

# **Consolidation for Towns and Villages**

---

**JAMES A. COON LOCAL GOVERNMENT TECHNICAL SERIES**

**NEW YORK STATE  
Eliot Spitzer  
Governor**

**DEPARTMENT OF STATE  
Lorraine Cortés-Vázquez  
Secretary of State**

NEW YORK STATE DEPARTMENT OF STATE  
DIVISION OF LOCAL GOVERNMENT SERVICES  
41 STATE STREET  
ALBANY, NEW YORK 12231

(518)473-3355

(518)474-6572

<http://www.dos.state.ny.us>

---

Publication Date: December 1998

Reprint Date: March 2007

---

As is the case with most publications, the material in this booklet is general. If you encounter problems in applying the suggestions to your community, or if you need assistance in setting up a study of the areas outlined herein, please contact the Department of State.

# Thinking about Consolidation

Town and village citizens and elected officials often think of consolidation of entire governments when they look for ways to save money or improve services.

That's because these citizens and officials feel that, since both governments are providing essentially the same types of services, combining towns and villages should reduce expenditures (and therefore taxes) by eliminating duplication.

Consolidating governments is a very complex process, however. Interested communities, for example, have to plan for consolidation by studying:

- what services the merged government should provide;
- how many employees/pieces of equipment would be needed to deliver services;
- what expenditures and revenues would be for the new government'
- what the property tax rate in the new government would be;
- the laws regulating structural changes in government;
- how to deal with debts and assets; and
- the need for special districts to provide some services.

Also, communities planning to consolidate may have to deal with:

- residents' fear of losing their town or village identity;
- the possibly conflicting personalities and ambitions of elected officials;
- politics;
- the possibility that the immediate effect for some residents, such as town-outside-village dwellers, might be an increase in taxes; and
- employees' fear of change/fear of losing jobs.

As part of the process of deciding whether to

consolidate, communities should first investigate other *simpler* kinds of changes that might also save money or improve services. Within an existing town or village, these changes could be:

- combining separate employee positions into one, such as clerk-treasurer;
- reorganizing separate divisions/bureaus that provide similar or related services into one; and
- contracting for services with privately owned firms or other local governments.

Among groups of governments, cost-saving options could result from:

- a few governments joining together to establish a jointly managed auto maintenance shop, or emergency vehicle dispatching service or similar service;
- merging whole departments such as those providing police protection or highway services;
- jointly using buildings (town/village hall or town/village equipment shed);
- one government providing a service for a fee to residents of other governments (Library, ambulance, landfill or recreation program); and
- appointing one person to fill the same position in both town and village government (having one person as both town and village clerk or having town justices serve a village)

How can you decide whether to investigate the options listed above, rather than town-village consolidation? The checklist on the next pages can help you.

# Cost savings checklist

Use the following checklist to see what the potential is for cost saving changes in your government. Add questions of your own, if you'd like. Put a check in the **Yes** column for each change that you think is possible. Check the **Presently Being Done** column if you have already made the change.

		Yes	Presently Being Done
<b>GENERAL GOVERNMENT</b>	<b>1.</b>	<b><i>Can any of these positions be combined?</i></b>	
Mayor/Supervisor		_____	_____
Trustees		_____	_____
Justices		_____	_____
Treasurer		_____	_____
Tax Collector		_____	_____
Clerk		_____	_____
Assessor	<b>2.</b>	<b><i>Can any positions be eliminated?</i></b>	
Attorney		_____	_____
Engineer		_____	_____
Buildings		_____	_____
Central Garage	<b>3.</b>	<b><i>Can any activities be housed in one building, used by several governments?</i></b>	
		_____	_____
		_____	_____
		_____	_____
<b>PUBLIC SAFETY</b>	<b>1.</b>	<b><i>Can police services be merged?</i></b>	
Police		_____	_____
Fire		_____	_____
Traffic Control		_____	_____
Safety Inspection		_____	_____
Control of Animals	<b>2.</b>	<b><i>Could one person provide the same service to separate governments?</i></b>	
		_____	_____
		_____	_____
		_____	_____
<b>HIGHWAYS</b>	<b>1.</b>	<b><i>Could separate highway departments have a common maintenance shop?</i></b>	
		_____	_____
		_____	_____
		_____	_____
		_____	_____

**HIGHWAYS (Continued)**

		<b>Yes</b>	<b>Presently Being Done</b>
	2. <i>Could highway crews from separate governments work together?</i>	_____	_____
	To pave streets?	_____	_____
	To operate a landfill?	_____	_____
	To plow snow?	_____	_____
	To collect garbage?	_____	_____
	3. <i>Can highway crews also maintain parks?</i>	_____	_____
	Assist water and sewer plant operations?	_____	_____
<b>HEALTH</b>	1. <i>Could one person be health officer for both town and village?</i>	_____	_____
Public Health			
Registrar of Vital Statistics			
Ambulance	2. <i>Can ambulance services be provided jointly?</i>	_____	_____
	Be housed jointly?	_____	_____
	Use police/fire dispatching services?	_____	_____
<b>RECREATION</b>	1. <i>Can playgrounds be jointly maintained and operated?</i>	_____	_____
	2. <i>Can one government, under contract, provide other governments with recreation programs?</i>	_____	_____
<b>SANITATION</b>	1. <i>Could garbage be collected under contract with private carters or other governments?</i>	_____	_____
	2. <i>Could a few governments use a common landfill site?</i>	_____	_____
<b>WATER</b>	1. <i>Could preparation of water bills be mechanized or computerized?</i>	_____	_____
<b>OTHER</b>	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

If you placed many checks in the **Yes** column, then you might want to consider some of the management improvements suggested by those answers before you consider town-village consolidation.

If, on the other hand, many of the improvements on this checklist are **Presently Being Done**, then you may want to seriously consider merging your government with others as the next step in your management improvement program.

# Studying Consolidation

Although many factors have to be examined by communities interested in consolidation, the job of studying them can be made a little easier if it's taken one logical step at a time. Listed below is a possible series of steps to take and questions to answer.

## STEP 1.

Form a study group of:

- elected officials from all governments involved
- department heads
- private citizens

## STEP 2.

Develop an inventory of the services now being provided by the individual governments. This process can be helped by answering the following questions:

**Question:** *What services are the existing governments providing?*

To answer this question, the study committee should review the budgets and annual fiscal reports of each community. Interviews with officials and department heads, as well as personal experience, will be helpful.

**Question:** *What do these services cost?*

The same sources noted above will prove helpful in providing this information. Keep in mind, however, that all the costs of providing a function may not be listed under that function. For example, while some costs associated with a fire department will be found under that heading in the budget, others might be found under:

- Insurance
- Fringe Benefits
- Buildings
- Debt Services

This may be true for other municipal functions as well.

## STEP 3.

Plan the services the combined government will provide and estimate the government's expenditures and revenues by answering the questions listed below:

**Question:** *What services should the new government provide?*

This question can be answered by:

- getting a consensus of the group studying consolidation based on a perception of what services the local community wants;
- analyzing cost records kept by existing governments to see if there are cheaper alternatives to government provided services, such as contracting with private firms. (If these records do not exist, they may have to be created.)

# Dissolving a village

A village may dissolve on its own initiative, after a referendum by village voters approving dissolution, without consulting the town in which the village is located. However, because the town is responsible for providing services to the territory of the former village, both governments should jointly plan future service delivery to avoid possible chaos.

In the absence of a jointly drafted plan governing dissolution, Article 19 of the Village Law governs distribution of debts and assets of the dissolved village. Villages should note that, under section 19-1912, debts of the dissolved village are charged on taxable property within the former village area, and claims against the former village are still valid.

## Making a town and village government coterminous

A coterminous town-village is a unique form of local government organization: only five exist in New York. There are three ways to create a coterminous town-village, of which only one can be considered a form of consolidation. As one means of consolidating governments, a village could extend its boundaries out so that they become coterminous with that of the town containing the village.

Although this approach is theoretically possible, it has never been tried. The major drawback of this method is that the town/village would not come under Article 17 of the Village Law, resulting in the necessity of retaining separate town and village governments.

Two other approaches to achieving coterminous status include creation of a new *town* coterminous with an existing village and the creation of a new *village* coterminous with the boundaries of a town containing no villages. Both of these options *add* a new government and can be considered governmental proliferation rather than consolidation.

## Annexation

Annexation is a complex process that includes:

- a petition by residents of the area to be annexed;
- mailing a notice of public hearing;
- conducting a public hearing;
- approval within 90 days by the governing bodies of each affected area (if one government disapproves, others may appeal to the Appellate Division of the State Supreme Court);
- approval by voters in the affected area;
- annexation by local law passed by the government absorbing the territory;
- preparing and filing a map showing the local government and newly annexed territory.

The following are some typical services and activities as listed in the Annual Financial Report to the Comptroller:

### GENERAL GOVERNMENT

Mayor/Supervisor  
 Trustees/Council  
 Justices  
 Tax Collector      Treasurer  
 Budget              Clerk  
 Attorney            Assessment  
 Engineer            Elections  
 Central Garage    Buildings

### HIGHWAYS

Bridges              Machinery  
 Street Maintenance  
 Repair and Improvements  
 Snow and Miscellaneous  
 Highway Superintendent

### SANITATION

Sanitary Sewer    Landfill  
 Storm Sewers  
 Refuse Collection  
 Sewage Treatment/Disposal

### PUBLIC SAFETY

Police                Fire  
 Traffic Control    Safety Inspection  
 Control of Animals

### MISCELLANEOUS

Publicity            Zoning  
 Libraries            Historian  
 Celebrations      Aging  
 Cemeteries

### RECREATION

Playgrounds  
 Youth Programs

### WATER

Administration  
 Pumping/Purification  
 Transportation

### HEALTH

Public Health  
 Registrar of Vital Statistics  
 Ambulance  
 Narcotics Guidance

# IMPACT OF CHANGING TOWN-VILLAGE STRUCTURE ON FEDERAL AND STATE AID

REVENUE SOURCE	TOWN AND VILLAGE REMAIN SEPARATE	VILLAGE DISSOLVES -- TOWN REMAINS	TOWN AND VILLAGE BECOME COTERMINOUS
<b>FEDERAL AID</b> Federal general revenue sharing <sup>1</sup>	Each separate town and village obtains money through complex series of formulas. Major factors: population, tax effort, income.	Federal revenue sharing aid after merger <b>less than sum</b> of the aid being received by <b>each separate</b> government <b>before</b> merger.	Federal revenue sharing will be received by only one government.
<b>STATE AID</b> State revenue sharing program is based on a fixed percentage of State revenues. After per capita amounts have been calculated and totaled, the funds remaining in the revenue sharing "pot" are distributed to each municipality in proportion to how the community's per capita amount relates to the total "pot." <sup>2</sup>	<p><b>A. Town Gets</b> (1)\$3.55 for all town residents (2)\$2.05 for town-outside-village residents Towns with <b>no</b> villages get <b>both</b> sums (\$5.60 per person)</p> <p><b>B. Village Gets</b> \$3.60 per person</p> <p><b>Town-Outside-Village and Village Both</b> Eligible for modifier aid (\$.05 per person for each \$100 (or part) that full value of taxable real property falls below \$8,000 per capita) Towns with no villages receive town-outside-village modifier.</p>	<p>A. Total per capita aid will eventually be <b>less than</b> aid received when village existed. B. A five-year phase-out of aid after village dissolves</p> <p>Town gets 100% of village aid in first year after dissolution;</p> <ul style="list-style-type: none"> <li>▪ 80% in second year;</li> <li>▪ 60% in third year;</li> <li>▪ 40% in fourth year;</li> <li>▪ 20% in fifth year; and none thereafter.</li> </ul>	A coterminous town and village will receive federal aid as a town or a village depending on which form of government has been chosen the predominant form. It will receive state aid as both a town and village.
Consolidated Local Street and Highway Improvement Program <sup>3</sup>	<p>Depends on:</p> <ul style="list-style-type: none"> <li>▪ Lane miles of roads and streets not used for parking or designated interstate and state highways;</li> <li>▪ Distribution of money appropriated to jurisdictional class is based on the relative vehicle miles of travel in that class of jurisdiction. Towns receive 28.1 percent of appropriation and villages receive 10.7 percent.</li> </ul>	Aid likely to change little unless there is significant change in road maintenance costs or the number of line miles transferred is very large.	A coterminous town and village will receive aid as a town or a village depending on which form of government has been chosen the predominant form.
Exempt railroad real property in lieu of payments	Formula and details of program in section 54-b of State Finance Law.		
Programs for aging <sup>4</sup>	Aid for recreation programs for persons age 60 and over depends on number of those persons in <b>each unit of government</b> , and expenditures. There are maximum limits on amounts of aid.		
Youth projects <sup>5</sup>	Aid varies with number of persons under 21 years of age, and expenditures. There are maximum limits to aid. No youth can be counted twice when money is allocated.		

<sup>1</sup> Information can be obtained from the NYS Department of Audit and Control, Bureau of Municipal Research and Statistics, Gov. Alfred E. Smith State Office Bldg., Albany, NY 12236.

<sup>2</sup> Information can be obtained from the Office of Real Property Services, 16 Sheridan Ave., Albany, NY 12210.

<sup>3</sup> For information, contact NYS Department of Transportation, Bldg. 5, State Campus, Albany, NY 12232.

<sup>4</sup> For information, contact Office for the Aging, 2 Empire State Plaza, Albany, NY 12223.

<sup>5</sup> For information, contact Division for Youth, 55 Washington St., Rensselaer, NY 12144