

# **Fiscal Impacts and Municipal Options**

for

The Town and Village of Alfred, New York

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Michael R. Hattery  
Cornell Local Government Program  
Department of Agricultural, Resource, and Managerial Economics  
College of Agriculture and Life Sciences  
207 Warren Hall  
Cornell University  
Ithaca, NY 14850

## Executive Summary

The purpose of this report is to assess some of the implications of changes in service delivery and/or municipal form of the Village of Alfred and Town of Alfred in Allegany County, New York. The report contains two major assessments. First, there is an overview of services, revenues and expenditures for the Town and Village of Alfred. This is contained in the section titled, **Fiscal and Service Delivery Profile**. The revenue and expenditure items are based on budgeted figures for the Town's 1999 fiscal year and the Village's 1998-99 fiscal year. The report contains a detailed item by item review of service expenditures followed by a summary. Second, in the section titled, **Summary of Options and Fiscal Impacts**, seven organizational and policy options are reviewed. Each of these options is evaluated with regard to the impact on town and village tax rates.

The combined service and financial summary did not provide support for the creation of a single municipal unit through either village dissolution, the creation of a coterminous town-village, or joint incorporation as a city. There is already substantial service provision integration either through a single provider/producer that contracts with the other government or through other means. Service provision by a single unit that serves portions of both municipalities exists in following areas: police services, justice court, emergency medical services, water, sewer, and the assessment of property. In other instances, the service needs of the two municipalities are relatively distinct. Local street and highway services and planning and zoning typify the distinctiveness of service needs between the municipalities. Most opportunities for cooperation and consolidation of services and administrative activities can be achieved without forming a single government. The costs of maintaining two governments that could only be eliminated by creating a single government constitute about 1% of the combined spending of the town and village.

There appears to be substantial property tax relief from several options that are summarized in Table 3, below. The creation of a city from the village or the combined town and village would lead to significant tax savings for the village in both cases (Options 3 and 4). The town would suffer increased property tax rates with village only incorporation as a city and benefit from decreased tax rates under the combined option. Countywide sales tax sharing based on population would provide greater tax relief for the town and village than incorporation as a city, under the assumptions used in this analysis (Option 6). Tax sharing on the basis of population would eliminate the village tax rate along with additional surplus sales tax revenues. If countywide sales tax sharing was based on assessed value, the village would fare less favorably and the town outside village property tax rates would be the lowest of any option evaluated (variation on Option 6). Substantial tax savings result for village residents if the town were to move the expenses for town highway equipment and snow removal to the town-outside-village portion of the highway budget (Option 5). This shift of expenses would increase tax rates on town outside village property.