



Village of Massena Reorganization Study

Assessment of Fiscal and Service Impacts

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Prepared for:

The Village and Town of Massena

Prepared by:

Kent Gardner
Project Director

David Riley
Senior Associate

Summary

The Village and Town of Massena, continuing a longstanding pattern of collaboration, secured a grant from the State of New York to explore opportunities for more cooperative service delivery, up to actual merger. CGR was engaged to study various options and identify service sharing options that are likely to reduce cost and/or improve the quality of services.

Full Consolidation

Full consolidation, whether through the dissolution of the village or through a joint consolidation agreement between the town and village, would be unlikely to save tax dollars for the community without

- a) an agreement from the NYS Legislature and the Governor to permit the Town of Massena to provide police services only to a portion of the town (i.e. the properties currently part of the Village of Massena) or
- b) an agreement among village residents to eliminate the Police Department.

The practical political obstacles to securing approval for a police district in Massena are quite substantial. Extending police services to the town outside the current village boundaries would cost more than the estimated \$1 million in tax relief likely from the Citizens Empowerment Tax Credit and would require an increase in property taxes for properties outside the village.

As the West Massena neighborhood is located in the Town of Louisville, the same problem applies here: Either West Massena would lose police protection or the town would be compelled to provide police protection for the entire town, paid for through townwide taxes.

Service Sharing

Closer cooperation can still be beneficial to taxpayers and residents, acknowledging that a substantial degree of service sharing already exists, including fire and emergency medical services, administrative offices, recreation services, much of the justice court function and informal collaboration within public works.

- The village and town administrative functions could be streamlined if the two boards were to engage a single administrator responsible for coordinating the work of the two clerks (recognizing that the Town Clerk is independently elected) and the two finance offices.

- Town and village courts already share facilities and staffing. Although cost savings would be modest or zero, eliminating the distinction between the town and village courts would improve transparency for residents.
- The change that is most likely to improve efficiency and reduce cost is enhanced cooperation in public works, particularly the road maintenance function.
- The town's highway garage needs to be replaced or substantially repaired. There is sufficient space at the village site to accommodate town needs, although some construction would be required. We recommend that the town and village collaborate to develop designs and cost estimates for the two alternatives—a new facility on the town Highway Department site or an expansion at the village DPW site.

Expansion at the village site, with the current town garage retained for joint cold storage, could enhance the capabilities of both departments.

As the village is in the process of designing and building new salt storage, this alternative site assessment should move forward quickly. While the results of the assessment will not obligate either town or village, it would provide important information upon which to base a decision.

- Co-location may reduce the cost of construction and would almost certainly facilitate enhanced equipment and staff coordination.
- Efficient cooperation would be further enhanced if the town and village were to share a public works director. This could be pursued on a trial basis and reversed if found to be unworkable or contrary to the interests of either town or village. As both leaders are nearing retirement, the community has a unique opportunity to explore a new administrative model.

Conclusion

The Massena community already benefits from collaborative service delivery between town and village: Fire, emergency medical services, recreation, administrative offices and courts all benefit from collaboration. We have identified additional opportunities to improve services and cut costs without full consolidation. Whether desirable or not, full consolidation is not a practical possibility in the current political climate.

Acknowledgements

CGR is grateful for the guidance and assistance provided by the village and town elected officials and staff. We're also indebted to Tim Ahlfeld and other members of the Massena Re-Organization Study Committee.



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Introduction

A committee formed by the village and Town of Massena engaged the Center for Governmental Research (CGR) in February 2019 (with financial support from New York State) to undertake a study of reorganization of local government. The study examines the impacts of these various scenarios, including their effects on property tax rates and a plan for service delivery after any dissolution or consolidation takes place. The report identifies the decisions that will be put before the two governing boards.

A Profile of the Massena Community

History

The Village and Town of Massena are located in St. Lawrence County, one of the northernmost counties in New York State. The town is bordered to the north by the St. Lawrence Seaway, and the Grasse and Raquette Rivers run through both the village and town. Before its settlement by people of European descent, aboriginal inhabitants used the area for hunting, fishing, gathering and trade. The first settler, Amable (or Anable) Faucher, leased his land in 1792 from natives living in Canada and named the community after André Massena, a French general under Napoleon Bonaparte. Many early settlers came from neighboring Vermont. The town was incorporated in the early 1800s. *

Soon thereafter, Massena became a destination for people seeking to bathe in sulphur springs along the Raquette River. Hydroelectric power became a major economic driver in the early 1900s and drew the Pittsburgh Reduction Company (later known as the Aluminum Company of America or ALCOA) to Massena. The massive New York Power Authority St. Lawrence-FDR hydropower plant and the Seaway were constructed in the 1950s, both providing new economic opportunities. ALCOA subsequently expanded and Massena drew other major employers, including Reynolds Metals and General Motors. As in many other parts of upstate New York, industrial employment has since substantially declined. More recent local investors include a major bitcoin mining operation and a soybean processing plant. †

* <https://massena.us/173/History>

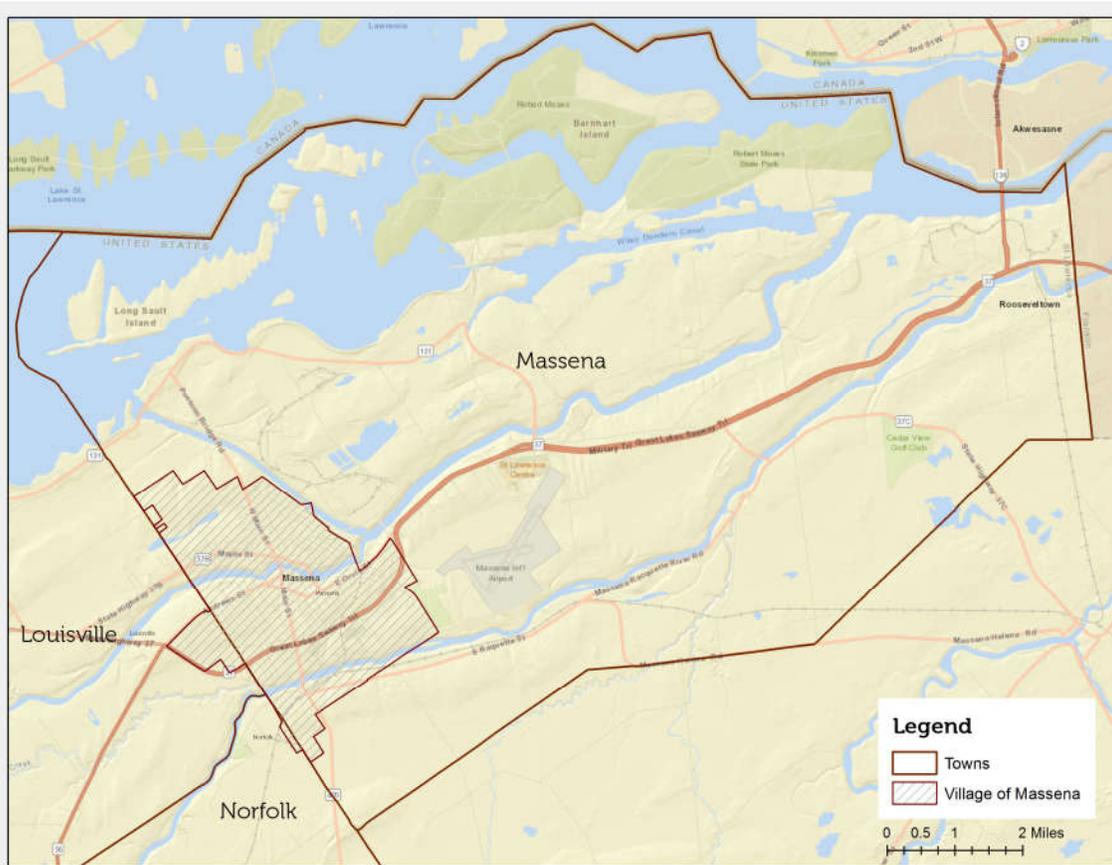
† <https://www.npr.org/2018/05/28/609790069/cryptocurrency-miners-make-big-promises-in-small-towns>

Municipal Geography: One Village, Three Towns

The Village of Massena is located within three towns: Massena, Louisville and Norfolk. The majority of the village's land area and population are located in the Town of Massena.

A smaller but significant residential area known as West Massena is located in Louisville. The bulk of services provided to these homes is provided by the village, not the Town of Louisville. For the purpose of this analysis, CGR assumes that municipal services to West Massena will continue to be provided by whatever merged entity continues to serve other properties currently in the village and will have a negligible impact on the cost of service delivery by Louisville. Accordingly, the bulk of what follows addresses only the merger of the two Massenas. The report discusses the Louisville impacts in a separate section following.

Only a small sliver of the village containing no residential properties is in the Town of Norfolk. Beyond a negligible fiscal impact, neither the dissolution of the village nor a merger with the Town of Massena will have any effect on Norfolk.



Demographic and Socioeconomic Overview

The vast majority of village residents (96%) live within the Town of Massena. A smaller, but noteworthy portion (4%) live in the Town of Louisville (West Massena). No one lives in the small portion of the village within Norfolk.

Village of Massena Population Distribution

	2018	% of Village Population (2018)
Town of Massena	9,839	96%
Town of Louisville	418	4%
Town of Norfolk	0	N/A
Total	10,257	

SOURCE: U.S. Census Bureau Population Estimates (2018)

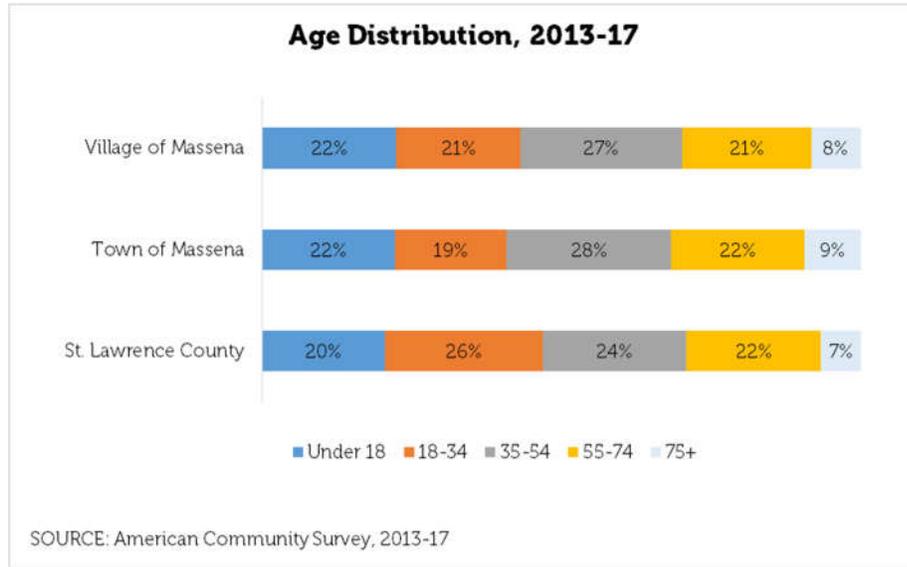
The village is by far the population center of the larger Massena community. Roughly 4 out of 5 Town of Massena residents live within the village. The Town of Louisville has less than half the population of the Village of Massena. Between the 2000 Census and the American Community Survey for 2013-17, all three municipalities experienced slight losses in population: the village declined about 3% over this period, while the Town of Massena (including the village) decreased 5%.

Households by Type

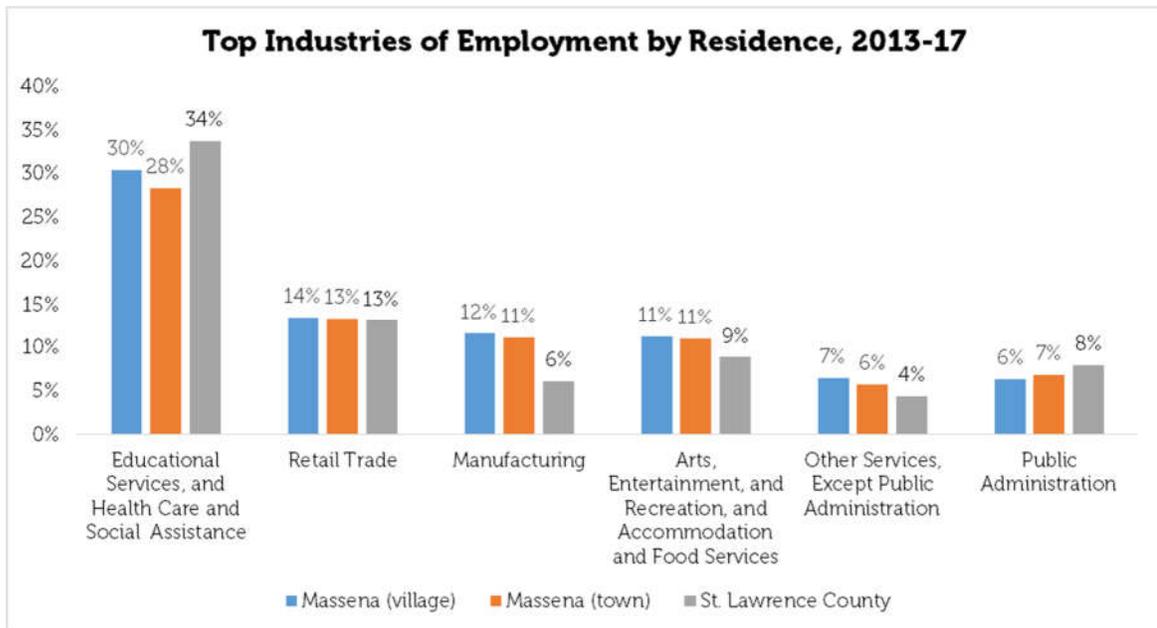
	Massena (village)	Massena (town)	Louisville	St. Lawrence County
Households:	4,804	5,547	1,394	41,638
Family Households:	57%	58%	63%	63%
Married-Couple Family	39%	39%	51%	46%
Other Family:	18%	19%	11%	17%
Male Householder, No Wife Present	6%	5%	6%	6%
Female Householder, No Husband Present	13%	14%	6%	11%
Nonfamily Households:	43%	42%	38%	37%
Male Householder	17%	18%	17%	18%
Female Householder	26%	25%	21%	18%

SOURCE: American Community Survey, 2013-17

The village is much more densely developed than the surrounding Town of Massena, with 2,396 residents per square mile compared to 281 residents per square mile, respectively. While renters are more prevalent in the village than in the surrounding towns, homeownership is still the norm: about two-thirds of village homes are owner-occupied.



Village and Town of Massena residents are slightly older than St. Lawrence County, with fewer residents between ages 18 and 34 and more in the 35-54 bracket.



The town and village largely mirror the county in terms of industries of employment, except that manufacturing still represents a slightly higher share in Massena.

Economic and Employment Characteristics

	Massena (village)	Massena (town)	Louisville	St. Lawrence County
Median household income*	\$40,970	\$41,066	\$65,204	\$48,330
Poverty rate (among individuals)	24%	24%	6%	19%
Population 16 and over	8,573	9,903	2,650	90,701
In labor force	60%	59%	54%	53%
Employed	53%	52%	51%	49%

*In 2017 Inflation Adjusted Dollars

SOURCE: American Community Survey, 2013-17

The Village and Town of Massena as a whole have median household incomes about 15% lower than the county median. Notably, Louisville has a median income substantially higher than the county’s (35%). Poverty in Massena is higher than the county as whole, and markedly lower in Louisville.

Service Delivery Today

Local Government in New York State

Every property in New York State is part of a county and either a city or a town (even in New York City, as each of its five boroughs is technically a county).

Towns

There are 932 towns in New York, ranging from Hempstead in Nassau County with population of about 768,000 to Morehouse in Hamilton County with 38. While originally considered “involuntary” divisions of the state for purposes of administering government at the local level, towns eventually gained status as “municipal corporations comprising the inhabitants within its boundaries, and formed with the purpose of exercising such powers and discharging such duties of local government and administration of public affairs as have been, or, maybe conferred or imposed upon it by law.” * Towns were granted Home Rule powers in 1964.

Towns are empowered to provide a wide range of public services depending on the needs of the residents. As towns vary from sparsely populated, rural communities like the 451 square-mile Town of Webb in Herkimer County to urbanized towns like the 0.7 square-mile Town of Green Island in Albany County, the structure and function of town government also varies greatly. Rural towns may provide little more than the administration of elections, maintenance of justice services and the provision of highways. More urbanized towns may assume responsibility for public safety, water and sewer facilities, recreation—all of the functions associated with cities.

* NYS Town Law, Section 2.

Given the diversity of towns and the diverse service needs within towns, these units of local government are empowered to provide services on a town-wide basis, including services to villages; and services to only part of the town, either to the entire area of the town outside existing villages (the "TOV") or to a specific district or area of the TOV.

As all property must be either in a town or a city, a town cannot dissolve. It may become a city (although the last city established in the state was the City of Rye in 1942) or it may merge with an adjacent town or city. That said, no proposed town-town mergers have actually occurred in the modern era. The existing configuration of NYS towns was essentially fixed in the early 20th century.

The division of large towns into smaller units of government was common in the 19th century as the population grew and residents began demanding more services. Without modern transportation, large towns were difficult to service.

Villages

A village is different from a town, as it can be established (or dissolved) by local initiative. Only properties within towns can become part of a village. A village cannot be formed within a city. Properties within a village do not cease to be part of the town—the residents are considered part of both the village AND the town, just as they live both in the county and in the state.

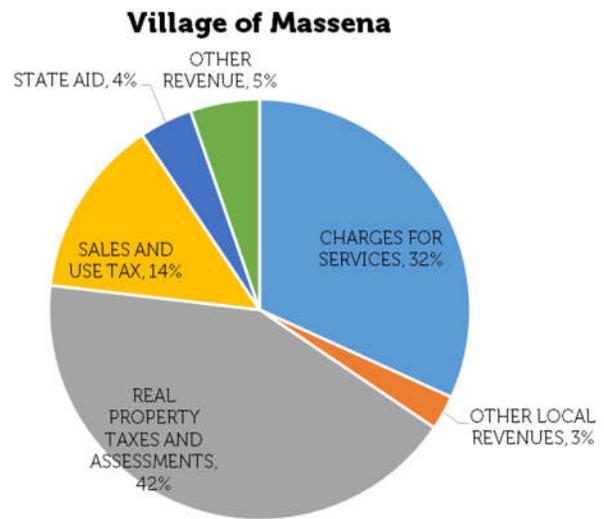
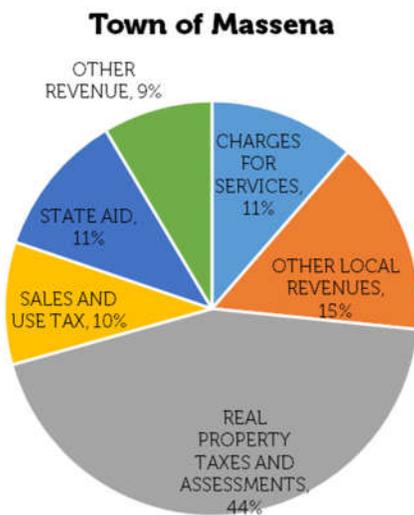
Traditionally, a group of property owners will choose to establish a village for the purpose of providing an additional level of public service that is not available from the surrounding town. A cluster of homes may choose to jointly develop a water or sewer system, for example, a service not needed in the more rural town. Other villages form for the purpose of establishing a local police department.

There were 555 villages in New York State as of 2010. Four villages dissolved at the end of 2011 with several others dissolving at the end of 2015 and 2016. The Villages of Mastic Beach in Suffolk County, Port Henry in Essex County, Barneveld in Oneida County and Cherry Creek in Chautauqua County dissolved in 2017. The Villages of Van Etten in Chemung County and Harrisville in Lewis County dissolved in 2018. The Village of Morristown in St. Lawrence County will dissolve in 2019, bringing the total to 533 statewide.

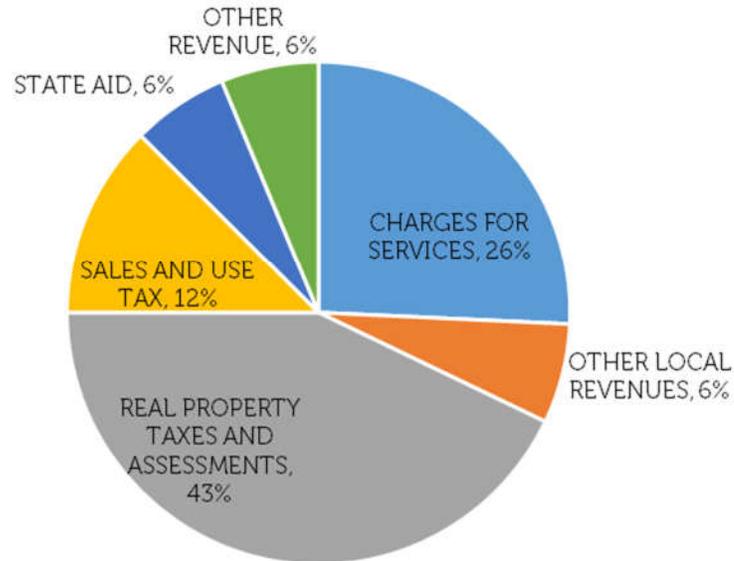
Where Does the Money Come From?

While this analysis generally relies on adopted budgets for the most recent fiscal year for each municipality, budget data compiled by the State Comptroller’s Office allows a more consistent comparison of broad revenue and expenditure categories across the village and town. Data for fiscal 2017 suggest substantial differences between the Village and Town of Massena in revenue sources, with charges for services accounting for 92% of the town’s revenue, compared to 32% for the village. This reflects that the town handles large sums of revenue generated by and for a handful of largely self-contained operations that the town owns and oversees, but to which it provides limited direct financial support. This includes Massena Hospital, Massena International Airport and Massena Electric, a nonprofit electric utility.

Discounting these uses provides a clearer picture of revenue sources for other core public services that the average resident relies upon (pictured below). This still shows important differences. Both municipalities rely heavily on the property tax for revenue, and to a lesser extent, on sales tax revenue shared by St. Lawrence County. The village funds public services more heavily with user charges, including fees for trash pickup and water sales. The town also receives some substantial revenue (about \$535,000 in 2017) in tribal-state compact funds, which is included in “Other Local Revenues.”



Village and Town Combined



Where Does It Go?

While the town and village differ in provision of a number of services, they share some important cost centers, as well as services and facilities. Importantly, the size of the village government is more than twice that of the town; the village's all-funds budget in 2019 totals about \$17.9 million, compared to \$7.6 million in the town (not including major enterprise funds for uses such as the hospital). Neighboring Louisville is yet smaller, with an all-funds budget of \$2.7 million.

Important examples of existing cooperation include the following:

- The municipalities already share a single municipal building for administrative staff, located in the heart of the village.
- While courts are not formally merged, they functionally cooperate and also share space. A full merger may reduce some confusion for residents but is not likely to change the cost of courts for the combined community.
- The village and town jointly fund the community's recreation services.
- The fire department, while housed within the village, provides code enforcement and firefighting functions for both the village and town.

- The village's Department of Public Works and the town's Highway Department are operationally and physically separate but provide very similar services to the two municipalities. The leader of a merged department is likely to find some efficiencies over time, although few obvious redundancies are apparent.
- The communities pool funds to support the Massena Business Development Corp. in its economic development efforts.

In other areas, the differences in services between the municipalities are substantial.

- The village provides a police force – also one of its largest cost centers – while public safety in the town is provided by New York State Police and the St. Lawrence County Sheriff's Department road patrol.
- The village's Department of Public Works provides water, sewer and trash removal services, while the town does not. The village DPW maintains and repairs water and sewer infrastructure in the town, at the town's cost.
- The town is responsible for a variety of municipally-owned facilities and programs that the village is not, including:
 - Massena Hospital;
 - Massena International Airport;
 - Massena Electric;
 - Massena Rescue Squad;
 - Massena Public Library; and
 - Massena Museum.

Police Services in Massena & Louisville

As noted above, police service is one of the major differences between the village and the towns. Police services are provided in the village by the Massena Police Department, a full-service department with more than 20 sworn officers. Outside the village boundaries in the towns of Massena and Louisville, as noted above, calls for service are answered by the NYS Police and the St. Lawrence County Sheriff's office.

CGR obtained 911 call data to ascertain the volume of service calls by jurisdiction, irrespective of the responding agency. St. Lawrence County's 911 center recorded these calls between January 1, 2018 and May 31, 2019. What is clear from these data is that expanding the Village of Massena Police Department to the entire Town of Massena – an issue explored in greater depth in a later section of this report – would take an appreciable expansion of resources.

<i>Calls for Police Service</i>	<i>Town of Massena</i>	<i>Town of Louisville</i>	<i>Town of Norfolk</i>	<i>TOTAL</i>
<i>Village of Massena</i>	1,304	15	0	1,319
<i>Town outside Village</i>	655	487	197	1,339

Calls for service in areas the Town of Massena outside the village represented 50% of the call volume within the village during this period. The number of calls in Louisville outside the village represented 37% of the call volume inside the village. Notably, there were very few calls for service in West Massena during this period.

Re-organizing the Village & Town of Massena

The purpose of this study is to explore the implications of reorganizing the two Massenas, village and town. Our initial analysis is agnostic on the approach to merger. Although village dissolution is the most straightforward mechanism to achieving merger (particularly as a village’s power to dissolve does not require the consent or cooperation of its town), the difference in scale and complexity of the village and town suggests that a negotiated merger, e.g. a joint consolidation agreement or the creation of a co-terminous town-village, should be given careful consideration.

Although the impetus for merging is cost savings, the merger question involves questions of sovereignty, identity and tradition. In our experience, there are always valid arguments to be made on both sides of the question.

CGR’s budget review notes potential savings in total spending, including payroll and benefits, purchase of equipment and contractual services. This is intended only as a starting point for dialogue between the village and town administrations.

Full Merger through Dissolution or Joint Consolidation Agreement

Village Dissolution

A merger of the town and village can be achieved at the sole discretion of village voters through a dissolution vote, as permitted under NYS General Municipal Law Article 17-A. This law permits village residents to secure a referendum on merger through a petition process. Village government is obligated to hold a referendum if

sufficient signatures are secured and certified by the village. If the referendum to dissolve the village is supported by the voters, the village is required to develop a dissolution plan, which is also subject to a petition and referendum process of approval. See the details of the process at https://www.dos.ny.gov/lg/publications/Reorganization_of_Local_Government.pdf.

Joint Consolidation Agreement

Given the relative size of village and town governments, the simple dissolution of the village seems impractical. A negotiated merger would be more orderly and more democratic.

Article 17-A permits a “joint consolidation agreement” that is negotiated among the affected governments and voted upon by all residents. Section 752* specifies that

1. *The governing body or bodies of two or more local government entities may, by joint resolution, endorse a proposed joint consolidation agreement for the purpose of commencing consolidation proceedings under this article.*
2. *The proposed joint consolidation agreement shall specify:*
 - (a) *the name of each local government entity to be consolidated;*
 - (b) *the name of the proposed consolidated local government entity, which name shall be such as to distinguish it from the name of any other like unit of government in the state of New York (except the name of any one of the entities to be consolidated);*
 - (c) *the rights, duties and obligations of the proposed consolidated local government entity;*
 - (d) *the territorial boundaries of the proposed consolidated local government entity;*
 - (e) *the type and/or class of the proposed consolidated local government entity;*
 - (f) *the governmental organization of the proposed consolidated local government entity insofar as it concerns elected and appointed officials and public employees, along with a transitional plan and schedule for elections and appointments of officials;*
 - (g) *a fiscal estimate of the cost of and savings which may be realized from consolidation;*
 - (h) *each entity's assets, including, but not limited to, real and personal property, and the fair value thereof in current money of the United States;*
 - (i) *each entity's liabilities and indebtedness, bonded and otherwise, and the fair value thereof in current money of the United States;*

* <https://www.nysenate.gov/legislation/laws/GMU/752>

- (j) terms for the disposition of existing assets, liabilities and indebtedness of each local government entity, either jointly, separately or in certain defined proportions;*
- (k) terms for the common administration and uniform enforcement of local laws, ordinances, resolutions, orders and the like, within the proposed consolidated local government entity, consistent with section seven hundred sixty-nine of this title;*
- (l) the effective date of the proposed consolidation; and*
- (m) the time and place or places for the public hearing or hearings on such proposed joint consolidation agreement pursuant to section seven hundred fifty-four of this title.*

Another reorganization option available to the village and town of Massena is forming a coterminous town-village – a municipality with shared borders. This is a relatively rare form of government organization in New York, but five town-villages exist in the state: Green Island (Albany County), East Rochester (Monroe County) and Mount Kisco, Harrison and Scarsdale (Westchester County).^{*} This, too, would be a negotiated merger.

NYS Merger/Dissolution Incentive

As part of the state dissolution law, a town where a village dissolves will receive additional aid to municipalities (AIM) after dissolution and in subsequent years. In the case of a village located in multiple towns, the Citizen's Empowerment Tax Credit (CETC) is equal to the sum of 15% of the real property taxes levied by the village plus 15% of the average amount of real property taxes levied by the towns. For the purpose of this calculation, New York State looks to levies from the fiscal year prior to dissolution. The CETC is then divided based on the percentage of the village's population that resided in each town as of the most recent decennial Census. The credit may not exceed \$1 million.

In the case of Massena, 15% of the village's general levy in 2018 was \$844,983, while 15% of the average of the towns was \$160,879, per levy data from the State Comptroller's Office. As the sum slightly exceeds \$1 million, the CETC would be rounded down to the maximum credit. Based on population as of the 2010 Census, we estimate that the distribution would be as follows (although the final disposition is determined by the NYS Department of State):

- Town of Massena: \$959,492
- Town of Louisville: \$40,508
- Town of Norfolk: N/A

^{*} <https://www.dos.ny.gov/cnsl/lg06.htm>

Principal Obstacle to Full Merger: Police Protection

As noted above in the section describing local public services, the Village of Massena provides police protection to its residents. The Police Department costs taxpayers more than \$3 million each year, when benefits are added to the department's \$2 million payroll. This is one of the largest cost centers in the village budget.

The Town of Massena does not employ police. Public safety services outside the village boundary are provided by the NYS Police and the highway road patrol of the St. Lawrence County Sheriff's Department. There is little if any documented dissatisfaction with this arrangement among town residents.

For most public services, there is an easy solution to reconcile these differences in service demand in a merger: Property owners currently in the village form a special district that provides the specific service, with the cost distributed among the properties located within the boundaries of the district. In addition to fire protection districts, towns often establish water, sewer, lighting, even sidewalk plowing districts, to provide services to village residents after a village merges with its town. This presents a straightforward solution to the question of how to maintain more intensive services in the former village after a merger.

New York state law does not permit towns to create police districts, however. Towns may provide police services, but only for the entire town, with the cost shared by all of its property owners. Town and village taxpayers are likely to come to a merger discussion with very different assumptions. Most village residents will be reluctant to give up the current level of police protection. Town residents, although willing to have better police protection, may be unwilling to pay higher taxes to get it.

In a dissolution or merger scenario, the only route for the Town of Massena to maintain police service in the village would be to expand police service town-wide. Policing the entire town would surely require an increase in total staffing. As noted above, 911 data on calls for police service from 2018 through mid-2019 show that in addition to the 1,319 calls in the village during this period, there were another 655 calls in the Town of Massena outside the village. The costs of additional police staffing could outweigh the potential savings and CETC revenue described above.

In CGR's exploration of the issue, it appears unlikely that state law will change in the foreseeable future to allow the formation of police districts throughout New York State. There appears to be no substantial grassroots support or advocacy for such a change, nor a prevailing sense in Albany that this option would facilitate municipal mergers and dissolutions that otherwise make fiscal and operational sense.

Instead, the most technically and politically feasible option for the town and village if they wish to pursue a merger is to seek state legislation specific to Massena and Louisville, allowing the creation of a one-of-its-kind police district tailored to a specific merger scenario. This would require broad support from the elected leaders of the Towns of Massena and Louisville *and* the village; the leadership and bargaining units for the existing police agencies that serve the village and the two towns; and the communities' representatives in the state Assembly and Senate. While this may be the most viable option to address the police issue, it would likely require a multi-year effort to build the necessary support and work with the community's lawmakers to craft and champion the required legislation.

West Massena

The neighborhood of West Massena, while within the Town of Louisville, is also patrolled by the Village of Massena Police Department. Like the Town of Massena, the Town of Louisville does not currently provide police services to town residents. Even if the Town of Massena were to establish town-wide police services, it would not be able to provide police protection in the Louisville portion of the village. Louisville is unlikely to create a new town-wide police force. This would leave police services to West Massena residents in jeopardy. While there are limited calls for police service in West Massena – just 15 in the period described above – residents may be understandably cautious about giving up the level of service to which they are accustomed.

West Massena represents a challenge to dissolution in another respect. If the village were to dissolve, the Town of Massena would inherit most of the obligations of the current village but would lose taxable valuation within West Massena. West Massena represented about \$26 million in total assessed value as of fiscal 2018, generating over \$475,000 in property tax revenue to the village at the 2019 tax rate.

A potential route to a merger is annexation of West Massena to the Town of Massena. This step would require assent from the Louisville Town Board. West Massena also represents a substantial portion of Louisville's tax base: about 15% of Louisville's total assessed valuation in fiscal 2018, thus generating just over \$40,000 in annual property tax revenue. Notably, however, that revenue roughly equals Louisville's estimated share of CETC revenue following dissolution.

In addition to police protection, West Massena is accustomed to other urban public services such as municipal water, sewage and solid waste collection. These services, however, could largely be delivered through special districts, as discussed above. U.S. Census population estimates for 2018 show that about 420 people live in West Massena. There are about 130 single-family residential properties in the neighborhood,

at least two churches and a relative handful of parcels owned by telecom, phone or utility companies, according to assessment data.

Functional Consolidation & Voluntary Cooperation as Options for Massena Community

The spirit of cooperation in evidence among the community's elected leaders speaks well of the prospects for reorganization. Both of the executives—town supervisor and village mayor—have been supportive of CGR's data collection and commit to ensuring that community services, whether currently provided by the village or the town, continue uninterrupted. The purpose of this study is not to determine how to *reduce* services but rather to determine whether the *cost* of service delivery can be reduced and/or whether the *quality* of services can be improved at the same cost to taxpayers.

As discussed above, the full consolidation of town and village governments (whether through village dissolution or a form of merger) would require either the establishment of a townwide police force or the elimination of current police services. Neither option is likely to receive the support of voters. The remainder of this report is focused on the consolidation of specific functions and enhanced cooperation between the two governments.

Highway & Public Works

The other likely source of cost savings is public works. The Village Department of Public Works and Town Highway Department serve many similar functions but with different "customers" that are reflected to a degree in staffing and equipment.

- Total staffing for the Village Department of Public Works is 39 although this includes trash collection and public water and sewer. Staffing for the services largely duplicated in the town are comparable to town staffing.
- Excluding custodial staffing for town-owned buildings, year-round staffing for the town Highway Department is 12. This includes the Highway Superintendent plus a foreman and two laborers stationed at the airport. Additional staffing needs during snow events is handled through overtime.
- Reflecting the difference in town and village roadways, the village relies on single axle trucks for plowing while the town depends on tandems.

Combined, they would likely be able to respond more easily to the periodic absences and equipment challenges that confront all similar operations. Contractual

expenditures may also be reduced in a larger department as the two departments would be better able to even out the ebbs and flows in service demands that now require outside assistance from contractors. The village DPW's larger size also permits it to employ full time mechanics, reducing the need for contractual spending.

Town Highway

Personal service expenditures for the town's Highway Department, including Street Administration, Airport and Cemeteries from the General Fund (A) plus all personal service expenditures from the Highway Townwide (DA) and Highway Part-Town (DB) funds totals nearly \$800,000. With estimated benefits included, the total is about \$1.4 million.

Village Public Works

Looking only at village expenditures for Central Garage and Highway, total personal service expenditures total \$936,000. With benefits, total spending is about \$1.7 million.

Potential Savings & Options for Future

With estimated benefits included, the combined personal service spending of the public works functions in both village and town totals just over \$3 million annually. CGR was not engaged to conduct the detailed "time and motion" studies necessary to determine a specific path to cost savings. We note, however, that a reduction of 10% would save taxpayers \$300,000 annually. This seems achievable. Over time, reductions in contractual services and equipment expenditures are also likely.

Options for closer collaboration include full merger, shared leadership and co-location. We discuss these below.

- The town's highway garage on the South Raquette River Road will need to be substantially renovated or replaced within the foreseeable future. Before making this investment, we strongly urge the town and village to estimate the difference in the cost of replacing the existing structure versus expanding the village's facility at SR 37 and Robinson Road.

The process of scoping and pricing the two options would provide an opportunity for the town and village to resolve two perceived obstacles—the need to share salt and sand storage, and the impact of the town's tandems on Robinson Road.

We expect that expanding the village facility to accept the town's staff and equipment would be less costly than replacing the town's facility on the South Raquette River Road. This option would also permit the community to retain the existing town garage as cold storage for the use of both town and village.

Time of the essence for this assessment. The village salt storage remains at 536 S. Main Street, the former village DPW facility. The village is currently designing its new salt storage at its current facility on Robinson Road. The town's needs can be more readily be accommodated if they are part of the village design.

- Were the facilities to co-locate, a single department head/superintendent would be better positioned to promote efficient coordination of equipment & staffing needs. Both of the current department leaders are within a comparable retirement "window," opening up the possibility that the co-location could be planned jointly now, with the understanding that the newly-hired head of the combined department would take over after both have retired.
- Full merger of the public works functions, including a merger of physical facilities, would be likely to achieve the greatest savings over time. The complexity of such a merger is considerable, however.

A particular challenge would be the development of a common labor agreement for the two departments, including the challenging question of rationalizing seniority across the two groups. The negotiation of a new, common contract can be time consuming even when two departments are represented by the different locals of the same union. In this case, the town's highway workers are represented by Teamsters Local 637 while village DPW workers are represented by CSEA Local 1000.

Administration

Executive Leadership

CGR's project team heard numerous concerns about the workload of both the existing mayor and town supervisor. By many accounts, both hold nominally part-time positions, but effectively work full-time. While both communities benefit from having individuals who have the time, capacity and willingness to serve in these positions, this may not always be the case.

The merger of administrative functions within town and village government could be facilitated through an agreement to hire a joint administrator. A joint administrator would require an increase in spending, not a reduction, although we believe that such an administrator would be positioned to identify savings over time in other positions and would reduce the workload of the supervisor and mayor to a level more in keeping with their salaries.

Clerk, Finance & Other Administrative Functions

One clerk's position would likely be eliminated in a full merger, although the workload of the combined clerk's office is likely to be comparable to the two existing offices. A joint town-village administrator would be in a position to seek and implement efficiencies through attrition as existing staff either retire or leave for other reasons.

Administrative functions in the town and village have a budgeted cost of \$691,000, including personal service costs of about \$436,000. Benefits add an estimated \$325,000. A cost reduction equal to 10-15% of the personal service portion of these would save up to \$100,000 annually. We have not identified how these efficiencies would be achieved and note the recommendation above that more spending on the executive function may be appropriate. Savings might also be realized for contractual services.

Town & Village Courts

The village and town have recognized the efficiency of sharing court personnel and court facilities and duly share one justice and the deputy court clerk. Although the savings have already been realized through cooperation, the structure of the justice system would be clearer if the village chooses to eliminate its justice court. The village board may, by resolution or local law, increase the number of, or abolish the office of village justice (Village Law § 3-301(2)(a)). This action is subject to a permissive referendum, which means that residents may require a referendum on the action of the village board upon submitting a petition signed by at least twenty percent of the registered voters.

Fines for violations of village law flow to the village, even if the fine is assessed by the town court. The village and town could enter into an agreement to share the cost of the justices and clerks.

Conclusion

Although there are opportunities for greater efficiency from full merger, most of the efficiencies can be gained from more robust service sharing, particularly around public works. The dissolution of the Village of Massena would make the town eligible for a Citizens Empowerment Tax Credit of nearly \$1 million annually. Yet this sum and more would be spent extending police services to the entire Town of Massena and, possibly, the Town of Louisville. Although this would be an improvement public safety for town residents, they do not choose to tax themselves to provide this service today, thus would be unlikely to view the change favorably. As the State of New York is unlikely to approve the creation of a police district covering the current village, the merger option is not viable.

Improved cooperation around administrative services, and an improvement in transparency for residents through court merger are both feasible and desirable.