

# **Review of Governance and Service Alternatives**

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

**November 2012**

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Port Chester, Rye Brook & Mamaroneck

**November 2012**

**Prepared for:**  
Town of Rye  
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Rye Brook & Mamaroneck

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## FOREWORD: ABOUT THIS REPORT

This report reviews certain governance and service alternatives for the Town of Rye community, including the Villages of Port Chester, Rye Brook and Mamaroneck. Readers should note that much of the baseline data informing this report is presented in a previous report, *Municipal Services and Financial Overview*, which was released in December 2011. Readers are encouraged to familiarize themselves with the *Overview* report in order to properly understand the data and contextual issues surrounding the options considered herein. A copy of that report can be accessed at the study website, located at [www.cgr.org/ryetown](http://www.cgr.org/ryetown).

Specifically, the current report does the following:

- Reviews options regarding a potential dissolution / restructuring of the Town of Rye in its current form;
- Presents a model for implementing a Town of Rye dissolution that results in three coterminous town-village successor municipalities representing the “former” Village of Port Chester, Village of Rye Brook, and Village of Mamaroneck (including *both* the Rye Neck section *and* the portion of the Village currently located within the Town of Mamaroneck);
- Evaluates the potential fiscal implications of implementing the model Town of Rye dissolution; and
- Identifies a range of other possible shared service alternatives that merit further, more detailed examination between and among the Villages within the Town of Rye.

The Town of Rye dissolution / restructuring model presented herein would generate the following *estimated fiscal impacts*:

1. Recurring savings of \$25 on a \$500,000 property in Port Chester, Rye Brook and Rye Neck by eliminating the Town of Rye property tax;
2. Recurring savings of \$459 on a \$20,000 property in that portion of the Village of Mamaroneck located in the Town of Mamaroneck (*i.e.* outside the Town of Rye) by eliminating the Town of Mamaroneck property tax;
3. Recurring savings of \$52 on a \$500,000 property in Port Chester, recurring *costs* of \$22 on a \$500,000 property in Rye Brook, and recurring savings of \$72 on a \$500,000 property in Rye Neck as a result of Town of Rye revenue reallocations, cost shifts and certain service adjustments that would be required by the elimination of the Town of Rye; and
4. One-time benefits from the disposition of certain Town of Rye assets and properties, valued at \$1.42 million in Port Chester (the equivalent of \$252 on a \$500,000 property), \$1.44 million in Rye Brook (the equivalent of \$290 on a \$500,000 property) and \$0.80 million in Rye Neck (the equivalent of \$199 on a \$500,000 property).

Other potential impacts and liabilities would shift from the Town of Rye to the successor municipalities, but their fiscal impact and timing are indeterminate at the present time. They include retiree health liabilities, capital and operational costs related to Rye Town Park, and capital costs related to bridge infrastructure owned entirely or partially by the Town of Rye. Still, it is important to note that the net fiscal impact of these shifts would effectively be zero because, since the entirety of the Town of Rye is covered by the three villages, taxpayers of the villages are already responsible for offsetting these liabilities on a proportionate basis according to their assessed value. So while legal ownership of the liability may transfer, the ultimate financial obligation would remain unchanged.

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# INTRODUCTION

In 2010, officials in the Town of Rye and Villages of Port Chester, Rye Brook and Mamaroneck<sup>1</sup> launched a collaborative endeavor to analyze the feasibility of potentially dissolving the Town in order to eliminate an administrative layer of local government. In addition to Town dissolution and/or restructuring options, the effort also sought to identify opportunities to enhance inter-municipal shared services among the local governments.

Jointly, the four municipalities applied for and received a Local Government Efficiency (LGE) grant from the New York State Department of State to fund a *Rye Town Dissolution Feasibility Study and Village Alternatives Analysis*. The co-applicants formed a Study Steering Committee, made up of Town and Village representatives<sup>2</sup>, and following a competitive proposal process, in June 2011 engaged CGR (Center for Governmental Research, Inc.) to produce a study that would provide factual information to residents and officials on the viability of dissolving Rye Town and pursuing additional inter-municipal shared services.

The overall study process was broken into two basic components. The first was a *baseline phase*, during which the study team would compile and review data on what currently exists across the four municipalities, in financial, operational and structural terms. The baseline phase, which concluded in January 2012 with the release of the Steering Committee's first report, *Municipal Services and Financial Overview*, developed an objective shared "knowledge base" which would serve as the key data source for the subsequent consideration of specific governance and service options. The second phase was an *options analysis*, the results of which are documented in this report. As noted above, the options analysis considered governance and service alternatives – and their operational and financial implications – in two "concept" areas:

- First, what a potential dissolution of the Town of Rye might look like, what alternative form(s) of government might be established to succeed the Town government, and what operational and/or financial efficiencies might result from a Town dissolution; and

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<sup>1</sup> Only a portion of the Village of Mamaroneck is located within the Town of Rye, with the remainder in the Town of Mamaroneck. By contrast, the Villages of Port Chester and Rye Brook are entirely situated within the Town of Rye.

<sup>2</sup> The Steering Committee is comprised of the following officials: Joe Carvin (Supervisor) and Bishop Nowotnik (Confidential Secretary) from the Town of Rye; Dennis Pilla (Mayor) and Christopher Russo (Village Manager) from the Village of Port Chester; Joan Feinstein (Mayor) and Christopher Bradbury (Village Administrator) from the Village of Rye Brook; and Norman Rosenblum (Mayor), Richard Slingerland (Village Manager) and Daniel Sarnoff (Assistant Village Manager) from the Village of Mamaroneck.



- Second, as part of the Town dissolution study, a *high level consideration* of what potential shared service alternatives between and among the community's municipalities might prove operationally and/or financially beneficial.

As such, this report is broken into two primary sections. The first section considers the potential dissolution of the Town of Rye, and the operational and financial implications thereof. Among the most critical issues addressed are:

- In light of State law, what municipal structure(s) could result in the community if the Town were eliminated?
- How would the portion of the Village of Mamaroneck located within the Town of Rye – referred to as “Rye Neck” – need to be addressed if the Town were eliminated?
- How would services currently provided by the Town – *e.g.* assessment, tax collection, parks maintenance, bridge maintenance – be delivered if the Town were eliminated?
- How would existing Town assets and liabilities be addressed if the Town were eliminated as a municipal unit?
- How would existing non-property tax revenues (*e.g.* Rye Town Park revenue) that currently flow to the Town be allocated if the Town were eliminated as a municipal unit?
- What would be the estimated financial impact on property tax payers if the Town were eliminated?

Complementing the detailed study of Town dissolution, the second section contains a *high level* consideration of the potential for additional shared services among the community's municipalities across a variety of service areas. This review is *not* intended to provide detailed analysis of those options, but rather to highlight them as possibilities meriting further consideration by the municipalities.

**PART I:**  
Dissolving the  
Town of Rye

## OVERVIEW

In the State-approved project work plan for this study, the Town and its Village partners explicitly identified Town dissolution as an option they wanted considered:

*Our objectives are...to produce a study that will provide factual and unbiased information to residents and town/village officials on the viability of (D)issolving the Town of Rye government in order to eliminate an administrative (only) level of government that provides no essential services in order to reduce the local property tax burden for its residents...*<sup>3</sup>

The potential dissolution of a Town is a complicated process with a series of cascading impacts, mainly as a function of New York State law governing municipal entities and the presence of incorporated village governments within towns. The dissolution or termination of town governments is distinct from other municipal forms in New York State. Specifically, §773 of Article 17-A of the General Municipal Law (GML), which governs consolidation and dissolution of municipal governments, explains that “a local government entity *other than a town* (emphasis added) may be dissolved and terminated by the procedure described in this title.” State law does not provide for the ability to dissolve a town government *except* where such town will be annexed into an adjoining town in the same county, as permitted under Article 5-A, §79-A of the State Town Law.

***Thus, this section does not examine dissolution of the Town of Rye inasmuch as it examines a restructuring of the Town of Rye that would effectively remove a layer of government over the community. This is explained in greater detail for each of the structural options considered herein.***

In considering potential restructuring of the Town of Rye, it is *absolutely critical* to note that State law would not permit the elimination of the Town in the absence of other restructuring options, since village governments cannot exist outside of towns. Thus, restructuring the Town of Rye would have to occur simultaneously to additional municipal restructuring in the community. Specifically, what would happen to the Villages that are wholly (or in the case of Mamaroneck, partially) located within the Town of Rye? For that reason, this section does not present merely a standalone analysis of *only* Town dissolution, but also contemplates the municipal restructuring concept in broader terms to include the Villages.

### Basis for the option

The genesis of the town dissolution option in Rye is based upon the government’s relatively small scope of services and budget, a function of the Town of Rye being

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<sup>3</sup> Drawn from the Town and Villages’ State-approved project work plan, which can be found in its entirety on the study website at <http://www.cgr.org/ryetown/about.aspx>.

entirely covered by incorporated village governments. This makes the Town of Rye reasonably unique among its peer New York State towns. In many, even those that have villages within them, the town government is more of a “full service” municipal entity, providing an array of services such as police, highways, court and others. This tends to be the case because most towns in New York State have at least a portion of their geography as “unincorporated area” – that is, town area that is not otherwise located within the confines of a village. In those cases, the town government is the municipal service provider of last resort, and thus maintains a broader service portfolio.

Because the Town of Rye has no unincorporated area – that is, its area is *entirely covered* by the three Villages – most residents receive primary services from their respective Village government. For example, the three Villages provide police services, fire protection and highways/public works; the Town has no involvement in any of these “high-intensity” services.

This is not to say the Town of Rye is not at all involved in service delivery. Indeed, it provides a series of critical functions, such as court services, assessment, tax collection and parks maintenance. However, its overall service portfolio is narrower than typically seen in New York State towns.

Reflecting this, the Town of Rye has a budget and staff size significantly smaller than the Villages within it. As noted in the *Municipal Services and Financial Overview* report, the Town of Rye’s budget is approximately \$3.5 million, compared to \$34.8 million in Port Chester, \$17.6 million in Rye Brook and \$30.9 million in Mamaroneck. Similarly, the Town’s full-time workforce (17<sup>4</sup>) is significantly less than that of Port Chester (148 full-time and 65 part-time), Rye Brook (73 full-time and 21 part-time) and Mamaroneck (133 full-time and 10 part-time).

For this reason, the State-approved work plan for this study sought to analyze the potential dissolution of the Town of Rye as an “administrative only level of government that provides no essential services.”

## How this section is organized

The potential dissolution of the Town of Rye is a complicated process involving many “moving parts.” For ease of understanding by the Steering Committee and general public, this section of the report breaks the various components of a potential dissolution – and the alternatives thereof – into several discrete sections. In reality, however, these various components would be integrated in any Town dissolution plan such that structural, financial and operational attributes are addressed in the dissolution process.

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<sup>4</sup> The Town of Rye also has 6 part-time and 75 seasonal employees.

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Therefore, this section is broken into the following components:

### *Structural Considerations*

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If the Town of Rye were dissolved, what options exist for structuring the successor municipal governments?

### *Financial Considerations*

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If the Town of Rye were dissolved, what options exist for allocating non-property tax revenues; how might assets and liabilities be transferred; what additional financial responsibilities (e.g. property tax guarantees) would the successor municipal governments assume; and what would be the resulting impact on property taxpayers?

### *Service Considerations*

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If the Town of Rye were dissolved, how might currently Town-provided services be assumed by the successor municipal governments? Notably, how might Rye Town Park be addressed, given its unique position and being subject to state legislation?

### *Process Considerations*

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What is the process for dissolving the Town of Rye, and how would it be operationalized in the form of a dissolution plan?

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## STRUCTURAL CONSIDERATIONS

As noted above, State law is restrictive regarding the dissolution of town governments. Moreover, because of State law, any consideration of a restructured town would have to occur simultaneously to additional municipal restructuring in the community, since villages (including the three located within the Town of Rye) could not legally continue to exist *in their current form* in the absence of a town government. For that reason, the “town dissolution” discussion is not merely focused on the fate of the Town of Rye as a municipal entity; indeed, it is more a global examination of potential municipal restructuring of all local governments in the community.

This section presents an overview of the basic alternatives for the Villages of Port Chester, Rye Brook and Mamaroneck (esp. the Rye Neck portion) in the event the Town of Rye was restructured:

- A coterminous town/village for one or more of the successor governments;
- City status for one or more of the successor governments; and
- Annexation impacting one or more of the successor governments.

These options are not mutually exclusive. For example, a Town of Rye restructuring could potentially result in some combination of coterminous town/villages and city governments, depending on the structure each successor government opts for. Further, because the Village of Mamaroneck spans the boundary between the Towns of Rye and Mamaroneck, different permutations would exist for the Rye Neck portion.

### Coterminous Town/Village

Creation of one or more coterminous town-village entities in the Rye community would entail dissolving the Town of Rye in its current form *and* creating one or more new towns with boundaries matching the current Village governments.

#### *What is it?*

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A coterminous town-village is a partially to fully consolidated municipality with shared borders where each entity retains its identity and governmental authority. Depending on how the coterminous unit is formed, the town and village may function together as a single unit of government, meaning the duties and responsibilities of both entities are carried out by one group of officers and employees. In such an

example, the same person serves as both the village mayor and town supervisor, and the village board members also effectively serve as the town board.<sup>5</sup>

### *Where is it used?*

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Currently in New York State there are only five coterminous relationships among the 932 existing towns and 554 villages. Three of them – Mount Kisco, Harrison and Scarsdale – are in Westchester County. The others are Green Island (Albany County) and East Rochester (Monroe County). Among the group, East Rochester is the most recent to adopt coterminous status, having transitioned in the early 1980s.

### *How is it implemented?*

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There are currently four methods by which a town and village can achieve coterminous status.

*First*, a new village could be incorporated using the exact same boundaries as the existing town. In order for this to be feasible, the existing town must have no other villages within its territory and would have to comply with the other provisions found in Village Law Article 2-200. As a point of reference, the coterminous municipalities of Harrison and Scarsdale were both created with this method. In fact, Scarsdale was formed in this manner to help protect its town boundaries from being annexed by the neighboring community of White Plains. The residents of Scarsdale realized that while their town could be annexed by an act of the State Legislature, a village could not be annexed without a formal vote of its residents. Even after incorporation as a town, it took another 15 years to fully consolidate their government structures. Because the Town of Rye has multiple existing villages within it, this approach is not applicable.

*Second*, a new town could be created that shares the borders of an existing village. In order for this to happen, a town would have to submit a petition under Article 5 of the Town Law, calling for the division of the existing town into two towns, one of which would share the boundaries of an existing village. The process for achieving status as a new town within a town can be very rigorous. Filing an Article 5 petition starts with obtaining signatures inclusive of five percent of the total number of votes cast in the town for the office of Governor at the last gubernatorial election – but not less than 100 in a first class town or not less than 25 in a second class town. The petition then goes to the county legislative body which must hold a public hearing and make a determination whether to grant the petition. The petition must receive 2/3 of the vote from the county legislative body. Once approved, there must then be a referendum on the division of the town at which all registered town voters (including residents of the village) would be eligible to vote. The coterminous municipalities of East Rochester

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<sup>5</sup> New York State Department of State Office of General Counsel. What is a coterminous town-village? Legal Memorandum LG 06. <http://www.dos.state.ny.us/cnsl/lg06.htm>

and Mount Kisco were formed in this manner. Specifically and uniquely to both, two existing towns were split to form the new town concurrent with the village.

*Third*, the State Legislature could adopt a special act creating the town-village entity. This process requires each existing local government that is requesting the change to submit a “home rule request” to the Legislature to enact the bill. Using this approach, the legislation would delineate new boundaries for the new municipality, and other provisions would be set forth regarding governmental administration, disposition of real property, and other assets and obligations of the existing municipalities. As a result of this process, the new boundaries could follow those of an existing town or village or be carved out to cover new boundary lines. A formal referendum is not required using this approach, but typically the State Legislature would condition the formation upon approval from the voters. The Town and Village of Green Island were both formed under separate acts of the legislature using this method.

*Fourth*, an existing village could annex territory adjacent to it within a town, provided that no other villages exist within the town. Villages are afforded this opportunity under Article 17 of the General Municipal Law. Essentially, the village would expand its boundaries to be coterminous with the town. In order for this procedure to be formally adopted, it requires formal votes of the town and village governing boards, plus approval by the voters at a referendum held in the outlying territory which is to be annexed. It should be noted that within New York State, this method has never been utilized to form a coterminous relationship. Moreover, because the Town of Rye has multiple existing villages (and no unincorporated area) within it, this approach is not applicable.

### *Post-consolidation status*

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Aside from process distinctions, perhaps the most notable difference between the first three methods and the fourth involves Article 17 of Village Law. Under the first three methods outlined above, the resulting coterminous entity would be subject to Article 17; under the fourth method, it would not. This article contains detailed provisions regarding the alteration of boundaries, election of officers, their powers and duties, bonds and other indebtedness, assessments and the administration of improvement districts.

Most importantly, being subject to Article 17 affords the coterminous entity the power to effectively consolidate governing structures and operate as one municipality for all intents and purposes. For instance, if a new town is created with the same boundaries as an existing village, Article 17 of the village law requires that a referendum be held to determine whether the voters wish the local government to operate principally as a village or town. After the election, there would be one governing structure with members holding office as both the town board and village trustees and functioning primarily according to the choice of the voters. Similarly, when a new village is incorporated, the town board may submit a proposition to the voters as to whether they wish the village board of trustees to function also as the



town board. If the proposition is turned down, then there will continue to be separate town and village boards even while they maintain coterminous status.

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### *What is the impact on revenues?*

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Transitioning to a coterminous town-village would potentially impact certain revenue categories. Certain forms of aid – for example, federal assistance and funding through CHIP, or Consolidated Highway Improvement Program – would be received by the coterminous entity as if it were only one government. In this case, funding would be based upon the principal form of government (*i.e.* town or village) voted for as part of the referendum. Other forms of revenue – especially State aid – would continue to be received by the coterminous entity according to its status as both a town and a village. Similarly, other specific forms of State aid such as exempt railroad property funds and senior/youth programs, would be subject to the same legal provisions regardless of coterminous status.

Notably, all forms of taxation available to both the town and village remain at their disposal under the coterminous relationship.

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### *What is the impact on school districts?*

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Article 17 of Village Law states that the creation of a coterminous town-village would not affect the existence or boundaries of any school district, or change the levy of collection of taxes for any school district.

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### *Where might this option apply in the Town of Rye?*

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The coterminous framework could apply to each of the villages in the Town of Rye. Creating this structure in Port Chester and Rye Brook would be “cleaner” because they are contained entirely within the Town of Rye:

- The Village of Port Chester could reorganize into a coterminous town-village of Port Chester; and
- The Village of Rye Brook could reorganize into a coterminous town-village of Rye Brook.

Applying this structure in the Village of Mamaroneck, however, is more complex because the Village spans two towns. In theory, the entire Village of Mamaroneck (*i.e.* including the Rye Neck portion) could reorganize into its own coterminous town-village, although that would create fiscal and electoral effects for the entire Town of Mamaroneck.

## City Status

Creation of one or more city governments in the Rye community would entail incorporating one or more of the current Villages into a separate city government, independent from any Town structure.

### *What is it and how is it formed?*

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City status represents another form under which portions of the Rye community could achieve a more consolidated municipal structure. At present, there are 62 city governments in New York State. The most recently incorporated city is the City of Rye, which was established in 1942. A recent letter from State Senator Catharine Young to the Town of North Dansville (which was exploring incorporation) provides a brief summary of the researched history of the process in Rye:

*In 1939, the Village of Rye sought legislative approval of a locally drafted charter for city incorporation. This legislative request was not able to be considered by the full Legislature until the home rule approval was received from Westchester County, in addition to the Village and Town approvals that were already submitted. Specifically, passage of this local legislation was held in the Assembly until this requirement was satisfied. After home rule approvals from the County, Town and Village were received in 1940, the Village of Rye's legislative request was able to be acted upon by both Houses of the legislature.<sup>6</sup>*

Although city status is often associated with a community's size (*i.e.* many consider cities to be larger municipal entities), size is not actually a condition for pursuing city status. In fact, "the Legislature may incorporate any community of any size as a city... Most of the state's 62 cities have populations smaller than the population of the largest village, whereas over 150 of the state's 556 villages have populations greater than that of the smallest city."<sup>7</sup>

The City of Rye history referenced above is instructive insofar as it highlights the legislative process required for incorporation of a city. Notably, creation of a new city requires State legislative approval, which itself is subject to "home rule" requests from the affected communities:

*As a practical matter, the State Legislature does not create cities without clear evidence from a local community that its people desire incorporation. This evidence ordinarily is a locally drafted charter submitted to the Legislature for enactment and a home rule message from local governments that would be impacted by the incorporation.<sup>8</sup>*

If any portion of the Town of Rye community desired to pursue city status, a city charter commission would need to be established that would outline the governing

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<sup>6</sup> Letter from State Senator Catharine M. Young to Dennis Mahus, Town Supervisor of the Town of North Dansville, February 10, 2011.

<sup>7</sup> *Local Government Handbook*, New York State Department of State, 2011, p 51.

<sup>8</sup> *Ibid* p 51-52.

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structure and general policies for the new city. The charter would then require approval by the State legislature.

### *What service and revenue differences result from this form?*

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There are some service differentials between becoming a city and a coterminous (or other) municipal entity. The most notable involves court functions – New York State pays the operating costs of city courts. Thus, all costs associated with justice courts (except for facility maintenance) would be removed from the municipal budget of any entity that acquires city status.

Similarly, there are potential revenue differentials between becoming a city and a coterminous (or other) municipal entity. Sales tax is one example. Cities can exercise more authority over sales tax generated within their boundaries than villages or towns. Cities can “preempt” the sales tax generated within their boundaries, effectively removing it from any existing county sharing pool, and take up to 50 percent of those receipts for their own general budget purposes. In some cases, discussing the concept can put pressure on counties and make them more willing to negotiate a more lucrative revenue sharing agreement with local municipalities in order to not lose significant amounts of revenue through preemption.

### *What is the impact on school districts?*

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The effect on school districts depends on the mechanism used in the municipal reorganization and the demographics involved. Under Education Law 2(16)(b-c), when a new city is created, the school district that is not coterminous with that city but contains all of, or a portion of the city within, and a majority of the population of children, becomes by definition a city school district. Where this occurs, a new debt limit may apply – any school district wholly or partly within a city becomes subject to the 5 percent constitutional debt limit, as opposed to the 10 percent statutory debt limit that applies to non-city school districts. These school district issues would require substantial review prior to any transition to city status. Education Law contains mechanisms to allow for this sort of transition, and public referendum/referenda would likely be required.

### *Where might this option apply in the Town of Rye?*

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Although the city status concept could theoretically apply to the entire Town of Rye, to date the concept of city status has been discussed only in reference to the area covered by the Village of Port Chester.

## **Annexation**

### *What is it and how is it accomplished?*

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Annexation, which involves changing the boundaries of a county or other municipal entity to add territory is governed by Article 17 of the State’s General Municipal Law and the Bill of Rights of Local Governments in the State Constitution, Article 9, Section 1(d). The annexation process is initiated by petition, whereby the petition describes the land area (and approximate number of inhabitants thereof), signed by at least twenty percent of the residents in the affected area *or* by the owners of more than half of the assessed valuation of all real property in the affected area. Once a completed petition is received by the governing bodies of the affected areas, property owners are notified of the process and public hearings are held to determine whether annexation is deemed to be in the public interest.<sup>9</sup>

### *What service and revenue differences result from this form?*

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Whether (and which) service differentials may result from any annexation would depend entirely upon the municipalities affected by a proposed annexation.

### *Where might this option apply in the Town of Rye?*

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This option would appear to apply only to the Rye Neck portion of the Village of Mamaroneck. Under a hypothetical annexation to coincide with the restructuring of the Town of Rye, Rye Neck could be annexed into the Town of Mamaroneck such that the Village of Mamaroneck (which currently spans two towns) would be wholly situated within the Town of Mamaroneck. It is important to note that, absent other structural changes, such an annexation would result in the Town of Mamaroneck’s townwide tax rate replacing the Town of Rye’s townwide tax rate for Rye Neck taxpayers. At the same time, locating the Village of Mamaroneck wholly within a single town could offer additional shared service opportunities that are not presently available due to its two-town geography (*e.g.* consolidated assessment).

## Summary of Structural Options

Therefore, based on the current municipal framework in the Town of Rye and the Villages within it, a review of permissible municipal structures under State law, and a consideration of what is “feasible” in the community, the following appears to be the range of structural options in the event the Town of Rye is dissolved / reorganized:

### *Village of Port Chester (VPC)*

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- **VPC Option 1:** Reorganize as a coterminous new town-village with boundaries matching those of the current Village of Port Chester; as the

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<sup>9</sup> This summary is drawn in part from the publication *Consolidation, Dissolution, and Annexation of Towns and Villages: How to guide*, New York State Department of State.

Village government is already a full-service municipal provider, operate predominantly as a village

- **VPC Option 2:** Reorganize as a newly incorporated city with boundaries matching those of the current Village of Port Chester

### *Village of Rye Brook (VRB)*

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- **VRB Option 1:** Reorganize as a coterminous new town-village with boundaries matching those of the current Village of Rye Brook; as the Village government is already a full-service municipal provider, operate predominantly as a village

### *Village of Mamaroneck (VOM)*

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- **VOM Option 1:** Reorganize as a coterminous new town-village with boundaries matching those of the current Village of Mamaroneck (in its entirety, including Rye Neck); as the Village government is already a full-service municipal provider, operate predominantly as a village
- **VOM Option 2:** Keep the current Village of Mamaroneck intact in its current form, but annex the Rye Neck portion into the Town of Mamaroneck such that the Village is wholly located in the Town of Mamaroneck

*Note that under both of these options, the Rye Neck portion of the Village of Mamaroneck would cease to be part of the Town of Rye, becoming either its own coterminous town-village or part of the current Town of Mamaroneck (i.e. within the current Village of Mamaroneck). However, in order to structure any Town of Rye dissolution in a way that permits fair allocation of assets and liabilities to the successor municipalities, the Rye Neck area would need to be placed within a special district, either within a coterminous town-village or within the Town of Mamaroneck. This may require special state legislation.*

## FINANCIAL CONSIDERATIONS

This section builds off of the “Structural Considerations” summary presented above, and reviews the potential financial implications of dissolving the Town of Rye in two respects:

- First, what are the *direct fiscal impacts* of dissolving the Town of Rye – in other words, how would the Town’s non-property tax revenue be distributed among the successor entities, how would its assets and liabilities be disposed of, and what would be the fiscal impact on taxpayers; and
- Second, what are the *indirect fiscal impacts* of dissolving the Town of Rye – that is, what impacts would be associated with the restructuring of each successor entity (see options identified in the preceding section)?

Readers should note that any dissolution and/or restructuring of the Town of Rye and the Villages within it would result in a series of compounded fiscal impacts. That is, the successor municipalities and taxpayers they serve would be impacted *both* by the direct impact of eliminating the Town in its current form *and* by the actual restructuring that ends up being applied to the village they reside within. However, to facilitate analysis and for ease of understanding, the fiscal impacts are broken out and considered independently in this section.

Dissolving the Town of Rye into a coterminous or other successor structure would create a series of financial impacts, including revenue distribution and disposition of assets and liabilities. Those impacts are considered below.

### Divesting Town Revenue

Transitioning to a coterminous town-village structure in part or all of the Town of Rye would create revenue implications for the successor governments. As noted previously, certain forms of aid would be reduced (*e.g.* federal revenue and Consolidated Highway Improvement Program funds); others, including State aid, would continue to be received by the coterminous entity as if the Town still existed independently.

It is important to note in this context that under a coterminous structure, *all forms of taxation available to both the Town and Villages today would remain at their disposal a coterminous framework*. In theory, for example, coterminous entities could continue to levy Town property taxes to offset service costs. However, given that the intent of this study is to examine potential fiscal impacts of effectively eliminating the Town government, we consider below only the *non-property tax* revenues that are currently received by the Town of Rye and how they would be redistributed in the event of restructuring.

In order to isolate the non-property tax revenues that may be affected in the event of restructuring, CGR reviewed the Town's 2012 approved budget. The budget contains \$3,448,245 in *total* budgeted revenues. Of that total, property taxes account for \$329,945 (and are excluded from this analysis) and appropriated fund balance accounts for \$690,000 (and is considered in the next section on assets and liabilities). The remaining \$2,538,300 breaks out as follows:

**Town of Rye Revenues, 2012 Approved Budget**  
(*excl. property taxes and appropriated fund balance*)

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Interest and Penalties	\$800,000
Mortgage Tax	\$650,000
State Aid	\$375,000
Tax Collection Fees	\$185,000
Sale of Property	\$150,000
Fines and Forfeitures	\$140,000
Crawford Park Fees	\$100,000
Investment Earnings	\$50,000
PILOT	\$40,000
Other Revenue	\$30,000
Town Clerk Fees	\$15,000
Rents – Government	\$3,300
<b>Total</b>	<b>\$2,538,300</b>

Each of these revenue categories, and their disposition/reallocation options, is considered below.

*Interest and Penalties*

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This pertains to interest charged on delinquent taxes from their due date to the actual date of payment and amounts assessed as penalties for payment of taxes and penalties after the due date. A small percentage of these revenues result from the payment of delinquent Town of Rye taxes, which would go away under the proposed dissolution. However, some of this revenue is attributable to taxes collected by the Town on behalf of other entities, including school districts, villages and Westchester County. Thus, interest and penalties on those tax levies would continue, but would be allocated to the entities then responsible for collecting them. CGR estimates that approximately \$798,000 of this revenue line would remain (after removal of the Town property tax component), and would be distributed to the successor municipalities based on the taxes levied in each of them. Where a levy applies to multiple municipalities (*e.g.* Westchester County, which impacts all three Villages, or the Port Chester Schools, which impacts both Port Chester and Rye Brook), the interest and penalty revenues are allocated to the successor municipalities based upon their proportionate share of the tax base contributing to that levy.

*Mortgage Tax*

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This pertains to revenues derived from taxes imposed on debt secured by a mortgage on real property. The program is administered by the county acting as the agency of the state. This revenue item would continue.

### *State Aid*

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This pertains to revenues derived from annually appropriated general purpose aid to the Town for unrestricted use. This revenue item would continue *only* under coterminous structures (VPC-1, VRB-1 and VOM-1).

### *Tax Collection Fees*

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This pertains to the fees paid by the Villages and School Districts for which the Town of Rye currently collects property taxes. The fee is effectively compensation for the Town serving as property tax guarantor (*i.e.* covering unpaid village and school taxes) under the current structure. Assuming the Town property tax levy were eliminated as part of this restructuring, and assuming the Villages take over their own tax collection from the Town, this revenue item would not continue.

### *Sale of Property*

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This pertains to revenues derived from the sale of real property and/or municipal equipment. Since 2009, this revenue line for the Town has ranged from zero to \$285,000, reflecting the variability of when property is available to be sold (and when it actually is sold). For this reason, our analysis assumes this revenue would not continue under any option. [Note: Our analysis treats this budgeted revenue category as distinct from the potential sale of property and other assets (*e.g.* Town Hall), which could be enabled in a Town dissolution. That potential is considered later in this section.]

### *Fines and Forfeitures*

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This pertains to a series of revenues derived from fines and penalties, including forfeited bail deposits and confiscated deposits from bidders. This revenue item would continue. However, it is important to note that the Village of Port Chester currently has its own court; the Village of Rye Brook, by contrast, uses the Town of Rye's court. Therefore, it is reasonable to conclude that much of this fine revenue is produced as a result of Rye Brook cases processed by the Town of Rye court. As such, our model allocates all of these dollars to the successor municipality in Rye Brook.

### *Crawford Park Fees*

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This pertains to revenue generated from the use of Crawford Park (*e.g.* rentals of the pavilion and ball fields). This revenue item would continue, however its distribution



would be subject to resolution of park ownership and access issues. For example, if ownership of the park was transferred to the successor municipality in Rye Brook (as the park is located in Rye Brook), one option could involve the Village of Rye Brook retaining all associated revenue. By contrast, if the park retained its status as a townwide asset (irrespective of ownership and maintenance issues), associated revenue could be distributed to the successor municipalities on a per capita or assessed value basis. A third option could involve applying associated revenue to offset any park maintenance costs in the first instance, and distributing any remaining revenue to the successor municipalities proportionally.

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### *Investment Earnings*

This pertains to revenues generated through interest-bearing accounts in which the Town maintains balances during the year. This revenue item would continue, although the amount would be smaller as a result of a smaller Town cash pool (*i.e.* no Town property tax).

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### *PILOT*

This pertains to payments in lieu of property tax received by the Town. This revenue item would continue.

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### *Other Revenue*

This pertains to other miscellaneous non-tax and non-fee revenue generated by the Town. A relatively small revenue line, our analysis assumes this revenue would not continue under any option.

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### *Town Clerk Fees*

This pertains to fees derived from the clerk's office. This revenue item would continue.

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### *Rents – Government*

This pertains to rental income the Town receives for certain office space at 10 Pearl Street. A relatively small revenue line, our analysis assumes this revenue would not continue under any option, particularly since a restructuring would likely enable the disposition of the current Town Hall.

## **Disposition of Town Assets**

Although the Town of Rye provides a limited number of services, it does own a series of assets related to its basic municipal responsibilities. Those assets include real property (*e.g.* Town Hall at 10 Pearl Street) and capital assets (*e.g.* “rolling stock” such as vehicles, as well as office equipment). In the event of a Town

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dissolution/restructuring, those assets would need to be disposed of. In addition to these “hard” assets, the Town also has certain balance sheet assets in the form of fund balance reserves.

### ***Capital Equipment and Property***

There is limited direct overlap between the Town’s capital assets and those of the Villages. This is a function of the fact that there is little direct overlap between the services provided by the Town and the Villages. For example, the Villages each maintain full stocks of public works apparatus; the Town does not. Similarly, the Villages have their own police vehicle fleets; the Town does not. As a result, there is likely minimal value in having the Villages assume ownership of the Town’s capital assets. This includes items like computers, conference tables and copiers, as the Villages already have their own.

By contrast, the Town’s real property assets present a greater opportunity. The *Baseline Report* identified 17 Town-owned properties, four of which are jointly owned by the Town and the Village of Mamaroneck. In some cases, a restructuring of the Town could enable the sale of certain properties, with the proceeds distributed among the successor municipalities; in other cases, a restructuring may enable certain Town-owned properties to be deeded to the successor municipalities for repurposing, reuse and/or later resale.

The Town’s updated property inventory as of May 2012 included the following:

## Properties Owned by Town of Rye (by address / village location)

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122 N. Ridge (Crawford Park), Rye Brook  
 285 Madison Avenue (Vacant Commercial), Port Chester  
 313 Locust Avenue (Two-Family Residential), Port Chester  
 W. William Street (Garage), Rye Brook  
 10 Pearl Street (Town Hall), Port Chester  
 Pearl Street (Town Hall Parking Lot), Port Chester  
 Fox Island Road (Vacant Land), Port Chester  
 Shore Drive (Vacant Land), Port Chester  
 E. Boston Post (Continental Manor Bridge), Mamaroneck  
 E. Boston Post (Pier / Wharf), Mamaroneck  
 Garden Road (Vacant Land), Mamaroneck  
 738 Halstead Avenue (Single-Family Residential), Mamaroneck  
 Stewart Cemetery (behind 733 Stuart Avenue), Mamaroneck\*  
 Gedney Cemetery (behind 223 N. Barry Ave), Mamaroneck\*  
 South Barry Ave Bridge (Guion Creek), Mamaroneck  
 South Barry Ave Bridge (Otter Creek), Mamaroneck  
 Hillside Ave Bridge, Mamaroneck\*  
 Jefferson Ave Bridge, Mamaroneck\*  
 Rye Town Park, City of Rye\*\*

\* Co-owned by the Town of Rye and Village of Mamaroneck

\*\* Co-owned by the Town of Rye and City of Rye

Each of these property assets and their disposition options are considered below.

### *Crawford Park*

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This property would likely remain a municipal park in its current form. The primary questions regarding its disposition pertain, first, to ownership, and second, to maintenance. Regarding ownership, two options exist:

1. Sole ownership of the property is transferred to the successor municipality in Rye Brook, given its location; or
2. The property is transferred into joint ownership including a combination of the successor municipalities in Rye Brook, Port Chester and/or the Village of Mamaroneck.

Regardless of the option chosen, transfer of this property in its current form would result in no immediate financial impact on the successor municipalities. Assuming park maintenance responsibilities from the Town of Rye may have a financial impact (see “Service Considerations” section of this report).

### *Madison Avenue*

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For the purposes of this analysis, the Madison Avenue property is assumed to be sold as part of a Town restructuring. In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$206,500.

### *313 Locust Avenue*

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For the purposes of this analysis, the Locust Avenue property is assumed to be sold as part of a Town restructuring. In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$486,200.

### *W. William Street*

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This is the Town garage property which is currently being leased to the Village of Rye Brook for use by its Department of Public Works. The current lease agreement runs through May 31, 2015. As part of a Town restructuring, two options exist:

1. Transfer ownership to the successor municipality in Rye Brook for continued use in its current form; or
2. Sell the property (which would necessitate the successor municipality in Rye Brook identifying a suitable alternative location for its Department of Public Works). In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$790,000.

### *10 Pearl Street*

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For the purposes of this analysis, the Town Hall property is assumed to be sold as part of a Town restructuring. In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$1,000,000.

### *Pearl Street Parking Lot*

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For the purposes of this analysis, the Town Hall parking lot property is assumed to be sold as part of a Town restructuring. In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$500,000.

### *Fox Island Road*

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For the purposes of this analysis, the Fox Island Road property is assumed to be sold as part of a Town restructuring. In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$192,700.

### *Shore Drive*

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For the purposes of this analysis, the Shore Drive property is assumed to be sold as part of a Town restructuring. In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$168,800.

#### *E. Boston Post Road (Continental Manor Bridge)*

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As a piece of infrastructure, this property is assumed to be retained in its current form/use. The primary questions regarding its disposition pertain, first, to ownership, and second, to maintenance. Regarding ownership, two options exist:

1. Sole ownership of the property is transferred to the successor municipality in Mamaroneck, given its location; or
2. The property is transferred into joint ownership including a combination of the successor municipalities in Rye Brook, Port Chester and/or the Village of Mamaroneck.

Regardless of the option chosen, transfer of this property in its current form would result in no immediate financial impact on the successor municipalities. However, the transfer of bridge maintenance and capital cost responsibilities from the Town of Rye may have a financial impact (see “Service Considerations” section of this report).

#### *E. Boston Post Road (Pier/Wharf)*

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This property is assumed to be retained in its current form/use. The primary questions regarding its disposition pertain, first, to ownership, and second, to maintenance. Regarding ownership, two options exist:

1. Sole ownership of the property is transferred to the successor municipality in Mamaroneck, given its location; or
2. The property is transferred into joint ownership including a combination of the successor municipalities in Rye Brook, Port Chester and/or the Village of Mamaroneck.

Regardless of the option chosen, transfer of this property in its current form would result in no immediate financial impact on the successor municipalities.

#### *Garden Road*

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For the purposes of this analysis, the Garden Road property is assumed to be sold as part of a Town restructuring. In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$79,800.

#### *Halstead Avenue*

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For the purposes of this analysis, the Halstead Avenue property is assumed to be sold as part of a Town restructuring. In lieu of a formal appraisal, its potential sale price is assumed to be its current assessed value: \$348,400.

### ***Cemeteries (Stewart and Gedney) Co-Owned by Town of Rye and Village of Mamaroneck***

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These properties are assumed to be retained in their current form/use. Their disposition would not result in a shift of significant service responsibilities, since the Town does not currently maintain them aside from occasional mowing and weeding. For the purposes of this analysis, it is assumed that the Town's share in both properties would be transferred to the sole ownership of the successor municipality in Mamaroneck, given their location.

### ***South Barry Avenue Bridges (Guion Creek and Otter Creek)***

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As pieces of infrastructure, these properties are assumed to be retained in their current form/use. The primary questions regarding their disposition pertain, first, to ownership, and second, to maintenance. Regarding ownership, two options exist:

1. Sole ownership of the properties is transferred to the successor municipality in Mamaroneck, given their location; or
2. The properties are transferred into joint ownership including a combination of the successor municipalities in Rye Brook, Port Chester and/or the Village of Mamaroneck.

Regardless of the option chosen, transfer of these properties in their current form would result in no immediate financial impact on the successor municipalities. However, the transfer of bridge maintenance and capital cost responsibilities from the Town of Rye may have a financial impact (see "Service Considerations" section of this report).

### ***Bridges (Hillside and Jefferson Avenues) Co-Owned by Town of Rye and Village of Mamaroneck***

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As pieces of infrastructure, these properties are assumed to be retained in their current form/use. The primary questions regarding their disposition pertain, first, to ownership, and second, to maintenance. Regarding ownership, two options exist:

1. The Town's share of ownership of the properties is transferred to the successor municipality in Mamaroneck, given their location; or
2. The Town's share of ownership of the properties is transferred into joint arrangement including a combination of the successor municipalities in Rye Brook, Port Chester and/or the Village of Mamaroneck.

Regardless of the option chosen, transfer of these properties in their current form would result in no immediate financial impact on the successor municipalities. However, the transfer of bridge maintenance and capital cost responsibilities from the Town of Rye may have a financial impact (see “Service Considerations” section of this report).

### *Rye Town Park, Co-Owned by Town of Rye and City of Rye*

This property would likely remain a municipal park in its current form. The primary questions regarding its disposition pertain, first, to ownership, and second, to maintenance. Regarding ownership, two natural options appear to exist:

1. The Town’s share in ownership of the property is transferred to the City of Rye, given its location; or
2. The Town’s share in ownership is transferred into a joint arrangement including a combination of the successor municipalities in Rye Brook, Port Chester and/or the Village of Mamaroneck.

Regardless of the option chosen, transfer of this property in its current form would result in no immediate financial impact on the successor municipalities. However, the transfer of park maintenance and capital cost responsibilities from the Town of Rye may have a financial impact (see “Service Considerations” section of this report).

## **Other Balance Sheet Assets**

As of December 31, 2010, the Town of Rye’s audited financial statements showed a total fund balance of \$3.313 million. Of that total, approximately \$1.359 million was reserved for long-term receivables, and \$0.705 million was designated for inclusion in the 2011 Town budget. The remainder – approximately \$1.249 million – was unreserved/undesignated fund balance, split between the Town’s General Fund (\$1.127 million) and Capital Projects Fund (\$0.122 million).

In the event of a Town dissolution/restructuring, disposition of these fund assets could take one of two forms:

- The funds could be allocated to the successor municipalities in a fashion similar to general Town revenues, with each municipality receiving its proportionate share based on taxable assessed value in the Town of Rye; or
- The funds could be designated by one or more of the successor municipalities to pay down existing indebtedness of the Town of Rye, either immediately (for bonds/loans that are able to be pre-paid) or over time (for bonds that are not otherwise callable prior to maturity).

Regarding the second option, it should be noted that the Town of Rye’s outstanding indebtedness as of December 31, 2010 was \$1.076 million, consisting of \$48,000 on a

statutory installment bond for equipment purchases (scheduled to mature in May 2012); \$1.008 million in serial bonds for parkland acquisition (maturing in 2014) and Rye Town Park roof renovations (maturing in 2020); and approximately \$19,000 in a state pension amortization loan (maturing in 2014). Thus, sufficient fund balance appears to be available to cover the Town's outstanding indebtedness.

## Disposition of Town Liabilities

A series of existing liabilities and obligations of the Town of Rye would need to be addressed in the event of a dissolution/restructuring. They include obligations such as outstanding debt and long-term employee benefits, as well as capital/operational cost shares for properties like Rye Town Park and bridges. In addition, the successor municipalities would assume the property tax guarantee responsibility currently borne by the Town of Rye. Each item is discussed in more detail below.

### Outstanding Debt

As noted in the preceding section, the Town of Rye's outstanding indebtedness as of December 31, 2010 totaled \$1.076 million. This debt obligation would continue until the bonds/loans were retired, either in the short-term (through the application of available fund balance) or according to their normal maturity schedule (no later than 2020). As noted above, two options exist:

- Certain fund balances could be allocated to pay some or all of this debt as part of a Town dissolution; or
- The obligations would be paid down proportionately according to assessed value by the successor municipalities in Port Chester and Rye Brook, as well as the Rye Neck portion (whether in a coterminous town-village or in the Town of Mamaroneck). Here the fiscal impact is likely to be negligible, since the obligations of the Town of Rye are already being funded proportionately according to assessed value by taxpayers in Port Chester, Rye Brook and Rye Neck.

### Long-Term Employee Obligations

#### Accumulated Compensated Absences

It is Town of Rye policy to permit employees to accumulate a limited amount of earned but unused sick leave and vacation leave, which is paid to employees upon separation from Town service. The Town calculates this liability based on the assumption that most employees would continue to be employed by the Town until retirement. The Town's statement of net assets for December 31, 2010 calculates the total liability of these accumulated compensated absences to be approximately \$153,000. Two options exist:

- Certain fund balances could be allocated to pay some or all of this obligation as part of a Town dissolution; or



- The obligation would be paid down proportionately according to assessed value by the successor municipalities in Port Chester and Rye Brook, as well as the Rye Neck portion (whether in a coterminous town-village or in the Town of Mamaroneck). Here the fiscal impact is likely to be negligible, since the obligations of the Town of Rye are already being funded proportionately according to assessed value by taxpayers in Port Chester, Rye Brook and Rye Neck.

### ***Post-Employment Benefits Other than Pension (OPEB)***

The Town of Rye provides continuation of medical insurance coverage to employees that retire under the New York State Retirement Systems at the same time they end their service to the Town. This plan is a single employer plan, established by the authority of the Town Board and administered by the Town. As of December 31, 2010, there were 23 retirees receiving postemployment benefits. Retirees of the Town will generally contribute 85 percent of the medical premium amounts for both individual coverage and family (dependent) coverage. Although the Town funds this obligation on a “pay-as-you-go” basis (*i.e.* it budgets each year’s annual cost), there is a long-term liability associated with this benefit. The Town’s total accrued benefit obligation for this item as of December 31, 2010 was estimated to be \$4.640 million, of which \$2.380 was for already-retired employees and \$2.260 was for eligible current employees.

In the event of Town dissolution, this obligation would be assumed by the successor municipalities in Port Chester and Rye Brook, as well as the Rye Neck portion (whether in a coterminous town-village or in the Town of Mamaroneck), on a proportionate basis according to assessed value. Here the fiscal impact is likely to be negligible, since these long-term liabilities of the Town of Rye would be funded in this manner even if the Town of Rye continued to exist.

Aside from the long-term liability, an annual “pay-as-you-go” cost of approximately \$100,000 for current retiree health benefits would also be assumed by the successor municipalities in Port Chester and Rye Brook, as well as Rye Neck, on a proportionate basis according to assessed value.

## ***Capital Costs and Liability for Bridges and Parks***

### ***Bridges***

The Town of Rye bears some responsibility – including certain cost liability – for portions of the community’s bridge network. Maintenance and cost responsibilities for each bridge were detailed in a 2004 stipulation of settlement. The stipulation assigned responsibility for three types of maintenance:

- Daily maintenance, consisting of snow plowing, street cleaning, leaf removal, garbage removal, painting of dividing lines and related tasks;

- General maintenance, consisting of pot hole repair, painting of railings, cleaning of debris from catch basins and gutters, repairing or patching curbs and sidewalks, repairing signage and related tasks; and
- Bridge maintenance, consisting of repaving, resurfacing, replacing curbs and sidewalks, replacing signage and major capital requirements including substructure repairs, superstructure repairs, erosion of surrounding embankments, and loss of material from the streambed/riverbed.

The stipulation resolved responsibilities for maintenance and repair costs as shown in the following table:

### Summary: Bridge Maintenance and Cost Responsibilities

#### 2004 Stipulation of Settlement

(TOR – Town of Rye (in **bold**); VOM – Village of Mamaroneck; TOM – Town of Mamaroneck)

	Daily Maintenance	General Maintenance	Bridge Maintenance	Notes
South Barry Ave Bridge (Guion)	VOM	<b>TOR</b>	<b>TOR</b>	-
South Barry Ave Bridge (Otter)	VOM	<b>TOR</b>	<b>TOR</b>	-
Jefferson Ave Extension Bridge	VOM	VOM	<b>TOR/VOM</b>	Bridge maintenance is 50/50
Short Street Bridge	VOM	VOM	<b>TOR/VOM</b>	Bridge maintenance is 50/50
Hillside Ave Bridge	VOM	VOM	<b>TOR/VOM/TOM</b>	Bridge maintenance is 33/33/33
North Barry Ave Bridge	VOM	VOM	<b>TOR/VOM/TOM</b>	Bridge maintenance is 33/33/33
Ward Ave Bridge	VOM	VOM	VOM	-
Tompkins Ave Bridge	VOM	VOM	VOM	-
Railroad Place Bridge	VOM	VOM	VOM	-
Waverly Ave Bridge	VOM	TOM	TOM	-
Fenimore Road Bridge	VOM	TOM	TOM	-
Rockland Ave Bridge	VOM	TOM	TOM	-
Halstead Ave Bridge	VOM	VOM	VOM/County	-

Thus, in the event of Town dissolution, the Town of Rye’s *general maintenance* responsibilities in two bridges (South Barry/Guion and South Barry/Otter), as well as its *bridge maintenance* responsibilities in six bridges (South Barry/Guion, South Barry/Otter, Jefferson Avenue, Short Street, Hillside Avenue and North Barry Avenue), would need to be addressed.

Regarding *general maintenance*, see the “Service Considerations” section of this report.

Regarding *bridge maintenance*, transferring the Town of Rye’s responsibilities would need to acknowledge certain cost liabilities that are pending or already in-process. As noted in the Baseline Report, the Jefferson Avenue Bridge (for which the Town of Rye splits costs 50-50 with the Village of Mamaroneck) and the Guion Creek bridge (for which the Town is 100 percent responsible) are expected to receive capital investments in the next year, with the Town’s estimated share amounting to \$1.8

million.<sup>10</sup> Similarly, repairs to the Hillside Avenue Bridge are pending, although a portion of that cost will be offset by insurance from a related truck accident.

In the event of Town dissolution, these cost obligations would most likely be assumed by the successor municipalities, such that residents in Port Chester and Rye Brook, as well as the Rye Neck portion (whether in a coterminous town-village or in the Town of Mamaroneck), pay on a proportionate basis according to assessed value. Here the fiscal impact is likely to be negligible, since these obligations of the Town of Rye would be funded in this manner even if the Town of Rye continued to exist. Formalizing this cost-sharing arrangement would likely require revision to the 2004 stipulation of settlement.

### **Parks**

Capital costs and liability issues related to Rye Town Park and Crawford Park would need to be addressed in the event of Town dissolution. These cost and liability issues would be subject (in part) to a resolution of ownership issues regarding the two parks. For example, if the successor municipality in the Village of Rye Brook were to assume ownership and maintenance responsibilities for Crawford Park, given its geographic location, it would be appropriate to vest capital/liability responsibility with it as well. By contrast, if the park was transferred to a shared ownership arrangement of more than one of the Villages in the former Town of Rye, capital/liability concerns would likely be shared.

Regarding Rye Town Park, at present the Town of Rye is responsible for 60.722 percent of capital expenses, with the City of Rye responsible for the remaining 39.278 percent. In the event of Town dissolution, the Town of Rye's share would need to be addressed. As with the Crawford Park example, these cost responsibilities would likely be subject to ownership. However, assuming the park was retained as a community resource to benefit the former Town of Rye, it would be reasonable to assume that the Town's 60.722 percent share would be borne proportionately based on assessed value by the successor municipalities in Port Chester, Rye Brook and the Rye Neck portion of the Village of Mamaroneck. By contrast, if exclusive ownership of the park were transferred to a single entity (*e.g.* the City of Rye), that entity would likely assume all capital cost liability.

Similarly, operational expenses in Rye Town Park are currently covered by the Rye Town Park Commission, with any deficit being covered by the Town of Rye (51 percent) and City of Rye (49 percent). In the event of Town dissolution, the Town of Rye's share would need to be addressed. Similar to above, assuming the park was retained as a community resource to benefit the former Town of Rye, it would be reasonable to assume that the Town's 51 percent share of any operating deficit would be borne proportionately based on assessed value by the successor municipalities in

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<sup>10</sup> This is estimated by the Town to be the principal cost. Annual debt service amounts would be dictated by the term and rate at which the borrowing is structured.

Port Chester, Rye Brook and the Rye Neck portion of the Village of Mamaroneck. The roughly \$900,000 in annual revenue generated by Rye Town Park would remain with the Rye Town Park Commission, offsetting operating expenses.

## **Property Tax Guarantees**

Pursuant to Westchester County’s Charter, cities and towns collect the county portion of property taxes and guarantee the full amount to County government. Thus, cities and towns bear the burden of making the County “whole” on its property taxes. The Town of Rye serves not only as guarantor of the County property tax, but also guarantees the property tax levies of the Villages and School Districts for which it collects taxes. In cases of delinquent tax payments, the Town reimburses the affected entity (whether the County, Village or School District), and then pursues delinquent property owners for late collection. At any given time, the Town of Rye carries an estimated \$2 million in outstanding real estate taxes.

In the event of Town dissolution, the property tax guarantor responsibility would be assumed by the successor municipalities in Port Chester, Rye Brook and the Village of Mamaroneck. Regardless of the municipal form the successor municipalities take, they would be subject to the County Charter requirement.

For the purposes of this analysis, however, the property tax guarantee liability is treated as a cash flow liability rather than a budgetary / fiscal liability. That is, even though the successor municipalities would assume the liability from the Town for keeping the County “whole” on delinquent property taxes, the successor municipalities would simultaneously assume ownership of the liens related to those delinquent property taxes and thus, at some future point, those revenues. Just as the Town of Rye does not budget an expenditure line to account for this property tax guarantee liability, we can assume that neither would the successor municipalities.

Based on the Town’s estimation that it holds approximately \$2 million in outstanding real estate taxes at any given time, CGR estimates the property tax guarantee liability to be distributed as follows:

### **Distribution of Property Tax Guarantee Liability** *(by successor municipality)*

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Port Chester	
County Taxes	\$100,293
Port Chester Municipal Taxes	\$265,345
Port Chester School Taxes	\$534,283
<b>Total</b>	<b>\$899,921</b>
Rye Brook	
County Taxes	\$95,028
Rye Brook Municipal Taxes	\$158,341
Port Chester School Taxes	\$111,767
Blind Brook School Taxes	\$404,355
<b>Total</b>	<b>\$769,490</b>

Mamaroneck/Rye Neck	
County Taxes	\$67,915
Rye Neck School Taxes	\$262,675
<b>Total</b>	<b>\$330,589</b>

Although the liability itself is treated as a cash flow liability, there is a quantifiable savings to the Villages (and the successor municipalities) from removing the Town of Rye’s property tax guarantee responsibility. At present, the Villages pay 0.5 percent of their respective levies to the Town in return for the guarantee. Using current levies as a guide, this would generate approximately \$109,667 in direct savings to the Village of Port Chester and \$65,333 in savings to the Village of Rye Brook.

## Property Tax Adjustments

As noted in the “Structural Considerations” section of this report, the options for successor municipalities in Port Chester and Rye Brook include coterminous town-villages and, in the case of Port Chester, city status. In each of these options, because the successor municipality would be “self-contained” in its current Village boundary, the primary financial impacts of Town dissolution would result primarily from the disposition of Town revenue, assets and liabilities, as well as any service changes that might have to occur.

Part of that impact involves the elimination of the current Town of Rye property tax. Although relatively modest in comparison to other town governments in New York State, the Town of Rye does levy a property tax on property owners within its borders.

The budgeted tax levy for the Town in 2012 is only \$329,945, producing a tax rate of \$0.05 per \$1,000 of assessed value. In other words, a property valued at \$500,000 would pay only \$25 in Town taxes. In the event of Town dissolution, this savings would enure to each taxable property owner.

## Fiscal Impact of Shifting Rye Neck into Town of Mamaroneck

Although the aforementioned savings on Town property taxes would apply to residents in Rye Neck, the situation is different from Port Chester and Rye Brook. Because the Rye Neck portion is part of the Village of Mamaroneck, which itself spans two towns, the options for a successor municipal structure could potentially involve shifting Rye Neck from one town to another. Specifically, one possible alternative in the event the Town of Rye dissolves is to shift the Rye Neck portion of the Village of Mamaroneck into the Town of Mamaroneck. Currently, the Village is split between the Towns of Rye and Mamaroneck, such that property owners (although residing in the same village) pay a different *town* tax rate depending upon whether their property is located in Rye or the Town of Mamaroneck.

As such, as part of this analysis it is important to contemplate the stand-alone impact of shifting Rye Neck from one town to another. This is not the first time such an

analysis of fiscal impact has been completed for Rye Neck. In 2007, the Michaelian Institute of Pace University was engaged to analyze the property tax “shift” that would result in the event the Rye Neck portion of the Village of Mamaroneck were shifted wholly into the Town of Mamaroneck. That analysis, documented in the 2007 report, *Annexation and Village/Town Options for Rye Neck: Fiscal and Operational Implications for the Village of Mamaroneck*, concluded that the median property in the Rye Neck section would experience an increase in property taxes of approximately \$37 as a result of the shift. According to the analysis, the typical home in Rye Neck would see its town taxes increase from \$85.28 (under the Town of Rye’s tax rate) to \$122.64 (under the Town of Mamaroneck’s tax rate).

### **Update of 2007 Analysis**

A simple replication of the 2007 analysis using updated assessment and tax rate information indicates that the projected \$37 tax shift has widened, primarily a function of the Town of Rye winnowing down its tax rate in recent years. *Ceteris paribus*, shifting the Rye Neck portion from the Town of Rye into the Town of Mamaroneck would result in a roughly \$226 property tax increase for the typical residential property:

#### **Impact Analysis of Shifting Rye Neck into Town of Mamaroneck**

*(Source: CGR Analysis of NYS Office of Real Property Services data)*

	Town of Rye	Town of Mamaroneck
Assuming the average single family residential property in Rye Neck, which is assessed at \$667,000 <sup>1</sup>		
Town full value tax rate (2011) <sup>2</sup>	\$0.05	\$0.39
Tax to be paid	\$34.02	\$260.18
<b>Increase from shift</b>		<b>\$226.17</b>

#### Notes

1 Per Town of Rye Assessor

2 Per State Office of Real Property Services, accounting for equalization rates

### **Adjusting for Shift of Taxable Assessed Value**

While the preceding analysis is instructive, it assumes away some other important shifts that would accompany bringing Rye Neck into the Town of Mamaroneck. From a fiscal perspective, perhaps the most important shift involves the value of properties within Rye Neck. Under this scenario, the taxable assessed value of properties within Rye Neck would be added to the total taxable value of the Town of Mamaroneck. Assuming the Town of Mamaroneck’s tax levy remained the same, the effective tax rate on properties would be reduced as the taxable base grows (*i.e.* as the taxable base is enlarged, the same levy can be generated through a lower tax rate).

CGR’s analysis finds that shifting the assessed value of properties in the Rye Neck portion *from* the Town of Rye and *into* the Town of Mamaroneck would have the following impacts:



- The Town of Mamaroneck's townwide assessed valuation would increase by approximately \$30.7 million, or roughly 40 percent, to a new total of \$147.7 million;
- Assuming a *flat* Town of Mamaroneck property tax levy, the typical Rye Neck property would experience a Town tax increase of \$181 per year (lower than the \$226 increase referenced in the preceding analysis); and
- Town of Mamaroneck property owners *outside* the Rye Neck portion of the Village of Mamaroneck would experience a 17 percent reduction in their Town property tax rate as a result of the addition of new taxable assessed value from Rye Neck.

### ***Impacts on Town of Mamaroneck Property Tax from a Coterminous Town-Village of Mamaroneck***

Although a restructuring of the Town of Mamaroneck is not contemplated by this study, there are potential fiscal impacts to the Town under certain restructuring scenarios involving the Village of Mamaroneck. Most notably, the Village of Mamaroneck becoming a separate coterminous town-village (VOM-1) would result in the Village's taxable assessed value being removed from the Town of Mamaroneck. Village of Mamaroneck property taxpayers currently within the Town of Mamaroneck would no longer pay the town tax, saving the typical property assessed at \$20,000 an estimated \$459 per year.

But *ceteris paribus*, because of the removal of the Village of Mamaroneck from the Town of Mamaroneck's tax base, this shift would result in an increase in current Town of Mamaroneck tax rates in the two budgetary funds into which Village of Mamaroneck residents currently pay: the Townwide general fund and Ambulance District fund. Assuming a flat Town levy, there would be a smaller tax base remaining to fund the same costs, necessitating an increase on the remaining properties.

For example, the Townwide general fund property tax rate in the Town of Mamaroneck would have to increase from its current \$21.20 per \$1,000 of assessed value to \$30.16 per \$1,000, the equivalent of 42 percent. Similarly, the Ambulance District rate would increase from \$1.76 per \$1,000 of assessed value to \$2.49 per \$1,000, the equivalent of 41 percent. Any reduction by the Town of Mamaroneck in these two fund levies would mitigate these rate increases. As the Village of Mamaroneck does not pay taxes into any Town of Mamaroneck funds outside of the Townwide general fund and Ambulance District fund, those other funds would not be affected by VOM-1.

## Other Fiscal Impacts Related to Structural Options

As discussed earlier in this report, one structural option (which appears applicable primarily to the Village of Port Chester) in the event of Town dissolution could involve acquiring city status. There are certain service and fiscal impacts that would result from the shift to city status. The most notable are court functions and sales tax revenue sharing.

### Court Functions

Unlike town and village governments, which are required to fund their own municipal court operations, city courts in New York are funded by the State. Thus, all costs associated with justice courts (except for facility maintenance) would be removed from the municipal budget of any town / village entity that acquires city status. In the case of the Village of Port Chester, where budgeted justice court costs totaled \$865,000 in fiscal year ending 2012, this could potentially translate into a 3.9 percent reduction in the property tax levy, *ceteris paribus*.

### Sales Tax Revenue

In Westchester County, sales taxes are shared among the County, local governments and school districts. Although all local governments are effectively treated as “equals” (*i.e.* there is no separate allocation to cities or towns or villages based on their type of municipal structure), there are potential changes that could occur if a portion of the former Town of Rye acquired city status.

Under the current sharing agreement, the County’s 3.0 percent sales tax (which is atop the State’s 4.0 percent tax and Metropolitan Transportation Authority’s 0.375 percent tax) is distributed as follows:

- **The first 1.5 percent is retained by the County;**
- **The next 1.0 percent is shared as follows:**
  - 33.3 percent to the County;
  - 50.0 percent to towns, villages and the cities of Rye and Peekskill based on population;<sup>11</sup> and
  - 16.7 percent to school districts based on population; and
- **The final 0.5 percent is shared as follows:**
  - 70.0 percent to the County;

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<sup>11</sup> Only Rye and Peekskill are eligible for the sharing because the County’s other cities – Mount Vernon, New Rochelle, White Plains and Yonkers – have exercised their “pre-emption” power to retain sales taxes generated within their municipality. Thus, they are excluded from any County-shared sales tax program.



- 20.0 percent to towns, villages and the cities of Rye and Peekskill based on population; and
- 10.0 percent to school districts based on population.

Based on the existing sharing agreement, if Port Chester acquired city status *and chose not to exercise pre-emption power*, there would likely be no impact on its sales tax revenue. However, if it chose to pre-empt and retain sales taxes generated within its borders, it would be exempted from the County sharing program. It is logical to expect that Port Chester would pursue a pre-emption strategy *only* if it offered a net financial benefit. Thus, we can reasonably conclude that acquiring city status would not have any negative impact on the municipality's sales tax revenue.

## SERVICE CONSIDERATIONS

Town dissolution would generate a series of service impacts on the Villages of Port Chester, Rye Brook and Mamaroneck. These impacts are of two types:

- *Direct impacts*, stemming from the elimination of the Town as the **primary** provider of certain municipal services; and
- *Indirect impacts*, stemming from the elimination of the Town as a **secondary** provider of services.

An example of a direct impact is tax collection – whereas the Town of Rye currently provides that service to all three of the Villages, dissolution of the Town would necessitate a new provider. An example of indirect impact is clerk and elected government functions – although the Town provides these services under law, so too do the Village governments already.

### Direct Impacts

The following services would be most directly impacted by dissolution of the Town of Rye:

- Tax collection;
- Tax assessment;
- Justice court;
- Parks maintenance; and
- Bridge maintenance.

### Tax Collection

The Town of Rye's tax collection office serves the Villages of Port Chester, Rye Brook and the Rye Neck portion of Mamaroneck, and is responsible for levying and collecting taxes for Town and Village purposes; taxes owed to Westchester County (including property taxes, sewer and solid waste) by properties within the Town; and taxes owed to the Blind Brook, Port Chester and Rye Neck School Districts, as well

as six parcels within the Harrison Central School District. Within the Rye Neck section of Mamaroneck, the Town tax collection office handles only Town, County and school taxes; the Village of Mamaroneck clerk-treasurer handles Village taxes.

Thus, in the event of Town dissolution the successor municipalities in Port Chester, Rye Brook and Rye Neck would need to provide for collection of municipal, County and school taxes.

In fiscal year 2011, the Town tax collection office processed more than 55,000 transactions administering the collection of \$165 million in aggregate property tax levies Townwide. It performed this service with a staff consisting of an elected Receiver of Taxes (full-time), an appointed Deputy Receiver (full-time) and two tax aides (one full-time and one part-time). Much of the actual tax payment process has been automated by the Town. Payments are processed through a “lockbox” system that has been in place for four years, enabling more efficient tracking of funds and ensuring their deposit in the correct municipal or school account.

The key responsibilities that would need to be provided by the successor municipalities in the event of Town dissolution include:

- Computing taxes owed for each property based on County, municipal and school tax rates;
- Monitoring payment status for individual properties;
- Filing liens on delinquent properties;
- Completing required reports for the State and County; and
- Fulfilling requests for information from the public.

### **Options**

In the event of Town dissolution, the successor municipalities would have the following basic options for providing tax collection services:

1. Each could create its own tax collection office (or in the case of the Village of Mamaroneck, expand its current office) to administer municipal, County and school tax collection; or
2. The successor municipalities could administer tax collection in collaborative fashion, maintaining the current level of centralization and automation provided through the Town’s tax collection office by designating a single municipality to be the tax collection agency for all parts of the former Town.

#### **Option 1**

Under this option, the successor municipalities in Port Chester and Rye Brook would establish their own tax collection offices, while the Village of Mamaroneck would

expand its office, to absorb the responsibility associated with tax collection services currently provided by the Town of Rye.

CGR estimates that 1.5 to 2.0 full-time positions would need to be added in both Port Chester and Rye Brook to absorb this service, assuming the current level of payment automation utilized by the Town of Rye is maintained by the successor municipalities. Based on current staff costs in the Town of Rye, it is projected that this option would add \$110,000 to \$130,000 in direct salary costs to both the successor municipalities in Port Chester and Rye Brook.

The Village of Mamaroneck's clerk-treasurer office, which already handles tax collection for the Village, would likely see a workload increase only under structural option VOM-1 (*i.e.* the creation of a new coterminous town-village). Because the Village of Mamaroneck already has some tax collection capacity, CGR estimates that 1.0 to 1.5 full-time positions would need to be added under this model. Based on current staff costs in the Town of Rye, it is projected that this option would add \$50,000 to \$70,000 in direct salary costs to the successor municipality in the Village of Mamaroneck under option VOM-1.

Under VOM-2 (*i.e.* the annexation of Rye Neck into the Town of Mamaroneck), the Village of Mamaroneck would no longer be split between two towns, possibly enabling a full consolidation of the Village of Mamaroneck's tax collection function into the Town of Mamaroneck's, similar to the current framework between the Villages of Port Chester/Rye Brook and the Town of Rye.

### ***Option 2***

This option envisions the successor municipalities in Port Chester and Rye Brook establishing a consolidated tax collection framework to more efficiently absorb the function currently being provided by the Town of Rye. Under this option, one of the successor municipalities would "house" the tax collection operation serving both municipalities. CGR estimates that this would reduce the required staffing level to 2.5 to 3.0 full-time equivalents (from a combined 3.0 to 4.0 under separate offices in option 1). It would eliminate the need to create duplicate collection systems/frameworks in both successor municipalities in Port Chester and Rye Brook, although the municipalities may opt to have the municipal building of the "non-provider" remain as a satellite payment facility to more conveniently serve residents of both municipalities. Based on current staff costs in the Town of Rye, it is projected that this option would add \$140,000 to \$165,000 in total direct salary to the successor municipalities in Port Chester and Rye Brook, compared to a combined \$220,000 to \$260,000 under option 1.

### ***A Note on Further Consolidation and/or Outsourcing***

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The Town of Rye has already taken steps to automate the tax collection process by utilizing outsourced services, including a "lockbox" system and electronic posting of payments through tax service organizations and banks. The options to further

outsource this function are limited. Along the lines of option 2, successor municipalities might consider exploring broader intermunicipal options for handling tax collection services, including merging those functions with neighboring towns.

## Tax Assessment

The Town of Rye's assessment office is responsible for property assessments in the Villages of Rye Brook and Port Chester, and the Rye Neck section of the Village of Mamaroneck. In addition, it serves as the assessing unit for three school districts – Blind Brook, Port Chester and Rye Neck – along with a small portion of the Harrison School District.

The Village of Mamaroneck operates its own assessment office, reflecting the complexity of being split between two towns with different taxable status dates.<sup>12</sup> But the Village's assessments apply *only* for Village tax purposes; for all other tax purposes within the Town of Rye – Town taxes, Village taxes (in Port Chester and Rye Brook), school taxes and Westchester County taxes – the assessment derived and maintained by the Town of Rye's assessment office is the operative figure.

To provide assessment services, the Town of Rye maintains a staff of six full-time employees – a Town assessor, two licensed real property appraisers and three assessment clerks.

## Options

In the event of Town dissolution, the successor municipalities would have the following basic options for providing assessment services:

1. Port Chester and Rye Brook could create their own assessment offices, with the Village of Mamaroneck's assessment office simply extending its current valuations for Rye Neck to apply to County and school taxes as well (since they already apply to Village taxes);
2. The successor municipalities could administer tax collection in collaborative fashion. Two feasibility possibilities are:
  - a. Port Chester and Rye Brook delivering assessment functions through a consolidated office or coordinated assessment program (CAP); and
  - b. Under VOM-1, the successor coterminous town-village in the Village of Mamaroneck delivering assessment functions through a CAP with the Town of Mamaroneck, or

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<sup>12</sup> This function costs the Village of Mamaroneck approximately \$117,000 annually. In the event of Town dissolution, the setting of a single taxable status date could enable the Village of Mamaroneck to merge this function into the Town of Mamaroneck's, thereby eliminating this as a Village expenditure.

- c. Under VOM-2, the annexation of Rye Neck into the Town of Mamaroneck enabling a single taxable status date and consolidation of the Village of Mamaroneck's assessment function into the Town of Mamaroneck's.

### ***Option 1***

Under this option, the successor municipalities in Port Chester and Rye Brook would establish their own assessment functions, while the Village of Mamaroneck (which already has an assessment function) would simply extend its valuations for Rye Neck to apply to County and school taxes as well.

The International Association of Assessing Officers (IAAO) notes that one full-time employee per each 2,500 parcels is a typical staffing level, although the range can vary from about 1,500 (in smaller jurisdictions) to as high as 3,500 (in larger ones). Based on these standards, CGR estimates that 2.5 to 3.0 full-time positions would need to be added in Port Chester to absorb this service; further, an estimated 1.5 to 2.5 positions would be required in Rye Brook. Based on current staff costs in the Town of Rye, it is projected that this option would add \$220,000 to \$250,000 in direct salary costs to the successor municipality in Port Chester, and \$160,000 to \$190,000 in direct salary costs to the successor municipality in Rye Brook. Those cost increases could be mitigated somewhat if certain functions currently performed in-house by the Town of Rye (*e.g.* appraisal) were outsourced.

In the Village of Mamaroneck, simply extending the valuations to apply to County and school taxes is not likely to substantially change workload or staffing requirements. However, adoption of a more regular revaluation schedule almost certainly would.

### ***Option 2a***

The successor municipalities in Port Chester and Rye Brook may consider delivering assessment services through a consolidated office or coordinated assessment program (CAP).

Under State law, two or more assessing units are eligible to receive a one-time payment of up to \$7 per parcel if they assess all property at a uniform percentage *and* merge their assessment functions by combining to form a consolidated assessing unit. This would involve employing a single assessor, preparing a single assessment role, assessing at uniform percentage, conducting reassessments at the same time and having a single Board of Assessment Review. (See Real Property Tax Law §1602)

Similar incentives are available by creating a "coordinated assessment program," by either employing a single assessor or contracting with the County to provide assessment services, specifying the same uniform percentage of value for all assessments and using the same assessment calendar. (See Real Property Tax Law §579)

CGR estimates that a consolidated or coordinated approach in Port Chester and Rye Brook would still require 4.0 to 5.5 positions (*i.e.* the total parcel count remains the same), however the direct salary costs could be less because the office would only require one director/assessor plus support staff, as opposed to two directors, each with their own support staff. Based on current staff costs in the Town of Rye, it is projected that this option would add \$300,000 to \$375,000 in total for the two successor municipalities *before* any State consolidation incentive aid is applied.

### ***Option 2b***

Under structural model VOM-1 (*i.e.* creation of new coterminous town-village in Village of Mamaroneck), the successor municipality could deliver assessment functions through a consolidated or coordinated approach with the Town of Mamaroneck that parallels the potential Port Chester/Rye Brook model identified in option 2a above. As the Town of Mamaroneck's assessment office already assesses Village of Mamaroneck properties for Town tax purposes, the most straightforward approach may be for the Town of Mamaroneck to be the primary service provider to both, with the successor municipality in the Village of Mamaroneck paying to offset its costs proportionately. Absorbing the Rye Neck portion within the Town of Mamaroneck's assessment area may necessitate the addition of a fractional full-time equivalent to the Town's assessment office.

### ***Option 2c***

Under structural model VOM-2 (*i.e.* annexation of Rye Neck into the Town of Mamaroneck), additional efficiencies could be generated. Namely, a single taxable status date could be established and the Village of Mamaroneck's assessment function could be merged into the Town of Mamaroneck's, perhaps obviating the Village's \$100,000+ annual cost for assessment altogether. As the Town of Mamaroneck's assessment office already assesses Village of Mamaroneck properties for Town tax purposes, the impact would be confined only to the absorption of Rye Neck properties. That may necessitate the addition of a fractional full-time equivalent.

### ***A Note on Further Consolidation and/or Outsourcing***

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Tax assessment offers a variety of opportunities for intermunicipal consolidation and collaboration, with certain approaches even subject to State incentive aid. Further, there are specific functions where outsourcing may be considered, including appraisals and revaluations, where private vendors provide valuation services to the municipality under contract. Notably, in the event successor municipalities use a consolidated assessment framework (as opposed to a CAP), it would eliminate the cost of having duplicate Boards of Assessment Review (currently costing \$12,500 in the Town of Rye).

## Justice Court

The Town of Rye's justice court has jurisdiction over the entire town, but the impact of Town dissolution would differ by area. For example:

- The Village of Port Chester maintains its own court (staffed by two justices, five full-time positions and three part-time positions), which is already the largest-volume municipal court in Westchester County (and seventh-largest in all of New York State); and
- The Village of Mamaroneck maintains its own court (staffed by two justices, four full-time positions and one part-time position), which is already the fifth-largest-volume court in the County; but
- The Village of Rye Brook *does not* maintain its own court, so all cases originating therein are handled by the Town of Rye Court.

As such, the justice court impact of Town dissolution would likely be minimal on Port Chester and Mamaroneck. Certain cases currently heard in Town court (*e.g.* some civil cases such as eviction proceedings) would shift to the successor municipalities, which may necessitate a modest increase in the number of court session hours. By contrast, there would be little-to-no impact on criminal case volume or traffic matters, as the Village courts in Port Chester and Mamaroneck already process those cases.

However, the impact would be more significant in Rye Brook, given the absence of existing court capacity. Under State law, towns are required to provide justice court services. Therefore, in the event the Town of Rye dissolved and the successor municipality in Rye Brook took the form of a coterminous town-village, it would be required to provide for justice court services.

In total, the Town of Rye court processed 2,971 cases in 2009, of which 2,317 (78 percent) were vehicle/traffic related. The next-largest category, civil proceedings, accounted for 374 (13 percent) of total cases. The Town administered this caseload with only two full-time personnel and two part-time justices.

### Options

In the event of Town dissolution, the successor municipalities would have the following basic options for providing court services:

1. Port Chester and the Village of Mamaroneck could absorb any cases not already processed by their own Village courts; and
2. The successor municipality in Rye Brook could provide court services by:
  - a. Establishing its own justice court; or



- b. Providing justice court services in consolidated fashion with the successor municipality in Port Chester.

### ***Option 1***

Regardless of the form taken by the successor municipalities in Port Chester and the Village of Mamaroneck, their existing court capacity likely allows for absorption of Town of Rye justice court responsibilities with minimal impact (beyond, perhaps, adjusting in-court session times on an as-needed basis).

Regarding the successor municipality in Port Chester, it should be noted that under structural option VPC-2 (*i.e.* city status), the municipal cost related to court services would be assumed by the State. This would result in the removal of approximately \$850,000 in cost from the Port Chester municipal budget.

### ***Option 2a***

The current staff load (and related costs) for the Town of Rye court represents a conservative estimate of the operating expense for a newly-created court in the successor municipality in Rye Brook. Under that assumption, approximately \$250,000 in annual cost would be added to the municipal budget.

### ***Option 2b***

By contrast, the successor municipality in Rye Brook could avoid establishing its own court by leveraging the existing capacity in Port Chester. The established process for town court consolidation according to the Office of the State Comptroller<sup>13</sup> is as follows:

*A consolidation of town justice courts may be accomplished under the Uniform Justice Court Act, Section 106-a. This section, as amended by Chapter 237 of the Laws of 2007, authorizes two or more towns that form a contiguous geographic area within the same county to establish a single justice court. The single town court would be composed of justices elected from each town. The terms of these justices may not expire during the same year.*

*The process to establish a single court may be initiated by petition of registered voters of each town or by resolution of the town boards.*

*Petition of Registered Voters: If initiated by petition, the petition must be addressed to each town board and must be signed by at least 20 percent of the registered voters in the towns. The petition must be filed with the town clerk in each of the affected towns; one town will receive the original petition, and the other town or towns will each receive a certified copy of the petition. A sample petition can be found in the Uniform Justice Court Act, Section 106-a.*

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<sup>13</sup> See *Justice Court Consolidation in Villages and Towns*, Office of the State Comptroller, <http://www.osc.state.ny.us/localgov/costsavings/justicecourtbrochure.htm>. Notably, this process assumes that two existing courts are being consolidated, which would be different from the process involved in dissolving the Town of Rye and immediately shifting Rye Brook jurisdiction into a consolidated Port Chester court.



*Town Board Resolution: Any town board may adopt a resolution calling for the reduction of the number of justices in the town and in one or more towns that form a contiguous area. As with the petition, the resolution must be filed with the town clerk in one town and certified copies of the resolution must be filed in the other town or towns.*

*Public Hearing: Once the process to establish a single town court is initiated, a joint public hearing is required. The town clerk of the town in which the original petition or resolution was filed must, within 30 days after the filing of the original and certified copies of the petition or resolution, publish a notice of hearing in the official newspaper of each town, or, in the absence of an official newspaper, in a newspaper that is published within the county and has general circulation within the area of each town. The joint public hearing must be held within 20 to 40 days after the notice of hearing is published.*

*The town boards of the affected towns must meet at the time and place specified in the notice of hearing. One of the members of the participating town boards will be selected to preside at the meeting. At this meeting, the town boards will hear testimony and receive evidence and information that may be presented concerning the petition or resolution to establish a single town court.*

*Within 60 days after the hearing, the town boards must determine whether to approve the petition or resolution. The petition or resolution must be approved by each of the town boards, or the proceedings terminate and the current justice court structure continues.*

*Joint Resolution: If each of the town boards approves the resolution or petition, the boards must prepare a joint resolution that abolishes the office of one justice in each town, and states that the remaining justice in each town will have jurisdiction in all of the participating towns.*

*The joint resolution, among other things, must also identify each justice whose office will be abolished, and each justice whose office will be continued. Section 106-a(9) sets forth a process to be followed in the event that agreement cannot be reached as to which offices will be abolished in each town.*

*Referendum: The joint resolution must be submitted to the electors of each town at the next general election, provided it occurs more than 60 days after the final determination of the language of the resolution. If the resolution is approved by a majority of the qualified persons voting in each town, the joint resolution is adopted and the plan to establish the single town court will be implemented as provided in the resolution. However, if the joint resolution is disapproved by a majority of the persons voting in one or more towns, the resolution is defeated and no further action may be taken to implement the plan.*

*Separate Records: If a single town court is established under this process, each justice must keep separate sets of records and dockets and maintain separate bank accounts for each town in which he or she has jurisdiction.*

*When a single town court is established, each town will retain their respective fine revenues.*

A consolidated court serving the successor municipalities in Port Chester and Rye Brook would need to add capacity and in-session time, but CGR estimates that the additions would be no more than the current staff load and cost associated with the Town of Rye's court. Moreover, it would generate certain efficiencies in comparison to option 2a. For example,

- While a consolidated court may necessitate an increased stipend to justices in acknowledgement of the additional caseload, it would enable the elimination of at least one justice (estimated savings of \$35,000); and
- While a consolidated court would likely require the addition of staff capacity to handle additional caseload, it could leverage existing administrative-level staff in Port Chester and add personnel at the support staff level (estimated savings of \$10,000).

With these efficiencies in mind, CGR estimates option 2b would cost Rye Brook approximately \$205,000, or roughly \$45,000 less than option 2a.

## **Parks Maintenance**

The Town of Rye oversees care and management of Rye Town Park (including Oakland Beach), Crawford Park and three Town-owned cemeteries. [As noted in the next section, its maintenance staff also carries out the Town's bridge maintenance responsibilities.] In addition, the Town's parks maintenance staff handle regular maintenance in and around Town Hall at 10 Pearl Street and other miscellaneous properties obtained by the Town through *In Rem* proceedings.

At present, the Town assigns 2.5 full-time staff to Crawford Park for maintenance and upkeep responsibilities. This staff allocation is after a recent outsourcing of landscaping functions, which resulted in the reduction of several seasonal positions. By contrast, Town maintenance staff at Rye Town Park consists of a parks foreman (half of whose time is spent on Rye Town Park) and approximately nine seasonal employees. Additional seasonal employees (approximately 70-75) are retained as managers, cashiers, security officers and lifeguards during the warm weather season.

### **Options**

As noted earlier, responsibility for the care and management of Town parks and cemeteries in the event of Town dissolution is likely subject to ownership. The following options appear to exist, with each Rye Town Park option almost certainly subject to state legislation amending the current structure.

#### ***Rye Town Park***

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(Assuming it is retained as a community resource to benefit the former Town of Rye):

- 1a. Have the Rye Town Park Commission provide maintenance services, underwritten by park-related revenues and any differential funded proportionately based on assessed value by the successor municipalities in Port Chester, Rye Brook and the Rye Neck portion of the Village of Mamaroneck
- 1b. Have the City of Rye Department of Public Works add Rye Town Park maintenance to its current parks upkeep functions, underwritten by park-related revenues and any differential funded proportionately based on assessed value by

the successor municipalities in Port Chester, Rye Brook and the Rye Neck portion of the Village of Mamaroneck

*Note that under each of these options, it is assumed that the current split of operational costs between the Town and City of Rye (51 percent and 49 percent, respectively) would be retained, with the successor municipalities of the Town of Rye proportionately funding the former Town share based on assessed value.*

(Assuming it is transferred to the exclusive ownership of the City of Rye):

2. Have the City of Rye Department of Public Works assume sole responsibility for maintenance functions and costs

### ***Option 1a and 1b***

Under either of these options, it is reasonable to assume that park maintenance services would remain at their current level, with the biggest change being the service provider. Under Rye Town Park Commission-as-employer model, there are likely minimal efficiencies from the staffing currently employed by the Town of Rye; under the City of Rye-as-employer model, there may be modest efficiency savings from integrating the Town's current half-time foreman costs within the City's existing Parks Department structure.

Assuming service levels and costs remain equal to what they presently are, there would be no fiscal impact on successor municipalities. In the first instance, park-related revenues would offset service costs; in the event of a deficit, the successor municipalities in Port Chester and Rye Brook, and the Rye Neck portion of Mamaroneck, would proportionately fund the former Town of Rye's 51 percent share based on assessed valuation, identical to the way they currently fund it through the Town budget.

### ***Option 2***

Under this option, the successor municipalities of the Town of Rye would lose ownership (and cost liability) for Rye Town Park and Oakland Beach. Beyond the asset transfer, this would produce savings of approximately \$115,000 (*i.e.* roughly the cost spent out of the Town of Rye budget for Rye Town Park) for the successor municipalities.

### ***Crawford Park***

(Assuming it is retained as a community resource to benefit the former Town of Rye):

1. Have the successor municipality in Rye Brook assume responsibility for maintenance, with all successor municipalities of the Town of Rye funding the service proportionately based on assessed value. *It is assumed that under this restructured framework, former Town of Rye residents in Port Chester and Mamaroneck would still have access to the Park as they do presently.*

(Assuming it is transferred to the exclusive ownership of the successor municipality in Rye Brook):

2. Have the successor municipality in Rye Brook assume sole responsibility for all maintenance functions and costs

### ***Option 1***

It is reasonable to assume that park maintenance services would remain at their current level, with the successor municipality in Rye Brook assuming the role of service provider. There may be modest efficiency savings from integrating the Town's current half-time foreman costs within Rye Brook's existing Department of Parks and Recreation structure. Assuming service levels and costs remain equal to what they presently are, there would be no fiscal impact on successor municipalities.

### ***Option 2***

Under this option, the successor municipalities in Port Chester and Rye Neck would be relieved of any cost responsibility for Crawford Park. Vesting all cost burdens on the successor municipality in Rye Brook would produce direct salary savings to Port Chester and Rye Neck of approximately \$150,000.

In this context, it should be noted that the Village of Rye Brook already utilizes Crawford Park for its recreation programming, and its Parks and Recreation staff works collaboratively with the Town of Rye regarding the upkeep of Crawford Park as needed.

## ***Cemeteries***

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(Assuming they are transferred to the exclusive ownership of the successor municipality in Rye Neck):

5. Have the successor municipality covering the Rye Neck portion of the Village of Mamaroneck assume responsibility for occasional maintenance functions, with all successor municipalities of the Town of Rye funding the service proportionately based on assessed value

### ***Option 5***

Under this option, the successor municipalities in the Village of Mamaroneck would assume the periodic – estimated bi-weekly – landscaping tasks at the cemeteries. To the extent this requires additional capacity on the part of the Department of Public Works (which handles parks maintenance and landscaping), that cost would be borne proportionately by all of the successor municipalities.

## ***A Note on Further Consolidation and/or Outsourcing***

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The Town of Rye recently outsourced landscaping functions for Crawford Park, allowing it to eliminate several seasonal positions. As part of shifting parks

maintenance responsibilities in the event of Town dissolution, further outsourcing may be a possibility. Whether done through a private vendor or nonprofit organization (*e.g.* Friends of Crawford Park), outsourcing may provide the successor municipalities with an opportunity to maintain current service levels more cost effectively.

## **Bridge Maintenance**

As noted earlier, the Town of Rye’s maintenance responsibilities regarding bridges is of two types:

- “General maintenance,” which consists of pot hole repair, painting of railings, cleaning of debris from catch basins and gutters, repairing curbs and sidewalks, and repairing signage; and
- “Bridge maintenance,” which consists of capital cost responsibility for more significant repairs when needed.

Its general maintenance responsibilities span two bridges – South Barry Avenue/Guion and South Barry Avenue/Otter. In both cases, the Village of Mamaroneck is already providing “daily maintenance” for both bridges, including plowing, street cleaning, leaf removal and painting of lines.

Its bridge maintenance responsibilities span six bridges – both South Barry Avenue bridges (for which it is solely responsible), the Jefferson Avenue and Short Street Bridges (for which it is equally responsible with the Village of Mamaroneck), and the Hillside Avenue and North Barry Avenue Bridges (for which it shares equal responsibility with the Village of Mamaroneck and Town of Mamaroneck).

In the event of Town dissolution, the general maintenance responsibilities of the Town would need to be addressed for both South Barry Avenue bridges. The most prudent approach may be to have the Village of Mamaroneck assume the responsibility, both as a function of geography and because the Village is already responsible for daily maintenance of both. The 2004 Stipulation of Settlement regarding bridge responsibilities could be amended to reflect this point *and* acknowledge that any cost liabilities formerly borne by the Town for general maintenance of these two bridges would be proportionately shared by all successor municipalities of the Town of Rye based on assessed value.

Bridge maintenance responsibilities are addressed earlier in this report (see the “Financial Considerations” section of this report).

## **Indirect Impacts**

Beyond these direct impacts, there are services currently being provided by the Town that would be less significantly impacted because the Villages (and any successor municipality they become) are already providing those same services and/or can reasonably assume existing Town responsibilities. They include the following:

- Clerk functions – although Town dissolution would shift certain licensing and permitting responsibilities to clerk offices in the successor municipalities, the impact is likely to be minimal;
- Elected government functions – Town dissolution would have little to no impact on the functioning of elected governance in the successor municipalities (aside from their formal restructuring);
- Administration functions – Town dissolution would have little to no impact on administrative/managerial functions in the successor municipalities; and
- Budget/finance functions – Town dissolution would have little to no impact on budget/financial administration in the successor municipalities.

# MODELING THE IMPACT OF A TOWN OF RYE RESTRUCTURING

As noted in the preceding sections, many of the key elements of a Town of Rye restructuring have a range of possible options. From the structure of the successor municipalities (*e.g.* coterminous, city status, annexation); to disposition of Town-owned properties (*e.g.* sell, retain, transfer ownership); to sustaining services that are currently delivered by the Town (*e.g.* tax collection, assessment, court, parks and cemeteries), there are a variety of permutations a Town of Rye restructuring can take.

To facilitate consideration of those options, CGR developed a “straw-man” restructuring model based on assumptions presented to – and affirmed by – the project Steering Committee. This does not necessarily represent the Steering Committee’s formal endorsement of this model as the most appropriate framework for moving forward, but rather represents the Steering Committee’s acknowledgement that this model is based on reasonable assumptions that can serve as a valuable frame of reference for analyzing the impact of a potential Town of Rye dissolution.

## Elements of the Model

### *Municipal Structure*

- The Town of Rye in its current form would dissolve, ceasing to exist as a separate municipal unit.
- The Village of Port Chester would become a coterminous town-village.
- The Village of Rye Brook would become a coterminous town-village.
- The Village of Mamaroneck *in its entirety* would become a coterminous town-village, including not only the Rye Neck portion located within the Town of Rye but the remainder of the Village currently located in the Town of Mamaroneck. This would effectively remove the Village of Mamaroneck from the Town of Mamaroneck.

### *Fiscal Elements*

- Within the new coterminous town-village of Mamaroneck, a special district would be established encompassing only the Rye Neck portion such that fiscal components of the restructuring can be appropriately allocated to the portion located within the former Town of Rye.
- The Town of Rye property tax would be eliminated.



- The Town of Rye’s non-property tax revenue streams that are eligible to continue under a coterminous restructuring *would* continue, and would be allocated to the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) proportionately on the basis of their assessed value share.
- The Town of Rye’s balance sheet assets (*e.g.* fund balance / reserves) would be allocated to the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) proportionately on the basis of their assessed value share.
- The Town of Rye’s balance sheet liabilities (*e.g.* outstanding debt, post-employment benefits) would become the responsibility of the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) proportionately on the basis of their assessed value share. Balance sheet liabilities related to compensated absences for current Town employees would be paid out of the Town’s existing available fund balance.
- Per Westchester County law, property tax guarantee liability currently held by the Town of Rye would become the responsibility of the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) for their respective taxing jurisdictions.

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*Note regarding assessed valuation shares*

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*Anywhere in this analysis where assets, liabilities or other obligations are assumed distributed across the successor municipalities on the basis of taxable assessed value share, the Town of Rye’s 2012 preliminary roll is used as the basis. With that in mind, the Town of Rye’s taxable value breaks out as follows: 38.8 percent in the Village of Port Chester portion; 39.4 percent in the Village of Rye Brook portion; and 21.8 percent in the Rye Neck section of the Village of Mamaroneck.*

## **Properties and Related Liabilities**

- Crawford Park would be transferred to the exclusive ownership of the successor municipality in Rye Brook, as would maintenance costs and revenues associated with the park.
- The following Town of Rye properties would be sold, with proceeds<sup>14</sup> distributed to the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) proportionately on the basis of their assessed value share:

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<sup>14</sup> In lieu of formal appraisals, proceed amounts are estimated based on 2009 assessment figures for each property as provided by the Town of Rye in May 2012.



- 285 Madison Avenue (\$206,500)
  - 313 Locust Avenue (\$486,200)
  - 10 Pearl Street (\$1,000,000)
  - Pearl Street Lot (\$500,000)
  - Fox Island Road (\$192,700)
  - Shore Drive (\$168,800)
  - Garden Road (\$79,800)
  - 738 Halstead (\$348,400)
- Ownership of the property at W. William Street (assessed at \$790,000), currently leased by the Village of Rye Brook for public works purposes, would transfer to the exclusive ownership of the successor municipality in Rye Brook.
  - Ownership of Town bridges – Continental Manor, South Barry Avenue, Hillside and Jefferson Avenue – would transfer jointly to the successor municipalities in Port Chester, Rye Brook and Mamaroneck. Maintenance services would be provided by the successor municipality in Mamaroneck, with the costs shared by the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) proportionately on the basis of their assessed value share.
  - Town-owned cemeteries would transfer to the exclusive ownership of the successor municipality in Mamaroneck, as would maintenance responsibilities therefor.
  - The Town of Rye’s ownership share in Rye Town Park (RTP) would transfer jointly to the successor municipalities in Port Chester, Rye Brook and Mamaroneck, and State legislation would be required to address the revised ownership structure and representation on the RTP Commission. Maintenance services would be provided by the RTP Commission utilizing its own staff and funded primarily through park revenues. The Town of Rye’s operational deficit cost share (51.000 percent, with the City of Rye paying the difference) would be funded by the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) proportionately on the basis of their assessed value share. The Town of Rye’s capital cost share (60.722 percent, with the City of Rye paying the difference) would be funded by the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) proportionately on the basis of their assessed value share.
  - The Town of Rye’s capital cost liability related to bridges would be funded by the successor municipalities in Port Chester, Rye Brook and Mamaroneck (Rye Neck district only) proportionately on the basis of their assessed value share. That liability is as follows, by bridge and type of cost:
    - *Bridge Maintenance*
      - South Barry – Guion (100.000 percent)

- South Barry – Otter (100.000 percent)
- Jefferson Avenue (50.000 percent)
- Short Street (50.000 percent)
- Hillside Avenue (33.333 percent)
- North Barry Avenue (33.333 percent)
- *General Maintenance*
  - South Barry – Guion (100.000 percent)
  - South Barry – Otter (100.000 percent)

## Service Adjustments

### *Tax Collection*

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The successor municipalities in Port Chester and Rye Brook would establish a shared / consolidated tax collection office. The successor municipality in Mamaroneck would supplement its existing tax collection service to handle this function.

- *Cost Assumptions*
  - Port Chester and Rye Brook (\$260,000 total) – Based on current Town tax collection costs *minus* one position, enabled by splitting of the Rye Neck responsibility; new shared department would have \$150,000 in salary + 35% benefits + \$60,000 contractual; costs would be split evenly between the two villages
  - Mamaroneck (n/c) – Assume no additional staffing is required; the entire jurisdiction is already served by the current Village office (for Village taxes)

### *Tax Assessment*

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The successor municipalities in Port Chester and Rye Brook would establish a shared / consolidated tax assessment office, perhaps through the use of a Coordinated Assessment Program (CAP). The successor municipality in Mamaroneck would rely on valuations already assigned by its own tax assessment office to handle the function.

- *Cost Assumptions*
  - Port Chester and Rye Brook (\$660,000 total) – Based on current Town tax assessment costs *minus* one position, enabled by splitting of the Rye Neck responsibility; new shared department would have \$340,000 in salary + 35% benefits + \$200,000 contractual; costs would be split evenly between the two villages

- Mamaroneck (n/c) – Assume no additional staffing is required; the entire jurisdiction is already served by the current Village office (for Village taxes)

### *Justice Court*

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The successor municipalities in Port Chester and Mamaroneck would continue to rely on their own existing justice court functions. Rye Brook, which currently relies on the Town of Rye’s court, would consolidate court services within Port Chester’s existing court via inter-municipal agreement.

- *Cost Assumptions*
  - Rye Brook (\$150,000 total) – Estimate based on one justice and one support staff within Port Chester court
  - Port Chester and Mamaroneck (n/c) – Assume no additional staffing is required; service already provided

### *Parks Maintenance – Rye Town Park*

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The successor municipalities in Port Chester and Mamaroneck would continue to rely on their own existing justice court functions. Rye Brook, which currently relies on the Town of Rye’s court, would consolidate court services within Port Chester’s existing court via inter-municipal agreement.

- *Cost Assumptions*
  - Port Chester, Rye Brook and Mamaroneck (\$235,000 total) – Cost estimate based on current Town cost *minus* Crawford Park costs; assume split proportionately based on assessed value share

### *Parks Maintenance – Crawford Park*

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The successor municipality in Rye Brook would assume ownership and maintenance responsibility for Crawford Park.

- *Cost Assumptions*
  - Rye Brook (\$200,000 total) – Cost estimate based on current Town cost

### *Elections*

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The successor municipalities would each assume some responsibility for administering elections that is currently handled by the Town.

- *Cost Assumptions*
  - Port Chester, Rye Brook and Mamaroneck (\$17,750 total) – Cost estimate based on current Town; assume split proportionately based on assessed value share

SERVICE RESTRUCTURING IMPACTS (RECURRING)	VPC	VRB	VOM	TOTAL
Tax collection: Port Chester + Rye Brook	(\$130,000)	(\$130,000)	-	(\$260,000)
Tax collection: Mamaroneck	-	-	-	-
Tax assessment: Port Chester + Rye Brook	(\$330,000)	(\$330,000)	-	(\$660,000)
Tax assessment: Mamaroneck	-	-	-	-
Justice court: Rye Brook	-	(\$150,000)	-	(\$150,000)
Parks maintenance - Rye Town Park	(\$91,204)	(\$92,496)	(\$51,324)	(\$235,000)
Parks maintenance - Crawford Park	-	(\$200,000)	-	(\$200,000)
Elections	(\$6,889)	(\$6,986)	(\$3,877)	(\$17,750)
Cemeteries: Mamaroneck	-	-	-	-
<b>Subtotal</b>	<b>(\$558,092)</b>	<b>(\$909,482)</b>	<b>(\$55,201)</b>	<b>(\$1,522,750)</b>

## Fiscal Estimates

The following table summarizes the fiscal impacts of the restructuring model presented above. Impacts are presented in terms of what the effect on taxpayers *would have been had the structural alternative been in place this year*, given current year fiscal realities. Future savings, costs or changes in other variables (*e.g.* health insurance, pension, wages, utilities, etc.) that are otherwise indeterminate are not contemplated in the analysis.

### *Recurring Impacts*

These items would have an ongoing annual impact on the successor municipalities. They include:

- Reallocation of Town of Rye revenue, such as state aid, clerk fees, court revenues that would shift to other venues, and fines and forfeitures, all of which are assumed distributed to successor municipalities on the basis of their assessed value share in the current Town of Rye;
- Savings to Port Chester and Rye Brook enabled by the removal of the Town of Rye serving as property tax guarantor, offset by some degree of cash flow liability as the successor municipalities assume responsibility for being property tax guarantors themselves;
- Service adjustments that would be required in order to sustain services currently provided by the Town of Rye to / for the Villages; and
- Debt service costs which would shift to the successor municipalities on the basis of their assessed value share in the current Town of Rye (Note: Although technically a cost “shift” from the Town to the successor municipalities, the net fiscal impact is effectively zero since the Town’s debt

service costs are already funded proportionately based on assessed value by taxpayers in Port Chester, Rye Brook and Rye Neck);

- Elimination of the Town of Rye property tax, which is currently levied on properties in Port Chester, Rye Brook and Rye Neck, saving \$0.05 per \$1,000 in assessed value; and
- Removal of the Town of Mamaroneck property tax for the portion of the Village of Mamaroneck *not* within the Town of Rye, saving \$22.96 per \$1,000 in assessed value (Note: This figure is based on the Town of Mamaroneck assessment, not the Town of Rye assessment).

### *Summary of Recurring Impacts*

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1. Eliminating the Town of Rye property tax would generate an estimated \$25 in annual savings on a property valued at \$500,000 in Port Chester, Rye Brook and Rye Neck.
2. Removing the Town of Mamaroneck property tax on that portion of the Village of Mamaroneck *not* within the Town of Rye would generate an estimated \$459 in annual savings on a property valued at \$20,000.<sup>15</sup>
3. All other recurring impacts – Town revenue reallocation, property tax guarantee savings, service adjustments and debt service cost shifts – would generate an estimated \$52 in annual savings on a \$500,000 property in Port Chester, an estimated \$22 annual cost on a \$500,000 property in Rye Brook, and an estimated \$72 in annual savings on a \$500,000 property in Rye Neck.

### *One-Time Impacts*

These items would have a one-time impact on the successor municipalities, related primarily to the liquidation of certain Town assets, and would not continue in future years. They include:

- Disposition of Town-owned property, including the sale of Town Hall (*i.e.* 10 Pearl Street) and its accompanying parking lot; and
- Liquidation of Town balance sheet assets, mainly unreserved general fund balance and capital fund balance.

### *Summary of One-Time Impacts*

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<sup>15</sup> Hypothetical property value is significantly less than in the Town of Rye due to the equalization rate differential in the Town of Mamaroneck / Village of Mamaroneck.

1. Disposing of current Town-owned property and liquidating its balance sheet assets proportionately across the three successor municipalities would result in estimated one-time benefits equivalent to \$252 on a \$500,000 property in Port Chester, \$290 on a \$500,000 property in Rye Brook, and \$199 on a \$500,000 property in Rye Neck.

### ***Potential / Liability Impacts***

These items acknowledge the shift of certain employee, operational and capital liabilities from the Town of Rye to the successor municipalities. In each case they are assumed distributed across the successor municipalities on the basis of assessed value share in the current Town of Rye. They include:

- Retiree health insurance liability, which was projected in December 2010 to be \$4,640,000 for retirees and current employees (Note: As these are amortized costs over a 30-year period, certain liabilities related to active employees would be reduced or eliminated in the event the Town were dissolved);
- The Town's share of capital costs for Rye Town Park, equaling 60.722 percent of such costs;
- The Town's share of operational costs to cover any deficits at Rye Town Park, equaling 51.000 percent of such costs; and
- Bridge / general maintenance cost liability related to six bridges for which the Town of Rye is contractually responsible, with liability ranging from 33.333 percent of such costs to 100.000 percent depending on the bridge. Costs related to these liabilities are episodic and indeterminate at the present time.

### ***Summary of Potential / Liability Impacts***

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1. Liabilities related to retiree health insurance, operational/capital costs at Rye Town Park and maintenance of Town bridges would transfer to the successor municipalities, producing a fiscal impact that is indeterminate at the present time. However, it should be noted that those liabilities are already borne by taxpayers in all three Villages by virtue of the fact that they are also Town of Rye taxpayers. As such, the liability "shift" should not on its own result in additional costs beyond the current system.

**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)
<b>Recurring Impacts</b>				
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) <sup>2</sup> <i>Annual savings estimate based on \$20,000 home<sup>1</sup></i>	-	-	-	\$459
Other recurring impacts <i>Includes net effects of reallocating Rye Town revenue, savings from elimination of property tax guarantee<sup>3</sup>, service adjustments and debt service<sup>4</sup>; Annual estimate based on \$500,000 home<sup>5,6</sup></i>	\$52.11	(\$21.63)	\$71.74	-
<b>Total Recurring Impact</b>	<b>\$77.11</b>	<b>\$3.37</b>	<b>\$96.74</b>	<b>\$459.20</b>
<b>One-Time Impacts</b>				
<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)
<b>Potential / Liability Impacts<sup>7</sup></b>				
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%	-



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**Notes**

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<sup>1</sup> The hypothetical property in Mamaroneck is assumed to be \$20,000, reflecting the significant difference in equalization rates between it and the other two villages. In 2012, the Village of Mamaroneck's equalization rate is 1.82, meaning properties are approximately assessed at 1.82 percent of market value. As the Town of Mamaroneck property tax rate applies using that assessment standard, it is utilized in this analysis for estimating the impact of removing the Town of Mamaroneck property tax from that portion of the Village of Mamaroneck.

<sup>2</sup> This is the combined property tax rate for the Town of Mamaroneck's general townwide fund and ambulance district fund, which are the only Town fund tax rates that apply to the Village of Mamaroneck.

<sup>3</sup> Reflects only the savings on 0.5 percent of levy paid by Villages to Town of Rye in return for the property tax guarantee. Does not include the cash flow impact that would be assumed by successor municipalities as they take on the property tax guarantee requirement currently provided by the Town of Rye.

<sup>4</sup> Debt service costs reflect Town of Rye budgeted expenditures for the current fiscal year. They do not reflect any future or anticipated debt issuances, including approximately \$1.8 million that may be sold in the next year to fund certain Town capital liabilities relating to bridge maintenance. The precise impact of those borrowings on debt service would depend upon bond term and rate, which is indeterminate at the present time.

<sup>5</sup> Port Chester and Rye Brook maintain separate rates for homestead and non-homestead properties. The analysis is based on one composite rate for each village, capturing residential and non-residential properties. For estimation purposes, the revised composite rate (after recurring impacts) is applied to a hypothetical \$500,000 residential property to derive actual impact.

<sup>6</sup> Within the Village of Mamaroneck, this only applies to the Rye Neck portion. As such, that estimate is derived using only the taxable base in the Rye Neck section (*i.e.* not the entire Village), estimated to be \$2 billion according to Town of Rye assessed valuations.

<sup>7</sup> All potential/liability impacts result in a shift of liability from the Town of Rye to the successor municipalities. However, it is important to note that the net fiscal impact of these shifts is likely to be zero because, since the entirety of the Town of Rye is covered by the three villages, taxpayers of the villages are already responsible for offsetting these liabilities on a proportionate basis according to their assessed value. So while legal ownership of the liability transfers, the ultimate financial obligation remains unchanged.

**PART II:**  
Other Potential Shared  
Service Alternatives

## OVERVIEW

Beyond evaluating the feasibility of dissolving the Town of Rye, the State-approved project work plan for this study also sought to consider the potential for shared services among the affected villages:

*Goals and objectives: To provide the Municipal boards and the Town of Rye residents with a plan to consider the dissolution of the Town of Rye and the creation of coterminous town/villages in Port Chester and Rye Brook, and alternatives for the Rye Neck area. This study will also include an analysis of shared service alternatives for the involved villages... Even if a Rye Town dissolution option is deemed to not be cost-effective, the Town of Rye, and Villages of Mamaroneck, Port Chester and Rye Brook officials seek to identify additional shared service opportunities to pursue. This study will assist in determining these additional opportunities to reduce local property taxes.<sup>16</sup>*

The project work plan continues:

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

### Intent of this section

The intent of this section is therefore to identify service areas where there *may* be potential for further service sharing between and among the Villages within the Town of Rye. The services areas selected for inclusion are based on CGR's evaluation of current municipal offerings in the community and familiarity with alternative models elsewhere in New York State.

Consistent with the project work plan, the options considered in this section are necessarily at a *high level*, designed to promote further consideration and analysis on the part of the municipal partners. Any decision by the municipal partners to pursue one or more of these shared service scenarios would require additional detailed analysis, data collection and public engagement.

In some cases, these shared service possibilities may merit further consideration regardless of the fate of any Town dissolution effort. Particularly in functions where the Villages are primary service providers and the Town has little-to-no functional responsibility, consideration of shared approaches may be beneficial irrespective of the Town dissolution discussion.

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<sup>16</sup> Drawn from the Town and Villages' State-approved project work plan, which can be found in its entirety on the study website at <http://www.cgr.org/ryetown/about.aspx>.

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## Village services to be considered

Based on our evaluation of current Village services, CGR identified the following functional areas<sup>17</sup> as meriting additional consideration for shared service possibilities:

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

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<sup>17</sup> In addition to these areas, CGR also reviewed benefits administration and payroll functions for possible efficiencies, but concluded that the potential for savings or operational improvement in those areas was limited. At present, all three Villages participate in the New York State Health Insurance Program, which means that they are not independently administering benefit plans on their own or through the services (or with the additional cost) of a benefit administrator / broker. And while two of the three Villages perform payroll services in-house (Mamaroneck does outsource paycheck printing to ADP), total staff-load for this function is less than 2 FTEs. While some benefit could possibly be gained by outsourcing the payroll function in Port Chester and Rye Brook, certain payroll administration functions (*e.g.* time reporting, transmittal to the payroll vendor, etc.) would likely require the retention of at least some of the current staff-load, minimizing the overall savings potential.

## SHARED SERVICE OVERVIEW: Building and Codes

One service area that may offer potential efficiency opportunities through shared service is building and code enforcement. As noted in the *Baseline Report*, all three Villages are presently involved in delivering building and code enforcement services, although in structurally different ways. In Port Chester, two separate departments handle these functions – A Building Department (which oversees building and related permit application processing and inspections) and a Department of Code Enforcement (which administers enforcement of the Village code and zoning ordinances). By contrast, both Rye Brook and the Village of Mamaroneck run their own Building Department, which effectively consolidates the permitting, inspection and code enforcement processes within a single agency. The Town of Rye has no role in providing these functions.

In fiscal year 2011-12, building and code services among the three Villages cost approximately \$1.7 million, the fifth-largest cost center (after police, fire, solid waste and central garage functions).

Collectively, the offices are staffed by a total of 23 employees, of which 21 are full-time positions. They include:

- One full-time planning / development director;
- Two full-time code enforcement officers;
- Eight full-time inspectors (fire, building, etc.);
- Two part-time inspectors (fire, building, etc.); and
- Ten full-time support personnel (clerk, assistant, etc.).

In aggregate, the three Villages process approximately 4,000 permits per year. It should also be noted that, while Port Chester and Mamaroneck operate their own Village Courts (which process in part proceedings related to violations), Rye Brook utilizes the Town of Rye’s court.

Similar to the reviews of shared police and fire options presented above, the geographic disconnect of the Village of Mamaroneck from Port Chester and Rye Brook suggests that benefits from a shared intermunicipal approach to building and code enforcement are likely to be limited. To be sure, building / code enforcement is not as geographically-focused a service as is police or fire, so there may be “back office” opportunities among the three Villages to collaborate on certain process items (*e.g.* permit processing). But the separation of Mamaroneck from the rest of the Town remains a complicating factor. As such, this high-level review considers the potential merit of greater intermunicipal sharing primarily between Port Chester and Rye Brook.

### *Departmental Summaries*

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As noted, **Port Chester's** functions are technically split between a Building Department and Code Enforcement Department, though have nexus through a single administrative umbrella. The Building Department has a staff-load of five full-time employees: A planning/development director, a building inspector, and three support staff – one senior office assistant, one junior account clerk and one administrative intern. The Code Enforcement Department is staffed by two full-time fire inspectors, one part-time fire inspector, a single full-time code enforcement officer, and two support staff – a full-time clerk and a full-time administrative intern. Both departments are open 9:00 am to 5:00 pm five days per week, although the Building Department has “walk-up” hours only from 9:00 am to 1:00 pm on weekdays.

**Rye Brook's** Building Department (which also handles code enforcement) is staffed by two full-time inspectors and two full-time office assistants. The Department processes roughly half the annual permit volume of Port Chester.

### *Potential Efficiency Opportunities Meriting Further Analysis*

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Although building inspection and code enforcement are substantively similar, they are potentially quite different in a shared service environment. For example, the building permit and inspection process generally involves mechanical administration of the Uniform Code (although certain municipalities may deliver these services more or less aggressively). By contrast, code enforcement of municipal ordinances can vary widely across communities, both because municipal ordinances typically differ from one to another *and* because elected officials and / or other stakeholders may desire a greater focus on certain issues.

Thus, level of service is a key implementation issue to bear in mind when considering a shared approach to code enforcement. Because the scope and service intensity of code enforcement operations typically varies by community, it creates a challenge in identifying a “one size fits all” level of service.<sup>18</sup>

Still, there are potential opportunities worth reviewing in the interest of streamlining and possibly reducing the local cost burden.

*Shared Permit Processing:* As the permitting and inspection process tends to be more consistent from community to community, sharing or consolidating the activity between the two Villages may be an opportunity worth considering in greater detail. This could serve to reduce the amount of administrative overhead; also, to the extent that permit processes are provided entirely in electronic form (*i.e.* form access, submission, review and confirmation of approval), the need for a separate local office presence in both Villages could be obviated. Related, a single office could effectively

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<sup>18</sup> CGR has not done an analysis of the extent to which code enforcement approaches / levels in the two Villages are similar or dissimilar. An analysis of service level comparability would be an important step in any further consideration of shared code enforcement services between the Villages.



consolidate the “walk in” window traffic for accepting permit applications, reducing the need for duplicate staff resources.

*Shared Code Enforcement:* Notwithstanding the challenges referenced above, code enforcement services could theoretically be delivered to both Villages by a single merged office. This has the potential to produce certain administrative efficiencies (e.g. one departmental head), support staff efficiencies (e.g. a combined entity would likely not require the current level of support staff), and operational efficiencies (e.g. merging “walk-in” window services). A larger combined department may also afford the ability to provide more specialized inspection / enforcement services, enabling a focus on specific code issues of interest to the department, elected officials and other stakeholders.

Initial analysis suggests that staffing ratios are higher in the Village of Port Chester than in Rye Brook, which may be a function of the separate building / code offices in Port Chester or a reflection of different enforcement priorities / needs. Whatever the reason, the combined building department / code enforcement staff ratio in Port Chester is approximately 1 inspector per 1,185 taxable properties, compared to 1:1,693 in Rye Brook. Similarly, the support staff ratio is somewhat higher in Port Chester (1:1,066) than in Rye Brook (1:1,693).<sup>19</sup>

*Outsourced Enforcement:* A number of municipalities in New York State have pursued outsourced building code enforcement solutions in recent years. These arrangements have generally covered enforcement and inspections related to the State Uniform Fire Prevention and Building Code, rather than municipal code enforcement. Select examples of communities currently using partially- or fully-outsourced approaches include the Town of Sennett (Cayuga County), Town of Owego (Tioga County) and Town of Cortlandville (Cortland County).

### *Issues to Bear in Mind*

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Any consideration of shared or merged approaches to delivering building and code enforcement services should pay close attention to at least two key issues. As discussed above, there is the issue of potential service level differences in administering and enforcing the municipal code. Similarly, there is the complication of Rye Brook using the Town of Rye’s court for processing violations (since Rye Brook does not have its own Village Court). All else being equal, a shared or merged

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<sup>19</sup> These represent *preliminary* staff ratios based on workforce levels at the time of analysis. The proxy denominator used in each calculation was the number of taxable properties, and as such does not capture the full universe of properties in each Village. For the purposes of this analysis, the part-time inspector in the Village of Port Chester’s Code Enforcement Department was considered half-time.

enforcement agency serving both Villages would be processing violations in two separate court venues, which may reduce the potential for efficiency gains.<sup>20</sup>

## SHARED SERVICE OVERVIEW: Fire

Another service area that may offer potential shared service efficiency – both operationally and in terms of capital equipment – is fire protection. Currently, the community’s fire protection needs are met by the Villages, each of which has its own fire department. Unlike many other towns in New York State which may act as the fiscal agent for fire protection districts or administer fire district tax levies, the Town of Rye has no role in providing or funding fire services since it is completely covered by incorporated villages.

In fiscal year 2011-12, fire services among the three Villages cost approximately \$4.2 million, the second-largest cost center after police services.

As pointed out in the *Baseline Report*, it is notable that emergency medical services are already provided cooperatively by Port Chester, Rye Brook and the City of Rye, pursuant to intermunicipal agreement. The service is effectively outsourced to the Port Chester – Rye – Rye Brook EMS, a 501c3 nonprofit corporation separate from the municipal governments.

There is already a large degree of service sharing in place between Port Chester and Rye Brook regarding fire services. In May 2000, the Villages entered into a fire protection agreement under Village Law §4-412(3)(9) and Article 5-G of General Municipal Law, under which Port Chester would provide fire protection services to Rye Brook for services including fire suppression, hazardous materials mitigation, public assistance incidents, heavy rescue and public fire education.<sup>21</sup> Rye Brook pays Port Chester an annual sum for these services.<sup>22</sup> The agreement was renewed in 2005 and 2010, and (as detailed below) Port Chester provides primary coverage to Rye Brook from 7:00 pm to 7:00 am. In that sense, fire protection services in the two Villages are already essentially “consolidated” for twelve hours each day.

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<sup>20</sup> It should also be noted that Building Department personnel may routinely handle responsibilities beyond (though related to) code enforcement, which would have to be considered in any shared approach. For example, Rye Brook’s Building Department personnel handle fire inspections, serve as coordinator for the Architectural Review Board and Zoning Board of Appeals, conduct plan reviews and participate in a safe housing task force, among other duties.

<sup>21</sup> It is notable that this intermunicipal approach followed a two-year effort in Rye Brook to outsource its fire protection service to a private entity, Rural Metro Corporation.

<sup>22</sup> The Village of Rye Brook paid Port Chester \$890,000 in 2011-12 for this service, rising to \$917,000 in 2012-13.



Similar to the review of shared police options, the geographic disconnect of the Village of Mamaroneck from the other two villages suggests that benefits from a shared intermunicipal approach to fire services are likely to be limited. There may be operational efficiencies to be gained through partnerships with other municipalities (e.g. the City of Rye) or through shared specialized capital equipment, but it is unlikely that there would be significant operational benefit to shared approaches involving the Village of Mamaroneck and Port Chester / Rye Brook. As such, this high-level review considers the potential merit of greater intermunicipal sharing primarily between Port Chester and Rye Brook.

### *Agency Summaries*

In terms of fire protection, the community is served by three village departments. The **Port Chester Fire Department** operates out of four stations, and includes eleven paid firefighters and seven volunteer companies. It is under the command of a chief and two assistant chiefs, and provides 24 / 7 coverage within the Village of Port Chester.

The **Rye Brook Fire Department**, while technically a Village of Rye Brook agency, is operated under the command and control of the Port Chester fire chief. Rye Brook has eight paid firefighters (staffing two squads). Under a contract with the Village of Port Chester, Rye Brook's fire personnel report to the Port Chester Fire Department. Pursuant to the contract, each of Rye Brook's two squads of paid firefighters staff Rye Brook's single fire station on a "three-on, three-off" basis from 7:00 am to 7:00 pm daily. Outside of that window each day, the Port Chester Fire Department assumes full responsibility for delivery of fire protection services in the Village of Rye Brook.

The **Village of Mamaroneck Fire Department** provides coverage to the Village of Mamaroneck through five companies, based out of four stations, and approximately 200 volunteers.

### *Distribution of Stations and Apparatus*

The Port Chester and Rye Brook fire departments collectively have five station houses:

- Port Chester Fire Department  
209 Westchester Avenue  
51 Grace Church Street  
464 Westchester Avenue  
509 Willett Avenue



- Rye Brook Fire Department  
*940 King Street*

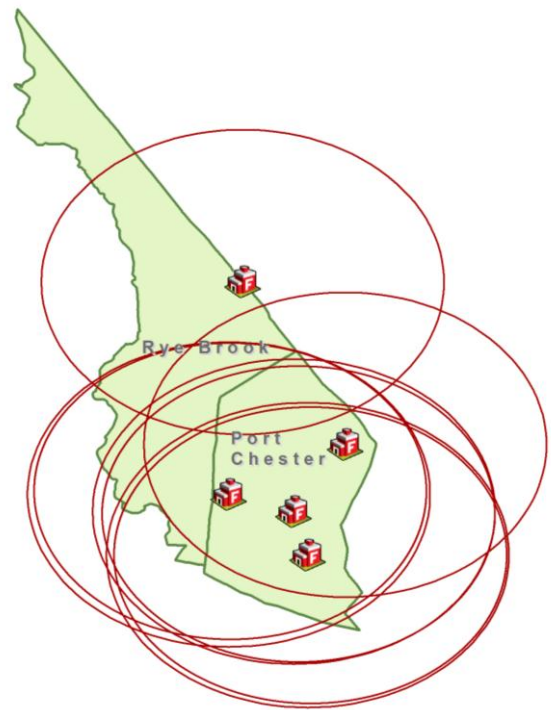
Both fire departments have certain major pieces of apparatus allocated across those fire stations. It should be noted that the location and number of fire stations is typically viewed as a function of geographic dispersion. This is unlike the location and number of police stations, which is more dependent on management direction than geographic dispersion. There are two standards established by the Insurance Services Office (ISO) for station and fire company location in a community: developed areas of the community should be within 1.5 miles of the closest engine truck, and 2.5 miles of the closest ladder truck.

The Port Chester and Rye Brook fire departments operate a combined eight engine trucks, deployed as follows:

- Port Chester Fire Department  
*209 Westchester Avenue (x2)*  
*51 Grace Church Street (x2)*  
*464 Westchester Avenue (x2)*  
*509 Willett Avenue (x1)*
- Rye Brook Fire Department  
*940 King Street (x1)*<sup>23</sup>

The accompanying map illustrates current coverage based upon the deployment of engine trucks in the two Villages, reflecting the primary location point and a 1.5-mile radius.<sup>24</sup> For those locations at which multiple engine trucks are based, the radii are offset slightly for visualization purposes.

Similarly, the two departments operate a combined three ladder trucks, deployed as follows:

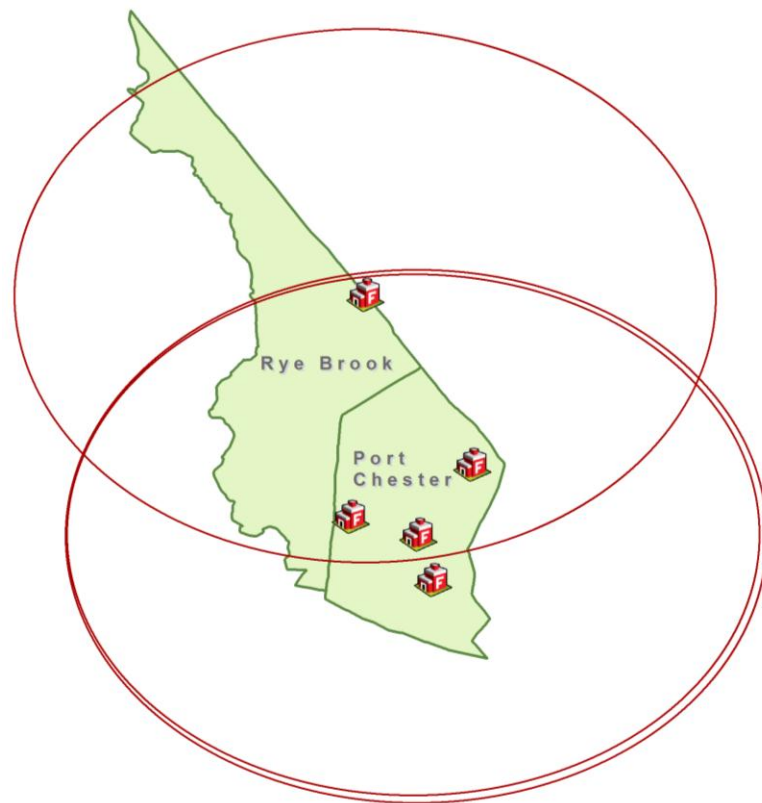


<sup>23</sup> Pursuant to the contractual service agreement referenced earlier, the Port Chester Fire Department shifts one engine truck from Westchester Avenue to the Rye Brook station at 940 King Street from 7:00 pm to 7:00 am.

<sup>24</sup> The formal ISO standard for company distribution assumes coverage areas to be polygons defined by streets leading from fire stations. As such, the coverage area is determined by road-miles. For the purposes of this high-level comparison, however, these maps simply reflect 1.5-mile and 2.5-mile radii from the location point.

- Port Chester Fire Department  
*209 Westchester Avenue (x2)*
- Rye Brook Fire Department  
*940 King Street (x1)*

The following map illustrates current coverage based upon the deployment of ladder trucks in the two Villages, reflecting the primary location point and a 2.5-mile radius. For the one location where multiple ladder trucks are based, the radii are offset slightly for visualization purposes.



### *Potential Efficiency Opportunities Meriting Further Analysis*

Identifying and pursuing additional shared services around fire protection builds on a strong collaborative foundation already in place. As noted above, for all intents and purposes, fire protection services are already essentially consolidated between Port Chester and Rye Brook for a portion of each day. This shared approach offers a great point of departure for considering additional opportunities.

Based on our review of existing service delivery, we have identified the following potential efficiency opportunities as meriting further analysis in the area of fire protection.

- *Firehouse and Apparatus Location:* Although Port Chester and Rye Brook collaborate in the provision of fire protection services, their capital and facility decisions are, in general, made separately, reflecting the fact that the two departments are separate agencies of their respective municipality. However, the existing level of sharing between the two may offer an opportunity to more rationally plan for station location and apparatus deployment to the entire community. Thinking about the geography of Port Chester and Rye Brook as *one*, rather than separate municipalities, may offer valuable perspective that enhances facility siting and coverage by engines and ladders.

It is helpful to consider how the deployment of stations and apparatus might occur today if it were to be implemented “from scratch” across the two communities. If we were going to service the entirety of the two villages with one agency – which is effectively already done, to a certain degree – we would note that station houses and apparatus coverage are geographically concentrated in the southern portion of the combined community (Port Chester) and more sparsely located in the northern portion (Rye Brook). This is one effect of having the *two* communities served by *two* agencies, albeit in collaboration with one another. While the distribution does reflect population concentrations to a certain degree, the distribution of apparatus could be more geographically balanced, and would likely be so if we were envisioning the two villages as one shared service area.

With that in mind, facility and apparatus deployment decisions could be made optimally by thinking of the two villages as a single, combined geographic area, rather than two separate municipalities. If / when Port Chester makes future fire facility decisions, it may be best served doing so by not focusing just within its own village borders, but by contemplating the entirety of the geographic area being served (*e.g.* might the Rye Brook station on King Street provide a base for serving the northern portion of Port Chester, and obviate the need for one of the existing Port Chester stationhouses?).

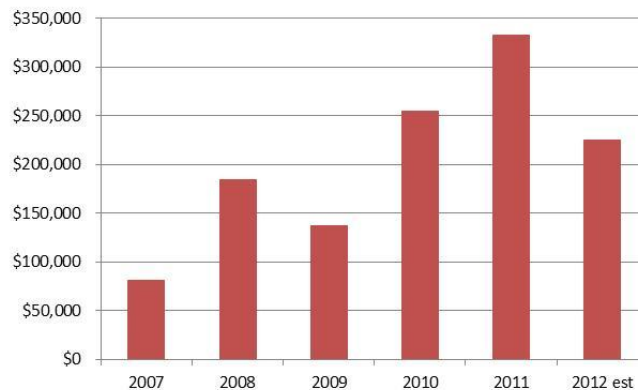
- *Joint Capital Asset / Apparatus Planning:* Again, building on the foundation of an already-shared service, there may be significant merit in developing a consolidated capital asset / apparatus replacement plan that contemplates the full inventory of equipment required to service *both* communities. At present, Port Chester and Rye Brook procure apparatus largely independent of one another. Given their geographic proximity and the extent of existing collaboration, viewing the capital inventory as a “combined universe” covering both departments may have merit, especially when considering the purchase price of engines, ladder trucks and other major pieces of fire apparatus. Cost avoidance on even a single piece of apparatus (which can exceed \$350,000) can yield substantial fiscal benefit, both immediately and over time.

For example, the replacement of an expired ladder truck by one village might

possibly be mitigated by an adequate supply of operational ladder trucks in the other. For such an arrangement to be most productive, the departments would have to strengthen their existing shared relationship, such that the apparatus inventory of each is seen as interchangeable with that of the other. Of course, having both villages served by a consolidated fire agency would naturally result in a single asset planning process.

- Optimizing Staff Utilization and Costs:* Both villages make expenditures for fire personnel. In Port Chester, employee costs (excluding fringes) total nearly \$1.1 million in the 2012-13 budget; in Rye Brook, they account for \$840,000. A more shared – even consolidated – approach to delivering fire protection services may provide opportunities to optimize staffing efficiency and reduce costs. This is particularly the case in the area of overtime. Port Chester fire overtime costs, budgeted at \$150,000 in 2012-13, have grown in recent years. They totaled approximately \$81,000 in FYE 2007, \$184,000 in FYE 2008, \$137,000 in 2009, \$255,000 in FYE 2010, \$333,000 in FYE 2011, and in 2012 were trending at roughly \$225,000 as of the end of April.

**Port Chester Fire Overtime**  
Actual Expense, by Year



As noted, although the departments operate in shared fashion, they are still separate agencies. As a result, the primary fire personnel in the Village of Rye Brook (between 7:00 am and 7:00 pm, at least) are Rye Brook firefighters; in the Village of Port Chester, the primary personnel are Port Chester firefighters. While they will supplement each other's capabilities as needed, they do not jointly respond to every fire. This division effectively narrows the staffing pool from which personnel can be drawn to routinely staff fire emergencies. Consideration of potentially merging the paid staffs, or at least initiating joint response to each fire emergency, may be a way to help reduce personnel costs.

## SHARED SERVICE OVERVIEW: Garbage and Recycling

Solid waste collection is the responsibility of the three Villages, and the service is handled in different ways. In **Port Chester**, collection of solid waste, recycling and bulk trash is provided by the Department of Public Works' sanitation division. The service is funded through the Village's general fund and underwritten by property taxes. Each garbage / recycling route is run twice weekly, with routes on Mondays, Tuesdays, Thursdays and Fridays. On pickup days, six sanitation trucks run routes with three employees on each vehicle. Bulk trash is picked up once weekly. Notably, the sanitation division handles garbage pickup at Rye Town Park beach (within the City of Rye) and Crawford Park (within the Village of Rye Brook).

In **Rye Brook**, collection is handled by a private contractor, AAA Carting. The vendor provides rear-yard sanitation collection service (although recycling, bulk and green waste is required to be collected at the curb). The Village most recently bid out the service in February 2012. Garbage is collected twice weekly for each route, while recycling is collected once per week. Starting in June 2012, bulk trash will be collected twice monthly, on the second and fourth Wednesday. Bulk metal recyclable items are collected weekly, with the day varying subject to which route a property is on.

In the **Village of Mamaroneck**, like Port Chester, collection of solid waste, recycling and bulk waste is provided by the Department of Public Works' sanitation division. Collection services include twice-weekly rear-yard garbage pickup (on Mondays/Thursdays or Tuesdays/Fridays depending on location); twice-weekly bulk rubbish collection; and once-weekly recycling collection. In-season from April through October, organic yard waste is also collected once-weekly on properties' second garbage collection day of each week. Bulk metals are picked up once per month. The Village's sanitation operation includes a foreman, 13 MEOs and one laborer, and relies on a fleet of six trucks and four trailers.

### *Potential Efficiency Opportunity Meriting Further Analysis*

The different approaches to handling solid waste and recycling in contiguous Port Chester and Rye Brook offer an opportunity to analyze whether one is significantly more cost effective. As noted, Port Chester handles collection of garbage, recycling and bulk trash with its own Public Works personnel; in Rye Brook, the entire service is outsourced to a third-party vendor.

The service levels in both communities are generally similar, although there are key distinctions. Basic garbage collection occurs twice weekly at each property. In Port Chester, recycling is also collected twice weekly, compared to once per week in Rye Brook. Also, bulk collection is provided weekly in Port Chester, compared to every other week in Rye Brook.



	<i>Village of Port Chester</i>	<i>Village of Rye Brook</i>
Garbage Collection	2x / week <i>Curbside</i>	2x / week <i>Rear-Yard</i>
Recycling Collection	1x / week <i>Curbside</i>	1x / week <i>Curbside</i>
Bulk Collection	4x / month <i>Curbside</i>	2x / month <i>Curbside</i>
Green /Organic Waste	1x / week <i>Curbside</i>	1x / week <i>Curbside</i>

A logical starting point for comparing the two approaches is to review per-unit cost estimates for both. In Port Chester, costs are primarily within the refuse / garbage and transfer station sections of the budget. The refuse / garbage cost center includes approximately \$1.1 million for salaries, plus overtime, holiday pay, equipment and supplies. In total, this budget center accounts for \$1,334,028. In addition, the Village pays transfer station fees to dispose of both solid waste (budgeted at \$450,000) and organic waste (\$280,000). Certain additional costs related to the sanitation function are allocated in other components of the budget, including fringe benefits and expenses related to sanitation vehicles, fuel and maintenance. Assuming a 35 percent multiplier on personal service costs for fringe benefits, the total budgeted cost for Port Chester's sanitation function in 2012 is approximately \$2.5 million, or roughly \$461 per parcel.<sup>25</sup> Again, this figure excludes costs related to vehicles, fuel and maintenance. In measuring budgetary impact, it also disregards any cost liability for long-term retiree benefit obligations associated with sanitation personnel.

In Rye Brook, contractual costs are budgeted within the refuse collection and disposal cost center. In total, the 2012-13 budget contains \$877,400 for collection and disposal fees. This translates to approximately \$267 per parcel.<sup>26</sup> The figure is down slightly from the prior year actual of \$284, based on certain adjustments to the sanitation program (*e.g.* reducing bulk waste collection to twice-monthly). Also, since the program does not utilize Village personnel, there are no additional cost liabilities associated with retiree benefit obligations or vehicle, fuel and maintenance expenses.

<sup>25</sup> More detailed analysis would be required to determine the true number of properties receiving sanitation services through the Village's Department of Public Works. As a proxy, this estimate relies on the count of total parcels within the Village of Port Chester, as reported by the Town of Rye's Assessment Office.

<sup>26</sup> This figure is comprised of fees paid by the Village to the collection vendor (approximately \$240 per household) and to Westchester County for disposal (approximately \$27 per household).

## SHARED SERVICE OVERVIEW: Parks and Recreation

Parks and recreation are services in which all four of the community's municipalities – the Town and each Village – are separately involved. The Town of Rye maintains Crawford Park and Rye Town Park (including Oakland Beach), along with three Town-owned cemeteries through use of its own staff and equipment. Each of the Villages also maintains its own parks *and* administers delivery of certain recreation services during the year.

For the purposes of considering possible shared service opportunities, this section breaks out parks maintenance and recreation services.

### **Parks Maintenance**

Each Village maintains park land with its own staff and equipment, albeit in different organizational frameworks.

The **Village of Port Chester** handles parks maintenance through the highway division of its Department of Public Works, which is staffed by 14 full-time personnel. Of those, five are primarily tasked with grass cutting in Village parks and related properties in non-winter months. Parks maintenance responsibilities span approximately 50 acres of Village parkland, including Abendroth Park (10 acres), Columbus Park (9 acres), Edgewood Park (3 acres), Lyon Park (20 acres) and Joseph Curtis Recreation Park (8 acres). Parkland facilities include multiple picnic pavilions, baseball / softball fields, basketball courts, playgrounds, a soccer facility, and specialized attractions like a water spray playground, batting cage, roller skating rink and bocce courts.

The **Village of Rye Brook** handles parks maintenance through its Department of Parks and Recreation which, while technically a separate department from Public Works, does function closely with Village highway personnel. The parks maintenance division is staffed by four full-time personnel: one foreman and three parks attendants. All park areas are mowed at least weekly (some twice / week); ball fields, garbage cans and park bathrooms are tended on a daily basis. Parks maintenance responsibilities span approximately 40 acres of Village parkland, including Pine Ridge Park (9 acres), Rye Hills Park (7 acres), the Rye Brook Athletic Fields complex (6 acres), Harkness Park (4 acres), Garibaldi Park (2 acres) and passive lands in Magnolia Park (1 acre) and Rich Manor Park (10 acres). Facilities maintained include bathrooms, baseball and soccer fields, basketball and tennis courts, game tables, water fountains, soccer fields, a football complex and a concession stand.

The **Village of Mamaroneck**, like Port Chester, delivers parks maintenance services out of its Department of Public Works. The parks division is one of eight functional divisions within the DPW (along with administration, highway maintenance, facility maintenance, sanitation, central garage, sewer and signs), and thus has access to



shared DPW resources and staffing as needed. The parks division includes a dedicated parks foreman, and eleven other full-time employees – one groundsman, one MEO and nine laborers. Maintenance responsibilities span larger parks (including Harbor Island at 44 acres, Florence Park at 9 acres and Columbus Park at 6 acres) and smaller parks / sitting areas (such as Bub Walker Park, Gianunzio Park, Gillies Park, Jefferson Avenue Park, Meighan and O’Connell Parks, and Pape Memorial Park).<sup>27</sup> Maintained park facilities include walking trails, playgrounds, basketball and tennis courts, baseball fields, game tables, and restrooms.

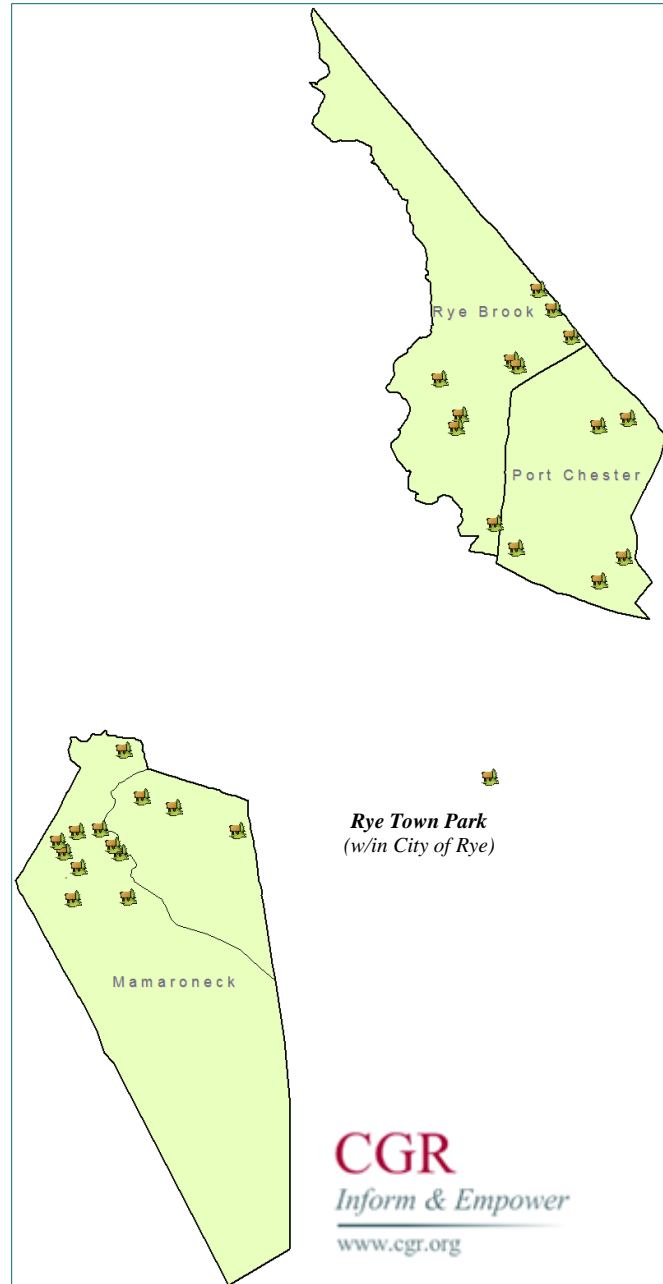
As noted above, the **Town of Rye** also handles parks maintenance responsibilities out of its Department of Parks and Recreation. It oversees care of Rye Town Park (including Oakland Beach), Crawford Park, and three Town-owned cemeteries, in addition to regular maintenance in and around Town Hall at 10 Pearl Street. The department also maintains miscellaneous properties obtained by the Town through *In Rem* proceedings. Parks maintenance functions are handled by one full-time foreman, a full-time assistant foreman, and a full-time park attendant (who is primarily responsible for grounds keeping at Crawford). In-season, a group of seasonal employees (approximately 70-75 in recent years) is used to supplement maintenance services at Rye Town Park and Crawford. The Town’s two primary parks – Rye Town Park and Crawford – account for nearly 100 total acres. Parks maintenance is delivered on a daily basis; cemetery weeding and mowing is done bi-weekly, as is routine maintenance of Town-held *In Rem* properties.

*(Note: In 2011 the Town embarked on an outsourcing strategy for a portion of its parks maintenance function. It solicited landscaping bids in June to provide maintenance for a variety of properties, including Crawford Park, Rye Town Park, Town Hall and the Town-owned cemeteries, and in August awarded a contract to Greenway Property Services. The contract includes mowing, edging, trimming, spring / fall cleanups and snowplowing / clearing during winter months for select properties. In total, the Town is paying Greenway approximately \$30,000 annually for Crawford Park, \$30,000 for Rye Town Park, and \$4,300 for miscellaneous Town properties and Town Hall).*

In total, the four municipalities tend to more than 30 parks accounting for more than 260 aggregate acres, both active and passive in use. The following graphic depicts the distribution of municipal parkland across the Town and three Villages, including parks located throughout the Village of Mamaroneck (*i.e.* both the Town of Rye and Town of Mamaroneck portions). With distances shown to-scale, the location of Rye Town Park (in the City of Rye) is also indicated.

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<sup>27</sup> Not all of the Village of Mamaroneck parks are located within the Town of Rye portion. Some, including Harbor Island Park, are located in the Town of Mamaroneck portion.



### *Potential Efficiency Opportunities Meriting Further Analysis*

There are four separate parks maintenance operations that exist within the Town of Rye: one operated by the Town, and one in each of the Villages. While there is occasional interaction between staffs – e.g. collaboration between the Town of Rye and Village of Rye Brook regarding maintenance of Crawford Park, which is located within Rye Brook – for all intents and purposes the four agencies perform parks maintenance functions independent of one another.

Not unlike potential collaborations in police and fire services, delivery of parks maintenance functions is largely place-specific. Thus, the geographic disconnect of the Village of Mamaroneck from the other two villages limits the potential benefits it is likely to gain from an intermunicipal approach to maintenance. There may be capital equipment efficiencies through more formal / regular sharing of major capital items, but it is unlikely that there would be significant operational benefit to shared approaches involving the Village of Mamaroneck and the other two villages.

Therefore, where there is potential benefit through intermunicipal approaches, it is likely to be in the contiguous Villages of Port Chester and Rye Brook. The following potential opportunities appear to merit further analysis:

- *Shared Manpower:* A shared approach<sup>28</sup> to staffing this service may offer the Villages a deeper employee pool to address parks maintenance needs, and offer greater flexibility to assign personnel resources to special intensive projects as needed. Together, the two Villages have approximately nine employees dedicated to maintaining thirteen parks (comprising about 90 acres).
- *Shared Capital Equipment:* There may be certain efficiencies to be gained through formal sharing of capital equipment, particularly those items that are used episodically by either Village. However, the benefit is likely to be limited because much of the parks-specific equipment is seasonal and will be in use simultaneously by both respective Villages (*e.g.* mowers).
- *Outsourcing Options:* Aside from the intermunicipal approaches, the Town of Rye's recent experience with outsourcing a portion of its landscaping / parks maintenance function offers an interesting comparative model. Under that model, whereby the Town provides parks maintenance via a third party vendor, services are maintained *and* the Town is able to avoid certain workforce costs (*esp.* pension and health insurance, both for active employees and future retirees).<sup>29</sup>

The outsourcing of this function in the Town was made more feasible by the fact that the Town has no collective bargaining units, however. In both Port Chester and Rye Brook, parks maintenance employees are represented by

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<sup>28</sup> This would include the possibility of a single consolidated parks maintenance agency serving both Villages, as there may be potential administrative and operational efficiencies similar to those offered by a less formal shared approach. However, the primary challenge to be addressed would involve accountability, as the single agency would be responsible to two "masters" (*i.e.* Village boards).

<sup>29</sup> Liabilities related to retiree obligations are an issue of growing importance in the public finance field. For fiscal year ending 2010, the Town of Rye's Unfunded Actuarial Accrued Liability (UAAL, or the liability of retiree obligations projected over a 30-year period) was determined to be \$4.6 million. The comparable figure for the Village of Port Chester was \$51.8 million; for the Village of Rye Brook was \$24.7 million; and for the Village of Mamaroneck was \$43.9 million.

unions (in Port Chester by the Civil Service Employees Association Local 1000 AFSCME, AFL-CIO, and in Rye Brook by Local 456, International Brotherhood of Teamsters). Although a preliminary review of both contracts does not appear to preclude consideration of outsourcing on the part of either Village, issues of exclusivity and impact would likely need to be considered as part of any exploration of outsourcing options.

## **Recreation**

Recreation functions are administered by a separate recreation department in each of the three Villages. In the **Village of Port Chester**, recreation services are staffed by a full-time recreation leader, one full-time recreation assistant and two part-time recreation assistants. Programming is funded through several budgetary cost centers, including parks and youth programs; recreation activities; celebrations; and adult recreation programs. The department runs all special events in Port Chester, various day camps, athletic programs and after-school activities. As many as 100 seasonal employees are brought on by the department each year to aid in the delivery of camps and programs, as well as expanded after-school programming. In addition to utilizing the Village's own park facilities, it also accesses the Town-owned Crawford Park and Rye Town Park for certain activities.

Recreation functions in the **Village of Rye Brook** are delivered out of its Department of Parks and Recreation, and staffed by a full-time superintendent, two full-time recreation leaders and a full-time senior office assistant. Certain seasonal personnel are hired each year to supplement program delivery. The Rye Brook Advisory Council on Parks and Recreation serves as an advisory body to the Village and the Department in recommending programs, actions and activities related to recreation. A host of programs are offered to the community seasonally, including camps, baseball / softball leagues and programming for special populations (via the Southeast Consortium for Special Services Inc. and the Rye Brook / Port Chester ARC). In addition to utilizing the Village's own park facilities, it also accesses the Town-owned Crawford Park (located within Rye Brook) and Rye Town Park for certain activities.

In the **Village of Mamaroneck**, recreation services are handled by the Recreation Department and staffed by a full-time recreation superintendent, a full-time recreation assistant and one full-time office assistant. A seasonal beach manager and upwards of 200 part-time seasonal lifeguards, camp counselors and other employees are brought on to supplement the highest-demand portions of the year. Programming is offered to residents of all ages, including certain offerings provided in collaboration with the Town of Mamaroneck. The Village utilizes its own park facilities and the beach at Harbor Island Park, as well as the Town of Mamaroneck's pool for certain summer camp activities.

### ***Potential Efficiency Opportunities Meriting Further Analysis***

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Based on our high-level review, we believe there is good potential for benefit through more collaborative approaches to recreation programming between and among the three Villages. A consolidated tri-village recreation programming effort could serve as one way of achieving those benefits.

At minimum, the scale advantages of providing recreation programming to a larger overall population have the potential to:

- Increase enrollment levels, improving the sustainability of individual programs, especially those which generally experience smaller registration numbers;
- Improve facility access by leveraging the full portfolio of recreation sites rather than those just within the respective municipalities;<sup>30</sup>
- Enhance programmatic diversity by leveraging a larger population base to increase enrollment in non-standard offerings; and
- Enable greater programming time by concentrating common offerings at specific facilities rather than forcing them to “time-share.”

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<sup>30</sup> There is already precedent for this type of partnership, with the Villages of Port Chester and Rye Brook already utilizing Town-owned facilities *and* the Village of Mamaroneck utilizing certain Town of Mamaroneck facilities.

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## SHARED SERVICE OVERVIEW: Police

One service area that merits additional analysis for potential intermunicipal opportunities is police. Currently, the Town of Rye is served by three municipal police departments, as the Villages of Port Chester, Rye Brook and Mamaroneck independently fund and deliver their own law enforcement services. The larger community is also served by the Westchester County Department of Public Safety. In addition to its general responsibilities, the County Police provides dedicated municipal-level coverage via contract to the Town of Cortlandt (since 1999) and the Town of Ossining (since 2011).

As noted in the *Baseline Report*, police services across the three villages in the Town of Rye cost more than \$18 million (exclusive of employee benefits) in fiscal year 2011-12; accounted for approximately 140 full-time equivalent personnel; and handled more than 25,000 combined calls-for-service.

Based simply on their shared border, the Villages of Port Chester and Rye Brook may benefit from considering more formal intermunicipal sharing of law enforcement services. By contrast, the geographic disconnect of the Village of Mamaroneck from the remainder of the Town suggests that benefits to Mamaroneck from such an intermunicipal approach are likely to be limited. As such, this high-level review considers the potential merit of greater intermunicipal sharing between Port Chester and Rye Brook.

As noted in the *Baseline Report*, the police departments in Port Chester and Rye Brook already share the same radio frequency (along with the City of Rye). Notably, prior to the 1982 incorporation of the Village of Rye Brook, a then-Rye Town Police Department worked out of the Port Chester Police Department station with its own officers. Port Chester's Police Department actually administered the Rye Town police under that previous model, since the Town had no sworn staff over the rank of officer. Today, the Town of Rye has no police department, and while the Village of Port Chester and Rye Brook departments interact as-needed (and on a mutual aid basis), they are run as separate departments serving their respective village jurisdictions.

### *Staffing Levels*

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The **Port Chester Police Department** includes 58 sworn personnel and 10 civilian employees (2 full-time and 8 part-time), and is staffed as follows:

- One chief;
- Six lieutenants;
- Two captains;
- Six sergeants;
- Five detectives; and
- Thirty-eight officers.

The civilian staff includes a full-time secretary; 4 part-time parking enforcement officers; 1 full-time parking enforcement officer; and 4 part-time typist employees that transcribe police reports.

The **Rye Brook Police Department** includes 27 sworn personnel and 9 civilian positions (1 full-time and approximately 8 part-time), and is staffed as follows:

- One chief;
- One lieutenant;
- Six sergeants;
- Two detectives; and
- Seventeen officers.

The civilian staff includes a single full-time administrative support employee and approximately 8 part-time school crossing guards.

In total, then, the two departments comprise the following aggregate staffing:

- Two chiefs;
- Two captains;
- Seven lieutenants;
- Twelve sergeants;
- Seven detectives;
- Fifty-five officers;
- Two full-time administrative support personnel;
- Four part-time clerical support personnel;
- One full-time parking enforcement officer;
- Four part-time parking enforcement officers; and
- Eight part-time crossing guards.

### *Patrol Shift Structure and Staff Assignment*

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The **Port Chester Police Department** uses a five patrol squad structure, with each working eight-hour shifts. Three squads rotate between an 8:00 am to 4:00 pm “day” shift and a 4:00 pm to 12:00 am “evening” shift. The other two squads work a dedicated “midnight” shift of 12:00 am to 8:00 am. Each squad is assigned a patrol lieutenant, patrol sergeant and seven patrol officers, such that seven or eight police cars are active at any given time.

The **Rye Brook Police Department** uses a similar five-patrol squad structure. There are three primary differences from Port Chester. The first is shift start times; three squads rotate between a “day” shift of 7:30 am to 3:30 pm and an “evening” shift of 2:30 pm to 10:30 pm, while the other two squads are dedicated to the overnight shift. The second distinction is that the overnight shift is actually a ten-hour tour, spanning 10:30 pm to 8:30 am. The third difference involves shift overlap – Rye Brook overlaps two of its shifts by an hour, so that morning rush hour (*i.e.* 7:30 am to 8:30

am) and school release time (*i.e.* 2:30 pm to 3:30 pm) are covered by a double squad. Each squad is assigned four sworn personnel: a sergeant and three patrol officers. One lieutenant oversees the entire patrol operation (as opposed to the Port Chester structure wherein a lieutenant is assigned to each squad).

*In total, then, the two departments combine to provide patrol squad coverage at the following level, by hour of the day:*

- Midnight to 7:30 am
  - 1 lieutenant
  - 2 sergeants
  - 10 officers
  
- 7:30 am to 8:30 am
  - 1 lieutenant
  - 3 sergeants
  - 13 officers
  
- 8:30 am to 2:30 pm
  - 2 lieutenants
  - 2 sergeants
  - 10 officers
  
- 2:30 pm to 3:30 pm
  - 2 lieutenants
  - 3 sergeants
  - 13 officers
  
- 3:30 pm to 4:00 pm
  - 2 lieutenants
  - 2 sergeants
  - 10 officers
  
- 4:00 pm to midnight
  - 1 lieutenant
  - 2 sergeants
  - 10 officers

### *Non-Patrol Services and Staff Assignment*

In addition to normal road patrol services, the **Port Chester Police Department** includes the following:

- A *detective division* that includes a captain, sergeant and five detectives, staffed during the day and evening shifts Monday through Friday;



- A *traffic division* that includes a sergeant and bicycle officer;
- A *County DEA Task Force* officer; and
- A *seasonally-assigned DARE officer* to provide programming to 5<sup>th</sup> grade in the Port Chester School District.

Further, the school crossing guard service is administered under the department's operation division.

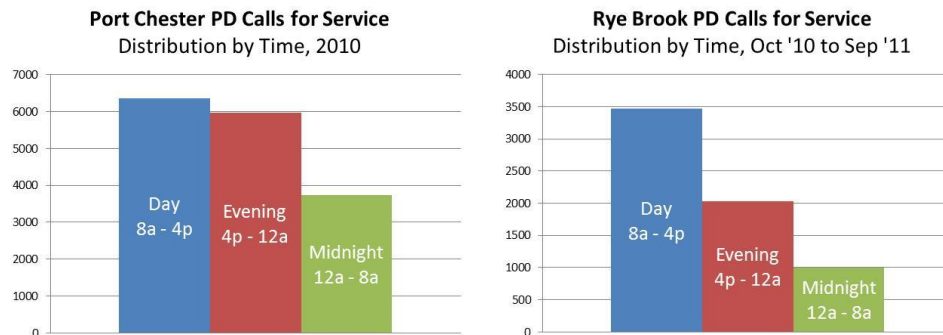
In the **Rye Brook Police Department**, non-patrol services include the following:

- A *detective division* consisting of a sergeant and two detectives; and
- *Seasonally-assigned DARE programming* in both 5<sup>th</sup> and 7<sup>th</sup> grades within the Blind Brook School District.

Notably, both departments handle their own police dispatching; in Port Chester, it is handled by the on-duty desk sergeant, and in Rye Brook it is handled by either a sergeant or officer each shift.

### *Service Demand Summary*

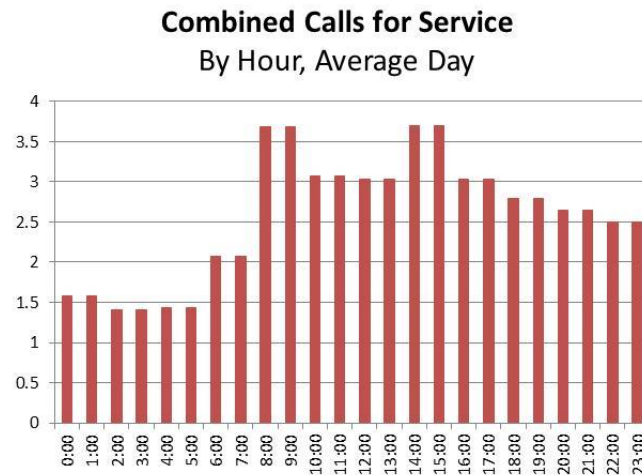
The *Baseline Report* presents call-for-service demand data for both police departments. Over a recent twelve-month period in each department<sup>31</sup>, aggregate service demand (measured in number calls) was approximately a combined 22,600. A review of service demand throughout the day shows that in both jurisdictions the “day” shift has the highest volume. On average, nearly 44 percent of service calls are received between 8:00 am and 4:00 pm; 35 percent are generated from 4:00 pm to midnight; and 21 percent occur from midnight to 8:00 am.



<sup>31</sup> Service demand data for the Port Chester Police Department covered calendar year 2010; for the Rye Brook Police Department, the timeframe was October 1, 2010 through September 30, 2011.

With the exception of the one-hour shift overlaps that occur in Rye Brook (see above) and an increased number of command staff that work standard day shifts, neither department adjusts its staff level significantly during the day. That is, the number of sworn personnel on the street remains fairly constant throughout the course of the day, and is not increased or decreased in response to service volume.

Spread over the course of the average 24-hour period, the total combined call volume for the two departments is approximately 62 calls (*i.e.* 61.86 calls per day \* 365 days = 22,579 calls per year). We can get better perspective on call volume in the average day by analyzing service demand in hourly blocks, as shown below.<sup>32</sup> The graph reflects that in the 12-month period analyzed, the two police departments received on average one-to-four calls for service per hour. The busiest hour-blocks of the average day were the 8:00 am and 9:00 am hours in the morning (3.68 calls per hour), and the 2:00 pm and 3:00 pm hours in the afternoon (3.69 calls per hour). The lowest hour-blocks were in overnight, with per-hour call volumes of 1.40 to 1.43 from 2:00 am through 6:00 am.



Of course, it is important to note that calls-for-service account for only a portion of work performed by a typical police patrol function. General patrol responsibilities are not captured by such data, and certain proactive and/or officer-initiated services may not be fully quantified. Prior to implementing any shared arrangement regarding police, these service levels would have to be fully quantified and accounted for.

<sup>32</sup> For the purposes of this analysis, certain assumptions are made regarding the distribution of calls-for-service. For the Rye Brook Police Department, service data were provided in two-hour blocks (*i.e.* midnight to 2:00 am, 2:00 am to 4:00 am, and so on). In that case, the analysis assumes calls are equally spread across the two hours (*i.e.* 50 calls in the midnight to 2:00 am block is assumed to translate to 25 calls from midnight to 1:00 am and 25 calls from 1:00 am to 2:00 am). For the Port Chester Police Department, service data were provided by shift. As a result, the analysis assumes calls are equally spread across the hours contained within each eight-hour shift. Certainly, more detailed analysis would be required of disaggregated hourly call volumes.

### High-Level Staffing Analysis

As a frame of reference for further discussions about any shared police options, a basic staffing analysis is presented in this section.

It should be noted that the inclusion of this staffing analysis does *not* presuppose or imply that a shared / consolidated approach to policing the Port Chester and Rye Brook communities is operationally appropriate, let alone politically palatable to both communities. Rather, the analysis is intended to ask the “what if” question regarding staffing levels in the event the entire community was served by a single department, and to serve as the starting point for more detailed analysis of opportunities if the two municipalities desired to move the conversation forward.

This analysis uses combined service demand data in 8-hour blocks, corresponding to the shifts in Port Chester (*i.e.* 8:00 am to 4:00 pm, 4:00 pm to 12:00 am, and 12:00 am to 8:00 am):

#### Combined calls-for-service

Day shift	9,838
Evening shift	8,003
Overnight shift	4,739

#### Amount of time spent on calls

For this measure, we make the assumption that officers spend an average of one hour per call. More detailed analysis of actual dispatch / CAD data would be required to verify this figure for both Port Chester and Rye Brook, but the conservative one-hour assumption is used for this analysis.

Day shift	9,838 hours
Evening shift	8,003 hours
Overnight shift	4,739 hours

#### Amount of time spent on all activities, both call- and non-call-related

Responding to calls-for-service is only part of what patrol officers do in a given shift, of course. To account for those additional responsibilities, which include proactive services and required administrative duties, it is standard to multiply call-related time by three.

Day shift	29,514 hours
Evening shift	24,009 hours
Overnight shift	14,217 hours

#### Translating hours into officer posts per shift

Assuming a combined department had three 8-hour shifts (as Port Chester does currently), each officer post would require 2,920 hours to fill (*i.e.* 8 hours \* 365 days). This figure can be translated into a *preliminary* number of officer posts per shift.

Day shift	29,514 hours / 2,920 = 10.1 posts
Evening shift	24,009 hours / 2,920 = 8.2 posts
Overnight shift	14,217 hours / 2,920 = 4.9 posts

The number of officer *posts* is different from the number of required *officers*, however. Like any other employee, officers are eligible for paid time off that impacts their availability over the course of a year. For the purposes of this analysis, we assume that utilized paid time off consumes roughly one-quarter of officers' availability in a given year, between vacations, sick leave, personal leave and other forms. As such, the number of required *posts* computed above needs to be modified by this availability factor to determine an estimated minimum staffing level for officers by shift:

Day shift	10.1 posts * 1.25 = 12.6 officers
Evening shift	8.2 posts * 1.25 = 10.2 officers
Overnight shift	4.9 posts * 1.25 = 6.1 officers

Thus, the current combined service demand level in Port Chester and Rye Brook appears to require roughly 29 officers (not including command staff or supplemental units and divisions) to adequately meet service demand.

Again, two points must be noted:

- First, this analysis relies on certain assumptions (cited above) to roughly measure the distribution of call demand across hours of the day; the length of time spent on an average call; and the availability of officers throughout the course of the year, among other things. Further analysis would be required to refine the precision of these high-level estimates.
- Second, the numbers of posts / officers identified in the analysis are considered to be the *minimum* number for a combined agency. *Higher numbers of officers* may provide greater flexibility to deliver enhanced and / or more proactive police services, which may be in the best interests of the community, demanded by the public and/or elected officials, or both.

### *Potential Efficiency Opportunities Meriting Further Analysis*

Aside from any potential officer-level efficiencies that may result from a shared approach to policing the Port Chester and Rye Brook communities, other opportunities merit further analysis. They include:

- *Command Staff:* A shared approach would very likely enable a more efficient administrative- and command-level staff structure. For example, a shared department would require only one Chief of Police (as opposed to two currently). Moreover, subject to any final decisions on organizational structure and shift staffing, a shared department may allow for a more efficient distribution of command titles such as captain, lieutenant and sergeant. Combined, those titles currently represent 21 sworn personnel across the two departments. Particularly in the rank of sergeant, there may be an opportunity to have one per shift to oversee each squad, rather than the current approach of two per shift (one overseeing the squad in Port Chester, and one overseeing the squad in Rye Brook).
- *Dispatch:* Both departments currently handle their own dispatch responsibilities. In Port Chester, a desk sergeant is tasked with dispatch; in Rye Brook, it is handled by either a sergeant or officer. At minimum, the potential efficiencies of a unified dispatch approach include freeing up one sworn employee each shift. Preliminary analysis of the call-for-service data for both departments indicates that a single dispatcher could likely handle the full call volume, since hourly call averages range no higher than 3.7 (in the 2:00 pm and 3:00 pm hours), and as low as 1.4 (in the 2:00 am and 3:00 am hours).
- *Detective Services:* Both departments have their own detective division, with combined staffing of one captain, two sergeants and seven detectives. There would appear to be potential efficiency in sharing detective functions, possibly freeing up assigned sworn personnel to perform other responsibilities.
- *DARE Programming:* Both departments currently assign officers to deliver anti-drug and alcohol education in schools – the Port Chester PD in the Port Chester School District, and the Rye Brook PD in the Blind Brook School District. Under a shared approach, a single DARE officer would likely be adequate to deliver this service to the entire community.
- *County-level Sharing:* There is precedent in Westchester County for providing municipal-level police coverage through contract with the County Police. Most recently, the Town of Ossining (in 2011) entered into a contract with Westchester County, under Article 5-G of the General Municipal Law, to provide policing services. Although the Town of Ossining legally retains a police department, policing services are provided entirely by the County. The scale of the service is smaller than what Port Chester and Rye Brook currently offer through their municipal departments, however, providing two patrol cars (each with one officer) during the day and evening tours, and one patrol car (with one officer) overnight to patrol the unincorporated area of the Town. The County also handles School Resource Officer and detective functions for the Town's unincorporated area. Under the agreement, the Town of Ossining pays the County an annual fee of approximately \$2.3 million. Substantial

additional analysis would be required in order to determine if such an arrangement might work in the Town of Rye, assuming there was even interest among residents and elected officials to shift from municipal-level departments to the County.

### *Important Service Demand Considerations to Note*

In the context of the review of shared service opportunities in police, it is important to note certain distinctions between the service demand in the Villages of Port Chester and Rye Brook. Although call for service (CFS) data is tracked using slightly different category constructs in the two villages, the following observations can be made (in addition to the discussion provided in the *Baseline Review*):

1. Three categories of service calls – general aid, auto accidents and alarm responses (*i.e.* home/burglary) – constitute a reasonably large share of calls in both departments. In Port Chester, these call categories rank #1, #2 and #3, respectively, and collectively account for **24 percent** of total calls (based on 2010 data); in Rye Brook, the categories rank #2, #6 and #1, respectively, and account for **30 percent** of total calls.

<i>Call for Service data for period Jan 1, 2010 through Dec 31, 2010</i>	Port Chester Police Department	Rye Brook Police Department
General Aided	#1 (10%)	#2 (12%)
Auto Accidents	#2 (8%)	#6 (5%)
Alarm/Burglar	#3 (6%)	#1 (13%)

2. Outside of these categories, there is reasonable difference between the most common calls for service in the two communities. In Port Chester, the other categories in the top-10 most common calls (*i.e.* disputes, disperse group, noise, scofflaw, towing vehicle, providing security detail and school crossing) do not have direct corollaries in the Village of Rye Brook, where the other top-10 categories are enforcement of village ordinances, directed patrols, vacant house checks, coyote sightings, traffic, following up on disconnected 911 calls and responding to fire alarms.
3. Notably, three of the top-5 most common calls in Rye Brook – enforcement of village ordinances, directed patrols and checks of vacant houses – are more traditional “quality of life” types of service, and are not recorded among the most common call categories in Port Chester. This is not to imply that these services are *not* provided in Port Chester; indeed, the presence of any police department plays a QOL reinforcement role. But the recording of these services as among Rye Brook’s most common call types suggests the department’s routine patrol service is as much “customer service” as it is emergency response.

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## SHARED SERVICE OVERVIEW: Public Works

Public Works is another service area that may have potential to yield efficiencies through shared approaches. As noted in the *Baseline Report*, each Village has its own DPW which is primarily responsible for maintaining streets, highways and other municipal infrastructure. In Port Chester and Mamaroneck, the Department of Public Works also handles parks maintenance; in Rye Brook, that function is delivered out of a separate Department of Parks and Recreation.

In fiscal year ending 2012, basic street and highway maintenance services across the three Villages totaled more than \$2.5 million (excluding administration, engineering, parks or refuse collection provided by some of the departments). Central garage functions accounted for another \$1.8 million.

Because of organizational structure differences, the three DPWs do not provide the same types / levels of service. For example, while all three handle street maintenance, snow plowing and central garage / vehicle maintenance services, only Port Chester and Mamaroneck handle parks maintenance through DPW, while Rye Brook handles it via a separate department.

Port Chester's DPW is broken into the following functional divisions:

- Highway services (which includes parks maintenance);
- Sanitation; and
- Central garage.

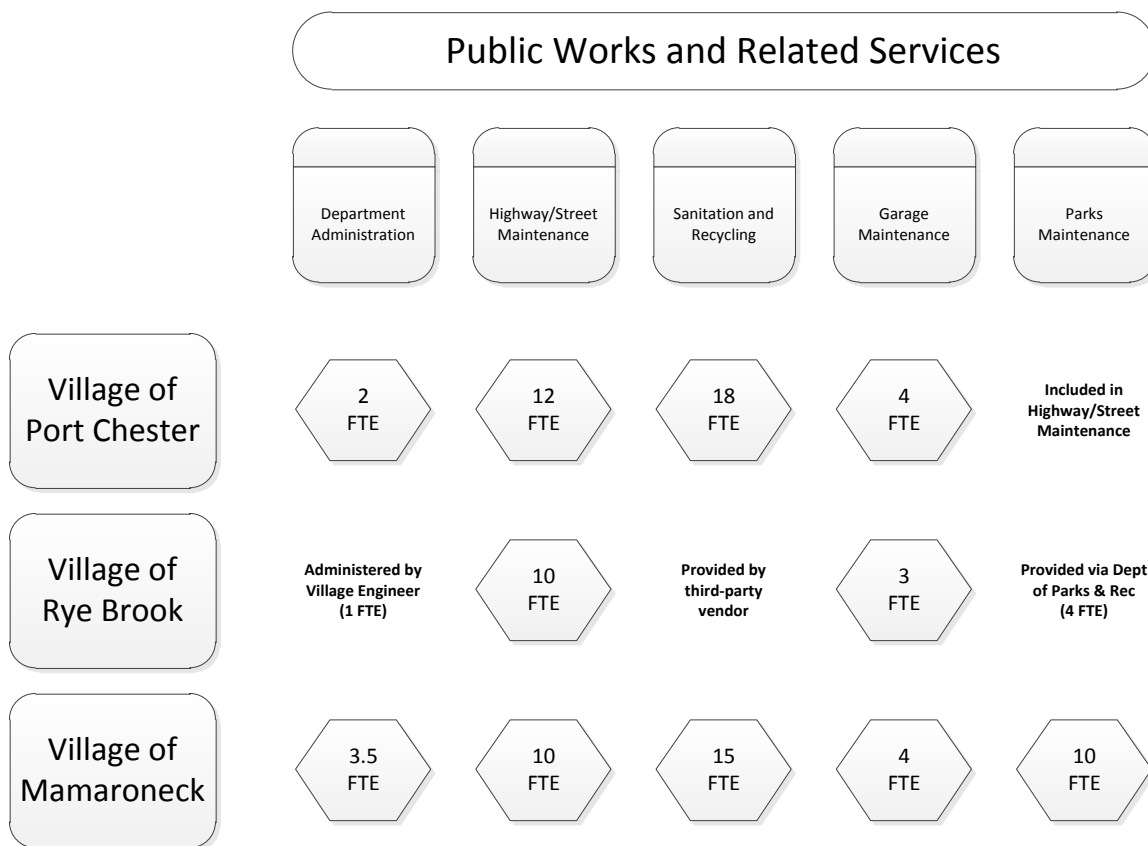
Rye Brook's DPW has a less formal functional division structure, with personnel resources centrally allocated to highway maintenance, central garage and snow removal functions.

The Village of Mamaroneck's DPW is structured around eight divisions:

- Administration;
- Parks;
- Central garage;
- Highway maintenance;
- Facilities maintenance;
- Sanitation;
- Sewers; and
- Signs.



In total, the three departments account for a staff-load of approximately 100 employees<sup>33</sup>. The following graphic maps the public works-related services provided by the three Villages and their associated staff-loads.



**Potential Efficiency Opportunity Meriting Further Analysis**

Because of the geographic nature of delivering public works services, advantages to the Village of Mamaroneck from an intermunicipal approach with the other two Villages would seem limited. But there are a range of areas where Port Chester and Rye Brook could possibly collaborate to produce more efficient and effective outcomes. We encourage further analysis of the following possibilities.

*Parks Maintenance:* (see Parks and Recreation section)

*Shared Facilities:* The Departments of Public Works in both Port Chester and Rye Brook have limited facility space. The space issue is particularly acute regarding “cold storage” of apparatus and other equipment. At present, Port Chester’s DPW

<sup>33</sup> This figure spans administration, mechanics, street maintenance personnel, parks staff and sanitation collection.



stores approximately 75 percent of its capital assets outside; in Rye Brook, the estimate is 50 percent. Given the significant cost of major public works apparatus, the inability to protect equipment from environmental elements almost certainly decreases its useful life and quality, driving up costs in the long-term. This shared issue may offer an opportunity to collaborate in a way that improves outcomes and shares the cost burden across the larger community. For example, locating a shared public works facility on or near the Port Chester – Rye Brook border could afford ease of access to both departments while prolonging the useful life of major equipment in both. Further, the co-location of public works operations need not focus exclusively on Port Chester and Rye Brook, as there may be opportunities involving other similar agencies, such as Westchester County’s Department of Public Works<sup>34</sup> or the State Department of Transportation.

A common location has the potential to offer additional efficiency improvements as well. Among them are: 1) shared procurement of common items, like salt and sand, where greater economy of scale could be leveraged to perhaps reduce unit costs; 2) consolidated central garage services<sup>35</sup> for vehicle and equipment maintenance, combining the current seven-FTE mechanic staff-load in a way that may afford a redeployment of manpower on highway / street maintenance or other functions (or even staff reduction); and 3) more formalized sharing of capital equipment, especially major pieces used only episodically, to promote cost avoidance of both municipalities purchasing common assets independent of one another.

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<sup>34</sup> County DPW already has in place a number of shared intermunicipal programs, as referenced here: <http://publicworks.westchestergov.com/shared-services-and-programs>.

<sup>35</sup> The community of Middleburgh, New York in Schoharie County offers a model for multi-municipality central garage services, albeit on a smaller scale than the current operations in Port Chester and Rye Brook.

## **PART III:** Implementation Plan

## IMPLEMENTATION ACTION STEPS

The final component of this project is the development of a high-level implementation plan to effectuate the restructuring of Rye Town and the Villages of Port Chester, Rye Brook and Mamaroneck. This implementation plan is *not* a detailed transition plan, but rather a summary of the following:

- a) The proposed restructuring model
- b) The proposed timeline
- c) Necessary activities and processes, including public participation

It is assumed that a detailed transition plan would be developed during the interim year between any restructuring referendum (assuming an affirmative vote) and full implementation. That plan, which could be developed by the governing bodies, an appointed transition task force or some combination thereof, would address details such as office locations, facility utilization, legal proceedings to liquidate / transfer Town assets, and so on.

### *The Restructuring Model*

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The model proposed would involve the elimination of the Town of Rye in its current form. In its place, three new coterminous town-village entities would succeed the Town, *each of them operating principally as a village government* (see later section on “The Vote” for additional information):

- A coterminous town-village of Port Chester, governing and servicing the area currently covered by the Village of Port Chester;
- A coterminous town-village of Rye Brook, governing and servicing the area currently covered by the Village of Rye Brook; and
- A coterminous town-village of Mamaroneck, governing and servicing the area currently covered by the Village of Mamaroneck (including Village of Mamaroneck territory currently located within the Town of Rye *and* the Town of Mamaroneck).

The successor coterminous town-village governments would be consistent with what is permitted under Article 17 of Village Law (see Appendix). Also consistent with that law, the restructuring shall in no way affect or impair the boundaries or territories of school districts serving the community, nor the assessment, levy or collection of taxes for school district purposes.

### *The Process*

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Although there is precedent for the establishment of coterminous town-village governments in New York State, the model envisioned in Rye is unique in at least

three key respects. First, the Town of Rye is entirely covered already by incorporated villages, meaning there is no “unincorporated” town-outside-village area. As such, the model is not simply an extension of a current village’s boundaries to match those of its surrounding town. Second, because of the presence of three villages within the Town of Rye, the resulting structure would not be one coterminous town-village, but rather three. Third, the restructuring would affect not only territory located within the Town of Rye, but area within the Town of Mamaroneck as well, since the Village of Mamaroneck (and the coterminous town-village of Mamaroneck envisioned by the model) is partially located within the Town of Rye *and* the Town of Mamaroneck.

Under state law, there are four primary methods for creating coterminous town-village entities. The one most applicable to the Town of Rye and the successor municipalities envisioned by the model is as follows:

*...[F]or the State Legislature to adopt a special act creating the coterminous town-village. ...such a special act would require that the ... existing governments send a “home rule request” to the Legislature to enact the bill. In the special act, the boundaries of the new municipality would be set forth, and other provisions would be written regarding governmental administration, disposition of real property and other assets and obligations of the existing municipalities. Although referendum is not required by an existing general statute, the Legislature may condition the creation of the town-village on the approval of the voters at a referendum. By utilizing the method of a special act, the boundaries of the new town-village could follow an existing town or village boundary, or they could follow newly-drawn boundaries.<sup>36</sup>*

The steps are therefore as follows:

1. The boards of Rye Town and the Villages of Port Chester, Rye Brook and Mamaroneck take action to initiate the restructuring process;
2. Each board adopts the same formal Home Rule request<sup>37</sup> expressing support for the following:
  - a. A restructuring of Rye Town and the three villages into three successor coterminous town-village entities, one each in Port Chester, Rye Brook and Mamaroneck Village;
  - b. Successor municipalities in Port Chester, Rye Brook and Mamaroneck Village to have boundaries following the current boundaries of the Village of Port Chester, Village of Rye Brook and Village of Mamaroneck, respectively;
  - c. Disposition of Rye Town’s existing property and capital assets according to the plan modeled in this report (e.g. Crawford Park to

<sup>36</sup> *Consolidation, Dissolution, and Annexation of Towns and Villages*, New York State Dept. of State.

<sup>37</sup> As part of the Home Rule request process, the Town and Village boards would presumably hold public hearings. Under Section 20 of the Municipal Home Rule Law, a five-day notice period is prescribed for hearings on any local law (though this can be shortened to as few as three days).

exclusive ownership of Rye Brook, Rye Town Park to joint ownership of successor municipalities<sup>38</sup>, etc.), with proceeds of any liquidated property / assets distributed on a proportionate basis according to share of assessed valuation share in the former Rye Town (*i.e.* Port Chester, Rye Brook and *only* the Rye Neck portion of Mamaroneck);

- d. Transfer of Rye Town's existing balance sheet assets to the successor municipalities, distributed on a proportionate basis according to share of assessed valuation share in the former Rye Town (*i.e.* Port Chester, Rye Brook and *only* the Rye Neck portion of Mamaroneck); and
- e. Transfer of Rye Town's existing debt and debt service obligations to the successor municipalities, distributed on a proportionate basis according to share of assessed valuation share in the former Rye Town (*i.e.* Port Chester, Rye Brook and *only* the Rye Neck portion of Mamaroneck).

From this point, the process is likely to take one of two scenarios, which will be dependent upon the State Legislature's decision regarding the Home Rule request.

<p><b><i>Scenario One</i></b> The State Legislature passes special legislation pursuant to the Home Rule request, ratifying the restructuring and establishing the successor municipalities in Port Chester, Rye Brook and Mamaroneck Village.</p>	<p><b><i>Scenario Two</i></b> Prior to passing special legislation, the State Legislature requires voter approval of the proposed restructuring plan in each of the affected communities. In that case, the ballot question would contain the proposed plan, summary of boundaries, disposition plan for existing Rye Town property and capital assets, disposition plan for existing Rye Town balance sheet assets, disposition plan for existing Rye Town debts and other obligations, and proposed date the new structure would take effect (<i>e.g.</i> the second January 1 following an affirmative referendum). During the year immediately following referendum, the State Legislature passes special legislation pursuant to the Home Rule request and referendum, ratifying the restructuring and establishing the successor municipalities in Port Chester,</p>
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<sup>38</sup> Though not formally mandated, the State may require formal Home Rule requests from the Town of Rye and City of Rye to adjust ownership provisions in the legislation that established Rye Town Park.

	Rye Brook and Mamaroneck Village.
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### *The Vote*

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In the event the State Legislature conditions approval of the special legislation on voter approval, the vote would be structured as parallel referenda in each of the affected communities. That is, an affirmative vote would involve *at minimum each* of the following:

1. A majority of those registered voters voting in the Village of Port Chester casting ballots in the affirmative, *and*
2. A majority of those registered voters voting in the Village of Rye Brook casting ballots in the affirmative, *and*
3. A majority of those registered voters voting in the Village of Mamaroneck casting ballots in the affirmative.

It is possible that the State Legislature may also require additional voter approval as follows:

- *Separate* voter approval in the two sections of the Village of Mamaroneck (*i.e.* approval by Rye Neck voters to restructure the Town of Rye, and approval by both Rye Neck voters *and* voters in the remainder of the Village of Mamaroneck to establish the coterminous town-village successor municipality); and / or
- Approval by voters in the remainder of the Town of Mamaroneck *outside* the Village of Mamaroneck, since the restructuring plan would create fiscal implications for the Town.

Regarding any vote, the following should also be noted:

*Article 17 of the Village Law contains detailed provisions concerning such issues as alteration of boundaries, election of officers, their powers and duties, bonds and other indebtedness, assessments, and the administration of improvement districts. For example, in a new town created with the same boundaries as an existing village (emphasis added), a referendum must be held to determine whether the voters wish the local government to operate “principally as a village” or “principally as a town.” After the election, there will thereafter be a single governing body, with the members holding office as both the town and the village board, but functioning primarily as either one or the other.<sup>39</sup>*

### *Transition Year*

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<sup>39</sup> *Consolidation, Dissolution, and Annexation of Towns and Villages*, New York State Department of State.

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Assuming special legislation approval by the State Legislature (and referenda, if required), the process of implementing the restructuring model would commence. It is likely that the new structure would take effect the *second* January 1 following legislative passage / referendum (*i.e.* if voted on in November 2013, it would take effect January 2015). During the transition year, elected leaders and / or their designees would produce an implementation plan providing for an orderly transition. Among the key issues to be addressed by that implementation plan would be:

- The process for addressing service restructuring elements of the plan, including the establishment of a shared tax collection office between Port Chester and Rye Brook, a shared tax assessment office between Port Chester and Rye Brook, an inter-municipal agreement (IMA) for Rye Brook to utilize the services of Port Chester's justice court, and the transfer of certain parks maintenance and elections responsibilities to the successor municipalities;
- The process for disposing of Rye Town property and capital assets, particularly the sale of real property such as 10 Pearl Street;
- The transfer of Rye Town properties (*Note:* This may require authorization of the State Legislature to the extent it amends current law regarding Rye Town Park); and
- The transfer of Rye Town obligations to the successor municipalities, including its capital and operational responsibilities related to Rye Town Park (*Note:* This may require authorization of the State Legislature to the extent it amends current law regarding Rye Town Park).

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# APPENDIX

## Citizen Empowerment Tax Credit Change

New York State provides municipalities financial incentives for successfully consolidating structures under the Citizen Empowerment Tax Credit (CETC) program. Per Section 54 of State Finance Law, CETC benefits consist of annual additional apportionments of state aid equal to 15 percent of the combined amount of real property taxes levied by all of the municipalities participating in a consolidation or dissolution. The incentive is capped at one million dollars.

Prior to 2012, the CETC benefit was only available in cases of consolidation or village dissolution. However, in August 2012 the law was amended to provide CETC benefits in cases of “consolidation” achieved through creation of coterminous town-village government structures. This would theoretically enable the proposed restructuring in the Town of Rye to be CETC-eligible, providing additional fiscal benefit to the successor municipalities.

The fiscal impact models presented in this report *do not* contain CETC benefit impacts for two reasons. First, the models were developed in advance of the statutory change in the CETC law. Second, and more importantly, the New York Department of State is not yet in a position to provide guidance on the application of CETC benefits in instances of coterminous restructurings. That guidance will be required for Rye to answer at least two critical questions:

1. The revised law states that “a town shall be deemed the surviving municipality in the case of a town and village existing as of July first, two thousand twelve, which thereafter, but not before, share a coterminous boundary.” However, in the proposed Rye restructuring, the Town of Rye would be effectively “dissolved” and three new coterminous entities would be created in its place, with each acting as a *village* rather than a town.
2. Even if the restructuring were deemed eligible, a determination would have to be made regarding the actual benefit calculation. Specifically, would the benefit be calculated *three* times (*i.e.* a maximum benefit of \$1 million in each successor jurisdiction) because of the effective consolidation of successor municipalities as three standalone coterminous town-villages? Or, would the benefit be calculated *one* time (*i.e.* a maximum benefit of \$1 million covering the entire restructuring, to be shared by the successor jurisdictions) because it results from the elimination of just one town?



## NYS Village Law

### *Section 17-1700*

#### *Application*

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§ 17-1700 Application. This article shall apply to any village which has been or may hereafter be incorporated to embrace the entire territory of a town, and to any town which has been or may hereafter be created to be coterminous with any village.

### *Section 17-1702*

#### *Effect of alteration of town boundaries*

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§ 17-1702 Effect of alteration of town boundaries. 1. The boundaries of a village incorporated to embrace the entire territory of a town, shall be deemed to embrace the entire territory of such town as such territory may thereafter be extended, diminished or altered pursuant to law. Whenever the territory of any other village to which this article applies is extended, diminished or altered pursuant to law, other than by consolidation, then the territory of the town which is coterminous with such village shall be deemed to be correspondingly extended, diminished or altered.

2. The real property excluded by law from the territory of a town shall not be subject to further assessment or taxation for either general or local purposes by a village embracing the entire territory of such town, but taxes for the purposes of such village and local assessments may be levied and collected against the real property annexed by law to the territory of such town in the same manner and with the same force and effect as taxes and local assessments are levied and collected against other real property within the village. Taxes or local assessments, if any, theretofore assessed against real property excluded from such town shall be levied and collected in the same manner and with the same force and effect as prior to such exclusion.

3. The extension, diminution or alteration of the boundaries or territory of a town wholly embraced within the boundaries of a village shall in no way affect or impair the boundaries or territory of a school district nor shall the assessment, levy or collection of taxes for school district purposes be affected or impaired thereby.

4. Such extension, diminution or alteration of the boundaries or territory of a town shall in no way affect or impair the jurisdiction of any court with respect to pending actions or proceedings, nor with respect to the prosecution of crimes committed prior thereto, and all courts shall have and retain jurisdiction of such actions, proceedings and prosecutions as though such extension, diminution or alteration had not been made.

### *Section 17-1703-a*

#### *Filing of town offices; election of officers*

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§ 17-1703-a Filling of town offices; election of officers. 1. In any village as to which a town is created to be coterminous with such

village, there shall be submitted to the voters in such village at the November general election next preceding the effective date of the creation of such town, a proposition as follows: "Shall the local government of \_\_\_\_\_ operate PRINCIPALLY AS A VILLAGE or PRINCIPALLY AS A TOWN?" Such proposition shall be presented so that the choice to be indicated by the voter shall be either "VILLAGE" or "TOWN".

2. Upon the effective date of the creation of the town, the mayor and the board of trustees of such village shall constitute respectively the interim supervisor and town board of such town for all purposes until their successors shall have been elected and commenced their terms of office as hereinbelow provided for. All other elected and appointed village officers shall constitute respectively and corresponding interim officers of such town until their respective successors shall have been elected or appointed, as the case may be, and commenced their terms of office as hereinbelow provided for or as otherwise regularly provided by law.

3. In any case in which the proposition provided for in subdivision one of this section shall have resulted in favor of the local government operating principally as a village, the holders of village offices shall, from and after the effective date of the creation of the town, by virtue thereof also hold town offices, as follows:

(a) The mayor and the board of trustees shall constitute respectively the supervisor and the town board.

(b) The assessor, clerk and treasurer of the village shall be, respectively, the assessor, clerk and receiver of taxes of the town, each for a term of office corresponding to the term of the village office, and the office of superintendent of highways of such town shall be held by such officer or employee of the village as the village board shall designate by resolution.

(c) Each village justice shall be appointed to fill a vacancy in the office of town justice, and if there shall have been only one village justice in such village, then the village board shall appoint a second town justice to serve for the remainder of the then current calendar year and the office of acting village justice in such village, if any, shall be thereupon abolished. The term of any then incumbent village justice who shall become a town justice hereunder shall terminate at the end of the then current calendar year, notwithstanding that such justice may originally have been appointed or elected as a village justice for some longer term. Town justices shall be elected at the next ensuing village election for the remainder of the unexpired terms and thereafter at village elections for the terms of office regularly provided by law, and each town justice shall enter upon and commence his term of office at the January first next following his election. All elections of officers thereafter to be held shall be village elections, to be held in the same manner and at the same times as otherwise provided by law for the election of village officers, and there shall be no separate election of any town officers, except as provided above herein with respect to town justices.

4. In any case in which the proposition provided for in subdivision one of this section shall have resulted in favor of the local government operating principally as a town, then, at the regular village election next ensuing, all offices to be filled thereat shall be filled for terms to end at the conclusion of the then current calendar year. The term of office of each other elected village office shall also end at the conclusion of said then current calendar year, notwithstanding that any such term of office originally extended beyond such date. The offices of supervisor, four town councilmen and two town justices shall be filled

by election as hereinafter provided at the November general election next following the effective date of the creation of such town; all other town offices shall be appointive. The election of the supervisor, councilmen and justices shall be for terms of office as follows:

(a) If such election is held in an odd-numbered year, then the term of office for supervisor shall be the term regularly provided by law; the terms of office for two councilmen shall be the terms regularly provided by law and the terms for the other two councilmen shall be two years each; the term for each justice shall be the term regularly provided by law. Upon the expiration of the two year term for councilmen as above provided, the terms for such offices shall be as regularly provided by law.

(b) If such election is held in an even-numbered year, then the term of office for supervisor shall be one year; the terms of office for councilmen shall be one year for two councilmen and three years for the other two councilmen and the terms of office for each justice shall be for the remainder of the then unexpired terms. Thereafter, each office shall be filled for the term regularly provided by law.

5. In any case in which the proposition provided for in subdivision one of this section shall have resulted in favor of the local government operating principally as a town, then each town officer elected or appointed as provided in subdivision four shall constitute also the corresponding village officer, and no separate election of village officers shall thereafter be held. All elections of town officers shall be held in the manner and at the times regularly provided by law for the election of town officers.

6. Nothing contained in this section shall diminish the power of the board of trustees pursuant to section 3-302 of this chapter or any other provision of law.

### ***Section 17-1708*** ***Trustees as town board***

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§ 17-1708 Trustees as town board. 1. In any village which has been or may hereafter be incorporated to embrace the entire territory of a town the town board of such town may, upon its own motion, and shall on a petition signed and acknowledged by not less than fifty taxpayers of the said town submit at any biennial town meeting or at any special town meeting called for the purpose, a proposition substantially in the following form: "Shall the board of trustees of the village of .....constitute the town board of the town of ..... for all purposes?" In case the said proposition be adopted by a majority vote of the electors of the said town voting thereon, the board of trustees of the said village, as the same shall be constituted from time to time, shall, from and after the first day of January next following the date of the said election, constitute the town board of the said town for all purposes, and shall have all the rights, powers and duties thereof and neither the supervisor nor the town clerk, nor the justices of the peace of the said town, shall, by virtue of their offices, be members of the said town board. The town board of the said town as so organized shall keep a separate journal of its proceedings and the town clerk shall be the clerk thereof.

2. If in the village of Scarsdale in Westchester county, a proposition has been adopted as set forth in subdivision one of this section, and the supervisor is not, by virtue of his office, representative of the

town or the county board or other county legislative body, such town board of the town may by local law or ordinance abolish the position of supervisor and thereupon shall assign his duties to such official or officials as it may determine.

3. In any village which has been or may hereafter be incorporated to embrace the entire territory of a town, the proposition proposed and submitted as provided in subdivision one of this section, may be in substantially the following form: "Shall the offices of town supervisor and town councilman, as presently constituted, be deemed vacant and the mayor and board of trustees of the village of \_\_\_\_\_ hereafter constitute the supervisor and town board, respectively, of the town of \_\_\_\_\_ for all purposes?" In case the said proposition be adopted by a majority of the electors of the said town voting thereon, the mayor of the said village, as the office shall be held from time to time, and the board of trustees of the said village, as the same shall be constituted from time to time, shall, from and after the first day of January next succeeding the date of said election, constitute the supervisor and town board of the said town for all purposes, and shall have all the rights, powers and duties thereof and neither the town clerk, nor the town justices of the said town, shall by virtue of their offices be members of the said town board. The town board of the said town as so organized shall keep a separate journal of its proceedings and the town clerk shall be the clerk thereof.

4. In any village where a proposition has been adopted as provided in subdivisions one or three of this section, the incumbent and successor holders of any village offices which thereby are constituted as town offices shall, by virtue of their village offices, also hold such town offices; and, from and after the date of adoption of such proposition, no separate election for such town offices shall be conducted.

5. Notwithstanding the provisions of article seventeen of the election law, elections held in incorporated villages which are incorporated as coterminous village pursuant to the provisions of this chapter shall be conducted in the same manner as election for town offices.