

Dissolution: Towns Left “Holding the Bag”

If you have been led to believe that dissolution is only a village matter, think again. The decision to dissolve may be made by village voters, but it’s the Town which must face any post-dissolution consequences.

Ironically, New York State law **does not allow** Town residents to vote on the dissolution of a village within its borders. The law states that “only those impacted” by the dissolution can vote. Ask any town resident who has lived through a dissolution process: the impact upon a town, its services, and its budget can be significant.

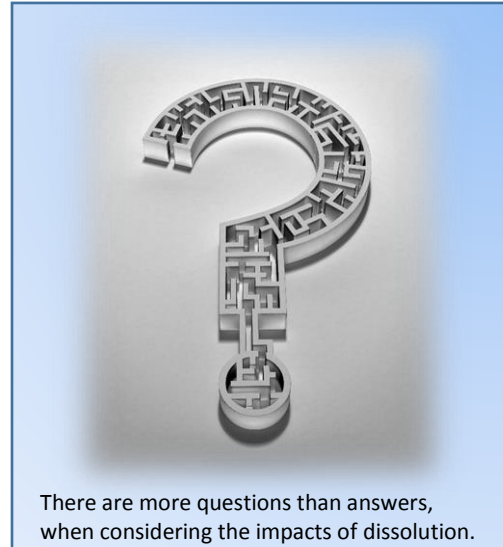
Pro-dissolution statements about duplication, redundancy and economy of scale have wide and strong appeal. We haven’t met anyone yet who *wouldn’t* like to see their taxes lowered. The promise of reducing annual expenses for a family household can garner enthusiastic support. Such promises create high expectations among residents – for results the Town must deliver. After dissolution, all eyes focus on the town board. Residents can point to clearly stated objectives of dissolution:

- (Former) village residents expect substantial reductions in their tax bill;
- Services are expected to continue – as residents are accustomed to;
- Everyone expects to see the cost of government services reduced.

In addition, Town officials can receive loud and extreme responses to the often unacceptable impacts for former “town outside of village” (TOV) residents:

- Town residents don’t want – nor wish to pay for – additional town-wide services;
- Town residents resent paying more general fund taxes (the typical “leveling” out).

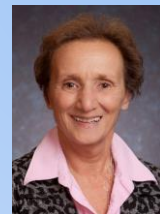
If disgruntled residents aren’t enough to keep town officials squirming, suddenly overworked and underappreciated town employees can add to the chorus. Many dissolution plans identify potential



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“duplications” in staffing – intuitively a good way to increase efficiency. However, when post-dissolution expenses are reduced by eliminating critical “customer service” positions, this can compound impacts: retained employees must carry a heavier workload, while residents may sense a reduction in service levels. Complaints, of course, are directed at Town Hall – and Town officials.

The pressure for Town officials to keep promises they didn’t make – and that are not within their control - can be more than uncomfortable.

In terms of day-to-day operations, there are a number of factors that make it difficult for Towns to seamlessly assume responsibility for a bevy of new post-dissolution services, many of which they’ve never provided before:

- Water / Sewer operations and billing;
- Increased traffic to Town Hall / related staff coverage;
- Congested living areas create new responsibilities for town code enforcement and highway crews (think village snow removal vs. town plowing, for instance);
- Additional municipal assets that require maintenance and supervision: cemeteries, parks, public spaces in the community center;
- Downtown issues: municipal parking, sidewalk maintenance, ornamental lighting, flowers/gardens.

Other “issues” can be created by expanded administrative and accounting duties. Sometimes personnel issues from an enlarged staff are foreign to town officials, who may have never before dealt with unions, for example.

The most significant challenge to post-dissolution success comes from the structural / organizational difference between towns and villages. Where Villages typically have a top-down hierarchy, with staff accountable to a clear chain of command, towns have elected leaders who report only to a voting constituency. When department heads act as independent leaders and solve problems individually, this can result in disconnected “silos” of operation.

In towns where there is no “central” command or personnel direction, there is often no conduit for day-to-day exchange of information – critical in a newly expanded operation. The transition from a centrally managed structure to a town environment can very difficult for staff. If communication between departments is poor, they can work inefficiently, or worse - in contradiction to each other.

Addressing this lack of coordination is problematic due to another structural/organizational predicament for post-dissolution towns: additional responsibility can’t be simply imposed on elected officials, like a Highway Superintendent or Clerk.

In many cases, “shared” or cross-funded supervisory positions formerly held by village staff - such as management of water, sewer, and/or highway crews – won’t fit well within a town

structure. Instead, a Town board may need to allocate duties to multiple supervisors, increasing costs and decreasing efficiency. This is not due to a lack of talent or capability, but rather an organizational issue that the State has never addressed. Duties associated with many familiar town positions are defined by State law. Even if an elected official agrees to take on additional responsibility to smooth a transition, most town boards will recognize that it's merely a temporary solution. A successor could easily say, "No thanks."

We've seen dissolution-related "cost savings" quickly eliminated by the need for additional personnel. Cost of government services can even increase as a result. This is why dissolution planning (and a financial analysis) is critical. A well-stated and understandable plan – one that's actually implementable – is crucial to a successful dissolution.

Under New York General Municipal Law, Article 17-A, a dissolution plan is required following an affirmative vote to dissolve, and the Village Board is responsible for creating it. Board members can assign a public committee to the task, but when completed, it is indeed a Village-authored plan.

Our experience has taught us that there are problems with this – and the dissolution planning process as it currently stands.

The first is fundamental: The State is effectively requiring one municipality to write a plan for another.

The second problem is tied to human nature. We've seen a disturbing but "natural" assumption affect the perception of community residents. When the people most knowledgeable -- who are directly involved in village services -- question initial claims of "savings" and "efficiency," residents doubt their credibility. Often the operational experience and financial expertise of Village officials and personnel are discarded. When these same individuals are tasked with the responsibility of writing and implementing a dissolution plan, the public can be critical.

There are other challenges to Village planning for Town services. Town budgets are very different from village budgets. As we've discussed, personnel and department responsibilities are divided differently. The organizational structure is different. In the absence of effective planning – one that takes these organizational differences into account - dissolution can create a "chimera" of local government operations, one with potential to become a financial and functional monster.

Finally, and perhaps most importantly, regardless of the statutory responsibility to complete a dissolution plan, there is no equivalent responsibility for the Town to follow it. Even the very best of plans can be set aside altogether.

There have been 12 village dissolutions in the past five years alone. The State-encouraged "path to property tax reduction" is gaining attraction in today's tough economic climate.

Unfortunately, it's difficult to draw universal conclusions from unique dissolution experiences. Furthermore, post-dissolution services and experiences can be influenced by many factors, including the personalities of those in leadership roles.

Our thought: the dissolutions which have occurred should be studied. The process should be reviewed and amended. Perhaps towns should be tasked with the responsibility to prepare dissolution plans, given their responsibility to deliver services post-dissolution. Minimally, we recommend that town officials take a proactive role in determining the level and cost of post-dissolution services.

You are the individuals who must face the most significant political and social consequences, should dissolution occur in your community. As politically volatile - and personally uncomfortable - as the discussion may seem, your participation may make all the difference in creating a future of successful collaboration.

As Town Board members, if you're left holding the bag after dissolution, then every attempt should be made to fill it with promises you can afford – and would actually want to keep.