

**A Study of Shared
Service Opportunities
for the Village and
Town of Cobleskill, NY**

July, 2008

A Study of Shared Service Opportunities for the Village and Town of Cobleskill, NY

July, 2008

Prepared for:
Village of Cobleskill
Charles Zettek, Jr.
Project Director

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

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

A Study of Shared Service Opportunities for the Village and Town of Cobleskill, NY

July, 2008

SUMMARY

In recent years, capitalizing on opportunities to share services has been a productive way for the Village and Town of Cobleskill to address higher service delivery costs in the face of little to no population growth and the loss of a major manufacturing firm. In 2007, the municipalities took another step in their partnership by successfully applying for a New York State Shared Municipal Services Incentive (SMSI) grant. The municipalities formed a study committee and engaged the Center for Governmental Research (CGR) to provide research and analysis services. The grant called for a review of all municipal operations, identification of areas of overlap and assessment of the potential for sharing services, up to and including full consolidation.

Specifically, CGR sought to identify options that would lead to increased efficiency and/or cost savings. The options identified fall into three general categories:

- 1) Share Services in Four Functional Areas – planning, code enforcement/zoning, courts, and administrative offices
- 2) Consider Alternatives for Providing Police and Water/Sewer Services
- 3) Explore Full Consolidation by Becoming a City

Share Services in Four Functional Areas

Planning: CGR finds that the most significant opportunity to increase efficiency would be to combine the Town and Village planning functions into one unit. Currently, the community does not have a coordinated comprehensive long-range plan that identifies growth potential and community development opportunities. Planning functions are now carried out, with varying degrees of success, by two separate boards that are dependent upon limited volunteer resources. Even more important is that the two boards are not positioned to work together to maximize benefits that could accrue to the overall community. CGR recommends the two boards combine into a single board representing both the Town

and Village. The new board should then develop a comprehensive long-range plan that is designed to benefit the entire community.

Code Enforcement/Zoning: If administrative offices co-locate, the code enforcement and zoning functions could be combined into one unit. The benefits would be streamlined administrative support and a single-point-of-contact for community residents for code enforcement or zoning permits, issues or questions.

Courts: The Village and Town courts could be consolidated into one town court. Pursuing this option would streamline court operations and save money by eliminating duplicate positions for elected and deputy justices.

Administrative Offices: The Town and Village should consider combining their administrative offices in the current Village Hall, thus saving Town residents rental and some supply costs. Co-locating offices could potentially eliminate the need for some personnel and may lead to streamlining of other functional service areas in the future.

Consider Alternatives for Police and Water/Sewer Services

CGR found the Village police spend considerable time focusing on commercial businesses that are used extensively by customers from outside the Village, and where the sales tax derived benefits the entire County. CGR recommends consideration of one or more of the following alternatives involving Village police services:

- Jointly negotiate with Schoharie County to share sales tax specifically targeted to helping pay for police services that benefit more than just Village residents.
- Consider undertaking a formal study to identify the costs, merits and drawbacks of eliminating the Village Police Department and merging with the Schoharie County Sheriff's Office.
- Explore creation of a Business Improvement District for businesses located outside the Village but along the Route 7 corridor, and have security protection for the district be provided by the Village police. The police department has the capacity to provide this extended coverage. In addition, a new Business Improvement District would help generate much needed revenue for the Village and also encourage collaboration as other businesses consider locating along the corridor.

The Village and Town have recently made significant strides toward possible expansion of water service outside the Village boundaries. Such efforts should continue in order to encourage more economic and community development within and outside the Village. CGR recommends a Regional Water and Sewer Committee comprised of

Village and Town residents (similar to the current Highway Committee) be established. This committee could deal with equity issues, including how to compensate the Village for development that could occur in the Town-outside-Village due to expansion of water and/or sewer services.

Explore Full Consolidation by Becoming a City

Instead of pursuing service sharing in specific functional areas and/or some of the alternatives outlined above, the community could consider dissolving both the Village and the Town and creating one unified city. While this step is clearly the most radical of the options we outline in this report, Cobleskill has unique traits that make city status a viable option to consider. In particular, the presence of SUNY Cobleskill and the fact that the Village is the economic hub for the County contribute to the Village already tending to operate almost like a small city.

City status offers the community significant opportunities as residents and businesses seek to develop their economic well being and community quality of life. CGR points out:

- Tax zones could be created such that residents living in the existing Town-outside-Village would not be unduly burdened with paying for services that they might never receive.
- City status would eliminate one layer of government, which would benefit Village residents.
- One unified government could pursue long-range planning and development.
- If Cobleskill were to become a city, the courts would become a function of the State. Thus, the costs associated with hiring a judge and support staff would become the State's responsibility.
- State government currently favors full consolidation and there are many lucrative revenue incentives being offered to communities that do consolidate.
- City status would allow the community to have more influence in collecting and using the sales tax generated within its borders. More than 70% of the county's retail sales¹ occur within the confines of the Village, but the Village of Cobleskill does not currently reap any substantial sales tax benefit as a result of its role as an economic engine.

¹ Source is 2002 Economic Census Data and is explained later in this report. A detailed table of sales tax collected in the County is provided in the Appendix.

- Village costs are high and without finding alternative sources of revenue, the community is not likely to sustain the level of service that will encourage future growth and development.

In summary, the Village and Town board should carefully consider the options outlined in this report, discuss their merits and the strategies involved, and decide on a direction to pursue for the future. Some of the options we outline in this report could be pursued simultaneously, while others offer the community choices to consider. Many of the options described could be achieved with very little change to the existing municipal structures. Other options, particularly city status, would require significant planning and sustained effort to achieve.

This report should be viewed as a foundation on which the Town and Village can jointly build a healthy future. Identifying preferred options for the future and making them reality will require continued and sustained collaboration by the Village and the Town.

Acknowledgements

CGR would like to acknowledge the effort of both Village and Town elected officials and staff as they gathered data and answered the questions we posed. We especially thank the members of the study committee: Mayor Michael Sellers, Village resident John O'Donnell, and Town residents Ruth Bradt and Ken Hotopp for faithful participation and probing questions that helped guide the study process.

We also want to thank Supervisors Mike Montario and Roger Cohn who participated as observers to the process and offered perspective and context for many of the discussions.

In addition, we sincerely thank Village Clerk Sheila Gillespie for contributing her time and expertise to provide us with useful context for our analysis. We also appreciate the contribution of Town Clerk Tina Ward-Shuart, who shared her considerable experience and provided help compiling data and clarifying questions raised during the study.

Staff Team

Charles Zettek Jr., CGR Director of Government Management Services, served as project director for this study.

Senior Research Associate Scott Sittig served as project manager, conducted interviews, compiled and analyzed data, and helped draft the report.

Research Assistant Katherine Corley contributed to the study by gathering data, researching information online and conducting phone interviews.

TABLE OF CONTENTS

Summary	i
Table of Contents	vi
Introduction	1
Community Profile	2
Existing Services	4
Administration.....	5
Village	5
Town	5
Courts	5
Planning and Zoning.....	6
Police	7
Fire and Rescue	7
Highway and Department of Public Works.....	8
Refuse Collection	8
Parks and Recreation	9
Water	9
Sewer.....	9
Shared Service Opportunities	10
Existing Agreements.....	10
Highway	10
Cobleskill-Richmondville School District.....	10
Fire and Rescue.....	11
Parks and Recreation Joint Commission.....	11
Court	11
Water.....	11
Future Shared Service Opportunities	12
Planning and Code Enforcement.....	12
Options to Consider.....	12
Courts.....	14
Options to Consider.....	14
Police	15
Options to Consider.....	16
Water & Sewer	19
Refuse Options.....	20

Village Transition to User Fee Model.....	21
Set a fee	21
Adopt a local law	22
Analysis of Alternatives	22
Pay as You Throw (PAYT).....	23
Definition of Pay As You Throw.....	23
Types of PAYT Programs.....	23
Penetration of PAYT Programs in the U.S.	25
Summary of Impacts from PAYT	25
PAYT Advantages and Disadvantages	26
Key Elements for Successful Implementation of PAYT	27
Consolidation	27
Aid and Incentive to Municipalities (AIM)	28
Dissolve the Village	29
Co-Terminous Status.....	30
City Status	30
Village and Town Consolidation into a City	31
Sales Tax Implications.....	32
Impact on the County	32
School District Issues	33
Other Issues	33
Village as a City without consolidation with the Town	35
Tax Impact Analysis	36
Next Steps	36
Conclusion	37
Appendix List.....	39
1) Town and Village Actual Expenses for Fiscal Year 2006	
2) Town and Village Actual Revenues for Fiscal Year 2006.....	
3) Pie Chart of Functional Service Cost Allocation – Combined Village and Town	
4) Pie Chart of Functional Service Cost Allocation – Town of Cobleskill.....	
5) Pie Chart of Functional Service Cost Allocation – Village of Cobleskill.....	
6) Sales Tax Analysis.....	
7) Analysis of Three Options for AIM Incentives.....	

INTRODUCTION

Like many other communities in New York State (NYS), the Village of Cobleskill has been experiencing rising property taxes, shrinking population, and stagnant economic development in its downtown urban core. In the past few years, one of the major anchor businesses (Gilford Mills) moved out of the area, taking with it jobs and a significant source of water revenues, and leaving behind aging structures. The Village, to date, has been unable to entice a new manufacturer to fill the unoccupied space.

At the same time, the Town of Cobleskill has experienced some recent growth with the development of the Route 7 corridor and a proposed new housing development. The housing development is to be built on land that was originally part of the Town but which has been annexed by the Village primarily for the purpose of providing water. In addition, Wal-Mart recently built a major anchor store on Town land that was also annexed by the Village for a similar reason. Now Lowe's has announced plans to build a store outside the Village boundaries, but issues between the Village and Town concerning annexation, water sharing, and sewer service have led to a stalemate on the project.

The combination of local development, land use and control, perceived high property taxes in the Village, and water and sewer service sharing conflicts have put pressure on Town and Village leaders to identify solutions. In 2007 the Village of Cobleskill applied for a Shared Municipal Services Incentive (SMSI) grant made available through the NYS Local Government Accountability Office. The SMSI program encourages local governments to identify overlapping services that exist between municipalities and study the merits and drawbacks of sharing or merging services. The Village reached out to the Town of Cobleskill to submit the application and the two municipalities received a grant to study opportunities for sharing services.

As lead for the grant, the Village developed a request for proposal that solicited the service of an independent consultant to assist the Village and Town in conducting the study. The Center for Governmental Research (CGR) was selected and work began in fall 2007.

The first step involved creation of a study committee by the Village and Town. The committee consisted of two Village representatives (Mayor Michael Sellers and John O'Donnell) and two Town representatives (Ken Hotopp and Ruth Bradt). In addition, Town Supervisor Mike Montario and (subsequent to the November 2007 election) Supervisor Roger Cohn sat in on the committee meetings as observers. The committee met four times to discuss and review CGR's work, and phone calls and email dialogue continued throughout the study period.

The committee outlined, in great detail, the opportunities that might exist, and the Village requested that as part of its work CGR also identify the merits or drawbacks associated with the two municipalities jointly pursuing becoming a city. CGR followed up by conducting interviews with key personnel in the Village and Town and additional research and analysis over several months' time.

COMMUNITY PROFILE

The two communities are characterized by a significantly rural land area with 70% of the population residing in the Village (*see Table 1*). SUNY Cobleskill adds population during the academic year but no property tax revenue because the land upon which the university is located is tax exempt. The student population counted in the U.S. Census for the year 2000 was approximately 1150 or one-fourth of the Village's total population. The students create opportunity for the local community businesses but also contribute to some quality-of-life concerns.

	Village	TOV	Town
Land Area (sq. miles)	3.3	27.5	30.8
Population (2000)	4,590	1,821	6,411
Population (2006 est.)	4,632	1,916	6,548
2007 Tax Levy	\$1,788,480	\$620,879	
Per Capita Costs	\$386	\$324	

Source: US Census Bureau and NYS Office of State Comptroller

Since peaking in 1990 (*see Table 2*), the population of the Town of Cobleskill has been in decline. While Census 2006 estimates indicate a slight upturn, CGR has no way of substantiating whether population growth is actually occurring. The Village population as a percentage of the Town population peaked in 1980 but there has been no significant decline since then, as Village population has remained above 70% of the total Town population.

	1900	1950	1960	1970	1980	1990	2000	2006 Est.
Village	2,327	3,208	3,471	4,368	5,272	5,268	4,590	4,632
Town	3,973	4,709	4,964	6,017	7,048	7,270	6,411	6,548
Village %	59%	68%	70%	73%	75%	72%	72%	71%

Source: US Census Bureau

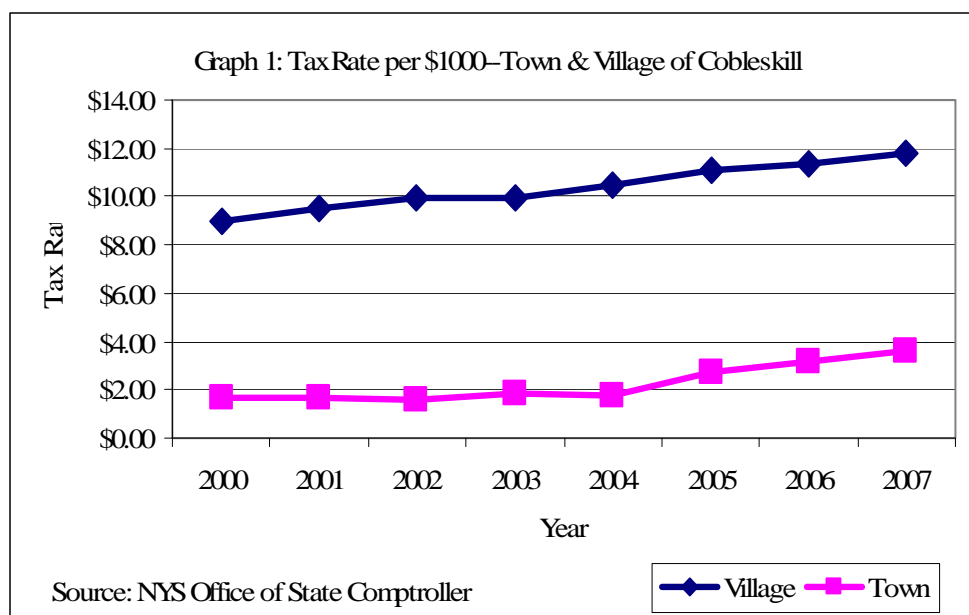
The Village tax rate has risen by 31% since 2000 and the Town tax rate has risen by 114%. In 2006, the most recent year for which data are available from the NYS Office of the State Comptroller (OSC), the Village tax rate ranked in the 53rd percentile of all Village tax rates in the State (or put another way, about half of Village tax rates in NYS were higher). Table 3 also shows the Town tax rate ranked in the 27th percentile for towns (i.e., about three-quarters of town tax rates in NYS were higher).

Table 3: 2006 NYS Comparison*				
Location	Tax Rate	State Median	Rank	Percentile
Town	\$3.17	\$5.15	254/930	27%
Village	\$11.37	\$10.24	347/654	53%

* All Tax rates are per \$1000 of Assessed Value

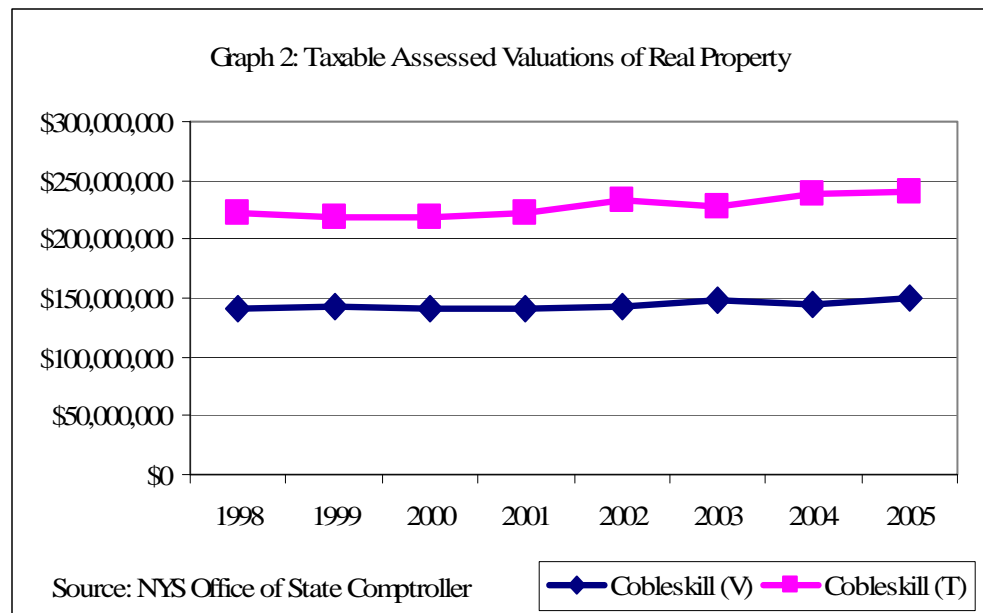
Source: NYS Office of State Comptroller

Data from the NYS Office of the State Comptroller (OSC) reveal in Graph 1 below that Village and Town tax rates have generally trended together since 2000.



OSC data additionally reveal in Graph 2 that the equalized taxable assessed valuation for the Village and Town have remained relatively flat since 2000, trending only slightly upward in recent years. CGR points out that 45% of the Village property on the tax rolls is tax exempt.

The NYS constitutional taxing limit for villages in NYS is equal to 2% of the average of the past five years' taxable assessed valuation, less exclusions.² For the Village of Cobleskill³ in 2008 that dollar amount is estimated to be \$3,326,848. Last year the Village reached 46.5% of the taxing limit with a tax levy of \$1,851,780, and in 2006 it reached 42.67% of the taxing limit with a tax levy of \$1,788,480. Information on the State Comptroller's website⁴ indicates villages across NYS, on average, reached 26.12% of their tax limit in 2006. The OSC data also show that 102 villages in NYS (19% of all villages) exceeded 45% of their constitutional tax limit.



EXISTING SERVICES

The Village and Town of Cobleskill have expended significant energy over many years to consolidate several existing services and/or share services between the two municipalities. The following represents an overview of the services that currently exist in both communities.

² New York State Constitution, Article VIII (Local Finance), Section 10-11

³ Assistance for the analysis of the constitutional tax limit was provided by the Village Clerk.

⁴ <http://www.osc.state.ny.us/localgov/datanstat/findata/2006villages.xls>

Administration

The Village and Town each operate independent offices and each is overseen by separately elected officials. The Village owns its facility on Mineral Springs Road on the edge of the Village while the Town rents space on Route 7, just off Route 88. Based on CGR analysis, general administrative costs comprised approximately 8% of the 2005-06 Village total actual expenses (\$345,507) while in the Town it was 22% of total actual expenses for the comparable fiscal year (\$200,066)⁵.

Village

The Village administration is led by an elected, part-time Mayor. The Mayor serves with an elected, four-member Village Board. The administration is supported by a full-time appointed Clerk/Treasurer, a full-time Deputy Clerk/Treasurer, and a part-time Senior Account Clerk/Typist. The Village hires outside accountants to conduct annual audits of the Village financial records. In addition to general administrative duties, the clerks in the office also provide administrative support for the Water and Sewer Funds. Thus a portion of their salaries and some contractual expenses are paid for with proceeds from these funds.

Town

The Town administration is led by an elected, part-time Supervisor. The Supervisor serves with an elected, four-member Town Board. The Supervisor also serves on the County Board of Supervisors, which governs the entire County. Supporting the general administrative function is an elected full-time Town Clerk and an appointed full-time Deputy Clerk/Tax Collector. The Town also employs a part-time Dog-Control Officer and a part-time Assessor, both of whom serve the entire Town, including the Village.

Courts

The Town and Village have separate court services. Each court is overseen by two part-time justices. The Village has one elected part-time justice and one acting/appointed part-time justice and the Town has two elected part-time justices. In the Village there is one appointed full-time Court Clerk and in the Town there is an appointed part-time Court Clerk. Both courts use the Village Hall to hold court sessions. The Town pays a rental fee to the Village for use of the facility, based on square footage.

⁵ For details, see the Appendix.

Based on court cases initiated in the most recent three-year period, the Village court accounted for 60% of the court workload in the community⁶. Vehicle and traffic cases comprised 70% of the activity of the Village court and almost 90% of the volume handled in the Town court.

A review of 2007 OSC data compiled on justice court revenues statewide shows the Village court was third highest in the County in terms of total revenue generated and 322 out of 1257 justice courts in the State. However, the Village court was first in the County in terms of revenue generated for the local municipality⁷. By comparison, the Town court was fourth in the County for both total revenue generated and revenue generated for the local municipality. In terms of total revenue generated, the Town court ranked 429 out of 1257 justice courts statewide. Both courts represent less than 5% of the total budget in their respective municipality.

Planning and Zoning

The Village supports a full-time Planning and Code Enforcement Officer as well as a full-time assistant. The Village also has one of its highway department staff persons work part-time in the planning office to help with GIS mapping services. These employees work out of dedicated office space at the Village Hall. Supporting the work of the Planning Office is an appointed Planning Board and a separately appointed Zoning Board of Appeals. There is also a Tree Committee which has no paid employees but does have an annual budget. In 2007, the Planning Office conducted 117 fire and safety inspections on eligible facilities (10% of the total eligible) and issued 53 occupancy or building permits among many other activities. Planning and code enforcement represents 3% of the Village budget.

The Town employs a part-time Code Enforcement Officer. The Town also has an appointed Planning Board and separately appointed Zoning Board of Appeals (ZBA). The data that we were able to gather indicated that the Planning Board met 14 times in 2007 and dealt with approximately 74 separate issues. The Town ZBA met approximately three times. The Code Enforcement Officer issued 26 permits during 2007. Planning and code enforcement represents 6% of the Town budget.

⁶ This is an average number based upon Village and Town court records for 2005-2007, per OSC listing of the number of cases started in each court per year.

⁷ Court revenue that is generated in all justice courts is distributed to state, county and local jurisdictions based upon the offense.

Table 4: Village of Cobleskill: Police Activity 2004-2007

Type	2004	2005	% Change	2006	% Change	2007	% Change
# Incidents handled	3599	4229	17.5%	4122	-2.5%	5375	30.4%
# Arrests made	286	442	54.5%	476	7.7%	484	1.7%
# Traffic tickets issued	1071	1177	9.9%	891	-24.3%	1540	72.8%
# Parking tickets issued	317	337	6.3%	295	-12.5%	322	9.2%
# Accidents investigated	168	122	-27.4%	175	43.4%	199	13.7%
# MHL Incidents	13	20	53.8%	24	20.0%	31	29.2%
# Drug Arrests	26	53	103.8%	58	9.4%	33	-43.1%
# Evidence/Property items handled	420	425	1.2%	552	29.9%	489	-11.4%
# Part I crimes	196	169	-13.8%	170	0.6%	210	23.5%
# Part II crimes	423	566	33.8%	562	-0.7%	580	3.2%
# DWI arrests	92	126	37.0%	102	-19.0%	68	-33.3%

Source: Data provided by Village of Cobleskill Chief of Police

Police

The Village of Cobleskill operates a 24/7 police department that provides law enforcement services within the Village boundaries. As of March 2008, the department consisted of a full-time Chief, a full-time Investigator, two full-time Sergeants, eight full-time patrol officers and a part-time administrative support person. 911 dispatch is handled by the County but the Village maintains a 211 direct-access line for immediate service calls. According to the 2007-08 budget, the police department comprised nearly 30% of the total general fund budget⁸. However, the police budget represented 43% of the general fund tax levy. The department is housed within the Village Hall and also services the courts whenever they are in session. The activities of the department are shown in Table 4 above.

Fire and Rescue

The Village operates a volunteer Fire Department that serves the entire Village and, by contract, other areas outside the Village. A Fire Protection District covers the Town of Cobleskill outside the Village and portions of the nearby Towns of Richmondville and Seward. The District contracts with the Village to provide fire protection services to the municipalities it serves. All fire costs are apportioned among the four municipalities based upon a weighted average of population and full assessed valuation.

Rescue services, which primarily is ambulance service, are provided by the Village. The Towns of Cobleskill and Seward each contract with the Village to provide rescue services within their municipalities. The costs

⁸ The police department represented about 20% of the total budget if water and sewer are included along with the general fund.

are apportioned by a weighted average of population and full assessed valuation.

Highway and Department of Public Works

The Village Department of Public Works and the Town Highway Department are listed separately in each municipality's budget. However, they operate as a combined entity. The Town and Village currently equally share the cost for a single Highway Superintendent. The Town's portion of the Superintendent's salary and benefits is allocated in the Town-outside-Village budget (B Fund) and the Town reimburses the Village this amount.

The two departments operate out of one location, the Town Barn. There are two separate payrolls, one comprising "Village" staff and one comprising "Town" staff. Each municipality is responsible for the payroll of its respective staff members. The Village budget reflects that DPW costs are roughly 18% of the combined general fund, water and sewer budgets. The Town Highway Department comprises 50% of the total Town budget.

Primary responsibilities of the two departments are snow plowing in the winter (roughly 50 road miles) and road maintenance in the summer. In addition, the department maintains the parks and supports the water and sewer department for major repair and installation. The Town and Village recently were awarded a significant state grant to build a large salt shed apparently due to the State, which favors consolidation, viewing the two departments as one.

Refuse Collection

As of March 2008 the Village of Cobleskill was contracting with Vet's Disposal Service, a private hauler, to remove all residential garbage and recycling from the Village⁹. The cost for this service is included in the Village budget and thus levied as a part of the property tax rate on all taxable property. All Town-outside-Village residents are responsible for having their own garbage and recycling removed.

⁹ The Village Law Chapter 126-1 states that: "The Village shall pick up garbage and refuse generated by residential use only as set forth in Section 126-6, Eligible Properties. Commercial and institutional establishments shall provide for their own pickup and disposal service."

Parks and Recreation

The Town and Village created a Joint Recreation Commission to serve both communities' recreation needs. Each municipality pays a share to fund the budget for recreation activities. The budget covers one part-time recreation coordinator, some seasonal support staff and other contractual expenses. This service is largely seasonal and focused on youth and summer activities.

The highway departments maintain the parks and each municipality currently budgets to maintain the parks within their boundaries.

Water

The Water Fund represents 14% of the Village combined budget (i.e., general fund, water and sewer) and services the entire Village as well as some customers in the Town-outside-Village. The Village has also created one water district in the Town of Richmondville. Water and sewer billing is based on metered usage with a 5,000 gallon minimum per quarter. Water users outside of the Village boundary are charged 1.5 times the Village rate for water. At the time of this report, and largely due to the loss of Gilford Mills Manufacturing, the water plant was operating at one-quarter of its full capacity of two million gallons per day. The department is staffed by a Water Superintendent and two support staff who are designated to be in charge of water purification. As noted earlier, most of the administration for the Water Fund is handled by the clerks in the Village Hall and thus a portion of the Water Fund revenues is used to reimburse the general fund for the cost of their time.

As of the 2006-07 fiscal year, water users within the Village were responsible for 74% of usage but 76% of actual revenues. SUNY Cobleskill was the next largest user at 22% but contributed 18% of the revenue. Residents outside of the Village used nearly 4% of the water but contributed nearly 5% of the revenue generated for the Water Fund. Rates were recently raised, effective 9/1/2007.

Sewer

The Sewer Fund represents 28% of the Village combined budget and services only residents within the Village. The department has a Sewage Plant Superintendent and two support staff who manage the sewage treatment plant. Sewer billing is based on metered water usage with a 5,000 gallon minimum per quarter. If there is no Village water hook up and a well is being used, then the well is metered in order to bill for sewer. Similar to the Water Fund, most of the administrative functions surrounding billing are handled by the clerks at the Village Hall and as

such, a portion of the revenue that is generated by the Sewer Fund is transferred to the general fund to cover those administrative costs.

There are two primary classifications of sewer users: SUNY and Other Village. SUNY represented 24% of the volume used during 2006-07 and contributed 30% of the revenues that were generated. Other Village generated 76% of the usage while contributing 70% of the revenue. The rates for the Sewer Fund were also raised as of 9/1/07.

SHARED SERVICE OPPORTUNITIES

Existing Agreements

Highway

In April 2007, an inter-municipal agreement was re-affirmed in which the Town and Village of Cobleskill agreed to share highway equipment owned by either municipality. This includes all equipment and tools associated with storage, maintenance and repair regarding normal operation of the highway departments. Town Barn facility expenses incurred by the Town are paid for by the Town, which vouchers the Village for 50% of the total cost.

The agreement further stipulates that each municipality will share its employees. This includes payment of 50% each for the cost of the Superintendent (paid by the Village, with the Town reimbursing the Village for its share). The 50% portion of the Superintendent's salary covered by the Town budget is built¹⁰ into the Town-outside-Village portion of the budget so that Village taxpayers are not charged more than once. Each municipality is responsible for the salary and benefits of their own remaining highway staff, based on which department hired that staff member.

The Town and Village have also created a Highway Committee comprised of two members of the Town Council and two members of the Village Board to review overall performance of the combined highway operations resulting from this joint agreement.

Cobleskill-Richmondville School District

The Cobleskill-Richmondville School District currently provides gasoline and motor diesel fuel to both the Town and Village of Cobleskill through

¹⁰ This clause was formally passed by the Village Board in March 2007 and agreed to by the Town Council in a revised agreement jointly signed in April 2007.

the use of fuel access cards. This agreement allows all Village and Town departments to have access to motor fuel purchased and stored by the Cobleskill-Richmondville School District at their main bus garage. The cost of the fuel is passed along, at cost, to the Town and Village.

Fire and Rescue

The Village of Cobleskill has a formal inter-municipal agreement with the Cobleskill-Seward-Richmondville Fire Protection District to provide fire protection services (including ambulance EMS and Rescue) in response to all fire alarms and calls for fire service. The district comprises the entire Town of Cobleskill, and portions of the Towns of Seward and Richmondville.

The Cobleskill Fire Department, Inc. is licensed to provide Basic Life Support Services and the Village of Cobleskill has an inter-municipal agreement with Rural/Metro Medical Services (RMMS) to provide Advanced Life Support First Response services.

Parks and Recreation Joint Commission

In fall 1974, the Town and Village of Cobleskill agreed to develop an inter-municipal agreement to establish a Joint Recreation Commission. The Commission was established with seven members, three appointed by the Town and four appointed by the Village. In 1977, the Village was appointed as custodian of the funds for the Recreation Commission and has remained custodian since then. In 2005 the representation was changed to four members appointed by the Town and five appointed by the Village. Each municipality abides by this agreement and annually carries it forward. Each summer there are a wide variety of youth programs that are conducted that serve both communities and some children from surrounding towns.

Court

The Village of Cobleskill currently rents its court facility in the Village Hall to the Town to hold court services when court is in session. The Town pays for 27% of the utility cost of the entire Village Hall based upon space allocation and also 30% of all other costs associated with maintenance and supplies for the building. The Village Hall court facility is widely considered the best option within either community for holding court.

Water

The Village of Cobleskill has an agreement with the Town of Richmondville governing Water District #1. This agreement says that the Village has excess water and is willing to share its water with those

outside of the village¹¹. The water is sold to the Town at 1.5 times the rate established for Village users and the Village has agreed that it will not make water service available directly to any individual or corporation for properties within the said district, except under the agreement.

Future Shared Service Opportunities

Planning and Code Enforcement

One of the most important and often underrated aspects to a vibrant community over the long term is the presence of good planning. A long term comprehensive plan that incorporates multi-use land use planning and economic and community development goals can provide community residents with a sense of structure and optimism about the future of their community. In the absence of this sort of planning, decisions are often made in an ad hoc fashion, with little or no coordination with other Village or Town departments. The Town and Village of Cobleskill currently have separate planning and code enforcement functions. Through numerous interviews and feedback from the public, CGR believes this functional area represents a great opportunity for consolidation.

There is no coordination between the Town and Village planning boards regarding comprehensive planning. The Town has an outdated comprehensive plan and has been unable to generate a formal update for several years. The Village operates with a relatively active planning board in conjunction with its full-time planning and code enforcement staff. Neither board has tended to view planning from a regional, or even Townwide perspective, and disputes related to land use/control and water sharing have hampered such a comprehensive approach.

Joint Town/Village planning and zoning activities could be one of the most exciting and feasible opportunities for the two communities to consider. The community of Cobleskill has many advantages that offer great potential for future economic and community development but coordinated planning is essential to facilitate achieving this potential.

Options to Consider

1. ***Maintain the Status Quo***: CGR finds staffing levels are adequate at current levels and do not represent excess. (Put another way, there will not be much of a fiscal impact on the tax levy and ultimately on the tax rate whether or not the two communities

¹¹ This agreement was signed in 2000 at the time when Gilford Mills was still in operation suggesting that there was still excess capacity when they were using the water system.

maintain the status quo or consolidate planning and code enforcement functions.)

2. ***Combine the Two Functions Under Shared Agreement:*** CGR believes that each community could achieve significant efficiencies (though not significant cost savings) by consolidating these two functions. The first step would be to combine both planning boards and ZBA boards into one entity. There should be adequate representation from both Village and Town-outside-Village residents on these combined boards. One model that is being used in another town/village in New York State is to have the village board appoint three members and the town board appoint three members and have one at-large member. Each community approves the other's appointments. The size of the board could range from 5-9 members following this, or a similar, format.

If implemented, the first step the new planning board could undertake would be a review of current land use planning and the Village economic development plans. Within the next budget year the new planning board could engage a committee focused solely on a long-range regional (at least Townwide) comprehensive plan for the community.

Fiscal savings would amount to little more than \$1000 net between the two entities. Formally the structure we propose would be one full-time Code Enforcement Officer paid by the Town with one full-time support person in that office¹². Interviews suggest that merging the part-time code enforcement position from the Town¹³ into the combined office would be adequate to accommodate the workload presented by one office covering Townwide permit and code enforcement issues. We would suggest having a very part-time Planning Board secretary (with no benefits) to keep minutes of the meetings. The Tree Committee should remain intact at its current funding level. Other ancillary costs, including dedicated funding in the coming year's budget for economic and comprehensive planning, would round out the budgetary needs of the combined entity.

The person hired by the Town for code enforcement would be responsible to the joint planning and ZBA boards. The code

¹² Likely the existing Village personnel.

¹³ CGR expects that this support person would likely be the current part-time Town Code Enforcement Officer.

enforcement staff will have to navigate separate zoning and code laws, but should work to integrate the two code books into one with appropriate accommodation for the differing needs of the Village and the Town-outside-Village.

3. ***Combine Planning and ZBA Boards Only***: The third option simply recognizes that future economic and community development hinges in large measure on the Town and Village working together. A significant step in this direction would be to combine the planning boards and ZBA boards into consolidated boards that represent both municipalities equally (see option 2). Consideration may be given to representation based upon population or assessed valuation, but appropriate caution should be taken to avoid the pitfall of having one entity control either the combined planning or zoning board. The goal of joint boards would be coordinated and regional planning that sensitively addresses the needs of the Village and Town and mutually benefits both communities over the long term.

CGR estimates that the community could save \$1,000 by consolidating the code enforcement function into one Townwide department. The primary benefit of this option (option 2) is creating efficiency in the two communities.

Courts

The Town and Village court both operate in one facility currently suggesting that space would not inhibit consideration of a combined entity. State Law mandates that a Town Court must exist, but there is no such mandate for a Village Court. Thus, consolidation of the two courts would result in elimination of the Village court. Precedent for this comes from other communities around the state, including communities with larger populations and more active courts, which currently operate one consolidated court.

Options to Consider

1. ***Maintain the Status Quo***: The Town and Village of Cobleskill could continue to operate two courts independent of each other.
2. ***Consolidate the Village Court into the Town Court***: Increased coordination coupled with added efficiency could result by merging the Village court with the Town court. The primary considerations for this option are:
 - There could be a reduction of justices from four part-time positions (three actual justices) to two part-time positions. Elimination of elected justices would need to occur through

attrition or voluntary resignation. Reducing the number of justices is the primary cost savings in this option, yielding approximately \$10,000 in overall savings.

- The Village may experience some loss in net revenue due to some vehicle and traffic fines going to the Town, but the village would retain all fines associated with local ordinance violations and anything related to dog license issues.
- While some court revenue fines would shift to the Town, overall revenues between the two municipalities should not decline provided the current volume stays the same. If costs were lowered relative to reducing the number of justices, the overall net revenue may increase and help to reduce the tax levy for the Town¹⁴.
- The court activity numbers between the Town and Village court actually reflect the taxable assessed valuation between the Town and Village (roughly 40/60). This indicates that the costs of one court spread across the taxable assessed valuation of the entire Town would yield an equitable distribution of costs and associated revenue.
- One court would likely coordinate better with the County District Attorney's office reducing the demands placed upon DA staff members to attend multiple courts in one week in the same community.
- The community would only have one court to attend thus eliminating confusion within the community about which court to attend on which day.

CGR estimates that the community could save \$10,000 by consolidating the two court functions into one Town Court mainly by eliminating two part-time justice positions. The primary benefit of this option is creating efficiency in the two communities.

Police

Relative to other police departments that CGR has studied around the State, the Village of Cobleskill Police Department currently operates very efficiently. However, many residents and leaders in the community

¹⁴ Changes in the tax levy by roughly \$10,000 would yield between \$.04-\$.07 impact on the overall tax rates in either the Village or Town.

recognize that the budget of the police department has a tremendous impact upon the tax levy for Village residents. CGR explored several different options for the police, including talking with the Schoharie County Sheriff about folding the police department into the County, and talking with mayors of surrounding communities to determine their experience with eliminating police departments. It was, however, outside the scope of this study to conduct a formal fiscal impact related to either of these concepts. CGR also recognizes that the community would need much more detail to consider either a consolidation or dissolution of the police department.

A significant insight that CGR did gain through our analysis of the Village Police Department is that it represents a uniquely regional asset. The County Sheriff does not have 24/7 patrol coverage and is limited in command staff. There are State Police in close proximity to the Village, but traditionally troopers do not handle the types of matters that a local force handles. As we discuss elsewhere in this report, a substantial majority of the retail and commercial activity in the County happens in the Village and Town of Cobleskill. The Village Police Chief estimates Village officers spend in excess of 50% of their time responding to calls for service or conducting routine patrols related specifically to the commercial and retail establishments in the Village. These factors suggest the Village of Cobleskill taxpayers are paying for a valuable service that is benefiting the entire County, even as it provides a sense of security within the Village.

Insight into how the Village Police indirectly serves the entire County, coupled with our understanding of other police mergers and consolidations across the State, form the basis for the options presented below.

Options to Consider

1. **Conduct a formal police consolidation study with County Sheriff:**

In order for the community to have all the facts that it would need to fully analyze the costs, merits and drawbacks of consolidating the police department with the County, a formal study would have to be conducted. This study would have to have the full participation of the County Sheriff with full access to payroll and calls for service (911) data. Other communities have conducted these studies very successfully and State funding is currently available for such studies.

The primary benefit to this option is that the community would have a thorough study to fully examine the issue of how to address the cost of the police department in relation to Village taxes. In light of the regional benefit that the Village police provide to the surrounding communities, and to the County as a whole, Village

taxpayers should openly consider ways that this asset (and hence the associated costs) can be shared regionally.

2. **Negotiate with County to use Sales Tax to help defray expense of Village Police:** As already noted, the Village is the economic center of the County¹⁵, and the presence of SUNY Cobleskill only adds to the activity in the Village of Cobleskill that according to the current Village Chief of Police simply cannot be covered by the County Sheriff's Department under its current personnel configuration. Later in this report, CGR analyzes the amount of sales tax coming into the County by virtue of the sales tax that is generated within the borders of the Village. The Village could consider developing a negotiating strategy to engage the County in a discussion related to defraying the cost of the Village Police Department. By sharing sales tax with the Village the County would be formally recognizing the value of the Village police in helping to ensure a climate conducive to the generation of sales tax revenue.
3. **Move the Village Police to a Townwide Force:** The Village could engage in negotiation with the Town to have the Village police force move to a Townwide police force. Under this scenario, total costs of the department would immediately increase due to increases in fuel consumption and wear and tear of the vehicles with extra road miles. It is estimated by the Village Chief of Police that fuel and maintenance costs would double under this scenario and the size of the department would have to increase by a minimum of one patrol officer. Adding one patrol officer would add approximately \$50,000 in combined salary and benefits expense to the police department budget. Doubling fuel and maintenance costs could add as much as \$32,000 to the police department budget¹⁶. Shifting this total cost to a townwide expense clearly benefits those living in the Village by spreading those costs out over the larger tax base of the entire Town. Those who currently live in the Town-outside-Village would see their townwide tax rate increase and would have to be assured that the coverage they are receiving is worth what they would pay in increased property taxes.
4. **Create a Business Improvement District:** The Village and Town of Cobleskill could consider encouraging local businesses outside

¹⁵ See Discussion of Sales Tax later in this report.

¹⁶ Figures are based upon actual expenditures for the most recently completed fiscal year May 31, 2008.

of the Village boundaries to establish a Business Improvement District (BID). According to the Village Chief of Police, the current staffing level of the Village Police Department could adequately handle more routine patrols outside of the Village boundaries moving east along Route 7. Instituting this patrol, however, would likely increase fuel and maintenance costs by 15-20%, he estimates¹⁷.

Businesses along this commercial corridor likely would appreciate the added police presence and as such, the businesses could be encouraged to band together to form a BID. Under this arrangement, a board would be formed from representatives of the associated businesses and a budget would be set at their discretion. The board would be empowered to contract with the Village Police Department to provide security to the businesses along this corridor. This would address the concerns the businesses have for added security and also potentially provide an added source of revenue to the Village.

Limitations do exist in regard to the amount of tax that a BID can levy and also the amount of debt that a BID can carry¹⁸. In regard to outstanding debt, all debt is chargeable against a municipality's constitutional debt limit (should one exist) and as such the BID is limited to a debt limit not to exceed 10% of the municipality's constitutional debt limit. Similarly, the tax levied in a given year against real property in a district may not exceed 20% of the total general municipal taxes levied in that year against the taxable real property in the district. If a BID forms in the Town of Cobleskill, CGR estimates that it would not hit these limits.

5. **Eliminate the Police Function from the Village**: CGR cannot recommend this option at this time since there has been no formal study of the merits, drawbacks and costs to fully understand all the related issues of eliminating the Village force. Additionally, during public forums, members of the community made it clear that they are not in favor of this option. That said, it is an option CGR believes should be presented and could be studied in more detail. If the Village did dissolve its force, the County Sheriff would become responsible for providing police protection within the Village borders.

¹⁷ Roughly \$6000 based upon the most recently completed fiscal year May 31, 2008.

¹⁸ For precise language in NYS Law, please consult General Municipal Law Article 19-A, Section 980-k, subsections (a) and (b).

Options presented above related to police services provide neither cost savings nor efficiencies for the Town and Village. CGR estimates that the costs would merely shift in options 2-5. The advantage to considering these options is to get a more balanced distribution of revenues to offset police costs that are now incurred entirely by Village taxpayers.

Water & Sewer

The Village of Cobleskill has a tremendous resource with two million gallons per day capacity of fresh water and a clean and well run distribution system that is currently operating at one-quarter of its full capacity. There is already an existing agreement in place with Water District #1 that creates a model to follow for extending water to other communities, including the Town outside of the Village. Mixed with the decision to extend water, however, is the issue of land control and the fact that the Village is largely landlocked from future development. CGR believes the Village should separate the issue to extend water from the issue of being landlocked and pursue regional water and sewer sharing agreements. Selling water outside of the Village boundaries may impact population migration between the Village and Town and thus potentially influence the financial resources that are available to the Village in the future. We cannot validate this concern, however, and we understand that conversations between the two municipal boards have already begun to open up new opportunities to look at the issue of selling water separate from issues of land control and growth.

The Village has the opportunity to act like a regional water authority for several communities due to its location and its water source and capacity. This represents a significant source of revenue and with proper rate setting and planning, this system could be self-sustaining for many years to come. While this revenue will never fully underwrite the general fund and technically lower taxes, it does have the possibility to lower Village water rates (by expanding the user base) thus helping to alleviate another burden on Village taxpayers.

To accommodate this model, the community could consider creating a Regional Water and Sewer Shared Services Committee to review the entire Town and study benefits of extending service beyond the Village. Using the Highway Committee as a model, two members from each elected board would be appointed to serve as part of the regionally focused committee. Final authority would rest with the Village, and the Village board would be tasked with generating an agreement that would give the committee authority to act in the best interest of the whole community. The committee would review and approve all new projects related to water and sewer service.

Of greater significance, however, is the potential that extending water has to spur economic and community development for the region. While some in the community fear that Cobleskill may lose its rural character, a good comprehensive plan can serve as the foundation for managing growth designed to bring in jobs, increase tourism and sales tax revenue, and potentially encourage population growth and home ownership. The Village should understand that growth in the Town potentially lowers Town tax rates¹⁹ effectively impacting the Village and the Town in their overall tax burden. Increased sales tax affects both communities in revenue received from the County as well as impacting the county tax rate.

Land control should be addressed through joint planning and separated from the issue of Village taxes. The Village tax rate needs to be addressed through various methods, including methods already mentioned and some discussed in more detail below. For example, the Village has a valuable resource in its water and should work with the Town and other towns to use this resource to benefit the region as a whole.

While there are not the same economies of scale to be found in the extension of the sewer as there are in the extension of water, the Village should be open to proposals from the Town and other towns about expanding the capacity of the system. Sewer infrastructure is a costly investment, but to the extent that new users are willing to pay for that service, extension should be considered. Again, these considerations should be isolated from land control issues and tax rate issues and viewed through the bigger lens of regional economic and community development. Increasing the population, the tax base, tourism and sales tax all have positive potential to address the tax rate issue. The Village has significant opportunity to revitalize its downtown commercial district and create future opportunities for growth that will encourage residents for many years to come.

Refuse Options

Refuse collection does not currently represent an opportunity for shared service within the Town and Village since local Village law mandates that the service is only available to Village residents. However, a modification to the billing method and local law could open the door for commercial and institutional establishments to participate in the service. Allowing entities within the Town that are near the Village border to pay for the service could represent an opportunity for municipal cooperation between the Village and Town.

¹⁹ Lower tax rates would occur if the assessed valuation increased and or Payments In Lieu Of Taxes (PILOT) were received to encourage development.

Within the past year, the Village was audited by the NYS Department of Labor which identified that the former refuse contract was not bid with regard to prevailing wage. The Village was cited to remedy the situation. The Village then put the new contract out to bid and the former contractor was not the low bidder. Vet's Disposal Service was the lowest bidder and when the firm started collecting refuse, the Village board quickly realized that the former contractor had been collecting commercial garbage as well as residential, particularly along Main Street. The new contractor started following the letter of the contract and law, which created a firestorm in the community when commercial garbage on Main Street and other places was not removed. Since the cost of the service is part of the Village budget, commercial and institutional establishments paying property taxes are paying for a service they are not eligible to receive. This caused the Village board to review the contract and law and offer some alternatives. The Mayor and Village Clerk proposed two alternatives at a board meeting in April 2008 that were not approved. To date, the situation remains unchanged and is still contentious for the entire community.

CGR reviewed the Mayor/Clerk's proposal and found their alternative for a user fee model provides a reasonable solution. With their permission, we summarize and reprint the basics of their proposal (see "Village Transition to User Fee Model" below) for the Village to consider. The Pay as You Throw model is similar to their user fee proposal. We have also included the basics of this model along with pros and cons to consider as the Village reviews this alternative.

Village Transition to User Fee Model²⁰

Set a fee

Currently there are 890 addresses²¹ in the contract with Vet's Disposal. The contract price for Vet's Disposal is \$255,990 for one year. Under this model, the Village would create a user fee based upon dividing the number of addresses into the total cost of the contract. This yields a \$288 user fee. Billing would occur once per year in the same envelope as the water billing in June and would be done in advance for the entire fiscal year in order to ensure cash flow for the year. There would be a penalty after 30 days, and if not paid the amount would be levied to taxes for collection.

²⁰ This is Option Two of the Municipal Waste proposal jointly drafted by the Mayor and Clerk of the Village of Cobleskill and submitted to the Village Board on 4/1/08.

²¹ Some of these are multi-family units. Total units are 1165 per the refuse contract.

Adopt a local law

The Village would then require all properties as stipulated in the contract to make use of this service. Pursuant to Section 10(1) (ii) (a) (9-a) of the Municipal Home Rule Law, a municipality can adopt a local law providing that unpaid user charges shall be a lien against the property served, however, a local law adopted pursuant to this section may not provide that a lien for delinquent charges shall be enforced with the annual tax.

Modification to the existing Code of the Village of Cobleskill: Municipal Waste Law Chapter 126 would involve *adding* Section 8 as follows:

Section 8: Service Charges

- Every owner or occupant of property defined by the Village of Cobleskill in the list of properties made part of the Municipal Refuse and Recycling Contract is hereby required to make use of the refuse collection and disposal service provided by the Village of Cobleskill.
- The service charge for the collection and disposal of refuse by the Village of Cobleskill shall be set by resolution of the Board of Trustees from time to time.
- Refuse service charges shall be due and payable annually, in advance, regardless of occupancy of the premises, on the first day of June in each year.
- Refuse service charges shall be billed to the owners of the premises and shall be made payable at the office of the Village Clerk/Treasurer.
- In the event that the refuse service charge bill is not paid within one month from the date it is due and payable, then a penalty charge shall be added to the bill. Said penalty shall be at the same rate as that established by New York State law for penalties on delinquent Village property taxes.
- All unpaid refuse service charges, including penalties and interest thereon, if any, not paid by May 1 of each year shall be added to the annual Village tax levy and become a lien upon the property benefited by the refuse collection and disposal service provided by the Village, and such lien shall be prior and superior to every other lien or claim except the lien of the existing taxes or local assessments.

Analysis of Alternatives

If the Village were to levy the cost of the garbage collection contract this year (\$255,990) ***to only the properties listed in the current contract*** and create a special assessment district based on taxable assessed value within that district, the cost per \$1,000 of taxable assessed value would be \$3.40,

double the cost of what is now spread across the entire tax base. To a property owner with a house valued at \$100,000, the cost for refuse as part of a special assessment district would be \$340 annually.

Asking Village residents to contract for their own service is another option, but the cost was unknown at the time of this report. A conservative estimate of \$30 per month for one pick up per week would yield an annual cost of \$360. Thus, of all the options presented, transitioning to a Village mandated user fee model represents the lowest cost option for users of the refuse collection service. This would also alleviate the commercial and institutional establishments from having to pay approximately \$1.69/per \$1000 of their property tax assessment (approximately 14%) for a service for which they are not currently eligible.

Pay as You Throw (PAYT)²²

Definition of Pay As You Throw

This system asks households to pay based upon the amount of garbage put out for collection. PAYT is a strategy in which customers are provided an economic signal to reduce the waste they throw away, because garbage bills increase with the volume or weight of waste they dispose. In many communities it has served a useful method to encourage recycling as customers are not charged for the amounts that are recycled.

Types of PAYT Programs

Variable Can or Subscribed Can

In this program, customers select the appropriate number or size of containers (one can/two cans, 30-35 gallons or 60-65 gallons, etc.) for their standard weekly disposal. Thus, rates for customers signed up for two- or three-can service are higher than rates for one-can customers. Some communities also have introduced mini-can (13-20 gallons) or micro-can (10 gallon) service levels to provide incentives for aggressive recyclers.

Note: This method is more common in larger communities and urban and suburban communities, particularly when such communities have automated collection.

²² Information culled from: Skumatz, Lisa A., Ph.D. and David J. Freeman, "Pay as you Throw (PAYT) in the US: 2006 Update and Analyses", prepared for US EPA and SERA, by Skumatz Economic Research Associates, Superior, CO., December 2006.

Bag Program

In this program, customers purchase bags imprinted with a particular city or hauler logo, and any waste they want collected must be put in the appropriately marked bags. Bags holding from 30-35 gallons are most common; some are smaller. Sales through community centers, or grocery and convenience stores are most common (sometimes with commission) and minimize inventory and invoicing issues. The bag cost incorporates the cost of the collection, transportation, and disposal of the waste in the bag. Some communities charge all costs in the bag price; others charge a separate customer charge to reduce risks in recovering fixed system costs.

Note: This method is more common in smaller and more rural communities.

Tag or Sticker Programs

These are almost identical to bag programs, except instead of a special bag, customers affix a special logo sticker or tag to the waste they want collected. The tags need to be visible to collection staff to signal that the waste has been paid for. Like the bag program, tags are usually good for 30-gallon increments of service. Pricing and distribution options are identical to bag programs.

Note: These programs are more common in smaller and more rural communities.

Hybrid System

This system is a hybrid of the current collection system and a new incentive-based system. Instead of receiving unlimited collection for payment of the monthly [garbage] fee or tax bill, the customer gets only a smaller, limited volume of service for the fee (typically one or two cans or bags). Disposal of extra bags/cans beyond the approved base service requires use of bags or stickers, as described above. **This system is attractive to communities as it requires no change in billing system, containers, or collection system, and the base service can be tailored to suit the community.** Many customers see no change in bills; large disposers are provided an incentive to reduce.

Note: This system is easiest to implement using an existing garbage system.

Weight-based System

This system uses truck-based scales to weigh garbage containers and charge customers based on the actual pounds of garbage set out for disposal. On-board computers record weights by household and

customers are billed on this basis. Radio frequency tags are affixed to the containers to identify households associated with the can weight for billing. These programs have been pilot-tested in the U.S. and implemented overseas. Certified scale systems are now available in the U.S.; however, despite multiple pilot tests in North America, they are not in wide use in U.S. or Canadian communities.

Note: This method is not commonly used in the United States.

Other Variations

Some communities or haulers offer PAYT as an option along with a standard unlimited system. Waste drop-off programs charging by the bag or using punch cards or other customer tracking systems are also in place in some communities, especially in rural areas.

Penetration of PAYT Programs in the U.S.

The latest figures (2006) show that PAYT is currently available to residents in almost 7100 jurisdictions, which translates to about 25% of the nation's population, and about 26% of communities in the U.S., including 30% of the largest cities in the country. The largest number of programs is available in Minnesota (mandated), Iowa, Wisconsin, California, New York, Washington and Pennsylvania, each with more than 200 programs. States with the largest share of communities with PAYT available include: Minnesota, Washington, Oregon (all mandating or virtually mandating PAYT), followed by Wisconsin, New Hampshire, Massachusetts, Iowa, California, Michigan, and New York, all with PAYT available in 40% or more of the communities in the state. Wisconsin and New Hampshire had more than 75% of communities with PAYT.

Summary of Impacts from PAYT

The key impacts communities have found from implementing PAYT programs include reduction in disposal tonnage and an increase in recycling and yard-waste diversion as well as source reduction. These studies found that PAYT programs decrease residential municipal solid waste by about 17% in weight, with 8-11% being diverted directly to recycling and yard programs, and another 6% decreased by source-reduction efforts, such as buying in bulk, buying items with less packaging, etc.

Note: The impacts from PAYT were the single most effective change that could be made to a curbside (or drop-off) program. Implementing PAYT had a larger impact on recycling than adding additional materials, changing frequency of collection, or other changes and modifications to programs.

PAYT Advantages and Disadvantages

Advantages

- ***Equity/Fairness.*** Customers who use more service pay more.
- ***Economic Signal.*** PAYT provides a recurring signal to modify behavior (because it affects a bill), and allows small disposers to save money compared with those who use more service (and cost the system more).
- ***Lack of Restrictions.*** PAYT does not restrict customer choices. Customers are not banned from putting out additional garbage, but those who want to put out more will pay more.
- ***Efficiency.*** PAYT programs are generally inexpensive to implement and do not require additional pick-up trucks. These programs encourage consumers to use only the amount of solid-waste service they need.
- ***Waste Reduction.*** PAYT rewards all behaviors—recycling, composting, and source reduction—that reduce the amount of garbage thrown away.
- ***Speed of Implementation.*** PAYT can be very quickly put in place, often within months.
- ***Flexibility.*** PAYT can be implemented in a variety of sizes and types of communities, with a broad range of collection arrangements.
- ***Environmental Benefits.*** Because they encourage increased recycling and waste reduction, PAYT programs are broadly beneficial to the environment.

Disadvantages/Concerns

- ***Illegal Dumping.*** If households have a lot of trash or large bulky items, some will dump it in others' trash or in commercial dumpsters so that they don't have to pay for the disposal. This is a problem in approximately 20% of communities, but reportedly generally lasts about three months or less.
- ***Concerns about Undue Burdens on Large Families or the Poor.*** Large families naturally produce more waste, and thus may be charged more. However, they do have the option to reduce the waste that they produce and thus pay less. With regard to low-income families, some communities (approximately 10%) provide discount rates for low-income families, such as allocations of some free bags or tags.
- ***Revenue Uncertainties.*** The number of bags or cans of trash set out decreases dramatically with PAYT, due to reduced disposal, or stomping or compacting of trash to increase the amount that can fit into a single

container. Communities and haulers implementing PAYT need to adjust their expectations about the number of set-out containers to assure they cover the fixed costs of collecting solid waste.

- ***Administrative Burdens/Workloads.*** Studies in Wisconsin and Iowa indicate that workloads stayed the same or decreased in 60-70% of the communities implementing PAYT. Workloads during implementation will be increased (including calls) and temporary staff is likely to be needed.
- ***Multifamily buildings.*** PAYT is most tested in single-family situations up to perhaps eight-unit apartment complexes. They are not widely tested in large multi-family buildings (with garbage chutes), although some technologies are being developed. However, multi-family buildings serviced by dumpsters receive a better volume-based, building-wide incentive for recycling than single-family households with a non-PAYT system.

Key Elements for Successful Implementation of PAYT

- ***Political Support.*** One of the most important elements of success is gathering political support for a PAYT program. A champion for the system on the Village Board can be especially effective. Support from citizen groups can help.
- ***Hauler Input.*** Haulers should be included in the discussion of the design of a PAYT system. PAYT programs are not unfamiliar to haulers—and haulers know the community and can help design and revise the system so that it can work better for all involved parties. Haulers can often make very useful suggestions that accomplish the same goal and make the program work more smoothly.
- ***Customer Education.*** It is critical to provide information about the new PAYT system to households. Address the problem solved by the new system, how the system works, opportunities to reduce waste, and where to get more information.
- ***Consider a pilot or phased implementation.*** This can help make sure the program has minimal glitches when implemented system-wide.

CONSOLIDATION

The most significant cost drivers for the two communities are the highway departments, the police department, and water and sewer. There is very little that can be done to significantly save money with police, water and sewer by simply consolidating the two municipalities. The highway departments operate as one combined entity already and thus there would

not be significant costs savings achieved through consolidation. Administration represents the next most significant combined cost and certainly the most significant way to address this cost component is through consolidation. Our analysis shows that potentially a combined entity could save about \$150,000 in administrative costs if the two entities were combined. As in other communities, the savings would largely be achieved through personnel reductions and eliminating current duties that overlap. Some of this savings would be found in operating a combined administrative facility since currently the Town pays about \$25,000 for rent and supplies to house its administrative operations.

Aid and Incentive to Municipalities (AIM)

New York State's most recent budget included three merger incentives for municipalities considering dissolution and consolidation. Under Option 1, municipalities that consolidate by dissolving one municipality will receive a 25% increase over the previous year's combined AIM payment of both municipalities. In the case of the Town and Village of Cobleskill, the *increased* amount of state aid in year one for the new consolidated entity would be \$18,384. Further percentage increases of aid offered by the state would be calculated on the full amount of year one aid (the one-time increase *plus* the combined AIM payments)²³.

Option 2 under the new budget would offer a consolidated entity an increase over the previous year's combined AIM payment of 15% of the combined most recent tax levies of the two entities. For Cobleskill, the *increase* in state aid would result in \$347,960 more revenue in year one. Like Option 1, further percentage increases of aid offered by the state would be calculated on the full amount of year one aid (the one-time increase *plus* the combined AIM payments).

Under Option 3, the new combined entity would be eligible for \$250,000 of aid in year one decreased by \$50,000 annually over four years, ultimately resulting in no aid after the full five years. (The \$250,000 would not be an addition to the previous year's combined AIM incentive, but would be the full amount of aid received by the combined municipality for that year.)

If the Village were to dissolve and merge with the Town of Cobleskill, the increased state aid under Option 2 garnered through consolidation would translate into a tax rate impact of \$1.42 per \$1,000 of assessed valuation.

²³ Criteria for annual percentage increases can be found at <http://www.budget.state.ny.us/localities/local/aim.html>.

This translates into a potential savings of \$213 per year on a house assessed at \$150,000 in the Town. This calculation does not account for any additional savings achieved in the act of consolidating, but only represents the value of the increased state aid. A significant caveat is that with consolidation, cost shifts occur that would potentially lead to increases in Town tax rates that would mitigate the effect of the State aid impact on Townwide tax rates. However, for the community as a consolidated whole, the increase in State aid is a significant incentive.

	Current AIM	Option 1	Option 2	Option 3
Combined T & V	\$73,537	\$91,921	\$421,197	\$250,000
Year 1 Increase		\$18,384	\$347,660	\$176,463

Source: NYS Division of Budget and Local Government Accountability Office

Dissolve the Village

By engaging in future shared service agreements, and knowing full consolidation could yield potentially an additional \$150,000 in administrative savings combined with significantly increased revenue from the State, CGR believes that the community is moving in a direction that could lead to dissolution of the Village. The timeframe is unknown and would be linked to capturing opportunities identified in this report. Communication, community education, and collaboration will go a long way toward informing the community and ensuring that every voice is heard and every issue is considered.

Dissolution can happen in one of two ways: 1) through community petition signed by one-third of registered voters in the village, or 2) through a process initiated by the Village Board. Both methods would lead to a formal public referendum at which time only eligible voters within the Village would vote on the issue. Under either method, a full dissolution plan must be developed that outlines the full impact of dissolution on all personnel, assets, debt and local laws of the Village. It should be noted that if dissolution were to occur, all current debt of the Village in any department would remain the responsibility of the assessed valuation currently associated with that debt. In other words, no debt would transfer to the Town-outside-Village residents upon dissolution.

The benefits of thinking of Cobleskill as one community without an arbitrary dividing boundary are significant for future economic and community development and should be weighed against the challenge of redefining services and costs. In many respects, the boundaries of villages

and towns predate our modern era and frequently do not sufficiently account for the ability of many towns to handle most, if not all, of the service provisions that villages were formed to accommodate. Town-outside-Village and Village residents could decide they wish to manage costs, share services with surrounding towns, spur development and make one Cobleskill a vibrant place to live.

Co-Terminous Status

CGR also reviewed the concept of creating a co-terminous boundary between the Village and Town. The primary benefit of this option is the streamlining of administrative personnel including one board, one mayor/supervisor (depending on whether the voters wanted to principally operate as a village or town) and one administrative office. However, in the case of Cobleskill, the land mass of the Town is significantly larger than the Village and extending Village boundaries to be co-terminous with the Town would unduly burden Town-outside-village residents with costs of the Village. Without some form of enabling legislation or change to State law, co-terminous status would not allow for dual zone taxation since neither the Village nor Town have the right to create this taxation structure. Under a co-terminous structure, there are still two layers of government which does not fundamentally address the issue of duplication of services at its most basic level. Additionally, a co-terminous entity does not qualify for the AIM incentive that is available for consolidating municipalities that dissolve one layer of government. Based upon these factors, CGR finds co-terminous status is not a viable option for the two communities to consider.

City Status

The option that incorporates most of the benefits of all the options presented but represents the most significant change for the community of Cobleskill is to combine the Town and Village into a city²⁴. This option has built-in procedures to address the fears of both communities while still achieving the benefit of planning regionally and for the future. This option would represent true consolidation but would certainly face a potentially difficult process of moving through the NYS Legislature. We examined in very broad terms two options for the community to consider when thinking about city status: 1) Village and Town consolidation into one city and 2) Village transition to a city without consolidation with the Town.

²⁴ The last known successful city incorporation was Rye in 1942.

Village and Town Consolidation into a City

In New York State there are currently three cities that have very large and diverse land masses associated with them: Rome, Oneida and Saratoga Springs. When these cities originally incorporated, they built into their charters the option for “dual-zone” taxation. This allowed them to tax people in the more densely populated urban core differently than those who live in very rural settings but within the boundary of the city that was being created. Thus, residents outside the urban core who do not receive the same services (and probably could not from a logistical standpoint) are not subject to the same fees and taxation. However, planning, development, and service delivery are all centralized functions of one government and thus there is efficiency within the bureaucracy.

Table 6: Comparison of Communities with Dual Zone Taxation and City Status

	Cobleskill (V)	Cobleskill (TOV)	Saratoga Springs	Oneida	Rome
Land Area (sq. miles)	3.3	27.5	28.4	22.0	74.9
Population (2000)	4,533	1,874	26,186	10,987	34,950
Population (2006 est.)	4,632	n/a	28,449	10,935	34,220
2007 Tax Levy	\$1,788,480	\$620,879	\$14,228,197	\$2,640,511	\$13,777,221

Source: US Census and NYS Office of State Comptroller

CGR found the City of Rome provided an interesting perspective on dual zone taxation, following decades of operating under this system. It is apparent that over the long term, the same concerns that currently exist between the Village and Town of Cobleskill have arisen in Rome.

City of Rome leaders believe that the urban core boundary is too restrictive for taxation purposes and want to have those in the second (outer) zone taxed for portions of the budget allocated to the inner zone. Equitable sharing of services and land use development are significant issues facing Rome at this point. Simply put, Rome officials don't like dual-zone taxation and would like to be able to tax everyone at the same rate. Of course, this would unfairly burden residents outside the service delivery area and probably would benefit those within the service delivery area with slightly lower taxes. In other words, the same concerns that exist between the Village and the Town-outside-Village in Cobleskill will become issues over time for a city that has dual zones. However, with proper planning for growth during the establishment of the boundaries of the new city, this concern, CGR believes, can be mitigated for many years into the future.

Creating a City of Cobleskill is the method that achieves the most substantial savings between the current Village and Town. A transition to city status results in significant savings due in part to the court function becoming the responsibility of New York State. Thus, all the costs associated with the court except for facility maintenance would be

removed from the local budget. Secondly, the newly combined entity would operate as one government structure and there would be administrative efficiency gains because of this. The AIM available to combined entities is higher than individual municipalities (see above AIM discussion) and AIM is generally higher in cities than villages and towns, all of which would help generate more revenue.

Sales Tax Implications

Cities have the potential for more authority over the sales tax generated within their boundaries than do villages or towns. Cities can pre-empt the sales tax generated within their boundaries and take up to 50% of that sales tax for their own general budget purposes. In some cases, discussing the concept can put pressure on counties and make them more willing to negotiate a more lucrative revenue sharing agreement with the local municipalities in order to not lose significant amounts of revenue through pre-emption.

Either through a formal revenue sharing agreement with the County, or through pre-emption of sales tax, a newly formed City of Cobleskill could bring substantially more revenue into its boundaries and significantly lower property taxes for everyone. This statement is based upon an analysis of the 2002 Economic Census that indicates more than 70% of the retail trade for the County is occurring in the Village of Cobleskill. CGR conservatively estimates, using this benchmark, that 60-70% of the sales tax being generated in the County is generated within the borders of the Village of Cobleskill.

Currently the County charges a 4% sales tax. Thus, if Cobleskill were to pre-empt sales tax by only 25% and charge a 1% sales tax within its borders (half of what it is able to charge), over \$2 million dollars would have flowed into the community in 2006 (see Appendix). Considering that the combined property tax levy for the Town and Village in 2007 was \$2.4 million, it is easy to see that nearly all of the existing tax levy could be reduced by pre-empting sales tax at even half of what would be possible.

Impact on the County

A transition of the Village and Town to a city would have significant impact on the County, particularly County taxes, and towns that also share in the sales tax as it is currently distributed by the County via its revenue sharing plan. Under the scenario described above (pre-empting by issuing a 1% sales tax) the County would lose roughly 17.5% of its sales tax revenue. Currently the County shares 5% with towns and villages based upon full value assessment. Obviously reducing the other municipalities' portion of the revenue shared through sales tax by 17.5% will lead to significant repercussions in relationships with surrounding municipalities.

With less revenue the County would have to increase its levy for County taxes²⁵, creating in essence a tax shift that would not result in as large a net savings to the local Cobleskill residents. The impact on the County would likely be much less than the impact on the City of Cobleskill and other local municipalities since the majority of services are provided at the local level.

School District Issues²⁶

The effect on the school district depends on the mechanism used in the municipal reorganization and the demographics involved. Under Education Law 2(16)(b) and (c), when a new city is created, the school district that is not co-terminous with that city, but contains all of, or a portion of the city within, and a majority of the population of children, becomes by definition a city school district.

This could mean that nothing happens upon incorporation of a new city regarding reorganization of the existing Cobleskill/Richmondville School District. Issues that might need to be considered are transportation since city districts are not obligated to transport children residing within the city but must transport children in the enlarged areas. Clearly the transfer of indebtedness, if any transfer was necessary, would be an issue worth addressing. Additionally, any school district wholly or partly within a city becomes subject to the 5% constitutional debt limit, as opposed to the 10% statutory debt limit that applies to non-city school districts. These and other school district issues would need a substantial review prior to any transition to city status. Education Law contains mechanisms to allow for this sort of transition, and public referendums would be required.

Other Issues

Another unknown is future growth of retail in the potential new City of Cobleskill. Based upon 2006 figures, sales tax for the County had grown by 18.7% over the past three years and by 11.3% over the past 10 years. For the newly formed City of Cobleskill to tie its future to sales tax revenue, there must be a coordinated economic development plan that realistically projected the potential for growth and development of the region and hence a realistic sales tax projection.

²⁵ CGR calculates that the County tax rate for Village and Town residents might increase by 13% or roughly \$1.29 per \$1000 of equalized taxable assessed valuation.

²⁶ This section uses excerpts from a working document being developed by the Commission on Local Government Efficiency and Competitiveness.

As the economic center of Schoharie County²⁷, and with a significant exposure to the I-88 corridor along with potential expansion of the commercial corridor along Route 7, coordinated economic development would be attractive for the region and could generate significant growth over time. Nearby urban areas are expanding and Cobleskill is a very nice “arms length” distance from Albany and within reach of attracting new business and future development. Studies have recently been done related to the potential for downtown revitalization²⁸ and in conjunction with the momentum generated from a transition to city status, this development could generate new business, jobs, housing and other economic benefits. A well-defined comprehensive plan could allay the fears of many that the community will lose its rural character. The very nature of the topography of the region would certainly help to mitigate unrestrained growth.

CGR again cautions there are long-term pitfalls that should be planned for up front. Developing the city charter should establish boundaries that allow for significant growth of the city without having to redefine boundaries over time. Current cities in this scenario have realized that growth has occurred and the dual zone taxation reality has become a burdensome system. Growth has encompassed a large majority of both zones, for example in Saratoga Springs, and services have been extended within the “outer zone” such that residents of both are taxed virtually at the same rates. For Cobleskill, this would involve a comprehensive plan that outlined areas for growth commercially and residentially but also account for areas where development may be unwarranted in order to keep the rural character intact and allow for some residents to maintain their rural lifestyle.

If residents wish to consider changing the status of the Village of Cobleskill to the City of Cobleskill, consolidation and comprehensive planning with the Town would make sense for the long term. It should not be lost in any discussion that the two entities working together generate tremendous political and economic force in Schoharie County. The long-range goals of generating more revenue (particularly non-property tax revenue) and spurring economic development could be achieved simply by working collaboratively and leveraging the goals of each against the broader goals of the region and the County as a whole.

²⁷ Based upon producing 60% of the sales tax generated and also the home of Wal-Mart and a potential for a new Lowe’s store.

²⁸ Downtown Economic Enhancement Strategy 2007 – Developed by Hyatt-Palma

Village as a City without consolidation with the Town

The Village of Cobleskill could choose to pursue city status without consolidating with the Town but there would be fewer advantages to doing so. In the short term, establishing a city would create the opportunity to levy a sales tax separate from the County. The downside is that future growth will occur within the Town and the new city would not have access to that growth. While potentially more than 60% of the sales tax is currently generated in the Village of Cobleskill, it is unknown if this would continue over time.

The new City could also garner a higher AIM payment from the State, but based upon population trends, this would not result in significant revenue. If the Village opted not to merge its court with the Town, its court would become a State-run city court. However, many other issues outlined in this report would still need to be addressed. For instance, the issue of sharing water would not go away, and in fact, if sales tax gets factored into the equation, the debate could become more difficult. Expanding the sewer would still be a concern. As the Town develops, police presence may be requested more and more, putting pressure on County sheriff resources. Planning, code enforcement, administration and various other essential services would remain separate with no resolution of the underlying issues between the two communities.

In addition, although city residents would no longer pay the Town tax, there could be negative consequences for such a move. If the Town lost the revenue associated with the Village, it would cause revenue redistribution and the TOV tax burden would increase significantly. It is hard to imagine that this type of action by the Village of Cobleskill would result in goodwill with the Town for years to come, which would likely hamper efforts to achieve regional planning or additional service sharing. Of course, there would also likely be alienation at the County level and with surrounding towns.

CGR believes turning the Village into a City has short-term benefit (sales tax, reduced property tax burden) but does not promote long-term planning and growth. The entire region needs an economic development and comprehensive plan that involves a united community in responsible (smart) growth that can be sustained, with benefits shared by everyone in the region. For the Village and Town of Cobleskill this could be accomplished jointly through a city charter with dual zone taxation.

TAX IMPACT ANALYSIS

CGR conducted a high-level analysis to offer the communities a snapshot of the tax rate impact associated with changes to either municipality's tax levy. For the purposes of this analysis, we used 2006 taxable assessed valuations, the most recent available from the OSC. The townwide calculation is inclusive of the Village and thus represents a true townwide impact²⁹. As Table 7 shows, changes of \$10,000 to the tax levy will have little impact on overall tax rates.

Table 7: Calculated Tax Rate Change for Cobleskill, NY		
Input Tax Levy Change ==>		\$10,000
	Tax Levy Change	Tax Rate Change per \$1,000 of Taxable Assessed Valuation
TOV	\$10,000	\$0.11
Townwide	\$10,000	\$0.04
Village	\$10,000	\$0.07

Source: CGR calculations based upon 2006 taxable assessed valuations

For the resident who owns a house assessed at \$150,000, reducing the tax levy on the Townwide budget by \$10,000 would yield a \$6.00 savings on the annual property tax bill. If this same resident lives in the Village, the total savings would be \$10.50 annually. In other words, in order for community residents to experience significant tax savings, significant change is required.

NEXT STEPS

CGR recommends the following steps be taken as follow-up to this study.

- 1) Schedule a series of combined board meetings to discuss the options outlined and implementation strategies to pursue.
- 2) Consider hiring a firm to conduct a fiscal and/or economic impact study on various development plans that the Village and Town are

²⁹ Townwide in this case represents impacts to the A and DA funds of the Town budget.

contemplating. Significant concern remains regarding expansion of the water service outside of the Village and an economic analysis would help provide information about the impact on both the Village and Town related to that development. In addition, proposed residential and business development could be analyzed and addressed as part of this proposed study.

- 3) Initiate a study to formally analyze the impact of a full police consolidation with the County. More information is required in order for the community to fully analyze the issue and formally discuss the options available.
- 4) Plan for a formal study of moving to city status. This study has only touched on the issues involved. A more thorough understanding of the process and the merits or drawbacks is needed in order to help the community understand the full range of issues that might be involved.

CONCLUSION

In this report CGR has outlined options we believe will lead to increased efficiency and/or cost savings. The options we've described fall into three general categories:

- 1) Share Services in Four Functional Areas – planning, code enforcement/zoning, courts and administrative offices
- 2) Consider Alternatives for Providing Police and Water/Sewer Services
- 3) Explore Full Consolidation by Becoming a City

Some of the options we've discussed could be pursued simultaneously, while others offer the community choices to consider. Many of the options could be achieved with very little change to the existing municipal structures. Other options, particularly city status, would require significant planning and sustained effort to achieve.

For real change to occur, however, there first needs to be recognition by both the Village and the Town that both are part of the same community, one with a shared history and potential to share a more vibrant future.

Ultimately, we believe, the Cobleskill community is ripe for a long-range plan that works toward full consolidation. As the community joins together to generate economic opportunity for the entire region, and as more services are consolidated, it will become increasingly apparent that the obvious next step should be consolidation of the two entities. Whether this happens by becoming a city or by simply dissolving the Village, this

report suggests that a single entity will provide the framework for creating a government that is more cost effective and efficient, and has access to more revenues to offset the local property tax burden on both Village and Town taxpayers.

True collaboration between the Village and the Town can yield a better future. Cobleskill has the opportunity to serve as a model for other municipalities across New York State about the potential that can be unleashed when a Town and Village decide to live and operate as one.

APPENDIX LIST

- 1) *Town and Village Actual Expenses for Fiscal Year 2006*
- 2) *Town and Village Actual Revenues for Fiscal Year 2006*
- 3) *Pie Chart of Functional Service Cost Allocation – Combined Village and Town*
- 4) *Pie Chart of Functional Service Cost Allocation – Town of Cobleskill*
- 5) *Pie Chart of Functional Service Cost Allocation – Village of Cobleskill*
- 6) *Sales Tax Analysis*
- 7) *Analysis of Three Options for AIM Incentives*

Comparison of Village and Town of Cobleskill Expenses, and Combined Entity, Fiscal Year 2006

VILLAGE (05-06)				TOWN (2006)				COMBINED ENTITY		
DEPT	ACCT	ACCT NAME	2005-2006	DEPT	ACCT	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
Administration										
A10100	LEGISLATIVE BOARD			A1010	LEGISLATIVE BOARD					
	A10101	PERS SERV	\$8,400		A10101	PERS SERV	\$8,000	\$16,400	\$8,000	(\$8,400)
	A10104	CONTR EXPEN	\$1,468		A10104	CONTR EXPEN	\$0	\$1,468	\$0	(\$1,468)
		TOTAL	\$9,868			TOTAL	\$8,000	\$17,868	\$8,000	(\$9,868)
A12100	MAYOR			A12200	SUPERVISOR					\$0
	A12101	PERS SERV	\$8,000		A12201	PERS SERV	\$6,000	\$14,000	\$6,000	(\$8,000)
	A12102	EQUIP & CAP OUTLAY	\$0						\$0	\$0
	A12104	CONTR EXPEND	\$1,036		A12204	CONTR EXPEND	\$636	\$1,672	\$636	(\$1,036)
		TOTAL	\$9,036			TOTAL	\$6,636	\$15,672	\$6,636	(\$9,036)
A13200	AUDITORS			A13200	AUDITORS					\$0
	A13204	CONTR EXPEND	\$6,700		A13204	CONTR EXPEND	\$10,009	\$16,709	\$13,000	(\$3,709)
		TOTAL	\$6,700			TOTAL	\$10,009	\$16,709	\$13,000	(\$3,709)
				A13300	TAX COLLECTION					\$0
					A13304	CONTR EXPEND	\$2,084	\$2,084	\$2,084	\$0
						TOTAL	\$2,084	\$2,084	\$2,084	\$0
				A13550	ASSESSMENT					\$0
					A13551	PERS SERV	\$16,557	\$16,557	\$16,557	\$0
					A13552	EQUIP & CAP OUTLAY	\$1,360	\$1,360	\$1,360	\$0
					A13554	CONTR EXPEND	\$1,145	\$1,145	\$1,145	\$0
						TOTAL	\$19,062	\$19,062	\$19,062	\$0
A14100	CLERK			A14100	CLERK					\$0
	A14101	PERS SERV	\$102,046		A14101	PERS SERV	\$55,676	\$157,722	\$98,722	(\$59,000)
	A14102	EQUIP & CAP OUTLAY	\$0		A14102	EQUIP & CAP OUTLAY	\$1,000	\$1,000	\$1,000	\$0
	A14104	CONTR EXPEND	\$17,055		A14104	CONTR EXPEND	\$13,200	\$30,255	\$25,000	(\$5,255)
28.8%	A90108	STATE RETIREMENT SYSTEM	\$14,017.40					\$14,017	\$9,851	(\$4,167)
11.8%	A90308	SOCIAL SECURITY, EMPLOYER CONT	\$8,745.77					\$8,746	\$5,123	(\$3,623)
1.3%	A90408	WORKER'S COMPENSATION, EMPL B	\$999.66					\$1,000	\$830	(\$170)
20.6%	A90558	DISABILITY INSURANCE, EMPL BNF	\$281.67					\$282	\$161	(\$121)
9.5%	A90608	HOSPITAL & MEDICAL (DENTAL) IN	\$20,900					\$20,900	\$16,000	(\$4,900)
		TOTAL	\$164,046			TOTAL	\$69,876	\$233,922	\$156,687	(\$77,235)
A14200	LAW			A14200	LAW					\$0
	A14201	PERS SERV	\$0		A14201	PERS SERV	\$7,140	\$7,140	\$10,000	\$2,860
	A14204	CONTR EXPEND	\$26,954		A14204	CONTR EXPEND	\$0	\$26,954	\$0	(\$26,954)
		TOTAL	\$26,954			TOTAL	\$7,140	\$34,094	\$10,000	(\$24,094)
A14400	ENGINEER									\$0
	A14404	CONTR EXPEND	\$800					\$800	\$800	\$0
		TOTAL	\$800					\$800	\$800	\$0
				A14500	ELECTIONS					\$0
					A14501	PERS SERV	\$0	\$0	\$0	\$0
					A14504	CONTR EXPEND	\$560	\$560	\$560	\$0
						TOTAL	\$560	\$560	\$560	\$0
				A14600	RECORDS MANAGEMENT					\$0
					A14601	RPERS. SERV.	\$0	\$0	\$0	\$0
					A14602	EQUIP & CAP OUTL	\$378	\$378	\$378	\$0
					A14604	RECONTR EXPEND	\$6,725	\$6,725	\$6,725	\$0
						TOTAL	\$7,103	\$7,103	\$7,103	\$0
				A16200	OPERATION OF PLANT					\$0
					A16204	CONTR EXPEND	\$22,387	\$22,387	\$8,000	(\$14,387)
						TOTAL	\$22,387	\$22,387	\$8,000	(\$14,387)
A19100	UNALLOCATED INSURANCE			A19100	UNALLOCATED INSURANCE					\$0
	A19104	CONTR E	\$55,051		A19104	CONTR E	\$24,168	\$79,219	\$71,297	(\$7,922)
		TOTAL	\$55,051			TOTAL	\$24,168	\$79,219	\$71,297	(\$7,922)

Comparison of Village and Town of Cobleskill Expenses, and Combined Entity, Fiscal Year 2006

VILLAGE (05-06)				TOWN (2006)				COMBINED ENTITY		
DEPT	ACCT	ACCT NAME	2005-2006	DEPT	ACCT	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
A19200	MUNICIPAL ASSN DUES			A19200	MUNICIPAL ASSN DUES					\$0
	A19204	CONTR EXP	\$2,602		A19204	CONTR EXP	\$500	\$3,102	\$500	(\$2,602)
		TOTAL	\$2,602			TOTAL	\$500	\$3,102	\$500	(\$2,602)
A35100	CONTROL OF DOGS			A35100	TOTAL CONTROL OF DOGS					\$0
	A35104	CONTR EXPE	\$800		A35101	PERS SERV	\$6,844	\$7,644	\$6,844	(\$800)
					A35102	EQUIP & CA	\$0		\$0	\$0
					A35104	CONTR EXPE	\$1,622	\$1,622	\$1,622	\$0
		TOTAL	\$800			TOTAL	\$8,466	\$9,266	\$8,466	(\$800)
A40200	REGISTRAR OF VITAL STATI			B40200	REGISTRAR OF VITAL STATI					\$0
	A40204	CONTR	\$9,033		B40204	CONTR	\$45	\$9,078	\$9,078	\$0
		TOTAL	\$9,033			TOTAL	\$45	\$9,078	\$9,078	\$0
				A65100	VETERANS SERVICE					\$0
					A65104	CONTR EXPEND	\$1,000	\$1,000	\$1,000	\$0
						TOTAL	\$1,000	\$1,000	\$1,000	\$0
				A70100	COUNCIL ON THE ARTS					\$0
					A70104	CONTR EXP	\$1,000	\$1,000	\$1,000	\$0
						TOTAL	\$1,000	\$1,000	\$1,000	\$0
				A75100	HISTORIAN					\$0
					A75104	CONTR EXPEND	\$61	\$61	\$61	\$0
						TOTAL	\$61	\$61	\$61	\$0
A75600	OTHER PERFORMING ARTS									\$0
	A75604	CONTR E	\$60,617					\$60,617	\$0	(\$60,617)
		TOTAL	\$60,617					\$60,617	\$0	(\$60,617)
				A90558	DISABILITY INSURANCE, EMPL BNF		\$225	\$225	\$225	\$0
								\$0		\$0
				A90608	HOSPITAL & MEDICAL (DENTAL) IN		\$47,582	\$47,582	\$47,582	\$0
					Town A-Fund Employee Benefits					\$0
						TOTAL	\$34,175	\$34,175	\$34,175	\$0
		Total Administration	\$345,507			Total Administration	\$222,453	\$567,959	\$357,689	(\$210,270)
A11100	MUNICIPAL COURT			A11100	MUNICIPAL COURT					
	A11101	PERS SERV	\$61,777		A11101	PERS SERV	\$17,470	\$79,247	\$67,000	(\$12,247)
	A11102	EQUIP & CAP O	\$1,164		A11102	EQUIP & CAP O	\$0	\$1,164	\$0	(\$1,164)
	A11104	CONTR EXPEND	\$7,711		A11104	CONTR EXPEND	\$18,900	\$26,611	\$12,000	(\$14,611)
7.6%	A90108	STATE RETIREMENT SYSTEM	\$3,701.60					\$3,702		(\$3,702)
3.1%	A90308	SOCIAL SECURITY, EMPLOYER CONT	\$2,309.51					\$2,310		(\$2,310)
0.4%	A90408	WORKER'S COMPENSATION, EMPL B	\$263.98					\$264		(\$264)
6.9%	A90558	DISABILITY INSURANCE, EMPL BNF	\$93.89					\$94		(\$94)
5.4%	A90608	HOSPITAL & MEDICAL (DENTAL) IN	\$11,972					\$11,972		(\$11,972)
		Subtotal Benefits	\$18,341					\$18,341	\$16,740	(\$1,601)
		TOTAL	\$88,993			TOTAL	\$36,370	\$125,363	\$95,740	(\$29,623)
		Total Court	\$88,993			Total Court	\$36,370	\$125,363	\$95,740	(\$29,623)

Comparison of Village and Town of Cobleskill Expenses, and Combined Entity, Fiscal Year 2006

VILLAGE (05-06)				TOWN (2006)				COMBINED ENTITY		
DEPT	ACCT	ACCT NAME	2005-2006	DEPT	ACCT	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
A16200		OPERATION OF PLANT								
	A16204	CONTR EXPEND	\$77,883					\$77,883	\$77,883	\$0
		TOTAL	\$77,883					\$77,883	\$77,883	\$0
A33100		TRAFFIC CONTROL		A33100		TRAFFIC CONTROL				\$0
	A33101	PERS SERV	\$1,193		A33104	CONTR EXPEN	\$1,389	\$2,582	\$2,582	\$0
	A33104	CONTR EXPEN	\$1,445					\$1,445	\$1,445	\$0
		TOTAL	\$2,638			TOTAL	\$1,389	\$4,027	\$4,027	\$0
A50100		HIGHWAY AND STREET ADMIN		A50100		HIGHWAY AND STREET ADMIN				\$0
	A50101	PERS SERV	\$26,826		A50101	PERS SERV	\$25,558	\$52,384	\$52,384	\$0
	A50104	CONTR EXPEND	\$1,677		A50104	CONTR EXPEND	\$200	\$1,877	\$1,877	\$0
6.8%	A90108	STATE RETIREMENT SYSTEM	\$3,300.19					\$3,300	\$3,300	\$0
2.8%	A90308	SOCIAL SECURITY, EMPLOYER CONT	\$2,059.06					\$2,059	\$2,059	\$0
7.0%	A90408	WORKER'S COMPENSATION, EMPL B	\$5,230.12					\$5,230	\$5,230	\$0
3.1%	A90558	DISABILITY INSURANCE, EMPL BNF	\$42.46					\$42	\$42	\$0
5.5%	A90608	HOSPITAL & MEDICAL (DENTAL) IN	\$12,186					\$12,186	\$12,186	\$0
		TOTAL	\$51,321			TOTAL	\$25,758	\$77,079	\$77,079	\$0
A51100		MAINTENANCE OF STREETS		DB51100		MAINTENANCE OF ROADS				\$0
	A51101	PERS SERV	\$73,565		DB51101	PERS SERV	\$71,913	\$145,478	\$145,478	\$0
	A51102	EQUIP & CAP	\$48,208		DB51104	CONTR EXPEND	\$21,633	\$69,841	\$69,841	\$0
	A51104	CONTR EXPEND	\$61,593					\$61,593	\$61,593	\$0
35.4%	A90108	STATE RETIREMENT SYSTEM	\$17,186.26					\$17,186	\$17,186	\$0
14.5%	A90308	SOCIAL SECURITY, EMPLOYER CONT	\$10,722.90					\$10,723	\$10,723	\$0
43.9%	A90408	WORKER'S COMPENSATION, EMPL B	\$32,850.85					\$32,851	\$32,851	\$0
15.5%	A90558	DISABILITY INSURANCE, EMPL BNF	\$212.28					\$212	\$212	\$0
23.1%	A90608	HOSPITAL & MEDICAL (DENTAL) IN	\$50,942.64					\$50,943	\$50,943	\$0
		TOTAL	\$295,281			TOTAL	\$93,546	\$388,827	\$388,827	\$0
A51120		PERMANENT IMPROVEMENTS H		DB51120		IMPROVEMENTS				\$0
	A51122	EQUIP &	\$2,748		DB51122	EQUIP &	\$36,700	\$39,448	\$39,448	\$0
		TOTAL	\$2,748			TOTAL	\$36,700	\$39,448	\$39,448	\$0
				DA51300		TOTAL MACHINERY				\$0
					DA51302	MACHINERY, EQUIP & CAP OUTLAY	\$13,027	\$13,027	\$13,027	\$0
					DA51304	MACHINERY, CONTR EXPEND	\$49,435	\$49,435	\$49,435	\$0
						TOTAL	\$62,462	\$62,462	\$62,462	\$0

Comparison of Village and Town of Cobleskill Expenses, and Combined Entity, Fiscal Year 2006

VILLAGE (05-06)				TOWN (2006)				COMBINED ENTITY		
DEPT	ACCT	ACCT NAME	2005-2006	DEPT	ACCT	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
A51320	GARAGE			A51320	GARAGE					\$0
	A51321	PERS SERV	\$43,525					\$43,525	\$43,525	\$0
	A51322	EQUIP & CAP OUTLAY	\$745		A51322	EQUIP & CAP OUTLAY	\$0	\$745	\$745	\$0
	A51324	CONTR EXPEND	\$15,436		A51324	CONTR EXPEND	\$15,778	\$31,214	\$31,214	\$0
		TOTAL	\$59,706			TOTAL	\$15,778	\$75,484	\$75,484	\$0
A51420	SNOW REMOVAL			DA51420	SNOW REMOVAL					\$0
	A51421	PERS SERV	\$20,733		DA51421	PERS SERV	\$58,361	\$79,094	\$79,094	\$0
	A51422	EQUIP & CAP OUTL	\$1,350					1350	\$1,350	\$0
	A51424	CONTR EXPEND	\$79,830		DA51424	CONTR EXPEND	\$32,116	\$111,946	\$111,946	\$0
		TOTAL	\$101,913			TOTAL	\$90,477	\$192,390	\$192,390	\$0
A51820	STREET LIGHTING			A51820	STREET LIGHTING					\$0
	A51824	CONTR EXPEND	\$0		A51824	CONTR EXPEND	\$1,301	\$1,301	\$1,301	\$0
		TOTAL	\$0			TOTAL	\$1,301	\$1,301	\$1,301	\$0
A56500	OFF-STREET PARKING									\$0
	A56504	CONTR EXPE	\$14					\$14	\$14	\$0
		TOTAL	\$14					\$14	\$14	\$0
A71100	PARKS									\$0
	A71101	PERS SERV	\$9,516					\$9,516	\$9,516	\$0
	A71104	CONTR EXPEND	\$7,192					\$7,192	\$7,192	\$0
		TOTAL	\$16,708					\$16,708	\$16,708	\$0
A81400	STORM SEWERS									\$0
	A81401	PERS SERV	\$2,158					\$2,158	\$2,158	\$0
	A81404	CONTR EXPEND	\$9,271					\$9,271	\$9,271	\$0
		TOTAL	\$11,429					\$11,429	\$11,429	\$0
A81600	REFUSE & GARBAGE			A81600	REFUSE & GARBAGE					\$0
	A81604	CONTR EXPEND	\$146,608		A81604	REFUSE & GARBAGE, CONTR EXPEND	\$16,024	\$162,632	\$162,632	\$0
		TOTAL	\$146,608			TOTAL	\$16,024	\$162,632	\$162,632	\$0
A81700	STREET CLEANING									\$0
	A81701	PERS SERV	\$8,486					\$8,486	\$8,486	\$0
	A81702	EQUIP & CAP O	\$0					\$0	\$0	\$0
	A81704	STRCONTR EXPEND	\$5,024					\$5,024	\$5,024	\$0
		TOTAL	\$13,510					\$13,510	\$13,510	\$0
				DA90108	STATE RETIREMENT, EMPL BNFTS		\$5,317	\$5,317	\$5,317	\$0
				DB90108	STATE RETIREMENT, EMPL BNFTS		\$6,592	\$6,592	\$6,592	\$0
				DA90308	SOCIAL SECURITY , EMPL BNFTS		\$4,465	\$4,465	\$4,465	\$0
				DB90308	SOCIAL SECURITY, EMPL BNFTS		\$5,501	\$5,501	\$5,501	\$0
				DA90408	WORKER'S COMPENSATION, EMPL BN		\$5,128	\$5,128	\$5,128	\$0
				DB90408	WORKER'S COMPENSATION, EMPL BN		\$5,128	\$5,128	\$5,128	\$0
				DA90458	LIFE INSURANCE, EMPL BNFTS		\$123	\$123	\$123	\$0
				DB90458	LIFE INSURANCE, EMPL BNFTS		\$123	\$123	\$123	\$0
				DA90508	UNEMPLOYMENT INSURANCE, EMPL B		\$446	\$446	\$446	\$0
				DB90508	UNEMPLOYMENT INSURANCE, EMPL B		\$293	\$293	\$293	\$0
				DA90558	DISABILITY INSURANCE, EMPL BNF		\$97	\$97	\$97	\$0
				DB90558	DISABILITY INSURANCE, EMPL BNF		\$97	\$97	\$97	\$0
				DA90608	HOSPITAL & MEDICAL (DENTAL) IN		\$13,199	\$13,199	\$13,199	\$0
				DB90608	HOSPITAL & MEDICAL (DENTAL) IN		\$13,680	\$13,680	\$13,680	\$0
					A-Fund Portion of Benefits Assoc. w/Highway Supt. And Retirees		\$34,175	\$34,175	\$34,175	\$0
					TOTAL		\$94,364	\$94,364	\$94,364	\$0
Total Highway Department			\$779,759	Total Highway Department			\$437,799	\$1,217,558	\$1,217,558	\$0

Comparison of Village and Town of Cobleskill Expenses, and Combined Entity, Fiscal Year 2006

VILLAGE (05-06)				TOWN (2006)				COMBINED ENTITY		
DEPT	ACCT	ACCT NAME	2005-2006	DEPT	ACCT	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
								0		
A31200		POLICE DEPARTMENT								
	A31201	PERS SERV	\$533,253					\$533,253	\$533,253	\$0
	A31202	EQUIP & CAP OUTLAY	\$25,844					\$25,844	\$25,844	\$0
	A31204	CONTR EXPEND	\$42,878					\$42,878	\$42,878	\$0
59.0%	A90308	SOCIAL SECURITY, EMPLOYER CONT	\$43,690.98					\$43,691	\$43,691	\$0
43.8%	A90408	WORKER'S COMPENSATION, EMPL B	\$32,834.86					\$32,835	\$32,835	\$0
44.0%	A90558	DISABILITY INSURANCE, EMPL BNF	\$603.36					\$603	\$603	\$0
46.9%	A90608	HOSPITAL & MEDICAL (DENTAL) IN	\$103,415.07					\$103,415	\$103,415	\$0
		TOTAL	\$782,519					\$782,519	\$782,519	\$0
A34100		FIRE		SF34100		FIRE PROTECTION		\$0		\$0
	A34102	EQUIP & CAP OUTLAY	\$8,257		SF34104	CONTR EXPEND	\$73,983	\$82,240	\$82,240	\$0
	A34104	CONTR EXPEND	\$52,106					\$52,106	\$52,106	\$0
		TOTAL	\$60,363			TOTAL	\$73,983	\$134,346	\$134,346	\$0
A36250		RESCUE SQUAD						\$0		\$0
	A36252	EQUIP & CAP OUTL	\$2,889					\$2,889	\$2,889	\$0
	A36254	CONTR EXPEND	\$12,614					\$12,614	\$12,614	\$0
		TOTAL	\$15,503					\$15,503	\$15,503	\$0
A90158		POLICE & FIREMEN RETIREMENT, E						0		\$0
	A90158	POLICE & FIREMENT RETIREMENT	\$73,037					73037	\$73,037	\$0
		TOTAL	\$73,037					\$73,037	\$73,037	\$0
		Total Public Safety	\$931,422			Total Fire and Rescue	\$73,983	\$1,005,405	\$1,005,405	\$0
				A70200		RECREATION ADMINISTRATIO				
					A70204	CONTR EXPEN	\$900	\$900	\$900	\$0
						TOTAL	\$900	\$900	\$900	\$0
				B71100		PARKS				\$0
					B71104	CONTR EXPEND	\$22,047	\$22,047	\$22,047	\$0
						TOTAL	\$22,047	\$22,047	\$22,047	\$0
A71450		JOINT RECREATION PROJECT		B71400		PLAYGROUNDS AND RECREATI				\$0
	A71454	CONTR EXPEND	\$20,000		B71404	CONTR EX	\$16,500	\$36,500	\$36,500	\$0
		TOTAL	\$20,000			TOTAL	\$16,500	\$36,500	\$36,500	\$0
				B73100		YOUTH PROGRAMS				\$0
					B73104	CONTR EXPEND	\$1,500	\$1,500	\$1,500	\$0
						TOTAL	\$1,500	\$1,500	\$1,500	\$0
				A75500		CELEBRATIONS				\$0
					A75504	CONTR EXPEND	\$250	\$250	\$250	\$0
						TOTAL	\$250	\$250	\$250	\$0
				A76200		ADULT RECREATION				\$0
					A76204	CONTR EXPEND	\$1,500	\$1,500	\$1,500	\$0
						TOTAL	\$1,500	\$1,500	\$1,500	\$0
		Total Parks and Recreation	\$20,000			Total Parks and Recreation	\$42,697	\$62,697	\$62,697	\$0

Comparison of Village and Town of Cobleskill Expenses, and Combined Entity, Fiscal Year 2006

VILLAGE (05-06)				TOWN (2006)				COMBINED ENTITY		
DEPT	ACCT	ACCT NAME	2005-2006	DEPT	ACCT	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
				B80100		ZONING				
					B80101	PERS SERV	\$19,869	\$19,869	\$12,000	(\$7,869)
					B80102	EQUIP & CAP OUTLAY	\$1,081	\$1,081	\$0	(\$1,081)
					B80104	CONTR EXPEND	\$2,415	\$2,415	\$0	(\$2,415)
						TOTAL	\$23,365	\$23,365	\$12,000	(\$11,365)
A80200		PLANNING		B80200		PLANNING				
	A80201	PERS SERV	\$81,285		B80201	PERS SERV	\$2,500	\$83,785	\$90,000	\$6,215
	A80202	EQUIP & CAP OUTLAY	\$6,021							
	A80204	CONTR EXPEND	\$21,471		B80204	CONTR EXPEND	\$16,084	\$22,105	\$42,500	\$20,395
21.4%	A90108	STATE RETIREMENT SYSTEM	\$10,385.55	B90608	HOSPITAL & MEDICAL (DENTAL) IN		\$6,380	\$16,766	\$10,386	(\$6,380)
8.8%	A90308	SOCIAL SECURITY, EMPLOYER CONT	\$6,479.78	B90108	STATE RETIREMENT, EMPL BNFTS		\$2,050	\$8,530	\$6,480	(\$2,050)
3.6%	A90408	WORKER'S COMPENSATION, EMPL B	\$2,731.53	B90308	SOCIAL SECURITY , EMPL BNFTS		\$1,711	\$4,443	\$2,732	(\$1,711)
10.0%	A90558	DISABILITY INSURANCE, EMPL BNF	\$136.35	B90408	WORKER'S COMPENSATION, EMPL BN		\$400	\$536	\$136	(\$400)
9.6%	A90608	HOSPITAL & MEDICAL (DENTAL) IN	\$21,114.48	B90508	UNEMPLOYMENT INSURANCE, EMPL B		\$128	\$21,242	\$21,114	(\$128)
				B90558	DISABILITY INSURANCE, EMPL BNF		\$29	\$29	\$0	(\$29)
		TOTAL	\$149,625			TOTAL	\$29,282	\$157,436	\$173,348	\$15,912
		Total Planning and Zoning	\$149,625			Total Planning and Zoning	\$52,647	\$202,272	\$185,348	(\$16,924)
								0		
A97106		DEBT PRINCIPAL, SERIAL BONDS	\$55,169					\$55,169	\$55,169	\$0
A97206		DEBT PRINCIPAL, INSTALLMENT BO	\$70,000					\$70,000	\$70,000	\$0
		TOTAL	\$125,169	DA97306		DEBT PRINCIPAL, BOND ANTICIPAT	\$35,428	\$35,428	\$35,428	\$0
							\$35,428	\$160,597	\$160,597	\$0
A97107		DEBT INTEREST, SERIAL BONDS	\$125,533					125533	\$125,533	\$0
A97207		DEBT INTEREST, INSTALLMENT BON	\$3,395					3395	\$3,395	\$0
				DA97307		DEBT INTEREST, BOND ANTICIPATI	\$7,026	\$7,026	\$7,026	\$0
		TOTAL	\$128,928			TOTAL	\$7,026	\$135,954	\$135,954	\$0
	PN8989	MISC HOME & COMM SERV, CONT EX	\$41							
		TOTAL	\$41					\$41		
FX83100		WATER ADMINISTRATION								
	FX83101	PERS SER	\$52,054							
	FX83104	CONTR EX	\$150,219							
FX83200		TOTAL SOURCE OF SUPPLY, POWER								
	FX83204	SOURCE SUPPLY PWR & PUMP, CONT	\$3,325							
FX83300		TOTAL PURIFICATION								
	FX83301	WATER PURIFICATION, PERS SERV	\$62,354							
	FX83302	WATER PURIFICATION, EQUIP & CA	\$9,989							
	FX83304	WATER PURIFICATION, CONTR EXPE	\$58,385							
FX83400		TOTAL TRANSMISSION AND DISTRIB								
	FX83401	WATER TRANS & DISTRIB, PERS SE	\$1,351							
	FX83402	WATER TRANS & DISTRIB, EQUIP &	\$824							
	FX83404	WATER TRANS & DISTRIB, CONTR E	\$17,815							
FX90108		STATE RETIREMENT, EMPL BNFTS	\$11,325							
FX90308		SOCIAL SECURITY, EMPL BNFTS	\$8,569							
FX90408		WORKERS COMPENSATION, EMPL BNF	\$5,819							
FX99509		TRANSFERS, CAPITAL PROJECTS FU	\$3,803							
FX90558		DISABILITY INSURANCE, EMPL BNF	\$95							
FX90608		HOSPITAL & MEDICAL (DENTAL) IN	\$28,241							
FX97106		DEBT PRINCIPAL, SERIAL BONDS	\$149,700							

Comparison of Village and Town of Cobleskill Expenses, and Combined Entity, Fiscal Year 2006

VILLAGE (05-06)				TOWN (2006)				COMBINED ENTITY		
DEPT	ACCT	ACCT NAME	2005-2006	DEPT	ACCT	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
FX97107		DEBT INTEREST, SERIAL BONDS	\$42,041							
		TOTAL WATER ADMINISTRATION	\$605,909					\$605,909	\$605,909	
G81100		TOTAL SEWER ADMINISTRATION								
	G81101	PERS SER	\$51,959							
	G81104	CONTR EX	\$125,106							
G81200		TOTAL SANITARY SEWERS								
	G81201	PERS SERV	\$1,411							
	G81204	CONTR EXPEND	\$40,790							
G81300		TOTAL SEWAGE TREATMENT & DISPO								
	G81301	PERS SERV	\$69,335							
	G81302	EQUIP & CAP	\$74,865							
	G81304	CONTR EXPEN	\$261,136							
G90108		STATE RETIREMENT, EMPL BNFTS	\$12,041							
G90308		SOCIAL SECURITY , EMPL BNFTS	\$9,152							
G90408		WORKER'S COMPENSATION, EMPL BN	\$5,506							
G90558		DISABILITY INSURANCE, EMPL BNF	\$95							
G90608		HOSPITAL & MEDICAL (DENTAL) IN	\$20,827							
G97106		DEBT PRINCIPAL, SERIAL BONDS	\$164,772							
G97306		DEBT PRINCIPAL, BOND ANTICIPAT	\$216,500							
G97107		DEBT INTEREST, SERIAL BONDS	\$41,454							
G97307		DEBT INTEREST, BOND ANTICIPATI	\$5,629							
G99509		TRANSFERS, CAPITAL PROJECTS FU	\$58,090							
		TOTAL SEWER ADMINISTRATION	\$1,158,668					\$1,158,668	\$1,158,668	
TOTAL EXPENSES (A, FX, G)			\$4,333,980				\$908,402	\$5,242,382	\$4,985,565	(\$256,817)

Comparison of Village and Town of Cobleskill Revenue, and Combined Entity, Fiscal Year 2006 (By Function)

VILLAGE (05-06)			TOWN (2006)			COMBINED ENTITY		
ACCT #	ACCT NAME	2005-2006	ACCT #	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
General Fund & TOV Property Taxes								
A1001	REAL PROPERTY TAXES	\$1,703,804	A1001	REAL PROPERTY TAXES	267,541	\$1,971,345	\$1,971,345	\$0
			B1001	REAL PROPERTY TAXES	59,691	\$59,691	\$59,691	\$0
			DA1001	REAL PROPERTY TAXES	237,447	\$237,447	\$237,447	\$0
			DB1001	REAL PROPERTY TAXES	41,742	\$41,742	\$41,742	\$0
			SF1001	REAL PROPERTY TAXES	73,434	\$73,434	\$73,434	\$0
	<i>Total Property Taxes</i>	<i>\$1,703,804</i>		<i>Total A - B Fund Property Taxes</i>	<i>\$679,855</i>	<i>\$2,383,659</i>	<i>\$2,383,659</i>	<i>\$0</i>
Townwide and TOV Highway Department								
			DA2300	Transportation Services, Other Govt's	9,764	\$9,764	\$9,764	\$0
			DA2401	INTEREST AND EARNINGS	1,217	\$1,217	\$1,217	\$0
			DA2665	Sales of Equipment	0	\$0	\$0	\$0
			DA2770	UNCLASSIFIED (SPECIFY)	1,113	\$1,113	\$1,113	\$0
			DA3001	ST AID, STATE REVENUE SHARING	25,000	\$25,000	\$31,250	\$6,250
				<i>Total DA</i>	<i>37,094</i>			
			DB1120	SALES TAX (FROM COUNTY)	33,807	\$33,807	\$33,807	\$0
			DB2401	INTEREST AND EARNINGS	407	\$407	\$407	\$0
			DB2770	UNCLASSIFIED (SPECIFY)	5,400	\$5,400	\$5,400	\$0
			DB3001	ST AID, STATE REVENUE SHARING	18,597	\$18,597	\$23,246	\$4,649
A3501	ST AID, CONSOLIDATED HIGHWAY A	\$30,034	DB3501	ST AID, CONSOLIDATED HIGHWAY A	43,008	\$73,042	\$73,042	\$0
				<i>Total DB</i>	<i>101,219</i>			
		<i>\$30,034</i>		<i>Total A - B Fund Highway Department</i>	<i>\$138,313</i>	<i>\$168,347</i>	<i>\$179,246</i>	<i>\$10,899</i>

Comparison of Village and Town of Cobleskill Revenue, and Combined Entity, Fiscal Year 2006 (By Function)

VILLAGE (05-06)			TOWN (2006)			COMBINED ENTITY			
ACCT #	ACCT NAME	2005-2006	ACCT #	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference	
Miscellaneous Revenue									
A1081	OTHER PAYMENTS IN LIEU OF TAXE	\$11,456	A1081	OTHER PAYMENTS IN LIEU OF TAXE	573	\$12,029	\$12,029	\$0	
A1090	INTEREST & PENALTIES ON REAL P	\$21,533	A1090	INTEREST & PENALTIES ON REAL P	11,951	\$33,484	\$33,484	\$0	
A1120	NON PROP TAX DIST BY COUNTY	\$90,641				\$90,641	\$90,641	\$0	
A1130	UTILITIES GROSS RECEIPTS TAX	\$64,762				\$64,762	\$64,762	\$0	
A1170	FRANCHISES	\$86,654	A1170	FRANCHISES	7,780	\$94,434	\$94,434	\$0	
A1230	TREASURER FEES	\$540				\$540	\$540	\$0	
A1255	CLERK FEES	\$9,742	A1255	CLERK FEES	1,747	\$11,489	\$11,489	\$0	
			A1550	PUBLIC POUND CHARGES, DOG CONT	527	\$527	\$527	\$0	
A1603	VITAL STATISTICS FEES	\$8,830	B1603	VITAL STATISTICS FEES	40	\$8,870	\$8,870	\$0	
A1710	PUBLIC WORKS CHARGES	\$8,821				\$8,821	\$8,821	\$0	
			B2189	Other Home & Community Services	1,600	\$1,600	\$1,600	\$0	
A2210	GENERAL SERVICES, INTER GOVERN	\$23,946				\$23,946	\$23,946	\$0	
A2401	INTEREST AND EARNINGS	\$29,868	A2401	INTEREST AND EARNINGS	2,594	\$32,462	\$32,462	\$0	
			B2401	INTEREST AND EARNINGS	614	\$614	\$614	\$0	
A2410	RENTAL OF REAL PROPERTY	\$7,642				\$7,642	\$7,642	\$0	
A2501	BUSINESS & OCCUPATIONAL LICENS	\$150				\$150	\$150	\$0	
A2530	GAMES OF CHANCE	\$20	A2540	BINGO LICENSES	610	\$630	\$630	\$0	
			A2544	DOG LICENSES	3,740	\$3,740	\$3,740	\$0	
A2650	SALES OF SCRAP & EXCESS MATERI	\$188				\$188	\$188	\$0	
A2655	SALES, OTHER	\$405	A2655	SALES, OTHER	115	\$520	\$520	\$0	
A2660	SALES OF REAL PROPERTY	\$7,359				\$7,359	\$7,359	\$0	
A2665	SALES OF EQUIPMENT	\$2				\$2	\$2	\$0	
A2690	OTHER COMPENSATION FOR LOSS	\$1,315				\$1,315	\$1,315	\$0	
A2701	REFUNDS OF PRIOR YEAR'S EXPEND	\$4,079				\$4,079	\$0	(\$4,079)	
A2705	GIFTS AND DONATIONS	\$250	B2705	GIFTS AND DONATIONS	2,500	\$2,750	\$2,750	\$0	
			A2770	UNCLASSIFIED (SPECIFY)	13,971	\$13,971	\$13,971	\$0	
A3070	RAIL INFRASTRUCTURE INVESTMENT	\$237				\$237	\$0	(\$237)	
	<i>Total</i>	\$378,440			<i>Total</i>	\$48,362	\$426,802	\$422,486	(\$4,316)
Planning and Zoning									
			B2110	ZONING FEES	50	50	\$50	\$0	
			B2115	Planning Board Fees	2,475	2475	\$2,475	\$0	
A2590	PERMITS, OTHER	\$10,372	B2555	BUILDING AND ALTERATION PERMIT	23,615	33987	\$33,987	\$0	

Comparison of Village and Town of Cobleskill Revenue, and Combined Entity, Fiscal Year 2006 (By Function)

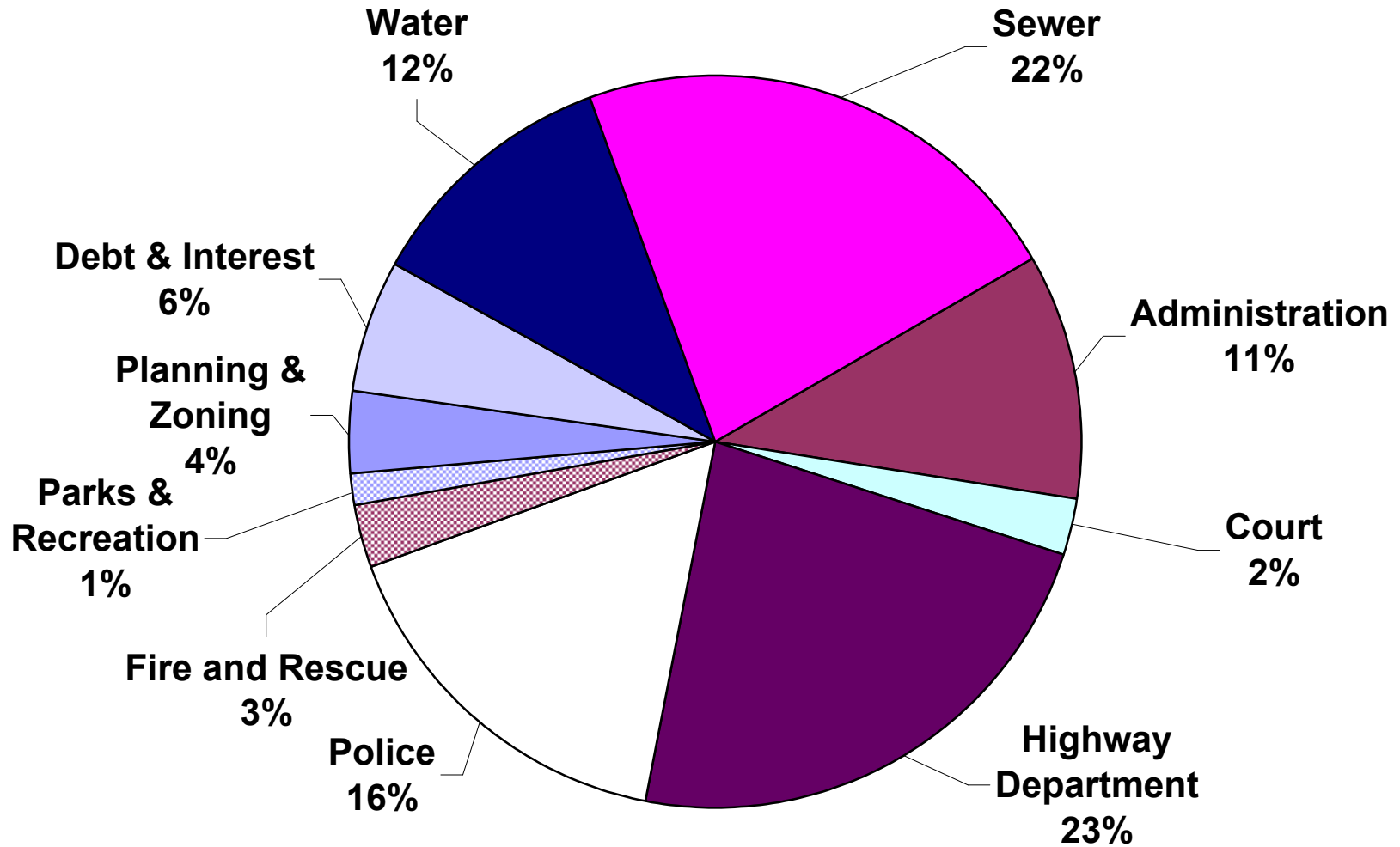
VILLAGE (05-06)			TOWN (2006)			COMBINED ENTITY		
ACCT #	ACCT NAME	2005-2006	ACCT #	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
	<i>Total</i>	\$10,372		<i>Total</i>	\$26,140	36512	\$36,512	\$0
Interfund Revenues								
A2801	INTERFUND REVENUES	\$181,000					\$0	
	<i>Total</i>	\$181,000			\$0	181000	\$0	(\$181,000)
Miscellaneous State Aid								
A3001	ST AID, REVENUE SHARING	\$29,940				29940	\$37,425	\$7,485
A3005	ST AID, MORTGAGE TAX	\$70,199	A3005	ST AID, MORTGAGE TAX	99,069	169268	\$169,268	\$0
			A3040	ST AID, REAL PROPERTY TAX ADMI	1,560	1560	\$1,560	\$0
			A3060	ST. AID, RECORDS MGMT.	4,250	4250	\$4,250	\$0
A3820	ST AID, YOUTH PROGRAMS	\$8,757	B3820	ST AID, YOUTH PROGRAMS	3,917	12674	\$12,674	\$0
	<i>Total</i>	\$108,896		<i>Total</i>	\$108,796	217692	\$225,177	\$7,485
Public Safety								
A1520	POLICE FEES	\$1,203				1203	\$1,203	\$0
A2260	PUBLIC SAFETY SERVICES FOR OTH	\$8,626				8626	\$8,626	\$0
A2262	FIRE PROTECTION SERVICES OTHER	\$119,839				119839	\$46,839	(\$73,000)
			SF2401	INTEREST AND EARNINGS	180	180	\$180	\$0
	<i>Total</i>	\$129,668		<i>Total</i>	\$180	\$129,848	\$56,848	(\$73,000)
Court								
A2610	FINES AND FORFEITED BAIL	\$86,691	A2610	FINES AND FORFEITED BAIL	44,179		\$130,870	
		\$86,691			\$44,179	130870	\$130,870	\$0
	<i>Total A-Fund Only</i>	\$2,628,905		<i>Total (A, B, DA, DB & SF Funds)</i>	\$1,045,825	\$3,674,730	\$3,434,798	(\$239,932)

Comparison of Village and Town of Cobleskill Revenue, and Combined Entity, Fiscal Year 2006 (By Function)

VILLAGE (05-06)			TOWN (2006)			COMBINED ENTITY		
ACCT #	ACCT NAME	2005-2006	ACCT #	ACCT NAME	2006	Town + Village (excludes double entries)	Estimated New Entity Cost	Difference
Water								
FX2140	METERED WATER SALES	\$668,233						
FX2142	UNMETERED WATER SALES	\$173						
FX2144	WATER SERVICE CHARGES	\$3,778						
FX2148	INTEREST & PENALTIES ON WATER	\$3,254						
FX2401	INTEREST AND EARNINGS	\$15,977						
		<i>\$691,415</i>				<i>691415</i>	<i>\$691,415</i>	<i>\$0</i>
Sewer								
G1028	SPECIAL ASSESSMENTS AD VALOREM	\$3,709						
G2120	SEWER RENTS	\$653,455						
G2122	SEWER CHARGES	\$14,726						
G2128	INTEREST & PENALTIES ON SEWER	\$3,934						
G2401	INTEREST AND EARNINGS	\$10,390						
G2590	PERMITS, OTHER	\$520						
G5031	Interfund Transfers	\$61,662						
G5710	SERIAL BONDS	\$216,500						
		<i>\$964,896</i>				<i>964896</i>	<i>\$964,896</i>	<i>\$0</i>
	Total (A, FX & G Funds)	\$4,285,216		Total (A, B, DA, DB & SF Funds)	\$1,045,825	\$5,331,041	\$5,091,109	(\$239,932)

Source: NYS Office of State Comptroller

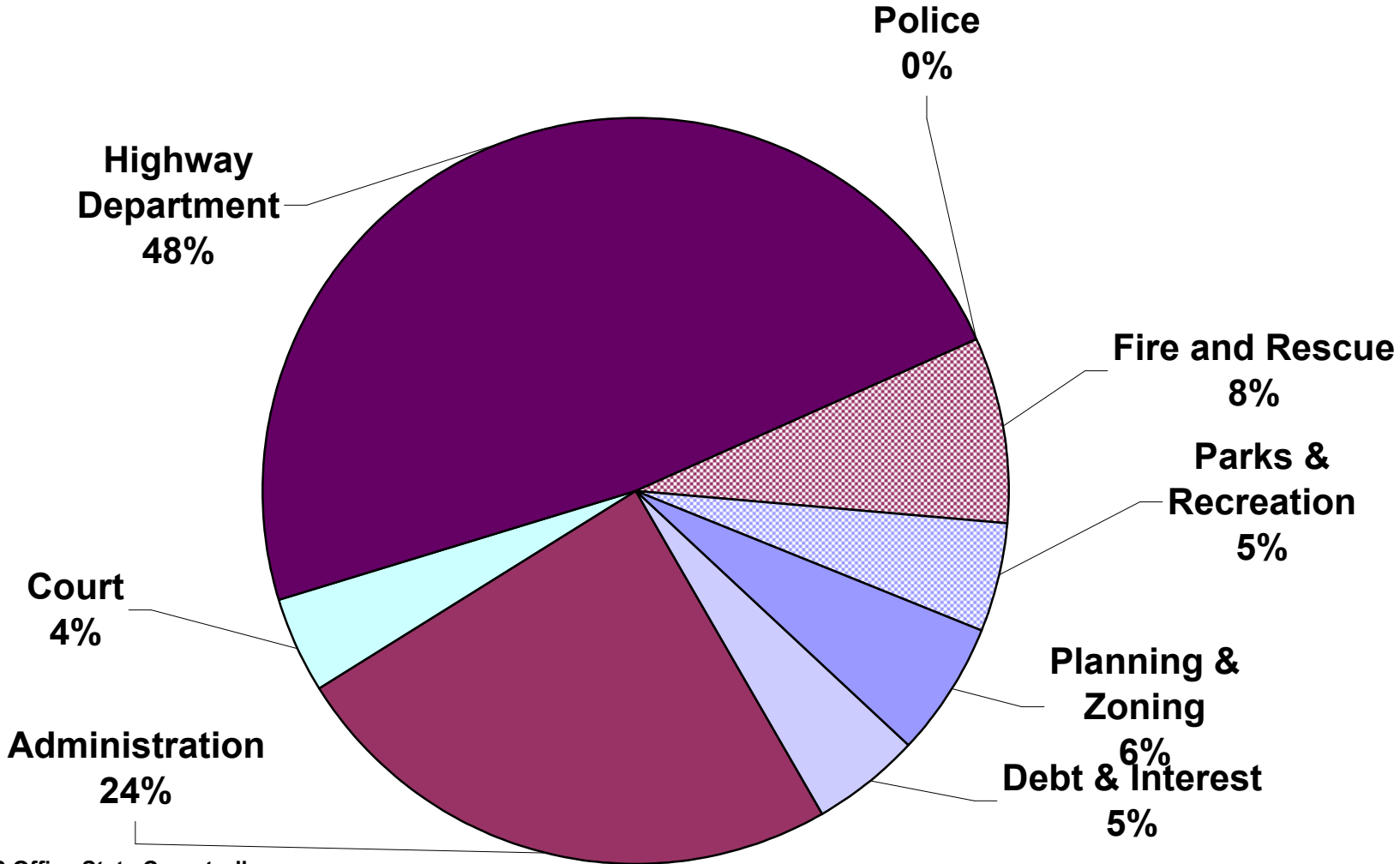
Functional Area Analysis - Village and Town of Cobleskill Combined
Fiscal Year 2006: Combined Expenses = \$5,242,382



Source: NYS Office State Comptroller

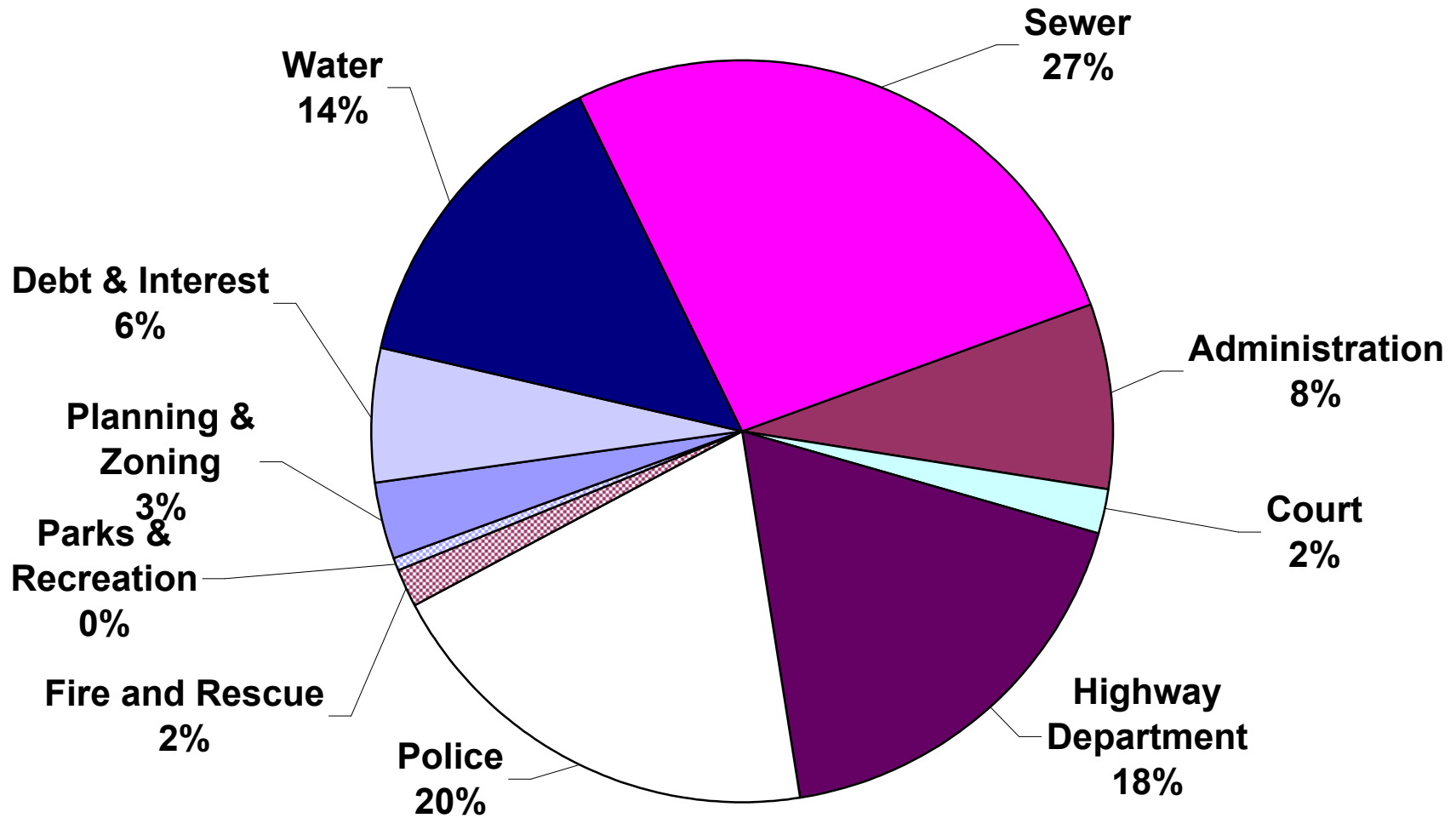
Functional Area Analysis - Town of Cobleskill

Fiscal Year 2006: Actual Expenses = \$908,402



Source: NYS Office State Comptroller

Functional Area Analysis - Village of Cobleskill
Fiscal Year 2006: Actual Expenses = \$4,333,980



Source: NYS Office State Comptroller

Analysis of Sales Tax Generated Within the Borders of the Village of Cobleskill and Impact on the County

Schoharie Co. Sales Tax Rate	4.00%	
Potential Village Sales Tax Rate	1.00%	
Current County Rate Share	5.00%	
Range of Village Portion of Taxable Sales	60.00%	70.00%

<i>2002 Economic Census*</i>		
	Village	County
Retail Trade**	\$171,845	\$238,964
% of Total	72%	

Year	What Actually Happened			What Could Potentially Happen Under City Status					Potential Impact to County of a Loss of 1% Sales Tax on 70% of Taxable Sales
	<i>Actual Dollars</i>			<i>Dollars in Thousands</i>					
	Schoharie County Sales Tax Collected	Annual % Change	Amount Shared by Towns and Villages	Approximate Taxable Sales for County	60% of Taxable Sales	70% of Taxable Sales	Sales Tax Generated on 60% of Taxable Sales with 1% Sales Tax	Sales Tax Generated on 70% of Taxable Sales with 1% Sales Tax	
2006	\$13,672,549	7.3%	\$683,627	\$341,814	\$205,088	\$239,270	\$2,051	\$2,393	17.50%
2005	\$12,746,837	16.2%	\$637,342	\$318,671	\$191,203	\$223,070	\$1,912	\$2,231	17.50%
2004	\$10,970,730	25.2%	\$548,537	\$274,268	\$164,561	\$191,988	\$1,646	\$1,920	17.50%
2003	\$8,765,865	-1.5%	\$438,293	\$219,147	\$131,488	\$153,403	\$1,315	\$1,534	17.50%
2002	\$8,903,102	17.0%	\$445,155	\$222,578	\$133,547	\$155,804	\$1,335	\$1,558	17.50%
2001	\$7,611,761	-3.4%	\$380,588	\$190,294	\$114,176	\$133,206	\$1,142	\$1,332	17.50%
2000	\$7,878,412	13.4%	\$393,921	\$196,960	\$118,176	\$137,872	\$1,182	\$1,379	17.50%
1999	\$6,949,765	3.8%	\$347,488	\$173,744	\$104,246	\$121,621	\$1,042	\$1,216	17.50%
1998	\$6,696,601	1.1%	\$334,830	\$167,415	\$100,449	\$117,191	\$1,004	\$1,172	17.50%
1997	\$6,626,165	3.1%	\$331,308	\$165,654	\$99,392	\$115,958	\$994	\$1,160	17.50%
1996	\$6,427,455	8.7%	\$321,373	\$160,686	\$96,412	\$112,480	\$964	\$1,125	17.50%
1995	\$5,912,996	5.3%	\$295,650	\$147,825	\$88,695	\$103,477	\$887	\$1,035	17.50%
1994	\$5,614,954	4.5%	\$280,748	\$140,374	\$84,224	\$98,262	\$842	\$983	17.50%
1993	\$5,375,609	12.9%	\$268,780	\$134,390	\$80,634	\$94,073	\$806	\$941	17.50%
1992	\$4,759,601	38.8%	\$237,980	\$118,990	\$71,394	\$83,293	\$714	\$833	17.50%
1991	\$3,430,064	-0.1%	\$171,503	\$85,752	\$51,451	\$60,026	\$515	\$600	17.50%
1990	\$3,434,104		\$171,705	\$85,853	\$51,512	\$60,097	\$515	\$601	17.50%

Composite Percentage Changes in Sales Tax Collected by Schoharie County

2006 average change	7.3%
3 year average change	18.7%
5 year average change	15.9%
10 year average change	11.3%
15 year average change	19.9%

* Represents actual activity that occurred in Schoharie County as captured by the 2002 Economic Census
 ** Retail Trade represents North American Industry Classification System (NAICS) Codes 44-45. CGR uses retail trade as a proxy for the relationship of where the probable taxable sales are occurring in the County. We acknowledge that there are other industries that may be producing taxable sales, and thus our estimates are conservative. Our experience indicates that retail trade does capture a majority of taxable sales activity.

DEPARTMENT OF TAXATION & FINANCE
 OFFICE OF TAX POLICY ANALYSIS
 SALES TAX CASH DISTRIBUTION DATABASE
 1990-PRESENT

Aid & Incentives to Municipalities (AIM)

3 Options for the Town & Village of Cobleskill, NY

Option 1) The consolidated municipality would receive an additional 25% of the municipalities' current combined AIM (Revenue Sharing or State Aid), capped at \$1 million annually.

Calculation:

Town of Cobleskill 2006 AIM funding: \$43,597

Village of Cobleskill 2005-06 AIM funding: \$29,940

Combined Total: **\$73,537**

$\$73,537 * 0.25 = \mathbf{\$18,384 \text{ additional funding}}$

Total funding for the FIRST year: $\$73,537 + 18,384 = \$91,921$.

**This is an indefinite funding stream, and future annual percentage increases from the State will be based upon the first year's payment of \$91,921.*

Option 2) The consolidated municipality would receive an addition to annual aid equal to 15% of the combined municipalities' property tax levies, capped at \$1 million annually.

Calculation:

FY 2006 Village levy: \$1,711,309

FY 2006 Town levy: \$606,421

Combined Total: **\$2,317,730**

$\$2,317,730 * .15 = \mathbf{\$347,660 \text{ additional funding}}$

$\$347,660 + \$43,597 \text{ (Town AIM)} + \$29,940 \text{ (Village AIM)} = \$421,197$.

Total funding for the FIRST year = \$421,197.

**This is also an indefinite funding stream, and future annual percentage increases from the State will be based upon the first year's payment of \$421,197.*

Option 3) The entity could receive \$250,000 in the first year, reduced by \$50,000 a year for the following four years. This funding stream is limited to these years only, and is capped at 25% of the combined property tax levy of the consolidating municipalities.

\$250,000 1st Yr + 4 following years: \$200,000 (Yr 1) + \$150,000 (Yr 2) + \$100,000 (Yr 3) + \$50,000 (Yr 4)

Potential Cap: $\$2,317,730 * .25 = \$579,433$

Total funding for the FIRST year = \$250,000.

Total annual aid received over the full five years: \$750,000