

Opportunities for Shared Services for the Village and Town of Allegany

April, 2008

Prepared for:
Village and Town of Allegany
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SUMMARY

The Center for Governmental Research Inc. (CGR) was engaged to conduct a study for the Village of Allegany and the Town of Allegany to identify opportunities for the two municipalities to improve services and reduce costs through shared municipal services strategies. The study was funded by a New York State Shared Municipal Services Incentive (SMSI) grant.

CGR worked with a seven-person Village/Town Study Committee to evaluate all municipal operations in both the Village and Town and identify opportunities to improve delivery of services and reduce costs to local taxpayers. CGR reviewed five years of financial records to identify trends in both expenses and revenues, interviewed elected leaders, and met with key staff in Village and Town departments to fully understand their operations. CGR also held two public meetings, one to make an initial presentation of the project findings and solicit public input, and a second to present the draft report to Village and Town Boards and the public to seek additional comments and suggestions. The final report incorporates our observations and findings as a result of this process.

The report provides detailed information about each of the Village and Town operations where the potential exists for shared services, including administrative, court, police, water, sewer, code enforcement and street/highway operations. There are a number of options to improve operations and reduce costs. They range from making changes within

existing departments, to creating single shared departments, to creating a single consolidated government to manage all local services.

The intent of this report is to provide the community with a comprehensive collection of facts. It is not written to recommend solutions or courses of action, since Village and Town leaders are responsible for identifying what courses of action are in the best interest of the community. Fortunately, as the report shows, there are many different options available to community leaders to change and improve local government in the Village and Town.

Acknowledgements

CGR recognizes the important role Town Supervisor Patrick Eaton, Village Mayor Richard Lamberson, and Town and Village board members played in initiating and supporting this important study. We are especially grateful to the seven members of the joint Village/Town Study Committee (appointed by the Village and Town boards) for the many hours they spent, at meetings and on their own, to discuss and assess our findings. The Committee members are: Jason Crisafulli (resident), Cheri Giardini (resident), Dan Gleason (Village trustee), Jim Hitchcock (Town board member), Larry Kardos (resident), Melissa Meyers (resident), and Rena Flynn (Village staff and CGR/Committee liaison).

CGR was impressed by the time and attention devoted to this project by elected officials and staff of the Village and Town. Without exception, we found the many individuals we interviewed willing to assist with our requests for data and information. Although we do not name all of these individuals here, we would be remiss if we did not single out Rena Flynn, Village Clerk-Treasurer, and Carolyn Hemphill, Town Comptroller, who went above and beyond to ensure we received comprehensive information. We also especially thank Nancy Barney, Real Property Tax Services Director for Cattaraugus County, for being extremely helpful in addressing our tax-related questions, and for the timely assistance of Robin-Pearl Lamphier, the County staff person who serves as the Allegany assessor.

Staff Team

Charles Zettek, CGR Director of Government Management Services, directed this project, led committee and public presentations, and assisted with research and the report. Vicki Brown, Senior Research Associate, conducted the primary field research and drafted the report. Katherine Corley and Katherine McCloskey, Research Assistants, and David Landry, CGR intern, also contributed to this project.

TABLE OF CONTENTS

Summary	i
Table of Contents	iv
Introduction	1
Part 1: What Exists	3
The Communities in Context	3
Population, Land Area & Streets Maintained.....	3
Population Trends Since 1950.....	4
Change in Equalized Taxable Valuations	5
Revenues & Expenses: Town-to-Village Ratio	5
Fund Balance Trends.....	5
Expenses in Key Budget Areas	6
Issues Raised About Shared Services	6
11 Key Findings	8
Part 2: What “Shared Services” Mean	11
Examples of Formal Service Sharing	11
Examples of informal Service Sharing	12
Examples of Consolidated Service Sharing	12
Dissolution of the Village and Merger with the Town.....	13
Background Information	13
Dissolution Plan Elements.....	14
Some of the Key Decisions that Must Be Made for a Dissolution Plan.....	14
What about Transfer of Employees Covered by Civil Service?	15
Other Important Points – Based on Current State Law.....	16
Part 3: Shared Service Opportunities	17
Personnel Costs: Examined in 2 Ways	17
Court Function	18
Key Indicators	18
Options for the Future	18
Police Function	19
Key Indicators	20
Options for the Future	20
Water Function	21
Key Indicators	21
Rates.....	22

Growth in Demand	22
Options for the Future	22
Clerk Function	24
Key Indicators	25
Options for the Future	25
Code Enforcement Function.....	27
Key Indicators	27
Options for the Future	27
Comptroller Function	28
Key Indicators	28
Options for the Future	28
Sewer Function.....	29
Key Indicators	29
Options for the Future	29
Streets Function	30
Key Indicators	30
Options for the Future	30
Full Consolidation	31
Full Consolidation Personnel Changes - Cost Impact	32
Part 4: Understanding Tax Implications.....	32
Additional Revenue from AIM for Dissolution	33
Tax Rate Change Calculations	34
Appendix A	39
Appendix B	50
Appendix C	51
Appendix D	53
Appendix E.....	60
Appendix F.....	62
Appendix G	64

INTRODUCTION

The Village of Allegany, on behalf of the Village and Town of Allegany, applied for a Shared Municipal Services Incentive (SMSI) grant from New York State to identify the potential opportunities that might occur by dissolving the Village and merging it with the Town. The grant application was approved, which led the Village to issue a Request for Proposal (RFP) in the first quarter of 2007.

In response to the RFP, the Center for Governmental Research (CGR) proposed that if we were engaged to conduct the “dissolution and merger study” we would not limit our observations to dissolution alone. Instead, we proposed that if we identified some intermediate options, short of dissolution, that might be beneficial to taxpayers, to make them part of our final report.

In other words, we proposed delivering a list of options that *could* provide opportunities for the Village and Town if the municipalities choose to pursue them, up to, and including, dissolution of the Village. CGR specifically noted we would not provide recommendations or legal opinions, but would instead give the community information that would help Town and Village leaders as they make decisions about the future.

CGR was subsequently engaged to conduct the study. During the course of the study, which began with interviews in summer 2007 and extended through public presentations in February and March 2008, CGR and the Committee agreed on three major study goals. They are to identify:

- Ways to save dollars and reduce taxes while maintaining quality services;
- Opportunities to provide more equity across the greater community; and
- Options to structure government differently in order to be able to make smart decisions about future use of resources.

CGR’s approach to the study involved reviewing all Village and Town operations, excluding the independently run fire and library operations; interviewing department heads (except for recreation, which is already a merged function), developing relevant documents, and meeting with the Committee several times to share findings. We also presented our major findings at a January 30, 2008 public presentation in Allegany attended by more than 80 persons. Our PowerPoint presentation was posted on the Town and Village website, and the public was invited to make comments via fax, phone, email, or a direct link to our website. CGR subsequently presented the draft report at a March 10, 2008 public joint session of the Village and Town Boards. A 10-day comment period followed the

presentation. This document constitutes CGR's final report to the Committee and Village and Town boards.

CGR believes there are four overall choices available to the community. They are: a) status quo; b) full consolidation, which could occur incrementally over time; c) partial consolidation, which would involve consolidating one or more functions; or d) continuation of the Village with contracting out of all services.

CGR believes there are four overall choices available to the community. They are to a) continue the status quo; b) consolidate fully, which could occur incrementally over time; c) consolidate partially, which would involve consolidating one or more functions (e.g., streets, courts); or d) continue the Village but contract out all services. The fourth choice should be considered a “fallback” position if the Village wants full consolidation (i.e., dissolution of the Village and merger with the Town) while still ensuring that if such an arrangement did not work out, the Village could take action to resume delivering services.¹

The Village and Town will decide which overall choice to pursue. What CGR offers in this report is a foundation on which the Village and Town leadership can base decision making.

To provide this foundation, CGR divides this report into the following sections:

Part 1: What Exists

Part 2: What “Shared Services” Mean

Part 3: Shared Service Opportunities

Part 4: Understanding Tax Implications

Part 5: Appendices

¹ This choice, in brief, would mean the Village would pay administrative costs for board and related clerk duties, but establish inter-municipal cooperation agreements in order to turn over to the Town all police, DPW, code enforcement and other services. Other features of this choice would include consolidating Town and Village planning and zoning boards. CGR finds that if the Village wants a have such a fallback position this would be the lowest-cost way to achieve it. CGR roughly estimates this choice would involve about a \$50,000 annual cost to Village taxpayers.

PART 1: WHAT EXISTS

To determine what exists in terms of Village and Town operations, CGR took the following steps:

- Gathered key data to put the Allegany communities “in context.”
- Conducted on-site review and analysis of current operations to develop a hands-on understanding of all Village and Town operations, identify key concerns about service sharing, and gather information of how staff members spend their time delivering services.
- Compiled key documents based on the quantitative and qualitative information we gathered, which for easy reference appear in full in the following appendices:
 - *Appendix A*: “Crosswalk” of Village and Town revenues and expenditures, based on the latest available fiscal year information (2006-07 for the Village, 2006 for the Town).
 - *Appendix B*: Detailed breakdowns of revenues and expenditures showing the impact of the water and sewer functions on both revenues and expenses for the years 2000 through 2006 for the Village and Town.
 - *Appendix C*: Fund balances for the Village and Town presented in two ways:
 - ◆ Fund balances at the end of the 2006-07 fiscal year for the Village, and the end of the 2006 fiscal year for the Town.
 - ◆ Fund balance trends, broken down by water, sewer, and all other funds, for the years 2000-2006 for both the Village and Town.
 - *Appendix D*: Assets and debts of the Village and Town.
 - *Appendix E*: Benefits for fulltime staff for both governments.
 - *Appendix F*: Current agreements (formal and informal) between the Village and Town.

The Communities in Context

Population, Land Area & Streets Maintained

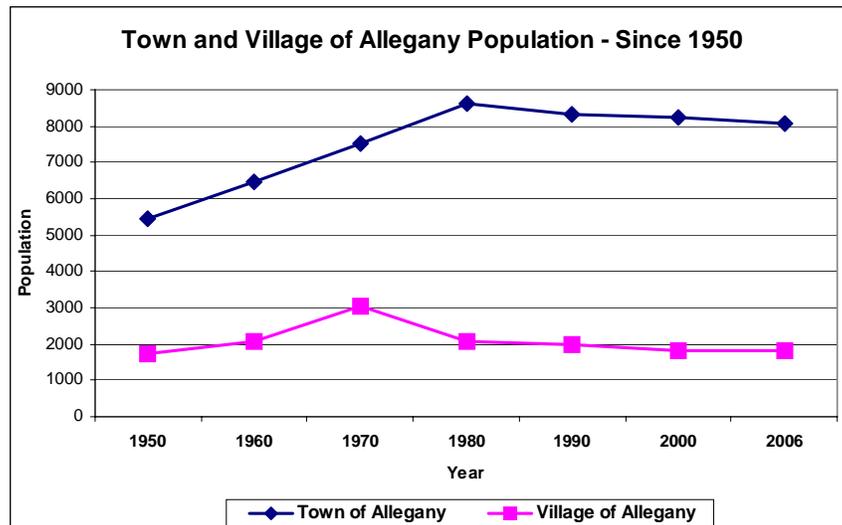
The following charts and graphs put the Village and Town in context at the time of this study. The first chart provides a snapshot of each local government’s total residents and land area and also how many miles of streets each is responsible for maintaining.

	Town (inc. 1831)	Village (inc. 1906)	Total
Population (in 2000)	6350	1880	8230
<i>T-O-V to-Village Ratio</i>	3	1	
Land Area (Sq. Miles)	71.7	0.7	73.1
<i>Town-to-Village Ratio</i>	100	1	
Street Miles Maintain	73	7.15	80.15
<i>Town-to-Village Ratio</i>	10	1	

Source: Village and Town of Allegany

Population trends since 1950 for both the Village and Town are summarized in the next two charts.

Population Trends Since 1950



Village Population as Percent of Town Population

1950	32%
1960	32%
1970	40%
1980	24%
1990	24%
2000	22%
2006	22% (Census estimate)

Source: Census Data

Change in Equalized Taxable Valuations

The chart below, showing the change in equalized taxable valuations in recent years, also notes that about 57% of the total Town property is taxable today.

Equalized Taxable Valuations of Real Property (in millions of dollars)		
	TOWN	VILLAGE
1998	\$197.1	\$46.6
1999	\$196.6	\$49.8
2000	\$219.7	\$49.9
2001	\$220.5	\$55.8
2002	\$218.5	\$55.9
2003	\$222.0	\$55.9
2004	\$230.4	\$56.1
2005	\$268.3	\$56.2

*Approximately 57% of the total Town property is taxable.

Source: NYS Office of the State Comptroller

Note: Town valuations include both Town & Village property.

Revenues & Expenses: Town-to-Village Ratio

The chart below not only provides a summary of Town and Village revenues and expenses in recent years, but also the Town-to-Village ratio for both components.

	TOWN		VILLAGE		TOWN-to-VILLAGE Ratio	
	Revenue	Expense	Revenue	Expense	Revenue	Expense
2000	\$2,199	\$2,071	\$1,287	\$1,276	1.7 to 1	1.6 to 1
2001	\$2,401	\$2,227	\$1,408	\$1,158	1.7 to 1	1.9 to 1
2002	\$2,222	\$2,492	\$1,375	\$1,087	1.6 to 1	2.3 to 1
2003	\$2,392	\$2,205	\$1,295	\$1,204	1.9 to 1	1.8 to 1
2004	\$2,636	\$2,518	\$1,330	\$1,323	2 to 1	1.9 to 1
2005	\$2,637	\$2,518	\$1,404	\$1,448	1.9 to 1	1.7 to 1
2006	\$2,705	\$2,888	\$1,523	\$1,294	1.8 to 1	2.2 to 1

Source: NYS Office of the State Comptroller

Fund Balance Trends

Trends in fund balances, which occur when revenues exceed expenses, and funds are saved to meet needs in future years, are shown below.

TOTAL FUND BALANCES			
	Town	Village	Town-to-Village Ratio
2000	\$651	\$432	1.5 to 1
2001	\$822	\$682	1.2 to 1
2002	\$550	\$969	0.6 to 1
2003	\$769	\$1,059	0.7 to 1
2004	\$908	\$1,067	0.9 to 1
2005	\$898	\$1,023	0.9 to 1
2006	\$798	\$1,119	0.9 to 1
*All figures in 1000s of dollars			

Source: NYS Office of the State Comptroller

Expenses in Key Budget Areas

The final two charts in the “setting the context” section of this report are provided to illustrate expenses for some key budget areas, and also the Town-to-Village ratio for these expenditures. The information, reported to the New York State Comptroller, is for the most recent fiscal year for which information was available (2006 for the Town, 2006-07 for the Village).

Comparison of Expenses Reported to NYS – Most Recent FY

STREETS	Town	Village	Town-to-Village Ratio
Administration	\$59,000	\$17,000	3.5 to 1
Maintenance	\$437,000	\$174,000	2.5 to 1
Snow Removal	\$244,000	\$13,000	13 to 1
Parks	\$27,000	\$1,500	18 to 1
Storm Sewers		\$22,000	
Street Cleaning		\$11,000	
Machinery	\$256,000		
Brush & Weeds	\$24,000		
Streets - All Areas	\$1,047,000	\$239,000	4.4 to 1
	Town	Village	Town-to-Village Ratio
Board	\$24,000	\$9,600	2.5 to 1
Mayor/Supervisor	\$13,000	\$6,000	2 to 1
Clerk/Treas & Clerk & Comptroller	\$101,000	\$25,000	4 to 1
Police	\$14,000	\$148,000	1 to 10
Courts	\$52,000	\$22,000	2.4 to 1
Code Enforcement & Building/Zoning	\$76,000	\$17,600	4.3 to 1
Water	\$278,000	\$214,000	1.3 to 1
Sewer	\$187,000	\$278,000	1 to 1.5

Source: NYS Office of the State Comptroller

Issues Raised About Shared Services

During on-site interviews, the following issues were raised:

Facilities

- Town Hall – concerns about age, condition, suitability if Town and Village services are merged.
- Village DPW buildings – concerns that the buildings are of poor construction, costly to maintain (heating and electric bills for the maintenance shop and garage total about \$9,500 annually), and are located in a flood plain.
- Town Court – we heard some concerns that the court and related offices should be in expanded space at the current location adjacent to the Town highway garage.

Operations

- Duplication of some DPW and Village highway equipment.
- Staff inefficiencies result from having two highway operations.
- There is either no, or very limited, backups for Village and Town court clerks, the Village Clerk Treasurer, the Town Comptroller, Town and Village Code Enforcement Officers.
- Police operations – part-time nature of the operation (PT chief and 11 PT officers and 1 FT officer) and resulting overall impact.

Water System

- Water and sewer rates – issues were raised about the differential between the Village and the Town rates.
- Water loss in the system – nearly 26% of the total annual volume pumped is unaccounted for (i.e., not billed).
- The Village system is only at 40% capacity now – concerns were voiced about expansion of water into the rest of the Town in a way that is equitable.
- Water operations are integrated into DPW operations – questions were raised about whether this is the most appropriate way to oversee the water function.
- Water system infrastructure in the Village – some significant parts of the system are old and in need of new water lines.

11 Key Findings

Our study of “what exists” led us to 11 key findings.

- 1) The Town is in good fiscal position and the Village in a very healthy fiscal position. For the years 2000 – 2006, the Village’s only deficit year (2005) consisted of a shortfall of about \$44,000. The Town did experience significant deficits in 2002 (\$270,000) and 2006 (\$183,000), but revenue surpluses over much of the rest of the timeframe more than offset these deficits.
- 2) For both governments, fund balances are strong. This is especially true for the Village, where funds in reserve now exceed \$1.1 million (including nearly a quarter million in the water fund). Put another way, the Village’s fund balance equates to about 86% of one year’s expenses for the Village. The fund balance for the Town, even after committing \$250,000 toward the 2007 budget² is \$548,000, or about 19% of a year’s expenses for the Town.
- 3) Debt is low for both the Village and the Town, but especially for the Village. The Village’s only debt is for the Village Hall, which was purchased in 1996 for \$350,000 and the \$187,500 principal plus interest still due at the end of 2006-07 totaled approximately \$240,000.³ The Village has the money to pay off this debt but the terms of the 1996 agreement do not offer any incentive to do so.

The Town’s outstanding debt at year-end 2006 was \$583,000, with the bulk of that debt for water line construction (\$340,000) or sewer improvements (\$80,000). The remainder was for the recent reassessment (\$58,000) and an excavator/dump truck (\$105,000).
- 4) There is inequity in the water rate structure. Village users pay one rate, covering usage and operation & maintenance costs. When the Village needed to cover the cost of improvements to its system a few years ago, it raised the water rate. Water users outside the Village, however, are paying in three ways – typically 150% of the Village rate, plus an operations & maintenance fee covering Town costs, plus any debt service for improvements in their own water district (this final charge appears on the annual tax bill rather than the quarterly water bill).

At the same time, some 60% of the Village water system capacity is going unused. While there is likely interest by T-O-V users to obtain

² See Appendix C

³ See Appendix D for details on the Village Hall debt

some of this readily available water, the interest could, we assume, be significantly tempered by the cost.

CGR recognizes that there have been times in recent years when the Village's expenses for water exceeded revenues. However, we also note, that based on the time employees told CGR they spend providing water-related services, that expenses for the water function in the Village budget may be overstated due to the way employee time costs are allocated to water.

- 5) CGR finds many of these same problems extend to the sewer function. Although sewage treatment services are provided by the City of Olean, the contract for this service is between the City and the Village, and the Town contracts with the Village. Thus, sewer rates are set by the Village, with user rates typically 200% of water rates.⁴

Over the past 12 years there have been changes in water rates – and by extension in sewer rates. What hasn't changed *since 1996* is the structure of the agreement calling for most T-O-V water users to pay 150% of the Village water rate.⁵ CGR believes the Allegany communities are long overdue for a rate study. We recommend contacting the New York State Environmental Facilities Corp, other communities, and the Village/Town engineer for recommendations regarding a rate study.

- 6) Having two garages less than one mile apart – one for the Village Department of Public Works (DPW) and one for the Town Highway Department – and separate operations for each have led to inefficiencies and duplication of some equipment. The potential for savings through improved efficiencies in this area is significant, and may also be particularly timely, since the DPW garage and associated buildings will need to be replaced at some point in the future, according to what CGR was told.
- 7) Police-related personnel costs are actually higher than Village budgets show, in part because the Police Chief's time is budgeted 25% to police but he is requested to spend 50% of his time on the function. CGR believes the very part-time nature of the department (low-paid, part-time officers providing substantial police coverage), and the fact that the Chief is simultaneously Chief and DPW Superintendent, are compromising factors for the department. We believe that the question

⁴ The sewer rate has been 200% of the water rate since July 1, 2006. In 2005, the sewer rate was 160% of the water rate, and for 2001-2004 the sewer rate was 150% of water.

⁵ New water customers in the T-O-V after 1/1/1996 pay 125% of the Village rate instead of 150%.

about the appropriate level of police service in the Village and immediately surrounding sections of the Town needs to be addressed. The NYS Department of Criminal Justice Services will conduct a study at no cost to the Village to determine appropriate staffing levels. However, the Village should be aware that this study may suggest adding more officers to the force, which could substantially increase costs to the Village.

This is why CGR believes that the Village and Town need to develop a shared services approach to police services, to obtain a better balance between the need for police coverage, the areas served by the police, and who pays for these services. It is also important to keep in mind that the Village could, upon voter approval, discontinue its police department and have the County Sheriff assume responsibility for police services, as the Sheriff does in the rest of the Town.

- 8) There are misperceptions by some staff members of the Town and Village about how much “support staff” actually exists for their counterparts in the opposite government operation. CGR found that titles can be a factor in such misunderstanding (e.g., the Village Deputy Clerk Treasurer is in reality a court clerk; the Town’s Deputy Clerk actually is very part-time in that role and helps minimally with court clerk duties but spends the bulk of her time assisting in the Town’s code enforcement office.) CGR did not find an abundance of support staff, but instead “thin” support for certain functions, due to having no or only very limited support – particularly court clerks, clerk-treasurer/comptroller, and code enforcement operations. Excluding elected, summer staff and recreation assistants, the Town has 15 full-time employees and five part-time employees, and the Village has eight fulltime employees, 11 part-time police officers and one very part-time office helper.
- 9) Excluding services that have already been merged (e.g., assessment, recreation), the Town and Village services that could be considered for service sharing can be grouped under eight functional areas. They are courts, police, water, clerk, code enforcement, comptroller, sewer, and streets functions.

There is already extensive service sharing between the Village and Town. There are also many opportunities to extend service sharing. In making decisions about future service sharing the Village and Town can reach agreements to ensure fair and equitable distribution of resources, existing assets and future services.

- 10) As the next part of this report shows, there is already extensive service sharing between the Village and Town of Allegany. There are also many opportunities for the Town and Village to enhance service sharing. CGR emphasizes that in making decisions about future service sharing the Village and Town can reach agreements to ensure fair and equitable distribution of resources, existing assets and future services. Put another way, negotiation is an essential part of the process.
- 11) CGR believes that the Village and Town administrative operations could be merged into a single building. Among the variables to consider: a) paying off the Village Hall debt/interest, b) whether the Town Hall should be rehabbed and upgraded in order to consolidate operations, or c) should a new consolidated facility be built. It would require a building engineer study to determine optimal building size and costs. The Village and Town could apply to the state for SMSI funding to upgrade/create a single administrative building. However, the state would most likely support funding a new facility if the Village and Town merged into one entity.

PART 2: WHAT "SHARED SERVICES" MEAN

Shared services can be formal, informal or consolidated. Formal shared services involve inter-municipal agreements, informal shared services are generally considered "handshake" agreements without exchange of dollars for services provided. Consolidated services mean, in the case of Allegany, that either the Village or Town would be responsible for providing the service.

Examples of Formal Service Sharing

Examples of existing formal shared services between the Village and Town of Allegany include the following:

- The sewage treatment agreement the Village has with the City of Olean, and the Town's related agreement with the Village.
- The water rate structure agreement between the Village and Town dating to 1996.
- The agreement the Town has with the Village to provide police services for emergencies in the Town.

- The agreement the Town has with the Village to provide court security services for Town Court sessions.
- The agreement that allows the Town to lease River Park from the Village.
- The agreement between the Village and the Town to provide equal contributions in support of the Allegany Library.⁶

Examples of informal Service Sharing

Examples of informal service sharing are also common in Allegany. They include the following, where services, in all cases, are provided without charge to the other local government.

- Village police patrol in the Town by WalMart and the high school.
- The Village does water testing for the Town.
- The Village plows the Town's sidewalks, consisting of 1.5 miles on Rt. 417, about 600 feet on Maple Avenue, and a bridge walkway.
- The Village borrows the Town's roller, as needed, and the Town's 10 wheeler for blacktop projects.
- The Village uses the Town truck for leaf pickup in the fall and for brush pickup in the spring.
- The Village dumps yard waste at the Town pit.
- For street or other major projects, the Town Highway Department and Village DPW share manpower, when needed. The Village could not do some of its water line jobs without the Town. Vice versa, if a water line breaks in a street in the Town, the Village DPW staff will help with repairs.

Examples of Consolidated Service Sharing

Examples of consolidated service sharing that exist in Allegany are:

- Recreation services provided solely by the Town.
- Assessment services provided Townwide, with the Town holding a contract with Cattaraugus County.

⁶ Thus, Village taxpayers doubly support the Library, since they pay taxes as both Village and Town residents.

Note: Appendix F includes all of the existing formal and informal service sharing agreements between the Village and Town of Allegany, as part of a complete list of Agreements and Contracts involving the two local governments with one another and others.

Dissolution of the Village and Merger with the Town

A dissolution of a village and merger of services into a town would fall under the heading of consolidated service sharing, and is generally referred to as full consolidation. CGR had originally proposed to include the elements of a dissolution plan in this report, but it became clear to CGR during the course of the study that the Study Committee was not ready to consider dissolution as the immediate choice for the community. The Committee's focus was on understanding a full menu of service sharing options available to the community.

As a result, it is not possible for CGR to flesh out what a dissolution plan for the Village of Allegany would involve, or the resulting tax implications. Instead, in Part 3 of this report, we list all of the service sharing options the Allegany communities could consider, with full consolidation listed as one of the available options.

However, we do include below some key information about dissolution and important things to know should the Village of Allegany consider dissolution as a choice to pursue in the future.

Background Information

The state of New York mandates only that town and county governments must exist. Villages and cities, which are formed by corporate charters, may choose to go out of existence. If a village is dissolved, the residents of the village are residents of the town only, and eligible for all town benefits and services. Before a village can put a proposition before its voters to dissolve, it must develop a dissolution plan as required by Section 19-1903 of the state's Village Law. A separate section of Village Law, Section 19-1901, requires that the trustees of a village create a dissolution study committee with representatives of the town and village to develop the plan. The plan, once adopted by the village board is presented to village voters. For a referendum for dissolution to pass, it must be approved by a majority of the qualified electors of a village. If approved, the plan takes effect on December 31 of the year following the year of election. Since 1950 there have been 20 villages in New York State – populations ranging

from 216 to 2,770 – that have dissolved. The most recent was the Village of Andes, population 289, which dissolved in 2003.⁷

Dissolution Plan Elements

A dissolution plan addresses a village's specific intent regarding disposal of property and fixed assets; continuation of services; future employment and continuation of benefits for employees; benefits for retired employees, elimination of existing positions; continuation, elimination or modification of local laws, ordinances and resolutions; provisions for existing debt and obligations; impact of recurring obligations; what will happen to village books and records; how village revenues will be handled, and projects expenses and tax implications of a combined town and village entity. The plan is developed with the expectation that upon the dissolution of the village the succeeding town government will provide for an comply with the plan as set forth. Although the following information does not cover all aspects of a dissolution plan, CGR highlights key elements for future consideration.

Some of the Key Decisions that Must Be Made for a Dissolution Plan

- Which administrative building would be the Town Hall and what would happen with the remaining building?
- Which services and functions of the Village would be continued?
- How would the consolidated Town deliver water and sewer services, meet future costs, and manage operations?
- What would happen to the Police Department? (Note, under state law, a town cannot provide police resources only in part of the town.)
- Which positions (e.g., Mayor, trustees, Clerk Treasurer, Village Attorney) would be eliminated?
- How would the Town determine appropriate zoning to incorporate the special needs of the Village?
- Would support for the Allegany Library continue at the same level?

⁷ On March 18, 2008, the residents of the Village of Pike in Wyoming County voted in favor of dissolution. In 2000, the population of the Village of Pike was 382. The dissolution will become effective Dec. 31, 2009.

- Which Village laws would not become part of Town law, which would be re-written as Town laws but without substantive revision, and which would be re-written with substantive revision.
- How would the resulting plan change local government expenses and what would be the estimated impact of these changes for residents of the Village and the T-O-V?

What about Transfer of Employees Covered by Civil Service?

Section 70 of the NYS Civil Service Law, paragraph 2, deals with the transfer of personnel. “Upon the transfer of a function ... from one civil division of the state to another civil division of the state...provision shall be made for the transfer of necessary officers and employees who are substantially engaged in the performance of the function to be transferred. As soon as practicable after the adoption of a law, rule, order, or other action directing such a transfer of function, but not less than 20 days prior to the effective date of such a transfer, the head of the department or agency from which such function is to be transferred shall be transferred a list of the names and titles of those employees substantially engaged in the performance of the function to be transferred...Any employee of the department or agency from which such function is to be transferred may, prior to the effective date of such transfer, protest his or her inclusion in or exclusion from such list by giving notice of such protest in writing addressed to the heads of the respective departments or agencies from which and to which transfer is to be made, which notice shall state the reasons for the protest...”

For those employees who are transferred, the law goes on to say: “Officers and employees so transferred shall be transferred without further examination of qualification, and shall retain their respective civil service classifications and status....All officers and employees so transferred shall, thereafter, be subject to the rules of the civil service commission having jurisdiction over the agency to which transfer is made...Officers and employees transferred to another governmental jurisdiction pursuant to the provisions of this subdivision shall be entitled to full seniority credit for all purposes for service rendered prior to such transfer in the governmental jurisdiction from which transfer is made.” The law includes additional information on the transfer of unused vacation, annual leave, and sick leave: “[the officer ..having authority to adopt provisions governing vacation or annual leave and sick leave applicable to the department or agency to which transfer is made may...allow employees transferred hereunder credit for all or part of the unused vacation or annual leave and sick leave standing to their credit at the time of transfer, as may be determined equitable, but not in excess of the maximum accumulation permitted in the jurisdiction to which transfer is made.” (*See Appendix G for the full law.*)

Other Important Points – Based on Current State Law

Upon dissolution, three state sources of Village revenue—state aid, Consolidated Highway Improvement Program (CHIPS) funding, and the mortgage tax—would become Town revenues as would State Tax Relief (STAR) revenues as described below. The Utility Gross Receipts and any Telephone Commissions now received by the Village would not be received by the Town (except initially as described below) if the Village dissolved.

State Aid – Revenue Sharing (AIM): Section 54 of the state finance law outlines the state revenue sharing program. Subdivision 10 details the program known as Aid and Incentives for Municipalities (AIM) which replaced in 2006 the previous approach to revenue sharing in the case of dissolution or consolidation. The current provision (AIM) allows the remaining municipality to receive the full amount of aid that the dissolved entity received. Thus, the remaining entity receives the combined total in state aid that both municipalities were receiving separately. In order to encourage local municipalities to consolidate, a further provision will increase the combined state aid that they receive by 25% in perpetuity. The Town would receive 125% of the combined Village and Town state aid in the year following dissolution (and every year thereafter) based upon the formula used to calculate AIM.

CHIPS: The Town would receive no less in CHIPS funding than the Village and Town would have received in total had the dissolution not occurred. Furthermore, if the Village has any CHIPS capital balance on the date that the dissolution becomes effective, the CHIPS capital balance transfers in total to the Town and would be available for any highway-related capital projects that fall within the jurisdiction of the Town.

State Mortgage Tax: The mortgage tax revenue currently received by the Village would go to the Town if the Village dissolved.

STAR revenues: Because these revenues are based on parcels, this revenue would become Town revenue if the Village dissolved.

Utility Gross Receipts and Telephone Commissions: Under state law these Village revenues become Town revenues for two years following dissolution of a Village, but are discontinued after year two.

PART 3: SHARED SERVICE OPPORTUNITIES

Future service sharing between the Village and the Town:

- Requires re-thinking how services are provided.
- Would shift responsibility to the Town or Village.
- Should be designed for the most cost-efficient delivery to keep taxes as low as possible.
- Should position the Allegany communities to make smart decisions about the allocation of future resources.
- Should address the issue of equity across the greater community.

CGR's approach to identifying future opportunities for the Allegany communities to consider, was to focus on the eight functions (court, police, water, clerk, code enforcement, comptroller, sewer, and streets) that are not currently merged.

Because the Town and Village are not ready to make decisions about consolidating real property or fixed assets, address facility issues, or decide how these eight functions should be delivered, CGR focused primarily on personnel costs as a way of indicating the potential for future savings. Other savings, of course, would flow from future decisions (e.g., which duplicate equipment to sell, which services to expand/reduce/eliminate, facility decisions).

Personnel Costs: Examined in 2 Ways

CGR determined personnel costs for these eight functional areas based on:

- What is reported for specific budget areas to the NYS Office of the State Comptroller for the most recent fiscal years (2006 for the Town and 2006-07 for the Village).
- Time spent by personnel involved in actually delivering services for each of the eight functional areas (based on interviews and available data).

Benefit costs were not calculated for each area by CGR, but for the most recent fiscal year, the appropriate percentage to add for benefit costs, on average, according to the Town and Village, would be:

- Town – add 44%
- Village – add 45%

Court Function

The services involved in this function encompass the duties of the Village and Town justices and court clerks and any part-time support. In the Village, the Deputy Clerk Treasurer serves as the court clerk and this function is her primary responsibility (an estimated 80% of her 37.5 hour work week plus she receives overtime for actual time in court). The Clerk/Treasurer devotes about 5% of her time to this functional area. CGR notes the Village's court clerk has no real "backup" in the event an occasion would arise when she would be unable to perform her duties.

In the Town, the Court Clerk spends 95% of her 40-hour work week on this function. She "flexes" her time on the day court is held and only occasionally gets overtime. Recognizing that the Court Clerk needs "backup" the Town, in 2006, assigned a part-time staff member (who also serves as the deputy to the Town Clerk and as the primary administrative support to the code enforcement officer) to learn about court duties by training at the court two hours a week. CGR's observation is that this arrangement is far from optimal and that real backup does not yet exist.

Key Indicators

	Town	Village
Revenues - 2006	\$210,000	\$114,000
Revenues Retained Locally	\$52,000	\$67,000
PT Justices	2	1
Justice Total Annual Hours in Court	120	105
Main Staff Involved	1	1
Personnel Costs* - Budget	\$42,000	\$19,000
Personnel Costs* - Time Spent	\$46,000	\$30,000
* Excluding benefits		

Source: NYS Office of the State Comptroller & CGR Interviews

Options for the Future

CGR finds there are two options for the court function:

- 1) Maintain the status quo, however, there would be no savings and the problem of having no built-in backup would continue for both the Town and Village.
- 2) Have the Town become responsible for the court. Under state law, a village is not required to have a court but a Town must have one.

CGR's assumptions for a consolidated court are:

- a) Two part-time justices could handle all cases in the Village and the Town for a total combined salary of \$22,000. (The Town's justices now receive \$10,600 and \$9,625, respectively, and the Village justice receives \$7,650 a year).
- b) The Town Court Clerk's time on this function would not change.
- c) The Village Deputy Clerk/Treasurer's time on court would shift to Town Court. Her title would change to Deputy Court Clerk and her hourly rate would remain unchanged. Time not needed for court could be spent assisting the Town's Highway Department.
- d) Both clerks in the court would flex time on their respective court nights – eliminating need to pay most overtime.

Based on the above assumptions, CGR estimates the actual dollar savings in personnel costs to be:

- \$5,679 – reducing justices from three to two, and accommodating salary increase
- \$2,000 – OT savings for court clerk duties

Combined savings: \$7,679, which is equivalent to 10% of the total court function cost (based on time spent).

CGR believes a consolidated court would result in the following time saved: a) 1.0 Village justice time; b) most overtime for clerks during court sessions; and c) time now spent by the Village Clerk Treasurer on court-related duties (5% of her time).

CGR believes having one consolidated court would significantly enhance built-in court backup and eliminate the need for any other part-time support personnel for Town Court.

We note the consolidated court option raises some cost/service questions. Per the key indicators chart above, the Village has a higher percentage of revenue retained locally. The question is, would having one court have the impact of reducing net local revenues? The Town must also assess how much “flex” time is acceptable in the Court function. The location of a single court must also be determined.

Police Function

Law enforcement in the Village is directed by the Police Chief, who oversees one fulltime officer and 11 part-time staff.

The Village also provides:

- Uniformed police for “open to the public” special events in the Town, with reimbursement by the Town to the Village at a cost for each event as recommended by the Police Chief.
- Police coverage for emergencies in the Town (ranging from crime in progress to a disaster due to a fire or flood). The Town paid the Village \$14,195 in fiscal year 2006 for this contracted service, and for 2007 the amount rose to \$14,520.
- Court security for Town court sessions/proceedings. The Town reimburses the Village at police union pay scale for hours police actually work and also pays \$500 annually for the additional insurance coverage the Village needs in order to be able to provide this service.

Key Indicators

CGR’s primary finding about the police department is that it is very part-time department. The Chief’s time is split between policing and heading DPW as superintendent. The department’s one full-time officer covers five evening/night shifts and part-time officers work some day/evening/night shifts, with the number of their shifts typically increasing when St. Bonaventure University is in session.

The average number of calls for service is 11 to 12 per day. Calls in the T-O-V account for 8% to 10% of total service activity. CGR finds personnel costs for the department based on budget (\$124,000) understate the real cost of the department when based on the time personnel actually spend on the police function (\$142,000).

Options for the Future

CGR believes there are four options for the future:

- 1) Maintain the status quo, but the very part-time nature of the department remains a concern.
- 2) Create a Town-wide police force. We assume the Chief would become full-time, the department would add a minimum of one new officer (estimated annual cost, including benefits, is \$40,000). The cost/service questions for this option would be about increased cost, appropriate sizing of the force, and adding police services to the Town.
- 3) Eliminate the Village Police Service and have the Cattaraugus County Sheriff assume full responsibility. Under this option there is no cost to either the Village or Town for police services.

- 4) Contract with the Cattaraugus County Sheriff to provide a full-time patrol car assigned to the Town/Village. This option would involve a cost since the Sheriff would be assigning a patrol car specifically to Allegany. The cost/service questions for this option fall outside the scope of this study and would require additional study.

CGR believes options to the existing police department structure should be weighed carefully, and evaluated by the Village Board in the near-term future.

Water Function

The Village operates the water system and the Town purchases water from the Village. The Village runs the system and handles maintenance in the Village, while the Town handles maintenance in the T-O-V. Customers are billed by either the Town or Village. Both the Village and the Town now have DPW or Highway personnel with required water licenses capable of performing duties for this function, and both the Village and Town have personnel involved in water billing. Most major water line projects, whether in the Town or Village, involve personnel from both local governments, due to manpower and equipment issues.

Although there is a three-tiered rate structure for users, based on volume, most Village users pay 100% of what it costs the Village to supply the water and maintain and operate the system. Most Town users pay 150% of the Village rate, also pay the Town an operation and maintenance charge and, in addition, are billed for capital improvements in their water district on their annual tax bill.⁸ The Village has no debt for water improvements, and CGR was told that when the Village did major water work a few years ago, the Village raised water rates to cover that cost.

The water rate agreement structure, whereby Town users pay 150% of the water rates charged in the Village, has not changed since 1996.

Key Indicators

Current volume: 191 million gallons pumped per year

Unaccounted for volume (not billed): 49 million gallons (26% of current volume)

Village ability to meet demand: 61% of the system's capacity is unused

Number user invoices per quarter: Town = 250; Village = 800

⁸ Capital improvement charges for a Town water district appear on users' annual tax bill and are computed on a formula based 40% on the property's assessed value and 60% on the property's water usage.

Usage: 1/3 is within the Village; 2/3 is outside the Village

Customers served: St. Bonaventure = 2,600; Village = 2,500; Other Town Districts = 1,200

Number of Town Districts: 3, including St. Bonaventure as its own district

Personnel Costs for the Town: (\$23,000 budgeted), \$27,000 (time spent)

Personnel Costs for the Village: \$68,000 (budgeted), \$53,000 (time spent).

Overall Actual vs. Budgeted Costs: to provide water services Town-wide, based on the time actually spent, means water costs 88% of what is being budgeted for personnel by the two local governments combined.

Rates

Most Village customers pay \$13.85 per 1,000 cubic feet, while most Town customers pay \$20.78 per 1,000 cubic feet (150% of the Village rate).⁹

While Village customers do not incur an operations and maintenance (O&M) charge, Town users do. The Town's O&M water rate structure, and the number of users within each rate "band," are:

0-1,000 c/f	\$8.29 minimum fee	(75 users)
1,001 – 40,000 c/f	+ \$0.76 per 1,000 c/f	(170 users)
40,001 – 100,000 c/f	+ \$0.58 per 1000 c/f	(5 users)
>100,000 c/f	+ \$0.38 per 1,000 c/f	(5 users)

Growth in Demand

In the past five years there has been significant commercial growth in the Town's east end. Future growth in Allegany will be in the west end of the Town.

Options for the Future

CGR believes there are four options for the water function:

- 1) Maintain the status quo, but recognize that leaves many issues unresolved. T-O-V water users are frustrated about their much higher rates and the inequities they see that exist in the current structure. Village residents have concerns about the lack of adequate metering, and that they also pay for leaks. There continues to be duplication when

⁹ New T-O-V water customers after 1/1/1996 pay 125% of the Village rate, instead of 150%.

it comes to water billings and in maintenance since both governments are involved in both.

- 2) Have the Town become responsible for the water function. Under this option, CGR assumes the Town would takeover the function because the Town owns the necessary equipment and now has water certified staff. Although savings would be minimal, there would be service improvement (e.g., integrated operations, focused planning regarding future growth, potential for standardized rates).

The cost/service questions for this option: The community will need to do a rate study. The Town, if it became responsible for the water function, would need to have at least one more person with the required expertise for this function. That may, or may not, involve the transfer of one employee from the Village to the Town.

- 3) Take the “Ticonderoga approach” following the dissolution of their village in 1993. Key characteristics of this approach:
 - a) Former village is “central” district and former village water staff remained intact, with billing for all districts from the central district.
 - b) One usage rate applies for all districts.
 - c) Each district is responsible for its own O&M and debt service.
 - d) Oversight is by committee meeting monthly (e.g., town supervisor, town’s appointed engineer and surveyor, water superintendent, chief sewer treatment operator, billing clerk).
 - e) Ad valorem tax (a tax based on assessed value of real estate or personal property) is a flat rate in the former village and three times that rate in the former T-O-V.

Cost/service questions: Allegany would need to develop new rates for consumption and property tax.

- 4) Create a Shared Services Cooperative Board for Water & Sewer. Key characteristics of this approach, which would not involve dissolution of the Village of Allegany, are as follows:
 - a) Inter-municipal agreement stating that the joint administration of the water and sewer functions is important to the future economic health of the Allegany community.
 - b) Establishment of a cooperative “joint board.” CGR suggests this board could be a 5-7 member board, including two trustees from the Village and two Town Board members in this number. The

role of this joint board would be to review management of both water and sewer operations (current or future) and capital improvements.

Cost/service questions: this approach, we believe, could address the significant cost and equity issues that currently exist in Allegany, not just with regard to water, but by extension, also to the sewer function, since sewer rates for all users are 200% of water rates. The joint board could also work closely with planners in the Town and Village to work to spur growth in the Allegany area.

At one of the public hearings held in conjunction with this study, there was some discussion about whether or not the fact that 26% of the water produced in the system was not billed was important. As a follow-up, CGR provides the following information, based on additional research.

No matter how the water system is managed going forward, it is important to determine how much of the “unbilled” water is actually water that is “lost,” i.e. unaccounted for after leaving the water plant due to leakage and unmeasured usage (testing of hydrants, flushing lines, etc.) or is measured but simply unbilled. In either case, the Village water system is losing potential revenue that has to be made up by billing existing customers. In other communities, water systems are managed to minimize unbilled water, in order to ensure that the system is operating efficiently and all water users are paying their fair share. The American Water Works Association (AWWA) indicates that water loss in a good system should be in the 10% to 15% range, although it could go up to 20% depending on local system variables. The federal EPA has set a goal of 10% system loss. CGR also spoke with the head of an engineering firm that works with several water systems in upstate New York and that firm’s experience is that many older systems are implementing aggressive water loss strategies, including investments in new technologies for leak detection and metering, to drive water losses down to the 10%-15% range.

Thus, CGR suggests that the Village and Town could improve the water system by taking two steps: developing a planned, aggressive strategy for reducing the amount of unbilled water, and undertaking a rate study to distribute costs for the system fairly across the Town and Village communities. The community is long overdue for a rate study, however, this should be tied into a plan to minimize loss within the system.

Clerk Function

CGR summarizes the key indicators of this function below:

Key Indicators

Town Clerk Duties: Responsible for mail/phone/on-site requests by residents; dog licenses (Town Clerk estimates 800 a year/annually – most by mail); marriage licenses (estimates 30 a year); register death certificates (estimates 30-40 a year); hunting/fishing licenses for Department of Environmental Conservation (estimates 400 annually); tax collector for Town & County (busy January/February and early March); schedules conference room; keeps minutes for board meetings; sends official notices to paper, has responsibility for vital records.

Village Clerk/Treasurer Duties: Spends 75% of her time on clerk/treasurer duties (including some pro-bono for Library); 20% of her time on water/sewer billing, and 5% on the court function.¹⁰ As Clerk Treasurer she is responsible for mail/phone and on-site requests/minutes of meetings, financial paperwork for the Village (e.g., budget preparation, vouchers, payroll, reports to state, reconciliation of general ledger, banking), and Library financial paperwork (estimates 4-5 hours a month). Also police dispatch when calls come in for Village police during Village Hall daytime hours.

Personnel Costs (excluding benefits), including part-time assistance associated with this function are:

Town: \$44,000 (budgeted and time spent)

Village: \$23,000 (budgeted), \$30,000 (time spent)

Options for the Future

CGR believes there are five options for the future:

- 1) Maintain status quo

Service question: Calling in “backup” support for the Town Clerk during tax season and at other times leaves another function (code enforcement) in the Town without sufficient administrative support.

- 2) Make Town Clerk position appointed, instead of elected. Changing to an appointed position would require the Town Board to put a

¹⁰ We summarize only clerk-treasurer duties here, since her duties related to water/sewer billing and court are discussed under those functions. However, for the Town, we include her duties as “tax collector” and “registrar of vital statistics” because they are Clerk-related.

referendum before voters. (Note: 40 New York towns have appointed clerks.) Although no savings is identified with this option, there would be a service improvement since CGR assumes the appointed Town Clerk would have finance/bookkeeping skills. As a result the position's duties could expand to encompass some duties now covered in the Comptroller function. CGR further assumes the Town Clerk's total salary would remain \$36,750.

Cost/service question: change would require referendum.

- 3) Dissolve the Village, merge all Town & Village Clerk duties in the Town & have an appointed Town Clerk. Again, CGR assumes the Town Clerk's duties would expand to include some comptroller function duties. As a result, there would be fewer hours of paid support for the clerk, due to having more personnel on-site in the Town.¹¹ CGR assumes the appointed Town Clerk would have finance/bookkeeping skills; that the Village Clerk Treasurer would be appointed Town Clerk at the \$36,750 level, replacing the current elected Town Clerk

Estimated actual dollar savings: \$30,000

Estimated actual time savings: Village Clerk/Treasurer time and the Village's very part-time office worker time would be eliminated.

Service improvement: There would be more built-in financial expertise in the Town office, and "one-stop" response for residents would be enhanced.

Cost/service question: This change would require referendum.

- 4) Same as Option 3 (dissolve Village, merge clerk functions) except continue with an elected Town Clerk. CGR estimates this option would lead to an annual personnel savings of \$3,000, due to elimination of the cost of the part-time Village office worker.

Cost/service question: Town Clerk duties would remain unchanged.

¹¹ The current Deputy Town Comptroller, for example, could shift, under this option, to the Deputy Town Clerk/Tax Collector role, freeing the person who currently holds these positions to spend all her time in the code enforcement function, which is, despite her titles, her primary focus area.

- 5) Same as Option 4, but drop the Deputy Town Clerk/Deputy Tax Collector position to save an estimated \$9,000.

Code Enforcement Function

Code enforcement services include:

- Building inspections¹²
- Enforcement of building and fire codes, local municipal codes, zoning ordinances, and multiple residency laws
- Town code enforcement officer is also 911 coordinator, fire marshal and flood plain coordinator

Key Indicators

- Activity Indicators based on Revenue – Most Recent FY

<i>Town Zoning Fees:</i>	\$2,714
<i>Village Zoning Fees:</i>	\$3,745

<i>Town Building & Alteration Permits:</i>	\$30,104
<i>Village Building Permits:</i>	\$ 1,085

- Personnel Costs (excluding benefits)

<i>Town:</i>	\$68,000 (budgeted and time spent)
<i>Village:</i>	\$16,000 (budgeted and time spent)

Options for the Future

CGR believes there are two options for the future for this function:

- 1) Maintain the status quo – but this will mean that routine backup remains an issue for the code enforcement officer in the Town. Staff support is inconsistent week to week, due to the multiple roles of the Deputy Town Clerk (i.e., responsibilities in Town Clerk, Court Clerk and Building & Zoning areas).
- 2) Town becomes responsible for Code Enforcement. This option requires 1.36 FTE code officers and part-time staff support. Although the

¹² The Village has the majority of college-age renters, and requires inspection at change of tenant(s). As a result, the Village has “peak” periods for code enforcement tied to St. Bonaventure student move-in periods.

savings is minimal, the service improvements are significant. There would be built-in routine backup for the code officers (eliminates current “volunteer, if available” arrangement). There would also be increased responsiveness to residents as three people would become familiar with building and zoning issues in the Village and Town. Currently, expertise (e.g., knowledge of zoning codes, municipal codes) is limited to one person in the Village and one person in T-O-V because of differences between Town and Village codes.

Cost/service question: this option will likely cause a shift of work to other staff, since CGR assumes the person currently supporting the Town code enforcement officer would need to be assigned to this function for the 36 hours she currently works per week.

Comptroller Function

Comptroller services are provided in the Town¹³ for this function.

Key Indicators

Services provided involve payroll, vouchers, banking, bookkeeping, budget, taxes, special districts and human resources.

Town personnel costs, excluding benefits, associated with these services are:

Budgeted: \$51,000

Time spent: \$41,000

Options for the Future

CGR believes there are two options for this function.

- 1) Maintain the status quo – but that does not address the problem of limited backup should the individual in this key position need to be absent from the job.
- 2) If the Town Clerk is appointed, it would affect the Comptroller function. If Town Clerk duties are expanded (i.e., finance skills), the current part-time deputy comptroller position could be eliminated. Although the savings would be \$3,300, the service improvement would be more “built-in” finance expertise in the Town.

¹³ Excludes utility billings, which are considered as part of the water and sewer functions.

Cost/service question: having an appointed Town Clerk would require a referendum.

Sewer Function

The duties of this function include service and maintenance of the sanitary sewer system. The Village handles operation and maintenance within the Village, and the Town handles for T-O-V. Sewage treatment is by the City of Olean. The Town's contract is with the Village and the Village contracts with the City of Olean.

Key Indicators

- Quarterly invoices: Town = 175; Village = 800
- Rates: 200% of water rates
- Personnel costs (excluding benefits):
 - Town: \$9,000 (budgeted); \$19,000 (time spent)
 - Village: \$52,000 (budgeted); \$36,000 (time spent)

Options for the Future

CGR believes there are four options for the future:

- 1) Status quo – but T-O-V residents' frustration regarding having “high” rates will be unchanged.
- 2) One government assumes responsibility for the sewer function CGR assumes the person who would oversee the sewer function is an individual with the most functional expertise (now a Village DPW staff person). The service improvement would be streamlined delivery of services, especially in the area of maintenance, but there is no significant savings.

Cost/service questions: having two governments split water and sewer operations is likely to be inefficient.

- 3) Take the “Ticonderoga approach” following dissolution of their village in 1993. This model is the same as what was presented under water.
- 4) Create a Shared Services Cooperative Board for Sewer & Water. See “Water Function” for a description of this option.

Streets Function

Based on how the local governments report this functional area to the NYS Office of the State Comptroller, CGR lists the services provided in this function as:

Village: administration, street maintenance, snow removal, parks, storm sewer and street cleaning

Town: administration, street maintenance, machinery, snow removal, brush and weeds, parks

Key Indicators

- Miles maintained: Town = 73; Village = 7
- Garages: located about one mile apart. The Village facility is not optimal because buildings are of poor construction and the facility is located in a flood plain.
- Personnel costs (excluding benefits) for all personnel, including administrative and part-time staff and summer help:
 - Town: \$441,000 (budgeted); \$432,000 (time spent)
 - Village: \$106,000 (budgeted); \$101,000 (time spent)

The Streets function, more than any other, offers the biggest opportunity for savings to taxpayers.

CGR points out that Town and Village personnel costs to actually provide services for the Streets function total \$533,000, without including time on the water and sewer function. The functional area offers, by far, the largest opportunity for savings of any of the eight functional areas.

Options for the Future

CGR sees two options for the future for this function:

- 1) Maintain the status quo – but inefficiencies due to fragmentation will continue. CGR cites the following examples.

The status quo has led to significant inefficiencies.

The Village purchased a sweeper for \$107,000 it uses 200 hours annually. The Town sweeper was broken and the Town borrowed the Village sweeper recently. The estimated time the Town needs this type sweeper is 80 hours annually.

The Town and Village plow different areas on Union Street. The Town drives over the Village's area in order to get to the Town's area. Union Street is 1.5 miles of the Village's seven total street miles and the Town is already nearby plowing. A similar situation exists on Maple Avenue.

CGR believes, based on interviews, that if there was an integrated Streets function that the following equipment could be eliminated: backhoe, sweeper, two pickups, a one-ton truck, and a blacktop roller. If this equipment were sold, we roughly estimate the Allegany community would see a one-time \$300,000 revenue benefit.

The Village DPW buildings are not well constructed and, as a result, heating and electric bills for the maintenance shop and garage are about \$9,500 a year. In addition, the buildings are located in a flood plain.

CGR believes, based on our interviews, that staff and all needed equipment could fit in the Town garage if duplicate equipment is sold off.

2) Town becomes responsible for Streets function. CGR assumes 1 FTE Highway staff reduction (likely via attrition so savings will not be immediate), one other highway department retirement occurs in 2008 and the position is not filled, and 3.6 FTE Village DPW staff move to the Town Highway department. We further assume that the Police Chief/DPW superintendent shifts fulltime to police. Based on these assumptions, we estimate personnel savings, excluding benefits of \$42,000. Other savings would occur (i.e., equipment, having only one facility) and would be additional. Additionally, CGR projects the one-time sale of equipment would generate \$300,000, and the elimination of the Village DPW buildings' costs for utilities would save \$9,500 annually.

Cost/service questions: there is potentially a staff structuring challenge related to the code enforcement officer in the Village, and issues involving level of service relative to differences between Village and Town requirements.

Full Consolidation

A comprehensive approach to achieving efficiencies would be to merge Village and Town services completely. There are two possible approaches:

- The Village could continue to exist as a shell and contract with the Town to provide all major or primary services, or
- The Village could dissolve.

CGR estimates that consolidating the Town and Village would save \$75,000 to \$200,000 per year, plus the one-time benefit of selling surplus DPW equipment. Tax savings, spread equally across all taxable properties in the Town would represent property tax savings of from 5% to 15%.

The chart below shows the maximum personnel and cost impact (excluding benefits) of full consolidation:

Full Consolidation Personnel Changes - Cost Impact

	Amount (est.)
Major Reductions	
Village Mayor	\$5,600
Village Board	\$9,700
Village Attorney	\$7,000
Village Justice	\$7,650
Village Court Clerk OT	\$2,000
Deputy Town Comptroller	\$6,450
Clerk Function	\$30,000
Village Clerk PT Support	\$3,000
Town Clerk PT Support	\$6,000
<i>Option A: Highway Personnel (2)</i>	\$85,000
<i>Option B: Highway Personnel (1)</i>	\$42,500
Major Addition	
Police Officer	\$38,000
Total Net Savings with Option A	\$200,400
Total Net Savings with Option B	\$157,900

Note: Clerk \$30,000 assumes appointed Town Clerk

PART 4: UNDERSTANDING TAX IMPLICATIONS

The key objectives of this study were to identify opportunities to improve delivery of services and reduce costs to local taxpayers in the Village and Town. Depending on the governmental function being reviewed, there are a number of potential indicators that can be used to measure how delivery of services would be improved. For example, as described earlier in the section on water, one indicator of improved service would be to reduce the amount of “unbilled” water, which can be measured and tracked.

The most direct way to measure the reduction in costs to local taxpayers is to determine changes in the local property tax. The local property tax is the tax burden that has to be imposed on local taxpayers after all other sources of revenues have been applied against total expenses. In other words, total expenses minus other revenues equal the local property tax burden, which is referred to as the local property tax levy. The local property tax rate is the property tax levy divided by the taxable assessed value of properties in the Village or Town.

Thus, local property taxes can be reduced by a number of strategies. First, expenses can be reduced by making changes to reduce costs. Second, additional revenues can be sought to reduce the need for local taxes. Both of these strategies can reduce the local property tax levy. Third, the property tax rate for individual property owners can be reduced by increasing the taxable assessed value in the community, which means the property tax levy would be spread across a broader base.

Changes in taxable assessed value are a function of the economic health of a community and the types of properties that make up the tax base of the community. For example, if a community has a large number of tax-exempt properties, the remaining taxable property owners are left with higher taxes. Changes in the tax base within the Village and Town of Allegany are subject to longer term trends and economic development policies that are part of the long-term planning processes within the communities.

In the shorter run, however, both the Village and the Town could address both the local property tax levy and property tax rates by making the types of changes identified in this report.

Additional Revenue from AIM for Dissolution

Changes in revenues that can be projected are described in Part 2 of this report. Potentially the largest new revenue stream available to the community would come as a result of a village dissolution. Under current law, the 25% increase in Aid and Incentives for Municipalities (AIM) funding if the two municipalities were to consolidate would be as follows:

Current Village 2007-08 AIM funding:	\$80,386
Current Town 2008 AIM funding:	<u>\$13,213</u>
TOTAL Current AIM	\$93,599

Potential Additional AIM – 25% increase: \$23,400

Potential Total AIM per year: \$116,999

Potential AIM received over 5 years: \$584,995

Two additional AIM incentives were proposed in the 2008 Executive Budget for New York State. Although it is not certain if these incentives will be passed into law, CGR calculated the potential impact of these on the Village and Town if the Village dissolved and consolidated with the Town:

- *Option 1:* Under Option 1, annual aid would increase up to 15% of the combined property tax levy, up to a \$1,000,000 cap. For this option, CGR estimates this AIM incentive would result in potential AIM

received over five years equaling \$1,029,906, or \$205,981 per year. This compares with current AIM received of \$93,599, or an annual increase of \$112,382.

- *Option 2:* Under this option, the municipalities would receive \$750,000 in AIM over five years, with AIM reverting to the existing ratios starting in Year 6. The net effect of this would be to have AIM funding be \$150,000 on average for each of the next five years, or an increase of \$56,401 per year.

Tax Rate Change Calculations

Based on information in this section of the report CGR provides the following straightforward guideline for calculating the tax impact associated with changing the tax levy, assuming no changes to taxable assessed values in the two communities. For every tax levy change of \$10,000, CGR calculates the impact would be:

Town - \$ 0.04 per \$1,000 of equalized taxable valuation

Village - \$0.16 per \$1,000 of equalized taxable valuation

This information can be used as follows. If, for example, costs were held constant but revenues increased, every \$10,000 in new revenues would reduce local tax rates. We cannot project how the revenues would be distributed to Village and Town taxpayers, since that would have to be determined on a case-by-case basis through an inter-municipal agreement. However, assuming that all \$10,000 would be saved by Village taxpayers, they would see their current rate reduced by \$0.16 per \$1,000 of equalized taxable valuation, or, for a house taxed on an assessed value of \$100,000, this would result in a reduction of their annual property tax of \$16.00. Extending this logic to a real example, the current additional AIM incentive noted above for dissolution (\$23,400) would result in a property tax reduction of approximately \$37/year.

Taking the other side of the coin, every \$10,000 reduction in costs reduces Village taxpayer costs. Thus, if the savings shown for Option B in the table at the end of Part 3 (*see page 32*), and the savings were all allocated to current Village taxpayers, they would see a reduction in their tax bill of approximately \$252/year.

These estimates are based upon the most recent fiscal year for which CGR had information. They are not absolute, but are intended to illustrate the types of savings that could be achieved and how to calculate the tax impact. The tables that follow provide current information used by CGR to develop these calculations. A detailed explanation for the elements in the tables is also provided, and appears immediately after the tables.

Tax Rate Breakdown--Town and Village of Allegany

Table A1: Actual Expenses

Village (FY Ending 05/31/07), Town-wide (FY Ending 12/31/2006)¹

	<u>Village Budget</u>	<u>Town-wide Budget</u>
Actual Expense ^{2,3}	\$1,293,951	\$2,887,839

¹ Most recent actual budget figures available.

Table A2: Expenses Less Special Districts

Village (FY Ending 05/31/07), Town-wide (FY Ending 12/31/2006)¹

	<u>Village Budget</u>	<u>Town-wide Budget</u>
Expenses	\$1,293,951	\$2,887,839
Remove Lighting, Sewer and Water District Costs ²	\$491,674	\$468,024
Expenses Less Lighting, Sewer and Water Districts	\$802,277	\$2,419,815

¹ Costs are not gone, but levied or illustrated separately.² Only lighting costs for the town are removed because they are taxed separately as a special district. Village lighting costs are included in the general village tax levy, so they are not removed.

Table A3: Town-wide Special District Expenses and Revenues

FY Ending 12/31/2006

	<u>Sewer District</u>	<u>Water District</u>	<u>Lighting District</u>
Expenses for 2006	\$187,281	\$277,553	\$3,190
Property Tax Revenue for 2006	\$28,952	\$47,945	\$2,790
User Fees and Other Revenue for 2006	\$136,716	\$237,311	\$33
Fund Balances Applied	\$21,613	-\$7,703	\$366

¹ The water and sewer finances are not used to calculate the town tax levy because water and sewer property taxes are only levied in those districts where capital improvements to the water and sewer systems have been made.² The lighting district tax is an ad valorem tax only imposed upon residents in the special lighting district (a very small portion of town residents).

Table A4: Village Sewer and Water District Expenses and Revenues

FY Ending 05/31/2007

	<u>Sewer District</u>	<u>Water District</u>
Expenses for 2006-2007	\$278,122	\$213,552
User Fees and Other Revenue for 2006-2007 ¹	\$315,752	\$273,648

¹ Village Water Rates for Village & TOV Residents
(Sewer Rates are 200% of Water Rates)

Water Used (Cu. Ft)	0-40,000	40,001-100,000	>100,000
Rate for Village Residents (per 1000 Cu. Ft.)	\$13.85	\$11.37	\$9.20
Rate for TOV Residents (per 1000 Cu. Ft.)	\$20.78	\$17.06	\$13.80

Table A5: Budget Levy Estimate for Village and Town

Village (FY Ending 05/31/07), Town (FY Ending 12/31/2006)

	<u>Village Budget</u>	<u>Town-wide Budget</u>
Expenses	\$802,277	\$2,419,815
Net Revenues ^{1,2}	\$475,387	\$1,287,343
Appropriated Fund Balances ³	\$0	\$86,154
Tax levy	\$326,890	\$1,046,318

¹ Does not include property tax revenue² Village revenue does not include water and sewer³ Positive equity applied to reduce tax levy

**Table B1: Property Tax Rates for Town and Village of Allegany
(CGR Estimates)**

	TOWN-WIDE	VILLAGE
Tax Levy	\$1,046,318	\$326,890
2005 Taxable Equalized Valuation ¹	\$278,603,903	\$62,540,849
Derived Tax Rate (per \$1,000)	\$3.76	\$5.23
Tax Bill on House Assessed at \$100,000	\$375.56	\$522.68

Table B2: Property Tax Rates Summary

	Total Tax Rate (CGR Est.)	Tax Bill (CGR Est.)
Tax Bill for a Village Resident ^{1,2,3}	\$8.98	\$898.24
Tax Bill for a Town (outside Village) Resident ^{2,3}	\$3.76	\$375.56

¹ Includes Village and Town-wide taxes

² For house assessed at \$100,000

³ Does not include fire district taxes or county taxes

Explanation of Tax Tables for Town and Village of Allegany

Table A1: Actual Expenses

The Village expenses include water and sewer costs, but not library costs. The Town expenses are comprised of A (General), B (T-O-V), DA (Town-wide Highway), DB (T-O-V Highway), and SL, SW, SS costs (lighting, water, sewer special districts.)

Table A2: Town-wide Expenses Less Special Districts Self-explanatory

Table A3: Town-wide Special District Expenses and Revenues

In the Town of Allegany, the sewer (SS) and water (SW) districts are primarily paid for by user fees. However, whenever capital improvements are made to a portion of the water or sewer system, a MOV tax is imposed upon only the residents who are affected by the improvement. (A MOV tax is not an ad valorem tax, but a tax assigned based on a formula, which in this case is partially according to use).

With regard to lighting, most lighting expenses in the Town are wrapped into the general fund. However, there is one small lighting district (SL) in Allegany: three small streets in the east end of town. Their lighting expenses are taxed ad valorem as a separate line on their tax bill.

Also, according to the Town's Annual Financial Report Update Document, some amount of the fund balances for the SL and SS districts

were applied to those districts' finances last year. The fund balance for the SW district appears to have increased for FY ending 12/31/06.

Table A4: Budget Levy Estimate for Village and Town

Both Town and Village tax levies are calculated by subtracting net revenue (revenues minus property taxes) from expenses. Any fund balances used are subtracted from the resulting figure.

Table B1: Property Tax Rates for Town and Village of Allegany

The taxable valuations used are the valuations that the Town and Village used to calculate their tax rates for the fiscal year shown (FY ending 12/31/06 for the Town, FY ending 5/31/07 for the Village). These valuations are slightly higher than those on the NYS Office of State Comptroller website or the official ones CGR received from the Cattaraugus County Real Property Office, simply because the Town and Village update their valuations before sending out their tax bills. The Town tax bill goes out in January, close to the date of the official valuation, so the valuation that is actually used to calculate the Town tax rate is similar to the one that OSC has on file. However, the Village tax bill is sent out in June, at least six months after the date of the official valuation, so the valuation that the Village uses to calculate its tax bill is somewhat higher than the one that OSC has on file.

Table B2: Property Tax Rates Summary

The Town tax rate is not divided up into Town-wide and T-O-V rates—both the T-O-V residents and Village residents pay the full Town tax rate, and then Village residents pay their Village tax on top of that. In their budget, when calculating tax levies for the coming FY, the Town totally balances out its B (T-O-V) and DB (Highway – T-O-V) funds with expenses totaling revenues plus fund balances, meaning that they imposed no taxes directly related to those funds. (CGR finds the Town's actual figures show that they ended up applying different amounts of fund balances to the B and DB funds, meaning that there was actually a potential tax levy for those funds. However, since the Town does not separate out Town-wide and T-O-V taxes, CGR did not either in this tax table.)

Both T-O-V and Village residents receive the Town tax bill in January (the first month of the Town's fiscal year), and then Village residents receive a separate Village tax bill in June (the first month of the Village's fiscal year.)

Why do CGR's calculated taxes not match up to the actual Town and Village taxes levied for the fiscal year in question?

1. The main reason that our rates do not match is simply that the tax rates that showed up on Town and Village tax bills were calculated based on

projected budget figures for the year ahead. We are calculating those rates using the actual budget figures for those fiscal years. In both the Town and Village (though particularly in the Village), projected and actual revenues were different. Also, the Town had projected to offset taxes with a much larger fund balance from each of the four funds (A, DA, B, DB) than it actually ended up using. (CGR calculated both the Town and Village tax levies using the same taxable equalized valuations that the Town and Village used to calculate the tax rates that showed up on residents' bills.)

2. Furthermore, the Town tax that is billed to the Village and Town residents, as well as listed on the OSC website, includes a tax for compensation insurance, debit with the county, and board of elections debit. CGR did not take any of these figures into consideration when calculating the Town tax. (Note: The Town tax without these figures added in can be found at the bottom of each fiscal year of the Town's "Adopted Budget.")

APPENDIX A

Comparison of Village ('06 -'07) and Town of Allegany ('06) Actual Expenses Per OSC, and Combined Expenses

VILLAGE				TOWN				COMBINED	Notes
DEPT	ACCT #	ACCT NAME	2006-2007	DEPT	ACCT #	ACCT NAME	2006	Town + Village (excludes double entries)	
1010	BOARD OF TRUSTEES			A1010	LEGISLATIVE BOARD				
	0.100	Personal Services	\$9,500		0.100	Personal Services	\$22,800		
	0.400	Contractual	\$88		0.400	Contractual Expenditures	\$962		
		TOTAL	\$9,588			TOTAL	\$23,762	\$33,350	
1110	JUSTICE			A1110	MUNICIPAL COURT				3 Justices
	0.100	Justice-Personnel	\$18,871		0.100	Personal Services	\$41,727		
	0.400	Justice-Contractual	\$2,201		0.200	Equipment & Cap Outlay	\$1,130		
	0.426	Justice-Office Sup	\$376		0.400	Contractual Expenditures	\$8,904		
	0.460	Justice-Postage	\$400						
		TOTAL	\$21,848			TOTAL	\$51,761	\$73,609	
1210	MAYOR			A1220	SUPERVISOR				
	0.100	Mayor-Personnel	\$5,500		0.100	Personal Services	\$12,300		
	0.400	Mayor-Contractual	\$502		0.400	Contractual Expenditures	\$676		
		TOTAL	\$6,002			TOTAL	\$12,976	\$18,978	
				A1315	COMPTROLLER				
					0.100	Personal Services	\$50,703		
					0.200	Equip & Cap Outlay	\$2,095		
					0.400	Contractual Expenditures	\$1,441		
				A1320	AUDITOR				
					0.400	Contractual Expenditures	\$6,800		
1325	CLERK TREASURER			A1340	BUDGET				
	0.100	Personnel	\$14,121		0.100	Personal Services	\$1,199		
	0.200	Equipment	\$188						
	0.400	Contractual	\$2,556						
	0.426	Office	\$1,759						
	0.430	Phone	\$1,498	A1410	TOWN CLERK				
	0.460	Postage	\$2,000		0.100	Personal Services	\$37,972		
	0.480	Advertising	\$459		0.200	Equipment & Cap Outlay	\$650		
	0.490	Contracts	\$2,616		0.400	Contractual	\$573		
		TOTAL	\$25,197			TOTAL	\$101,433	\$126,630	

Comparison of Village ('06 -'07) and Town of Allegany ('06) Actual Expenses Per OSC, and Combined Expenses (cont.)

1362	TAX COLLECTION			A1330	TAX COLLECTION				Town Clerk was named Tax Collector 1/2007 and will receive \$2,500 for this service in 2007
					0.100	Personal Services	\$3,988		
					0.400	Contractual	\$1,094		
						TOTAL	\$5,082	\$5,082	
1410	DEPUTY CLERK								Village Deputy Clerk's major role = court clerk
		0.100	Personnel						
			TOTAL					\$8,709	
				A1355	ASSESSMENT				
					0.100	Personal Services	\$12,328		
					0.200	Equipment & Cap Outlay	\$1,200		
					0.400	Contractual	\$64,240		
						TOTAL	\$77,768	\$77,768	
1420	LAW/ATTORNEY			A1420	LAW				
		0.100	Personnel		0.100	Personal Services	\$27,000		
		0.400	Contractual		0.400	Contractual	\$5,949		
			TOTAL			TOTAL	\$32,949	\$40,080	
1440	ENGINEER			A1440	ENGINEER				Town retains engineering consulting service for \$1,500/mo & pays hourly rate for projects
					0.400	Contractual Expenditures	\$14,336		
						TOTAL	\$14,336	\$10,336	
1450	ELECTIONS			A1450	ELECTIONS				
		0.400	Contractual						
			TOTAL					\$741	
1620	BUILDING			A1620	BUILDINGS				
		0.100	Personnel		0.100	Personal Services	\$6,000		
		0.200	Equipment		0.200	Equipment/Capital Outlay	\$739		
		0.400	Contractual		0.400	Contractual	\$73,009		
		0.410	Electric						
		0.420	Heat						
		0.427	Maint/Supplies						
			TOTAL			TOTAL	\$79,748	\$120,522	
				A1650	CENTRAL COMMUNICATION SYSTEM				
					0.200	Equipment & Cap Outlay	\$0		
					0.400	Contractual Expenditures	\$7,164		
				A1670	CENTRAL PRINT & MAIL				
					0.400	Contractual Expenditures	\$3,944		
						TOTAL	\$11,108	\$11,108	
5132	BUILDING MAINTENANCE			A5132	GARAGE				
		0.400	Contractual		0.100	Personal Services	\$1,814		
		0.410	Garage Bldg - Electric		0.200	Equipment & Cap Outlay	\$2,312		
		0.420	Garage Bldg - Heat		0.400	Contractual	\$48,194		
			TOTAL			TOTAL	\$52,320	\$55,840	
1910	INSURANCE			A1910	UNALLOCATED INSURANCE				
		0.400	Unallocated Insurance		0.400	Contractual	\$41,179		
			TOTAL			TOTAL	\$41,179	\$68,749	
1920	MUNICIPAL ASSOC DUES			A1920	MUNICIPAL ASSOC DUES				Village pays: NYCOM, So. Tier West Regional Planning, Greater Olean Chamber, Cattaraugus County Municipal Officials, Town pays NYS Association of Towns.
		0.400	Municipal Association Dues		0.400	Contractual	\$1,000		
			TOTAL			TOTAL	\$1,000	\$2,635	

Comparison of Village ('06 -'07) and Town of Allegany ('06) Actual Expenses Per OSC, and Combined Expenses (cont.)

3120	POLICE			A3120	POLICE					Village crossing guards included in police personnel; Town contracts for some police services with Village.
	0.100	Personnel	\$123,887		0.400	Contractual Expenditures	\$0			
	0.200	Equipment	\$135							
	0.400	Contractual	\$3,752	B3120	POLICE					
	0.411	Motor Vehicle R&M	\$3,069		0.400	Contractual	\$14,195			
	0.412	Gas & Oil	\$10,308							
	0.415	Radio Repair	(\$520)							
	0.423	Uniforms	\$3,064							
	0.424	Uniform Cleaning	\$969							
	0.425	Ammo	\$1,000							
	0.426	Office Supplies	\$256							
	0.428	Educational Supplies	\$444							
	0.430	Telephone	\$1,359							
	0.490	Police Contracts	\$0							
		TOTAL	\$147,723			TOTAL	\$14,195	\$147,723		
3310	TRAFFIC CONTROL			A3310	TRAFFIC CONTROL					
					0.100	Personal Services	\$2,706			
					0.200	Equipment & Cap Outlay	\$814			
					0.400	Contractual	\$506			
						TOTAL	\$4,026	\$4,026		
3510	ANIMAL CONTROL			A3510	CONTROL OF ANIMALS					
					0.100	Personal Services	\$3,500			
					0.400	Contractual	\$3,274			
						TOTAL	\$6,774	\$6,774		
4020	REGISTRAR			B4020	REGISTRAR OF VITAL STATISTICS					Town Clerk = \$2,000 as Registrar of Vital Statistics
					0.100	Personal Services	\$2,000			
					0.400	Contractual	\$885			
						TOTAL	\$2,885	\$2,885		
4189	PUBLIC HEALTH			A4050	PUBLIC HEALTH OTHER					
					0.400	Contractual Expenditures	\$7,351		\$7,351	
5010	STREET ADMINISTRATION			A5010	STREET ADMINISTRATION					Village = 7.15 miles of streets Town = 73 miles of streets
	0.100	Streets-Admin Service	\$16,912		0.100	Personal Services	\$56,999			
					0.200	Equipment/Capital Outlay	\$170			
					0.400	Contractual	\$1,824			
		TOTAL	\$16,912			TOTAL	\$58,994	\$75,906		
5182	STREET LIGHT			A5182	TRANSPORTATION STREET LIGHTING					
	0.410	Contractual	\$38,325		0.400	Contractual	\$28,898			
				SL5182	STREET LIGHTING					
					0.400	Contractual	\$3,190			
		TOTAL	\$38,325			TOTAL	\$32,088	\$70,413		
5110	STREET MAINTENANCE			DB5110	MAINTENANCE OF STREETS					
	0.100	Streets-Personnel	\$64,363		0.100	Personal Services	\$159,561			
	0.200	Sts-Equipment	\$11,521		0.400	Contractual	\$277,497			
	0.400	Sts-Contractual	\$9,831							
	0.411	Sts-Motor Veh R&M	\$9,913							
	0.412	Sts-Gas & Oil	\$3,056							
	0.414	Sts-Maintenance	\$75,722							
	0.419	Equipment Rental	\$0							
	0.420	Curbing	\$0							
		TOTAL	\$174,406			TOTAL	\$437,058	\$611,464		

Comparison of Village ('06 -'07) and Town of Allegany ('06) Actual Expenses Per OSC, and Combined Expenses (cont.)

				A7510	HISTORIAN			
					0.100	Personal Services	\$200	
						TOTAL	\$200	\$200
7550	CELEBRATIONS			A7550	CULTURE AND REC - CELEBRATIONS			
		0.400	Contractual		0.400	Contractual	\$1,458	
			TOTAL			TOTAL	\$1,458	\$4,716
				A7620	ADULT RECREATION			
					0.100	Personal Services	\$1,105	
					0.400	Contractual	\$821	
						TOTAL	\$1,926	\$1,926
8010	ZONING			B8010	ZONING			
		0.000	Zoning		0.100	Personal Services	\$68,192	
		0.100	ZBA Services		0.200	Equipment & Cap Outlay	\$0	
					0.400	Contractual	\$7,582	
3620	BLDG/ZONING					TOTAL	\$75,774	\$92,905
		0.100	Bldg/Zoning-Personnel					
		0.400	Bldg/Zoning-Contractual					
			TOTAL			TOTAL	\$75,774	\$92,905
8020	PLANNING BOARD			B8020	PLANNING			
		0.100	Planning Board Services		0.100	Personal Services	\$9,289	
8025	PLANNING BOARD				0.400	Contractual	\$24,307	
		0.400	Planning Bd Contractual					
			TOTAL			TOTAL	\$33,596	\$35,641
8140	STORM SEWERS							
		0.100	Personnel					
		0.400	Contractual					
			TOTAL					\$22,330
8160	REFUSE COLLECTION							
		0.400	Contractual					
			TOTAL					\$46,313
8170	STREET CLEANING							
		0.100	Personnel					
			TOTAL					\$10,668
8510	COMMUNITY BEAUTIFICATION							
			TOTAL					\$1,817
8560	TREES							
		0.400	Contractual					
			TOTAL					\$607
9010	STATE RETIREMENT		\$13,339	A9010	STATE RETIREMENT		\$24,482	
				B9010.8	STATE RETIREMENT		\$6,112	
				DA9010	STATE RETIREMENT		\$22,456	
				DB9010	STATE RETIREMENT		\$22,456	
			TOTAL		TOTAL		\$75,506	\$88,845
9015	FIRE & POLICE RETIREMENT		\$16,843					\$16,843
9030	SOCIAL SECURITY		\$19,685	A9030	SOCIAL SECURITY		\$28,343	
				B9030.800	SOCIAL SECURITY		\$6,080	
				DA9030	SOCIAL SECURITY		\$13,675	
				DB9030	SOCIAL SECURITY		\$13,675	
			TOTAL		TOTAL		\$61,773	\$81,458
9035	MEDICARE		\$4,604					\$4,604
9040	WORKERS COMP		\$15,587					\$15,587
9055	DISABILITY INSURANCE		\$78	A9055	DISABILITY INSURANCE		\$53	
				B9055.8	DISABILITY INSURANCE		\$53	
				DA9055	DISABILITY INSURANCE			
				DB9055	DISABILITY INSURANCE		\$221	
			TOTAL		TOTAL		\$327	\$405

Comparison of Village ('06 -'07) and Town of Allegany ('06) Actual Expenses Per OSC, and Combined Expenses (cont.)

9060	HOSPITALIZATION		\$30,743	A9060	HOSPITAL & MEDICAL INSURANCE	\$58,640			
				B9060.8	HOSPITAL & MEDICAL INSURANCE	\$1,030			
				DA9060	HOSPITAL & MEDICAL INSURANCE	\$74,087			
				DB9060	HOSPITAL & MEDICAL INSURANCE	\$74,087			
		TOTAL	\$30,743		TOTAL	\$207,844	\$238,587		
9730	BAN-PRINCIPAL AND INTEREST			A9730	BOND ANTICIPATION NOTES	\$2,776			
				A9730.6	DEBT PRINCIPAL, BOND ANTICIPATION	\$29,000			
				DA9797.6	DEBT PRINCIPAL, OTHER GOVT	\$10,800			
				DA9730.6	DEBT PRINCIPAL, BAN	\$35,000			
				A9730.7	DEBT INTEREST, BOND ANTICIPATION N	\$2,776			
				DA9730.7	DEBT INTEREST, BAN	\$4,119			
				A9797.7	DEBT INTEREST, OTHER GOVERNMENT	\$375			
9901.900	TRANSFER TO LIBRARY		\$22,000	A99019	TRANSFERS, OTHER FUNDS	\$5,000		Village = Contribution to Library	
9901.900	TRANSFER TO DEBT		\$29,897	B9901.9	TRANSFERS, OTHER FUNDS	\$0		Village = Payment on Village Hall	
				DA9950.9	TRANSFERS, CAPITAL PROJS FUND	\$10,000			
		TOTAL	\$51,897		TOTAL	\$99,846	\$151,743		
WATER FUND 2006-2007 EXPENSES									
F1440.400	Engineers-Contractual		\$4,000					\$174,239 (eliminated under combined) to avoid doublecounting; Town paid Village this amt. In 2006 for Town water districts. Also, \$4000 eliminated due to Village paying Town for water study.	
F8310.100	Admin-Personnel		\$31,647	SW8310	Water Administration				
F8310.200	Admin-Equipment		\$0		0.100	Personal Services	\$23,069		
F8310.400	Contractual		\$13,342		0.200	Equipment & Cap Outlay	\$5,096		
F8310.420	Heat (Gas)		\$4,149		0.400	Contractual	\$188,702		
F8310.430	Phone		\$1,167						
F8320.100	Water Supply-Personnel		\$36,716						
F8320.410	Source-Electric		\$43,300						
F8320.420	Source-Phone		\$372						
F8340.200	Trans & Dist-Equip		\$14,230						
F8340.400	Trans & Dist-Contractual		\$10,719						
F8340.421	Flouride		\$8,567						
F8340.422	Water Testing		\$4,586						
F8340.427	Maint & Supplies		\$9,830						
Fringes				Fringes					
9010	State Retirement		\$5,825		9010.800	State Retirement	\$1,928		
9030	Social Security		\$4,236		9030.800	Social Security	\$1,813		
9035	Medicare		\$991						
9040	Workers Comp		\$3,150						
9055	Disability		\$100						
9060	Hospitalization		\$16,625		9060.800	Hospital & Medical Insurance	\$9,000		
					9710.600	Debt Principal, Serial Bonds	\$30,000		
					9730.700	Debt Interest, Bond Anticipation Notes	\$17,945		
		TOTAL	\$213,552		TOTAL	\$277,553	\$312,866		

Comparison of Village ('06 -'07) and Town of Allegany ('06) Actual Revenues Per OSC, and Combined Revenues (cont.)

VILLAGE				TOWN				COMBINED	Notes
DEPT	ACCT #	ACCT NAME	2006-2007	DEPT	ACCT #	ACCT NAME	2006	Town + Village (excludes double entries)	
					REAL PROPERTY TAXES				
	A1001.000	Real Property Tax	\$458,249		A1001	Real Property Taxes	\$492,124		
					A1030	Special Assessments	\$2,327		
					DA1001	Real Property Taxes	\$450,030		
					SL1001	Real Property Taxes	\$2,790		
		TOTAL	\$458,249			TOTAL	\$947,271	\$1,405,520	
					REAL PROPERTY TAX ITEMS				
					A1081	Other Payments in Lieu of	\$7,375		
	A1090.000	Int/Penalty-Prop Tax	\$5,328		A1090	Interest & Penalties on Rea	\$9,575		
		TOTAL	\$5,328			TOTAL	\$16,950	\$22,278	
					NON PROPERTY TAX INCOMES				
	A1170.000	Franchises	\$22,685		A1170	Franchises	\$46,558		
	A1120.000	County Sales Tax	\$218,867		B1120	Sales Tax (from County)	\$137,475		
	A1130.000	Utilities Tax	\$30,355		DA1120	Sales Tax (from County)	\$85,000		
					DB1120	Sales Tax (from County)	\$513,660		
		TOTAL	\$271,907			TOTAL	\$782,693	\$1,054,600	
					DEPARTMENTAL INCOME				
	A1255.000	Clerk Fees	\$406		A1255	Clerk fees	\$1,293		
	A1560.000	Safety Inspection	\$2,760		A2001	Park and Recreational Char	\$6,160		
	A1589.000	Public Safety Income	\$3,500		A2012	Recreational Concessions	\$18		
	A1603.000	Reg of Vital Stats	\$400		A2025	Special Recreational Facility	\$3,320		
					B1601	Public Health Fees	\$2,410		
	A2110.000	Zoning Fees	\$3,745		B2110	Zoning Fees	\$2,714		
	A2130.000	Refuse/Garbage charges	\$36,778						
	A2189.000	Sidewalks	\$0						
	A2260.000	Police Services	\$15,561						To avoid doublecounting in combined, \$15,561 (police emergency contract and court security) drops out.
		TOTAL	\$63,150			TOTAL	\$15,915	\$63,504	

Comparison of Village ('06 -'07) and Town of Allegany ('06) Actual Revenues per OSC, and Combined Revenues

					USE OF MONEY AND PROPERTY			
A2401.000	Interest Earnings	\$22,009		A2401	Interest and Earnings	\$14,693		
				B2401	Interest and Earnings	\$176		
				DA2401	Interest and Earnings	\$8,849		
				DB2401	Interest and Earnings	\$2,747		
				SL2401	Interest and Earnings	\$33		
	TOTAL	\$22,009			TOTAL	\$26,498	\$48,507	
					LICENSE AND PERMITS			
A2530.000	Games of Chance	\$85		A2530	Games of chance	\$10		
				A2540	Bingo licenses	\$60		
				A2544	Dog licenses	\$5,353		
A2555.000	Building Permits	\$1,085		A2590	Permits, Other	\$1,000		
				B2555	Bldg & Alteration Permits	\$30,104		Under combined, \$4,000 for Walmart study that Town received from Village drops out to avoid doublecounting
	TOTAL	\$1,170			TOTAL	\$36,527	\$33,697	
					FINES AND FORFEITURES			
A2610.000	Fines/Forfeitures	\$66,409		A2610	Fines and forfeited bail	\$56,646		
	TOTAL	\$66,409			TOTAL	\$56,646	\$123,055	
					SALE OF PROPERTY AND COMPENSATION FOR LOSS			
				A2655	Sales, Other	\$49		
				DA2650	Sales of Scrap & Excess Ma	\$712		
				DA2665	Sales of Equipment	\$38,570		
					TOTAL	\$39,331	\$39,331	
					MISCELLANEOUS LOCAL SOURCES			
				A2705	Gifts and Donations	\$1,000		
				DB2701	Refunds to Prior Year's Ex	\$9		
					TOTAL	\$1,009	\$1,009	
					STATE AID			
A3001.000	State Aid per Capita	\$12,584		A3001	Revenue Sharing	\$76,558		
A3005.000	Mortgage Tax	\$10,374		A3005	Mortgage Tax	\$76,197		
				A3040	Real property tax administr	\$2,545		
				A3089	Other	\$14,885		
				A3820	Youth Programs	\$3,190		
A3501.000	Consolidated Highway Aid	\$21,338		DB3501	Consolidated Highway Aid	\$99,449		
A3820.000	Youth Programs	\$1,118			TOTAL	\$272,824	\$318,238	
	TOTAL	\$45,414						
					INTERFUND TRANSFERS			
				A5031	Interfund transfers	\$57,225		
				DA5031	Interfund transfers	\$1,586		
					TOTAL	\$58,811	\$58,811	
					INTERGOVERNMENTAL CHARGES			
				DA2300	Transp. Servs, Other Good	\$7,949		
					TOTAL	\$7,949	\$7,949	
					PROCEEDS FROM OBLIGATIONS			
						\$64,000	\$64,000	

APPENDIX B

TOWN AND VILLAGE OF ALLEGANY--FUND BREAKDOWN OF REVENUES AND EXPENSES

	<u>TOWN REVENUES</u>						
	2000	2001	2002	2003	2004	2005	2006
Water ¹	\$199,616	\$208,789	\$219,762	\$226,100	\$229,936	\$239,165	\$279,572
Sewer ²	\$167,612	\$125,611	\$152,036	\$119,509	\$149,449	\$149,828	\$162,527
Real Property Taxes ³	\$805,665	\$819,255	\$811,955	\$851,134	\$950,922	\$913,348	\$944,944
County Sales Tax	\$522,748	\$775,133	\$574,885	\$596,000	\$677,473	\$666,785	\$736,135
Other Revenue	\$503,062	\$472,437	\$463,240	\$598,846	\$627,772	\$667,482	\$581,345
Total Revenue	\$2,198,703	\$2,401,225	\$2,221,878	\$2,391,589	\$2,635,552	\$2,636,608	\$2,704,523

¹ Metered & Unmetered Sales, Prop. Taxes

² Rents, Charges, Prop. Taxes

³ Incl. Special Dist. Taxes, Not incl. Water or Sewer

	<u>TOWN EXPENSES</u>						
	2000	2001	2002	2003	2004	2005	2006
Water	\$194,598	\$202,029	\$225,987	\$223,053	\$241,991	\$232,559	\$277,553
Sewer	\$160,390	\$123,096	\$129,716	\$103,059	\$135,763	\$179,671	\$187,281
Other Expenses	\$1,715,878	\$1,902,301	\$2,135,956	\$1,878,641	\$2,140,297	\$2,231,487	\$2,423,005
TOTAL EXPENSES	\$2,070,866	\$2,227,426	\$2,491,659	\$2,204,753	\$2,518,051	\$2,643,717	\$2,887,839

	<u>VILLAGE REVENUES</u>						
	2000	2001	2002	2003	2004	2005	2006
Water ¹	\$223,860	\$260,260	\$230,254	\$220,931	\$228,753	\$226,102	\$265,706
Sewer ²	\$212,046	\$255,748	\$212,318	\$212,727	\$197,670	\$226,468	\$311,025
Real Property Taxes	\$370,007	\$381,029	\$393,331	\$404,823	\$418,721	\$419,196	\$458,249
Other Revenue	\$481,265	\$510,550	\$538,642	\$456,147	\$485,195	\$532,385	\$488,056
TOTAL REVENUES	\$1,287,178	\$1,407,587	\$1,374,545	\$1,294,628	\$1,330,339	\$1,404,151	\$1,523,036

¹ Metered & Unmetered Sales; Services to Other Govts

² Rents and Services to Other Govts

	<u>VILLAGE EXPENSES</u>						
	2000	2001	2002	2003	2004	2005	2006
Water	\$179,245	\$184,121	\$188,196	\$271,990	\$295,591	\$228,994	\$213,552
Sewer	\$285,839	\$202,725	\$163,047	\$183,760	\$244,993	\$285,360	\$278,122
Other Expenses	\$810,695	\$771,228	\$736,167	\$748,455	\$782,285	\$933,602	\$802,277
TOTAL EXPENSES	\$1,275,779	\$1,158,074	\$1,087,410	\$1,204,205	\$1,322,869	\$1,447,956	\$1,293,951

APPENDIX C

TOWN AND VILLAGE OF ALLEGANY--FUND BALANCE BREAKDOWN

	<u>TOWN FUND BALANCES</u>						
	2000	2001	2002	2003	2004	2005	2006
Water	\$24,419	\$34,718	\$29,157	\$33,331	\$24,240	\$28,402	\$36,105
Sewer	\$51,862	\$55,410	\$78,258	\$96,090	\$111,209	\$82,898	\$61,285
Other Fund Balances	\$574,768	\$731,886	\$442,169	\$639,102	\$773,017	\$786,793	\$786,793
TOTAL FUND BALANCES	\$651,049	\$822,014	\$549,584	\$768,523	\$908,466	\$898,093	\$884,183

	<u>VILLAGE FUND BALANCES</u>						
	2000	2001	2002	2003	2004	2005	2006
Water	\$193,342	\$278,895	\$329,418	\$282,890	\$218,565	\$219,510	\$248,145
Sewer	\$7,691	\$66,255	\$119,445	\$151,737	\$106,753	\$50,662	\$56,112
Other Fund Balances	\$231,395	\$336,791	\$520,213	\$624,871	\$741,650	\$752,991	\$814,745
TOTAL FUND BALANCES	\$432,428	\$681,941	\$969,076	\$1,059,498	\$1,066,968	\$1,023,163	\$1,119,002

TOWN OF ALLEGANY FUND BALANCES - 12-31-06

FUND	Balance 12-31-05	Balance 12-31-06	Applied to FY Ending 12/31/06	Committed to '07 Budget	Total Remaining after '07 Allocation
General A - Townwide	\$283,953	\$238,681	\$45,272	\$50,000	
General B - T-O-V	\$61,826	\$71,780	(\$9,954)	\$20,000	
Highway DA - Townwide	\$189,998	\$170,244	\$19,754	\$60,000	
Highway DB - TOV	\$250,960	\$219,878	\$31,082	\$120,000	
Spec Dist - Lighting	\$56	(\$310)	\$366		
Spec Dist - Sewer	\$82,898	\$61,285	\$21,613		
Spec Dist - Water	\$28,402	\$36,105	(\$7,703)		
Total -- all funds	\$898,093	\$797,663	\$100,430	\$250,000	\$547,663

Source: Town of Allegany

**VILLAGE OF ALLEGANY
FUND BALANCES - 5-31-07**

FUND	Unreserved	Reserved Equipment	Reserved Police Uniforms	Reserved Buildings	Reserved Police Equipment	Reserved Curbing	TOTAL
General	\$703,300	\$90,447	\$2,008	\$7,493	\$5,859	\$5,008	\$814,115
Water	\$164,063	\$45,036		\$39,046			\$248,145
Sewer	\$20,283	\$13,190		\$22,639			\$56,112
Debt Service	\$630						\$630
Total - all funds	\$888,276	\$148,673	\$2,008	\$69,178	\$5,859	\$5,008	\$1,119,002

Note: does not include separate Library fund balance of \$22,554

Source: Village of Allegany

APPENDIX D

Town of Allegany Assets & Debts

Assets

Town of Allegany parcels

NAME	SBL#	ACRES	SIZE	LOCATION	ASSESSED VALUE
Brick Park	94.003-1-21		115' x 110'	NYS Rte 417	\$3,500
Gravel Pit	93.035-5-2.2	18.95		Second St.	\$28,600
Road/St/Hwy	94.053-1-16.2		30' x 35'	Cranberry Rd.	\$2,400
Rural/Vacant	93.001-1-65	4.20		Lower Birch Run	\$3,500
Rural/Vacant	93.004-2-8		450' x 50'	Carey Hollow	\$600
Hwy. Garage/Stayer Park	93.002-4-26.2	21.70		Birch Run	\$575,000
Gravel Pit	93.035-5-3.1	7.50		Third St.	\$12,100
Town Hall	93.043-6-13		161.6' x 148'	52 W. Main St.	\$307,000

Other Assets

See separate Town 2006 Inventory

Debts

	Serial Bonds	B.A.N.'S	Total
Water Line Construction	\$340,000		
Sewer District #1	\$80,000		
Reassessment		\$58,000	
Excavator / Dump Truck		\$105,000	
Outstanding Debt 12-31-06	\$420,000	\$163,000	\$583,000

Town of Allegany 2006 INVENTORY - Property & Fixed Assets

DATE PURCH.	CLASS	DESCRIPTION		PURCHASE		ID #
				PRICE	EST. LIFE	
6/1/74	M	Truck Radio		868.28	40	
6/1/75	M	Mobile Radio (90 Watt)		1,054.95	40	
6/1/78	M	Basketball Boards & Posts				
	M	With Rims & Nets (6)		1,770.00	30	
11/1/79	M	Mobile Radio w/antenna		746.00	40	
5/1/81	M	Tennis Court Fencing		3,970.00	50	
5/1/82	M	Welder		752.50	30	
6/1/82	M	Basball Field Fencing		560.00	50	
7/1/82	M	10' Chip Box		1,155.00	15	
3/1/83	M	Canon Typewriter		938.75	30	
9/1/83	M	10' Chip Box		1,155.00	15	
1/1/84	M	Royal Typewriter		695.00	30	
2/1/84	M	Steam Jenny		3,695.00	40	
3/1/84	M	50' Double Duty Hose for Steam Jenny		197.50	40	
4/1/84	M	Tenco Wings (2)		3,468.00	15	
4/1/84	M	Tenco Plows (2)		5,858.00	15	
4/1/84	M	20 Ton Truck Service Jack		737.20	10	
8/1/84	M	1984 International Crawler/Dozer		68,741.00	15	
12/1/84	M	Safe	Used	1,000.00	50	
2/1/85	M	1983 Dynapac Asphalt Roller		49,119.00	20	3111D24
6/1/85	M	Royal Typewriter		1,020.00	30	
6/1/85	M	Pool Table		600.00	30	
7/1/86	M	Mainliner Slide (4')		520.64	30	
12/1/86	M	Frink Plow		4,453.00	15	
1/1/87	M	#3 Baseball Field (Outfield) Fence		5,000.00	50	
5/1/87	M	Speedy Spider Climber (Spring)		562.00	30	
6/1/87	M	Mainliner Slide (6')		600.00	30	
7/1/87	M	Tennis Courts		13,260.00	40	
12/1/87	M	Harder Sander		3,450.00	15	
2/1/88	M	Bleachers	Used	1,516.32	30	
3/1/88	M	2-Way Hop		712.00	30	
6/1/88	M	Jr. Whirl		619.00	30	
1/1/89	M	Air-Flo Conveyor/Spreader		3,595.00	15	
2/1/89	M	Desk W/Secretarial		638.00	40	
2/1/89	M	Desk w/Secretarial		638.00	40	
3/1/89	M	Desk w/Center Drawer		569.85	40	
3/1/89	M	Computer Table w/Chair		1,874.00	40	
4/1/89	M	#2 Baseball Field Outfield/Side/Gates		2,390.00	50	
5/1/89	M	Truck Radio		890.00	40	
12/1/89	M	14' Harder Sander		3,995.00	15	
1/1/90	M	10' Stone Spreader		1,275.00	15	
2/1/90	M	Air-Jet Hockey Game		890.00	20	
2/1/90	M	Radio w/antenna & speaker (2)		1,530.00	40	

Town of Allegany 2006 INVENTORY - Property & Fixed Assets (cont.)

M	#3 Baseball Field Side Fence		6,250.00	50	
M	#2 Basefall Field Backstop		2,050.00	50	
M	Barrier Fencing		609.50	50	
M	1990 Eager Beaver Trailer		9,722.22	20	
M	Frink Wing		1,595.00	15	
M	Frink Plow		3,400.00	15	
M	10' Conveyer Spreader		3,286.00	15	
M	5 Ton Hydraulic Jack		661.97	10	
M	Turntable;speakers;amps;microphone		1,060.00	20	
M	Motorola Base Station		895.00	40	
M	#2 Basefall Field Backstop#4 Ballfield		4,600.00	50	
M	8 1/2 ' Western Snow Plow		4,862.00	5	
M	Motorola Portable Radio		677.00	40	
M	1992 Vibratory Roller (Mauldin)		10,211.00	15	40-9205-105
M	Aboveground Storage Tank		5,330.60	30	
M	Fuel Management System w/Cardreader, Printer Terminal, Mode,MAG Reader		4,655.00	15	
M	Electric Sunction Pump		2,733.00	10	
M	Aluminum Tennis Nets w/Posts (3)		1,131.00	50	
M	Plow		4,200.00	15	
M	Pool Table	Used	650.00	30	
M	Sander & Door Kit		3,595.00	15	
M	Okidata Printer		759.95	10	
M	4-Way Spring Saw		998.00	30	
M	Welder		1,623.00	20	
M	Tennis Court		10,450.00	40	
M	Tennis Court Fencing		2,515.00	50	
M	Light Poles w/ Wiring @ Exit 24 (5)		57,714.40	50	
M	Fixed Assets Software		2,050.00	20	
M	Safety Jacks		1,107.00	25	
M	Generator		650.00	15	
M	Homelite Pump		985.00	20	
M	FAX Machine		1,985.00	10	
M	7' Basketball Ext(2);Aluminum Backboard (2);Rim w/ Chain Nets (2)		2,574.00	30	
M	Magnetic Locator		1,825.00	10	
M	#5 Baseball Field Fencing/Dugouts/Gates		2,970.00	50	
M	Microfilm Reader/Printer		2,400.00	20	
M	Sewer Billing Software		2,000.00	20	
M	Water Billing Software		2,000.00	20	
M	Motorola Portable Radio2 (3)		1,635.00	40	
M	1994 Galion Grader w/RH Bankslope		76,514.00	20	G58009U201132
M	1994 Pelican Sweeper		83,140.00	15	D16805
M	14" Multi Purpose Homelite Saw		816.74	10	
M	3" Homelite Diaphragm Pump		911.87	20	
M	6' Sweepster		2,495.00	10	
M	Foosball Table		565.00	30	
M	8 HP Billy Goat Blower		695.00	10	

Town of Allegany 2006 INVENTORY - Property & Fixed Assets (cont.)

M	Diesel Air Compressor (Portable)		11,550.00	20	
M	FAX Machine		645.00	10	
M	Hydraulic Drive Rotary Cutter		8,588.00	15	
M	1996 Tractor w/ Cab		17,148.00	15	DJA619188
M	Ingersoll-Rand Air Compressor		732.00	25	
M	1996 International Dump w/Plow		77,043.00	15	1HTGLADT4TH213395
M	Paper Shredder		639.20	10	
M	Caterpillar Loader		107,500.00	15	6W500523
M	Super Stick Hockey		579.95	20	
M	1999 International Dump Truck		91,729.00	15	1HTGGAH3YH342511
M	Hose Machine		4,981.48	25	
M	Power Pruner		699.95	10	
M	Computer/Monitor/Printer/Scanner		2,049.00	10	
M	Slide		1,250.00	30	
M	Tital Paint Sprayer		4,995.00	10	
M	Magnetic Drill w/ Stand		1,219.00	15	
M	Electronic Level		1,644.00	10	
M	Wacker Plate Tamper		1,417.38	10	
M	Telephone System		4,150.00	20	
M	X-Dig Sitemaster w/24" HD Bucket		56,489.00	10	SLP214TCYEO489455
M	Mower w60" Deck		9,465.00	10	
M	Landscape Trailer w/ Gate		1,275.00	15	4PL400E1741042124
M	2000 International Dump Truck			15	1HTGLAHT8XH622631
M	w/Plow & Sander		106,399.00	15	
M	Post Tables W/Benches (3)		2,554.50	40	
M	Ultrasonic Flowmeter w/ Sensor		1,885.00	10	
M	10' Super Whirl		2,605.85	30	
M	2001 Bandit Brush/Chipper		31,920.00	10	694
M	Shelving & Legs	Used	1,200.00	30	
M	60" Ditching Bucket		2,185.00	15	
M	2001 Ford Dump Truck		33,967.00	20	1FDAF57541ED15925
M	Sewer Pump w/ Control Upgrades		5,150.00	10	
M	16.5 HP 42" Lawn Tractor		999.95	10	
M	Compaq Presario Computer				
M	w/Monitor & Deskjet Printer		1,199.88	10	
M	Sewer Pump w/ Controller & Probe		8,194.00	20	
M	2002 Oshkosh Dump Truck w/Plow		149,437.00	20	10TBRAF3525075124
M	Harder Sanders (2)		9,994.00	15	
M	Kyocera Mita Copier		1,946.25	10	
M	Dell Computer		971.32	10	
M	Dell Computer		1,350.08	10	
M	Honda Billy Goat Blower		1,200.00	5	
M	2005 International Dump w/Plow		117,593.10	15	1HTWXAH35J045321
M	2004 Hyundai Hydraulic Excavator		144,777.00	15	N60410136
M	Harder Sander		5,075.00	15	
M	Copier/FAX		8,382.00	10	
M	HP Computer		1,215.00	10	
M	Harder Sander		5,300.00	15	

Town of Allegany 2006 INVENTORY - Property & Fixed Assets (cont.)

M	HP Compaq Computer (Assessor)		743.00	10	
M	HP Compaq Computer (Assessor)		743.00	10	
M	HP Compaq Computer (Comptroller)		743.00	10	
M	HP Compaq Computer (Clerk)		743.00	10	
M	HP Compaq Computer (Recreation)		743.00	10	
M	HP Compaq Computer (Building & Zoning)		743.00	10	
M	Fencing & Gates for Softball Field		16,396.50	50	
M	14" STIHL Saw (Sewer)		869.95	30	
M	2006 International Dump Truck		126,317.05	15	1HTWXAHT06J204040
M	Pressure Washer		5,400.00	30	
M	Chain Saw		629.95	15	
M	HP Laser Color Printer		1,509.98	5	
M	Chevy Pick-Up		22,129.58	15	1GCEK19ZX6Z252866
M	Chevy Pick-Up		21,075.25	15	1GCHK24U16E226355
M	2006 International Dump Truck		53,012.39	20	1HTWDAAR96J391415
M	Lawn Mower		2,429.95	10	
M	HP Computer w/External Hard Drive		1,130.00	10	
M	Chain Saw		7,600.00	15	
M	Bleachers (2 Sets)		2,350.00	20	
M	Plow, Wing, Dump Body for International		32,895.00	20	
	MACHINERY & EQUIPMENT TOTAL		1,880,125.73		
B	Town Hall		8,650.00	50	
B	Hwy Garage		225,000.00	50	
B	Kitchen & Extended Meeting Room (60+)		13,573.00	50	
B	Metal Storage Building for Sanders/Equip		12,228.10	30	
B	River Park Pavilion #1		9,500.00	30	
B	Sr. Citizen Addition (Hwy Garage)		202,876.00	50	
B	Addition to River Park Bathrooms		1,466.78	30	
B	Interior & Exterior Doors for Town Hall		1,911.10	30	
B	Shelving Units for Vault		960.00	30	
B	Vault added to Town Hall/Electricity		9,985.00	50	
B	Electricity added to Pavilion #1		890.00	30	
B	Basement Door for Town Hall		454.20	30	
B	Hallway Light Installation in Town Hall		555.44	30	
B	Garage Door Openers (Hwy Garage)		2,000.00	20	
B	River Park Pavilion #2		7,500.00	30	
B	Garage Door Openers (Hwy Garage)		1,000.00	20	
B	Emergency Battery Pack Lights (H.G.)		960.00	20	
B	Hallway Flooring in Town Hall		5,000.00	10	
B	Steps & Handrail Back of Town Hall		1,303.50	20	
B	Electricity added to Pavilion #2		975.00	30	
B	Front Door w/ Panic Device (Hwy Garage)		2,251.00	30	
B	Garage Door Openers (Hwy Garage)		1,000.00	20	
B	Garage Door Openers (Hwy Garage)		1,020.00	20	
B	Carpet in Conference Room/Town Hall		745.00	10	
B	Bathrooms w/ Handicapped Fountain/RP		5,500.00	30	

Town of Allegany 2006 INVENTORY - Property & Fixed Assets (cont.)

B	Addition to RP Maintenance Restrooms		4,100.00	30
B	New Bathroom & Lunchroom (Hwy Gar)		2,578.45	30
B	Brick Plaza		7,414.00	30
B	Fire Detection System for Town Hall		4,445.00	20
B	Improvements to Town Hall		2,270.00	20
B	Water Fountain @ River Park		1,115.21	30
B	Roof Improvements (Hwy Garage)		1,800.00	20
B	Pre-Engineered Building (Hwy)		12,963.79	30
B	Improvements to Town Hall		47,726.06	20
B	Salt Storage Shed		66,976.45	30
B	HVAC System @ Hwy Garage		14,450.00	20
B	Furnace for 2nd Floor of Town Hall (Rec)		8,595.00	20
B	HVAC System @ Town Hall		34,020.00	20
	BUILDINGS TOTAL		725,758.08	
L	Town Hall Building Land		3,000.00	
L	2/3 A Land on Birch Run from Reynolds		50.00	
L	2 A Land on Birch Run Rd. from Reynolds		1.00	
L	1 A Land on Birch Run from Rietz		1.00	
L	Gravel Pit on N. 2nd St.		7,500.00	
L	3.53 A Land on Birch Run from Clark		8,500.00	
L	.553 A Land on Birch Run from Penn Central		1,500.00	
L	.382 A on South End of Park St			
L	Purchased from Sisters of St. Francis		1.00	
L	Gargoyle Road Right-of-Way from Rehler		4,000.00	
L	Additional Gravel Pit Land (N 2nd St.)		5,109.70	
L	Stayer Park Land on Birch Run (approx 15 A)		15,000.00	
L	1/2 A Land on Carey Hollow		2,000.00	
	LAND TOTAL		46,662.70	
	GRAND TOTAL		\$2,652,546.51	
	Source: Town of Allegany			

**Village of Allegany
Assets & Debts**

Assets

Village of Allegany parcels

NAME	SBL#	LOCATION	ASSESSED VALUE
Water Tank	93.002-2-29.2	Klem Hollow Road	\$1,800
Sewage Plant	93.051-4-16	West Union Street	\$24,000
Playground	93.051-4-17	Union Street	\$11,600
Playground	93.051-4-18	Union Street	\$10,200
Rural Land	93.051-4-19	West Union Street	\$15,700
Abandoned Agricultural Office	93.061-3-15	NYS Rt. 417	\$100
Office	93.060-1-2.7	106 East Main Street	\$147,000
Vacant Land	93.060-1-2.3	East Main Street	\$9,200
Vacant Land	93.060-1-2.2	East Main Street	\$7,800
Highway Garage	93.052-3-17	South 7th Street	\$93,400
Park	93.051-3-49	West Union Street	\$15,000
Water Well	93.043-2-28.2	North 1st Street	\$100
Vacant Land	93.044-1-47	Sherwood Drive	\$1,000

Other Assets

A complete inventory for the Village does not exist

Debts

The only debt is for the Village Hall. 106 East Main Street.

- Have a 20-year bond, Feb 1, 1996 to 2016
- Pay principal once a year in February and interest two times a year (Aug.
- Original principal = \$350,000
- Principal balance as of 5-8-07 = \$187,509
- Interest rate is 5.75% annually.

- Due to the way the terms were structured, the actual annual payment is essentially unchanged year to year (always about \$30,000). In 2006-07 total = \$29,897.
- Bond is transferable or exchangeable, in the same aggregate principal amount and of the same maturity.
- Village has option of paying off debt and interest at any time.

APPENDIX E

Town of Allegany Current Benefits - Fulltime Staff

Benefit	Description	2007 Per Person Cost	Town Share	Employee Share	Total # Covered	Incentive Options
DPW Health Plan - non-HMO	BCBS Traditional family coverage	\$23,694	\$23,194	\$500	3	\$1,000 yr if switch to HMO; \$3,500 /yr if no ins. No \$3,500 incentive for union employees
DPW Health Plan - HMO	family coverage	\$11,893	\$11,393	\$500	6	\$3,500/yr - no ins. No \$3,500 incentive for union employees/\$1,000 to 3 union employees who are eligible for Traditional but choose HMO
Non-union Health Plan - HMO	family coverage	\$11,893	\$11,224	\$669	2	\$3,500/yr - no ins
Non-union Health Plans - HMO	single coverage	\$4,259	\$4,011	\$247	3	\$3,500/yr - no ins
Paid Holidays	12 annually					
Vacations	1 week (up to 3 yrs service) 2 weeks (3 yrs and up) Plus 1 day ea yr over 3 yrs Max vacation: 25 days					
Sick Leave	12 days per yr Accrue max of 180 days					
Buy-Back Unused Sick Days	Yes, 50% of days accrued					Sick days >90, Town pays half hourly rate (not to exceed 6 full days pay in a yr)

NOTES

1. Traditional BCBS limited to Hwy staff hired prior to Jan. 2001. Any of 3 retire at 55 with 30 yrs service, Town pays 80% and retiree 20% of traditional medical cost. Option: elect HMO for 100% Town coverage after 20 yrs service. Other retirees have same benefits but at HMO rate.
2. Vacation information is for DPW union staff. Other Town staff vacations are very similar.
3. Fulltime staff also receive annual longevity pay. (Only to union employees hired before 1/1/96 and non-union employees hired before 1/1/97)
4. Part-time staff can opt for HMO plan but pay 100% of cost.
5. Are 5 retirees and/or their widows/widowers receiving health benefits. Town share ranges from 50% to 100% of cost.

Village of Allegany Current Benefits - Fulltime Staff

Benefit	Description	2007 Per Person Cost	Village Share	Total # Covered	Incentive Paid If Not Covered
Health Insurance	comprehensive health plan offered by NYS Teamsters	\$10,003	\$10,003		6 \$1,000/ year (2 opt out)
Paid Holidays	13 annually 1 week (up to 2 yrs service)				
Vacations	2 weeks (2 up to 8 yrs) 3 weeks (8 yrs up to 10 yrs) 1.5 days ea yr over 10 Max vacation: 25 days				
Sick Leave	2 per year, accrue max of 22 days a year				
Buy-Back Unused Sick Days	No (see exception below)				

NOTES

1. Health benefits are offered to all fulltime staff. Benefits = Teamster contract amount.
2. Village does not offer benefits to retirees' widows/widowers.
3. Village currently does not have any retirees receiving health benefits.
4. Exception sick leave buyback: if retire at 55 with 15 yrs service, Village pays HMO hospitalization premiums for up to 2 years, based on 1 month for every 10 days unused accrued sick leave.
5. Fulltime staff receive annual longevity pay.
6. Part-time staff receive none of above benefits, but Police PT do get 1.5 pay if scheduled to work on holiday.

Additional details on Village sick leave: Sick leave is actually two days per year worked (i.e., 3 years worked = 6 days; 11 years worked = 22 days; 13 years worked = 22 days) up to a maximum of 22 days in any year or 250 maximum accumulated.

APPENDIX F

AGREEMENTS & CONTRACTS Village and Town of Allegany				
VILLAGE OF ALLEGANY				
Type	Other Party	Value	Contract Ends	Notes
Sewage treatment	City of Olean	V paid Olean \$154,747 in '06-'07 (\$139,574 reimbursed by Town) + City must provide to Olean insurance liability protection	Ongoing	Village contract, on behalf of V, T, St. Bona - contract dates to 1980; V pays for constructing & operating pumping stations, force mains, gravity sewer & facilities to convey sewage
Water supply	Town of Allegany	V supplies water to T at 150% V rate for most customers	Ongoing	Structure of agreement unchanged since 1996; most recent rate change was July 2006
Police coverage for Town special events	Town of Allegany	T pays per event; Police Chief sets amt.	Ongoing	
Police coverage - emergencies in Town	Town of Allegany	T paid \$14,520 for coverage in 2007	Ongoing	
Court security for Town court	Town of Allegany	Reimbursed hrly at police union pay rate plus \$500 annually to cover V additional insurance coverage	Ongoing	
DPW union contract	NYS Teamsters, Local 264	see wage info; benefits info	5/31/2008	covers 3 FT maintenance staff
Police union contract	NYS Teamsters, Local 264	see wage info; benefits info	5/31/2011	PT = only holiday pay if work; uniforms; NYS retirement pay
River Park lease	Town of Allegany	Village leases park to Town for \$1/yr	Ongoing	
Refuse & recyclables collection	SDS of Olean	Village paid \$42,420 as well as \$2,331 for dumpster rental in '06-'07 fiscal yr	July-08	
Contribution to support the Library	Allegany Library	\$22,000 ('06-'07); \$23,500 ('07-'08)	Renegotiate yrly	Town gives = amt as Village
Franchise tax revenue	Time Warner	\$22,685 in revenues in '06-'07	Renegotiate yrly	
<i>Misc Other:*</i>				
Online law service	West Group	\$1,484 pd to vendor in '06-'07		
Energy discounts for what Village uses	Advantage Energy	Some savings for being in power pool		
Selling user tickets for solid waste disp.	Cattaraugus County	Part of \$406 clerk rec'd in fees in '06-'07		
Wal-mart Expansion Study	shared cost -- 4 parties	each group (including T) put in \$4,000	study complete	Town pd consultant -- 1 time cost
TOWN OF ALLEGANY				
Highway union contract	AFSCME N.Y. Council 66, Local 1404	see wage info; health benefits info	12/31/2008	Covers all FT staff in Highway Dept
Engineering consulting services	Foit-Albert Associates	\$1,500/mo + hrlyTBD for project work		retainer covers bd mtgs & specified services
Planning services	Allegany Planning Servs-C.H Horowitz	\$60/hr as needed; \$24,307 in 2006		
Contribution to support the Library	Allegany Library	\$22,000 ('06-'07); \$23,500 ('07-'08)	Renegotiate yrly	Village gives = amt as Town
Lease space for rec room	Allegany Limestone CSD	\$1,000 in 2006		Bldg sold; rate in '07 is \$2,000/mo
Franchise tax revenue	Time Warner	\$46,558 in revenues in 2006		
Animal control	Richard Bronold, dog control officer	\$3,274 total in 2006 pd for animal control		
<i>Misc Other:*</i>				
Empire Zone agreement	Catt. Co. Empire Zone Corp.			
Wal-mart expansion study	shared cost -- 4 parties	each group (including V) put in \$4,000	study complete	Town pd consultant -- 1 time cost
* Does not include small contracts (e.g., fax machine maintenance, janitorial service, cell phone for Village police car, floor mat cleaning)				

INFORMAL AGREEMENTS Between the Village and Town of Allegany		
Village-provided services that benefit the Town at no cost	Value, if Known	Notes
Village Clerk-Treasurer spends 4-5 hours per month (48-60 hrs/yr) on unpaid services for the library for payroll and accounts payable processing, bank reconciliation, deposits, budget review, phone contact with library staff, etc.)	\$867 - \$1,084 a year based on Clerk Treasurer salary	Long-time practice
Village police patrol in Town by WalMart and high school, even though not paid by Town for routine patrol		Chief: helps protect Village residents
If there is a leak in a Town water line, the Village pays for water that is lost. Per Village, water loss for most systems is typically about 6%.		Meter pit would be \$8,000-\$9,000
Town flushes hydrants annually, typically twice a year -- Village pays for water used		
Village does water testing for the Town		
Town uses some of Village tools to flush hydrants and borrows parts for hydrants, if needed		
Town uses Village equipment that Town does not own (e.g., sewer machine, valve exerciser)		
Village provides maintenance for River Park, for which the Town holds the lease	V cost = \$1,543 in '06-'07 for park maintenance	
Town has no sidewalk plow -- Village plows the Town's sidewalks: consisting of 1.5 miles on Rt. 417, about 600 feet on Maple Avenue, and walkway on bridge)		Typically = 3 hrs to plow sidewalks
Town borrowed Village sweeper/vacuum in 2007 when Town's was damaged after car collided with T's equipment		Repair complete
Town-provided services that benefit the Village at no cost		
Village borrows Town roller, as needed, also Town's 10-wheeler for blacktop projects		
Village uses Town truck for leaf pickup in fall and for brush pickup in spring		
Village dumps yard waste at the Town pit		
When the Village paves streets, the Town provides staff to help with these jobs		
Mutual assistance: each municipality helps the other without exchanging \$\$		
Town & Village code enforcement officers back each other up during vacations & to address issues -- no \$\$ exchanged		
For streets or other projects, Town highway and Village DPW share manpower, when needed. Village could not do some of its water line jobs without the Town. Vice versa, if water line breaks in a street in the Town, the Village DPW staff will help with repairs. Town = 73 miles of streets; V = 7 miles.		If building a water line or chip Union Street, both involved

APPENDIX G

ARTICLE V: CIVIL SERVICE LAW

PERSONNEL CHANGES

Title A. Transfers; reinstatements (Secs. 70-73).

Sections

70. Transfers.

- 71. Reinstatement after separation for disability.
- 72. Leave for ordinary disability.
- 73. Separation for ordinary disability; reinstatement.

§ 70. Transfers.

1. General provisions.

Except as provided in subdivisions four and six of this section no employee shall be transferred to a position for which there is required by this chapter or the rules established hereunder an examination involving essential tests or qualifications different from or higher than those required for the position held by such employee. The state and municipal commissions may adopt rules governing transfers between positions in their respective jurisdictions and may also adopt reciprocal rules providing for the transfer of employees from one governmental jurisdiction to another. No employee shall be transferred without his or her consent except as provided in subdivision six of this section or upon the transfer of functions as provided in subdivision two of this section.

2. Transfer of personnel upon transfer of functions.

Upon the transfer of a function (a) from one department or agency of the state to another department or agency of the state, or (b) from one department or agency of a civil division of the state to another department or agency of such civil division, or (c) from one civil division of the state to another civil division of the state, or (d) from a civil division of the state to the state, or vice versa, provision shall be made for the transfer of necessary officers and employees who are substantially engaged in the performance of the function to be transferred.

As soon as practicable after the adoption of a law, rule, order or other action directing such a transfer of function, but not less than twenty days prior to the effective date of such transfer, the head of the department or agency from which such function is to be transferred shall certify to the head of the department or agency to which such function is to be transferred a list of the names and titles of those employees substantially engaged in the performance of the function to be transferred, and shall cause copies of such certified list to be publicly and conspicuously

posted in the offices of the department or agency from which such function is to be transferred, along with copies of this subdivision.

Any employee of the department or agency from which such function is to be transferred may, prior to the effective date of such transfer, protest his or her inclusion in or exclusion from such list by giving notice of such protest in writing addressed to the heads of the respective departments or agencies from which and to which transfer is to be made, which notice shall state the reasons for the protest. The head of the department or agency to which such function is to be transferred shall review the protest and after consultation with the head of the department or agency from which such function is to be transferred notify the protestor within ten days from the receipt of such protest of the determination with respect to such protest. Such determination shall be a final administrative determination. Failure to make such protest shall be deemed to constitute consent to inclusion in or exclusion from, as the case may be, the certified list of employees engaged in the function to be transferred.

Officers and employees so transferred shall be transferred without further examination or qualification, and shall retain their respective civil service classifications and status. For the purpose of determining the officers and employees holding permanent appointments in competitive class positions to be transferred, such officers and employees shall be selected within each grade of each class of positions in the order of their original appointment, with due regard to the right of preference in retention of disabled and non-disabled veterans.

Any employee who fails to respond to or accept a written offer of transfer from the department or agency to which such function is to be transferred within ten days after receipt of such offer shall be deemed to have waived entitlement to such transfer. All officers and employees so transferred shall, thereafter, be subject to the rules of the civil service commission having jurisdiction over the agency to which transfer is made.

Officers and employees holding permanent appointments in competitive class positions who are not so transferred shall have their names entered upon an appropriate preferred list for reinstatement to the same or similar positions in the service of the governmental jurisdiction from which transfer is made and in the office or agency to which such function is transferred. Officers and employees transferred to another governmental jurisdiction pursuant to the provisions of this subdivision shall be entitled to full seniority credit for all purposes for service rendered prior to such transfer in the governmental jurisdiction from which transfer is made.

Except where such transferred officers and employees are entitled, pursuant to a special law or a rule adopted pursuant to law, to credit upon transfer for their unused vacation or annual leave and sick leave, the officer or body having authority to adopt provisions governing vacation or annual leave and sick leave applicable to the department or agency to which transfer is made may, after giving due consideration to the similarities and differences between the provisions governing vacation or annual leave and sick leave in the respective jurisdictions from which and to which transfer is made, allow employees transferred hereunder credit for all or part of the unused vacation or annual leave and sick leave standing to their credit at the time of transfer, as may be determined equitable, but not in excess of the maximum accumulation permitted in the jurisdiction to which transfer is made. Unused vacation or annual leave not credited by the

jurisdiction to which transfer is made may be compensated for to the extent, if any, such compensation is authorized by other law.

4. Transfer and change of title.

Notwithstanding the provisions of subdivision one of this section or any other provision of law, any permanent employee in the competitive class who meets all of the requirements for a competitive examination, and is otherwise qualified as determined by the state civil service commission or the municipal civil service commission, as the case may be, shall be eligible for participation in a non-competitive examination in a different position classification, provided, however, that such employee is holding a position in a similar grade.

5. With regards to police departments

(a) Where, because of economy, consolidation or abolition of functions, curtailment of activities or otherwise, a police department of any county, city, town, village, district, commission, authority or public benefit corporation is dissolved or abolished and the functions of such department are assumed by another police agency by contractual agreement or payment or taxation therefore, the provisions of this section shall apply.

(b) For the purposes of this subdivision:

(1) The term "police agency" shall mean any agency or department of a county, city, town, village, district, commission, authority or public benefit corporation having responsibility for enforcing the criminal laws of the state.

(2) The term "police agency" or "police department" shall not be construed to include the police department of a city of one million or more persons, the police department of a housing authority of a city of one million or more persons, or the police department established pursuant to the provisions of section one thousand two hundred four of the public authorities law.

6. Transfer of personnel.

Notwithstanding the provisions of subdivision one of this section or any other provision of law, any city having a population of one million or more may by agreement negotiated between such city and an employee organization pursuant to article fourteen of this chapter provide for the involuntary transfer of employees between city agencies. For purposes of this subdivision, the term "city agency" shall include any school district, public authority, commission or other instrumentality of government on whose behalf such city is authorized to negotiate collective bargaining agreements.