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New York State Commission on Local Government Efficiency and Competitiveness  
Public Hearing  
Wednesday June 13 from 11:00 AM – 2:00 PM  
Saratoga Springs Public Library (49 Henry Street) – Community Room  
Saratoga Springs, New York

Testimony on Government Consolidation –

*(Please note that this testimony was written for ten minutes total time, for speaking, questions and answers. And that the cited information should be read by the New York State Commission on Local Government Efficiency and Competitiveness.)*

The program description for the 2007-08 Enacted Budget restructures for the Aid and Incentives for Municipalities (AIM) program states that it will target additional State aid primarily to fiscally distressed municipalities. An AIM increase of \$50 million is authorized in 2007-08, and in each of the three following years, for a four-year total of \$200 million. These increases are tied to enhanced accountability requirements that encourage local fiscal improvement. Finally, the 2007-08 AIM program continues to provide incentive grants to local governments that consolidate or share services under a \$25 million Shared Municipal Services Incentive (SMSI) grant program.

While I can appreciate the fact that small towns and distressed municipalities need encouragement, we are discussing this subject here today in the City of Saratoga Springs, Saratoga County, what incentives are we given to consolidate or share services.

***Please see as referred to below: 1) Program Descriptions -- The 2007-08 Enacted Budget restructures the Aid and Incentives for Municipalities (AIM) program to target additional State aid primarily to fiscally distressed municipalities.***

In July of 2006, a symposium was held by: Community and Rural Development Institute, Rural New York Initiative, Rural Resources Commission, and Cornell Cooperative Extension, entitled The Future of Rural New York – Local and Regional Governance.

I found the research taken from this symposium to be very interesting and may be helpful for this commission as it moves forward. I have included this information in my testimony. I have also included a Local and Regional Governance Faculty Response that was on the Cornell University Website by Mike Hattery, Local Government Program, Cornell University and I will share with you Mr. Hattery's summary.

Recent research indicates that the consolidation of whole governmental units is costly. The majority of local government spending is for services and administration. Reform efforts that facilitate and encourage local officials to achieve cost saving may better focus their efforts on specific public services and administrative opportunities. The current grants program administered through the New York State Department of State, with expanded budget resources for 2007, is focused on this area of opportunity. Efforts are needed to better document and disseminate case summaries of these funded projects that investigate and develop intergovernmental opportunities.

There are two areas that warrant additional attention by state policymakers. A number of observers have argued for the need to provide a merger statute which lays out a clear process and authority for two or more communities to assess and/or accomplish combining their governments. The need for such a statute was first identified during Mario Cuomo's tenure as governor. More recently, some observers have indicated the need to review our annexation laws. Reform of New York's annexation laws may help address a number of concerns about local growth and development around existing developed communities in rural areas.

**Please see as referred to below: 2) *RURAL VISION PROJECT*  
3) *Local & Regional Governance - Faculty Response***

From *Stanford Law and Policy Review* (1997), Scott Bollens wrote an article entitled "Concentrated Poverty and Metropolitan Equity Strategies."

Bollens states, and I quote, "that regional governance can be a useful tool for combating metropolitan poverty. However, it is currently unworkable because the focus is on "things" regionalism, when "people" regionalism is actually, what is needed. Things regionalism is based on systems maintenance, while people regionalism is based on lifestyle." While I have included this article I would like to share what Bollens strategies were.

Bollens' Metropolitan Equity Strategies:

1. Channel federally-assisted housing expenditures to lessen racial concentration
2. Establish a regional government campaign against residential segregation
3. Limit regional suburban sprawl
4. Require fair-share affordable housing obligations
5. Encourage balanced distribution of jobs and housing
6. Target regional transportation and redevelopment strategies
7. Modify development review to advantage distressed areas
8. Site LULUs (locally unwanted land uses) based on equity criteria
9. Develop guidelines for local integration maintenance programs
10. Attack root fiscal reasons behind ineffective municipal planning

**Please see as referred to below: 4) *Article Summary***

I would like to ask the Commission that while being fiscally responsible in their charges that they also be keenly aware of their responsibility to the socioeconomic factor.

In 2004 Indiana did a study on Efficient Local Government and it included examples from government consolidation from other states, such as, Tennessee, Kentucky, Georgia, Kansas.

Tennessee reported an economic development edge, economies of scale, less duplication, government accountability, and increased harmony.

In this report, it states, and I quote “much of this research reveals is that functional realignment has been the primary focus in examining effective local government service delivery and that consolidation of governmental units has occurred in those cases where the community leadership has built upon these efforts and achieved broad public support.”

Kentucky reported that studies indicate the citizens served per government employee have increased from 85 to 100 and there is general satisfaction with results of the consolidation.

Georgia documented that a nationally recognized rating agency increased the new entity’s bond rating based on its stronger tax base, another form of savings.

Kansas laws also advocate the implementation of governmental cooperation under the Interlocal Cooperation Act, the City, County and Township Contract Law, and the General Consolidation of Functions Law.

Appendix A of this report holds recommendations from the 1999 COMPETE Project and I would suggest this may be helpful for the Commission.

**1) *Program Descriptions***

The 2007-08 Enacted Budget restructures the Aid and Incentives for Municipalities (AIM) program to target additional State aid primarily to fiscally distressed municipalities. An AIM increase of \$50 million is authorized in 2007-08, and in each of the three following years, for a four-year total of \$200 million. These increases are tied to enhanced accountability requirements that encourage local fiscal improvement. Finally, the 2007-08 AIM program continues to provide incentive grants to local governments that consolidate or share services under a \$25 million Shared Municipal Services Incentive (SMSI) grant program.

Key features of the 2007-08 AIM program include:

- **A four-year, \$200 million commitment of annual increases in State aid targeted to distressed municipalities:** Beginning in 2007-08, AIM increases ranging from 3 to 9 percent will be provided to municipalities based upon their level of fiscal distress. Fiscal distress is measured using indicators that include:

- Full valuation per capita less than 50 percent of the statewide average.
- Less than 40 percent real property tax capacity.
- Population loss greater than 10 percent since 1970.
- Poverty rate greater than 150 percent of the statewide average.

Over the four-year period from 2007-08 to 2010-11, annual increases are awarded to eligible cities, large towns and large villages as follows:

- 9 percent if all four distress indicators are met.
- 7 percent if three distress indicators are met.
- 5 percent if one or two distress indicators are met.
- 4.5 percent maximum additional increase if these municipalities receive significantly less aid than their peers on a per capita basis.

A 5 percent increase in aid is provided to small towns (population less than 15,000) and small villages (population less than 10,000) who meet at least one of three distress criteria. Finally, municipalities that do not exhibit signs of fiscal distress would receive a 3 percent inflationary increase.

**Accountability requirements:** Distressed municipalities that receive over \$100,000 in additional aid are required to use the AIM funding to: (i) minimize or reduce the real property tax burden; (ii) invest in economic development or infrastructure to achieve economic revitalization and generate real property tax base growth; or (iii) support investments in technology or other reengineering initiatives that permanently minimize or reduce operating expenses.

In addition, these municipalities are required to submit a comprehensive fiscal performance plan to the Director of the Budget and the Office of the State Comptroller within 60 days of their adopted budget. The plans would include:

- A multi-year financial plan, consistent with 2006-07 AIM requirements.
- A new fiscal improvement plan that includes key fiscal performance goals and action plans necessary to achieve long term fiscal stability.
- A new fiscal accountability report that describes accomplishments toward achieving efficiency and improvements and, starting in 2008-09, details how AIM funding has been spent.

The Office of the State Comptroller is authorized to perform compliance reviews of the accountability requirements, and may recommend withholding of AIM funding to municipalities that do not comply.

Cities with additional aid under \$100,000, cities that receive inflationary increases and large villages that meet all four fiscal distress indicators are required to prepare multi-year financial plans consistent with 2006-07 AIM criteria.

**Local Shared Services and Consolidation Incentives:** The 2007-08 Enacted Budget includes \$25 million for the Shared Municipal Services Incentive (SMSI) program. While continuing to support \$15 million in grants for a range of local shared services activities, the SMSI program is modified to assign priority to grant applications. Municipalities will be able to apply to Department of State for grants of up to \$200,000 per municipality with priority given to initiatives that include: distressed municipalities; consolidations or mergers; school districts with other municipalities; highway services; shared health insurance; and countywide shared services programs. In addition, a new \$10 million consolidation incentive aid is created under SMSI that provides a recurring 25 percent AIM increase to municipalities that merge or consolidate beginning in 2007-08.

## **2) RURAL VISION PROJECT**

### **LOCAL & REGIONAL GOVERNANCE:**

Comments during the listening sessions suggest that the area of Local and Regional Governance represents complex opportunities and challenges for the future of rural New York, associated mainly with issues of Community Capacity & Social Networks and Rural Economic Development.

Local officials, and local governments in general, are perceived as accessible and responsive to public needs. In contrast to the unresponsiveness of state agencies, these traditionally small governments are better able to listen and react directly to constituent input. In related fashion, the local nature of rural governance allows strong opportunities for public participation and community ownership.

Many of the characteristics identified as strengths, however, also represent potential weaknesses that challenge the overall effectiveness of rural governance. Although the small scale may increase efficiency through its responsiveness to local needs, it may also act to reduce efficiency because of the duplication of services and the lack of clarity and delegation of responsibility. Currently, local government is perceived as fragmented, uncoordinated, and burdened by multiple “confusing layers.”

Limited financial resources combine with unfunded state mandates and regulations to overwhelm the capacity of local governments. In response to this, participants suggest that efficiency and effectiveness may be increased through the development of regional cohesion and inter-municipal resource sharing. With this in mind, there is a need for a single point of entry, or “one stop shopping,” for access to services. General sentiment reflects the idea that consolidation of municipal services successfully improves efficiency. At the same time, participants emphasize the importance of maintaining awareness of, and responsiveness to, local issues and needs.

Along these lines, comments specifically imply a need for governance policy that recognizes the regional interconnections between economic development, zoning and land use, and highway, water, and sewer infrastructure. Because these are largely regional development issues, the achievement of long-term success will require consistent, joint comprehensive planning.

Comments suggest that limited competition for public office presents another challenge to the sustainability of rural governance and the overall health of rural communities. In general, the lack of incentives to participate in local government results in the election of public officials that are part-time with a high turnover rate. Participants express concern that this lack of highly qualified rural officials is compounded by the lack of adequate training and educational opportunities. Therefore, rural areas face a strong need to “professionalize” their governance through means such as use of technology, development of supportive infrastructure, and improved options and incentives for more focused training.

Education emerges as key to the development of stronger systems of local and regional governance. In addition to education for local officials, all citizens need to know how local government works and be aware of opportunities for participation. This education will encourage greater local leadership and involvement, which, in turn, may refresh the rather stagnant system of rural governance. In addition, state officials must be made aware that a “one size fits all” model of regulation does not work for meeting the special needs of rural areas.

In general, some emerging opportunities/research needs include:

- Sharing of models, best practices, mentoring, and case studies across regions
- Education on multiple levels-- local officials, citizens, youth, and state policy makers
- Inter-municipal cooperation and consolidation of municipal services (ie, highway departments, police forces, water and sewer services)
- Development of joint and regional comprehensive plans, and regional infrastructure
- “Professionalization” of local governance positions through appropriate training
- Citizen participation and leadership development
- Strong linkages with Economic Development

In general, some emerging concerns/tensions include:

- Burdensome tax structure
- Current overlap and duplication of services

- Overwhelming state mandates/regulations remain unfunded for rural areas
- Resistance to change
- Lack of regional cohesion and planning for zoning, economic development
- Tension between consolidation and local knowledge/needs
- Lack of infrastructure (ie, high speed internet, cell phone coverage) hinders effective communication on a regional and statewide level

**What Works (Current Strengths):**

1

- More response at town and village level
- Public at large has opportunity to participate in local government
- Flexibility to put in different structures where needed
- Multiple layers – responsive to locals
- Local government have some efficiencies
- Good town village cooperation here at least but depends on local personalities, their skills, networks, etc.

2

(none)

3

(With Community Capacity/Social Networks)

- Home rule, participation
- Non-governmental partners, such as, land trust, housing, chamber, CCE
- Training and educational opportunities

4

- Local knowledge, local history, local experiences
- Part of neighborhood, local responsiveness, close to people – “Personal touch”
- Sense of ownership of problems and successes

- Learn from one another

5

- Familiarity of people and neighborhood
- Less partisan in problem-solving
- Committed public officials
- Ability to make decision at local level – autonomy
- Small scale allows more accessibility and involvement of the population

6

- (Multiple overlapping layers +/-
- Efficiencies – Duplication -/+)

7

- Access to local officials, good responsiveness to constituents
- Good rapport between town and county in some areas
- Tug Hill Commission - DANC – development authority of North Country
- Small governments can be cost effective
- Resourcefulness
- Strong social networks exist, but these are both positive and negative
- Great deal of potential exists

8

- Involvement with association of Towns to address the mandates
- Local government is where people can go to get things done – accessible
- Local government is where services are at that impact rural communities, cost efficient system controlled by local people
- More coming together across municipal levels to cover services
- Greater interest of small municipalities to sharing services

- Seeing more grassroots interest in local communities; willing to move forward on projects; and (in S.L.) the local government officials are supportive of the local participation (public-private participation)

9

- Small and can listen
- Increased interest in shared services
- Desire for change on part of electorate
- Growing understanding that a comp. plan is essential
- Boards of supervisors
- Tug Hill listens to the electorate or electorate goes private

**What Doesn't Work (Current Weaknesses):**

1

- Flexibility is a negative. Too many exceptions, special cases can come up
- Balance between political and business interests creates lack of consistency over time if not balanced (business, government, environment, tax base)
- So many layers of rules and regulations – lack of clarity about where to put local zoning
- Conflict of home rule versus regionalism
- Need single point of contact for business people to align all perspectives
- C of C Chair in Tompkins: wants to locate businesses here, but too much work to figure it out
- Election cycle too costly, long
- Multiple layers of gov't cost inefficient, confusing, provincial (hard to think regionally)
- Tax base – regressive property and sales base
- Shift of services – inappropriate to local property tax base ie. Human/social/health, education)
- Special district boundaries

- Incoherent w.r.t municipal
- Weak annexation laws
- Upstate downstate different needs, eg. rural homes for elderly, need different regulations
- Work on rural water projects
- Local coordination with state and county government/agencies
- Workforce development problem – lack of single point of entry
- State agency lack of responsiveness – eg. DEC re. streams or willingness to think holistically, help solve problems. DOT, too
- Too much short term political decision making eg. Zoning.

2

(none)

3

- Home rule – no intermunicipal discussions
- Assessment process, citing of new projects
- Part time, low paid officials deal with high paid lawyers, etc.
- Not level playing field
- Gerry-mandering districts
- Authorities from outside the jurisdictions
- State mandates without funding
- Majority don't participate in training/educational opportunities - some calls for mandatory training

4

- Much of local governance set up back in “horse and buggy days”, doesn't reflect today's needs
- Resistance to change
- Too costly (e.g. health insurance)

- Suspicion, mistrust and resentment of government
- A few people can stop the whole process
- Lack of participation
- Lack of competition for public office – limited scope and personal agendas
- Lack of education for government officials (don't understand what entrepreneurship can bring)
- Legislate for everything (lack of common sense approach)
- Departmentalization, lack of communication, duplication of services
- Need to consolidate – Taking on jobs that should be privatized
- Lack of understanding of complexity of local problems – don't understand conflicts
- Lack of specialization

5

- Under funded – lack of adequate resources and staffing – staff turnover can be a problem
- Lack of access to part time training – counties unable to provide
- Technological challenges
- Overwhelmed by regulatory changes
- Can't respond to competitive grant driven funding
- Enforcement of equal protection

6

- Multiple overlapping layers +/-
- Efficiencies – Duplication -/+
- Infrastructure:

Water **(Please note: While regionalization of a water system is ideal for consolidating and economics, the water that is chosen needs to be first and foremost, a healthy source, and the governing body cannot be political when being the lead agency and in charge of**

**billing. In addition, when going to large scale regional infrastructure systems there should be mandated state anti-sprawl laws in order to maintain smart growth, which in the long run will provide the best possible economic base for growth.)**

- increasing expertise,
- requires more regional approach,
- “Economies of scale”

Roads – State, county, local responsibilities – plowing, paving, maintenance

Sewer – County authority handles stormwater

- Fragmentation of tax base and tax incentives encourage sprawl
- Development permits at multiple levels adds to cost of development
- Rural and Urban quality of life is interdependent, BUT local govt and citizens don't comprehend and cooperate.
- Planning

- No integrated approach - across municipalities

- Town – town

- City – town-village-school district – sewers dist – water district

- State- county-federal

7

- Lack of regional efforts, coordination between counties
- Too much central control from Albany
- Lack of vision and long-term planning
- Limited financial and other resources
- Too much reliance on property taxes for revenue
- Lack of experience and training of public officials to deal with current challenges, high turnover rates of officials

- Mentality that any development is good development
- Resistance to change

8

- Too many units of government – duplication of services – not enough coordination
- Too many mandates from state government
- Apathy within government – no one running against incumbents
- Medicaid impact on county taxes
- Lines of communications between towns and state are weak
- Lack of highly qualified candidates for positions in smaller towns
- Losing volunteer base for emergency response – going to paid staff – impacting budgets
- Challenge – territorial; (need to think more regionally; more shared services)
- Franklin County – no county planning department to help pull local planning efforts together so no coordination
- Local government officials may not appreciate the planning process and building blocks that need to go into economic development
- Resistance to training (may not see the benefits to them). There's training but oftentimes, municipalities do not avail themselves)

9

- Because it's small, less funding
- Duplication of services
- Turf wars
- No “new Blood” in local government
- Voters feel disenfranchised
- Atmosphere of intimidation leading to fear of losing job.
- Assessments too slow; not usually annual

- Elected officials too secure; happy to maintain status quo.
- Incomers not getting involved which could lead to change.
- Legislatures are inefficient; people has less impact
- Hard to get people involved.

### **Desired Outcomes:**

1

- Too much short term political decision making eg. Zoning.
- Reduce duplication of service delivery, especially single point of entry can help coordinate the confusing different layers of gov't.
- Consolidate local government – does it apply here?
- Move to more progressive tax structure (income, VAT,?)
- Comprehensive watershed management strategies
- High speed internet connectivity needed in rural areas also cell tower coverage

2

(none)

3

- County farmland protection efforts should be connected to regional land-use planning and ability to tap funding for support
- Cooperation and coordination among and between agencies – integrated vision and communication
- Reduce number of municipally governed entities – more regional work and focus on regional assets, such as, strong main street, working landscapes, open space, equitable costs
- Sustained citizen participation, need to be better facilitated through visualization tools - increased focus on implementation of strategies
- Well trained local officials on issues and their responsibilities

4

- More cooperation and consolidation of services, planning boards, etc.
- Education of board members – services are available, but officials often lack of time or interest

- Reconsider effective government programs
- Refocus attention on domestic programs
- Professionalization of government positions
- Cooperation between smaller towns for services (e.g. sharing of trucks, etc)
- Consolidation – local knowledge
- Redistricting to take into consideration of what people are actually doing (e.g. some people go to Broome, some to Chemung...)
- Communicate what are the needs and sustain at an appropriate level
- Better transportation

5

- Mandates for help and/or relief
- Decrease the tax burden
- Need based assistance rather than competitive grant based
- Shared services – consolidation is more efficient
- More openness in decision making

6

- Clearer delineation of where responsibility lies for specific functions
  - Water – county authority
- County legislature: replaced by
  - Board of Supervisors or
  - Downsized, supervised by appointed executive who is financial overseer
- County planning given more authority
- Streamlined development approval process
- Citizens of rural areas educated to understand quality of rural communities tied to quality of urban communities.

7

- Develop a consistent purpose/mission – opportunities for visionary leadership, broader leadership base- draw on youth and others involvement

- Make it easier for communities to consolidate or annex (current System Doesn't work) - share municipal services - increase intermunicipal cooperation
- Joint comprehensive planning
- Institutionalize technical assistance
- Appropriate training of local officials - tailored to local issues
- Councils' of government

8

- Acting more regionally; coordinated planning
- Recognition that beyond individual municipal issues there are common issues that would benefit from cooperation
- Help communities see what the building blocks are for economic development
- Incentives to increase shared services (some aspects of this in place) – on legislative side as well as economic incentives
- Need guidelines for sharing services to balance the costs between communities (role for comptroller's office)
- Tools to analyze the financial impacts of sharing various services – need technical assistance – can't rely on hiring high cost consultants
- Are the intermunicipal agreements cost effective – tools to analyze
- Identify regulatory barriers that impede sharing services
- Increase understanding of meeting regulations (such as wetlands and storm water management) and examine alternative mechanisms

9

- End unfunded mandates [lobby local legislators]
- Reign in State Agencies to stop “one size fits all” regulations. (department of health)
- Educate school children re: how local government works. Civics
- Create greater awareness of need for services to rural areas
  - For state officials

- Importance of need for \$\$'s for human services to address needs of working families
- Government to become more visible re: services for working families
- Desire: larger pool of candidates for elected positions.
- Desire: active communication with voters
- Desire: openness and transparency

**What is Needed (Further Research, Policy/Programmatic Suggestions):**

1

- Economic development and zoning
- Coordination/standardization can be advantage, but so are local needs
- Finding models of successful regional infrastructure development
- ED context: correlation between C/T taxes and whether businesses actually site depend on this
- Importance of tax incentives and burdens on ED location decisions
- Indicators or when local government costs more than it should; i.e., are they being efficient, trigger for consolidation of services, etc.
- School districts – who benefits when schools so costly, who gets dollars?
- Highways have sucked retail base from rural towns – inter-county and regional issues here.
- More inter-county coordination on regional benefits
- Tax base – pluses/minuses
- Better to focus on assets you have – retail vs. other development with more of a regional benefit
- Transfer of best practices and models in ED
- ED, Planning and CD
- Local government can revamp structure totally or more existing structure works.

- COG's also are important
- Horizontal linkage (at some level of government)
- Service cooperation/consolidation
- A realistic approach to the kinds of changes that are possible in NYS (no pie-in-the-sky) eg. School consolidation only feasible when pain is high taxes
- Incentives for local govt. consolidation – the disincentive of sales tax distribution (effects on tax rates)
- One stop shopping for rural state services
- Improved rural transportation networks – also water and sewer infrastructure for business development
- State increase recognition and attention to special needs of rural areas
- Leadership development strategies, programs
- Term limits, re: election cycle. Is this really the answer
- Education and training for local officials and leaders of Southern Tier Central Training
- Better services for cottage enterprises, smaller businesses and entrepreneurs

2

(none)

3

- Town managers outside the political process
- Sullivan 2020 – and related training
- Funding sources are needed
- Offer forums to address competing interests/values
- Good methodology for analyzing specific projects and initiatives (look at VT zoo or 250) projects of regional significance, such as, APA
- School district lines impact many decisions, need revenue sharing
- Best venues for training local government officials - tenure of appointed positions (positive and negative to setting limits, such as planning board positions)

- Research on annexation (villages and towns, and towns and towns)
- Examples of good practices - Rockland – intermunicipal agreements, mentoring, training for planning and zoning. Warwick – TDR town and 3 villages VDR Downtown revitalization. Village – town agreement

4

- Showcase model of effective consolidation – good governance and cost-effectiveness
  - how to communicate and implement
- Start small – if it works, expand it – show proof through steps
- Town supervisors should meet to coordinate and support – more coordination on road issues
- One-stop agencies
- Need to “buy in” from people in power, top down
- Reduce overlap in police, sheriff services
- Rural and regional connection
- Overcome barrier of territorialism by town governments

5

- Assistance is needed in technology training, planning, and coping with changing regulation

6

(See Desired Future)

7

- Identify alternatives to property taxes e.g. revenue sharing etc.
- Develop mechanisms for local governments to access regional research for common issues – better assess growth and development impacts and how to manage it
- Develop a system of mentoring and case studies to share and inspire others
- Time and money needed for regional government cooperation, collaboration, and sharing of expertise
- Use technology for training opportunities

- Research – effectiveness of regional agencies in advancing intermunicipal cooperation and increasing local capacity for planning and managed growth  
What’s local government’s role in facilitating economic investment?
- Successes - Joint town village comprehensive plans (Adams, Parish, Lowville), Shared municipal space/building and personnel (Boonville, Adams), Joint infrastructure projects ie. Sewer (Rt. 3), Regional corridor plans (rivers, highways etc. – Black River, Salmon River, By Ways

8

(Successes)

- There are examples of communities sharing services (such as meeting senior citizen needs, youth organizations and highway departments)
- Sharing of planning services (a joint comprehensive plan Village of Saranac Lake and Town of Harrietstown). Grant application into D.O.S.
- Comprehensive regional economic development plan (Town of Harrietstown, Village of S.L., Towns of N. Elba and St. Armand) \$40,000 quality communities grant – goal to tap into not only state and federal monies – just at beginning stage

(Opportunities)

- Towns cooperating – but at times the town – village opportunities for full cooperation not being realized – why?
- Look at court systems and how deployed
- Look at tax-exempt properties (which of course require services) – what are alternatives? One example: fire protection
- Look at increase in tax assessments and how its impacting citizens – are their fair guidelines for assessors?
- Give people new “visions” of main streets/downtown areas (still serving some of what people have in mind from the past)
- Provide visuals to help citizens see what their downtowns can be
- People need to feel they can make a difference
- Using a proposed Walmart as a teachable moment for other future issues (dealing with differences, building consensus, etc.)

9

(Success/Opps)

- Village of Speculator elected new officials, with write in, candidate winning “big”
- “if you’re not moving forward, you’re going in reverse”
- Tug Hill – DANC- non regulatory – provided fiberoptics to region
- Perinton and Pittsford – local supervisor reached out to the community □□ open space bon issue passed.
- Town board turned down comp plan and bill it rode in on, Town of Wright.

(Research)

- Citizens need to know/learn town law.
- Cost of community services
- How much governmental infrastructure is actually necessary?

**Summary – Local & Regional Governance:**

1)

2) (none)

3) Intermunicipal cooperation is highly beneficial for mentoring local officials in areas of planning and zoning; it helps create an integrated vision and focuses on regional assets, such as, Main St, working landscapes, and minimizing costs. Home-rule is good for gaining local participation but blocks cooperation. Regional funding is available for infrastructure programs but farmland protection that is in need of funding does not benefit. Public organization and training of officials seem to be primary concerns. Forums are needed to facilitate discussions of competing interests, gain sustained citizen cooperation, create effective methodologies for analysis and assessment and new projects, and create implementation strategies. Drawing district lines, annexation, and gerry-mandering are issues that need to be addressed and researched further. In addition, many officials are part-time, low-paid, negotiating with high-paid lawyers, and face unfunded state mandates.

4) There is clearly the need for more government coordination and collaboration between agencies, towns, and the region to minimize duplication of services and engage in more cost-effective practices. Many practices come from a past era; they need to be updated and overcome resistance to change to become effective. Specifically, changes are needed in the process of legislation which is increasingly sluggish and bureaucratic, decrease departmentalization to facilitate better communication, specialization and education

among officials to understand potential benefits of entrepreneurship, for example, and transfer public services to the private sector. While the local government is close to the community, officials apparently lack knowledge of what the community needs are and the complexity of local problems. There is a lack of citizen participation and competition for public office, and an overall need for better consolidation of local knowledge.

5) While it is beneficial to have local government that is more accessible, familiar with local people and needs, committed to problem solving, and enjoys some level of autonomy, many programs are unfunded, and government officials are often overwhelmed by regulatory changes. Local government also lacks support services, such as, adequate training, technological support, and proper enforcement to administer effectively. Competitive, grant driven funding is very difficult for local governments to manage. Funding should be partly need based, greater consolidation of local services should take place to gain efficiency, and assistance provided in the areas of planning, training, regulation, tax, and relief.

6) The main emphasis was on the overlapping layers of government and the problems caused by the obtuse bureaucracy that such a system causes. Multiple layers cause many services to be duplicated and raise the cost of development as expensive permits must be acquired at multiple levels. The current tax structure also encourages urban sprawl and the condition of urban and rural quality of life are connected, although communities neither comprehend this or cooperate to improve upon it. In terms of desired outcomes, the main focus was on clearer delineation of authority and streamlining of the local governance system. Also, rural communities should be educated on the interconnected nature of urban and rural areas.

7) Small local government is more responsive and accessible to constituents, and although they sometimes have a good rapport between the town and county, regional efforts, long-term vision, and cooperation is needed, but clearly lacking. Regional visions, assessment of needs, management tactics, training for public officials, and comprehensive planning would benefit all communities in the regions through more efficient and effective cooperation by pooling together limited resources and shared efforts. Youth and community involvement should be encouraged in order to facilitate these efforts. There is too much reliance of property taxes and an alternative system is needed. Local officials are often inadequately trained and don't know how to deal with challenges. Therefore, technical assistance and other training need to be institutionalized. Communities should have an easier time consolidating in order to benefit from a more efficient system

8) Local governance is the most accessible and efficient form of governance and where services are at that impact rural communities. There is a greater amount of sharing across boundaries and communities are beginning to come together across municipal levels. However, there are a great many drawbacks to local governance. There are too many units of local government and not enough coordination, which leads to the unnecessary duplication of services. There is also a high degree of apathy within local government and very few challengers to incumbent candidates. The lines of communication between

towns and the state government are weak and while progress is being made, local governments are territorial and do not think regionally or share services. Desired outcomes include governments acting more regionally by recognizing that beyond individual municipal issues there are common issues that would benefit from cooperation. There should also exist incentives to increase shared services between communities and analyze whether such agreements are cost effective. There must also be efforts to increase the understanding of regulations such as wetlands and storm water management and the mechanisms that go with such mandates. Also, people must feel that they have a semblance of control over their local governance in order to feel empowered and to be persuaded to take a more active role in local issues.

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### **3) Local & Regional Governance - Faculty Response**

#### **Mike Hattery**

Local Government Program, Cornell University

#### **New York's Local Government Prospects and Challenges**

New York has a rich history of pausing to examine the state of affairs, looking for emerging needs and problems as well as questions that require additional research and study. The rural vision project has renewed this tradition. The effort has helped to highlight themes of concern to Rural New Yorkers about the local government system. Changes in this system are approached with caution and respect for the wisdom of existing practices. But it is also true that the need for change in local and regional government is ongoing and persistent. It always has been. The need for changes in local government, regional structure and service provision is linked to forces that continue to change. Local government's appropriate scale and organization is influenced by changes in our economy, technology, demographics and other factors that help determine public service need, effective size and cost efficiency. The forces that drive the need for change in local government will continue. New York needs a flexible framework and approach to facilitate and encourage important adjustments. We are not facing a one time "house

cleaning” but an ongoing maintenance and improvement program to keep an effective local and regional governance system.

### **The General Performance of State and Local Government**

Participants in the listening sessions expressed a number of concerns about state government’s role in New York’s state-local partnership. These concerns were varied and included: mandating new local services without providing funding, using a “one size fits all” approach to state lawmaking, overspending for state government purposes, etc. The concerns of participants mirror the results of recent survey research on New Yorker’s attitudes toward state and local government. For example a recent Empire Poll question asked: *From which level of government do you feel you get the most for your money (federal, state or local)?*

Responses from New Yorkers put local government first and state government last in providing the best value for the public tax dollar (the federal government ranked between the two). New Yorkers rate state government extremely low in comparison with nationwide survey results on this question. For some time, national results have placed local governments first and the federal government last in terms of providing “the most for your money.” National polling data has consistently placed state government between the two on this question about public return for investment.

Assessing the need for state-local fiscal reform is a high priority area in the state-local partnership. Many citizens place property tax burdens as the top public issue among rural New Yorkers. The property tax is the most unpopular tax among New Yorkers. The roots of property tax burdens are multiple. One important area for further research is an assessment of need for changes in the overall state-local fiscal system, including the availability of other new revenue sources to localities and state-local tax sharing with municipalities.

### **Improving Efficiency: Regionalism, Cooperation and Consolidation**

Rural New York Visioning participants expressed a range of concerns about the structure of local government and the impacts of local government structure on economic development, planning and land use. Structure concerns were expressed in a variety of ways, including: impediments to regionalism, negative impacts of “layering” of governments or “duplication” in service delivery, and the need for more intergovernmental cooperation. These concerns were balanced by expressions of satisfaction or support for the responsiveness and effectiveness of the state’s decentralized system of local government. Striking the balance between smaller units, which facilitate citizen participation, and the provision of public services at an efficient scale is an ongoing challenge. One of the main reasons to look at change or reform in local government is to achieve cost savings and improve efficiency. Improving service quality and effectiveness is usually also a high priority. This leads us to ask questions about where cost savings can be achieved. A fundamental idea is that local governments can decide to provide services for their citizens which they don’t produce “in-house.” They may contract-out a service, jointly provide it with other municipalities, etc. Economies of scale vary by service area and service components; hence, optimal size varies by service and service components. This reality frustrates attempts to find optimally sized local governments. By asking the question, “What is the best way of providing services that citizens want?” we can help break the local control versus “centralization is better” gridlock that frustrates many local discussions.

One recent report which provides the best summary of a broad range of existing research on the results of government overlap indicated that “as the number of general purpose governments (or governments per capita) increases, service costs decrease.” That is, the more government entities, the less government services cost. (*Regionalism on Purpose*, Kathryn A. Foster, Cambridge: Lincoln Institute of Land Policy, 2001). Another summary of recent researches the same conclusion, noting that, while consolidation of local governments is often pursued to achieve savings, almost every study of “after consolidation spending” indicates it costs more (Honadle, 1998).

In summary, recent research indicates that the consolidation of whole governmental units is costly. The majority of local government spending is for services and administration. Reform efforts that facilitate and encourage local officials to achieve cost saving may better focus their efforts on specific public services and administrative opportunities. The current grants program administered through the New York State Department of State, with expanded budget resources for 2007, is focused on this area of opportunity. Efforts are needed to better document and disseminate case summaries of these funded projects that investigate and develop intergovernmental opportunities.

There are two areas that warrant additional attention by state policymakers. A number of observers have argued for the need to provide a merger statute which lays out a clear process and authority for two or more communities to assess and/or accomplish combining their governments. The need for such a statute was first identified during Mario Cuomo’s tenure as governor. More recently, some observers have indicated the need to review our annexation laws. Reform of New York’s annexation laws may help address a number of concerns about local growth and development around existing developed communities in rural areas.

#### **Administration and Management: Is There Enough?**

The importance of professionalism in managing New York’s rural governments was highlighted by visioning project participants. This concern was reflected in concerns about a thin pool of candidates for local office, the burden of governing for part-time elected officials, and the need for more professional skills. Local government observers have also raised concerns over the level of professional management and administrative resources in New York’s local government system. For example, Ohio and New York have a very similar local government structure. Both states’ legal frameworks provide for cities and villages as well as towns. While the two states are very similar in local government structure, Ohio has been identified as having a higher incidence of professional management than New York. One measure of this incidence is the number of municipalities with municipal managers/administrators. The percent of municipalities with managers for Ohio is nearly triple that of New York State. In both states municipal administrators are more common in cities and villages than in towns and townships. But Ohio has a higher presence of municipal managers/administrators in both of these categories of general purpose local governments. The potential importance of this difference for local governance and administration is an area of needed research. For example, this difference in the prevalence of professional administration may have important relationship with the burden of elected governing board members and the willingness of citizens to run for local office.

#### **The Role of Local Government in Economic Development**

Statewide survey results indicate that economic development policy and training is a high

priority among rural local officials. Visioning project participants affirmed this priority need. There is a wide range of activities that local governments can engage in to promote economic development. Questions about what are effective policies for smaller and rural governments, and how they should be pursued regionally remain unanswered for many practitioners. The turnover of local officials makes educational efforts in this area an ongoing task. Maintaining and improving the efficiency and effectiveness of local government is an essential component of local economic health. Competitiveness with other communities & regions is often the key concern driving local interest in local government improvement.

#### **Capacity Building to Improve the Pace of Efficient Change**

The pace of adjustment to needed changes is important for rural municipalities. The existence of and effectiveness of capacity building resources is an important resource to help rural governments continue to make needed changes. New York has valuable capacity building resources including the Tug Hill Commission and a number of other effective state and regional organizations. State policymakers should assess the “evenness” of availability of these resources statewide. It appears that there are significant zones or regions within the state that do not have access to the kinds of technical assistance and capacity building resources available in other areas. It would also be valuable to provide a more effective forum and “peer to peer” opportunities for those providing capacity building and technical assistance resources to rural governments across New York’s regions. Direct peer to peer strategies that link communities with valuable innovations with those interested in such change also need to be enhanced. Peer to peer programs and quality, accessible case studies can both help promote good or best practices among rural governments. Visioning participants emphasized a critical component of rural capacity building efforts: flexibility in policy and administration for different community sizes and circumstances.

Another key aspect of local governance capacity is the general citizen knowledge base about our local government system. Policy makers have tended to focus on providing educational opportunities for elected and appointed rural government leaders. There is an equally important need to enhance general knowledge among citizens about local government institutions and issues. Educational content in this area needs to be reinstated in the public school curriculum.

#### **4) Article Summary**

Bollens, Scott 1997. "Concentrated Poverty and Metropolitan Equity Strategies." *Stanford Law and Policy Review* 8(2):11-23.

Scott Bollens argues that regional governance can be a useful tool for combating metropolitan poverty. However, it is currently unworkable because the focus is on “things” regionalism, when “people” regionalism is actually what is needed. Things regionalism is based on systems maintenance, while people regionalism is based on lifestyle.

The current model of regional governance (things regionalism) is limited in its ability to combat urban poverty because it does not adequately address social equity, and fragments

the collective regional interest, turning it away from anti-poverty concerns. Often, regional entities are established for the purpose of economic competitiveness and are biased toward single-purpose goals.

In order for regional governance to be effective in addressing metropolitan poverty, it must have comprehensive power to make tradeoffs across policy areas and political borders, rather than being restricted to narrow policy fields and single constituencies. It must take into account, as a whole, the lifestyles of the communities within the region, and the interactions between communities.

### **Regionalism and Metropolitan Equity Strategies**

A hugely disproportionate number of people in poor neighborhoods are minorities, especially African-Americans, and this segregation leads to a perpetuation of poverty and a deterioration of inner-city neighborhoods. The methods he presents for combating this racial polarization can be classified under “in-place” (targeted community development) or “mobility” (movement of the poor out of inner-city neighborhoods).

Regional governance, because of its geographic reach and close ties to local sentiment, is in an ideal position to use both in-place and mobility strategies for combating the deterioration of poor neighborhoods. To do this, regional governance must rise above the traditional focus on “things” regionalism and instead focus on “people” regionalism.

With this as background, the article discusses ten regional planning strategies for metropolitan equity, designed to achieve integrated inner-city and suburban communities. Each strategy depends on an ability to transcend the historical limitations of regional governance. (Strategies listed below.) It is important to understand the connection between Bollens’ theories on effective regionalism and his approaches to metropolitan equity. To counter the growing poverty of central city neighborhoods, in-place community development is necessary but insufficient. Deconcentration also must be employed in order to balance the distribution of jobs and housing across a metropolitan region. The best way to achieve this is through equity strategies advanced by regional policy-makers who have the power and inclination to launch a comprehensive, multi-tiered attack on concentrated poverty.

Bollens’ Metropolitan Equity Strategies:

1. Channel federally-assisted housing expenditures to lessen racial concentration
2. Establish a regional government campaign against residential segregation
3. Limit regional suburban sprawl
4. Require fair-share affordable housing obligations
5. Encourage balanced distribution of jobs and housing
6. Target regional transportation and redevelopment strategies
7. Modify development review to advantage distressed areas
8. Site LULUs (locally unwanted land uses) based on equity criteria
9. Develop guidelines for local integration maintenance programs
10. Attack root fiscal reasons behind ineffective municipal planning