

CGR

Public Forum #3 | November 28, 2012

Study of Governance and Service Options

Town of Rye and the Villages of Port Chester, Rye Brook and Mamaroneck



Public Forum 3 | Tonight's Agenda

- ▶ **Call to order**
- ▶ **Introductions**
 - ▶ Steering Committee
 - ▶ Study Team (CGR)
- ▶ **Recap:** Project objectives and process
- ▶ **Report:** Options and impacts
- ▶ **Comments & questions**
- ▶ **Adjourn**



Introductions

Steering Committee & CGR

Steering Committee | Membership

▶ **Town of Rye**

- ▶ Joe Carvin, Supervisor
- ▶ Bishop Nowotnik

▶ **Village of Port Chester**

- ▶ Dennis Pilla, Mayor
- ▶ Christopher Steers

▶ **Village of Rye Brook**

- ▶ Joan Feinstein, Mayor
- ▶ Christopher Bradbury

▶ **Village of Mamaroneck**

- ▶ Norman Rosenblum, Mayor
- ▶ Richard Slingerland / Daniel Sarnoff

Project Team | CGR and Research Staff

▶ About CGR

- ▶ Rochester-based 501c3 organization providing strategic consulting, information management and implementation support to local governments across New York State
- ▶ Expertise in government management, fiscal and economic analysis, service delivery and efficiency improvement

▶ Project Team

- ▶ Joseph Stefko, Ph.D.
President & Chief Executive Officer
- ▶ CGR's Government Management Team



Recap

Project Objectives & Process

Project Objectives | Informing Options

- ▶ **Analyze potentially dissolving Rye Town in order to eliminate administrative level and generate tax relief**
 - ▶ Review alternative forms of government – specifically coterminous town/villages – for Port Chester, Rye Brook and Mamaroneck in the event of Town dissolution
- ▶ **Summary review of potential shared service alternatives between Villages**

Project Process | Study Phases

1. **Baseline review**

Document existing conditions and “what exists” in order to build a shared information foundation for moving forward

2. **Identification of options / development of model**

Identify range of options consistent with State-approved work plan, and vet alternatives with Steering Committee

3. **Analysis of options**

Review budgetary / fiscal impact of structural alternatives

Project Process | Recap

Phase 1
Project Initiation
Public Forum #1
Baseline Data Review



COMPLETED
(Sep '11)

Phase 2
Review Current State
Baseline Report
Public Forum #2



COMPLETED
(Jan '12)

Phase 3
Identify Options
Analyze Impacts
Options Report



COMPLETED
(Sep-Nov '12)

Next Steps | Moving Forward...

- ▶ **Further Steering Committee consideration**

Town and Village boards to use study as a “point of departure” for discussing next steps

- ▶ **Community discussion**

Is / are there option(s) that make sense which the community wishes to pursue?

Note: Subsequent public meetings to be held in each Village



Dissolving the Town of Rye

Summary of Options & Impacts

Report | Basis for the Town Dissolution Option

- ▶ **Relatively small budget and narrow service menu**
- ▶ **Town *completely* covered by incorporated Villages**
- ▶ **Those Villages are *all* full-service providers**
- ▶ **No Town involvement in “high-intensity” services**

But it's not as easy as simply dissolving the Town. The process involves a number of moving parts, both as a function of the Town's existing responsibilities (who does what after it's gone?) and assets (who gets what after it's gone?), and as a function of State law – *Villages cannot exist outside of Towns in NYS.*

Report | Structural Considerations

- ▶ **As vetted by the Steering Committee, three basic alternatives are available**
 - ▶ Create coterminous town/villages for successor governments
 - ▶ Convert one or more successor governments to city status
 - ▶ Annexation of one or more successor governments
- ▶ **Coterminous town/village option deemed most feasible**
 - ▶ Eliminate Rye Town, “create” three new towns (“paper-only”) whose boundaries match each of the three Villages
 - ▶ Retain existing Village service delivery infrastructure, governments
 - ▶ Consolidate remaining Town-provided services in certain instances
 - ▶ Liquidate Rye Town assets, distribute liabilities proportionately

Report | Structural Considerations

- ▶ **See report for background on where this form is used in NYS (n=5), processes for enacting and implementation**
- ▶ **Impacts on revenues**
 - ▶ Some revenues cease being provided in double form (*e.g.* CHIPS)
 - ▶ Other revenues continue to be provided doubly (*e.g.* NYS aid)
 - ▶ All forms of taxation for the Town *and* Villages remain eligible, although our fiscal analysis assumes elimination of the Rye Town property tax through its dissolution
- ▶ **Impact on school districts**
 - ▶ None

Report | Structural Considerations

- ▶ **How would coterminous model work in the event of Rye Town dissolution?**
 - ▶ Coterminous town-village of Port Chester
 - ▶ Coterminous town-village of Rye Brook
- ▶ **More complicated in Village of Mamaroneck b/c it spans multiple towns (only Rye Neck is within Rye Town)**
 - ▶ Entire Village could reorganize into coterminous town-village, though that creates fiscal implications for the portion of the Village within the Town of Mamaroneck
 - ▶ Note: The model we analyze later *does* make this assumption

Report | Structural Considerations

- ▶ **Our point of departure for modeling fiscal and service implications was a “menu” of structural options provided to the Steering Committee**
- ▶ **From that menu, a “straw man” model was built on the following considerations:**
 - ▶ The model would dissolve the Town of Rye and zero out its property tax, liquidate its assets, reassign its liabilities, etc.
 - ▶ The model would retain the existing Villages as the primary governments and service providers in the successor communities
 - ▶ **The model:** 3 coterminous town-villages spanning the current Villages of Port Chester, Rye Brook and Mamaroneck (entire)

Report | Financial Considerations

- ▶ **The study analyzed the financial impacts involved with dissolving the Town, beginning with the following:**
 - ▶ Divesting Town revenue to the successor town-villages (*i.e.* all continuing non-property tax revenue such as State aid, tax collection fees, court fees, etc.)
 - ▶ Disposition of Town assets to the successor town-villages (*i.e.* esp. capital equipment and real property)
 - Assume sale of certain properties, incl. 10 Pearl and parking lot
 - Assume retention of all parkland, bridges, cemeteries, etc.
 - ▶ Other balance sheet assets (*i.e.* fund balance, Capital fund, etc.)
 - ▶ Disposition of Town liabilities (*i.e.* debt, employee obligations, OPEB, bridge capital costs, etc.)

Report | Financial Considerations

- ▶ **Important to note that the allocation of Town assets / disposition of Town liabilities *on a proportionate basis using taxable assessed value share of the three Villages* does not yield a significant shift in costs on Village taxpayers**
- ▶ **Why? Because Village taxpayers are Town taxpayers, and ultimately hold those assets / liabilities as a function of their taxable assessed value share**
 - ▶ Note: This only pertains to the Rye Neck portion of Mamaroneck, but all of Port Chester and Rye Brook

Report | Financial Considerations

▶ Impact on Rye Neck section of Mamaroneck

- ▶ Update of 2007 Pace University analysis
- ▶ Shifting Rye Neck into the Town of Mamaroneck would expose those property owners to a higher rate (reflecting the Town of Rye's limited service menu and tax levy)
- ▶ *Ceteris paribus*, the median Rye Neck property would see an increase of \$226
- ▶ *Accounting for the shift of taxable assessed value into the Town of Mamaroneck*, the median Rye Neck property would see an increase of \$181 (while other residents of Town of Mamaroneck would see a decrease)
- ▶ **Note: This option, analysis of which was required by the study work plan, was not included by the Steering Committee in the final model**

Modeling the Impact | Dissolving Rye Town

- ▶ **Dissolve Rye Town**
- ▶ **Three successor coterminous town-village governments**
 - ▶ Including *entire* Village of Mamaroneck, but create special district covering Rye Neck so that fiscal components can be appropriately allocated to the portion within the former Town of Rye
- ▶ **Eliminate Rye Town property tax**
- ▶ **Retain Town's eligible non-property tax revenue, distributed proportionately based on TAV share**
- ▶ **Allocate Town's balance sheet assets proportionately based on TAV share**
- ▶ **Assign Town's liabilities proportionately based on TAV share**

Modeling the Impact | Dissolving Rye Town

- ▶ **Crawford Park would transfer to Rye Brook**
 - ▶ w/ maintenance responsibilities
 - ▶ Residents of fmr Town would still have full access
- ▶ **Certain properties would be sold, proceeds distributed**
 - ▶ Incl. Town Hall and associated lot
- ▶ **Ownership of Town bridges transfers to three successor municipalities, with costs and liability allocated based on TAV share**
- ▶ **Rye Town Park transfers to joint ownership of three successor municipalities (w/ City of Rye), with costs allocated based on TAV share**

Modeling the Impact | Dissolving Rye Town

▶ **Some service adjustments would be required**

- ▶ Tax Collection: Assume VPC and VRB provide in consolidated fashion; VOM provides through existing office
- ▶ Tax Assessment: Assume VPC and VRB provide in consolidated fashion; VOM provides through existing office
- ▶ Court: VRB contracts with VPC to receive court service; VOM provides through existing court
- ▶ Rye Town Park: Joint ownership among successor municipalities and City provides framework for joint staffing; alternatively, have employees work directly for the RTP Commission
- ▶ Crawford Park: Responsibilities and cost assumed by VRB

Estimated Fiscal Impacts : Rye Town Restructuring Model

Source: CGR Analysis of Town and Village Budgets, Services and Financial Statements

	Village of Port Chester (entire)	Village of Rye Brook (entire)	Village of Mamaroneck (Rye Neck)	Village of Mamaroneck (Remainder)
Recurring Impacts				
Removal of Rye Town property tax (\$0.05/1000) <i>Annual savings estimate based on \$500,000 home</i>	\$25.00	\$25.00	\$25.00	-
Removal of Mamaroneck Town property tax (\$22.96/1000) ² <i>Annual savings estimate based on \$20,000 home¹</i>	-	-	-	\$459
Other recurring impacts <i>Includes net effects of reallocating Rye Town revenue, savings from elimination of property tax guarantee³, service adjustments and debt service⁴; Annual estimate based on \$500,000 home^{5,6}</i>	\$52.11	(\$21.63)	\$71.74	-
Total Recurring Impact	\$77.11	\$3.37	\$96.74	\$459.20
One-Time Impacts				
<i>Includes net effects of disposition of Rye Town property and liquidation of balance sheet assets; Annual estimate based on \$500,000 home</i>	\$252.50	\$289.80	\$199.30	-

Estimated Fiscal Impacts : Rye Town Restructuring Model (CONTINUED)*Source: CGR Analysis of Town and Village Budgets, Services and Financial Statements*

	Village of Port Chester (entire)	Village of Rye Brook (entire)	Village of Mamaroneck (Rye Neck)	Village of Mamaroneck (Remainder)
Potential / Liability Impacts⁷				
Retiree health insurance (OPEB) liability	(\$1,800,784)	(\$1,826,304)	(\$1,013,376)	-
Rye Town Park - Capital cost (60.722%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
Rye Town Park - Operational deficit (51.000%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
Bridge Maintenance	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
South Barry (Guion) (100.000%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
South Barry (Otter) (100.000%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
Jefferson Avenue (50.000%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
Short Street (50.000%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
Hillside Avenue (33.333%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
North Barry Avenue (33.333%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
General Maintenance	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
South Barry (Guion) (100.000%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-
South Barry (Otter) (100.000%)	TBD * 38.8%	TBD * 39.4%	TBD * 21.8%	-

Draft

Of Note | State Consolidation Funding

▶ **Citizens Empowerment Tax Credit**

- ▶ Now available to coterminous town-villages, but DOS not yet in a position to provide guidance on how it would be calculated and distributed to successor municipalities
- ▶ Any such incentive would occur *on top of* the fiscal impacts noted in the previous slides



Shared Service Review Summary

Review of Shared Services

- ▶ *“This study will identify areas where a high-level feasibility analysis could be developed for any such shared service opportunities that are identified. The proposed scope, however, will exclude a more detailed shared service analysis.”*

Review of Shared Services

- ▶ Building and Codes
- ▶ Fire
- ▶ Garbage and Recycling
- ▶ Parks and Recreation
- ▶ Police
- ▶ Public Works

Review of Shared Services

▶ Building and Codes

- ▶ Shared permit processing (procedural similarity)
- ▶ Shared code enforcement (though potentially more difficult)
- ▶ Outsourced enforcement?

▶ Fire

- ▶ Proximity issue renders collaboration w/ VOM more difficult
- ▶ Between VPC and VRB, potential opportunity in firehouse and apparatus location, joint asset / apparatus planning, more integrated staffing to mitigate overtime costs (already IMA precedent here)

Review of Shared Services

▶ Parks

- ▶ Shared manpower
- ▶ Shared capital equipment
- ▶ Outsourced options (per Rye Town model, although CBA implications)

▶ Recreation

- ▶ Collaborate / consolidate to:
 - Increase enrollment, improve sustainability of programming (esp. those with smaller numbers of registrants)
 - Broaden intermunicipal portfolio of recreation sites
 - Enhance programmatic diversity by leveraging larger population base

Review of Shared Services

▶ Police

- ▶ Proximity issue renders collaboration w/ VOM more difficult
- ▶ Shared command staff
- ▶ Shared dispatch and related specialized services (e.g. detectives)

▶ Public Works

- ▶ Proximity issue renders collaboration w/ VOM more difficult
- ▶ Shared facilities
 - Joint funding of capital investments to preserve assets (e.g. cold storage)
 - Joint procurement of common items (e.g. road salt)