

# A Study of Shared Service Opportunities for the Village and Town of Cobleskill, NY

Prepared by  
Center for Governmental Research, Inc.

# Public Forum – June 5, 2008

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## ■ Agenda

- Introduction
- Overview of Municipalities
- Overview of Current Issues
- Review of Options
- Next Steps
- Community Feedback

# CGR Staff Team

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- Project Director
  - Charles Zettek, Jr. – Director of Government Management Services
- Research Staff
  - Scott Sittig – Senior Research Associate
  - Katherine Corley – Research Assistant

# Cobleskill Study Committee

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- Village Members
  - Mayor Michael Sellers
  - John O'Donnell
- Town Members
  - Kenneth Hotopp
  - Ruth Bradt
- Regular Observers of the Process
  - Town Supervisor Roger Cohn and previously Mike Montario

# Purpose of Study

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- Village applied for SMSI grant
  - As of 2008-09 NYS Budget they will be known as Local Government Efficiency Grants (LGEG)
- Study shared service opportunities between Town and Village of Cobleskill
- Baseline of options from small to large up to and including full consolidation of the two municipalities

# Review of Project Timeline

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- Kickoff meeting in August of 2007
- Collected data during the fall through early January
- Public meeting in December 2007
- Compiled data and proposed alternatives to study committee in March 2008
- Public forum in June to review options
- Comment period through June 20, 2008
- Final draft end of June

# Survey Results

- Statistically Inconclusive – 22 Surveys Received

Should this sector be consolidated?					
Sector	Total responses	Yes	Maybe	No	Other
Planning, Zoning & Code Enforcement	18	10	6	2	
Administration & Governance	17	11	2	4	
Water & Sewer	17	12*	2	3	
Courts	15	13	1	1	
Police	15	8*	5	2	
Highway	15	11	1	1	2 <sup>#</sup>
Parks	9	7	1	1	
* Most "Yes" votes are for expansion of territory or new business arrangement with town; few are for simple consolidation					
<sup>#</sup> "Other" votes suggest elected, not appointed highway supervisor					



# Overview of Municipalities

# Community Comparison

- Roughly 1150 of village population are SUNY students who live on campus.

	<b>Village</b>	<b>TOV</b>	<b>Town</b>
<b>Land Area (sq. miles)</b>	3.3	27.5	30.8
<b>Population (2000)</b>	4,590	1,821	6,411
<b>Population (2006 est.)</b>	4,632	1,916	6,548
<b>2007 Tax Levy</b>	\$1,788,480	\$620,879	
<b>Per Capita Costs</b>	\$386	\$324	

# Population Trend

- Village population has been close to or above 70% of the total Town population since 1950.
- Without the college students (1150), the Village population is roughly 65% of the total Town population.
- Peak population was in 1990 but Village population as a percentage of the Town population peaked in 1980.

<b>Table 2: Population of Cobleskill, NY</b>								
	<b>1900</b>	<b>1950</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2006 Est.</b>
<b><i>Village</i></b>	2,327	3,208	3,471	4,368	5,272	5,268	4,590	4,632
<b><i>Town</i></b>	3,973	4,709	4,964	6,017	7,048	7,270	6,411	6,548
<b><i>Village %</i></b>	59%	68%	70%	73%	75%	72%	72%	71%

# Cost of Governments

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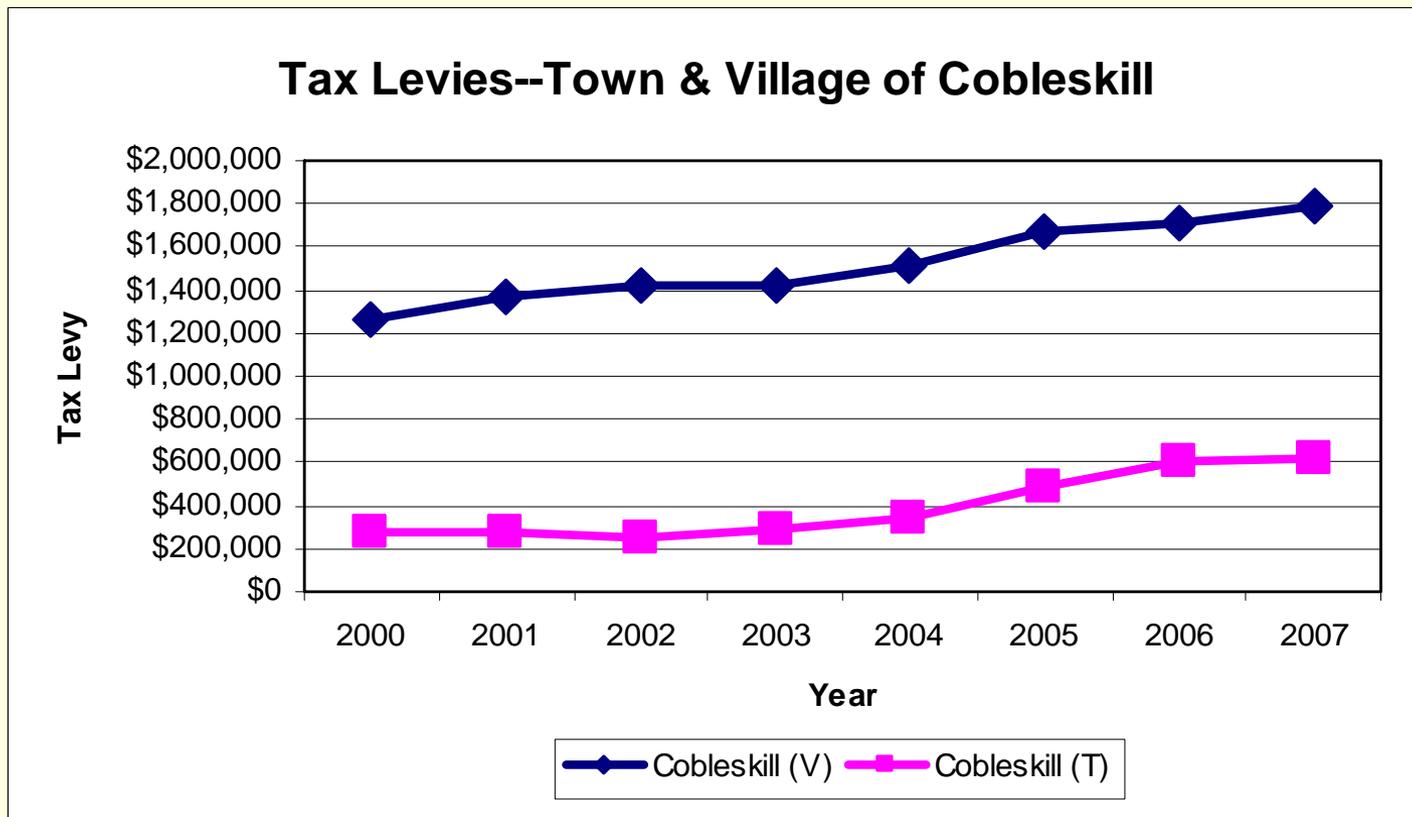
- Village – 2006 Actual Expense per OSC
  - General = \$2,569,403
  - Water = \$605,909
  - Sewer = \$1,158,668
  - Total = \$4,333,980
- Village – 2006 “*Non Property Tax*” Revenue per OSC
  - General = \$925,101
  - Water = \$691,415
  - Sewer = \$964,896
- 2006 Tax Levy Per OSC = \$1,711,309
  - Levy is based upon budget, not actual

# Cost of Governments (2)

- Town – 2006 Actual Expense Per OSC
  - Townwide = \$580,020
  - Town Outside Village = \$254,399
  - Special Fire District = \$73,983
- Town – 2006 “*Non Property Tax*” Revenue per OSC
  - Townwide = \$229,760
  - Town Outside Village = \$136,030
  - Special Fire District = \$180
- 2006 Town Tax Levy Per OSC
  - Townwide = \$504,988
  - Town Outside Village = \$101,433
  - Special Fire District = \$73,434
  - Levy is based upon budget, not actual

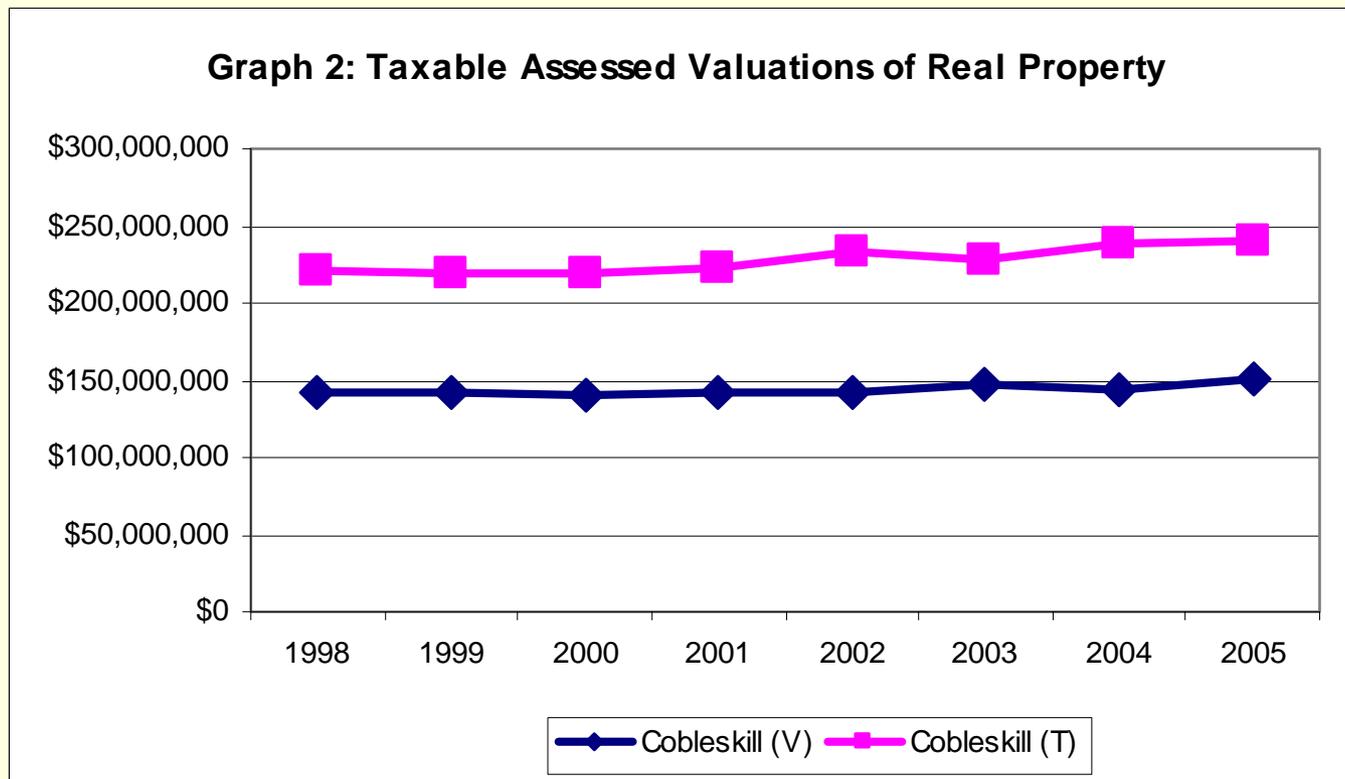
# Trends in Tax Levy

- 2006 Combined Tax Levy = \$2.3 Million
- 2007 Combined Tax Levy = \$2.4 Million



# Trend in Taxable Assessed Valuation

- From 1998-2005, the village average taxable assessed valuation as a percentage of the entire town was 63%.



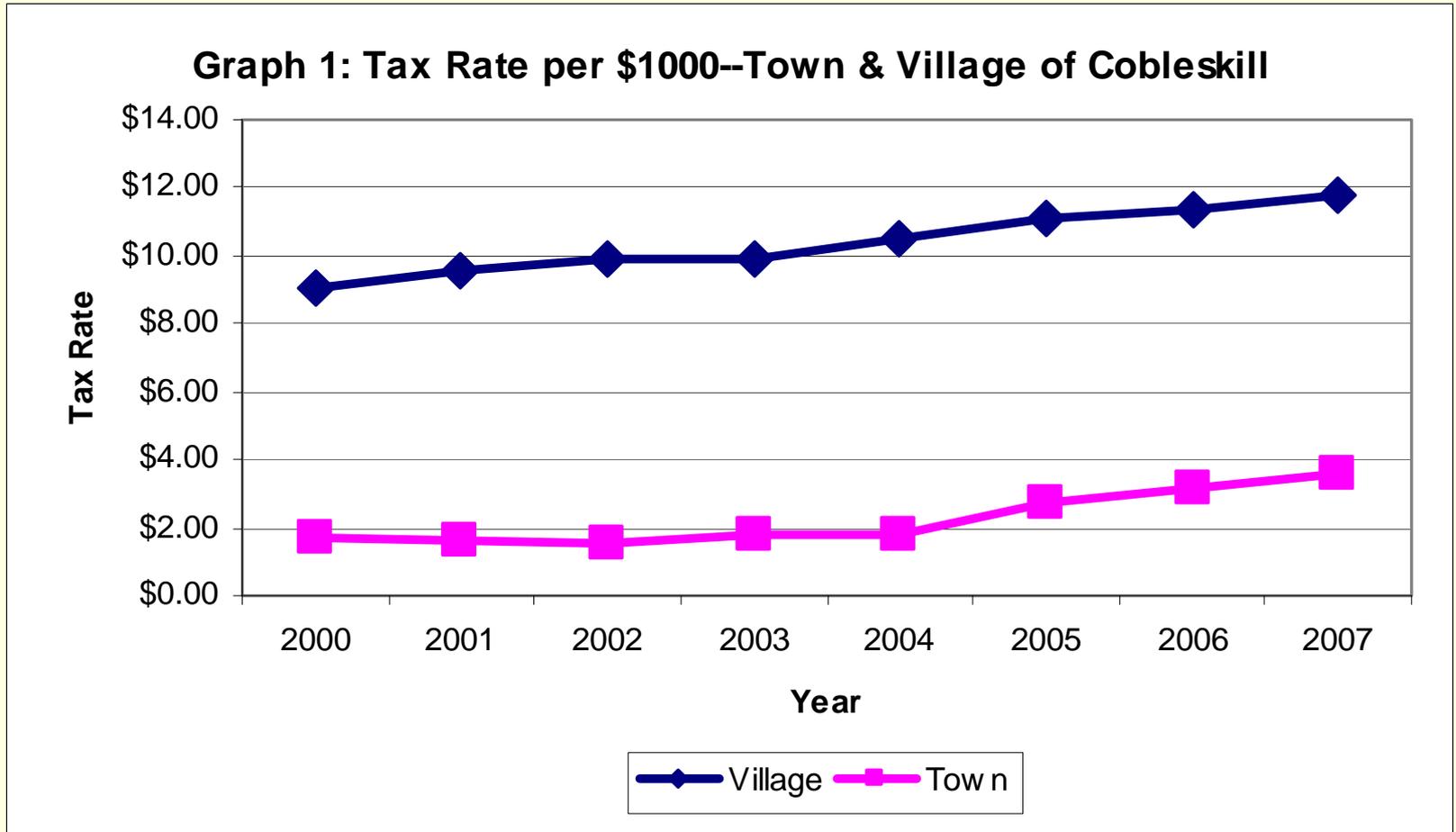
# Tax Rate Analysis

- 2006 Village Tax rate ranked in the 53rd percentile among all NYS Village tax rates.
- 2006 Town Tax rate ranked in the 27<sup>th</sup> percentile among all NYS Town tax rates.

<b>Table 3: 2006 NYS Comparison*</b>				
<b>Location</b>	<b>Tax Rate</b>	<b>State Median</b>	<b>Rank</b>	<b>Percentile</b>
<b>Town</b>	\$3.17	\$5.15	254/930	27%
<b>Village</b>	\$11.37	\$10.24	347/654	53%

*\* All Tax rates are per \$1000 of Assessed Value*

# Tax Rate Analysis (2)



# Miscellaneous Fiscal Facts

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- In 2007 the village exhausted 46.5% of it's constitutional taxing limit.
  - In 2006 the percentage was 42.7%.
  - 2006 average for villages across the state was 26.1%.
- 45% of village property is tax exempt.



# Overview of Functional Service Areas

# Functional Service Analysis

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- Administration
- Courts
- Planning and Zoning
- Police
- Fire and Rescue
- Highway and DPW
- Refuse
- Parks and Recreation
- Water & Sewer

# Administration

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- Village – Total 2006 Expense \$345,507
  - Located on Mineral Springs Road
  - 1 elected PT Mayor
  - 4 elected Village Board Members
  - 1 FT appointed Clerk/Treasurer
  - 1 FT appointed Deputy Clerk
  - 1 appointed PT Senior Account Clerk/Typist
  - Clerks serve as administrative support for Water and Sewer

# Administration (2)

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- Town Hall – Total 2006 Expense \$200,066
  - Located on Route 7 near I-88 exit
  - 1 PT elected Town Supervisor
  - 4 PT elected Town Board Members
  - 1 FT elected Town Clerk
  - 1 FT appointed Deputy Town Clerk/Tax Collector
  - 1 PT Dog Control Officer (Serves Village)
  - 1 PT Assessor (Serves Village)

# Courts

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- Village – 2006 Expense \$88,993 (2% Budget)
  - 2006 Revenue = \$86,691
  - 1 Elected PT Justice, 1 Acting PT Justice
  - 1 FT appointed Court Clerk
  - 60% of Court Activity between Town and Village occurs in the village court (70% of that activity is related to Vehicle and Traffic)

# Courts (2)

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- Town – 2006 Expense \$36,370 (4% Budget)
  - 2006 Revenue = \$44,179
  - 2 Elected PT Justices
  - 1 PT appointed Court Clerk
  - 90% of Activity is Vehicle and Traffic

# Code Enforcement

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- Village – 2006 Expense \$149,625 (3% Budget)
  - 1 FT Code Enforcement Officer
  - 1 FT Administrative Assistant
  - 1 Highway Person doing GIS Part Time
- Town – 2006 Expense \$34,063 (4% Budget)
  - 1 PT Code Enforcement Officer

# Planning & Zoning

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- Village
  - 1 Volunteer Planning Board
  - 1 Volunteer Zoning Board of Appeals
- Town – 2006 Actual Expense = \$18,584
  - 1 PT Planning Board Secretary
  - 1 Planning Board (Nominal Fee for Service)
  - 1 Voluntary Zoning Board of Appeals

# Police

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- 2006 Expense \$855,556
  - 20% of Expense with W & S Combined
  - 33% of General Fund Expense (Minus W & S)
- Staffing (As of March 2008)
  - 1 Chief
  - 1 Investigator
  - 2 Sergeants
  - 8 Patrol Officers
  - 1 PT Administrative Support

# Police (2)

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- Dispatch
  - 911 Handled by County
  - Village maintains direct access 211 during business hours only
- # Incidents Handled in 2006 = 5375
  - Incidents handled in 2007 increased by 30% over 2006

# Fire and Rescue

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- Village
  - 2006 Expense \$75,866 (2% of General Fund)
  - Village responsible for building & equipment
  - All Volunteer
  - Village offers Ambulance Services
  - Contracts with Cobleskill/Seward/Richmondville Fire Protection District
- Town Outside of Village 2006 Expense = \$73,983
- Total Cost apportioned by weighted average of population and full assessed valuation

# Highway and DPW

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- Consolidated Operation covered by Shared Service Agreement
- Village – 2006 Expense \$779,759 (30% of general fund budget expense)
  - Shared Highway Superintendent (50% Cost)
  - Superintendent Appointed Position
  - Unified Operation with Town
    - Located at Town Barn
  - Each municipality responsible for own staff
- Town – 2006 Expense \$460,186 (50% of total town general fund expenses)

# Refuse

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- Service only in Village – Residents and commercial in TOV contract with private haulers.
- Current Cost of Contract \$255,990
  - Only serve residential customers in village
  - Line item in general fund and figured into property tax levy
  - Changed carriers in 2007 due to bid process after citation from DOL concerning prevailing wage requirement
  - Former Carrier picked up all refuse regardless of residential/commercial status

# Parks and Recreation

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- Village
  - 2006 Expense \$20,000 (< 1% General Fund)
- Town
  - 2006 Expense \$42,697 (5% of Total)
- Joint Recreation Commission between Town and Village established in 1974
  - 4 Appointed Town and 5 Appointed Village Representatives serve on the Commission
  - 1 PT Recreation Coordinator
  - Some Seasonal Support Staff

# Water

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- 2006 Expense \$605,909
  - 14% of Village Budget (Including Sewer)
  - Capacity is 2 Million Gallons Day (MGD)
    - Currently Running at 500,000 MGD
  - Serves Village and some outside of Village
    - Water District #1 (60 Users + High school)
  - Village will not sell/extend without annexation
  - Town willing to allow annexation until last year
  - Residential usage was 74% in Village
  - SUNY represented 22% of usage

# Sewer

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- Sewer – 2006 Expense \$1,158,668
  - Capacity is 1.8 Million Gallons Day (MGD)
    - 2007 Average Usage was .715 MGD
  - 27% of Village Budget (Including Water)
  - 76% of usage was village
  - 24% of usage came from SUNY



# Overview of Current Issues

# Issues Identified by CGR

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## ■ Primary

- High taxes and rising costs and a tax base that is relatively flat
- Lack of non property tax revenue
- Lack of coordinated long range development plan.

## ■ Secondary

- Land Control
- Water/Sewer Sharing

# Key Community-Wide Assets in Local Government Activities

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- Police
- Water
- Sewer
- Combined Highway Department Operations
- Economic center of the county

# Review of Options

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- CGR reviewed the functional areas in the context of the issues we identified as compared against the key community-wide assets.
  - Some assets were reviewed in the context of being a regional asset.
- All options that were considered either had efficiency gains and/or cost savings associated with them.

# Options for Administration

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1. Efficiency & Cost Savings Options (2)
  1. Combine Village and Town Hall Facility
    - Share Utilities (Cost Savings)
      - Town Budgets \$24,800 for Rent/Utilities/Supplies/Cleaning
    - Streamline Operations (Efficiency Gains)
  2. Consolidate Municipalities
    - Significant savings due to potential personnel savings along with rent, utilities, benefits, etc. (Cost Savings Over Time)
    - Net Savings Estimate = \$150,000

# Options for Courts

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1. Efficiency Gains & Cost Savings Options (1)
  1. Dissolve Village Court and Merge into Town Court
    - Elimination of 2 PT Justices over time
    - Court activity suggests one court could handle the volume
    - Streamline court function for community
    - Majority of vehicle and traffic fine revenue would revert to town
  - Net Savings Estimate: \$10,000

# Options for Code Enforcement

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1. Efficiency Gains & Cost Savings Options (1)
  1. Combine Town and Village Departments Under Shared Service Agreement Essentially same personnel configuration, but becomes townwide function
    - Streamline operations (Efficiency)
      - May not be useful if administration does not merge
    - Improve community perception of coordination between two communities (Efficiency)
  - Net Savings Estimate: \$1000

# Options for Planning

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## 1. Efficiency Gains Only

### 1. Combine Planning and Zoning Boards

- 1 combined board for planning
- 1 combined board for zoning
- Follow Lake Placid/North Elba Model
  - Equal representation (3 people appointed from each municipality) with 1 at large member agreed upon by village and town board
- Net Savings Estimate: Future savings through better coordination and economic and community development.

# Options for Police

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## 1. Townwide Police

- Village Police would provide townwide coverage
- Cost Impact:
  - May increase the size of the force
  - Immediate Increase in Total Cost due to:
    - Maintenance
    - Fuel
    - Overtime
- Efficiency:
  - More equitable distribution of cost for a community-wide asset

# Options for Police (2)

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2. Find new sources of revenue to underwrite budget
  - Create a Business Improvement District
    - May be some limits on tax revenue that could be received as a result of this BID.
  - Negotiate with County to allocate some sales tax revenue to underwrite cost of Cobleskill Police Department

# Options for Parks and Recreation

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- Create a regional parks and recreation board with representation from all towns, villages, and the county for planning and budget purposes.
  - Model for this arrangement exists in Tompkins County
  - May facilitate better cost sharing with surrounding communities
  - Net Savings Estimate: Cannot calculate without formalizing an agreement

# Options for Water & Sewer

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- Create a Regional Water & Sewer Shared Services Committee to review entire town and study benefits of extending service beyond the village
  - Follow Highway Committee Model
    - 2 from each elected board
  - Authority rests with village
    - Generate an agreement that would give the committee authority to act in best interest of whole community
    - Committee would serve as a reviewer and approver of all new projects related to water service.

# Options for Water & Sewer (2)

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- Generate a revenue sharing agreement based upon increase in full assessed valuation from extending water/sewer into town.
- Develop revised water/sewer rates to more fairly link costs with users.

# Refuse

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- User Fee Model (Efficiency Improvement)
  - Remove charge from general fund
  - Change law to allow commercial businesses to be picked up
  - User Fee Model allows for expansion outside of village if town residents wanted to partake
- Pay as you Throw (PAYT)
  - Users are charged based upon quantity of refuse

# Summary:

## Efficiency Gains and Cost Impact

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- Efficiency Gains
  - Combine Planning Boards
  - Revise Refuse Collection Law
  - Parks and Recreation - Unknown
- Efficiency Gains & Cost Impact
  - Combine Administrative Offices – Save \$150,000
  - Merge Courts – Save \$10,000
  - Merge Code Enforcement Units- Save \$1,000
  - Police
    - Create a Townwide Police Force – Increase Cost but spread cost around the entire community
    - Business Improvement District – Increase Revenue

# How do Options address Key Issues?

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- Issue 1: High Costs with relatively flat tax base
  - Options
    - Merge Administrative Offices
    - Merge Courts
    - Merge Code Enforcement Units
    - Revise Refuse Collection Law
    - Develop a Regional Parks and Recreation Commission
    - Find Revenue to Underwrite Police Department
    - Dissolve village into town
    - Dissolve town & village and create a city
    - Increase revenue sharing agreement with County

# How do Options address Key Issues?

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- Issue 2: Lack of Non-Property Tax Revenue
  - Options
    - Create a city
    - Pre-empt sales tax
    - Negotiate a new revenue sharing agreement with County without creating a city
    - Negotiate with County to help pay for Police Dept.
  
- Issue 3: Lack of coordinated long range plan
  - Options
    - Merge Planning and ZBA Boards
    - Create a Water/Sewer Review Board

# How do Options address Key Issues?

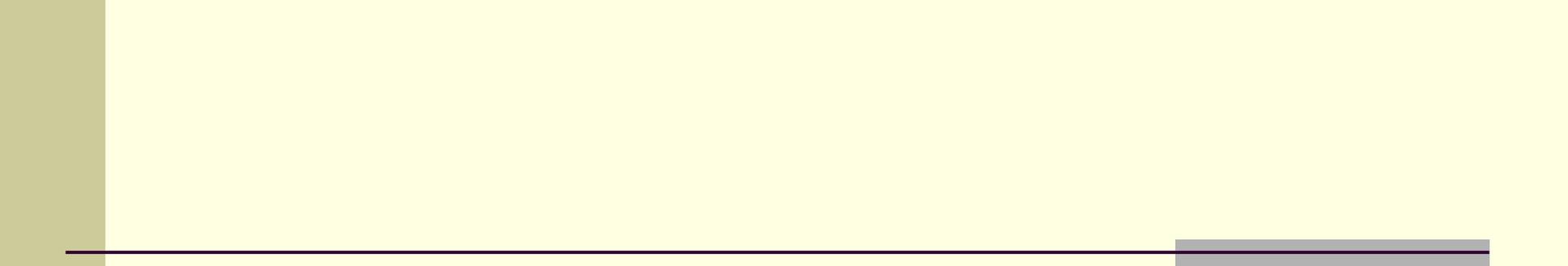
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## ■ Issue 4: Land Control

- Negotiate Revenue Sharing Agreement for property tax received from new development if water and sewer are extended to facilitate the development in the town outside of the village

## ■ Issue 5: Water/Sewer Sharing

- Generate a Water/Sewer Review Board
- Same options as Issue 4, Land Control



# Some Facts About Consolidation

# General Consolidation Benefits

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- Would likely mean Dissolving the Village
- Streamline administration and operations of both municipalities
- Facilitate joint comprehensive and long range planning to stimulate economic and community development opportunities
- Remove boundaries for water and sewer service expansion

# Consolidation State Aid Benefits

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- Aid and Incentive to Municipalities (AIM)
  - 2008-09 NYS Budget provides significant incentive for municipalities that consolidate
  - Option 1: Increase in AIM to Town & Village of Cobleskill of \$18,384 in the first year
  - Option 2: Increase in AIM to Town & Village of Cobleskill of \$347,960 in the first year.
  - Option 3: Increase in AIM to Town & Village of Cobleskill of \$176,463 in the first year.

# Consolidation Financial Impact Summary

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- Expense Reduction: \$160,000
- Revenue Impact
  - Loss of Village Gross Utilities Receipts Tax - \$65,000 in 2006
  - Increase AIM by as much as \$348,000
- Net Range of Impact:
  - Savings Range: \$160,000 – \$443,000
- Other costs/savings would have to be developed in the context of a dissolution plan

# City Status

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- Town and Village both Dissolve
  - Form new city with dual zone taxation
  - Last attempt to form a city was by the Village of Newark and Town of Arcadia in 1987,
    - Town never signed off on final paperwork and charter was vetoed by NYS legislature
- Pre-empt Sales Tax
  - Between 60-70% of taxable sales in Schoharie County occurring in the Village of Cobleskill
  - Might yield \$2 Million more in non-property tax revenue to the community

# City Status Implications

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- Court function becomes state responsibility except for facility maintenance
- School District issues would require further research
- Redefine how region develops from economic and land use perspective

# City Status Implications (2)

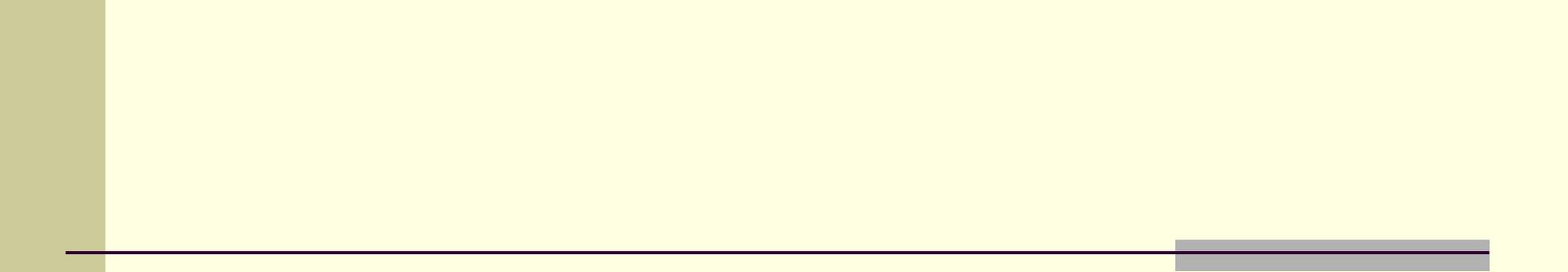
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- County would lose sales tax creating shift of costs from local to county level
  - County tax rate might increase by \$1.29/\$1000
  - Village/Town tax rates have potential to go away depending on what sales tax rate is chosen during pre-emption.
- Surrounding Towns and Villages who share sales tax would receive a reduced amount (between 17.5% and 35%)

# Tax Impact Analysis

- \$10,000 Levy change in Village:  $\$.07/\$1000 = \$10.01$  annually for a house assessed at \$150,000.
- \$10,000 Levy change in TOV:  $\$.11/\$1000 = \$15.79$  annually for a house assessed at \$150,000.
- Tax levy is lowered by reducing costs, or increasing non-property tax revenue.

	<b>Tax Levy Change</b>	<b>Tax Rate Change per \$1,000 of Taxable Assessed Valuation</b>
<b>TOV</b>	<b>\$10,000</b>	<b>\$0.11</b>
<b>Townwide</b>	<b>\$10,000</b>	<b>\$0.04</b>
<b>Village</b>	<b>\$10,000</b>	<b>\$0.07</b>



# Next Steps

# Next Steps

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- Joint town and village board meetings to discuss findings of the report
  - Recommend action steps based upon options that have been presented
- Develop a negotiating strategy with the county in regards to sales tax and municipal services
- Consider fiscal or economic impact study to research development issues within the town
- Take steps to study city status transition issues in greater detail



# Community Feedback