

Preliminary Findings toward a Strategic Plan for a new Governance Model – Seneca Falls, NY

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CGR *Inform and Empower*

Key Definitions

- Town = All residents within the Town border.
- Village (V) = Residents inside the Village border
- Town Outside of Village (TOV) = Residents in Town but outside of Village border

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Key Definitions (2)

- Shared Services = Consolidation of services while keeping Village and Town government
- Dissolution = Assumes Village dissolves and Town remains
- Efficiency = Eliminate duplication or overlap
- Cost Savings = Reduce expenses (All numbers presented are for 2008 in the Town and 2008-09 in the Village)
- Cost Shift = Costs remain but who pays changes

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Tax Savings Benchmark

Tax Impact of Budget Changes		
Input Tax Levy Change ==>		\$10,000
Township	Tax Levy Change	Tax Rate Change
Town-wide	\$10,000	\$0.027
TOV	\$10,000	\$0.061
Village	\$10,000	\$0.049

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CGR's Task

Develop a strategic plan that outlines a future governance model consistent with the goals identified in the 2007 Economic Development & Commercial Revitalization Plan

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First Goal in the Economic & Commercial Revitalization Plan

- Strategic Plan 1.1 –Consolidation of Town & Village

“The Town & Village should explore obvious areas for consolidation of services and act upon those issues immediately. In the long-term, local officials should continue to work together to consolidate the Town & Village into one efficient unit of local government to lower the tax burden on residents and businesses.”

(Seneca Falls Strategic Plan for Economic Development & Commercial Revitalization Plan, Page 3, May, 2007)

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How to Reduce the Tax Burden – 5 Factors to Consider

- Identify Cost Savings
 - Shared services options
 - Dissolution options
- Identify Additional Revenues
 - Putting municipal buildings on tax roll
 - NYS AIM incentives
 - Town sharing excess revenue

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Tax Reduction Strategies

- Shared Services Approach – Village services shared with and/or transferred to Town
 - Some direct cost savings
 - No NYS AIM incentive
 - Town has options for sharing its excess revenue

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Tax Reduction Strategies (2)

- Village Dissolution
 - Higher direct cost savings
 - Eligible for NYS AIM incentive
 - Town has more options for sharing its excess revenue

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Comparing the Strategies

- Shared Services
 - There are a number of strategies that could be pursued
 - The cost and tax impacts vary depending on what options are pursued
- Dissolution
 - Dissolution and complete transfer of village assets and services to the Town results in the largest cost savings and property tax reduction to village tax payers

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Key Questions To Ask When Thinking About Shared Services or Dissolution

- What Government Services do you want?
- Who should provide those services?
- What is most efficient and cost effective (i.e. least tax impact)?
- Who controls the interests of the community?

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Community Choices will Drive Facility Decisions

Facility Impact

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Tax Impact of Facility Options using 2008-09 Village Tax Rate

- Village Hall Assessed Valuation = \$540,000
- Town Hall Assessed Valuation = \$200,000
- Village DPW Assessed Valuation = \$525,000

**Current market conditions will affect final sales
and taxable assessed valuation*

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Probable Tax Revenue Increase with 3 Properties Back on the Tax Roll

- Village Hall = \$9000 per year
- Town Hall = \$3000 per year
- DPW Garage = \$8000 per year
- Sum Total = \$20,000 per year to reduce the Village Tax Levy in shared services model.
- Under Dissolution, Town tax benefit would depend on new Town tax rate.

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Potential for Reducing Costs

Key Cost Drivers & What Can Be Changed

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Services Budgeted by the Town and Village in 2008

- Includes Special Districts such as Water/Sewer and Lighting Districts

Service	Town	Village
General & Administrative	X	X
Zoning & Code Enforcement	X	X
Court	X	
Police		X
Dispatch		X
Fire	X	X
Economic Development	X	X
Transportation	X	X
Refuse Collection	X	X
Water	X	X
Sewer	X	X
Recreation	X	

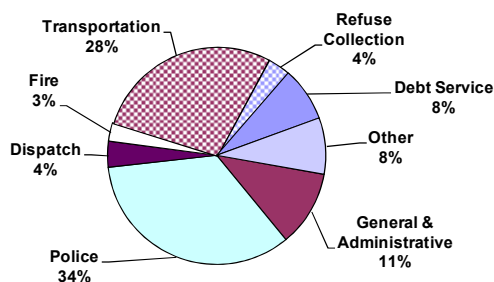
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Existing Village Cost Components – General Fund

- General Fund Budget (2008-09) = \$4.1 Million

Village Expenses 2008-2009 (General Fund)



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How we identify opportunities using G & A as an example

- Key Cost Elements
 - Village
 - 1 FT Administrator
 - 1 FT and 2 PT Clerks
 - Village Hall costs for Maintenance and Utilities
 - No existing debt on current Village Hall
 - Town
 - 1 FT Elected Clerk
 - 1 FT and 2 PT Other Positions (1 PT position is filled by current Elected Town Clerk)
 - 2 PT Tax Collectors (1 Elected)
 - Currently Operating in Old Library
 - No debt on existing Town facilities

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Shared Services Approach General and Administrative

- Two small offices limit options for eliminating duplication
- Combining Offices under a shared services agreement would create a staff of 4 FT and 4 PT (6 FTE)
 - Existing work might be reallocated to save 1 PTE position
 - Maintenance & Utility costs would be reduced by combining into 1 facility
 - Potential to put Village Hall back on tax roll – Increase Revenues
- *Estimated Potential Cost Savings = \$33,000*
- *Potential new tax revenue = \$9,000*

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Street Maintenance

- Current Village Operations = \$1.1 Million
- Personnel:
 - 1 Superintendent, 1 Deputy Superintendent, 7 FTE MEO's and 1 PT Custodian
- Services Included in \$1.1 Million Cost
 - Street Administration, Street Maintenance Operations, Snow Removal, Street Lighting, CHIPS, Sidewalks, Allocated Benefits

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Shared Services Approach Street Maintenance

- Village could stop providing street maintenance services and arrange for the Town to provide those services to the Village
 - Could move all operations for highway maintenance, snow removal, sidewalks, street lighting, and refuse collection
 - Would include all staff associated with those operations
 - Results in significant cost shifts, but potentially no cost savings
 - Likely retain both facilities – could combine into a new facility
 - Town may inherit union in the transition process

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Police Department

- Current Operation = \$1.35 Million
- 1 Chief, 5 Sergeants (1 Investigator), 6 Patrol, 1 Secretarial Support
- Primary Activities
 - Community Service Policing = 54%
 - Criminal/Penal Law Activity = 36%
 - Other Activities = 10%
- Based on miles driven, every street is patrolled 2 times per day on average.

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Shared Services Approach Police

- *Village Could Dissolve the Police Department*
 - Police could become a Town Department
 - Requires separate vote to dissolve the Department
 - Assumes all costs of current operation shift to Town
- *Village and/or Town could pursue options to have Sheriff provide police services*

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Homeowner Tax Impact Example - Police

- Assume Police become a Town service under a Shared Services Agreement:
 - Cost Savings Projection = \$0
 - Tax Shift Projection:
 - Village tax bill goes down = \$6.57/\$1000
 - If NO Excess Revenue is used:
 - Town tax bill goes up = \$3.65/\$1000
 - If \$750,000 Excess Revenue is used:
 - Town tax bill goes up = \$1.62/\$1000

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Village Dispatch

- Current Operation = \$150,000 for 3 dispatch personnel not including OT for Sergeants and Patrol Officers
 - 24x7 coverage includes overtime for sergeants or officers that cover shifts currently not maintained by dispatch personnel
- Dispatch personnel provide additional clerical support
- Creates double taxation because of County 911

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Shared Services Approach Village Dispatch

- Village discontinue Dispatch services
 - Discontinuing dispatch makes County 911 responsible
 - Village personnel might shift to County 911
 - Village could re-assign some dispatch personnel within other Village operations
 - Could result in \$150,000 in savings to Village residents
- Discontinuation of Village Dispatch is also a viable option for dissolution consideration

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Refuse Collection

- Village Refuse Collection = \$139,000
- Town Refuse District = \$34,000
- Combined Operation under Town Highway Department could range from \$173,000 - \$200,000 to pick up all residents
- Current Village Customers = 2250
- Additional Potential Town Customers = 812

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Shared Services Approach Refuse Collection

- Current Town Refuse District may be eliminated in favor of creating a town-wide refuse collection service under the direction of the Highway Dept.
 - Town would buy garbage truck from Village and hire Village staff to operate townwide collection service.
- Town could contract with Village to provide townwide refuse collection service
- Represents a potential cost shift – likely no cost savings but potential operational efficiencies

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Water & Sewer - A

- Water Budget = \$1.6 Million
- Sewer Budget = \$1.5 Million
- Customers Inside Village = 2619
- Customers Outside Village = 913
- Personnel:
 - 1 Superintendent, 1 Deputy Superintendent
 - 5 Plant Operators, 2 Maintenance Mechanics, 4 Maintainers, 2 PT Laborers

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Water & Sewer - B

- Many examples around the state where Towns run Water and Sewer operations
- Current districts could be maintained and operated at the Town level
- Could equalize the rates to offset some cost shifts incurred in the process
- If operation is transferred to Town Highway Supervisor, could save \$93,000 in personnel cost

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Visitor Center

- Transfer Operation to Town = \$66,000
 - Visitor Center must be maintained through 2013
 - Town could operate and assume cost with a legally binding Inter-municipal Agreement or extension of Heritage Area Borders

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Historic Preservation District Issues (A)

Three Historic Designations

1. Historic Preservation District (HPD) & National Park are listed on the National Register of Historic Places
2. A portion of the Village is a State designated Heritage Area
3. HPD also qualifies as a Certified Local Government

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Historic Preservation District Issues (B)

- National Register can be updated through administrative notification and name change
- Heritage Area and Visitor Center would involve working with the State to update Management Plan and transfer operation to Town
- CLG status can be transferred, but may not be necessary

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Summary of Major Shared Services Approaches

- A combined municipal facility could save 1 PT staff person in General and Administrative services
- Current Village Hall and Current Town Hall could be sold to generate future tax revenue
- Street maintenance services could be transferred to the Town and provided to the village

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Summary of Major Shared Services Approaches (2)

- Police services could be transferred to the Town (Pending a referendum to dissolve the police department)
- Dispatch services could be transferred to County 911
- Historic Preservation District can be managed by the Town
- Water and Sewer could be transferred to the Town

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Village Dissolution Considerations

A Closer Look
at
Functional Services

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Dissolution Considerations: General and Administration (A)

- Current Village Operation = \$450,000
- Cost Savings = \$150,000
 - What Goes Away?
 - 1 FT Administrator, Village Board, Mayor, Engineer Contract, Grant Writing Contract, Auditors, Village Hall Maintenance & Utilities, Miscellaneous Other Administration
- Transfers to Town = \$300,000
 - What Transfers?
 - 1 FT and 2 PT staff plus benefits, Maintenance & Utilities on Central Garage, Insurance Costs and Miscellaneous Other costs. Assumes a contingency for legal and other staff costs.

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Dissolution Considerations: General and Administration (B)

- Personnel Savings
 - One FTE position
 - No need for a Village Administrator
 - Would also save on the cost of the Village Mayor & Board, Engineers, Grant Writing, Auditors, Other Items including Maintenance & Utility Costs
- *Estimated Potential Cost Savings = \$150,000*
- *Potential new tax revenue = \$9,000*

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Dissolution Considerations: General and Administration (C)

- Dissolution Combined Tax Levy Impact = \$159,000 Savings
- G&A that Transfers to Town = \$300,000
 - Hypothetical Town Taxpayer would see an increase in annual Town tax of \$81 for a house assessed at \$100,000
 - Hypothetical Former Village Taxpayer would see a reduction of \$217 for a house assessed at \$100,000 because they would no longer pay a Village tax.

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Dissolution Considerations: Police Department Option

- *Create a Town-wide Department*
 - Maintain local control by Town Government
 - Distribute costs to the whole Town
 - Coverage would be for whole Town
 - Assume coverage in whole Town would remain the same
 - At the size of the current Village Police Department:
 - Village taxpayer reduction = \$6.57/\$1000
 - Town-wide taxpayer Increase = \$3.65/\$1000
- *Pursue Options with Sheriff*

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Dissolution Considerations: Street Maintenance

- All village transportation services can be absorbed into the Town budget and operated by the Town Highway Department by transferring existing Village personnel to the Town.
- Would *not* need to transfer 1 FTE Supervisory Role – Savings = \$93,000
- Town may inherit Union in the transition process
- Street Lighting and Sidewalks could become special taxing districts for former Village residents
- CHIP's funding would remain the same

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Dissolution Considerations: Fire Department

- Fire Department = \$108,000
- All staff minimally paid by stipend
 - 7 Command Staff
 - 19 Firefighters plus 4 vacancies
- Village Department could separately incorporate and Town could contract with new entity for Fire Protection Services of the same portion of the Town currently being serviced by the Village.

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Dissolution Considerations: Zoning & Code Enforcement

- Combine Zoning and Code Enforcement Function at the Town Level – *Plans Already Underway*
- Combined Planning and Zoning Board of Appeals
- Maintain Historic Preservation Commission

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Dissolution Considerations: Other Services

- *All other services could be maintained by the Town with the potential for some operational efficiencies.*
 - Storm Sewers = \$13,000
 - Economic Development = \$30,000
 - Cemetery Maintenance = \$34,000
 - Culture & Recreation = \$66,000
 - Public Health = \$4,000
 - Retiree Health Insurance = \$40,000

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Dissolution Considerations: Debt

- Current Village General Fund Debt = \$2 Million
- Current Village General Fund Balance approximately = \$1.65 Million
- Combination of selling buildings and liquidating General Fund Balance could mitigate debt that remains after dissolution.
- Who is responsible for Village General Fund Debt would be decided as part of dissolution plan

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Dissolution Considerations Village Assets

- Current Village Facilities – Ownership would transfer to the Town and some could be sold
- Village Equipment – Ownership would transfer to the Town and some could be sold
- Village Owned Property – All ownership would transfer to the Town
- Any assets sold prior to dissolution could pay down current general fund debt

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Revenue Considerations

Revenue Considerations
Relating to
Dissolution

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Revenue Impact

- All *State* sources of Village non-property tax revenue would transfer to the Town except:
 - Utilities Gross Receipts Tax = \$85,000
 - Telephone Commissions = \$0 in the Village
- Largest Impact from AIM Incentive
 - \$495,000 in **NEW** Money to the Community
- Would only lose grant opportunities if Certified Local Government Status was abandoned
- *(Note: All revenue considerations are CGR's best current estimate but are not guaranteed)*

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Aid & Incentives for Municipalities (AIM) Considerations

- NYS added dissolution incentives to the FY 2008 budget to encourage municipal consolidation.
- In FY 2009 NYS increased the AIM incentive further by adding new, more lucrative formulas.
- The most lucrative formula bases the incentive on tax levies in both the Town and Village.
- This best case for Seneca Falls is new AIM funding that generates \$495,000 to \$506,000 in new revenue to the community.

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Aid & Incentives for Municipalities (AIM) Impact

- **Estimated total AIM received by new consolidated Town in Year 1 = \$655,759**
 - 2008-09 Town AIM = \$100,216
 - 2008-09 Village AIM = \$60,543
 - Additional AIM = \$495,000
- Year 1 becomes the baseline for all future AIM payments & increases
- Increases can range from 3-9% annually

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New Model

Town Model
After Village Dissolution

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Current Budgets

- Current 2008 Town Budget = \$5.6 Million
- Town Special Districts Budgets = \$646,000
- Current 2008-09 Village General Fund Budget = \$4.1 Million
- Current 2008-09 Water Budget = \$1.6 Million
- Current 2008-09 Sewer Budget = \$1.5 Million
- Combined Current Budgets = \$13.5 Million

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Potential Savings

- Potential Savings from dissolution of the Village = \$393,000
 - G & A Savings = \$150,000
 - Police = \$0 (assumes Townwide department at current operational capacity)
 - Dispatch = \$150,000
 - DPW = \$93,000

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Potential Revenue Changes

- \$495,000 in new AIM funding
 - Additional annual aid equal to 15 percent of the combined property tax levy, capped at \$1 million annually. New AIM funds projected to increase annually.
- Facilities Tax Revenue (if sold) = \$20,000
- Loss of Utilities Gross Receipts = (\$85,000)

Net Potential Revenue Changes = \$430,000

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Tax Levy Impact - Baseline

- Current Town Tax Levy = \$75,478
 - TOV Tax Rate = \$.46/\$1000
- Current Village Tax Levy = \$3,299,091
 - Village Tax Rate = \$16.048/\$1000
- Combined 2008 Village & Town Tax Levy = **\$3,374,519**

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Tax Impact New Tax Levy

- Proposed New Townwide Tax Levy = \$2,623,417
 - **New Townwide Tax Rate = \$7.09/\$1000**
- Components of Levy Changes
 - Move general fund debt service to special district for former Village residents
 - Create lighting and sidewalk special districts for former Village residents
 - Eliminate some G & A and dispatch
 - Accounts for shifts in salaries and benefits between funds
 - Eliminate one-time expenses
 - Remove Utilities Gross Receipts Tax Revenue

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Tax Impact: Additional Revenue

- Tax Levy reduced with additional AIM
 - New Tax Levy with AIM = \$2,128,417
 - New Townwide Tax Rate = \$5.75/\$1000
- Tax Levy reduced further if future Excess Revenue (ER) is applied to levy:
 - New Tax Levy with \$750,000 ER = \$1,378,417
 - New Townwide Tax Rate = \$3.73/\$1000

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Tax Impact Estimates

- Tax savings estimates have a wide range
- Estimates depend on various public policy decisions that need to be made by the boards:
 - How much of the Village and Town Fund Balances to use
 - How much of the town Excess Revenue to use

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Homeowner Tax Impact With Dissolution

- IF consolidated Town applies \$750,000 ER to resulting Town tax levy and *keeps service levels the same*
- For a House Assessed at \$100,000
 - Current Village property tax bill is reduced by **\$1600** per year
 - Tax bill increase for Village residents due to special districts and current debt level = **\$249**
 - Townwide taxpayer bill would increase **\$373** per year
 - Net Savings to Village taxpayer = **\$978**

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Summary of Dissolution of the Village

- Village taxpayer savings are projected to be \$978 annually on a typical house with a taxable assessed value of \$100,000
- Consolidated Town Taxes are projected to be \$373 on a typical house with a taxable assessed value of \$100,000
- Impact on Former Village and TOV taxpayers could be reduced further depending on use of fund balances

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Conclusion

- Compared to many other communities, Seneca Falls has the following competitive advantages:
 - It is a full service community with a vibrant village core.
 - It has a large and predictable revenue stream
 - It has plans to provide public water to the entire town at low cost
 - It is located in the prime Finger Lakes Region
 - It has a world class marketing brand as the home of the Women's Rights movement

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Next Step Options

- Town and Village could conduct a scientifically valid survey to determine the will of the people in relation to Dissolution or Shared Services
- Town and Village Boards could conduct joint hearings to implement shared service options
- Village leaders and/or citizens could initiate steps to develop a dissolution plan to be put before the voters

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