

Consolidation Study for the Village of Albion, Town of Albion and Town of Gaines

March, 2009

This report was prepared with funds
provided by the New York State
Department of State under the
Shared Municipal Services Incentive
Grant Program

Prepared for:
Village of Albion, Town of Albion and Town of Gaines

Charles Zettek Jr.
Project Director

1 South Washington Street
Suite 400
Rochester, NY 14614
585.325.6360

100 State Street
Suite 330
Albany, NY 12207
518.432.9428

www.cgr.org

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SUMMARY

For several years New York State has offered grants to local governments considering projects that would lead to shared services, cooperative agreements, mergers, consolidations or dissolutions. The grants are known as Shared Municipal Services Incentive (SMSI) grants¹ and are awarded on a competitive basis. The Town of Albion, Town of Gaines and Village of Albion were awarded a grant to study options for sharing services up to and including full consolidation of all three municipalities.

The Towns are located in central Orleans County in Upstate New York and both incorporate a portion of the Village. The three municipalities are represented by their own governments, and together serve a population of 12,420 residents living within 60 square miles.

The municipalities appointed a 10-member Consolidation Study Grant Committee, consisting of elected leaders and residents from the Village and Towns, and engaged the nonprofit Center for Governmental Research (CGR) to conduct the study. CGR's main objectives were to review existing service delivery and costs; identify and evaluate viable consolidation alternatives and consider tax and cost impacts; and outline action steps for implementing the one alternative selected by the Committee.

This report begins with an overview of the full study, which includes CGR's key observations and findings, the Committee's recommendation to pursue dissolution of the Village – thereby reducing one level of government – and action steps associated with implementing this recommendation. An appendix following the overview includes relevant

¹ In 2008, the New York Department of State renamed the grants Local Government Efficiency Grants (LGEG).

detailed information CGR developed during the study and consists of the following:

Appendix A: Description of how services are currently delivered – including services, personnel, resources, revenues and costs – and potential ways to share services without actually merging the three governments.²

Appendix B: Fund balances for the Village and Towns for the years 2000-2007.

Appendix C: Outstanding debt for the Village and Towns as of 12-31-08.

Appendix D: A description of the Village of Albion Water System.³

Appendix E: The PowerPoint presentation CGR developed for the public to summarize the study findings.

Appendix F: A summary of the feedback received by CGR from the public following the public presentation in November 2008.

While this report was prepared for the Consolidation Study Grant Committee, the Committee's role was advisory only. The Committee transmitted its recommendation and this report to the respective Town and Village boards for their determination on how to proceed.

² Document title: "How the Village of Albion, Town of Albion and the Village of Gaines Currently Provide Municipal Services and Potential Service Sharing Options for the Future"

³ More detailed that the information presented as part of Appendix A

Acknowledgements

CGR is very grateful to the members of the Consolidation Study Grant Committee for the time and attention they devoted to this project. The 10-member Committee included the following representatives:

Village of Albion

Kevin Sheehan, trustee
Dean Theodorakos, trustee
Richard Remley, resident
Clifford Thom, resident

Town of Albion

Judith Koehler, supervisor
Timothy Neilans, board member
Janet Navarra-Salvatore, resident

Town of Gaines

Richard DeCarlo, supervisor
Lorraine Oakley, board member
Royce Klatt, resident

John Gavenda, attorney for the Village and Town of Albion, attended all Committee and public meetings. Kathleen Ludwick, former Village Clerk; Gene Christopher, former Town of Albion Supervisor; and Roxanne Muoio, Village resident, assisted with the study during the early phases.

CGR appreciates the many Village and Town staff members who took the time to meet with us, gather data and make suggestions. We also thank elected officials and staff members of the Towns of Murray, Carlton and Barre, who assisted with gathering significant information for their communities so that CGR could compile extensive information on the overall Village of Albion Water System.

Finally, we especially thank five individuals who went above and beyond to help ensure we received needed information. They are Linda Babcock, Village Clerk; Dawn Allen, Director of Real Property Services for Orleans County; Shelby Bennett of Baldwin Business Services (also known as St. John & Baldwin); Paul Chatfield of Chatfield Engineers; and Eric Bradshaw, Chief of the Albion Fire Department.

Staff Team

Charles Zettek Jr., Vice President and Director of Government Management Services, directed the study. Vicki Brown, Associate Director, served as project manager. Katherine Corley, Research Assistant, contributed significantly to this report and played a key role on the project team. Intern Matthew Rubenstein assisted with water and fire data analyses for the project.

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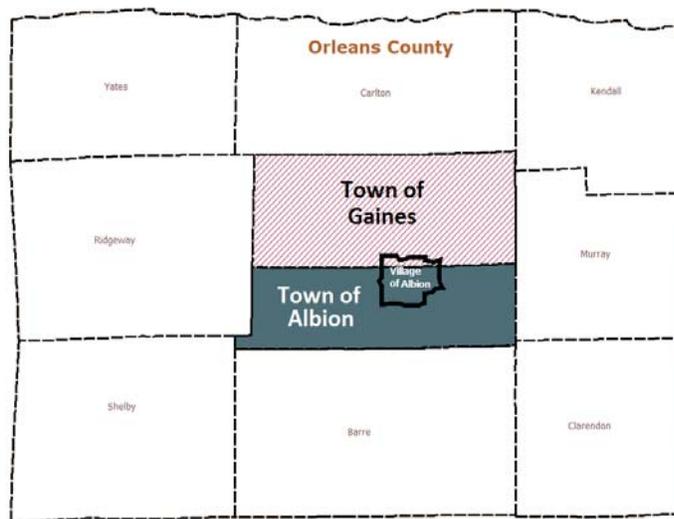
OVERVIEW

The predominantly rural Towns of Albion and Gaines in Upstate New York share a common border and a village, the Village of Albion. Although about 80% of the Village's land area and population is in the Town of Albion, the Village is very much part of both Towns. Half of the Town of Albion's residents and one-third of the Town of Gaines residents live inside Village boundaries.

The three communities have had their own governments since the 1800s, and jointly serve 12,420 residents living within 60 square miles.

Located in the heart of Orleans County, each of the three communities has had its own government since the 1800s.⁴ Today these governments serve a combined population of 12,420 residents living within 60 square miles.⁵ Census estimates show either flat or negative population growth for the Village and both Towns for the years 2001-2006, and in all of the communities there is growing concern about declining resources and increasing costs.⁶

The Village and Towns agreed to work together to examine how they could potentially reduce municipal costs, eliminate duplicate government functions, and provide services more efficiently.



⁴ The Town of Gaines was formed in 1816; the Village's first act of incorporation occurred in 1828; and the Town of Albion was founded in 1875.

⁵ 2006 Census estimates: Town of Albion = 8,697 residents and Town of Gaines = 3,724. The Town of Albion = 25.23 square miles and the Town of Gaines = 34.39. These numbers incorporate the Village's 5,729 residents and nearly three square-mile area.

⁶ Orleans County bears the nation's highest property tax burden as a percentage of home values, according to a December 12, 2008 report by the Tax Foundation, a nonpartisan tax research group based in Washington, D.C. (See Tax Foundation Fiscal Fact No. 157, *New Census Data on Property Taxes on Homeowners*)

With the Village serving as lead agency, the Village Board and Town Boards successfully applied for a Shared Municipal Services Incentive (SMSI) grant from New York State to fund a study to help identify viable options for sharing services up to and including full consolidation of two or all three municipalities. The Center for Governmental Research Inc. (CGR) was engaged to conduct the study.

CGR's work was overseen by a 10-member Consolidation Study Grant Committee, consisting of elected representatives and residents⁷ appointed by the Village and Towns. CGR's primary objectives were to review existing service delivery and costs; identify and evaluate viable consolidation alternatives and consider tax and cost impacts; and overview action steps for implementing one alternative selected by the Committee.

Committee members voted by a strong majority to recommend pursuing dissolving the Village, thereby reducing the number of governments from three to two.

In December 2008 the Committee voted by a strong majority to recommend pursuing dissolution of the Village, thereby reducing the number of governments from three to two. Since the Committee's role was advisory, this decision did not commit either the Village or the Towns to a course of action. Instead the Committee's decision constituted a recommended course of action to the elected boards of the Village and Towns. Should the Committee's decision ultimately be supported by elected leaders, it will result in additional steps, including development of a Village dissolution plan and presentation of the plan for a public vote.

This report overviews the study approach; CGR's key observations and findings; viable options that CGR, in consultation with the Committee, identified for the future; and the action steps associated with the Committee's recommended option. Detailed information developed by CGR during the study appears in the Appendix.

APPROACH TO THE STUDY

CGR conducted the study in five phases:

Phase 1: Project Start-up and Initial Public Engagement

Phase 2: Primary Data Collection and Analysis of Current Operations

Phase 3: Identification of Options for the Future

Phase 4: Public Assessment of the Options for the Future

Phase 5: Draft and Final Reports

⁷ For Committee members, see *Acknowledgements*, page ii

After a project startup discussion with the Committee, CGR presented an overview of the project at an October 2007 public meeting. The meeting gave residents and taxpayers an opportunity to tell CGR which services and functions they need and expect, and to discuss ideas about the best ways to provide them. CGR pointed out that the study would cover all municipal functions but be grouped, per the communities' contract with the state, into six areas:

- Streets and Public Facilities
- Water and Sewer
- Police and Fire
- Recreational Facilities and Services
- General Government (e.g., elected leaders, clerks, justice courts)
- Planning, Zoning and Code Enforcement

In the first half of 2008, CGR made numerous site visits to the Village and Towns to interview key operational staff and stakeholders, tour operational sites, and review budget, personnel and other operating records. We collected relevant municipal, county, state and census data, and conducted substantial off-site research and analysis.

While researching current operations, CGR learned that no one in the three communities had sufficient information about water for CGR to describe accurately the overall Village of Albion Water System. The system serves not only the three communities but also all of the neighboring Towns of Carlton and Barre and portions of the Town of Murray. In addition, Committee members had particular concerns about fire service even though it is already a shared service provided by the Village and Towns of Albion and Gaines. Committee members asked CGR to help them gain an understanding of their communities' fire service status, since there may be a greater need for the Village and two Towns to provide financial support in the future, especially given that the all-volunteer department has a dwindling number of active volunteers.

The water component of the study took the most significant time of any aspect of the study. Since service sharing or consolidation could potentially impact all towns served by Village water, CGR created a special survey instrument for all municipalities involved in the system. We also conducted site visits, talked to the Village's consulting engineer, and met with representatives of the Village of Albion and Towns of Albion, Gaines, Carlton, Barre and Murray. As a result, CGR was able to provide the Committee, by fall 2008, with the first-ever document to include information on the overall water system and how it is administered.

At the same time, the Village Fire Department, whose boundaries coincide with the boundaries of the Towns of Albion and Gaines, worked with CGR to gather and compile relevant departmental data. CGR subsequently conducted an in-house analysis that confirmed the Village and Towns need to take steps to develop a coordinated plan to address emerging critical needs of the Fire Department.

After completing the data collection and analysis of current operations phase of the study (Phase 2), CGR created four key documents that appear in the Appendix. Together they provide not only a baseline of current operations, but also key information on sharing services without fully consolidating governments. These documents are:

Appendix A: How the Village of Albion, Town of Albion and the Village of Gaines Currently Provide Municipal Services and Potential Service Sharing Options for the Future

Appendix B: Fund Balances for the Town and Village of Albion and Town of Gaines (2000-2007)

Appendix C: Outstanding Debt as of 12-31-08 (by municipality)

Appendix D: The Village of Albion Water System – Overview of What Exists

CGR used the overall quantitative and qualitative information we gathered as the basis for identifying viable options for the future. In Phase 3 of the study, CGR, in consultation with the Committee, identified three options to present to the public as alternatives to the status quo:

Option 1: Service sharing in specific areas involving either the Village and Town of Albion or all three municipalities

Option 2: Dissolution of the Village and merger with the Town of Albion

Option 3: Full consolidation of the Village and two Towns

Public assessment of the identified options (Phase 4) began when CGR presented a report summary at an October 2008 joint session of the Village and Town boards. The following month CGR delivered a PowerPoint presentation on the study to the public (see *Appendix E*). Subsequently, CGR delivered the PowerPoint in electronic format to the Village and Towns to publicize, and also posted it on the CGR website. We developed a community feedback form and invited residents to return it directly to CGR over the Internet or by mail or email. We summarized the comments received by CGR during the comment period (see *Appendix F*). Finally CGR attended two Committee sessions where members weighed the pros and cons of the different options before voting to recommend Option 2.

CGR notes that in their final discussion, Committee members left open the following question: Should dissolving the Village result in consolidating the entire Village with the Town of Albion or in having sections of the Village revert to their respective Town (i.e., the section of the Village within the Town of Gaines remaining with the Town of Gaines). The Committee agreed that this question should be addressed and resolved if and when a dissolution plan is developed.

This report constitutes the final phase of the study (Phase 5).

CGR KEY OBSERVATIONS

The full report includes numerous observations by CGR, but we highlight below those most important for the three municipalities to consider when weighing status quo, shared services or consolidation for the future.

For some critical services, the existing governmental structure hampers efficient operations and effective planning for the future.

- For some critical services the existing governmental structure hampers efficient operation today and effective planning for the future. The major services affected are water, sewer and fire services:
 - ◆ **Water** - Until CGR completed its research in fall 2008, no one understood that the Village of Albion Water System is a \$3.5 million operation.⁸ It is not viewed, nor managed, as a regional system and asset, but instead as six different systems. For example, future capital needs of the Village-managed sections of the system and any associated impact on Towns relying on Village water are currently unknown, because the overall system is being managed in pieces. This scenario not only builds in inefficiencies (e.g., seven managers overseeing separate parts of the system, six separate billing operations, multiple software programs for water billing) but also results in little coordinated planning for the future. Specifically with regard to the Village and Towns of Albion and Gaines, CGR found there is potential for increasing efficiency in the area of water transmission, distribution and maintenance, but it would require a designated crew serving the Village and both Towns rather than each community having personnel responsible for these areas. There is also potential for streamlining and improving the water billing process for the three governments, which currently involves eight employees on a part-time basis to send out 3,400 quarterly invoices and use of some outside bookkeeping support. Considering the importance of water revenues to the three communities (see

⁸ Based on 2007 revenues and expenditures for the Village and the Towns of Albion, Gaines, Carlton, Barre and Murray

Appendix A), it would be prudent to have consolidated billing with concentrated oversight of the billing process.

- ◆ **Sewer** – According to elected leaders of the Town of Albion, the availability of sewer service from the Village of Albion is critical to potential future growth in the Town. Until this study, however, there was apparently little widespread understanding that the Village sewer system is at 91% capacity and can't handle peak flows, and that the Village code enforcement operation isn't staffed to get users to address violations (such as illegal connections) that are costing the Village money and keeping it, in part, from increasing current capacity (see *Appendix A*). CGR believes the current government structure hampers appropriate planning on how best to provide future sewer services for the greater Albion community (Village and Town).
- ◆ **Fire Service** – CGR found the current all-volunteer fire services model can't meet future needs. Analysis shows the 12,400 residents living in the 60-square mile area encompassed by the Village and Towns are currently dependent on a dedicated core of 15-18 volunteer fire department personnel. Staffing has been a concern for the Fire Department for about two years, and CGR data analysis confirmed that the Fire Chief has valid concerns about the department's future ability to field enough drivers and other appropriate staff for all alarm calls and emergencies. CGR believes the current government structure, whereby the fire service is considered a department of the Village, with the Towns providing financial support, has so far hampered coordinated planning for future fire service needs.
- For some key services, Village taxpayers pay a disproportionate share of expenses. We cite two major examples:
 - ◆ **Cemeteries** – The three governments collectively spend about a quarter million dollars annually to maintain cemeteries, while the revenues to offset cemetery expenses total only about \$100,000. However, all but a tiny fraction of the net cost is funded by Village taxpayers, since the Towns operate only very small, relatively inactive cemeteries and do not contribute to the maintenance of the Village-owned Mt. Albion Cemetery. Put another way, Village residents bear the burden of maintaining the only significant cemetery facility serving families in the Village and Towns.

For some key services, Village residents pay a disproportionate share of expenses.

- ◆ **Highway/DPW** – Taking into account only street- and highway-related costs,⁹ the total spent by the municipalities for three Highway/DPW superintendents, including benefits, is more than \$188,800. But the Towns levy their costs as Town-wide expenses, which means that, across the Village, taxpayer funds are being expended to support three highway/DPW superintendents. Each Village taxpayer actually supports two of the three superintendents – one for the Village and one for the Town of residence. In addition, the only Highway Department personnel and contractual expenditures that aren't billed Townwide in the Towns are those for street maintenance. As a result, there is a disproportionate tax burden on Village residents for some Town highway services such as brush and weeds and machinery as well as for the cost of superintendents.
- Taking a shared services approach limits the long-term potential for providing more efficient and effective services.
 - ◆ **Shared Services** – CGR found there are relatively few services that the municipalities can share on a “stand-alone” basis (i.e., through shared service agreements) and none would generate significant cost savings. As the chart below shows, CGR estimated that a shared clerk/finance function between all three governments could save less than \$30,000 annually, while a combined Town of Albion and Town of Gaines justice court would yield less than \$10,000 savings annually.

Opting for shared services, rather than consolidation limits the potential to provide more efficient, effective service over the long term.

Potential Savings Through Shared Services

Service Area	Albion Village & Town	All 3 Municipalities
Streets/Highway	\$144,042	\$229,429
Water	\$37,093	\$68,218
Clerk/Finance	\$28,950*	\$28,950*
Justice Courts	\$0	\$9,900*
	\$210,085	\$336,497

⁹ Therefore, excluding costs for any water- or sewer-related duties

**Items marked with an asterisk could be achieved on a stand-alone basis (i.e., through a shared services agreement) while other potential savings are interdependent (i.e., linked to having shared services in more than one area)*

It is possible to save more by consolidating in areas where there are significant expenditures (e.g., streets/highways) but not without also restructuring other “interdependent” services (e.g., water and sewer) because the same personnel are involved in providing all of these services. Interdependent services of this nature are complex to structure and could not be achieved simply through a shared service agreement.

- ◆ **Consolidation** – The state is currently offering incentives to municipalities – in the form of more state unrestricted aid (Aid and Incentives to Municipalities or AIM) – if they consolidate governments. These incentives do not apply for shared services. For options involving dissolution/consolidation, the AIM incentives are the basis for ongoing funding streams.

KEY FINDINGS

This report includes many findings, but the most important are highlighted below:

If the Village and Town of Albion consolidate, overall taxpayer savings will be at least 18%, and if all three municipalities consolidate, overall taxpayer savings will be at least 22%.

Consolidation Cost Savings – CGR estimates that if the Village of Albion merges with the Town of Albion, taxpayers should save at least \$535,000 (an 18% property tax reduction). If the Town of Gaines also consolidated with them, taxpayer savings should be at least \$736,000 (a 22% property tax reduction). CGR determined these overall taxpayer cost savings based primarily on 2007 fiscal year data for the Village and Towns and the following:

- ◆ Cost savings due to efficiencies¹⁰
- ◆ New revenue due to AIM incentives from the state
- ◆ Loss of Gross Utilities Tax revenues (which occurs as a result of dissolving a Village)¹¹

These savings estimates were intentionally conservative. For example, no savings were projected from eliminating duplicate boards and legal

¹⁰ \$210,000 for the Town and Village of Albion (about 7% of a combined tax levy of \$2.9 million), and \$336,000 for the three municipalities (about 10% of a combined tax levy of \$3.4 million). For details on efficiency savings, see *Appendix A*.

¹¹ Village Gross Utilities Tax = \$113,726 in fiscal year 2007

services because it was assumed that these savings would be offset by the additional funding needed to pay staff for taking on additional responsibilities (e.g., one superintendent instead of two overseeing streets and highways, the possible need to have a new administrator).¹²

- **Village Police** – In New York State, a village police force is impacted when a village is dissolved and consolidated with a town. As part of the study, CGR discussed various police coverage alternatives with the Committee. These alternatives include a) having the police provide coverage to a consolidated community; b) conducting a separate study to examine other options for the future, such as having the Sheriff provide coverage in the current Village; or c) requesting approval from the State Legislature for a special police district for the current Village, which would hold services and taxes harmless for everyone. The outcome of these discussions was for CGR to assume a special police district when computing tax and cost implications for a recommended option.
- **Portion of the Village in Gaines** – When discussing viable consolidation options for the future with the Committee, CGR outlined what might happen with the portion of the Village that is located in the Town of Gaines if the Committee ultimately recommended consolidating just the Village and Town of Albion. CGR believes it makes sense to keep the Village whole, for purposes of managing services that are currently designed to serve the entire Village, such as sewer and police. Carving out a portion of the Village would change service needs and requirements. To keep the Village whole, CGR assumed that if the Village dissolved, the Town of Albion likely would annex the Gaines portion of the Village. At the public presentation in October 2008, CGR noted one way to offset the Town of Gaines loss of Town-wide tax levy collected from Village taxpayers¹³ could be an inter-municipal agreement to share Village and Town of Albion consolidation cost savings in a way that Gaines could be held harmless.

It is, however, possible that the Gaines portion of the Village could remain in the Town of Gaines. Determining the details of either approach would be part of a dissolution planning process that would lead to a public vote (see below, *Implementation Action Steps*).

¹² Per Committee direction to CGR

¹³ In 2007, this amounted to \$93,976, or about 22% of the Gaines Town-wide tax levy

COMMITTEE RECOMMENDATION: PURSUE DISSOLUTION OF THE VILLAGE

Based on the extensive quantitative and qualitative information gathered during the study, the Committee voted on December 15, 2008, to recommend pursuing dissolving the Village. At the time this report was written, the Village of Albion Board of Trustees was studying the issue. The Town of Gaines Board was awaiting the Village's decision. The Albion Town Board had unanimously endorsed the Committee's recommendation

Below, CGR provides answers to two key questions we were asked either during the study or by Committee members preparing to discuss in detail with elected leaders the Committee's recommendation. The answers are based on experiences in other communities that have studied consolidation. However, they are not definitive answers since many of the answers would ultimately be addressed by a dissolution plan committee, which would be formed if the Village chooses to move forward with a dissolution process.

Question: What happens to debt and fund balances when a village dissolves and consolidates with a town?

- *Answer:* Existing debt incurred by a community's taxpayers would be paid off by those taxpayers after consolidation. Fund balances could be used to pay off debt or for other capital needs based on agreements by the affected parties. Thus, current Village debt would be paid off by current Village taxpayers, and would not transfer to anyone in the Towns outside the Village.

Question: What is the impact on tax rates assuming no new AIM money from the state for dissolution/consolidation?

- *Answer:* Recognizing the huge fiscal difficulties confronting New York State, Committee members decided the prudent thing to do was to look at cost savings and tax shifts under dissolution and consolidation independent of state AIM incentives.¹⁴ The committee asked CGR: What would the impact of dissolution and consolidation be if we ignored the impact of AIM incentives, and didn't assume they would be available to the consolidated community?

On the following pages, CGR provides two tables to answer this question. Table 1 shows tax rates under the current government structure, with the

¹⁴ The Town and Village of Albion are slated to receive a total of about \$93,000 in 2008-09 in AIM funding from the state, but with projected AIM incentive money that amount could jump to about \$532,000 in the first year of consolidation, under current and proposed state budgets, with future annual percentage increases based on the higher total.

final lines showing what Village taxpayers living in each Town currently pay per \$1,000 taxable assessed valuation. Table 2 shows projected tax rates for the same year under a consolidated model for the Village and Town of Albion, based on current assumptions discussed by the Committee and CGR.

TABLE 1

2008 Tax Rates With Current Government Structure		
Municipality	Fund	Tax Rate*
Town of Albion	General Townwide (A Fund)	\$2.01
Town of Albion	Hwy Townwide (DA Fund)	\$1.18
Tax Rate for All Town Residents		\$3.19
Town of Albion	General TOV (B Fund)*	\$0.00
Town of Albion	Hwy TOV (DB Fund)	\$1.49
Tax Rate for TOV Residents		\$1.49
Town of Albion		
Town of Albion	General Townwide (A Fund)	\$2.66
Town of Albion	Hwy Townwide (DA Fund)	\$1.52
Tax Rate for All Town Residents		\$4.19
Town of Albion	General TOV (B Fund)	\$0.35
Town of Albion	Hwy TOV (DB Fund)	\$0.67
Tax Rate for TOV Residents		\$1.03
Town of Albion		
Village of Albion	General (A Fund)	\$15.18
TOTAL Paid by Village Taxpayers in Town of Albion	Village + Townwide Rate	\$18.37
TOTAL Paid by Village Taxpayers in Town of Albion	Village + Townwide Rate	\$19.37

NOTE: The table below is included only to project potential tax rates for a consolidated Village and Town of Albion without factoring in any new revenues from state consolidation incentives. Actual tax rates would not be known until after (or if) a detailed dissolution plan, describing what will actually happen in a consolidated entity, is developed. Further, these assumptions and rates would have to be recalculated if the portion of the Village which is in Gaines ultimately stays within the Town of Gaines.

TABLE 2

Projected Tax Rates* for Town and Village of Albion Combined			
Assumes No New AIM & Includes Loss of Gross Utilities Tax			
	Albion (T)	Albion (V)**	TOTAL
2008 General Tax Levy (Townwide for A, G)	\$396,083	\$2,183,242	\$2,579,325
2008 Highway Townwide Tax Levy	\$231,225	\$0	\$231,225
2008 TOV General Tax Levy	\$0	\$0	\$0
2008 TOV Highway Tax Levy	\$116,450	\$0	\$116,450
TOTAL 2008 Levy			\$2,927,000
Minus Total Consolidation Savings (w/o new AIM)			\$210,000
Plus Loss of Gross Utilities Receipts Tax		\$113,726	\$113,726
Minus Village Street Lighting (becomes special dist.)		\$67,500	\$67,500
Minus Village Street Cleaning (becomes special dist.)***		\$38,835	\$38,835
New Consolidated Entity Tax Levy			\$2,724,391
2007 Taxable Assessed Valuation	\$196,665,986	included in town	\$196,665,986
New Consolidated Entity Tax Rate			\$13.85
Minus Village Police Expenses (becomes special district)		\$822,682	\$822,682
Minus Village Debt Service (stays with former Village residents)		\$129,835	\$129,835
Tax levy for former Albion TOV residents			\$1,771,874
Tax rate for former Albion TOV residents			\$9.01
Village Police Spec. Dist Tax Rate			\$5.72
Village Street Lighting Spec. Dist. Tax Rate		\$67,500	\$0.47
Village Street Cleaning Spec. Dist. Tax Rate		\$38,835	\$0.27
Village Debt Service Tax Rate			\$0.90
Village Total Tax rate (Town rate plus Police & Debt Service)			\$16.37

*Tax rates are per \$1000 of Taxable Assessed Valuation

**Figures from 2008-09 Adopted Budget

***Normally would pull out sidewalk expenses as well, but Village had none in 08-09 FY

IMPLEMENTATION ACTION STEPS

To implement the Committee's recommended option, the following steps would need to occur.

1. The Village board takes action to initiate the Village dissolution process.¹⁵
2. The Village board appoints a committee to prepare a dissolution plan. The study committee must include at least two representatives from the Town of Albion who reside outside the Village. Because part of the Village is in the Town of Gaines, the study committee must also include at least two representatives from Gaines who reside outside the Village boundaries.
3. The plan must address the disposition of the property of the Village; payment of outstanding obligations and the levy and collection of the necessary taxes and assessments; the transfer or elimination of public employees; any agreements entered into with the Towns in order to carry out the plan for dissolution; whether any local laws, ordinances or rules and regulations of the Village in effect on the date of the dissolution of the Village shall remain in effect for a period of time other than as provided by state law; the continuation of Village functions or services by the Town(s); a fiscal analysis of the effect of dissolution on the Village and the area of the Towns outside the Village; and any other matters desirable or necessary to carry out the dissolution (e.g., such as how fire protection will be provided).
4. After a Village board adopts a dissolution plan, the board constructs a proposition, which contains the question of dissolution to be put before Village voters.
5. The plan and proposition must be published in the official newspaper, and both the study committee and the Village board must each hold at least one public hearing.
6. At a regular or special election, voters in the Village vote on the proposition and plan.
7. If the plan calls for the Town of Albion to annex the portion of the Village in the Town of Gaines, the annexation could not occur

¹⁵ New York law also allows for the dissolution process to be initiated by petition of Village residents.

without the consent of the people in the territory to be annexed and the consent of the governing boards of both Towns.

8. If the proposition and plan to dissolve is approved by a majority vote, the Village would formally dissolve December 31 of the year following the election. The period between the vote and the actual dissolution would allow for an orderly transition to the consolidated entity.

CONCLUSION

The Consolidation Study Grant Committee concluded there are many reasons to consider dissolving the Village, thereby reducing the number of governments from three to two. The Committee's recommendation was not a vote to dissolve, but a recommendation that steps be taken by elected leaders to develop a plan to present to the public, which can then vote on whether or not to dissolve the Village.

APPENDIX A: CURRENT MUNICIPAL SERVICE DELIVERY AND FUTURE SERVICE SHARING OPTIONS

**How the Village of Albion, Town of Albion and the Village of Gaines
Currently Provide Municipal Services
and
Potential Service Sharing Options for the Future**

*Including Services Provided, Personnel, Resources,
Revenues, Costs and Summary of Key Findings*

Prepared for the Consolidation Study Grant Committee

September 3, 2008

**This document was prepared with funds provided by the New York State Department of
State under the Shared Municipal Services Incentive Grant Program.**

This report covers 6 areas:

1. Streets and Public Facilities3

2. Water and Sewer.....9

3. Police and Fire.....16

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5. General Government (elected leaders, clerks, justice courts, assessment, other)..20

6. Planning, Zoning and Code Enforcement.....24

Notes on Fiscal Year 2007 financial data in the report:

- Financial information is based primarily on 2007 information (calendar year for the Towns, and the year ended May 31, 2007 for the Village) reported to the NYS Office of the State Comptroller (OSC).
- Additional information was provided by the Village and both Towns.
- Some fiscal information for the Towns, including actual employee benefits costs for 2007, was provided by the Towns’ fiscal consultant (St. John & Baldwin).
- For the Village, employee benefit costs are Village estimates, except for water, which is actual data provided by the Village, and for sewer, which is per OSC reporting.
- Additional data also provided by others interviewed by CGR for this study.

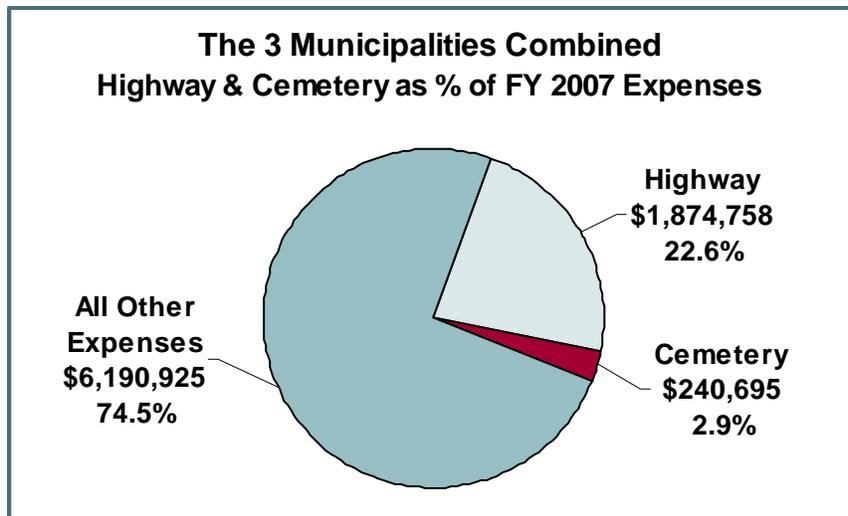
Area 1: Streets and Public Facilities

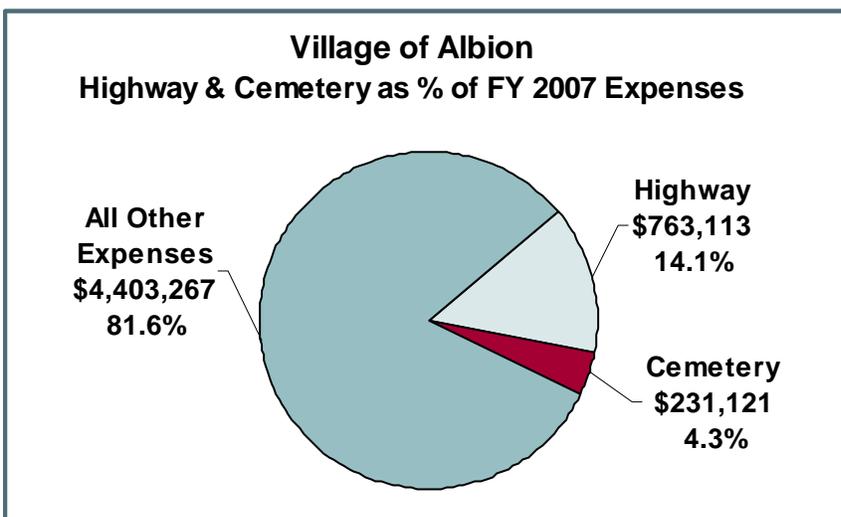
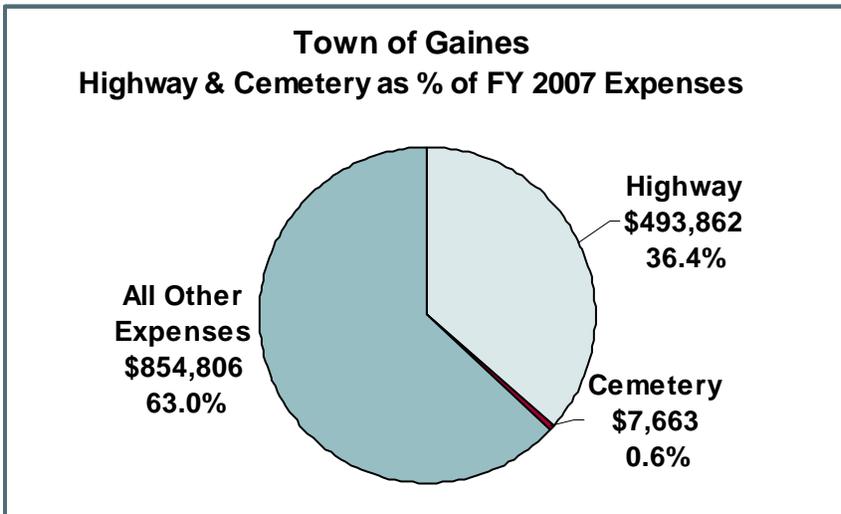
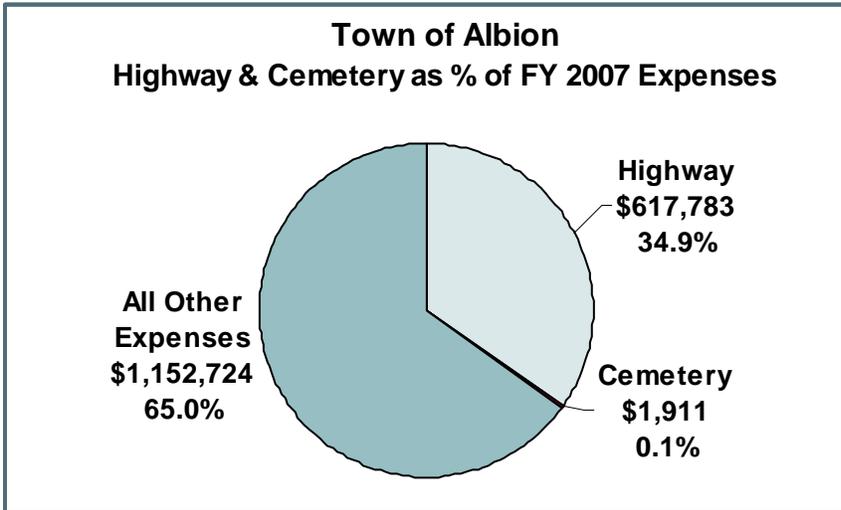
Note: Includes Village DPW and Mt Albion Cemetery and both Town Highway Departments, but not information or data for water or sewer services provided by these departments.

Key Findings:

1. To maintain 124.5 miles of roads, one large cemetery and a number of small ones, 10 buildings, municipal equipment, including major fire apparatus and Village police vehicles, involves 39 major pieces of equipment and a total of 33 individuals, including:
 - 3 DPW/highway superintendents
 - 17 other fulltime DPW/highway staff (some also work in water/sewer area)
 - 7 part-time DPW/highway seasonal workers
 - 1 part-time cleaner in Village DPW
 - 1 cemetery superintendent
 - 1 other fulltime staff member at Mt. Albion Cemetery
 - 4 part-time seasonal workers at Mt. Albion Cemetery

2. If all costs, including benefits, are factored in, the 3 governments spent more than \$2.1 million on this area, or about 25% of all expenditures for the Village and both Towns, making this an important area to focus on for reducing costs and/or improving efficiency.





3. Just to maintain cemeteries, excluding benefit costs for personnel, the 3 governments spent about \$192,000, with 95% spent by the Village. Adding in the Village's estimated benefits costs (\$34,000), the cemeteries are costing more than \$226,000 to maintain. Cemetery-related revenues to offset this cost were less than half this total (\$100,200).
4. Costs for Highway/DPW superintendents are levied as Town-wide expenses by both Albion (T) and Gaines, thus, Village residents are, in effect, paying for 3 superintendents. The total cost, excluding benefits, is about \$122,000. However, based on information provided to CGR, with benefits included, the cost is more than \$188,800.
5. The only Highway Department personnel and contractual expenditures that aren't billed Townwide in the Towns are those related to street maintenance. As a result, there can be a disproportionate tax burden on Village residents for some Town highway services. Examples: costs for brush and weeds and machinery.
6. At the end of 2007, the Town of Albion had a very healthy highway fund balance of nearly \$495,000, and the Town of Gaines a strong balance of more than \$280,000. Projections for 12/31/08 show no outstanding highway debts for either the Village or Town of Albion, and only one outstanding debt (\$21,600 for a truck) for the Town of Gaines.
 - Albion (T) fund balance = \$291,540 (Townwide) + \$203,297 (TOV) = \$494,837
(Note: planned purchase of dump truck for \$170,000 in 2008 will reduce fund total).
 - Gaines fund balance = \$230,258 (Townwide) + \$51,224 (TOV) = \$281,482.

What Are the Opportunities to Reduce Costs and/or Increase Efficiency?

OPTION A: Town of Albion contracts with the Village to provide Highway/Cemetery Services (inter-municipal agreement)

Background Information:

- Nearly 79% of the population of the Village resides in the Town of Albion, per 2006 Census estimates.
- 4/5 of the Village's nearly 3 square miles of land are in the Town of Albion.
- 78.5 road miles combined (Village's 37.7 miles = nearly half of total)
- Cemetery personnel services (excluding benefits) for Town = \$1,900; for the Village = \$149,857

Streets and Public Facilities

	Village DPW	Village Cemetery	Albion (T) Highway Dept	Gaines Highway Dept	Total
Major services provided					
Road miles - plow, sand, mow	37.66		40.88	46	124.54
Cemeteries maintain		1 large (18,000 graves)	4 small	outsource mowing all 7 (3 acres)	
Number buildings maintain	7		1	2	10
Other land maintained (e.g., parks)	39 acres		land at Town hall/garage	land at Town hall & garage	
Personnel					
Fulltime superintendent	1	1	1	1	4
Fulltime staff	12	1	3	2	18
Part-time (i.e., seasonal, (V) cleaner)	4	4	2	2	12
Major equipment -- # of pieces					0
10 wheeler truck	1		3	3	7
6 wheeler truck	3		1		4
4 ton dump truck			1		1
2 ton truck				1	1
1 ton dump truck	3	1			4
Mowing tractor			1	1	2
Lawn tractor		2			2
Compact tractor		1			1
Loader	1		1	1	3
Backhoe	2		1	1	4
Pickup truck	3	1	1	2	7
Service vehicle	3				3
2-ton dump trailer		1			
Total pieces of equipment					39

NOTES

Services Provided:

Albion (T) maintains 16.55 miles, and Gaines 25 miles, for Orleans County
 Albion (T) offices and garage are combined in a single building
 Village buildings maintained: water plant, sewer plant, DPW, Village office, fire hall, visitor center, cemetery building
 Village maintains all vehicles and major equipment owned by the Fire Dept. or Village (e.g, 9 fire apparatus, 5 police cars)

Personnel:

Fulltime DPW/Highway personnel handle water (and in the Village, also sewer) line distribution/maintenance issues

Major equipment:

Some equipment is also used for water and in the case of the Village, also sewer, distribution and maintenance needs
 Village and both Towns also own their plows used for snow removal and each has own salt shed

Potential Cost Savings

- Total staffing now = 27 individuals – 3 superintendents, 16 staff members, 7 seasonal employees and 1 PT cleaner
- Potential efficiency gains with larger staff could eliminate a minimum of 1 superintendent and 1 MEO (including winter overtime)
 - Cost savings and tax rate reduction per \$1,000 of equalized taxable valuation would be as follows:
 - Town superintendent position/benefits eliminated = \$75, 810
 - Tax impact is Townwide = \$.38 per \$1,000
 - 1 Town MEO position, OT, and benefits eliminated = \$68,232
 - Tax impact (assumes impact is fully Townwide) = \$.35 per \$1,000

Total Cost Reduction for Albion (T) = \$144,042 with tax savings Townwide of \$.73 per \$1,000

Additional Potential Savings Over Time - Likely due to eliminating some pieces of equipment (for example, are 3 backhoes needed? 2 loaders? 4 pickup trucks?)

OPTION B: Gaines also contracts with the Village to provide Highway/Cemetery Services (inter-municipal agreement)

What currently exists:

- Town of Gaines
 - 1 FT Superintendent (unless there is a water break or water district lines to install, most time is on highways)
 - 2 FT staff (spend bulk of their time on highways or fix machinery, and spend time on water as needed; minimal time on cemeteries)
 - 2 PT seasonal workers
 - Maintain 46 miles of road, including 25 miles for the County
 - 9 major pieces of equipment

Potential Cost Savings:

- Town superintendent position/benefits eliminated = \$60,447

- Tax impact is Townwide = \$.58 per \$1,000
- Eliminate position/benefits of primary PT laborer = \$17,277
 - Tax impact (assumes impact is Townwide) = \$.17 per \$1,000
- Eliminate superintendent and outside mowing costs for cemeteries = \$7,663
 - Tax impact (assumes impact is Townwide) = \$.07 per \$1,000

Total Cost Reduction for Gaines = \$85,387 with tax savings Townwide of \$.82 per \$1,000

Total Minimum Cost Savings if Option A + Option B = \$229,429

Additional Potential Savings Over Time - Likely due to eliminating some pieces of equipment

CGR Observations/Recommendations:

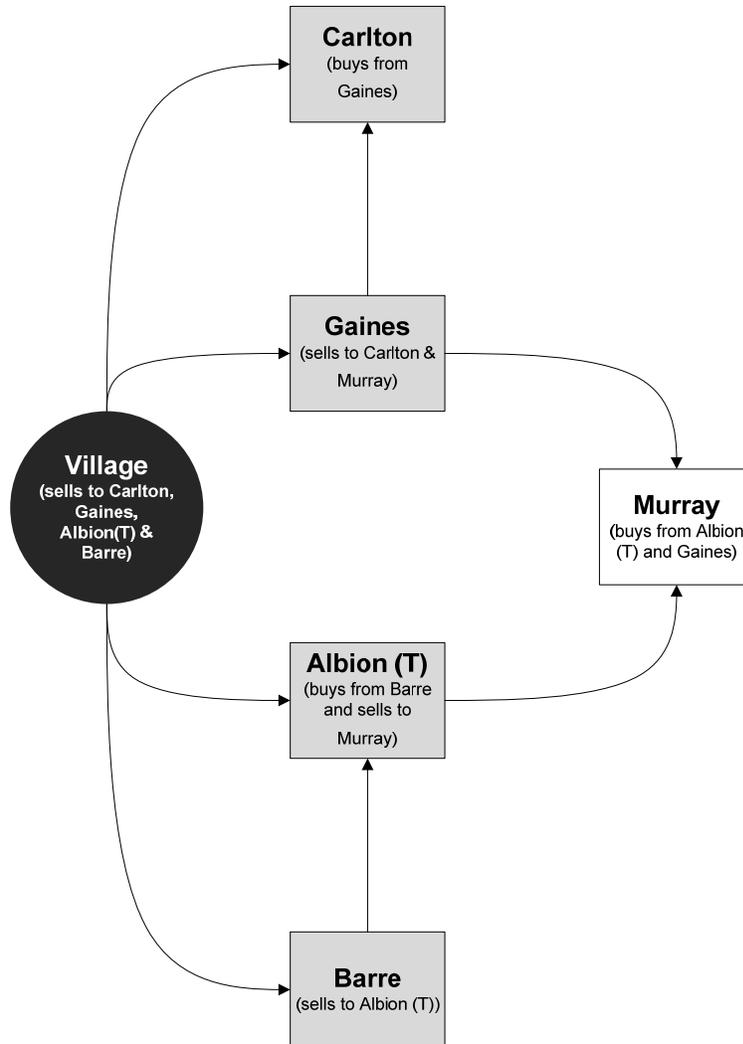
1. None of the 3 municipalities track where staff members spend their time, and performance reporting is recommended.
2. Village DPW record-keeping is paper-based. Before any services are merged, an electronic records management system is strongly recommended. The Village, in concert with the Towns, could apply for a NYS Archives records grant for this purpose.
3. Service sharing with either or both Towns would result in re-alignment of some duties, which could make it possible for other areas, notably water, to become more efficient.
4. Village DPW and both Town Highway staff are represented by 3 different unions, and all of the current contracts extend into 2010. Changes in duties would likely involve discussion with the unions.
5. Future facility needs depend upon choices made over time re: staffing and equipment.
6. Towns highways superintendents are elected. To drop position requires a public referendum.

Area 2: Water and Sewer (addressed separately)

WATER

The Village of Albion Water System

The Village of Albion is the primary seller, while the Towns of Carlton, Gaines, Albion, and Barre are purchasers and resellers of Village water. The Town of Murray is only a purchaser. "Re-sold" water goes to customers that are not directly served by the Village.



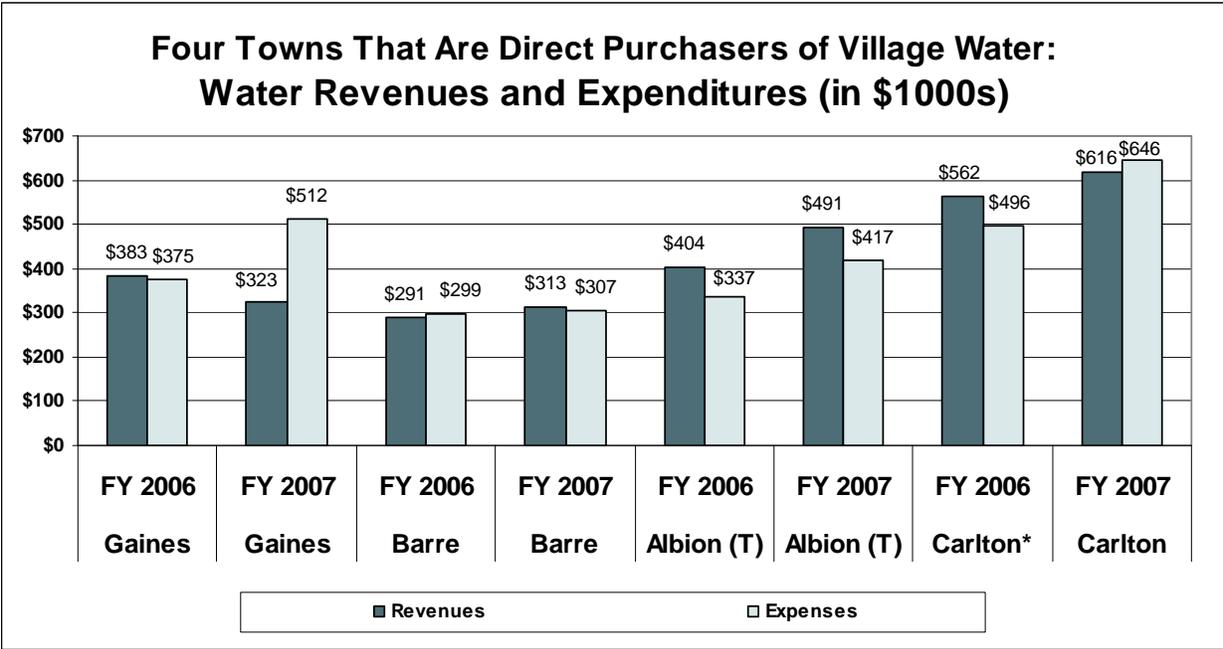
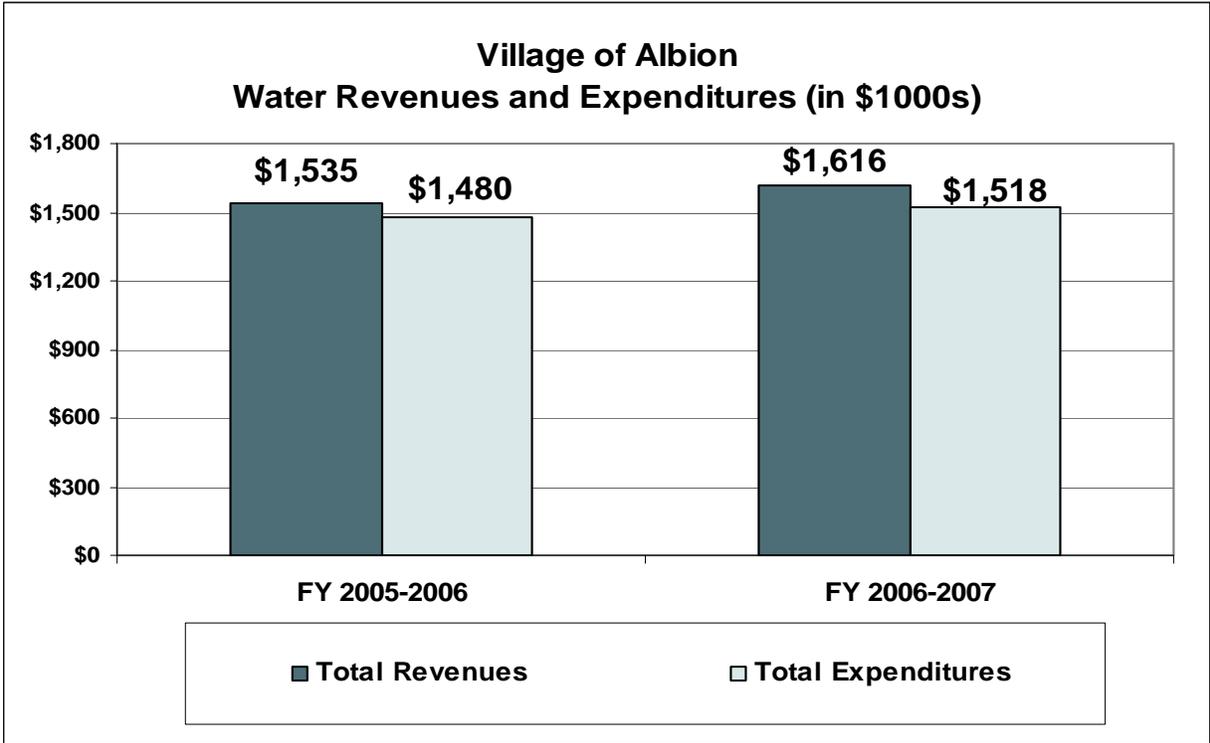
Notes

- 1) Reasons for reselling Village water instead of direct public purchase: a) proximity; b) flow of water (e.g. fresher water); and c) water pressure needs
- 2) Village water is used exclusively in all towns except Murray, which also uses water from the Monroe County Water Authority and the Village of Holley.

Key Findings:

1. The Village of Albion water system should be viewed as a regional asset, rather than as 6 separate systems.
2. It is a \$3.5 million operation. (based on 2007 revenues systemwide).
3. It is essentially a break-even operation (e.g., \$3.6 million in expenditures in fiscal year 2007).
4. Other system highlights:
 - a. 32 water districts
 - b. 210 miles of water lines
 - c. 39 individuals involved in the water system, with 10 budgeted fulltime
 - d. 7 managers (1 for each Town in the system and 2 in the Village)
 - e. 5,500 invoices (3,400 combined from Village, Albion (T) and Gaines) billed quarterly.
 - f. 6 separate billing operations (and at least 4 different billing systems) and some towns have outsourced some bookkeeping
 - g. The rate structure across the system is complex (i.e., 20 rates, with some overlap).
 - h. Water treatment plant built in 1962, and has had one major renovation in 1994 (\$1 million). Future capital needs are unknown.
 - i. Cost to develop a capital improvement plan for Village only = \$24,950 (Chatfield Engineers, November 2007)
 - j. Fund balances across the system total about \$1.1 million, with roughly half the total in the Town of Albion.
 - k. Water debt across the system is nearly \$6.6 million. Majority of debt is for Town water districts, and district debt is repaid by users over time.
 - i. Remainder of debt (\$1.65 million) = outstanding balance the Village is paying off for work on the water treatment plant and a water tank and for Rt. 98 & 31 water-related expenses

Overview of Water Revenues, Expenditures & Fund Balances for the Village and Towns of Albion and Gaines, in Context with other Towns in the System¹



¹ Excluding Murray, which has 3 water sources

Water Fund Balances at End of Most Recent Fiscal Years		
For Municipalities Only Using Albion Water		
	FY 2006	FY 2007
Albion (V)	\$117,000	\$135,864
Gaines	\$191,861	\$213,939
Barre	\$33,331	\$46,128
Albion (T)	\$434,626	\$508,790
Carlton	\$248,741	\$218,749
TOTAL	\$1,025,559	\$1,123,470

Note: Unaudited report for the Village for the fiscal year ended 5-31-2008 shows Village water fund balance at about \$55,000.

What Opportunity Exists to Reduce Costs and/or Increase Efficiency?

Note: as part of this study CGR met with representative of all of the Towns involved in the system, gathered extensive data, and provided the Albion system's recently formed "Water Committee" with its first-ever comprehensive system report. The committee is in the very early stages of discussing report findings. Regardless of the outcome of the discussions, CGR recommends the following opportunity be considered by the Village and both Towns.

OPTION: Gaines and Albion (T) contract with the Village to provide water services currently provided by their Highway Departments. (inter-municipal agreement)

Potential Cost Savings:

- Actual personnel costs, including benefits, for the Village encompass the water treatment plant, DPW, and the clerk function.
 - Total personnel costs for the Village in fiscal year 2007 = \$773,032, including nearly \$211,000 for benefits.
- Towns personnel costs for water that could be saved, including benefits:
 - Water administration:
 - Albion (T) = \$17,036
 - Gaines = \$ 17,863
 - Transmission/distribution/maintenance:
 - Albion (T) = \$13,070
 - Gaines = \$.00
 - Clerks:
 - Albion (T) = \$6,987
 - Gaines = \$13,262

Cost savings Albion (T) = \$37,093, or tax savings in TOV of \$.47 per \$1,000.

Cost savings for Gaines = \$31,125, or tax savings TOV of \$.38 per \$1,000.

Note: the tax savings would be apportioned to specific water districts, thus tax savings above are only shown as a general guideline of the impact on the communities.

CGR Observations/Recommendations:

1. If one or both options previously described for Streets and Public Facilities are adopted, there is great potential for increasing efficiency in the water area for costs related to transmission/distribution/maintenance by having a designated DPW crew serving the Village and both Towns.
2. The Village and both towns have or will soon install “radio read” systems for water meter reading, reducing what has been a multiple-day process each quarter to a few hours.
3. The Village’s radio read system includes “leak detection” capability, which will eliminate a 2-week process with one that takes about 30 minutes. The Village estimates there is potential to save \$100,000/year in unaccounted water.
4. There is great potential for streamlining and improving the water billing process, and reducing overall costs involved with sending out 3,400 quarterly invoices. Based on the way water billing is budgeted, there are now 8 individuals involved on a PT basis, plus some bookkeeping is outsourced. Considering the importance of water revenues, it is wise to consider consolidated billing with concentrated oversight of the billing process.
5. An electronic record keeping system needs to be put in place in Village DPW if service sharing is to occur. The current paper-based system would be inadequate.
6. A rate study for the water system is strongly recommended.
7. To prepare for future needs, a study to develop a capital improvement plan is recommended.

SEWER

System consists of: 24 miles of pipe; 625 manholes; 5 lift stations; Pollution Control Plant (“treatment plant”). Village sewer staff = 3.5 FTE at treatment plant and 3.6 FTE in DPW.

Sewer Rates, Users, Debt and 2007 Fund Balance				
Location	Rate per 1,000 gal. water usage	Users	Debt**	"07 fund balance
Village	\$2.86	2,209	\$1.39 million	\$664,617
Albion (T)*	\$3.75	48	\$515,000	\$31,295
Correctional facility*	\$3.75	2 prisons	NA	NA
*Village provides service				
** Village – with balance on interest debt = more than \$1.5M, and debt is to be fully retired in April 2022.				

Key finding - there are 6 significant issues:

- Village is at 91% of capacity:
 - Capacity: \$2.3 million gallons per day
 - Average per day: \$2.1 million gallons
- Village has been under a state DEC consent order since November 2003 because can't handle peak flows – results in discharge of raw sewage into Sandy Creek
 - Bypass occurrences* (discharge of raw sewage): 2005 (24); 2006 (22); 2007 (6); 2008 (Jan-June) (4). Occurrence is length of time problem exists (i.e., a 3-day rain = 1 occurrence).
 - Total amount bypassed treatment plant in 3.5 years = 56.55 million gallons:
 - 2005 – 20.25 million gallons
 - 2006 – 21.97 million gallons
 - 2007 – 11.34 million gallons
 - 2008 – 2.99 million gallons

Notes: a) recent improvement due to aggressive wet weather plan; b) there are several places other than the Village impacted by discharge before it reaches Lake Ontario – portions of the Towns of Gaines, Murray and Kendall.
- Village has not made sewer system an urgent priority. Sewer capacity could be increased if Village could successfully deal with problems due to infiltration and inflow problems (“i and i”) linked to issues such as cracks in sewer lines, illegal connections or floor drains to sanitary, broken or cracked manholes, open pipe joints, etc.

- Problems are in both the private and public system - work to identify problems done by Village DPW and Chatfield Engineers (engineering firm reports completed May 2006)
 - Addressing homeowner violations (such as illegal connections) requires focused effort by code enforcement officer, and code enforcement area in the Village has been hampered by turnover and poor record keeping. Yet, getting homeowners to solve their own i and i problems will require, as one trustee put it , “some arm twisting” by the code enforcement officer.
 - Addressing public issues in sewer system requires major investment of money and more study (see below).
- 4. The “i and i” problems result in a continuing cost to Village sewer users. The 2006 ballpark estimate by Chatfield Engineers: to get the additional flow to the treatment plant and treat it = \$636.50/day, or \$232,322 a year.
- 5. The sewer system has an aging infrastructure and for decades repair had been only on “as needed” basis
 - Treatment Plant will be 30 years old in January 2009 and without structural improvements would reach its useful life in 8-13 years
 - Structural integrity of tanks has deteriorated over time – no engineering design yet authorized to address the identified problems.
 - Process and electrical equipment needs have not yet been evaluated.
 - Rest of the system built over the past 100 years, with much of it dating to the 1930s – and there is a need to address not only immediate critical problems, but other rehab needs over next 10 years.
- 6. Costs just for initial, critically needed work are high – \$5.1 million to repair cracked tanks and bowed walls at the plant and fix the most severe problems with the collection system.
 - Village is applying for grants/loans but amounts that might be available (and loan rate) are not yet known. (Note: if not get any monies, Village will bond the full \$5.1 million in 2009.)
 - Some capital needs at the plant still need to be evaluated and estimates developed.
 - Continuing, annual on-going replacement of sewer line in poor condition, over multi-year period, needs to be budgeted for and will be expensive.

CGR Observation:

- Sewer is Village-only service. There is no potential savings via service sharing.

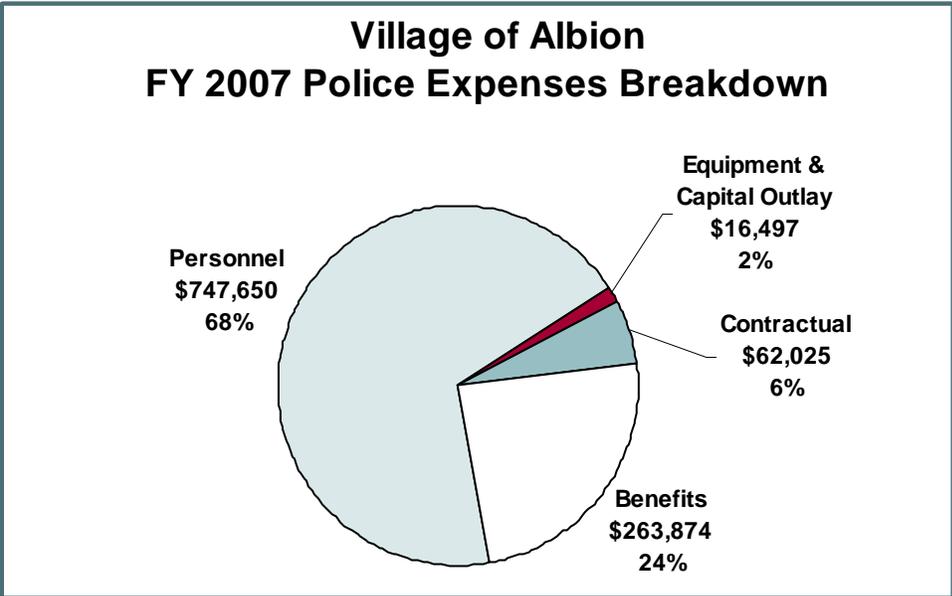
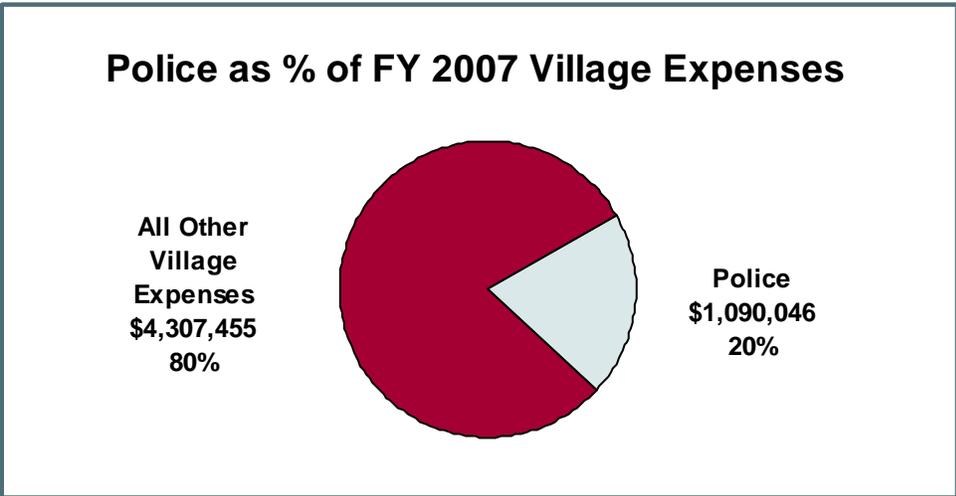
Area 3: Police and Fire (addressed separately)

POLICE

- Village-only function; both Towns served by County Sheriff and NYS Police
- 12 FT staff = Chief, 3 sergeants (one does clerical), 8 officers (one assigned to Orleans County Drug Task Force - partial County reimbursement began 1/1/08)
- 1 PT crossing guard
- Coverage is 24/7, with 2 officers on all 3 shifts (6 am – 2 pm; 2-10 pm; 10 pm. – 6 am); no staffing study done in past 17 years
- Total police calls (average for 2005-2007) = 5,888, with top 10 types of calls as follows:
 - 11% - vehicle related
 - 9% - disturbance
 - 5% (each) - larceny, bank escort, juvenile complaint
 - 4% (each) - assistance, harassment
 - 3% (each) - noise, accidents, aid
- Vehicles = 4 + Chief's car; and also have foot patrol with officers each walking 1 hour per shift; have 2 officers trained for bike patrol
- Dispatch is by Orleans County 911 (+ average 4-5 walk-ins a day)
- An officer position, including benefits = approximately \$72,000, per Chief
- Orleans County Sheriff has 23 officers, per Chief

Key Findings

- Police is a key expense driver in the Village – 20% of total Village expenses
- Revenues to offset cost = police fees (\$268 in FY 2007)



Note: Police retirement (\$114,511) = actual; other benefit costs based on Village estimates

Potential Cost Savings is Unknown:

- Since the County is not part of this study, CGR could not assess what cost savings could be achieved if a different police model existed in the Village
- Separate study could be undertaken to examine options for the future, which could range from status quo to Sheriff providing partial or full coverage.
 - Two full consolidation models to explore: a) Village contracts with Sheriff and pays County for specified level of law enforcement or b) Village PD is dissolved and Sheriff is responsible for law enforcement in the Village. Either option requires vote.

FIRE

The all-volunteer Albion Fire Department (FD), which has an emergency rescue arm, is a Village department. The fire district's boundaries are the same as for the Towns of Albion and Gaines. The FD does not transport for EMS but works closely with the not-for-profit Central Orleans Volunteer Ambulance. When COVA's crew, which answers about 1,800 EMS calls annually, is out on a call and another alarm (or alarms) comes in, the FD is "toned out" to respond.

Both Towns contract with the Village for fire services, contribute to the department's operating budget, and along with the Village pay the cost of fire insurance. Dispatch is by Orleans County 911. The Village owns all fire apparatus except for the EMS vehicle owned by the department and the Chief's command vehicle, and also owns the fire hall and pays for any major or structural problems to the building.

The FD serves a population of 12,420 residents (2006 Census estimate) living in a 60 square mile area. FD has 9 key pieces of apparatus.

Key Findings:

1. There are no consolidation issues to address with the FD, since it already jointly funded.
2. The concerns about the FD are about future staffing and the viability of the all-volunteer model, and thus the potential for added costs for fire services, which will impact the Village and both Towns.
3. The operating budget for the FD has been essentially flat for the 7-year period ending May 31, 2008, and ranged between about \$65,000 and \$79,000.² Typically the department's own fundraising efforts bring in about \$8,000 - \$10,000 a year additional.

² The information below was added to the final report by CGR, to provide more detail on the fire department budget. In fiscal year 2007, the three municipalities spent \$179,302 for fire-related expenses, not including insurance costs and the Village's payments toward a bond for a recently purchased fire truck. Of this total, \$84,422 was provided by the Town of Albion, \$27,776 by the Town of Gaines and \$67,104 by the Village of Albion. The \$179,302 went to department operating expenses, plus fire gear, hoses, pagers, radios, repairs on equipment, batteries, building maintenance, cleaning supplies, electricity, fire police supplies, EMS supplies, gasoline, physicals, schools, training, telephone/pager, etc. Any work that needs to be done on fire vehicles is done by the Village mechanic in the Department of Public Works with the cost covered separately by the Village. As of 12-31-08 the Village owed \$485,901 for the recently purchased fire truck. Fire insurance costs are paid by the state. In 2007, the state sent the following amounts to the municipalities to cover the cost of fire insurance. Both Towns sent the amount they received to the Village, which wrote one check to cover the \$13,486.55 cost of fire insurance for the year.

Village of Albion	\$ 8,938.48
Town of Albion	\$ 3,081.99
Town of Gaines	\$ 1,466.08
<i>Total</i>	<i>\$13,486.55</i>

4. CGR interviews and analysis of available data indicate:

- The number of fire alarm calls has not changed since at least 2001, and 250 fire calls a year is typical.
- Over the same years, EMS alarm calls more than tripled, from 107 in 2001 to 354 for calendar year 2007.
- The total number of alarms in 2007 was 670, when the limited number of calls for motor vehicle accidents and mutual aid are factored in. Alarm calls in the first half of 2008 are following the same trend line (339 total alarms, Jan. - June).
- Staffing problems have been a concern for the FD for about 2 years. There is growing concern that the department may not be able to field a crew in an emergency. Of the volunteers on the roster (77 in 2007 and 76 in the first half of 2008), CGR found:
 - There is a dedicated core of 15-18 people on whom the community is largely depending. In 2007, there were 18 volunteers who responded to 68 or more fire alarms, and 15 of these same individuals were among the top 18 responders for EMS (those responding to 65 or more EMS alarms); 11 of them are among the top responders for MVAs (those responding to 27 alarms and up), and 17 of them among the most frequent responders for mutual aid calls (those responding to 5 or more alarms).
 - A similar pattern is emerging this year. For first half 2008, 12 of these same individuals are among 14 who responded to 100 or more alarms of any type.
 - At the other end of the spectrum, in 2007, 42 of the 77 volunteers responded to fewer than 10% of calls of any type, and 14 of the 42 responded to as few as 0 to 5 calls.
 - There is growing concern that there are not enough drivers who can show up for alarm calls. CGR analysis of 2007 data provided by the FD shows:
 - There were 29 individuals who drove for any type of alarm in 2007. Of this group, 7 were among those who responded to more than 30% of the year's calls; 4 among those responding to 20% - 30% of calls, 9 among those responding to 10%-20% of calls, and 9 who responded to fewer than 10% of calls.
 - Another growing concern is what the Fire Chief calls substandard staffing. Data provided by the FD shows that between January and May 2008 there were a total of:
 - 140 EMS calls, and more than 1/3 (50 calls) "had 1 medic or less."
 - 135 fire calls, and 14 had "substandard crews," which means that the piece of apparatus responded with "with less than the minimum number of trained staff pursuant to the recognized standards."

- When either COVA or the Albion FD needs backup, the Medina FD will provide mutual aid. However, Medina and Albion are 10 minutes apart – an important factor in an emergency.
- COVA said its own biggest concern currently is a shortage of paramedics.

CGR Observations/Recommendations:

1. Based on the available information, CGR can make no judgment about what costs the community might incur to begin moving to a partially paid FD staff.
2. We strongly recommend the community begin now to develop a coordinated plan to address the emerging critical needs of the FD.

Area 4: Recreational Facilities & Services

Key Findings:

- There is no significant potential for cost savings or efficiency gains in this area, since the Village is the only municipality offering recreational services.
 - FY 2007 Expenses = \$39,000 and Revenues = \$1,000
- Albion (T) has one ball field and Gaines has no parks

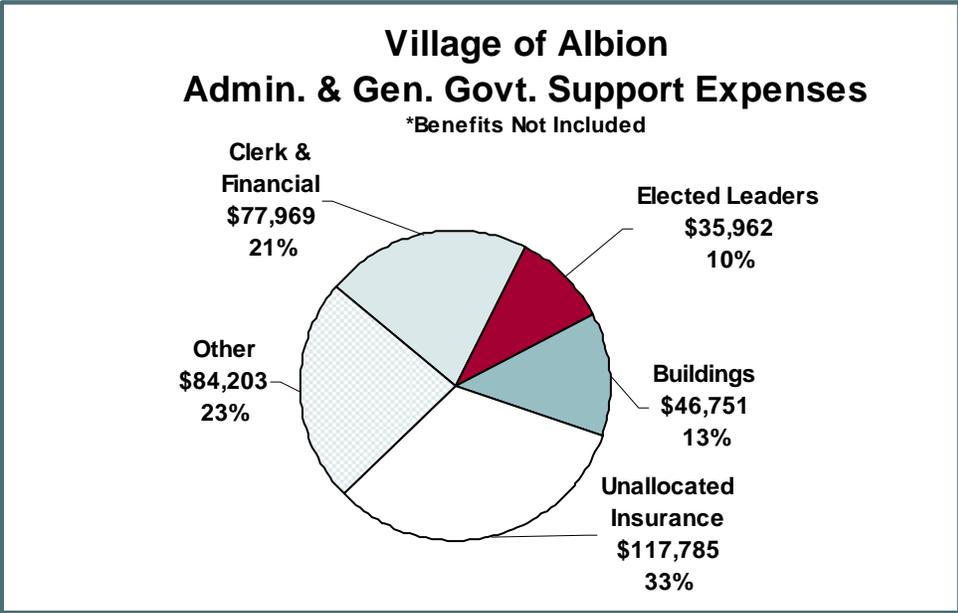
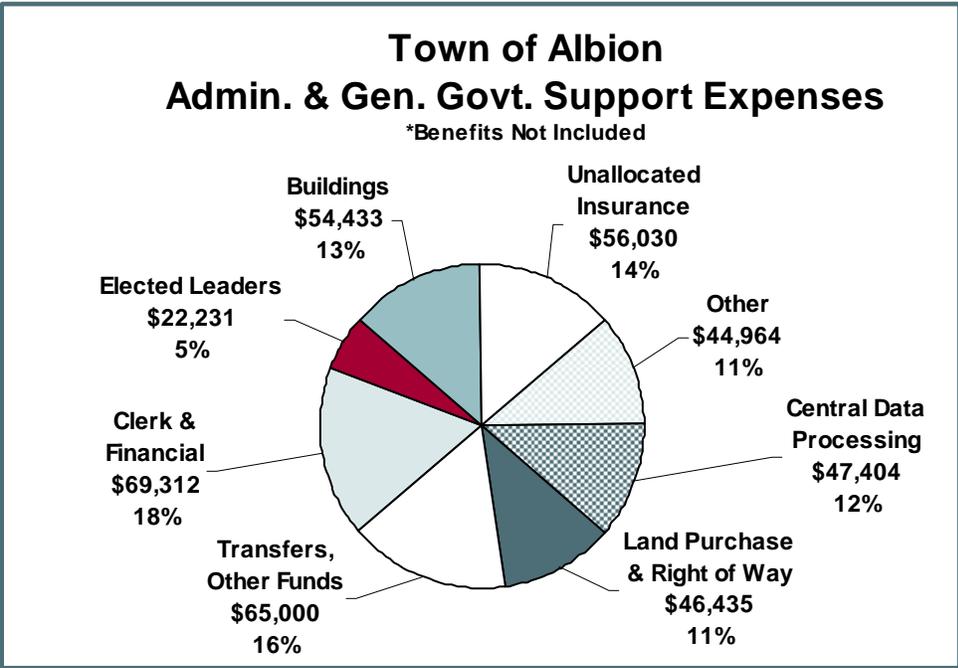
Area 5: General Government (excluding courts, which are addressed separately under this area)

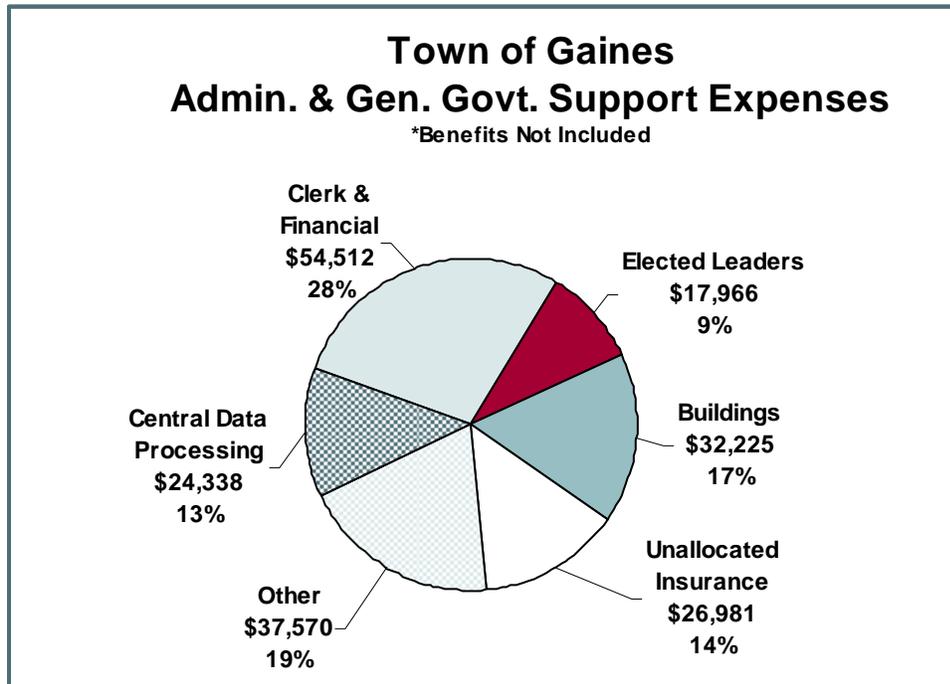
Key Finding:

The primary area to examine for cost savings is the clerk/finance function. Total costs for this function, excluding benefits, combined = nearly \$202,000, and there are 9 staff members plus contract personnel (e.g., audits, bookkeeping) involved.

- Breakdown of employed staff:
 - Village – 4 FT (clerk/treasurer, deputy clerk/treasurer, 2 office clerks)
 - Albion (T) – 1 PT clerk, 1 PT water clerk/deputy clerk
 - Gaines – 1 FT clerk, 1 PT water clerk/deputy clerk, 1 “as needed” deputy clerk

Breakdown of Expenses for FY 2007





What Opportunity Exists to Reduce Costs and/or Increase Efficiency?

OPTION: Albion (T) contracts with the Village to provide clerk services, by appointing the Village clerk/treasurer as its Town clerk

Potential Cost Savings:

- 2 small offices limits options for eliminating duplication
- Combining offices would enable the elimination of 1 FT clerk in the Town of Albion, leaving a combined office of 4 FT + 1 PT staff
 - Cost of FT Town clerk, including benefits = \$28,950

Total Cost Reduction for Albion (T) = \$28,950 with tax savings Townwide of \$.15 per \$1,000

CGR Observations:

1. Excluding interfund transfers, Albion (T) administrative & government support expenses total \$339,000, and all but \$6,000 is budgeted Townwide (exceptions: registrar of vital statistics and library contractual expenses).
2. Gains equivalent total is \$194,000, and all but \$5,700 is budgeted Townwide (same exceptions).
3. Having an appointed, rather than an elected Town Clerk would require a public referendum. (Note: 40 New York towns have appointed clerks.)

JUSTICE COURTS

Background Information:

- In 2007, per OSC data, the Albion (T) Court ranked #450 out of 1,252 town and village justice courts in NYS relative to money raised in court.
 - Average annual revenues, 2005-2007 = \$79,075 (local, county and state shared)
 - FY 2007 Town revenue share = \$39,908, of which \$2,220 paid to Village for parking tickets in the Village, curfew violations, code enforcement violations. There is no Village Court.
- Town of Gaines court ranked #703.
 - Average annual revenues, 2005-2007 = \$48,918 (local, county and state shared)
 - FY 007 Town revenue share = \$17,361
- Expenses incurred by Towns during FY 2007 (excluding benefit costs, but including contractual expenses):
 - Albion (T) = \$88,245 – (2 judges, 1 FT clerk)
 - Gaines = \$10,365 – (1 judge – a PT clerk joined staff in 2008)
- Total personnel and benefits costs for Town-paid justices and clerks FY 2007:
 - Albion (T) = \$89,270
 - Gaines = \$14,935
- Over past 3 years, an average of 86% of cases started each year were related to vehicle traffic and penal laws in the Albion (T) Court. Comparable data was unavailable from Gaines Town Court

Potential Cost Savings

- NYS law allows for 2 adjoining towns to have one town court, with two justices (with concurrent jurisdiction over matters in both towns) and a court clerk for each town. There are 2 Orleans County towns (Shelby and Ridgeway) which consolidated into a single court facility in the Town of Shelby.
- Gaines and Albion (T) could follow the same model. Since Albion (T) is the more active court, it would logically be the site of any consolidated court.

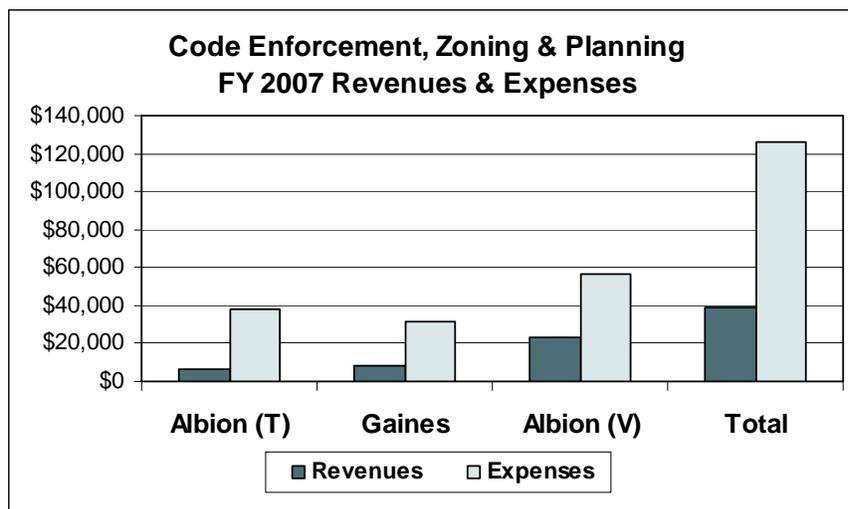
Potential savings = approximately \$9,900 Townwide in Gaines = to a tax savings of \$.09 per \$1,000.

CGR Observations/Recommendations:

1. The real benefit of this opportunity is efficiency, since there is no significant cost savings.
2. Gaines justice is retiring 12/08 after 43 years in the position and the Town wants to assess its court situation before making a commitment to any change in its current structure.

Area 6: Planning/Zoning and Code Enforcement

Code Enforcement, Planning and Zoning Overview FY 2007			
	Village	Albion (T)	Gaines
Code enforcement officer (CEO)	1 FT	1 PT	1PT
CEO wage and benefits total		\$26,474	\$13,666
Code enforcement personnel services (benefits NA)	\$42,098		
CEO admin wage and benefits total		\$1,446	\$1,244
Number permits during year	Unknown	58	60
Zoning Bd pay (salary or payment by meeting)			
Annual combined for all members		\$1,600	
Pay for each member	\$20/mtg		\$25/mtg
Zoning Board meetings	infrequent	rare	rare
Planning Bd pay (salary or payment by meeting)			
Annual combined for all members	\$2,600	\$3,400	
Pay for each member			\$25/mtg
Planning Board meetings	monthly	monthly	monthly
Note: Albion(T) CEO also received additional \$5,000 for duties a former staff member had been doing.			



Key findings:

1. The Village has undergone significant staff turnover in the past 2 years in its code enforcement function, and the current CEO, who has only been on the job a few months, is dealing with serious issues. For example, the CEO does not have information available that can readily tell him:
 - When businesses in the Village were last inspected
 - How many rental properties there are in the Village, and when they were last inspected
 - How many files are still open from previous years
 - How many permits there were in 2007
 - What the status is on remediation of code violations in homes and businesses that have received letters because they are not in conformance with sanitary sewer codes (e.g., illegal connections).
2. One town (Albion) is interested in sharing services with the Village. Gaines is predominantly interested in exploring a countywide consolidated code enforcement function, which is beyond the scope of this study.

CGR Observations/Recommendations

1. Provide the CEO with paid administrative support to get a handle on “what exists” and to start an electronic filing system that includes inspection notes, dates of inspections, etc.
2. Any assessment by CGR of the potential cost savings of shared services in code enforcement between the Village and Albion (T) would be premature, since 2007 expenditures for the Village do not provide an accurate guide to what the function should cost.
3. Shared services, likely beginning no earlier than 2009, could lead to a more efficient and professional code enforcement function for both the Village and Town. Once that is established, Gaines may be more interested in sharing services in this area.

APPENDIX B: FUND BALANCES 2000-2007

Fund Balances for the Town and Village of Albion and Town of Gaines		
	Fund / Purpose	Fund Balance (FY 2007)
Town of Albion	General	\$408,662
	Highway	\$494,837
	Water Districts	\$508,790
	Fire District	\$190
	Sewer Districts	\$31,295
	TOTAL	\$1,443,774
	TOTAL excluding districts	\$903,499
Village of Albion	General	\$1,102,695
	Community Development	\$24,748
	Water (Village-wide)	\$135,864
	Sewer (Village-wide)	\$664,617
	TOTAL	\$1,927,924
Town of Gaines	General	\$409,015
	Highway	\$281,482
	Water Districts	\$213,939
	TOTAL	\$904,436
	TOTAL excluding districts	\$690,497
<i>*Excluding Capital Projects (H) Fund</i>		

APPENDIX C: OUTSTANDING DEBTS As of 12-31-08

Outstanding Debt as of 12-31-08		
	Fund / Purpose	Outstanding Principal
Town of Albion	Water Districts	\$2,532,050
	Sewer Districts	\$515,000
	TOTAL	\$3,047,050
	TOTAL excluding district debt*	\$0
Village of Albion	General	\$835,901
	Water (Village-wide)	\$1,465,000
	Sewer (Village-wide)	\$1,390,000
	TOTAL	\$3,690,901
Town of Gaines	General	\$125,000
	Highway	\$21,600
	Water Districts	\$582,956
	TOTAL	\$729,556
	TOTAL excluding district debt*	\$146,600
*Water and sewer district debt is only levied on the users in specific districts.		
**Water and sewer costs are not restricted to districts, but are virtually village-wide.		

APPENDIX D: THE VILLAGE OF ALBION WATER SYSTEM

This Appendix includes water-related information on all six municipalities that are served by the Village system. Specific personnel costs were provided separately to the Study Committee.

The Village of Albion Water System

Overview of What Exists

Prepared for the Water Committee Representing the Village of Albion and Towns of
Albion, Gaines, Barre, Carlton and Murray

August 14, 2008 (with updates as of Oct. 23, 2008)

*This document was prepared with funds provided by the New York State Department of State
under the Shared Municipal Services Incentive Grant Program.*

Objective:

Think about this system as a regional asset, instead of six separate systems.

System Overview

1) Water Treatment Plant

- a. Built in 1962, with one major renovation in 1994 (\$1 million)
- b. Owned and operated by the Village of Albion
- c. Some water treatment plant facilities are on Village land, some on town land and some components involve more than one entity. Examples:
 - i. Water plant: owned by the Village, located in Carlton
 - ii. Water tank: owned by the Village, located in Gaines
 - iii. Facilities in Barre: Village leases property from Barre and owns the tank but Barre owns the booster station and pump.

2) Capacity Overview

- a. Capacity: 2.5 million gallons - Village has variance to go to 3 million gallons
- b. Average use: 1.55 million gallons/day
- c. Peak use: 2.1 million gallons
- d. Percent Unaccounted/Unbilled Water is 11.92% in the Village, and ranges from 4% - 30% in the towns

3) Water Distribution (see graph)

- a. Village sells water directly to 4 towns: (Carlton, Gaines, Albion, Barre) and all towns except Carlton re-sell water to one or more towns in the system and maintain their own “retail” operations.
- b. Murray doesn’t directly buy from the Village, but purchases water resold by Albion Town and Gaines and also operates own retail system.
- c. Village primary customers, based % purchased in FY 2007: Village (39%); Gaines (28%); prisons (15%); Barre (14%); Carlton (2%); Albion Town (1%); Lakeside State Park (<1%).
- d. All Village water purchasers exclusively use Village water except Murray. Murray gets 44% from Village; 49% from Monroe County Water Authority, 7% from Village of Holley (based on FY 2007).
- e. Towns are responsible for distribution and maintenance within their own boundaries. Distribution/maintenance is overseen by 6 managers, whose primary responsibility is highways.
- f. 210 total miles of water lines in the system (main and distribution)
- g. 32 water districts
 - i. Village – 100% of properties have water service available now
 - ii. Towns: Albion (90%) of properties have water service available; Gaines (80%); Barre (10%); Carlton (50%); Murray (80%)
 - iii. Not all with service available are customers
 - iv. Different mix of customers in the 6 entities (e.g., homes, farms, businesses, prisons, state park)

Financial Overview (based on fiscal years 2006 and 2007 & apportioning Murray at 44%)

4) Total Water System Revenues

- a. 2006: \$3,355,469
- b. 2007: \$3,549,398

5) Total System Expenditures

- c. 2006: \$4,005,017
- d. 2007: \$3,623,269

- e. With system managed by 6 entities,
 - i. 2006: \$650,000 deficit systemwide
 - ii. 2007: \$74,000 deficit systemwide
- 6) Key points for the system participants based on 2006 and 2007 data (see charts)
 - a. Village had small excess of revenues over expenditures both years
 - b. Gaines had a major deficit in 2007 (revenues of \$323K , expenses of \$512K)
 - c. Only 1 town had more revenues than expenses both years – Town of Albion
- 7) Principal Debt outstanding (based on information received to date)
 - a. 2006: BANS = \$1.5 M; Serial Bonds = \$6M
 - b. 2007: BANS (unknown); Serial Bonds = \$6.25M
- 8) Fund Balances: \$1M (2006) and \$1.1M (2007)

Personnel Overview (based on past 2 years, includes contracted services)

- 10) 39 staff members work in the water system, 10 are budgeted fulltime to water
- 11) Seven managers in the system (includes 2 in the Village)
- 12) Systemwide – personnel expenses account for about 25% of total expenditures
 - a. For the Village, both years, personnel expenses are about 50% of all water expenses (with other major components: water plant 20% and debt 18%)
 - b. For Towns, in 2007, personnel expenses were about 10% of all water expenses (with other major components, in order: water purchases, debt, and transmission & distribution).

The Billing Process

- 13) About 5,500 invoices are sent during each quarter of the year – six separate billing operations, and some towns have outsourced some bookkeeping
- 14) Different rate structure – (rate sheet will show 20 rates – there is some overlap, but overall structure is complex)
- 15) 3 different quarterly billing cycles in the system
- 16) At least 4 different billing systems used

17) 3 types of customer meters in use

18) 4 entities have, or are installing, radio read systems – 2 do not have such systems

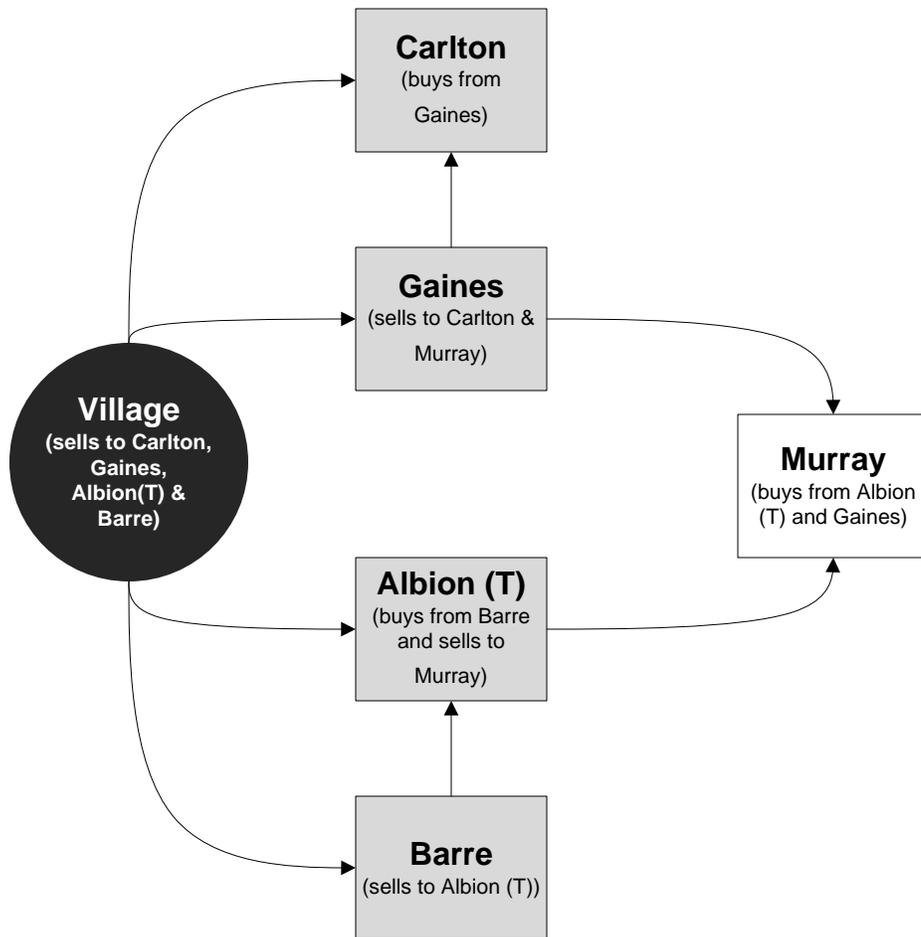
Other Information in Packet: (e.g., equipment used in the system, water grant requests pending, meter installation and maintenance information)

Summary

- See summary charts (e.g., expenses by type, revenues by type)
- Capital needs in the future for the system, but needs are unknown
 - Preparation of a capital improvement plan for the Water Treatment Plant, 2 Booster Pump Stations, 2 Water Storage tanks and the town of Barre tank, the Village's transmission line, and the Village (inside) distribution system = \$24,950 (Chatfield Engineers, November 2007)
- Next Step: Committee discussion of how to proceed

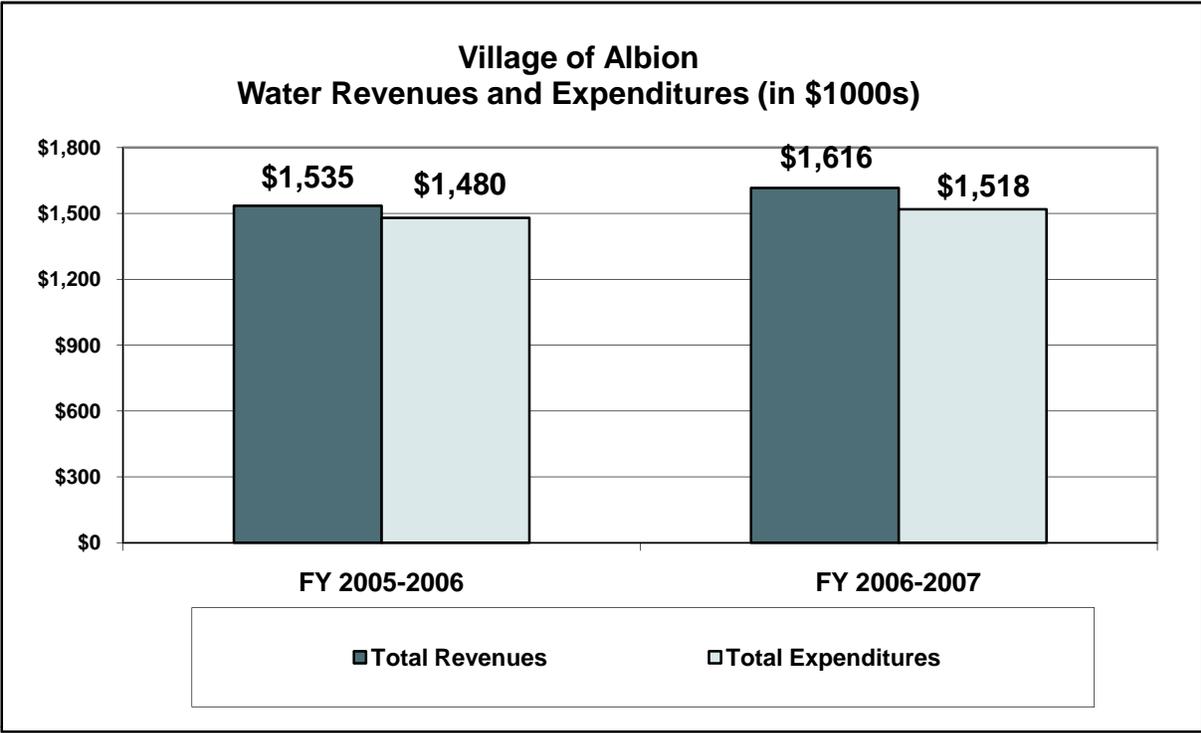
The Village of Albion Water System

The Village of Albion is the primary seller, while the Towns of Carlton, Gaines, Albion, and Barre are purchasers and resellers of Village water. The Town of Murray is only a purchaser. "Re-sold" water goes to customers that are not directly served by the Village.



Notes

- 1) Reasons for reselling Village water instead of direct public purchase: a) proximity; b) flow of water (e.g. fresher water); and c) water pressure needs
- 2) Village water is used exclusively in all towns except Murray, which also uses water from the Monroe County Water Authority and the Village of Holley.

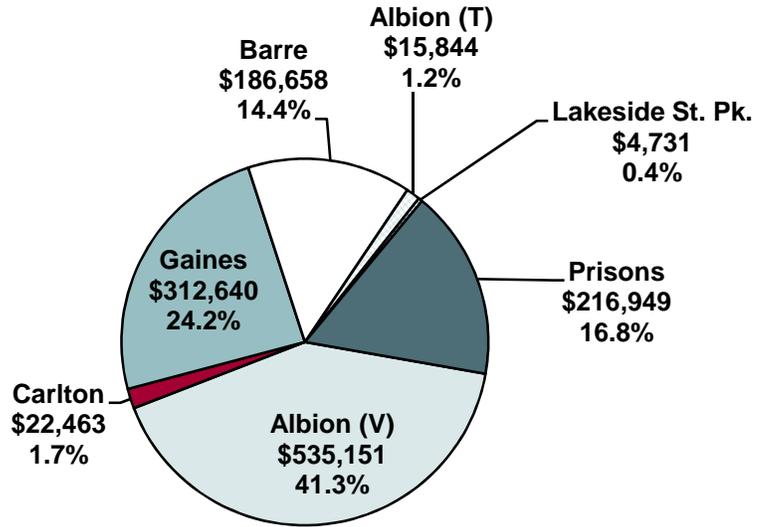


Note

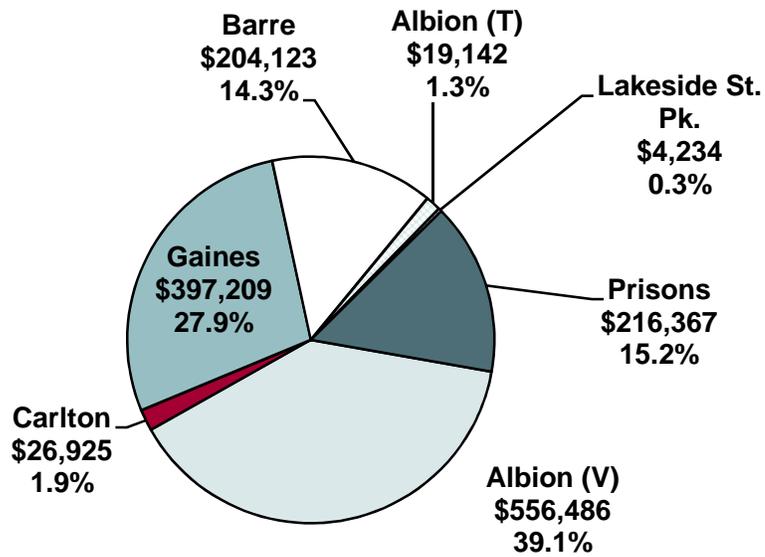
Despite a \$17,500 drop in metered water sales year-over-year, Village water stayed in the black in 2006-07 largely because of new charges on Village residents:

- 1) Quarterly meter rents doubled from \$2.50 to \$5, generating about \$22,300 year-over-year.
- 2) New quarterly administrative charge fee of \$5 instituted, along with new charge for turning off water, which resulted in about a \$66,775 increase year-over-year.

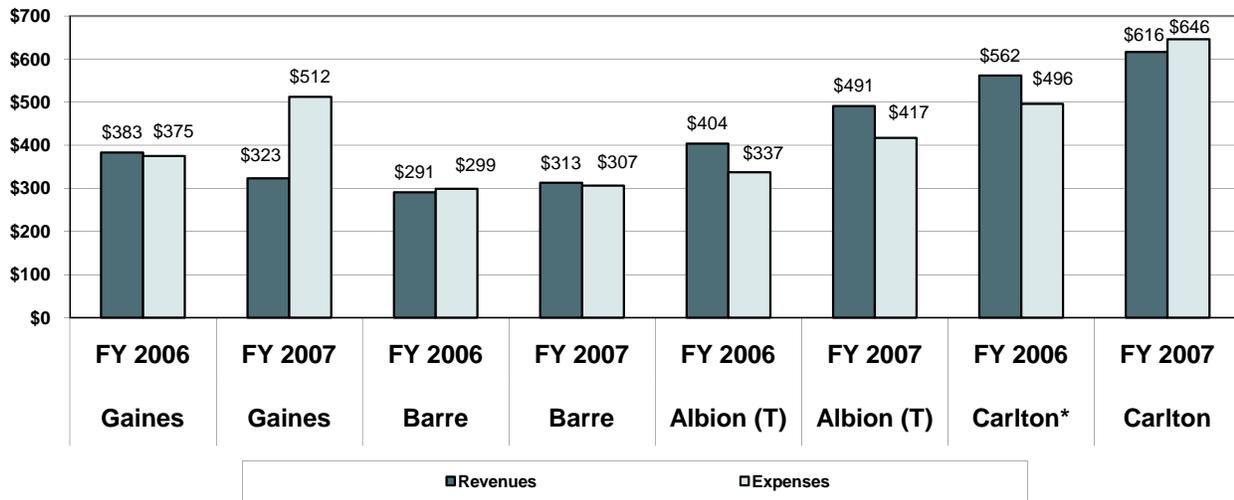
Village of Albion Customer Revenues FY 2005-2006



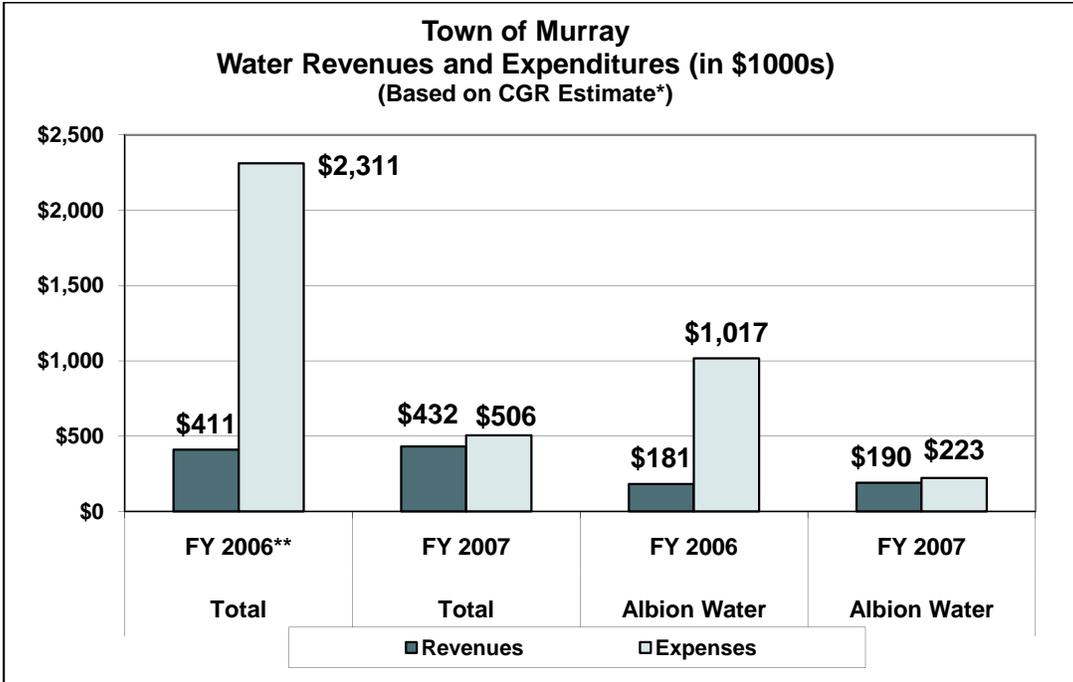
Village of Albion Customer Revenues FY 2006-2007



Four Towns That Are Direct Purchasers of Village Water: Water Revenues and Expenditures (in \$1000s)



Note
*Carlton is the only one of the four towns that is not reselling village water to another town.



Notes

*The Town of Murray receives water from the Village of Albion, the Monroe County Water Authority and the Village of Holley. **Only 44% of Murray's revenues and expenses are estimated by CGR to be related to the Village of Albion water system.**

**In 2006, expenses exceeded revenues by \$1.9 million, due to debt related to a new water district. Without that debt, the water operation was about \$2,300 in the red.

Total Revenues & Expenses by Municipality				
	FY 2006¹		FY 2007¹	
	Revenue	Expense	Revenue	Expense
Albion (V)	\$1,535,238	\$1,480,246	\$1,615,516	\$1,518,428
Gaines	\$383,117	\$375,006	\$323,429	\$512,475
Barre	\$290,585	\$299,081	\$312,987	\$306,569
Albion (T)	\$404,087	\$337,262	\$491,087	\$416,883
Carlton	\$561,692	\$496,370	\$616,251	\$646,243
Murray²	\$180,750	\$1,017,052	\$190,128	\$222,671
TOTAL	\$3,355,469	\$4,005,017	\$3,549,398	\$3,623,269

Notes
¹ The Village of Albion's fiscal year begins on 06/01 and ends on 05/31.
¹ The Town of Murray receives water from the Village of Albion, the Monroe County Water Authority and the Village of Holley. CGR estimates that only 44% of the Town's revenues are related to the Albion water system. Thus, the Towns' charts include only 44% of Murray's total revenues.

New and Outstanding FY 2006* Debts for Water (Based on Data Provided to CGR as of 8/08)				
	BANS: New Debt Issued	Serial Bonds: New Debt Issued	BANS: Principal Debt Outstanding	Serial Bonds: Principal Debt Outstanding
Albion (V)	\$0	\$0	\$0	\$1,840,000
Gaines	\$0	\$0	\$0	\$350,100
Barre	\$0	\$0	\$0	\$864,500
Albion (T)	\$0	\$0	\$960,790	\$2,086,400
Carlton				\$1,279,050
Murray				
TOTAL	\$0	\$0	\$960,790	\$6,420,050

*The Village of Albion's fiscal year is 06/01/05 - 05/31/06.

New and Outstanding FY 2007* Debts for Water (Based on Data Provided to CGR as of 8/08)				
	BANS: New Debt Issued	Serial Bonds: New Debt Issued	BANS: Principal Debt Outstanding	Serial Bonds: Principal Debt Outstanding
Albion (V)	\$0	\$0	\$0	\$1,655,000
Gaines	\$124,400	\$0	\$124,400	\$341,100
Barre	\$0	\$0	\$0	\$805,500
Albion (T)	\$0	\$357,500		\$2,588,300
Carlton				\$1,202,000
Murray				
TOTAL	\$124,400	\$357,500	\$124,400	\$6,591,900

*The Village of Albion's fiscal year is 06/01/06 - 05/31/07.

Fund Balances at End of Fiscal Year (For Municipalities Only Using Albion Water) ¹		
	FY 2006	FY 2007
Albion (V) ²	\$117,000	\$135,864
Gaines	\$191,861	\$213,939
Barre	\$33,331	\$46,128
Albion (T)	\$434,626	\$508,790
Carlton	\$248,741	\$218,749
TOTAL	\$1,025,559	\$1,123,470

¹The Town of Murray receives water from the Village of Albion, the Monroe County Water Authority and the Village of Holley. Fund balances vary by district and are not included here.

²The Village of Albion's fiscal year begins on 06/01 and ends on 05/31.

Total Number of Municipal Personnel Currently Working in Water System						
Municipality	Total # Employees	Budgeted 100% to Water	50%-80% to Water	30%-40% to water	15%-25% to Water	<10% to water
Albion (V)	15	8	2	5		
Gaines	3		1*	2		
Barre	8				2*	6
Albion (T)	4			1	3	
Carlton	4	2		1	1	
Murray**	5				2	3
TOTAL	39	10	3	9	8	9

* Includes 1 employee who is part-time employee

**The Seven Managers in the System & %
of Their Time Budgeted to Water**

Managers	Budgeted Time
Village Chief Operator - Water Plant	100%
Village Highway/Water Supt.	30%
Gaines Highway/Water Supt.	40%
Barre Highway Supt.	5%
Albion (T) Highway/Water Supt.	40%
Carlton Hwy. Supt.	27%
Murray Hwy Supt.	25%

Total Water System Customer Invoices Sent Quarterly - FY 2007						
Municipality	Residential¹	Commercial	Other Towns²	Prison²	State Park²	Totals
Village	2213	66	26	6	2	2313
Gaines ³	616		2			618
Barre	281		1			282
Albion (T)	508		2			510
Carlton	1360					1360
Murray ⁴	367					367
TOTAL	5345	66	31	6	2	5450
<i>Other invoices in quarter (billing by the Village to prisons and towns is monthly)</i>						64
GRAND TOTAL						5514

Notes
¹ Some towns list all customers under residential or do not distinguish between customer types
² Village invoices = number of meters that must be read
³ Gaines customer #s for 2007 not available; number shown is customer base in 2008
⁴ Murray's total billed customer base = 834; number shown is 44% of total

Rates in the Village of Albion Water System							
Seller (location where water used)	Customer Class	Minimum Charge (if any) - Quarterly	Quarterly Admin Fee (if any)	Quarterly Meter Rent ¹	Minimum Gallons	Cost per 1000/Gal Over Minimum	Cost per 1000 Gallons Used
Village (inside)	Residential/Commercial	\$16.04	\$5.00	\$5.00	5,610	\$2.86	
Village (outside)	Residential/Commercial	\$21.04	\$9.00	\$5.00	5,610	\$3.75	
Village (prison) ²	Correctional facility		\$15.00	\$120.00			\$3.75
Village (towns buying direct)	Town			Yes, if Village meter			\$2.86
Village (Lakeside St.Park)	Lakeside State Park			Yes, if Village meter			\$2.86
Gaines (inside)	Residential						\$3.90
Gaines (inside)	Bulk						\$4.00
Gaines (Murray)	Town of Murray						\$2.99
Gaines (Carlton)	Town of Carlton						\$2.86
Gaines (Ridgeway)	Town of Ridgeway ⁴						\$2.99
Barre (inside)	All customer types						\$5.00
Barre (Albion T)	Town of Albion						\$2.86
Albion (T) (inside)	Water customers	\$15.00			500	\$4.25	
Albion (T) (outside)	Dist. #6 customers in Gaines	\$2.86			500	\$2.86	
Albion (T) (Murray)	Town of Murray	\$2.99			500	\$2.99	
Albion (T) (Barre) ³	Town of Barre	\$2.86			500	\$2.86	
Carlton (inside)	Residential	\$18.00			3,000	\$3.90	
Carlton (inside)	Farmers/Irrigation						\$3.80
Murray (inside)	Residential	\$15.00					\$4.00
Murray (inside)	Farmers/irrigation						\$3.50

Notes
¹ Village quarterly meter charges are \$3.60 to \$40 depending on meter size, but typical residential charge is \$5.
² Costs for prison are based on 3 large meters
³ There can be bi-directional flow between Barre and Albion (T)
⁴ Ridgeway purchases water only if needed

Water Billing Systems	
Albion (V)	KVS
Gaines	Business Automation Service Utility Billing Software
Barre	NOS
Albion (T)	NOS
Carlton	Williamson Law Book
Murray	Williamson Law Book

When Water Bills are Sent Out	
Albion (V)	Feb., May, Aug., Nov.; Towns & Corr. Facility billed monthly
Gaines	Jan., Apr., July, Sept.
Barre	Jan., Apr., July, Sept.
Albion (T)	Feb., May, Aug., Nov.
Carlton	March, June, Sept., Dec.
Murray	Jan., Apr., July, Sept.

Meter Reading
1) Village and 5 towns read their own meters.
2) The Village is installing a Datamatic automated meter read system (radio read/leak detection).
3) Towns of Albion has installed, and Gaines and Murray are installing, radio read systems.

Type of Customer Meter Used					
Albion (V)	Gaines	Barre	Albion (T)	Carlton	Murray
Precision & Sensus	Sensus	Sensus	Neptune	Sensus	Sensus

Meter Installation and Maintenance						
	Albion (V)	Gaines	Barre	Albion (T)	Carlton	Murray
Install your meters?	yes	yes	no	no*		yes
Maintain own meters?	yes	yes	yes	yes		yes
* Contractor or plumber installs meters						

Percent Unaccounted/Unbilled Water					
Albion (V)	Gaines	Barre	Albion (T)	Carlton	Murray
11.92%	NA	about 4.5%	6%	about 30%	4%

Number of Water Districts in the System						
Albion (V)	Gaines	Barre	Albion (T)	Carlton	Murray	Total
1	7	4	6	1	13	32

Miles of Water Lines						
Albion (V)*	Gaines	Barre	Albion (T)	Carlton	Murray**	Total
32	40.47	26.41	37.87	50	23.47	210.22
* Village has 19 miles of mains, 13 miles of distribution lines						
**Murray has 39.11 miles. CGR estimates about 60% carry Albion Village water.						

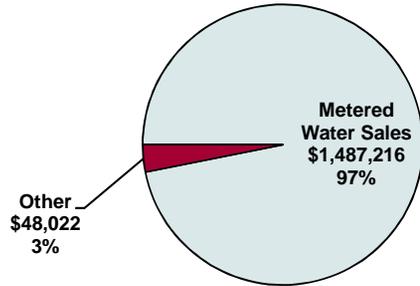
Water Equipment by Municipality				
<i>Description</i>	<i>Owned/Rented?</i>	<i>Year Purchased</i>	<i>% Of Time Used in Water Operations</i>	<i>Other Uses</i>
Albion (V)				
John Deere Backhoe 310	Owned	2000	80	Highway, Sewer
John Deere Loader	Owned	2000	30	Highway, Sewer
International 6 Wheel Dump	Owned	1992	60	Highway, Sewer
Ford 10 Wheel Dump	Owned	1994	40	Highway, Sewer
Ford F250	Owned	2004	30	Highway, Sewer
Ford F250	Owned	2004	100	N/A
Chevy 1 Ton Utility	Owned	1998	100	N/A
Chevy 1 Ton Utility	Owned	1999	30	Highway, Sewer
4" Trash Pump	Owned	2007	60	Highway, Sewer
2" Submersible	Owned	2007	60	Highway, Sewer
6100 Generator	Owned	2007	60	Highway, Sewer
Gaines				
Ford F550	Own	2006	30	Highway
N.H. Backhoe	Own	2005	50	Highway
Pusher	Own (shared with Town of Carlton)	1996	100	N/A
Mud-Sucker Pump	Own	1996	100	N/A
Barre				
Backhoe	Owned	2005	5	Highway, Parks
Water Tools	Owned	1996	100	N/A
Generators	Owned	2000	100	N/A
Pickup Truck	Owned	2008	5	Highway, Parks, Cemetery
Water Department Parts	Owned	1996	100	N/A
Albion (T)				
1991 Case Back=Hoe	Owned	1991	70	Highway
2005 F550 Service Truck	Owned	2007	80	Highway
2006 F550 Dump Truck	Owned	2006	30	Highway
1991 Ditch Witch Pusher	Owned	1991	100	N/A
1992 Stone Trash Pump	Owned	1992	100	N/A
Carlton				
Backhoe	Owned		50%	Highway
Small Excavator	Owned		80%	Highway
Cutoff Saw	Owned		100%	
3" Water Pump	Owned		100%	
Test Pump	Owned		100%	
1 Ton Dump Truck	Owned		100%	
Service Truck	Owned		100%	
Meter Readers (2)	Owned		100%	
Murray				
2003 Dodge Extended Quad Cab	Owned	2003	100%	
1979 Ford Utility	Owned	2001	100%	
2000 New Holland Backhoe	Owned	Not Provided	100%	
2001 Interstate Trailer	Owned	Not Provided	50%	Highway
Coleman Gen-Compressor	Owned	Not Provided	100%	
Hydraulic Hammer/Backhoe	Owned	Not Provided	100%	
Stone Water/Trash Pump	Owned	Not Provided	100%	
Mole Trench Box/Pushing Rods	Owned	Not Provided	100%	
Drilling/Tapping Machine	Owned	Not Provided	100%	
Hydraulic Pump and Hose for Backf	Owned	Not Provided	100%	
Hydraulic Water Valve Wrench	Owned	Not Provided	50% (shared with Clarendon)	50% Clarendon use
Micromax Oxygen Monitor	Owned	Not Provided	100%	
Water Pump	Owned	Not Provided	100%	
Trash Pump	Owned	Not Provided	100%	

Water Service Status -- Village or Townwide, as of 1-1-08	
Albion (V)	100% of properties have water service available and are customers now
Gaines	80% of properties have water service available; 60% are customers
Barre	10% of properties have water service available to them
Albion (T)	90% of properties are tied in; with planned improvements thru 2009, only 17 homes will be w/o service
Carlton	50% of properties have water service, and all with service are connected
Murray	80% of properties are tied into municipal water

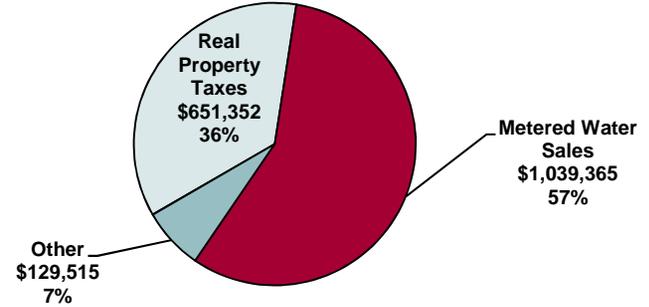
Water Grant Requests Pending or Recently Approved	
Albion (V)	Requested \$60,000 member item for security for Water Plant and Booster Stations
Gaines	Approved by USDA to begin construction of Water District #9 in fall 2008; requested \$35,000 federal member money for WD #8.
Barre	None pending
Albion (T)	Secured for 2008 project: \$136,000 loan & \$309,000 grant; 2009 project: \$278,000 loan & \$582,000 in grants
Carlton	None pending
Murray	Yes, applied for Small Cities grant for water district 15, and a Rural Dev. grant for Water District 16

Planned Capital Improvements in Next Few Years	
Albion (V)	Are installing new leak detection system; a new breakwall along shoreline is planned for construction by Army Corp of Engineers in 2008. (This will be federally funded and cost the village nothing.)
Gaines	Will put in District 8 (serving 24 properties) in 2008, and District 9 (serving 20) in 2009
Barre	Water tank inspection (\$2,200) and possible painting (\$25,000). Discussing new water district, serving 117 parcels, at est. cost of \$1,270,080
Albion (T)	In 2009, will purchase new backhoe for \$80,000 plus complete two improvement areas (i.e., water districts 7 & 8)
Carlton	No firm plans but need to put in new lines, ideally between 2010 and 2012
Murray	Water District 14, a joint project with Gaines, will be constructed in 2008. Have grants pending for two other proposed districts.

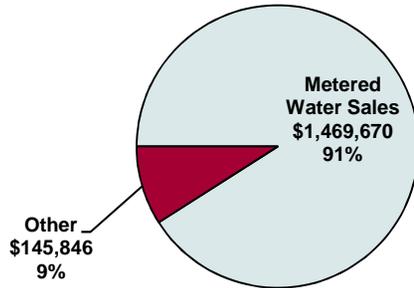
**Breakdown of FY 05-06¹ Water System Revenues:
VILLAGE**



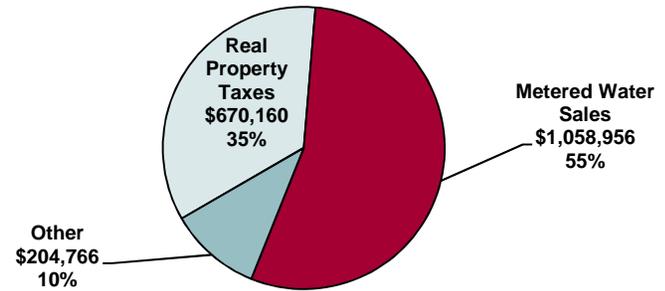
**Breakdown of FY 2006 Water System Revenues¹:
TOWNS**



**Breakdown of FY 06-07¹ Water System Revenues:
VILLAGE**



**Breakdown of FY 2007 Water System Revenues:
TOWNS**

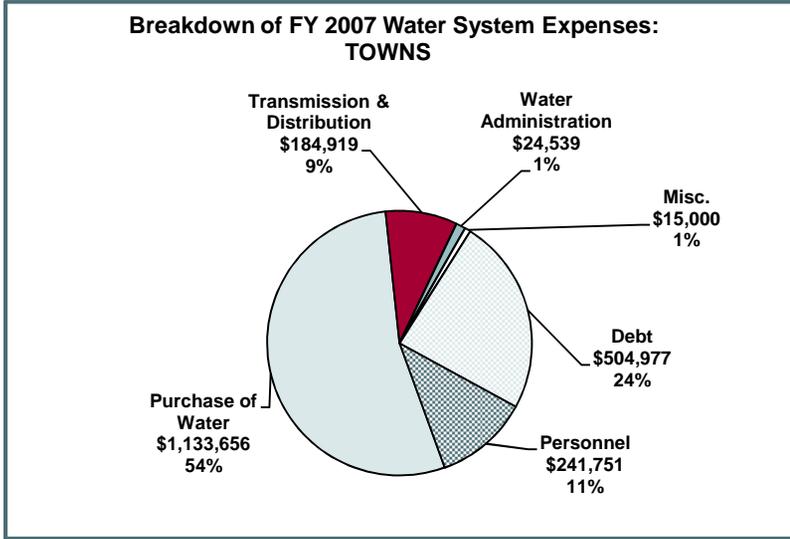
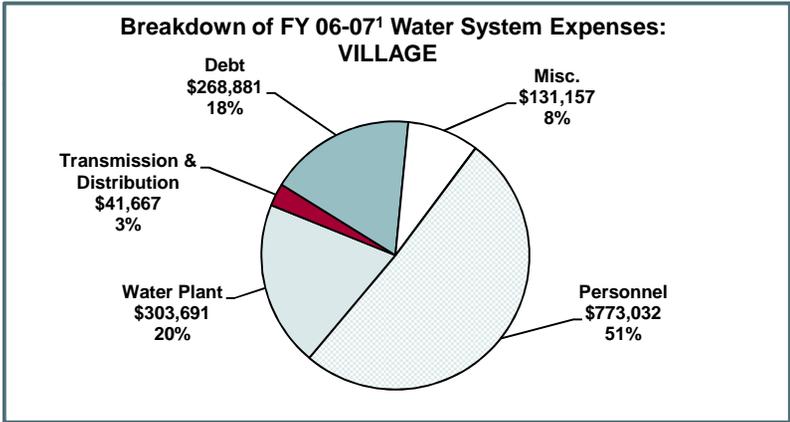
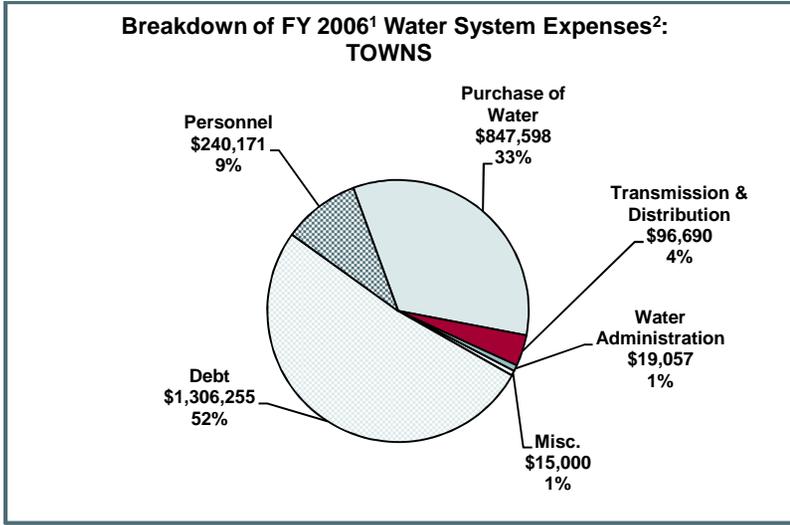
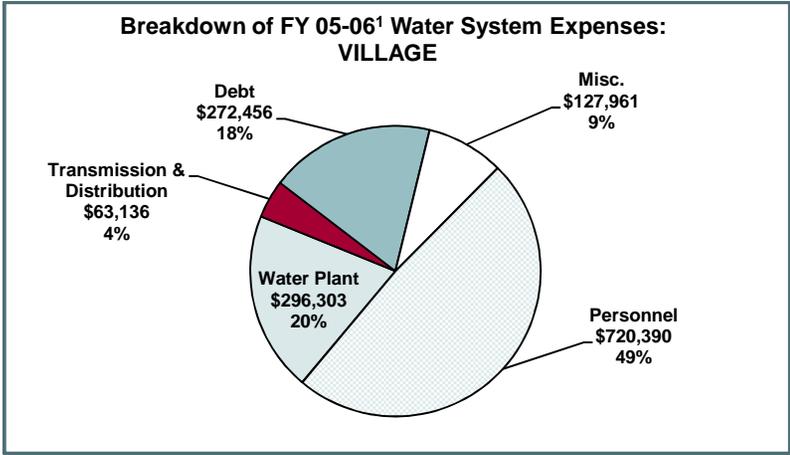


Notes

¹The Village of Albion's fiscal year begins on 06/01 and ends on 05/31.

Notes

¹The Town of Murray receives water from the Village of Albion, the Monroe County Water Authority and the Village of Holley. CGR estimates that only 44% of the Town's revenues are related to the Albion water system. Thus, the Towns' charts include only 44% of Murray's total revenues.



Notes

¹The Village of Albion's fiscal year begins on 06/01 and ends on 05/31.

Notes

¹In FY 2006, the Town of Murray had a substantial increase in debt due to a new water district.

²The Town of Murray receives water from the Village of Albion, the Monroe County Water Authority and the Village of Holley. CGR estimates that only 44% of Murray's expenses are related to the Village of Albion water system. Thus, the Towns' charts include only 44% of Murray's total expenditures.

APPENDIX E: PUBLIC PRESENTATION

Consolidation Study Overview
For the Village of Albion, Town of Albion & Town of
Gaines
Options for the Future

Charles Zettek, Jr., M.S.

VP & Director, Government Management Services

Vicki Brown

Associate Director

November 20, 2008

Funds for the Study

Funding for the study was provided
by the New York State Department of State
under the Shared Municipal Services Incentive
Grant Program

Orleans County

Yates

Carlton

Kendall

Ridgeway

**Town of
Gaines**

Murray

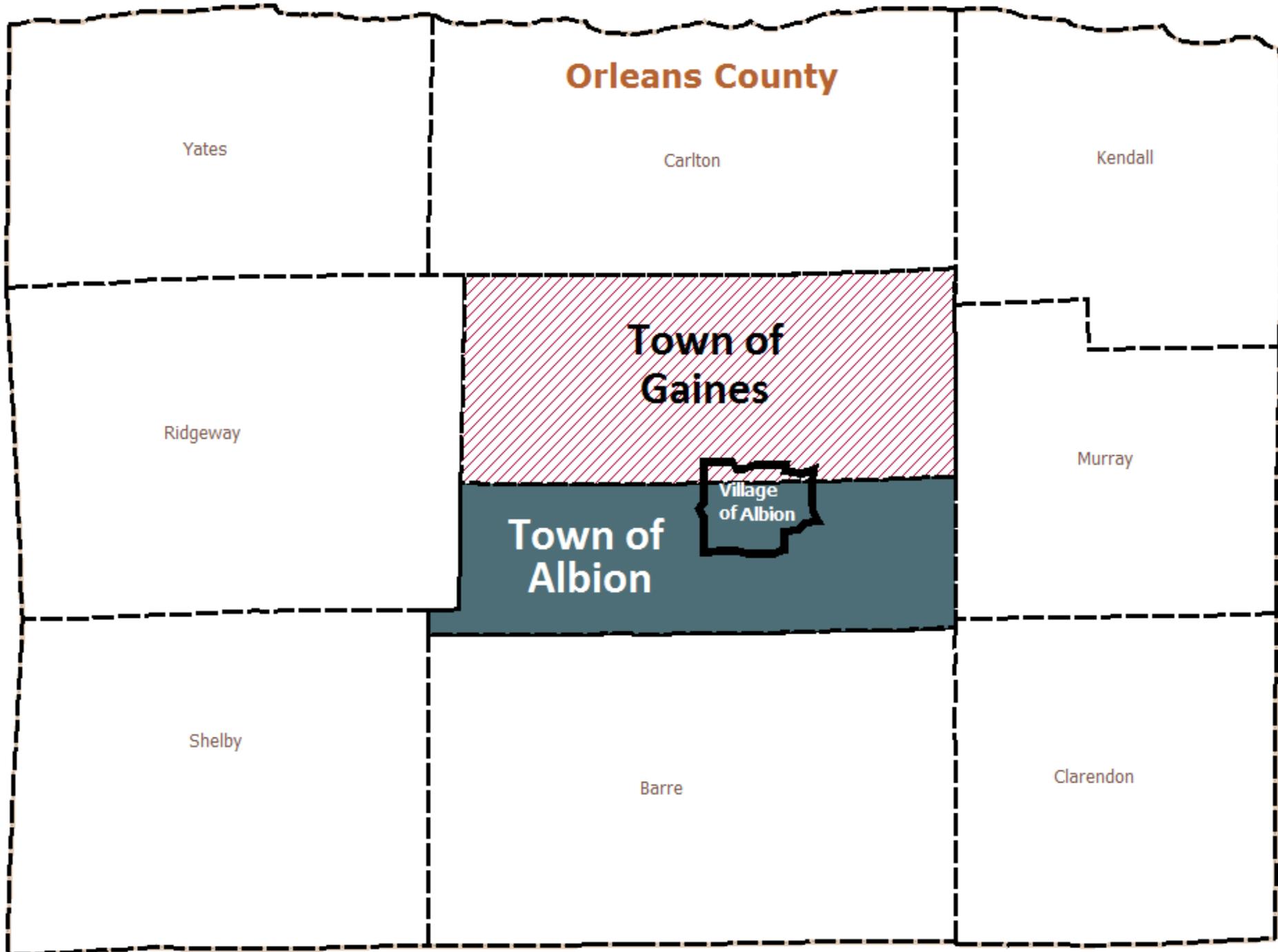
**Town of
Albion**

Village
of Albion

Shelby

Barre

Clarendon



Key Definitions

- CGR = Center for Governmental Research in Rochester
- Town = All residents within a designated Town's border
- Village (V) = Residents inside the Village border
- Albion TOV = Residents in the Town of Albion but outside of Village border
- Gaines TOV = Residents in the Town of Gaines but outside of Village border

Key Definitions (continued)

- Shared Services = Consolidation of services while keeping Village's and Towns' governments
- Village Dissolution = Village dissolves and merges operations with a Town
- Full Consolidation = Village dissolves and Towns merge, resulting in 3 governments becoming 1
 - Full consolidation could involve having either:
 - Both towns dissolve and create new town
 - Or, 1 town annexes the other

Key Definitions (continued)

- Efficiency = Eliminate duplication or overlap
- Cost Savings = Reduce expenses
- Cost Shift = Costs remain but who pays changes

- AIM = State Unrestricted Aid (Aid and Incentives to Municipalities)
- *New AIM Incentives* = Additional AIM funding for Consolidation (but not for shared services)
- *TAV* = Taxable Assessed Valuation

Tax Savings Benchmark

(Based on 2007 Taxable Assessed Valuation)

Calculate Tax Rate Change		
Assume Tax Levy Changed by ==>		\$10,000
	Tax Levy Change	Tax Rate Change per \$1,000 of Equalized Taxable Valuation (2007)
Town of Albion (TOV)	\$10,000	\$0.13
Albion Townwide	\$10,000	\$0.05
Village of Albion	\$10,000	\$0.07
Town of Gaines (TOV)	\$10,000	\$0.12
Gaines Townwide	\$10,000	\$0.10

Consolidation Study: Key Goals

- Identify viable options for sharing services, up to and including full consolidation to improve:
 - government efficiency
 - cost effectiveness
- Consider cost and tax impact of viable alternatives
- After study committee selects preferred option, identify action steps for implementation

CGR Finding: 3 Viable Options

1. Service sharing in specific areas involving either:
 - Village & Town of Albion
 - All 3 municipalities
2. Dissolution of the Village & merger with Town of Albion
 - About 80% Village population & land area already in Town of Albion
3. Full consolidation of the village and two towns

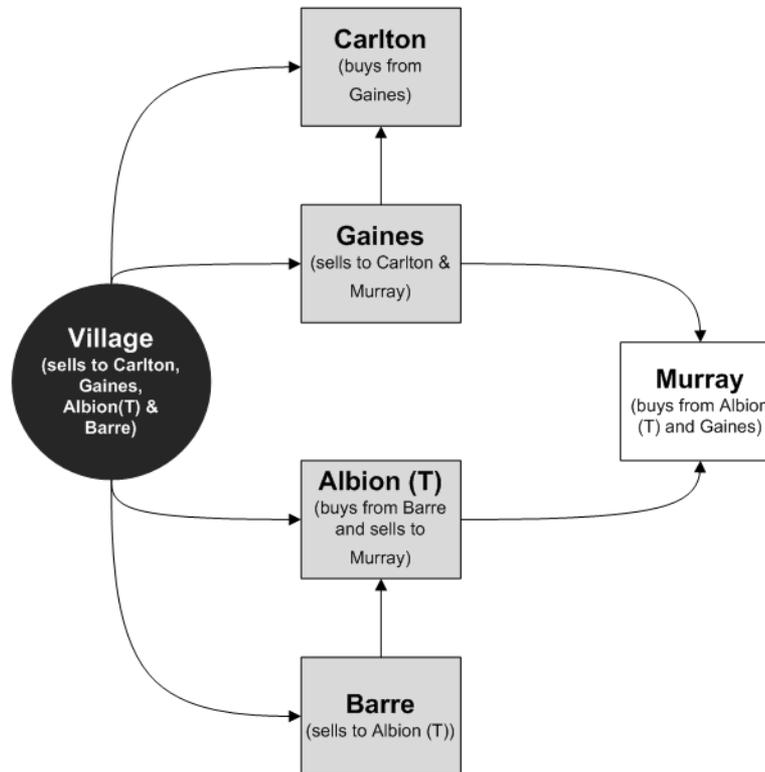
Additional Areas Reviewed for the Committee

- Expand the study for “water” to also include the Towns of Barre, Carlton and Murray
 - Service sharing or consolidation could also impact the 3 other towns served by Village water system
- Help the committee understand challenges impacting fire services
 - Despite fact that “fire” is already a shared service

Water System Overview

- Water is a \$3.5 million business for 5 towns plus the village.
 - Issues:
 - Not really managed as a single integrated system, but in 6 pieces
 - Future capital needs are unknown
 - Real opportunities for both cost savings and operating efficiencies – example – water meter and billing systems.

Village of Albion Water System



Baseline of Current Operations: Services Offered and Budgets

Services	Albion (T)	Gaines	Albion (V)	Total FY 2007 Exp.	% of Total
Water	X	X	X	\$2,229,193	29.6%
Streets & Cemeteries	X	X	X	\$1,890,760	25.1%
Sewer	*		X	\$1,167,577	15.5%
Police			X	\$826,272	11.0%
General Govt. Support	X	X	X	\$684,119	9.1%
Clerks/Finance	X	X	X	\$201,793	2.7%
Fire	X	X	X	\$179,302	2.4%
Code Enf./Planning/Zoning	X	X	X	\$126,095	1.7%
Courts	X	X		\$98,610	1.3%
Elected Govt. Leaders	X	X	X	\$76,159	1.0%
Recreation			X	\$38,727	0.5%
TOTAL**				\$7,518,607	100.0%

*Town of Albion only has minor monitoring responsibilities related to sewer.

**Excludes debt service and employee benefits (except benefits for water & sewer are included).

Source: Fiscal data is from NYS Office of the State Comptroller.

Option #1 Service Sharing: Potential Savings

Service Area	V & T of Albion Only	All 3 Municipalities
Streets/Highway	\$144,042	\$229,429
Water	\$37,093	\$68,218
Clerk/Finance	\$28,950	\$28,950
Justice Courts	\$0	\$9,900
TOTAL	\$210,085	\$336,497

Option #1 Service Sharing: Different Types

- Services that can be shared on a “stand-alone” basis through a shared services agreement
 - Clerk/Finance (to save \$28,950 annually)
 - Justice Courts (to save \$9,900 annually)
- Services that are “interdependent” (e.g., linked to having shared services in more than one area)
 - Streets/Highways (to save up to \$229,429)
 - Water (to save up to \$68,218)

Option #2 Village Dissolves & Merges Albion (T): Potential Cost Savings

- Key factors to consider
 - Cost savings due to efficiencies (i.e., shared services)
 - NYS AIM incentives for dissolution or consolidation
- For current, combined tax levy of \$2.9M
 - Efficiency savings = \$210,000 (7%)
 - New AIM due to incentives – loss of Gross Utilities Tax = \$325,000 (11%)
- Total potential savings for “consolidated” T & V Albion = \$535,000 (18% property tax reduction)

How Would Option #2 Impact the Town of Gaines?

- Gaines would lose the town wide levy collected from Village taxpayers
 - In 2007, total = \$93,976
 - This equates to 22% of Gaines town wide tax levy
 - In 2007, town wide levy = \$424,094
- This loss might result in a maximum town wide tax increase of \$1.14 per \$1,000 of taxable assessed valuation, but,
- Gaines could be held harmless by an inter-municipal agreement to share the cost savings from the TofA-VofA consolidation

Option #2: Impact on Gaines

(Data Compiled by CGR to Assess Impact)

Impact of Village Dissolution and Merger with Town of Albion		
	Albion (T)	Gaines
Current Townwide General Expenses¹	\$567,825	\$323,256
Current Townwide Highway Expenses²	\$340,375	\$266,351
Townwide 2006 TAV	\$183,530,366	96,125,332
Village 2006 TAV within Town	\$109,731,896	21,300,675
# of Tax Parcels Townwide	2,550	1,259
# of Village Parcels	1,607	245
Current Townwide General Property 2007 Tax Levy	\$391,873	\$274,712
Current Townwide Highway Property 2007 Tax Levy	\$231,225	\$149,382
TOTAL TOWNWIDE 2007 TAX LEVY	\$623,098	\$424,094
2007 Tax Rate	\$3.40	\$4.41
Increase or Decrease in Tax Levy due to Shifting Village from Gaines to Albion	\$72,317	(\$93,976)

¹A Fund Expenses

²DA Fund Expenses

CGR Estimate:

All else held constant, the loss of \$93,976 in tax revenues in the Town of Gaines would have to result in a corresponding reduction of town costs or increase in town tax rate.

Option #3 Full Consolidation: Potential Taxpayer Cost Savings

- Key factors to consider
 - Cost savings due to efficiencies (i.e., shared services)
 - NYS AIM incentives for dissolution or consolidation
- For current, combined tax levy of \$3.4M
 - Efficiency savings = about \$336,000 (10%)
 - New AIM due to incentives – Loss of Gross Utilities Tax = \$400,000 (12%)
- Total potential savings = \$736,000 (22%)

Additional Considerations: Any of the 3 Options

- Depending on option selected, there may be opportunity, over time, to reduce equipment and gain additional one-time cost savings
- Efficiency savings may be reduced by future agreements on paying employee (s) such as highway superintendent or deputy more for having greater job responsibilities (CGR estimates approximately \$50,000 additional cost)

Additional Considerations: Options Involving Dissolution/Consolidation

- For options involving dissolution/consolidation the AIM incentives = ongoing funding streams, per NYS 2007-08 budget
 - Future annual % AIM increases to be based on total of standard AIM + incentive
- Eliminating duplicate boards and legal services could save up to \$50,000
- Under full consolidation, may be able to sell a facility and put it back on the tax roll (e.g., a town hall)

Considerations: Options Involving Dissolution/Consolidation (2)

- Police would be impacted. Coverage options:
 1. Provide coverage to consolidated community (e.g., Village + Town of Albion or Village + 2 Towns), or
 2. Request approval of a special police district for the former Village which would hold services and taxes harmless for everyone.
- Separate study could be undertaken to examine other options for the future (e.g., Sheriff providing coverage)

Considerations: Options Involving Dissolution / Consolidation (3)

- FIRE/EMS
- Current all-volunteer fire department model can't meet future needs
 - Issues:
 - 12,400 people living in 60-square-mile area largely dependent on core of 18 volunteers
 - Future design & cost of new model are unknown
 - Need to conduct a Fire/Emergency services study to determine options for fire and EMS, such as Central Orleans Volunteer Ambulance company.

Considerations: Options Involving Dissolution / Consolidation (4)

- Existing debt would be paid off by existing incurred by community's taxpayers would be paid off by those taxpayers after consolidation.
- Fund balances could be used to pay off debt or for other capital needs based on agreements by affected parties

Dissolution/Consolidation Steps

1. Village and/or Town (s) would decide to seek a dissolution vote,
2. A Dissolution Study Committee would be formed of Village and Town representatives to develop a Dissolution Plan,
3. For a Village Dissolution, village voters only would vote at a village election. For a Town Dissolution, all town voters would vote at a town election.
4. If the petition to dissolve is approved by a majority vote, the Village or Town(s) would formally dissolve December 31 of the year following the election.

Next Steps

- Public presentation tonight (11/20/08) – also posted, with backup information at www.cgr.org
- Public provides feedback to committee through CGR (<http://live.cgr.org/albion>)
- Study committee selects preferred option and discusses action steps for implementation
- CGR delivers Final Report to Committee

APPENDIX F: SURVEY FEEDBACK

**Survey Responses Received by CGR Regarding
Potential Options for the Village of Albion and Towns of Albion & Gaines**
Comment Period: Nov. 20 – Dec. 4, 2008

Summary: SURVEY RESULTS

- **26** total surveys were completed
- **12** residents said stay with the **status quo** (maintain three independent entities)
- **9** residents listed **consolidation of all three entities** as their first choice; **1** resident listed it as a second choice
- **2** residents listed **consolidation of the Town and Village of Albion** as a first choice; **3** residents listed it as a second choice
- **3** residents said **shared services** was their first choice; **1** resident listed it as a second choice; **2** residents listed it as a third choice
- With regard to shared services (multiple choices possible):
 - **4** residents said combine the **water services** of all three entities; **3** residents would choose to combine water services of the Town and Village of Albion
 - **2** residents said combine the **streets/highway departments** of all three entities; **4** residents would choose to combine the streets/highway departments of the Town and Village of Albion
 - **4** residents said combine the **Justice Courts** of the Towns of Albion & Gaines
 - **3** residents said combine the **clerk/finance operations** of the Town and Village of Albion

Comments: STATUS QUO

- As a Gaines resident, the options presented appear to cost the Town of Gaines more money. Even with a small monetary savings, the loss of services would not be worth it. Has anyone accounted for the legal fees to consolidate? I feel the study is incomplete.
- Taxes in Gaines are not out of line--services are good. I cannot believe AIM money will be around forever.
- After reading your info online, with all the cuts to the street dept (manpower), I cannot believe they can provide the service they currently provide. Both towns have healthy

fund balances; this looks like help to the village. Not interested; I own property in both towns.

- I see only problems with this and no cost savings. As a resident of both Gaines and the Village of Albion, all I see is loss of service and more cost.
- I do not want to have my tax dollars rebuilding the Village of Albion. Their infrastructure is in bad shape. (Gaines resident)
- Leave it alone! Don't get involved with the village! The village is an embarrassment!
- Show me a major savings and I would think about it.
- I have a \$150,000 home in Gaines and I'm fine.
- The proposed savings do not warrant any changes to the present operations of the governments of these towns and their residents. Being a resident of the town of Gaines, we do not wish to have anything to do with the town of Albion and do not wish to be linked to the Village.

Comments: SHARED SERVICES

- Sharing equipment could be an option.
- The program was interesting and thought-provoking. When it comes to numbers I get confused--to compare the costs, to provide services--these are not available to all in the towns. So before figuring the cost or savings, the cost of providing these services must be figured in--water, sewers, for instance. As it stands now, it wouldn't be balanced--fire department--consolidate with Barre and Carlton, police--we have the sheriffs that cover the area now. If Dawn Allen can say consolidation works for assessment without a massive headache, I can see one supervisor, one board of trustees, one justice, etc. But my question--will those who get the positions be able to work for the "forest--not the trees"? I don't think there are enough people looking at the situation in our area in that way. Maybe the answer for now is "shared services" until the towns get water available to all town residents--things like that.
- Not interested in consolidation--Village of Albion has too many problems. (Gaines resident)
- Village DPW operations are not what they used to be with respect to preventative maintenance programs. The same scenario may be true regarding code enforcement. The village has grown over the years but the workforce to maintain the infrastructure has decreased substantially over the years. As a result, much response is done out of crises versus routine preventative care.

Comments: CONSOLIDATION

- I strongly support any and all forms of government consolidation in areas of low population. I have always felt small village and town governments are expensive. The duplication of services is too costly to continue. As we now face bad national economic conditions, it's time for local governments to reduce spending through consolidation. This would help in keeping local taxes low.
- Status quo is unacceptable.
- I would recommend dissolving the village into the Town of Albion or if Gaines is interested then add 3 into 1!
- Do more research on this subject and talk to the employees and supervisors more than just one hour. For the money you are making it should be a lot more in depth. Try working a little harder and you will get better results in the end.
- I would have actually preferred to recommend retaining the Village of Albion with some shared services, but it appears to me that the current tax structure of the County of Orleans, Towns of Albion and Gaines, and Village of Albion is outdated and no longer fair. It seems to place an excessive tax burden on the residents and businesses of the Village of Albion, which is likely contributing to a decline within the Village of Albion. Over the years I have observed more property investment taking place outside the village - the current taxation distribution is probably contributing to this.

It would seem unlikely to me for the various government boards to fully correct this taxation imbalance without the dissolving of the Village of Albion forcing it upon them. It saddens me to say this because the village employees appear to do very good work. However, unless this imbalance is corrected I fear that a further decline of the properties within the village will occur.

The County of Orleans web site lists the following tax rates for 2008:

Town of Albion (Inside Village):	3.19
Town of Albion (Outside Village):	4.68
Town of Gaines (Inside Village):	4.19
Town of Gaines (Outside Village):	5.22
Orleans County (Inside Village):	9.17
Orleans County (Outside Village):	9.20
Village of Albion:	15.18
Town of Albion (Fire Protection):	1.04
Town of Gaines (Fire Protection):	0.29

As a resident of the Village of Albion the amount that I pay for these taxes APPEAR to be TWICE that of outside the village. Although I get a few more services that are UNIQUE to the Village, which is nice and for which I am willing to pay more for (street lighting, sidewalks, sidewalk plowing, etc), it does not seem to me that I get twice the services as

those outside the village. Rather, it seems that village residents are paying multiple governments for a given service, but only actually receiving it from the village. In effect, the residents of the Village of Albion are subsidizing the cost of these services for those outside the village.

Law enforcement within the village is provided by the village police and paid for by our village taxes, but we seem to get no discount on the county tax for not using the Sheriff (other than 3 cents). Moreover, it may not be easy to determine what would be a fair county tax discount to keep the Village of Albion police. If there are more law enforcement calls per capita inside the village than outside (just a guess - it would be nice to have some statistics), how should the extra cost to handle this be allocated? I think that it is only fair if everyone in the county pays the same rate for law enforcement. It would not be fair to ask any area to pay more for the same level of law enforcement just because more troublemakers decide to move into that area. On the other hand, I would be open to paying somewhat more for enhanced law enforcement items if it made me safer than those who chose not to pay more.

I found the CGR documentation to be helpful and I do appreciate that this work was done. I would suggest however that it may be helpful to go into more detail in the itemization of budget expenses and to provide more of a breakdown as to which residents benefit from each item. It would be good to ask the County and Towns to provide this information in detail. I would be interested in knowing what percentage of the County and Town budgets are for items that Village residents don't currently benefit from.

Also, the costs that were presented for some Village items were perhaps too closely mapped to the village budget categories. For example, the cost for the village police was presented as 20% of the total village budget.

However, this seemed to mostly focus on personnel costs. The costs for patrol cars, maintenance, fuel, and offices should probably be included in the police category as well. Also, the budget for the Village Fire Department was given as \$65,000 to \$79,000. This would seem to only be enough to cover daily expenses and not capital items (fire trucks) - is this correct? It would be helpful to know what the full tax rate is including all fire expenses - both inside the village and outside the village.

In summary, consolidation of services is good - it can help us to be more efficient and to stabilize our region by making it more economically competitive with the rest of the country. However, unless we go further to make sure that everyone is paying their fair share for all services then we risk the continued decline of those areas that are paying more. I like the Village of Albion, but dissolving its government is probably best for its people - unless a way can be found for the Towns and County to change course and make the total tax rates more equal.