

**NY
COM** **Special Forum on
Consolidation/Dissolution**

**Special Forum on
Consolidation/Dissolution**

Monroe County, NY
January 21, 2010

Presented by
Wade Beltramo
NYCOM General Counsel

**NY
COM** **Special Forum on
Consolidation/Dissolution**

NYCOM
www.nycom.org

NYS Department of State
www.dos.state.ny.us/lgss/index.htm

NYS Office of the State Comptroller
www.osc.state.ny.us/localgov/index.htm

NYS Office of the Attorney General
www.oag.state.ny.us

Commission on Local Government Efficiency
www.nyslocalgov.org

**NY
COM** **Special Forum on
Consolidation/Dissolution**

A.G.'s Government Reorganization Act

- Signed into Law on June 24, 2009
- Chapter 74 of the Laws of 2009
- Effective 270 Days After Enacted
Effective March 21, 2010

NY COM Special Forum on Consolidation/Dissolution

Each Village Dissolution Is Unique & Must Be Considered on a Case-By-Case Basis

1. The Services Villages Provide Varies From Village to Village
2. The Services Towns Provide Varies From Town to Town
3. Different Economic & Demographic Characteristics

NY COM Special Forum on Consolidation/Dissolution

General Issues

1. Villages are the Most Accountable, Efficient, & Democratic Government Entity in New York
2. Villages Provide Services Desired & Needed By Residents
3. Village Dissolutions Create More Local Government Entities

NY COM Special Forum on Consolidation/Dissolution

General Issues

4. Village Dissolutions Generally Create Very Little Cost-Savings to Village Residents as a Result of Increased Efficiencies
5. The Dissolution Process is Expensive & Complicated

NY COM **Special Forum on Consolidation/Dissolution**

Demographics

- Urban – U.S. Census Bureau
 - ★ Population of 2,500 with Core Census Block Groups or Blocks That Have a Population Density of at Least 1,000 People Per Square Mile, &
 - ★ Surrounding Census Blocks That Have an Overall Density of at Least 500 People Per Square Mile

NY COM **Special Forum on Consolidation/Dissolution**

Dissolution Studies – Sources of Cost/Tax Savings

1. Efficiencies - Economies of Scale
2. Discontinuing Services
3. Restructuring Services
4. Elimination of Elected Officials
5. Increased Aid from the State
6. Village Residents No Longer Paying Town Taxes for Services They Do Not Receive

NY COM **Special Forum on Consolidation/Dissolution**

Dissolution Studies – Sources of Cost/Tax Savings

- ❖ Issues to Address in Plan
 - Service Continuity
 1. Town-Wide Function;
 2. Continued but Limited to & Financed by Area Less Than the Entire Town (District); or
 3. Terminated as a Governmental Activity

NY COM Special Forum on Consolidation/Dissolution
A.G.'s Government Reorganization Act Procedural Impediments to Consolidation/Dissolution <u>or</u> Systemic Obstacles to Consolidation/Dissolution?

NY COM Special Forum on Consolidation/Dissolution
A.G.'s Government Reorganization Act Systemic Changes that Need to Be Made to Effectuate Real Change A. Towns Need to Be Given the Authority to Dissolve B. Village Residents Should No Longer Be Required to Pay Town Taxes for Services Not Provide C. Annexation Law Needs to Be Amended

NY COM Special Forum on Consolidation/Dissolution
A.G.'s Government Reorganization Act Systemic Changes that Need to Be Made to Effectuate Real Change D. Unfunded Mandates E. Tax-Exempt Properties

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- Key Provisions
 1. Consolidation Part
 - a. Governing Board Initiated
 - b. Electorate Initiated
 2. Dissolution Part
 - a. Governing Board Initiated
 - b. Electorate Initiated
 3. County Initiation

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- Consolidation
 - ◆ Not Likely to Occur Because of Systemic Obstacles
 - a. Requires Coordination of Multiple Interest Groups
 - b. Leveling Up – Unless Efficiencies Achieved Are Sufficient, Someone's Taxes Are Likely to Increase

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- Dissolution

Termination of the Existence of a Local Government Entity

 - ◆ Towns Are Excluded
 - What About Districts?
 - ◆ Not Practical
 - Used Only to Dissolve Villages

NY COM	Special Forum on Consolidation/Dissolution
<p>A.G.'s Government Reorganization Act</p> <ul style="list-style-type: none"> ▪ Dissolution <p>Methods for Initiating</p> <ol style="list-style-type: none"> 1. Governing Body Resolution, Subject to a Referendum 2. Elector Initiative 	

NY COM	Special Forum on Consolidation/Dissolution
<p>A.G.'s Government Reorganization Act</p> <ul style="list-style-type: none"> ▪ Village Board Initiated Dissolution <p>Board of Trustees Formally Commences Dissolution Process by Adopting a Resolution Endorsing a Proposed Dissolution Plan</p> <ul style="list-style-type: none"> ●*Study Committee & Consultant Precede Adoption of the Plan ●*What Happens If a Petition Is Filed Before the Plan Is Completed? 	

NY COM	Special Forum on Consolidation/Dissolution
<p>A.G.'s Government Reorganization Act</p> <ul style="list-style-type: none"> ▪ Elector Initiated Dissolution <p>A. Petition</p> <ol style="list-style-type: none"> i. 10 % of Electors In the Village to be Dissolved or 5,000 Signatures, Whichever Is Less ii. However, If the Village Has 500 or Fewer Electors, Then the Petition Must be Signed by Electors In Equal to at Least 20 Percent of the Number of Electors 	

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- **Elector Initiated Dissolution**
 - A. Petition
 - Village Law § 19-1912 (the current law) Requires Signatures = 33% of Village's Electors

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- **Elector Initiated Dissolution**
 - A. Petition
 - ◆*20% Signature Requirement is Based Upon Number of Electors in Local Government NOT Population
 - ◆*Method for Calculating Number of Electors is Undefined
 - ◆*NO Time Period for Collecting Signatures

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- **Elector Initiated Dissolution**
 - A. Petition
 - ◆*Signatures = 20% of Electors for Villages with 500 or Fewer Electors
 - ◆*Signatures = 10% of Electors for Villages with More than 500 Electors
 - ◆*For Example,
 - Villages w/ 600 Electors = 60 Signatures
 - Villages w/ 500 Electors = 100 Signatures

NY COM Special Forum on Consolidation/Dissolution

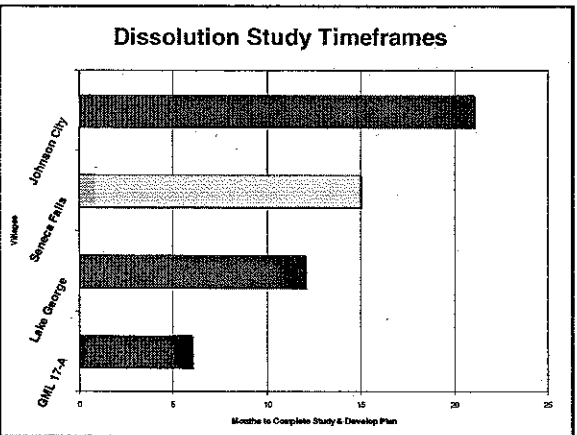
A.G.'s Government Reorganization Act

- **Elector Initiated Dissolution**
- B. Referendum**
 - i. If Petition is Filed, Trustees Enact Resolution Calling for Referendum
 - ii. Held 60 to 90 Days from Resolution
 - ◆* Vote Likely to Be Uninformed & Consequently Very Divisive
 - iii. If it Fails, No Dissolution for 4 Years
 - iv. If it Passes, Then Must Develop Dissolution Plan

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- **Elector Initiated Dissolution**
- C. Developing Dissolution Plan**
 - i. 180 Days to Prepare a Plan
 - ◆* Time Period is Impractical
 - ii. Study Committee & Consultant
 - ◆* Not Referenced in the Act, but Generally Necessary



NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- County Initiated Dissolution
 - A. Municipal Home Rule Law § 33-a
 - B. County Board of Supervisors
 - C. County Local Law
 - ii. Abolish One or More Offices, Departments or Agencies of Such Units of Government When All Their Functions or Duties Are So Transferred.

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- County Initiated Dissolution
 - D. Not Operative Unless Approved at a County-Wide Election, Receiving Majority of Total Votes Cast:
 - i. In County Outside of Cities &
 - ii. In Area of Cities of County, If Any, Considered as One Unit, &

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- County Initiated Dissolution
 - D. Not Operative Unless Approved at a County-Wide Election, Receiving Majority of Total Votes Cast:
 - iii. If It Transfers Function/Duty From Any Village or Abolishes a Village Office/Dept./Agency/Unit, It Also Receives a Majority of All the Votes Cast in All the Villages So Affected Considered as One Unit

NY COM Special Forum on Consolidation/Dissolution
A.G.'s Government Reorganization Act <ul style="list-style-type: none"> ▪ Alternatives to Dissolution <ul style="list-style-type: none"> ★ Village Law Article 19 – Requires Alternatives to Be Addressed ★ The Act is Silent ★ Why Address Alternatives?

NY COM Special Forum on Consolidation/Dissolution
A.G.'s Government Reorganization Act <ul style="list-style-type: none"> ★ Committee & Consultant <ol style="list-style-type: none"> 1. To Identify Alternatives <ol style="list-style-type: none"> a. Shared Services b. Village Annexation c. Co-Terminous Town-Village d. Consolidation of the Town with Neighboring Towns e. Charter Village as City f. Exempt Village From Town Taxes g. Discontinue Services

NY COM Special Forum on Consolidation/Dissolution
A.G.'s Government Reorganization Act <ul style="list-style-type: none"> ★ Committee & Consultant <ol style="list-style-type: none"> 2. To Analyze Source of Any Savings to Village Residents <ol style="list-style-type: none"> a. Efficiencies - Economies of Scale b. Discontinuing Services c. Restructuring Services d. Elimination of Elected Officials e. Increased Aid from the State f. Village Residents No Longer Paying Town Taxes Services Not Received

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- NYCOM's Recommended Changes to the Act
 1. Raise Signature Threshold for Dissolutions to 25%
 2. Clarify Petition Signature Process
 3. Do Not Have a Vote Without First Conducting a Study
 4. Lengthen Time Frames for Conducting Study

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- NYCOM's Recommended Changes to the Act
 5. Have Study Committee Study Dissolution, Develop Plan, & Recommend For or Against Dissolution

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- NYCOM's Recommended Changes to the Act
 6. Allow The Democratically Elected Board to Approve or Disapprove Dissolution After Receiving Study
 - a. Approval of Dissolution Subject to a Mandatory Referendum
 - b. Disapproval of Dissolution Subject to a Permissive Referendum

NY COM	Special Forum on Consolidation/Dissolution
<p>A.G.'s Government Reorganization Act</p> <ul style="list-style-type: none"> ▪ NYCOM's Recommended Changes to the Act 7. Require Vote to Be Held at Normally Scheduled Election 8. For County Initiated Consolidation or Dissolution, Require Majority Vote in Each Local Government Separately for Any Activity 	

NY COM	Special Forum on Consolidation/Dissolution
<p style="text-align: center;">Dissolution Studies – Sources of Cost/Tax Savings</p> <p>1. Increased Efficiencies Through Improvement In Economies of Scale</p> <ul style="list-style-type: none"> ★ As a General Rule, Some Economies of Scale Achieved ◆ Generally Relatively Nominal & Account For Only a Small Percentage of the Total Savings to Village Residents 	

NY COM	Special Forum on Consolidation/Dissolution
<p style="text-align: center;">Dissolution Studies – Sources of Cost/Tax Savings</p> <p>2. Cost-Savings Resulting From Discontinuing a Service(s) to Village Residents</p> <ul style="list-style-type: none"> ★ Village of Seneca Falls Dissolution Proposal – No Town Police Service, Rely on County Sheriff ! Something Village Could Do on Its Own Without Dissolving 	

NY COM **Special Forum on Consolidation/Dissolution**

Dissolution Studies – Sources of Cost/Tax Savings

3. Restructuring How Services Are Provided

- ★ Village of Johnson City Dissolution Proposal, Form a Special District & Contract With County Sheriff to Provide the Services
- ! Village Could Do This Without Dissolving

NY COM **Special Forum on Consolidation/Dissolution**

Dissolution Studies – Sources of Cost/Tax Savings

4. Cost-Savings From Eliminating Elected Officials

- *Whether Elimination of Elected Officials Is Efficient Depends on Whether It Creates a Less Accountable, Less Democratic Local Government

NY COM **Special Forum on Consolidation/Dissolution**

Dissolution Studies – Sources of Cost/Tax Savings

5. Incentive Aid From the State

- ★ New York State Created Incentive Program For Consolidating & Dissolving Local Governments
- ★ When Local Governments Dissolve or Consolidate, Remaining Local Government Is Entitled to an Increase In Aid From the State

NY COM Special Forum on Consolidation/Dissolution

Dissolution Studies – Sources of Cost/Tax Savings

5. Incentive Aid From the State

- Dissolutions of Villages of Pike & Limestone Will Result Increase In State Aid to the Towns In Which the Villages are Located Totaling \$101,723 Per Year
- 10,521 Local Government Entities Will Be Increased to 10,526

NY COM Special Forum on Consolidation/Dissolution

Dissolution Studies – Sources of Cost/Tax Savings

5. Incentive Aid From the State

- Incentive Aid is a Substantial Part of Every Village Dissolution Study Discussion
- *Cost-Savings to Attributable to This Aid Has Nothing to Do w/ Increased Efficiency
- *State Aid Is Not Guaranteed!

NY COM Special Forum on Consolidation/Dissolution

Dissolution Studies – Sources of Cost/Tax Savings

6. Village Residents No Longer Subsidizing Town Operations

- ★ Village Residents Pay Town-Wide Taxes, Frequently Receiving Little or No Services From the Town
- ★ This Is a Subsidization of Town Operations By Village Residents

NY COM Special Forum on Consolidation/Dissolution

Dissolution Studies – Sources of Cost/Tax Savings

6. Village Residents No Longer Subsidizing Town Operations

★ Many Dissolutions Studies Have Shown That, While Village Residents' Taxes Will Go Down as a Result of Proposed Dissolution, Taxes of Residents of Town Outside of Village Actually Go Up

NY COM Special Forum on Consolidation/Dissolution

Dissolution Studies – Sources of Cost/Tax Savings

●*Cost of Studying & Planning Dissolution

★ Total Cost for Conducting 17 Village Dissolution Studies =

\$902,939

NY COM Special Forum on Consolidation/Dissolution

Problems with Districts

➤ Districts Tend to Be Undemocratic & Unaccountable

1. Districts w/ Elected Commissioners Have Extremely Low Voter Turnout for District Elections

2. Town Administered Districts Subject District Residents to Control of Officials Elected by Residents Outside of the District

NY COM Special Forum on Consolidation/Dissolution

Problems with Districts

- Less Accountable than Village Government

NY COM Special Forum on Consolidation/Dissolution

Factors That Determine Democratic Local Government Arrangements

- ❖ One Factor In Determining Local Government Boundaries Is That They Should Be Based, at Least In Part, Upon Ability of Resulting Governing Body to Address Local Preferences & Needs

- Geography Professor Ronan Paddison

NY COM Special Forum on Consolidation/Dissolution

What Is the Rationale for the Boundaries of Our Local Governments?

NY COM Special Forum on Consolidation/Dissolution

Factors That Determine Democratic Local Government Arrangements

1. Rural v. Urban/Suburban

- Urban & Suburban Communities Have Different Needs/Concerns Than Rural Communities
- Urban/Suburban/Rural Sharing a Local Government Can Lead Undemocratic Arrangements

NY COM Special Forum on Consolidation/Dissolution

Factors That Determine Democratic Local Government Arrangements

1. Rural v. Urban/Suburban

- Local Governments Dominated By Representatives of Urban/Suburban Areas to Detriment of Residents of Rural Areas
- Local Governments Dominated By Representatives of Rural Areas to the Detriment of Residents of Urban/Suburban

NY COM Special Forum on Consolidation/Dissolution

Factors That Determine Democratic Local Government Arrangements

2. Urban/Suburban

- Smaller Community's Interests/Needs Dominated By Larger Community
- Multiple Communities with Distinct Interests/Needs

NY COM Special Forum on Consolidation/Dissolution

A.G.'s Government Reorganization Act

- Stated Reasons for the Act

4. Too Many Local Government Entities

d. As Reported by the Office of the Attorney General = 10,521

NY COM Special Forum on Consolidation/Dissolution

New York Law Incentivizes the Creation of Districts

➤ In 1940, There Were 2,000 Special Districts & by 2000, There Were Over 6,000.

NY COM Special Forum on Consolidation/Dissolution

New York Law Incentivizes the Creation of Districts

➤ Each Village Dissolution Will Result in the Creation of 3 to 8 Districts

NY COM Special Forum on Consolidation/Dissolution

ALTERNATIVES TO DISSOLUTION

- A. Shared Services
- B. Village Annexation
- C. Co-Terminous Town-Village
- D. Consolidation of the Town with Neighboring Towns
- E. Charter Village as City
- F. Exempt Village From Town Taxes
- G. Discontinue Services

NY COM Special Forum on Consolidation/Dissolution

Shared Services

- ❖ Any Thing a Municipality Can Do by Itself, It Can Do With Another Municipality
- ❖ General Municipal Law Article 5-G
- ❖ Many Municipalities Are Already Sharing Services

NY COM Special Forum on Consolidation/Dissolution

Shared Services

- ❖ Many Villages Considering Dissolution Won't See Significant Cost Savings Because Existing Shared Services Have Already Lowered Village Expenses

NY COM Special Forum on Consolidation/Dissolution

Co-Terminous Town-Village

- ❖ Town & Village Share Exact Same Boundary & Function as a Single Unit of Government

Why?

No Duplication of Taxation.
Village Residents Don't Pay Town Taxes.

NY COM Special Forum on Consolidation/Dissolution

Co-Terminous Town-Village

- ❖ Town & Village Share Exact Same Boundary & Function as a Single Unit of Government
 - a. Mount Kisco
 - b. Harrison
 - c. Scarsdale
 - d. Green Island
 - e. East Rochester

NY COM Special Forum on Consolidation/Dissolution

Co-Terminous Town-Village

- ❖ Four Ways to Create
 1. Create New Village Incorporated In a Town With No Existing Village (Village Law Article 2)

NY COM Special Forum on Consolidation/Dissolution

Co-Terminous Town-Village

- ❖ Four Ways to Create
 2. Create a New Town, Dividing Existing Town Into Two Towns, One With Same Boundaries as an Existing Village (Town Law Article 5)
 - * Requires Town-Wide Approval

NY COM Special Forum on Consolidation/Dissolution

Co-Terminous Town-Village

- ❖ Four Ways to Create
 3. Existing Village Annex All of Adjacent Territory In Its Town Lying Outside of Village (Gen. Mun. Law Article 17)
 - * Not Necessarily Rational
 4. Special Act of New York State Legislature

NY COM Special Forum on Consolidation/Dissolution

Co-Terminous Town-Village

- ❖ Administering Town-Village
 - A. Village Law Article 17
 - B. Referendum - Voters Must Decide Whether Local Government Will Operate "Principally as a Village" or "Principally as a Town"

NY COM Special Forum on Consolidation/Dissolution

Co-Terminous Town-Village

- ❖ Administering Town-Village
- C. After Referendum, One Unit of Government Will Exist, Which Will Function as Either a Town or a Village

NY COM Special Forum on Consolidation/Dissolution

Municipal Annexation

- ❖ General Municipal Law Article 17
- ❖ Alteration of the Boundaries of a County, City, Town or Village Which has the Effect of Adding Territory to It

NY COM Special Forum on Consolidation/Dissolution

Municipal Annexation

- ❖ Petition of Residents in Territory to be Annexed
- ❖ Approval of Both Municipal Boards
- ❖ Vote of Residents in Territory to be Annexed

NY COM Special Forum on Consolidation/Dissolution

Municipal Annexation

❖ Why?

- The Village Is Currently Providing Services Outside of Its Boundaries
- The Village Could Provide Services to Properties Outside Its Boundaries More Efficiently Than an Existing District

NY COM Special Forum on Consolidation/Dissolution

Consolidation of Towns

- Will Not Result in Creation of Districts
- Only Option Likely to Result in a Reduction of Taxes for Both Village Residents & Residents of the Town Outside the Village

NY COM Special Forum on Consolidation/Dissolution

Charter Village as City

- ❖ Act of the State Legislature
- ❖ Village Would No Longer be Part of the Town
- ❖ Village Residents Would No Longer Pay Town Taxes
- ❖ Last Charter Granted by the State was in 1942

NY COM Special Forum on Consolidation/Dissolution

Exempt Village From Town Taxes

- ❖ Special Act of the State Legislature Needed
- * Opposition from Town Because of Loss of Revenue

! But Village Dissolution Results in Increase in Taxes of Residents Outside of Village

NY COM Special Forum on Consolidation/Dissolution

Discontinue Service

- ❖ Village of Johnson City Dissolution Study – Discussion of Converting from Paid Fire Dept. to Volunteer Fire Dept.

But Could the Village Discontinue the Service without Dissolving?
