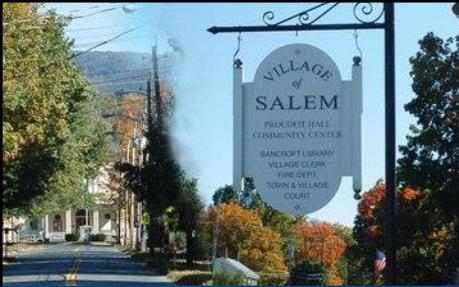


Village of Salem, NY

Village Dissolution Study and Plan

*Public Kick-Off Meeting
Thursday, June 5, 2014*

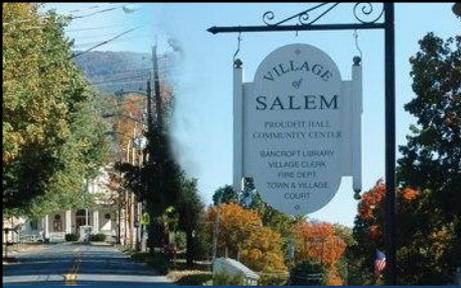
Overview



- **Introductions and Background**
- **Overview of Shared Services/Consolidation and Dissolution**
- **What is a Dissolution Study?**
- **The Dissolution Study Process**
- **Your Input: What aspects of the Village should be preserved or changed?**
- **Next Steps**
- **Questions & Answers**

Introductions and Background

The Project Consultants



Ben Syden

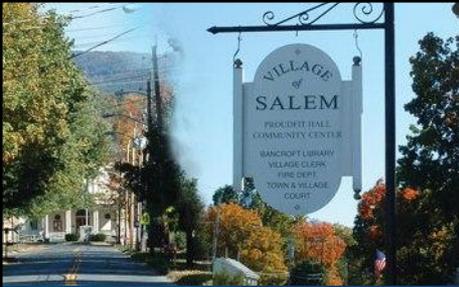
Benjamin H. Syden, A.I.C.P.: Project Director for all of the firm's shared services and planning projects. Over 20 years experience with New York State municipalities in the areas of government efficiency, land use regulations, downtown revitalization, comprehensive planning, corridor management, economic and community development, program development, project financing, grant writing and management.



Stephanie Siciliano

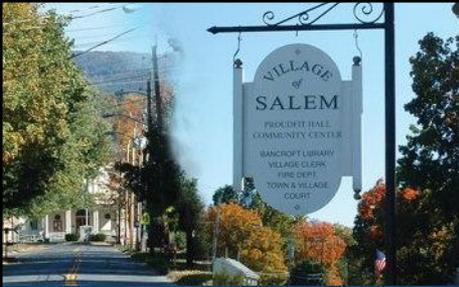
Stephanie Siciliano, A.I.C.P.: Senior Planner with over eleven years of experience working with local and county governments developing and managing a wide range of planning and shared services projects. Ms. Siciliano will assist with the examination of current services, personnel, and operating costs, as well as meeting facilitation and the preparation of the action steps to implement the dissolution plan.

Government Do-Over Day



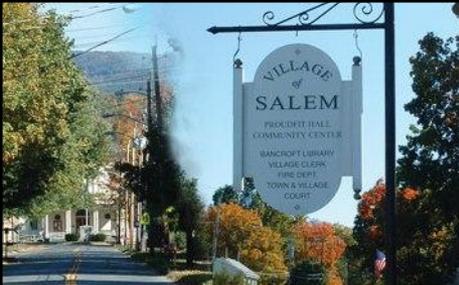
The definition of insanity is doing the same thing over and over again and expecting a different result
- Albert Einstein -

Key Forces for Change



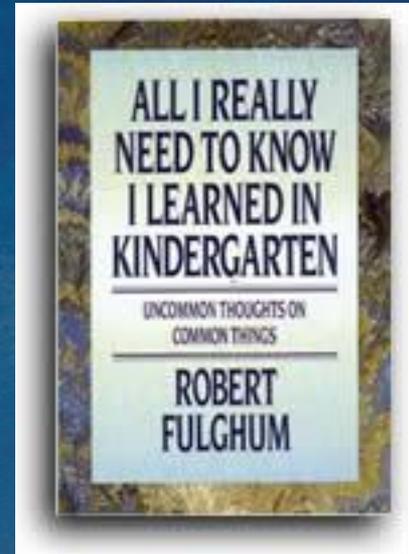
What changes would you make on a government “do-over” day?

- **In the current economic climate, spending of any kind is under the microscope and the pressure to cut back is intense**
- **Current service delivery is often redundant, inefficient and non-standardized**
- **Regionalized service delivery is sometimes considered unresponsive, detached and inflexible**
- **Municipal responsibilities are becoming increasingly complex and demanding**

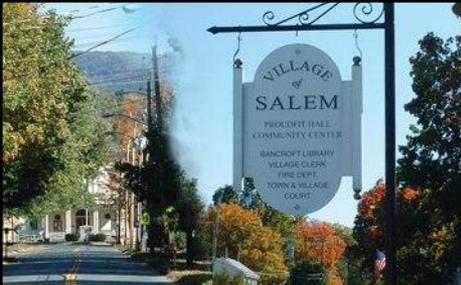


All I Really Need to Know I learned in Kindergarten – Robert Fulghum

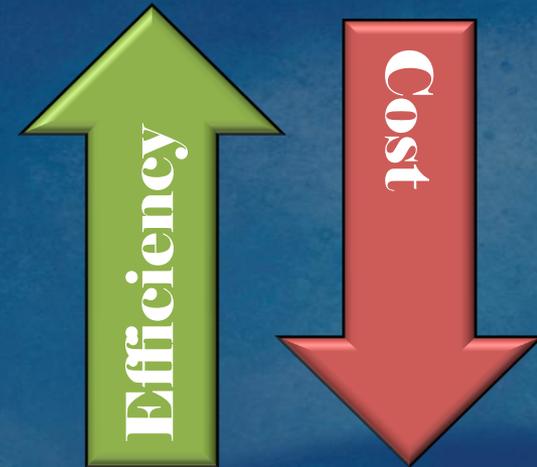
- **Share everything.**
- **Play fair.**
- **Don't hit people.**
- **Put things back where you found them.**
- **Clean up your own mess.**
- **Don't take things that aren't yours.**
- **Say you're sorry when you hurt somebody.**
- **Wash your hands before you eat.**
- **Flush.**
- **Warm cookies and cold milk are good for you.**

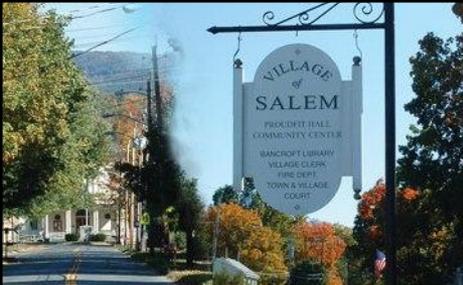


The Primary Objectives



- To contribute to the efficiency and effectiveness of local governments
- To achieve cost reductions based on economies of scale and better leverage
- To eliminate or minimize duplication of services
- To share resources and specialized skills
- To focus on services that can be better provided through sharing or consolidating than they could by individual agencies





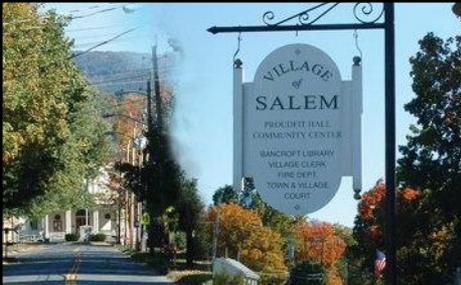
Preliminary Test: Does it makes “sense” or “cents”

- **Economy**: Will the proposed cooperative arrangement reduce the current program’s costs now or in the future?
- **Efficiency**: Will the proposed cooperative arrangement improve the current delivery of program services?
- **Effectiveness**: Will the proposed cooperative arrangement allow local governments to deliver needed services that are qualitatively improved or that each would find difficult to provide individually?



Source: NYS Office of the State Comptroller, Local Government Management Guide, 2009

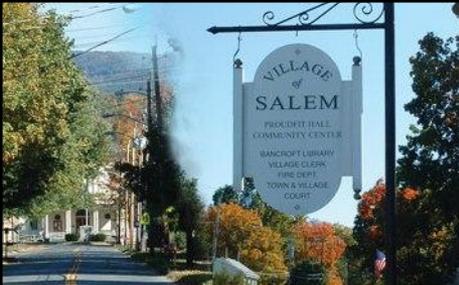
The Business Case for Change



- Why do we need a business case?
- The business case plays a number of important roles during any change project.
 - Provides background and context to the shared service/dissolution proposals
 - Articulates the reason for change, to ensure the support and approval of key decision-makers
 - Communicates business needs and options for meeting those needs
 - Estimates costs, benefits and related financial metrics of the proposed solution
 - Establishes what success will look like and criteria by which it should be measured

Evaluate if it makes “sense” or “cents”

Internal and External Drivers for Change



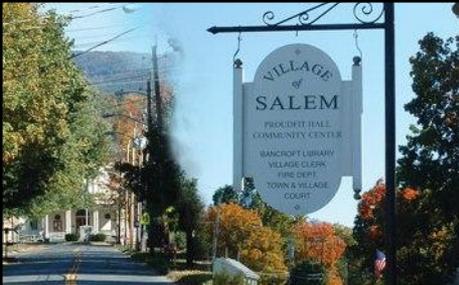
➤ External

- Do More with Less - Declining state aid and funding
- Government policies and mandates
- Resident expectations and demands to lower cost and reduce duplication
- Resident demand for self-service, (i.e. interactive on-line tools and services)
- Financial incentives to cooperate to save and/or realize economies of scale

• Internal

- Fiscal constraints
- Desire to improve service quality
- Growth and demographic shifts placing pressure on infrastructure
- Need to attract and retain skilled staff
- Need to keep up with rapid technology changes
- Need to standardize policies and technologies for greater accountability

Balancing Community Values vs. Cost Savings



▪ Cost



▪ Services



▪ Cost



▪ Services



▪ Cost



▪ Services

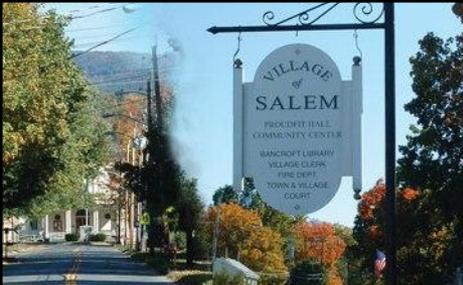


▪ Cost



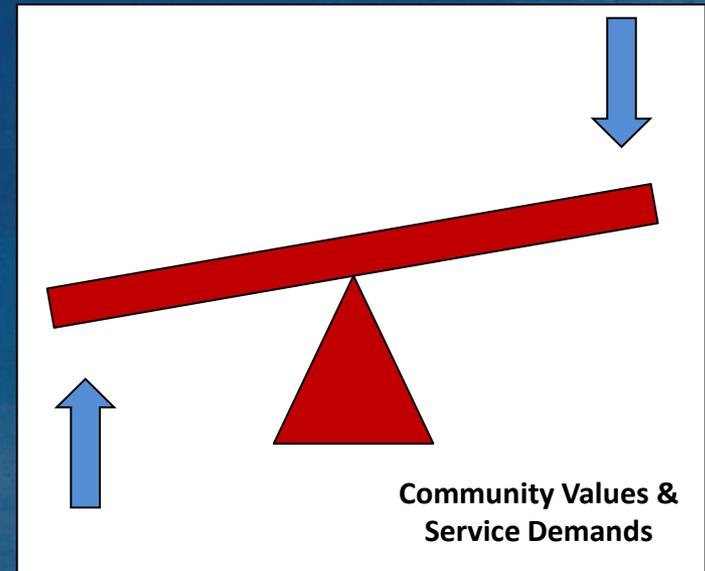
▪ Services

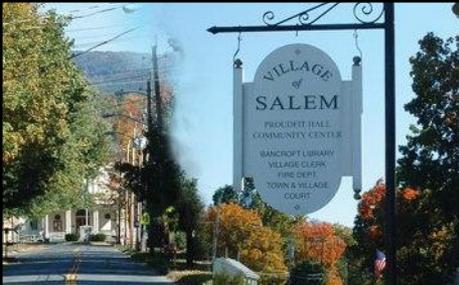




...Balancing Community Values vs. Cost Savings

- **Sharing/consolidating/dissolving municipal services does not always amount to significant cost savings**
- **Decisions are based on balancing:**
 - Results of the Fiscal Analysis
 - Political and Community Will
- **Success is dependent on managing the public perception that small governments are more accountable**
- **The perceived negative impact on service quality may outweigh the cost savings**
- **There is no one-size fits all approach**





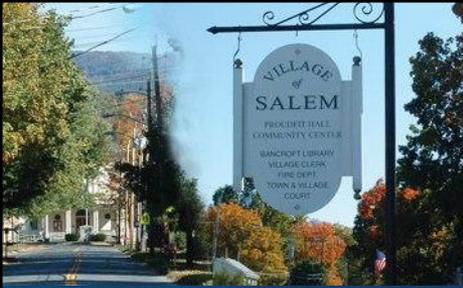
The New N.Y. Government Reorganization & Citizen Empowerment Act

- **Effective March 21, 2010**

- **Replaces sections of Town and Village Law regarding consolidation and dissolution**

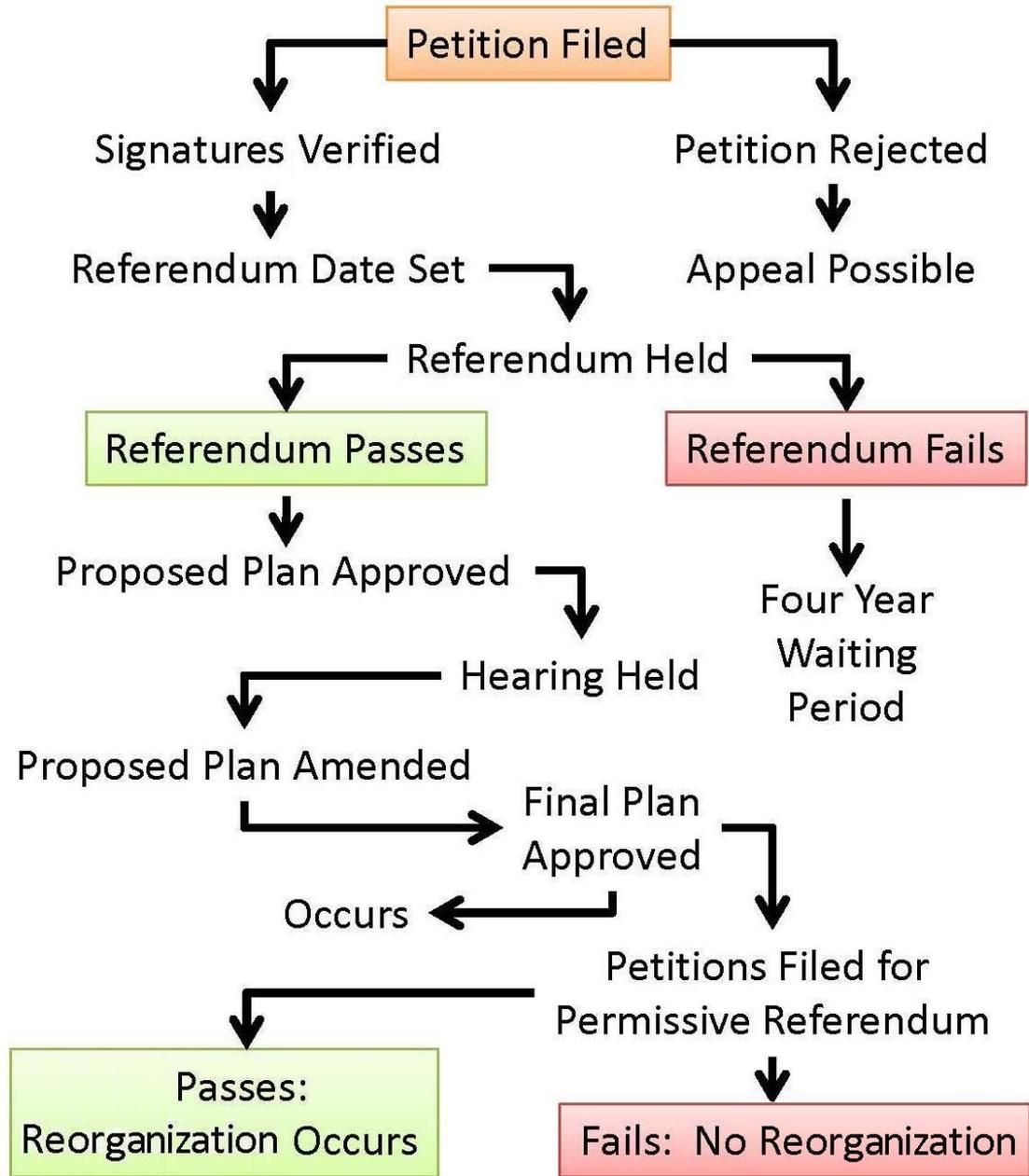
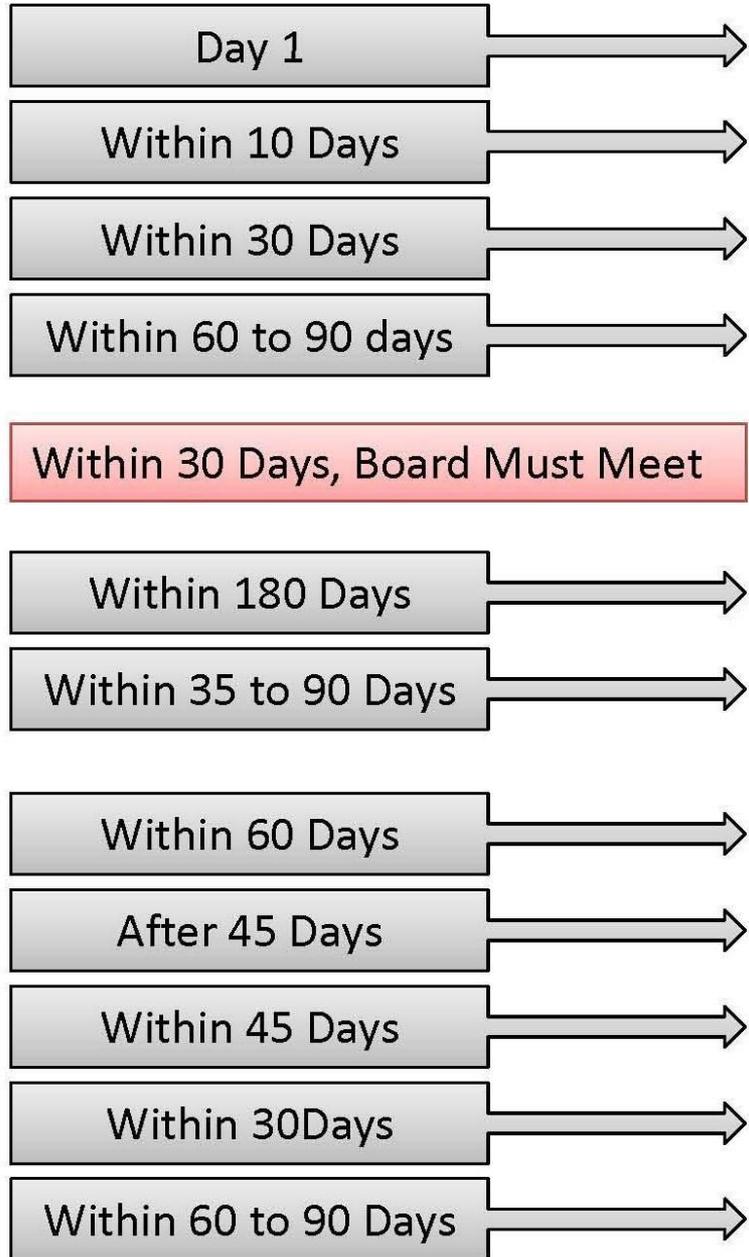
- **Village Dissolution can be:**
 - **Board Initiated**
 - **Voter Initiated**

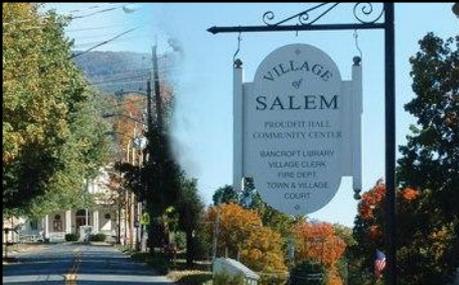
Voter-Initiated Dissolution Process



- **Petition Presented to Village Clerk**
 - Lesser of 10% of Voters in the Village or 5,000 signatures,
 - Or
 - 20% of voters where there are 500 or fewer registered voters
- **Village Votes on Dissolution**
- **If Voters Approve Referendum, a Plan is Developed**
- **Plan Subject to Permissive Referendum**

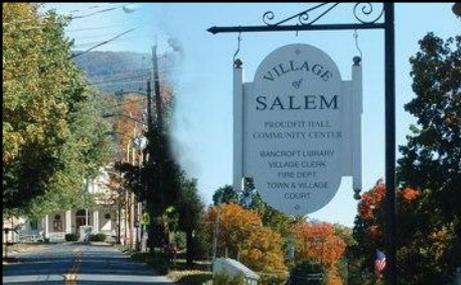
Voter-Initiated





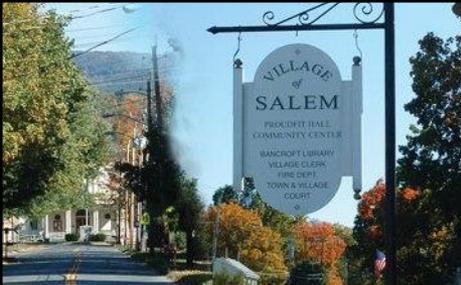
State Financial and Technical Assistance for Dissolution Studies and Plans

- **New York Department of State provides financial and technical assistance to local governments**
- **The Local Government Citizens Re-Organization Empowerment Grant (CREG) program assists local governments with planning and implementation activities related to dissolution of a local government entity**
- **The Village of Salem applied for a Expedited Re-Organization Assistance grant on June 4, 2014.**



Overview of the Dissolution Study Process for the Village of Salem

- Petition was validated and referendum on Dissolution is set for August 5th
- No further action is required of the Village Board until after the referendum
- If vote is “NO” on dissolution, the process ends
- If vote if “YES” on dissolution, Board has 180 days to develop and approve the Dissolution Plan, plus another 45 days to hold hearings and finalize the plan
 - Starting now helps to ensure adequate time to study and plan for dissolution, and allows for public education prior to the vote



...Overview of the Dissolution Study Process for the Village of Salem

➤ Before the referendum

- The study process will engage residents in a discussion about options and alternatives, and guide the creation of a Dissolution Plan
- Study committee forms and hold working meetings with consultants
- Key questions and critical services identified through committee and public input
- Consultants develop an interim report by mid-July

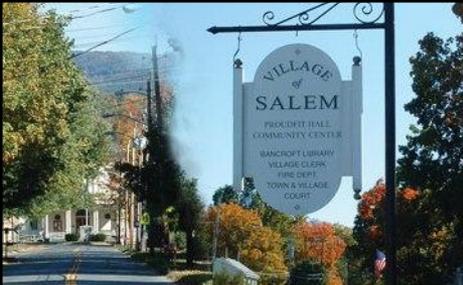
➤ After the referendum

- If vote is “YES,” continue the study process to develop full plan prior to deadline
- If vote is “NO,” Dissolution will not take effect. Dissolution process may not be initiated again for 4 yrs from the date of the referendum. Village may focus on shared services to reduce cost and improve quality

...Overview of the Dissolution Study Process for the Village of Salem

➤ The Study will include:

- Summary of existing government services delivered by the Village and examination of current service costs
- Summary of Village personnel involved in government and public service
- List of existing Village-owned equipment and other fixed assets including but not limited to real and personal property
- Summary of Village financial assets, liabilities and indebtedness as well as capital investments and needs
- Summary of Village laws and land use regulations



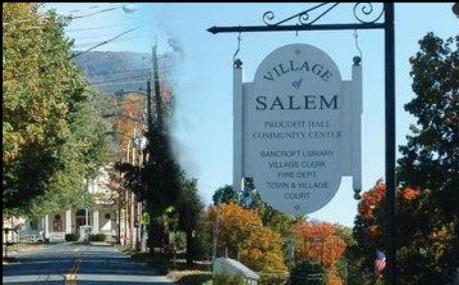
...Overview of the Dissolution Study Process for the Village of Salem

The municipal partnership must consider the potential for savings from sharing costs and avoiding costs through a preliminary review of:

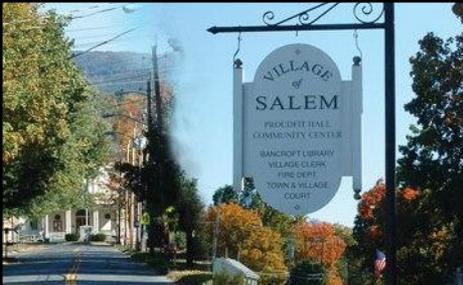
- Staffing
- Equipment
- Facilities
- Revenue and leveraged funding
- Programmatic Expenses



...Overview of the Dissolution Study Process for the Village of Salem



- In the event that the vote passes and Village Dissolution is to occur, the Dissolution Plan will:
 - Gives residents and idea of how the dissolution might affect them and provide a fiscal estimate of the cost/benefit of dissolution
 - Outline post-dissolution conditions for delivery of Village services
 - Outline any potential plan for the transfer or elimination of public employees
 - Discuss how options affect the quality or level of service provided
 - Spells out an orderly and effective way to transition
 - Provide a set of options to consider and alternatives to dissolution that will improve position, reduce costs and improve services if village is not dissolved.



...Overview of the Dissolution Study Process for the Village of Salem

The municipal partnership must consider the potential for savings from sharing costs and avoiding costs through a *further* review of:

- The potential to achieve cost savings and/or efficiencies and the tax impacts of the alternatives
- Each entity's assets, including but not limited to real and personal property, and the fair value
- Each entity's liabilities and indebtedness, bonded and otherwise
- The hidden costs or secondary impacts of sharing/consolidating services, i.e., union contracts, impact on revenues, future costs of personnel (benefits, advancement within new organizational structure)

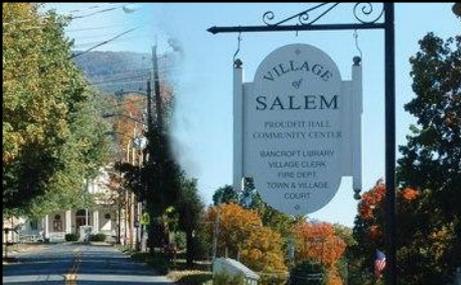


Understand the Perceived Barriers/Obstacles

- Fear of loss of control or community identity by one or more of the involved municipalities
- Fear of job loss, pay scale change, responsibility, change in organizational structure, policies and/or place of employment
- Fear of degradation of service provision
- Fear of the unknown
- Compatibility of capital assets
- Cost tradeoffs – one party may realize savings while another may see costs increase



*“If you do what you’ve always done, you’ll get what you’ve always gotten”
- Anthony Robbins*



Building Consensus: Managing Uncertainty & Fears

Stakeholder Involvement:

Key Actions:

- Engage staff early in the process to identify shared values and interests
- Identify areas of common ground and benefit
- Build consensus on partnership working and shared services
- Emphasize the contribution sharing can make to community goals
- Explain the various mechanisms that can be used (i.e. contracts, governance arrangements, service level agreements)

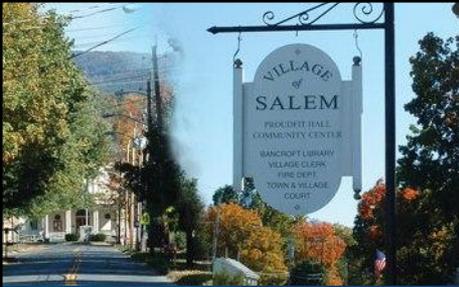
Stakeholder Interviews • Roundtable Discussions • Department Head & Staff Surveys

Next Steps



- **Collect data from the village and towns**
 - Budgets and financial reports, inventories of assets, debts, personnel, and equipment
- **Research options for continuing critical services**
- **Assess feasibility and general impact of each option**
 - Is it legally, operationally and politically doable?
 - How is it likely to affect costs and level of service?
- **Hold second public meeting to present Interim Report prior to referendum**
 - Meeting will be scheduled in early-mid July 2014

Questions & Answers



- **Why are you here tonight?**
- **If the Village is dissolved, what services are important to you?**
- **What are your concerns or fears about this study and the dissolution plan?**