand, it becomes clear that the creation of a city is the best option for achieving restructuring without significantly increasing taxes for any group of residents in the Saranac Lake area.

Easiest is Not Always Best

Village dissolution is, by far, the easiest option to pursue from a legal standpoint. Indeed, since dissolution need only be approved in a village-wide referendum, the legal hurdles that require clearing are fewest in this option. But the ease with which dissolution can be accomplished belies a host of municipal headaches and potential problems that must be considered.

First, the fiscal impacts outlined in this and in previous versions of this report make a number of assumptions, the largest of which being the cooperation of the Towns of Harrietstown, North Elba, and St. Armand. While the village could choose to dissolve by public referendum, the town boards may even more easily choose to relegate nearly all of the village's current services to special districts, negating the potential cost-savings that would have been achieved through service consolidation and elimination.

Secondly, even in the best-case scenario outlined in this report, a sharp increase in property taxes could induce some residents to sell their homes (particularly those in homes with high tax assessments and second-home owners). This redistributes the tax burden back onto the rest of the residents in the municipality—including those within the boundaries of the former village—once again reducing the tax savings predicted for village residents.

The high degree of cooperation required to make Village Dissolution work would appear very difficult to sustain, especially in the face of the wide disparities that this option is expected to cause with regard to tax impacts.

Efficient and Effective

In addition to the benefits the city option provides over that of dissolution, creating a city is much less complicated to pursue than that of creating a coterminous town/village area. Though it requires the adoption of a city charter and the approval of the New York State Legislature—steps that while straightforward to attempt require careful coordination and planning—creating a city is less cumbersome than the annexation and consolidation twists and turns necessary in establishing a coterminous municipality.

Moreover, when all is said and done, based on Fairweather Consulting's analysis of the operational impacts of each option, a City of Saranac Lake would be better able to provide all of the current village's services than either of the other two options with the least amount of hiccups or interruptions. To offset the Towns' concerns regarding the loss of property tax revenue, it may be possible to develop new shared service agreements between the City and the Towns that relieve some of the fiscal burdens the Towns are expecting to face.

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It's about Identity

Residents and visitors in and around the Saranac Lake area value the community's unique identity and character, and options one and two diminish or threaten that character. Incorporating Saranac Lake as a city would not only preserve the community's feel, it would also be enhanced. While the village is currently an integral economic and population center of all three towns, the creation of an independent city would be an even stronger way for the area's residents to make the most of where they live. In addition to city residents' newfound independence and stronger sense of identity, the towns themselves would be better able to focus on the unique and distinct needs of residents residing outside of the city. Lastly, ensuring that Saranac Lake is not only kept healthy but also made stronger would be a boon to all residents of the region, since the village's identity is a major economic asset that benefits residents throughout the region, both directly and indirectly.

Case Not Closed

It should be recognized that the establishment of a new city is no simple task. As presented in the Feasibility Study included as Appendix D, cities in New York State can only be established by an act of the State Legislature. No new cities have been chartered by the State in over 60 years, and the process is fraught with difficulties both political and logistical. Yet, given Saranac Lake's unique boundaries, the standard restructuring options of Village Dissolution and a Coterminous Town/Village are either too difficult to achieve, too inequitable to sell, or likely to result in not less but more complicated local government.

The recommendation to pursue the creation of a city is made with two reservations: first, concerns regarding pre-emption of sales taxes and the impact this action would have on both Franklin and Essex Counties must be considered and discussed further, and second, the support of the three towns surrounding Saranac Lake must be won, which necessitates further

discussions regarding the impact of the city on those governments' property tax revenues. These caveats are based on input already received by the GRC, which has been noted in the final analysis of the restructuring options. They remain important and worthy of note, however, as this project transitions from this study and toward implementation of the study results and findings.

With these reservations in mind, and in acknowledgement of the difficulty that lies ahead in implementing the establishment of a new city, this study also includes detailed information on the other two formal restructuring options that were evaluated by the GRC. Within the Feasibility Study and Comparative Analysis (Appendix D) and the other study materials included with this report and on the project web site, there are numerous documents that could prove useful should the communities involved in this study wish to pursue another option for restructuring. While shared services were not covered in this study to the same degree that the other options were reviewed, Appendix E provides a summary description of several promising structural methods for enhancing collaboration and coordination of services throughout the Saranac Lake area.

Recommendations for Implementation

Though this document is the Final Report for the Government Restructuring Project, it does not represent the final step in the effort to improve efficiency and effectiveness of local government in the Saranac Lake area. Rather, in many ways this report is just the beginning of a longer effort required to make real and lasting changes to the way the municipalities of the Saranac Lake area do business.

In the coming weeks and months, as the study process concludes, Fairweather Consulting will work with all three Towns and the Village to transition from studying restructuring to implementing the results of the study. This process begins with the creation of an Implementation Plan for

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the study results, which will focus first and foremost on initiating the process of establishing a draft charter for the proposed city. Included in this implementation process are the necessary steps of negotiating the conditions and discussing the concerns of the towns and counties affected by the city option. The process also requires additional input from residents, which will begin with a public presentation of the study's findings and results.

As the implementation plan is completed, the effort will transition to one of implementing the study results. This effort will require a dedicated group of individuals in order to facilitate the process, complete the necessary steps, and navigate the discussions and concerns of a variety of stakeholders. The implementation plan will provide a framework for this effort, but it is anticipated that the road ahead will require continued support—though in a less direct capacity—from the members of the GRC. Professional assistance in the form of attorneys and other consultants is likely to be required by the individuals and groups that continue this effort and work to establish the draft charter for the city.

Conclusion

Local governments throughout NYS are struggling with a number of challenges, both new and ongoing. Many communities throughout the State have taken steps to explore new ways of doing business in order to meet these challenges. In some cases, these explorations are much less proactive, and are forced by residents and taxpayers who feel that increasing tax rates are unsustainable and justify a fundamental re-thinking of the delivery of local government services.

The Government Restructuring Project provides a valuable example of how four municipalities can come together in constructive ways to examine options for restructuring local government. Yet Saranac Lake's unique situation as a village straddling borders across two counties and

three towns is a condition that cannot be found elsewhere in the State, and it presents difficulties that make the question of government restructuring even more challenging.

The creation of a City of Saranac Lake is an recommendation that is likely to have many opponents and detractors. In this study's early stages many members of the GRC and the Committee's consultants were skeptical of this often-touted, never-achieved solution. Yet, through the study, one key conclusion emerged: that a village like Saranac Lake, divided up between three towns and two counties faces challenges unimaginable in most communities.

New York State's claim to fame as having one of the nation's most complicated local government landscapes is apparent nowhere more clearly than in Saranac Lake. In Saranac Lake, three neighbors might receive *the same* public services from four or more different municipal departments. Those neighbors pay different rates for local property taxes, and they may not even be able to compare their tax rates since property assessment may be handled by different assessors. Depending on which direction they walk from their front door, they might pay different sales tax rates on their daily purchases, depending on the county in which they shop.

If nothing else, these and other differences highlight the true nature of the problem that New York's local governments face when it comes to providing services more effectively and efficiently: overlapping local government structures makes the problem enormously complicated. If the end-goal of government restructuring efforts on the local level is the elimination of duplication, then the solution must begin by addressing the problems caused by overlapping local government boundaries. In other communities, Village Dissolution or the establishment of a Coterminous Town/Village provide realistic means for accomplishing this goal. In

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Saranac Lake, however, these options fall short. Under New York State law, the only remaining avenue that can be pursued is the establishment of a City.

It is this option—the creation of a City—that represents the best means for the Saranac Lake area to achieve greater local government efficiency and effectiveness. The Government Restructuring Project has helped clarify the pros and cons of these options, and has established the steps and conditions that must be met to accomplish this preferred restructuring option.

Acknowledgements

The GRC and Fairweather Consulting would like to thank all those who contributed toward the completion of this study. Notably, the Town of Harrietstown and the Saranac Lake Free Library graciously provided the Committee with space throughout the project's duration for various meetings. Members of the staff of the Village of Saranac Lake, Town of Harrietstown, Town of North Elba and Town of St Armand also provided support throughout the project by participating in department interviews, collecting and providing municipal data, and reviewing project documents. The elected officials from all three Towns and the Village also are to be commended for their willingness to engage in this process and for lending their honest and candid feedback in support of a thorough study.

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Appendix A – Service Inventory

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This document describes the services provided by each of the departments in the Village of Saranac Lake and in the Town of Harrietstown, as reported by the departments during interviews conducted as part of the Government Restructuring Project during the Fall of 2009.

NOTE: Services provided by the Towns of North Elba and St. Armand will be added to this list in the coming weeks.

Town of Harrietstown Services

Airport

- Airport Administration
- Airport Ops. & Maint.

Assessor

- Property Assessment

Budget Office

- Budgeting & Planning
- Financial Audit

Building & Planning Office

- Code Enforcement
- Planning
- Zoning

Buildings & Grounds

- Building Maintenance (Town-owned buildings)

Council

- Administration/Town Operations

Town Clerk

- Board of Health
- Clerical Support to Town Council
- Contract Administration
- Licenses & Permits
- Records Management
- Tax Collection
- Town Elections

Fire District

- Fire Protection*

Highway

- Cemetery Ops. & Maint.
- Grounds Maintenance

- Highway Administration
- Highway Garage/Fleet Maintenance
- Highway Maintenance & Repair
- Refuse Collection & Disposal (Town-owned property)
- Snow Removal
- Street Lighting Ops. & Maint.

Justice Court

- Justice Court Operations

Law/Attorney

- Legal Counsel

Public Safety

- Dog Control
- Rescue*
- Traffic Control

Sewer

- Sewer Ops. & Maint.*

Supervisor

- Administration/Town Operations
- Celebrations & Events
- Financial Reporting & Recordkeeping
- Human Resources Management
- Landfill Ops. & Maint.
- Programs for the Aging
- Publicity & Promotion
- Recreation Programs
- Veterans Services
- Youth Programs

Water

- Water System Ops. & Maint.*

* indicates services provided through a contract with the Village of Saranac Lake

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Village of Saranac Lake Services

Board of Trustees

- Administration/Village Operations

Central Garage

- Equipment Maintenance
- Vehicle Maintenance

Clerk

- Billing (except Water & Sewer)
- Clerical Support to Village Board
- Human Resources Management
- Licenses & Permits
- Records Management
- Registrar of Vital Statistics
- Tax Collection
- Village Elections

Community Development

- Code Enforcement
- Economic Development
- Grant-writing & Administration
- Planning
- Zoning

Fire Department

- Fire & Rescue Dispatching
- Fire Protection
- Rescue

Justice Court

- Justice Court Operations

Law/Attorney

- Legal Counsel

Library

- Library Operations

Village Manager

- Administration/Village Operations
- Celebrations & Events
- Programs for the Aging
- Publicity & Promotion

Mayor

- Administration/Village Operations

Parks

- Beach Ops. & Maint.
- Mt. Pisgah Ops. & Maint.
- Parks Ops. & Maint.
- Skating Rink Ops. & Maint.
- Youth Programs

Police Department

- Investigations
- Police Administration
- Police Dispatching
- Police Patrols

Public Works

- Building Maintenance
- Grounds Maintenance
- Parking (meter collection & maint.)
- Public Works Administration
- Refuse Collection & Disposal (Village-owned properties)
- Sidewalk Maintenance
- Street Cleaning

Sewer

- Sewer Ops. & Maint.

Streets

- Highway Garage/Fleet Maintenance
- Snow Removal
- Street Lighting
- Street Maintenance

Treasurer

- Accounts Payable
- Billing (Sewer & Water)
- Budgeting & Planning
- Financial Audit
- Financial Reporting & Recordkeeping

Water

- Water System Ops. & Maint.

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Appendix B – Service Cost Analysis Summary

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This document builds on an earlier profile of the services provided by each department within the Town of Harrietstown and the Village of Saranac Lake (SLAGRP_ServiceInventory_v1.0.docx). Expanding on the service inventory included in that profile, which simply identified the services, we have prepared an estimate of the budget for each service using data from the Town and Village budgets, coupled with additional information provided by the Town and Village departments.

Purpose of the Service Cost Analysis

Towns and Villages are required in New York State to prepare their budgets using a particular set of account codes, according to a strict set of rules that are designed to ensure accurate reporting. While the budget process serves both the municipalities and state regulators well, it does little to shed light on the cost of the services that each Town and Village provides. In order to make sound decisions about restructuring local government in the Saranac Lake area, a clearer picture of the services provided, who provides them (and to whom they are provided), and the appropriations and revenues associated with those services is needed. The Service Cost Analysis is intended to provide this important information.

Service Cost Analysis Methodology

To develop this analysis, Fairweather Consulting first reviewed the most recent budgets for the Town of Harrietstown and the Village of Saranac Lake. Budget reviews were supplemented with department interviews that Fairweather Consulting conducted during the Fall of 2009, which helped to identify additional services not readily apparent in the Town or Village budget. In December 2009, Fairweather Consulting presented a Service Inventory, which listed the services Fairweather Consulting had identified for Harrietstown and Saranac Lake, to the Saranac Lake Area Government Restructuring Committee for their review and comments.

In many cases, the budgets provide a useful overview of the services that are provided by each municipality, as well as who receives those services. Some budget items, however, are not easily assigned to a service. For example, employee benefits, which are typically grouped within each fund in the Town and Village budgets, must somehow be distributed among the services that the municipality's personnel are responsible for providing. Each service's true cost includes a portion of this unallocated cost. Depending on the budget item, there are several useful ways of estimating how appropriations or revenues might be split among the appropriate services.

Allocation Method	Description	Pros and Cons
All Jurisdiction Services (Evenly)	The total budget item (appropriation or revenue) is divided evenly by the number of services provided within a particular Jurisdiction (e.g. Harrietstown (outside) Highway Fund or Saranac Lake General Fund)	This is the simplest way to allocate shared appropriations or revenues between multiple services. In situations where it is impossible to make more detailed estimates, this method is the best means for allocating budget items.
All Department Services (Evenly)	The total budget item is divided evenly by the number of services provided by a particular	This method is useful when a budget item can be linked to a department, but when that department

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	department (e.g. Clerk’s Office or DPW)	provides multiple services and there is no other basis for estimating how much of the budget item belongs to each service.
100% Fit	The budget item belongs entirely to one specific service.	This is the ideal situation, where the budget process has resulted in a budget item that describes a cost or revenue of a specific service.
Per-Employee <i>NOTE: At the time of this draft, detailed payroll figures for the Village were not available. Future versions will use the Per-Employee method for appropriate Village appropriations.</i>	Using staff rosters provided by the Town or Village, the total payroll for each service is determined. This amount is divided by total payroll for the jurisdiction to arrive at a factor that reflects the relative size of each service’s payroll.	For costs such as benefits, insurance, training, etc. the Per-Employee method provides a good estimate. This method requires knowledge of the number of and salary employees overall, and for each service.
Pro-Rated	The total budget item is divided by the total budget of the Jurisdiction or Department, resulting in a pro-rated amount per dollar of the budget. That amount can then be used as the basis for estimating the cost or revenue of each service.	Where the relative size of each service appears to be an important factor in determining its share of unallocated budget items, this method is preferable to evenly distributing the budget item across all services.
Manually Entered	The budget item is split manually across multiple services, based on input from the municipality or department.	If known, the allocation can be entered manually. However, this relies on information that may not be readily available to department heads.

In this draft version of the Service Cost Analysis, we have relied heavily on the “All Jurisdiction Services (Evenly)” and “All Department Services (Evenly)” methods of allocating shared costs. We will review this document with the members of the Government Restructuring Committee and staff in Harrietstown and Saranac Lake to validate these estimates and to determine more accurate methods, if possible, for estimating the cost of each service.

High-Level Service Cost Estimates

The following table provides a high-level overview of the services by the municipality (and fund) from which the cost of the service is appropriated, as well as the total estimated net cost of the service. Net cost for a service is equal to the sum of any revenues minus the sum of any appropriations for that service. Additional details describing the basis for our estimates are provided later in this report.

NOTE: The figures provided in the following table are estimates intended to prompt comments and feedback from the Government Restructuring Committee and Village/Town staff. They are not intended as final estimates of the cost of Village/Town services. Additionally, though the Towns of North Elba and St. Armand will be affected by most restructuring options being considered by the Committee, the services those Towns provide will not be substantially affected by the restructuring efforts. As such, the Service Cost Analysis does not review Town of North Elba and Town of St. Armand services.

Saranac Lake Area Government Restructuring Project: Final Report

Service Name	FundName	Primary Department	Estimated Cost of Service
Sewer Operations & Maintenance	Harrietstown (algonquin sewer district) General Fund	Sewer	\$ (1,500.00)
Water Operations & Maintenance	Harrietstown (algonquin water district) General Fund	Water	\$ (2,500.00)
Sewer Operations & Maintenance	Harrietstown (duprey sewer district) General Fund	Sewer	\$ (1,000.00)
Water Operations & Maintenance	Harrietstown (duprey water district) General Fund	Water	\$ (1,500.00)
Fire Protection	Harrietstown (fire protection district) General Fund	Fire District	\$ (170,891.00)
Sewer Operations & Maintenance	Harrietstown (lake colby sewer district) General Fund	Sewer	\$ (7,500.00)
Water Operations & Maintenance	Harrietstown (lake colby water district) General Fund	Water	\$ (10,000.00)
Code Enforcement	Harrietstown (outside) General Fund	Building & Planning Office	\$ (49,124.04)
Planning	Harrietstown (outside) General Fund	Building & Planning Office	\$ 10,091.29
Zoning	Harrietstown (outside) General Fund	Building & Planning Office	\$ (48,124.04)
Rescue	Harrietstown (outside) General Fund	Public Safety	\$ (1,753.57)
Programs for the Aging	Harrietstown (outside) General Fund	Supervisor	\$ (1,533.21)
Recreation Programs	Harrietstown (outside) General Fund	Supervisor	\$ (4,533.21)
Youth Programs	Harrietstown (outside) General Fund	Supervisor	\$ 466.79
Highway Garage/Fleet Maintenance	Harrietstown (outside) Highway Fund	Highway	\$ (94,611.17)
Highway Maintenance	Harrietstown (outside) Highway Fund	Highway	\$ (147,893.77)
Refuse Collection & Disposal	Harrietstown (outside) Highway Fund	Highway	\$ (3,015.77)
Snow Removal	Harrietstown (outside) Highway Fund	Highway	\$ (124,230.77)
Street Lighting	Harrietstown (outside) Highway Fund	Highway	\$ (15,715.77)
Cemetery Operations & Maintenance	Harrietstown (outside) Highway Fund	Highway	\$ (6,765.77)
Airport Administration	Harrietstown (townwide) Airport Fund	Airport	\$ (158,357.77)
Airport Operations & Maintenance	Harrietstown (townwide) Airport Fund	Airport	\$ (96,929.23)
Property Assessment	Harrietstown (townwide) General Fund	Assessor	\$ (181,484.95)
Budgeting & Planning	Harrietstown (townwide) General Fund	Budget Office	\$ (30,862.73)
Financial Audit	Harrietstown (townwide) General Fund	Budget Office	\$ (8,107.14)
Building Maintenance	Harrietstown (townwide) General Fund	Buildings & Grounds	\$ (95,205.33)

Saranac Lake Area Government Restructuring Project: Final Report

Board of Health	Harrietstown (townwide) General Fund	Clerk	\$	(20,563.64)
Clerical Support to Town Council	Harrietstown (townwide) General Fund	Clerk	\$	(12,563.64)
Contract Administration	Harrietstown (townwide) General Fund	Clerk	\$	(12,563.64)
Licenses & Permits	Harrietstown (townwide) General Fund	Clerk	\$	(11,213.64)
Records Management	Harrietstown (townwide) General Fund	Clerk	\$	(14,563.64)
Tax Collection	Harrietstown (townwide) General Fund	Clerk	\$	(20,636.80)
Town Elections	Harrietstown (townwide) General Fund	Clerk	\$	(13,563.64)
Administration/Town Operations	Harrietstown (townwide) General Fund	Council	\$	(44,010.04)
Grounds Maintenance	Harrietstown (townwide) General Fund	Buildings & Grounds	\$	(95,205.33)
Highway Administration	Harrietstown (townwide) General Fund	Highway	\$	(107,578.83)
Justice Court Operations	Harrietstown (townwide) General Fund	Justice Court	\$	(34,245.90)
Legal Counsel	Harrietstown (townwide) General Fund	Law	\$	(31,904.57)
Dog Control	Harrietstown (townwide) General Fund	Public Safety	\$	(9,207.14)
Traffic Control	Harrietstown (townwide) General Fund	Public Safety	\$	(107.14)
Administration/Town Operations	Harrietstown (townwide) General Fund	Supervisor	\$	(3,505.66)
Celebrations & Events	Harrietstown (townwide) General Fund	Supervisor	\$	(8,505.66)
Financial Reporting & Recordkeeping	Harrietstown (townwide) General Fund	Supervisor	\$	(3,505.66)
Human Resources Management	Harrietstown (townwide) General Fund	Supervisor	\$	(3,505.66)
Landfill Operations & Maintenance	Harrietstown (townwide) General Fund	Supervisor	\$	(11,005.66)
Publicity & Promotion	Harrietstown (townwide) General Fund	Supervisor	\$	(23,505.66)
Veterans Services	Harrietstown (townwide) General Fund	Supervisor	\$	(4,805.66)
Programs for the Aging	Harrietstown (townwide) General Fund	Supervisor	\$	(17,907.54)
Recreation Programs	Harrietstown (townwide) General Fund	Supervisor	\$	(23,057.54)
Youth Programs	Harrietstown (townwide) General Fund	Supervisor	\$	(20,132.54)
Administration/Village Operations	Saranac Lake General Fund	Board of Trustees	\$	(4,720.04)
Equipment Maintenance	Saranac Lake General Fund	Central Garage	\$	-
Vehicle Maintenance	Saranac Lake General Fund	Central Garage	\$	-

Saranac Lake Area Government Restructuring Project: Final Report

Billing (Other)	Saranac Lake General Fund	Clerk	\$	(3,022.91)
Clerical Support to Village Board	Saranac Lake General Fund	Clerk	\$	(3,022.91)
Human Resources Management	Saranac Lake General Fund	Clerk	\$	(3,022.91)
Licenses & Permits	Saranac Lake General Fund	Clerk	\$	24,677.09
Records Management	Saranac Lake General Fund	Clerk	\$	(3,022.91)
Registrar of Vital Statistics	Saranac Lake General Fund	Clerk	\$	852.09
Tax Collection	Saranac Lake General Fund	Clerk	\$	(3,022.91)
Village Elections	Saranac Lake General Fund	Clerk	\$	(5,472.91)
Code Enforcement	Saranac Lake General Fund	Community Development	\$	(8,644.84)
Economic Development	Saranac Lake General Fund	Community Development	\$	(8,644.84)
Grantwriting & Administration	Saranac Lake General Fund	Community Development	\$	(8,644.84)
Planning	Saranac Lake General Fund	Community Development	\$	(10,194.84)
Zoning	Saranac Lake General Fund	Community Development	\$	(9,794.84)
Fire & Rescue Dispatching	Saranac Lake General Fund	Fire	\$	(101,628.37)
Fire Protection	Saranac Lake General Fund	Fire	\$	(151,878.37)
Rescue	Saranac Lake General Fund	Fire	\$	(101,628.37)
Justice Court Operations	Saranac Lake General Fund	Justice Court	\$	22,669.96
Legal Counsel	Saranac Lake General Fund	Law	\$	(19,120.04)
Library	Saranac Lake General Fund	Library	\$	(220.04)
Administration/Village Operations	Saranac Lake General Fund	Manager	\$	(9,411.79)
Celebrations & Events	Saranac Lake General Fund	Manager	\$	(27,411.79)
Programs for the Aging	Saranac Lake General Fund	Manager	\$	(14,411.79)
Publicity & Promotion	Saranac Lake General Fund	Manager	\$	(29,411.79)
Administration/Village Operations	Saranac Lake General Fund	Mayor	\$	(5,520.04)
Beach Operations & Maintenance	Saranac Lake General Fund	Parks	\$	(19,740.04)
Mt Pisgah Operations & Maintenance	Saranac Lake General Fund	Parks	\$	(171,255.04)
Parks Operations & Maintenance	Saranac Lake General Fund	Parks	\$	(33,545.04)

Saranac Lake Area Government Restructuring Project: Final Report

Skating Rink Operations & Maintenance	Saranac Lake General Fund	Parks	\$	10,279.96
Youth Programs	Saranac Lake General Fund	Parks	\$	(4,520.04)
Investigations	Saranac Lake General Fund	Police	\$	(343,575.29)
Police Administration	Saranac Lake General Fund	Police	\$	(343,575.29)
Police Dispatching	Saranac Lake General Fund	Police	\$	(343,575.29)
Police Patrol (vehicle and foot)	Saranac Lake General Fund	Police	\$	(342,825.29)
Building Maintenance	Saranac Lake General Fund	Public Works	\$	(53,992.89)
Grounds Maintenance	Saranac Lake General Fund	Public Works	\$	(139,928.89)
Parking (including meter collection & maintenance)	Saranac Lake General Fund	Public Works	\$	(3,912.89)
Public Works Administration	Saranac Lake General Fund	Public Works	\$	(39,915.89)
Refuse Collection & Disposal	Saranac Lake General Fund	Public Works	\$	(9,862.89)
Sidewalk Maintenance (including snow removal)	Saranac Lake General Fund	Public Works	\$	(45,966.89)
Street Cleaning	Saranac Lake General Fund	Public Works	\$	(73,228.89)
Highway Garage/Fleet Maintenance	Saranac Lake General Fund	Streets	\$	(63,448.54)
Snow Removal	Saranac Lake General Fund	Streets	\$	(275,511.54)
Street Lighting	Saranac Lake General Fund	Streets	\$	(99,065.54)
Street Maintenance (including Drainage and Shade Trees)	Saranac Lake General Fund	Streets	\$	(234,606.54)
Accounts Payable	Saranac Lake General Fund	Treasurer	\$	(4,181.87)
Billing (Sewer)	Saranac Lake General Fund	Treasurer	\$	(4,181.87)
Billing (Water)	Saranac Lake General Fund	Treasurer	\$	(4,181.87)
Budgeting & Planning	Saranac Lake General Fund	Treasurer	\$	(4,181.87)
Financial Audit	Saranac Lake General Fund	Treasurer	\$	(4,181.87)
Financial Reporting & Recordkeeping	Saranac Lake General Fund	Treasurer	\$	(4,181.87)
Sewer Operations & Maintenance	Saranac Lake Sewer Fund	Sewer	\$	101,192.96
Water Operations & Maintenance	Saranac Lake Water Fund	Water	\$	(246,027.04)

Saranac Lake Area Government Restructuring Project: Final Report

Budget Codes Not Yet Fully Allocated

In some cases, our review of the budget turned up budget codes for which we have so far been unable to determine one or more services. These unallocated or partially allocated budget codes are shown in the tables below. Only the tables for Funds with unallocated budget items are included.

Table 1 - Unallocated Budget Codes for Saranac Lake General Fund

Municipality:	Saranac Lake	Total Appropriations:	\$	4,388,112.00
Fund Name:	General Fund	Total Revenues:	\$	1,061,052.00
		Revenues Less Appropriations:	\$	(3,327,060.00)
		Fund Balance/Reserves:	\$	100,000.00
		Tax Levee:	\$	3,227,060.00

Budget Code	Department	Account	Total Budget	Amount Allocated to Services	Amount Unallocated
2412.0000	Revenue	Rental-other governments	\$ 22,133.00	\$ -	\$ 22,133.00
2701.0000	Revenue	Refund of prior yrs exp	\$ 250.00	\$ -	\$ 250.00
5031.0000	Revenue	Interfund transfers	\$ 14,000.00	\$ -	\$ 14,000.00
1430.0400	Personnel	Contractual expenses	\$ (2,500.00)	\$ -	\$ (2,500.00)
1430.0401	Personnel	Departmental supplies & svcs	\$ (1,000.00)	\$ -	\$ (1,000.00)
1430.0406	Personnel	Travel & training	\$ (400.00)	\$ -	\$ (400.00)
1440.0400	Engineering & Surveying	Contractual expenses	\$ (5,900.00)	\$ -	\$ (5,900.00)
1680.0100	Data Processing	Personal services regular	\$ (41,517.00)	\$ -	\$ (41,517.00)
1680.0200	Data Processing	Equipment	\$ (2,700.00)	\$ -	\$ (2,700.00)
1680.0400	Data Processing	Contractual expenses	\$ (15,280.00)	\$ -	\$ (15,280.00)
1680.0401	Data Processing	Departmental supplies & svcs	\$ (2,500.00)	\$ -	\$ (2,500.00)
1680.0406	Data Processing	Travel and training	\$ (850.00)	\$ -	\$ (850.00)
1990.0400	Special Items - Contingent	Contractual Exp.	\$ (94,000.00)	\$ -	\$ (94,000.00)
3510.0400	Animal control	Contractual expenses	\$ (6,000.00)	\$ -	\$ (6,000.00)
4010.0400	Public health	Contractual expenses	\$ (850.00)	\$ -	\$ (850.00)
7140.0403	Recreation	Electricity	\$ (600.00)	\$ -	\$ (600.00)

Saranac Lake Area Government Restructuring Project: Final Report

9089.0100	Compensated absences	Personal services regular	\$ (2,500.00)	\$ -	\$ (2,500.00)
9710.0600	Serial bonds	Principal on indebtedness	\$ (5,000.00)	\$ -	\$ (5,000.00)
9710.0700	Serial bonds	Interest on indebtedness	\$ (900.00)	\$ -	\$ (900.00)
				\$ (3,139,979.00)	\$ (146,114.00)

Table 2 - Unallocated Budget Codes from Harrietstown (outside) Highway Fund

Municipality:	Harrietstown (outside)	Total Appropriations:	\$	531,838.00
		Total Revenues:	\$	102,200.00
Fund Name:	Highway Fund	Revenues Less Appropriations:	\$	(429,638.00)
		Fund Balance/Reserves:	\$	20,000.00
		Tax Levee:	\$	409,638.00

Budget Code	Department	Account	Total Budget	Amount Allocated to Services	Amount Unallocated
9010.8000	State Retirement	Employee benefits	\$ (20,500.00)	\$ -	\$ (20,500.00)
9060.8000	Health Ins	Employee benefits	\$ (54,105.00)	\$ -	\$ (54,105.00)
				\$ (355,033.00)	\$ (74,605.00)

Table 3 - Unallocated Budget Codes from Harrietstown (townwide) General Fund

Municipality:	Harrietstown (townwide)	Total Appropriations:	\$	1,150,055.00
		Total Revenues:	\$	214,100.00
Fund Name:	General Fund	Revenues Less Appropriations:	\$	(935,955.00)
		Fund Balance/Reserves:	\$	125,000.00
		Tax Levee:	\$	810,955.00

Budget Code	Department	Account	Total Budget	Amount Allocated to Services	Amount Unallocated
1990.4000	Contingency Acct.	Contractual expenses	\$ (25,000.00)	\$ -	\$ (25,000.00)

Saranac Lake Area Government Restructuring Project: Final Report

9950.9000	Transfer to Capital Pre	Transfers	\$ (10,000.00)	\$ -	\$ (10,000.00)
				\$ (900,225.00)	\$ (35,000.00)

Table 4 - Unallocated Budget Codes from Harrietstown (lake colby water district) Capital Project Fund

<i>Municipality:</i>	Harrietstown (lake colby water district)	<i>Total Appropriations:</i>	\$ 15,000.00
		<i>Total Revenues:</i>	\$ -
<i>Fund Name:</i>	Capital Project	<i>Revenues Less Appropriations:</i>	\$ (15,000.00)
		<i>Fund Balance/Reserves:</i>	\$ -
		<i>Tax Levee:</i>	\$ 15,000.00

Budget Code	Department	Account	Total Budget	Amount Allocated to Services	Amount Unallocated
9711.6000	Debt Service	Principal	\$ (13,000.00)	\$ -	\$ (13,000.00)
9711.7000	Debt Service	Interest	\$ (2,000.00)	\$ -	\$ (2,000.00)
				\$ -	\$ (15,000.00)

We will review this list with the members of the Government Restructuring Committee to determine the appropriate services (and proportions) to which these budget codes should be allocated.

Detailed Service Cost Estimates

The full Service Cost Analysis includes detailed tables describing the calculations used to estimate the cost of services for each service analyzed in the study. Refer to the project web site for the full analysis.

FINAL REPORT

VERSION 1.1

Saranac Lake Area Government Restructuring Project: Final Report

Appendix C – Legal Roadmaps and High-Level Fiscal Analysis



Saranac Lake Area Government Restructuring Project

Communities

The Village of Saranac Lake
New York

Town of Harriestown, NY

Town of St. Armand

North Elba

Government Restructuring Committee Conference Call
 Wednesday, September 9, 2009
 4:30 – 5:30 PM

Consultants

FAIRWEATHER CONSULTING
 SPECIALISTS IN STRATEGIC CHANGE

Government Law Center

NEW YORK STATE DEPARTMENT OF STATE

LG Division of Local Government Services

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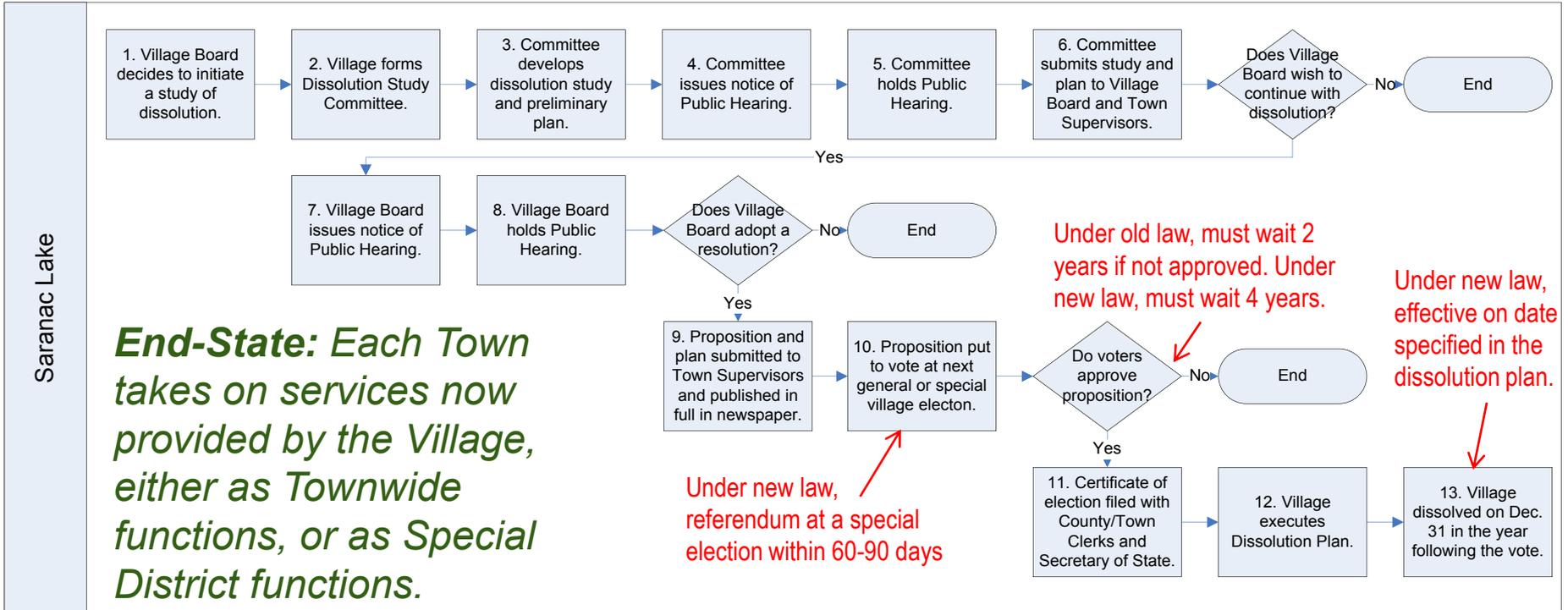


The Government Restructuring Project **Options Under Consideration**

- Option 1 - Village Dissolution**
- Option 2 - Coterminous Town/Village**
 - With Harrietstown Boundaries
 - With Saranac Lake Boundaries
 - With Harrietstown + Saranac Lake Boundaries
- Option 3 - Incorporation of a City**
 - With Harrietstown + Saranac Lake Boundaries
- Option 4 - Shared Services/Functional Consolidation**
- Other Options**
 - “Almost-Coterminous” Village and Town
 - Creation of a New County

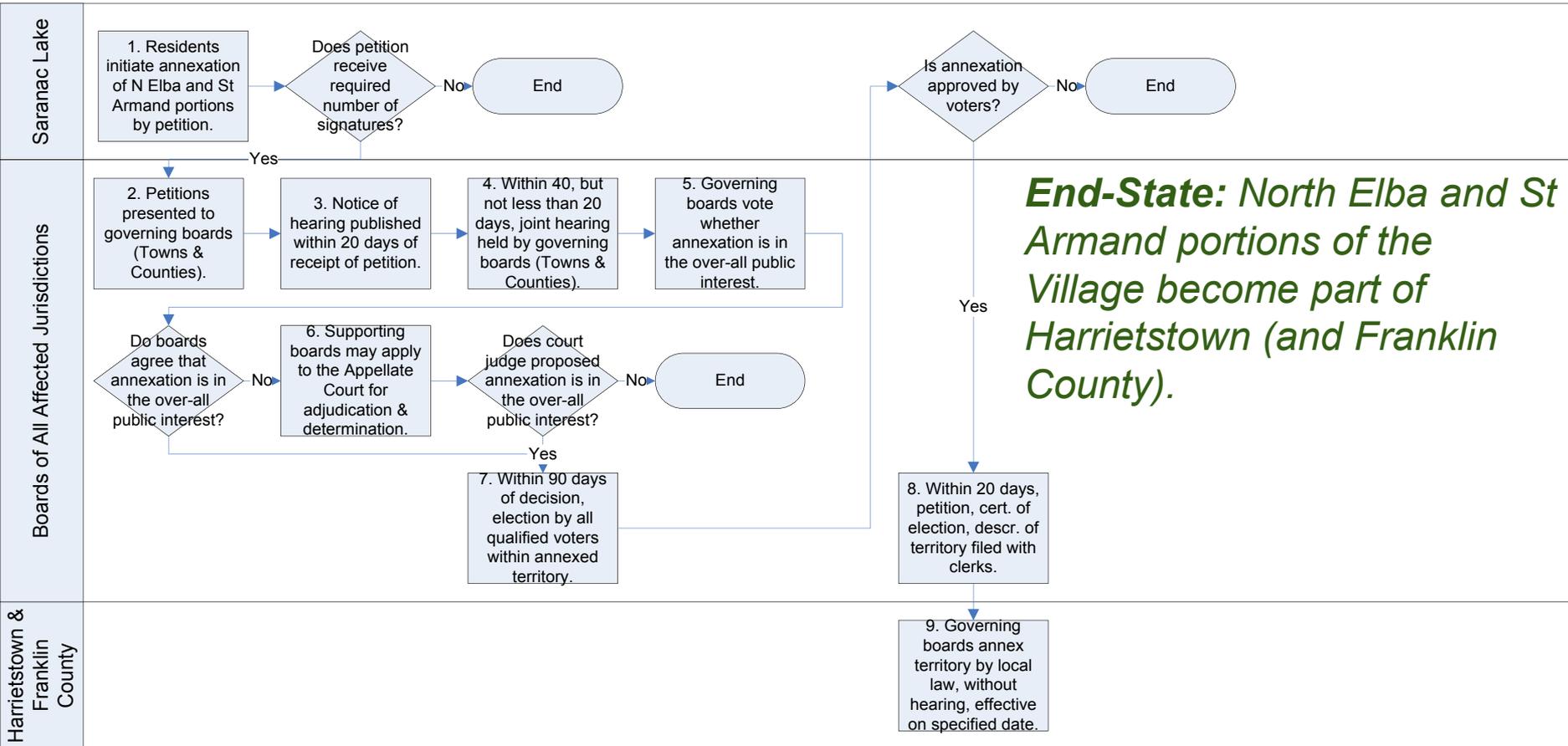


Option 1 – Village Dissolution Legal Framework and Road Map for Implementation



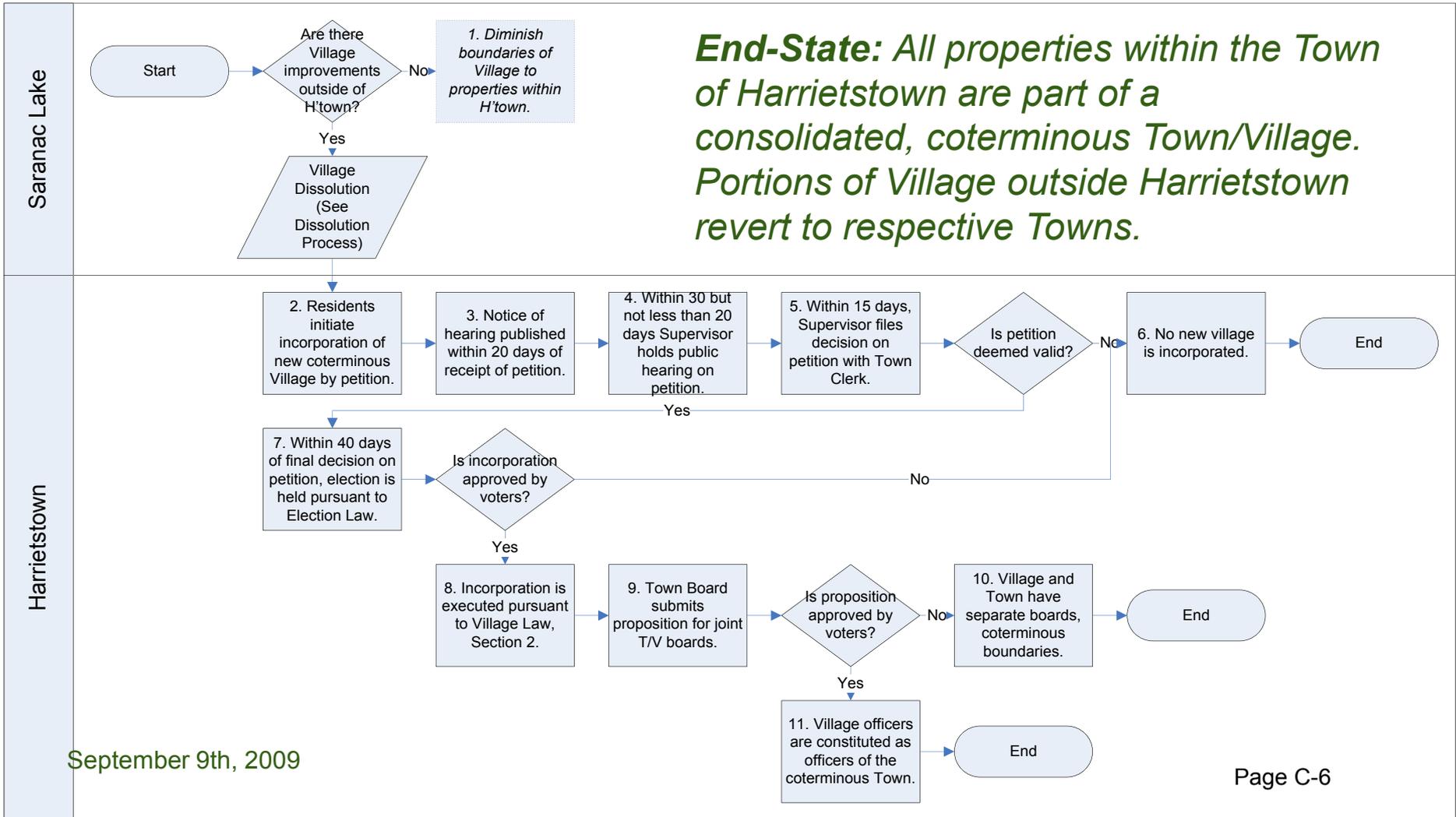


Option 2 – Coterminous Town/Village A Digression About Annexation



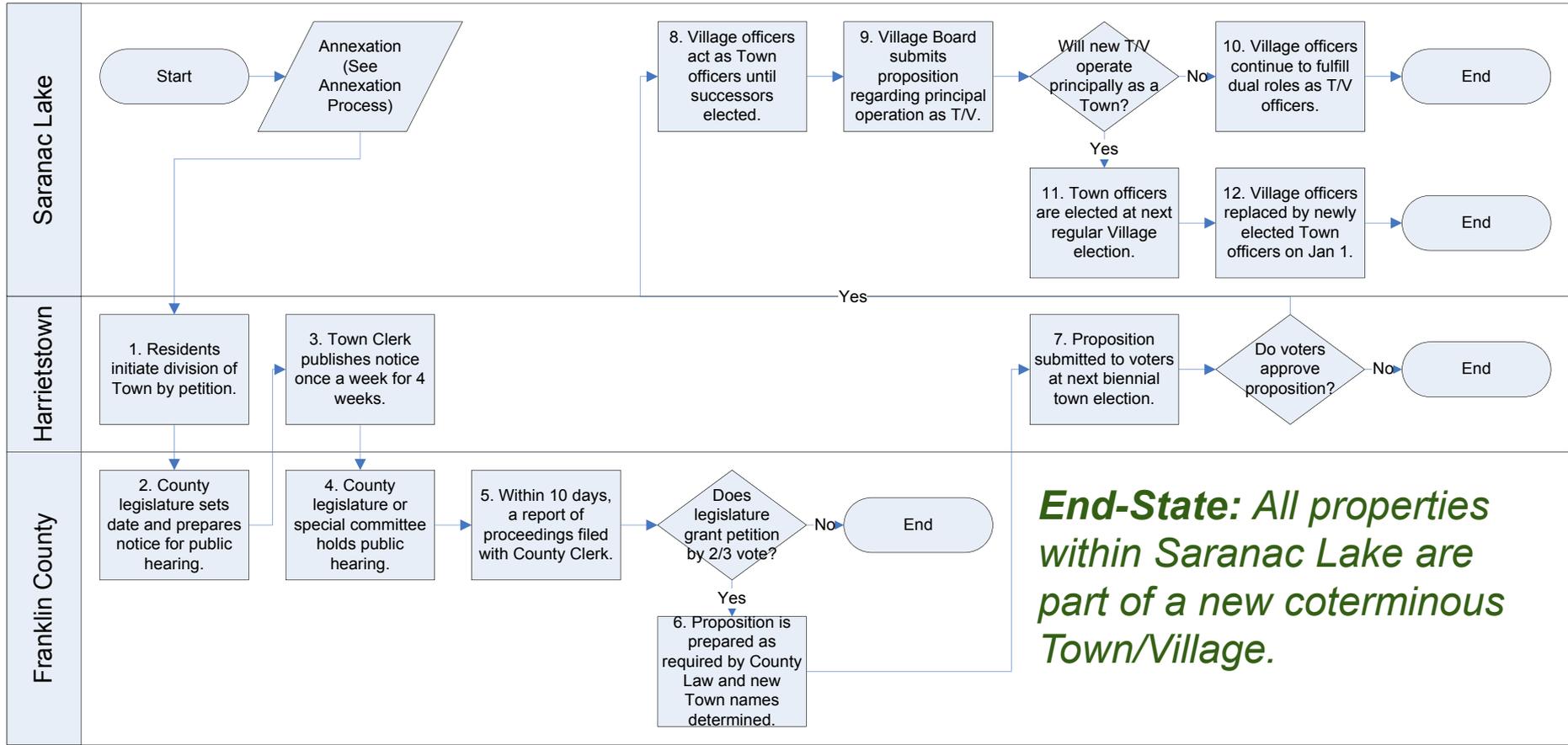


Option 2 – Coterminous Town/Village (Diminished) Legal Framework and Road Map for Implementation





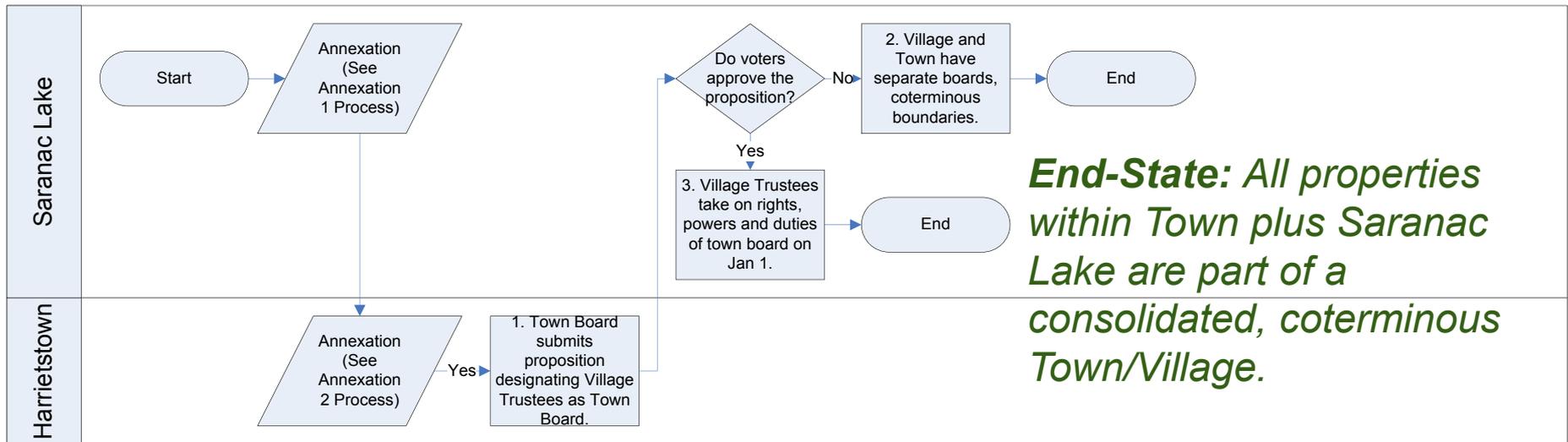
Option 2 – Coterminous Town/Village (New Town) Legal Framework and Road Map for Implementation



End-State: All properties within Saranac Lake are part of a new coterminous Town/Village.



Option 2 – Coterminous Town/Village (Expanded) Legal Framework and Road Map for Implementation

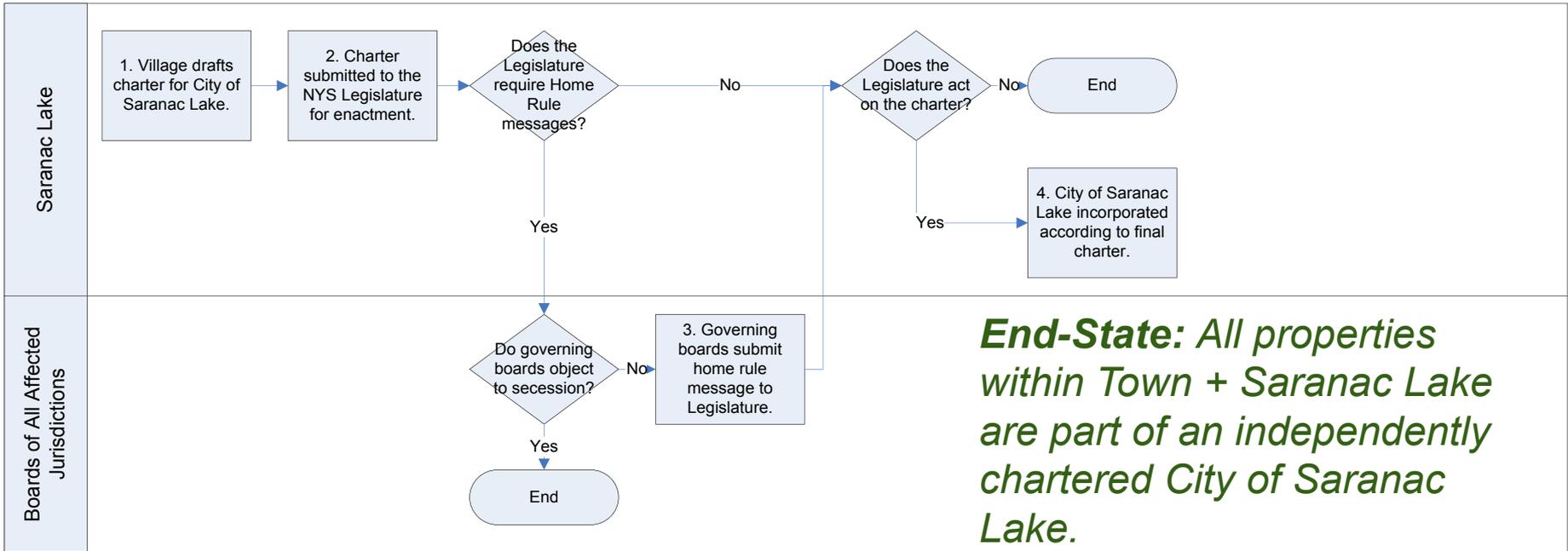


Variations:

1. Instead of annexing territory from the Town, the Village could dissolve and reincorporate with boundaries equal to the (expanded) Town. Steps 1 – 3 would be replaced with 6 – 11 from slide 12.
2. We will look at Coterminous option with North Elba and St Armand Towns as well as Harrietstown.



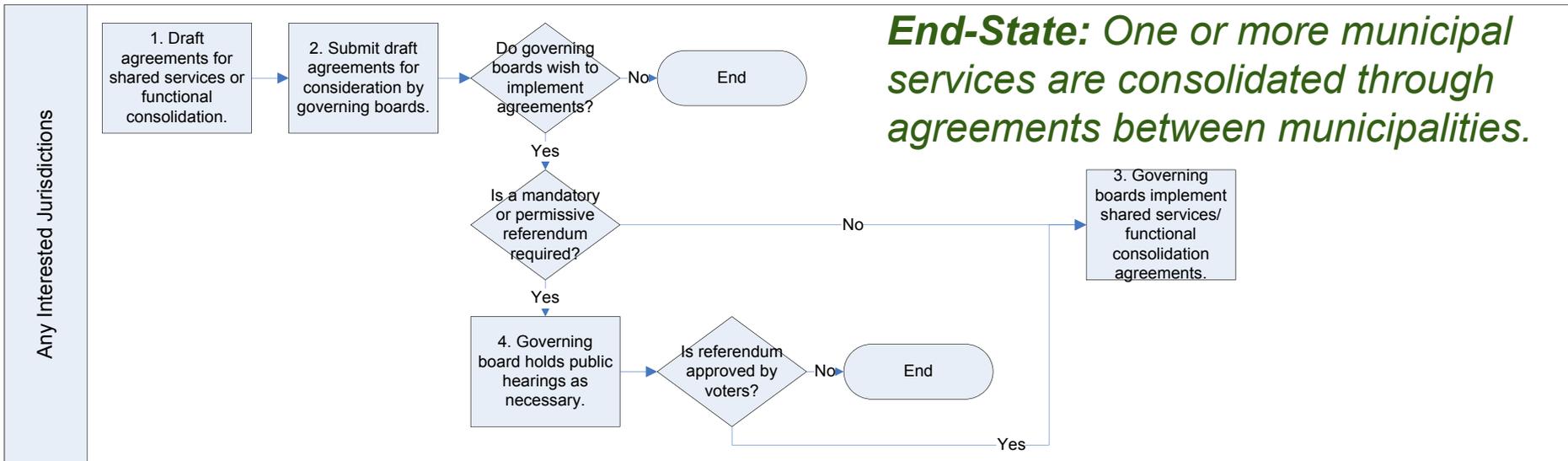
Option 3 – Incorporation of a City Legal Framework and Road Map for Implementation



If this option is to remain on the table, we need your input on what boundaries make the most sense for the new City. For now, we'll assume the City will include all of the Town of Harrietstown plus the North Elba and St Armand portions of the Village.



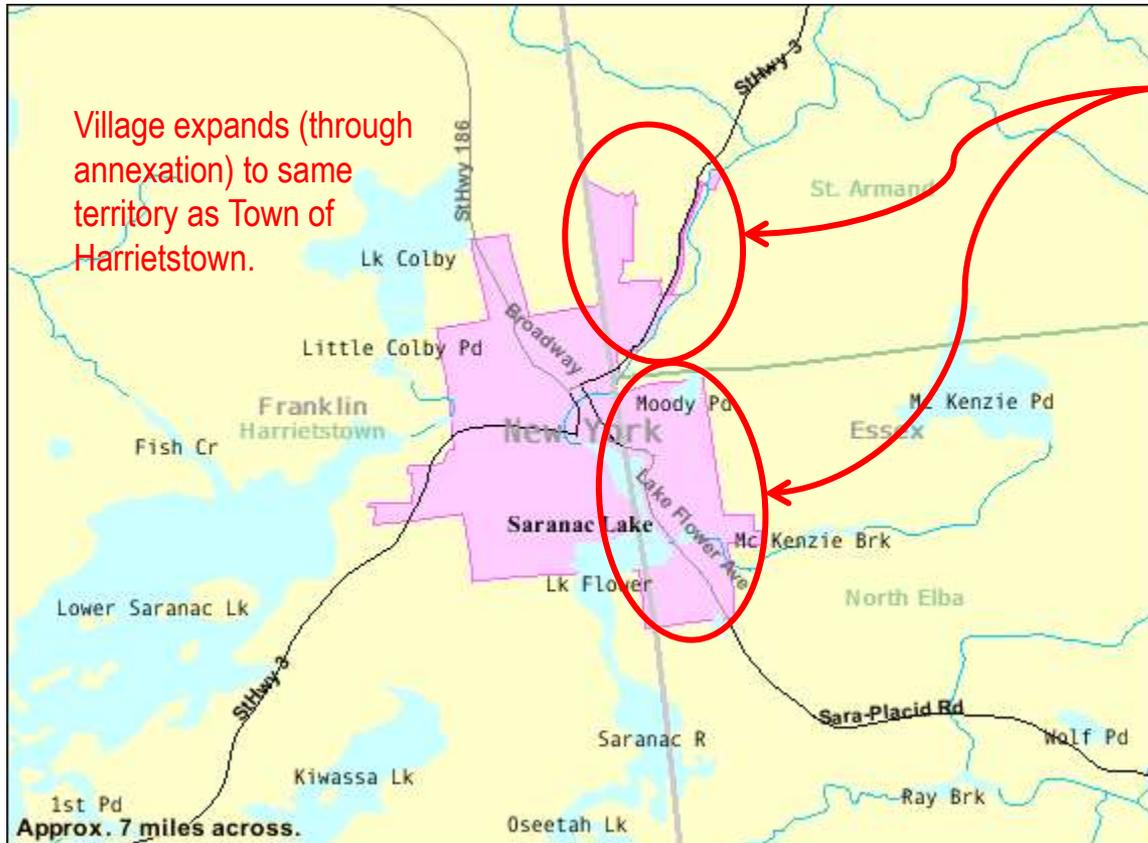
Option 4 – Shared Services/Functional Consolidation Legal Framework and Road Map for Implementation



Agreements could involve one municipality providing services to others through a contract, department mergers, or the creation of a third-party organization to provide services.



Other Options to Investigate – Almost-Coterminous **Dual Role of Officers Only Works if Boundaries are Coterminous**



Village expands (through annexation) to same territory as Town of Harrietstown.

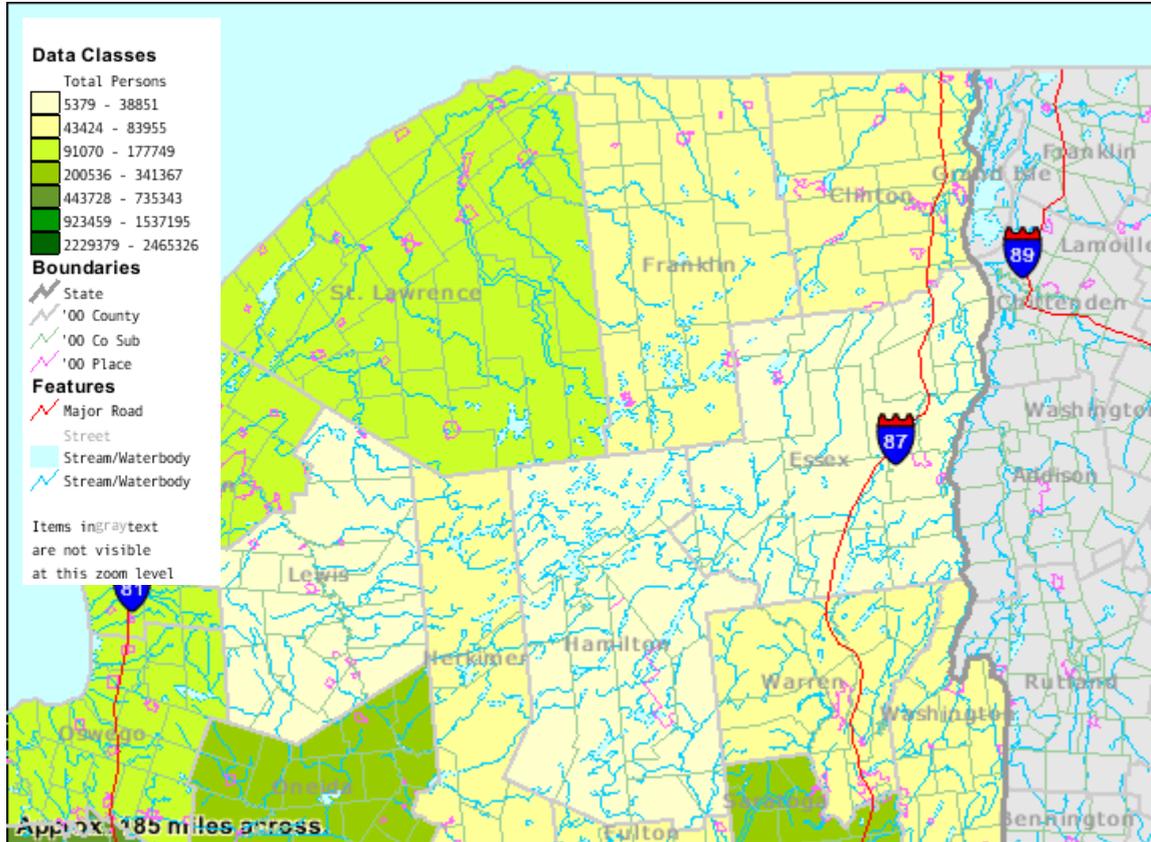
If these parts are still within separate Towns...

Then Harrietstown and Saranac Lake can't share officers...

So, in effect, this is a shared services agreement scenario...



Other Options to Investigate – New County Population Threshold Rules Out New County



State constitution requires each county to have at least sufficient population to form an Assembly district...

NYS population was about 19,000,000 in 2000...

With 150 Assembly districts, that's 126,500 per district...

The combined population of Franklin & Essex Counties is just under 90,000...



The Government Restructuring Project

High-Level Assessment of Options

	Option 1 Village Dissolution	Option 2 Coterminous Town/Village	Option 3 City	Option 4 Shared Services	Other Options: Almost Coterminous	Other Options: New County
Implementation Factors						
Legal Complexity	↓	→	→	↓	↓	→
Implementation Difficulty	→/↓	↑	↑	↓	→	↑
Cost of Implementation	→	↑	→	→	→	→
Operational Factors						
Complexity of Structure	→	→	↓	→	→	→
Transience and Variability	↓	↓	↓	→	→	↓

- ↓ = Low
- = Medium
- ↑ = High

We'll discuss other factors (e.g. financial) during future meetings.



The Government Restructuring Project

Which Options Should We Focus On for the Fiscal Impact Analysis?

- Option 1 - Village Dissolution**
- Option 2 - Coterminous Town/Village**
 - With Harrietstown Boundaries
 - With Saranac Lake Boundaries
 - With Harrietstown + Saranac Lake Boundaries
- Option 3 - Incorporation of a City**
 - With Harrietstown + Saranac Lake Boundaries
- Option 4 - Shared Services/Functional Consolidation**
- Other Options**
 - “Almost-Coterminous” Village and Town
 - Creation of a New County



Questions & Discussion

Saranac Lake Area Government Restructuring Project

Communities

Town of
Harrietstown, NY

Town of
St. Armand

North Elba

Government Restructuring Committee Conference Call
 Wednesday, September 9, 2009
 4:30 – 5:30 PM

Consultants

NEW YORK STATE DEPARTMENT OF STATE

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Saranac Lake Area Government Restructuring Project

Communities

Town of
Harriestown, NY

Town of
St. Armand

Government Restructuring Committee Meeting
 Selection of Priority Restructuring Options
 Tuesday, November 10, 2009
 5:00 – 6:00 PM

Consultants

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The Government Restructuring Project **Committee Meeting Agenda**

- 1. Review of Project Status and Timeline**
- 2. Update on Ongoing Tasks**
 - Data Collection
 - Legal Analysis
 - High-Level Fiscal Analysis
- 3. Recap of Restructuring Options Under Consideration**
- 4. High-Level Analysis of Fiscal Impact of Each Option**
- 5. Identification of Priority Options**
- 6. Other Business and Next Steps**



The Government Restructuring Project Scope of Work and Schedule

Government Restructuring

What Can Be Done?



How Should It Be Done?

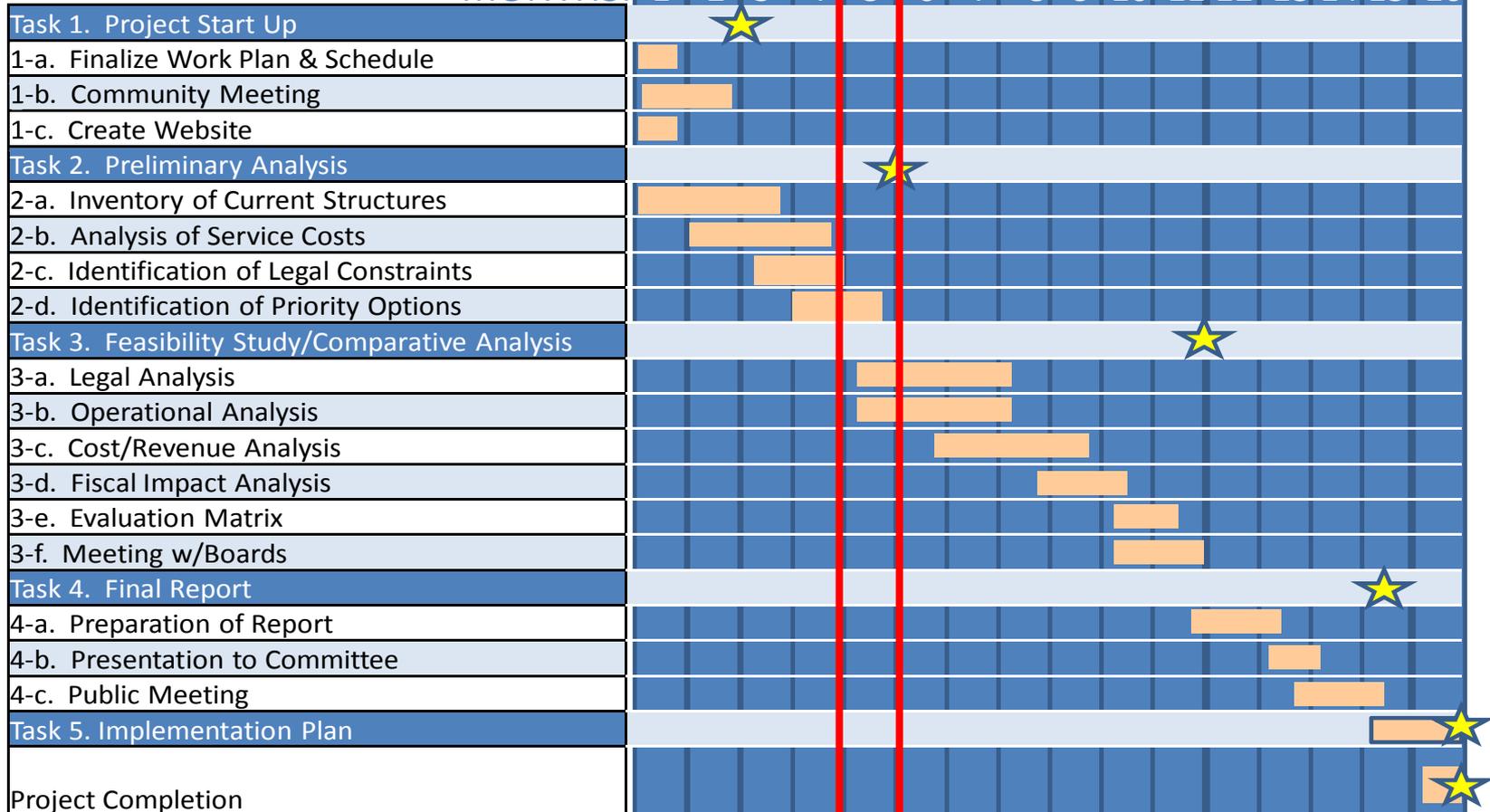


What's The Impact?



How Will It Be Done?

MONTHS: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16





Update on Ongoing Tasks

Status of Data Collection Effort

Description	Saranac Lake	Harrietstown	North Elba	St. Armand
Actual Expenditures (most recent FY and previous FY)	X	X	X	X
Operating Budget (most recent FY)	X	X	X	X
Employee Handbook	X	X	X	X
Staff Roster (with name, title, hire date and salary)	X	X	X	X
Tax Rate Calculation Info (assessed valuation, tax levee, tax rates, etc)	X	X	X	X
Balance Statements, All Accounts (most recent audited FY)				X
Boundary Maps & Tax Info (for Town Special Districts)	N/A			
Capital Budget(s) (with inventory of fixed assets)				
Equipment Inventory	Partial	Partial		Partial



Update on Ongoing Tasks

High-Level Fiscal Analysis of Options

- The purpose of the High-level fiscal analysis is to help the Committee determine which options to include in the detailed analysis.
- This analysis looks at how each option affects who pays for the services now provided by the Towns and the Village. The fiscal impact of each scenario depends on 1) changes in the BUDGET and 2) changes in the BOUNDARIES of the taxing jurisdiction.
- The focus of the analysis is the tax rate for each municipality (which takes into consideration the total cost of services AND the taxable assessed value).
- The detailed analysis is where we'll get into more depth about how each remaining restructuring option might affect the cost of delivering services – the service-level analysis.

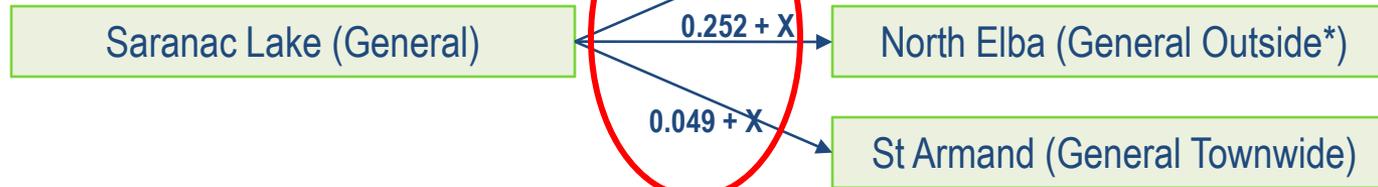


High-Level Fiscal Analysis

How Are We Estimating Budget Changes?

Before Restructuring

Revenues/expenses transfer in proportion to each Town's share of taxable value, or (for Highway) lane-miles



All revenues/expenses transfer.



Expanded territory increases budget for services.



Diminished territory decreases budget for services.

X = an adjustment amount used to capture increases or decreases in the budget due to other factors.

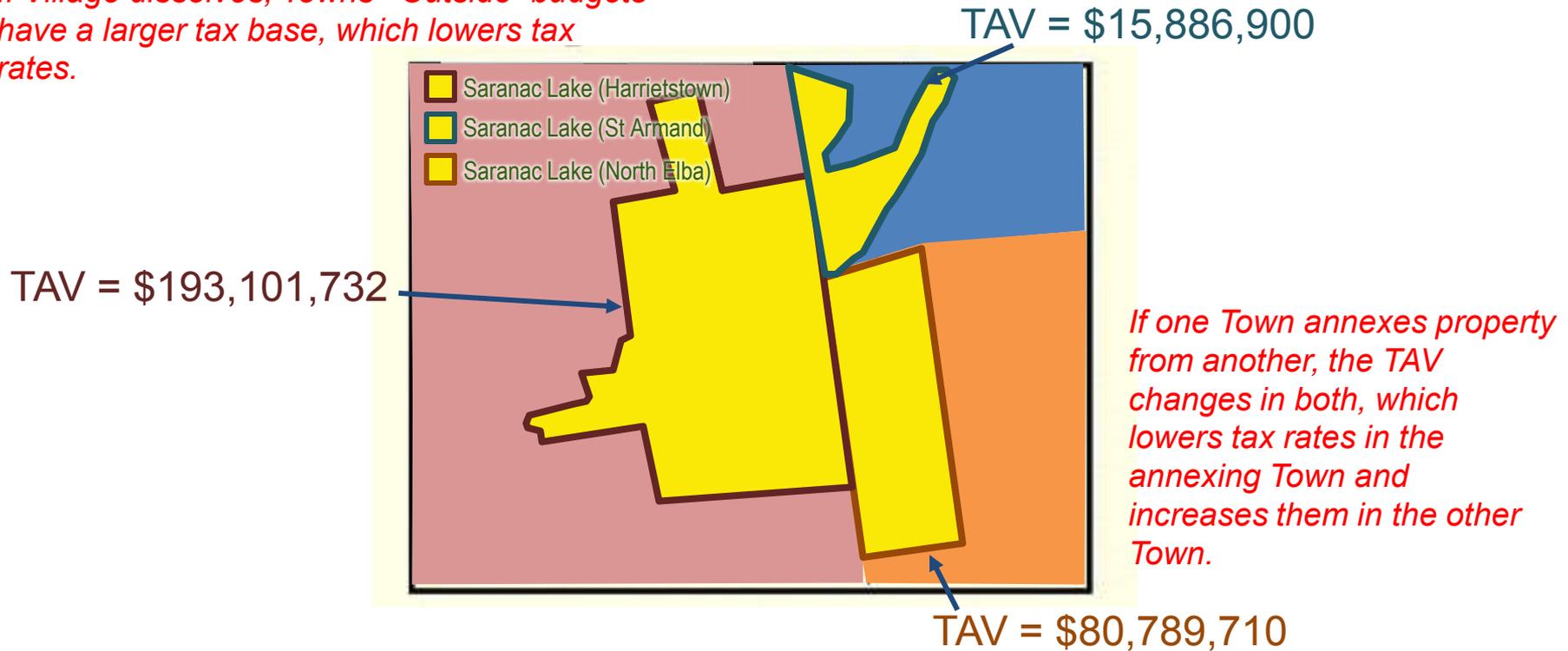
After Restructuring



High-Level Fiscal Analysis

How Do Boundary Changes Affect Fiscal Impact?

If Village dissolves, Towns' "Outside" budgets have a larger tax base, which lowers tax rates.



* TAV = Taxable Assessed Value



High-Level Fiscal Analysis

General Assumptions

- ❑ The figures presented in the High-Level Fiscal Analysis are **ROUGH ESTIMATES**.
- ❑ When we conduct the detailed fiscal analysis for priority options, the details will emerge and the estimates **WILL CHANGE**.
- ❑ This analysis estimates the potential taxpayer impact of the options we've discussed based almost exclusively on shifting costs/revenues between municipalities, districts or funds.
- ❑ For now, we have made very few actual changes in any of the Town/Village budget amounts.
- ❑ The analysis uses budgeted costs and revenues from each municipality's latest budget.



The Government Restructuring Project **Options Under Consideration**

Option 1 - Village Dissolution

Option 2 - Coterminous Town/Village

- 2.1: Diminished (to current Harrietstown boundaries)
- 2.2: New Town (with current Saranac Lake boundaries)
- 2.3: Expanded (with Harrietstown + Saranac Lake boundaries)
- 2.4: Expanded (with St Armand + Saranac Lake boundaries)

Option 3 - Incorporation of a City

- With Harrietstown + Saranac Lake Boundaries

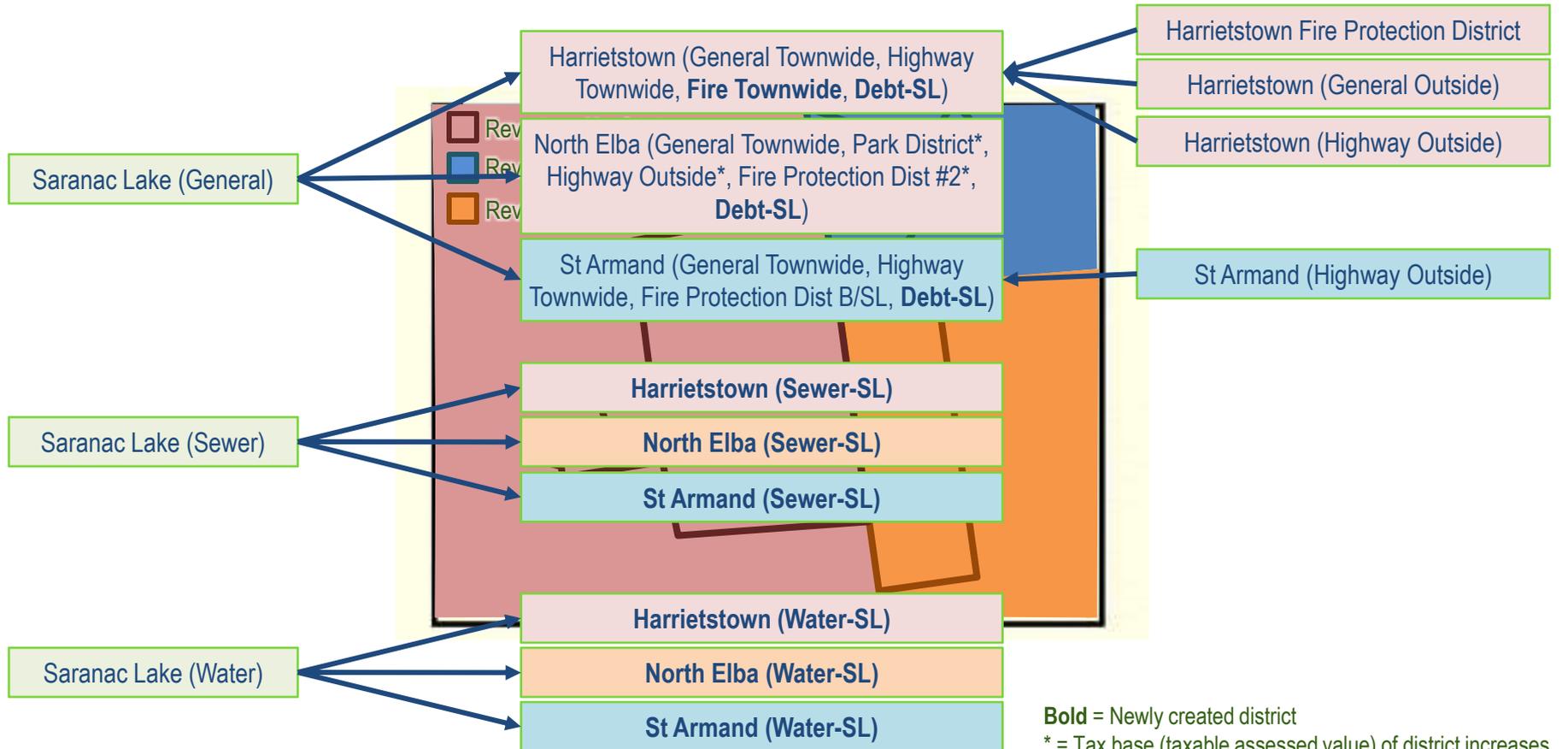
Option 4 - Shared Services/Functional Consolidation

- We'll look at this at another time...



Option 1 – Village Dissolution

How Do Budgets and Boundaries Change?





Option 1 – Village Dissolution

Weights and Adjustments

Splitting Up the Village Budget

- For Streets, we divided the budget between Towns based on lane-miles in each Town
- For all others, we divided the budget between Towns based on percentage of the total taxable value of property in the Village.

Adjusting for Expanded/Diminished Service Area

- For Police, we used the current per capita cost of police in the Village to estimate the cost of providing police services to the whole Town.
- For State Per Capita Aid, we used the Towns' per capita amounts and eliminated the Village's share. HOWEVER, the LGE program provides a \$250,000 first year increase in state aid as an incentive for municipal consolidation/shared services, which we split between the Towns based on population.

Other Adjustments

- We have eliminated the Village's budget items for the Village Board and Mayor, and decreased by 25% the budget for the Village Manager, Clerk, Treasurer and Attorney.



Option 1 – Village Dissolution

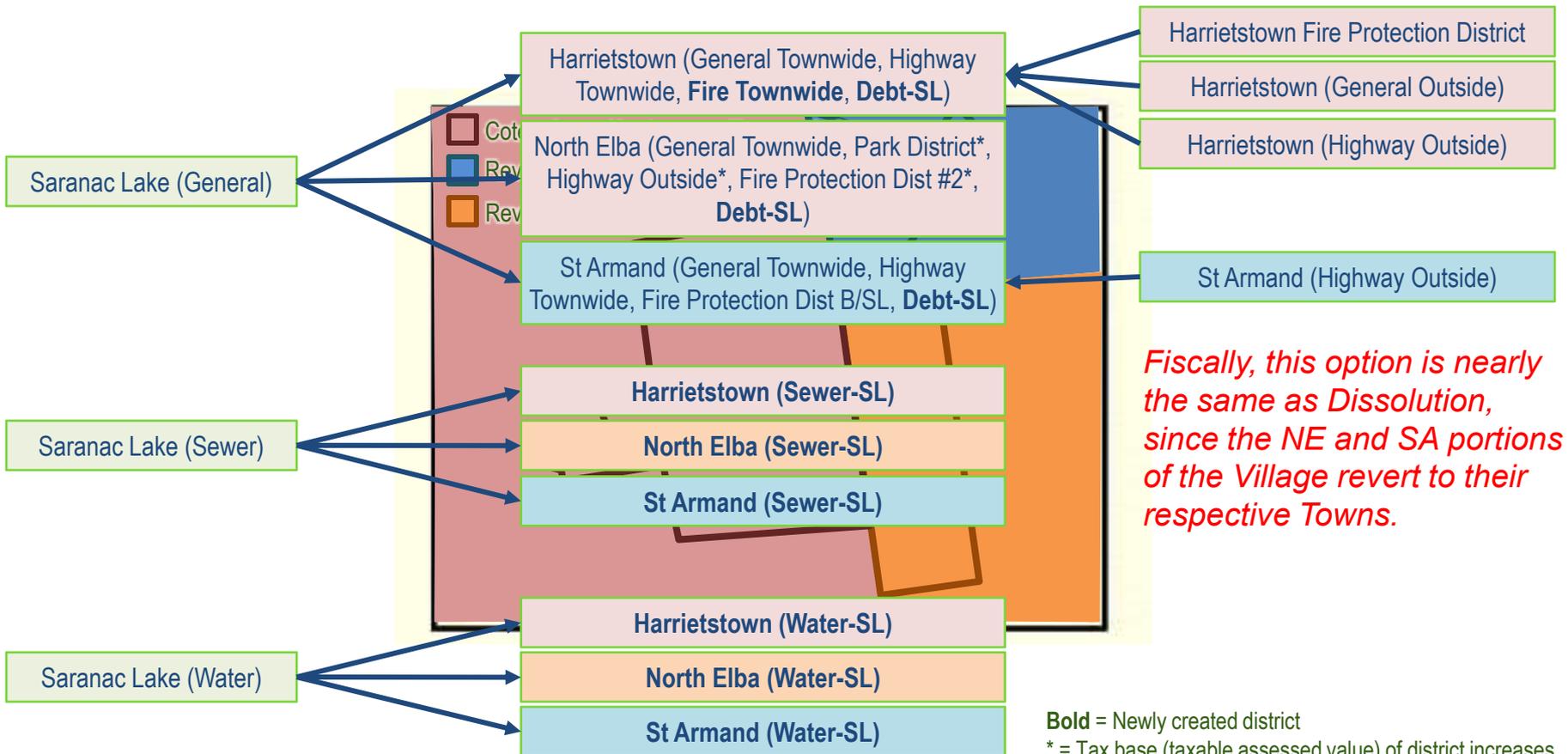
What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 1 Village Dissolution
Harrietstown Taxpayer (Outside Village)	\$2.51	\$5.14	\$2.63	105%	
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$5.67	-\$2.89	-34%	
North Elba Taxpayer (Outside Villages)	\$0.40	\$1.03	\$0.63	156%	
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$1.50	-\$5.85	-80%	
St Armand Taxpayer (Outside Village)	\$6.03	\$6.61	\$0.58	10%	
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$7.08	-\$4.97	-41%	

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



Option 2.1 – Coterminous Town/Village (Diminished) How Do Budgets and Boundaries Change?



Fiscally, this option is nearly the same as Dissolution, since the NE and SA portions of the Village revert to their respective Towns.

Bold = Newly created district
 * = Tax base (taxable assessed value) of district increases
 † = Tax base (taxable assessed value) of district decreases



Option 2.1 – Coterminous Town/Village (Diminished) **Weights and Adjustments**

Splitting Up the Village Budget

- For Streets, we divided the budget between Towns based on lane-miles in each Town
- For all others, we divided the budget between Towns based on percentage of the total taxable value of property in the Village.

Adjusting for Expanded/Diminished Service Area

- For Police, we used the current per capita cost of police in the Village to estimate the cost of providing police services to the whole Town.
- For State Per Capita Aid, we used the Towns' per capita amounts and eliminated the Village's share. HOWEVER, the LGE program provides a \$250,000 first year increase in state aid as an incentive for municipal consolidation/shared services, which we split between the Towns based on population.

Other Adjustments

- We have eliminated the Town's budget items for the Town Board and Supervisor, and decreased by 25% the budget for the Town Clerk, Budget Officer and Attorney.



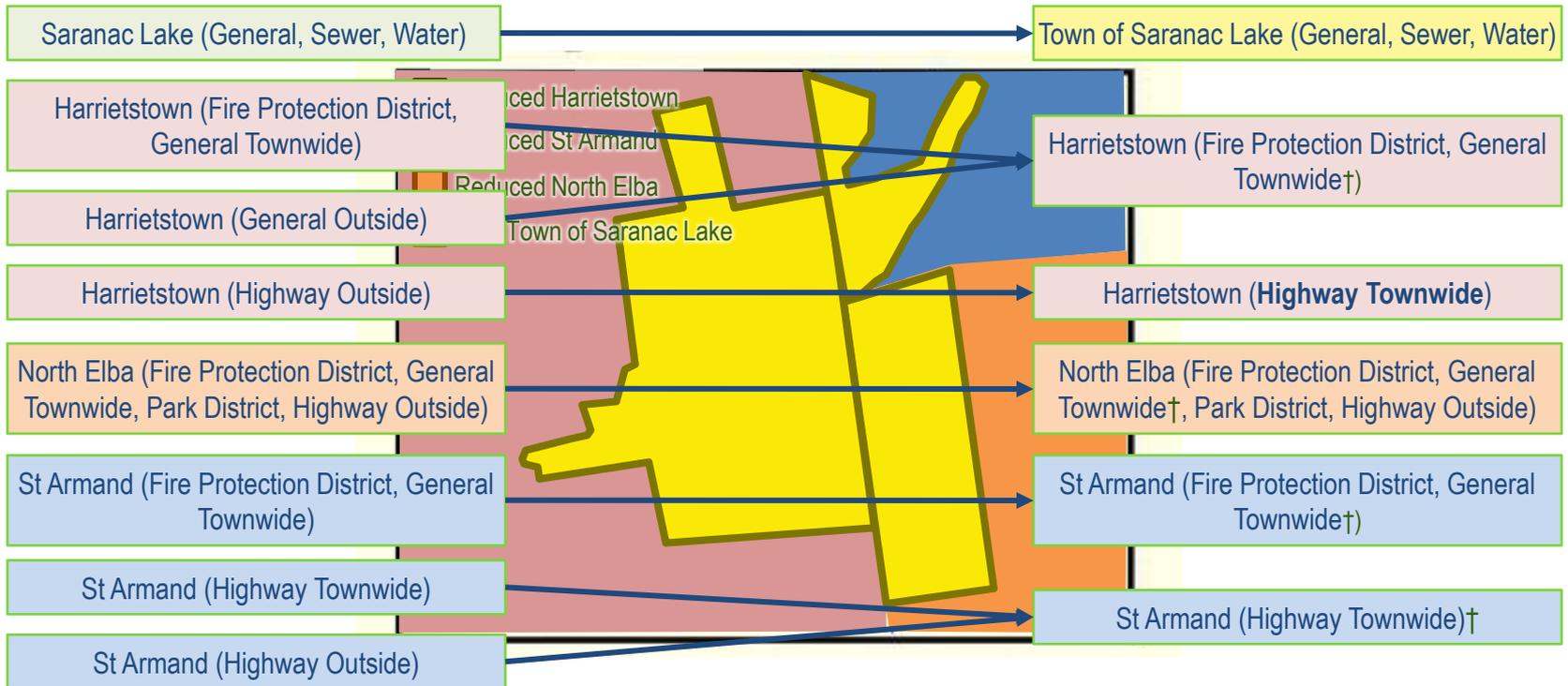
Option 2.1 – Coterminous Town/Village (Diminished) What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 2.1 Coterminous TV/ (Diminished)
Harrietstown Taxpayer (Outside Village)	\$2.51	\$5.06	\$2.55	102%	
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$5.59	-\$2.96	-35%	
North Elba Taxpayer (Outside Villages)	\$0.40	\$1.03	\$0.63	156%	
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$1.50	-\$5.85	-80%	
St Armand Taxpayer (Outside Village)	\$6.03	\$6.61	\$0.58	10%	
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$7.08	-\$4.97	-41%	

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



Option 2.2 – Coterminous Town/Village (New Town) How Do Budgets and Boundaries Change?



Bold = Newly created district
 * = Tax base (taxable assessed value) of district increases
 † = Tax base (taxable assessed value) of district decreases



Option 2.2 – Coterminous Town/Village (New Town) **Weights and Adjustments**

The Village Budget

- The Village Budget becomes the budget for the new Coterminous Town/Village

Adjusting for Expanded/Diminished Service Area

- Taxable assessed value of each Town decreases with the creation of the new Town.
- We have assumed that the budget for Townwide services will also decrease with the decrease in population/land area that each Town must serve.
- The net effect is that decrease in taxable assessed value and decrease in cost of services leave Townwide tax rates unchanged.

Other Adjustments

- We have included the Consolidation Incentive increase in AIM, split between the Towns based on population. We assume that there will be no reductions in AIM amounts after the creation of the new Town.



Option 2.2 – Coterminous Town/Village (New Town) What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 2.2 Coterminous T/V (New Town)
Harrietstown Taxpayer (Outside Village)	\$2.51	\$2.51	\$0.00	0%	➔
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$8.03	-\$0.53	-6%	➔
North Elba Taxpayer (Outside Villages)	\$0.40	\$0.47	\$0.07	15%	⬇
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$8.03	\$0.68	9%	➔
St Armand Taxpayer (Outside Village)	\$6.03	\$5.88	-\$0.15	-2%	➔
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$8.03	-\$4.02	-33%	⬇

What if taxable values decrease, but service costs don't?

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



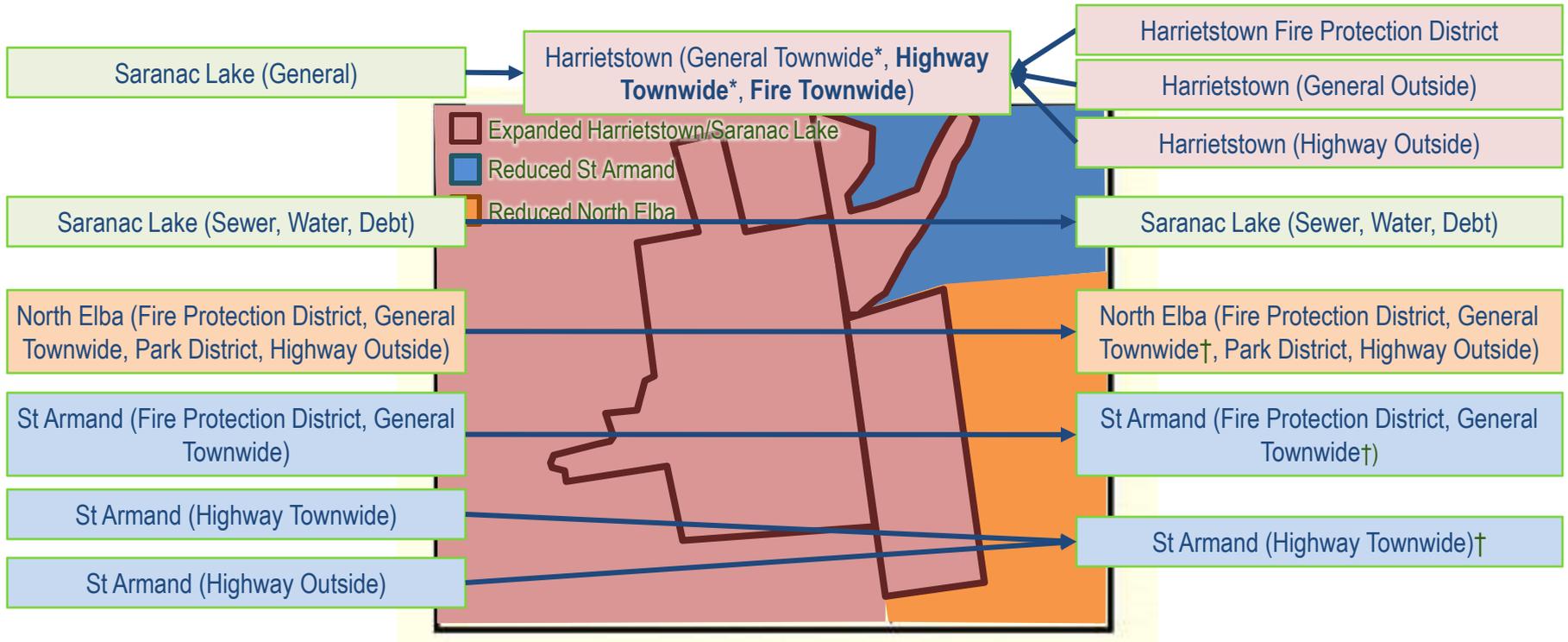
Option 2.2 – Coterminous Town/Village (New Town) What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 2.2 Coterminous T/V (New Town)
Harrietstown Taxpayer (Outside Village)	\$2.51	\$2.86	\$0.35	14%	
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$8.03	-\$0.53	-6%	
North Elba Taxpayer (Outside Villages)	\$0.40	\$0.35	-\$0.05	-12%	
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$8.03	\$0.68	9%	
St Armand Taxpayer (Outside Village)	\$6.03	\$6.53	\$0.50	8%	
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$8.03	-\$4.02	-33%	

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



Option 2.3 – Coterminous Town/Village (Expanded 1) How Do Budgets and Boundaries Change?



Bold = Newly created district
 * = Tax base (taxable assessed value) of district increases
 † = Tax base (taxable assessed value) of district decreases



Option 2.3 – Coterminous Town/Village (Expanded 1) **Weights and Adjustments**

The Village Budget

- The Village Budget is added to the Town budget to determine the budget for the new Coterminous Town/Village.
- Sewer, Water, and Village Debt budgets remain separate.

Adjusting for Expanded/Diminished Service Area

- Taxable assessed value of North Elba and St Armand decreases with annexation of Saranac Lake areas. Taxable value of Harrietstown increases.
- We have assumed that the budget for Townwide services will also increase/decrease with the increase/decrease in population/land area that each Town must serve.
- The net effect is that change in taxable assessed value and change in cost of services leave Townwide tax rates unchanged.

Other Adjustments

- Increased cost of Police, due to expanded jurisdiction.
- AIM payments received by the Village are eliminated, but the Consolidation Incentive remains split between Towns based on population.



Option 2.3 – Coterminous Town/Village (Expanded 1) What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 2.3 Coterminous TV/ (Expanded - Harrietstown)
Harrietstown Taxpayer (Outside Village)	\$2.51	\$5.88	\$3.38	135%	↑
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$6.41	-\$2.15	-25%	↓
North Elba Taxpayer (Outside Villages)	\$0.40	\$0.34	-\$0.06	-15%	↓
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$6.41	-\$0.94	-13%	↓
St Armand Taxpayer (Outside Village)	\$6.03	\$5.92	-\$0.12	-2%	→
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$6.41	-\$5.64	-47%	↓

What if taxable values decrease, but service costs don't?

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



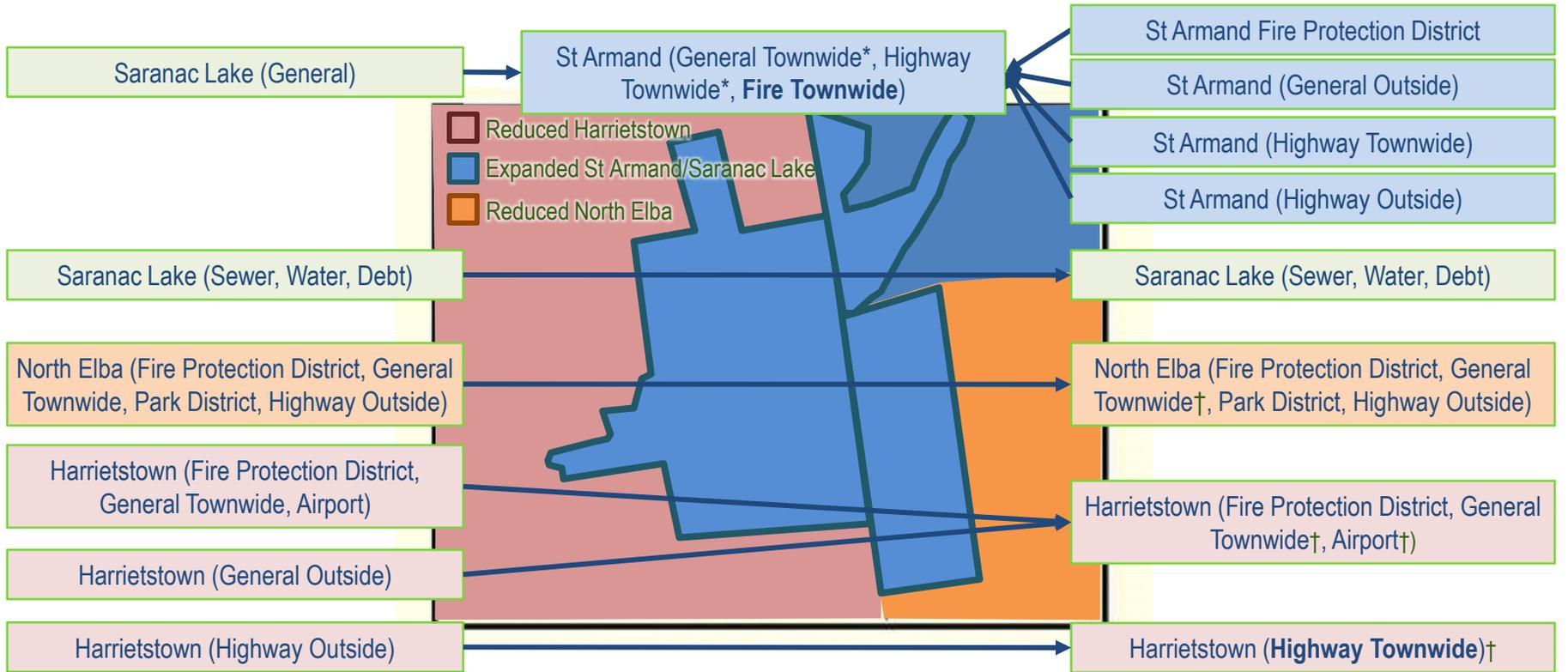
Option 2.3 – Coterminous Town/Village (Expanded 1) What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 2.3 Coterminous T/V (Expanded - Harrietstown)
Harrietstown Taxpayer (Outside Village)	\$2.51	\$5.88	\$3.38	135%	
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$6.41	-\$2.15	-25%	
North Elba Taxpayer (Outside Villages)	\$0.40	\$0.35	-\$0.05	-12%	
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$6.41	-\$0.94	-13%	
St Armand Taxpayer (Outside Village)	\$6.03	\$6.53	\$0.50	8%	
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$6.41	-\$5.64	-47%	

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



Option 2.3 – Coterminous Town/Village (Expanded 2) How Do Budgets and Boundaries Change?



Bold = Newly created district
 * = Tax base (taxable assessed value) of district increases
 † = Tax base (taxable assessed value) of district decreases



Option 2.3 – Coterminous Town/Village (Expanded 2) **Weights and Adjustments**

The Village Budget

- The Village Budget is added to the Town budget to determine the budget for the new Coterminous Town/Village.
- Sewer, Water, and Village Debt budgets remain separate.

Adjusting for Expanded/Diminished Service Area

- Taxable assessed value of North Elba and Harrietstown decreases with annexation of Saranac Lake areas. Taxable value of St Armand increases.
- We have assumed that the budget for Townwide services will also increase/decrease with the increase/decrease in population/land area that each Town must serve.
- The net effect is that change in taxable assessed value and change in cost of services leave Townwide tax rates unchanged.

Other Adjustments

- Increased cost of Police, due to expanded jurisdiction.
- AIM payments received by the Village are eliminated, but the Consolidation Incentive remains split between Towns based on population.



Option 2.3 – Coterminous Town/Village (Expanded 2) What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 2.3 Coterminous T/V (Expanded – St Armand)
Harrietstown Taxpayer (Outside Village)	\$2.51	\$2.51	\$0.00	0%	→
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$11.48	\$2.92	34%	↑
North Elba Taxpayer (Outside Villages)	\$0.40	\$0.47	\$0.07	-15%	↓
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$11.48	\$4.13	56%	↑
St Armand Taxpayer (Outside Village)	\$6.03	\$10.96	\$4.93	82%	↑
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$11.48	-\$0.56	-5%	→

What if taxable values decrease, but service costs don't?

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



Option 2.3 – Coterminous Town/Village (Expanded 2) What's the General Impact on Taxpayers?

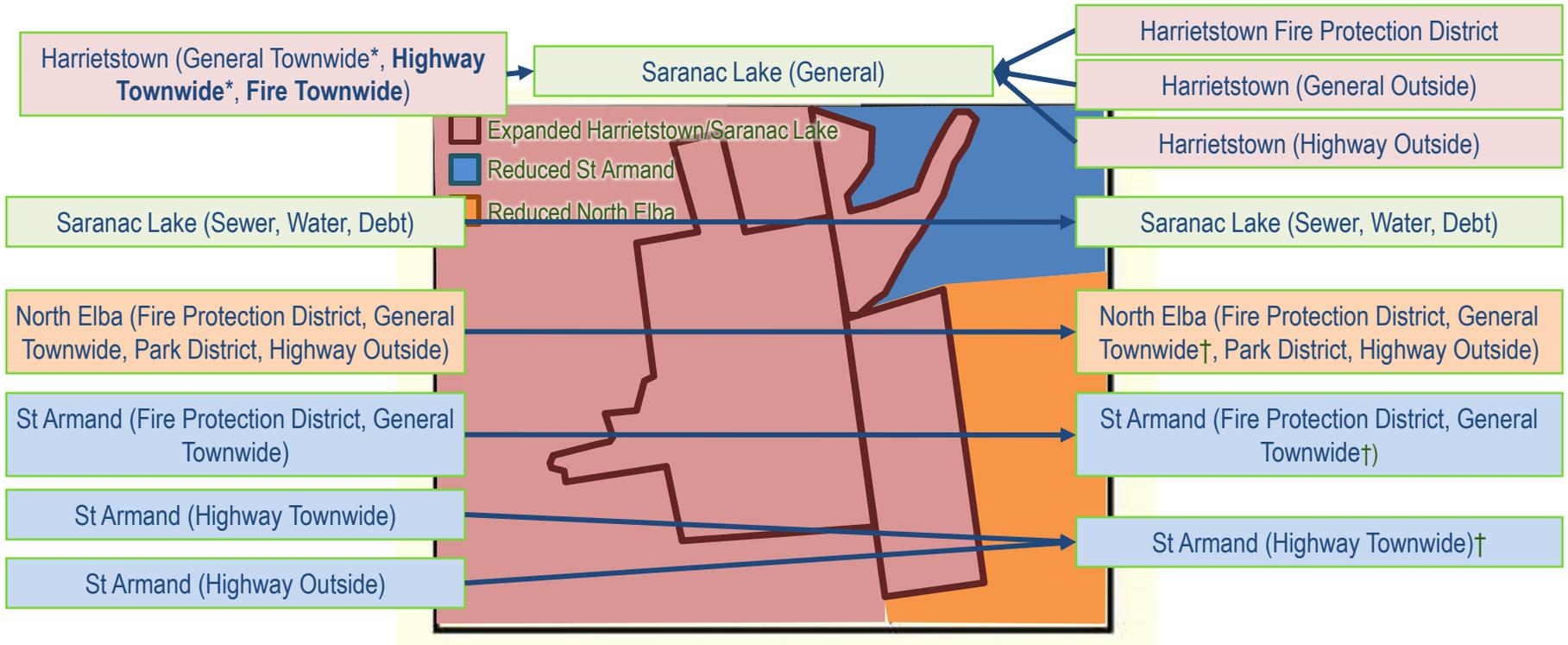
	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 2.2 Coterminous T/V (Expanded – St Armand)
Harrietstown Taxpayer (Outside Village)	\$2.51	\$2.86	\$0.35	14%	
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$11.48	\$2.92	34%	
North Elba Taxpayer (Outside Villages)	\$0.40	\$0.35	-\$0.05	-12%	
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$11.48	\$4.13	56%	
St Armand Taxpayer (Outside Village)	\$6.03	\$10.96	\$4.93	82%	
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$11.48	-\$0.56	-5%	

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



Option 3 – Incorporation of a City

How Do Budgets and Boundaries Change?



Bold = Newly created district
 * = Tax base (taxable assessed value) of district increases
 † = Tax base (taxable assessed value) of district decreases



Option 3 – Incorporation of a City **Weights and Adjustments**

□ **The Village Budget**

- The Village Budget is added to the Town budget to determine the budget for the new City.
- Sewer, Water, and Village Debt budgets remain separate (as funds).

□ **Adjusting for Expanded/Diminished Service Area**

- Taxable assessed value of North Elba and St Armand decreases with annexation of Saranac Lake areas. Taxable value of Harrietstown increases.
- We have assumed that the budget for Townwide services will also increase/decrease with the increase/decrease in population/land area that each Town must serve.
- The net effect is that change in taxable assessed value and change in cost of services leave Townwide tax rates unchanged.

□ **Other Adjustments**

- Increased cost of Police due to expanded jurisdiction, and increased cost of highway due to maintenance of State roads.
- City gains ability to collect a portion of sales taxes.
- AIM payments received by the Village are eliminated, but the Consolidation Incentive remains split between Towns based on population.



Option 3 – Incorporation of a City

What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 3 City
Harrietstown Taxpayer (Outside Village)	\$2.51	\$5.98	\$3.48	139%	↑
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$6.51	-\$2.05	-24%	↓
North Elba Taxpayer (Outside Villages)	\$0.40	\$0.54	+\$0.14	15%	↓
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$6.51	-\$0.84	-11%	↓
St Armand Taxpayer (Outside Village)	\$6.03	\$5.88	-\$0.15	-2%	→
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$6.51	-\$5.54	-46%	↓

What if taxable values decrease, but service costs don't?

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



Option 3 – Incorporation of a City

What's the General Impact on Taxpayers?

	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 3 City
Harrietstown Taxpayer (Outside Village)	\$2.51	\$5.98	\$3.48	139%	
Saranac Lake Taxpayer (Harrietstown Portion)	\$8.56	\$6.51	-\$2.05	-24%	
North Elba Taxpayer (Outside Villages)	\$0.40	\$0.35	-\$0.05	-12%	
Saranac Lake Taxpayer (North Elba Portion)	\$7.35	\$6.51	-\$0.84	-11%	
St Armand Taxpayer (Outside Village)	\$6.03	\$6.53	\$0.50	8%	
Saranac Lake Taxpayer (St Armand Portion)	\$12.04	\$6.51	-\$5.54	-46%	

* = Tax rates may vary slightly from actual due to use of fund reserves and balances to balance budgets. Also, these rates are per \$1000 of assessed value, unequalized.



The Government Restructuring Project

High-Level Assessment of Options

	Option 1 Village Dissolution	Option 2.1 Cotermious (Diminished)	Option 2.2 Cotermious (New Town)	Option 2.3 Cotermious (Expanded - H)	Option 2.4 Cotermious (Expanded - SA)	Option 3 City
Implementation Factors						
Legal Complexity	↓	→	→	→	→	→
Implementation Difficulty	→ / ↓	↑	↑	↑	↑	↑
Cost of Implementation	→	↑	↑	↑	↑	→
Operational Factors						
Complexity of Structure	→	→	→	→	→	↓
Transience and Variability	↓	↓	↓	↓	↓	↓
High-Level Fiscal Impact						
Harrietstown (Outside)	↑	↑	→ / ↑	↑ / ↑	→ / ↑	↑ / ↑
Saranac Lake (H'town)	↓	↓	→ / →	↓ / ↓	↑ / ↑	↓ / ↓
North Elba (Outside)	↑	↑	↓ / ↓	↓ / ↓	↓ / ↓	↓ / ↓
Saranac Lake (N Elba)	↓	↓	→ / →	↓ / ↓	↑ / ↑	→ / →
St Armand (Outside)	→	→	→ / →	→ / →	↑ / ↑	→ / →
Saranac Lake (S Armand)	↓	↓	↓ / ↓	↓ / ↓	→ / →	↓ / ↓



The Government Restructuring Project

Which Options Should We Focus On for the Detailed Fiscal Analysis?

- Option 1 - Village Dissolution**
- Option 2 - Coterminous Town/Village**
 - With Harrietstown Boundaries
 - With Saranac Lake Boundaries
 - With Harrietstown + Saranac Lake Boundaries
- Option 3 - Incorporation of a City**
 - With Harrietstown + Saranac Lake Boundaries
- Option 4 - Shared Services/Functional Consolidation**
- Other Options**
 - “Almost-Coterminous” Village and Town
 - Creation of a New County



The Government Restructuring Project

Next Steps

- Continue Data Collection to Include Updated Budgets**
- Continue to Meet with Department Heads**
 - Identify services and what will happen after restructuring
- Compile a Service Inventory**
 - Which services are provided by which departments in each municipality
- Identify the Cost of Services**
- Perform Detailed Fiscal Analysis of Priority Restructuring Options**



Questions & Discussion

Saranac Lake Area Government Restructuring Project

Communities

Town of
Harrietstown, NY

Town of
St. Armand

North Elba

Government Restructuring Committee Meeting
 Selection of Priority Restructuring Options
 Tuesday, November 10, 2009
 5:00 – 6:00 PM

Consultants

FAIRWEATHER CONSULTING
SPECIALISTS IN STRATEGIC CHANGE

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LG Division of
Local Government
Services

This document was prepared with funds provided by the New York State Department of State under the Shared Municipal Services Incentive Grant Program.

FINAL REPORT

VERSION 1.1

Saranac Lake Area Government Restructuring Project: Final Report

Appendix D – Feasibility Study and Comparative Analysis

Saranac Lake Area Government Restructuring Project: Final Report

“People are demanding change at all levels of government. They are frustrated by a local tax burden that is the highest in the nation. They value their communities, but want modern, efficient services at an affordable price.”

- Stan Lundine, Chair of the NYS Commission on Local Government Efficiency and Competitiveness

Local governments throughout New York State, as well as the entire nation, have long struggled with the dual challenge of providing important services at high levels of quality and doing so at a cost that allows local and regional economies and communities to prosper. In New York State, the often cited multiplicity of government layers is nowhere more apparent than in the Saranac Lake Area. The Village of Saranac Lake, incorporated in 1892, covers 2.78 square miles of land, within two counties (Franklin and Essex) and three towns (Harrietstown, North Elba, and St Armand). The resulting overlap and duplication of services and municipal structures is complex at best and inefficient at worst.

Through the Saranac Lake Area Government Restructuring Project, the communities of Harrietstown, North Elba, Saranac Lake and St. Armand seek to understand new, more efficient ways for local government to deliver high-quality, cost-effective municipal services. The Government Restructuring Committee, with funding from the New York State Department of State’s Shared Municipal Services Incentive Grant Program and assistance from New Paltz-based advisors Fairweather Consulting, is engaged in a 16-month study to identify opportunities for restructuring local government, and to determine the relative merits — and challenges — associated with each opportunity.

The Government Restructuring Project, which began in early Summer 2009, has already achieved several milestones. During the Summer of 2009, the Government Restructuring Committee held a public meeting to introduce residents to the project and gather thoughts and ideas regarding the future structure of local government, which, for the purpose of this report, will be referred to as Task 1. Additionally, Task 1 also called for meetings with the Project Steering Committee and various other stakeholders and residents of the Saranac Lake area, as well as the creation of a project website that allowed stakeholders to offer feedback and to engage in a dialogue with the Fairweather Consulting team. Throughout the remainder of 2009 and into the Winter of 2010, the Committee worked with Fairweather Consulting to explore possible options for restructuring, looking at a variety of factors to determine what options are legally and technically feasible, with this portion of the project being referred to as Task 2. As the Committee emerges from this lengthy process, this report serves to summarize the results of this effort by describing first the options available for restructuring, and then the feasibility and comparative strengths and weaknesses of each option. In the months to come, it is hoped that this document and subsequent revisions and reformulations will guide the Saranac Lake Area toward implementation of one or more alternative structures that improve the efficiency and effectiveness of local government.

Purpose of the Feasibility Study/Comparative Analysis: An Exercise in Due Diligence

The first step in the overall project process was to identify the possible options for restructuring local government services in the Saranac Lake area. The next step – and the purpose of this report – is to identify the likely advantages and drawbacks for each of these options. This is an important exercise in due diligence. In this analysis we take each of the options and determine, under a reasonable set of operating assumptions, how that option is likely to perform in three areas:

Legally: How complicated are the legal steps required to make each option a reality? The legal analysis of each option provides the information to make an assessment as to whether, for each option, it is reasonable to expect that the necessary steps can be carried out given the resources, capabilities and (in some cases) the motivations of those entities required to take the necessary legal steps.

Operationally: What would each of these new structures look like? Are there any existing services that can be done away with under the new structure? What provisions does each option make to carry out the remaining services necessary for the functioning of local government? The operational analysis provides the information to make an assessment as to whether the new structure associated with each option is likely to reduce any duplication of services or open up any new opportunities for more efficient services.

Fiscally: Government restructuring can help make government cheaper and more effective. But, ultimately, somebody must pay the bill for services rendered. The fiscal analysis provides guidance on how the structural changes associated with each option will affect the amount that taxpayers would pay to get the services they require. Given a reasonable set of operating assumptions, which (if any) taxpayers are likely to see tax savings? Which (if any) taxpayers are likely to see tax increases? The fiscal analysis provides the information to make an assessment of the overall impact on taxes each option could have. (Note: there are and always will be opportunities for additional savings under each option through creative reconfiguration of services. This analysis gets to the question of how each *option itself* is likely to affect community taxpayers.)

It is important to keep in mind that this assessment of the legal, operational and fiscal impacts of each option is not an attempt to foretell the future. Rather, it assembles what we can know about the likely performance of each of these options so that the community can make an informed choice about which structure is most likely to have the greatest long-term advantages for the community that encompass the towns of Harrietstown, North Elba and St. Armand, as well as the Village of Saranac Lake.

Evaluation Matrix for Priority Options

The Fairweather Consulting team has created a matrix summarizing the results of these analyses for all priority options, which can be found within the Comparative Analysis section beginning on page 49. It is a tool to provide a quick and comprehensive overview of the advantages and disadvantages of each priority option for project steering committee members, stakeholders from each participating government and the general public. The Evaluation Matrix is presented in the final section of this report: The Comparative Analysis of Restructuring Options.

Saranac Lake Area Government Restructuring Project: Final Report

The Draft Feasibility Study & Comparative Analysis will be presented to the project steering committee for review and discussion prior to being presented to the Village Board and the Town Boards in Harrietstown, North Elba and St Armand for feedback and input. After appropriate revisions, the final Feasibility Study & Comparative Analysis will be included in the final report for this project.

The Special Case of Towns and Villages in a Wilderness Area

As has already been indicated, many facets of the situation facing Saranac Lake and the towns of Harrietstown, North Elba and St. Armand make it unique. But this situation is complicated further by the fact that the Village of Saranac Lake is in three towns in a major wilderness area. The Adirondacks have never been an easy place to achieve population growth and/or economic growth. For better or worse, public policy and economic forces have served to limit growth in the towns outside village areas. This creates a situation (unique to such rural areas) where town population density and town governments tend to be much smaller than the villages they encompass.

Municipality	Population (2000 Census)	Land Area (sq miles)	Population Density (per sq mile)
Village of Saranac Lake	5,041	2.8	1,812.00
Town of Harrietstown*	1,843	194.8	9.46
Town of North Elba*	4,901	150.4	32.60
Town of St. Armand*	1,134	55.8	20.32

* Town figures represent only the areas outside of villages.

Table 1 – Population Density in Saranac Lake Area Municipalities

This disparity in size between villages and towns is not true in the more populous areas of New York State, where town populations and town government budgets often equal and/or exceed the population and budgets of the villages found within them. In such situations, both the town governments and the village governments have roughly equal capacity to take on new services or deliver services to new areas of the community. This does not hold in the case of Saranac Lake and the towns of Harrietstown, North Elba and St. Armand. Generally, these town governments are small and calibrated to serve sparsely populated areas whose citizens, for the most part, expect only limited services from local government. In this situation, one can see how it could be easier for the village to agree to take on the services previously provided by town government than it would for a rural-oriented town government to take on services for a much more densely populated area, whose population may expect a greater range of services than the town is accustomed to providing.

This observation has not excluded consideration of any options for restructuring government in the Saranac Lake area. It is put forth merely as a reminder that, in this situation among the three towns and one village, calling for a service currently provided by the village government to now be provided by the town government may have a greater impact on the town's budget and operational capacity than it would have on the village if a similar service now provided by the town were taken over by the village government.

The Four Options for Restructuring Local Government in the Saranac Lake Area

At the highest level, the Saranac Lake Area Government Restructuring Project has examined a short-list of three main restructuring options. Each of these options describes a new way to structure local governments and the services they deliver in the area, and, it is hoped, could achieve the project's two main goals of reducing the cost-burden of local government while maintaining or improving the quality of services provided. The options are presented in this section in no particular order, though as this report reveals, the challenges and opportunities related to each option begin to suggest a framework for comparing and evaluating the options. At this stage of the project, the Committee remains dedicated to investigating each of these options, though the eventual intent, following appropriate input from community leaders and residents, is to identify a preferred option for implementation.

Option 1: Dissolution of the Village of Saranac Lake

Village Dissolution is the process by which an incorporated village abandons its organizational status, transfers its assets and debts to one or more successors, and ceases to exist as a municipal body with separate officials, staff, laws and ordinances. The process of village dissolution, which is summarized in the following sections, is defined by New York State General Municipal Law, Article 17-A (effective March 2010).

Dissolution of the Village of Saranac Lake is under consideration within this study because dissolution is a direct means toward reducing the layers of government within the Saranac Lake Area. As most village taxpayers are keenly aware, New York State's villages are separate from town governments, while village residents remain residents of the town in which their village is located. Many villages were incorporated long ago, in order to provide services not previously provided by towns in New York State. While there is no doubt that villages are an important part of the fabric of local government in the state, it is often possible now for towns to provide much the same services that villages provide, in some cases leading to the conclusion that the additional layer of government is unnecessary.

The Government Restructuring Committee continues to consider the option of dissolving the Village of Saranac Lake in order to fully weigh the benefits and drawbacks of this option, many of which are presented in this report. Based on the assessment so far, the Committee looks forward to feedback regarding this option from the various affected municipalities and residents in the Saranac Lake Area.

Option 2: Creation of a Coterminous Town/Village

As introduced in the description above of village dissolution, New York State's villages are all within one or more towns. In the event that the boundaries of a single town and a single village are precisely the same, or *coterminous*, New York State law allows for a consolidation of the two entities into a single operational and administrative unit. The coterminous entity can choose to function primarily as a town—with an elected board as defined in New York State Town Law—or as a village—with an elected board as defined in New York State Village Law. Additional details regarding the process for establishing a coterminous town/village are provided within this report. Furthermore, we present below a description of the potential benefits and drawbacks of this restructuring approach.

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To create a coterminous town/village requires that the boundaries of a village and the boundaries of a town are exactly the same. This can typically be accomplished in one of two ways: incorporating a new village with boundaries equal to the boundaries of an existing town, or annexation by an existing village of all territory within an existing town. Once the coterminous boundaries are established, the village and town boards could opt to create a new entity that functions as both a town and a village, with one person occupying the role of supervisor and mayor, and one municipal board.

Noteworthy, though, is the peculiar situation of the Village of Saranac Lake, which is situated within two counties and three towns. This situation presents a number of challenges when it comes to establishing a coterminous town/village, for which the boundaries of a single town and a single village must coincide precisely. Faced with logistical challenges related to the boundaries of the Towns and the Village, the Government Restructuring Committee recognizes that the likelihood of implementing this option is limited. However, in keeping with its original project goals, the Committee remains faithful to determining whether in fact the potential benefits of this restructuring option outweigh the logistical challenges. In part, the analysis within this report is intended to shed light on this cost/benefit determination.

Option 3: Creation of a City

The third and final major structural reconfiguration under consideration by the Government Restructuring Committee is the establishment of a fully-chartered city in the Saranac Lake Area. Unlike villages, cities in New York State are separate and apart from towns¹, and function to provide the core services that both a town and a village might otherwise deliver. As such, the option of creating a city appeals in the same way that village dissolution appeals, since both options would reduce the layers of government in the Saranac Lake Area. The city option, however, would involve the creation of a new government entity to replace the existing town and village structures within a defined boundary.

As with all government restructuring options, the city option brings with it certain logistical challenges. In New York State, cities are established through the ratification of a city charter by the New York State Legislature. Since the territory of any proposed city is, prior to the creation of the city, located within one or more towns, establishment of cities implies the loss of territory for those towns, and, as such, is an act that is not taken lightly by the Legislature. In fact, very few cities have been established in the past century, with the most recent – the City of Rye in Westchester – incorporated in 1942.

Additional details regarding the legal process for establishing a city, as well as additional assessments of the benefits and drawbacks of this option, are presented within this report. As stated for the previous options, the Committee's expressed intent is to present the results of this feasibility study as a means of engaging area residents and community leaders in a discussion about the comparative merits of this option.

Option 4: Enhanced Shared Services

This option is not examined in detail in this report, though it remains a possible alternative to the other options cited above. Given their geographic overlap, Saranac Lake, Harrietstown, North Elba and St Armand would be hard-pressed *not* to cooperate on a variety of levels, from informal sharing of equipment

¹ With one exception — the City of Sherrill in Oneida County — all of New York State's cities are geographically and functionally distinct from towns.

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and personnel to joint planning and legislative initiatives. Still, the type of grass-roots cooperation that tends to emerge based on common challenges and shared needs is not always the best long-term solution for reducing costs while improving the quality of services. Though enhanced shared services may not achieve a reduction in the layers of local government envisioned by the Committee (and, in some cases, could actually add layers), several other regions in New York State have demonstrated the efficacy of this restructuring option. From the creation of regional councils of government to the formation of joint boards for planning, zoning or assessment to the establishment of public authorities and public/private partnerships that transform the local provision of public services, enhanced shared services is an option that deserves attention in this study.

Within the final project report, we will attempt to document the diversity of options for enhanced shared services that are available to Saranac Lake Area communities. An in-depth exploration of the impact of each of these options is beyond the scope of this report, given the project's focus on streamlining local government. However, it is hoped by both the Committee and Fairweather Consulting that further investigation of this option will serve as a launching-off point for additional discussions, particularly in the event that other restructuring efforts prove elusive.

Service Disposition Alternatives: How Each of the Options Would Work

Since this section of the report will deal with how services are affected by implementation of the restructuring options above, we must define what, exactly, a service is. In short, services are the different benefits provided by municipalities, which are often paid for by tax money from residents, or any other eligible source of revenue. Furthermore, these services are administered by different municipal departments. For instance, both highway maintenance and cemetery operations and maintenance are services that are provided by the Harrietstown Highway Department. While the Highway Department seems like the most logical choice for providing highway maintenance, it's conceivable that a different town department could one day be tasked with administering cemetery operations. In this section, we will discuss the different effects that each option will have on the services provided by the involved municipalities. As to what would or could happen to the various departments, that determination will be at the discretion of the various governing boards of the affected municipalities.

The purpose of this focus on municipal services and the impact on those services of the various restructuring options is simple: provision of services is the primary purpose of any municipality. If services are consolidated, expanded or eliminated, this has ripple-effects that impact both the cost and the perceived quality of local government. It is the ability to delivery of those services – not the levels of staff, equipment, departments, or debts – that determines the effectiveness of any local government structures. Thus, services are the key unit of analysis for this study. For more information on the services that are provided by local governments in the Saranac Lake Area, see a detailed list of services in Appendix XX, or a previous report developed by Fairweather Consulting for the Government Restructuring Committee, titled "Service Cost Analysis," which is available on the project web site.

A Note on Contracts/Agreements: Should any one of these options be selected, the contracts or agreements regarding municipal employees would continue to be honored, as outlined in New York State Municipal Consolidation Law. For instance, should the Village of Saranac Lake become an incorporated city, village employees who work through union or collective bargaining contracts would simply become city employees under the same contractual conditions.

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Employees not under any such contract, however, would be subject to the terms of the agreement that would be created and executed for the chosen option.

Village Dissolution (Option 1)

If the Village of Saranac Lake is dissolved, there are three possible alternatives—or effects—regarding former Village-provided services: a) some services will be provided to the entire town or otherwise consolidated with the town, b) some un-needed services will be discontinued, and c) a few services will be provided within special districts, paid for by the districts’ residents and/or through user-fees. Below, we offer a brief summary of some of the most notable service-related impacts village dissolution is expected to have. For a complete list of the projected effects on services, refer to Appendix A.

Disposition of Services Under Option 1

Unchanged Town Services: Firstly, should the Village of Saranac Lake be dissolved, all services currently provided by the Towns of Harrietstown, St Armand, and North Elba would remain intact and unchanged. These services include airport operations and maintenance in Harrietstown, assessment, the towns’ boards of health, justice court operations, highway maintenance, landfill operations and maintenance, planning, zoning, snow removal, fire protection, etc.

Consolidation and Expansion of Village Services: As is the case with most villages, there are a number of village services that can be considered redundant to those already provided by the towns. These services include the village’s own versions of justice court operations, planning and zoning, fire protection, licensing and permitting, code enforcement, street cleaning and maintenance, street lighting, snow removal, budgeting and financial auditing, youth programs, programs for the aging, etc. These are services that would be folded into the towns’ various departments. However, there are other village services that might not be considered redundant and are not currently provided by any of the towns. Following a village dissolution, these would become new town-provided services. Such services include beach operations and maintenance, as well as operations of maintenance of Mt Pisgah Park and the skating rink. While these services have been performed within the borders of the Village of Saranac Lake, should the municipality dissolve their continuation would become the responsibility of the towns and their taxpayers. One unique village service is that of police protection—including administration, investigation, patrols, etc. Unlike the services that are restricted to one location, like the beach or a park, police services would, by necessity, have to be expanded to cover the entire municipality because of New York State law prohibiting special police districts*.

***The Police Service Trade-Off Problem:** For the purposes of this report, we’re assuming that police department costs will stay the same under village dissolution, despite the fact that police protection would expand to cover the entirety of Harrietstown. However, keeping those costs constant while expanding the department’s scope can only mean a necessary decrease in quality of police services; with the same budget and more miles to cover, more doors to check, and the same amount of officers and equipment, it’s unrealistic to imagine police service quality being maintained at current levels. New York State law—which currently prohibits the creation of special police districts—forces us to choose between expansion of police services or to cut services entirely. Complicating matters for this report is the lack of information that would help us determine accurate cost estimates for **both** increasing police scope and **maintaining** current levels of police service quality for residents of the Saranac Lake area. As such, in order to provide as clear a picture of eventual costs

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and benefits of these options, we assume a level police department cost after dissolution. Therefore, when examining the pros and cons of these different options, keep in mind that police services will either suffer a **decrease in quality** or a **rise in costs**.

Discontinued Services: Some village services would simply cease in the event of dissolution. For the most part, any service that is related to the specific running of the village would, obviously, no longer be needed with no village to serve. These services include village elections, village tax collection, and clerical support to the Village Board. These three services are currently provided by the village clerk. That position's other current duties (billing, human resources management, licenses and permits, records management, and registrar of vital statistics) would be folded into the towns' similar services.

Special Districts/User Fee Driven: Because many residents in the Saranac Lake area depend on municipal water and sewer utilities provided by the village, dissolving the village would necessitate the creation of special districts to continue providing these services. Water and sewer operations and maintenance would be paid for only by the users of these services, and would not be funded by taxpayers who do not utilize the districts. Furthermore, water and sewer billing—services currently handled by the village treasurer—would be funded by district users, and would be folded into town administration. (Note: like the village clerk position detailed above, the treasurer's other duties—accounts payable, budgeting and planning, and financial duties—would be folded into the towns' administration as well.)

For a complete list of services and the proposed disposition of each service following Village Dissolution, see Appendix A.

Coterminous Village/Town (Option 2)

As described above, a coterminous town/village form of government requires a village and a town with precisely the same boundaries. Since this situation does not now exist in the Saranac Lake Area, boundary changes are necessary if this option is to be implemented. Though a number of possibilities exist, the recommended boundary reconfiguration for this option involves the expansion of the Town of Harrietstown boundaries (and at the same time Franklin County's boundaries) to include the entire Village of Saranac Lake, including the parts now in St Armand and North Elba. Following the expansion of Harrietstown, the Village of Saranac Lake would also be expanded to include all of the area of the Town of Harrietstown, thereby establishing a town and village with the same boundaries. The legal process required to bring about these changes is described in the Legal Feasibility section of this report.

The creation of a Coterminous Village/Town would have two possible effects on current services: a) services will be continued and expanded as townwide services or b) services will be discontinued. In this option, services of both Harrietstown and Saranac Lake are the subject of our analysis, since important decisions regarding the provision of these services are the primary driver of operational and fiscal impacts.

A note about annexation: Since the Village of Saranac Lake would be coterminous with the Town of Harrietstown—which would necessitate Harrietstown's annexation of portions of Saranac Lake in the other two towns—St Armand's and North Elba's boundaries would be diminished. While the latter two towns would no longer have to provide services to Saranac Lake residents, they would also cease to take in tax revenue from those residents. North Elba and St Armand's town services would remain otherwise unchanged.

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Disposition of Services Under Option 2

Continued/Expanded Services: In the case of a coterminous town/village option, virtually all of the current village services would become townwide services in the Town of Harrietstown, and all town services not currently provided to Village of Saranac Lake residents would be provided to residents within the village's former borders; the distinction between "village" and "outside" portions of the town would no longer exist. Maintenance of town roads and highways would continue, as would maintenance of village streets and sidewalks—the only difference would be that all of these services would be housed under one municipal umbrella. The same would go for justice courts, planning and zoning, buildings and grounds, code enforcement, landfill operations, veteran services, youth programs, police*, etc.

* **The Police Service Trade-Off Problem:** As described above, for the purpose of this report, police service costs are assumed to stay constant despite the expansion of coverage area. Consult the above note for detailed information on this matter.

Like the special utility districts described under "Option 1" several paragraphs earlier, users of municipal water and sewer services would still fund those services through a user fees, allowing non-users to avoid paying for a service not used by them.

Discontinued Services: Logically, the only services that would cease under the establishment of a coterminous town/village are those that would become obsolete with the consolidation of two municipal boards. That includes one set of elections (village or town), clerical support to the board (village or town), and tax collection (since there will be one municipality, there's no need for two tax collections). All of these services will still exist in the coterminous municipality, but will not require expanded effort or cost.

For a complete list of services and the proposed disposition of each service following Village Dissolution, see Appendix A.

City (Option 3)

As with Option 2, the implementation of the city option requires a decision regarding boundaries. For two reasons, our recommendation is to limit the boundaries for the proposed city to the current boundaries of the Village of Saranac Lake. First, cities in New York State are generally required to maintain all state roadways within the city boundaries. Minimizing the area of the city has the effect of minimizing the new costs associated with taking over highway maintenance from the NYS DOT. Second, since the properties within a city are not included in the tax rolls for any town, a smaller city minimizes the reduction to the taxable assessed value in each of the three towns. These and other impacts, though minimized by our proposed boundaries, are important factors in the consideration of this option, and are discussed in greater detail in the Feasibility Study sections of this report.

Similarly to what would happen in Option 2, should Saranac Lake become a city, the services provided by the town and the former village would be a) offered citywide or b) discontinued. Residents outside of the city's borders would not receive new services, nor would they pay for services provided only to city residents. Likewise, city residents would no longer pay for two levels of municipal administration; they would cease paying town taxes and would only pay

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city taxes. As is described in the coterminous village/town section above, the effect on North Elba, St Armand, and Harrietstown of the creation of a city would be that of diminished boundaries, bringing lower tax revenues as well as lower overall municipal costs.

Disposition of Services Under Option 3

Citywide Services: A newly incorporated City of Saranac Lake would still provide its residents with all the same services it did as a village, including justice court, police services, street and sidewalk maintenance, tax collection, beach/park operations and management, code enforcement, fire protection, etc. In addition, the city would maintain state roads that are currently handled by the New York State Department of Transportation, an additional service that is required of cities in New York. Two services that the village had not previously provided—property assessment and a board of health—would be newly established under this option.

Water and sewer services would continue in the form of user fee driven utilities. Residents would pay for the amount of the utilities they've used, and those not utilizing the municipal utilities would not pay anything.

Discontinued Services: No longer a part of any of the three towns, residents of the City of Saranac Lake would no longer receive or pay for many current town services, including the airport, landfill maintenance, and town tax collection, to name a few. Residents in the portions of the towns outside of the city would continue to receive services as the currently do, though the cost of those services may decrease based on the diminished territory of the town. For a complete list of services and the proposed disposition of each service following the creation of a city, see Appendix A.

Feasibility Study: Understanding the Advantages and Disadvantages of Each Option

An important goal of the Government Restructuring Project is to establish the relative merits of all possible restructuring options available to the communities of the Saranac Lake Area. At various times in the past, committees or community groups have proposed many options for restructuring local government in the Saranac Lake Area, though few if any of the recommended alternatives have managed to stick. Through this study process, the Government Restructuring Committee has identified three primary options for restructuring, each of which has been established through law in New York State and has a clear, if complicated, process for implementation. Though there may remain other means of reducing the cost of local government or improving the quality of services, including enhanced shared services, which is a subject that the Committee will return to later in this project, we believe that these options are exhaustive of the means for reducing the overlapping levels of government in the Saranac Lake Area.

In order to facilitate a comparison of each of the options, this report provides a detailed account of the feasibility of each option, focusing on three important factors:

- 1) Legal feasibility, including the legal procedures required to implement the change and possible challenges to overcome in the process of implementation;

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- 2) Operational feasibility, including the envisioned operating model that the involved municipalities would implement post-restructuring, the impact of that model on the cost and quality of service, and operational challenges that the option presents; and
- 3) Fiscal feasibility, including the projected impact of the option on Town and Village tax rates and strategies through which negative impacts could be mitigated.

A comparative analysis of the options follows the feasibility study and is intended to facilitate a discussion within the Committee, the Town and Village Boards, and the broader community about which, if any, of these options should be pursued as a means to transforming local government in the Saranac Lake Area.

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Feasibility of Option 1: Village Dissolution

Based on the service dispositions described above, several structural changes would be necessary following dissolution of the Village of Saranac Lake. Though most services would be incorporated into the departments and functions of each of the three towns, several services would require the establishment of special districts. Notably, dissolution would require the creation of Sewer and Water Districts within each of the three towns, comprising the properties of the former village. It would appear beneficial to consider, as an alternative to creating three separate Sewer Districts and three separate Water Districts, for the Towns to either a) establish a Joint Water District and a Joint Sewer District, encompassing the former-village portions of all three towns, or b) consolidate existing town sewer and water districts bordering the village with the new Sewer and Water Districts in the former village area. As described in the section above, we have assumed that all of the remaining village services are incorporated into the operations of the towns as part of either the Town-wide budgets or the Town-outside budgets.

One notable complication, which has been discussed at length between the Committee and Fairweather Consulting, is the provision of police services. New York State law is generally interpreted as preventing towns from establishing part-town policing districts.² As such, if the Village of Saranac Lake dissolves, current law suggests that the options available for disposition of policing services are limited to a) discontinuing municipal police services or b) expanding municipal police services to comprise the entire town area. This study assumes that, in the event that the village is dissolved, the Village Police Department would expand its operations to cover the entire area of the Town of Harrietstown and operate as a Town Police Department, while relinquishing the portion of the village that is in North Elba and St Armand. Through mutual aid agreements, the Police Department would provide additional coverage to supplement State Troopers and Essex County Sheriffs in policing these portions of the former village, but would not respond to routine calls for service in these areas. The operational and fiscal impacts of this scenario are discussed in detail in this section. As noted in previous sections, our analysis has assumed that police costs remain constant, even as the area served by the police department changes. To accomplish this would likely require a reduction of service to those who currently receive police services: village residents.

Legal Feasibility of Village Dissolution

The New N.Y. Government Reorganization and Citizen Empowerment Act (the Act) authorizes a village to dissolve and terminate its government. Dissolution proceedings may be commenced by a resolution of the village board endorsing a proposed dissolution plan or by elector initiative. This report focuses on a dissolution initiated by resolution of the village board.

Legal Roadmap

The process of implementing village dissolution involves several steps, which are outlined in the legal roadmap for this option.

² There is apparently one exception in the state, in the Hamlet of Port Washington, which was given special approval by the governor in 1934 and continues to operate as a unique district through the Nassau County Civil Divisions Act. The conditions that precipitated this special exception are considered extraordinary, and should not be interpreted to mean that a special police district is legally feasible in the Saranac Lake area.

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Step 1: Commencing the Dissolution

When a village board starts dissolution proceedings, the first step is to create a dissolution plan. The dissolution plan must state:

1. The name of the village to be dissolved;
2. The territorial boundaries of the village;
3. The type and/or class of the entity; (i.e. "village")
4. An estimate of the cost of dissolution;
5. Any plan for the transfer or elimination of public employees;
6. The village's assets and their value;
7. The village's liabilities and indebtedness, bonded and otherwise;
8. Any agreements entered into with the towns of St. Armand, Harrietstown, and North Elba in order to carry out the dissolution;
9. The means by which residents of the entity will continue to be furnished municipal services after the village's dissolution;
10. The means for disposing of village assets and village debts;
11. Findings as to whether any local laws remain in effect after the effective date of the dissolution;
12. The effective date of the proposed dissolution;
13. The time and place or places for a public hearing or hearings on the proposed dissolution plan; and
14. Anything else that is desirable or necessary to carry out the dissolution.

The dissolution process begins when the village board adopts the dissolution plan.

Step 2: Notice of Dissolution Plan

No later than 5 days after adopting the dissolution plan, the village board must publish notice in various venues. First, the board has to display a copy of the dissolution plan, along with a descriptive summary, in a public place within the Village of Saranac Laake and also on the village's website. Second, the board must publish the descriptive summary of the plan in a newspaper of general circulation within the village once a week for 4 weeks. The newspaper publication must refer the readers to locations where they can examine the full plan. Third, the board must mail by certified mail the dissolution plan to the town supervisors of Harrietstown, St. Armand, and North Elba.

Notice of Hearing - Notice of a hearing on the plan for dissolution must be given 10 to 20 days before the date of any hearings. The notice for the hearing must state not only the time and location of the hearing, but also the descriptive summary of the dissolution plan and a reference to public places where citizens can examine the full plan.

The Hearing - Between 35 and 90 days after adopting the plan for dissolution, the village must hold a public hearing on the dissolution plan. Anyone with an interest in the dissolution is allowed to be heard.

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Amending the Dissolution Plan (Optional) - After the final hearing, the village board may adopt an amended dissolution plan. After adopting an amended dissolution plan, the board has to give the same notice that it gave to the original dissolution plan. The board must publish notice within 5 days of adopting the amended plan. The board has to display a copy of the amended plan, along with a descriptive summary, in a public place within the Village of Saranac Lake and also on the village's website. Second, the board must publish the descriptive summary of the amended plan in a newspaper of general circulation within the village once a week for 4 weeks. The newspaper publication must refer the readers to locations where they can examine the full amended plan. Third, the board must mail by certified mail the amended plan to the town supervisors of Harrietstown, St. Armand, and North Elba.

Step 3: Making a determination on the plan

After the final hearing, the board may reject the dissolution plan, accept the original dissolution plan, or accept an amended dissolution plan. If the board accepts a dissolution plan, it must also pass a resolution the same day that calls for a referendum on the dissolution plan.

The resolution calling for the referendum should include the following:

1. The name of the village to be dissolved
2. The date for the referendum (it must be 60 to 90 days after passing this resolution)
3. The question to be submitted to the electors
4. Anything else that may be necessary for conducting a referendum.

Step 4: Notice of the referendum

Notice of the referendum should be published once a week for 4 weeks in a newspaper that has general circulation within the village. Notice must include (1) a summary of the petition or summary of the plan for dissolution, (2) a statement of where a citizen may examine the full petition or the full plan for dissolution, (3) the name of the village to be dissolved, (4) a full description of the village's territory, (5) the time and location of the referendum, and (6) anything else that might be necessary for a fair referendum.

Step 5: Referendum

The referendum will take place within the village, and it must occur between 60 and 90 days after the board adopts a resolution calling for the referendum. All people registered to vote within the village may vote. The question on the referendum should look similar to this: "Shall the Village of Saranac Lake be dissolved?"

Step 6: After the Referendum

If the majority of voters in the referendum accept the proposition that the Village of Saranac Lake is to be dissolved, then several consequences result. The village government will continue to operate until the effective date of dissolution (stated in the dissolution plan). If a village is to be dissolved, it must dispose

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of its property and arrange to have its obligations met. Any village records will be deposited with the town clerk in the town which contains the principal portion of the village. The principal portion may be by land area, population, or assessed value.

A village cannot simply erase their debts by dissolving the village. The village has to give notice to people who hold claims against it by publishing notice in a newspaper of general circulation within the boundaries of the village at least once a week for four consecutive weeks. After the last publication of notice, the village must give claim-holders 3 to 6 months to file their claims with the village clerk. Any unfiled claims will be “forever barred.” The village board should settle these claims while the village still exists; any remaining claims against the village are assumed by the town. However, the town may impose a special tax on the property that is within the boundaries of the village, in order to pay off the debts that the town assumed from the village

Likewise, village laws continue to exist after the village’s dissolution. The town enforces any village laws within the previous village limits for two years. The town may repeal a village law before two years by adopting a town resolution that repeals the law. If the village had a planning board or a zoning board, then the town board or another appointed board will replace it.

Legal Constraints and Challenges

All village dissolutions to date were done pursuant to Article 19 of the Village Law which was repealed by the New N.Y. Government Reorganization and Citizen Empowerment Act. Since the new procedure has not yet been tested in court, it is important to ensure that the plan has all the required components, and that all notices are properly published and posted.

Operational Feasibility of Village Dissolution

Following the village’s dissolution, the ongoing operation of all continued services would be the responsibility of the town boards in each of the three towns. Though village government would cease to exist, New York State law requires that the towns continue services formerly provided by the village, unless explicitly stated otherwise in the village’s dissolution plan. As such, dissolution would have a significant impact on the operations of the towns, as each town takes on the administration and delivery of former village services. While the disposition of services described in the sections above suggests that the majority of these services would be funded through the town-wide budget, some services, such as sewer and water, would be provided through special districts. This section describes the operational impacts that are anticipated from dissolution of the Village of Saranac Lake as one component of the overall feasibility study for this option.

Envisioned Operating Model

As a result of the village’s unique geographic situation, the continued provision of former village services following village dissolution is somewhat problematic. We assume that each town will take on separately the provision of former village services within the area of the former village of that town. Harrietstown, as the town with the largest portion of the village area, would likely see the greatest impact on its operations following village dissolution, while North Elba and St Armand, each with smaller portions of the village area, would likely see smaller operational impacts following dissolution.

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In order to understand the impact of village dissolution on Harrietstown, North Elba and St Armand operations, it is important to understand the relative size of Saranac Lake's government operations compared to the three towns' own operations. Currently, the village's total budget, including all funds, is approximately \$3,768,000. Based on the distribution of property value between the three underlying towns, the total budget for the Harrietstown area of the village is estimated at \$2,634,000, the North Elba area at \$948,000 and the St Armand area at \$186,000. If we assume no change in the cost of providing services to the village area following dissolution, the incorporation of these new budgets into the existing town budgets would represent a 135% increase for Harrietstown, a 27% increase for North Elba, and a 21% increase for St Armand.

Though we have assumed that each town would separately administer and deliver the required services to the former village area following dissolution, other operating models are possible. One example, which has been discussed by the Committee, is for one of the three towns to take over operations of former village services for the entire former village area, an arrangement that would have to be facilitated through intermunicipal agreements with the other two towns. The agreements would specify the services to be provided, the level of service to be maintained, procedures for oversight and handling of complaints or calls for service, and a method for calculating the cost of services to be reimbursed by the towns receiving services to the town providing the services.

Following dissolution of the village, several changes would occur within the operations of the three towns. From conversations with town officials in Harrietstown and St Armand, it is clear that town operations in these two municipalities would require expansion in order to handle provision of services to the area of the former village. Even in cases where the towns provide services similar to village services, the added effort of providing these services to a new group of consumers—former village residents—would create the need for additional personnel and other service-related costs above and beyond current town operations. We expect that, in many cases, staff currently employed by the village would be the best candidates to fill new positions within the towns in order to continue providing services in the former village area. As a result, village dissolution may result in a majority of village employees transferring their employment to the towns, with relatively little impact on their day-to-day job descriptions.

Impact on Cost and Quality of Service

Our analysis suggests that the overall cost of providing local government services in the Saranac Lake area would not change dramatically as a result of village dissolution. In general, village dissolution studies that have been conducted throughout New York State show that the process does not eliminate the need for village services, but instead transfers the responsibility for provision and administration of these services to the town board, often with costs contained within the former village area through the use of special districts. Though villages and towns in New York State provide many similar services, they often provide them to different consumers — villages to village residents, and towns, primarily, to town residents outside of villages. Therefore, though dissolution would reduce the layers of government in the Saranac Lake area by eliminating the village as an incorporated entity, it would not entirely eliminate the need for continued services to residents in the former village area.

There are two areas where some cost savings may be possible following village dissolution: 1) village services no longer required following dissolution, and 2) village services that are also provided by the town, for which consolidation could present opportunities to eliminate duplication. Clearly, in the first case, the elimination of un-needed services will result in cost savings. In the second case, it is often possible, though not necessarily true, that the consolidation of

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village services into similar town services could result in economies of scale, or greater efficiency, which would reduce the overall combined cost of the service.

In reviewing the services provided by the towns and village, we have identified the following village services that are believed to be unnecessary following village dissolution:

- Village Elections
- Village Tax Collection
- Support for Village Board

The total savings from the elimination of these village services would be \$20,000.

The remaining village services would all continue to be provided following dissolution. As part of this Operational Analysis, we have attempted to estimate the cost of these remaining services following village dissolution. The estimates were developed through a two-step process: first, we identified whether the future cost for the towns to provide a former village service was likely to be greater-than, less-than, or equal to the current village cost of providing the service. In identifying the direction of the potential change in cost, we were careful to explain the current levels of service to avoid unrealistic estimates based on drastic changes in the quality or level of service provided. Next, where the future cost is assumed to be greater-than or less-than the current cost, we developed estimates regarding the magnitude of the change in the cost of providing the service following dissolution. A detailed breakdown of the current and future estimated cost of village services is provided in Appendix A.

Based on the assumptions we have described, and on the detailed estimates in Appendix A, we estimate that the total savings from village dissolution would be less than 1% of the current cost of village services. In dollar-terms, we estimate total savings of approximately \$25,000. Though these are relatively small savings, it should be expected that the savings would increase over time as a result of the consolidation of services with the towns. While the efficiencies gained by consolidating village functions into town departments may be minimal in the short-term, the long-term effects — including a reduction in duplication of services, better allocation of staff and equipment, enhanced bargaining position for contracts, insurance and benefits — should all contribute to greater savings over time.

Impact Mitigation Strategies

There are several factors that could significantly alter the operational impacts described above. While we believe that our assessment has accurately incorporated these factors, it is important to describe our assumptions since ongoing discussions about these issues and future changes in the operations of town and village services could violate our assumptions and lead to conclusions that differ from those described in this report.

First, our analysis indicates that the combined effect of differing base pay rates and benefits costs in the village and the towns should have no significant net effect on the cost of personal services following dissolution, assuming that all future town employees will receive salaries and benefits on par with the towns'

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current employees. However, base pay comparisons are difficult given the diversity of information available from each town regarding base pay and the effects of seniority, other compensation, or overtime pay.

Second, our analysis of the dissolution option assumes that police services continue through a newly-formed Town Police Department in Harrietstown. Since New York State law prohibits part-town special districts for police services, this service would be included in the town's Fund A (General Townwide) budget, and would require the police to respond to calls for service originating in all areas of the town. We have assumed, in our description of the cost impact and total savings above, that though the police department's service area expands following dissolution, the cost of police services does not increase. This assumption clearly presents operational challenges to the police department: how can costs remain constant even though the service area is expanded? The alternative is to expand the cost of police services to correspond with the increase in the service area, a change that significantly increases the cost of police services and alters the overall financial outcome of the dissolution option.

For now, we have assumed no increase in the cost of police services. If police services are expanded as a result of dissolution, it is highly unlikely that any combination of discontinued services and cost-savings through reduced duplication could offset the increased cost of police services. As a result, there would likely be an overall increase in the cost of services under the village dissolution option.

Fiscal Impact of Village Dissolution

Based on the operational impact described above, Fairweather Consulting has prepared a detailed fiscal impact assessment, which analyzes the changes to village and town budgets that should be anticipated should the village dissolution option be pursued. Furthermore, based on the impacts of this option to village and town budgets, we have prepared a taxpayer impact assessment, which shows how village dissolution should be expected to affect the combined tax rates and other local government charges paid by residents in the Saranac Lake area.

Fiscal Assumptions

Any analysis of fiscal and taxpayer impacts relies on a number of assumptions. Changes to the underlying assumptions will affect the results of the analysis. The analysis presented within this report involves the following important assumptions.

No fund balances – When it comes time to calculate the tax levy, towns and villages often find that their books show a positive balance from the prior year. Carrying that balance forward into the current tax year is a common practice, which serves to decrease the amount of revenue required through property taxes or other sources. However, these prior-year funds are not a reliable source of revenue, since they represent the result of conservative budgeting, not a true income. While the tax rates that residents pay are calculated based on the the levy remaining after fund balances are applied, a closer indication of the true cost of local government services (as borne by property owners) would be the tax rate without fund balances. Our analysis uses this method to calculate current and future tax rates, which means that a direct comparison of the tax rates identified in this report to a particular year's tax bill is not possible. However, the net change between current and estimated future, post-restructuring tax rates is preserved, meaning that our analysis provides residents with a true sense of how the restructuring effort would affect their tax bill.

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No debt reduction – Typically, if a village is dissolved, a combination of remaining balances (proceeds from the sale of assets and other one-time revenues) is used to reduce village debts prior to dissolution. The reduction of debts in turn reduces the annual debt service payments, thereby reducing overall appropriations and decreasing the cost of services. Since this study is intended to assess the general feasibility of several restructuring options and is not itself a Dissolution Study, we have not assessed the impact that liquidation of assets could have on the reduction of debts. All current village debt payments are reflected in our service cost estimates both before and after dissolution.

No new state aid – Although incentive AIM payments are expected to be available in the event that local governments in the Saranac Lake area implement one or more of the restructuring options discussed in this report, we have not included those revenues in our fiscal and taxpayer impact analyses. These revenues could serve to improve the results of government restructuring, but are deemed too unreliable to be included in this analysis. Where appropriate, we have described the potential impact of increased revenues as a discussion separate from the expected fiscal and taxpayer impact.

In addition to these general assumptions, the following additional assumption applies specifically to the village dissolution option.

Limited operating efficiencies – As described in the Operational Feasibility section above, village dissolution is not expected to result in significant operating efficiencies. Relatively speaking, the village’s operations are significantly larger than current town operations, particularly in St Armand and Harrietstown (not including Harrietstown’s airport operations). As a result, we assume that any cost-savings through operating efficiencies are likely to range from 0% to 10% of the current cost. Detailed estimates of the savings by service are provided in Appendix A.

Impact on Structure of Accounts and Funds

The first impact of village dissolution on the budgets of the village and the towns are the required changes to the structures of accounts and funds within the towns. These impacts are important since they imply changes in the taxable assessed value of certain town funds, which in turn affects the calculation of property taxes required to satisfy the tax levy in those funds.

In Harrietstown and St Armand, Saranac Lake is the only incorporated village. As a result, these towns’ “outside” funds, which are listed below, would be incorporated into the appropriate “townwide” funds. Since the Village of Lake Placid is also located within the Town of North Elba, Saranac Lake’s dissolution would not eliminate the need for “outside” funds in the town’s budget, but would increase the taxable assessed value within the town’s existing “outside” funds, as shown in the table below.

Fund	Taxable Assessed Value Before Dissolution	Taxable Assessed Value After Dissolution
Town of Harrietstown		
Fund A (General Townwide)	\$796,276,608	\$796,276,608
Fund B (General Outside)	\$603,542,467	Fund Merged Into Fund A
Fund DA (New Highway Townwide)	N/A	\$796,276,608
Fund DB (Highway Outside)	\$603,542,467	Fund Merged Into Fund DA

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Fund SF (Harrietstown Fire Protection)	\$631,235,884	\$796,276,608
Fund AP (Airport District)	\$796,276,608	\$796,276,608
Fund SF2 (New SL Fire Protection)	N/A	\$193,101,732
Town of North Elba		
Fund A (General Townwide)	\$2,193,578,267	\$2,193,578,267
Fund DB (Highway Outside)	\$1,477,924,160	\$1,558,713,870
Fund SP (Park District)	\$1,477,924,160	\$1,558,713,870
Fund SF2 (Raybrook Fire Protection)	\$93,748,827	\$93,748,827
Fund SF3 (New SL Fire Protection)	N/A	\$80,789,710
Town of St Armand		
Fund A (General Townwide)	\$153,768,895	\$153,768,895
Fund DA (Highway Townwide)	\$153,768,895	\$153,768,895
Fund DB (Highway Outside)	\$135,802,347	Fund Merged Into Fund DA
Fund SF (Bloomington/SL Fire Protection)	\$124,530,590	\$124,530,590
Fund SF2 (New SL Fire Protection)	N/A	\$15,886,900
Village of Saranac Lake		
Harrietstown Portion	\$193,101,732	\$193,101,732
North Elba Portion	\$80,789,710	\$80,789,710
St Armand Portion	\$15,886,900	\$15,886,900

Table 2 – Impact of Village Dissolution on Taxable Assessed Value

Worthy of note are several important fund changes implied by dissolution of the village, and which are reflected in the figures above. First, as the table indicates, the taxable assessed value of Harrietstown’s current Fire Protection District would remain the same following dissolution of the village. To provide fire protection services within the former village area, a new fire protection district would be formed, with a taxable assessed value equal to the value of the former village area in Harrietstown. In practice, it may be beneficial to consider a consolidated fire protection district, possibly covering the entire town of Harrietstown. A similar situation exists in North Elba and St Armand, where the existing fire protection districts are left unchanged, with a new district formed to cover the area of the former village.

Not included in the table above are the Sewer and Water Districts that would be established following village dissolution. Though it is anticipated that these districts’ accounts would be tracked in separate town funds, the revenues to be raised by these funds would be raised through water and sewer fees rather than through a tax levy. As such, the taxable assessed value before and after dissolution are not relevant to the discussion of fiscal impacts.

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Impact on Village and Town Budgets

Overall, Village Dissolution is expected to generate only limited reductions in the combined budget of the village and the towns. The following table shows the net effect of this option on the total budgets of each affected municipality.

Municipality	Total Budget Before Dissolution	Total Budget After Dissolution
Village of Saranac Lake	\$3,768,317	\$811,281*
Town of Harrietstown	\$1,952,051	\$4,030,676
Town of North Elba	\$3,517,084	\$4,145,189
Town of St Armand	\$894,037	\$1,118,477
Total	\$10,131,489	\$10,105,623.24
* The remaining budget is for special districts in the former village area for Sewer, Water and Fire Protection		

Table 3 – Impact of Village Dissolution on Town and Village Budgets

On net, though each of the towns sees an increase in its budget following village dissolution, the dissolution itself could be expected to generate a small savings of approximately \$25,000 (0.7% of the former village budget) through the elimination of certain services and slight operating efficiencies gained in others.

In the table above, we have attempted to show both the shifting of costs away from the village, following its dissolution, and the shifting of costs within the towns, which results from the elimination (in Harrietstown and St Armand) of the distinction between “town-wide” and “town-outside” budgets, as well as the shifting of costs due to the consolidation of existing — or creation of new — special districts. Though the mechanics of budget changes appear complicated, the table above should provide some insights regarding the impact of village dissolution as it pertains to each of the towns. Namely, as would perhaps be expected, village dissolution results in the shifting of substantial costs away from the former village and to various funds within the towns.

Impact on Taxpayers

When it comes to the feasibility and impact of the restructuring options being considered by the Committee, one of the most important factors to consider is how restructuring will alter the tax rates of residents in the Saranac Lake Area. While the sections above describe many other important impacts, none is likely to receive as much attention or scrutiny as the effect each restructuring option is expected to have on the cost of local government. As suggested throughout this report, however, it is important to note that the cost of local government, as expressed by the property tax rate, is affected by a variety of factors, including:

- The total cost of services provided by local government
- Local government revenues other than property taxes
- Fund balances and other appropriated reserves
- The combined value of properties upon which taxes are levied

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In the previous sections, we have attempted to describe the effects of village dissolution on each of these factors, leaving only the task of describing their combined impact on tax rates to residents in the Saranac Lake Area.

The actual impact of restructuring on taxpayers will vary according to two further factors: the value of the taxpayer's property, and the taxing districts in which that property lies, both before and after restructuring. To account for varying values of property, our taxpayer impact is expressed as a rate per \$1,000 of assessed value (also known as the property tax rate). Using this rate, residents can compare the cost of local government now and after restructuring using the following formulas:

1. *Current Cost of Local Government (Before Restructuring) = Assessed Value of Property * Current Tax Rate / 1,000*
2. *Future Cost of Local Government (After Restructuring) = Assessed Value of Property * Future Tax Rate / 1,000*
3. *Tax Impact of Restructuring = Future Cost – Current Cost*

The table below summarizes the current and future tax rates for residents in each of the major taxing districts in the Saranac Lake Area. This table takes into consideration all factors related to the restructuring, including the estimated costs of services, changes in revenues and fund balances, and the new Taxable Assessed Value for each taxing district after restructuring.

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	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 1 Village Dissolution
Harrietstown Taxpayer (Outside Village)	\$2.66	\$5.03	\$2.38	90%	
Saranac Lake Taxpayer (Harrietstown Portion)	\$13.47	\$6.07	-\$7.40	-55%	
North Elba Taxpayer (Outside Villages)	\$2.28	\$2.62	\$0.33	15%	
Saranac Lake Taxpayer (North Elba Portion)	\$11.06	\$3.48	-\$7.58	-69%	
St Armand Taxpayer (Outside Village)	\$5.65	\$7.07	\$1.42	25%	
Saranac Lake Taxpayer (St Armand Portion)	\$15.04	\$7.60	-\$7.44	-49%	

* = Figures may vary from actual local tax rates due to use of fund reserves and balances to balance budgets. Rates are per \$1000 of assessed value.

Figure 1 - Taxpayer Impact of Village Dissolution

For many residents in the Saranac Lake Area, the tax impact is the sole fiscal factor to consider when weighing restructuring options. For residents of the village, however, as well as residents outside of the village who are connected to the village’s municipal water and sewer systems, the calculation of the impact of restructuring is a bit more complex. In addition to property taxes, sewer and water rates are also affected by restructuring, meaning that a full account of the fiscal impact must take into consideration the resulting changes in these municipal services’ costs.

Current rates charged are presumed sufficient to cover the operating costs of the sewer and water systems. After restructuring, no substantial changes to the operating costs of the sewer and water system are expected, though the ability to charge higher rates for users of the system outside of the village is unlikely to continue. As such, we expect that water and sewer rates paid by residents outside of the village who are currently connected to the village’s sewer/water

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systems are likely to decrease. In order to offset the lost revenues from these decreases, sewer and water rates for residents within the village who are connected to these systems are likely to increase.

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Feasibility of Option 2: Coterminous Town/Village

While the Service Disposition section that begins on page 7 describes how services would be handled under the coterminous town/village scenario, this option involves a highly complex set of steps in order to bring about the new form of government. First, in order to achieve town and village boundaries that are truly coterminous, annexation by Harrietstown and Franklin County of the portions of Saranac Lake within St Armand and North Elba is required. Following annexation, the town and village boards must agree to operate the coterminous town and village as a single entity. These steps are outlined below in the Legal Feasibility section for this option.

It is worth noting, however, that our analysis assumes that the coterminous town/village boundaries would be equal to all of the current Town of Harrietstown, plus the addition of the portions of Saranac Lake that are now within St Armand and North Elba. Any alternative boundaries, though potentially feasible on a strictly legal basis, seem unlikely to create a rational, effective basis for restructuring local government in the Saranac Lake area. Other options that were discussed and ruled-out by the Committee included:

1. A Coterminous Town/Village, with the same boundaries described above, but entirely within Essex County (rather than Franklin County);
2. A diminished Coterminous Town/Village, with boundaries equal to the current boundaries of the Town of Harrietstown; and
3. A Coterminous Town/Village of St Armand and Saranac Lake, with boundaries equal to the current boundaries of St Armand, plus the portions of Saranac Lake in Harrietstown and North Elba.

Each of these alternate options involve even greater legal complexity than the chosen option, or fail to achieve one or more of the Government Restructuring Project's stated goals of cost-savings and improved quality of local government services.

Once the Coterminous Town/Village is formed, the consolidated municipality would function as a single unit of government. The same people would serve as both Village Trustees and Town Council members. Notably, since the entire area of the coterminous town/village is still technically a village, no special districts could be established, meaning that all services provided would be provided throughout the entire area, a fact that has important fiscal implications as discussed in the following sections.

Legal Feasibility of a Coterminous Town/Village

The New N.Y. Government Reorganization and Citizen Empowerment Act (the Act) authorizes a town and village to consolidate. Thus, the Act may be used to effect a consolidation of the Village of Saranac Lake and the Town of Harrietstown. However, because portions of the village are in other towns, there would not be a coterminous town/village as a result of the consolidation. There would have to be annexation of the portions of the village in North Elba and St. Armand (Essex County) into Harrietstown and Franklin County. It is not clear that the Act would enable an annexation to take place without compliance with the Municipal Annexation Law, which remains in effect.

To avoid a possible court challenge, the safest course would be to undertake an annexation first, then a consolidation.

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Legal Roadmap

Annexation is a well-established process that involves a series of steps that are specified in the law. The goal of the annexation is to bring the portions of Saranac Lake that are in the towns of North Elba and St. Armands into Harrietstown. Thus, there must be a simultaneous annexation of the same territory by Franklin County from Essex County.

Step 1: The Petition

The first step is to present a petition for annexation to the affected local governing boards. In this case, the affected local governing boards are the Franklin County Legislature, Essex County Board of Supervisors, Harrietstown, St. Armand, and North Elba Town Boards, and the Village Board of Saranac Lake. It is also important to remember that there are two simultaneous annexations that are occurring. Both the County of Franklin and the Town of Harrietstown are annexing territory, so they must use a single petition that asks for the simultaneous annexation by both governments.

The petition must contain the following 5 elements: (1) a description of the territory to be annexed, (2) a statement of the approximate number of inhabitants, and (3) signatures (4) that are authenticated by a witness and (5) certified by the appropriate government agency.

Description of the territory to be annexed - The description must accurately describe the targeted territory.

Statement of the approximate number of people in the territory - The best data would be the most recent Federal census.

Signatures - How many signatures does the petition need? There are two ways to achieve an adequate number of signatures. The first option is to obtain the signatures of 20% of all registered voters in the territory to be annexed. The alternative is to obtain the signatures of the people (or businesses) who own at least half of the property value in the territory to be annexed. The total property value of the territory and the value of property owned by the signatories is determined by using the latest assessments available.

Every sheet that contains signatures must be authenticated by a witness. A witness can authenticate signatures by making an affidavit at the bottom of the page. An example affidavit is provided below.

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State of New York)
) ss.:
County of)

(name of witness) being duly sworn, says: I reside at (fill in residence);

I know each of the persons whose names are subscribed to the above sheet having (fill in number) signatures; and each of them subscribed their signature in my presence.

 (signature of witness.)

Sworn to before me this (Date)

..... (Notary Public)

Table 4 – Sample Affidavit for Petition to Annex Territory

Certification - If the petitioners choose to obtain 20% of all registered voters, then the Board of Elections must attach a certificate that verifies that at least 20% of all registered voters have signed the petition. If they choose to obtain the signatures of the owners of a majority of the assessed property value, then the assessor(s) responsible for the territory must attach a certificate that verifies the signatories own at least half of the total value of property within the territory.

Step 2: Giving Notice

After receiving the petition, the governing boards must give notice about the annexation proposal. All notices must announce the date and location of a joint hearing — there are restrictions on when the hearing must be held, which is explained in the Hearings section below. The notice must describe the territory to be annexed, and it must state which local governments are acquiring the territory. Again, it’s of paramount importance to make sure that people understand that the County of Franklin and the Town of Harrietstown are annexing territory at the same time. However, the law has separate procedures for giving notice (1) to persons located in the territory to be annexed (2) to members of the general community and (3) to local agencies and governing bodies.

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Notice to residents of the territory to be annexed - The governing board must mail the notice to all registered voters who reside in the territory to be annexed and all persons and businesses who own property within the territory. The notice must be mailed within 20 days after receiving the petition for annexation.

Notice to the general community - The governing boards must publish the notice in either their official newspaper, or if there is no official newspaper, then publication must be in a paper published in the county and having general circulation in the area of the local government. The board must publish the notice within 20 days after receiving the petition for annexation.

Because the area to be annexed is situated within the Village of Saranac Lake, the village and respective towns may provide for joint mailing and publication of the notice

Notice to local agencies - The governing boards must mail notice to the governing boards of affected local agencies, at least 10 days before the joint hearing. Affected local agencies include:

- (1) all school districts within the Town of Harrietstown and the Village of Saranac Lake,
- (2) any school districts within or adjoining the territory to be annexed, and
- (3) any fire districts, other district corporations, or public benefit corporations located wholly or partly in the territory to be annexed.

Second-chances - Even if there is defective notice initially, the process can still be salvaged. If one of the governing boards sends out a notice with the wrong information, that governing board may publish or mail a correction notice, as long as the correction is published within 40 days after receiving the petition. Did one of the governing boards simply refuse to publish notice at all within the 20-day period? Another governing board may publish notice within the jurisdiction of the resisting governing board, as long it occurs within 40 days after receiving the petition.

Step 3: Hearings

All of the governing boards must convene a joint-hearing between 20 and 40 days after publication and mailing of notice to the general public. The hearing must occur at the same location and time that was published in the notice. Who will preside over the hearing? The governing boards may agree on one of their members to preside, or, if they cannot agree, the hearing officer may be chosen by lot. The governing boards should hear (1) objections based on whether the petition was done properly, and (2) whether annexation is in the "over-all public interest." (People who testify that the petition was not done properly must also submit their objection in writing in addition to their testimony.) The 6 governing boards will share the cost of the providing the record of the hearing. The hearing may be held even if some governing boards do not participate in the hearing.

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Step 4: Inter-government Agreements

At any time prior to the determination by the governing boards, the boards may negotiate agreements about the disposition of property, services, taxes, and debts that would occur after annexation. Any agreements must be in writing and signed by the board (or the board's representative). If the boards simply cannot agree on a specific matter, the law provides a default position. Limitations on inter-government agreements are discussed in the Ramifications section.

So far, this roadmap has outlined the process of developing a petition, giving notice of a hearing, holding a hearing, and negotiating agreements. Only following these steps can the municipal boards and voters finally make a decision on all that information. This decision-making phase will involve all of the affected governing boards, possibly a court (Supreme Court, Appellate Division), and finally the electorate.

Generally, the government that is annexing the territory will have to pay a portion of the debt owned by the government that is ceding the territory. The percentage of the debt that the annexing government will have to pay is proportional to the percentage of the total assessed value that the territory to be annexed represented to the government that is ceding the territory. However, the government that is annexing territory will acquire the property interests located in the territory to be annexed that were owned by the government ceding the territory.

The governments ceding the territory retain the right to collect all delinquent taxes owed in the territory. They are also entitled to all the taxes due up until the effective date annexation. Thus the amount that governments can collect in taxes from the territory to be annexed is proportional to how much of the year that the territory was in their jurisdiction.

Step 5: Determination

The governing boards have 90 days after the hearing to make a final determination and to file the determination with the appropriate municipal clerks. If a governing board fails to make a determination by adopting a resolution that either approves or rejects the petition, then the petition is automatically approved without any inter-governmental agreements. A majority of the total voting strength of each board must vote for the resolution. When the governing board makes its determination by adopting a resolution, it should include its findings on (1) whether the petition was done properly and (2) whether the annexation with the inter-government agreements is in the public interest. Remember: when a governing board passes its determination, it will be unable to further negotiate with the other boards.

After the politics comes paperwork. After passing the resolution, the board must file the (1) determination, (2) copies of any inter-government agreements, (3) the petition, (4) the notice, (5) any written objections, and (6) testimony and minutes from the hearing. Each governing board must file all of these items with the clerks of all 6 of the affected local governments. (If a governing board does not file its determination, it is deemed to have approved the annexation.)

If some, but not all governing boards approve the petition, certified copies of the respective orders of the boards must be filed in the offices of the Essex and Franklin County Clerks.

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Step 6: Adjudication (if necessary)

If the governing boards do not unanimously approve or reject the petition, then any governing board that approved the petition may appeal to the Appellate Division (3rd Department, based in Albany). They must file the suit within 30 days of filing with the county clerks, and the proceeding is governed by special rules.

The Appellate Division will appoint three referees will control the pre-trial discovery and make a report to the Appellate Division. The Appellate Division will use the report to make its judgment and then substitute its judgment for the determination made by any of the governing boards. Thus, the Appellate Division has the ultimate authority in deciding (1) whether the petition was done properly, (2) whether annexation is in the public interest, and (3) how the property, services, taxes, and debts are to be shared by the local governments.

The petition for annexation will be approved or rejected by the end of adjudication. If the petition is approved by all the governing boards, or if the petition is approved by the Appellate Division, then the petition for annexation will be voted on by the general public.

Step 7: Election

It's time to finally put the proposition before the people. After the final determination by the governing boards or the entry of judgment by the court, the local governments have 90 days to hold a special election in the territory to be annexed to vote on the petition for annexation. The Village of Saranac Lake is responsible for the election proceedings within its boundaries.

The ballot will simply state "Shall the territory generally described below be annexed to the Town of Harrietstown and County of Franklin?" A brief description of the territory will follow.

Step 8: Results

If a majority approves the proposition, the proposition passes. In this case, the local governments have 20 days to file their results both with the clerks of Franklin County and Harrietstown and with their own clerk. If the proposition is not approved, then the local governments have 10 days to file the results with the clerks of Franklin County and Harrietstown.

Step 9: Annexation

If the proposition passes, the affected local governing boards will immediately adopt resolutions that annex the territory to the intended local governments. The resolution should create, revise, or remove any councilman districts based upon the territory to be annexed, and it should state the date when annexation becomes effective. This resolution must be filed with the Secretary of State in order to become effective.

Step 10: Fixing the Map

The governing boards of the local governments that acquired the new territory have the responsibility to correct the maps. The boards should, within reasonable time, (1) draw a survey of the annexed territory, (2) mark the boundaries of the territory with monuments, and (3) create new maps that show

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the boundaries of the affected local governments. The maps must be filed with the clerks of all 6 affected local governments, and they must be filed with the secretary of state.

The end result of annexation would be a Village of Saranac Lake that is in a single town and county. Through consolidation, the Town of Harrietstown and Village of Saranac Lake could become a coterminous town/village.

Once the steps above are completed and the portions of the village now in North Elba and St Armand are annexed into Harrietstown and Franklin County, the legal process continues through a formal municipal consolidation, under the New N.Y. Government Reorganization and Citizen Empowerment Act.

Two or more local government entities, whether within one or more counties, may consolidate into a single local government entity if each entity is touching at least one of the other consolidating local government entities. The consolidated local government entity must be of a kind or class that is authorized under the laws of the state of New York. This process can be commenced by either a joint resolution by the consolidating government bodies endorsing a proposed joint consolidation agreement, or an elector initiative.

A consolidation proceeding can be commenced by either the governing bodies of consolidating local governments or by an initiative of electors. This report focuses on a consolidation commenced by the governing bodies.

Step 11: Joint Consolidation Agreement

If the governing bodies endorse a proposed joint consolidation agreement, the agreement must meet certain requirements. The agreement must specify each local entity to be consolidated, the name of the proposed consolidated entity, the rights, duties, obligations, territorial boundaries, and the type and/or class of the proposed consolidated entity. The agreement must also include the governmental organization of the entity, including officials and employees, along with a transitional plan and an election schedule. Also, there must be a fiscal estimate of costs and savings which may be realized by consolidation. The agreement must include each town or village's assets, liabilities, and indebtedness and the terms for disposition of such. Included in the proposed joint consolidation agreement must also be the terms for common administration and uniform enforcement of laws, ordinances, resolutions, and such, within the consolidated entity. Lastly, the agreement must include the effective date for consolidation and time and place of public hearings.

Step 12: Public Notice

No later than five days after the commencement of a proposed joint consolidation agreement, certain notice requirements must be met. Each entity to be consolidated must place, within its territory, the proposed joint consolidation agreement in a public place for viewing. The agreement, its summary, and notice of where it may be viewed, must be placed on each entity's website. Also a descriptive summary and statement of where the agreement may be viewed must be published in a newspaper having general circulation in each entity at least once a week for four consecutive weeks.

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Step 13: Public Hearing

Each consolidating government agency must have one or more public hearings on consolidation. These hearings must be between 35 and 90 days following the commencement of the joint consolidation proceedings. The hearings may be separate by entity or joint, and must allow those who wish to voice an opinion to be heard. Such hearings will be held on notice of 10 to 20 days; notice must be published in a newspaper of general circulation within the entities to be consolidated, and must also be on each entity's webpage. The notice must contain a descriptive summary of the agreement and places to view the agreement.

Step 14: Amendment and Approval of Agreement

After the hearings have been completed, the proposed joint consolidation agreement may be amended, so long as it passes the requirements under § 752 and the notice requirements. No longer than five days following an amendment, the town and village must make available the amended agreement and its description in public places within each consolidating entity. The amended version of the agreement must also be posted, with a description, on the town and village websites. The town and village boards may approve, or amend and approve, the agreement within 180 days of the final hearing.

Step 15: Referendum

When the town and village boards approve the final joint consolidation agreement, a resolution must be enacted calling for a referendum. The resolution must provide names of the consolidating (also referred to as "component entities") entities, a description of the territory to be consolidated, the name of the consolidated governmental entity, and the date for the referendum. The resolution must also include the substance of the question to be submitted to the electors, state the notice requirements of the referendum and the conduct of the return canvassing. The resolution must also have attached to it the final approved version of the joint consolidation agreement.

The joint consolidation agreement shall take effect upon the effective date, should the referendum be passed as set forth in the resolution. Up until the effective date, the component entities should continue pre-consolidation operations. §756.

The referendum by special election must take place in the Town and Village between 60 and 90 days following the passage of the resolution calling for referendum. These referendums in the various consolidating entities must occur no more than 20 days apart. Notice of the referendum must be published in a newspaper of general circulation within the consolidating entity once a week for four consecutive weeks. Such notice must include a summary of the petition or agreement and the resolution, where such documents may be viewed, the names of the consolidating entities and a description of territory, the name of the consolidated entity, the time and place of the election, and the referendum question.

The election and canvassing processes will operate as other municipal elections and referendums, and consolidation will only occur with a majority vote in its favor. Should consolidation pass, certificates of the results must be sent to the Secretary of State and the clerks of the consolidated entities and the county clerks. Should the referendum fail, the actions cannot be recommenced within four years.

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Step 16: Implementation

Once the consolidation process has been completed and the effective date has been reached, the consolidated entities shall be considered one local government entity, under the terms of the joint consolidation agreement. All privileges, rights, franchises, assets, and property of the each component entity shall be transferred and vested in the consolidated local entity. The entity shall also be subject to the same obligations and liabilities. If the plan or agreement calls for the dissolution of a local court, the records will be sent to the justice court judge to be designated by the administrative judge of the judicial district. The designated justice court judge will have the authority to execute and complete all unfinished business.

New officials required to be elected by the agreement or plan will take office on the first Monday of January following the election designated in the agreement or plan. Those being appointed to their position will be appointed as provided by law.

Except as provided by law and those officials and employees protected by tenure, civil service provisions, or a collective bargain agreement, all positions existing in the component government entities will be subject to the agreement or plan.

The debts, liabilities, and obligations, which are valid and lawful, that exist against the consolidated local government entity, which would have been valid without the consolidation, will be answered for in the same manner the component entity would have. The debt, liabilities and obligations essentially transfer from the component entity to the consolidated entity. This includes the rights of creditors and liens against property, and the bonds and contracts of the component entities as well.

Subject to the agreement or plan, concerning the common administration and uniform enforcement of laws in the consolidated local government entity, all local laws, ordinances, rules or regulations of the component entities in effect on the effective date of consolidation shall remain in full force and effect within the respective areas of the component entities that existed prior to consolidation until repealed or amended. As soon as practicable, but within two years of consolidation, new laws, ordinances, and regulations shall be passed by the consolidated entity to eliminate or reduce conflicts and ambiguities arising from the then-existing laws, ordinances, and rules or regulations for the common administration and uniform governance of the consolidated entity. In essence, the local laws will remain in effect, and within two years, the laws should be made uniform within the new consolidated government entity.

If there is an action in court during the time of consolidation against one of the component entities, the consolidated entity may be substituted in its place in that litigation.

Upon consolidation, no new registration of voters needs to take place. However, all elector registrations of the component entities must be submitted to the consolidated entity.

If a right, title, or claim should arise, and it is not addressed by this chapter of the law, nor by the agreement or the plan, the consolidated entity may provide for resolution in a manner conforming to law.

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Legal Constraints and Challenges

The New N.Y. Government Reorganization and Citizen Empowerment Act took effect three months ago as of this writing, and there is no case law that would clarify how it interacts with other laws. Three issues need to be considered if the Act is to be used to effect a consolidation of Harrietstown and Saranac Lake:

Consolidation Without Annexation

The process would be much simpler if the town and village simply consolidated. It is an appealing argument that, by consolidating, the area of the Village of Saranac Lake would by default be entirely in the Town of Harrietstown. However, the Act does not reference the Municipal Annexation Law, which remains in effect. A consolidation without annexation would exclude North Elba, St. Armands, and Essex and Franklin Counties from participation in the process, as is their right under the Municipal Annexation Law.

What is the consolidated entity?

The joint consolidation agreement identifies the type and/or class of the consolidated entity. The Act requires the entity to be either a town or village. It is not clear what happens to the town if the consolidated entity is a village. At present, there is no area of New York State that is not within a town or city. A reasonable interpretation of the Act would suggest that if the consolidated entity is a village, the town remains as a geographic entity that is governed as a village. The result would be, in effect, a coterminous town/village operating as a village.

Election Cycle

The Act calls for elected officials of the consolidated entity to take office on the first Monday of January following the election designated in the joint consolidation agreement. Normally village officials are elected in March and take office in April. If the consolidated entity was a village, it would need to consider how to handle future elections.

Operational Feasibility of a Coterminous Town/Village

As alluded to previously, local government operations in the Saranac Lake Area tend to be concentrated within the Village of Saranac Lake. With a budget significantly greater than the surrounding towns' budgets, the village maintains a greater capacity to provide certain services to area residents, such as sewer and water, community development, and general administration. Whereas village dissolution places the responsibility for continued services solely with each town, the coterminous town/village option, as envisioned in this study, would result in an expanded village, with the possibility of cost-savings through a consolidation of local government operations formerly administered by the towns.

Envisioned Operating Model

In contrast to the village dissolution option, where the towns each expand their operations to take up services formerly provided by the village, the envisioned operating model for the coterminous town/village option is based on the creation of a new, expanded town and village area. Once the steps required to achieve this expansion are complete, and the town and village boundaries are coterminous, the two municipalities would opt either to function primarily as a village or as a town. In either case, it is expected that since the village's capacity is somewhat greater than the town's, the structures for

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delivering municipal services following the creation of a coterminous town/village would largely mirror the current village operations. For instance, it is assumed, based on conversations with village officials, that only modest increases in the current expenditures of the village would be required in order to provide the administration and general municipal services required by residents now outside of the village. Certain town services not currently provided by the village, such as property assessment and the airport, would continue without any expected reduction in cost, however, since these operations would continue unaffected by the restructuring.

Impact on Cost and Quality of Service

Based on the service disposition and resulting operational changes discussed above, it appears that the coterminous town/village option could result in modest overall savings of approximately 9%, or about \$900,000. The majority of these savings are the result of merging current Harrietstown operations with current Saranac Lake operations, which, as discussed above, is expected to result in greater operating efficiencies.

The cost savings generated by this option fall into the same two categories described in the village dissolution option: 1) town/village services no longer required following the creation of the coterminous town/village, and 2) town services that are also provided by the village, and which the village estimates would cost less for it to provide than the current cost.

In reviewing the services provided by the towns and village, we have identified the following town services that are believed to be unnecessary following the establishment of a coterminous town/village, which chooses to operate primarily as a village:

- Town Elections
- Town Tax Collection
- Support for Town Council

The total savings from the elimination of these village services would be approximately \$48,000.

The remaining town services would all continue to be provided following the restructuring, though the primary responsibility for these services would rest with the Village Board and the services would be incorporated into the village's operations. We have attempted to estimate the future costs of these services through a similar process to that which is described in the village dissolution section above. First, we examined what impact, if any, the expanded territorial boundaries of the coterminous town/village might have on the current cost of town services. We estimate a slight increase, of about 10%, to the cost of current town services, based on a similar increase to the taxable assessed value of the town following expansion. Second, we discussed with village officials the current services provided in the town and used the input gathered to develop estimates regarding the potential cost-savings due to consolidation of services under this option. In general, much greater operating efficiencies and economies of scale are expected under this option than under the village dissolution option, leading to the greater expected cost savings.

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Based on the assumptions we have described, and on the detailed estimates in Appendix A, we estimate that the total savings from village dissolution would be approximately 9% of the current cost of village services. In dollar-terms, we estimate total savings of approximately \$900,000. It is worth noting that savings of this magnitude would inevitably require a reduction in the total workforce of the village and towns, a fact that brings with it a new set of impacts. While these savings may accrue over time, an immediate reduction in budgets of this magnitude is unlikely. Also, since very few communities have navigated the process of establishing a coterminous town/village, it is possible that estimated cost reductions will prove elusive as the town and village seek to implement this option. Like the dissolution option, however, the long-term effects of a consolidation — including a reduction in duplication of services, better allocation of staff and equipment, enhanced bargaining position for contracts, insurance and benefits — should all contribute to greater savings over time.

Impact Mitigation Strategies

There are several factors that could significantly alter the operational impacts described above. While we believe that our assessment has accurately incorporated these factors, it is important to describe our assumptions since ongoing discussions about these issues and future changes in the operations of town and village services could violate our assumptions and lead to conclusions that differ from those described in this report.

Two potential impacts are similar to ones discussed under the village dissolution option: the impact of varying base pay rates in the town and village, and the impact of restructuring on police services. In both cases, the response to these potential impacts is the same. Our analysis indicates that the combined effect of differing base pay rates and benefits costs in the village and the towns should have no significant net effect on the cost of personal services following consolidation, assuming that all employees of the consolidated town/village will receive salaries and benefits on par with the village's current employees. However, base pay comparisons are difficult given the diversity of information available from each town regarding base pay and the effects of seniority, other compensation, or over-time pay.

Our analysis also assumes that police services will continue to be provided by the Village Police Department, though the territory of the village will be greatly expanded, presenting operational challenges in the implementation of this restructuring option. As we continue to investigate these options and their operational and fiscal feasibility, we intend to develop a reasonable estimate of the possible increase in police costs, and to show how such an increase could affect the overall fiscal impact under this restructuring option.

Fiscal Impact of a Coterminous Town/Village

Based on the operational impact described above, Fairweather Consulting has prepared a detailed fiscal impact assessment, which analyzes the changes to village and town budgets that should be anticipated should the coterminous town/village option be pursued. Furthermore, based on the impacts of this option to village and town budgets, we have prepared a taxpayer impact assessment, which shows how the option should be expected to affect the combined tax rates and other local government charges paid by residents in the Saranac Lake area.

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Fiscal Assumptions

For a list of general assumptions, see the discussion under the village dissolution option. In addition to these, the following assumptions are specific to the coterminous town/village option.

Significant operating efficiencies – As described in the operational feasibility section above, the coterminous town/village option should result in some significant operating efficiencies. Relatively speaking, the village’s operations are significantly larger than current town operations, particularly in St Armand and Harrietstown (not including Harrietstown’s airport operations), suggesting that the village has the capacity to incorporate town services into its existing operations at little additional cost. To reflect this, and with input from village officials, we estimate a reduction of between 30% and 90% in the cost of current town services that are merged with existing village services. Detailed estimates of the savings by service are provided in Appendix A.

Effects of annexation on service costs in North Elba and St Armand – Annexation of the portions of the village in North Elba and St Armand by Harrietstown will have the obvious effect of reducing the taxable assessed value of both of these towns. However, under the assumption that the taxes levied against properties in the village area are used to pay for services provided to those properties and their residents, it should follow that the reduction in the taxable assessed value comes with a corresponding decrease in the cost of services in both towns. With fewer residents and properties to serve, the reduction in expenses should offset the reduction in revenues.

Sales tax revenues – Our understanding is that a small portion of sales taxes collected in Essex County is returned to each town in the county (6.7%, or \$0.0025 out of the total \$0.0375 collected by the county on each \$1 of sales). Following the annexation process, no part of the village will be within Essex County. This change could have two impacts on the towns in Essex County, especially St Armand and North Elba. First, since Essex County’s sharing formula is based on population and property value in each town, the share of sales taxes received by St Armand and North Elba would decline. Second, sales taxes collected by retailers in the portions of the village now in Essex County would no longer accrue to Essex County, decreasing the overall sales tax revenues in that county, while increasing revenues to Franklin County.

At the time of this report additional information regarding the magnitude of these impacts has been requested but not received from Essex County. We have used other sources to determine the value of retail sales in the Essex-portion of the Village of Saranac Lake in order to estimate the potential impact of annexation on Essex County and its municipalities and Franklin County. The table below show current retail sales in the village by county, along with total retail sales by county both before and after annexation.

Area	Estimated Retail Sales BEFORE Annexation	Estimated Retail Sales AFTER Annexation
Franklin County	\$324,318,538	\$359,397,514
Saranac Lake (Franklin-Portion)	\$31,291,632	\$66,370,608
Essex County	\$335,646,640	\$300,567,664
Saranac Lake (Essex-Portion)*	\$35,078,976	\$0 (no portion of the village remains in Essex)

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** This is the portion of the village that is annexed into Franklin County (and Harrietstown) under the Coterminous Town/Village option.*

Source: ESRI Business Analyst Online

Table 5 – Retail Sales by Area Before and After Creation of Coterminous Town/Village

As a result of annexation, Essex County is expected to see a reduction in local sales tax revenues of \$1,278,000. Based on the current formula for sharing sales tax revenues with Essex County’s towns, annexation would also cause a reduction of \$88,000 in sales tax revenues distributed to those towns. Since the exact formula for sharing revenues with the towns is not known, we are unable to determine the precise impact on sales tax revenues for North Elba and St Armand. Given the different sales tax rates in Essex (7.75%) and Franklin (8.00%), sales in the former Essex-portion of the village are expected to increase sales tax revenues in Franklin County by a slightly larger amount of \$1,400,000, though currently no portion of these revenues would be shared with Franklin County municipalities.

Impact on Structure of Accounts and Funds

The first impact of the coterminous town/village option on the budgets of the village and the towns are the required changes to the structures of accounts and funds within the towns and the village. These impacts are important since they imply changes in the taxable assessed value of certain town/village funds, which in turn affects the calculation of property taxes required to satisfy the tax levy in those funds.

The creation of a coterminous town/village would effectively combine Harrietstown’s and Saranac Lake’s accounts and funds into those of a single village. In St Armand, the “outside” funds, which are listed below, would be incorporated into the appropriate “townwide” funds once the annexation process is complete. Since the Village of Lake Placid is also located within the Town of North Elba, the annexation process would not eliminate the need for “outside” funds in the town’s budget, but would decrease the taxable assessed value within the town’s existing “townwide” funds, as shown in the table below.

Fund	Taxable Assessed Value Before Restructuring	Taxable Assessed Value After Restructuring
Town of Harrietstown		
Fund A (General Townwide)	\$796,276,608	Fund Merged into Village General Fund
Fund B (General Outside)	\$603,542,467	Fund Merged into Village General Fund
Fund DB (Highway Outside)	\$603,542,467	Fund Merged into Village General Fund
Fund SF (Harrietstown Fire Protection)	\$631,235,884	Fund Merged into Village General Fund
Fund AP (Airport District)	\$796,276,608	Fund Merged into Village General Fund
Town of North Elba		
Fund A (General Townwide)	\$2,193,578,267	\$2,112,788,557
Fund DB (Highway Outside)	\$1,477,924,160	\$1,477,924,160
Fund SP (Park District)	\$1,477,924,160	\$1,477,924,160
Fund SF2 (Raybrook Fire Protection)	\$93,748,827	\$93,748,827
Town of St Armand		

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Fund A (General Townwide)	\$153,768,895	\$137,881,995
Fund DA (Highway Townwide)	\$153,768,895	\$137,881,995
Fund DB (Highway Outside)	\$135,802,347	Fund Merged Into Fund DA
Fund SF (Bloomington/SL Fire Protection)	\$124,530,590	\$124,530,590
Village of Saranac Lake		
Harrietstown Portion	\$193,101,732	\$879,418,493
North Elba Portion	\$80,789,710	
St Armand Portion	\$15,886,900	

Table 6 – Impact of Coterminous Town/Village on Taxable Assessed Values

Not included in the table above are the Sewer and Water Districts that would be consolidated following the formation of a coterminous town/village. Though it is anticipated that these districts' accounts would be combined into the village's sewer and water funds, the revenues to be raised by these funds would be raised through water and sewer fees rather than through a tax levy. As such, the taxable assessed value before and after dissolution are not relevant to the discussion of fiscal impacts. The impact of this option on sewer and water rates is discussed in the fiscal impact section below.

Impact on Village and Town Budgets

Overall, the coterminous town/village option is expected to generate modest reductions in the combined budget of the village and the towns. The following table shows the net effect of this option on the total budgets of each affected municipality.

Municipality	Total Budget Before Restructuring	Total Budget After Restructuring
Village of Saranac Lake	\$3,768,317	\$4,946,535
Town of Harrietstown	\$1,952,051	
Town of North Elba	\$3,517,084	\$3,460,186
Town of St Armand	\$894,037	\$812,679
Total	\$10,131,489	\$9,219,400

Table 7 – Impact of Coterminous Town/Village on Town and Village Budgets

On net, the coterminous town/village option is expected to generate savings of more than \$900,000 (9% of the former combined budgets) through the elimination of certain services and operating efficiencies gained in others.

Impact on Taxpayers

The table below summarizes the current and future tax rates for residents in each of the major taxing districts in the Saranac Lake Area. This table takes into consideration all factors related to the creation of a coterminous town/village, including the estimated costs of services, changes in revenues and fund balances, and the new taxable assessed value for each taxing district after restructuring.

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	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 2 Coterminous Town/Village
Harriestown Taxpayer (Outside Village)	\$2.66	\$5.04	\$2.38	90%	
Saranac Lake Taxpayer (Harriestown Portion)	\$13.47	\$5.04	-\$8.43	-63%	
North Elba Taxpayer (Outside Villages)	\$2.28	\$2.28	\$0.00	0%	
Saranac Lake Taxpayer (North Elba Portion)	\$11.05	\$5.04	-\$6.02	-54%	
St Armand Taxpayer (Outside Village)	\$5.65	\$5.59	-\$0.06	-1%	
Saranac Lake Taxpayer (St Armand Portion)	\$15.03	\$5.04	-\$10.00	-67%	

* = Figures may vary from actual local tax rates due to use of fund reserves and balances to balance budgets. Rates are per \$1000 of assessed value.

Figure 2 - Taxpayer Impact of Coterminous Town/Village

As with the dissolution option, the fiscal impact on village residents and town residents connected to the village’s water or sewer systems requires a review of the impact of restructuring on sewer and water rates. Current rates charged are presumed sufficient to cover the operating costs of the sewer and water systems. After restructuring, no substantial changes to the operating costs of the sewer and water system are expected, though the ability to charge higher rates for users of the system outside of the village is unlikely to continue. As such, we expect that water and sewer rates paid by residents outside of the village who are currently connected to the village’s sewer/water systems are likely to decrease. In order to offset the lost revenues from these decreases, sewer and water rates for residents within the village who are connected to these systems are likely to increase.

Feasibility of Option 3: City

Though the term “city” carries with it certain preconceptions, this structure of local government is another possible means toward reducing the overlapping layers of local government in the Saranac Lake Area. In New York State, cities are generally geographically and functionally separate from the surrounding towns. Unlike villages, which are additional layers on top of the underlying town government, cities themselves perform the required town functions in addition to the functions set out in the city charter, which serves as the basis for establishment of the city. In spite of frequent claims to the contrary, cities are not required to provide additional services not typically provided by towns and villages. Thus, as outlined in the Service Disposition section above, this option allows for a restructuring of local government while preserving the municipal services currently provided within the Saranac Lake Area.

Though technically feasible, there are challenges — legal, operational and financial — related to the creation of a city. These challenges are described in the following sections. Notably, there are two facts regarding the establishment of a city that have had a bearing on the Committee’s discussions regarding this option. First, state roads within the city would be maintained by the city rather than the NYS DOT. Second, since the territory within the city is not also within any town, the creation of a new city necessitates the secession of territory from one or more towns. Both of these facts have led the Committee to think carefully about the potential boundaries of a city in the Saranac Lake Area, since the geographic boundaries have ripple effects on the impacts of implementation of this option. At this stage of the study, the Committee assumes that the city boundaries would be equal to the full extent of the boundaries of the Village of Saranac Lake. This assumption is subject to change based on input received by the Committee following the presentation of this report.

Legal Feasibility of a City

A city may be established by the enactment of a city charter by the New York State Legislature. The last time a charter was enacted was 1940 (City of Rye in Westchester County). Legislation introduced in 1994 to establish a City of Staten Island (by seceding from New York City) was not enacted because of the lack of a home rule message from New York City.

Legal Roadmap

The organization and powers of a city are set out in its own charter, while most villages (including Saranac Lake) are organized under and governed by the Village Law. Also, a city is not part of a town. Thus, a City of Saranac Lake would need to be organized to provide services that village residents receive from both the village and their respective town.

While enactment of a city charter is carried out by the State Legislature, there are several steps that must be taken locally before the Legislature will act.

Step 1: City Boundaries

The charter must describe the boundaries of the city. Will the city boundaries be the same as those of the Village of Saranac Lake, or will it include territory that is currently town outside village? The working assumption is that the city boundaries would be the same as the current village boundaries.

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Step 2: Draft a Charter

The charter establishes the form of government, the organization of the city government (departments, officers, how selected), and the budget process. Cities in New York State are afforded a relatively high degree of autonomy, and are generally required to provide only those services identified in their charters, plus a basic set of municipal services mandated by state law. Cities are not required to provide a host of additional social services, as is often claimed.

Step 3: Present Charter to State Legislature

Once a charter has been developed, that charter must be enacted by the legislature in order for the city to be established. The act that enacted the charter for the City of Rye provided that it would not take effect until it was approved by the voters of the Village of Rye, suggesting that a similar condition might apply in the case of the Saranac Lake charter.

Step 4: Referendum

To provide sufficient evidence of local support, it is likely that a local referendum would be required before the legislature would enact the charter. The referendum would ask voters within the area of proposed city to approve the charter.

Legal Constraints and Challenges

While the process used in 1940 to incorporate the City of Rye is a reasonable roadmap of the process, the failed attempt of Staten Island to secede from New York City by incorporating a new city established some precedents that could make it difficult to incorporate a City of Saranac Lake. While the precedents are more political than legal, opponents of Staten Island's attempt remain in power in the Legislature at the time of this report's writing.

Legislation enacted in 1989 authorized a referendum of voters in Staten Island to decide whether they wanted to study secession. By a lopsided margin, the voters approved the proposition to study secession, and a state commission was created to study the feasibility of secession. The commission decided it was feasible and drafted a charter that was then presented to the Legislature in 1994 and secession legislation was introduced. The Speaker of the Assembly then ruled that a home rule message from New York City was required before the bill could be brought to the floor. A court challenge to the Speaker's determination was dismissed on the ground that the Speech and Debate Clause of the State Constitution provides the Speaker with immunity from court scrutiny in the performance of his duties.

Any incorporation of a city would diminish the boundaries of the towns in which the territory of the city is located. Based on the views of the current Speaker (as demonstrated in the case of the proposed secession of Staten Island from New York City to establish a City of Staten Island), it is likely that it will be necessary to obtain home rule messages from the affected towns.

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Operational Feasibility of a City

From an operating standpoint, the city option represents the smallest change from the status quo. Rather than eliminating one of the existing municipalities altogether, the city option simply eliminates the overlapping boundaries of the current village and towns. As a result, services provided by the village and each of the towns continue, largely unaffected by the restructuring. Within the former village, however, the change in the form of government requires the provision of certain additional services, such as property assessment and the creation of a board of health. Within the towns, though no services are eliminated, the creation of a city within the current village boundaries diminishes the area for which the towns provide those services. Like the coterminous option, the reduction in territory has two effects: it reduces the total taxable assessed value of the towns, and it also reduces the cost of nearly all services provided by the towns*.

***Airport Exception:** Under normal circumstances, the reduction of a town’s area should reduce the cost of providing services to its now-diminished number of taxpayers—the transfer station, for example, would serve less residents, and would therefore cost less to maintain and operate. However, this is not the case when it comes to Harrietstown’s airport. Because a reduction in population would have no discernable effect on the usage of the town’s airport (which directly serves visitors and travelers, not just residents), the cost to continue to maintain the facility would remain constant. This means that those fixed costs would then get spread among a reduced number of taxpayers, effectively causing an increase in Harrietstown’s tax bills.

Envisioned Operating Model

As a city, Saranac Lake would continue to provide all of the same services currently provided to village residents. New functions, including property assessment, the board of health, and expanded highway maintenance on state roadways would be incorporated into the village’s current service structures. Additional changes are likely, and would be spelled out in detail in the city’s charter, but these changes are expected to be largely administrative in nature, including the decision about the form of city government. Daily operations required to provide services are unlikely to change significantly.

Impact on Cost and Quality of Service

The addition of some new functions and the expansion of street maintenance imply a slight increase in the cost of services provided by the village. The following list provides our estimates of the service costs that are expected to increase for the village following its transition to a city.

Service	New/Additional Cost
Property Assessment	\$51,174
Public Works Administration	\$10,734
Highway Garage/Fleet Maintenance	\$19,315
Snow Removal	\$69,633
Street Maintenance	\$62,105
Total New/Additional Cost	\$212,961.00

Table 8 – Additional Cost of Services Under City Option

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As described above, the reduction in territory in the three towns is expected to decrease the cost of townwide services. Services included in the towns' outside funds or in existing special districts would not be affected. A full list of the estimated cost of services under the city option is included in Appendix A.

Overall, the city option is expected to generate total savings of about 0.4% of the current combined town and village budgets, or about \$42,000. The majority of these savings are the result of decreases in the expected cost of town services outside of the city area, due to the reduction in the towns' territory.

Impact Mitigation Strategies

Unlike the two other restructuring options, the city option has the benefit of requiring no large-scale effort to merge town and village departments and functions. Any discrepancies between base salaries and benefits packages in the towns and the village would not pose a challenge under this scenario, since no merger would be implemented. Likewise, potential questions about the scope and cost of police services are avoided under the city option, since the village police department would continue to serve the same area in its capacity as a department of the newly-formed city.

Fiscal Impact of a City

For a list of general assumptions, see the discussion under the village dissolution option. In addition to these, the following assumptions are specific to the city option.

Effects of city on service costs in North Elba and St Armand – The creation of a city with the same boundaries as the village has an effect similar to the annexation process on the total taxable value of property in North Elba and St Armand. As with the coterminous option, we assume that the town taxes levied against properties in the village area are used to pay for services provided to those properties and their residents. As such, it should follow that the reduction in the taxable assessed value comes with a corresponding decrease in the cost of services in both towns. With fewer residents and properties to serve, the reduction in expenses should offset the reduction in revenues.

Sales tax revenues – Unlike the coterminous option, the city option should have no immediate impact on sales tax revenues in either county, nor would it necessarily affect the existing sales tax sharing formula in Essex County. As discussed in the legal feasibility section, however, cities in New York State have authority to pre-empt a portion of the sales taxes on sales within the city. For the purposes of our analysis, we have assumed that the city would not choose to do so, maintaining the current sales tax revenue situation.

Impact on Structure of Accounts and Funds

The first impact of the city option on the budgets of the village and the towns are the required changes to the structures of accounts and funds within the towns and the village. These impacts are important since they imply changes in the taxable assessed value of certain town/village funds, which in turn affects the calculation of property taxes required to satisfy the tax levy in those funds.

The transition of the village to a city would have only minor impacts on the funds and accounts of the village and the three towns. In Harrietstown and St Armand, the "outside" funds, which are listed below, would be incorporated into the appropriate "townwide" funds once the city is established. Since the

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Village of Lake Placid is also located within the Town of North Elba, Saranac Lake’s dissolution would not eliminate the need for “outside” funds in the town’s budget, but would decrease the taxable assessed value within the town’s existing “townwide” funds, as shown in the table below.

Fund	Taxable Assessed Value Before Restructuring	Taxable Assessed Value After Restructuring
Town of Harrietstown		
Fund A (General Townwide)	\$796,276,608	\$603,174,876
Fund B (General Outside)	\$603,542,467	Fund Merged into Fund A
Fund DA (Highway Townwide)	N/A	\$603,174,876
Fund DB (Highway Outside)	\$603,542,467	Fund Merged into Fund DA
Fund SF (Harrietstown Fire Protection)	\$631,235,884	\$631,235,884
Fund AP (Airport District)	\$796,276,608	\$603,542,467
Town of North Elba		
Fund A (General Townwide)	\$2,193,578,267	\$2,112,788,557
Fund DB (Highway Outside)	\$1,477,924,160	\$1,477,924,160
Fund SP (Park District)	\$1,477,924,160	\$1,477,924,160
Fund SF2 (Raybrook Fire Protection)	\$93,748,827	\$93,748,827
Town of St Armand		
Fund A (General Townwide)	\$153,768,895	\$137,881,995
Fund DA (Highway Townwide)	\$153,768,895	\$137,881,995
Fund DB (Highway Outside)	\$135,802,347	Fund Merged Into Fund DA
Fund SF (Bloomington/SL Fire Protection)	\$124,530,590	\$124,530,590
Village of Saranac Lake		
Harrietstown Portion	\$193,101,732	\$321,213,508
North Elba Portion	\$80,789,710	
St Armand Portion	\$15,886,900	

Table 9 – Impact of City on Taxable Assessed Values

Unlike the previous options, the city option does not affect the current arrangement of sewer and water services. Users within the village and within town districts outside of the village would continue to receive those services from the city, with rates unchanged by the restructuring.

Impact on Village and Town Budgets

Overall, the city option is expected to generate small reductions in the combined budget of the village and the towns. The following table shows the net effect of this option on the total budgets of each affected municipality.

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Municipality	Total Budget Before Restructuring	Total Budget After Restructuring
Village of Saranac Lake	\$3,768,317	\$3,982,718
Town of Harrietstown	\$1,952,051	\$1,827,344
Town of North Elba	\$3,517,084	\$3,460,186
Town of St Armand	\$894,037	\$819,630
Total	\$10,131,489	\$10,089,878

Table 10 – Impact of City on Town and Village Budgets

On net, the city option is expected to generate savings of approximately \$42,000 (0.4% of the former combined budgets) through the reduction of service costs in the three towns due to the towns' reduced territory.

Impact on Taxpayers

The table below summarizes the current and future tax rates for residents in each of the major taxing districts in the Saranac Lake Area. This table takes into consideration all factors related to the creation of a city, including the estimated costs of services, changes in revenues and fund balances, and the new taxable assessed value for each taxing district after restructuring.

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	Combined Local Tax Rate Before Restructuring*	Combined Local Tax Rate After Restructuring*	Change in Combined Tax Rate*	Percent Change in Combined Tax Rate	Option 3 City
Harrietstown Taxpayer (Outside Village)	\$2.66	\$2.91	\$0.25	9%	
Saranac Lake Taxpayer (Harrietstown Portion)	\$13.47	\$12.82	\$0.64	-5%	
North Elba Taxpayer (Outside Villages)	\$2.28	\$2.28	\$0.00	0%	
Saranac Lake Taxpayer (North Elba Portion)	\$11.06	\$11.03	\$0.03	0%	
St Armand Taxpayer (Outside Village)	\$5.65	\$5.65	\$0.00	0%	
Saranac Lake Taxpayer (St Armand Portion)	\$15.04	\$11.03	-\$4.01	-27%	

* = Figures may vary from actual local tax rates due to use of fund reserves and balances to balance budgets. Rates are per \$1000 of assessed value.

Figure 3 - Taxpayer Impact of City Option

Unlike the other two options, the city option has no affect on sewer and water rates for users inside or outside of the village.

A Comparative Analysis of the Restructuring Options

Since the primary purpose of the Government Restructuring Project is to weigh the costs and benefits – both financial and otherwise – of the available restructuring options, most of the work conducted by Fairweather Consulting and the Committee has been toward identifying the various pros and cons of the restructuring options. This report describes in detail our findings regarding each option, with a focus on the legal, operational and fiscal feasibility and impacts. This section attempts to bring together the findings from previous sections in order to allow direct comparisons of the three options and their relative merits and drawbacks. It is hoped that this comparative analysis will inform future decisions by the Committee, local governing boards, and residents regarding the best future municipal structure for the Saranac Lake Area.

The Evaluative Framework

From the beginning of the project, it was envisioned that any available restructuring options would be compared across a variety of dimensions. Early on, the Committee identified the following important criteria that should be included in the comparative analysis, which are explained here. In the following sections, we provide our analysis of each option in relation to these evaluation criteria.

Implementation Factors

The first set of evaluation criteria have to do with the implementation process for each option. The Committee has identified the following criteria related to implementation, which are intended to show the relative ease with which the options could be implemented.

Complexity of legal process – Each option involves a legal process, defined in this report. The complexity of this process is determined by the number of legal procedures involved, such as crafting and filing petitions, holding hearings, and conducting additional studies and analyses.

Difficulty of implementation – The difficulty of implementing each option involves more than just the complexity of the legal process. A simple process – such as the creation of a city – involves several difficult steps, including a local referendum and enactment of the city charter by the New York State legislature. In general, we define the difficulty of implementation as the number of votes/referenda required, and the number of stakeholders involved in completing the implementation effort.

Cost of implementation – Each option is likely to involve a relatively significant cost in order to implement, including the cost of necessary hearings, announcements, votes, and legal fees. In some cases, such as the Village Dissolution option, additional studies may be required. This criterion attempts to estimate the relative cost of implementing each of the options based on initial assumptions regarding the implementation process.

Operational Factors

The next set of criteria for evaluating the options has to do with the resulting operational configuration. The fiscal impacts that result from changes to town and village operations (discussed at length in prior sections of this report) are identified as a separate factor, discussed below. However, some aspects of the

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operational structure following restructuring do not lend themselves to direct financial impacts. The following criteria are intended to shed light on the comparative strengths and weaknesses of the three options when it comes to the non-fiscal aspects of the resulting municipal structure.

Complexity of resulting municipal structure – This criterion measures the number of overlapping municipalities or districts resulting from the proposed future structure. The greater the number of overlapping districts and municipalities, the more complex the resulting structure.

Transience and variability of resulting municipal structure – An important consideration when weighing each option is the ease with which the hard work involved in implementing the change could just as easily be undone by future governing boards or officials. Greater preference is given to the options that minimize the likelihood that restructuring could be recinded or dissolved in the future.

Number of resulting municipal structures – While the complexity and variability of municipal structures is important, these criteria do not capture one of the primary goals set forth by the Committee at the beginning of the study: to reduce the number of governing bodies in the Saranac Lake Area. This criteria identifies the total number of municipal entities and special districts following restructuring.

Financial Factors

Clearly, an important factor in the decision-making process regarding restructuring has to do with the cost burden that the new municipal structure places on residents in the Saranac Lake Area. This has been the focus of the fiscal impact analyses included in this report, which are summarized here for the purposes of comparing the three options' relative strengths and weaknesses. As described in earlier sections of this report, all three options have the potential to save taxpayers in the Saranac Lake Area money overall. However, the equity with which these savings are distributed is certainly a key consideration, so rather than weighing only the overall savings, we have included the taxpayer savings by taxing district.

Finally, it is worth noting that the fiscal impact of each option is likely the most variable of the criteria presented here. Decisions regarding the boundaries of each option, the operational implementation of each option, and the distribution of revenues can impact the results of the fiscal analysis. Therefore, while we believe that the assessment presented in this report is an accurate portrayal of the likely outcome of each restructuring option, we note that fiscal challenges alone should not be considered sufficient to eliminate any of these options. Rather, the fiscal impact of restructuring should be considered along with the other factors as a part of the decision-making process.

Other Factors

While the factors and criteria discussed above have been the Committee's primary focus so far in its evaluation of the three restructuring options, there are likely other factors that may be beneficial to consider. For instance, a fourth set of criteria involve the political feasibility of each of the proposed options. Without regard to party politics, there are important political ramifications and concerns related to each of the three options. To ignore these political realities would be a mistake, since they are perhaps among the most influential factors when it comes to getting the job done. Without significant political support, not one of these three ambitious options is likely to gain the momentum required to achieve implementation.

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At this point, these and other factors have not been included in the comparative analysis. In the future, as new factors are identified, Fairweather Consulting will attempt to quantify the relative strengths and weaknesses of the three options with regard to those factors.

Comparative Analysis

The following table summarizes the comparative analysis of the three restructuring options presented in this study.

	Option 1 Village Dissolution	Option 2 Coterminous (Expanded - H)	Option 3 City
Implementation Factors ↓ = Low → = Medium ↑ = High			
Legal Complexity	→	↑	↓
Implementation Difficulty	→	↑	↑
Cost of Implementation	→	↑	↑
Operational Factors ↓ = Better → = Same ↑ = Worse			
Complexity of Structure	↑	→	↓
Transience and Variability	↑	↑	→
Number of Districts/Municipalities	↑	↓	→
Detailed Fiscal Impact ↓ = Tax rates decrease → = No change ↑ = Increase			
Harrietstown (Outside)	↑	↑	→
Saranac Lake (H'town)	↓	↓	→
North Elba (Outside)	↑	→	→
Saranac Lake (N Elba)	↓	↓	→
St Armand (Outside)	↑	→	→
Saranac Lake (S Armand)	↓	↓	↓

Figure 4 - Comparative Evaluation of Restructuring Options

On the basis of the factors related to implementation, the Village Dissolution option seems to be preferable. The legal process for Village Dissolution, though somewhat new now that the New N.Y. Government Reorganization and Citizen Empowerment Act has gone into effect, is still relatively straightforward. The process involves only one vote, which is a mandatory referendum of only the residents of the village. Anticipated costs related to implementation would

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include: the completion of a dissolution plan, the development of agreements with each of the towns regarding the transfer of assets and continuation of services/employees, and the conduct of the vote. By comparison, the process for the coterminous town/village option, which involves 16 steps that include a petition, an election, a referendum, and (possibly) adjudication, is clearly more complex, more difficult and more costly. The creation of a city, while straightforward in process, requires a referendum, enactment of the city charter by the state legislature, and (possibly) home rule messages from each town, all of which suggest a more difficult and costly effort than the relatively simple dissolution option.

Turning to the operational factors, the city option appears to be the most preferable. Given the configuration of city boundaries discussed in this report, the resulting municipal structures would include all of the same structures that are currently present, with no reduction in the number of districts or municipalities. However, the resulting structure would eliminate the overlapping boundaries that exist currently among the towns and the village. While it may not prove to be more permanent and lasting a solution than the current configuration, the remaining two options seem likely to exacerbate the transience and variability that the Committee hopes to avoid.

Finally, from a fiscal standpoint, the options each show potential benefits and drawbacks. As described earlier in this report, the net savings of the coterminous town/village option was the greatest, at approximately \$900,000. However, as the table above indicates, these savings are not spread equally among all area taxpayers. Residents of the Town of Harrietstown in the portions outside of the village would likely see a significant tax increase under the current configuration of services for this option. Residents in the other two towns are expected to see no significant impact to their tax bills, while village residents are likely to see all of the savings. The city option represents the second-highest overall savings, at approximately \$40,000, and has the added benefit of a relatively equal distribution of these savings. No taxpayers are expected to see significant increases (greater than 10%), while residents in the St Armand portion of the village could see a significant reduction in their tax bill.

Committee's Preliminary Recommendation: Establish a City

While all three of the options that have been outlined in this report each bring many possible benefits and costs, it is the recommendation of the Government Restructuring Committee— as well as that of Fairweather Consulting—that the Saranac Lake, Harrietstown, North Elba, and St. Armand communities pursue the third option to incorporate Saranac Lake as a city. In examining the likely effects that each option will have on the four municipalities, the creation of a City of Saranac Lake brings with it the least drawbacks as compared to its potential benefits.

Benefits to the Whole Community

Throughout the process of this compiling this report, the Government Restructuring Committee—which itself is composed of representatives from each of the four municipalities—has sought to view the study from two perspectives: What would be best for the members of their individual communities, and what would be best for the community as a whole. The city option comes out ahead of the other two because it will provide a greater net benefit to the entire Saranac Lake Area community.

For instance, based on this report's calculations regarding the distribution of tax burden, the village dissolution option would present significant tax decreases for village residents, while residents of all three towns outside of the village would experience sharp increases in their taxes. Harrietstown outside residents in particular would see the largest increase in taxes – a whopping 90% spike. A slightly more balanced situation would occur if Harrietstown and Saranac Lake consolidated into a coterminous town/village, with only Harrietstown outside taxpayers taking the hit with increased taxes, but this still leaves one municipality's residents receiving the short end of the stick. When contrasting these two outcomes with pursuing the city option, where tax rate changes after incorporating a City of Saranac Lake are insignificant (less than 10%) for most residents, and significantly decreasing taxes for village residents in St. Armand, it becomes clear that Option Three is best in this regard.

Easiest is Not Always Best

Village dissolution is, by far, the easiest option to pursue from a legal standpoint. Indeed, since dissolution need only be approved in a village-wide referendum, the legal hurdles that require clearing are fewest in Option One. But the ease with which dissolution can be accomplished belies a host of municipal headaches and potential problems that must be considered.

Firstly, the fiscal impacts outlined in the preceding report make a number of assumptions, the largest of which being the cooperation of the Towns of Harrietstown, North Elba, and St. Armand. While the village could choose to dissolve by public referendum, the town boards may even more easily choose to relegate nearly all of the village's current services to special districts, negating the potential cost-savings achieved through service consolidation and elimination described earlier in the report. Secondly, even in the best-case scenario outlined in this report, a sharp increase in property taxes could induce some residents to sell their homes (particularly those in homes with high tax assessments and second-home owners). This redistributes the tax burden back onto the rest of the residents in the municipality—including those within the boundaries of the former village—once again reducing the tax savings predicted for village residents.

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Efficient and Effective

In addition to the benefits the city option provides over that of dissolution, creating a city is much less complicated to pursue than that of creating a coterminous town/village area. Though it requires the adoption of a city charter and the approval of the New York State Legislature, creating a city is far more straight forward than the annexation and consolidation twists and turns necessary in establishing a coterminous municipality.

Moreover, when all is said and done, a City of Saranac Lake would be better able to provide all of the current village's services than either of the other two options with the least amount of hiccups or interruptions.

It's about Identity

Residents and visitors in and around the Saranac Lake area value the community's unique identity and character, and options one and two diminish or threaten that character. Incorporating Saranac Lake as a city would not only preserve the community's feel, it would also be enhanced. While the village is currently the economic and population center of all three towns, an independent city is an even stronger way for the area's residents to make the most of where they live. In addition to city residents' newfound independence and stronger sense of identity, the towns themselves would be better able to focus on the unique and distinct needs of residents residing outside of the city. Lastly, ensuring that Saranac Lake is not only kept healthy, but made stronger, is a boon to all residents of the region, since the village's identity is a major economic asset that benefits residents throughout the region, both directly and indirectly.

Case Not Closed

It's important to note that while pursuing the city option is the committee's preference, it is one based on the analysis conducted up to this point.. In the coming weeks and months, the committee and Fairweather Consulting are planning on meeting with the four town and village boards involved, whose input will definitely have an impact on this report as a whole and the committee's conclusions. Furthermore, there will be community meetings, where residents will be able to ask questions and make comments on this report, adding even more to the final form this report will take. Public perceptions about these options, along with the political will to implement the chosen option, are both critical components of the determination of each option's feasibility. In the end, while consensus is a difficult thing to achieve, it is only through broad adoption of this study's findings that the Saranac Lake area can make progress toward a more effective and efficient local government structure.

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Appendix A –Cost Estimates and Recommended Disposition for Municipal Services

This appendix provides a detailed description of the disposition of village and town services for each of the restructuring options presented in the main report. For each option, the disposition of each service, as well as the current and estimated future cost of the service, is provided in the following table. The values listed in the Disposition column are used in the calculation of the estimated future cost of the service. If the value equals 1, then the service is unchanged following restructuring. If the value equals 0 then the service is discontinued (within the specified municipality/fund) following restructuring. Other values greater than 1 reflect an expansion of service, while values less than 1 but greater than 0 reflect a diminishment of service. Multiple entries for a single service within the tables below indicates that the service is divided up between more than one municipality following restructuring.

Option 1 – Village Dissolution

Option	Service Name	Current Municipality/Fund	Estimated Current Cost	Disposition	New Municipality/Fund	Weight	Estimated Future Cost
1	Airport Administration	Harrietstown Airport Fund	-\$169,048	1	Harrietstown Airport Fund	1	-\$169,048
1	Airport Operations & Maintenance	Harrietstown Airport Fund	-\$99,619	1	Harrietstown Airport Fund	1	-\$99,619
1	Property Assessment	Harrietstown General A Fund	-\$163,124	1	Harrietstown General A Fund	1	-\$163,124
1	Budgeting & Planning	Harrietstown General A Fund	-\$26,490	1	Harrietstown General A Fund	1	-\$26,490
1	Financial Audit	Harrietstown General A Fund	-\$7,150	1	Harrietstown General A Fund	1	-\$7,150
1	Code Enforcement	Harrietstown General B Fund	-\$50,863	1	Harrietstown General A Fund	1	-\$50,863
1	Planning	Harrietstown General B Fund	\$10,040	1	Harrietstown General A Fund	1	\$10,040
1	Zoning	Harrietstown General B Fund	-\$49,863	1	Harrietstown General A Fund	1	-\$49,863
1	Building Maintenance	Harrietstown General A Fund	-\$135,508	1	Harrietstown General A Fund	1	-\$135,508
1	Board of Health	Harrietstown General A Fund	-\$7,150	1	Harrietstown General A Fund	1	-\$7,150
1	Clerical Support to Town Council	Harrietstown General A Fund	-\$12,934	1	Harrietstown General A Fund	1	-\$12,934
1	Contract Administration	Harrietstown General A Fund	-\$12,934	1	Harrietstown General A Fund	1	-\$12,934
1	Licenses & Permits	Harrietstown General A Fund	-\$11,584	1	Harrietstown General A Fund	1	-\$11,584
1	Records Management	Harrietstown General A Fund	-\$12,934	1	Harrietstown General A Fund	1	-\$12,934
1	Tax Collection	Harrietstown General A Fund	-\$21,838	1	Harrietstown General A Fund	1	-\$21,838
1	Town Elections	Harrietstown General A Fund	-\$13,934	1	Harrietstown General A Fund	1	-\$13,934
1	Administration/Town Operations	Harrietstown General A Fund	-\$64,350	1	Harrietstown General A Fund	1	-\$64,350
1	Fire Protection	Harrietstown Fire Protection General Fund	-\$170,891	1	Harrietstown Fire Protection General Fund	1	-\$170,891

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1	Grounds Maintenance	Harrietstown General A Fund	-\$54,733	1	Harrietstown General A Fund	1	-\$54,733
1	Highway Administration	Harrietstown General A Fund	-\$100,292	1	Harrietstown General A Fund	1	-\$100,292
1	Highway Garage/Fleet Maintenance	Harrietstown Highway DB Fund	-\$143,359	1	Harrietstown Highway DA Fund	1	-\$143,359
1	Highway Maintenance	Harrietstown Highway DB Fund	-\$179,481	1	Harrietstown Highway DA Fund	1	-\$179,481
1	Refuse Collection & Disposal	Harrietstown Highway DB Fund	-\$16,270	1	Harrietstown Highway DA Fund	1	-\$16,270
1	Snow Removal	Harrietstown Highway DB Fund	-\$100,818	1	Harrietstown Highway DA Fund	1	-\$100,818
1	Street Lighting	Harrietstown Highway DB Fund	-\$28,970	1	Harrietstown Highway DA Fund	1	-\$28,970
1	Justice Court Operations	Harrietstown General A Fund	-\$24,669	1	Harrietstown General A Fund	1	-\$24,669
1	Legal Counsel	Harrietstown General A Fund	-\$30,227	1	Harrietstown General A Fund	1	-\$30,227
1	Dog Control	Harrietstown General A Fund	-\$9,750	1	Harrietstown General A Fund	1	-\$9,750
1	Rescue	Harrietstown General B Fund	-\$1,754	1	Harrietstown General A Fund	1	-\$1,754
1	Traffic Control	Harrietstown General A Fund	-\$650	1	Harrietstown General A Fund	1	-\$650
1	Sewer Maintenance	Lake Colby Sewer Fund	-\$7,500	1	Lake Colby Sewer Fund	1	-\$7,500
1	Long-Term Liabilities/Post-Emp Benefits	Harrietstown General A Fund	-\$27,000	1	Harrietstown General A Fund	1	-\$27,000
1	Celebrations & Events	Harrietstown General A Fund	-\$4,710	1	Harrietstown General A Fund	1	-\$4,710
1	Cemetery Operations & Maintenance	Harrietstown Highway DB Fund	-\$15,520	1	Harrietstown Highway DA Fund	1	-\$15,520
1	Financial Reporting & Recordkeeping	Harrietstown General A Fund	-\$8,587	1	Harrietstown General A Fund	1	-\$8,587
1	Human Resources Management	Harrietstown General A Fund	-\$33,204	1	Harrietstown General A Fund	1	-\$33,204
1	Landfill Operations & Maintenance	Harrietstown General A Fund	-\$7,210	1	Harrietstown General A Fund	1	-\$7,210
1	Programs for the Aging	Harrietstown General B Fund	-\$357	1	Harrietstown General A Fund	1	-\$357
1	Publicity & Promotion	Harrietstown General A Fund	-\$27,814	1	Harrietstown General A Fund	1	-\$27,814
1	Recreation Programs	Harrietstown General B Fund	-\$3,357	1	Harrietstown General A Fund	1	-\$3,357
1	Veterans Services	Harrietstown General A Fund	-\$1,010	1	Harrietstown General A Fund	1	-\$1,010
1	Youth Programs	Harrietstown General B Fund	\$1,643	1	Harrietstown General A Fund	1	\$1,643
1	Water Maintenance	Lake Colby Water Fund	-\$25,000	1	Lake Colby Water Fund	1	-\$25,000

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1	Administration/Village Operations	Saranac Lake General Fund	-\$15,760	0.699027	Harrietstown General A Fund	1	-\$11,017
1	Administration/Village Operations	Saranac Lake General Fund	-\$15,760	0.251514	New NE Park Fund	1	-\$3,964
1	Administration/Village Operations	Saranac Lake General Fund	-\$15,760	0.049459	St Armand General A Fund	1	-\$779
1	Billing (Other)	Saranac Lake General Fund	-\$6,044	0.699027	Harrietstown General A Fund	1	-\$4,225
1	Billing (Other)	Saranac Lake General Fund	-\$6,044	0.251514	New NE Park Fund	1	-\$1,520
1	Billing (Other)	Saranac Lake General Fund	-\$6,044	0.049459	St Armand General A Fund	1	-\$299
1	Clerical Support to Village Board	Saranac Lake General Fund	-\$6,044	0	Saranac Lake General Fund	1	\$0
1	Human Resources Management	Saranac Lake General Fund	-\$9,944	0.699027	Harrietstown General A Fund	1	-\$6,951
1	Human Resources Management	Saranac Lake General Fund	-\$9,944	0.251514	New NE Park Fund	1	-\$2,501
1	Human Resources Management	Saranac Lake General Fund	-\$9,944	0.049459	St Armand General A Fund	1	-\$492
1	Licenses & Permits	Saranac Lake General Fund	-\$3,344	0.699027	Harrietstown General A Fund	1	-\$2,337
1	Licenses & Permits	Saranac Lake General Fund	-\$3,344	0.251514	New NE Park Fund	1	-\$841
1	Licenses & Permits	Saranac Lake General Fund	-\$3,344	0.049459	St Armand General A Fund	1	-\$165
1	Records Management	Saranac Lake General Fund	-\$6,044	0.699027	Harrietstown General A Fund	1	-\$4,225
1	Records Management	Saranac Lake General Fund	-\$6,044	0.251514	New NE Park Fund	1	-\$1,520
1	Records Management	Saranac Lake General Fund	-\$6,044	0.049459	St Armand General A Fund	1	-\$299
1	Registrar of Vital Statistics	Saranac Lake General Fund	-\$2,169	0.699027	Harrietstown General A Fund	1	-\$1,516
1	Registrar of Vital Statistics	Saranac Lake General Fund	-\$2,169	0.251514	New NE Park Fund	1	-\$546
1	Registrar of Vital Statistics	Saranac Lake General Fund	-\$2,169	0.049459	St Armand General A Fund	1	-\$107
1	Tax Collection	Saranac Lake General Fund	-\$6,044	0	Saranac Lake General Fund	1	\$0
1	Village Elections	Saranac Lake General Fund	-\$8,494	0	Saranac Lake General Fund	1	\$0
1	Code Enforcement	Saranac Lake General Fund	-\$10,566	0.699027	Harrietstown General A Fund	1	-\$7,386
1	Code Enforcement	Saranac Lake General Fund	-\$10,566	0.251514	New NE Park Fund	1	-\$2,657
1	Code Enforcement	Saranac Lake General Fund	-\$10,566	0.049459	St Armand General A Fund	1	-\$523
1	Economic Development	Saranac Lake General Fund	-\$11,666	0.699027	Harrietstown General A Fund	1	-\$8,155
1	Economic Development	Saranac Lake General Fund	-\$11,666	0.251514	New NE Park Fund	1	-\$2,934
1	Economic Development	Saranac Lake General Fund	-\$11,666	0.049459	St Armand General A Fund	1	-\$577

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1	Grantwriting & Administration	Saranac Lake General Fund	-\$11,666	0.699027	Harrietstown General A Fund	0.9	-\$7,339
1	Grantwriting & Administration	Saranac Lake General Fund	-\$11,666	0.251514	New NE Park Fund	0.9	-\$2,641
1	Grantwriting & Administration	Saranac Lake General Fund	-\$11,666	0.049459	St Armand General A Fund	0.9	-\$519
1	Planning	Saranac Lake General Fund	-\$10,116	0.699027	Harrietstown General A Fund	1	-\$7,071
1	Planning	Saranac Lake General Fund	-\$10,116	0.251514	New NE Park Fund	1	-\$2,544
1	Planning	Saranac Lake General Fund	-\$10,116	0.049459	St Armand General A Fund	1	-\$500
1	Zoning	Saranac Lake General Fund	\$7,984	0.699027	Harrietstown General A Fund	1	\$5,581
1	Zoning	Saranac Lake General Fund	\$7,984	0.251514	New NE Park Fund	1	\$2,008
1	Zoning	Saranac Lake General Fund	\$7,984	0.049459	St Armand General A Fund	1	\$395
1	Fire Protection	Saranac Lake General Fund	-\$205,854	0.699027	New Fire Protection Fund (Harrietstown)	1	-\$143,897
1	Fire Protection	Saranac Lake General Fund	-\$205,854	0.251514	New Fire Protection Fund (North Elba)	1	-\$51,775
1	Fire Protection	Saranac Lake General Fund	-\$205,854	0.049459	New Fire Protection Fund (St Armand)	1	-\$10,181
1	Rescue	Saranac Lake General Fund	-\$155,604	0.699027	New Fire Protection Fund (Harrietstown)	1	-\$108,771
1	Rescue	Saranac Lake General Fund	-\$155,604	0.251514	New Fire Protection Fund (North Elba)	1	-\$39,136
1	Rescue	Saranac Lake General Fund	-\$155,604	0.049459	New Fire Protection Fund (St Armand)	1	-\$7,696
1	Justice Court Operations	Saranac Lake General Fund	\$19,649	0.699027	Harrietstown General A Fund	1	\$13,735
1	Justice Court Operations	Saranac Lake General Fund	\$19,649	0.251514	New NE Park Fund	1	\$4,942
1	Justice Court Operations	Saranac Lake General Fund	\$19,649	0.049459	St Armand General A Fund	1	\$972
1	Legal Counsel	Saranac Lake General Fund	-\$22,141	0.699027	Harrietstown General A Fund	1	-\$15,477
1	Legal Counsel	Saranac Lake General Fund	-\$22,141	0.251514	New NE Park Fund	1	-\$5,569
1	Legal Counsel	Saranac Lake General Fund	-\$22,141	0.049459	St Armand General A Fund	1	-\$1,095
1	Animal Control	Saranac Lake General Fund	-\$8,741	0.699027	Harrietstown General A Fund	0.9	-\$5,499
1	Animal Control	Saranac Lake General Fund	-\$8,741	0.251514	New NE Park Fund	0.9	-\$1,979
1	Animal Control	Saranac Lake General Fund	-\$8,741	0.049459	St Armand General A Fund	0.9	-\$389
1	Celebrations & Events	Saranac Lake General Fund	-\$30,433	0.699027	Harrietstown General A Fund	1	-\$21,273

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1	Celebrations & Events	Saranac Lake General Fund	-\$30,433	0.251514	New NE Park Fund	1	-\$7,654
1	Celebrations & Events	Saranac Lake General Fund	-\$30,433	0.049459	St Armand General A Fund	1	-\$1,505
1	Programs for the Aging	Saranac Lake General Fund	-\$17,433	0.699027	Harrietstown General A Fund	1	-\$12,186
1	Programs for the Aging	Saranac Lake General Fund	-\$17,433	0.251514	New NE Park Fund	1	-\$4,385
1	Programs for the Aging	Saranac Lake General Fund	-\$17,433	0.049459	St Armand General A Fund	1	-\$862
1	Publicity & Promotion	Saranac Lake General Fund	-\$32,433	0.699027	Harrietstown General A Fund	0.9	-\$20,404
1	Publicity & Promotion	Saranac Lake General Fund	-\$32,433	0.251514	New NE Park Fund	0.9	-\$7,342
1	Publicity & Promotion	Saranac Lake General Fund	-\$32,433	0.049459	St Armand General A Fund	0.9	-\$1,444
1	Beach Operations & Maintenance	Saranac Lake General Fund	-\$36,761	0.699027	Harrietstown General A Fund	1	-\$25,697
1	Beach Operations & Maintenance	Saranac Lake General Fund	-\$36,761	0.251514	New NE Park Fund	1	-\$9,246
1	Beach Operations & Maintenance	Saranac Lake General Fund	-\$36,761	0.049459	St Armand General A Fund	1	-\$1,818
1	Mt Pisgah Operations & Maintenance	Saranac Lake General Fund	-\$118,276	0.699027	Harrietstown General A Fund	1	-\$82,678
1	Mt Pisgah Operations & Maintenance	Saranac Lake General Fund	-\$118,276	0.251514	New NE Park Fund	1	-\$29,748
1	Mt Pisgah Operations & Maintenance	Saranac Lake General Fund	-\$118,276	0.049459	St Armand General A Fund	1	-\$5,850
1	Parks Operations & Maintenance	Saranac Lake General Fund	-\$50,566	0.699027	Harrietstown General A Fund	1	-\$35,347
1	Parks Operations & Maintenance	Saranac Lake General Fund	-\$50,566	0.251514	New NE Park Fund	1	-\$12,718
1	Parks Operations & Maintenance	Saranac Lake General Fund	-\$50,566	0.049459	St Armand General A Fund	1	-\$2,501
1	Skating Rink Operations & Maintenance	Saranac Lake General Fund	-\$6,741	0.699027	Harrietstown General A Fund	1	-\$4,712
1	Skating Rink Operations & Maintenance	Saranac Lake General Fund	-\$6,741	0.251514	New NE Park Fund	1	-\$1,695
1	Skating Rink Operations & Maintenance	Saranac Lake General Fund	-\$6,741	0.049459	St Armand General A Fund	1	-\$333
1	Youth Programs	Saranac Lake General Fund	-\$21,541	0.699027	Harrietstown General A Fund	1	-\$15,058
1	Youth Programs	Saranac Lake General Fund	-\$21,541	0.251514	New NE Park Fund	1	-\$5,418
1	Youth Programs	Saranac Lake General Fund	-\$21,541	0.049459	St Armand General A Fund	1	-\$1,065
1	Police Investigations	Saranac Lake General Fund	-\$140,283	1	Harrietstown General A Fund	1	-\$140,283
1	Police Investigations	Saranac Lake General Fund	-\$140,283	0	New NE Park Fund	1	\$0
1	Police Investigations	Saranac Lake General Fund	-\$140,283	0	St Armand General A Fund	1	\$0

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1	Police Administration	Saranac Lake General Fund	-\$209,054	1	Harrietstown General A Fund	1	-\$209,054
1	Police Administration	Saranac Lake General Fund	-\$209,054	0	New NE Park Fund	1	\$0
1	Police Administration	Saranac Lake General Fund	-\$209,054	0	St Armand General A Fund	1	\$0
1	Police Dispatching	Saranac Lake General Fund	-\$71,512	1	Harrietstown General A Fund	1	-\$71,512
1	Police Dispatching	Saranac Lake General Fund	-\$71,512	0	New NE Park Fund	1	\$0
1	Police Dispatching	Saranac Lake General Fund	-\$71,512	0	St Armand General A Fund	1	\$0
1	Police Patrol (vehicle and foot)	Saranac Lake General Fund	-\$964,786	1	Harrietstown General A Fund	1	-\$964,786
1	Police Patrol (vehicle and foot)	Saranac Lake General Fund	-\$964,786	0	New NE Park Fund	1	\$0
1	Police Patrol (vehicle and foot)	Saranac Lake General Fund	-\$964,786	0	St Armand General A Fund	1	\$0
1	Building Maintenance	Saranac Lake General Fund	-\$62,914	0.699027	Harrietstown General A Fund	1	-\$43,979
1	Building Maintenance	Saranac Lake General Fund	-\$62,914	0.251514	New NE Park Fund	1	-\$15,824
1	Building Maintenance	Saranac Lake General Fund	-\$62,914	0.049459	St Armand General A Fund	1	-\$3,112
1	Grounds & Parks Maintenance	Saranac Lake General Fund	-\$142,950	0.699027	Harrietstown General A Fund	1	-\$99,926
1	Grounds & Parks Maintenance	Saranac Lake General Fund	-\$142,950	0.251514	New NE Park Fund	1	-\$35,954
1	Grounds & Parks Maintenance	Saranac Lake General Fund	-\$142,950	0.049459	St Armand General A Fund	1	-\$7,070
1	Off-Street Parking	Saranac Lake General Fund	-\$6,934	0.699027	Harrietstown General A Fund	1	-\$4,847
1	Off-Street Parking	Saranac Lake General Fund	-\$6,934	0.251514	New NE Park Fund	1	-\$1,744
1	Off-Street Parking	Saranac Lake General Fund	-\$6,934	0.049459	St Armand General A Fund	1	-\$343
1	Public Works Administration	Saranac Lake General Fund	-\$42,937	0.699027	Harrietstown General A Fund	1	-\$30,014
1	Public Works Administration	Saranac Lake General Fund	-\$42,937	0.251514	New NE Park Fund	1	-\$10,799
1	Public Works Administration	Saranac Lake General Fund	-\$42,937	0.049459	St Armand General A Fund	1	-\$2,124
1	Refuse Collection & Disposal	Saranac Lake General Fund	-\$12,884	0.699027	Harrietstown General A Fund	1	-\$9,006
1	Refuse Collection & Disposal	Saranac Lake General Fund	-\$12,884	0.251514	New NE Park Fund	1	-\$3,240
1	Refuse Collection & Disposal	Saranac Lake General Fund	-\$12,884	0.049459	St Armand General A Fund	1	-\$637
1	Sidewalk Maintenance (including snow removal)	Saranac Lake General Fund	-\$48,988	0.699027	Harrietstown General A Fund	1	-\$34,244
1	Sidewalk Maintenance (including snow removal)	Saranac Lake General Fund	-\$48,988	0.251514	New NE Park Fund	1	-\$12,321
1	Sidewalk Maintenance (including snow removal)	Saranac Lake General Fund	-\$48,988	0.049459	St Armand General A Fund	1	-\$2,423

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	removal)						
1	Street Cleaning	Saranac Lake General Fund	-\$87,041	0.699027	Harrietstown General A Fund	1	-\$60,844
1	Street Cleaning	Saranac Lake General Fund	-\$87,041	0.251514	New NE Park Fund	1	-\$21,892
1	Street Cleaning	Saranac Lake General Fund	-\$87,041	0.049459	St Armand General A Fund	1	-\$4,305
1	Sewer Operations & Maintenance	Saranac Lake Sewer Fund	-\$128,550	1	Joint Sewer Fund	1	-\$128,550
1	Highway Garage/Fleet Maintenance	Saranac Lake General Fund	-\$77,261	0.647702	New NE Highway DB Fund	1	-\$50,042
1	Highway Garage/Fleet Maintenance	Saranac Lake General Fund	-\$77,261	0.294405	St Armand Highway DA Fund	1	-\$22,746
1	Highway Garage/Fleet Maintenance	Saranac Lake General Fund	-\$77,261	0.057893	Harrietstown Highway DA Fund	1	-\$4,473
1	Snow Removal	Saranac Lake General Fund	-\$278,533	0.647702	New NE Highway DB Fund	1	-\$180,406
1	Snow Removal	Saranac Lake General Fund	-\$278,533	0.294405	St Armand Highway DA Fund	1	-\$82,001
1	Snow Removal	Saranac Lake General Fund	-\$278,533	0.057893	Harrietstown Highway DA Fund	1	-\$16,125
1	Street Lighting	Saranac Lake General Fund	-\$102,087	0.699027	Harrietstown General A Fund	1	-\$71,361
1	Street Lighting	Saranac Lake General Fund	-\$102,087	0.251514	New NE Park Fund	1	-\$25,676
1	Street Lighting	Saranac Lake General Fund	-\$102,087	0.049459	St Armand General A Fund	1	-\$5,049
1	Street Maintenance (including Drainage and Shade Trees)	Saranac Lake General Fund	-\$248,419	0.647702	New NE Highway DB Fund	1	-\$160,901
1	Street Maintenance (including Drainage and Shade Trees)	Saranac Lake General Fund	-\$248,419	0.294405	St Armand Highway DA Fund	1	-\$73,136
1	Street Maintenance (including Drainage and Shade Trees)	Saranac Lake General Fund	-\$248,419	0.057893	Harrietstown Highway DA Fund	1	-\$14,382
1	Accounts Payable	Saranac Lake General Fund	-\$4,080	0.699027	Harrietstown General A Fund	1	-\$2,852
1	Accounts Payable	Saranac Lake General Fund	-\$4,080	0.251514	New NE Park Fund	1	-\$1,026
1	Accounts Payable	Saranac Lake General Fund	-\$4,080	0.049459	St Armand General A Fund	1	-\$202
1	Billing (Sewer)	Saranac Lake General Fund	-\$4,080	1	Joint Sewer Fund	1	-\$4,080
1	Billing (Water)	Saranac Lake General Fund	-\$4,080	1	Joint Water Fund	1	-\$4,080
1	Budgeting & Planning	Saranac Lake General Fund	-\$13,449	0.699027	Harrietstown General A Fund	1	-\$9,402
1	Budgeting & Planning	Saranac Lake General Fund	-\$13,449	0.251514	New NE Park Fund	1	-\$3,383
1	Budgeting & Planning	Saranac Lake General Fund	-\$13,449	0.049459	St Armand General A Fund	1	-\$665
1	Financial Audit	Saranac Lake General Fund	-\$4,080	0.699027	Harrietstown General A Fund	1	-\$2,852

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1	Financial Audit	Saranac Lake General Fund	-\$4,080	0.251514	New NE Park Fund	1	-\$1,026
1	Financial Audit	Saranac Lake General Fund	-\$4,080	0.049459	St Armand General A Fund	1	-\$202
1	Financial Reporting & Recordkeeping	Saranac Lake General Fund	-\$6,757	0.699027	Harrietstown General A Fund	1	-\$4,723
1	Financial Reporting & Recordkeeping	Saranac Lake General Fund	-\$6,757	0.251514	New NE Park Fund	1	-\$1,699
1	Financial Reporting & Recordkeeping	Saranac Lake General Fund	-\$6,757	0.049459	St Armand General A Fund	1	-\$334
1	Water Operations & Maintenance	Saranac Lake Water Fund	-\$313,114	1	Joint Water Fund	1	-\$313,114
1	Programs for the Aging	Harrietstown General A Fund	-\$15,609	1	Harrietstown General A Fund	1	-\$15,609
1	Recreation Programs	Harrietstown General A Fund	-\$17,300	1	Harrietstown General A Fund	1	-\$17,300
1	Youth Programs	Harrietstown General A Fund	-\$14,375	1	Harrietstown General A Fund	1	-\$14,375
1	Sewer Maintenance	Algonquin Sewer Fund	-\$1,500	1	Algonquin Sewer Fund	1	-\$1,500
1	Sewer Maintenance	Duprey Sewer Fund	-\$1,000	1	Duprey Sewer Fund	1	-\$1,000
1	Water Maintenance	Algonquin Water Fund	-\$2,500	1	Algonquin Water Fund	1	-\$2,500
1	Water Maintenance	Duprey Water Fund	-\$1,500	1	Duprey Water Fund	1	-\$1,500
1	Financial Analysis	Saranac Lake General Fund	-\$6,757	0.699027	Harrietstown General A Fund	1	-\$4,723
1	Financial Analysis	Saranac Lake General Fund	-\$6,757	0.251514	New NE Park Fund	1	-\$1,699
1	Financial Analysis	Saranac Lake General Fund	-\$6,757	0.049459	St Armand General A Fund	1	-\$334
1	Water Capital Project	Lake Colby Cap Project AMC	-\$24,000	1	Lake Colby Cap Project AMC	1	-\$24,000
1	Water Maintenance	Lake Street Water District	-\$3,500	1	Lake Street Water District	1	-\$3,500
1	Sewer Maintenance	Lake Street Sewer District	\$0	1	Lake Street Sewer District	1	\$0
1	North Elba Townwide Services	North Elba General A Fund	-\$1,544,871	1	North Elba General A Fund	1	-\$1,544,871
1	North Elba Highway Services	North Elba Highway DB Fund	-\$357,769	1	New NE Highway DB Fund	1	-\$357,769
1	North Elba Park District Services	North Elba Park District Fund	-\$1,590,009	1	New NE Park Fund	1	-\$1,590,009
1	Fire Protection	North Elba Fire District 2	-\$24,435	1	North Elba Fire District 2	1	-\$24,435
1	Water Maintenance	North Elba Water District 2	\$0	1	North Elba Water District 2	1	\$0
1	St Armand Townwide General Services	St Armand General A Fund	-\$380,557	1	St Armand General A Fund	1	-\$380,557
1	St Armand Townwide Highway Services	St Armand Highway DA Fund	-\$339,630	1	St Armand Highway DA Fund	1	-\$339,630
1	St Armand Outside Highway Services	St Armand Highway DB Fund	-\$50,650	1	St Armand Highway DA Fund	1	-\$50,650

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1	Fire Protection	Bloomingdale/Saranac Lake Fire Protection District	-\$73,950	1	Bloomingdale/Saranac Lake Fire Protection District	1	-\$73,950
1	Water Maintenance	Rockledge Water District	-\$49,250	1	Rockledge Water District	1	-\$49,250

Option 2 – Coterminous Town/Village

Option	Service Name	Current Municipality/Fund	Estimated Current Cost	Disposition	New Municipality/Fund	Weight	Estimated Future Cost
2	Airport Administration	Harrietstown Airport Fund	-\$169,048	1	Expanded H'town Airport Fund	1	-\$169,048
2	Airport Operations & Maintenance	Harrietstown Airport Fund	-\$99,619	1	Expanded H'town Airport Fund	1	-\$99,619
2	Property Assessment	Harrietstown General A Fund	-\$163,124	1.104413	Expanded H'town General Fund	1	-\$180,156
2	Budgeting & Planning	Harrietstown General A Fund	-\$26,490	1.104413	Expanded H'town General Fund	0.1	-\$2,926
2	Financial Audit	Harrietstown General A Fund	-\$7,150	1.104413	Expanded H'town General Fund	0.1	-\$790
2	Code Enforcement	Harrietstown General B Fund	-\$50,863	1	Expanded H'town General Fund	0.1	-\$5,086
2	Planning	Harrietstown General B Fund	\$10,040	1	Expanded H'town General Fund	0.1	\$1,004
2	Zoning	Harrietstown General B Fund	-\$49,863	1	Expanded H'town General Fund	0.1	-\$4,986
2	Building Maintenance	Harrietstown General A Fund	-\$135,508	1.104413	Expanded H'town General Fund	0.1	-\$14,966
2	Board of Health	Harrietstown General A Fund	-\$7,150	1.104413	Expanded H'town General Fund	0.1	-\$790
2	Clerical Support to Town Council	Harrietstown General A Fund	-\$12,934	0	Expanded H'town General Fund	0	\$0
2	Contract Administration	Harrietstown General A Fund	-\$12,934	1.104413	Expanded H'town General Fund	0.1	-\$1,428
2	Licenses & Permits	Harrietstown General A Fund	-\$11,584	1.104413	Expanded H'town General Fund	0.1	-\$1,279
2	Records Management	Harrietstown General A Fund	-\$12,934	1.104413	Expanded H'town General Fund	0.1	-\$1,428
2	Tax Collection	Harrietstown General A Fund	-\$21,838	0	Expanded H'town General Fund	0.1	\$0
2	Town Elections	Harrietstown General A Fund	-\$13,934	0	Expanded H'town General Fund	0.1	\$0
2	Administration/Town Operations	Harrietstown General A Fund	-\$64,350	1.104413	Expanded H'town General Fund	0.1	-\$7,107
2	Fire Protection	Harrietstown Fire Protection General Fund	-\$170,891	1	Expanded H'town General Fund	0.1	-\$17,089
2	Grounds Maintenance	Harrietstown General A Fund	-\$54,733	1.104413	Expanded H'town General Fund	0.1	-\$6,045
2	Highway Administration	Harrietstown General A Fund	-\$100,292	1.104413	Expanded H'town General Fund	0.7	-\$77,535
2	Highway Garage/Fleet Maintenance	Harrietstown Highway DB	-\$143,359	1	Expanded H'town Highway Fund	0.7	-\$100,351

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		Fund					
2	Highway Maintenance	Harrietstown Highway DB Fund	-\$179,481	1	Expanded H'town Highway Fund	0.7	-\$125,637
2	Refuse Collection & Disposal	Harrietstown Highway DB Fund	-\$16,270	1	Expanded H'town Highway Fund	0.7	-\$11,389
2	Snow Removal	Harrietstown Highway DB Fund	-\$100,818	1	Expanded H'town Highway Fund	0.7	-\$70,573
2	Street Lighting	Harrietstown Highway DB Fund	-\$28,970	1	Expanded H'town Highway Fund	1	-\$28,970
2	Justice Court Operations	Harrietstown General A Fund	-\$24,669	1.104413	Expanded H'town General Fund	1	-\$27,245
2	Legal Counsel	Harrietstown General A Fund	-\$30,227	1.104413	Expanded H'town General Fund	1	-\$33,383
2	Dog Control	Harrietstown General A Fund	-\$9,750	1.104413	Expanded H'town General Fund	0.1	-\$1,077
2	Rescue	Harrietstown General B Fund	-\$1,754	1.104413	Expanded H'town General Fund	1	-\$1,937
2	Traffic Control	Harrietstown General A Fund	-\$650	1.104413	Expanded H'town General Fund	0.1	-\$72
2	Sewer Maintenance	Lake Colby Sewer Fund	-\$7,500	1	Lake Colby Sewer Fund	1	-\$7,500
2	Long-Term Liabilities/Post-Emp Benefits	Harrietstown General A Fund	-\$27,000	1.104413	Expanded H'town General Fund	1	-\$29,819
2	Celebrations & Events	Harrietstown General A Fund	-\$4,710	1.104413	Expanded H'town General Fund	1	-\$5,201
2	Cemetery Operations & Maintenance	Harrietstown Highway DB Fund	-\$15,520	1	Expanded H'town Highway Fund	1	-\$15,520
2	Financial Reporting & Recordkeeping	Harrietstown General A Fund	-\$8,587	1.104413	Expanded H'town General Fund	0.1	-\$948
2	Human Resources Management	Harrietstown General A Fund	-\$33,204	1.104413	Expanded H'town General Fund	0.1	-\$3,667
2	Landfill Operations & Maintenance	Harrietstown General A Fund	-\$7,210	1.104413	Expanded H'town General Fund	1	-\$7,962
2	Programs for the Aging	Harrietstown General B Fund	-\$357	1.104413	Expanded H'town General Fund	1	-\$394
2	Publicity & Promotion	Harrietstown General A Fund	-\$27,814	1.104413	Expanded H'town General Fund	0.1	-\$3,072
2	Recreation Programs	Harrietstown General B Fund	-\$3,357	1.104413	Expanded H'town General Fund	1	-\$3,707
2	Veterans Services	Harrietstown General A Fund	-\$1,010	1.104413	Expanded H'town General Fund	1	-\$1,115
2	Youth Programs	Harrietstown General B Fund	\$1,643	1.104413	Expanded H'town General Fund	1	\$1,815
2	Water Maintenance	Lake Colby Water Fund	-\$25,000	1	Lake Colby Water Fund	1	-\$25,000
2	Administration/Village Operations	Saranac Lake General Fund	-\$15,760	1	Expanded H'town General Fund	1	-\$15,760
2	Billing (Other)	Saranac Lake General Fund	-\$6,044	1	Expanded H'town General Fund	1	-\$6,044

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2	Clerical Support to Village Board	Saranac Lake General Fund	-\$6,044	1	Expanded H'town General Fund	1	-\$6,044
2	Human Resources Management	Saranac Lake General Fund	-\$9,944	1	Expanded H'town General Fund	1	-\$9,944
2	Licenses & Permits	Saranac Lake General Fund	-\$3,344	1	Expanded H'town General Fund	1	-\$3,344
2	Records Management	Saranac Lake General Fund	-\$6,044	1	Expanded H'town General Fund	1	-\$6,044
2	Registrar of Vital Statistics	Saranac Lake General Fund	-\$2,169	1	Expanded H'town General Fund	1	-\$2,169
2	Tax Collection	Saranac Lake General Fund	-\$6,044	1	Expanded H'town General Fund	1	-\$6,044
2	Village Elections	Saranac Lake General Fund	-\$8,494	1	Expanded H'town General Fund	1	-\$8,494
2	Code Enforcement	Saranac Lake General Fund	-\$10,566	1	Expanded H'town General Fund	1	-\$10,566
2	Economic Development	Saranac Lake General Fund	-\$11,666	1	Expanded H'town General Fund	1	-\$11,666
2	Grantwriting & Administration	Saranac Lake General Fund	-\$11,666	1	Expanded H'town General Fund	1	-\$11,666
2	Planning	Saranac Lake General Fund	-\$10,116	1	Expanded H'town General Fund	1	-\$10,116
2	Zoning	Saranac Lake General Fund	\$7,984	1	Expanded H'town General Fund	1	\$7,984
2	Fire Protection	Saranac Lake General Fund	-\$205,854	1	Expanded H'town General Fund	1	-\$205,854
2	Rescue	Saranac Lake General Fund	-\$155,604	1	Expanded H'town General Fund	1	-\$155,604
2	Justice Court Operations	Saranac Lake General Fund	\$19,649	1	Expanded H'town General Fund	1	\$19,649
2	Legal Counsel	Saranac Lake General Fund	-\$22,141	1	Expanded H'town General Fund	1	-\$22,141
2	Animal Control	Saranac Lake General Fund	-\$8,741	1	Expanded H'town General Fund	1	-\$8,741
2	Celebrations & Events	Saranac Lake General Fund	-\$30,433	1	Expanded H'town General Fund	1	-\$30,433
2	Programs for the Aging	Saranac Lake General Fund	-\$17,433	1	Expanded H'town General Fund	1	-\$17,433
2	Publicity & Promotion	Saranac Lake General Fund	-\$32,433	1	Expanded H'town General Fund	1	-\$32,433
2	Beach Operations & Maintenance	Saranac Lake General Fund	-\$36,761	1	Expanded H'town General Fund	1	-\$36,761
2	Mt Pisgah Operations & Maintenance	Saranac Lake General Fund	-\$118,276	1	Expanded H'town General Fund	1	-\$118,276
2	Parks Operations & Maintenance	Saranac Lake General Fund	-\$50,566	1	Expanded H'town General Fund	1	-\$50,566
2	Skating Rink Operations & Maintenance	Saranac Lake General Fund	-\$6,741	1	Expanded H'town General Fund	1	-\$6,741
2	Youth Programs	Saranac Lake General Fund	-\$21,541	1	Expanded H'town General Fund	1	-\$21,541
2	Police Investigations	Saranac Lake General Fund	-\$140,283	1	Expanded H'town General Fund	1	-\$140,283
2	Police Administration	Saranac Lake General Fund	-\$209,054	1	Expanded H'town General Fund	1	-\$209,054

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2	Police Dispatching	Saranac Lake General Fund	-\$71,512	1	Expanded H'town General Fund	1	-\$71,512
2	Police Patrol (vehicle and foot)	Saranac Lake General Fund	-\$964,786	1	Expanded H'town General Fund	1	-\$964,786
2	Building Maintenance	Saranac Lake General Fund	-\$62,914	1	Expanded H'town General Fund	1	-\$62,914
2	Grounds & Parks Maintenance	Saranac Lake General Fund	-\$142,950	1	Expanded H'town General Fund	1	-\$142,950
2	Off-Street Parking	Saranac Lake General Fund	-\$6,934	1	Expanded H'town General Fund	1	-\$6,934
2	Public Works Administration	Saranac Lake General Fund	-\$42,937	1	Expanded H'town General Fund	1	-\$42,937
2	Refuse Collection & Disposal	Saranac Lake General Fund	-\$12,884	1	Expanded H'town General Fund	1	-\$12,884
2	Sidewalk Maintenance (including snow removal)	Saranac Lake General Fund	-\$48,988	1	Expanded H'town General Fund	1	-\$48,988
2	Street Cleaning	Saranac Lake General Fund	-\$87,041	1	Expanded H'town General Fund	1	-\$87,041
2	Sewer Operations & Maintenance	Saranac Lake Sewer Fund	-\$128,550	1	Saranac Lake Sewer Fund	1	-\$128,550
2	Highway Garage/Fleet Maintenance	Saranac Lake General Fund	-\$77,261	1	Expanded H'town Highway Fund	1	-\$77,261
2	Snow Removal	Saranac Lake General Fund	-\$278,533	1	Expanded H'town Highway Fund	1	-\$278,533
2	Street Lighting	Saranac Lake General Fund	-\$102,087	1	Expanded H'town Highway Fund	1	-\$102,087
2	Street Maintenance (including Drainage and Shade Trees)	Saranac Lake General Fund	-\$248,419	1	Expanded H'town Highway Fund	1	-\$248,419
2	Accounts Payable	Saranac Lake General Fund	-\$4,080	1	Expanded H'town General Fund	1	-\$4,080
2	Billing (Sewer)	Saranac Lake General Fund	-\$4,080	1	Saranac Lake Sewer Fund	1	-\$4,080
2	Billing (Water)	Saranac Lake General Fund	-\$4,080	1	Saranac Lake Water Fund	1	-\$4,080
2	Budgeting & Planning	Saranac Lake General Fund	-\$13,449	1	Expanded H'town General Fund	1	-\$13,449
2	Financial Audit	Saranac Lake General Fund	-\$4,080	1	Expanded H'town General Fund	1	-\$4,080
2	Financial Reporting & Recordkeeping	Saranac Lake General Fund	-\$6,757	1	Expanded H'town General Fund	1	-\$6,757
2	Water Operations & Maintenance	Saranac Lake Water Fund	-\$313,114	1	Saranac Lake Water Fund	1	-\$313,114
2	Programs for the Aging	Harriestown General A Fund	-\$15,609	1.104413	Expanded H'town General Fund	1	-\$17,239
2	Recreation Programs	Harriestown General A Fund	-\$17,300	1.104413	Expanded H'town General Fund	1	-\$19,106
2	Youth Programs	Harriestown General A Fund	-\$14,375	1.104413	Expanded H'town General Fund	1	-\$15,876
2	Sewer Maintenance	Algonquin Sewer Fund	-\$1,500	1	Algonquin Sewer Fund	1	-\$1,500
2	Sewer Maintenance	Duprey Sewer Fund	-\$1,000	1	Duprey Sewer Fund	1	-\$1,000
2	Water Maintenance	Algonquin Water Fund	-\$2,500	1	Algonquin Water Fund	1	-\$2,500

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2	Water Maintenance	Duprey Water Fund	-\$1,500	1	Duprey Water Fund	1	-\$1,500
2	Financial Analysis	Saranac Lake General Fund	-\$6,757	1	Expanded H'town General Fund	1	-\$6,757
2	Water Capital Project	Lake Colby Cap Project AMC	-\$24,000	1	Lake Colby Cap Project AMC	1	-\$24,000
2	Water Maintenance	Lake Street Water District	-\$3,500	1	Lake Street Water District	1	-\$3,500
2	Sewer Maintenance	Lake Street Sewer District	\$0	1	Lake Street Sewer District	1	\$0
2	North Elba Townwide Services	North Elba General A Fund	-\$1,544,871	0.96317	Diminished NE General A Fund	1	-\$1,487,973
2	North Elba Highway Services	North Elba Highway DB Fund	-\$357,769	1	North Elba Highway DB Fund	1	-\$357,769
2	North Elba Park District Services	North Elba Park District Fund	-\$1,590,009	1	North Elba Park District Fund	1	-\$1,590,009
2	Fire Protection	North Elba Fire District 2	-\$24,435	1	North Elba Fire District 2	1	-\$24,435
2	Water Maintenance	North Elba Water District 2	\$0	1	North Elba Water District 2	1	\$0
2	St Armand Townwide General Services	St Armand General A Fund	-\$380,557	0.896683	Diminished SA General A Fund	1	-\$341,239
2	St Armand Townwide Highway Services	St Armand Highway DA Fund	-\$339,630	0.876218	Diminished SA Highway A Fund	1	-\$297,590
2	St Armand Outside Highway Services	St Armand Highway DB Fund	-\$50,650	1	Diminished SA Highway A Fund	1	-\$50,650
2	Fire Protection	Bloomington/Saranac Lake Fire Protection District	-\$73,950	1	Bloomington/Saranac Lake Fire Protection District	1	-\$73,950
2	Water Maintenance	Rockledge Water District	-\$49,250	1	Rockledge Water District	1	-\$49,250

Option 3 – Creation of a City

Option	Service Name	Current Municipality/Fund	Estimated Current Cost	Disposition	New Municipality/Fund	Weight	Estimated Future Cost
3	Airport Administration	Harrietstown Airport Fund	-\$169,048	1	Diminished Harrietstown Airport Fund	1	-\$169,048
3	Airport Operations & Maintenance	Harrietstown Airport Fund	-\$99,619	1	Diminished Harrietstown Airport Fund	1	-\$99,619
3	Property Assessment	Harrietstown General A Fund	-\$163,124	0.757956	Diminished Harrietstown General A Fund	1	-\$123,641
3	Property Assessment	Harrietstown General A Fund	-\$163,124	0.242044	New City of SL General Fund	1	-\$39,483
3	Budgeting & Planning	Harrietstown General A Fund	-\$26,490	0.757956	Diminished Harrietstown General A Fund	1	-\$20,079
3	Budgeting & Planning	Harrietstown General A Fund	-\$26,490	0	New City of SL General Fund	1	\$0
3	Financial Audit	Harrietstown General A Fund	-\$7,150	0.757956	Diminished Harrietstown General A Fund	1	-\$5,419

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3	Financial Audit	Harrietstown General A Fund	-\$7,150	0	New City of SL General Fund	1	\$0
3	Code Enforcement	Harrietstown General B Fund	-\$50,863	1	Diminished Harrietstown General A Fund	1	-\$50,863
3	Planning	Harrietstown General B Fund	\$10,040	1	Diminished Harrietstown General A Fund	1	\$10,040
3	Zoning	Harrietstown General B Fund	-\$49,863	1	Diminished Harrietstown General A Fund	1	-\$49,863
3	Building Maintenance	Harrietstown General A Fund	-\$135,508	1	Diminished Harrietstown General A Fund	1	-\$135,508
3	Building Maintenance	Harrietstown General A Fund	-\$135,508	0	New City of SL General Fund	1	\$0
3	Board of Health	Harrietstown General A Fund	-\$7,150	0.757956	Diminished Harrietstown General A Fund	1	-\$5,419
3	Board of Health	Harrietstown General A Fund	-\$7,150	0	New City of SL General Fund	1	\$0
3	Clerical Support to Town Council	Harrietstown General A Fund	-\$12,934	0.757956	Diminished Harrietstown General A Fund	1	-\$9,803
3	Contract Administration	Harrietstown General A Fund	-\$12,934	1	Diminished Harrietstown General A Fund	1	-\$12,934
3	Contract Administration	Harrietstown General A Fund	-\$12,934	0	New City of SL General Fund	1	\$0
3	Licenses & Permits	Harrietstown General A Fund	-\$11,584	0.757956	Diminished Harrietstown General A Fund	1	-\$8,780
3	Licenses & Permits	Harrietstown General A Fund	-\$11,584	0	New City of SL General Fund	1	\$0
3	Records Management	Harrietstown General A Fund	-\$12,934	0.757956	Diminished Harrietstown General A Fund	1	-\$9,803
3	Records Management	Harrietstown General A Fund	-\$12,934	0	New City of SL General Fund	1	\$0
3	Tax Collection	Harrietstown General A Fund	-\$21,838	0.757956	Diminished Harrietstown General A Fund	1	-\$16,552
3	Tax Collection	Harrietstown General A Fund	-\$21,838	0	New City of SL General Fund	1	\$0
3	Town Elections	Harrietstown General A Fund	-\$13,934	0.757956	Diminished Harrietstown General A Fund	1	-\$10,561
3	Administration/Town Operations	Harrietstown General A Fund	-\$64,350	0.757956	Diminished Harrietstown General A Fund	1	-\$48,775
3	Fire Protection	Harrietstown Fire Protection General Fund	-\$170,891	1	Harrietstown Fire Protection General Fund	1	-\$170,891
3	Grounds Maintenance	Harrietstown General A Fund	-\$54,733	0.757956	Diminished Harrietstown General A Fund	1	-\$41,485
3	Grounds Maintenance	Harrietstown General A Fund	-\$54,733	0	New City of SL General Fund	1	\$0

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3	Highway Administration	Harrietstown General A Fund	-\$100,292	1	Diminished Harrietstown General A Fund	1	-\$100,292
3	Highway Administration	Harrietstown General A Fund	-\$100,292	0	New City of SL General Fund	1	\$0
3	Highway Garage/Fleet Maintenance	Harrietstown Highway DB Fund	-\$143,359	1	Harrietstown Highway DB Fund	1	-\$143,359
3	Highway Maintenance	Harrietstown Highway DB Fund	-\$179,481	1	Harrietstown Highway DB Fund	1	-\$179,481
3	Refuse Collection & Disposal	Harrietstown Highway DB Fund	-\$16,270	1	Harrietstown Highway DB Fund	1	-\$16,270
3	Snow Removal	Harrietstown Highway DB Fund	-\$100,818	1	Harrietstown Highway DB Fund	1	-\$100,818
3	Street Lighting	Harrietstown Highway DB Fund	-\$28,970	1	Harrietstown Highway DB Fund	1	-\$28,970
3	Justice Court Operations	Harrietstown General A Fund	-\$24,669	0.757956	Diminished Harrietstown General A Fund	1	-\$18,698
3	Justice Court Operations	Harrietstown General A Fund	-\$24,669	0	New City of SL General Fund	1	\$0
3	Legal Counsel	Harrietstown General A Fund	-\$30,227	0.757956	Diminished Harrietstown General A Fund	1	-\$22,911
3	Legal Counsel	Harrietstown General A Fund	-\$30,227	0	New City of SL General Fund	1	\$0
3	Dog Control	Harrietstown General A Fund	-\$9,750	0.757956	Diminished Harrietstown General A Fund	1	-\$7,390
3	Dog Control	Harrietstown General A Fund	-\$9,750	0	New City of SL General Fund	1	\$0
3	Rescue	Harrietstown General B Fund	-\$1,754	1	Diminished Harrietstown General A Fund	1	-\$1,754
3	Traffic Control	Harrietstown General A Fund	-\$650	0.757956	Diminished Harrietstown General A Fund	1	-\$492
3	Sewer Maintenance	Lake Colby Sewer Fund	-\$7,500	1	Lake Colby Sewer Fund	1	-\$7,500
3	Long-Term Liabilities/Post-Emp Benefits	Harrietstown General A Fund	-\$27,000	1	Diminished Harrietstown General A Fund	1	-\$27,000
3	Celebrations & Events	Harrietstown General A Fund	-\$4,710	0.757956	Diminished Harrietstown General A Fund	1	-\$3,570
3	Celebrations & Events	Harrietstown General A Fund	-\$4,710	0	New City of SL General Fund	1	\$0
3	Cemetery Operations & Maintenance	Harrietstown Highway DB Fund	-\$15,520	1	Harrietstown Highway DB Fund	1	-\$15,520
3	Financial Reporting & Recordkeeping	Harrietstown General A Fund	-\$8,587	0.757956	Diminished Harrietstown General A Fund	1	-\$6,509
3	Financial Reporting & Recordkeeping	Harrietstown General A Fund	-\$8,587	0	New City of SL General Fund	1	\$0

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3	Human Resources Management	Harrietstown General A Fund	-\$33,204	0.757956	Diminished Harrietstown General A Fund	1	-\$25,167
3	Human Resources Management	Harrietstown General A Fund	-\$33,204	0	New City of SL General Fund	1	\$0
3	Landfill Operations & Maintenance	Harrietstown General A Fund	-\$7,210	0.757956	Diminished Harrietstown General A Fund	1	-\$5,465
3	Programs for the Aging	Harrietstown General B Fund	-\$357	1	Diminished Harrietstown General A Fund	1	-\$357
3	Publicity & Promotion	Harrietstown General A Fund	-\$27,814	1	Diminished Harrietstown General A Fund	1	-\$27,814
3	Publicity & Promotion	Harrietstown General A Fund	-\$27,814	0	New City of SL General Fund	1	\$0
3	Recreation Programs	Harrietstown General B Fund	-\$3,357	1	Diminished Harrietstown General A Fund	1	-\$3,357
3	Veterans Services	Harrietstown General A Fund	-\$1,010	1	Diminished Harrietstown General A Fund	1	-\$1,010
3	Veterans Services	Harrietstown General A Fund	-\$1,010	0	New City of SL General Fund	1	\$0
3	Youth Programs	Harrietstown General B Fund	\$1,643	1	Diminished Harrietstown General A Fund	1	\$1,643
3	Water Maintenance	Lake Colby Water Fund	-\$25,000	1	Lake Colby Water Fund	1	-\$25,000
3	Administration/Village Operations	Saranac Lake General Fund	-\$15,760	1	New City of SL General Fund	1	-\$15,760
3	Billing (Other)	Saranac Lake General Fund	-\$6,044	1	New City of SL General Fund	1	-\$6,044
3	Clerical Support to Village Board	Saranac Lake General Fund	-\$6,044	1	New City of SL General Fund	1	-\$6,044
3	Human Resources Management	Saranac Lake General Fund	-\$9,944	1	New City of SL General Fund	1	-\$9,944
3	Licenses & Permits	Saranac Lake General Fund	-\$3,344	1	New City of SL General Fund	1	-\$3,344
3	Records Management	Saranac Lake General Fund	-\$6,044	1	New City of SL General Fund	1	-\$6,044
3	Registrar of Vital Statistics	Saranac Lake General Fund	-\$2,169	1	New City of SL General Fund	1	-\$2,169
3	Tax Collection	Saranac Lake General Fund	-\$6,044	1	New City of SL General Fund	1	-\$6,044
3	Village Elections	Saranac Lake General Fund	-\$8,494	1	New City of SL General Fund	1	-\$8,494
3	Code Enforcement	Saranac Lake General Fund	-\$10,566	1	New City of SL General Fund	1	-\$10,566
3	Economic Development	Saranac Lake General Fund	-\$11,666	1	New City of SL General Fund	1	-\$11,666
3	Grantwriting & Administration	Saranac Lake General Fund	-\$11,666	1	New City of SL General Fund	1	-\$11,666
3	Planning	Saranac Lake General Fund	-\$10,116	1	New City of SL General Fund	1	-\$10,116
3	Zoning	Saranac Lake General Fund	\$7,984	1	New City of SL General Fund	1	\$7,984

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3	Fire Protection	Saranac Lake General Fund	-\$205,854	1	New City of SL General Fund	1	-\$205,854
3	Rescue	Saranac Lake General Fund	-\$155,604	1	New City of SL General Fund	1	-\$155,604
3	Justice Court Operations	Saranac Lake General Fund	\$19,649	1	New City of SL General Fund	1	\$19,649
3	Legal Counsel	Saranac Lake General Fund	-\$22,141	1	New City of SL General Fund	1	-\$22,141
3	Animal Control	Saranac Lake General Fund	-\$8,741	1	New City of SL General Fund	1	-\$8,741
3	Celebrations & Events	Saranac Lake General Fund	-\$30,433	1	New City of SL General Fund	1	-\$30,433
3	Programs for the Aging	Saranac Lake General Fund	-\$17,433	1	New City of SL General Fund	1	-\$17,433
3	Publicity & Promotion	Saranac Lake General Fund	-\$32,433	1	New City of SL General Fund	1	-\$32,433
3	Long-Term Liabilities/Post-Emp Benefits	Saranac Lake General Fund	\$0	1	New City of SL General Fund	1	\$0
3	Beach Operations & Maintenance	Saranac Lake General Fund	-\$36,761	1	New City of SL General Fund	1	-\$36,761
3	Mt Pisgah Operations & Maintenance	Saranac Lake General Fund	-\$118,276	1	New City of SL General Fund	1	-\$118,276
3	Parks Operations & Maintenance	Saranac Lake General Fund	-\$50,566	1	New City of SL General Fund	1	-\$50,566
3	Skating Rink Operations & Maintenance	Saranac Lake General Fund	-\$6,741	1	New City of SL General Fund	1	-\$6,741
3	Youth Programs	Saranac Lake General Fund	-\$21,541	1	New City of SL General Fund	1	-\$21,541
3	Police Investigations	Saranac Lake General Fund	-\$140,283	1	New City of SL General Fund	1	-\$140,283
3	Police Administration	Saranac Lake General Fund	-\$209,054	1	New City of SL General Fund	1	-\$209,054
3	Police Dispatching	Saranac Lake General Fund	-\$71,512	1	New City of SL General Fund	1	-\$71,512
3	Police Patrol (vehicle and foot)	Saranac Lake General Fund	-\$964,786	1	New City of SL General Fund	1	-\$964,786
3	Building Maintenance	Saranac Lake General Fund	-\$62,914	1	New City of SL General Fund	1	-\$62,914
3	Grounds & Parks Maintenance	Saranac Lake General Fund	-\$142,950	1	New City of SL General Fund	1	-\$142,950
3	Off-Street Parking	Saranac Lake General Fund	-\$6,934	1	New City of SL General Fund	1	-\$6,934
3	Public Works Administration	Saranac Lake General Fund	-\$42,937	1	New City of SL General Fund	1.25	-\$53,671
3	Refuse Collection & Disposal	Saranac Lake General Fund	-\$12,884	1	New City of SL General Fund	1	-\$12,884
3	Sidewalk Maintenance (including snow removal)	Saranac Lake General Fund	-\$48,988	1	New City of SL General Fund	1	-\$48,988
3	Street Cleaning	Saranac Lake General Fund	-\$87,041	1	New City of SL General Fund	1	-\$87,041
3	Sewer Operations & Maintenance	Saranac Lake Sewer Fund	-\$128,550	1	New City of SL Sewer Fund	1	-\$128,550

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3	Highway Garage/Fleet Maintenance	Saranac Lake General Fund	-\$77,261	1	New City of SL General Fund	1.25	-\$96,576
3	Snow Removal	Saranac Lake General Fund	-\$278,533	1	New City of SL General Fund	1.25	-\$348,166
3	Street Lighting	Saranac Lake General Fund	-\$102,087	1	New City of SL General Fund	1	-\$102,087
3	Street Maintenance (including Drainage and Shade Trees)	Saranac Lake General Fund	-\$248,419	1	New City of SL General Fund	1.25	-\$310,524
3	Accounts Payable	Saranac Lake General Fund	-\$4,080	1	New City of SL General Fund	1	-\$4,080
3	Billing (Sewer)	Saranac Lake General Fund	-\$4,080	1	New City of SL General Fund	1	-\$4,080
3	Billing (Water)	Saranac Lake General Fund	-\$4,080	1	New City of SL General Fund	1	-\$4,080
3	Budgeting & Planning	Saranac Lake General Fund	-\$13,449	1	New City of SL General Fund	1	-\$13,449
3	Financial Audit	Saranac Lake General Fund	-\$4,080	1	New City of SL General Fund	1	-\$4,080
3	Financial Reporting & Recordkeeping	Saranac Lake General Fund	-\$6,757	1	New City of SL General Fund	1	-\$6,757
3	Water Operations & Maintenance	Saranac Lake Water Fund	-\$313,114	1	New City of SL Water Fund	1	-\$313,114
3	Programs for the Aging	Harrietstown General A Fund	-\$15,609	1	Diminished Harrietstown General A Fund	1	-\$15,609
3	Programs for the Aging	Harrietstown General A Fund	-\$15,609	0	New City of SL General Fund	1	\$0
3	Recreation Programs	Harrietstown General A Fund	-\$17,300	1	Diminished Harrietstown General A Fund	1	-\$17,300
3	Recreation Programs	Harrietstown General A Fund	-\$17,300	0	New City of SL General Fund	1	\$0
3	Youth Programs	Harrietstown General A Fund	-\$14,375	1	Diminished Harrietstown General A Fund	1	-\$14,375
3	Youth Programs	Harrietstown General A Fund	-\$14,375	0	New City of SL General Fund	1	\$0
3	Sewer Maintenance	Algonquin Sewer Fund	-\$1,500	1	Algonquin Sewer Fund	1	-\$1,500
3	Sewer Maintenance	Duprey Sewer Fund	-\$1,000	1	Duprey Sewer Fund	1	-\$1,000
3	Water Maintenance	Algonquin Water Fund	-\$2,500	1	Algonquin Water Fund	1	-\$2,500
3	Water Maintenance	Duprey Water Fund	-\$1,500	1	Duprey Water Fund	1	-\$1,500
3	Financial Analysis	Saranac Lake General Fund	-\$6,757	1	New City of SL General Fund	1	-\$6,757
3	Water Capital Project	Lake Colby Cap Project AMC	-\$24,000	1	Lake Colby Cap Project AMC	1	-\$24,000
3	Water Maintenance	Lake Street Water District	-\$3,500	1	Lake Street Water District	1	-\$3,500
3	Sewer Maintenance	Lake Street Sewer District	\$0	1	Lake Street Sewer District	1	\$0
3	North Elba Townwide Services	North Elba General A Fund	-\$1,544,871	0.96317	Diminished NE General A Fund	1	-\$1,487,973

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3	North Elba Townwide Services	North Elba General A Fund	-\$1,544,871	0.03683	New City of SL General Fund	0.1	-\$5,690
3	North Elba Highway Services	North Elba Highway DB Fund	-\$357,769	1	North Elba Highway DB Fund	1	-\$357,769
3	North Elba Park District Services	North Elba Park District Fund	-\$1,590,009	1	North Elba Park District Fund	1	-\$1,590,009
3	Fire Protection	North Elba Fire District 2	-\$24,435	1	North Elba Fire District 2	1	-\$24,435
3	Water Maintenance	North Elba Water District 2	\$0	1	North Elba Water District 2	1	\$0
3	St Armand Townwide General Services	St Armand General A Fund	-\$380,557	0.896683	Diminished SA General A Fund	1	-\$341,239
3	St Armand Townwide General Services	St Armand General A Fund	-\$380,557	0.103317	New City of SL General Fund	0.1	-\$3,932
3	St Armand Townwide Highway Services	St Armand Highway DA Fund	-\$339,630	0.896683	Diminished SA Highway A Fund	1	-\$304,541
3	St Armand Townwide Highway Services	St Armand Highway DA Fund	-\$339,630	0.103317	New City of SL General Fund	0.1	-\$3,509
3	St Armand Outside Highway Services	St Armand Highway DB Fund	-\$50,650	1	St Armand Highway DB Fund	1	-\$50,650
3	Fire Protection	Bloomington/Saranac Lake Fire Protection District	-\$73,950	1	Bloomington/Saranac Lake Fire Protection District	1	-\$73,950
3	Water Maintenance	Rockledge Water District	-\$49,250	1	Rockledge Water District	1	-\$49,250

Sensitivity Analysis

After the initial presentation of the results of this Feasibility Study and Comparative Analysis, responses from the three Towns prompted several important revisions. Most notably, the comments from Town officials indicated that the assumed Town savings from the establishment of a city are highly unlikely to occur. As the table immediately above elaborates, and as earlier sections of this report summarize, the fiscal analysis of the City option assumes that as the territorial boundaries of the three towns decreases with the creation of a city the costs of providing town-wide services to those properties shifts from a cost of the towns to a cost of the city. Comments from the Town Supervisor of the Town of North Elba suggest that that Town's budget would not decrease since no town-wide services are provided to residents in the Saranac Lake village area of that town. Similar concerns were expressed by officials from the Town of St Armand. In the Town of Harrietstown, the concern was slightly different. The Town Supervisor, Budget Officer and members of the Town Board explained that they do not believe the costs in the town budget are variable. That is, the costs of town-wide services in Harrietstown are not expected to decrease when the population or territory served decreases.

Based on these concerns, Fairweathe Consulting prepared a series of tables designed to explain how the results of our fiscal analysis of the city option varies when these considerations are incorporated. The following tables show the projected impact on Town tax levy and tax rate given various scenarios related to the savings in cost of town-wide services after establishment of a city. The highlighted rows represent the values based on our original study assumptions.

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Town of Harrietstown - Impact of Tax Levy Reduction on Total Municipal Property Taxes

Town-Wide Tax Levy (Fund A) ^a	Reduction in Tax Levy ^b	Percent Reduction ^c	New Tax Levy ^d	Percent Increase in Tot Muni Prop Tax ^e	Estimated Increase in Avg Tax Bill ^f
\$867,066	\$0	0%	\$867,066	17.1%	\$55.98
	\$19,115	2%	\$847,951	16.0%	\$52.09
	\$38,231	4%	\$828,836	14.8%	\$48.19
	\$57,346	7%	\$809,720	13.6%	\$44.30
	\$76,461	9%	\$790,605	12.4%	\$40.41
	\$95,577	11%	\$771,490	11.2%	\$36.52
	\$114,692	13%	\$752,374	10.0%	\$32.62
	\$124,858	14%	\$742,209	9.4%	\$30.55
	\$152,923	18%	\$714,144	7.6%	\$24.84
	\$172,038	20%	\$695,028	6.4%	\$20.95
	\$191,153	22%	\$675,913	5.2%	\$17.05
	\$210,269	24%	\$656,798	4.0%	\$13.16

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Town of St Armand - Impact of Tax Levy Reduction on Total Municipal Property Taxes

Town-Wide Tax Levy (Fund A & Fund DA) ^a	Reduction in Tax Levy ^b	Percent Reduction ^c	New Tax Levy ^d	Percent Increase in Tot Muni Prop Tax ^e	Estimated Increase in Avg Tax Bill ^f
\$720,187	\$0	0.0%	\$720,187	9.6%	\$66.32
	\$6,764	0.9%	\$713,423	8.7%	\$60.29
	\$13,529	1.9%	\$706,658	7.8%	\$54.26
	\$20,293	2.8%	\$699,894	6.9%	\$48.23
	\$27,057	3.8%	\$693,130	6.1%	\$42.21
	\$33,822	4.7%	\$686,365	5.2%	\$36.18
	\$40,586	5.6%	\$679,601	4.3%	\$30.15
	\$47,350	6.6%	\$672,837	3.5%	\$24.12
	\$54,114	7.5%	\$666,073	2.6%	\$18.09
	\$60,879	8.5%	\$659,308	1.7%	\$12.06
	\$67,643	9.4%	\$652,544	0.9%	\$6.03
	\$74,407	10.3%	\$645,780	0.0%	\$0.00

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Town of North Elba - Impact of Tax Levy Reduction on Total Municipal Property Taxes

Town-Wide Tax Levy (Fund A) ^a	Reduction in Tax Levy ^b	Percent Reduction ^c	New Tax Levy ^d	Percent Increase in Tot Muni Prop Tax ^e	Estimated Increase in Avg Tax Bill ^f
\$1,544,871	\$0	0.0%	\$1,544,871	1.4%	\$5.57
	\$5,173	0.3%	\$1,539,698	1.2%	\$5.06
	\$10,345	0.7%	\$1,534,526	1.1%	\$4.56
	\$15,518	1.0%	\$1,529,353	1.0%	\$4.05
	\$20,690	1.3%	\$1,524,181	0.9%	\$3.54
	\$25,863	1.7%	\$1,519,008	0.7%	\$3.04
	\$31,035	2.0%	\$1,513,836	0.6%	\$2.53
	\$36,208	2.3%	\$1,508,663	0.5%	\$2.03
	\$41,380	2.7%	\$1,503,491	0.4%	\$1.52
	\$46,553	3.0%	\$1,498,318	0.2%	\$1.01
	\$51,725	3.3%	\$1,493,146	0.1%	\$0.51
	\$56,898	3.7%	\$1,487,973	0.0%	\$0.00

Footnotes:

a - In North Elba, the "town-wide" funds include Fund A (General) only.

b - The reduction in the Town-Wide Tax Levy is due to the secession of the village area from the town, and the resulting decrease in area and population served by the town. This amount is also the Cost of Town-Wide Services Provided in Village Area, since the elimination of that area from the town's responsibility for services drives the decrease.

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c - Range for Percent Reduction goes from 0% (no change) to percentage of town's total taxable assessed value that is inside the village. Highlighted cells represent the assumed values from the Feasibility Study & Comparative Analysis.

d - New Tax Levy = Column 1 (Town-Wide Tax Levy) minus Column 2 (Reduction in Tax Levy)

e - The Percent Change in Tot Muni Prop Tax is the change for the remaining residents of the Town (outside portion) under the City Option. This includes town property taxes (for all funds) paid by these residents. In North Elba, the funds included in addition to the Town-Wide funds are the Town-Outside Highway Fund, the Park District and the Fire Protection District.

f - Average tax bill is based on a median-value household. In North Elba, the median value is estimated at \$206,800.

Table 11

FINAL REPORT

VERSION 1.1

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Appendix E – Structural Options to Enhance Shared Services

Introduction

New York State law offers a broad range of options for municipalities to provide services to their residents, taxpayers, and stakeholders. Here, then, are five different options of which municipalities can take advantage in order to make providing services easier, more effective, or more efficient.

Option 1: Service & Joint Agreement

A. Definitions: What are Service & Joint Agreements?

Service Agreement:

While local governments usually only provide municipal services to residents within its borders, sometimes services are provided to the residents of another, usually nearby, municipality. The contract between the two (or more) governments—known as a **service agreement**—describes the details and costs of providing those services. Usually, both governments consider the effects the service agreement will have on their taxpayers: for the receiving municipality, the cost of the agreement ought to be lower than the cost of providing the service itself; while the supplier municipality should be able to provide the service without limiting its ability to serve its own residents. In addition to specific costs and details of the service provided, service agreements should also offer details regarding both parties' liability for damages to people or property.

Joint Agreement:

When more than one municipal body agrees to provide a service or operate a facility together, this contract is known as a **joint agreement**. Such an agreement could take the form of an area-wide youth program administered jointly by two neighboring towns, or an inter-municipal road service fleet, for example. The involved governments often look to ensure equal costs/contributions and benefits for the involved municipalities, taking each municipality's resources and facilities into account. The creation of a joint agreement also necessitates the establishing of a governing body—often composed of representatives from all involved municipal bodies—that oversees the execution of the joint agreement (for example, an inter-municipal youth committee comprised in equal parts of residents of both municipalities).

B. Method: How Can Municipalities Enter Service & Joint Agreements?

New York State law offers a great amount of flexibility and freedom for local governments and municipalities to enter into each of these kinds of agreements. Article 5-G of general Municipal Law states: “municipal corporations and districts shall have the power to enter into, amend, cancel and terminate agreements for the performance among themselves or one for the other of their respective functions, powers, and duties on a cooperative or contract basis or for the provision of a joint service or joint water, sewage or drainage project” (§ 119-o - http://law.justia.com/newyork/codes/general-municipal/gmu0119-o_119-o.html). Whether a service or joint agreement between two or more municipal bodies, approval of such agreements require a majority vote of the governing bodies involved, plus any referendums or other special consents that the law may require to execute the agreement.

C. Examples

Service Agreement:

Arkport Central School District, Village of Arkport and Town of Hornellsville Bus Garage Project

A recent example of an attempt to create a shared service agreement occurred in the Arkport School District in the Town of Hornellsville. In 2005, the district, town, and the Village of Arkport entered into a shared agreement in order to ascertain the viability of a new bus garage for the school district that would also serve to benefit the two governmental entities—both of which, combined, are smaller in size, budget, and revenue/state aid than the Arkport School District.

The new bus garage would replace the outdated garage that was currently in use by the school, and would also offer refueling, washing, and maintenance space for the town and village's municipal vehicles, providing a boon for all three entities. By entering into a shared service agreement to pursue the study of the new building, the project was able to attain \$100,000 of funding from New York State's Shared Municipal Services Incentive Program in 2006, which accounted for 1.56% of the project's total cost.

Eventually, the project failed to get past the initial referendum stage, with 459 district voters rejecting the \$6.4 million project over the 138 who voted in favor. The reasons cited by the local newspaper article about the vote made reference to the fact that the site chosen for the project—a site within the village's limits that was found to both increase the cost and hamstring the school's transportation speed and efficiency. Despite the failure of the project to come to fruition, the Arkport Bus Garage proposal can be viewed as a success for inter-municipal cooperation. The three municipalities were able to achieve the aforementioned shared services grant for a project that was going to be, presumably, managed by the school district while still benefiting the town and village. (<http://www.dos.state.ny.us/lgss/sharedservices/smsicasestudies/ArkportSchoolDistrictCaseStudy.pdf>)

Joint Agreement:

1. Town of Shelby and Town of Ridgeway: Joint Agreement to Reduce Number of Justices and to Establish Single Town Court

It should be noted, however, that while both towns saved money in funding the justice court, the Town of Ridgeway saved significantly more than Shelby; Ridgeway was able to cut \$12,000 from their court costs, while Shelby saved less than \$1,000. The report published by the New York Department of State attributes Shelby's lack of savings to a salary increase for their remaining town justice, which brought the position's salary in line with that of the Town of Ridgeway's town justice. In the end, however, both municipalities saw a cost savings, and no cost increases in the three years the report studied.

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of Ridgeway's town justice. In the end, however, both municipalities saw a cost savings, and no cost increases in the three years the report studied.

(<http://www.dos.state.ny.us/lgss/sharedservices/smsicasestudies/FullCaseStudies/Shelby-Ridgeway%20Town%20Court%20Merger.pdf>)

2. North Elba- Lake Placid Highway Consolidation

In 2006, an attempt to consolidate the highway departments of the Town of North Elba and the Village of Lake Placid (the latter being situated within the former) was made when the village's highway superintendent suddenly and unexpectedly retired. The mayor of Lake Placid, with cooperation of the village board, appointed North Elba's elected highway superintendent, Norm Harlow, in an interim position as village highway superintendent as a way to begin a possible consolidation process.

The consolidation process, however, did not get very far. A legal opinion provided by the New York State Attorney General's office found that Harlow could not occupy both positions—one appointed, one elected—without there being a conflict of interest one way or the other. A public referendum was held to change the town highway superintendent position from elected to appointed, in order to bring it in line with the village's appointed position, after which the two could be consolidated. The referendum was rejected by town voters, and, citing "unspecified reasons" Harlow subsequently resigned from his post as the village's interim highway superintendent, keeping his elected town position.

The main reason cited by State Department's report for the consolidation's failure was the lack of planning and coordination on the part of the village and town governments. Harlow was appointed before the Memorandum of Understanding—a document penned by Lake Placid's mayor that loosely outlined goals for greater shared services between the two municipalities—was even written and adopted. Had both sides contributed equally, it's conceivable that the consolidation process would have gotten more traction.

(<http://www.dos.state.ny.us/lgss/sharedservices/smsicasestudies/FullCaseStudies/N%20Elba-Lake%20Placid%20Highway%20Department%20Consolidation.pdf>)

D. Conclusions

Both service agreements and joint agreements have strengths and weaknesses when utilized to increase municipal efficiency. While service agreements are simple and more straightforward than joint agreements, they're also highly impermanent. In New York State, no current village or town board can bind a future village or town board to an agreement, so in effect, the agreements can be nullified very easily by future boards who wish to discontinue the original agreement. As for joint agreements, their complexities give them more lasting effects—but that same advantage can also make them that much more difficult to implement. Their highly complex administrative and financial arrangements can make it difficult to hold a board accountable and structured as well. Furthermore, either type of agreement rarely gives enough consideration to governance and accountability and the equal sharing of costs and assets; usually, one municipality benefits more than the other, unless great care and compromise is exercised by the involved parties.

Option 2: County Consolidation Model

A. Definition: What is County Consolidation?

County consolidation is an efficiency option that aims to reduce the layers of government in an effort to allow residents to pay only once for received municipal services. While such a goal may seem obvious, in many areas of New York State may be paying multiple times for duplicated services. An example of such a scenario would be residents of a village with a police force, which is located in a town with its own police force. In this instance, residents are paying property taxes for police services **three times**: once at the village level, a second time at the town level, and a third time at the county level (as all counties have police departments). Consolidating villages into towns, and town services to the county, could greatly reduce tax costs to residents while improving service and efficiency.

B. Method: How Does County Consolidation Work?

County consolidation, in the most basic terms, does not have any kind of specific legal groundwork that must be followed in general; rather, it is a non-specific type of consolidation that dissolves service on the local level in favor of that service being provided by the county. As such, the method of enacting county consolidation would likely differ according to the particular situation. As per the previous example, if a town's residents wished to do away with its town police force, and instead shift law enforcement responsibilities to the county sheriff's department, they could do so in two steps: they could dissolve the town's police department via town board approval (an act subject to permissive referendum); then they could execute a service agreement with the county under Article 5-G of the General Municipal Law, which grants broad freedom and flexibility to local governments regarding how services are provided to residents.

C. Examples

1. Town of Waterford – Saratoga County Police Case Study

In 2006, the Town of Waterford looked into the possibility of consolidating police services for its residents. Costs to maintain the police force continued to rise, bringing higher property taxes each year. As such, the town found a possible solution in contracting out police services with the Saratoga County Sheriff's Department. It was decided that, after dissolving its police force, the town would enter into a three year service agreement with the sheriff's department at a rate of \$685,000 per year—a sharp contrast to the \$1.2 million budget of the town's police force. In addition to making the county responsible for all of the town's law enforcement (with the exception, of course, of the state police), this would also translate into the sheriff's department taking over 911 dispatch services.

Instead of simply passing the resolution and waiting for citizens opposed to the measure to force a permissive referendum, the town board on their own made the police force's dissolution contingent on a public referendum. When the vote was held, residents voted down the police force's dissolution, stopping the progress of the county consolidation efforts. Reasons cited ranged from established comfort and familiarity with the current police force to

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skepticism that the proposed cost savings would actually materialize, among a litany of other reasons. It should be noted, too, that the measure lost by roughly 15 percent, with 1,880 voting against the dissolution, and 1,400 voting in favor of it.

(<http://www.dos.state.ny.us/lgss/sharedservices/smsicasestudies/FullCaseStudies/Waterford-Saratoga%20Police%20Study.pdf>)

2. Broome County Police Consolidation

Officials in Broome County in 2006 began investigating ways to better police the county's five-municipality urban core, comprised of the City of Binghamton, the Village of Johnson City, the Town of Vestal, the Village of Endicott, and the Village of Port Dickinson. To that end, it was proposed that one all-encompassing Metropolitan Police Force be established, requiring the merging of each of the five municipalities' individual police forces. Each police chief would become a district chief, answerable to an undersheriff or a superintendent of police, a position that would be newly created under the proposal.

The combined total of all five police budgets came out to \$23 million, while the Metropolitan Police Force proposal sought to save county taxpayers a total of \$7.7 million while maintaining the same level of police service in each of the jurisdictions. In order to achieve the proposal, each municipality would have to approve the formation of joint agreements, allowed under Article 5-G of General Municipal Law. The agreements would have to be approved by the six sets of elected officials of the villages, towns, city, and county involved. According to a study conducted by the Department of State, the agreements would also be subject to a mandatory public referendum; however, the details of the referendum (county-wide or per municipality) aren't specified. Furthermore, according to the referenced Article 5-G of General Municipal Law, passing such agreements would only be subject to permissive referendum, meaning that it would be up to opposed residents to petition for a vote to be held.

Regardless of the kind of referendum, according to the study (written circa 2007), no action has yet been taken on the matter, leaving all five police forces unconsolidated. The study's authors do offer a hypothesis as to why the proposal was unable to move forward: "The biggest problem appears to be that the County Executive Office never worked with the affected police agencies until after the proposal was made public. This generated ill-will and made for a proposal that is easy to criticize as ill-advised" (Broome County Police Consolidation 7).

(<http://www.dos.state.ny.us/lgss/sharedservices/smsicasestudies/FullCaseStudies/Broome%20County%20Police%20Consolidation.pdf>)

3. Chemung County Highway Services Consolidation

Beginning in 2003, the Chemung County Council of Governments started exploring ways of increasing municipal efficiency throughout the municipalities that comprise the county. By 2004, there was serious scrutiny given to the different municipalities' road and highway maintenance practices. By way of improving inter-municipal communication and cooperation in this regard, the task force charged with studying the issue recommended the formation of a Municipal Highway Services Board, a body comprised of representatives from municipalities that chose to participate in the collective board voluntarily. The Chemung County Legislature successfully passed a resolution to create the board that year.

As of the time of the report's composition in 2007, seven municipalities had chosen to participate in the board: the Towns of Big Flats, Catlin, Elmira, Horseheads, Southport, and Veteran, and the Village of Horseheads. These seven municipalities encompass nearly the entire western half of the county, with

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the City of Elmira being recommended for participation, but not having done so as of 2007. The Village of Elmira Heights, straddling the border between the participating Towns of Horseheads and Elmira, had also not joined as of that time. According to the report, the rest of the rural municipalities in the county are also interested in the board, but have adopted a “wait and see” approach regarding their own participation.

It’s important to note that the 2007 report offers little in the way of information regarding to money saved due to the board—neither projected nor actual savings are discussed. Furthermore, there is no discussion of actions taken on the part of the participating municipalities in terms of passing resolutions or referendums in order to join the board.

(<http://www.dos.state.ny.us/lgss/sharedservices/smsicasestudies/Chemung%20County%20Highway%20Services%20Case%20Study.pdf>)

D. Conclusions

County consolidation is an option that can offer taxpayers a respite from redundant service or taxation when implemented correctly. However, without a definitive road map of the process, this type of consolidation may prove difficult to achieve when attempted. After reviewing the case studies offered by the New York Department of State, it seems as though New York State residents can be hesitant to relinquish responsibility—and, in effect, control—of their town’s well-being to a higher/larger organization or entity. Another potentially troublesome aspect of a municipality relying on the county for services is the question of accountability. Aggrieved taxpayers may have a more difficult experience in finding remediation for poorly rendered (or flat-out un-rendered) service if it requires visiting the county seat, as opposed to the relatively straightforward process of visiting a town board meeting regarding a town-supplied service.

Option 3: Authority Model

A. Definition: What is the Authority Model?

There are instances when a necessary service cannot be adequately provided to residents of a particular area by a property tax-supported municipal entity alone. In these cases, the state can establish a corporate entity, created by the legislature, known as a public authority. Some public authorities are completely self-sufficient, operating independently from the state budget as corporations, whereas others maintain their operations via state funding and appropriations. Because of their extra-governmental status, public authorities are not subject to the same kinds of restrictions and regulations as state agencies and departments, and can, for example, issue bonds to support third party or infrastructure projects (schools, roads, hospitals, etc.) without prior voter approval. Complicating matters, however, is the public authority’s role as an outgrowth of the state, exempting it from the kinds of regulation and oversight that keep private corporations in check. Public authorities occupy a kind of public/private gray area that can prove to be beneficial to those who receive services and money, while simultaneously racking up state debt. According to a 2005 report from the New York State Comptroller’s office, over 90 percent of the state’s debt is due to “backdoor borrowing,” or borrowing through public authorities, a process of accruing debt without voter approval (<http://www.osc.state.ny.us/press/debtreport205.pdf> - page 6).

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Two common examples of public authorities are Industrial Development Agencies, or IDAs, and transportation or housing authorities. The typical mission of an area's IDA is to promote economic and business growth, often through financial incentives (like tax credits) designed to attract new businesses, or help retain already established businesses. Transportation authorities—like New York's Metropolitan Transportation Authority (MTA), which operates the city's bridges, tunnels, trains, buses, and more—are often funded by a combination of state money and user-supplied fees (tolls on bridges, train tickets, subway ride passes, etc.). A housing authority, which provides housing solutions to a population in need, is often similarly funded, receiving appropriations from the state and from rents provided by tenants.

B. Method: How Public Authorities and Municipalities Mix

Only the New York State Legislature can approve the creation of a public authority; as such, the creation of a new public authority is not a particularly effective or practical solution for reducing municipal inefficiency. Furthermore, the regulation and oversight of public authorities in New York State has proven to be difficult at best, and recent years have heard calls for major reform. Progress was made when the Public Authorities Accountability Act was passed in 2009, which, according to the State Comptroller's website, brings "new reporting requirements including mission statements, measurement reports and capital projects reporting... In addition, the State Comptroller is granted discretion to review certain public authority contracts ensuring a higher level of oversight of public authority contracts" (<http://www.osc.state.ny.us/pubauth/whatisauthority.htm>).

Attaining money, service, or assistance through an already existing public authority could provide a means to fill whatever service gap a municipality faces, but the municipality must first locate an authority whose mission and function fits with whatever is needed. For instance, a town looking to upgrade a sewer plant might seek assistance in the form of grants and low-cost financing from the New York State Environmental Facilities Corporation, a public authority that provides assistance to certain kinds of utility projects that aim to reduce their impact on the environment. Funding from public authorities such as the EFC, however, are far from guaranteed, and getting grants and low-interest loans are often highly competitive.

C. Examples

Public Authority:

1. Central New York Regional Transportation Authority

Like Manhattan's MTA, the Central New York Regional Transportation Authority, created in 1970, provides bus transportation for municipalities in Central New York, operating in Onondaga, Oneida, Cayuga and Oswego Counties. Cortland, Jefferson, and Madison Counties are eligible for participation, and need votes of approval from their respective legislatures. Revenues gained by CNYRTA services—passenger fares, etc.—account for roughly 20 to 25 percent of the public authority's revenues, with the rest coming from federal, state, and local sources. (<http://www.centro.org/aboutus.aspx>)

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2. Syracuse Housing Authority

The Syracuse Housing Authority offers low cost housing alternatives for those in need. According to their website, the authority owns and manages 15 housing developments with over 2,500 apartments, with a set-aside of half of those apartments for eligible elderly or disabled residents. The housing authority also provides funding and subsidies for private landlords in Syracuse on behalf of over 3,000 low income families, giving yet more housing options and opportunities for those who need it.

Housing authorities are generally funded through federal and state funding, though a certain portion is also provided by rents from tenants of authority-managed properties. It should be noted, however, that the Syracuse Housing Authority's website does not list their funding information. (<http://syracusehousing.org/>)

Industrial Development Agency (IDA):

Essex County Industrial Development Agency

Like all Industrial Development Agencies, the Essex County IDA exists to promote and retain business in its home county, often doing so by offering tax incentives and credits. In some cases, the ECIDA is responsible for the management and sale of certain properties that are promoted to prospective businesses that could create a large impact on the county's economic health; for example, the IDA is promoting the sale of four lots at the Chesterfield Commerce Park. By working with potential buyers directly, the IDA is in a good position to offer incentives in order to attract out-of-county businesses, thereby bolstering the county's economy and employment opportunities while relieving the burdens of relocation and start-up costs for the business.

It is also a problem endemic to many IDAs if or when the businesses that are offered tax incentives fail to create the jobs growth agreed-upon at the time of sale; in effect, the county and state resources that fund the IDA go to waste when the business fails to return on the investment. A similar problem can arise if a business relocates after the tax incentive or PILOT (Payment In Lieu of Taxes) period expires, again losing the county and state's investment capital. (<http://www.essexcountyida.com/about/mission.html>)

D. Conclusions

The benefits and drawbacks provided by public authorities are apparent when simply examining their dual private and public roles. The broad latitude with which they operate enable them to accomplish much in terms of providing services and funding for projects that need it. But a public authority's standing as both a state agency and a corporation—free from many of the restrictions and regulations that bind either a state agency or an organization—can create fiscal and operational headaches.

Option 4: Council of Governments Model

A. Definition: What is a Council of Governments?

A potentially effective method for finding municipal solutions is the establishing of councils of governments. Just as the term implies, councils of governments are governing or policy-setting boards comprised of representatives from participating and affected municipalities. Put simply, more than one municipality in an area—usually those that are adjacent or otherwise in a contiguous region—join forces in an organized body of officials to find ways to maintain or improve the lives of their residents. General Municipal Law gives two very similar options for municipalities in New York State to create a council of governments: a Regional Planning Council, and an Intergovernmental Relations Council. The former is concerned primarily with issues of planning and development, while the latter is somewhat more broad in its powers regarding making recommendations and working with other organizations to set policy and organize solutions. Both are comprised of members of a particular area or region that would seek to cooperate at a higher level with one another for the betterment of the region as a whole.

B. Method: How Are Councils of Governments Created and Organized?

Under Article 12B § 239-H of General Municipal Law, any two or more contiguous municipal legislative bodies (adjacent/contiguous towns, a village within a town, etc.) can create a Regional Planning Council. The council would function much like a town or county planning council, addressing issues regarding economic development, land use, protection, and any action or development that may have an immediate or lasting effect on the region. Just as a county planning council may look after the planning issues that can affect the municipalities within and adjacent to its borders, so too could a regional planning council look after the interests of its constituents; the only difference here is that a regional planning council's borders may take a different shape depending on its participating members. The responsibilities and powers of a regional planning council would be set after all participating members pass resolutions regarding the creation of the council; New York State law offers very broad definitions and regulations about the powers and chain of command of a regional planning council (in terms of its relations with pre-existing village, town, city, and county planning councils). As a result of the law's open description of such councils, it is up to the participating parties to determine these details at the time of creation. In general, however, a regional planning board adheres to the guidelines set forth in a regional comprehensive plan, and it is up to the affected municipalities themselves (such as the town in which a development reviewed by the regional planning council is proposed) as to whether or not to accept the findings or recommendations of a regional planning council.

Article 12C of General Municipal Law offers information regarding Intergovernmental Relations Councils, a kind of organization that would have very similar powers and mission goals as a regional planning council. The code itself states that an intergovernmental relations council exists “to strengthen local governments and to promote efficient and economical provision of local governmental services within or by such participating municipalities.” To that end, an intergovernmental relations council can embark on studies of importance to its constituent communities and regional area, specifically explore ways of improving inter-municipal cooperation and efficiency, and act as a purchasing consortium to maximize the buying power of a group of municipalities.

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Both forms of councils of governments are able to raise funds through taxes on the residents of their constituent municipalities, but this must, of course, be established when the councils are created by those municipalities.

C. Examples

1. Genesee/Finger Lakes Regional Planning Council

The Genesee/Finger Lakes Regional Planning Council is comprised of representatives from nine counties: Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Yates, and Wyoming Counties. First established in 1977 by joint resolution, the council has divided its responsibilities into four major categories, with several sub-categories therein: Regional, Local & Water Resources Planning; Economic Development; Data, Technology & Resource Center; and Additional Services (which houses miscellaneous projects that don't fall into the other three categories, like Local government Workshops and Regional Roundtables). These various categories help set definitive parameters for the members of the council, and allows for a unified purpose among the unique municipalities the council represents. Some projects the council is currently tackling includes a Comprehensive Economic Development Strategy, a Regional Revolving Loan Fund, Transportation Analysis Zone Analysis and Revisions, and a region-wide hazard mitigation plan. These projects, along with the many, many others listed on the council's website, point to an organized attempt to increase efficiency and get the best service and growth to the people who live in the area. (<http://www.gflrpc.org>)

2. Central New York Regional Planning and Development Board

Five counties in central New York—Cayuga, Cortland, Madison, Onondaga, and Oswego Counties—established a Regional Planning Council in 1966. The Central New York Regional Planning and Development Board has broken its goals into seven categories: Community Development, Economic Development, Energy Management, Environmental Management, Information and research Services, Intergovernmental Cooperation, and Transportation Planning. These categories offer great range to the board, allowing them to work on specific missions like individual comprehensive plans for its constituent communities, while also looking into major initiatives that will have impacts on the energy and environmental situations in the region as a whole. (<http://www.cnyrpd.org>)

3. Tug Hill Commission Circuit Riders and Council's of Government

The Tug Hill region in northwestern New York is comprised of five councils of government, which count most towns and villages in the area as members. Seemingly taking its cues from the Intergovernmental Relations Council model described above, the Tug Hill Commission work together in order to find municipal solutions for residents that the municipalities themselves seem unable to tackle on their own. The community representatives involved in these COGs are called “circuit riders,” and each one works with his or her represented community to find problems that need solving, bringing these tasks to the attention of the larger councils. The Tug Hill Commission also describes the ways in which local government leaders can benefit from membership, helping in “land use planning, finding grants and loans for community improvement, and providing technical assistance and training opportunities for local officials.” In fact the larger benefits of a council of governments is spelled out rather succinctly on the Tug Hill Commission's website: “In addition to the financial benefit of sharing services through a council of governments, COG membership also provides the increased clout of having one's voice heard. A group of

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municipalities sharing a regional concern will have more clout than an individual community advocating a position on its own.”

(<http://www.tughill.org/cog.html>)

D. Conclusions

Councils of Government offer the opportunity for interdependent municipalities to work together for common goals. By having a legally established and supported forum for representatives to gather and discuss important issues that are of regional importance, councils of government can face down topics that smaller local governments might be ill-equipped to face alone. With willing participants, it's conceivable that a council of government could be quite effective at solving municipal problems of efficiency and effectiveness. However, it's important to note that a council of governments is only as powerful as its constituent members allow it to be; most decision making power and responsibility will likely stay with the communities that are counted as members. Without legislative or policy-making powers, a council of governments can only make recommendations and initiate studies—and while these are extremely beneficial helps to effective government, the political will to accomplish goals is necessary for a council of governments to have any impact beyond good intentions.

Option 5: Public-Private Partnership Model

A. Definitions: What are Public-Private Partnerships?

When a municipality is unable to provide a service adequately on its own, it might seek to make an arrangement with one or more entities from the private sector that has more experience and success. This is what's known as a Public-Private Partnership: public entities like municipalities team up with private businesses to provide a service to residents who need them. In this kind of an arrangement, the private entity will take on risk in the venture, just like any other business opportunity, but it will benefit from the stability that allying with a municipality can provide. These kinds of benefits could range from subsidies in the form of grants, tax breaks or tax credits, or a sizeable, already installed user-base in the form of residents in need of the service. The municipality may pay for the entire service outright—the funds being raised through taxes—making the arrangement more akin to routinely contracting a job out to a private business, while in other arrangements, only users of the service would pay for it.

B. Method: How Are Public-Private Partnerships Formed in New York State?

There is apparently little in the way of explicit information regarding the legal basis or methodology for the establishment of a public-private partnership between a government and a private company in New York State. In fact, a November 2008 study by the New York Citizens Budget Commission, “How Public-Private Partnerships Can Help New York Address its Infrastructure Needs,” points to the fact that the New York's General Municipal Code seems set up in such a way as to actually discourage the creation of public-private partnerships:

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It should be noted that the PPP experience in New York has evolved despite many statutory limitations. State and local procurement is restricted by the “Wicks Law,” which requires multiple subcontractors for most construction projects, and other provisions that prohibit design-build and PPP arrangements for a wide range of projects (14).

However, this restriction has not prevented three of the country’s ten largest public-private partnerships from being forged in New York State. “Interestingly, these partnerships have not been pioneered by State government, but by the Port Authority and local governments” (14), the study explains.

The legal basis for many of these partnerships seems to come in the form of federal law, specifically the Transportation Infrastructure Finance and Innovation Act, or TIFIA, which provides funding and tax benefits for transportation-based projects that provide a public benefit. However, as the examples below will illustrate, public-private partnerships in New York State are not restricted to transportation projects.

C. Examples

1. Goldman Sachs and Mayor Bloomberg Bring Affordable Housing through Public-Private Partnership

Just this past July, a public-private partnership was announced in New York City that calls for the creation of a new affordable housing development in Bedford-Stuyvesant, Brooklyn. The partnership’s public components are in the form of the New York City Housing Development Corporation—a public authority—and the New York City Department of Housing Preservation and Development. The two public entities have partnered with Goldman Sachs, BRP Development, Carver Bank, Bedford Stuyvesant Restoration Corporation (a not-for-profit) and Waveland Community Development. Together, these partners aim to create 105 affordable apartments along with new retail space in the building, a project projected at \$45 million, according to an article on the website New York RealEstateRama. (<http://newyork.realestaterama.com/2010/07/14/towns%E2%80%99-statement-on-publicprivate-partnership-that-will-bring-affordable-housing-to-brooklyn-ID01147.html>)

2. Town of Amherst

The Town of Amherst has a history of public-private partnerships over the years. The town website states:

“We have worked with the Army Corps of Engineers on a flood control project along one of the waterways in our town, and we have identified additional projects that have not yet been completed. These projects are identified in our Town Capital Improvement Program, a planning tool to lay out the next five (5) years. The opportunity exists for private sector involvement due to our association with the Amherst Chamber of Commerce and Amherst Industrial Development Agency along with many community organizations and committees who are currently involved in various aspects of our town. We have a public/private partnership in place with our Pepsi Center, an extensive recreation center within Amherst. We have several hundred volunteers and community groups supporting the town’s operations.”

The Pepsi Center is an excellent example of the type of venture that can be made with a public-private partnership. According to a 1999 article published by Business First of Buffalo detailing the Pepsi Center’s origins, the \$18.3 million project was paid for using the Amherst IDA’s bonding authority.

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Doing so obligates the center to be paid off via revenue generated from ticket sales (or, in other words, “user fees”). By not paying for the construction of the center with the Town of Amherst’s general obligation bonds, the taxpayer is freed from bearing the burden of risk in the venture. If the town’s bond was not paid back, residents who funded the bonds through taxes would lose out. This method of bonding sets up a buffer between taxpayers and the project itself; while it’s likely that the IDA receives state or county funding in some way (and all government money comes from taxpayers one way or another), residents don’t have to shoulder the cost of bonding directly via their town property taxes. “This behooves all of us to make the Center work,” James Allen, executive director of the Amherst IDA, is quoted as saying in the article. (<http://www.accessmylibrary.com/article-1G1-54194878/pepsi-center-prove-boon.html>)

3. JFK International Airport

Two of the largest public-private partnerships in the United States concern projects at New York’s JFK International Airport. According to the aforementioned report by the New York Citizens Budget Commission, the Port Authority of New York and New Jersey (a prominent public authority that deals with certain transportation issues in and around the metropolitan New York area) has partnered with different private corporations to build an Airtrain from JFK to the Long Island Railroad’s Jamaica Station, a major transfer point for riders travelling between NYC and Queens/Long Island. Funding for the \$1.8 billion contract to build the Airtrain came from a \$3 passenger facility fee charged on outbound tickets, as well as from tax-exempt debt of the Port-Authority. The other Port Authority project is the 20-year partnership to rebuild and operate the airport’s Terminal Four building (T4), the building formerly dedicated to international arrivals, which was forged in 1997. The project cost \$1.4 billion, and was funded both by tax-exempt revenue bonds issued by the Port Authority (much like the other JFK project) and revenue generated from operating the terminal.

D. Conclusions

A public-private partnership can prove to be an effective tool for accomplishing tasks and providing services on a grand scale, while limiting the amount of risk taken on by taxpayers and municipalities directly. By shifting the responsibility, risk, and reward onto a private company, residents in need will usually be able to reap the benefits of the service being provided while the municipality’s bottom line should stay relatively unaffected. (Of course, this outcome is dependent on the arrangement of the partnership, but this is the desired result in principal.)

However, with all municipal endeavors that are freed from many of the restrictions and regulations placed on municipal entities, the risk of corruption or abuse is run. Wicks Law, the construction mandate to which the New York Citizens Budget Commission report refers, was instituted in order to ensure that municipalities award contracts fairly and competitively. Since public-private partnerships are not specifically regulated in New York State law at this time, it’s possible that these kinds of arrangements could be exploited in such a way as to give one private company an edge over others.

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Appendix F – Glossary of Key Terms

Term	Definition
Annexation	This is the term given to the act of one municipality legally taking on the land of another area, thereby increasing its own borders and total land area. An example of annexation could occur should a town take on the land left behind after the dissolution of a village whose borders exist partially outside of the town. The town's borders would grow while the borders of the neighboring town (in which the village had partially resided) would be diminished.
Consolidation	Consolidation is an efficiency option that aims to reduce the layers of government in an effort to allow residents to pay only once for received municipal services. While such a goal may seem obvious, in many areas of New York State, residents may be paying multiple times for duplicated services. An example of such a scenario would be residents of a village with a police force, which is located in a town with its own police force. In this instance, residents are paying property taxes for police services three times: once at the village level, a second time at the town level, and a third time at the county level (as all counties have police departments). Consolidating villages into towns, and town services to the county, could greatly reduce tax costs to residents while improving service and efficiency.
Coterminous Town/Village	In the event that the boundaries of a single town and a single village are precisely the same, or coterminous, New York State law allows for a consolidation of the two entities into a single operational and administrative unit. The coterminous entity can choose to function primarily as a town—with an elected board as defined in New York State Town Law—or as a village—with an elected board as defined in New York State Village Law.

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Term	Definition
Council of Governments	A potentially effective method for finding municipal solutions is the establishing of councils of governments. Just as the term implies, councils of governments are governing or policy-setting boards comprised of representatives from participating and affected municipalities. Put simply, more than one municipality in an area—usually those that are adjacent or otherwise in a contiguous region—join forces in an organized body of officials to find ways to maintain or improve the lives of their residents. General Municipal Law gives two very similar options for municipalities in New York State to create a council of governments: a Regional Planning Council, and an Intergovernmental Relations Council. The former is concerned primarily with issues of planning and development, while the latter is somewhat more broad in its powers regarding making recommendations and working with other organizations to set policy and organize solutions. Both are comprised of members of a particular area or region that would seek to cooperate at a higher level with one another for the betterment of the region as a whole.
Government Restructuring Committee (GRC)	The Government Restructuring Committee is the body that guided the completion of the Government Restructuring Project. The GRC comprised members from each of the three Towns and the Village, including at least one Board Member from each, plus several residents from the community.
Joint Agreement	When more than one municipal body agrees to provide a service or operate a facility together, this contract is known as a joint agreement. Such an agreement could take the form of an area-wide youth program administered jointly by two neighboring towns, or an inter-municipal road service fleet, for example. The involved governments often look to ensure equal costs/contributions and benefits for the involved municipalities, taking each municipality's resources and facilities into account. The creation of a joint agreement also necessitates the establishing of a governing body—often composed of representatives from all involved municipal bodies—that oversees the execution of the joint agreement (for example, an inter-municipal youth committee comprised in equal parts of residents of both municipalities).
Municipal Services	Municipal services are the different benefits provided by municipalities, which are often paid for by tax money from residents, or any other eligible source of revenue. Furthermore, these services are administered by different municipal departments.
Public Authority	<p>There are instances when a necessary service cannot be adequately provided to residents of a particular area by a property tax-supported municipal entity alone. In these cases, the state can establish a corporate entity, created by the legislature, known as a public authority. Some public authorities are completely self-sufficient, operating independently from the state budget as corporations, whereas others maintain their operations via state funding and appropriations. Because of their extra-governmental status, public authorities are not subject to the same kinds of restrictions and regulations as state agencies and departments, and can, for example, issue bonds to support third party or infrastructure projects (schools, roads, hospitals, etc.) without prior voter approval. Complicating matters, however, is the public authority's role as an outgrowth of the state, exempting it from the kinds of regulation and oversight that keep private corporations in check. Public authorities occupy a kind of public/private gray area that can prove to be beneficial to those who receive services and money, while simultaneously racking up state debt. According to a 2005 report from the New York State Comptroller's office, over 90 percent of the state's debt is due to "backdoor borrowing," or borrowing through public authorities, a process of accruing debt without voter approval (http://www.osc.state.ny.us/press/debtreport205.pdf - page 6).</p> <p>Two common examples of public authorities are Industrial Development Agencies, or IDAs, and transportation or housing authorities. The typical mission of an area's IDA is to promote economic and business growth, often through financial incentives (like tax credits) designed to attract new businesses, or help retain already established businesses. Transportation authorities—like New York's Metropolitan Transportation Authority (MTA), which operates the city's bridges, tunnels, trains, buses, and more—are often funded by a combination of state money and user-supplied fees (tolls on bridges, train tickets, subway ride passes, etc.). A housing authority, which provides housing solutions to a population n need, is often similarly funded, receiving appropriations from the state and from rents provided by tenants.</p>

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Term	Definition
Public-Private Partnerships	When a municipality is unable to provide a service adequately on its own, it might seek to make an arrangement with one or more entities from the private sector that has more experience and success. This is what's known as a Public-Private Partnership: public entities like municipalities team up with private businesses to provide a service to residents who need them. In this kind of an arrangement, the private entity will take on risk in the venture, just like any other business opportunity, but it will benefit from the stability that allying with a municipality can provide. These kinds of benefits could range from subsidies in the form of grants, tax breaks or tax credits, or a sizeable, already installed user-base in the form of residents in need of the service. The municipality may pay for the entire service outright—the funds being raised through taxes—making the arrangement more akin to routinely contracting a job out to a private business, while in other arrangements, only users of the service would pay for it.
Service Agreement	While local governments usually only provide municipal services to residents within its borders, sometimes services are provided to the residents of another, usually nearby, municipality. The contract between the two (or more) governments—known as a service agreement—describes the details and costs of providing those services. Usually, both governments consider the effects the service agreement will have on their taxpayers: for the receiving municipality, the cost of the agreement ought to be lower than the cost of providing the service itself; while the supplier municipality should be able to provide the service without limiting its ability to serve its own residents. In addition to specific costs and details of the service provided, service agreements should also offer details regarding both parties' liability for damages to people or property.
Shared Services	This broad term encompasses many of the concepts and ideas defined in this glossary. The idea of “shared services” among municipalities can range from informal sharing of equipment and personnel to joint planning and legislative initiatives. This type of grass-roots cooperation that tends to emerge based on common challenges and shared needs is not always the best long-term solution for reducing costs while improving the quality of services. Though enhanced shared services may not achieve a reduction in the layers of local government hoped for by municipalities looking to find greater operating efficiencies (and, in some cases, could actually add layers), several regions in New York State have demonstrated the efficacy of this restructuring option. From the creation of regional councils of government to the formation of joint boards for planning, zoning or assessment to the establishment of public authorities and public/private partnerships that transform the local provision of public services, enhanced shared services is an option that deserves attention.
Special Districts	Sometimes municipalities provide services or utilities to residents in a specific area, while residents in the rest of the municipality aren't in need of those services; for example, some residents in a densely populated area of a town might receive municipal water service, while residents in a more sparsely populated area might rely on individual wells to provide water. The areas that receive services that are not provided throughout the municipality are known as special districts, or can be said to be receiving user fee driven services.
Town-Outside Budget	In any town that has a village, the town maintains more than one set of financial records: one for services provided throughout the entire town (Town-wide) and one (or more) for services provided only in the areas outside of villages (town-outside or outside or unincorporated area). Some municipalities refer to these different budgets with different terms, such as an A-fund or B-fund, but in all cases where there are more than one municipal entities existing within a town's borders, there is a differentiation between town-wide costs and revenues, and costs and revenues committed only to areas outside of other incorporated areas within the town.
Village Dissolution	Dissolution is the process by which an incorporated municipality abandons its organizational status, transfers its assets and debts to one or more successors, and ceases to exist as a municipal body with separate officials, staff, laws and ordinances.