

INTERGOVERNMENTAL COLLABORATION IN ULSTER COUNTY

Shared Municipal Services Feasibility Study for Ulster County
Funded by New York State Department of State - Local Government Efficiency Grant Program

JULY 2010



Submitted to County Executive Michael P. Hein by:

PATTERN FOR PROGRESS

with

CRREO

SUNY New Paltz Center for Research, Regional Education, and Outreach

and

Intergovernmental Studies Program, Rockefeller College

Center for Applied Community Research & Development, Binghamton University

Fairweather Consulting

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SUMMARY REPORT

Gerald Benjamin and Joshua Simons

CRREO

SUNY New Paltz

Center for Research Regional Education and Outreach

Also Reference Separate Reports :

- **Identifying Opportunities for Highway Service Cooperation**
- **Shared Municipal Services Study Report on Justice Courts**
- **Options for Shared Planning and Economic Development**
 - **An Action Plan for Moving Forward**

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Executive Summary

This study effort focused on three major areas of interest – highways, justice courts and planning and economic development. Detailed approaches to enhancing intergovernmental collaboration, summarized here, are given for each of these areas.

I. Special Study A - Identifying Opportunities for Highway Service Cooperation in Ulster County – Michael Hattery – Center for Local Government – Binghamton University

Highway services and capacity were analyzed from existing data sources and through a series of interviews with each of the highway managers in sponsoring municipalities. These interviews also provided the opportunity to collect additional documents from these jurisdictions. These resources were supplemented with the results of interviews of a number of local officials in other New York State counties. An overview of highway services and capacity was developed in each of the following areas: Infrastructure, Fiscal, Service Delivery (with separate sections on Winter and Summer Maintenance), Garage, Fuel and Salt Storage Facilities, Human Resources, and Existing Cooperation.

Key Findings:

- **Infrastructure and Finance.** There is substantial variation in both the road mileage maintained by town governments in the county (page 3) and the property tax based resources to support highway services (page 4). A need for an improved and consistent (or standardized) approach to activity and project costing would be valuable within jurisdictions and in comparing with other departments to improve efficiency and better highlight best practices.
- **Service Delivery.** There is broad consistency in the maintenance practices and goals of highway departments in the study (pages 5-8). There are a number of town garage facilities with very close proximity to a facility in the network of county regional highway facilities. In some cases (e.g. Town of Denning) the town and county have facility needs that are complementary (page 7).
- **Cooperation.** There is a broad level of cooperative activity among town highway departments and between the county and town highway departments. Sharing of personnel, equipment and materials is routine. There are many written bi-lateral agreements among municipalities in the county that provide important liability protections, etc. for the routine conduct of sharing among municipalities. A county-wide agreement in this area may prove advantageous and cost effective. A number of other written agreements exist for equipment sharing, etc. (pages 8-11).

Policy Options and Recommendations:

- **Comparative Assessment.** Three counties that have more extensive contracting out models for county highway services are discussed in some detail: Monroe County, Jefferson County, and Chemung County. Monroe and Jefferson provide relatively mature arrangements, while Chemung is developmental, in the early stages of implementation.
- **Recommendations based on Comparative Assessment.** Ulster County should consider a revised regional approach in the provision of highway services. Drawing from the examples in Monroe and Jefferson counties, the following areas or characteristics for a revised approach are highlighted:

- **The Road Network in Ulster County is a Single Network.**
- **Key Areas in Updating Ulster’s Regional Approach**
- *Multi-Season Service Contracts may be Most Efficient*
- *Examine the Potential for Diminishing the Overall Number of County Regional Facilities.*
- *Flexibility for Differences in the Capabilities, Resources and Motivations of Town Highway Partners.*
- *Contractual Arrangements*
- *Balancing the Need for Stability with a Competitive Environment.*
- **Improved Cost Accounting and Performance Information**
- **Human Resource needs for Implementing and Managing an Updated Regional Approach**
- **Mechanisms for Monitoring and Maintaining Agreements**
- **Estimating the Potential for Cost Savings.** In this section multi-year average expenditure data and comparative personnel figures are used to show the relatively lower costs and a higher number of miles maintained per employee, respectively, by both Monroe and Jefferson Counties. These figures indicate that significant potential savings may be available through a revised regional approach.

Targeted Recommendations and Implementation Guidance

- Development of a Single County-wide Umbrella Agreement for the Routine Sharing of Personnel, Equipment and Materials.
- Improve Project and Activity Costing Practices and Implement a Pavement Management System.
- Revised Regional Approach: Contracting out Major Maintenance and Construction Responsibilities to Towns in Ulster County

II. Special Study B: Ulster County Shared Municipal Services Study - Report on Justice Courts Prepared by Sydney Cresswell, assisted by Michael Landon, at The Intergovernmental Studies Program (IGSP) - Rockefeller College of Public Affairs and Policy - University at Albany

The justice court study provides a summary of justice court issues, operations, and an analysis of restructuring opportunities in Ulster County. The complex environment in which justice courts function is reviewed, as are various stakeholder perspectives. Metrics that can be used to understand justice court fiscal and administrative performance are calculated (“workload factors”), and analyzed in the context of existing justice court conditions. The report provides recommendations that range from strengthening internal oversight of the justice courts to weighing the formation of a regional criminal court.

The study is countywide; in some respects, however, the more in-depth analyses focus on the 12 towns that participated in the Ulster County Shared Services Study, funded under the Shared Municipal Services Incentive program (SMSI). Profiles on participating justice courts can be found in Section 4 of Special Study B.

IGSP used primary source qualitative and quantitative data in conducting the study. This included fiscal and caseload data from the NYS Office of the State Comptroller (OSC) and municipal governments, and interviews with local, county, and state-level stakeholders. An extensive document review was also

completed. IGSP also prepared case summaries of court restructuring efforts in other areas of NYS, utilizing news reports, written accounts, and additional interviews.

Key Findings

- Fiscal Condition of the Courts - Most justice courts in Ulster County have become insolvent (expenditures exceed revenue), even before calculating the added costs of salary assessments, fringe benefits and county-level expenses associated with justice courts.
- Information Gap - The fiscal status of the courts was a surprise to many supervisors, and interviews showed that an information gap exists between the justice courts and governing board in most municipalities. The justice court information gap impedes “rightsizing” the courts.
- Governing Board Oversight Needed - Although the autonomy of the courts is protected with respect to judicial decision making, governing boards retain critical (statutory) oversight responsibilities that need to be duly exercised. A chief aim of this study is to provide municipal officials with key data and metrics that permit comparison of courts and help identify opportunities for restructuring.

Study Recommendations:

- Improve the level of oversight by municipal governing boards (largely through the consideration of justice court metrics and conditions)
- Build countywide technical support for new case management tools
- Share a single justice in the smallest courts
- Share the expense of new court facilities with adjacent towns
- Merge justice courts in some adjacent towns into a regional court
- Consider creating regional criminal courts
- Seek other efficiencies: use mediators in civil cases; develop a comprehensive resource book for justices; extend the pre-screening investigation pilot program; reexamine arraignment activity.

III. Special Study C – Ulster County Intergovernmental Collaboration Study – Recommendations: Options for Reconfiguring the Delivery of Planning and Economic Development Services - Peter Fairweather - Fairweather Consulting

The recommendations outlined below respond to the project goals, with consideration of existing conditions of service delivery and current best practices in planning and economic development. They can be considered as separate alternative approaches to improving service delivery in planning and economic development. Alternatively, taken together, they comprise a comprehensive approach toward improving and more closely integrating planning and economic development in Ulster County.

Planning Services:

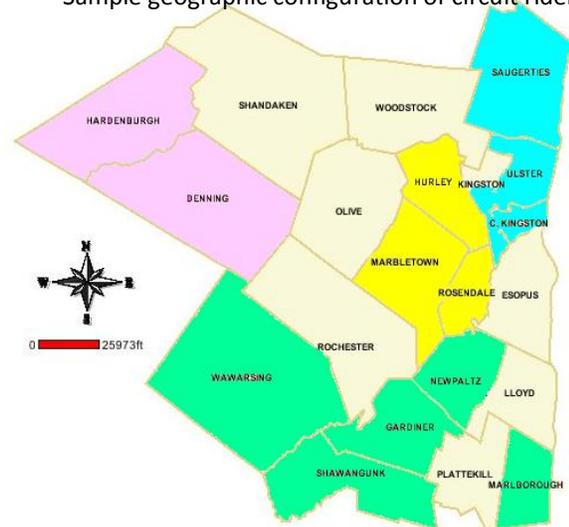
- *Create “Circuit Riders” for Planning and/or Code Enforcement Services through a Council of Governments*

As discussed under “best practices,” it is common for municipalities to share planning services by pooling funding to create “circuit rider” positions. These are full-time paid professional staff positions whose services are shared across several municipalities.

Implementing the Circuit Rider System

1. Create a Council of Governments (COG) to host the program. This would involve a process similar to the creation of the Ulster County Transportation Council. The intermunicipal agreement would be created identifying the participating municipalities, defining the purpose of the COG and outlining the system of governance and representation, and establishing a method for financing the activities conducted under the auspices of the COG. (The most common approach would be to assess each community a charge based upon estimated use of the circuit rider service, with additional charges assessed if the community required time above and beyond that estimate.)
2. Establish staffing levels to provide circuit rider services. This would involve working with the participating towns to estimate their needs for planning and code enforcement services for the coming year. This would indicate the number of hours involved in providing the circuit rider services, from which a staffing plan and budget could be developed.
3. Secure the professional staffing needed to provide the circuit rider services. This can be done through a variety of means. For example, the COG could contract with the Ulster County Planning Board for such services. Alternatively, it could be implemented through a contract with a professional planning firm for professional planning and/or code enforcement services through a contract evaluated and renewed on an annual basis.
4. Ensure an efficient and effective geographic distribution of services for the circuit rider program. Figure 2 provides an example of how the circuit rider services can be grouped geographically to reduce overhead related to travel time.

Special Study C Summary - Figure 2.
Sample geographic configuration of circuit riders



Economic Development Services

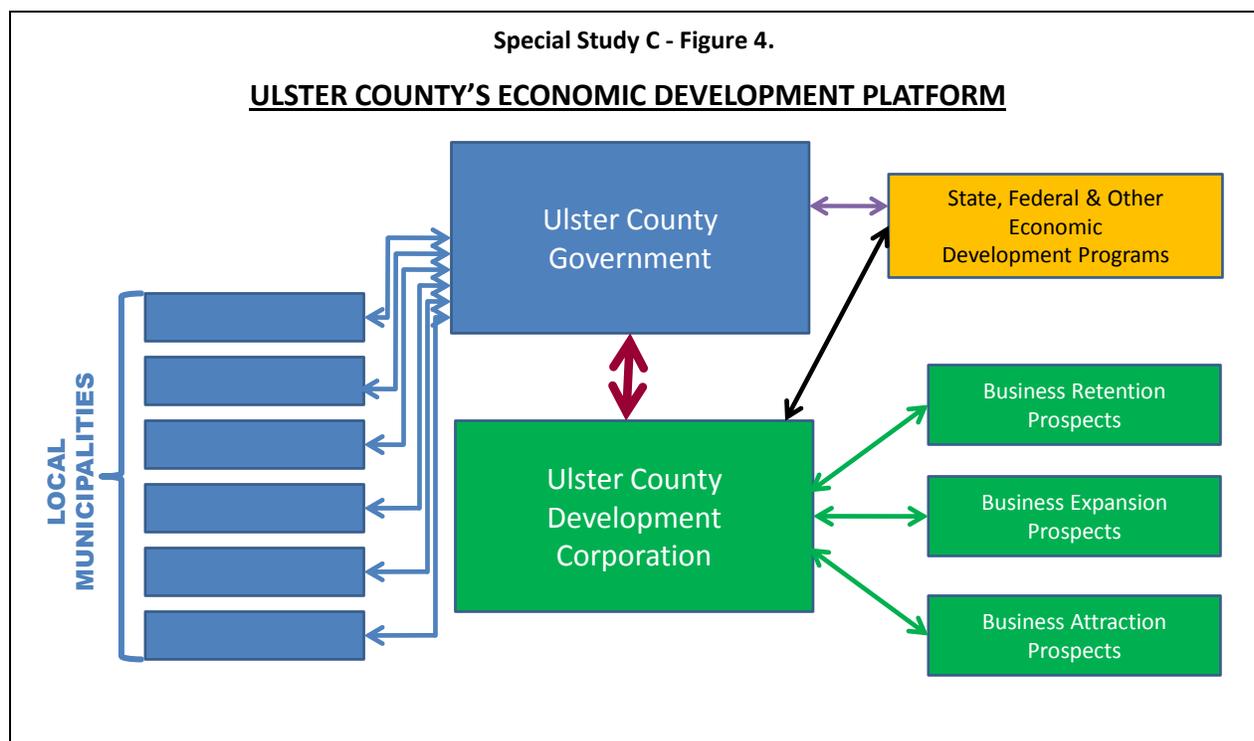
Implementing Ulster Tomorrow

There is substantial capacity for planning and economic development in Ulster County at the present time. As noted in the *Ulster Tomorrow* Plan, improving Ulster County's performance requires greater coordination and clarity in the service provision system. *Ulster Tomorrow* saw the need for a "super economic development agency," a single point of entry to bring together the "demand" side of economic development (businesses, developers, communities) with the "supply" side (economic development agencies, local planning boards, state and local assistance programs, etc.). (See Figure 4 below.) That report summarizes the important relationships that must be preserved and strengthened in the County's economic development delivery system. Each of these interests must have a clearly structured role in the process, with clear and consistent channels of communication that serve each party's interest.

Two options were considered for the future structuring Ulster County's economic development services: creating a county department or keeping and strengthening the UCDC as the central focus. After considering four key dimensions - scope, flexibility, focus and the prospect of private sector support - we find that keeping and strengthening the UCDC is preferred.

Ulster County conforms to best practices in terms of its general structure for economic development service delivery. As is the case with Ulster County, it is quite common in New York State and elsewhere to have the county economic development office established as a separate not-for-profit corporation that leads the county's industry attraction, retention and expansion efforts, while providing staff support to the industrial development agency through a contract with that agency.

The use of the not-for-profit structure has several advantages. It enables the economic development office to provide tax deductions for contributions from the local business community to support the corporation's operations. In addition, by being constituted as a private organization, the corporation is freed from civil service requirements when hiring and deploying staff. As such the current structure provides greater focus and flexibility while providing a greater potential for securing private sector support and funding.



In essence, the current economic development structure is a viable platform to continue to implement and expand upon the work of *Ulster Tomorrow*. As illustrated in Figure 4, one of the critical tasks is to use the current structure to continue to build the public and private relationships so essential to success in the ongoing competition to retain and attract innovative companies and high-quality jobs.

In further developing this structure it is important to remember that getting the right balance in this type of public/private partnership requires incremental adjustments over time. For example, in Columbia County, the Columbia Hudson Partnership in Columbia County has been recently reorganized so that the Partnership's executive director is now appointed by the County—rather than the Partnership board. As Ulster County moves forward, it too must continually review and evaluate the public/private partnerships in its economic development platform and periodically consider ways to fine-tune the economic development platform to maintain and/or strengthen the crucial relationships outlined in Figure 4.

IV. Intergovernmental Collaboration in Ulster County, Overview, Analysis and Recommendations – Targets of Opportunity – Gerald Benjamin and Joshua Simons.

In addition to completing the special studies summarized above, the county government and town governments in Ulster County that commissioned this work asked that we identify “targets of opportunity” - other key service areas for our future that are in need of new or enhanced collaborative approaches. In order to accomplish this portion of our assignment, we took a broad yet detailed look at the structure and operations of all the local governments in the county. The results of that effort are presented below in an extensive, separate detailed report. Three areas that seem particularly promising for producing economies and efficiencies, or are in critical need of attention, are summarized here: Sanitation services, Water and Technology and Information Services. A great number of other potentially promising areas for action, some quite specific, are presented at the end of the full report.

Sanitation Services: General purpose government spending for sanitation services in Ulster County totaled \$17.7 million in 2007. Additionally, \$13.7 million was spent by the Ulster County Resource Recovery Agency (UCRRA), a public authority established in 1986 to develop, finance and implement a comprehensive solid waste management program in the county. Economies from collaboration in this area may flow to town governments and, insofar as the UCRRA requires less support from it, to the county government.

Sludge: In 2007, the City of Kingston entered into a fifteen year agreement with Aslan Environmental Services to build a system that used methane generated by its sewage treatment plant to dry sludge and convert it into pellets that may be used as fertilizer or fuel. Anticipating the prospect of growth, the Kingston sludge treatment facility was built to accommodate twice the capacity of the Kingston sewer treatment plant. The Executive Director of that agency, Michael A. Bemis, estimated in an interview that

- **\$125,000 per year might be saved if investments were made that allowed sludge from other jurisdictions now taken elsewhere could be brought to Kingston.**

Storm Sewers: Under the leadership of the then county administrator (now the county executive) in 2007, Ulster County developed an innovative approach to pooling municipal resources to meet MS4S regulatory

requirements. According to one estimate, this collaborative effort saved participating governments a total of \$600,000.

- **County government intends to seek funding in support of the development of a formal intermunicipal agreement in storm water management. This will open the way for cost-saving collaborative action in reporting, equipment acquisition, mapping and the education of citizens, community leaders and key local government personnel.**

Solid Waste: When all expenses are included, solid waste transfer stations in Ulster County collectively operate at a loss. The 1995 solid waste agreements among the Towns of Woodstock, Saugerties and Shandaken provide an early model that all participants regard as successful. The New York State Comptroller's 2009 *Annual Report on Local Government* notes that: "In localities where residents contract individually with private refuse haulers, numerous audits and reports indicate that local governments can realize substantial savings for their residents by contracting for refuse collection on their behalf." Pursuant to this idea,

- **Groups of Ulster County towns might join together regionally to contract with a single private carter for roadside pickup of solid waste. An incentive for recycling might be built into this contract, as it has been met with success in other communities. Carters could then take the waste directly to one of the two UCRRA regional transfer stations, eliminating most of the need for town stations and the transportation costs now incurred by towns. Town stations might then be operated at a much reduced schedule at far lower cost.**
- **Cost-saving models are proposed in the body of this report for two groupings of towns: Wawarsing, Rochester and Marletown and Shawangunk, Plattekill and Marlborough.**

Water: Water is a regional resource; it is not constrained by municipal boundaries, nor amenable to proper management within them. It is, therefore, a natural candidate for intergovernmental collaboration. In a time of growing scarcity across the world, New York's rich water resources, especially in the Hudson Valley, are central to our environmental heritage and the key to our future economic viability. Ulster County, a custodian of a main part of the NYC water system, has within it four municipal systems – the City of Kingston and the three villages - and fourteen that are organized as special districts within towns. In addition, Hurley is served by a private water company. Considerable inter-jurisdictional collaboration for the use of water is already in place. Yet aging infrastructure needs attention. A 1970 study proposed the development of six integrated water supply areas to meet projected needs for Ulster County. In a 1989 study, the prospect was raised of integrating existing water systems in two sub-regions of the county, the southeast (New Paltz, Lloyd, Marlborough, Newburgh) and along the Thruway corridor (Kingston, Ulster and Saugerties). Additionally, the 1989 study identified potential long-term water supply issues in Gardiner, Shawangunk and Plattekill. Action is very costly, and has not been taken. The availability of ample water is an essential environmental asset and economic development resource. At minimum,

- **There is a need to encourage additional intergovernmental collaboration in the delivery of water to our communities, and for updating the county-wide water study completed two decades ago, integrating municipal, environmental and economic development goals and needs.**

Technology and Information Services: This study shows that intergovernmental collaboration between and among the city, towns and villages in Ulster County has succeeded and will continue to succeed on a bilateral and, sometimes, multilateral basis. An essential lesson is that for collaboration to work as a broad scale strategy, the county government must be a fundamental player in the collaborative process. To do this the county must continue to re-conceive its role, coming to further understand itself as not only a service provider, but as facilitator of connections and efficiencies for all governments within its borders. Initiatives that the county has already undertaken in the areas of storm water management and highways indicate that this fundamental change is, in fact, beginning to occur. As this trend continues, technology and information services provide a special area for collaborative opportunities. There is a growing movement for the county government to become the provider of information and support services for municipalities within it. Support services may be centralized, while decision making and service delivery remain decentralized. This is already true for property tax administration. Savings and efficiencies will be realized; all must be done with an equitable sharing of costs.

- **Back office support functions now provided by localities themselves, or contracted to private providers – e.g. check writing, bookkeeping, electronic record keeping – could be done by contract with the county.**
- **Collaborative data bases for specific service areas should be further developed or created.**
- **Town supervisors are interested in a common budgetary format and management information system that would allow them to improve local government performance by allowing inter-jurisdictional comparisons of program costs.**
- **There are possibilities too in areas ranging from vehicle repair and maintenance to the provision of professional support, as previously noted, for labor contract negotiation.**

Policing: The sixteen local police departments in Ulster County spent a total of \$26,084,096 in 2007 (not including benefits), and had 317 full time and 213 part-time employees in 2007. In that year in the Town of New Paltz the police function required almost a quarter of the budget (24.3%), in the Town of Ulster 17.9%, and in the City of Kingston 16.55%. Eight towns and one village had no police department; the village of Saugerties recently decided to merge its department with that of its town. Additional police services were provided by the state (the New York State Police, DEC Police, SUNY New Paltz Police) and by New York City on its watershed properties. This pattern of service delivery regularly raises issues of equity in the distribution of cost and benefits.

A survey by the International City and County Management Association done in 2006 shows that in the United States there are, on average, 2.12 police officers per 1,000 people in localities with populations between 10,000 and 24,999. Counting full-time sworn officers only, this ratio was exceeded in 2007 in Ulster County by the City of Kingston (3.27), and the Towns of New Paltz (3.07) and Ulster (2.23). These facts suggest that there may be opportunities for savings from a consideration of reduced staffing or alternative patterns for the delivery of police services (i.e. contracting by towns with the county Sheriff's Department, inter-town collaboration). Recent developments in Saugerties indicate that

- **Ulster County's citizens, increasingly pressed by the costs of local government, are willing to give consideration to properly presented efficiency- enhancing alternatives for the delivery of police services.**

Code Enforcement. A total of \$1.16 million was spent in the 12 Ulster County towns sponsoring this study of total spent on code enforcement, much of this for consulting services. Divided evenly among the 12 towns, current spending could support one full-time code enforcement position for each town paid at \$59,000 per year, with 30% benefits and a \$20,000 operating budget.

- **Collaborative activity among the towns on code enforcement, organized through the county Association of Towns, might thus provide a higher level of service without additional spending.**

Intergovernmental Collaboration in Ulster County

Baseline, Overview, Analysis and Recommendations

In accord with the terms of a grant provided to Ulster County under New York State's Shared Municipal Services Initiative, administered by the Department of State, this study identifies reviews, analyzes and reports upon the governmental services provided by municipal governments in Ulster County. Its objective is to "describe areas where combining space and/or service, would result in positive outcomes including cost savings and/or increase in the quality and amount of service delivery." The terms of this study did not mandate any specified outcome, for example the consolidation of governments or services. However, Ulster County did require an implementation plan, and identified highways, justice courts and planning and economic development as specific focal points for attention and action.

The initial focus of this study was upon the jurisdictions that passed resolutions sponsoring this effort: the Ulster County government, the City of Kingston and the Towns of Denning, Gardiner, Hardenburgh, Hurley, Marbletown, Marlborough, New Paltz, Rosendale, Saugerties, Shawangunk, Ulster and Wawarsing. As the research proceeded, it became evident to researchers that some attention to the functioning of *all* the county's general purpose local governments was necessary to assure full consideration of opportunities for intergovernmental collaboration, and thus maximize the report's utility. The chief elected officers of the Towns of Kingston, Lloyd, Olive, Plattekill, Rochester, Shandaken and Woodstock and the Villages of Ellenville, New Paltz and Saugerties were therefore interviewed. During these discussions with heads of non-sponsoring governments we found that they were amenable to collaborating; their failure to act timely by resolution to be included as sponsors was almost always due to changes in leadership, the press of other business or simple oversight, not disinterest or opposition.

Consequently, data was gathered and is reported below, whenever possible, for all of Ulster County's General Purpose municipalities. Additionally, to provide as full a picture as possible, information is reported on Ulster County's special purpose governments that are supported largely or entirely from real property tax levies: school districts, fire districts and library districts. However, more than incidental consideration of their inclusion in collaborative activities was beyond the scope of this study. Heads of these governments were not interviewed.

During the course of this research the nation entered into its most severe economic crisis since the Great Depression. In the Hudson Valley, as in the nation, unemployment grew, foreclosures on homes skyrocketed and the resources of local government plummeted, diminishing their capacity to provide public services while increasing pressure to raise property tax rates. Some Ulster County governments were sheltered from the immediate effects of the economic crisis due to their substantial fund balances, a legacy of persistent fiscal prudence and fiscal practices. Yet all of the county's governments felt an increased need to find economies through collaboration and other means in these circumstances, a reality that made the purpose of this study even more compelling.

Project Team Research Process and Methodology

This report is based upon the collaborative effort of the participating governments and researchers at five different institutions. All made important substantive contributions to the work.

Ulster County Executive Michael Hein, a leading advocate in the state in advancing intergovernmental collaboration to reduce governmental costs and increase efficiency and effectiveness, took the lead in conceiving this project by gathering support from other participating municipalities. Regular liaison and oversight was provided by Adele Reiter, Chief of Staff, and Sue Ronga, in the County Executive's Office. The Ulster County Legislature committed the required matching funds and endorsed the application for funding for this project. Resolutions in support of this application were passed by the council of the City of Kingston and the boards of the Towns of Denning, Gardiner, Hardenburgh, Hurley, Marletown, Marlborough, New Paltz, Rosendale, Saugerties, Shawangunk, Ulster and Wawarsing. In accord with Resolution #108 of the Ulster County Legislature, passed on June 11, 2008, an advisory committee comprised of a representative of each participating municipality was constituted. It was consulted twice as the project progressed. Additionally, a member of the research team attended the regular monthly meetings of the Ulster County Association of Town Supervisors to keep its members apprised of the progress of the project.

This report draws upon four major sources of information:

- Face-to-face interviews of elected and appointed officials in all participating governments, additional interviews of the chief elected officials of all other general purpose local governments in Ulster County, and telephone or face-to-face interviews with current or past county administrative officials and others active in county government. Records of these interviews are held in the files of the research team at Pattern for Progress and CRREO, SUNY New Paltz.
- Follow-up phone interviews with the chief elected officials of each general purpose local government in Ulster County.
- Public meetings convened by Pattern for Progress in three locations in Ulster County during the summer of 2009: Gardiner, Saugerties and Wawarsing.
- Review of existing quantitative data obtained from state sources and from the county's general purpose local governments and documents provided by participating governments, such as intergovernmental agreements, budgets and labor contracts. This data is in the files of CRREO, SUNY New Paltz.

Additionally, Secondary research and information was gathered from other organizations and experts who have studied and worked to implement shared services. This information and the context in which it was collected inform the development of an effective implementation plan.

Pattern for Progress took overall administrative responsibility for this project as the prime contractor, and remained in regular contact with the Office of the County Executive of Ulster County over its course. Jonathan Drapkin and Barbara "Charlie" Murphy at Pattern for Progress played principal roles in convening and coordinating the project team, conducting field interviews with all chief elected officials of general

purpose governments in Ulster County and gathering public input through the county website and the public meetings held during August of 2009. They also led in focused, follow-up interviewing of Chief Elected Officials. Robin DeGroat of Pattern's Staff provided administrative support.

The Center for Research, Regional Education and Outreach (CRREO) at SUNY New Paltz gathered an extensive quantitative database from state and county sources to support the work of all researchers. This database, assembled by Joshua Simons with the assistance of two student interns, Danhui Wang and Zachary Keck, is a project deliverable. K.T. Tobin Flusser at CREEO reviewed, edited and commented upon this draft.

With the agreement of County Executive Michael Hein, the Chief Elected Officer in each town participating in this study was in August of 2009 provided with a time series of 12 years of town-related budget data to assist them with their administrative work. Joshua Simons identified, obtained and conducted research in secondary sources. Gerald Benjamin participated in field research interviews, conducted secondary source research, provided extensive data analysis and led in the writing of this report.

Three members of the project team conducted extensive field research in connection with preparing in-depth studies of areas of potential collaboration specified by the county for priority attention:

Michael Hattery of The Center for Applied Community Research and Development at SUNY Binghamton conducted field interviews and other research and prepared the Special Report A on *Highway Collaboration*.

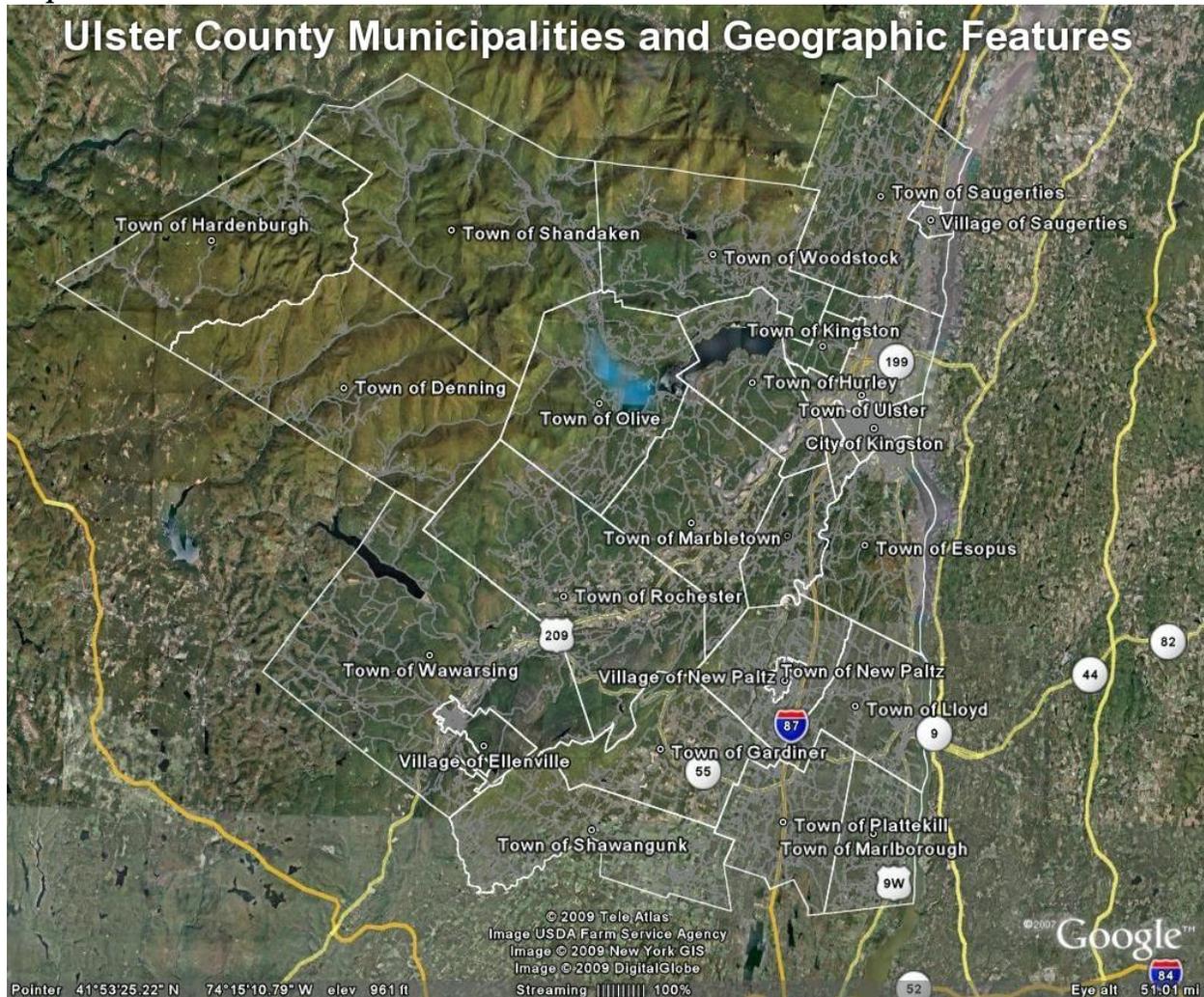
Sydney Cresswell, Director of the Intergovernmental Solutions Program of the State University at Albany, conducted field interviews and other research for Special Report B on *Justice Courts*. She was assisted by Michael Landon.

Peter Fairweather of Fairweather Consulting conducted the research for and prepared Special Report C on *Planning and Economic Development*.

Ulster County and Its Local Governments – The Baseline

Ulster, one of New York State's original thirteen counties, is located in the heart of the Mid-Hudson Valley, roughly equidistant between New York City and Albany. The county is defined geographically by the Hudson River on its eastern boundary; the Shawangunk Range, rising from the river's valley going westward; and the Catskill Preserve - protected as "forever wild" by the New York State Constitution - encompassing large portions of its north-westernmost towns. **(Map I)** Ten towns are wholly or partly in the New York City watershed, or are affected by land use regulations related to that watershed.

Map I



Land Area and Population

The County has a total land area of 1,126 square miles, making it approximately equal in size to the state of Rhode Island. Its population increased steadily in recent years. In 1990, the population was 165,304; in 2000, it was 177,749; in 2008 it was estimated to be 181,670. Recent projections show only modest growth over the next thirty years, to 186,012 by the year 2035.¹ In general, as in much of New York State, Ulster’s population has been aging, and growing more demographically diverse. **(Table I)**

Economy

Ulster County’s estimated median household income in 2007 (\$55,589) exceeded that for New York State as a whole (\$53,448). However, average wages for public and private sector jobs were lower compared with other counties in the region or for the state as a whole. Between 2000 and 2007 average annual unemployment rates in Ulster County were compared with statewide rates. This changed in 2008, when the rate in Ulster (5.5%)

¹ Estimates from the Ulster County Department of Planning Data Book. “Ulster County Population Projections” http://www.co.ulster.ny.us/planning/ucpb/demo/databook/NYSIS_Projections.pdf.

was similar to the statewide rate (5.4%). The largest industries in Ulster County are Retail Sales, Health Care, and Food Service. The biggest employers in numbers of employees are the County of Ulster, New York State and United Healthcare. As is the case for its Mid-Hudson Valley neighbors, about one-third of Ulster's workforce is employed outside the county.

Economic growth in the county has lagged compared with its neighbors in the region. While employment in neighboring counties increased during the 2000 to 2008 period at rates substantially exceeding those for New York State as a whole, there was a 2.1% decline in the number of jobs in Ulster. The drop in private sector jobs in Ulster during this period was nearly double that percentage (4%). Governments employed 658 more people in the county in 2008 than in 2000, while private sector businesses had 1,957 fewer workers.

In general, and in part because of the presence in it of several large state prisons and a State University of New York comprehensive college campus (SUNY New Paltz), Ulster County is far more dependent on public sector jobs than is New York State as a whole. Ulster ranked fifteenth among the fifty-seven counties outside New York City in its proportion of full-time equivalent state employees in the county in 2008 (6.9%), while it was thirty-fourth in its local government employees as a proportion of its workforce (16.1%).² Overall, about one in five (18%) of working New Yorkers at the beginning of 2009 worked for government; in Ulster the ratio was closer to one in four. Moreover, the public/private employment contrast in the county, driven by the economic crisis, accelerated in the first quarter of 2009. While the number of public sectors jobs in the county increased slightly during this period, another 3,226 private sector positions were lost. In other words, the number of private-sector jobs lost in Ulster County in a single year was about one and two-thirds times as great as the number for the entire previous eight year period. **(Chart I)**

Number, Structure and Types of General Purpose Local Governments

The U.S. Census bureau defines general purpose local governments as “political subdivisions within which a municipal corporation has been established to provide general local government for a specific population concentrated in a defined area.”³ For the purposes of this study, county government – separately treated by the Census Bureau – is included within the general purpose category. There are twenty-five general purpose municipalities in Ulster County: the county government, one city, twenty towns and three villages. Since 2003, the City of Kingston has been the core of a federally designated Metropolitan Statistical Area.⁴

² Rockefeller Institute of Government. *New York State Statistical Yearbook*, 2008(Albany: Rockefeller Institute of Government) Table E -55 consulted at http://www.rock.inst.org/nys_statistics/2008/E/

³ U.S. Department of the Census. *Governments Integrated Directory*. <http://ftp2.census.gov/govs/cog/2007/techdocgovorg.pdf> p. 2.

⁴ See Executive Office of the President. Office of Management and Budget. “OMB Designates 49 New Metropolitan Statistical Areas” <http://www.whitehouse.gov/omb/pubpress/2003-18.pdf>

Characteristics of General Purpose Local Governments in Ulster County (2007)

Table I

	Population	Population % change 1990-2000	Land Area (Sq. Miles)	# of Fire Districts	Total Expenditures	Property Tax Revenue	Sales Tax Revenue
	*	††	**	***			
City of Kingston	24151 †	4.6%	7.4	1	\$46,882,140	\$13,626,083	\$11,172,760
Towns:							
Denning	516	-1.5%	105.2	—	\$1,351,574	\$814,009	\$28,263
Esopus	9,331	5.3%	37.2	5	\$6,799,073	\$2,644,200	\$114,274
Gardiner	5,238	22.4%	44.4	1	\$2,552,147	\$1,283,311	\$142,439
Hardenburgh	208	2.0%	81.3	—	\$845,987	\$663,533	\$24,627
Hurley	6,564	-2.6%	29.9	2	\$3,266,123	\$2,528,902	\$136,126
Town of Kingston	908	5.1%	7.8	1	\$514,067	\$416,031	\$13,033
Lloyd	9,941	7.7%	31.7	1	\$11,667,445	\$5,263,559	\$173,151
Marbletown	5,854	10.8%	54.6	2	\$2,481,055	\$1,263,894	\$160,968
Marlborough	8,263	11.2%	24.8	3	\$6,160,420	\$4,436,227	\$144,041
New Paltz	12,830	12.7%	33.9	—	\$8,778,974	\$7,032,108	\$190,668
Olive	4,579	12.1%	58.7	—	\$3,792,945	\$2,689,804	\$175,465
Plattekill	9,892	11.3%	35.6	3	\$3,116,200	\$1,661,904	\$122,592
Rochester	7,018	23.6%	88.4	1	\$3,195,700	\$2,165,637	\$127,621
Rosendale	6,352	2.1%	19.9	3	\$3,464,340	\$2,215,445	\$91,134
Saugerties	18,821	1.9%	64.5	5	\$13,335,922	\$7,730,930	\$252,929
Shandaken	3,235	7.4%	119.8	2	\$3,939,129	\$2,739,965	\$105,032
Shawangunk	12,022	19.3%	56.2	2	\$5,437,713	\$2,966,494	\$183,259
Town of Ulster	12,544	1.7%	26.8	3	\$14,309,268	\$8,453,684	\$232,623
Wawarsing	13,936	12.9%	130.7	3	\$8,827,898	\$5,674,265	\$145,615
Woodstock	6,241	-0.8%	67.5	1	\$6,385,291	\$4,289,681	\$237,298
Villages:							
Ellenville	4,130	-2.7%	8.7	1	\$7,659,087	\$2,286,167	\$25,705
New Paltz	6,034	10.5%	1.7	—	\$5,978,277	\$1,397,445	\$0
Saugerties	3,908	-0.2%	1.8	—	\$4,579,956	\$1,949,223	\$0
Ulster County	181,755 †	10.0%	1,126.5	39	\$311,199,118	\$67,523,671	\$81,572,504
Total	181,755 †		1,126.5	39	\$486,519,849	\$153,716,172	\$95,572,127

† 2007 Estimate (The rest are 2000 Census)

†† The Towns of Saugerties and Wawarsing and the Village of Saugerties have had their population totals revised to reflect the proper placement of the prisons located within Ulster County.

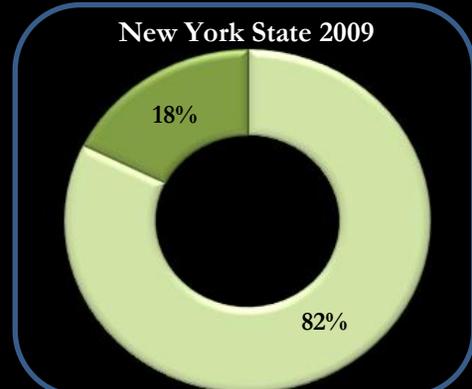
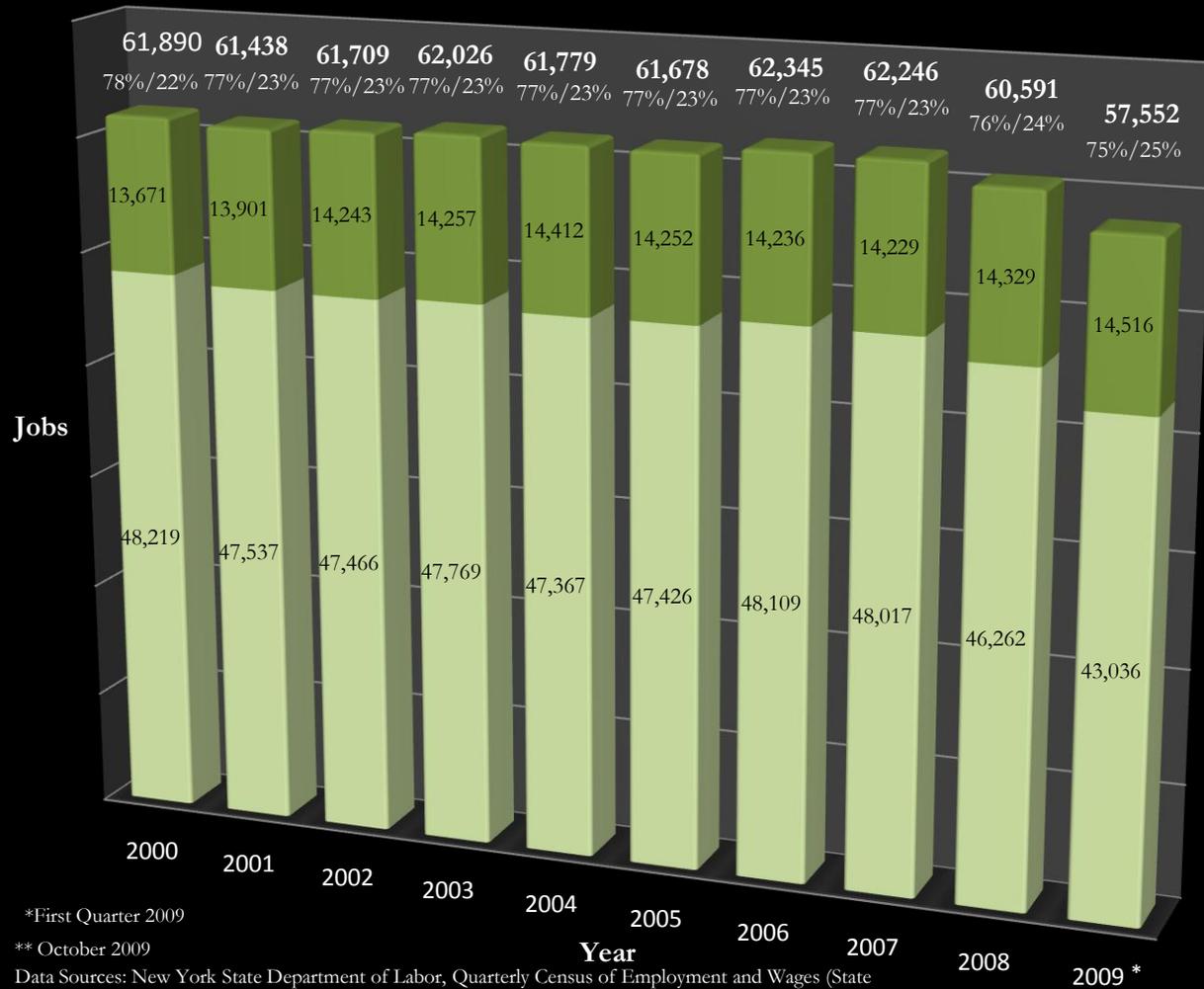
*Residents of villages are counted twice, once in the town, once in the village.

** The land area of villages is also within the town.

*** Fields left blank indicate that municipality either has a fire department that does not levy its own taxes (Municipal or Volunteer Department), or is covered by a fire department/district in another municipality. The Ulster County total is of taxing districts. The NYS Department of State lists 87 fire departments including private fire departments and volunteer departments, as well as fire departments at correctional facilities.

Ulster County Employment 2000 - 2009

Chart I



*First Quarter 2009
 ** October 2009
 Data Sources: New York State Department of Labor, Quarterly Census of Employment and Wages (State and County Data), United States Department of Labor, Bureau of Labor Statistics, Employed persons by class of worker and part-time status, October 2009 (Federal Data)

The number of general purpose local governments has not changed since the dissolution of the Village of Pine Hill in 1985. Earlier, in 1978, the Village and Town of Rosendale were consolidated. Consolidation of the Town and Village of Saugerties is reported by the Supervisor and Mayor there to have been discussed on several occasions, but is not currently under consideration. Dissolution of the Village of Ellenville, a step that the current mayor thinks should be given serious consideration, was recently studied by a volunteer committee there; it recommended against such a step.⁵ The Village and town of New Paltz have been awarded funding for a municipal shared service and consolidation study.⁶

The county government operates under a charter first adopted in 2007. It has an elected executive and a thirty-three member legislature elected from multi-member districts. Though districts are drawn with consideration of town boundaries, because of adherence to constitutional one-person-one vote requirements they are not coterminous with these lines. The current executive is a Democrat; the legislative majority, Democratic when this study was authorized, became Republican on January 1, 2010. By provision of the charter the number of county legislators will be reduced to 22 after districts are redefined in accord with the 2010 Census. There has been some discussion of the value of a further reduction in the size of the county legislature. Other countywide elected county officials are the Clerk, the District Attorney, the Comptroller and the Family and County Court Judges. Legislators work part-time.

The City of Kingston operates under a charter adopted in 1994. It has a strong mayor form of government and a Common Council comprised of nine Aldermen, elected from wards, and a president, elected citywide. The current mayor and Council majority are Democratic. City court judges are also elected citywide. Citywide elected officials, but not aldermen, are full time employees.

Villages are the only general purpose governments in New York State that may be created or dissolved through local initiative. Ulster's villages were created in the 19th century at local request by areas of concentrated population, in order to provide more extensive services than towns were then authorized to deliver. The three villages are governed by boards comprised of a mayor and four trustees, elected at large. All are selected in non-partisan elections except for the Mayor of Ellenville. Most governing powers are vested in the board, though under New York law village mayors do independently exercise administrative authority. Ellenville employs a village manager. Elected officials generally serve part-time; compensating the mayor on a full time basis has been an issue in the village of New Paltz in recent years.

New York State Law classifies towns according to population. Those with 10,000 or more population in the last preceding federal census are categorized as "First Class." In Ulster County these are New Paltz, Shawangunk, Ulster, Saugerties and Wawarsing. By special state legislative provision, however, the Town of Ulster is excluded from this category. Other Ulster County towns are classified as being in the "Second Class." There are no towns in Ulster classified as "Suburban" (defined in law as those having populations of 25,000 or more). These classifications were originally intended to allow the governments of more populous jurisdictions to be structured differently and to provide a greater range of services than those that were more

⁵ "Report of the Ellenville Government Study Committee on Village Dissolution" (undated) <http://villageofellenville.com/Documents/EGSC%20Report.pdf>

⁶ State of New York. Office of the Governor. Press Release. "Governor Paterson announces more than \$1 million in local government efficiency grants for the Hudson valley, July 6, 2009." http://www.state.ny.us/governor/press/press_0706093.html.

rural, without the need to create additional general purpose governments within them (i.e. villages). In fact, the distinctions in structure and powers between towns in the different classes have diminished over time.⁷

Towns have boards comprised of a supervisor and four board members, elected at-large in partisan elections. There has been recent discussion in western New York, taken up by some in Ulster County, about the desirability of reducing the number of town board members. The county is no longer dominated by a single political party, as it has been in the past. In 2009 there were 8 towns in Ulster County with Democratic majorities and 10 with Republican majorities. **(Table III)** According to most analysts, this sort of competitive political environment produces more accountable, responsive government. Other town elected officials are the Highway Superintendent, the Clerk and one or two Justices of the Peace. In most towns, the elected clerk also serves as tax collector. Esopus and Saugerties have full-time, elected tax collectors. In Denning, Wawarsing and Rosendale a separate Tax Collector works part-time.

Formal decision-making authority in towns is concentrated in the town board. Though communities look to the supervisor for leadership, and as the board's presiding officer he or she often therefore exercises authority beyond that formally vested in the office, state law does not in general empower this as an executive position. The supervisor does, however, initiate the town budget process by preparing a draft budget for board consideration. Towns may provide services to sub-areas within them not served by villages by the creation of special districts.

Highway superintendents and town clerks (except in the town of Kingston) are full time workers; this is reflected in their pay and benefits. Town board members and justices (except in Esopus, Saugerties and Lloyd) are part-time. Twelve of the county's 20 supervisors work full time. Compensation levels for elected officials are locally determined and range widely. In some cases, additional pay is given for the assumption of added duties (e.g. the supervisor functioning as welfare officer; the clerk functioning as tax collector). **(Table II)**

Distribution of Population Growth Among Municipalities

Population growth in the county has not been evenly distributed. Between 1990 and 2000, the increase in population in some jurisdictions – Gardiner, Rochester and Shawangunk - approached or exceeded 20%. The Village of New Paltz, the location of a state university campus, has experienced consistent growth. After a long period of decline, The City of Kingston's population has recently begun to increase. In contrast, population actually declined during the 1990-2010 decade in Denning, Hurley, Woodstock and the Villages of Ellenville and Saugerties. **(Table I)**

⁷ New York State. Secretary of State. Local Government Handbook, 5th Edition (Albany: Department of State, 2008) p. 61. Consulted at <http://www.dos.state.ny.us/lgss/pdfs/Handbook.pdf>

Health Benefits Offered to Full and Part-time Elected Officials*

Table II

Municipality	2008							
Towns	Full Time Elected Officials	Insured	Insurance Paid in Full	Average Salary	Part Time Elected Officials	Insured	Insurance Paid in Full	Average Salary
Denning	3	3	Yes	\$16,326	6	6	Yes	\$2,577
Esopus	5	5	Yes	\$32,513	4	4	No	\$5,223
Gardiner	2	2	Yes	\$50,240	6	1	Yes	\$25,498
Hardenburgh	2	2	Yes	\$24,700	6	1	Yes	\$5,164
Hurley	2	2	Yes	\$39,500	6	6	Yes	\$11,008
Kingston	0	0			8	0		\$7,459
Lloyd	4	4	No	\$41,576	4	4	No	\$9,469
Marbletown	3	3	Yes	\$41,384	5	1	Yes	\$6,214
Marlborough	2	2	Yes	\$48,527	6	1	Yes	\$23,208
New Paltz	4	4	Yes	\$40,034	4	4	No	\$6,851
Olive	3	3	Yes	\$49,827	5	5	No	\$8,591
Plattekill	3	3	Yes	\$38,577	5	0		\$7,420
Rochester	2	2	No	\$42,513	6	6	No	\$10,333
Rosendale	2	2	No	\$40,104	7	1	No	\$10,518
Saugerties	5	5	Yes**	\$37,673	4	0		\$10,000
Shandaken	3	3	Yes	\$36,084	5	5	Yes	\$10,856
Shawangunk	3	3	Yes	\$44,979	5	5	No	\$12,636
Ulster	3	3	No	\$45,000	5	5	No	\$14,200
Wawarsing	3	3	No	\$45,634	6	6	No	\$17,457
Woodstock	3	3	No	\$48,571	5	5	Yes	\$11,319

* Denning, Esopus, Lloyd, Marbletown, New Paltz, Olive, Plattekill., Saugerties, Shawangunk Ulster, Wawarsing and Woodstock consider the Town Supervisor to be a full time position. Gardiner, Hardenburgh, Hurley, Kingston, Marlborough, Rochester and Rosendale consider the Town Supervisor to be a part time position. The Town of Kingston is the only municipality with a part time Town Clerk, and in every town other than Denning, Esopus, Saugerties and Wawarsing, the Town Clerk also acts as the Tax Collector. In Denning, Rosendale and Wawarsing the Tax Collector is considered to be a part time position. The Town of Kingston is the only town that considers the Highway Superintendent to be a part time position, and only Esopus, Kingston and Saugerties consider the Town Justice to be a full time position. Shandaken offers health insurance to all of its elected officials regardless of full time / part time status.

** Except for the Town Justice

Data Source: Robin Yess, CPF.

Town Leadership Characteristics and Experience in 2009

Table III

Municipality								
	Supervisor	Supervisor Party affiliation	Length in office (Years)	Town Council Republican	Town Council Democrat	Town Council Conservative Party	Town Council Independence Party	Town Council Not Enrolled
Denning	William Bruning	Republican	6	4	0	0	0	0
Esopus	John K. Coutant	Republican	4	2	1	0	0	1
Gardiner	Joe Katz	Democrat	2	1	2	0	1	0
Hardenburgh	Jerry A. Fairbairn	Republican	11	3	1	0	0	0
Hurley	Gary S. Bellows	Republican	2	1	3	0	0	0
Kingston	Paul Landi	Republican	1	3	0	1	0	0
Lloyd	Raymond J. Costantino	Republican	2	3	1	0	0	0
Marbletown	Brooke Pickering Cole	Democrat	< 1	0	3	0	0	0
Marlborough	Alphonso P. Lanzetta	Democrat	4	3	1	0	0	0
New Paltz	Toni Hokanson	Democrat	4	0	4	0	0	0
Olive	Berndt J. Leifeld	Democrat	21	1	3	0	0	0
Plattekill	Bruce Loertscher	Republican	4	3	1	0	0	0
Rochester	Carl Chipman	Republican	2	2	2	0	0	0
Rosendale	Patrick McDonough	Democrat	2	3	1	0	0	0
Saugerties	Gregory L. Helsmoortel	Democrat	12	0	1	0	3	0
Shandaken	Peter DiSclafani	Democrat	2	1	2	1	0	0
Shawangunk	John Valk Jr.	Republican	12	3	0	0	0	0
Ulster	Nicky B. Woerner	Democrat	4	2	2	0	0	0
Wawarsing	Edward Jennings	Republican	2	1	3	0	0	0
Woodstock	Jeff Moran	Democrat	2	0	4	0	0	0
Total				36	35	2	4	1

Varied Geographic and Population Size of Towns

Towns range in land area from 130.7 square miles for Wawarsing, the largest, to 7.8 square miles for the Town of Kingston, the smallest. The largest municipality in population is the City of Kingston, with 24,151 people; the smallest, Denning with a population of 516. **(Table I)** Of the county's municipalities, the City of Kingston (3,170 people per square mile) and the villages (Ellenville: 570, New Paltz: 2,429, Saugerties: 3,352) are most densely settled. Population density for the towns ranges from a high of 468 people per square mile in the Town of Ulster to a low of 2.6 in Hardenburgh. **(Table I)**

A Cautionary Note in Comparing Ulster's Governments

Notwithstanding their formal type – “city,” “town,” “village” -- in recent decades New York's municipalities have come to be legally empowered to perform a very similar array of functions.⁸ Their wide range in land area, population, population characteristics and population density all dictate, however, that Ulster's localities have varied expectations and demands upon them. These differences are confirmed by the results of a report released in 2006 by the New York State Comptroller's office. After a careful multivariate factor analysis, it placed Ulster's municipalities in three different categories: “Small Urban Centers,” “Suburban,” and “Rural”⁹ **(Table IV)**. Because of these differences, the county's governments are likely to be different in their priorities and functioning; therefore care needs to be taken when making comparisons within traditional types.

Ulster's Other Local Governments

Intergovernmental collaboration among general purpose local governments is the focus of this study. However, as detailed below, interaction between and among municipalities, single purpose local governments and public authorities is often required by state law. Additionally, of course, general and single purpose governments share a common primary tax base – the property tax. In fact school districts, not municipalities, place the greatest demands upon this resource; **63.2% of the property tax collected in Ulster County in 2008 was for school funding**. As of this writing, a number of Boards of Cooperative Educational Services (BOCES) in the Hudson Valley, themselves created to facilitate and support collaborative service delivery among school districts, had under study potential areas for further school district collaboration in support service areas.¹⁰

⁸ See Gerald Benjamin and Richard Nathan. *Regionalism and Realism: A Study of Governments in the New York Metropolitan Area* (Washington: Brookings Institution Press, 2001) p. 12.

⁹ New York State Comptroller. Division of Local Government Services and Economic Development. *Outdated Municipal Structures* (Vol. 2, No. 3, October 2006) <http://www.osc.state.ny.us/localgov/pubs/research/munistructures.pdf>

¹⁰ For background on the BOCES System see Benjamin and Nathan. (2001) pp. 212-221.

Outdated Municipal Structures

Table IV

Municipality	"Outdated" Designation	Proposed Designation	Population	Area (Sq. Miles)	Density (Person / Sq. Mile)
Denning	Town	<i>Not Designated</i>	516	105.2	4.9
Esopus	Town	Rural	9,331	37.2	250.8
Gardiner	Town	Suburbs	5,238	44.4	118.0
Hardenburgh	Town	<i>Not Designated</i>	208	81.3	2.6
Hurley	Town	Rural	6,564	29.9	219.5
Kingston	Town	<i>Not Designated</i>	908	7.8	116.4
Lloyd	Town	Suburbs	9,941	31.7	313.6
Marbletown	Town	Rural	5,854	54.6	107.2
Marlborough	Town	Rural	8,263	24.8	333.2
New Paltz	Town	Suburbs	12,830	33.9	378.5
Olive	Town	Suburbs	4,579	58.7	78.0
Plattekill	Town	Rural	9,892	35.6	277.9
Rochester	Town	Rural	7,018	88.4	79.4
Rosendale	Town	Suburbs	6,352	19.9	319.2
Saugerties	Town	Suburbs	19,868	64.5	308.0
Shandaken	Town	Rural	3,235	119.8	27.0
Shawangunk	Town	Rural	12,022	56.2	213.9
Ulster	Town	Suburbs	12,544	26.8	468.1
Wawarsing	Town	Rural	12,889	130.7	98.6
Woodstock	Town	Suburbs	6,241	67.5	92.5
Kingston	City	Smaller Urban Center	23,456	7.4	3,169.7
New Paltz	Village	Smaller Urban Center	4,130	1.7	2,429.4
Saugerties	Village	Smaller Urban Center	6,034	1.8	3,352.2
Ellenville	Village	Smaller Urban Center	4,955	8.7	569.5

Data Source: New York State Comptroller Division of Local Government Services and Accountability, *Outdated Municipal Structures*, Local Government Issues in Focus, Vol. 2, No. 3, October, 2006.

As for public authorities, they receive fee revenue that might otherwise flow to general purpose local governments, and sometimes may require subsidies from those governments. Therefore, full consideration of the operation of Ulster County's municipalities, and identification of opportunities for them to achieve economies and efficiencies in operation, must be informed by an understanding of the entire network of local governments that operate within the county.

School Districts

There are nine school districts within the county (not including the West Park Union Free District, which serves only special needs children, and the Board of Cooperative Educational Services, which is not a direct property tax-levying government.) School taxes are collected directly by school districts or under contract by their agents. Some Ulster residents pay school taxes and are served by six school districts outside the county: Tri-Valley, Pine Bush, Valley Central, Margaretville, Fallsburgh and Livingston Manor.

The City of Kingston School District, the largest in the county, had a budget of \$130,918,892 in 2007, employed 588 teachers and had an enrollment of 7,363 children.¹¹ With the exception of the West Park Union Free School District, which, as noted, serves a small number of children with special needs in a residential setting, the smallest in the county is the Highland School District with a budget of \$35,301,721, 144 teachers and 1,935 students. Between 1997 and 2007 school enrollments dropped in every school district in Ulster County except Highland, which grew by 67 students (or 4%). The drop was most dramatic in Onteora, which declined by 509 students (21%) over the decade. These declines led to discussions of school closing in such places as Marlborough and Woodstock. Schools are defining community institutions. Evidence of informal yet strong link between them and general purpose government was the priority given by the Woodstock Town Supervisor in his interview with us for this study to saving the elementary school there, within the Onteora district.

The demographic character of school populations illustrates the growing diversity of Ulster County. The proportion of children enrolled in Ulster County school districts in 2007-2008 who were White ranged from 92% in Saugerties to 60% in Ellenville. Enrollments of African-American students were greatest in the Kingston (17%) and Ellenville (12%) districts. Enrollments of Hispanic students were largest in Ellenville (25%) and Wallkill (18%). The districts with the highest proportion of children eligible for free school lunches, an indicator that they served less affluent communities, were Ellenville (36%), Kingston (25%) and Rondout (18%).

Fire Districts

Ulster County includes 51 fire districts within its borders that have independent taxing authority.¹² The Towns of Saugerties and Esopus each have 5 fire districts, the most of all of the municipalities. In Denning

¹¹ Data in this section is taken from New York State Department of Education. *Annual School Report Cards*. The latest school year for which comparative data was available was 2007-2008. <http://www.emsc.nysed.gov/irts/reportcard/>

¹² The Ulster County Fire District Mutual Aid Plan lists 51 participating fire districts and four brigades operating in New York State prisons. The New York State Secretary of State listed 87 fire districts, departments and companies. Several are no longer operating (e.g. SUNY New Paltz, IBM facility). Others are maintained by correctional facilities, or specific corporations, are connected with state agencies (the DEC) or, as noted, are part of general purpose local governments. Finally, some companies that do not have taxing authority contract with municipalities to provide services, and receive public funds in this manner. For a detailed discussion of the complex organizational arrangements for the provision of fire protection in New York State see the summary prepared by the

and Hardenburgh fire protection is provided by volunteer fire departments from Ulster, Sullivan, and Delaware Counties. The Town of Olive has a non-taxing fire district, established as a not-for profit, contracted for fire protection. Under New York State practice, the fire departments of the City of Kingston, and the Villages of New Paltz and Saugerties are supported as a municipal service, not by a special tax levy. The Village of Ellenville is covered by the Ellenville Fire Department, a taxing district, as well as two volunteer departments. New Paltz currently has under consideration the transfer of responsibility for fire services from the village to a newly created fire district with taxing authority, governed by an elected board. Fire districts may choose to offer mutual support in accord with a formally adopted mutual aid plan administered by the county Fire Coordinator. Further collaboration in emergency response may be obtained, as needed, from companies in adjacent counties.¹³

Fire District elections for commissioners, held on the second Tuesday in December, attract little turnout beyond firemen and their families. The long history and central place of volunteer fire departments in communities and the increased difficulty in attracting and retaining volunteers, engenders a reluctance in communities to appear critical of their funding or operations. There is a statutory cap on fire district spending linked to the assessed valuation of property within the fire district, but the State Commission on Efficiency and Competitiveness reported that it has no real limiting effect. Inquiries in some parts of the state have indicated that the maintenance of many small districts, and the expense of the equipment that each desires, results in expense beyond that necessary to efficiently deliver fire services. **(Table V)**

Libraries and Library Districts

The Mid-Hudson Library Association lists 26 public libraries in Ulster County. Notwithstanding efforts by the Mid-Hudson Association to include them, four of these -- in Cragmoor, Ellenville, Gardiner and Wallkill -- remain in the Ramapo Catskill Library System.¹⁴ Total spending for public libraries in Ulster County in 2008 was \$7,006,853. Of this, \$5,477,447 (78.2%) came from local government sources. There are eleven special district libraries in Ulster County headed by elected boards that have independent taxing authority. There are libraries funded primarily through school districts in Ellenville, Highland and Marlborough. Gardiner has a town library, with some school district funding. There are Association libraries in Cragmoor, Milton, New Paltz, Phoenecia, Pine Hill and Olive/West Shokan. These have no taxing authority.¹⁵ All receive public resources at the discretion of the governments in the communities they serve, or as a result of authorization by voters acting by special referendum as provided for in the state Education Law. The Elting Library in New Paltz and the Marlboro Free Library held such referenda in the fall of 2009; the former was successful, the later was not.

Public libraries provide a model of gathering local institutions collaboratively to provide regional services. Most are linked through the Mid-Hudson Library Association, a state-supported, regional, multi-county entity. Resources are presented through a common electronic catalog and quickly made available to patrons

Commission on Local Government Efficiency and Competitiveness at
http://www.nyslocalgov.org/pdf/Fire_Protection_in_NYS.pdf

¹³ See Ulster County Fire Mutual Aid Plan at <http://midhudson.org/mhls/services.htm>

¹⁴ <http://midhudson.org/libraries/#ulster>

¹⁵ See "Types of Libraries: A Comparison" in the 2008 Annual Report of the Mid-Hudson Library Association at http://midhudson.org/annual_reports/2007/Types%20of%20Libraries-a%20comparison.pdf

Fire Expenditures		Table V	
	1996	2008	Δ 1996 - 2007
Ulster County	\$117,307	\$93,763	-20.1%
Towns	\$4,272,361	\$2,391,401	-44.0%
Villages	\$1,098,351	\$1,611,007	46.7%
City of Kingston	\$3,203,035	\$4,772,894	49.0%
Fire Districts	\$6,060,649	\$9,693,268	59.9%
Total:	\$14,751,703	\$18,562,333	25.8%

system-wide. The system also supports professionalization, diversification and improved service quality through training, advocacy and information sharing.¹⁶ A reorganization that would place all Ulster County Libraries in the Mid-Hudson system seems sensible, and is supported within that system.

Public Authorities

There are nine local public authorities listed by the New York State Comptroller as operating in Ulster County. These entities may directly deliver services, charge fees for these services and borrow or lend money. Sometimes they receive subsidies from general purpose local governments, and therefore have an indirect impact on the costs of those governments. The county's public authorities are: the Ulster County Development Corporation (UCDC), the Ulster County Industrial Development Agency (IDA), the Ulster County Resource Recovery Agency (RRA), the Ulster County Tobacco Asset Securitization Corporation (TASC), the City of Kingston Housing Authority, the City of Kingston Local Development Corporation (LDC), the Town of Wawarsing Local Development Corporation (LDC), the Village of Ellenville Housing Authority and the Village of Ellenville Local Development Corporation (LDC).¹⁷

On November 23, 1998, 46 states settled their lawsuits against the nation's major tobacco companies to recover tobacco-related health care costs. The Ulster County Tobacco Asset Securitization Corporation was established to issue bonds to be repaid with the money from the structured settlement so that the county could make use of the funds in a lump sum. The bonds were issued in 2001; presently the only function of the authority is the repayment of those bonds.

There is some debate as to if the Ulster County Local Development Corporation is a public authority. While the New York State Authority Budget Office lists them as an authority, they operate as a non-profit 501(c)3. The UCDC administers by contract the work of the Ulster County Industrial Development Agency (UCIDA). The UCIDA is authorized to issue taxable and tax-exempt industrial development revenue bonds for qualified projects. These bonds are structured so that any lease or purchase payments by a benefiting company equal the debt service on the bonds, allowing these private businesses significant tax exemptions.

The Ulster County Resource Recovery Agency, discussed in greater detail below, was established in 1986 under Article 8, Title 13-G, Section 2050 of New York State Code. It was formed for the purpose of developing, financing, and implementing a comprehensive county-wide Solid Waste Management program. In 2008, the RRA had \$15,833,149 in expenditures.

The Ellenville Housing Authority was budgeted for \$531,840 in 2010. The Wawarsing Local Development Corporation was budgeted \$110,000 for 2009.

As of this writing the budgets for the City of Kingston Housing Authority, the City of Kingston Local Development Corporation, and the Ellenville Local Development Agency were unavailable.

¹⁶ See MHLS. <http://midhudson.org/mhls/services.htm>

¹⁷ See the NYS Comptroller's Report at <http://www.osc.state.ny.us/pubauth/classc.htm>). Of these, the Resource Recovery agency is the key operating agency. The Development Corporation does not regard itself as a public authority, and is contesting this status in litigation.

The Size and Growth of Ulster County's Local Government Sector

Local government in Ulster County was a billion dollar enterprise in 2007 (**Table VI**). Just under half of this spending was by school districts. When the totals for fire and library districts and public authorities are added to the school districts total, more than half the local government spending in the county was by these entities, not a direct focus of this study. The county government did about two-thirds (64%) of all the general purpose local government spending in Ulster in 2007. The City of Kingston added nearly another tenth (9.6%). Towns accounted for just under a quarter (22.9%), with one of three town dollars spent in just three towns: Ulster, Saugerties and Lloyd. Aggregated town spending was less than spending by a single school district, the Kingston Consolidated District. Finally, spending by the three villages was 3.7% of the total.

Over the twelve year period for which we gathered data, total local government spending in Ulster County grew by about three quarters (72.5%, Table V) in nominal terms. About half of this increase (44.4%) may be attributable to inflation.¹⁸ Spending growth for the county government and the City of Kingston was beneath the level for all local governments in the county. It was greatest for fire districts, followed by villages and school districts. Increases in expenditures were approximately at the rate of inflation for library districts and town governments. (**Table VI**)

The Cost and Management of People

Local government is a labor intensive enterprise. There were 6,556 employees in classified civil service local government positions in Ulster County in 2007. The Ulster County Personnel Department reported that it supervised 5,517 full- and part-time county, town, village school district and special district employees. Of these, 2,081 worked for the county, 1,250 for towns, 143 for villages and 179 for special districts (including the Ulster County Resource Recovery Agency). The City of Kingston maintains a separate Civil Service Commission which not only oversees the city government, but also the Kingston Consolidated School District, the Housing Authority and the Public Library. The city commission covered a total of 1039 classified public employees in 2007.¹⁹ These totals do not include teachers and other professional employees in the public schools, an estimated 400-450 people in unclassified, paid elected and policy making positions in municipalities, and of course, those volunteers in unpaid positions.²⁰(**Table VII**)

¹⁸ The U.S. Bureau of Labor Statistics Inflation Calculator was used to calculate the effects of inflation. <http://146.142.4.24/cgi-bin/cpicalc.pl>

¹⁹ Kingston City totals were made up of 364 city employees, 642 school district workers, 18 in the housing authority, and 15 at the library. Kathy Thomas, Executive Secretary of the City Civil Service Commission, reported on August 20, 2009 that the school district's re-designation of "Teacher's Aides" as "Teacher's Assistants" would take 169 positions out of the classified service in 2009. Some civil service administrators are skeptical about school district's authority to classify jobs without review by civil service agencies.

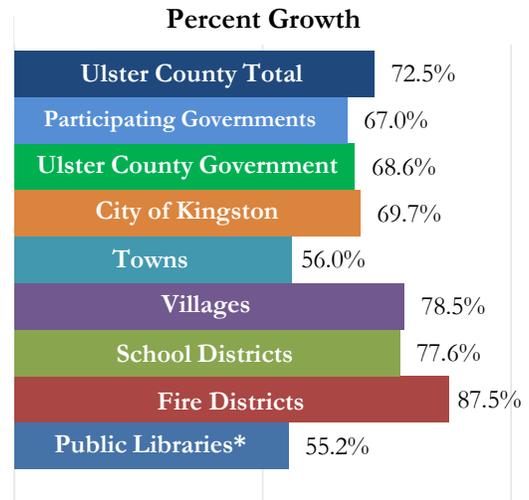
²⁰ In general, all public employment in New York State counties is under the authority of county personnel departments. Cities, however, may opt to maintain their own civil service commissions. Interestingly, human resources management is the only area in which an administrative function of the state's schools is integrated to some degree with that of general purpose governments. However, under the law county administration of civil service requirements does not reach teaching or administrative personnel in schools. These numbered about 3405 in 2007. An under-estimate of the number of local public employees in Ulster County results from civil service operations in the Ellenville School District being supervised from Sullivan County. The data is also limited because this enumeration of persons in the classified service does not include local elected officials or those in most policy-making positions. A printout of all positions in the Ulster county data base yielded a total of 5924, which suggests that about 400 people are in unclassified positions in the county.

Public Sector Growth in Ulster County

Table VI

From 1996-2007 government expenditures in Ulster County grew 72.5% with increases in spending in villages outpacing towns 78.5% to 56.0%. The governments participating in this study (including the county government) grew 67%.

	1996 Expenditures	2007 Expenditures
Ulster County Total	\$577,201,209	\$995,577,068
Participating Governments	\$258,553,448	\$431,784,250
Ulster County Government	\$184,600,368	\$311,199,118
City of Kingston	\$27,633,300	\$46,882,140
Towns	\$70,666,942	\$110,221,272
Villages	\$10,204,342	\$18,217,320
School Districts	\$278,035,608	\$493,702,801
Fire Districts	\$6,060,649	\$11,363,217
Public Libraries*	\$2,572,074	\$3,991,200



* 1999-2007

Source: New York State Comptroller, Division of Local Government and School Accountability

Civil Service Employees in Ulster County, 2007

Table VII

COUNTY CIVIL SERVICE AGENCIES	Total Number of <i>Classified</i> positions	Total Number of <i>Competitive</i> Positions	Competitive Permanent	Competitive non- permanent		Non-Competitive		<u>Exempt</u>	<u>Labor</u>
				Prov	Temp	Sect 42	Sect 55-a		
County Dept./Agencies	2081	1199	1105	41	53	711	24	37	110
Cities	335								
Towns	1250	276	251	6	19	729	2	151	92
Villages	143	33	32	1	0	89	0	6	15
School Districts	1864	444	420	9	15	1350	2	24	44
Special Districts	179	73	43	3	27	31	0	38	37
City Civil Service Agencies									
City Dept. Agencies									
Board of Education/ School District	642								
Housing Authority	18								
Special Districts	15								
Totals	6527	2025	1851	60	114	2910	28	256	298

During the eight year period between 2000 and 2007, special district employment under the jurisdiction of the civil service system in the county grew by more than half (53%), while employment in towns rose by just over a fifth (20.4%) and in villages by slightly more than a tenth (10.8%). At the same time there was virtually no growth in the number of county government employees in the classified system.²¹

Pay (\$393 million) and benefits (\$188 million) for the people who worked for the twenty-five general purpose local governments in Ulster County totaled just under 60% of their costs in 2007. Note that benefits, mostly pension contributions and health care premiums, totaled about a third (32.34%) of personnel costs. Major required increases by local governments to pension fund contributions in 2010 were projected by the State Comptroller as a result of the decline in the value of pension funds assets as a result of the national economic crisis of 2009. Based upon recent experience (further discussed below), major future increases in health benefits costs for public employees may also be anticipated.

Pay and benefits of most public employees in Ulster County are determined through collective bargaining at the municipal level. That is, while hiring is supervised centrally through the county or city, compensation decisions are decentralized. In the twelve year period between 1996 and 2007, the countywide total municipal employees' salaries increased by 66%, while the total costs of benefits increased at an extraordinary 2 ¼ times that rate (147.8%). The former exceeded the impact of inflation by about 50%; the latter grew at more than three times the inflation rate. Increases of total salary (77.6%) and benefits (175.6%) costs over this period for employees in the Ulster County government exceeded the rate for all other classes of municipalities. Employee salary costs in the City of Kingston rose the least during this period (48%), just tracking cost-of-living increases. The rise in the aggregated costs of benefits, though still very substantial (109%), was least great in the three villages. **(Table VIII)**

²¹ Data derived from annual reports of the Ulster County Personnel Department, 2000-2007, Table 4 "Employees."

Growth in Personnel Costs

Table VIII

Municipality	1996			2007			Δ 1996-2007		
	Personnel Services	Total Expenditures	Personnel as a % of Expenditures	Personnel Services	Total Expenditures	Personnel as a % of Expenditures	Personnel Services	Total Expenditures	Personnel as a % of Expenditures
Towns									
Denning	\$260,983	\$2,081,020	12.5%	\$534,330	\$1,351,574	39.5%	104.7%	-35.1%	215.2%
Esopus	\$994,951	\$5,012,967	19.8%	\$2,189,959	\$6,799,073	32.2%	120.1%	35.6%	62.3%
Gardiner	\$501,765	\$2,827,853	17.7%	\$1,297,502	\$2,552,147	50.8%	158.6%	-9.7%	186.5%
Hardenburgh	\$179,727	\$721,879	24.9%	\$366,017	\$845,986	43.3%	103.7%	17.2%	73.8%
Hurley	\$614,201	\$2,995,513	20.5%	\$1,178,598	\$3,266,126	36.1%	91.9%	9.0%	76.0%
Kingston	\$156,273	\$473,736	33.0%	\$337,521	\$514,067	65.7%	116.0%	8.5%	99.0%
Lloyd	\$1,480,983	\$8,358,982	17.7%	\$4,126,383	\$11,667,445	35.4%	178.6%	39.6%	99.6%
Marbletown	\$699,552	\$2,478,230	28.2%	\$1,467,262	\$2,481,055	59.1%	109.7%	0.1%	109.5%
Marlborough	\$1,143,273	\$5,693,353	20.1%	\$3,199,592	\$6,160,418	51.9%	179.9%	8.2%	158.6%
New Paltz	\$2,669,843	\$8,467,075	31.5%	\$5,537,756	\$8,778,974	63.1%	107.4%	3.7%	100.0%
Olive	\$865,317	\$3,265,785	26.5%	\$1,813,065	\$3,792,949	47.8%	109.5%	16.1%	80.4%
Plattekill	\$618,097	\$2,354,630	26.3%	\$1,507,587	\$3,116,200	48.4%	143.9%	32.3%	84.3%
Rochester	\$786,986	\$3,218,534	24.5%	\$1,480,197	\$3,195,696	46.3%	88.1%	-0.7%	89.4%
Rosendale	\$936,624	\$3,321,851	28.2%	\$2,028,950	\$3,464,340	58.6%	116.6%	4.3%	107.7%
Saugerties	\$2,323,104	\$12,618,462	18.4%	\$6,057,068	\$13,335,922	45.4%	160.7%	5.7%	146.7%
Shandaken	\$793,069	\$4,874,706	16.3%	\$2,371,538	\$3,939,132	60.2%	199.0%	-19.2%	270.1%
Shawangunk	\$992,926	\$5,603,278	17.7%	\$2,244,896	\$5,437,713	41.3%	126.1%	-3.0%	133.0%
Ulster	\$2,752,012	\$15,518,804	17.7%	\$7,107,484	\$14,309,278	49.7%	158.3%	-7.8%	180.1%
Wawarsing	\$1,503,929	\$9,138,240	16.5%	\$3,555,591	\$8,827,898	40.3%	136.4%	-3.4%	144.7%
Woodstock	\$1,643,262	\$8,983,500	18.3%	\$3,650,703	\$6,385,291	57.2%	122.2%	-28.9%	212.6%
Villages									
Village of New Paltz	\$536,652	\$3,942,992	13.6%	\$1,337,067	\$7,659,087	17.5%	149.1%	94.2%	28.3%
Village of Saugerties	\$1,119,402	\$3,157,703	35.4%	\$2,606,739	\$5,978,277	43.6%	132.9%	89.3%	23.0%
Village of Ellenville	\$1,254,293	\$3,089,647	35.4%	\$2,746,792	\$4,579,956	60.0%	119.0%	48.2%	69.2%
City									
City of Kingston	\$12,923,302	\$27,633,300	46.8%	\$19,126,768	\$46,882,140	40.8%	48.0%	69.7%	-12.8%
Average:	\$1,034,467.67	\$4,924,947.50	21.7%	\$2,447,608	\$5,351,609	45.7%	136.6%	8.7%	110.7%
Ulster County	\$48,636,892	\$184,600,378	26.3%	\$86,381,033	\$311,199,118	27.8%	77.6%	68.6%	5.4%
Total:	\$73,464,116.00	\$302,799,118.00	24.3%	\$145,123,630	\$439,637,722	33.0%	97.5%	45.2%	36.1%

Real Property Tax

As dramatized by the 2008 report of the Suozzi Commission, the real property tax burden in New York State is, on average, among the highest in the country by several measures. It is therefore a major statewide issue.²² Polls done by the Marist Institute of Public Opinion in 2002 and 2007, funded by the Dyson Foundation, showed that reducing taxes went from 9th to 3rd as a community priority in Ulster County during this period.²³ Surveys of listeners done in 2007 and 2008 by WAMC Radio, the National Public Radio affiliate serving the region, found that the property tax burden ranked as the primary public policy concern in Ulster County.²⁴

As is the case for all counties in New York State outside New York City, the primary discretionary source of revenue for general purpose local government in Ulster County is the real property tax. Property taxes collected in Ulster County in 1997 were \$86,124,302 (\$111,263,210 in 2007 dollars); in 2007 total collections were \$161,715,623, an increase of 84.7% (58.6% with inflation adjusted).²⁵ Of the levy in 2007, 62% was for schools, 15% for county government, 15% for towns, 1% for villages, and 3% for special districts. **(Table IX)**

The total value of all real property in Ulster County in 2006 was \$24.8 billion. Of this, about a quarter (25.5%) was off the tax rolls.²⁶ The estimated actual value of all *taxable* real property in Ulster County in the next year, 2007, was \$18.99 billion. This was more than double the value in nominal dollars ten years earlier (\$8.41 billion), and an increase of 91% even after considering the effects of inflation.²⁷

With a growing base, revenue for local governments could grow with no increase in tax rates. The ability of citizens to pay, however, is not linked to the growing value of their property, but to their income, which – as we have seen – was largely generated from jobs that paid modestly during this period. Thus, though the total property taxes paid in the county as a percentage of the actual value of real property dropped by more than 38% during this ten year period, from 1.14% to .7%, the property tax burden per household and relative to income grew dramatically, generating the beginnings of a tax revolt. A 2006 report by the State Comptroller showed that the property tax in Ulster County per household and in relation to personal income was among

²² New York State Commission on Property Tax Relief. *Final Report* (January, 2009). <http://www.cptr.state.ny.us/index.html>

²³ Marist Institute of Public Opinion. *Many Voices, One Valley* (2007) p. 6.

²⁴ Interview with David Guistina, WAMC Pubic Radio, August 14, 2009.

²⁵ We are using amounts collected here, not amounts levied. Source is the Ulster County Department of Planning. “Ulster County Property Tax Levies and Collections, Value of Taxable Property, 1989-2007.”

²⁶ See Rockefeller Institute of Government. *New York State Statistical Yearbook* (Albany: The Institute, 2008) http://www.rockinst.org/nys_statistics/2008/F/. Table F12. The value of fully exempt property tends to be underestimated. Assessing it regularly is not a high priority, as it produces no taxes. The Ulster County Planning Department. *Ulster County Tax levies and Collections, 1989-2007*. <http://www.co.ulster.ny.us/planning/ucpb/demo/databook/Tax%20Levies%20and%20Coll.pdf>

²⁷ 1997 full value is equal to \$11.301 billion in 2007 dollars. Bureau of Labor Statistics Inflatior used. Find it at <http://data.bls.gov/cgi-bin/cpicalc.pl>.

Property Tax Increases in Ulster County

Table IX

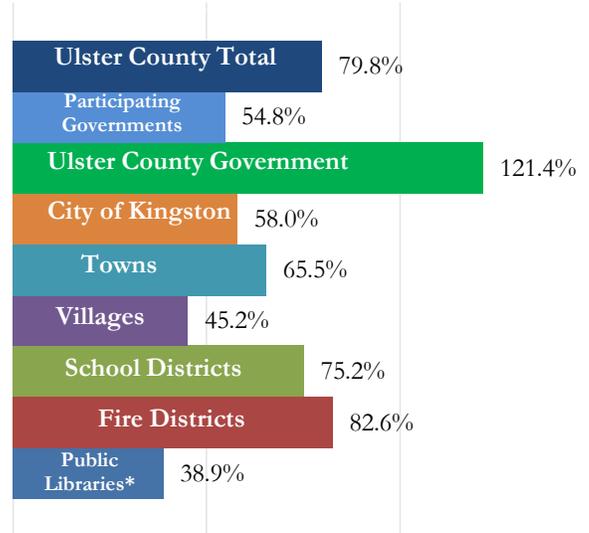
From 1996-2007 property taxes in Ulster County grew 79.8% with county tax increases outpacing towns 121.4% to 65.5%. The Governments participating in this study (including the county government) increased taxes an average of 54.8%.

	1996 Property Tax	2007 Property Tax
Ulster County Total	\$257,970,234	\$463,951,374
Participating Governments	\$84,083,805	\$130,124,695
Ulster County Government	\$31,947,199	\$70,742,563
City of Kingston	\$8,980,495	\$14,189,341
Towns	\$41,092,764	\$67,994,659
Villages	\$3,885,072	\$5,642,944
School Districts	\$165,083,765	\$289,262,114
Fire Districts	\$6,980,939	\$12,750,653
Public Libraries*	\$2,426,104	\$3,369,100

* 1999-2007

Source: New York State Comptroller, Division of Local Government and School Accountability

Percent Growth



the highest in New York State. Moreover, the rate of increase in the countywide levy exceeded the statewide rate for the 1995-2005 periods.²⁸

This is the story from totals and averages. But within the county, as outside it, the growth in both the property tax base and the burden has been uneven. The pain is greater or less, depending upon where you live. In the Town of Marlborough, in the southeast part of the county, the real property tax base increased by 139.4% between 1996 and 2007. In contrast, in the town of Marbletown, in the center of the county, it went up by only 9%.

Fully exempt property is not evenly distributed throughout the county, either, but is concentrated in the villages and the City of Kingston. In the Village of New Paltz almost half (46.9%) of the assessed value of property is off the rolls. In Ellenville it is about one-third (32%); in the City of Kingston about one-sixth (16.1%). Esopus, along the Hudson, has the highest percentage (14.9%) of exempt property value for a town within Ulster County that contains no village. Interestingly, much of the New York State (Catskill Preserve and Minnewaska Park) and New York City (watershed) property within the county, though in government hands, is on the tax rolls. Again, local jurisdictions face quite different challenges based upon their particular circumstances. **(Table X)**

A recent study done by CRREO showed that when the combined effects of school, county, city, town and village taxes were considered, there were 55 different property tax burdens borne by citizens in Ulster County in 2006. The greatest burden was borne by residents of the Village of Ellenville. The burden was lowest in the portion of the Town of Marbletown in the Onteora school district.²⁹

Occasionally, dramatic changes to the real property tax base can have shocking effects. This was the case in the Town of Marlborough in 2008, when the Town of Newburgh in Orange County agreed to a settlement of a lawsuit brought by the Dynegy Corporation. The company's Roseton and Danskammer power plants are in the part of Newburgh that is within the Marlborough School District. When the settlement reduced the assessment of these plants from \$1.46 billion to \$895 million, the school tax burden on homeowners and other local businesses in Marlborough was dramatically reallocated. The result was a one year 37% average increase in school taxes for town residents.³⁰

When major property taxpayers in any municipality within the county achieve a lower assessment, it can have the same kind of dramatic effects as recently experienced in Marlborough. For example, New York City has successfully litigated to gain a reduction in the assessment of its watershed properties in Hurley and Olive, not only redistributing the tax burden to others in those towns, but also allowing the city to recover money paid to all governments that previously used these assessments.

Interestingly, however, in light of the economic crisis, when interviewed for this study local officials did not report a serious year-to-year falloff in property tax collections.

²⁸ Division of Local Government and School Accountability. Office of the State Comptroller. Property Taxes in New York State. Local Government Issues in Focus. (Vol. 2, #2, April 2006)<http://www.osc.state.ny.us/localgov/pubs/research/propertytaxes.pdf>

²⁹ Gerald Benjamin and Rachel John. *Equity and the Property Tax Burden for Citizens in Ulster County*. Discussion Brief #1 (New Paltz: SUNY New Paltz Center for Research, Regional Education and Outreach, 2008).

³⁰ Marlboro Central School District. "New Tax Levy; Questions and Answers" (undated).

Change in Tax Base and Revenues 1996-2007

Table X

Municipality	Δ 1996-2007					
	Total Revenues	Full Value	Property Tax Revenue	Revenue From Fees	% Revenues From Tax	% Revenues From Fees
Towns						
Denning	44.6%	36.4%	47.9%	3576.9%	2.3%	2443.4%
Esopus	57.4%	137.4%	23.9%	78.6%	-21.3%	13.4%
Gardiner	36.9%	209.8%	20.5%	49.4%	-12.0%	9.1%
Hardenburgh	-7.6%	60.3%	57.5%	12.4%	70.5%	21.7%
Hurley	68.3%	144.1%	83.8%	101.5%	9.2%	19.7%
Kingston	62.9%	98.6%	51.3%	155.5%	-7.1%	56.8%
Lloyd	99.1%	142.0%	98.3%	83.7%	-0.4%	-7.7%
Marbletown	59.3%	217.4%	9.0%	200.9%	-31.6%	88.9%
Marlborough	105.9%	122.6%	139.4%	122.9%	16.3%	8.2%
New Paltz	72.4%	136.6%	92.2%	2.7%	11.5%	-40.4%
Olive	46.5%	186.5%	26.8%	10.0%	-13.4%	-24.9%
Plattekill	27.8%	136.5%	31.8%	-1.6%	3.1%	-23.0%
Rochester	31.3%	140.4%	37.7%	136.4%	4.9%	80.0%
Rosendale	50.3%	149.5%	56.9%	28.1%	4.4%	-14.8%
Saugerties	65.6%	109.6%	67.1%	231.4%	0.9%	100.1%
Shandaken	25.9%	147.7%	62.2%	399.3%	28.9%	296.7%
Shawangunk	78.7%	173.7%	59.2%	71.0%	-10.9%	-4.4%
Ulster	67.7%	84.9%	123.8%	44.9%	33.5%	-13.6%
Wawarsing	107.5%	64.6%	86.2%	59.7%	-10.2%	-23.0%
Woodstock	55.1%	136.7%	38.5%	58.9%	-10.7%	2.4%
Villages						
Village of New Paltz	26.4%	91.0%	57.4%	29.1%	24.5%	2.1%
Village of Saugerties	54.7%	85.1%	49.0%	36.2%	-3.7%	-11.9%
Village of Ellenville	58.1%	32.5%	47.3%	67.3%	-6.8%	5.8%
City						
City of Kingston	69.6%	105.3%	52.1%	49.2%	-10.3%	-12.0%
Average:	64.6%	126.5%	64.7%	62.5%	0.1%	-1.3%
Ulster County	68.1%	128.4%	112.7%	49.1%	26.6%	-11.3%
Total:	66.9%		82.9%	53.9%	9.6%	-7.8%

Sales Tax

The County levies a sales tax at a rate of 8%, half of which goes to New York State. Thirty-six of New York's 57 counties outside New York City were levying at this rate in 2009. In the Hudson Valley, sales tax rates in Dutchess (8.125%), Orange (8.125%), Putnam (8.375%) and Rockland (8.375%) were higher than in Ulster. (Unlike many of its regional neighbors, Ulster is not subject to taxes on sales or payroll, as it is outside the Metropolitan Commuter Transportation District.)

In 2007, Ulster County received a total of \$99,572,127 as the local share of sales tax revenue, \$32,048,456 more than it collected in property tax. Of this, it retained \$81,572,504; this was \$14,049,133 more than it collected in property tax. The sum of \$11,172,760 (11.5%) was shared with the City of Kingston and \$2,826,863 (3%) was distributed to the towns, based upon each town's proportion of the County's full real estate value. The three towns with villages, in turn, share a portion of their sales tax proceeds with those villages. If authorized by a resolution of the Village Board, as was the case for Ellenville in 2007, the county makes a cash transfer to the village. If no resolution is passed, the town reduces its annual charges to village residents for town services by the amount of the sales tax due the village. **(Table XI)**

The sales tax, linked directly to consumption, is a relatively volatile source of revenue, which makes reliance upon it quite risky when times are bad. Anticipating economic difficulties, Ulster County conservatively estimated no increase from this source for 2009. Notwithstanding this conservative stance, by mid-August it was estimating a shortfall of at least \$8 million from projected sales tax income for the fiscal year. This would mean a shortfall of: \$6,960,000 for the county; \$800,000 for the city of Kingston; and \$240,000 for the towns and villages.

Other Local Source Revenue

The county also collects a hotel room occupancy tax, estimated for 2009 to produce \$1 million, and realizes some revenue from a tax on Off Track Betting (OTB), estimated at \$400,000 in the same year. The city, towns and villages share in the proceeds of a mortgage recording tax. Statewide, this source provided 5.7% of town revenues in 2007. In Ulster, mortgage tax revenues totaled \$7,167,750 in 2007, with the greatest amount going to the City of Kingston and the least to the Town of Denning. Ulster County was among the hardest hit by the housing market collapse, when measured by the reduction in the number of transactions in the market.³¹ Though the comptroller has not yet released data on revenues from this source for 2008 for towns, it is available for villages. The decline has been precipitous. **(Chart II)** Almost all supervisors interviewed for this study were anticipating major shortfalls in their mortgage recording tax collections in 2009. The Town of Kingston was an exception.

³¹ Office of the New York State Comptroller. Division of Local Government and School Accountability. *Meltdown: The Housing Crisis and its Impact on New York State's Local Governments* (November, 2008) p.9.

Sales Tax Increases in Ulster County

Table XI

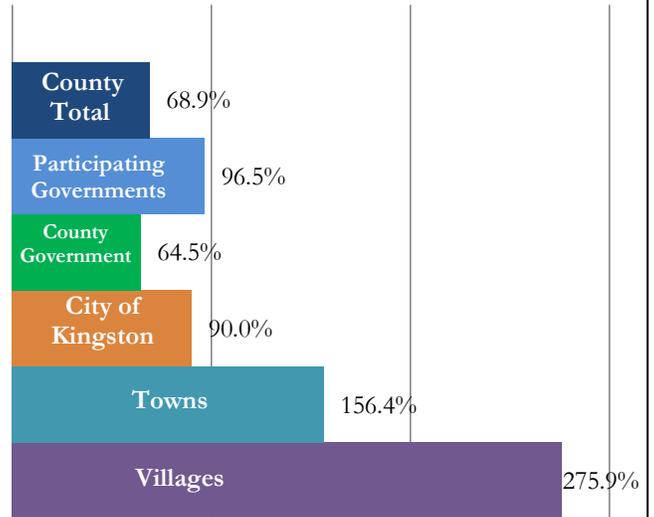
From 1996-2007 sales taxes in Ulster County grew 72.5%. Sales tax distribution in towns increased 156.4% while the sales tax distribution to the county government only grew 67.8%. The total increase for the participating governments was 96.5%.

	1996 Sales Tax	2007 Sales Tax
Ulster County Total	\$56,612,959	\$95,572,127
Participating Governments	\$55,938,178	\$94,836,577
Ulster County Government	\$49,600,738	\$81,572,504
City of Kingston	\$5,879,638	\$11,531,381
Towns	\$1,092,574	\$2,801,159
Villages	\$6,838	\$25,705

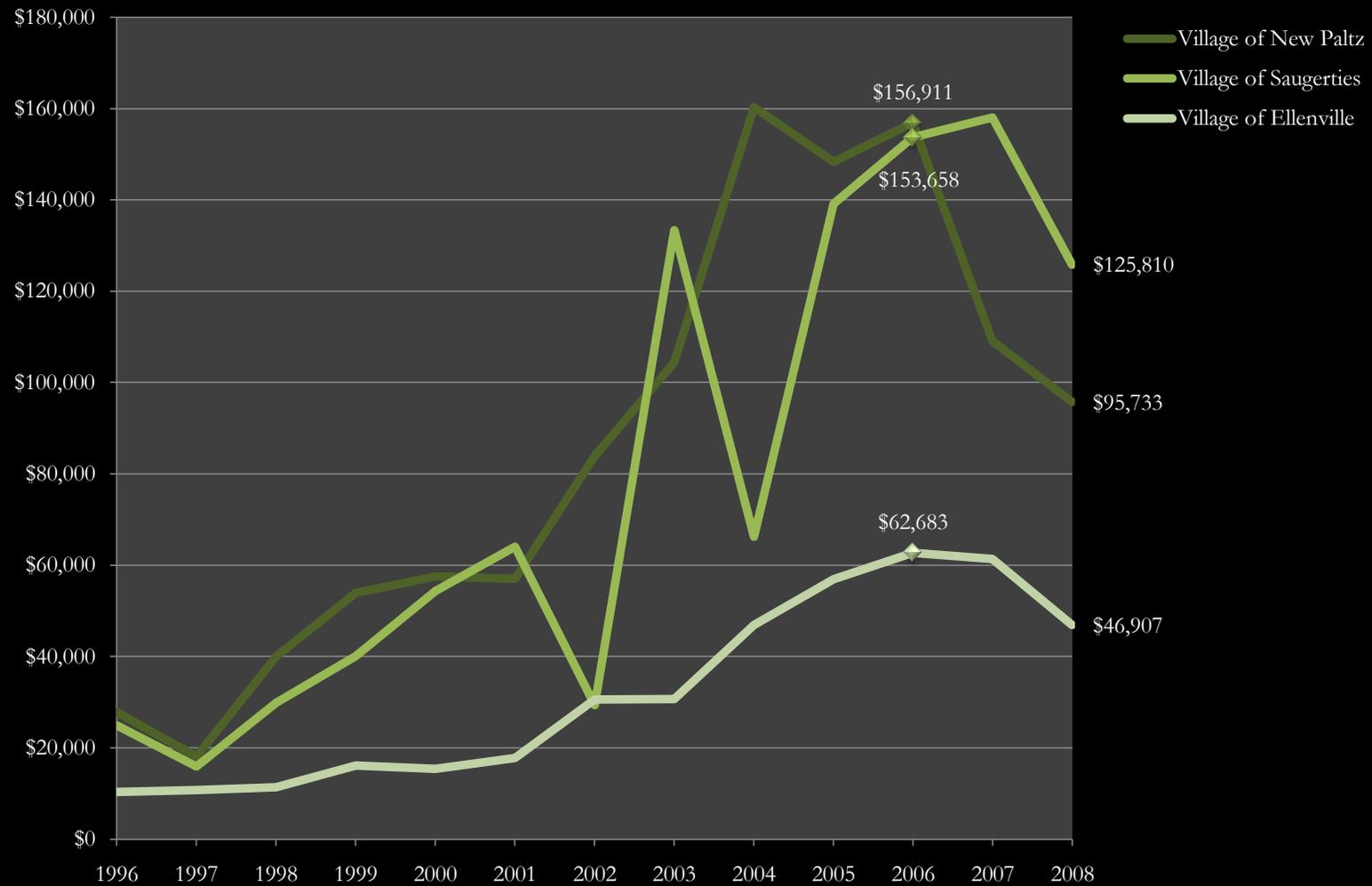
Source: New York State Comptroller, Division of Local Government and School Accountability

*The Village of Ellenville shares in the Town of Wawarsing's sales tax distribution.

Percent Growth



Recent Declines in Mortgage Tax Revenues in Villages



Data Source: New York State Comptroller, Division of Local Government and School Accountability

Fees

Fees are an increasingly important source of revenues used by municipalities to support specific services, helping in some measure to offset the burden on the general taxpayer. **(Table X)** For example, a surcharge of \$0.35 on telephone bills supports the county emergency communication system. As noted, fees for services support local water and sewer systems in the City of Kingston, the villages and town special districts. Fines help offset costs for local courts. Rarely however, as shown by the accompanying study on the justice courts prepared as part of this report, do they cover these costs entirely. Sometimes a community enters into a lively debate as to whether fees or taxes should support a service; this was the case with regard to the community swimming pool in New Paltz during the summer of 2009.

Intergovernmental Aid

All governments receive some state assistance, on a formula or discretionary basis (often in response to a competitive process). Cities towns and villages receive general purpose assistance. The county government -- with the broadest array of functions and which must act as the agent of the state for the local delivery of many state programs -- receives its aid for specified purposes, and is most heavily reliant on intergovernmental payments in its budget. Insofar as they are able to do so, all the county's local governments seek grants to diminish the degree to which they must rely on the property tax to meet community needs. Consideration of Ulster localities' initiative or success in seeking and obtaining intergovernmental aid is not a focal point of this study.

Debt

Five Ulster County towns, mostly to the west and among the smallest in population, had no outstanding debt in 2007. They were Denning, Hardenburgh, Kingston, Olive and Hurley. Additionally, Shandaken was virtually debt free.³² **(Table XII)** Ulster's other general purpose local governments borrow over the long term to meet capital needs and, over the short term when necessary, for cash flow purposes. Total debt of general purpose local government in Ulster County in 2007 was \$263,404,176. Of this, \$162,886,416 (61.8%) was county government debt. Between 1996 and 2007 -- largely but not entirely due to the costs of building a new jail -- county debt increased by just over \$104 million (177%). The total increase in other general purpose municipal debt in the county was just over \$30 million (43%).³³

The State Comptroller considers it a fiscal warning sign when a locality's debt service costs (the money it must pay back annually to cover principal and interest) exceeds 15% of total revenues. In Ulster County in 2007 this "red flag" was raised only for the Town of Lloyd, whereas in 1996 the threshold was exceeded by Esopus, Lloyd, Ulster, Woodstock and the Village of New Paltz. Though it had not yet reached 15%, Ellenville's debt as a percentage of revenue in 2007 (12.6%) was more than double its level in 1996 (5%).

³² Denning and Olive incurred and fully repaid debt during this twelve year period.

³³ Total School District debt in Ulster County was \$138,467,791 in 2007. Aggregated Public authority debt was unavailable at the time of writing, but the Resource Recovery Agency, which is the largest public authority in Ulster County, had \$28,142,562 debt on January 1, 2009.

Debt Service 1996-2007

Table XII

Municipality	1996				2007				Δ 1996-2007			
	Total Debt	Debt Service	Total Revenues	Debt Service as a % of Revenue	Total Debt	Debt Service	Total Revenues	Debt Service as a % of Revenue	Total Debt	Debt Service	Total Revenues	Debt Service as a % of Revenue
Towns												
Denning	\$0	\$0	\$1,010,033	0.0%	\$0	\$48,220	\$1,460,200	3.3%	∞	∞	44.6%	∞
Esopus	\$4,531,350	\$664,527	\$3,269,922	20.3%	\$4,384,401	\$528,160	\$5,147,886	10.3%	-3.2%	-20.5%	57.4%	-49.5%
Gardiner	\$288,000	\$43,273	\$1,654,167	2.6%	\$220,000	\$36,041	\$2,265,117	1.6%	-23.6%	-16.7%	36.9%	-39.2%
Hardenburgh	\$0	\$0	\$1,325,396	0.0%	\$0	\$0	\$1,224,835	0.0%	∞	∞	-7.6%	∞
Hurley	\$0	\$0	\$2,225,869	0.0%	\$0	\$0	\$3,746,044	0.0%	∞	∞	68.3%	∞
Kingston	\$0	\$0	\$406,865	0.0%	\$0	\$0	\$662,706	0.0%	∞	∞	62.9%	∞
Lloyd	\$7,646,000	\$854,808	\$5,066,768	16.9%	\$13,896,000	\$1,748,752	\$10,089,526	17.3%	81.7%	104.6%	99.1%	2.7%
Marbletown	\$0	\$0	\$1,634,144	0.0%	\$80,000	\$24,500	\$2,603,075	0.9%	∞	∞	59.3%	∞
Marlborough	\$2,143,650	\$186,519	\$3,243,558	5.8%	\$3,235,000	\$496,919	\$6,679,364	7.4%	50.9%	166.4%	105.9%	29.4%
New Paltz	\$467,265	\$74,378	\$5,275,702	1.4%	\$188,720	\$33,925	\$9,092,940	0.4%	-59.6%	-54.4%	72.4%	-73.5%
Olive	\$0	\$0	\$2,611,321	0.0%	\$0	\$0	\$3,824,900	0.0%	∞	∞	46.5%	∞
Plattekill	\$1,125,000	\$169,108	\$2,407,319	7.0%	\$895,000	\$85,595	\$3,077,176	2.8%	-20.4%	-49.4%	27.8%	-60.4%
Rochester	\$628,500	\$207,946	\$2,759,934	7.5%	\$242,218	\$139,923	\$3,624,595	3.9%	-61.5%	-32.7%	31.3%	-48.8%
Rosendale	\$1,244,000	\$110,330	\$2,346,818	4.7%	\$1,307,000	\$155,025	\$3,528,054	4.4%	5.1%	40.5%	50.3%	-6.5%
Saugerties	\$7,068,350	\$617,992	\$7,955,623	7.8%	\$3,986,920	\$816,320	\$13,174,103	6.2%	-43.6%	32.1%	65.6%	-20.2%
Shandaken	\$15,714	\$4,243	\$2,968,261	0.1%	\$1,483,000	\$72,372	\$3,736,410	1.9%	9337.4%	1605.7%	25.9%	1255.0%
Shawangunk	\$1,882,100	\$151,535	\$3,181,398	4.8%	\$826,144	\$241,499	\$5,686,520	4.2%	-56.1%	59.4%	78.7%	-10.8%
Ulster	\$12,876,000	\$1,568,059	\$7,772,164	20.2%	\$7,774,800	\$1,486,828	\$13,033,030	11.4%	-39.6%	-5.2%	67.7%	-43.5%
Wawarsing	\$2,661,500	\$436,384	\$5,127,980	8.5%	\$8,964,284	\$882,109	\$10,640,790	8.3%	236.8%	102.1%	107.5%	-2.6%
Woodstock	\$6,408,000	\$745,755	\$4,648,051	16.0%	\$5,885,000	\$444,909	\$7,209,384	6.2%	-8.2%	-40.3%	55.1%	-61.5%
Villages												
New Paltz	\$3,837,960	\$596,588	\$3,229,250	18.5%	\$3,971,750	\$505,230	\$4,083,099	12.4%	3.5%	-15.3%	26.4%	-33.0%
Saugerties	\$3,680,650	\$331,460	\$2,825,018	11.7%	\$8,020,826	\$546,067	\$4,370,065	12.5%	117.9%	64.7%	54.7%	6.5%
Ellenville	\$765,065	\$153,316	\$3,086,563	5.0%	\$5,852,840	\$614,828	\$4,881,344	12.6%	665.0%	301.0%	58.1%	153.6%
City												
Kingston	\$13,030,754	\$1,399,440	\$27,360,382	5.1%	\$29,303,857	\$1,853,189	\$46,389,564	4.0%	124.9%	32.4%	69.6%	-21.9%
Average:	\$2,386,213	\$346,486	\$3,168,005	6.6%	\$2,967,246	\$448,350	\$5,160,048	5.3%	43.0%	29.4%	54.0%	41.6%
Ulster County	\$58,871,000	\$6,136,164	\$187,766,763	3.3%	\$162,886,416	\$12,414,433	\$315,571,053	3.9%	176.7%	102.3%	44.6%	20.4%
Total:	\$116,140,104	\$13,052,385	\$263,798,887	4.9%	\$234,100,319	\$21,321,655	\$439,412,216	4.9%	103.9%	60.4%	66.6%	-1.9%
Total (Sans County):	\$57,269,104	\$6,916,221	\$76,032,124	9.1%	\$71,213,903	\$8,907,222	\$123,841,163	7.2%	24.3%	28.8%	62.9%	-20.9%

Fund Balances

Localities maintain a range of fund balances. Some are held for specified purposes, i.e. the purchase of equipment. Others are available to meet unanticipated special needs, or for application – in whole or in part – to a following year’s budget. The combined size of the appropriated and un- appropriated balances in its General Fund, relative to its annual expenditures, may be regarded as one indicator of a locality’s fiscal health.

These combined fund balances accumulate over time. If they are allowed to become too small, a local government will have insufficient resources to deal with a crisis. If too large, it might be regarded as burdening the taxpayers beyond the necessary level to provide needed services. Most places in Ulster County have put away a good deal of money for a rainy day relative to the size of their budgets. At one extreme, the Town of Kingston in 2007 had enough in its savings account to cover more than a year’s worth of expenses, and Plattekill’s combined general fund balances were 83% of the budget. In contrast, the Village of Ellenville and Saugerties had their general fund accounts overdrawn in that same year. **(Table XIII)** The county’s combined fund balance in 2007, \$19.6 million, was about 6% of its budget, reasonable for a government of its size and in accord with accepted good practice.

Local Government Functions

The size and scope of the county government in Ulster County – a total budget of \$311,199,118 with 2081 classified employees in 2007 – far exceeds that for any other municipality within its boundaries. As illustrative of the difference in scale, total county spending was about 80% higher than the combined spending of the other 24 general purpose local governments, and its employment rolls were 59.9% of the local general purpose government total. This is because, as is the case for all counties in New York State outside New York City, the Ulster County government is not only charged with delivering essential local services in accord with its own priorities, but additionally acts as the agent of the state in such key social policy areas as health, mental health, and public assistance. State mandated services and processes in New York are estimated to result in between half and two-thirds of overall county government spending.³⁴

The range of city, town and village functions in the county is specified in Chart III. This chart also indicates where the county government provides the same or a similar service. Counties and towns were originally set up at the state’s initiative to meet the local government needs of rural areas. Cities and villages, created at local initiative to meet the governance needs of more densely settled areas, were empowered to provide a greater range of services than counties or towns. Over the course of the 20th century, as suburbanization progressed, state law was changed repeatedly to further empower counties and towns.³⁵ The result was extensive overlap in the services delivered by different types of local governments in the county and throughout the state.

³⁴ Estimates vary widely because of differing analytic assumptions. See for example <http://www.erie.gov/exec/?news/upstate-county-executives-announce-mandate-relief-commission.html>

³⁵ Benjamin, Gerald. *Evolution of New York State’s Local Government System*. Albany, New York: Nelsen A. Rockefeller Institute of Government, 1990. <http://www.nyslocalgov.org/pdf/BenjaminEvolution.pdf>

Fund Balances 2007							Table XIII
	2007 Expenditures	Appropriated	% of Expenditures	Unappropriated	% of Expenditures	Total	% of Expenditures
Town							
Denning	\$1,351,574	\$50,000	3.7%	\$301,876	22.3%	\$351,876	26%
Esopus	\$6,799,073	\$0	0.0%	\$636,518	9.4%	\$636,518	9%
Gardiner	\$2,552,147	\$30,000	1.2%	\$232,406	9.1%	\$262,406	10%
Hardenburgh	\$845,987	\$0	0.0%	\$383,812	45.4%	\$383,812	45%
Hurley	\$3,266,123	\$215,115	6.6%	\$857,960	26.3%	\$1,073,075	33%
Town of Kingston	\$514,067	\$463,913	90.2%	\$63,052	12.3%	\$526,966	103%
Lloyd	\$11,667,445	Unknown		\$2,489,802	21.3%	\$2,489,802	21%
Marbletown	\$2,481,055	\$150,000	6.0%	\$254,526	10.3%	\$404,526	16%
Marlborough	\$6,160,420	\$80,000	1.3%	\$521,172	8.5%	\$601,172	10%
Town of New Paltz	\$8,778,974	\$350,000	4.0%	\$898,160	10.2%	\$1,248,160	14%
Olive	\$3,792,945	\$350,000	9.2%	\$46,918	1.2%	\$396,918	10%
Plattekill	\$3,116,200	\$494,500	15.9%	\$2,084,640	66.9%	\$2,579,140	83%
Rochester	\$3,195,700	\$0	0.0%	\$1,497,737	46.9%	\$1,497,737	47%
Rosendale	\$3,464,340	\$75,000	2.2%	\$88,743	2.6%	\$163,743	5%
Town of Saugerties	\$13,335,922	Unknown		\$753,867	5.7%	\$753,867	6%
Shandaken	\$3,939,129	\$280,000	7.1%	\$95,088	2.4%	\$375,088	10%
Shawangunk	\$5,437,713	\$669,000	12.3%	\$1,380,684	25.4%	\$2,049,684	38%
Town of Ulster	\$14,309,268	\$375,000	2.6%	\$412,660	2.9%	\$787,660	6%
Wawarsing	\$8,827,898	\$136,835	1.6%	\$978,346	11.1%	\$1,115,181	13%
Woodstock	\$6,385,291	\$239,674	3.8%	\$926,310	14.5%	\$1,165,984	18%
Village							
Ellenville	\$7,659,087	\$129,300	1.7%	(\$764,122)	-10.0%	(\$634,822)	-8%
Village of New Paltz	\$5,978,277	\$510,000	8.5%	\$405,313	6.8%	\$915,313	15%
Village of Saugerties	\$4,579,956	\$224,402	4.9%	(\$189,047)	-4.1%	\$35,355	1%
City							
City of Kingston	\$46,882,140	Unknown		\$3,942,797	8.4%	\$3,942,797	8%
County							
Ulster County	\$311,199,118	\$0	0.0%	\$19,555,222	6.3%	\$19,555,222	6%

Of course, not all localities choose to deliver all of the functions they are authorized to provide. For example, of Ulster's 25 general purpose local governments, ten do not have police departments. Another example: Wawarsing is the only town that operates an airport. Moreover, in some communities, the degree of local commitment to a function may be far greater than others, reflecting local history and values. Thus the town of Saugerties has far more extensive recreation facilities and programs than do other Ulster County localities. **(See Chart III)**

Collaboration

Intergovernmental collaboration in Ulster County is both formal and informal. Local elected officials travel in the same circles; considerable informal interaction occurs at community and political events and public forums. In general, town supervisors were pleased with the availability and responsiveness of county legislators to them. A major venue for the interaction of the supervisors is the regular monthly meeting of the Ulster County Town Supervisors Association. They unanimously expressed the value to them of the regular attendance of the County Executive at these meetings since he has taken office under the new charter. Research team members who attended these meetings confirmed their utility for the exchange of information.

Collaboration between municipalities and school districts is minimal. As detailed below, the Ulster County and Kingston City Civil Service offices oversee the hiring and promotion of classified personnel in school districts. There is snow plowing for school parking lots reported by municipalities in some communities. The City of Kingston has a shared telephone system with the offices of the school district, just across Broadway in that city, and contracts to provide school security for the district. Ulster BOCES collaborates with the County Department of Social Services in the state-funded Wheels for Work program. In fact, most elected municipal officials take pains to distinguish their responsibilities from those of the schools when interacting with citizens, while emphasizing that most property taxes are in fact raised for education, not for municipal purposes.

Nature of Current Collaborations

Our inquiry revealed that collaboration between and among municipalities through formal intergovernmental agreements was less extensive than we expected. **(Table XIV)** Many local chief elected officers reported that their towns had entered into no such agreements. For highways, the service area in which agreements were most common and that is discussed in detail elsewhere in this report, informal agreements were most common. Highway superintendents were interested in cooperating with their neighbors in a variety of matters, but not in "paperwork." Only one town supervisor of all those interviewed reported a preference for formal agreements, citing the advice of counsel and liability concerns.

Two findings of previous research on collaboration were confirmed by this study in Ulster County.³⁶ Intergovernmental collaboration was far more frequent between two jurisdictions than among more than two. One exception is the collaboration of the Towns of Shawangunk, Gardiner, Wawarsing, Rochester, New Paltz and Rosendale in the Shawangunk Mountain Scenic Byway. Another example of a multi-jurisdictional collaboration is that among Saugerties, Shandaken and Woodstock for the use of the Saugerties

³⁶ Benjamin, Gerald and Richard P. Nathan. *Regionalism and Realism: A Study of Government in the New York Metropolitan Area*. Washington DC: Brookings Institution Press. 2001.

Common Government Functions of Participating Municipalities														Chart III
Function	County	City	Denning	Gardiner	Hardenburgh	Hurley	Marbletown	Marlborough	New Paltz	Rosendale	Saugerties	Shawangunk	Ulster	Warwasing
Administration														
Office Management	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Clerical	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Records Management	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Financial Management	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Human Resources	X	X												
Land Use														
Planning	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Zoning	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Environmental/ Open Space														
Justice Court	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Highways and Bridges	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Facilities construction/maintenance	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Transportation - Other	X	X				X			X					X
Recreation														
Parks		X												
Adult Programming		X												
Summer Children's Programming		X	X	X		X	X	X	X	X	X	X		X
Licensing (Various)	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Property Tax														
Administration/Collection	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Assessment	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Airport														X
Solid Waste														
Collection		X												
Disposal														
Transfer Station	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Processing														
Water and Wastewater Management														
Elections administration														
Emergency Services														
Police	X	X						X	X	X	X	X	X	
Fire		X				X		X	X	X		X	X	
Ambulance		X	X	X			X		X		X	X		
Libraries		X		X		X		X	X			X	X	X
Animal Control														
Sewer		X		X				X	X	X	X	X	X	X
Street Lighting														
Community-based advisory groups														

Local intergovernment Agreements

Table XIV

Municipality	Agreements with	Agreements	Effective Dates	Date of Termination	Notes
Denning	All municipalities within Ulster County	Contract of Shared Services Renting, Leasing of Highway Machinery and Equipment Exchanging, Borrowing Equipment; Borrowing or Lending of Materials and Supplies			
City of Kingston	Ulster County	Alternative Sentencing	1.2.2008	12.31.2008	
	Town of Esopus	Boarding of Dogs	2.18.2009		
	Ulster County	Agreement for Professional Services	9.2007		
	Esopus	Kingston Esopus Sewage Agreement	7.2.1975		
	Esopus	Kingston Esopus Sewage Agreement (update)	5.21.1997		
	Town of Rhinebeck, Village of Tivoli, Village of Saugerties	Mid Hudson Ferry Exploratory Group Intermunicipal Agreement	5.12.1998		
	New York State	Mutual Aid and Assistance Agreement for Water/Wastewater Providers			
	All Ulster County municipalities	UC Shared Services Contract - High way equipments			
	Ulster County	UC Data Processing	9.18.1986		
	Town of Ulster	Town water supply agreement	7.20.2004		
	Ulster County	Ulster County Kingston Hazardous-Materials Response Service Agreement	7.11.2007		Amendment to the Emergency agreement
	All Ulster County municipalities	Ulster County Mutual Aid plan			
	Ulster County	Emergency communication/Emergency Management	8.20.2007		
Town of Lloyd	Town of New Paltz	Intermunicipal contract between Town of Lloyd and Town of New Paltz regarding purchase of heavy equipment.			
Marbletown	Hurley	Inter-municipal Reciprocity Agreement (Marbletown and Hurley)			
	Town of Rosendale	Inter-municipal Agreement High Falls Water District			
	Town of Rochester, Rosendale, Hurley, Olive and New Paltz	Certification (Contract of shared services with those municipalities)			
Marlborough	Town of Lloyd	Mobile Life Support Services, Inc. Proposal to the Town of Marlborough and the Town of Lloyd			
Town of Saugerties	Hardenburgh	Saugerties and Hardenburgh animal shelter agreement	12.17.2003		Being Renewed
	Ulster County	UCSPCA and Saugerties animal control agreement	2.20.2007		Being Renewed
	Woodstock	Saugerties and Woodstock animal shelter agreement	7.18.2007		Being Renewed
	Village of Saugerties	Saugerties and Village of Saugerties emergency dispatch agreement	1.22.1998		
	All Ulster County municipalities	Contract of shared services	12.17.2008		
	Shandaken	Saugerties Shandaken municipal Solid Waste and Recycling Center Agreement	8.11.1995		
	Woodstock	Saugerties and Woodstock municipal Solid Waste and Recycling Center Agreement	23.6.1995		
	Ulster County Resource Recovery Agency	Solid Waste Management Agreement between Ulster County Resource Recovery Agency and Saugerites	1.1.1993		

Municipal and Solid Waste Recycling Center. Nested jurisdictions – villages within towns, towns within the county – were more likely to work together in a number of ways than were side by side jurisdictions.

The Special Case of Towns and Villages

Apart from the “required collaborations” between the county government and Ulster’s other general purpose governments explored below, the most structured local municipal interactions are between villages and the towns in which they are located. Mayors and town supervisors report regular scheduled interactions. Joint committees are not uncommon. Saugerties has joint Economic Development and Public Access T.V. Committees. New Paltz maintains joint Bicycle and Pedestrian Advisory and Public Access Advisory Committees, a Global Warming Task Force and a Community Improvement Team. There is also the shared delivery of services: the Moriello Pool in New Paltz is an example.

Mayors of all three villages suggested the possibility of additional shared services. However, in all three cases each institutional party in these interactions reports ongoing tensions, based upon clashing values, different priorities, conflicting constituencies or interpersonal differences. There are inefficiencies and communication issues that arise from groups reporting to each board with overlapping interests and responsibilities. And each chief elected town and village official notes the other’s reluctance to fully cooperate in one or another area of administration or policy. In one current area of shared service, the provision of municipal water, the supervisor of the Town of New Paltz, unopposed for re-election, has made it a major priority to free the town from reliance upon the village. Even when town and village jointly engage in research, collaboration often founders at the implementation stage. This has recently been the case in New Paltz, for example, for a major transportation study.³⁷

In a recent grant application, the Town and Village of New Paltz detailed the interactions between these two governments. It is worth quoting this summary in detail, as it was prepared for consideration of a potential funder, and provides a view of the intergovernmental relationship from their perspective:

“The Town and Village have already functionally consolidated services for police protection, real property assessment, recreation and youth services, judicial courts and recycling. There are formal inter-municipal agreements for fire protection and water and sewer....

The New Paltz Land Use and Transportation Study, funded by the NYS DOT and conducted with the Village, Town and SUNY New Paltz in 2003-2006 was a collaborative process to address a series of transportation and land use concerns such as congestion, parking and bicycle/pedestrian issues. The resulting reports were adopted by both boards and implementation has begun.

In 2003, the Town Open Space Committee and Village Environmental Conservation Commission secured NYS DEC funds for support of the planning, negotiation and legislation to enable the establishment of the Millbrook Preserve. Still in process, this project encompasses property located within both Town and Village borders and incorporates four separate and distinct ownership entities. The end objective is a public access preserve with interpretive opportunities of the ecologically critical Tributary 13, which leads to the Hudson River and is part of the Hudson River Estuary.

³⁷ Jeremiah Horrigan. “In New Paltz, Cooperation Not a 2-Way Street” *Times Herald-Record*, December 14, 2009, p. 7. Note that the reference to collaboration on this study, written for a state grant and quoted below, dates to earlier in 2009.

The 2006 Open Space Plan was adopted by the Town and Village of New Paltz. This plan, which began as part of a systematic approach to conserving open space and biodiversity, built on a previous inventory of open space. Since adoption, the implementation process has been nurtured and now includes a build-out analysis so that the community can anticipate growth. Town and Village residents overwhelmingly adopted a \$2 million bond referendum for purchase of Open Space based on the recommendations of the Plan....

... Each board holds meetings twice a month. There are also meetings of committees and commissions where board members from each municipality attend as liaison, and there are joint meetings of the boards to discuss business relating to shared services. Not only is significant time invested in these meetings on the part of board members, clerks and staff as well as public attendees, but there are also costs involved with filming and broadcasting meetings.

Both the Town and the Village fill committee, council, task force and board membership from a similar pool of volunteers. Given changing demographics and limited time availability, the volunteer pool is dwindling and thus straining a civic asset. There has been a vacancy on the Village Planning Board for over 2 years. An informal survey of existing boards, councils, committees and commissions in the Town and Village found 32 groups, of which 14 represent duplication of 7 functions. To streamline this process offers potential savings in both tangible costs as well as volunteer time. Again, the actual impact and structure of such will be identified in the study itself.”³⁸

The proposed study on the relationship between the town and village of New Paltz, jointly applied for by both governments, funded this year by the Secretary of State’s office, is currently being launched. The recently published study on the consolidation of police services between the village and town of Saugerties, also funded from that source and mentioned below, provided the basis for a vote in March of 2010 authorizing the dissolution of the village police department. There was interest expressed in potential areas of collaboration by leaders in both the Town of Wawarsing and the Village of Ellenville. These two jurisdictions might consider seeking state funding for a study similar to that being undertaken by the Town and Village of New Paltz. The successful New Paltz application provides a ready template for such an application.

Three Categories

The intergovernmental collaborations we found, or that might be created or further developed, fall into three general categories:

1. Areas in which collaboration is *required* by state law, or is the result of long established practice;
2. Areas in which localities *do* the same things, and may enhance economy and/or efficiency by doing them together; and
3. Areas in which local governments *need* the same things, and might achieve increased economy and/or efficiency by acquiring them together.

³⁸ . New Paltz Municipalities: *High Priority Planning Grant Application for Efficient and Effective Government* (New Paltz: office of the Town Supervisor, Draft of September 19, 2009) pp 3-4.

A primary motivation in seeking to advance intergovernmental collaboration, and a primary purpose of this study, is to find ways to lower the cost of government, not to shift these costs from one government to another. Moreover, steps that might reduce net overall costs borne by the taxpayer might require reducing spending at one level, while increasing it at another.

This study shows that intergovernmental collaboration between and among the city, towns and villages in Ulster County has succeeded and will continue to succeed on a bilateral and, sometimes, multilateral basis. An essential point for all these three areas, however, is that for collaboration to work as a broad scale strategy, the county government must be a fundamental player in the collaborative process. To do this the county must re-conceive its role, and come to understand itself as not only a service provider, but as facilitator of connections and efficiencies for all governments within its borders. Initiatives that the county has already undertaken in the areas of storm water management and highways, detailed below, indicates that this fundamental change is, in fact, beginning to occur.

Required Collaboration

Local governments don't generally regard as collaborative those areas in which state law or long-established practice requires or results in them working together, perhaps because "that's just the way things always worked." But in fact, the County Government is at the center of a complex collaborative web as it conducts its daily business both as an agent of the state and an autonomous actor. For example, the administration of both the property tax and sales tax is clearly collaborative. So is the delivery of sanitation services. The County Civil Service department oversees the operations of civil service in all local governments in the county, except that of the City of Kingston, the governments within the city, and the Ellenville School District.

There are many other examples. Most decision making power in land use planning and administration is with the city, the towns and the villages, but the county planning board – comprised of representatives from these municipalities - does have a mandated review function, and can require reconsideration of decisions. Ulster County is unique in that its towns and city have financial responsibility for a portion of the social services safety net; this results in required collaboration between the county and the town governments. Towns must collect taxes for fire and library districts that exercise taxing authority; errors in meeting this responsibility can be most troublesome.³⁹ Fire coordination, police dispatch, disaster planning and emergency medical services at the county level are all collaborative in structure and operation. In fact, the Ulster County Charter established an Inter-Governmental Collaboration Council to provide a venue for reconciliation of tensions and the regular consideration of areas of potential collaboration for municipalities.

Finally, the towns and city are the building blocks of the local and county political party organizations through which contests occur for control of governance in our municipalities. Thus, though not a focus of this study, party ties may provide one key way in which localities are linked, just as party differences define potential cleavages.

³⁹ Adam Bosch. "Claryville Fire Department's Funds Dip After Ulster County's Mistake" *Times Herald Record*, September 6, 2009 <http://www.recordonline.com/apps/pbcs.dll/article?AID=/20090906/NEWS/909060331>. Editorial. "Fired Department Sets The Example Others Can Follow," *Times Herald Record*, September 9, 2009, p. 42.

Of course, it is important to remember that not all intergovernmental interaction in the county is collaborative in design. Counties, as agents of the state government, often act to assure adherence to state regulations. For example, the county health department must make sure that municipal water systems provide safe, clean drinking water. This is an oversight role, not a collaborative one.

When collaboration is required, or occurs in the normal course of business, the question is not whether to collaborate, but how to most effectively do so to serve the citizenry. We seek to identify the points of stress or inefficiency in existing relationships and ask: “What can be done to improve efficiency/effectiveness of these long-established collaborations?”

Additionally, in the area of “required collaboration” there are two other issues. One concerns the proper allocation of costs and revenues. Simply put, in a required collaborative intergovernmental relationship, it is reasonable that the costs and revenues connected with the service, function or activity should be reasonably shared among the participating governments. A second concern is that the allocation of duties among the collaborating governments assures economic, efficient, effective performance of the function or delivery of the service. This requires that the county’s governments see themselves not only as autonomous, but also as part of an ongoing network or system. Within this system, we do not assume that bigger is always better. And in considering change, we seek to maximize the *net benefits* for the citizens that all our governments serve while minimizing the net costs.

Valuation of the Real Property Tax Base. Assessment of real property is often advanced across New York State as an area in which greater intergovernmental collaboration might reduce costs and improve outcomes.⁴⁰

Currently, assessors are town, city or (for Ellenville) village employees. The costs of assessment are borne by the governments that employ the assessors, even though all who use the resulting tax rolls benefit from the work. Moreover, the costs of defending the assessor’s work in court – in Hurley, for example, totaling about \$300,000 for recent litigation with New York City -- must be borne by the jurisdiction that employs the assessor, even though other jurisdictions will be substantially affected by the outcome of litigation, or its settlement.

A study completed in early 2009 showed the total budgeted cost for Ulster’s towns, the City of Kingston and the Village of Ellenville for assessing real property to be \$1,995,144.⁴¹ By one count, there were 16 full-time assessors in the county, six working part-time, and 26.25 clerical personnel. (One town, Shandaken, continued to maintain a three person board of elected assessors.) Of the assessors at work in Ulster County, eight had accreditation from the International Assessors Organization (IAO) or an equivalent credential. Four jurisdictions collaborate informally by sharing employment of an assessor with other towns in- or outside the county.

Additionally, the budget of the County’s Real Property Tax Agency (RPTA) was \$485,899, offset by revenues in the amount of \$76,034. Ulster’s RPTA employed nine full-time workers and one part-time person.⁴²

⁴⁰ In 2008 and 2009 the New York State office of Real Property Services funded studies in almost all New York State counties to consider alternative approaches to assessment. A list of these may be found at <file:///G:/County%20Intergovernmental%20Collaboration/County%20Assessment%20Studies%20-%20studypractices.cfm.htm>.

⁴¹ David W. Briggs. *Ulster County Centralized Property Tax Program Assessment Study*, January 12, 2009, p. 18. Hereafter cited as the Briggs Study. Note that there are internal differences in some of the data reported in this study that must be reconciled.

⁴² Briggs Study

Though this agency does no assessing, it is at the center of a collaborative process for establishing the county's real property tax base. The agency maintains Ulster County's tax maps and common assessment data base, produces assessment rolls and tax bills for all towns and some school districts, provides full disclosure assessment notices to citizens and is the locus of training and information dissemination for this function in the county.

The state encourages assessment at full or "true" value, so that equity in taxation is achieved and taxpayers may better understand the basis for their bills. However, state law does not require this; it requires only that all parcels within an assessing jurisdiction are assessed on the same basis. In 2009, full value assessment was completed by The City of Kingston and the towns of Esopus, Marlborough, New Paltz and Rosendale. At the opposite extreme, the town of Wawarsing assesses at 1.57% of value, Denning at 17.25% and Shawangunk at 17.5%.

Of the three Villages in Ulster County, only Ellenville does its own assessing. Within Wawarsing, the Village of Ellenville assesses at a much greater proportion of full value (7.09%) than does the town. According to the village mayor, neither Ellenville nor Wawarsing have comprehensively revalued properties within them since at least the 1950's. More than a half century ago the village was the vital economic and social center of the community; properties in it, with relatively extensive municipal services, were valued at a premium when compared to those in the town. Now, after decades of social and economic change, the relative value of village properties compared to those in the town outside the village has declined significantly. But the absence of systematic revaluation has left village residents with a greater proportion of the tax burden than they would have to bear if there were a more equitable valuation of village and town outside the village properties.

The differential effect of the state-mandated veteran's real property tax exemption further compounds the problem. State law specifies a \$5,000 maximum exemption, based upon *assessed value*, for municipal taxes on real property owned by a qualifying military veteran. Under the partial assessment practices in Wawarsing outside the village – assessment at 1.57% of true value - a property owned by a veteran with a *full value* of \$318,500 in the market would be entirely exempt. In Ellenville, which assesses at 7.09% of true value, a veteran whose property was worth the same amount would enjoy a 22% exemption.⁴³ Both Ellenville and Wawarsing employ the same assessor, but Ellenville must retain its own assessment role, the mayor says, to avoid the entire removal of a much higher proportion of veteran- owned properties from its tax base.

Assessments established at the town (or city) level are used by all municipalities and special districts supported by property tax. Since the basis of these assessments are not the same from town to town, and since some of these jurisdictions – the county itself, the school districts – contain all or part of several towns, assessments must be equalized to assure equal treatment of properties of the same value in different jurisdictions. This is done by the State Office of Real Property Tax Services (ORPS). Assessment on a consistent basis by a level of government that includes all (or most) overlapping jurisdictions would vastly reduce the need for equalization, and thus the costs of this function. If this were done, savings realized at the state level might be returned to cover the local costs of assessment.

⁴³ For an explanation of this exemption provided by the Office of Real Property Tax Services see <http://www.orps.state.ny.us/pamphlet/exempt/vets.htm#eligible>

Periodic reassessment supports fairness in taxation by assuring that all properties within the assessing jurisdiction are valued at the same time and therefore under consistent market conditions. Fifteen of Ulster County's 21 assessing jurisdictions have had a reassessment within the last five years. Those that have not are Denning (1974), Hardenburgh (1999), Shandaken (1978), Shawangunk (1995), Wawarsing (1960's) and Ellenville (1960's). Kingston, Esopus and Rosendale are reported in the Briggs Study as doing annual reassessment. Hurley, Kingston, Marbletown, Olive, Ulster and Woodstock report a commitment to reassessment on a regular cycle, usually every 3-5 years. Lloyd, New Paltz, Plattekill, Rochester and Saugerties report planning a reassessment within the next two years. Marlborough had a reassessment two years ago, and has recently signed a contract to reassess each year for the next 6 years (2009-2014).

In addition to continuation of the status quo, the 2009 study considered four alternatives: moving assessment to the county level, contracting by towns individually with the county for assessing services, creating cooperative assessing agreements among towns or the creation of consolidated assessing units. In general, annual costs of all alternatives are shown in this study to exceed those of continuing with the status quo. Moreover, one time startup costs for all alternatives – in particular, for the countywide system, a countywide reassessment to put all properties in the county on an equal footing – are shown to present a major barrier.

Altering assessment practices is very controversial. Though some local officials are in favor of alternatives, as the Ulster County study confirms, most people with roles in the current system - many of them very talented, committed and long-serving public servants -- are predisposed to the status quo. Moreover, many citizens believe that the result of any change that requires revaluation will be higher taxes. About a third of them are probably correct; experience suggests that revaluation to increase fairness reduces the taxes on one third of the parcels in a community, leaves then about the same for another third, and increases for the last third. A further difficulty is that those who are potentially disadvantaged by revaluation tend to be the longer settled or more influential in the community. Nonetheless, a review of the summary analysis in the Ulster County "Centralized Property Tax Administration Program Study" suggests that the benefits of alternative approaches to assessment may be under estimated, while the costs are over estimated.⁴⁴ Studies sponsored by the state Office for Real Property Services (ORPS) and completed in fifty-one counties provide a rich basis for comparison.⁴⁵ Reconsideration may be prudent. There appears to be little rationale for continuation of the assessment function in the Village of Ellenville.

Sales Tax Sharing. Because Kingston may levy the sales tax independently under the law in New York State, the county must reach agreement with the city to levy this tax uniformly within its boundaries. (In fact, in 2006 there were 22 New York Cities that taxed sales at different rates than the counties in which they were located.) Kingston, with an historically declining sales base, periodically seeks in negotiations with the county to obtain a level of sales tax revenue that would exceed what it might obtain if it separately levied at that same rate, or even perhaps a higher rate, on its own base. The current five-year sales tax sharing agreement between the county and the city expires in February of 2011.

Both the proportion of the county sales tax provided towns and the formula for its distribution were highly criticized in an interview for this study with the Town of Ulster supervisor. This is not surprising; because of its many malls, a large portion of the county's retail sales occur in Ulster. The Supervisor argued that town

⁴⁴ (Briggs, 2009, pp. 62-63)

⁴⁵ These studies may be found at <http://www.orps.state.ny.us/cptap/studypractices.cfm>

government costs increase in his town because of the police and other services required by retailers in the major shopping areas along Ulster Avenue, and that therefore a greater proportion of sales tax should come back to it.⁴⁶ However; towns have no right to levy a sales tax under New York State law. The county is therefore under no legal obligation to share any of this revenue with the towns, and does so at its own discretion. New York counties' sales tax sharing practices vary extensively from jurisdiction to jurisdiction. Some are more generous than Ulster; others share none of these resources.⁴⁷

Civil Service and Human Resources Management. The Ulster County Personnel Director must oversee all human resources functions for the county. Administration of the civil service systems for both Ulster County employees and most other general and special purpose governments in the county, one of the Personnel Department's several responsibilities, is achieved with the assistance of one deputy and a three person clerical staff. As previously noted, there were 5,517 persons in civil service positions administered by the county in 2007. In addition to performing routine daily operations and human resource records maintenance, this staff annually audits payrolls of all covered local governments for compliance with civil service requirements. By one measure, the reduction in the percentage of covered public employees in provisional positions, the county personnel department has made remarkable progress in recent years. In 1995, 12.4% of covered public employees in Ulster County were provisionally appointed, compared to an average of 4.9% statewide. Ulster's proportion of provisions in that year was the fifth highest in New York State. By 2007, Ulster's proportion of provision employees (3.0%) had dropped by more than three-quarters, and was below the state average.⁴⁸

County personnel seek to keep towns informed of the workings of the civil service system through regular interaction and periodic site visits, and to administer it with sensitivity to local needs and priorities. However; turnaround time in meeting local requests is significant; it takes the county about a month, for example, to classify a job once a request is made by a locality to create it. The system permits localities to limit hiring to community residents. But canvassing the civil service list to fill a position is done by ordinary mail, and is time consuming.

Both county personnel and town supervisors indicate that satisfaction varies at the municipal level with the administration of the civil service system. Some town leaders resist the constraints it places upon their control of local personnel decision making, while others function comfortably within it. County personnel officials assert that state requirements – for example, an unwillingness to accept electronic signatures on documents - are a barrier to achieving greater efficiency. However; it does seem possible to further automate county civil service operations, which are now almost entirely paper-based, as other counties within New York State have achieved it or are in the process of doing so.

For example, the Albany County Department of Civil Service MERIT system allows local appointing authorities to access current files, electronically submit personnel change forms, run reports, and link to

⁴⁶ Some activists in the Town of Ulster have even advocated its merging with the City of Kingston, to create a city with greater leverage in sales tax negotiations with the county.

⁴⁷ See Office of the State Comptroller. Division of Local Government Services and Economic Development. *Local Government Sales Taxes in New York State: Description, Trends and Issues* (Albany, Office of the Comptroller, March, 2006) pp. 31-34.

⁴⁸ Data provided by the Ulster County Personnel Department, e-mail of Brenda Bartholomew to Gerald Benjamin on Aug. 31, 2009.

current county Civil Service information and examination announcements.⁴⁹ Cattaraugus County, less than half Ulster's size in population, is now implementing a personnel software system designed by a private vendor specifically to support local civil-service human resource administrations in New York State. When fully operational, the system in Cattaraugus promises to bring greater efficiency to county operations, and will allow electronic integration of financial and human resource management.⁵⁰

As earlier noted, the City of Kingston maintains a separate Civil Service Commission to meet its needs and those of other covered jurisdictions within the city. Yet there is no clear rationale for there being two civil service agencies operating in Ulster County. As a general matter, the State Department of Civil Service finds that smaller local agencies lack sufficient professional personnel and expertise to effectively implement the law. Though they assert the value of local control in seeking to retain their civil service agencies, smaller localities in fact pass much of this type of professional decision making upward to state officials.⁵¹

The New York State Commission on Efficiency and Competitiveness recommended the abolition of all civil service commissions in jurisdictions with fewer than 100,000 people.⁵² Such commissions have recently been closed in Glens Falls, Jamestown and Olean; the city commission in Corning was scheduled to close in November of 2009. Such a step should be considered by the City of Kingston.

The Kingston Civil Service Commission reported a single staff member and budget of \$69,750 in 2007, with offsetting revenues of \$46,962 gained from \$3,000 in exam fees and charge backs to the Kingston School District in the amount of \$43,942. Closing the city agency would increase the persons covered by the Ulster County Department of Personnel by between 10% and 14%. Moreover, unlike cities, counties may not charge back school districts (or any other municipalities) for the costs of administering the merit system. Thus, though costs for the city would be reduced with a transfer of function to the county, revenues would not follow.

Consolidating Ulster County's civil service activities at the county level, and mechanizing them to improve system performance, would require a significant investment and additional staffing. The state requirement that the county assume the entire cost of the administration of the local civil service system is not equitable. If this cost must be mandated, and will not be assumed by the state, consideration should be given to distributing it equitably among the municipalities and school districts that must use it.

Collective Bargaining. Currently in Ulster County workers in all but two municipalities are represented by labor unions. In Saugerties there are five separate labor contracts in force. The state Commission on Local Government Efficiency and Competitiveness recommended regional collective bargaining for school pay and benefits. In municipalities, like in school districts, organized workers bring statewide expertise to the

⁴⁹ See Albany County. *Merit Employee Records and Information Tracking System (MERIT)* <https://access.albanycounty.com/dcs/merit/>

⁵⁰ Interview, Gerald Benjamin with David Moshier, Personnel Director, Cattaraugus County, August 24, 2009. The Vendor for this system is PS Tech.

⁵¹ Interview, Gerald Benjamin with Richard Ciprioni, Director, Office of Commission Operations and Municipal Assistance, NYS Civil Service Department, August 24, 2009.

⁵² New York State Commission on Local Government Efficiency and Competitiveness. *21st Century Local Government* (Albany: the Commission, 2009) pp. 19-21.

bargaining table, while localities (with the exception of the county government), if they seek such expertise, must incur additional costs to retain it. Moreover, relatively large numbers of smaller negotiations likely have the effect of ratcheting up costs in adjacent jurisdictions. Consideration should be given to permitting the creation of a county-wide resource for use in public employee labor negotiations, as part of an effort to reduce both consulting fees and the rate of increase in growth of local government labor costs. Such expertise might be part of a circuit rider program under the aegis of a Council of Governments recommended for consideration elsewhere in this report, and be funded from resources currently expended by municipalities to obtain consulting services to deal with labor relations issues.

Fire Districts and Towns. Fire district property taxes, like the county's levy, are collected by the towns. (Kingston collects the county tax within the city.) In interviews for this study, some Ulster County town supervisors expressed frustration at their inability to exercise oversight over fire budgets forwarded to them for collection, or more generally the fiscal practices of fire districts. In sum, effective oversight of fire district financing and governance appears to be needed. A change in state law that would allow towns to review and alter fire districts budgets, as they do levies for highways, might be one salutary step to increase accountability. To the degree possible, collaborative contracting to purchase equipment might also produce economies.

Sanitation. General purpose government spending for sanitation services in Ulster County totaled \$17.7 million in 2007. Additionally, \$15.8 million was spent by the Ulster County Resource Recovery Agency (UCRRA), a public authority established in 1986 to develop, finance and implement a comprehensive solid waste management program in the county.⁵³ Thus, combined spending in the county on sewers, storm sewers and solid waste exceeded spending on police (given below).⁵⁴ All these services were fee-based, though the RRA reported a payment from the county of \$1.89 million in 2007 to offset its deficit. It is the agency's intention under its current management to become financially self sufficient, in accord with the goal when it was established in 1986.

A data base compiled by the *New York Times* for a study published on September 22, 2009 documented 218 violations by municipal waste water facilities in Ulster County during the July 2006 to June 2009 period. Inquiry of the New York State Department of Environmental Conservation revealed that none of these were regarded as major; no fines or penalties were levied.⁵⁵

The Marlborough Sewer Treatment Plant was built in the year 2000, the same year in which the New Paltz Village facility was updated. Lloyd's Sewer Extension #1 was built in 1999 and Shandaken's – built by the New York City Department of Environmental Conservation – in 1996. Others in the county date to the 1970's and 1980's. New Paltz is operating under a consent order with the State Department of Environmental Conservation because of storm water infiltration in its system. Ellenville recently received \$7 million in federal stimulus funds to upgrade its plant. There remains extensive capital needed for this purpose

⁵³ Chapter 936 of the Public Authorities Law (1986).

⁵⁴ The RRA reported \$1,887,678 in subsidies from municipal governments in 2007. To avoid double counting and assure comparability, this amount should be subtracted from the total when the comparison to police spending is made. Still, total solid waste spending ranks ahead of that for police in the county.

⁵⁵ "Toxic Waters, A series about the worsening pollution in American Waters and Regulators' Response" Water Pollution Finder, Sept. 22, 2009. *New York Times Online*. <<http://projects.nytimes.com/toxic-waters/polluters/new-york>>. Additionally, there were 31 violations recorded in the City of Kingston Water Plant.

throughout the county.⁵⁶ Abundant water is Ulster County's primary economic development resource for the 21st century. A collaborative effort led by the county government to find these funds, and funds to improve and extend municipal water systems, might be considered.

Sludge. The City of Kingston, the three villages and eleven of the towns maintain twenty-one waste water treatment plants (some quite small) and reported a total of \$9.39 million in spending on sanitary sewers. Nine towns had no sanitary sewer systems. Almost all spending on storm sewers in 2007, \$522,156 of a total of \$658,582, was in the Town of Lloyd. The Town of Hurley had significant spending in 2007 to deal with drainage problems.

In 2007, the City of Kingston entered into a fifteen year agreement with Aslan Environmental Services to build a system that used methane generated by its sewage treatment plant to dry sludge and convert it into pellets that may be used as fertilizer or fuel. (Since the Kingston plant serves parts of the towns of Ulster and Esopus, this agreement had an intergovernmental dimension.) Significant savings arise from eliminating the need to transport sludge, still 80% water, to distant facilities licensed to receive it for disposal. In accepting an award for this innovation from the New York Water Environment Association in December, 2008, plant manager George Cacchio noted, "to date, Kingston taxpayers have saved \$100,000 and eliminated more than 4,500 tons of sludge in landfills as a result of implementing this system."⁵⁷ Because there is not yet a viable market for the pellets produced through this process, they are distributed to those interested in using them and who will pick them up. The Town of Saugerties has used these pellets to fertilize its sports fields, providing an additional saving for that municipality.

Anticipating the prospect of growth, the Kingston sludge treatment facility was built to accommodate twice the capacity of the Kingston sewer treatment plant. Some communities in the county have already committed to other alternatives to deal with their sludge, for example the use of reed beds. But the Ulster County Resource Recovery Agency must still transport 2,500 tons of sludge annually to the Seneca Falls facility, outside of Buffalo, at a cost of approximately \$100/ton. The Executive Director of that agency, Michael A. Bemis, estimated in an interview that half this sum might be saved if this sludge could be brought to Kingston.⁵⁸ Front end costs are a barrier; special truck beds must be designed and built that would allow the Kingston facility to receive the sludge. But the capital cost recovery period should be rapid, and saving continuous over time. Discussions are already under way with Highland and Ulster to explore this option.

Storm Sewers. In 2007, Ulster County discovered serious problems regarding compliance by the county and many municipalities within it with federal regulations regarding storm water discharges from Municipal Separate Storm Sewer Systems (MS4) in urbanized areas. There are fourteen such areas in the county. In response, under the leadership of then County Administrator (now the County Executive) Michael Hein, the county developed an innovative approach to pooling municipal resources to meet MS4S regulatory requirements. Eleven jurisdictions agreed to participate. A first step involved collaboration in education and outreach, information gathering, needs assessment and response to regulators. There followed a collaborative

⁵⁶ . This is a national problem. See Charles Duhigg. "Saving Municipal Water Systems Would be Costly" *The New York Times* March 14, 2010, p.1. <http://www.nytimes.com/2010/03/15/us/15water.html>

⁵⁷ "Aslan Environmental Services Wins NYS Award for Environmental Excellence. " <http://www.reuters.com/article/pressRelease/idUS173729+18-Dec-2008+BW20081218>

⁵⁸ Michael Bemis phone interview with Gerald Benjamin, August 21, 2009.

integrated mapping effort to detect and eliminate illegal discharges within municipally-owned drainage systems.⁵⁹ According to one estimate, this collaborative effort saved participating governments a total of \$600,000. State regulations have recently been revised to allow collaborative reporting and action in the area of storm water management. County government will seek funding in support of the development of a formal intermunicipal agreement in this area. This will open the way for cost-saving collaborative action in reporting, equipment acquisition, mapping and the education of citizens, community leaders and key local government personnel.

Solid Waste. As a result of federal and state actions dating to onset of the environmental movement in the late 1960's and early 1970's, the disposal of solid waste, long a town and or city function in New York State, became a county responsibility. As noted, to meet this responsibility Ulster County created the Ulster County Resource Recovery Agency (UCRRA), a public authority. After a long and sometimes contentious debate, under state mandate and with some state financial assistance, municipal landfills were closed and the service delivery model now utilized was put in place. Municipalities maintain transfer stations for residential and commercial drop off. The UCRRA handles the flow of waste from the transfer stations and arranges for recycling or disposal.

For most residents in the county who do not take their own waste to transfer stations, solid waste pickup is by private carter. The exception is the City of Kingston, which spent just over \$2 million on its municipal sanitation department in 2007. In the mid-1980's, in accord with state mandates, town landfills in Ulster County were closed, and responsibility for solid waste was assumed at the county level by the aforementioned UCRRA. Eighteen towns maintain transfer stations. Towns spent \$2.6 million on refuse and garbage disposal, with the highest spending in Wawarsing, Rochester and Ulster. Woodstock reported no expense in this category.

The New York State Comptroller's 2009 Annual Report on Local Government notes: "In localities where residents contract individually with private refuse haulers, numerous audits and reports indicate that local governments can realize substantial savings for their residents by contracting for refuse collection on their behalf." The Comptroller estimates that "...if all municipalities statewide contracted for refuse collection, the savings to residents could be as much as \$100 million."⁶⁰

Pursuant to this idea, groups of Ulster County towns might join together regionally to contract with a single private carter for roadside pickup of solid waste. An incentive for recycling might be built into this contract, as it has been with success in other communities. (e.g. a significant charge per bag for waste; a lesser charge, or no charge, for recyclables). Carters could then take the waste directly to one of the two UCRRA regional transfer stations in New Paltz or Ulster, eliminating most of the need for town stations, and the transportation costs now incurred by towns. Town stations might still be maintained for the convenience of citizens that still wished to dispose of their own waste, but operated at a much reduced schedule at far lower cost.⁶¹

⁵⁹ See: http://www.co.ulster.ny.us/downloads/stormwater/MS4_pooled_resources.pdf

⁶⁰ Office of the New York State Comptroller. Division of Local Government and School Accountability. *2009 Annual Report on Local Governments*, p. 6. <http://www.osc.state.ny.us/localgov/datanstat/annreport/09annreport.pdf>

⁶¹ Bemis interview, August 21, 2009.

An early model of collaboration -- the 1995 solid waste agreements among the Towns of Woodstock, Saugerties and Shandaken -- arose out of a unique combination of circumstances. In that year, municipalities in Ulster County and throughout the state were still closing municipal landfills. The availability of state aid and resources available from the creation of the UCRRA presented the opportunity for some communities to reconsider the role that their municipalities played in solid waste management. The Town of Woodstock decided to get out of the solid waste management business. To do so, it entered into a collaboration with the Town of Saugerties that allowed its residents to drop-off their refuse and recycling at the Saugerties transfer station. The Town of Shandaken, which theretofore was contracting with Woodstock to use its transfer station, perforce sought also to enter into an agreement with the Town of Saugerties.

Woodstock had a population in 1990 of 6,290. The population of Shandaken was 3,013. Both are largely residential. Saugerties, with 18,467 people and a substantial sized facility, saw an opportunity both to upgrade its transfer station and cover its operating costs with only a modest increase in demand. In connection with signing intergovernmental agreements for the use by its neighbors of its solid waste transfer facilities, Saugerties received an initial payment of \$17,401 from Shandaken, \$2,500 for the last quarter of fiscal 1995, and \$10,000 per year thereafter. Woodstock agreed to pay up to \$40,000 at the onset, \$5,000 for the last quarter of fiscal 1995, and \$20,000 per year thereafter. Additionally, residents of both Shandaken and Woodstock were required to pay the same residential drop off rates as residents of Saugerties. An added provision allowed the Town of Woodstock to drop off a maximum of 5,000 bags per calendar year of rubbish and trash obtained from the municipal offices and public litter baskets at no additional charge. (Any refuse beyond the 5,000 bag cap must be paid for by Woodstock at the standard residential rate per bag.)

In following years Woodstock and Shandaken took different approaches to using the money they saved with this new system. Shandaken converted its transfer station into a recycling center. Woodstock simply cut its budget. By 2001, when the full affects of these changes were complete, Woodstock had cut spending on garbage and refuse by 462%. All officials in the participating towns interviewed for this study in 2009 expressed enthusiasm for these intermunicipal agreements. They have reduced and made more predictable the costs of solid waste management for all three municipalities. In particular, Saugerties was able to offset its spending on garbage and refuse with the payments from other governments, and reduce its total spending despite its increase in population and serving other municipalities. Saugerties spending on refuse and garbage in 2007 (\$427,246) was at the same level as in 1999 (\$417,157), and 29.3% below the peak spending level reached in 2001 (\$590,327). In 2007, revenues at the Saugerties transfer station exceeded expenses by \$102,953.

Our review of town budgets in the southern and southwestern parts of Ulster County indicated that their solid waste transfer stations operate at a loss. **(Map II)** In all cases, though to varying degrees, revenues do not cover expenditures. There is a special problem in jurisdictions that lack the facilities to weigh construction waste, and therefore must charge to receive it on the basis of volume. **(Tables XV and XVI)** We sought to test, therefore, whether intermunicipal collaborations similar to the ones entered into by Woodstock, Shandaken and Saugerties might produce savings for other municipalities.

The model we propose, however, does not directly replicate the one in place in the northeast of the county. It takes advantage of two facts. Because dealing with solid waste is a “traditional governmental function,” the courts have found that municipalities may franchise collection to a single provider without being found in

violation of the interstate commerce clause of the U.S. Constitution.⁶² Second, the vast majority of Ulster County residents already contract with a private carter for waste removal. (Remember, because transfer stations operate at a loss, these residents, through the tax rolls, at the same time subsidize the operation of municipal transfer stations.)

Proposed Model (See Chart XIV)

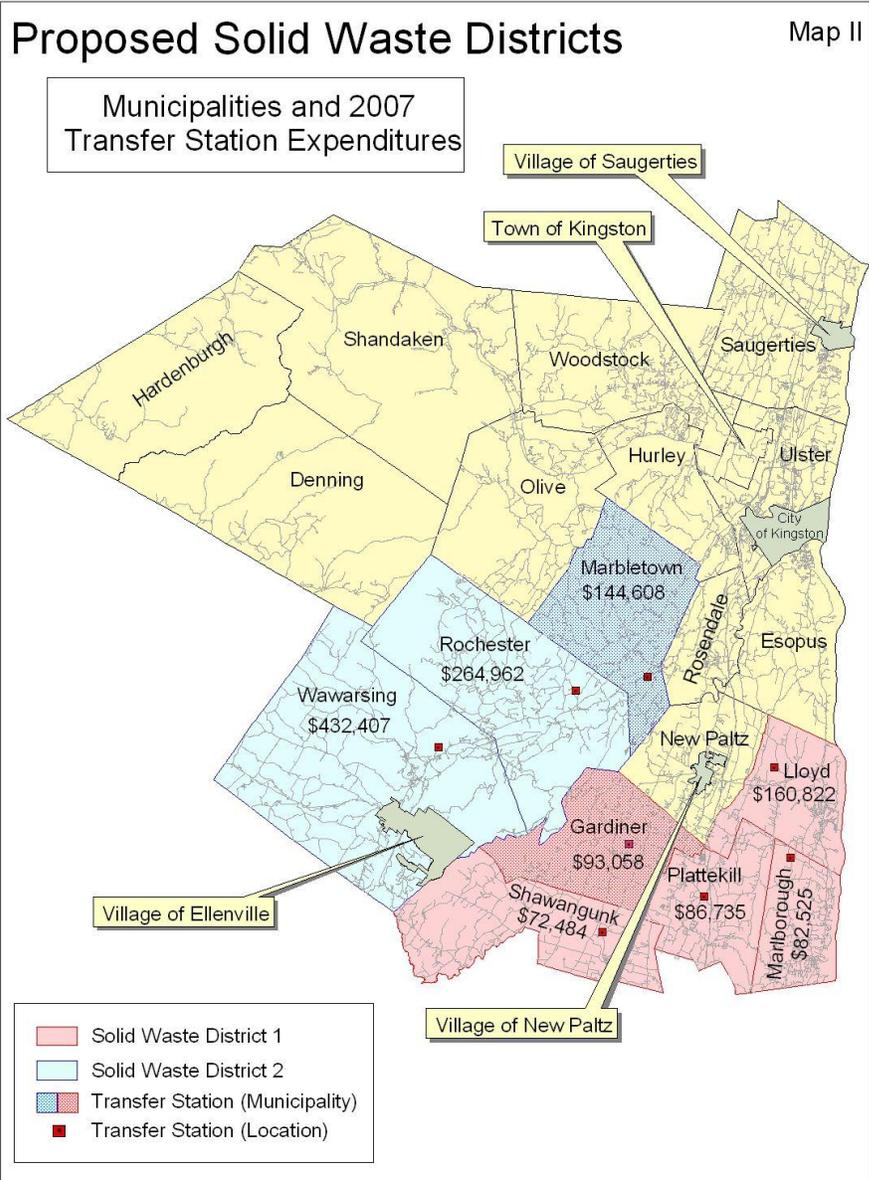
- 1) In municipalities with particularly low rates of residential drop off, and in which the transfer stations operate at a loss, establish an intermunicipal agreement similar to the one between Woodstock and Saugerties to provide for the participating jurisdictions' use of one transfer station. Close the other transfer stations.
- 2) Have the collaborating municipalities get bids for residential pickup from all households in community, and award the contract a single successful bidder, who will be paid by the municipality. (Since commercial haulers effectively operate their own transfer stations and either deal with the UCRRRA directly, or haul solid waste out of state at their expense, as determined by what makes best economic sense, there will be no need for the contracting municipalities to maintain their own transfer stations.)
- 3) Have municipalities charge households an annual fee for solid waste service for a specified level of usage.
- 4) Invest if necessary to assure that the remaining transfer station is properly equipped with necessary scales to fairly charge for construction debris and other waste that is not from household sources.
- 5) Establish a permit for landfill drop-off and per unit costs for delivered waste at the remaining transfer station in accord with a realistic estimate of the cost of the service.
- 6) Allow citizens who wish to opt-out clause to receive a credit from the municipality that in whole or in part offsets the solid waste fee.

⁶² In 1994, in the case of *C & A Carbone v. Town of Clarkstown, New York*, 511 U.S. 383 (1994), the US Supreme Court declared that a municipal ordinance requiring that all garbage collected in Clarkstown first go to the town-owned transfer station before any further processing unduly burdened interstate commerce, and were therefore unconstitutional. However, in *USA Recycling, Inc. v. Town of Babylon*, 66 F.3d 1272, 1276 n.1 (2d Cir. 1995), The United States Court of Appeals, Second Circuit upheld the town's right to contract exclusively with a private contractor for commercial garbage and refuse pickup, with that contractor disposing of the waste in the town owned incinerator for free. This was a result of steps that the Town of Babylon took to distinguish its actions from the Carbone case⁶²:

- Districting: Babylon created a commercial garbage service district, and let bids for the franchise contract within the district
- Bidding: since the contract for exclusive rights for pickup was awarded to the lowest bidder, and out of state companies were able to bid, the arrangement did not interfere unfairly with interstate commerce
- Free Use of the Incinerator: by providing the use of the town owned incinerator for free, the town was effectively able to control the flow of solid waste by allowing the economics of the situation dictate the result, rather than by mandating a disposal location.
- Taxing: the town imposed an annual benefit assessment on each parcel of commercial property in the district to pay for the contract

In Ulster County, the concern is not so much with flow control as it is with the legality of contracting exclusively for garbage pickup. Here the law is very clear. Since garbage pickup is traditionally a local government function, the creation of a solid waste district replaces town-owned infrastructure with a contract with a privately owned company.

7) Note that under current practice each municipality pays the RRA tipping fees and transportation costs. Under the proposed plan, these costs would largely be paid by the contracted private company.



Transfer Station Operating Costs		Table XV	
Municipality	2007		
	Expenditures	Revenues	Loss
Wawarsing	\$432,407	\$204,329	\$228,078
Rochester	\$264,962	\$257,600	\$7,362
Marbletown	\$144,608	\$125,000	\$19,608
Total:	\$841,977	\$586,929	\$255,048

Transfer Station Operating Costs		Table XVI	
Municipality	2007		
	Expenditures	Revenues	Loss
Lloyd	\$160,822	\$70,000	\$90,822
Marlborough	\$82,525	\$40,000	\$42,525
Plattekill	\$86,735	\$81,134	\$5,601
Shawangunk	\$72,484	\$36,337	\$36,147
Gardiner	\$93,058	\$67,500	\$25,558
Total:	\$495,624	\$294,971	\$200,653

Transfer Station Utilization		Table XVII	
Municipality	2008		
	Residential Permits	Number of Households	Percentage Utilized*
Wawarsing	1,051	5,821	18.1%
Rochester	1,800	3,750	48.0%
Marbletown		2,846	
Marlborough	20	3,176	0.6%
Lloyd	904	3,818	23.7%
Plattekill	NA	3,888	NA
Shawangunk	493	3,754	13.1%
Gardiner	750	2,255	33.3%

* This % is inflated by households that buy permits for more than one vehicle, and households that buy a permit, but only use it for tires, refrigerators, etc.

This plan would:

- Reduce the cost of residential pick up for those who already contract for service, by achieving economy of scale for a single provider through the franchise process. Provide families that do not now use residential pickup an opportunity to have this service, likely at a lower price than now available.
- Reduce expenditures on solid waste management for some contracting municipalities by eliminating the need to staff and operate transfer stations.
- Retain the drop-off options for families that wish to use it.
- Open up a revenue stream for the municipality that retains the transfer station, offsetting its operating costs and increasing the prospect of its operating in the black.
- Make solid waste management costs for communities and citizens predictable and stable over time.
- Reduce the waste management carbon footprint by eliminating travel through the same neighborhoods by the trucks of multiple providers.

Testing the Model - Solid Waste Districts 1 and 2

Municipalities with larger and denser populations tend to have higher garbage and refuse expenditures (the Town and Village of New Paltz are notable exceptions; there is a regional RRA transfer station in New Paltz.) In order to maximize potential savings, and minimize costs per household, it makes sense to consider this model in towns with larger populations and therefore greater waste management expenditures. As seen from **Tables XV and XVI**, towns with higher expenditures have larger net losses. Also, since they contain more households, they have more bargaining power when acting collaboratively.

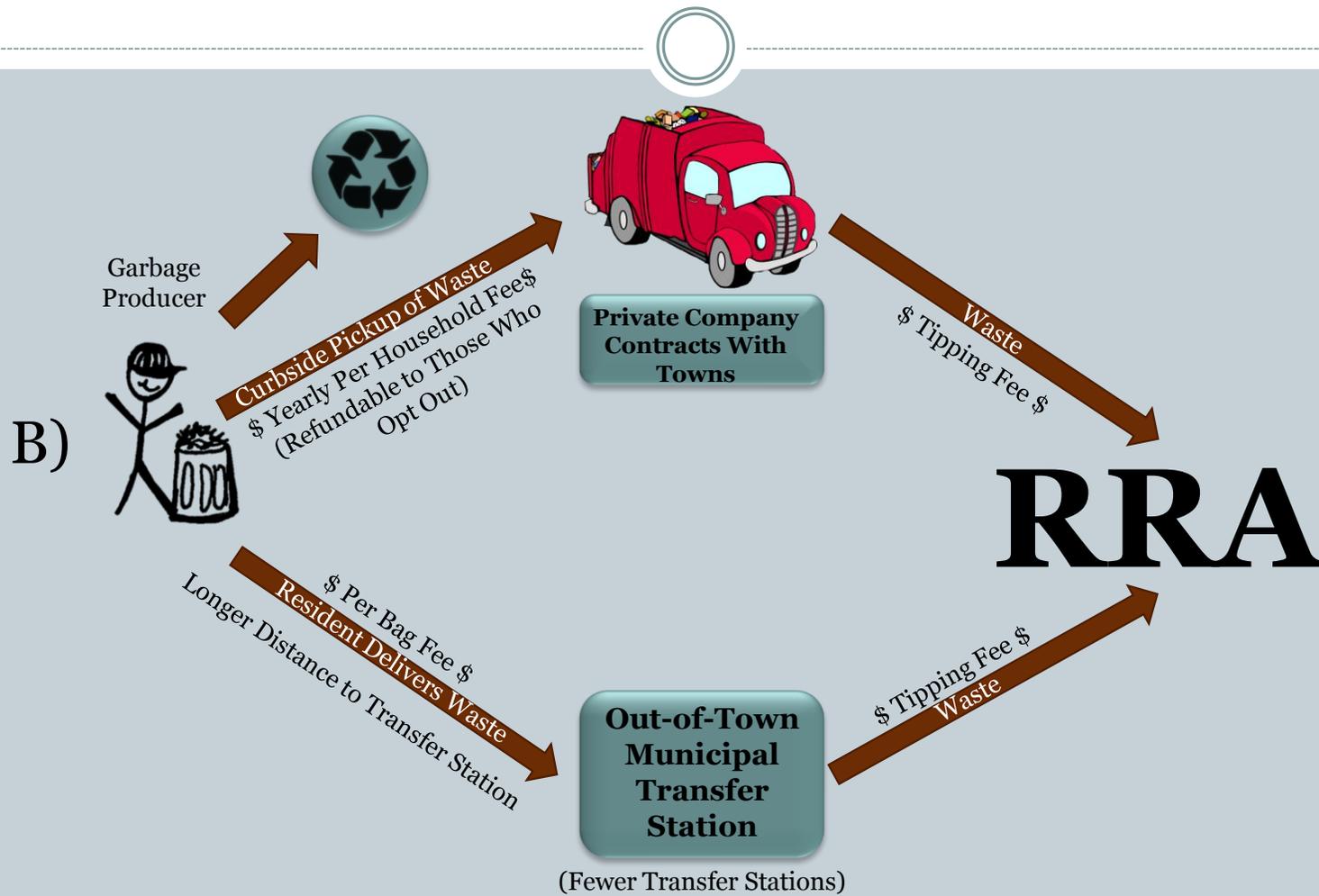
Proposed Solid Waste District 1

The Town of Wawarsing Transfer Station operated at a \$228,078 loss in 2007; it received \$204,329 in fees and an additional \$4,309 from the Village of Ellenville for municipal waste disposal. It spent \$122,407 on personal service, and an additional \$310,000 for contractual expenses. In addition, most residents in the town paid for curbside pickup; only 18% of households utilized the transfer station for drop-off. (**Table XV**)

The Town of Rochester, though in better shape than Wawarsing, also operates its transfer station at a loss. According to its 2007 audited budget, Rochester spent \$73,436 on personal service and \$191,526 on contractual expenditures, for a total of \$264,962. There was \$257,600 in revenues, creating a net annual deficit of \$7,362. In Rochester, 48% of households utilize the transfer station for drop-off.

Expenses in the Town of Marbletown for operating its transfer station in 2007 were \$36,608 for personal service, and \$108,000 in contractual expenses. In 2007, the transfer station received \$125,000 in revenues. It therefore operated at a \$19,608 net loss.

Proposed Model



A proposed solid waste district transfer station might be located in Marbletown. The town might benefit both from the revenue streams it would realize from its partners under contract, and from their initial capital contribution (perhaps spread over several years, and funded out of savings) for equipment to assure that proper fees for services were levied upon users.⁶³

Proposed Solid Waste District 2

In southeastern Ulster County the towns of Shawangunk, Plattekill, Marlborough and Lloyd present another opportunity in that they are in close proximity, are well connected by road (The presence of the Shawangunk mountain range in the middle of the county presents an obstacle to collaboration among some towns in this area of policy), have mid-level garbage and refuse costs, and serve citizens likely to support less expensive curb side pickup of refuse. **(Table XVI)**

The Town of Lloyd operated its transfer station in 2007 at a loss of \$90,822. Costs were \$44,771 in personal service, \$76,377 in fees to the RRA and an additional \$39,674 in contractual expenditures. These were offset by \$70,000 in revenues. In addition to this, 76% of households currently contract for curbside service. The Town of Lloyd Transfer Station no longer accepts construction and demolition debris.

In the same year, the Town of Marlborough operated its transfer station at a \$42,525 per year loss. Spending included \$24,225 for personal service, and \$58,300 in contractual expenditures; there were \$40,000 in offsetting revenues. Fewer than 1% of households in the town utilized the transfer station for drop-off of residential trash bags. **(Table XVII)** However; more used it for disposal of tires, appliances, lawn waste, etc.

The Town of Plattekill has recently seen a huge growth in its solid waste expenditures. From 2007 to 2008 the actual expenditures for the transfer station grew from \$4,383 to \$86,735. This later year total was offset by \$81,134 in fees. Thus, the annual loss was small: \$5,601. The tremendous increase in solid waste expenditures and revenues in Plattekill is a bit misleading. The scale of operations did not change. Previously the Town contracted with a private individual to run its transfer station, charge fees, and pay expenditures to the RRA. But the contractor did not pay the RRA, leaving the Town to foot the bills. The contract was summarily terminated, leaving Plattekill in an immediately awkward position of having no operating transfer station. Initially residents who disposed of their own solid waste needed to go to the regional transfer facility run by the RRA in New Paltz. The Town of Gardiner then agreed to allow Plattekill residents to utilize its transfer station until the Plattekill station could reopen a few weeks later. As a consequence, there is no accurate record of the number of residential permits issued in Plattekill in a recent year; to this date the town of Plattekill does not sell residential permits, opting to charge for household waste disposal by the bag. The transfer station charges for debris by the yard.

⁶³ The Executive Director of the Ulster County Resource Recovery Agency, Michael Bemis, indicated in an interview that one major reason transfer stations operate at a loss is the inequity inherent in charging by volume for construction debris and waste. By upgrading an existing facility with scales, the transfer station may assure that the fees are charged by weight, and are therefore accurately assessed. The proposed intermunicipal agreements would be written to assure that the operating transfer stations have the proper equipment to accurately assess the fees for construction debris and waste.

The Town of Shawangunk did not list any personal service in its budget for its transfer station. (In the 2009 budget there is \$12,000 designated for a part time employee.) In 2007, Shawangunk spent \$72,484 in contractual expenditures which was offset by \$36,337 in revenues. In net terms the transfer station operated at a \$36,147 yearly loss. The Shawangunk transfer station measures debris by the yard. 13.1% of households utilize it for drop-off.

The Town of Gardiner recently spent \$400,000 in renovations and upgrades to its transfer station site and bonded to pay the bill. Instituting a collaborative plan, and designating a solid waste district in which neighboring towns would contract with the Town of Gardiner to dispose of municipal waste could help Gardiner to repay its bond more quickly, relieving the financial burden on the residents of Gardiner. Approximately 33% of households in the Town of Gardiner use the transfer station for residential drop-off.

Under the models proposed, people who already contract for pickup (a vast majority of households) would likely save money annually because of the economy of scale offered a single franchisee under a contract negotiated by the town government. The towns will save money because they will no longer have to pay to operate a transfer station, and will incur minimal costs to dispose of municipal government waste. Substantial savings are likely over time from current operating costs, net of short term transitional expenses and possible capital costs to upgrade the facilities that would remain open. A precise calculation is not possible without knowing the costs of the contracts each town would reach with its partners in a regional venture and with private carters after competitive bidding. Trucks from multiple companies would cease to ply the same routes, with concomitant reduction in pollution and an energy savings increase. Meanwhile, citizens who now dispose of their own waste would have a reduced financial incentive to do so, but could continue with this practice if they so wished.

Social Services. One consequence of the unique provision of our State constitution that makes “The aid, care and support of the needy... public concerns...” is that public assistance is required under a Safety Net program in New York for persons whose eligibility has expired or who were never eligible under federally subsidized programs.⁶⁴ State funds pay half this bill; localities must cover the other half. Historically in New York poor relief was a local community responsibility. When federal and state welfare programs were developed during the Great Depression and after, New York was unusual among the states in retaining partial fiscal responsibility for these at the local level (This practice in New York remains controversial). In Ulster, unlike in other counties in New York State where the remaining local responsibility for public assistance has been shifted to the county level, towns and the City of Kingston cover this local share.

One effect of this practice is that the burden of the Safety Net is greatest in the City of Kingston and in towns with villages, places in which less expensive housing and public transportation are more available, and where low wage employment is more likely to be found.⁶⁵

Though the city and towns may have welfare officers to administer this responsibility, many do not. Sometimes this is an additional duty for Supervisors. Proponents of continuing this practice argue that retaining administrative responsibility at a very local level helps assure that claims are legitimate. But the county government, as an agent of the state, determines the eligibility of person for assistance and establishes

⁶⁴ New York State Constitution. Article XVII. Section 1.

⁶⁵ Interview with former Ulster County Social Service Commissioner Glenn Decker, August 27, 2009.

where he or she lives for the purpose of determining the locality required to provide assistance. Moreover, it is no longer the case that the town must issue a check to individual recipients of benefits. Rather a debit card is now issued by the county, with costs charged back to the town or city. This is one of several instances in the intergovernmental relationships in Ulster county, like those between the state and its counties, in which decisions are made by one government that impose costs on another, and in which a sorting out should be considered.

Choosing to Deliver Services Together

The New York State Constitution provides that local governments may “agree... to provide cooperatively, jointly or by contract any facility, service, activity or undertaking which each participating local government has the power to provide separately.”⁶⁶ In accord with this authorization, and its intention, adjacent and overlapping municipalities in Ulster County already collaborate formally and informally in the delivery of services, and in the use of facilities. By size of budget and numbers of employees, the provision and maintenance of highways is the most significant function shared by all of Ulster’s municipalities. As detailed in Special Study A, there is already extensive cooperation, most informal, in this area: great potential remains to achieve even greater efficiency through enhanced collaboration.

As noted above, a number of towns in Ulster County share assessors. Additionally, Supervisors report significant collaboration in the area of animal control. It is not uncommon for communities to publicize county programs in town halls, and even provide space for other governments in order to ease access to services, or enhance service levels, for community members. For example, there is an office for the Federal Department of Housing and Urban Development in the Saugerties Town Hall. Another example: Gardiner’s built its new Town Hall with space for a substation for the New York State Police.

The mobile unit of the Ulster County Clerk’s Office travels to Marlborough, New Paltz, Saugerties, Ellenville and Shandaken weekly to make itself more accessible to citizens seeking to process Drivers Licenses and Learners Permits, obtain Non-Driver Identification, process registrations and obtaining plates for Passenger, Commercial, Trailers and Motorcycles, keeping receipts for these services in the county.⁶⁷ The County Department of Social Services staffs its Food Stamps program on a scheduled basis in the Saugerties Town Hall.⁶⁸

Highways. Highway and road construction, operation and maintenance is a responsibility of all general purpose local governments in Ulster County, and is the largest area expenditure for most. Total spending for highways in the county in 2007 was \$41,540,711. Close to an additional \$3 million was spent for transportation facilities, miscellaneous and ancillary transportation expenses; much of this was likely highway related.

Highway spending as a proportion of the total local budget was highest in 2007 in Denning and Hardenburgh, the county’s most rural, least populous jurisdictions. The proportion was lowest in the Village of New Paltz and the City of Kingston. Though highway costs constituted only 7.4% of the county

⁶⁶ Article IX, Section 1.c.

⁶⁷ <http://www.co.ulster.ny.us/countyclerk/dmvmobile.html>

⁶⁸ See <http://saugerties.ny.us/HUD/hud.html>

government's 2007 budget, the level of spending for highways was \$17,047,554⁶⁹ (Importantly, the county's fiscal discretion in this policy area is greater than in many others.) The property tax for highways is separately levied by towns, but not for the county, the city or the villages. Unlike their counterparts in the county, the city or the villages, town highway superintendent are elected officials. Extensive recommendations for intergovernmental collaboration to substantially reduce costs of highway maintenance are a major focus of this report, incorporated as Special Study A.

Police. Spending for police by local governments in Ulster County in 2007 totaled \$26,084,096, not including benefits.⁷⁰ Of the sixteen police departments in the county, one each were maintained by the county and city governments, two by village governments and twelve by towns. The remainder of towns had no police departments. Saugerties has both village and town police departments. In New Paltz, police services are provided in the village by the town. Wawarsing has no police department, while the Village of Ellenville, within its boundaries, maintains one. The departments in Plattekill, Olive and Rosendale are made up entirely or almost entirely by part-time officers.

The County Sheriff, an elected official, heads a department with a 2007 budget for police of \$5.73 million. Police costs equaled or exceeded those for highways in four Ulster County localities: the City of Kingston, the towns of New Paltz and Ulster and the Village of Saugerties. (In March, 2010 village voters approved the merger of its police department with that of the Town of Saugerties, where police require 10.9% of the town budget.) In 2007 in the Town of New Paltz the police function required almost a quarter of the budget (24.3%), in the Town of Ulster 17.9%, in the City of Kingston 16.55% and in the Village of Saugerties 15.7%. This pattern of service delivery regularly raises issues of equity in the distribution of cost and benefits.

According to the New York State Division of Criminal Justice Services, Ulster County's local governments reported employing 317 people full time and 213 part-time in 2007 in their police departments.⁷¹ Of the full-time personnel, 266 were sworn officers; of the part-time staff, 155 were sworn officers. A survey by the International City and County Management Association done in 2006 shows that in the United States there are, on average, 2.12 police officers per 1,000 people in localities with populations between 10,000 and 24,999.⁷² Counting full-time sworn officers only, this ratio was exceeded in 2007 Ulster County by the City of Kingston (3.27), and the Towns of New Paltz (3.07) and Ulster (2.23). This suggests that there may be opportunities for savings from a review of staffing in these communities.

The Ulster Regional Gang Enforcement Narcotics Team (U.R.G.E.N.T.) is the principle example of intergovernmental collaboration in law enforcement in Ulster County. Organized under the leadership of the Sheriff's Office in 2007, URGENT includes participation by several national and state police and law enforcement agencies and the local police departments of the City of Kingston, the Village of Ellenville, and

⁶⁹ This total does not include \$2,672,035 in facilities costs and \$114,249 in ancillary costs, as these may, in part, support other transportation spending.

⁷⁰ Totals do not include expenditures for the State Police, Department of Environmental Conservation police or SUNY New Paltz campus police, as these are state agencies, not local governments. Nor do these totals include police expenditure by New York City on security for its watershed properties in the county.

⁷¹ Ulster County Planning Department. *Data Book* (2008) "Ulster County Law Enforcement Personnel by Police Department, 2007" <http://www.co.ulster.ny.us/planning/ucpb/demo/databook/Police%20Officers.pdf>

⁷² *Sourcebook of criminal justice statistics Online* <http://www.albany.edu/sourcebook/pdf/t1642006.pdf>

the towns of Ulster, Woodstock and New Paltz. This program reported some success in combating drug trafficking and gang violence in the county in its first two years of operation. The Sheriff wrote in his department's 2007 annual report: "URGENT is a cooperative effort, an experiment on how a regional police community made up of many individual parts can interlock – and also use fast-changing technology – to fight a difficult and dangerous societal problem."⁷³

The New Paltz Police Department has two certified Drug Abuse Resistance Education (DARE) instructors who teach an awareness program in the New Paltz Central School District, but at the town's expense. In another example of collaboration, the Kingston Consolidated School District contracts with the City of Kingston for police services in its schools. This second model, contracting for services from an overlapping or adjacent jurisdiction, is a common pattern across the country for reducing costs while leaving control of the level of service with the contracting locality. In this way, a service may be "provided" without being "produced" by that entity.

Water. In New York State, all water systems serving five or more homes or facilities are regarded as "public," and must be inspected by the County Department of Health, acting as an agent of the state, to assure that they meet health and safety standards. Ulster County has four municipal systems – the City of Kingston and the three villages - and fourteen that are organized as special districts within towns. In addition, Hurley is served by a private water company. One Village mayor said in an interview that "the most important thing we do is provide water under the law."

Built at a time when the city and village populations were larger, the four municipal water systems have capacity beyond their needs, and have therefore sought to extend service to adjacent communities as they became more densely settled. Another village mayor described his village's water system -- the ability it provides to generate revenue -- as "our salvation." There is already intergovernmental collaboration in place in the provision of water in the county's communities: the Golden Hill and Ulster Water Districts (City of Kingston), the Glasco Water District (Village of Saugerties), and the Town of New Paltz Water District (Village of New Paltz). A recent intergovernmental agreement further extended the availability of Kingston City water in the Town of Ulster. Marlborough contracts for water from the Town of Newburgh, in Orange County.⁷⁴

A 1970 study proposed the development of six integrated water supply areas to meet projected needs for Ulster County.⁷⁵ In a following study, completed for Ulster County in 1989, the prospect was raised of integrating existing water systems in two sub-regions of the county, the southeast (New Paltz, Lloyd, Marlborough, Newburgh) and along the Thruway corridor (Kingston, Ulster and Saugerties). Both steps would provide participating towns with multiple sources of water. Kingston and Saugerties have independent systems. New Paltz now draws upon the NYC Catskill system, Highland on the Hudson River and Marlborough (through Newburgh) on the NYC Delaware system. These regional approaches would be most

⁷³ Ulster County Sheriff's Department. *2007 Annual Report* (Kingston: Office of the Sheriff, p. 6). Ulster County Legislature. "Ulster Regional Gang Enforcement Narcotics Team (URGENT)" Press Release of March 1, 2007. See also the Sheriff Departments 2008 Annual Report, p. 7.

⁷⁴ See the remarks of the Mayor at <http://www.ci.kingston.ny.us/content/62/66/default.aspx>

⁷⁵ NYS. Department of Health. *Comprehensive Water Supply Study for Ulster County* (July, 1970)

valuable if one or the other source goes off line, as will happen when New York City sequentially closes its Delaware and Catskill systems for rehabilitation.

Additionally, the 1989 study identified potential long-term water supply issues in Gardiner, Shawangunk and Plattekill, three fast growing towns in the southern part of the county in which most places rely upon individual wells. In this case, however, there is no easily envisioned regional approach that might be connected to substantial municipal systems in place.

In all three cases, regionalization of water systems would be extremely costly. However, growth makes long-term reliance on individual wells problematic, and the availability of ample water and sewer capacity is an essential economic development resource. As a first step, this argues for a need to update the countywide study completed two decades ago.

Emergency Medical Services. Emergency Medical Response in Ulster County is in the midst of evolving from a largely volunteer to a largely paid service, with local governments assuming a significant role for covering costs. Most recently, the volunteer service in Marlborough was decertified, requiring the town to enter into a contract with a private provider. There are two basic factors driving these changes. First, there is the well known shortage of volunteers. Second, even when volunteers can be found, it takes considerable time to fully train each one to meet state standards, and to have him or her comfortably serve in response to emergencies.

The Marlborough contract provided for 12 hour per day coverage, Monday to Sunday. If the person who summons it is insured, the ambulance service's first claim for payment is to that company. The town's obligation is for uninsured person or charges beyond those covered by insurance, up to the limit of its agreement with the company.

Some communities in Ulster County have no recent experience with volunteer ambulance services. Highland also contracts with a private provider. In the City of Kingston and the Town of Ulster, emergency response has long been provided by private companies only. Hardenburgh and Denning are too thinly populated to sustain such volunteer efforts.

Payment is also used to augment volunteer service to elevate the level of care available from emergency responders. Of the sixteen community-linked ambulance corps in the county, eleven are staffed by EMT's who can provide basic life support. Just five – in Ellenville, New Paltz, Shandaken, Woodstock and Saugerties -- offer more advanced Para-Medic services. In the Saugerties area, the Diaz Ambulance Service, a not-for-profit organized in 1978 and named for its original benefactor, employs paid staff. The ambulance services in New Paltz and Woodstock, staffed primarily by volunteers, pay paramedics to maintain this higher level of service. Shandaken provides ambulance response as a municipal service, paying part-time personnel on a per call basis. Ellenville First Aid and Rescue is another example of a volunteer staff supplemented by a paid paramedic.

Volunteer services are paid for, in part, by billing costs back to insurance companies whenever this is possible. A disincentive to the continuation of companies like Hurley and West Hurley within their current governmental structure is that state law prohibits such billing. Town governments may make payments or provide in-kind services (e.g. gasoline, vehicle maintenance) to cover such costs. Given the recent trend described above, the total cost of emergency medical services to local governments is likely to increase substantially in the years ahead.

Ulster is within the Hudson Valley EMS Region. It must maintain a county EMS Council and coordinator, and develop an EMS plan for state approval. Beyond this, the county's government's modest involvement with Emergency Medical Services is linked to general responsibility for emergency dispatch and preparedness. But this service is highly valued by citizens; it is literally life-saving.

With volunteerism diminishing and costs increasing, contracting with one or more private providers may make sense. But at the same time it, may make little sense to simply contract town-by-town - to continue service delivery within traditional town government boundaries - without considering regional alternatives. The Town of Marlborough unsuccessfully sought to collaborate with the Town of Lloyd in contracting with Mobile Life for ambulance service. Examining the reasons for this outcome might help further identify the potential value of such an approach, and the barriers to it. It may be timely, too, for the county to take the lead in developing a plan through which Ulster's communities can together assure and pay for essential emergency medical response services for its citizens, delivered efficiently and effectively and paid for fairly.

Emergency Dispatch. All police, fire and emergency medical calls made to 911 are received and responders dispatched by the county Emergency Dispatch Center.⁷⁶ The volume of such calls has been steadily increasing in recent years. In 2008, this center received a total of 84,766: 41,884 for police, 17,991 for fire and 24,891 for emergency medical services.⁷⁷ The County Sheriff's department, the State Police, the Police and Fire Departments in the City of Kingston (separately for police and fire, until this year) and towns with 24 hour police services maintain their own dispatch services for calls directly received. However, the town of Woodstock recently decided to turn all fire and EMS calls over to county dispatch.

A number of counties in New York State maintain a single dispatch center for all police, fire and EMS calls.⁷⁸ This alternative has been discussed for Ulster County both within the county government, and in some municipalities. Severe budget pressures in 2009 again brought this option to the fore in some jurisdictions, for example the Town of New Paltz and the City of Kingston. Such a step is resisted by employee organizations because jobs would be lost, and by departments that wish to maintain autonomy and control. Additionally, a shift in responsibility for this function would require the county to hire additional personnel at a time that it also must reduce staffing. Thus consolidating dispatching, though it would likely result in overall savings, has not been pursued. In this, as in other areas, a fair solution may be to centralize service delivery at the level at which greatest efficiency may be achieved, while charging back some or all costs to communities actually demanding and receiving dispatch services.

Records Management. The New York State Archives is responsible for providing guidance to local governments on the management of their records.⁷⁹ By Local Law in 1986, the County Legislature gave responsible to the County Clerk, an elected official, for Ulster's records management. A state grant received in 1999 financed the completion of MARC descriptions for approximately 930 cubic feet of records and their entry into a

⁷⁶ For a discussion of the establishment of the 911 collaboration in Ulster County see Gerald Benjamin and Richard Nathan. *Regionalism and Realism* (Washington: Brookings Institution Press, 2001) pp. 209-212.

⁷⁷ See data reported for the past four years at <http://www.co.ulster.ny.us/emergencyservices/communications/stats.html>

⁷⁸ In fact, Allegany, Steuben and Schuyler Counties are considering creating a shared, multi-county regional emergency response center. See <http://www.eveningtribune.com/news/x1692321930/Consolidation-of-some-911>

⁷⁹ See Thomas D. Norris. "The Seven Attributes of an Effective Records Management System" (Albany: New York State Education Department, State Archives, Records Management Services, 2002) http://www.archives.nysed.gov/a/records/mr_pub61.pdf

Primary Archival Database.⁸⁰ At the conclusion of the grant cycle, Ulster County created a position in the budget and hired an archivist as a permanent full time employee.

In ensuing years, the creation of this position has resulted in the county being a center of expertise in the region for record preservation and management. The office of the Clerk reports that it assists both County departments and municipalities within the county with “assessment, processing and storage, retrieval and re-file of records, full micrographic services, records management consultation, general records storage and disaster planning.”⁸¹ Relationships have been established with county, city, and town historians. Recently, assistance was provided to the Town of Ulster Police Department with a Records Inventory and Planning Project, and to the library in that same town with the accessioning of the “Crosby Collection” into the Hall of Records for temporary storage.

The State Commission on Efficiency and Competitiveness recommended in its final report that the management of vital records, now handled at the city, village and town level, be moved to the county level. When interviewed, several town officials argued for the retention of this function at the town level for the convenience of citizens. The state county clerk’s association has not been supportive of moving this function.

There appears to be significant additional potential in the County Clerk’s office for advising and coordinating records management in Ulster’s municipalities, with possible financial savings and more efficient space utilization.

Recreation. Interviews for this study revealed a major commitment by the county’s municipalities to recreation programs for citizens, and especially summer camp recreation for children. Total municipal spending on recreation in Ulster County in 2007 was \$8.4 million. Of this, 10.9% (\$914,196) was county spending. Among other municipalities, spending levels ranged from \$2 million in the City of Kingston and \$1.1 million in Saugerties to \$210 in Hardenburgh and \$1,020 in Denning. The highest spending per capita (\$93.70) was in the City of Kingston. Among the towns, highest spending per capita jurisdictions were in New Paltz (\$47.81) and in Saugerties (\$32.13). **(Chart V)**

Recreation is an area where taxpayer costs are substantially diminished through the collection of fees for service. Total Spending in 2007 was offset by a total of \$1.45 million in fees collected (17.3%). Additionally in that year, state aid for recreation totaled \$1.47 million, leaving 65.2% (or 17.5%) of the overall costs to be borne by the general tax levy. Reliance upon fees has increased substantially over time. In 1996 fees (\$511,820) constituted 12.9% of the total cost of recreation (\$3,955,675); 6.9% was covered by state aid (\$248,102).

Facilities vary enormously from community to community. County facilities – the pool in New Paltz, for example – benefit residents of both the host community and surrounding towns. Rosendale’s pool is a major town resource. In an example of collaborative service delivery, New Paltz, the Town and Village share the expense of the Moriello pool and surrounding park. The Town of New Paltz maintains a BMX track and has built a new sports and recreation facility. Saugerties’s commitment to recreation programming is extraordinary. Its facilities include: 11 baseball fields (five lighted); 4 regulation size soccer fields (two lighted); 1 Olympic size enclosed refrigerated ice rink; 4 lighted tennis courts; 4 pavilions (two with full service kitchenettes); 1 conference center; 1 senior citizen’s multi-function recreational center; 3 basketball courts; 3

⁸⁰ Ulster County Clerk. *Ulster County Clerk’s Office Records Management Program: Overview of Programs services and Outreach*, Communication to Gerald Benjamin of September 4, 2009.

⁸¹ See the Clerks’ website at <http://www.co.ulster.ny.us/countyclerk/recordsmgmt.html>

playgrounds (including small world playground); 1 covered band stage; 2 covered grandstands; and 8 horseshoe pits.⁸²

Summer programs for children, though occasionally criticized as an unnecessary expense, are strongly supported in most communities. Where they have been cut back, as was the case in the town of New Paltz, there are active discussions about their restoration. In general, towns make their summer recreation program and pools available to their residents first and then to residents of adjacent communities on a space available basis, at an increased fee.

Often one town has facilities for its program – for example, a swimming pool - that another may not. Additionally, there are likely personnel associated with the summer or year round program in one town that have skills that might be useful to a neighboring community. However, there were no reports of collaboration at the governmental level between or among programs. In these circumstances, the facilities in one town might be made available on a collaborative or exchange basis with those in another, either enriching programs or reducing the cost of renting facilities or hiring specially skilled staff on a fee basis.

The County's Local Governments as Customers - Collaborating in Meeting Common Needs

A third distinct area of intergovernmental collaboration is that in which the municipality is the customer. As conventionally understood, a local government is a customer when it deals with an outside vendor to obtain goods and/or services – ranging from road materials to legal advice. But also, one part of the local government that provides services directly to citizens may be seen as the internal customer of another that supports it; thus a local highway department becomes the “customer” of maintenance or clerical personnel who do not directly fix the roads, but support those who do.

Purchasing. Collaboration in purchasing of some goods and services, “buying off the county bid,” is a well-established practice. This may also be done statewide, using the state bid. The state associations of local governments led in the establishment of the New York Municipal Insurance Reciprocal (NYMIR) through which 600 jurisdictions now purchase their insurance.⁸³ In Ulster County, Denning is the sole current municipal participant in NYMIR; two jurisdictions have participated in the past, but have ceased to do so.

The Ulster County government participates in the Municipal Electric and Gas Alliance (MEGA), a non-profit consortium established to aggregate buying power so as to reduce gas and electric costs to local governments in the state.⁸⁴ Both the county government and the City of Kingston are members of the Hudson Valley Purchasing Group, a commercial initiative of the Bidnet Company.⁸⁵ This effort is described on its website as “a group of municipal agencies located in New York's Hudson Valley Region that joined forces in March 2002 to create this Regional Bid Notification System to notify businesses of bid and contract opportunities.”⁸⁶

In 2009 fourteen municipalities in Westchester County passed resolutions to join the Northern Westchester Energy Action Coalition in order to become eligible for U.S. Department of Energy grants seeking to

⁸² See the Town website at: http://saugerties.ny.us/parks_recreation/parks.html

⁸³ See the NYMIR website <http://www.nymir.org/>

⁸⁴ See the MEGA website at <http://www.megaenergy.org/>

⁸⁵ *Interactive Procurement Technologies by Bidnet* <http://www.iptbybidnet.com/Overview/>

⁸⁶ See the Hudson Valley Municipal Purchasing Group website at <http://www.govbids.com/scripts/hvmpg/public/home1.asp>

promote conservation and efficiency that are not available to smaller jurisdictions. A first initiative is to seek resources that would allow participating jurisdictions to provide low-interest loans to homeowners, to be paid back from home energy cost savings.⁸⁷

There is some predisposition among local officials to purchase goods and services locally whenever legally possible, to support community businesses/taxpayers. Some supervisors argue that such an approach not only produces good will, but results in the timely delivery of quality service, at competitive prices. Town Supervisors in Ulster say they use the county bid for purchasing selectively, because, they say, in some particular circumstances the county does not get the best price. One idea offered is to allow any county municipality to take advantage of the county bid, or a price below that bid obtained by another local government within the county. However, such a change in practice would provide a disincentive to vendors seeking the county bid; it would also likely require changes in state law.

Medical Insurance. The 2008 Report of the State Commission on Local Government Efficiency and Competitiveness identified employee health insurance benefits as a major local government cost driver.⁸⁸ In Ulster County, the total cost of employee health insurance coverage for the county, City of Kingston, towns, villages and school districts in 2008 was \$95,542,813. **(Chart VI)** The overall increase between 1996 and 2008, driven both by higher premium costs and increased numbers of persons covered, was 211%. The greatest aggregate percentage increase was experienced by school districts; the smallest by villages. For the county, the city, towns and villages, medical insurance costs in the county were about 6% of all spending in 2007, a significantly lower proportion than that reported by the state commission for local governments statewide.

Local government leaders have struggled in recent years to reign in health insurance costs, seeking less costly alternative providers and employing techniques recommended by the state Comptroller and others.⁸⁹ A particular issue statewide, a survey by the State Civil Service Department showed, is that a significant number of local jurisdictions in New York require no employee contribution to covering the costs of their health care coverage. Moreover, where contributions are required they average only 10% of total costs.⁹⁰ From a review of the limited number of labor contracts in Ulster County provided to us by municipal governments, we found that a number of communities still pay a 100% of medical benefit costs for police, and other active employees. With few exceptions full time elected officials - town supervisors, clerks and highway superintendents -- receive medical benefits concomitant with those provided unionized employees. Health benefits are also provided to town justices in fifteen of the twenty Ulster County towns, county legislators and town board

⁸⁷ . Martin Wilbur. "Coalition Targets Federal Grants for Residents to Save Money" *The Examiner*, December 15-21, 2009, p. 6.

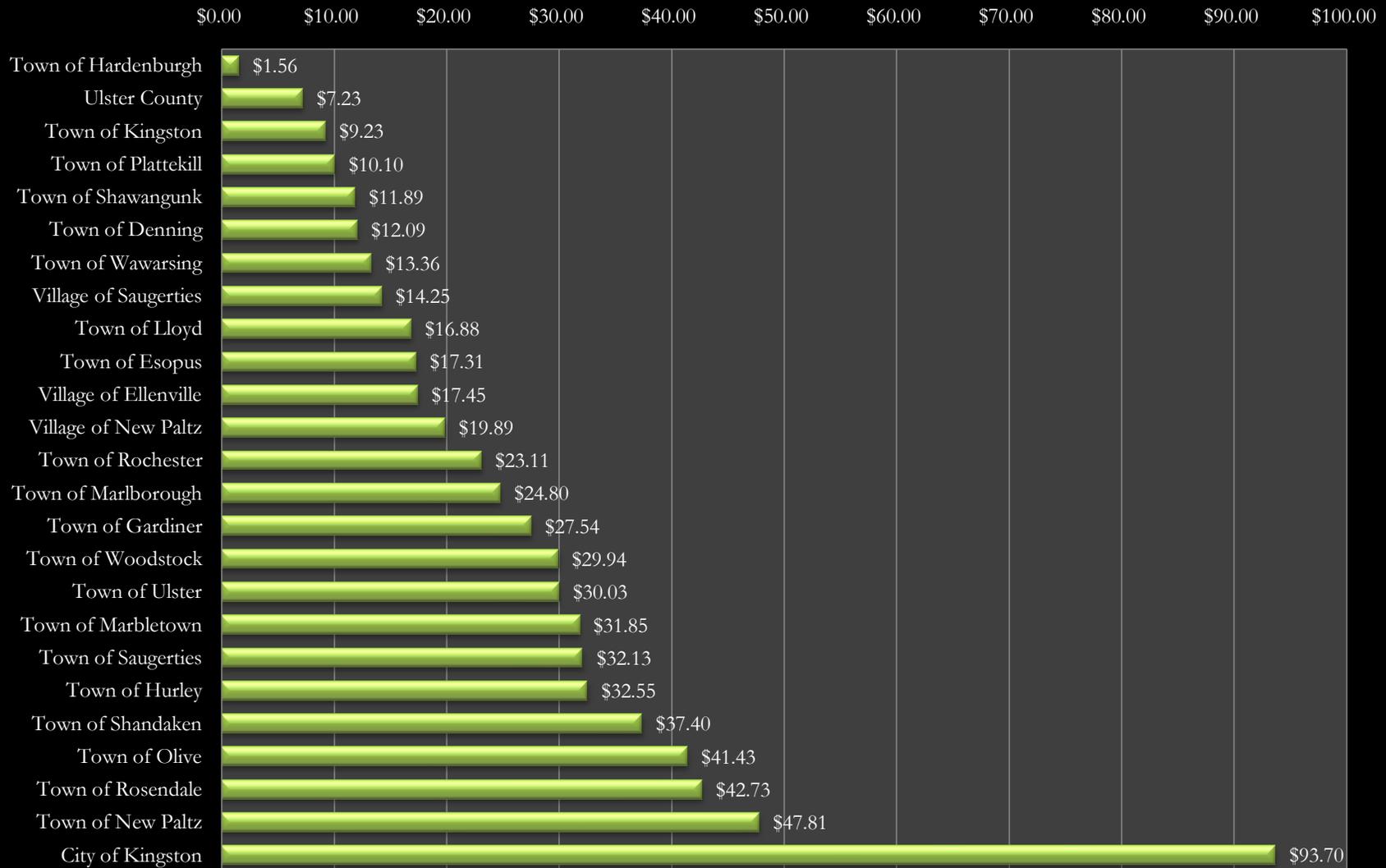
⁸⁸ Sate Commission on Local Government Efficiency and Competitiveness. *Public Employee Health Insurance Contributions*. http://www.nyslocalgov.org/pdf/Municipal_Employee_Health_Insurance_Contributions.pdf

⁸⁹ Office of the New York State Comptroller. Division of Local Government Services and Economic Development. *Containing the Cost of Employer Provided Health Insurance Benefits* (October, 2003. # 2003-Mr-5) <http://www.osc.state.ny.us/localgov/audits/swr/2003mr5.pdf>

⁹⁰ Cited in http://www.nyslocalgov.org/pdf/Municipal_Employee_Health_Insurance_Contributions.pdf

Average (1996-2007) Recreation Expenditure Per Capita

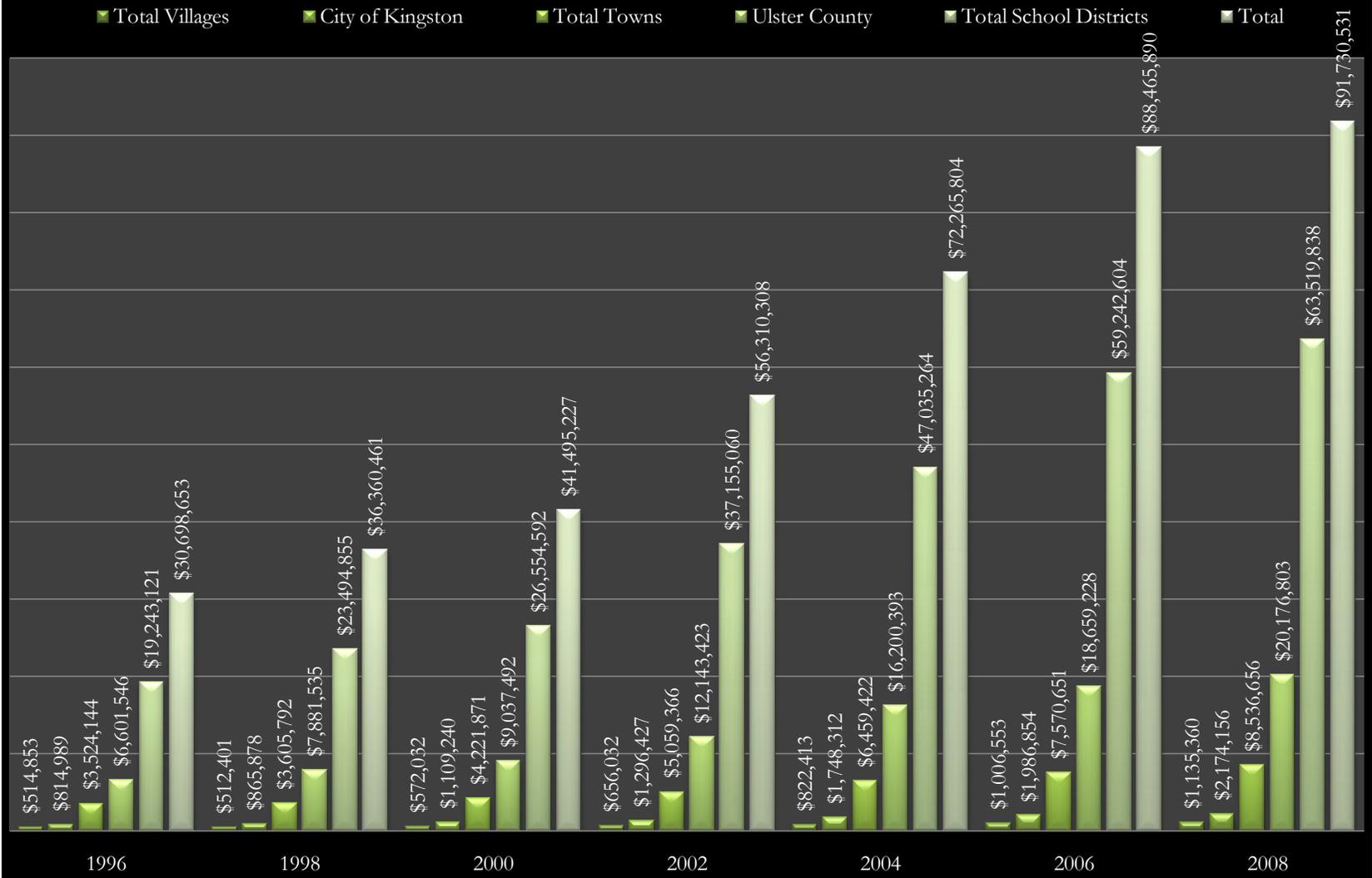
Chart V



Data Source: New York State Comptroller, Division of Local Government and School Accountability

Local Government Expenditures on Medical Insurance 1996-2008

Chart VI



Data Source: New York State Comptroller, Division of Local Government and School Accountability

members in eleven towns.⁹¹ Years of service required by elected officials for continued provision of medical benefits range from ten (Wawarsing, Shawangunk, New Paltz) to twenty-five (Denning).

There has been some effort and limited success in some towns to require greater health insurance co-payment from more recently hired employees, and retirees.⁹² Reconsidering the range of those covered, and achieving a higher level of co-payment for health insurance, must be a priority for local governments in Ulster County.

An additional looming problem is the unfunded liability facing local governments in New York for health care coverage for local employees when they retire. The United States General Accounting Office identifies “the growth in health-related costs...as the primary driver of the fiscal challenges facing the state and local government sector,” and takes particular note of “the cost of health insurance for state and local employees and retirees.”⁹³ According to a policy brief published in 2009 by the Regional Institute of the University of Buffalo, based upon an analysis of selected local governments in western New York, “Retiree health care and other non-pension benefits will create potentially catastrophic strains as leaders struggle to cover long-standing commitments to increasingly long-lived workers while reinvesting in critical assets and services.”⁹⁴

⁹¹ Data compiled on January 14, 2009 provided by James Quigley on December 8, 2010.

⁹² Health Insurance Agreements with Municipal Employees in Towns Providing Labor Contracts to this Study:

Lloyd

- PBA: MVP 20+ Plan, Town pays 85% of Premium, Part Time Employees can buy in at full cost.
- CSEA: Same Plan, Town Pays 82% of Premium plus a Health Reimbursement Account to cover co-pays and deductibles.
- PBA Dispatch: Same as PBA.

Marlborough

- PBA: Town pays Full Premium.
- PBA Dispatch: Same as PBA, but with a \$2000/year opt-out incentive.
- UPSEU (United Public Service Employees Union): MVP Health Plan NY Co-Plan 20 (w/vision). Hired prior to 2006: Town pays full premiums, after: town pays 90%. Annual buy-out incentive of \$2000 (must be covered by other insurance). Retirement: prior to 2006 hires, town pays premiums on a sliding scale ranging from 50% for 10 yrs service to 100% for 20 yrs. After 2006 hires: Town pays sliding scale from 50% for 10 yrs to 90% for 20 yrs.

New Paltz (Town)

- PBA: NYSHIP, town pays full premiums, full premiums paid at retirement after 10 years service.

Olive

- AFL-CIO: Town pays full premiums; employees who retired prior to 1984 are grandfathered into full retirement coverage, after 1984: sliding scale where employee pays 100% for 1-5 yrs, 75% for 5-10 yrs, 50% for 10-15 yrs, 25% for 15-20 yrs, and 0% after 25 yrs of service.

Saugerties

- PBA: MVP 20 w/ no reimbursement for co-pays. Hired prior to July 2002, employee pays 5%, after, employee pays 10%. Retirees after 10 yrs of service receive \$10,000 towards insurance premiums. After 15 yrs service, town pays 60% of premiums until the retiree is eligible for Medicare.
- Highway Dept: same as PBA.
- Highway Dept (Teamsters): Same as PBA.
- Non-Represented Employees: Hired prior to 1997: town pays 100% of premiums, after: town pays 90% of premiums. \$1000 annual buy-out incentive.
- CWA: same as PBA, but with \$1000 annual buy-out incentive.

⁹³ United States Government Accountability Office. State and Local Governments. *Growing Fiscal Challenges Will Emerge during the Next 10 Years* (Washington: GAO, January 2008, GAO-08-317) <http://www.gao.gov/new.items/d08317.pdf>

⁹⁴ University of Buffalo Regional Institute. *The End of Local Government As We Know It?* (Buffalo, the Institute, Policy Brief, January, 2009) http://www.regional-institute.buffalo.edu/Includes/UserDownloads/UBRI%20Policy%20Brief_Jan09.pdf

Success in achieving change has been limited. Budgeting by localities to meet future unfunded liabilities is impractical in the current fiscal environment. In almost all Ulster County's municipalities, health care costs have been subject to collective bargaining, and employee representatives fiercely resist diminution of benefits or sharing the costs of coverage. A recommendation by the State Commission on Local Government Efficiency and Competitiveness that the state mandate a minimum employee contribution for health care coverage has thus far received no support in the legislature.

Local governments have been able to join the New York State Health Insurance Program (NYSHIP) since the year after its founding. According to the state Civil Service Department, by 2008 about 800 had done so.⁹⁵ However, local leaders in Ulster indicated in interviews that this was not always the least costly option for them. A survey done for the Connecticut state legislature indicated that joining this program was more likely for New York's localities in the higher cost, downstate region.⁹⁶ In 2009 in Ulster County, the City of Kingston, two villages, six towns, four school districts, the Kingston and Ellenville Housing Authorities and the Kingston Water Department were participants in NYSHIP.⁹⁷

Intergovernmental municipal self insurance consortia that allow stabilizing or reducing costs and sharing risk are permitted under state law in New York, but until recently all ten active in New York State served school districts and BOCES, not general purpose governments, and were created before the passage in 1994 of the financial reserve, minimum size and minimum number of participating municipality requirements now found in Article 47 of the Insurance Law. Moreover, New York Insurance Law required that any municipality with fewer than 50 employees, or any "Multiple Employer Trust" that included such a small municipality, have a "community rated" rather than a less costly "experience rated" health plan.⁹⁸ However; with a 2007 grant from the SMSI Program in the Secretary of State's Office, and the cooperation of the State Insurance Department, Tompkins County's 17 municipalities, working through the County Council of Governments, undertook to establish a health benefits consortium. This not-for-profit consortium seeks to maintain benefits for all participants while spreading risk, lowering administrative costs, avoiding commissions, gaining benefits from the investment of funds in reserve accounts, and making cost increases smaller, more predictable and more timely (referent to local budget processes). The consortium, governed by a board made up of local government officials and administered under contract by a third party, began operations in January 2010.⁹⁹

⁹⁵ New York State Department of Civil Service. *New York State Health Insurance Program*. <http://www.cs.state.ny.us/nyship/nyship.cfm>

⁹⁶ John Moran and Ryan F. O'Neil. "Impact of Pooling State and Local Employee Health Insurance in Other States" Connecticut General Assembly, Office of Legislative Research, OLR Research Report, (2008-R-0463) August 29, 2008. search.cga.state.ct.us/dl2008/rpt/doc/2008-R-0463.doc

⁹⁷ The villages were New Paltz and Ellenville. The towns were Lloyd, New Paltz, Wawarsing, Shawangunk, Hardenburgh, and Ulster. The school districts were New Paltz, Highland, Wallkill and West Park.

⁹⁸ See NYS commission on Local Government Efficiency and Competitiveness. "Cooperative Health Insurance Purchasing: Article 47 Impediments" http://www.nyslocalgov.org/pdf/Cooperative_Health_Insurance_Purchasing.pdf

⁹⁹ Michael Koplinka-Loehr "Vision: Create One Cost-efficient Inter-municipal Shared Health Benefits Plan Without Diminishing Benefits" *NYSAC News* (Spring, 2009) http://www.nyslocalgov.org/pdf/Cooperative_Health_Insurance_Purchasing.pdf see also. Office of the New York State Comptroller. Division of Local Government and School Accountability. *Shared Services Among New York's Local Governments* (November, 2009) p. 11.. <http://www.osc.state.ny.us/localgov/pubs/research/sharedservices.pdf>

Ulster County has been gathering three years of experience data to inform consideration of becoming self-insured for the provision employee health insurance benefits. Unfortunately, the lack of availability of similar data for the county's other local governments blocks their inclusion in the planning for such an option. But changes in state insurance law passed in special legislative session in November of 2009 lowered from five to three the minimum number of municipalities needed to establish a cooperative health benefit plan and required insurers to provide three years of claims experience to any such jurisdiction seeking it, if that place is considering creating or joining such a plan. Also, the state insurance department was directed by law in 2009 to study two key matters: the impact on the community-rated health insurance market of letting municipalities with 50 or fewer employees join with larger places to buy experience rated policies; and the actual impact of municipal health cooperative health benefit plan reserve requirements.¹⁰⁰

The expenditure of nearly \$100,000,000 annually for insurance premiums by governments in the county suggests the potential value of exploring the possibility of a cooperative health benefit plan based upon actual claims experience for all the county's local governments. In this, as in a number of other areas of policy reviewed in this report, the presence in the county of a well established entity -- similar to the Tompkins' County Council of Governments -- appears desirable as a place for the collective consideration of change, and a catalyst for action.

Workers Compensation. Under state law passed in 1976, at a time that obtaining coverage was difficult and expensive, state law authorized a county to self insure for workers compensation, so long as at least one other municipality within its borders joined with it. All cities, towns and villages within the county might join. The law also provided that "any contract agency or contract association with the approval of the county government and any other public corporation" might participate in the plan except those excluded by local law or regulation.¹⁰¹

Ulster County passed a local law in March of 1979 to take advantage of this opportunity.¹⁰² Currently all general purpose local governments in the county, seven school districts, thirty fire districts, the Ulster County Community College and Ulster County Office Employment and Training participate in this self-insurance plan. This makes self-insurance for Workers Compensation the most participatory, comprehensive collaborative program in Ulster County. Costs are allocated to participating governments based upon a formula that takes into consideration both a community's loss experience and the assessed value of the property within its boundaries. Each participating government is obligated by law to pay annually into program reserves until the required reserve fund equals the plan's claim liabilities. In March, 2008 the reserve fund was \$14,614,466.30; total outstanding liabilities were \$26,854,962.¹⁰³

Any participating government may withdraw from the workers compensation self-insurance plan by stating its intention to do so by the first of July antecedent to the fiscal year in which the withdrawal would become effective. According to two town supervisors, their town's involvement in this program is more costly than if it obtained workers compensation insurance on the private market. (They did not, however, provide quotations or other data to support this argument.) Withdrawal from the self-insurance plan requires payment of a municipality's unfunded portion of the claim liabilities in a lump sum, unless the County Executive

¹⁰⁰ Senate Bill #2, Assembly Bill #2, November 10, 2009. See also Bill Memorandum. Governor's Program Bill #95 of 2009.

¹⁰¹ Workers Compensation Law. Article 5. Section 62.

¹⁰² Currently *Ulster County Administrative Code*. Section A44-3.

¹⁰³ Memorandum of Paul J. Hewitt, Ulster County Commissioner of Finance to Chief Fiscal Officers of Participating Governments, March 30, 2009.

approves partial payments in installments. The lump sum requirement is a significant barrier to participating government leaving the plan.

In recent years five fire districts seeking to leave the plan entered into litigation with the county government. They argued that the county's original local law provided for fire district coverage through towns, not through their direct participation in the plan. This direct participation later solicited by the county, they said, resulted in "double billing" for fire district coverage. The county demonstrated to the satisfaction of the courts, however, that though direct participation by fire districts was indeed not authorized in the local law, double billing did not in fact occur. Negotiated settlements resulted in four fire districts ceasing their participation in the county plan. Settlement of litigation undertaken by the Port Ewen Volunteer Fire Department is still pending.¹⁰⁴

The County's Insurance officer is responsible for administration of all programs and activities having to do with insurance, including the Workers Compensation plan. The Ulster County plan is self-administered, unlike some other county plans that rely on a third party administrator and that have recently come under considerable criticism by the state Comptroller.¹⁰⁵ Participating governments' payments cover all administrative costs. The county reports that claims are thoroughly considered by its staff of four full-time examiners, and all state requirements and deadlines for actions and payments are met. New software, specially designed to support public workers compensation programs, is currently being installed to improve the efficiency of operations.

Technology and Information Services. There is a growing movement for the county government to become the provider of information and support services for municipalities within it. This is already the practice, as noted, for the maintenance of property tax records and property tax billing. With seed funding from State Senator John Bonacic, Marbletown approached the county to enhance its GIS capability. The result is an Internet-based system that incorporates data supporting a range of studies submitted to the town for real time use in a multiplicity of areas, including planning, zoning and highway management. Efforts are under way to extend the inter-municipal agreement between the county and Marbletown for GIS services, provided at a modest fee, to other Ulster municipalities. This would provide a cost effective response to a felt need: for example, GIS support was requested in our interview with the Supervisor of the Town of Marlborough.

The county Criminal Justice Coordinating Council has been seeking funding for the development of a common database for all governments and agencies involved in the county's criminal justice system. Police agencies within the county are meeting on the establishment of a shared data base supported by the county. Clearly, other back office support functions now provided by localities themselves, or contracted to private providers – e.g. check writing, bookkeeping, electronic record keeping – could be done by contract with the county. Towns' supervisors are interested in a common budgetary format and data base that would allow them to improve management by making inter-jurisdictional comparisons of program costs. There are other possibilities in areas ranging from vehicle repair and maintenance to the provision of professional support for labor contract negotiation.

Contracting for a range of services with and through the county might reduce the costs of all governments involved by gaining the benefits of standardization and efficiencies of scale. Participating municipalities might

¹⁰⁴ Telephone interviews by Gerald Benjamin with Howard Raab, September 15, 2009, Attorney for the Fire Districts and Michael Catellinotto, Jr., October 6, 2009 Attorney for the County.

¹⁰⁵ Office of the New York State Comptroller. Division of Local Government and School Accountability. *Policies and Procedures of County Self-Insured Workers' Compensation Plans, 2007-MR-3* (December, 2007)

gain in other ways. Through intergovernmental contracting, costs of services beyond the short term might become more predictable, making planning easier. Time and effort would be saved if many localities were relieved of the need to prepare RFPs and go through a bidding process. Internal controls might also be enhanced. Responsiveness to local needs might improve over that provided by a distant vendor, and thus system downtime reduced.

In fact, there is a model in place in the relationship between Boards of Cooperative Educational Service (BOCES) and their member school districts. The Mid-Hudson Regional Information Center at Ulster BOCES provides technological services for 48 school districts and three other BOCES in the region, including work in such areas as accounting and payroll management. Through BOCES Instructional Technology, member districts may access “basic service desk support, troubleshooting, computer repair/maintenance, technical assistance for maintaining infrastructure, technology purchasing, hosting applications that support districts’ networks and integration and support of IP phone technology. Internet related services... are also available.”¹⁰⁶ A recent survey of her constituents in Westchester County done by Assemblywoman Sandra Galef showed that citizens there were most supportive of BOCES serving municipalities as well as schools.¹⁰⁷ However, there are legal and regulatory impediments to such a step that may only be addressed at the state level.

If the county assumes the role with general purpose municipal governments that BOCES performs for member school districts, there might be some concern among potential partners about loss of local control, and excessive centralization. But support services may be centralized, while decision making and service delivery remain decentralized. This is already true for property tax administration. Indeed, this kind of thinking might result in further decentralization of some functions from the county to the city, towns and villages – for example, voter registration.

Shared Space. Esopus, Saugerties, Gardiner and Hardenburgh all have recently built town halls; Shawangunk has just broken ground for new facilities. However others – Rosendale, Marlborough, Marletown and the Town New Paltz - face severe office space needs. Some are being quite creative in seeking to meet this need. For example, the Town of Rosendale is encouraging the inclusion of a “new town hall with small conference room facility” in developers’ proposal for the Creek Locks Commons Redevelopment.¹⁰⁸

Individual governments almost always consider office space requirements (and other space requirements as well, for example salt sheds and vehicle repair facilities) without coordination with overlapping or adjacent jurisdictions. Additionally, the county government rarely co-locates its regional activities with town facilities – if for no other reason than for lack of space. A county-wide survey of space needs and master plan, periodically updated, would allow the identification of areas for potential collaboration and co-location, easing the financing and development of needed new facilities, reducing overall capitol costs, and potentially creating regional “government centers” within the county to facilitate one-stop citizen access to governmental services.

¹⁰⁶ Ulster BOCES. *Proposed Budget, 2009-2010*, pp. 28 and 32. Quote on page 28.

¹⁰⁷ Assemblywoman Sandra Galef. “Results of Shared Services Questionnaire” (September 8, 2008) http://assembly.state.ny.us/member_files/090/20080902/

¹⁰⁸ Town of Rosendale. “Town of Rosendale Request for Statement of Interest and Qualifications, Creek Locks Commons Redevelopment” (November 14, 2006, typescript) p. 6.

Summary and Recommendations

DRAFT: March 21, 2010

Intergovernmental Collaboration in Ulster County:

Patterns, Principles, Recommendations

Existing Collaborations: Currently, intergovernmental collaboration in Ulster County is both formal and informal. Our inquiry revealed that collaboration between and among municipalities through formal intergovernmental agreements was less extensive than we expected. For highways, the service area in which agreements were most numerous (discussed in detail in Special Study A) informal agreements prevailed. Intergovernmental collaboration was far more frequent between two jurisdictions than among more than two. Nested jurisdictions – villages within town, towns within the county – were more likely to work together in a number of ways than were side by side jurisdictions. Collaboration between municipalities and school districts is minimal.

Towns and Villages: Apart from the “required collaborations” between the county government and Ulster’s other general purpose governments discussed in this report, the most structured local municipal interactions are between villages and the towns in which they are located. There is some shared delivery of services. However; in all three cases each institutional party in these interactions reports ongoing tensions, based upon clashing values, different priorities, conflicting constituencies or interpersonal differences.

- **The proposed study on the relationship between the town and village of New Paltz, jointly applied for by both governments and funded by the Secretary of State’s office, but has not yet been initiated. It should be expeditiously launched.**
- **There was interest expressed in potential areas of collaboration by leaders in both the Town of Wawarsing and the Village of Ellenville. These two jurisdictions might consider seeking state funding for a study similar to that being undertaken by the Town and Village of New Paltz. The successful New Paltz application provides a ready template for such an application.**

The County Role: For collaboration to work in the future as a broad scale strategy,

- **The county government must come to understand itself as not only a service provider, but as facilitator of connections and efficiencies for all governments within the county.**

Initiatives that the county has already undertaken under current leadership, for example in the areas of storm water management, indicate that this fundamental change is, in fact, already occurring.

Proper Allocation of Costs and Functions: In required collaborative intergovernmental relationships,

- **The costs and revenues connected with the service, function or activity should be reasonably shared among the participating governments. Determining the proper allocation of costs and revenues across functions for which responsibility is shared is a major, needed, cost accounting task.**

Cost shifting from one government to another results in no real savings and must be avoided. The allocation of duties among the collaborating governments should be done to assure economic, efficient, effective performance of the function or delivery of the service. Bigger is not always better. In considering change, the *net benefits* for citizens must be sought.

Collaboration Required in the Routines of Government: The county government is, in fact, at the center of a complex collaborative web as it conducts its daily business both as an agent of the state and an autonomous actor. For example, the administration of both the property tax and sales tax is clearly collaborative. So is the process for the delivery of sanitation services. As noted, the County Civil Service department oversees the operations of civil service in nearly all local governments within the county. The county planning board is comprised of representatives of municipalities. Ulster County is unique in that its towns and city have financial responsibility for a portion of the social services safety net. Towns must collect taxes for fire and library districts. Fire coordination, police dispatch, disaster planning and emergency medical services at the county level are all collaborative in structure and operation.

Assessment: Assessors are town, city or (for Ellenville) village employees. The costs of doing and defending assessments are borne by the governments that employ the assessors, even though all who use the resulting tax rolls benefit from the work. A 2009 study of assessment in Ulster County considered continuing the status quo and four alternatives. In general, annual costs of all alternatives were shown in this study to exceed those of continuing with the status quo. Moreover, one time startup costs for all alternatives are shown to present a major barrier.

- **A review of Ulster County suggests that the benefits of alternative approaches to assessment may be under estimated, while the costs are over estimated.**
- **Current assessment practices in Wawarsing seriously disadvantage property owners in the Village of Ellenville. If equity in assessment were achieved in the town, there would be no reason for the continuation of the assessment function in the Village of Ellenville.**

Sales Tax Sharing: Because The City of Kingston may levy the sales tax independently under the law in New York State, the county must reach agreement with the city to levy this tax uniformly within its boundaries. However; the county is under no legal obligation to share any of this revenue with the towns, and does so at its own discretion. Counties' sales tax sharing practices vary extensively from jurisdiction to jurisdiction. Some are more generous than Ulster; others share none of these resources.

Civil Service and Human Resources Management: The Ulster County Personnel Director must oversee all human resources functions for the county. Both county personnel and town supervisors indicate that satisfaction varies at the municipal level with the administration of the civil service system.

- **There is no compelling case for the continuance of the Kingston City Civil Service Commission.**
- **Consolidating Ulster County's civil service activities at the county level, and mechanizing them to improve system performance, is desirable.**

However, this would require a significant investment and additional staffing. Therefore:

- **State law and regulation should be changed so that the costs of the county civil service system should be distributed equitably among the municipalities and school districts that use it.**

Collective Bargaining. Currently, in Ulster County, workers in all but two municipalities are represented by labor unions. Organized workers bring statewide expertise to the bargaining table, while localities must incur additional costs to retain it. Moreover, relatively large numbers of smaller negotiations likely have the effect of ratcheting up costs in adjacent jurisdictions.

- **Consideration should be given to permitting the creation of a county-wide consortium to provide expertise for local governments in public employee labor negotiations. Such an initiative might both reduce consulting fees and the rate of increase in growth of local government labor costs. This expertise might be made available as part of a circuit rider program under the aegis of a Council of Governments recommended for consideration elsewhere in this report.**

Fire Districts and Town Oversight: Fire district property taxes, like the county's levy, are collected by the towns. Effective oversight of fire district financing and governance appears to be needed.

- **A change in state law is needed that would allow towns to review and alter fire districts budgets, as they do levies for highways.**
- **Collaborative contracting to purchase equipment might also produce economies.**

Sanitation Services: General purpose government spending for sanitation services in Ulster County totaled \$17.7 million in 2007. Additionally, \$13.7 million was spent by the Ulster County Resource Recovery Agency (UCRRA), a public authority established in 1986 to develop, finance and implement a comprehensive solid waste management program in the county.

Sludge: In 2007, the City of Kingston entered into a fifteen year agreement with Aslan Environmental Services to build a system that used methane generated by its sewage treatment plant to dry sludge and convert it into pellets that may be used as fertilizer or fuel. Anticipating the prospect of growth, the Kingston sludge treatment facility was built to accommodate twice the capacity of the Kingston sewer treatment plant. The Executive Director of that agency, Michael A. Bemis, estimated in an interview that

- **\$125,000 per year might be saved if investments were made that allowed sludge from other jurisdictions now take elsewhere could be brought to Kingston.**

Storm Sewers: Under the leadership of the then county administrator (now the county executive) in 2007, Ulster County developed an innovative approach to pooling municipal resources to meet MS4S regulatory requirements. According to one estimate, this collaborative effort saved participating governments a total of \$600,000.

- **County government intends to seek funding in support of the development of a formal intermunicipal agreement in storm water management. This will open the way for cost-saving collaborative action in reporting, equipment acquisition, mapping and the education of citizens, community leaders and key local government personnel.**

Solid Waste: When all expenses are included, solid waste transfer stations in Ulster County generally operate at a loss. The 1995 solid waste agreements among the Towns of Woodstock, Saugerties and Shandaken provide an early model that all participants regard as successful. The New York State Comptroller's 2009 *Annual Report on Local Government* notes that: "In localities where residents contract individually with private refuse haulers, numerous audits and reports indicate that local governments can realize substantial savings for their residents by contracting for refuse collection on their behalf." Pursuant to this idea,

- **Groups of Ulster County towns might join together regionally to contract with a single private carter for roadside pickup of solid waste. An incentive for recycling might be built into this contract, as it has been with success in other communities. Carters could then take the waste directly to one of the two UCRRA regional transfer stations, eliminating most of the need for town stations and the transportation costs now incurred by towns. Town stations might then be operated at a much reduced schedule at far lower cost.**

Cost-saving models are proposed for two groupings of towns: Wawarsing, Rochester and Marbletown and Shawangunk, Plattekill and Marlborough.

Social Services: In Ulster, unlike in other counties in New York State where the remaining local responsibility for public assistance has been shifted to the county level, towns and the City of Kingston cover this local share. The county government, as an agent of the state, determines the eligibility of a person for assistance and establishes where he or she lives.

- **Safety net administration and financing is another instance in which decisions are made by one government that impose costs on another; a sorting out should be considered, with the county assuming this function as part of an overall readjustment of responsibilities.**

Delivering Services Together

Collaborative delivery of highway and justice court services is the focus of two major reports done in connection with this research.

Highways: Highway and road construction, operation and maintenance is a responsibility of all general purpose local governments in Ulster County. Total spending for highways in the county in 2007 was \$41,540,711.

- **Extensive recommendations for intergovernmental collaboration to substantially reduce costs of highway maintenance are a major focus of this report, and are separately summarized below as part of Special Study A.**

Justice Courts:

- **Extensive recommendations for intergovernmental collaboration in the local justice system are a major focus of this report, and are separately incorporated in Special Study B.**

Planning and Economic Development: Two primary recommendations are made in the focused report for these areas. They may be adopted as discrete alternatives, or together as a comprehensive approach to integrating planning and economic development in Ulster County. Drawn from Special Study C, they are further summarized below.

- **Create “Circuit Riders” for planning and/or code enforcement services.**
- **Implementing *Ulster Tomorrow* through a coordinated Economic Development System using a Council of Governments**

Police: Spending for police by local governments in Ulster County in 2007 totaled \$26,084,096. Of the sixteen police departments in the county, one each were maintained by the county and city governments, two by village governments and the rest by towns. The remainder of towns had no police departments. Saugerties has both village and town police departments. This pattern of service delivery regularly raises issues of equity in the distribution of cost and benefits. A survey by the International City and County Management Association done in 2006 shows that in the United States there are, on average, 2.12 police officers per 1,000 people in localities with populations between 10,000 and 24,999. Counting full-time sworn officers only, this ratio was exceeded in 2007 Ulster County by the City of Kingston (3.27), and the Towns of New Paltz (3.07) and Ulster (2.23).

- **There may be opportunities for savings from a review of police staffing in the City of Kingston, and the Towns of New Paltz and Ulster.**
- **A merger of the town and village police departments in Saugerties has now been approved by voters.**
- **Contracting for police services from an overlapping or adjacent jurisdiction, is a common pattern across the country for reducing costs while leaving control of the level of service with the contracting locality, and might also be considered.**

Water: Water is a regional resource; it is not constrained by municipal boundaries, nor amenable to proper management within them. It is, therefore, a natural candidate for intergovernmental collaboration. In a time of growing scarcity across the world, New York’s rich water resources, especially in the Hudson Valley, are central to our environment heritage and the key to our future economic viability. Ulster County, a custodian of a main part of the NYC water system, has within it four municipal systems – the City of Kingston and the three villages - and fourteen that are organized as special districts within towns. In addition, Hurley is served by a private water company. Considerable inter-jurisdictional collaboration for the use of water is already in place. Yet aging infrastructure needs attention. A 1970 study proposed the development of six integrated water supply areas to meet projected needs for Ulster County. In a 1989 study, the prospect was raised of integrating existing water systems in two sub-regions of the county, the southeast (New Paltz, Lloyd,

Marlborough, Newburgh) and along the Thruway corridor (Kingston, Ulster and Saugerties). Additionally, the 1989 study identified potential long-term water supply issues in Gardiner, Shawangunk and Plattekill. Action is very costly, and has not been taken. The availability of ample water is an essential environmental asset and economic development resource. At minimum,

- **There is a need to encourage additional intergovernmental collaboration in the delivery of water to our communities, and for updating the county-wide water study completed two decades ago, integrating municipal, environmental and economic development goals and needs.**

Emergency Medical Services: Emergency Medical Response in Ulster County is in the midst of evolving from a largely volunteer to a largely paid service, with local governments assuming a significant role for covering costs. With volunteerism diminishing and costs increasing, contracting with one or more private providers may make sense. But at the same time it makes little sense to simply contract town-by-town (to continue service delivery within traditional town government boundaries) without considering regional alternatives.

- **It is time for the county to take the lead in developing a plan through which Ulster's communities can together assure and pay for essential emergency medical response services for its citizens, delivered efficiently and effectively and paid for fairly.**

Emergency Dispatch: All police, fire and emergency medical calls made to 911 are received and responders dispatched by the county Emergency Dispatch Center. The County Sheriff's department, the State Police, the Police and Fire Departments in the City of Kingston (separately for police and fire, until this year) and all towns with 24-hour police services maintain their own dispatch services for calls directly received. A number of counties in New York State maintain a single dispatch center for all police, fire and EMS calls.

- **Consolidating dispatching has been discussed in Ulster. Though it would likely result in overall savings, it has not been pursued, in part because it would shift costs to the county. In this, as in other areas, a fair solution may be to centralize service delivery at the county level for greater efficiency, while sharing costs among communities actually demanding and receiving dispatch services.**

Records Management: By Local Law in 1986, the County Legislature gave responsibility to the County Clerk for Ulster's records management. The office of the County Clerk reports that it assists both County departments and municipalities within the county with "assessment, processing and storage, retrieval and re-file of records, full micrographic services, records management consultation, general records storage and disaster planning."

- **There appears to be significant additional potential in the County Clerk's office for advising and coordinating records management in Ulster's municipalities, with possible financial savings and more efficient space utilization.**

Recreation: Interviews for this study revealed a major commitment by the county's municipalities to recreation programs for citizens, and especially summer camp recreation for children. However; there were no reports of collaboration at the governmental level between or among programs.

- **The facilities in one town might be made available on a collaborative or exchange basis with those in another, either enriching programs or reducing the cost of renting facilities or hiring specially skilled staff on a fee basis.**

The County's Local Governments as Customers - Collaborating in Meeting Common Needs

A third distinct area of intergovernmental collaboration is that in which the municipality is the customer. As conventionally understood, a local government is a customer when it deals with an outside vendor to obtain goods and/or services – ranging from road materials to legal advice. But also, one part of a local government that provides services directly to citizens may be seen as the internal customer of another that supports it.

Purchasing: Collaboration in purchasing of some goods and services, “buying off the county bid,” is a well-established practice. This may also be done statewide, using the state bid. Also, some localities in the county participate in statewide or regional cooperatives for purchasing. Town Supervisors in Ulster say they use the county bid for purchasing selectively, because, they say, in some particular circumstances the county does not get the best price.

- **One idea offered is to allow any county municipality to take advantage of the county bid, or a price below that bid obtained by another local government within the county. However, such a change in practice would provide a disincentive to vendors seeking the county bid; it would also likely require changes in state law.**

Medical Insurance: In Ulster County, the total cost of employee health insurance coverage for the county, City of Kingston, towns, villages and school districts in 2008 was \$95,542,813. Local government leaders have struggled in recent years to reign in health insurance costs, seeking less costly alternative providers and employing techniques recommended by the State Comptroller and others. An additional looming problem is the unfunded liability facing local government in New York for health care coverage for local employees when they retire.

- **Reconsidering the range of those covered, and achieving a higher level of co-payment for health insurance by employees, must be a priority for local governments in Ulster County.**

Ulster County has been gathering three years of experience data to inform consideration of becoming self-insured for the provision employee health insurance benefits. Unfortunately, the lack of availability of similar data for the county's other local governments blocks their inclusion in the planning for such an option. But a change in state law this year may open the door to such collaborative action. Tompkins County's seventeen municipalities, working through the County Council of Governments, undertook to establish a health benefits consortium that will begin operation in 2010.

- **Ulster's governments should explore the viability of creating a health benefits consortium. For health insurance, as in a number of other areas of policy reviewed in this report, the creation of an entity similar to the Tompkins' County Council of Governments -- appears desirable as a catalyst for achieving savings.**

Workers Compensation: Currently all general purpose local governments in Ulster county, seven school districts, thirty fire districts, the community college and Ulster County Office Employment and Training participate in the county's self-insurance plan. This makes self insurance for Workers

Compensation the most participatory, comprehensive collaborative program in Ulster County. According to two town supervisors, their town's involvement in this program is more costly than if it obtained workers compensation insurance on the private market. (They did not, however, provide quotations or other data to support this argument.) Withdrawal from the self-insurance plan requires payment of a municipality's unfunded portion of the claim liabilities in a lump sum, unless the County Executive approves partial payments in installments. The lump sum requirement is a significant barrier to a participating government leaving the plan. The county reports that claims are thoroughly considered by its staff of four full-time examiners, and all state requirements and deadlines for actions and payments are met. New software, specially designed to support public workers compensation programs, is currently being installed to improve the efficiency of operations.

- *Technology and Information Services:* There is a growing movement for the county government to become the provider of information and support services for municipalities within it. Support services may be centralized, while decision making and service delivery remain decentralized. This is already true for property tax administration.
 - **Back office support functions now provided by localities themselves, or contracted to private providers – e.g. check writing, bookkeeping, electronic record keeping – could be done by contract with the county.**
 - **Collaborative data bases for specific service areas should be further developed or created.**
 - **Town supervisors are interested in a common budgetary format and management information system that would allow them to improve local government performance by allowing inter-jurisdictional comparisons of program costs.**
 - **There are possibilities too in areas ranging from vehicle repair and maintenance to the provision of profession support, as previously noted, for labor contract negotiation.**

Shared Space: Individual governments almost always consider office space requirements (and other space requirements as well, for example salt sheds and vehicle repair facilities) without coordination with overlapping or adjacent jurisdictions. Additionally, the county government rarely co-locates its regional activities with town facilities – if for no other reason than for lack of space.

- **A countywide survey of local government space needs, periodically updated, would allow the identification of areas for potential collaboration and co-location, easing the financing and development of needed new facilities, reducing overall capitol costs, and potentially creating regional “government centers” within the county to facilitate one-stop citizen access to governmental services.**

Appendix A - Achieving Collaboration – Some Guiding Principles

A review of early experience under the New York State Department of State's SMSI program indicated the conditions under which intergovernmental collaboration was most likely to occur, and identified the principal barriers to collaboration.¹⁰⁹ It found that achieving collaboration requires:

Local Leadership. Local government elected officials and administrative staff must take initiative in identifying opportunities and pursuing alternatives for inter-local cooperation if it is to occur. Without this initiative and action, opportunities remain unexplored.

Encouraging Engagement. Proponents must foster an environment in which the need for change is embraced by and ideas for change are rooted in the community/communities considering collaboration or consolidation. In most instances the community will have the final say, either sooner (referenda) or later (future elections of local leaders). This engagement can help local leaders link proposed action to the underlying problems of service delivery, cost and taxation for community members. Engagement can also help to address the common responses from citizens that local leaders are “presenting a solution where there is not a problem” or that “cost savings are overestimated” or that “they will yield unacceptable changes in the services delivered.”

Create a Venue Where Collaboration is a Core Focus. The venue may be a regular meeting of officials from several governments to discuss common problems and seek shared solutions or the formation of a formal organization -- a Council of Governments or collaboration council. Even when there are not immediate collaboration opportunities, such a venue provides the opportunity to build relationships and understand the needs and capabilities of potential local partners. These kinds of linkages, and regular communication over time, make it possible to take advantage of opportunities that may arise from as a key retirement or a joint need for new equipment or facilities.

Experts. Third party experts are important in pursuing intergovernmental collaboration. Properly used, consultants may disarm the argument that one or another of the officials involved in seeking change is pursuing a personal agenda (or vendetta). A key potential role of the outsider in these efforts, and one that has been less specified, is as a neutral stipulator of facts. It is also important to insist that consultants report in a manner that is not pre-emptive of local choice.

It's About Collaboration, Not Control. Larger jurisdictions have the resources to lead. In several cases, school districts and counties were far bigger in budget size and staff than the localities with which they sought to collaborate. But disparities in size and capacity may raise fears about being subordinated. Larger governments must be mindful that successful collaborations can only result if the process is neither actually nor apparently controlled by the larger partners. In several cases larger partners were willing, as an act of enlightened self interest, to spend their own resources to help create and launch a collaborative structure. Whether larger or smaller, the failure to consult and gain agreement can be a fatal blow for working together, even when action is urgent. It is important for those interested in change to make time their friend – use it to prepare, plan, act incrementally and mitigate potential opposition to change from those most affected.

¹⁰⁹ This summary draws extensively from and paraphrases an essay by Gerald Benjamin, Michael Hattery and Rachel John on “Lessons on sharing services from the first two years of the SMSI Program: The Highlights”. NYSBA Government, Law and Policy Journal 9.2 (2007): 69-72.
http://www.nysba.org/AM/Template.cfm?Section=Government_Law_and_Policy_Journal&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=15050

Constituencies for Change. Collaboration can be legitimized through the support of key community players. Chambers of Commerce and local media, for example, are usually enthusiasts of consolidation or collaboration because of what they regard as its self evident economic logic. There are no examples of media opposition to consolidation or cooperation in the SMSI cases reviewed for the 2007 report. The positive effects of a collaboration may reach far beyond the jurisdictions actually entering into a formal agreement, e.g. other county or state units that will benefit from using a new joint fueling facility. Consider who those other beneficiaries might be and draw them into a supportive role.

Pick Low Hanging Fruit. Look for win-win opportunities that minimize change and conflict, and have a demonstrable impact or benefit. Use successes in these areas to build trust and understanding for bigger and more difficult to achieve opportunities in the future.

Get Started: Avoid Veto Situations. Requiring that all potential partners sign on before collaboration begins gives any single municipality a veto. If the most committed jurisdictions get started, others may join later. As we will see below, two party agreements are most common; multiparty actions are most difficult.

This previous work also showed that it is important to identify barriers to collaboration early, so as to avoid pitfalls or develop plans to overcome them. For example:

Ethical Behavior is Essential. Self-interested behavior by decision makers, or even its appearance, will likely sink collaborative efforts.

Be Aware of Requirements in State Constitution or Law. A variety of state requirements can serve as a barrier to local collaboration. For example, state law requires a referendum to shift an office from elective to appointed. In a number of instances, this has frustrated town and village attempts to share or jointly appoint municipal officials.

Deal With Lack of Co-terminality of Local Boundaries. School district boundaries are often not coterminous with those of general purpose governments. Village boundaries may cross county or town lines. A collaboration with a few municipalities within a school district might be seen as undertaken without benefiting other parts of the district, but calling upon them to share costs. In such instances, it is important to make the anticipated costs and benefits of collaborative efforts clear and fair. Communicating them early and clearly to all affected parties is also essential.

Understand that Those Potentially Disadvantaged Will Resist. In the cases under study the most vigorous resistance came from leaders and employees who feared the loss of their jobs – and organizations that represented them (e.g. employee unions). This opposition must be anticipated, and a plan developed to address concerns and minimize the often short-term costs of change to achieve the longer-term benefits. (See the above discussion of *Its About Collaboration, Not Control*). In particular, remember that local employees find protections in Civil Service law and collective bargaining agreements.

Know that Local History and Experience Counts Heavily. Proposals for collaboration or consolidation occur in historic context; they do not arise in a vacuum. Many local leaders are long serving, and from families that have been in their communities for generations. They know local history; many have made it. Moreover, local experience is the experience most important to them.

Respect the Community and the Idea of Community. Governance structures whose overt purpose is to deliver public service also may be at the center of the social and cultural life of a place; for many residents these structures are at the core of community identity. Faced with the economy/community tradeoff, people will rarely opt for the former over the latter. That is why proponents for change are wise to clearly distinguish an idea of collaborating on delivery of a service or consolidating a single function from a threat to the continued existence of a general purpose government or school district, and – most often – to disavow the later.