

Preliminary Findings Village of Painted Post and Town of Erwin Shared Services / Consolidation Study

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Prepared for:
Village of Painted Post and Town of Erwin Study Committee

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INTRODUCTION

The Village of Painted Post, in cooperation with the Town of Erwin, is evaluating options for providing government services more efficiently.

A nine-member Study Committee approved by both the Village and Town is exploring:

- Shared service opportunities – where Painted Post and Erwin governments remain as separate units but personnel, equipment and/or facilities are shared in ways that reduce tax burdens and create operating efficiencies.
- Functional consolidation opportunities – where the two governments remain as separate units, but one or more functions are combined under one government or the other, yielding cost and/or service efficiencies.
- Government consolidation – where the two governments effectively merge.

The Center for Governmental Research has been engaged as study consultant. Three Rivers Development is funding the study.

History, Size and Structure

The Village of Painted Post is located just west of Corning in New York's Southern Tier region. Incorporated as a village in 1860, Painted Post covers 1.3 square miles of the 39-square-mile Town of Erwin.

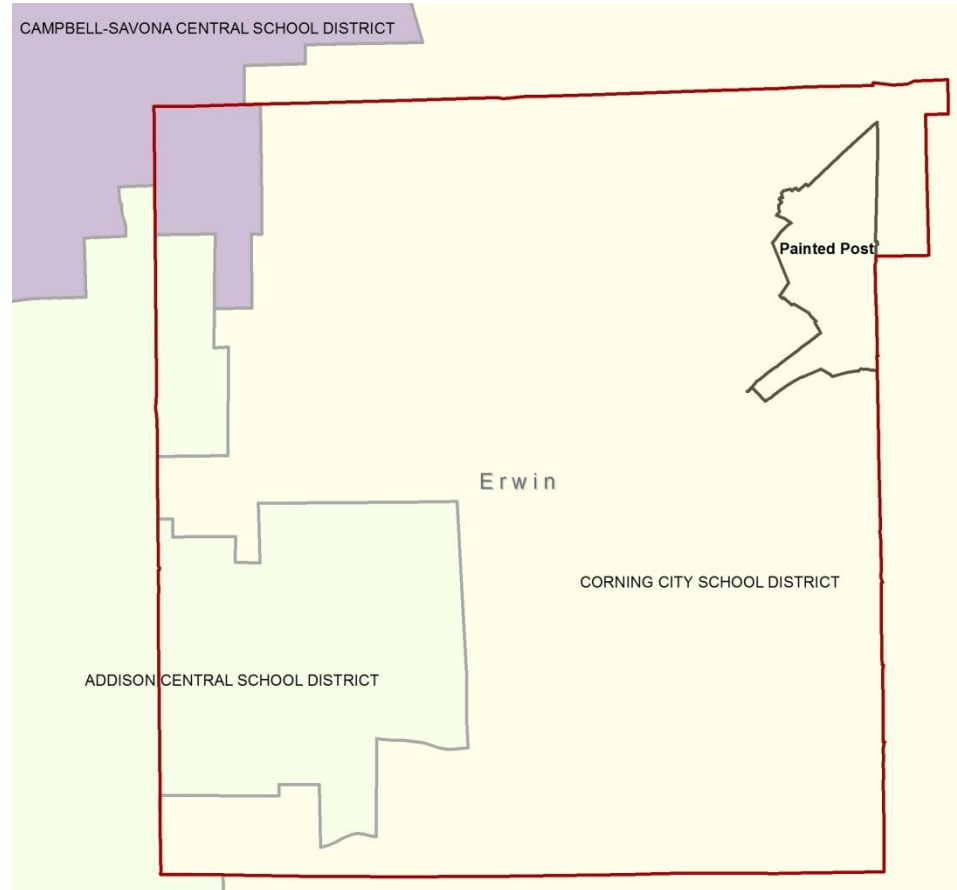
The map on the following page shows the Town of Erwin, the Village of Painted Post, and the town's large hamlet, Gang Mills.

Location of the Village of Painted Post in Town of Erwin



The map on the next page shows the Town and Village, along with the three school districts that serve the area. The school districts are not part of the shared services / consolidation study but are shown to illustrate the complexity of the multi-layered government structure that is common in New York. The map would be more illustrative (but too complex to read at this scale) if the fire districts, water districts, sewer districts and lighting districts were also shown.

School Districts in the Town of Erwin



POPULATION TRENDS

Since 1960, growth in the community has occurred primarily in the Town-outside-Village (TOV) while the Village has experienced a substantial decline in population over the period. In 1960, Painted Post accounted for 44% of the Town's 5,800 residents. Today, according to Census estimates, the Village accounts for 24% of the estimated 7,400 residents in the Town.

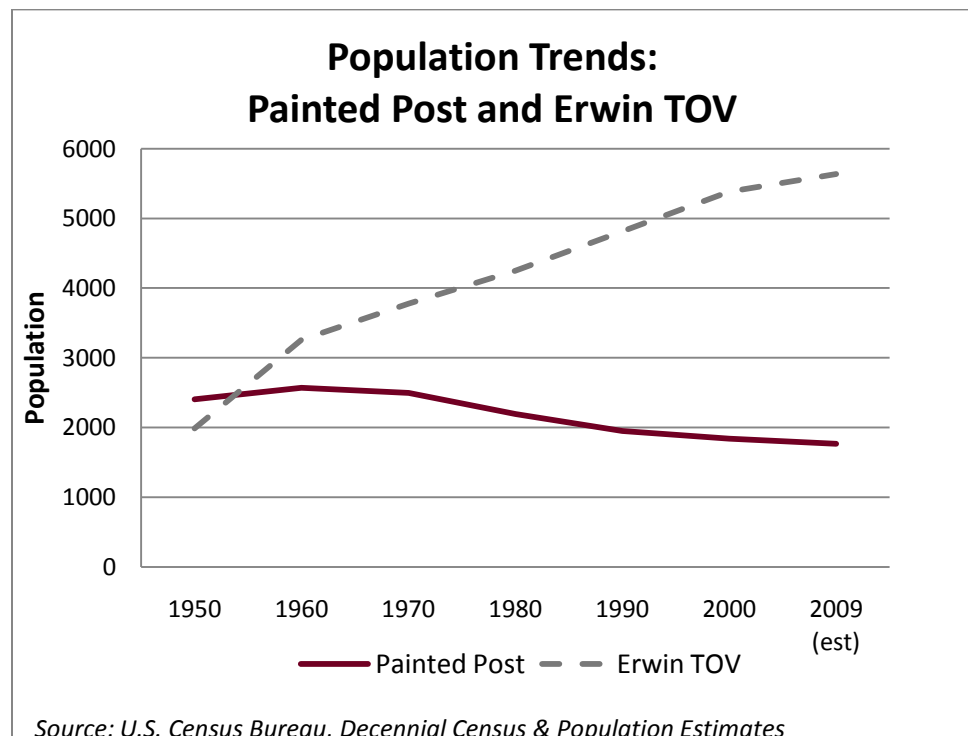
Peak population for the Village and the TOV are highlighted in Table 1.

TABLE 1

Towns and Village Populations, 1950 - 2009			
	Painted Post	Erwin TOV	Erwin Total
1950	2,405	1,988	4,393
1960	2,570	3,259	5,829
1970	2,496	3,779	6,275
1980	2,196	4,249	6,445
1990	1,950	4,813	6,763
2000	1,842	5,385	7,227
2001 (est)	1,832	5,537	7,369
2002 (est)	1,818	5,705	7,523
2003 (est)	1,795	5,661	7,456
2004 (est)	1,776	5,620	7,396
2005 (est)	1,774	5,594	7,368
2006 (est)	1,757	5,571	7,328
2007 (est)	1,747	5,607	7,354
2008 (est)	1,766	5,614	7,380
2009 (est)	1,765	5,637	7,402

Source: U.S. Census Bureau, Decennial Census & Population Estimates
 Note: Shaded is peak.

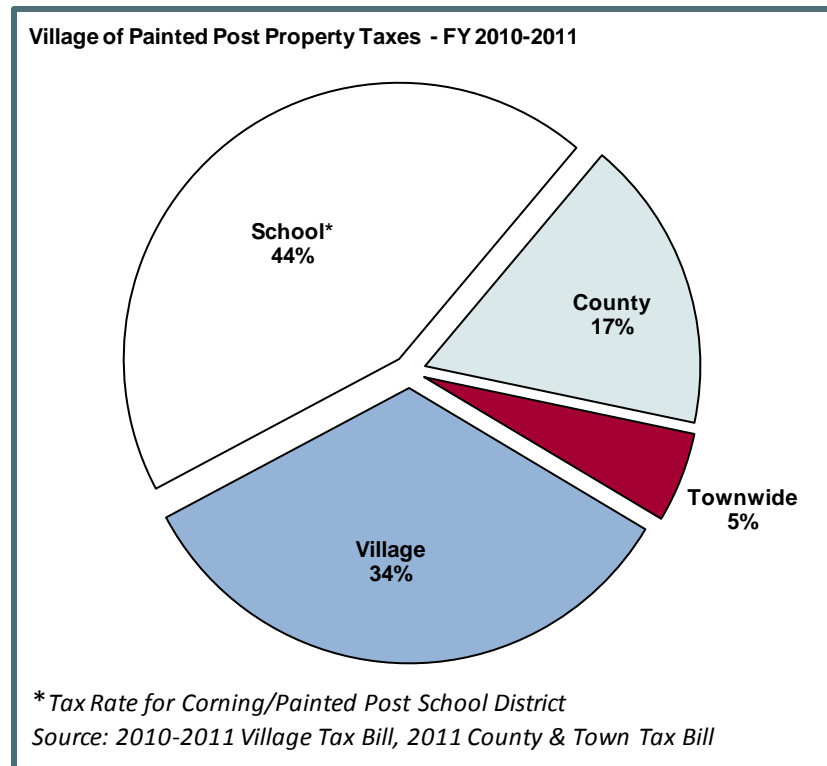
GRAPH 1



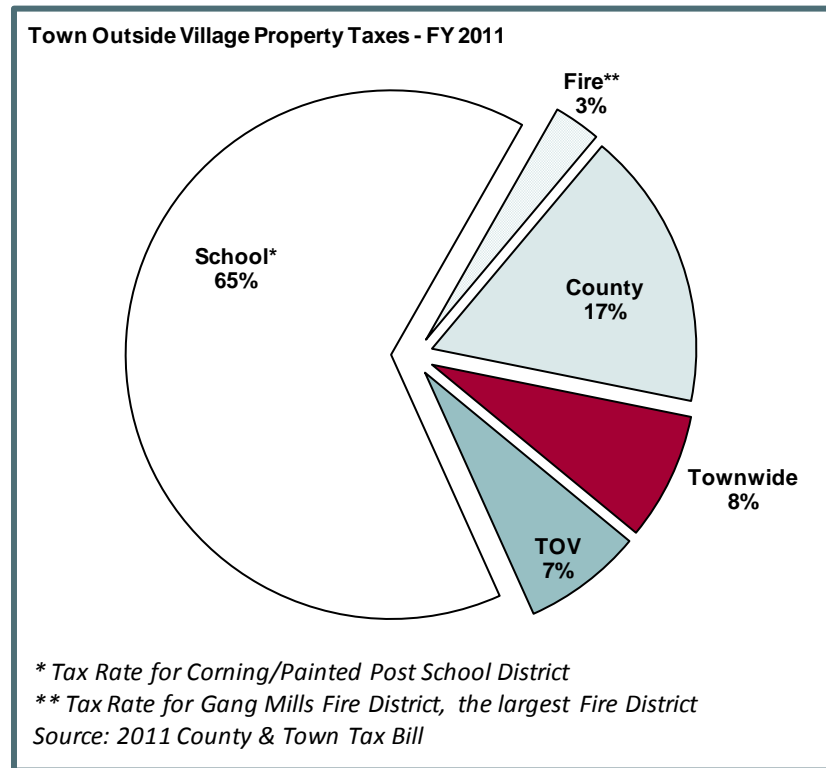
WHERE DO LOCAL TAX DOLLARS GO

Graphs 2 and 3 show the percentage of total taxes (excluding state and federal taxes) paid to the various layers of government that impact the community.

GRAPH 2



GRAPH 3



Local Government Taxes

Summary Table

TABLE 2

2011 Tax Rates per \$1000 AV for a Village and TOV Taxpayer		
	Village	TOV
County	\$9.07	\$6.08
Townwide	\$2.78	\$2.78
Village	\$17.74	-
TOV	-	\$2.60
Fire*	-	\$1.02
Total	\$29.59	\$12.48

*Tax rate for Gang Mills Fire District, the largest Fire District
 Source: 2010-2011 Village Tax Bill, 2011 County & Town Tax Bill

Detailed Table Shows the Complexity in Local Tax Rates

The county tax rate is different in the Village and the TOV because sales tax revenue for the TOV is predominantly applied to offset a portion of the county tax levy. In the Village, sales tax revenue from the county is received in cash.

TABLE 3

Complexity of Local Tax Rates (Tax Rate per \$1000 AV for FY 2011)		
	Village	TOV
County	\$9.07	\$6.08
Town	\$2.78	\$2.78
Village	\$17.74	-
Town Outside Village	-	\$2.60
School		
Corning/Painted Post	\$23.16	\$23.16
Addison	-	\$19.69
Campbell-Savona	-	\$19.14
Fire		
Coopers Plains Long Acres FD	-	\$1.35
Forest View Gang Mills FD	-	\$1.01
Fire Protection District*	-	\$1.56
Lighting		
Morningstar LGT	-	\$0.37
Steuben Village LGT	-	\$0.81
Aurene LGT	-	\$0.16
Aurene Park	-	\$0.65
Erwin Water	-	\$0.07
Erwin Sewer	-	\$0.22
Stream Management	-	\$0.10
Epic Bridge (Corning Inc.)	-	\$690.93
Sewer IMP (Corning Inc.)	-	\$5.77
Water IMP (Corning Inc.)	-	\$7.16

**Town of Erwin contracts with Coopers Plains Long Acres FD and Forest View Gang Mills FD to provide services in the fire protection district.*

Source: 2010-2011 Village Tax Bill, 2011 County & Town Tax Bill, Steuben County Property Tax Service Agency

REAL PROPERTY INFORMATION

Taxable Assessed Valuation – Much Higher in the TOV

Table 4A shows that the Village has 17% of the total assessed value of the town. Table 4B shows that 32% of the property in the Village is tax exempt and 21% of the property in the TOV is tax exempt. This leaves taxable assessed values (TAV) in the Village, TOV and Townwide, as shown in Table 4C. The Village represents just 15% of the TAV in the Town of Erwin. Graph 4 illustrates this information in a pie chart.

TABLE 4A

Total Assessed Values As of 2010		
	AV	% of Town AV
Village	\$112,609,276	17%
TOV	\$549,252,817	83%
TOTAL Townwide	\$661,862,093	100%

Source: Steuben County Property Tax Service Agency

TABLE 4B

Tax Exempt Valuations As of 2010		
	Tax Exempt	% of Total Assessed Value
Village	\$36,428,163	32%
TOV	\$115,143,481	21%
TOTAL Townwide	\$151,571,644	23%

Source: Steuben County Property Tax Service Agency

TABLE 4C

Taxable Assessed Values (TAV) As of 2010		
	TAV	% of Town TAV
Village	\$76,181,113	15%
TOV	\$434,109,336	85%
TOTAL Townwide	\$510,290,449	100%

Source: Steuben County Property Tax Service Agency

GRAPH 4

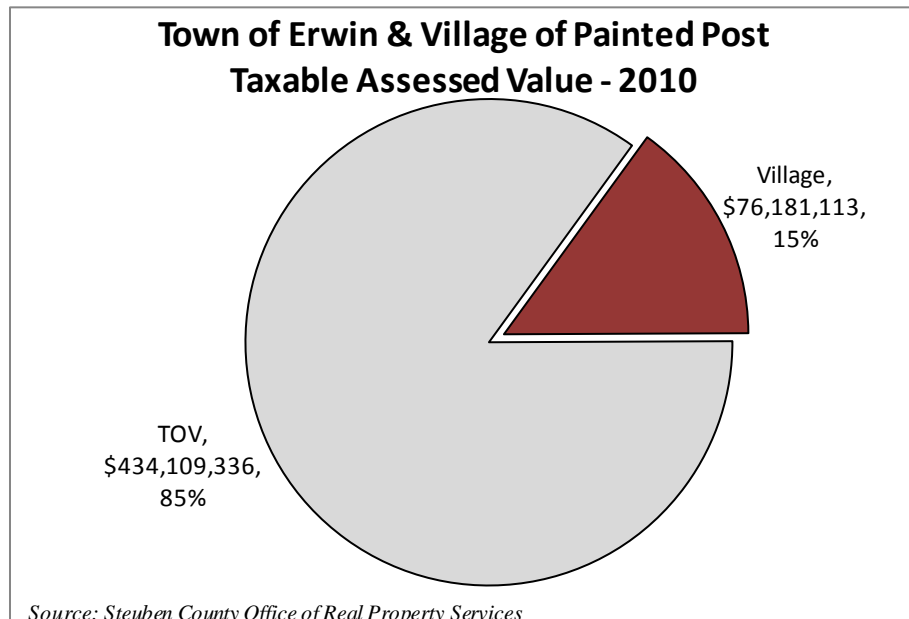


Table 4D shows that 22% of the parcels in Erwin are located in the Village, and 78% in the TOV.

TABLE 4D

Parcels in Erwin		
	# of Parcels	% of Parcels
Village	709	22%
TOV	2512	78%
Total	3221	100%

Source: Steuben County Property Tax Service Agency

BUDGETARY SUMMARY

The next section of this report highlights key budgetary information for the Village and Towns. Table 5 summarizes both expenditures and tax levies for the Village and Town for fiscal year 2011.

TABLE 5

Budgeted Expenditures and Tax Levies - FY 2011				
	Total Budgeted Expenditures	% of Total	Tax Levy	% of Total
Village	\$2,262,114	23%	\$1,282,741	22%
Town	\$7,672,762	77%	\$4,469,229	78%
Townwide	\$2,627,456	26%	\$1,711,571	30%
TOV	\$1,801,990	18%	\$1,360,825	24%
Special Districts/Other*	\$2,722,371	27%	\$877,388	15%
Separate Fire Districts**	\$520,945	5%	\$519,445	9%
Total	\$9,934,876	100%	\$5,751,970	100%

*Include Drainage, Fire Protection District, and Lighting Districts. Consolidated Health expenditure and levy of \$11,424 is not included.

**CPLA and FVGM Fire Districts

Source: 2010-2011 Village Budget, 2011 Town Budget

Breakdown of Budgeted Expenditures

Tables 6A and 6B show the breakdown of budgeted expenditures on the major functions in both the Village and the Town on both an absolute and a percentage basis.

TABLE 6A

Budgeted Expenditures - FY 2011			
	Village	Town	Total
General	\$1,666,166	\$1,955,474	\$3,621,640
General TOV	-	\$193,050	\$193,050
Highway	-	\$671,982	\$671,982
Highway TOV	-	\$1,608,940	\$1,608,940
Water	\$276,566	\$1,531,519	\$1,808,085
Sewer	\$319,382	\$1,024,404	\$1,343,786
Stream Management	-	\$60,113	\$60,113
Fire Districts*	-	\$596,680	\$596,680
Lighting Districts**	-	\$9,100	\$9,100
Parks	-	\$21,500	\$21,500
Totals	\$2,262,114	\$7,672,762	\$9,934,876

Source: 2010-2011 Village Budget and 2011 Town Budget

* Combination of the CPLA and FVGM Fire Districts and the Fire Protection District.

** Combination of 3 Special Light Districts

TABLE 6B

Budgeted Expenditures - FY 2011						
	Village	% of Village Expenditures	Town	% of Town Expenditures	Total	% of Total Expenditures
General	\$1,666,166	73.7%	\$1,955,474	25.5%	\$3,621,641	36.5%
General TOV	-	-	\$193,050	2.5%	\$193,050	1.9%
Highway	-	-	\$671,982	8.8%	\$671,982	6.8%
Highway TOV	-	-	\$1,608,940	21.0%	\$1,608,940	16.2%
Water	\$276,566	12.2%	\$1,531,519	20.0%	\$1,808,085	18.2%
Sewer	\$319,382	14.1%	\$1,024,404	13.4%	\$1,343,786	13.5%
Stream Management	-	-	\$60,113	0.8%	\$60,113	0.6%
Fire Districts*	-	-	\$596,680	7.8%	\$596,680	6.0%
Lighting Districts**	-	-	\$9,100	0.1%	\$9,100	0.1%
Parks	-	-	\$21,500	0.3%	\$21,500	0.2%
Totals	\$2,262,114	100%	\$7,672,762	100%	\$9,934,877	100%

Source: 2010-2011 Village Budget and 2011 Town Budget

*Combination of the CPLA and FVGM Fire Districts and the Fire Protection District.

** Combination of 3 Special Light Districts

As Table 7 below shows, nearly \$8.8 million, or 89% of total budgeted expenditures for the two municipalities, is spent in common areas.

TABLE 7

<i>Common Expenditures for the Village and Town FY 2011</i>				
	Village	Town	Combined	% of Total
Community Environment	\$9,000	\$47,560	\$56,560	0.64%
Debt Service	\$230,277	\$1,593,487	\$1,823,764	20.69%
Economic Opportunity and Development	\$300	\$11,000	\$11,300	0.13%
Employee Benefits	\$328,272	\$808,650	\$1,136,922	12.90%
Executive	\$1,700	\$70,479	\$72,179	0.82%
Finance	\$43,375	\$136,177	\$179,552	2.04%
Fire Protection	\$79,050	\$596,680	\$675,730	7.67%
General Environment	\$6,800	\$29,000	\$35,800	0.41%
Highway*	\$564,520	\$1,500,809	\$2,065,329	23.43%
Legislative	\$3,200	\$38,366	\$41,566	0.47%
Municipal Staff	\$14,750	\$87,665	\$102,415	1.16%
Recreation	\$105,850	\$167,890	\$273,740	3.11%
Sewage	\$236,200	\$656,656	\$892,856	10.13%
Shared Services	\$62,900	\$196,400	\$259,300	2.94%
Special Items	\$76,000	\$80,300	\$156,300	1.77%
Special Services	\$11,000	\$3,500	\$14,500	0.16%
Traffic Control	\$7,500	\$11,000	\$18,500	0.21%
Water	\$248,430	\$751,000	\$999,430	11.34%
Total	\$2,029,124	\$6,786,619	\$8,815,743	100.00%

Source: 2010-2011 Village Budget and 2011 Town Budget

*Street lighting expenses for the Village and the Town are included under highway expenditures. In the town this includes 3 lighting districts, expenditures for which total \$9100.

Table 8 shows where expenditures are budgeted only by one municipality.

TABLE 8

<i>Expenditures Affecting Only One Municipality FY 2011</i>		
	Village	Town
Animal Control	-	\$11,500
Culture	-	\$154,141
Interfund Transfers	-	\$475,884
Judicial	-	\$138,887
Natural Resources	-	\$65,331
Other Health	-	\$30,900
Other Public Safety	-	\$9,500
Law Enforcement	\$232,990	-
Total	\$232,990	\$886,143

Source: 2010-2011 Village Budget and 2011 Town Budget

Table 9 summarizes the information presented in the previous two tables.

TABLE 9

<i>Expenditure Type</i>	<i>% of Total Expenditures</i>
Common Expenditures	89%
Expenditures Affecting Only One Government	11%

Source: 2010-2011 Village Budget and 2011 Town Budget

Breakdown of Budgeted Revenues

TABLE 10

Budgeted Revenues - FY 2011			
	Village	Town	Total
General	\$1,715,966	\$1,955,474	\$3,671,440
General TOV	-	\$193,050	\$193,050
Highway	-	\$671,982	\$671,982
Highway TOV	-	\$1,608,940	\$1,608,940
Water	\$287,000		\$287,000
Sewer	\$337,500		\$337,500
Stream Management	-	\$60,113	\$60,113
Fire Districts*	-	\$596,680	\$596,680
Lighting Districts**	-	\$9,100	\$9,100
Park	-	\$21,500	\$21,500
Total	\$2,340,466	\$5,116,839	\$7,457,305

Source: 2010-2011 Village Budget and 2011 Town Budget

*Combination of Coopers Plains Long Acres FD, Forest View Gang Mills FD, and CGW Fire Protection District

** Combination of Morning Star, Steuben Village, and Aurene Light Districts

FUND BALANCES

At the end of every fiscal year, every municipality either over or under spends relative to the revenue it receives. These surpluses or negative amounts are reported by accountants as fund balance¹, which are listed separately for different funds (e.g., general, water, sewer).

According to the Government Finance Officers Association (GFOA), the adequacy of unreserved fund balance in the general fund should be assessed based upon a government's own specific circumstances.

However, GFOA recommends that at a minimum a local municipality, regardless of size, should have approximately two months of expenditures on reserve in order to properly manage financial affairs for the community. That equates to about 5% to 15% of regular general fund operating revenues.²

¹ Fund balance = the net assets of governmental funds calculated on a budgetary basis, calculated based on all previous years' surpluses and/or deficits. Fund balance is of two basic types: *reserved* for specific purposes, or *unreserved* and therefore available to be used within the governmental fund.

² <http://www.gfoa.org/downloads/caafr-appropriate-level.pdf>

Fund balances for the Village of Painted Post are shown in Table 11. CGR will receive comparable information for the Town.

TABLE 11

Fund Balances		
	Fund/Purpose	Fund Balance
Village of Painted Post As of 5/31/10	General Fund	\$263,423
	Water	\$337,014
	Sewer	\$27,506
	Sewer Debt Service	\$2,265
	GF Fire Dept.	\$4,054
	Total	\$634,261
Town of Erwin As of */*/**		
	Total	

Source: Painted Post Village Clerk

DEBT LEVELS

The Village and Town carry debt loads that have been financed either through the issuance of bonds or bond anticipation notes (BAN's). Costs for debt service are captured in each fund's annual budget. While every property taxpayer in the Village pays for general fund debt, only users of water and sewer services pay for the debt associated with each of these funds. The Town is similar with debt being financed by taxpayers according to the fund in which the debt is tracked.

Debt levels for the Village and Town are shown in Table 12.

TABLE 12

Outstanding Debt - FY 2011				
	Fund	Purpose	Outstanding	
Village of Painted Post As of 1/1/11	Sewer	Sewer Improvement	\$1,445,000	
	General	Bonds - Village Hall/Fire Dept	\$149,000	
	General	Machinery Purchase	\$160,000	
	General	Authority Loan	\$58,800	
		Total		\$1,812,800
Town of Erwin As of 1/1/11	Sewer	Sewer Improvement Program Phase III*	\$270,000	
	Sewer	Route 417 Lift Station - BAN**	\$150,000	
	TOV General	ESDC Loan for Photonics plant	\$96,936	
	TOV General	Infrastructure for Photonics - Robert Dann Drive	\$40,000	
	TOV Highway	2006 Street Sweeper, 6 Wheel Dump	\$58,000	
	Townwide General	New Highway Garage	\$2,500,000	
	Townwide Highway	Robert Dann Drive Bridge**	\$6,025,000	
	Water	General Improvement (Part of Route 417)	\$140,000	
	Water	Water Improvement**	\$100,000	
	Water	New ID Park Well - BAN**	\$505,000	
	Water	Coopers Plain Long Acres Water Dist. Expansion***	\$3,569,024	
		Subtotal		\$13,453,960
		TOTAL excluding sewer, water, and special taxes and fees		\$2,694,936

* Payments made via special tax on commercial, industrial, and residential property

** Payments made via special tax on Corning Incorporated

*** Payments made via special fee on properties in the Coopers Plain Long Acres District

Source: 2011 Town of Erwin Debt Schedule,

MUNICIPAL EMPLOYEES

Employee Salary and Benefit Information

The Village has provided comprehensive salary, wage and benefit information for its regular full and part-time employees. The Town is currently compiling comparable information for its employees.

Village – Fiscal Year 2010-11

- Total wages and salaries³ = \$662,719
- Total benefits = \$318,564
- Total employee cost = \$981,283
- Benefits as % of total cost = 32%

³ Total wages / salary = base pay, estimated overtime pay, and longevity pay.