

Town & Village of Liberty Shared Services Case Study

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1. Municipal Characteristics

Indicators	Town of Liberty	Village of Liberty
2000 Population	5,625	3,975
Land Area (sq. mi.)	80.7	2.4
Assessed Value Fully Taxable	\$314,777,322	\$131,454,554
Full Valuation Taxable Real Property	\$314,777,322	\$131,454,554
Total Tax Levy	\$4,756,140	\$2,586,916
Total Debt Outstanding	\$6,483,000	\$3,205,789
Total State Aid Revenue	\$205,500	\$34,519
Total Revenue w/ State Aid	\$7,576,286	\$6,105,443
Debt Service	\$523,329	\$744,175
Total Expenditures w/ Debt Service	\$7,735,146	\$6,227,730
Expenditures:		
General Government	\$2,697,914.00	\$3,576,462.00
Highway	\$2,150,579.00	\$808,640.00
Lighting	\$45,208.00	
Water	\$1,034,845	\$425,957
Sewer	\$903,479	\$594,020

2. Project Description & Impetus

In 2004, Frank Demayo, a Democrat, was elected Supervisor of the Town of Liberty, making Democrats a clear majority on both the Village and Town Boards. Partisanship had previously caused delays and friction in communication between the two entities, although such instances have now been reduced to isolated incidents; with the majority of elected officials sharing the same party, and the creation of the Community Development Corporation (CDC) there is more communication between the Boards and local leaders interact and cooperate well. According to local officials, the Town and Village occasionally shared services before the election, but these efforts were often constrained due to political differences.

Financially, the Village finds itself unable to maintain its expenditures, and is nearing its tax limitation. The New York Comptroller's 2006 Annual Report on Local Governments finds that the Village of Liberty is one of only three Villages in New York at 90% or more of their tax limitation – the Village is at 91%.

Previous studies, such as the 1997 SMART review, resulted in limited change, but a lack of overall momentum towards collaboration or consolidation. At the time, New York State Comptroller, H. Carl McCall had a program to enable municipalities throughout the state to examine whether or not there were cost and programmatic efficiencies to be gained from alternative strategies for the provision of municipal services. A response letter to the comptroller's office indicated that the Town was willing to make the following changes:

- Inter-municipal Cooperation/Justice Court – The Town was ready to start discussion with the Village of Liberty with respect to the consolidation of the Justice Courts. Increased revenues would allow the Town to offset the additional staff and other items needed for the increased case load.
- Joint purchasing and sharing of Bulldozer – Due to limited funds available for purchase of highway equipment the Town will not purchase a new bulldozer in the near future. If the purchase is necessary, the Town will contact the Village to discuss a joint purchase.
- Joint Consolidation and/or joint sharing of highway and salt storage facilities- At the present time (1997), the Town is developing a master plan for a new Town Barn Facility. During the planning process, the Town agreed to contact the Village to determine what part, if any, will or can be jointly used.
- Cooperative purchase of electricity – The Town, whenever possible, will purchase electricity with other municipalities when deregulation comes into effect.

In regard to section III, above, the Village did not participate in the building of the new barn facility. Although the Town responded to the recommendations of the SMART review to the effect that the Village would be contacted in regards to the barn facility, no joint collaboration was undertaken. Village officials were not available for comment on this matter. Given all the potential areas of collaboration undertaken by the study, this list covers the only areas of collaboration the Town was willing to entertain. The SMART review became yet another “report on the shelf.” While elected officials were willing to talk about shared services, there was, with few exceptions, little done to put any of it into action.

In 1999, “Sullivan 2009,” a County advocacy and incentive program promoting consolidation also did not achieve any notable results.

In 2004, with the Town Supervisor and Village Mayor willing to cooperate, and the fiscal conditions of the Village continuing to deteriorate; a joint consensus was formed that a study of shared services and a

review of a full consolidation effort between the Town and Village were worthy of consideration.

3. Proposal(s) and Proposed Funding

The proposal was to undertake a consolidation study of the Town and Village. The study was funded through a grant from the Department of State's Shared Municipal Services Incentive Grant Program. The grant was awarded on August 28, 2006.

4. Legal Foundation and Legal Checklist

The following resolutions were put forth:

- Resolution in favor of studying intergovernmental collaboration and consolidation between the Town and Village
- Resolutions to create and financially support the CDC
- Resolution in support of the SMSI application

5. Views on the Issue

Arguments pro:

Both Town and Village Boards, local elected officials and the survey of the residents indicated a strong willingness to examine the issues. Further, the SMSI grant applicationⁱ contains letters of support from state and federal representatives, the County Planning Department and the local Community Development Corporation.

The financial woes of the Village have played a key role in a renewed push to focus on collaboration and consolidation. The inability to revitalize the Village's downtown due to high taxation levels and the perception among residents that there are inefficiencies of service are looming concerns of Village residents and officials. A fear of bankruptcy remains as well, along with the various unknowns associated with its implications. Currently, the property tax rate in the Town of Liberty is \$44.00 per thousand of assessed value, while the Village rate is \$66.00 per thousand of assessed value, with the Village providing more services than the Town.

Arguments Con:

There is no evidence of vocal opposition to performing the study.

While little opposition has been gathered to consolidation yet, there is a less favorable opinion of consolidation in the Town, outside the Village, because of the tax burdens and financial deficits of the Village, which would be partially transferred to the Town in the event of full collaboration. This may lead to friction among residents as the study moves forward and attempts are made to act on its recommendations.

Local News Media Positions

No answer provided

6. Results (adopted, amended, rejected etc)

The Town/Village Consolidation Study for Liberty, New York was adopted by resolution of both the Town and Village Boards.ⁱⁱ The acceptance of a contractor for the RFP for the study will require a separate

resolution of both boards. The RFP process will begin shortly now that the Town received the contract from the State for the funding of the grant

7. Implementation

Initial concerns were largely based on the local opinion that the Town residents would oppose the study due to fear associated with assuming the costs from the Village if consolidation occurred. A random survey of residents' opinions on consolidation of services for the Town and Village was undertaken by the County Planning Departments to verify the potential level of support for shared services. The results of the survey indicate a strong level of support to begin an examination of possible consolidation and increased collaboration in both municipalities, although support was higher within the Village. In general it is believed by the Town Supervisor that the lower level of support for consolidation within the Town is derived from a concern that costs will actually increase for Town residents, due to the Village's financial burdens. The Village has almost reached its statutory tax limit, which has created a greater willingness to consider consolidation.

Armed with the survey results, the Town and Village Boards submitted a joint application for a New York State Department of State, Shared Municipal Services Incentives Grant Program. This application was approved; the Town of Liberty received a copy of the contract from the State on May 18, 2007, which will now allow the Town to release its RFP for a consultant to perform the study. At this point it is too early to see how the results of the SMSI study will manifest themselves in public support for potential outcomes.

While the Town and Village have been awaiting the approval of the grant and the release of funds, they have not been idle in their efforts to test potential areas for collaboration. Rather than creating a committee (as envisioned in the grant) to oversee the communication between the two entities, the recent formation of a CDC has been able to provide the forum necessary for dialogue between the two municipalities. The CDC was jointly funded by the Town and the Village; additional funds for the organization were then matched by the Gerry Foundation, a Liberty based family foundation. The CDC has now been in operation for two years; during this period a number of potential areas of collaboration have been discussed. Based upon an interview with the CDC's Executive Director, Heinrich Strauch, it was learned that the CDC has been designated the representative for economic development for both the Town and Village. In addition the organization has also explored the following areas of potential collaboration:

- A strategic plan for further integration of infrastructure, such as with sewer and water.
- Combined efforts on beautification and discussions of how town parks and the recreation department can be helpful in aiding in the maintenance of facilities within the Village.
- Development of housing, whereby as communities within the Town continue to explore moratoriums, the Village can offer to attract developers to build within their limits.
- Discussion over who is the appropriate agency to address snow removal for the newly renovated sidewalks on the border of the Town and Village.

As a result of the collaborative leadership of the Town and Village, the pending SMSI study, the joint creation of the CDC, and the results of the survey, an atmosphere exists to test whether shared services concepts and consolidation of services are a workable solution, with resident support, for problems faced by both the Town and Village.

8. Expectations vs. Implementation

No answer provided.

9. Factors contributing to success/failure/Lessons Learned

While a collective bargaining issue did not precipitate the study, it should be noted that the Town's employees are not unionized while the Village's are, and may affect the ability of both entities to consolidate services and departments at certain times. The potential elimination of positions through attrition, utilization of existing facilities, potential new districts, reformulation of districts, and the distribution of services among governing bodies are all factors identified with possible consolidation. While political issues did not play a large role in previous collaboration, the alignment of political parties helped to facilitate easy and communicative relations between the Town and Village. The Supervisor will, additionally, be up for reelection this fall. The Village Mayor recently won reelection by a slim margin. In addition to fiscal security and efficiency issues, taxes, potential duplications in service, and change in general are considered "emotional issues" to both residents of the Town and Village.

It is clear that the most important factor will be leadership. Even if the study shows tax savings and greater efficiencies in service delivery, it will be incumbent upon leaders on a Town and Village level to convince their respective citizenry and look beyond issues that are potentially divisive, e.g., ethnicity and economic conditions within the Village. The current Town Supervisor has adopted the position that a vibrant Village is in the best interest of the Town and its residents. Seeing a greater level of results than in previous efforts will require leadership, political acumen and the ability to convince Town residents that what happens to the Village matters to them.

The potential elimination of jobs, some of which may be unionized, and the potential for tax increases in certain areas while streamlining the system, will make the role of municipal leader more difficult.

The State's inability to produce a contract for almost 10 months certainly effected momentum and could impact the leadership necessary to help gather public support for change. Elected officials who supported the application were up for reelection. The mayor was reelected by a slim margin, and the Town Supervisor faces reelection this fall. Although the study was not a campaign issue, as reform projects and consolidation issues move forward, and the more prevalent "emotional issues" begin to come up for discussion or action, political leaders may face some heated opposition to their ideas or candidacies.

10. The 10 Step Program

No answer provided

11. Technical Assistance

The Sullivan County Department of Planning aided in the development of the survey. Saratoga Associates, a private community development, planning, and research group assisted in the development of the RFP for the consultant to do the study of collaborative services. Saratoga Associates has provided previous assistance to Liberty, and has experience in local opinion surveys regarding government cooperation and consolidation.

12. List of documents

None provided

13. Additional comments/suggestions/helpful hints

None provided

14. Contact Information

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ⁱ See Appendix – Attachment “G” – the application

ⁱⁱ See Appendix – Attachment “E”