

Analysis of Shared Services in Lyons, NY

Code Enforcement, Courts,
DPW/Highway, Parks & Recreation,
Shared Administration and Shared
Benefits

January, 2011

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Prepared for:
The Lyons Shared Services Committee
Lyons Central School District
Village of Lyons
Town of Lyons

Joseph Stefko & Scott Sittig
Project Directors

1 South Washington Street
Suite 400
Rochester, NY 14614
585.325.6360

90 State Street
Suite 1436
Albany, NY 12207
518.432.9428

www.cgr.org



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SUMMARY

In 2010 the Village of Lyons, Town of Lyons and Lyons Central School District decided to jointly pursue a grant from New York State to study possible shared service/consolidation opportunities in six functional service areas: 1. Code Enforcement; 2. Courts; 3. Department of Public Works and Highway; 4. Parks & Recreation; 5. Shared Administration; and 6. Shared Benefits. As the consultant for the project, the Center for Governmental Research (CGR) analyzed both what exists and what opportunities are available to the community in the six subject areas. The report provides an overview of the community and its current shared services, details of the current operations of each area, followed by analysis and options to increase efficiency.

Lyons is a community with a rich history of both formal and informal sharing and is committed to continuing the effort on an ongoing basis. One prime example is the existence of a standing shared services committee with representatives from all three entities—a model for communities around the state. The committee engaged CGR to expand upon the work already being done within the community to explore shared services opportunities. CGR identified collaborative options that have the potential to create efficiencies and/or streamline the delivery of services to residents—both from an operational and cost-savings perspective—through different configurations of resources.

The Town and Village each operate separate code enforcement functions that compare favorably against peer communities in Upstate NY. Even so, the Town and Village are already in the process of exploring a formalized agreement involving a shared full-time code enforcement officer. Though not aimed at cost savings, such an arrangement could improve both the quality and quantity of code enforcement services in the community.

The Town and Village each operate separate courts, although personnel overlap provides the opportunity for a relatively smooth transition if a merged court were pursued. While not a significant source of cost savings, a merger would simplify court services in the community and could potentially yield increased efficiency. As the courts generate a significant amount of revenue, especially in the Village, any merged court arrangement would need to be accompanied by an agreement detailing the sharing of court revenues.

The crowning collaborative achievement of public works and highway services in the community is the tri-entity joint maintenance facility (JMF), where the Village DPW, Town Highway, and School District maintenance operations are co-located. Lyons has indeed built a model shared facility that showcases collaboration in action. But despite being co-located and having similar operations, not all of the potential for shared services and efficiency is being tapped within the joint facility. A number of options are presented with a focus on Town and Village operations that recommend configuring existing resources to increase efficiency and potentially reduce costs. These options include increased communication, collaboration and sharing, as well as several merger scenarios.

While parks and recreation services provided by the Town and Village are minimal, recent developments have increased the demand for such services throughout the community. While hiring additional staff to provide such services may come at significant cost, it may be possible to re-purpose existing staff to take on these responsibilities. Improved parks services can also hold potential to increase tourism and recreation along the Erie Canal, thereby generating economic activity.

Opportunities to collaborate on administrative activities are not likely to yield cost savings or increased efficiency, but the possibility of co-locating administrative functions to a new facility may yield a number of benefits. Such a facility could address existing space problems at municipal facilities, as well as increase operational efficiency. Co-locating would also put valuable parcels back on municipal tax rolls, with the potential of generating additional revenue for local governments.

Collaboration in providing health benefits packages is already occurring between the Town, School District and a consortium of other school districts. The Village provides health benefits through Excellus per its contract with the Teamsters Local 118, which also provides for dental and optical benefits. While the School District provides a self-funded dental package through Health Economic Group, the Town has no dental option for its employees. It may be beneficial for the entities to explore establishing additional consortiums in areas that are currently provided independently.

Some options result in cost savings, while others enhance services provided to residents and create efficiencies by eliminating redundant, duplicative or overlapping functions, even though doing so may not result in meaningful direct cost reduction. Either way, the options presented are a step forward in meeting the challenge of configuring resources in a manner that will best serve the community.

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INTRODUCTION

This report examines potential opportunities for inter-municipal collaboration among the Village of Lyons, Town of Lyons and Lyons Central School District in the areas of code enforcement, courts, DPW/Highway, parks & recreation, shared administration and shared benefits. The Village, Town and School District have a rich history of both formal and informal sharing and are committed to continuing the effort on an ongoing basis. One prime example is the existence of a standing shared services committee with representatives from all three entities—a model for communities around the state. The committee engaged CGR to expand upon the work already being done within the community to explore shared services opportunities. The first part of the following report constitutes both the baseline portion of CGR’s study, establishing a foundational understanding of how the Town and Village deliver and fund services and to what extent sharing of some services already exists. After establishing an information baseline, the second part of this report explores and examines options for shared services and consolidation opportunities.

Population Trends

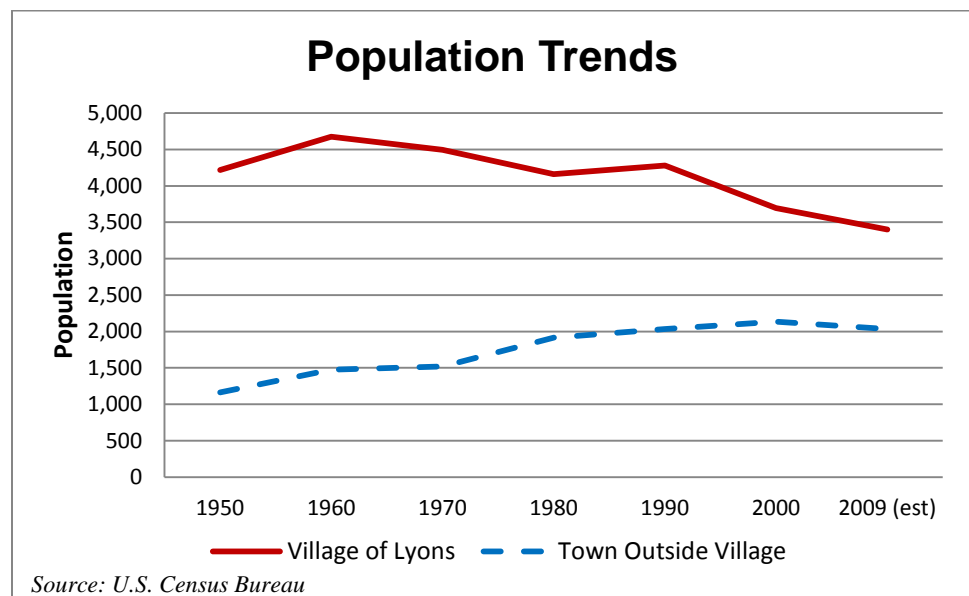
Mirroring a trend in much of Upstate New York, the size of the community of Lyons has decreased somewhat in recent years. The total population peaked nearly twenty years ago as recorded in the 1990 decennial census.

Town and Village Population, 1950-2009

Source: U.S. Census Bureau

	Village	TOV	Combined
1950	4,217	1,162	5,379
1960	4,673	1,474	6,147
1970	4,496	1,519	6,015
1980	4,160	1,913	6,073
1990	4,280	2,035	6,315
2000	3,695	2,136	5,831
2001 (est)	3,640	2,129	5,769
2002 (est)	3,602	2,102	5,704
2003 (est)	3,568	2,116	5,684
2004 (est)	3,534	2,097	5,631
2005 (est)	3,498	2,088	5,586
2006 (est)	3,454	2,081	5,535
2007 (est)	3,428	2,085	5,513
2008 (est)	3,416	2,040	5,456
2009 (est)	3,399	2,032	5,431

As of the 2000 decennial census, Village population had fallen 21% from its peak in 1960; the Town population outside the Village actually reached its peak in 2000, up nearly 45% from 1960 levels. But growth in the population of the Town outside the Village (TOV) was not enough to offset the outmigration in the Village. Since 2000, annual American Community Surveys from the Census Bureau estimate a continued moderate decline in both Village population and Town population outside the Village.



Local Tax Rates

Property owners in New York State are often subject to more than one layer of taxation. This reality has fueled discussions across New York State about how to reduce layers of government and contain or reduce costs. The current study in the Lyons community is addressing this question by looking at the Village, Town and School layers of government for possible areas of shared service cost savings. As this study progresses, it will be helpful to understand the taxes attributable to the Village, Town and School District in the context of the total tax burden.

Based upon 2010 Town and Village tax bills reflected in the table below, Village residents are paying over 41% more in total taxes contrasted with property owners in the TOV. The Village tax accounts for the majority of this difference, constituting 37% of Village property owners' total tax liability.

The School tax represents the largest portion the TOV tax will, constituting 53% of the total tax liability for TOV property owners. For Village property owners the School tax represents 37% of the tax liability.

Tax Rates⁽¹⁾ for Village and TOV

*Source: 2010 Town & Village tax bills
(per \$1,000 of Assessed Value)*

	Village	TOV
School	\$19.00	\$19.00
County	\$7.81	\$7.53
Townwide	\$4.69	\$4.69
Village	\$19.62	-
TOV	-	\$2.74
Fire	-	\$1.76
TOTAL	\$51.12	\$35.72

Notes to the table:

(1) Not including special water & sewer districts or library tax

Budget Summary

Expenditures

The 2010-11 Village budget and the 2010 Town budget contain combined anticipated all funds expenditures of over \$6.36 million. Of that total,

nearly 65% (\$4.12 million) are Village expenditures and the remaining 35% (\$2.42 million) are Town (or TOV) expenditures.

Based upon the budgeted expenditures, per capita costs for the two communities only differ by approximately 10%. Using the 2009 census estimates, per capita costs in the Village are roughly \$1,213, compared to \$1,103 in the TOV.

Budgeted Expenditures

Source: 2010-11 Village budget and 2010 Town budget

(Dollars in millions)

	Village	Town	Total
General ⁽¹⁾	\$2.873	\$1.053	\$3.926
General TOV	-	\$0.109	\$0.109
Highway	-	\$0.521	\$0.521
Highway TOV	-	\$0.398	\$0.398
Water ⁽²⁾	\$0.650	\$0.010	\$0.660
Sewer ⁽³⁾	\$0.600	\$0.002	\$0.602
Fire ⁽⁴⁾	-	\$0.147	\$0.147
Lighting ⁽⁵⁾	-	\$0.002	\$0.002
Total	\$4.122	\$2.242	\$6.364

Notes to the chart:

- (1) Village General fund includes budgeted expenditures for police, highway, fire, and street lighting services
- (2) Town Water is a combination of 3 water districts: Grist Mill water District (\$1,500), Westphal Water District (\$1,400), and Old Lyons Rd Water District (\$7,362.50)
- (3) Town Sewer is the New Rt 31 Sewer District
- (4) Town Fire is Fire Protection District #1
- (5) Town Lighting is the Grist Mill Lighting District

Revenues

Reflecting the budgeted expenditures, the 2010-11 Village budget and the 2010 Town budget contain combined anticipated all funds revenues of over \$6.36 million. The breakdown between municipalities mirrors that of expenditures, with 65% (\$4.12 million) being Village revenues and the remaining 35% (\$2.24 million) being Town revenues.

With regard to revenues, the largest category in both the Town and Village is the local property tax – the Village generates \$2.03 million (over 70% of all its general revenue) from the local tax, while the Town generates general property taxes (General, General TOV, Highway, Highway TOV) of \$1.00 million (48% of total general revenue).

Village of Lyons - Budgeted Revenues

Source: 2010-11 Village budget

(Dollars in millions)

	Non- Property Tax	Use of Fund Balance	Property Tax	Total
General ⁽¹⁾	\$0.783	\$0.060	\$2.031	\$2.874
Water	\$0.650	-	-	\$0.650
Sewer	\$0.600	-	-	\$0.600
Total	\$2.032	\$0.060	\$2.031	\$4.123

(1) Village General fund includes budgeted expenditures for highway, fire, and street lighting services

Town of Lyons - Budgeted Revenues

Source: 2010 Town budget

(Dollars in millions)

	Non- Property Tax	Use of Fund Balance	Property Tax	Total
General	\$0.440	\$0.175	\$0.439	\$1.053
General TOV	\$0.073	\$0.036	\$0.000	\$0.109
Highway	\$0.087	\$0.070	\$0.364	\$0.521
Highway TOV	\$0.141	\$0.055	\$0.202	\$0.398
Water ⁽¹⁾	-	-	\$0.010	\$0.010
Sewer ⁽²⁾	-	-	\$0.002	\$0.002
Fire ⁽³⁾	-	-	\$0.147	\$0.147
Lighting ⁽⁴⁾	-	-	\$0.002	\$0.002
Total	\$0.741	\$0.336	\$1.165	\$2.242

(1) Town Water is a combination of 3 water districts: Grist Mill water District (\$1,500), Westphal Water District (\$1,400), and Old Lyons Rd Water District (\$7,362.50)

(2) Town Sewer is the New Rt 31 Sewer District

(3) Town Fire is Fire Protection District #1

(4) Town Lighting is the Grist Mill Lighting District

EXISTING SHARED SERVICES

The most prominent question asked of local officials in the current economic environment is whether taxes can be lowered. Based upon the metrics above, a more specific question is whether the combined \$6.36 million dollars in resources flowing into the municipal governments in Lyons is allocated efficiently and effectively. The challenge for any local government is to consistently reassess the service demands in each

community and apply resources necessary to meet expected service levels. Communities respond to this by offering services independently or in collaboration with other municipalities or private firms. This section identifies areas where the community of Lyons has already committed to providing services in a collaborative manner.

As previously noted, the community of Lyons has a rich history of sharing services and collaborating to serve the public. The standing shared services committee with representatives from all three entities has facilitated cooperation across each level of government. The following list of activities evidences the collaboration that is already happening with the input and guidance of this committee.

Joint Maintenance Facility

The joint maintenance facility is the highest-profile collaborative structure already in place among the Village, Town and School District. It provides both formal and informal sharing opportunities.

Formal

- The construction and operation of a joint maintenance facility to house the Village DPW, the Town Highway Department and the School Transportation Department. Made possible by savvy leadership and funded largely by school aid, the facility was built in 2002 and provides ample space for all three operations. A joint fuel station was also constructed as part of the project, which services all three entities as well as the Village Fire and Town Ambulance.
- The construction of a tri-entity cold storage facility on the 45 acre premises of the joint maintenance facility. The cold storage facility was financed entirely by a NYS grant facilitated by the School District. The facility's space is shared evenly by the Village and Town, who had previously used the old school bus garage as storage. This relocation allowed space reclamation for the District at the old school bus garage.
- The construction of a shared salt barn by the Town and Village on the premises of the joint maintenance facility. Each entity has its own access door to draw from separate salt and sand piles, but the storage facility is shared.
- The heads of the Village DPW, the Town Highway Department and the School Transportation Department meet monthly to help facilitate communication surrounding the joint maintenance and fuel facilities.
- The Town plows half of the joint maintenance facility lot (including a portion of for the school) and the Village plows the other half (also including a portion for the school).
- Within the joint maintenance facility, the municipalities share a hoist and an overhead lift.

Informal

- The Town, Village and School District share the welder and torches in the joint maintenance facility as needed.

Other Shared Services***Formal***

- The Town contracts with the Village of Lyons to provide fire services through a fire protection district.
- The Town Ambulance provides services to the entire community.
- The Village contracts with the Town for assessor services.
- The Town Dog Control Officer provides animal control services to the entire community.
- The Town participates along with the School District in a 38 school health care consortium to provide benefits to employees.

Informal

- The School's head bus mechanic does all state inspections for municipal vehicles for the School District, Town and Village (including the Town ambulances and fire trucks).
- The head bus mechanic for the School will drive plows for the Town when needed in the winter.
- The School borrows a loader from Town and/or Village during snow season to help clear snow.
- The Town salts and sands the school parking lot.
- The Town uses its pavement roller to roll the School athletic fields.
- The Village and Town borrow smaller mowers from the School to help do some of the finer manicuring of smaller lawn areas.
- The Town helps the Village with road/street pothole patching during the warmer months.
- The Town and Village both plow the community center.
- The School's Buildings and Grounds Department cleans the Community Center.
- The School loans man-lift to Town to work on garage doors and lights.
- The School plows part of the Community Center.
- The School mows the Community Center lawn.

With this history and a growing awareness that resources are diminishing due to economic constraints, the shared services committee applied to the NYS Department of State to pursue a local government efficiency grant. The grant was awarded to encourage the municipalities to continue

looking for ways to collaborate. What follows is a function by function review of the services that were chosen by the committee to focus the study and analysis moving forward.

BASELINE REVIEW

Code Enforcement: *What Exists?*

The composition of land, buildings and personal property in the Village and the Town outside the Village (TOV) differs, placing different demands for code enforcement on each municipality. The primary focus of code enforcement services in the Village is monitoring rental properties, issuing certificates of occupancy and holding residents accountable to maintain a clean downtown. Code enforcement services in the Town focus more heavily on work involved with the on-going development of the TOV, such as issuing building permits. CGR analyzed each operation in context to determine what collaborative opportunities might exist moving forward.

Cost Analysis

The Village code enforcement operation is staffed by one part-time code enforcement officer (.5 Full-Time Equivalents) and one part-time assistant code enforcement officer (.1 FTE). Part-time secretarial support is also provided by the Village clerk's office (.25 FTE). The Town code enforcement operation consists of a single part-time code enforcement officer (.25 FTE). In total, the two communities allocate approximately 1.1 FTE to code enforcement.

Expenses

Since the Town code enforcement officer is responsible only for TOV, there is very little property overlap between Town and Village code enforcement operations. This separation of functions is reflected in the budgets, as the Town appropriately assigns code enforcement expenditures to the General TOV Fund (also known as the Town's "B Fund"). The following table summarizes budgeted expenditures for code enforcement in the community.

Budgeted Expenditures - Code Enforcement

Source: 2010-11 Village budget and 2010 Town budget

	Village	Town	Total
General	\$33,130	-	\$33,130
General TOV	-	\$12,827	\$12,827
Total	\$33,130	\$12,827	\$45,957

The Village budgets a total of \$33,130 for its code enforcement function. Of that total, \$17,300 is budgeted for the code enforcement officer's salary and \$2,500 for the assistant's salary. Approximately \$5,964 is allocated for a clerk who provides part-time secretarial support to the code enforcement operation (.25 FTE). Social security benefits account for a total \$1,971 at 7.65% of total salary, and the clerk receives a 15% retirement contribution of \$895. The remaining \$4,500 is dedicated to contractual expenditures such as office supplies, mileage reimbursements and zoning dues.

The Town budgets \$12,827 for its code enforcement operation, of which \$10,250 is dedicated to salary. Social security benefits account for \$784 at 7.65% of salary and a 3% retirement contribution of \$293 is also made to the code enforcement officer. Around \$500 is budgeted for equipment and \$1,000 for contractual expenses. In total, 1.1 FTEs are paid a combined \$40,200 to offer code enforcement to both municipalities.

Revenues

Revenues are generated by code enforcement operations through items such as zoning fees and charges for permits. The following table provides a summary of budgeted revenues attributed to code enforcement in the community.

Budgeted Revenues - Code Enforcement

Source: 2010-11 Village budget and 2010 Town budget

	Village	Town	Total
General	\$12,000	-	\$12,000
General TOV	-	\$2,000	\$2,000
Total	\$12,000	\$2,000	\$14,000

Total code enforcement revenue in the Village is approximately \$12,000, a function of \$10,000 in expected zoning fees and \$2,000 in charges for permits. Town code enforcement revenues of \$2,000 are attributable to expected zoning fees. As both municipalities assume low budgeted revenue relative to expenditures, the code enforcement function is a net cost to both the Village and Town. The following table summarizes the net total cost of code enforcement operations in the community.

Cost of Town & Village Code Enforcement

Source: 2010-11 Village budget and 2010 Town budget

	Village	Town	Total
Expenditures	\$33,130	\$12,827	\$45,957
Revenues	\$12,000	\$2,000	\$14,000
Net Total Cost	\$21,130	\$10,827	\$31,957

Code Enforcement Activity

New York State's Department of State requires local code enforcement officers to keep record of the quantity and type of work being dealt within their respective communities. This information is then submitted to the state in the form of an Article 19 NYCRR Part 1203 Uniform Code Administration and Enforcement Report (also known as "1203s") for each municipality. Using the 1203s from the last three years, one can calculate the distribution of work load between the Town and Village for documentable activity. While significant work volume is generated in ways that are not documented (*i.e.* phone calls, research of code, site visits where warnings are issued but not documented, and so on), the uniform reports do serve as a good proxy for the allocation of work between the two communities. The following tables are a summary of information tracked on such reports for the past three years in both the Village and Town of Lyons.

Code Enforcement Statistics - Village Summary, 2007-09

Source: 19 NYCRR Part 1203 Uniform Code Administration and Enforcement Reports

	2007	2008	2009	3-Year Avg
TOTAL Building Permits Issued	132	132	124	129
TOTAL Certificates of Occupancy or Compliance Issued	139	190	228	186
TOTAL Stop Work Orders Issued	2	1	2	2
TOTAL Operating Permits Issued	21	18	18	19
TOAL Complaints Acted Upon	538	336	382	419
Fire Safety & Prop Maintenance Inspections (% inspected)				
<i>Areas of public assembly with occupant load >50</i>	100.0%	84.0%	84.0%	89.3%
<i>Multiple dwelling - buildings</i>	-	-	25.0%	25.0%
<i>Multiple dwelling - units</i>	23.1%	25.3%	-	24.2%
<i>Commercial/Industrial buildings</i>	20.0%	14.0%	13.3%	15.8%

Code Enforcement Statistics - Town Summary, 2007-09

Source: 19 NYCRR Part 1203 Uniform Code Administration and Enforcement Reports

	2007	2008	2009	3-Year Avg
TOTAL Building Permits Issued	89	69	42	67
TOTAL Certificates of Occupancy or Compliance Issued	67	29	20	39
TOTAL Stop Work Orders Issued	2	2	2	2
TOTAL Operating Permits Issued	4	0	0	1
TOAL Complaints Acted Upon	19	10	14	14
Fire Safety & Prop Maintenance Inspections (% inspected)				
<i>Areas of public assembly with occupant load >50</i>	100.0%	57.1%	42.9%	66.7%
<i>Multiple dwelling - buildings</i>	100.0%	-	0.0%	50.0%
<i>Multiple dwelling - units</i>	-	23.5%	-	23.5%
<i>Commercial/Industrial buildings</i>	25.0%	33.3%	10.0%	22.8%

On average over the three years analyzed, Village code enforcement experienced nearly six times the amount of total activity that the Town code enforcement operation handled in a given year. This works out to the Village handling roughly 85% of the community's total code enforcement activity on average in a given year. It is to be expected that these statistics ebb and flow from year to year, and the annual data evidence this variation. However, it is notable that the scale/quantity of service level in the Village is generally much higher than that in the Town. This may present economy of scale opportunities worthy of further consideration.

Along with providing insight into the total workload of each operation, the information from these reports reveals a trend in the productivity of code enforcement. Over the last three years, Village code enforcement activity has remained generally consistent from year to year. On the other hand, the Town data illustrate a significant downward trend in the quantity of code enforcement activity over the past three years.

Peer Comparisons

Statistics only tell part of the story as it relates to the work of code enforcement officers. Not every call is documented. Certain permits require more research than others. Site visits often result in "warnings" that require further follow-up. Travel time to various locations can add up depending on the day. Thus, it is difficult to say with certainty that the work load indicators mentioned above dictate fewer person-hours.

In an attempt to benchmark Lyons against other sample communities, CGR collected Uniform Code Reports from two other villages and three other towns. While each community may have intricacies that lead to minor discrepancies in its code enforcement function, the demographic profile in the table below provides context to make some comparisons. Each example is drawn from Western New York and the activity reports are instructive as comparisons for Lyons.

Characteristic	Villages			Towns				
	Village of Lyons	Village one	Village two	Town of Lyons	Town one	Town two	Town three	Town four
Population	3,399	7,749	5,539	5,431	10,129	3,414	8,498	4,660
Land Area (sq.miles)	4.2	2.79	3.0	37.6	45.2	39.9	25.4	31.1
Pop Density (people/sq.mile)	809	2,777	1,846	144	224	86	335	150
Median Age (years)	37.9	21.1	33.0	39.1	21.6	35.9	34.1	35.0
Total housing units	1,668	1,780	2,566	2,424	2,698	649	2,626	2,014
Median family income	\$45,781	\$59,500	\$34,881	\$47,593	\$62,206	\$48,828	\$37,188	\$45,184
Per capita income	\$16,526	\$12,239	\$13,531	\$18,483	\$15,303	\$13,433	\$13,890	\$14,620

Source: US Census

CGR collected data for a three year period and summarized the results as averages for the period. The reports are from 2007-09. The comparative results are presented in the following table.

Code Enforcement Statistics - Summary of Village Averages

Source: 19 NYCRR Part 1203 Uniform Code Administration and Enforcement Reports

	Village of Lyons	Village One	Village Two	VILLAGE AVG
TOTAL Building Permits Issued	129	63	91	94
TOTAL Certificates of Occupancy or Compliance Issued	186	61	79	109
TOTAL Stop Work Orders Issued	2	0	0	1
TOTAL Operating Permits Issued	19	42	15	25
TOAL Complaints Acted Upon	419	14	0	144
<i>Fire Safety & Prop Maintenance Inspections (% inspected)</i>				
<i>Areas of public assembly with occupant load >50</i>	89.3%	33.3%	50.0%	70.5%
<i>Multiple dwelling - buildings</i>	25.0%	12.3%	13.0%	14.8%
<i>Multiple dwelling - units</i>	25.7%	6.1%	-	13.0%
<i>Commercial/Industrial buildings</i>	15.8%	28.7%	100.0%	25.6%

The following are highlights of the *peer comparison* for Villages:

- “Village One” operates a shared code enforcement operation with “Town One” (see below) with 2.5 full time equivalent staff.
- “Village One” and “Town One” contract to provide code enforcement services to “Town Two” as well.
- “Village Two” operates with one full-time officer.
- “Village One” does have a rental housing environment similar to the Village of Lyons and there is a small university located within its limits.
- “Village One” has six places of public assembly and “Village Two” has twelve, compared with the 25 documented in the Village of Lyons.
- The Village of Lyons documents the least buildings with multiple dwelling units, but had the largest number of commercial and industrial buildings.
- On average, the Village of Lyons documents activity that falls above the average for these three villages combined.

Code Enforcement Statistics - Summary of Town Averages

Source: 19 NYCRR Part 1203 Uniform Code Administration and Enforcement Reports

	Town of Lyons	Town One	Town Two	Town Three	Town Four	TOWN AVG
TOTAL Building Permits Issued	67	70	63	52	80	66
TOTAL Certificates of Occupancy or Compliance Issued	39	92	23	60	13	47
TOTAL Stop Work Orders Issued	2	1	0	2	0	1
TOTAL Operating Permits Issued	1	8	8	1	0	4
TOAL Complaints Acted Upon	14	10	7	4	3	6
Fire Safety & Prop Maintenance Inspections (% inspected)						
<i>Areas of public assembly with occupant load >50</i>	66.7%	-	100.0%	100.0%	0.0%	68.2%
<i>Multiple dwelling - buildings</i>	52.9%	0.0%	-	100.0%	0.0%	15.0%
<i>Multiple dwelling - units</i>	28.9%	9.8%	0.0%	-		13.1%
<i>Commercial/Industrial buildings</i>	22.6%	29.5%	18.2%	27.9%	0.0%	25.4%

The following are highlights of the *peer comparison* for Towns:

- “Town One” and “Village One” share their code enforcement operation.
- “Town Three” and “Town Four” operate with one part time code enforcement officer.
- “Town One” leads the comparison communities in most workload categories including building permits, certificates of occupancy or compliance, operating permits, and the number of areas of public assembly and multiple dwellings.
- The Town of Lyons inspected a larger portion of its buildings than “Town One,” closer to the average among all five communities.
- The Village and Town of Lyons code enforcement operations combine for 1.1 full time equivalent staff.
- “Village One” and “Town One” combine for 2.5 full time equivalent staff (and cover “Town Two” as well).
- “Village Two” and “Town Three” are in the same town and combine for approximately 1.6 full time equivalent staff.
- “Town Four” also works with a village and combines to cover the area with one full time equivalent person.

These comparisons are provided in order to provide insight into how other similar communities provide code enforcement services to their residents. There are a number of caveats to keep in mind. First, although these communities reflect some similar demographic traits, they may not be representative of Lyons. Secondly, it is possible that there are discrepancies with the way data is documented in each community. While reporting has been standardized, practitioners in each community bring their own “flavor” to their jobs and there are no standard operating procedures for code enforcement officers.

Summary

Overall, it can be observed that the Village of Lyons has been accomplishing a consistent level of code enforcement that is above average compared to some peer communities. And while work quantity of the Town code enforcement operation has dropped over the last three years, the level of service measures comparably to what peers provide.

Courts: *What Exists?*

The Village and Town each operate separate courts. However, there are significant similarities among the courts, including overlapping personnel in the Village and Town justice position. The similarities may provide opportunities to reduce overlap and increase overall efficiency.

Cost Analysis

The Village court currently operates with one part-time justice and one full-time clerk (1 FTE), whereas the Town operates with two part-time justices and one part-time clerk (.5 FTE). As noted earlier, there is some personnel overlap among the courts: the Village justice also holds one of the Town justice positions. Additionally, the other Town justice sits in as acting Village justice when needed. The following table summarizes budgeted expenditures for courts in each municipality.

Budgeted Expenditures - Courts

Source: 2010-11 Village budget and 2010 Town budget

	Village	Town	Total
General	\$62,433	\$42,778	\$105,211
Total	\$62,433	\$42,778	\$105,211

Since the cost of the court in the Town is captured in the Town General Fund (its “A Fund”), Village residents are not only paying for the cost of the Village court but are also paying for the cost of the Town court due to the assessed valuation breakdown of 58/42. Thus, 58% of the cost of the Town court is borne by the Village residents. In total, court costs for Village taxpayers are approximately \$82,244. This represents approximately 83% of the total combined cost of the courts. TOV taxpayers are responsible for the remaining 17%, or \$22,967 of total court costs.

Municipal courts can generate significant revenue in communities, especially high-activity courts. The following table summarizes budgeted expectations for court revenue in each municipality.

Budgeted Revenues - Courts

Source: 2010-11 Village budget and 2010 Town budget

	Village	Town	Total
General	\$76,000	\$15,000	\$91,000
Total	\$76,000	\$15,000	\$91,000

The Village generates far more than what it budgets to run the court, with court-related revenues of \$76,000. Fines and forfeitures represent \$72,000 of Village revenues, with reimbursement for court copies accounting for the remaining \$4,000. The Town generates \$15,000, less than half what it costs to operate the court. The following table summarizes the net total cost of operating the Town and Village courts.

Cost of Town & Village Courts

Source: 2010-11 Village budget and 2010 Town budget

	Village	Town	Total
Expenditures	\$62,433	\$42,778	\$105,211
Revenues	\$76,000	\$15,000	\$91,000
Net Total Cost	(\$13,567)	\$27,778	\$14,211

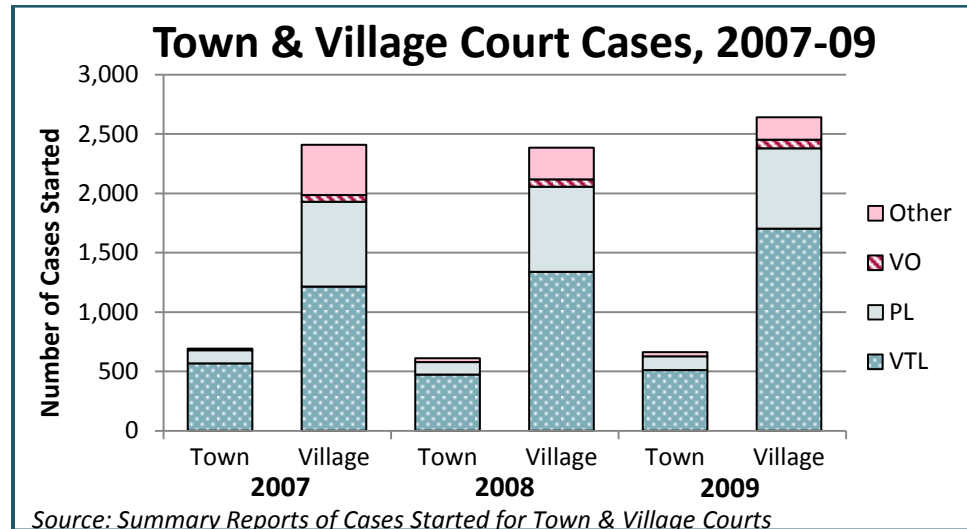
As Village court revenues significantly exceed expenditures, this suggests that the court function also underwrites some costs for the municipality in other areas of the budget. On the other hand, the excess cost of the Town court contributes to the size of the town-wide tax levy (“A Fund”).

The Village pays its justice more than the Town pays either of its justices, though the total cost of the Town justice salaries combined slightly outweighs the combined cost for the Village justice. The Village justice is budgeted to receive salary of \$17,500 and an acting Village justice is budgeted \$2,050. Associated social security and retirement benefits total \$1,804, resulting in a combined personnel cost of \$21,354 for Village justices. Town justices are paid \$11,124 and \$10,080 per year, with total social security benefits of \$1,677, for a combined personnel cost of \$22,881. The Village court clerk receives a salary of \$21,278 and total benefits of \$10,341 including health, dental, optical, retirement and social security. The Town court clerk receives \$12,955 in salary and \$992 in social security benefits. Total combined compensation for providing courts in the community is \$89,800.

Court Activity

In light of the similarities in budgeted costs, one would expect to observe a relatively even split in the activity generated by each court. However, the revenue being generated by each court provides a significant clue that this

casual observation is likely not the case. In fact, the disparity in caseloads handled by the two courts is significant.



On average over the three years analyzed, the Village court handled nearly four times the number of cases that the Town court handled in a given year. This works out to the Village handling roughly 79% of the total court volume on average in a given year. In general, the overwhelming activity in both courts is related to vehicle and traffic infractions. The following tables summarize the case activity in the Town and Village courts from 2007-09.

Village Court Cases Started, 2007-09

Source: Village Court Clerk

(Number of cases started by type)

	2007	2008	2009	3-Yr Avg	% of Total
VTL	1,215	1,339	1,703	1,419	57.3%
PL	713	716	677	702	28.3%
VO	58	62	71	64	2.6%
Other	422	268	189	293	11.8%
Total	2,408	2,385	2,640	2,478	100.0%

The Village court is relatively active, averaging an annual caseload of nearly 2,500 cases. Over 57% of cases pertain to vehicle and traffic law, while 28% are penal law violations, 2% are Village ordinance related and the remaining 12% are other violations.

Town Court Cases Started, 2007-09

Source: Town Court Clerk

(Number of cases started by type)

	2007	2008	2009	3-Yr Avg	% of Total
VTL	567	474	512	518	79.0%
PL	112	104	114	110	16.8%
Other	12	34	37	28	4.2%
Total	691	612	663	655	100.0%

The Town court is less active by volume relative to the Village, with a three-year average of 655 cases started annually. Around 79% of Town court cases are vehicle and traffic law violations, while 17% are related to penal law and the remaining 4% are other violations.

Summary

Village residents are paying for 83% of the courts and seeing 79% of the community's total court activity, indicating that the current distribution of costs reflects closely the activity distribution between Village and TOV. Examined on a cost-per-case basis, the Village spends approximately \$25, compared to nearly \$65 in the Town.

DPW/Highway: What Exists?

The crowning collaborative achievement of public works and highway services in the community is the tri-entity joint maintenance facility (JMF). The Village DPW, Town Highway, and School District maintenance operations co-located at the JMF upon completion of construction in 2002. With the participation of the School, the facility was financed almost entirely by NYS school aid (70%), while the remaining portion was split evenly between the Town (10%), Village (10%) and School District (10%). All parties acknowledge that the facility resulted in a "win-win-win" outcome.

The Town and Village operations are allocated equal amounts of space in the north end of the facility. Each entity has eight large truck bays, with approximately 9,000 square feet (60' x 150') for each operation. The space is heated and outfitted with the necessary electric and utility supplies. The School has two similarly outfitted bays with approximately 1,600 square feet (80' x 20') for its mechanic to perform maintenance on the bus fleet. At the center of the building is approximately 8,500 square feet (76' x 112') of office space. This space is primarily occupied by the School District's transportation department, although the Town Highway superintendent and Village DPW foreman each have offices there. The south end of the facility is occupied by the School's bus fleet. The large non-heated space has five pull-through bays that extend the width of

building, providing ample storage space for the district's buses. Operating costs for the building—including utilities—are split equally among the three entities (*i.e.* they are not allocated according to square footage). Solar panels obtained through an Excel grant awarded to the School District have been installed on the top of the building to minimize utility costs. The facility was last assessed at \$3,229,336 at sound value less exclusions.

Located along the west side of the JMF is the joint fuel station. Owned by the School, the joint station provides fuel for the vehicles of all three entities, as well as the Village Fire Department and Town Ambulance. It is operated using an electronic two-card system—one card for each vehicle and one card for each employee. Detailed records are kept down to the penny to ensure billing accuracy. A 5-cent per gallon surcharge is assessed to the Town, Village and School district when using the fuel station. The funds accumulated from this surcharge are reserved for capital improvement projects related to the JMF. The operation is a model for shared services efforts.¹

Also on the 45 acre premises is a cold storage facility shared by the Village and Town. The two entities used to borrow space in the old school bus garage for cold storage. As space became limited, the School District functioned as the lead agency in obtaining a NYS grant of \$105,000 to finance a new facility. The School District still uses the old bus garage as cold storage. The new facility is approximately 8,640 square feet (60' x 144') and is split evenly between the two operations. There is also a large salt storage facility, shared and jointly owned by the Town and Village.

Budget

As the Town Highway Department and Village DPW provide relatively similar services to the community, the two municipalities will be the basis for much of this analysis. The following table illustrates budgeted expenditures related to DPW/Highway operations by the service provided.

Total combined budgeted DPW/Highway related expenditures for the community are approximately \$1.70 million. Of that total, nearly 58% (\$986,058) is Town Highway expenditures and the remaining 42% (\$716,221) is Village DPW expenditures. The \$1.70 million in combined

¹ Guidelines to the planned activity were outlined in the 6/20/2002 publication "How We Work Together: Lyons Joint Maintenance Facility Handbook" that is posted on the New York State Department of State website:

<http://www.dos.state.ny.us/LG/publications/LGEProjectReports/2007/How%20We%20Work%20Together%20-%20LyonsJointMaintenanceFacilityHandbook.pdf>

DPW/Highway expenditures represents nearly 27% of total combined municipal expenditures in the community.

Budgeted DPW/Highway Expenditures by Service

Source: Town and Village Budgets, 2010-11

	Village	Town	Combined
Street maintenance	\$224,763	\$363,219	\$587,982
Snow removal	\$113,100	\$222,666	\$335,766
Permanent improvements (CHIPS)	\$73,841	\$125,346	\$199,187
Machinery	\$66,000	\$105,000	\$171,000
Shared garage	\$12,710	\$15,000	\$27,710
Refuse collection & disposal	\$44,200	-	\$44,200
Personnel contingency	-	\$26,384	\$26,384
Street cleaning	\$21,200	-	\$21,200
Storm sewers	\$19,263	-	\$19,263
Sidewalks	\$17,000	-	\$17,000
Shade trees	\$6,000	-	\$6,000
Bridge maintenance	\$5,000	-	\$5,000
SUBTOTAL	\$603,077	\$857,615	\$1,460,692
Employee benefits	\$113,144	\$128,443	\$241,587
TOTAL Expenditures	\$716,221	\$986,058	\$1,702,279

Notes to the table:

Table does not reflect budgeted line item totals due to the following changes made to align budgets for purposes of services provided:

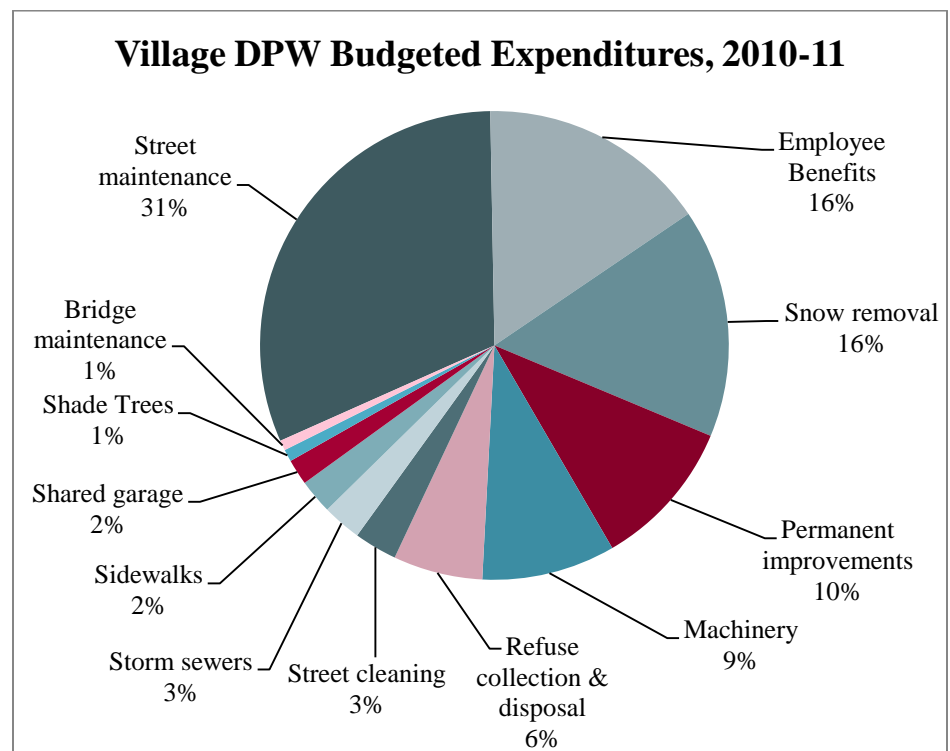
- (1) Equipment reserve expenditure of \$30,000 removed from Village Street maintenance and added to Village Machinery
- (2) Town Administration (superintendent) expenditure of \$51,907 added to Town Street maintenance
- (3) Although the Town Highway superintendent and Village DPW foreman are accounted for in the Street maintenance budget line, it should be noted that these administrators dedicate a significant amount of time to snow removal
- (4) Town Services to other gov'ts expenditure of \$135,000 added to Town Snow removal to reflect service provided
- (5) Equipment repair, maintenance & testing expenditure of \$36,000 removed from Village Shared garage and added to Village Machinery
- (6) Payroll contingency of \$26,384 removed from Town Machinery and listed as separate line item
- (7) Employee benefits information gathered from CGR wage & benefit template completed and submitted by Town and Village

Village

The Village operates its DPW with 5 full-time employees and 2 part-time seasonal employees with total budgeted costs of \$716,221. The Village estimates that it is responsible for approximately 20 road miles during snow plowing season. Using that figure as an estimate of its total road-mile responsibility, the Village operation costs roughly \$35,800 per mile.

There is one DPW foreman and 4 full-time MEOs who are represented by the Teamsters union. Although an additional MEO is scheduled to split time between water/sewer and DPW, that MEO's time is almost entirely devoted to water/sewer work. Even though that MEO may be called upon by the DPW at any point in time, for all intents and purposes of this study that position is not considered as being part of DPW's workforce complement. The DPW foreman is an appointed position with an annual salary of \$53,033, at \$24.20 per hour. The foreman also functions as the chief mechanic, and is recognized for his skill and expertise in working on and maintaining heavy machinery.

Total budgeted salary for the 4 MEOs is \$197,919 including budgeted overtime. Three MEOs are at \$18.74 per hour, while a newer MEO is paid \$15.70 per hour. The foreman and 4 MEOs also receive combined total benefits of \$113,144 that includes health, retirement, and social security contributions. Additionally, total compensation for the 2 part-time seasonal workers is budgeted at \$6,000 with no benefits. The normal work schedule for full-time employees is a 40 hour work week.



Snow Removal

Snow plowing is one of the Village's primary services, with responsibility for approximately 20 lane-miles within the Village's jurisdiction. Plowing is done by three 6-wheel dump trucks sent out with salt spreaders. The Village also uses 2 pickups—one with a spreader and one without—to do some of the lighter work and handle municipal parking lots. All snow is

picked up from “uptown” (the 4 sides of the main square) and removed. Except for extreme cases, snow removal usually begins at 4am. With budgeted costs of \$113,100, snow removal service in the Village costs approximately \$5,655 per mile.

Other Services

The DPW provides a variety of services outside of snow removal, many of which the Town Highway Department is not asked to do for its residents. A significant amount of time is spent doing brush and leaf pickup, roadside mowing, street cleaning, and clearing storm sewers. Milling streets and re-paving is contracted out using CHIPS money, although Village manpower is used for hauling and other support such as traffic control and safety.

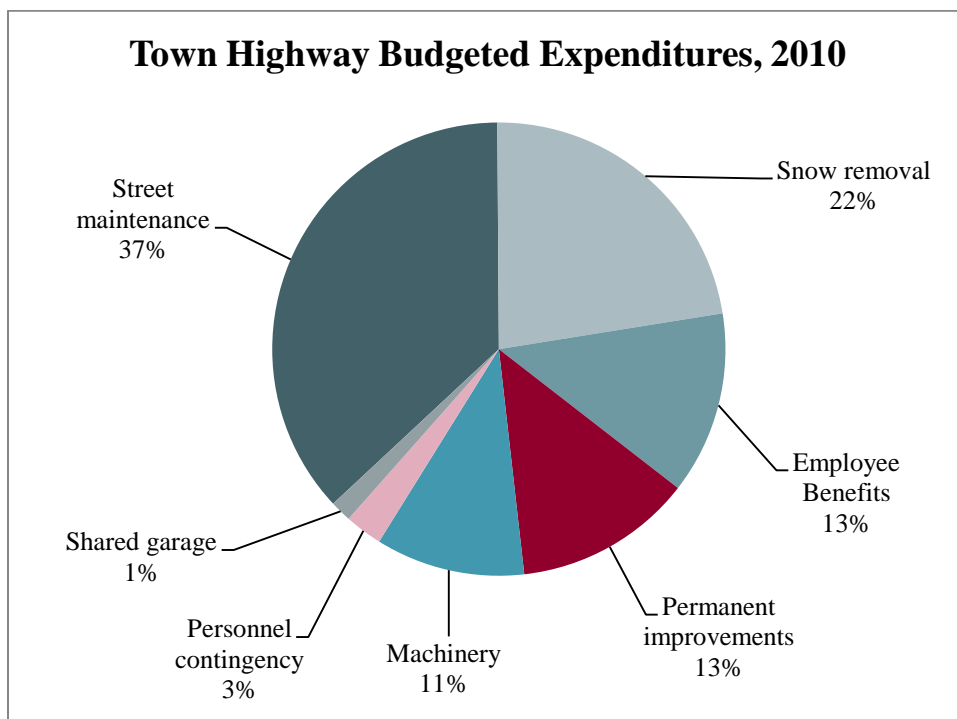
The structure of the Village DPW creates a close working relationship with the Water and Sewer departments. As the water and sewer infrastructure in the Village have aged, more time has been spent locating and repairing waterline leaks and breaks. Officials acknowledge that a significant amount of time is spent by the entire DPW staff on water and sewer repairs. As time is a finite resource, the increase in demand from the Water and Sewer departments displaces DPW workers from the long list of existing streets maintenance and buildings and grounds responsibilities. As the infrastructure continues to age, this challenge will continue to grow.

Due to limited resources, the Village tends not to buy new equipment as such purchases are costly and funding is usually scarce. The Village instead purchases older and occasionally broken equipment at a discount and relies upon the expertise of its staff (particularly its foreman) to get the equipment in working order. Repairing the equipment comes at a large time-cost, especially given the pressure put on the department by the Water and Sewer operations. There are also cases where the Village has spent time and money to purchase and fix up a piece of equipment, while a comparable piece of equipment sits on the other side of the garage under Town ownership. Such instances suggest that better communication and coordination between the departments could yield savings in cost and efficiency beyond what is already occurring.

Town

The Town of Lyons operates its Highway Department with 6 full-time employees (including the superintendent) and total budgeted costs of \$986,058. With responsibility for approximately 48 Town road miles and 24 County road miles, the Town Highway operation costs roughly \$13,695 per mile. [Note: Using only the Town road miles as the denominator, the cost per mile is \$20,540.]

There are 6 full-time employees: 1 superintendent, 1 deputy superintendent (MEO), and 4 MEOs. The superintendent is an elected position with a salary of \$49,907 annually. The total budgeted salary (including budgeted overtime) for the deputy and 4 MEOs is \$247,418 at a base rate of \$19.80 per hour. The superintendent, the deputy and the 4 MEOs also receive combined total benefits of \$128,443 that includes health, retirement and social security contributions. The normal work schedule is a 40 hour work week. There are no part-time or seasonal employees. The Town Highway Department performs a variety of services to both Village residents and Town residents outside the Village.



Snow and Ice

Snow plowing is one of the Town's primary services, with responsibility for approximately 48 miles of Town road and 24 miles of County road within the Town's jurisdiction. Plowing is done by five 10-wheel dump trucks, with each truck having a separate plow route. One man is assigned per truck, and each route takes between 2.5 and 3 hours depending on conditions. Ice is managed by spreading a mix of salt and sand behind each plow, with trucks using one box of mix per full plow route. Except for extreme cases, snow clearing begins at 4am. With budgeted snow removal costs \$222,666, the service is provided at a cost of approximately \$3,090 per lane-mile plowed.

Other Services

Outside of snow removal, the majority of the department's time is spent doing ditching, loader maintenance, roadside mowing, and oil and stone

work. Paving and milling is contracted out, but Town Highway personnel assist with the work. The Town uses its CHIPS money to finance the contracting for paving and milling as well as for the purchase of oil and stone. A significant amount of Town Highway personnel time is also spent assisting other towns in Wayne County. This type of sharing is facilitated by the town highway superintendents of Wayne County, with significant formal and informal sharing of manpower and equipment stretching across the County.

Total Budgeted Costs (incl. benefits)		
Village		Town
\$716,221		\$986,058
Staffing Structure		
Village		Town
Foreman (1 FTE)		Superintendent (1 FTE)
MEO (4 FTE)		Deputy Supt (1 FTE)
Seasonal (2 PT)		MEO (4 FTE)
Work Load Indicators		
Village		Town
20	Lane Miles Plowed	72
0.30	Men per Mile	0.08
\$35,811	Total Cost per Mile	\$13,695
Major Apparatus (vehicles & related)		
Village		Town
3	Dump Truck	6
2	Pick-Up Truck	3
1	Tractor/Mower	1
1	Roller	1
1	Loader	1
0	Excavator	1
0	Grader	1
0	Chipper	1
2	Other Truck	0
1	Sweeper	0
1	Backhoe	0
1	Road Maintainer	0

Peer Comparisons

In an attempt to benchmark the Village and Town of Lyons against other similar communities, CGR compiled a table detailing an approximate cost per mile for all municipalities in Wayne County. The figures were calculated using 2008 expenditures from the Office of the State Comptroller and NYSDOT Highway Inventory mileage numbers. In order

to collect these vast statewide data, the OSC groups spending into standard categories for all municipalities. As each community budgets differently, there exists the potential for discrepancies in reporting among the various entities. Nonetheless, the OSC data represents the most standard and current form for comparison across municipalities, and should be considered precisely that—a tool for comparison. The following table summarizes CGR’s comparative results.

Wayne Municipalities - Cost per Mile in 2008				
Municipality	County Owned Mileage	Municipality owned Mileage	2008 Highway Expenditures	Cost per Mile
<i>County</i>				
Wayne	406.0		\$14,239,180	\$35,072
<i>Town</i>				
Arcadia		80.7	\$1,287,711	\$15,957
Butler		57.0	\$398,421	\$6,990
Galen		75.0	\$636,540	\$8,487
Huron		49.8	\$512,675	\$10,295
Lyons		47.8	\$560,680	\$11,730
Macedon		58.7	\$1,308,952	\$22,299
Marion		45.2	\$614,983	\$13,606
Ontario		47.2	\$1,010,855	\$21,416
Palmyra		49.0	\$791,246	\$16,148
Rose		50.4	\$534,101	\$10,597
Savannah		45.3	\$434,140	\$9,584
Sodus		87.3	\$728,538	\$8,345
Walworth		58.1	\$1,144,436	\$19,698
Williamson		47.6	\$903,832	\$18,988
Wolcott		48.6	\$471,242	\$9,696
Total miles		847.7		
Town Average				\$13,589
Town High				\$22,299
Town Low				\$6,990
<i>Village</i>				
Clyde		14.4	\$284,762	\$19,775
Lyons		20.2	\$379,294	\$18,777
Macedon		5.8	\$178,446	\$30,767
Newark		45.2	\$906,048	\$20,045
Palmyra		11.0	\$248,078	\$22,553
Red Creek		3.3	\$266,998	\$80,908
Sodus		7.3	\$284,256	\$38,939
Sodus Point		8.7	\$92,883	\$10,676
Wolcott		15.6	\$333,332	\$21,367
Total miles		131.5		
Village Average				\$29,312
Village High				\$80,908
Village Low				\$10,676
All Municipalities		1385.2	\$28,551,629	\$20,612

Source: Financial Data for Local Governments, New York State Office of the State Comptroller

The following are highlights of the *peer comparison* for all Wayne County municipalities:

- The Town of Lyons has a cost per mile slightly below the average for all towns in Wayne County.
- The Village of Lyons has a cost per mile significantly below the average for all villages in the county.
- Using the OSC data as a proxy for municipal budgets, the cost per mile of the Village is about 60% higher than the cost per mile of the Town.

School District

Mechanics

The School District operates its bus mechanic operation out of the JMF as well. The operation consists of one head mechanic with a budgeted salary of \$45,000, as well as one part-time assistant mechanic who also functions as a bus driver with a total budgeted salary of \$27,750. Responsibilities include all regular maintenance to the 15 buses in the district's fleet. The head mechanic is certified to do state inspections on all vehicles as well. The mechanic is highly regarded and his work ethic and skill are widely recognized across departments. Not only does he do all inspections for the school district, but he also performs inspections for the Town Highway, Village DPW, Town Ambulance and the Village Fire Department. In addition to his duties for the school, the head mechanic will also drive a plow for the Town when needed in the winter months. The mechanics bays are well organized and the mechanic has a good handle/perspective on the overall happenings and needs of all operations within the JMF.

Buildings and Grounds

The School District operates its Buildings and Grounds department with 10 full-time employees and a total budget of \$934,042 including all personnel, equipment and contractual costs. The department has offices, equipment and personnel in both the elementary school and the high school. There is 1 director who is non-union, and 8 custodians and 1 cleaner who are union-represented. Total budgeted salary for the department is \$290,743. It is the responsibility of the department to perform all maintenance and cleaning to the 119,000 square foot high school, 112,000 square foot elementary school and approximately 70 acres of land occupied by the district. Specific activities include indoor work such as painting, patching walls, boiler work, electric lights and cleaning, and outdoor work such as fencing, athletic fields, and all associated grounds work. Buildings and grounds staff also lend their time to clean the Lyons Community Center. Major equipment for the department consists of one dump truck, pickup truck, tractor and lawnmower.

Summary

After touring the facilities, interviewing staff, and observing some of the operations within, CGR concluded the following: First, Lyons has built a model shared facility that showcases collaboration in action; second, despite being co-located and having similar operations, not all of the potential for shared services and efficiency is being tapped within the joint facility.

As referenced in the discussion regarding the Village, there are cases when further communication between entities would help facilitate cooperation that could save both time and money. It is hard to justify spending time and money on fixing up a piece of equipment that could just as easily be lent from the garage next door. Similarly, rather than sending equipment out to private garages for maintenance and repair, the entities may look to each other's expertise, knowledge and tools to essentially "in-house" the repair at lower cost. The community is fortunate to have personnel that cover a wide spectrum in terms of areas of experience and expertise, but optimally allocating those resources to best serve the community seems to be a challenge that still needs to be addressed.

Parks & Recreation: *What Exists?*

Existing parks and recreation services provided by the Town, Village and School District vary from the planting of flowers, to making financial contributions, to helping fund operations at the independently owned and operated Lyons Community Center. But the primary discussion of future parks and recreation services in the community is driven by the demand created by recently funded improvements to the area and trails around the Erie Canal.

Parks

The Village parks operation consists of one full-time laborer who is loosely affiliated with the DPW. The laborer is budgeted a \$30,000 salary by the Village, at \$12.86 per hour. The duties of the laborer include anything involved with maintenance of the parks—from seeding grass, planting flowers, and mowing in the summer to plowing the sidewalks in the park in the winter. The parks include the Village Square, Canal Park, Taylor Park, Canalside Park at the senior citizen housing project, Hocroft Park, the Flat Iron Park on Canal & Spencer, and Pocket Parks on Canal & Water Street. The laborer is under the direction of the DPW foreman, and therefore lends time to DPW, water, and sewer activities as well. The Village also allocates \$24,500 as contractual expenses for flowers, plants, grass seed banners, topsoil, fountains, painting and repair of the Village bandstand.

The Town currently has little in the way of dedicated services or budgeted expenditures for parks. The Town does have a cemetery staff that performs duties similar to what parks maintenance would entail. The Town cemetery function operates with 1 part-time sexton and between 6 and 8 part-time maintenance staff with a total budget of \$55,836. The sexton is budgeted \$10,000 in salary and the staff are budgeted a total of \$33,336 in salary. The Town has investigated bidding out the cemetery maintenance work and has decided to continue present practice for the time being.

Though the School District has no specific parks budget or department, the Buildings and Grounds Department's responsibilities in maintaining the school grounds and athletic fields has built a knowledge base that would likely be transferable to parks maintenance. The equipment used by the department is also likely to be transferable to a parks maintenance function.

Future Demand for Services

The Town of Lyons, Town of Arcadia and the Village of Newark recently received a joint grant of \$900,000 in order to develop and maintain the towpath along the Erie Canal in the Town. This joint initiative is directed at developing the area along the Erie Canal as a bike and nature trail for the continued enjoyment of community residents. The work will be done on the portion of the trail that lies in the western part of the Town of Lyons, up to the Village line.

Along with the Town's grant, the Village has also recently applied for a grant to expand and improve the parks and trails along the Erie Canal. As it currently stands, the Village is solely responsible for the parks and trails within Village boundaries and the Town is responsible for the trails in the Town outside the Village. The continued focus on and development of these parks and trails ensures the growth in demand for future parks and recreation activity.

Recreation

Efforts to cooperate and establish a joint community program have proven unsuccessful. The idea of a joint youth program turned into a joint seniors program and that funding was eventually abandoned. Ultimately, miscommunication over the target and purpose of the program stalled progress. The funds were never spent and the program never happened.

Lyons Community Center

Although not municipally owned, the Lyons Community Center (LCC) is a fixture in the discussion of recreation in the community. In existence since World War II, LCC moved into its new facility in 2005. Despite

providing a number of key services to the community, LCC is now in dire financial straits and in danger of ceasing operations.

The most recent Village budget allocates \$7,900 for a contribution to community center operations², and the Town budgets for \$5,500 contribution to help fund the director position at the center. The School also leases space in the center as needed, filling a critical gap in usage funding. The School also provides support by lending the services of its buildings and grounds staff for cleaning and maintenance of the center.

Despite the existing support, LCC faces a chronic budget shortfall fueled by outstanding debt obligations leftover from construction costs. The challenge for the community is to find resources to continue the services provided by the community center, possibly in the context of the expansion of the growing demand for parks and trail maintenance.

Shared Administration: *What Exists?*

Many of the services provided by the Village, Town and School District rely heavily on administrative support. Each entity has its own administrative office as well as its own support staff that perform a variety of administrative functions—from tax collection and payroll to accounts receivable and accounts payable. There is currently no apparent sharing of administration between the three entities.

Tax collection

Village Overview

In the Village, tax collection is the responsibility of the Village clerk. Tax bills are generated by the County and then given to the Village to be sent out on the first day of June. Taxes are collected by mail or walk-up at the Village office. Residents have 30 days to pay without penalty, after which they are assessed a 5% late fee. The penalty increases an additional 1% every 30 days after the initial penalty. The Village keeps all tax bills until the last day in October, at which time all un-collected taxes are sent to the County. The County in turn keeps the Village “whole” by reimbursing it for any uncollected taxes.

² The Village allocated \$18,000 in its 2009-10 budget for the Community Center’s 2010 summer youth program, which actually occurs in the 2010-11 budget year. But as there are no plans to continue the program for the summer of 2011 (2011-12 budget year), the \$18,000 was not included in the 2010-11 Village budget.

Town Overview

The Town has a tax collection process similar to that of the Village. Town tax collection is the responsibility of the Town clerk. Bills are generated by the County and given to the Town to be sent out on the first day of the year. Taxes are collected by mail or walk-up at the Town office.

Residents have 30 days to pay without penalty. After the first 30 days, a late fee of 1% is assessed. After 60 days, the late fee is bumped up to 2%. The Town keeps all tax bills until the last day in March, at which time the County assumes responsibility for any delinquent payments and makes the Town “whole.”

School Overview

School tax collection is mainly done through Lyons National Bank. Walk-in and mail-in payments are collected by the bank, although some residents do walk in to the District office and give their payments to the Tax Collector. When this occurs the District does not redirect them to the bank. The School District tracks, records, and balances the payments submitted to the bank, then sends NYS and Wayne County summary reports for tax rate and STAR information. Bills are sent out on the first day of September, and residents have 30 days to pay without penalty. After the 30 day window expires, a 2% penalty is assessed. The District keeps all taxes until the last day in October, at which time the County takes over collection and makes the School District “whole.”

Analysis

CGR’s past experience has shown that different methods of tax collection work better for different communities. One observation in Lyons is that there exists some confusion on behalf of taxpayers, created by having three separate tax collection locations for the three entities. CGR discovered through its interviews that it is not rare to have people show up at the Village office looking to pay Town taxes, or people sending School tax bills to the District office instead of the bank. Addressing this issue would not necessarily yield cost savings, but would increase efficiency and make the unpleasant task of tax collection more convenient.

Payroll

Village Overview

Village payroll is done in the Village clerk’s office. Paychecks are issued bi-weekly, and timesheets are kept manually. Depending on the amount of part-time help during any given pay period, the Village processes checks for between 42-50 employees per period. Payroll duties are performed by the Village clerk, who dedicates 10-12 hours per pay period to payroll. The Village uses a form of payroll software called Gemini.

The possibility of using an outside vendor has been explored in the past, but it was deemed too costly.

Town Overview

Town payroll is done in the Town clerk's office. Paychecks are issued bi-weekly, and timesheets are kept manually. Most of the payroll work is done by the two assistant clerks—one does payroll for the General Funds (A & B Funds) and one takes care of payroll for the Highway Funds (DA & DB Funds). Depending on the amount of part-time help during any given pay period, the Town processes approximately 40 checks per period. Each clerk dedicates approximately 3 hours per pay period to processing payroll. The part-time support of ambulance workers provides the greatest amount of volatility in payroll workload for the Town. The Town uses a form of payroll software called Williamson Law that is common among municipal governments throughout the state. As was the case with the Village, the possibility of using an outside vendor was considered but deemed too costly.

School Overview

Similar to the Village and Town, the School District's payroll is done in-house. Payroll entry is performed manually by a member of the support staff in the District office, who then uses a BOCES-licensed software package called Finance Manager to complete the payroll process. The School uses a bi-weekly pay period and approximately 200 paychecks are processed per period. Approximately 10 hours per pay period is spent doing payroll-related work. The responsible staff member occupies a full-time support position with duties that also include tax collection (liaison to bank), benefits, and extra classroom activities treasurer. The District estimates that the finance manager most likely has capacity to do the data entry for 80 additional people (but not benefits). The District has not considered outsourcing payroll due to the perceived complexity of the work.

Accounts Payable

Village Overview

The method of Village purchasing depends on the amount of the purchase. Purchases under \$100 are made by the departments in need and are later reimbursed by the Village clerk. Purchases over \$100 must go through a purchase order system that is administered by the Village clerk. All large-scale purchases of supplies and equipment use state and/or county bid.

Town Overview

Town purchasing is done through a reimbursement system. All purchases must be approved by the board for reimbursement. After board approval, a check is written to the appropriate party. The Town has tax-exempt

accounts set up at Wal-Mart and Kinney Drugs, and a designated credit card is used at each store. Reimbursement for purchases at these stores works the same as elsewhere.

School Overview

The School District's accounts payable is done through a check writing system administered in the District office. The accounts payable system is managed by a member of the District support staff who spends approximately 25 hours per week on duties related to accounts payable. The District uses its BOCES-licensed Finance Manager software to track its accounts payable as well.

Accounts Receivable

Village Overview

Accounts receivable for the Village come mainly in the form of water and sewer fees; other accounts receivable for the Village are minimal. Water and sewer bills are generated and sent out by the Village clerk's office quarterly—January, April, July and October. Residents have 30 days to pay, after which they are assessed a 10% penalty. Residents are then given 10 days to pay the fee and assessed penalty, after which the a notice is posted on the house informing residents that further inaction will result in termination of services. If no action is taken by the resident to pay the fee and penalty after a week of the house being posted, services are terminated.

Town Overview

The Town's accounts receivable centers mainly around billing for ambulance services. One of the full-time assistant clerks spends between 60% and 70% of her time on ambulance billing. The assistant clerk bills the insurance companies and payment is accepted and processed by the clerk's office. Other accounts receivable for the Town are minimal.

School Overview

Accounts receivable at the School District are minimal. Any accounts receivable are done by the same staff member that performs accounts payable duties, using the same BOCES-licensed Finance Manager software.

Facilities

The Village, Town and School District all have different locations that house their respective administrative operations. The Village facility is located uptown on William Street and has a footprint of approximately 2,000 square feet consisting of three floors. With budgeted maintenance costs of around \$30,312, the Village office costs approximately \$15.16 per

square foot. The first floor houses the clerk, mayor and other administration as well as the courtroom and a spare meeting room. The first floor also houses the police operations. Offices for the code enforcement function are located on the basement level while offices for the court personnel are located on the second level. According to interviews, existing space in the Village Hall is limited and there is need for more.

The Town Hall is located just outside the main business corridor of the Village and has its own facility approximately 3,285 square feet in size. With budgeted maintenance costs of around \$26,396, the Town office costs approximately \$8.04 per square foot. The facility is adequate for most services that are provided, although the office for the code enforcement officer is limited. The facility does have a large open meeting room/court room and the whole facility is easily accessible on one floor.

The School District offices are approximately 2,000 square feet in total and are attached to the high school. The facility was built within the last 10 years and offers easy access of school officials to the high school, teachers and other building personnel. The space is adequate and well suited to the needs of the District.

Shared Benefits

Fringe benefits are a significant cost to public employers across the state, with health, dental and optical insurance packages being perhaps the most costly of such benefits. Municipalities have recently been collaborating through consortia in order to collectively bargain with insurance providers to help reduce the cost of benefits plans.

Lyons Central School District participates in a 38-school consortium, called the Non-Monroe County Municipal School District Program, to provide health benefits to its employees through Excellus. The School District contributes 90 percent of the cost of a Blue Point Select II plan to employees' health insurance, though employees may choose from a variety of plans. The opportunity to participate in this arrangement applies to all District employees except for bus drivers, whose contributions vary with the number of days worked. There are currently 159 health policies for employees of the School District under the consortium. The School District also has a separate, self-funded dental plan provided by Health Economic Group. The District contributes 65 percent of the premium for the dental plan for employees who opt for coverage. There are currently 150 dental policies under this arrangement.

The Town of Lyons also provides health benefits to its employees through the Non-Monroe County Municipal School District Program. Although it

is not a school district, the Town is able to participate in the program as it was grandfathered in for being part of the original Wayne Finger Lakes Medical Plan. The arrangement is identical to the School District's, with the Town contributing 90 percent of the cost of a Blue Point Select II plan to employees' health insurance, though employees may choose from a variety of plans. The Town does not provide dental insurance.

The Village currently provides health benefits to its employees per conditions agreed upon in the Teamsters Local 118 union contract. Employees are covered by Excellus' Healthy Blue plan. The Village pays 100 percent of the premium for employees hired prior to June 1, 2004 and 85 percent of the premium for employees hired after that date. Additionally, dental and optical coverage are also provided through the Excellus plan agreed to in the union contract. There are currently 16 such policies for Village employees.

SHARED SERVICE OPTIONS

Given the baseline information presented in the preceding sections, we now consider the potential for shared service opportunities among the Village, Town and School District in the areas of code enforcement, courts, DPW/Highway, parks & recreation, shared administration and shared benefits. The identification of potential options, and (where applicable) their evaluation from the financial, operational and implementation perspectives, is consistent with the primary objectives of this study as detailed in the "Program Work Plan" provided by the State of New York.

The intent is to identify collaborative options that have the potential to create efficiencies and/or streamline the delivery of services to residents (both from an operational and cost-savings perspective) through different configurations of resources.

In general, when examining any shared service opportunities, it is important to distinguish between efficiency and cost reduction – between taking actions that result in cost savings, and those that result in efficiencies. For example, some actions can create efficiencies by eliminating redundant, duplicative or overlapping functions, even though doing so may not result in meaningful direct cost reduction. Still, they may enhance convenience to residents, improve the entities' ability to perform additional tasks, or prevent functional conflicts. In attempting to identify potential opportunities, CGR's review proceeds through *both* lenses.

Code Enforcement: *Options*

The Town and Village have recently agreed to move forward on exploring a plan that will combine their part-time code enforcement officer positions into a single full-time code enforcement officer (CEO) with responsibility for the entire Town of Lyons (including the Village). The new code enforcement officer could either be a Village or a Town position.

In the case that the new full-time CEO is a Village position, the Town would contract with the Village for code enforcement services in the Town outside the Village. The division of services would most likely be based on a time allocation—i.e. the Town contracts for 20 percent of the Village code enforcement officer’s services by purchasing one day of the CEO’s time per week. If the new full-time CEO is a Town position, it could be budgeted as an expense in the Town General Fund (A Fund) where the default cost allocation would be based on taxable assessed valuation (58/42). Based on the relatively high demand for code enforcement in the Village, it is likely that the Village would need to contract with the Town for additional services. In either case, a clear and concise formal agreement outlining the expectations of both the Town and Village would ensure the best level of service for both entities.

The decision to pursue a full-time code enforcement officer for the community is not necessarily aimed at cost reduction, as full-time employees are usually associated with higher costs due to additional salary and benefits. The issue at hand is a matter of maintaining a high level of code enforcement services and efficiency, as well as providing continuity. Hiring the appropriate person in a full-time capacity is likely to produce both greater quantity and quality of code enforcement in the community.

Option 1

One option is to combine the part-time CEO positions into a single full-time position while maintaining the existing level of secretarial support. The current combined personnel cost of the Town and Village code enforcement functions is \$39,957.

CURRENT PERSONNEL COSTS

	Village				Town		Combined
	CEO	Asst CEO	Clerk	Total	CEO	Total	Total
Salary	\$17,300	\$2,500	\$5,964	\$25,764	\$10,250	\$10,250	\$36,014
Soc Sec	\$1,323	\$191	\$456	\$1,971	\$784	\$784	\$2,755
Retirement	-	-	\$895	\$895	\$293	\$293	\$1,188
TOTAL Personnel	\$18,623	\$2,691	\$7,315	\$28,630	\$11,327	\$11,327	\$39,957

For the purposes of estimating impact, CGR assumes the salary for a full-

time code enforcement officer would be \$45,000 per year with benefits of approximately 35 percent of salary. Total compensation for a full-time CEO would be approximately \$60,750 annually. Maintaining the part-time secretarial support currently budgeted at \$7,315 results in an estimated total personnel cost of \$68,065.

FUTURE PERSONNEL COSTS (CGR est.)

	FT CEO	Clerk	Total
Salary	\$45,000	\$5,964	\$50,964
Benefits	\$15,750	\$1,351	\$17,101
TOTAL Personnel	\$60,750	\$7,315	\$68,065

Total combined cost of the code enforcement function (including equipment and contractual expense) would go from \$45,957 to \$74,065—a 61 percent overall increase. The following table outlines the new costs to the Village and Town under both an 80/20 split and a 70/30 split; it also provides a look at new costs compared to current cost of each entity's code enforcement function.

TOTAL COSTS (CGR est.): OPTION 1

	New Total	Village		Town	
		80% of cost	70% of cost	20% of cost	30% of cost
Personnel	\$68,065	\$54,452	\$47,645	\$13,613	\$20,419
Equipment	\$500	\$400	\$350	\$100	\$150
Contractual	\$5,500	\$4,400	\$3,850	\$1,100	\$1,650
TOTAL COSTS	\$74,065	\$59,252	\$51,845	\$14,813	\$22,219
Current TOTAL	\$45,957	\$33,130	\$33,130	\$12,827	\$12,827
Difference relative to current	\$28,108	\$26,122	\$18,716	\$1,986	\$9,392
% change	61%	79%	56%	15%	73%

Option 2

A second option is to combine the part-time CEO positions into a single full-time position and discontinue the secretarial support. The entire estimated total personnel cost would consist of the CEO's total compensation of \$60,750. In this case, the total combined cost of the code enforcement function (including equipment and contractual expense) would go from \$45,957 to \$66,750—a 45 percent overall increase.

TOTAL COSTS (CGR est.): OPTION 2

	New Total	Village		Town	
		80% of cost	70% of cost	20% of cost	30% of cost
Personnel	\$60,750	\$48,600	\$42,525	\$12,150	\$18,225
Equipment	\$500	\$400	\$350	\$100	\$150
Contractual	\$5,500	\$4,400	\$3,850	\$1,100	\$1,650
TOTAL COSTS	\$66,750	\$53,400	\$46,725	\$13,350	\$20,025
Current TOTAL	\$45,957	\$33,130	\$33,130	\$12,827	\$12,827
Difference relative to current	\$20,793	\$20,270	\$13,595	\$523	\$7,198
% change	45%	61%	41%	4%	56%

Code Enforcement Summary

As the Town and Village move forward with exploring the idea of a shared full-time CEO, there are several key matters to consider—whether it is a Town or Village position; how the time of the position will be divided; how the costs of the services will be divided; and whether the potential efficiency, standardization and organizational benefits of creating a shared full-time CEO exceed the cost increase involved with changing the status quo.

Based on the assumptions in Option 2, the community in general would see an increase in their tax rate of approximately \$.12 per thousand of assessed valuation. Variations in the final allocation will dictate the final impact, but Village residents would see the largest tax increase compared to residents outside of the Village.

Cost Savings and Tax Payer Impact: Code Enforcement

	Cost Savings Summary	Village		Town	
		80% of cost	70% of cost	20% of cost	30% of cost
Total Cost Savings	\$20,793	\$20,270	\$13,595	\$523	\$7,198
Property Tax Savings (Rate)	0.12	0.20	0.13	0.01	0.10
Savings per \$1000	0.00012	0.00020	0.00013	0.00001	0.00010
Savings per Capita	3.83	5.96	4.00	0.26	3.54

Courts: Options

As presented in the baseline portion of this report, the Village and Town each operate separate courts. However, significant similarities—overlapping personnel in the Village and Town justice position, for example—may provide opportunities to reduce overlap and increase overall efficiency.

Under the current scenario, the Village court generates revenue for the Village that exceeds the current cost. In 2010-11, the Village expects to bring in over \$76,000 in revenue contrasted with \$62,433 in expenses.

Thus, the net revenue for the Village was over \$13,500. On the other hand, the Town costs exceed budgeted revenue. In 2010, the Town expected gross revenue of \$15,000 contrasted with \$42,778 in expenses, yielding a net cost of nearly \$27,800.

CGR examined the NYS Office of the State Comptroller (OSC) Handbook for Town and Village Justices and Court Clerks, and a brochure produced by OSC on the topic of justice court consolidation in villages and towns. Those documents state that if a village abolishes its court, the village will continue to receive the fines resulting from 1) violations of village local laws other than speeding, but only if they are designated by town court personnel on state reporting forms as violations of village ordinances; 2) fines resulting from dog control violations; and 3) the local share of the mandatory surcharge collected on handicapped parking violations.

Over the last three years, an average of nearly two-thirds of the case volume handled by the municipal courts in Lyons is related to vehicle and traffic law. If the Village court were to be dissolved, all revenue generated from fines related to vehicle and traffic law infractions would become Town revenue. Parking fines and other fines associated with violations of Village ordinances would still be Village revenue thus insuring some revenue from a consolidated court would flow to the Village. And although it is difficult to estimate the amount, all revenue would be net revenue since there would no longer be cost for a Village court.

Despite this arrangement, it is possible that net revenue for the Village would decrease. Therefore, in order to insure that the Village would be held harmless in the case of consolidation, it may be pertinent for the Village and Town to pursue an inter-municipal agreement outlining a structure by which the two entities would share revenue from the consolidated Town court. It is particularly salient considering that Village police are a significant source of tickets and some of the net revenue helps to underwrite the cost of the police department.

The Village court can be abolished by resolution of the Village board subject to permissive public referendum, unless it is dissolved as part of a full dissolution of the village. Unless through dissolution of the Village, the court would only cease to exist as the terms of the elected justices expire. CGR has calculated the impact of merging the two courts under two scenarios. It is important to note that since state law requires town courts and not village a court, the only merger option is to consolidate into one Town court.

Option 1

One option is simply to blend both current courts into one. Assuming no changes in the amount of court personnel or costs, court costs would shift so that Town Outside of Village residents would bear a larger burden of the total cost, equaling \$44,189. Village residents are currently responsible for \$82,244, but under a Town merged court Village tax payers would only bear the burden of \$61,022. The cost shift is caused by the assessed valuation split that occurs in the Town and the fact that the Village residents only bear 58 percent of the taxable valuation in the Town. As a function of this shift, court revenue would also be shifted meaning that Village residents may not see any change in overall taxes (see next paragraph).

COST SHIFT: OPTION 1

	Village	TOV	Total
Current effective cost	\$82,244	\$22,967	\$105,211
Effective cost under Option 1	\$61,022	\$44,189	\$105,211
Difference relative to current	(\$21,222)	\$21,222	\$0
% change	-26%	92%	0%

The \$13,500 in net revenue generated by the Village court helps to pay court costs and underwrites some costs for the municipality in other areas of the budget. The Village residents stand to lose a substantial amount of this net revenue and thus could experience a potential tax increase if this revenue were not returned to the Village in the form of a payment from the Town to the Village. As long as the courts remain as active as they have been over the last several years, the community as a whole will not see a decline in revenue from the courts. The Village will still see some revenue flowing to them by virtue of the types of infractions that may occur in the Village. However, the majority of vehicle and traffic law violations would go into the Town General Fund (A Fund). As previously mentioned, a revenue sharing agreement that allowed for a payment from the Town to the Village in the amount of the net revenue that has historically been generated would keep Village residents whole.

Option 2

A second option is to merge the courts and restructure existing personnel. CGR learned through interviews that although both clerks are busy, both are adequately handling the workload. However, the full-time Village court clerk may have the capacity to absorb the work of the part-time Town court clerk in the case of a merged court. Under a merged clerk position scenario, the current salary for the Village position may not adequately fund the additional Town court work. If the two positions were to become a single full-time position, compensation would likely need to be reviewed and adjusted accordingly.

Courts Summary

Cost containment is not the most significant issue facing the Village and Town courts. Managing ongoing activity and sharing the significant revenue generated by each court appear to be the major issues facing the Village and Town. A secondary advantage for the justices involved is to clarify and simplify the role of the court in the community. An additional advantage for justices and the clerks would be that cases can be streamlined and court times posted for one municipality, hopefully avoiding confusion and separate paperwork necessary when two courts are being managed.

Basic analysis suggests that the community could functionally transition to one fully merged Town court with little operational impact. Overall revenue to the community should not change regardless of whether there is a formal court function in each or if they consolidate. Village tax payers could experience a decline in their tax rate of \$.21 per thousand while residents who live in the Town Outside of the Village may see an increase in their tax rate of \$.29 per thousand.

Cost Savings and Tax Payer Impact: Courts

	Village	TOV	Difference
Total Cost Savings	(\$21,222)	\$21,222	\$0.00
Property Tax Savings (Rate)	(0.21)	0.29	\$0.08
Savings per \$1000	(0.00021)	0.00029	\$0.00008
Savings per Capita	(6.24)	10.44	\$4.20

DPW/Highway: Options

The significant similarities between the Village DPW and Town Highway Department—both in services provided as well as equipment and the shared use of the JMF—provide a wide range of options for further collaboration. In this analysis, the first three options present an array of situations under which a merger of the two departments could occur. A fourth option focuses on increased collaboration among the Town, Village and School District, rather than a merger scenario.

There are many potential avenues to merging DPW and Highway operations. The following financial analysis is meant to serve as the framework for a cost and benefit analysis. The three merger scenarios presented focus on personnel, as that is the most significant variable cost in either entity's budget. Non-personnel costs tend to be "fixed" by their nature (e.g. purchases of salt or sand, equipment repair, etc.) and due to the services that are being provided. Thus, in a merged department, CGR assumes that most of the non-personnel costs would transfer to the combined department with potential scale efficiencies gained in future years.

It is important to note that there is a differential in pay between Town and Village employees of similar positions. As noted in the baseline portion of this report, Village MEOs are paid between \$15.70 and \$18.74 per hour, while the base rate for Town MEOs is higher at \$19.80 per hour. Due to this difference, ongoing savings from consolidation may only come from changes in staffing structure.

The actual savings potential ranges depending on the resulting structure of departments in the merged operation. Simply “aggregating” costs between two departments does not capture the full picture of what could happen in each functional area if the municipalities consolidate. To facilitate this analysis, three categories of assumptions are applied, ranging from most conservative to most aggressive. In effect, the options modeled in this analysis represent extremes that show both the minimum and maximum potential savings associated with merging the two departments. Final recommendations could blend choices from each option.

Current employee wages and benefits³ (see chart below) from the Town and Village were used to compile the analysis of options for merging the DPW and Highway department. This analysis compares three alternative scenarios against the current compensation structure, illustrating the potential personnel cost changes.

Cost Savings Matrix - Projected Personnel Cost Changes				
Category	Total Employee Cost			
	Current compensation (incl. benefits)	Option 1 - merged, equalized, no loss	Option 2 - merged, part equalized, restructured	Option 3 - merged, attrition, not equalized
Highway/DPW Total:	\$795,864	\$899,823	\$876,339	\$673,009
	Difference relative to current:	\$103,959	\$80,475	(\$122,855)
	% Difference:	13.1%	10.1%	-15.4%

Option 1

The first alternative, *Option 1*, involves merging the operations and personnel of both departments. *Option 1* assumes that salaries would be equalized, meaning that all employees’ wages and benefits at each distinct

³ CGR used the available data to put together a comprehensive picture of wages and benefits in the Town and Village; because of the limited availability of some information, CGR applied reasonable assumptions to formulate estimates regarding some components.

level of responsibility would be “rolled up” to the equivalent of the top rate for each category. The Town superintendent salary would be leveled with the higher salary of the Village DPW foreman, and the Village MEOs would be leveled with the higher base rate of the Town MEOs. Benefits for each employee would also be increased to the top level provided for health, dental and optical. It is assumed that NYS retirement contributions of 15 percent of salary and Social Security contributions of 7.65 percent of salary would continue for all employees. Under this scenario the total personnel cost would be \$899,823, over 13 percent greater than the existing cost of \$795,864.

It is likely that the current highway superintendent would remain as the final authority until a new election for the position was held. At that time, anyone could run for the elected superintendent position. A new authority structure would have to be defined by the elected superintendent and board both during the transition and after the election.

Option 2

The second alternative, *Option 2*, also involves merging both departments but includes restructuring at the leadership level. It is assumed that only one of the department heads will assume the leadership position over the newly merged operation. Therefore the superintendent and foreman positions are maintained in hierarchy and the discrepancy in salary and benefits levels are retained. MEO salaries are still equalized using the same methodology as *Option 1*. In this case, potential efficiencies are not factored in year one but combining operations may allow for the same amount of work to be done with less people over time. Total personnel costs would be \$876,339 in *Option 2*, over 10 percent more than existing costs.

Option 3

The third alternative, *Option 3*, models slightly different and more aggressive assumptions. *Option 3* assumes that by merging departments, some efficiencies will be realized in year one allowing the same amount of work to be done with fewer people. Therefore, *Option 3* accounts for the attrition of two full-time positions in year one.⁴ *Option 3* also assumes that salaries and fringe benefits will not change from current levels. It is

⁴ There are minimum staffing levels beyond which work quality and timeliness may suffer. Option 2 and Option 3 do imply that staffing levels could be reduced beyond current levels without a corresponding loss of quality or timeliness in service. This may not be true. The purpose of Option 2 and Option 3, however, is not meant to suggest that the work can be done with less people. Rather, we present these alternatives for the analysis to show that the greatest opportunity for cost savings is reducing staffing levels.

assumed that NYS retirement contributions of 15 percent of salary and Social Security contributions of 7.65 percent of salary will apply to all employees. Being the most aggressive of the merger options presented, *Option 3* models personnel costs of \$673,009 yielding a total cost savings of over 15 percent.

Long-Term Benefits/Costs of Consolidation

Merging the Town Highway and Village DPW represents a significant change for the community. As evidenced in the previous section, savings from a merger is not likely unless there are significant concessions made in personnel. Of equal concern to every tax payer is whether the move will save them money and whether they will still get the same level of service that they are used to. In addition, it will be important to consider the quality and timeliness of service as well as any efficiency that can be obtained through a streamlining of the operation.

Taxes

There are two scenarios for merging the two departments that must be considered. The departments could be merged under the Town or under the Village. Each scenario has different implications and different tax impacts. In part, tax payers will experience a shift in tax responsibility depending on the model chosen. There may also be some tax savings depending on the options above, but each tax payer will experience the impact according to location.

Town-Led Function

If the service becomes a Town function, the full cost of the DPW (\$716,221) would be eliminated from the Village budget. That represents a \$6.92 per thousand tax savings off Village taxes. However, the Town would experience an overall increase in Town expenses. For this analysis, it is assumed that the additional costs incurred by the Town due to the Village DPW would be budgeted as a General Highway Fund (DA Fund) townwide expense. The amount of the increase would be subject to which options were chosen in merging the departments. Using Option 1 assumptions, the increase in Town costs could total close to \$820,000. This would result in a townwide highway tax increase of \$4.64 per thousand. The net effect for Village residents would be a reduction of \$2.29 per thousand. This net reduction is due to the cost shifting to a townwide expense, which means that taxes for the service would be based on the 58/42 taxable assessed value breakdown between Village and TOV. Therefore, the TOV ends up shouldering more of the burden than it does under the current budget structure.

DPW & Highway Merge as Town Function

Change in Tax Rates per \$1,000 AV	OPTION 1		OPTION 2		OPTION 3	
	Village	TOV	Village	TOV	Village	TOV
Change in Town tax	\$4.64	\$4.64	\$4.50	\$4.50	\$3.35	\$3.35
Change in Village tax	(\$6.92)	-	(\$6.92)	-	(\$6.92)	-
Net change in tax	(\$2.29)	\$4.64	(\$2.42)	\$4.50	(\$3.57)	\$3.35

If the two departments were to be merged using Option 2 assumptions, there would still be an overall increase in costs, as well as a cost shift between the Village and the Town. The Village tax payer would still see a reduction of \$6.92 per thousand in the Village tax based upon eliminating \$716,221 of Village cost. However, the Town tax payer would experience an increase of approximately \$797,000 in costs. This increase would result in a townwide highway tax increase of approximately \$4.50 per thousand. Village tax payers would see a net savings of \$2.42 per thousand on their total tax bill.

Option 3 assumptions model a potential overall cost reduction. Again, the Village tax payer would see a \$6.92 per thousand reduction in the Village tax. However, the Town tax payer would see an increase of approximately \$593,000 in costs. The resulting increase in townwide highway tax would be \$3.35 per thousand. Village tax payers would net \$3.57 per thousand in savings.

Cost Savings and Tax Payer Impact: DPW & Highway

	Merged as a Town Function					
	Option 1		Option 2		Option 3	
	Village	Town	Village	Town	Village	Town
Savings	(\$716,221)	\$820,180	(\$716,221)	\$796,696	(\$716,221)	\$593,366
Property Tax Savings (Rate)	(6.92)	4.64	(6.92)	4.50	(6.92)	3.35
Savings per \$1000	(0.00692)	0.00464	(0.00692)	0.00450	(0.00692)	0.00335
Savings per Capita	(210.72)	151.02	(210.72)	146.69	(210.72)	109.26

Village-Led Function

If the service was to become a Village function, an alternative arrangement for providing highway services to Town residents outside the Village would have to be devised. An agreement would likely consist of the Town contracting with the Village to provide highway services to the Town outside the Village. If townwide highway services became a Village function, the total cost of \$986,058 would transfer to the Village budget, but would be completely underwritten by the contract with the Town.

DPW & Highway Merge as Village Function

Change in Tax Rates per \$1,000 AV	OPTION 1		OPTION 2		OPTION 3	
	Village	TOV	Village	TOV	Village	TOV
Change in Town tax	(\$3.33)	\$4.68	(\$3.33)	\$4.68	(\$4.02)	\$3.99
Change in Village tax	\$1.00	-	\$0.78	-	\$0.00	-
Net change in tax	(\$2.32)	\$4.68	(\$2.55)	\$4.68	(\$4.02)	\$3.99

If the cost of the contract were to be budgeted as a General Outside Village Fund (B Fund) expense, Village taxpayers would experience a cost savings from a significant shift in costs. This shift represents a reduction in Village taxpayers' Town tax of \$3.33 per thousand. However, the Town outside the Village would experience an overall increase in Town expenses due to the cost shift. The increase in Town costs due to the shift is approximately \$588,000. This would result in a TOV tax increase of \$4.68 per thousand. Also, since the cost increase under *Option 1* assumptions is driven by equalizing Village salaries, Village taxpayers would see an increase of approximately \$104,000 in costs. This increase would result in a Village tax increase of \$1.00 per thousand. Village tax payers would still net \$2.32 per thousand in savings.

If the two departments were to be merged and restructured (*Option 2*), there would still be an overall increase in costs, as well as a cost shift between the Village and the Town outside the Village. The Village tax payer would still see a reduction of \$3.33 per thousand in the Town tax, and the TOV taxpayer would see a \$4.68 increase. However, as the cost increase under *Option 2* is driven by equalizing Village salaries, Village tax payers would see an increase of approximately \$80,000 in costs. This increase would result in a Village tax increase of approximately \$0.78 per thousand. Village tax payers would still net savings of \$2.55 per thousand.

Under the third and most aggressive alternative (*Option 3*), there could be a significant potential overall cost reduction. Again, the Village tax payer would see a reduction of \$3.33 per thousand in the Town tax and the TOV tax payer would see a \$4.68 increase. However, the all Town tax payers would reap the benefits of a reduction in Town-level MEOs through attrition, resulting in a cost reduction of approximately \$123,000. This would result in net savings for Village tax payers of \$4.02 per thousand and a net increase for TOV taxpayer of \$3.99.

Cost Savings and Tax Payer Impact: DPW & Highway

	Merged as a Village Function								
	Option 1			Option 2			Option 3		
	Village	TOV	Town	Village	TOV	Town	Village	TOV	Town
Savings	\$103,959	\$588,334	-\$588,334	\$80,475	\$588,334	-\$588,334	0	\$588,334	-\$711,189
Property Tax Savings (Rate)	1.00	8.01	(3.33)	0.78	8.01	(3.33)	-	8.01	(4.02)
Savings per \$1000	0.00100	0.00801	(0.00333)	0.00078	0.00801	(0.00333)	-	0.00801	(0.00402)
Savings per Capita	30.59	289.53	(108.33)	23.68	289.53	(108.33)	-	289.53	(130.95)

In order for highway services to become a Village function, a number of steps would have to be taken. First, a public referendum must be passed allowing for the elected highway superintendent position to become an appointed position of the Town. Then the Town board must take action to abolish the Highway department and the appointed Superintendent and contract with the Village for highway services.⁵

Other Efficiencies

While taxes are often a driving factor in the decision making process, other, and less tangible factors should be considered as well. For instance, the process for purchasing major equipment is streamlined into one department. This may save money for future capital purchases by eliminating the need for multiple purchases of similar pieces of equipment. There is also the possibility of better coordination of personnel for snow plowing routes and storm clean-up when being coordinated by one leader. Better use of manpower means higher levels of productivity.

Inequity Issue

It is important to consider the services that Village and TOV residents receive compared to what they pay for such services. The Town of Lyons currently budgets separately for highway services provided to TOV residents and services provided to *all* Town residents. As Village residents make up approximately 58 percent of the townwide taxable assessed value, it is reasonable to assume that 58 percent of townwide expenditures should directly benefit areas within the Village with the remaining 42 percent of townwide expenditures reserved for the benefit of the TOV. Alternatively, total assessed value (assessed value including exempt properties) could be used as a method of comparison. The same comparison could be made using road miles as the relevant unit of measure, with 78 percent of road miles being Town jurisdiction and the remaining 22 percent being Village. Analysis using information provided from Town officials led CGR to determine that the Village benefits very little from services provided directly by the Town Highway Department. Therefore by CGR's calculations, it is possible that Village residents are

⁵ In the case of highway services becoming a Town function, a referendum would not be necessary as the Village DPW foreman is already an appointed position.

theoretically “overpaying” for townwide highway services (while TOV residents pay nothing for Village services). A counterargument could be made that Village residents benefit substantially from TOV services, as all Village residents must use TOV roads to leave and re-enter the community. But, a similar argument could be made that TOV residents pay no Village tax yet benefit from Village DPW services when they enter the Village (as happens frequently). This inequity could be addressed in any of the consolidation scenarios presented above.

Addressing Concerns

As with any consolidation of service, one community stands to lose substantial control over the operation. Communities in other parts of New York State have worked to develop innovative solutions to deal with this issue.

One option used to address this concern is to establish an oversight committee. The framework for such a body already exists in the Lyons Shared Services Committee, and the committee already has great experience in dealing with issues around the Joint Maintenance Facility. The representatives of the committee could continue to work together and fairly represent community interests by aligning the resources of the merged department for optimal allocation. The committee would also continue to serve as a buffer to the community who may feel that they will lose significant representation over the care and maintenance of Village streets should the operation merge with the Town.

A collaborative relationship between the Town Council and Village Board of Trustees, facilitated by the Shared Services Committee, would assure the most seamless transition to a merged operation.

Union Considerations

As stated in the baseline portion of this report, Village DPW employees are represented by the Teamsters Local 118 union while Town Highway department employees are not affiliated with a union. If highway services were to consolidate as a Village function, the Village would hire additional help at its discretion, though it would be advisable that former Town employees with knowledge of the area and the services should be hired. It is likely that the new Village employees would join with existing Village employees in the Teamsters Local 118.

If highway services were to consolidate as a Town function, the presence of a Village union would play into future hiring. Although legally the Town may establish the terms and conditions of the compensation packages and work rules for the new Town positions, it would likely be necessary for the Village and Town to recognize Teamsters Local 118 as a representative unit and negotiate the impact of the transition with the union.

Option 4

The final option concentrates on reinforcing and expanding upon the collaborative relationship made possible by co-location at the JMF, rather than a merger. As pointed out in the baseline portion of this report, CGR observed that despite being co-located and having similar operations, not all of the potential for shared services and efficiency is being tapped within the joint facility. Further collaboration that could save both time and money may be facilitated in a number of ways, both formally and informally.

It is the challenge of municipalities to provide services that meet the demands of the community within the limits of constrained resources. Municipalities must strategically allocate the limited resources at hand in order to provide the best possible service at the lowest possible cost. Merging departments may help expand a community's potential by formally consolidating both functions under a single operation thereby expanding the pool of usable resources for a given service. But an informal consolidation that increases cooperation between the two entities may also expand the resource pool and achieve similar benefits. By opening up the channels of communication and physical sharing of manpower and equipment, the Town and Village could recognize the potential of the entire stock of combined resources and allocate them more strategically.

As specifically addressed in the baseline section of this report, it is hard to justify spending time and money on fixing up a piece of equipment that could just as easily be lent from the garage next door. Similarly, rather than sending equipment out to private garages for maintenance and repair, the entities may look to each other's expertise, knowledge and tools to essentially "in-house" the repair at lower cost. Yet these cost and time saving measures are not currently taking place within the walls of the JMF. The community is fortunate to have personnel that cover a wide spectrum in terms of areas of experience and expertise, but optimally allocating those resources to best serve the community seems to be a challenge that still needs to be addressed.

In addition to the cases specific to Lyons, there are more general forms of cooperation that could help improve services and reduce costs. Sharing manpower could yield potential benefits in covering plow routes, especially during storms and storm aftermath cleanup. Along similar lines would be Town employees providing support for DPW streets-related tasks (i.e. mowing, patching) when Village employees are occupied with water line breaks or other Village-specific duties.

DPW/Highway Summary

Allocating scarce resources to provide services at minimum cost to the community continues to be the primary challenge facing highway operations in communities across the state. The full potential of the resources of the Town and Village of Lyons—including the shared facility, skilled workforce, and stock of equipment—has yet to be realized. Further collaboration could help take advantage of the opportunities within the community. Such collaboration could be formal, as in the form of a variety of merger scenarios, or more informal, as opening and maintaining the channels for communication and sharing among leaders and workers in both entities. In any case, the foundation for further sharing and collaboration exists (i.e. the Shared Services Committee and the shared facilities), making the case for action all the more compelling.

Parks & Recreation: Options

The baseline portion of this report clearly establishes the potential for creating a formal community-wide parks position/department in light of the growing demand for services in the community. The issue at stake moving forward is not cost savings, but rather finding the most cost-effective way to meet the community's increased demand for parks services. As is the case with the DPW and Highway department operations, there are existing resources that could serve as a foundation for a merged parks position/department moving forward. The challenge facing officials is how to allocate those resources to best serve the needs of the community.

In less stringent times, the solution to meeting the increased demand for parks services might have been to simply hire additional staff and have taxpayers bear the additional cost. But as the current economic environment has put pressure on local governments to show fiscal prudence, such additional costs may not be palatable to the community. As such, a reallocation of existing resources may be able to address some of the growing need for services while establishing a framework for moving forward when municipal finances improve. The resources available for redistribution may come from a number of areas, or a combination of several.

One option would be to merge the existing Village parks laborer position with the Town cemetery sexton position, and reassign duties so that the responsibilities of the new position cover maintenance of the Village parks, the Town cemetery, and the waterfront and trail network along the Erie Canal. Additionally, the part-time cemetery maintenance staff could be used as a resource to assist with Village trail maintenance. Little to no additional equipment or manpower would be necessary, resulting in minimal cost increases. Additionally, the School District's Buildings and

Grounds department could be called upon to lend manpower, equipment and expertise in some of the outdoor maintenance involved with parks.

A second option involves the Lyons Community Center. Although the municipal governments are not currently in a position to purchase the Community Center outright, with more intentional collaboration the Center's staff could be re-purposed to a municipal parks and recreation department. The human resources already exist, and such a re-purposing would take advantage of the resource the Community Center represents in the community. Such an arrangement stands to benefit both LCC and the municipalities. The most significant advancement in either case would be establishing the foundation of a parks and recreation department to serve the community and grow in the future.

It is worth noting that the creation of a formal shared parks function stands to benefit the community in more than just a recreational sense. As pointed out by the Shared Services Committee, Lyons has increasingly become more of a destination to Erie Canal travelers of many modes—boaters, bikers, drivers and pedestrians, alike. The ongoing maintenance and improvement of the Erie Canal waterfront and trail network is vital not only for community enjoyment, but as an engine for economic development, making the case for establishing a joint parks department all the more compelling.

Shared Administration: *Options*

Although the Town, Village and School District perform many similar administrative functions independently (i.e. payroll, tax collection, accounts payable/receivable), there seems to be little opportunity to increase efficiency and/or reduce costs through merging these operations. However, the possibility of a shared administrative facility changes the discussion and could address a number of issues.

While there are many possibilities for location of a shared administrative facility, the most logical would be on the grounds next to the Joint Maintenance Facility. There is ample room on the 45 acre campus, and the original plans for the JMF accommodated the possibility of an administrative facility by creating an additional access driveway for such a purpose. Regardless of the location, there are pros and cons to the construction of a new facility that need to be considered.

One of the primary advantages to building a new facility would be addressing the lack of space in current administrative facilities. The Village office is currently at capacity, even “bursting at the seams” as one official put it during interviews with CGR. The Village's William Street facility is also dated, and carries a relatively high cost of operation per square foot. While the Town's space is relatively newer, it is poorly laid

out for the purpose of a municipal office. CGR also learned through interviews and site visits that individual offices are cramped and common space is limited. And although the School District is not as pressed on space, its presence in a new shared facility could increase efficiency through sharing operating costs such as phones, fax, internet, heat and electricity.⁶

An additional advantage to co-location is providing continuity for tax collection. Many residents pay Town, Village and School District taxes by walking up to the respective offices, which involves traveling to the three different locations. Because tax collection for each entity occurs at different times of the year, this often leads to confusion on the tax payer's part. A common location for tax collection would clear some of the confusion and make a not-so-enjoyable task less difficult.

Finally, moving administrative functions from their current locations would allow for desirable property to be put back on the tax roll, especially in the case of the Village. Such property could easily be renovated into a lucrative storefront business, leading to increased revenue for the Town and Village. Although relocation from the Village square is seen as a disadvantage to Village officials, the economic benefits of such a move carry great potential.

Further exploration of possible relocation opportunities and costs are needed in order to make such a decision. The Shared Services Committee should move to investigate the logistics and formal impacts of a shared administrative facility.

Shared Benefits: *Options*

The arrangement provided by the Non-Monroe County Municipal School District Program consortium is a model for how communities can collaborate to achieve efficiencies and create cost savings for tax payers. The Town is fortunate to have been grandfathered in, as the consortium's by-laws prohibit any non-school district from joining the program. The Village may explore the possibility of collaborating with other municipalities to form a consortium of its own, as was recently done in Monroe County, which may help lower costs.

It may be beneficial for the Village and School District to re-examine the dental policies provided to employees, and explore the benefits of

⁶ Although the participation of the School District in the building and operation of the Joint Maintenance Facility made the facility eligible for state aid, administrative functions are not eligible for state aid and therefore a shared administrative facility would not qualify for such assistance.

collaborating with each other and/or other municipalities. The Village may wish to do the same with its optical coverage.

CONCLUSION

As reviewed in the options section of this report, there exist many opportunities for collaboration in the functional service areas examined. Some options result in cost savings, while others enhance services provided to residents and create efficiencies by eliminating redundant, duplicative or overlapping functions, even though doing so may not result in meaningful significant direct cost reduction. Either way, the options presented are a step forward in meeting the challenge of configuring resources in a manner that will best serve the community. Lyons has a rich history of both formal and informal sharing and is a model for its peers in continuing the effort on an ongoing basis.